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## **SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE**

On 21 November 2013 (after trading hours), the Company entered into two separate Subscription Agreements with two Subscribers respectively, being independent third parties, pursuant to which the Company has conditionally agreed to issue, and the Subscribers have conditionally agreed to subscribe for, the Subscription Shares at an issue price of HK\$1.42 per Subscription Share.

The issue price of the Subscription Shares represents (i) a discount of approximately 8.97% to the closing price of HK\$1.56 per Share as quoted on the Stock Exchange on the Last Trading Day; (ii) a discount of approximately 9.44% to the average closing price of HK\$1.568 per Share for the last five trading days immediately prior to and including the Last Trading Day; (iii) a discount of approximately 7.43% to the average closing price of HK\$1.534 per Share for the last ten trading days immediately prior to and including the Last Trading Day; and (iv) a premium of approximately 706.82% over the net asset value of approximately HK\$0.176 per Share.

The Subscription Shares represent (i) approximately 2.20% of the existing issued share capital of the Company; and (ii) approximately 2.15% of the issued share capital of the Company as enlarged by the issue of the Subscription Shares. The Subscription Shares will be issued under the general mandate granted to the Directors at the annual general meeting of the Company held on 27 June 2013.

Completion of the Subscription is conditional upon the Listing Committee of the Stock Exchange having granted approval for the listing of, and permission to deal in, the Subscription Shares.

The gross proceeds from the Subscription will be HK\$45,440,000 and the net proceeds from the Subscription, after deduction of related expenses of approximately HK\$200,000, is estimated to be approximately HK\$45,240,000, of which approximately HK\$2,840,000 is intended to be used for general working capital while the remaining balance of approximately HK\$42,400,000 is intended to be used for funding the proposed investments of the Group.

## **INTRODUCTION**

On 21 November 2013 (after trading hours), the Company entered into two separate Subscription Agreements with two Subscribers respectively, pursuant to which the Company has conditionally agreed to issue, and the Subscribers have conditionally agreed to subscribe for, the Subscription Shares at an issue price of HK\$1.42 per Subscription Share.

## **THE SUBSCRIPTION AGREEMENTS**

### **Date**

21 November 2013

### **Parties to the Subscription Agreements**

Issuer: the Company

Subscribers: Mr. Chen Weiwen and Mr. Fan Chun Sing

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Subscribers are third parties independent of the Company and connected persons of the Company.

### **Issue price of the Subscription Shares**

The issue price of the Subscription Shares of HK\$1.42 per Subscription Share represents (i) a discount of approximately 8.97% to the closing price of HK\$1.56 per Share as quoted on the Stock Exchange on the Last Trading Day; (ii) a discount of approximately 9.44% to the average closing price of HK\$1.568 per Share for the last five trading days immediately prior to and including the Last Trading Day; (iii) a discount of approximately 7.43% to the average closing price of HK\$1.534 per Share for the last ten trading days immediately prior to and including the Last Trading Day; and (iv) a premium of approximately 706.82% over the net asset value of approximately HK\$0.176 per Share, calculated based on the consolidated net asset attributable to owners of the Company of approximately HK\$255,872,000 as at 30 June 2013 and the total number of issued Shares of 1,456,843,612 as at the date of the Subscription Agreements.

The issue price of the Subscription Shares was arrived at after arm's length negotiations between the Company and the Subscribers with reference to the prevailing market price of the Shares and the current market conditions.

The aggregate subscription price of HK\$45,440,000 shall be payable by the Subscribers to the Company in cash upon completion of the Subscription.

### **Subscription Shares**

30,000,000 new Shares and 2,000,000 new Shares will be issued to Mr. Chen Weiwen and Mr. Fan Chun Sing respectively under the Subscription. The Subscription Shares represent (i) approximately 2.20% of the existing issued share capital of the Company; and (ii) approximately 2.15% of the issued share capital of the Company as enlarged by the issue of the Subscription Shares.

The Subscription Shares will rank pari passu in all respects with all other Shares in issue and will entitle the holders to all dividends, and other distributions, rights or entitlements the record date for which falls after the date of issue and allotment of the Subscription Shares. The Subscription Shares will be issued under the general mandate granted to the Directors at the annual general meeting of the Company held on 27 June 2013, under which the maximum number of Shares which may be allotted and issued is 291,368,722 Shares. As at the date of this announcement, the Company has not allotted or issued any Share under the aforementioned general mandate. Application will be made by the Company for the listing of, and permission to deal in, the Subscription Shares on the Stock Exchange.

