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**RPC 瑞豐石化**

**Ruifeng Petroleum Chemical Holdings Limited**  
**瑞豐石化控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8096)**

## **INSIDE INFORMATION**

This announcement is made by Ruifeng Petroleum Chemical Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 17.10 of the Rules (“**GEM Listing Rules**”) Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the laws of Hong Kong).

The board (the “**Board**”) of directors of the Company (the “**Directors**” and each a “**Director**”) wishes to update the shareholders of the Company (“**Shareholders**”) and potential investors on certain situations and development of the Company and the Group short of the publishing the annual results and report of the Company for the year ended 31 December 2012 (“**2012 Annual Report**”) and those for subsequent periods to-date (the “**Results Announcements**”, “**Reports**”), which the Directors will endeavor to publish as soon as possible.

This announcement further up-dates the Shareholders and potential investing public since the announcement published on 6 January 2014. Unless otherwise specified, terms used herein shall have the same meaning as those defined in that announcement. Figures quoted below in this announcement are approximate ones reflected in the management accounts of the Group and which have not been confirmed by the auditors of the Company.

## **BUSINESS OPERATIONS**

### **(A) Oil processing and storage business in Foshan, China**

The oil processing and storage businesses are undertaken by Foshan Ruifeng and its major subsidiaries in Foshan City, Guangdong Province, China.

Although the shortage of cash continued to limit the ability of the Group to secure business from oil owners, revenue has picked up substantially resulting in revenue rose from HK\$4,500,000 for the 9 months ended 30 September 2013 to HK\$5,500,000 for the 3 months ended 31 December 2013. From secured orders received, the Directors are projecting a revenue figure of HK\$3,500,000 for the first quarter this year ending 31 March 2014.

The increase in revenue has been the results of the continued great efforts to secured order by the Group's management, the continued support of the Foshan City Government and the support of oil owners customers and their increasing confidence in the Group.

At this stage of slow recovery, gross profit has been deliberately kept low to secure business. However, the Directors are hopeful of a better return from operations for the whole year of 2014 when total revenue will substantial pick up and putting the Group more in a position to negotiate price increases.

### **(B) IT operation in Singapore**

In addition to the oil business above the Group owns a smaller scale IT operation in Singapore now mainly in the distribution of computer user software through its wholly own subsidiaries.

For the year ended 31 December 2013, this IT business generated total revenue of SGD616,800 (approximately HK\$3,763,000). The Directors are considering exerting greater efforts on this operation so that the business of the Group can be more diversified.

## **LITIGATIONS IN CHINA**

Banks, suppliers and money lenders brought lawsuits against Foshan Ruifeng, out of which 31 lawsuits involved the Company as guarantor for the debts. As at the date of this announcement, all these 31 cases are closed with judgment debt principals totaling HK\$992,000,000 and accrued interests and expenses totaling HK\$272,500,000 booked in the accounts of the Group as at 31 December 2013.

Foshan Ruifeng, together with the other named defendants, has been discussing with the judgment creditor banks and suppliers to defer the payment of the judgment debts, accrued interests and expenses.

## **LITIGATIONS IN HONG KONG**

The petition by a high interest lenders for the winding up of the Company was withdrawn after it has assigned the entire loan and accrued interests to Mr. Chan Wai Lun, Anthony, executive director and Chairman of the Company, as disclosed in the announcement of the Company dated 19 February 2014. The amount involved has been recorded in the books of the Company as a loan to the Company from Mr. Chan.

The litigation involving Mr. Xu Ziming, being HCA450/2013, the details of which were disclosed in the announcement of the Company dated 21 August 2013 was stayed, pending the final outcome of the winding-up petition above. As at the date of this announcement, proceedings have not resumed. The parties have been in touch for possible solutions to the dispute.

