

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



**SUPPLEMENTAL VOLUNTARY ANNOUNCEMENT
IN RELATION TO THE ACQUISITION OF
60% EQUITY INTEREST IN ZHEN HUA COMPANY LIMITED**

Reference is made to the announcement of the Company dated 2 August 2013 in relation to the acquisition of 60% equity interest in Zhen Hua Company Limited (the “Announcement”). Capitalized term used herein shall have the same meanings as those defined in the Announcement.

The Company would like to provide additional information regarding the Acquisition as follows:

1. In determination of the consideration of the Acquisition, the Company has considered (i) the future economic benefits that can be generated from Licence 253 and Licence 341 in respect of Kenya Mine 253 and Kenya Mine 341 respectively; (ii) the expected financial position of the Target upon completion of the Acquisition; (iii) the uncertainty on reserves and resources of Kenya Mine 253 and Kenya Mine 341; (iv) the uncertainty on the value of the Licence 253 and Licence 341 in respect of Kenya Mine 253 and Kenya Mine 341; (v) the uncertainties on the costs, and technologies to be employed, for development of Kenya Mine 253 and Kenya Mine 341; and (vi) the social and political risks in Kenya.

The Directors consider that the investment risk in this project is relatively high at this moment but such uncertainties can be removed with further analysis and research. Given that (i) no reserve data of Kenya Mine 253 and Kenya Mine 341 are available at the moment and the development potential of Kenya Mine 253 and Kenya Mine 341 is uncertain; (ii) the initial exercise price of HK\$1.38 per Option Share under the Option represents a premium of approximately 26.6% over the closing price of HK\$1.090 per Share as quoted on the Stock Exchange on the date of the Acquisition Agreement and it is higher than the closing price of the Shares throughout the past six months immediately preceding the date of the Acquisition Agreement; (iii) the Option is out of money; and (iv) the Option has a relatively short exercise period of six months, the Directors consider that the total consideration of HK\$1, which comprises cash

consideration of HK\$1 and the grant of the Option which has a zero value, for the Acquisition is fair and reasonable and in the interests of the Company and its Shareholders as a whole.

2. According to the terms and conditions of the Licence 253 and Licence 341, in the event that the licensee having observed all its obligations under the licences, it shall be entitled to such further or other rights over Kenya Mine 253 and Kenya Mine 341 or any part or parts of Kenya Mine 253 and Kenya Mine 341 or to the grant of a special mining lease or leases for a period not exceeding twenty-one years as provided by the Mining Act of Kenya.

The Target has fulfilled its past responsibilities and obligations stipulated under the Licence 253 but it has not been granted the special mining lease yet. However, according to the Mining Act of Kenya, the holder of a location shall have the right to enter upon the land, the subject of the location, and the exclusive right to prospect and mine thereon, or to mine thereon, and to remove therefrom and dispose of the minerals in respect of which the location has been registered. Certain areas in Kenya Mine 253 have been registered by the Target and thus the Target has the right to mine on those registered areas in accordance with the Mining Act of Kenya. As the Target has not fulfilled all its obligations under the Licence 341, the Target has not obtained any mining right in respect of Kenya Mine 341.

After the implementation of the exploration works organized by the Target, it was discovered that there is a large volume of ore zone in Kenya Mine 253 which has a promising copper content. The Target has obtained certain ore from Kenya Mine 253 and such ore has a copper content of 5.29%. The Target has already sold 60 tons of the ore to a corporation in China.

By order of the Board
Hoifu Energy Group Limited
Dr. Hui Chi Ming, G.B.S., J.P.
Chairman

Hong Kong, 15 August 2013

As at the date of this announcement, the Honorary Chairman and Senior Consultant of the Company is Dr. Yukio Hatoyama; the Board comprises five executive Directors, namely, Dr. Hui Chi Ming, G.B.S., J.P., Mr. Neil Bush, Dr. Chui Say Hoe, Mr. Lam Kwok Hing and Mr. Nam Kwok Lun; and three independent non-executive Directors, namely, Mr. Chen Weiming, Eric, Mr. Kwan Wang Wai, Alan and Mr. Ng Chi Kin, David.