## **SUPPORT FROM FOSHAN CITY GOVERNMENT ( 佛山市政府 ) AND GUANGDONG MONETARY BUREAU ( 廣東銀監局 )**

The Group continues to get the support of the Foshan City Government and the Guangdong Monetary Bureau in regard to the debt problems being faced by Foshan Ruifeng and Company with the view of maintaining the stability in the city, the healthy credit system and protect the interests of the creditor banks. Under their promulgation, a joint committee of all creditor banks of Foshan Ruifeng was formed under the direct leadership of Guangdong Monetary Bureau in March 2013.

The formation of the joint committee also enabled Foshan Ruifeng to defer paying the judgment debts, accrued interests and litigation expenses to the banks and suppliers, and the continued access and use of the production facilities which were pledged to the leading bank, Foshan Branch of Agricultural Bank of China.

Such support of the bodies generally views a restructuring of the Group as a possible solution now being faced by the stake holders.

## **GROUP RESTRUCTURING**

The Board is considering a restructuring program of the Group and engaged a reputable financial advisor firm as independent financial advisors (“**IFA**”) to advise the audit committee of the Board (“**Audit Committee**”) in September 2013 on the situation of the Group and any possible action(s) the Group can proceed in the direction towards resumption in trading of the shares of the Company on the Stock Exchange.

## **LATEST DEVELOPMENTS**

- a. Both oil processing and oil storage businesses have increased with some contracts sign lasting to the end of 2014, and beyond.
- b. In anticipation of better business, recruitment has been put to hand to increase the factory work force at Foshan Ruifeng.
- c. Uncertainties and debt size arguments are gradually being cleared with the courts awarding judgment debts or endorsing mediation reports between Foshan Ruifeng and the creditors. This helps the Directors in their decision for restructuring.
- d. A special 4-member task force of professionals, including 2 members from a third party PRC practising accountants firm, the financial advisor and a legal advisor of the Company, has been formed to work with their counterparts of various creditors/debtors of Foshan Ruifeng to ascertain and verify the figures with these creditors/debtors. The task force works under the co-ordination of Foshan City Government. Related work has already started middle of March 2014.

The efforts of the task force, when completed with those relevant creditor(s)/debtor(s), will help (i) clarify the financial position of the Group, (ii) fill in the IFA Report to be published, (iii) assist Directors in making their decisions for the restructuring and (iv) also help the auditors in completing the audit process for the years ended 31 December, 2012 and 2013.

## **MOVING FORWARD**

Once the decision to restructure has been taken in sufficient details, the Company will submit plans to the appropriate regulators and publish further announcement(s) for the information of the Shareholders and the investing public.

In the meantime, the Company is working to satisfy the trade resumption conditions required by the Stock Exchange as disclosed in the announcement of the Company on 25 September 2013.

**The Company will publish further announcement(s) to up-date the Shareholders and potential investors on any further development and towards the publication of the results and reports of the Group since the 2012 Annual Report.**

**As disclosed in the announcements of the Company dated 2 April 2013 and 25 September 2013, trading in its shares on the Stock Exchange was suspended with effect from 9:00 a.m. on 2 April 2013 until the conditions of the Stock Exchange as disclosed in the announcement dated 25 September 2013 are satisfied. Trading of the shares of the Company will remain suspended until further notice.**

**Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.**

By order of the Board of  
**Ruifeng Petroleum Chemical Holdings Limited**  
**Chan Wai Lun, Anthony**  
*Chairman*

Hong Kong, 24 March 2014

*As at the date of this announcement, the executive Directors are Mr. Chan Wai Lun, Anthony (Chairman), Mr. Yue Wai Keung (Chief Executive Officer) and Mr. Guo Jingsheng; the non-executive Director is Mr. Chan Kwan Pak; and the independent non-executive Directors are Dr. Chen Tzyh-Trong, Dr. Lee Chung Mong and Mr. Chong Chi Wah.*

*This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive; and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

*This announcement will remain on the “Latest Company Announcements” page of the GEM Website at [www.hkgem.com](http://www.hkgem.com) for a minimum period of seven days from the day of its publication and on the website of the Company at [www.ruifengholdings.com](http://www.ruifengholdings.com).*