### **Conditions precedent**

Completion of the Subscription is conditional upon the Listing Committee of the Stock Exchange having granted approval for the listing of, and permission to deal in, the Subscription Shares, and shall take place within five business days after the date on which the condition precedent of the Subscription having been satisfied.

### **Others**

Save for the identities of the Subscribers and the number of Shares to be subscribed for under the Subscription Agreements, all other terms of the two Subscription Agreements are identical. The two Subscription Agreements are independent and not conditional to each another.

### **REASONS FOR THE SUBSCRIPTION AND USE OF PROCEEDS**

The gross proceeds from the Subscription will be HK\$45,440,000 and the net proceeds from the Subscription, after deduction of related expenses of approximately HK\$200,000, is estimated to be approximately HK\$45,240,000, of which approximately HK\$2,840,000 is intended to be used for general working capital while the remaining balance of approximately HK\$42,400,000 is intended to be used for funding the proposed investments of the Group, including but not limited to the subscription for 51% equity interest of 廣西欽州恒源石化有限公司 (Guangxi Qinzhou Hengyuan Petrochemical Co., Ltd.\*) by way of capital injection and the acquisition of 51% equity interest in each of 廣西晨曦燃氣有限公司 (Guangxi Chenxi Gas Co., Ltd.\*) and 北海天翔航空油料儲運有限責任公司 (Beihai Tianxiang Aviation Oil Storage and Transportation Co., Ltd.\*) as set out in the announcement of the Company dated 3 October 2013. The net issue price per Subscription

Share will be approximately HK\$1.414. The Directors consider that the Subscription shall provide immediate funding to the Group at a reasonable cost to support the investments of the Group and broaden the capital base of the Company.

The Directors consider that the terms of the Subscription Agreement, which were negotiated on an arm's length basis and agreed on normal commercial terms between the parties involved, are fair and reasonable, and the Subscription is in the interest of the Company and the Shareholders as a whole.

## FUND RAISING ACTIVITIES IN THE PAST 12 MONTHS

The Company has not conducted any fund raising activity in the twelve months immediately preceding the date of this announcement.

## SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is a summary of the shareholding in the Company as at the date of this announcement and, for illustrative purposes only, upon completion of the Subscription, assuming there being no other changes in the issued share capital and the shareholding structure of the Company after the date of this announcement.

	As at the date of this announcement		Upon completion of the Subscription	
	Number of Shares	%	Number of Shares	%
Triumph Energy Group Limited (Note 1)	924,139,143	63.43	924,139,143	62.07
J&A Investment Limited (Note 2)	128,718,000	8.84	128,718,000	8.65
The Subscribers	—	—	32,000,000	2.15
Other public Shareholders	<u>403,986,469</u>	<u>27.73</u>	<u>403,986,469</u>	<u>27.13</u>
	<u>1,456,843,612</u>	<u>100.00</u>	<u>1,488,843,612</u>	<u>100.00</u>

Notes:

1. Triumph Energy Group Limited is owned as to 45.84% by Taiming Petroleum Group Limited, which is wholly-owned by Dr. Hui Chi Ming, a Director, 37.5% by AMA Energy Group Limited, which is owned as to 91.5% by Dr. Hui Chi Ming and 8.5% by Mr. Wang Xinqing, and 16.66% by Simply Superb Holdings Limited, which is owned as to 51% by Mr. Zhao Ying and 49% by Mr. Xu Zhenhui as at the date of this announcement.
2. J&A Investment Limited is owned as to 80% by Mr. Lam Kwok Hing, a Director, and 20% by Mr. Nam Kwok Lun, a Director, as at the date of this announcement.

## INFORMATION ON THE GROUP

The Company is an investment holding company and the Group is principally engaged in the provision of financial services (including stockbroking, futures and options broking, mutual funds and insurance-linked investment plans and products advising, securities margin financing and provision of corporate finance advisory services), oil and gas exploration and production and trading of natural resources and petrochemicals.

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the following meanings:

“Board”	the board of Directors
“Company”	Hoifu Energy Group Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the main board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Last Trading Day”	21 November 2013, being the last trading day before the publication of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Share(s)”	ordinary share(s) of HK\$0.1 each in the issued share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscribers”	Mr. Chen Weiwen and Mr. Fan Chun Sing
“Subscription”	the subscription of the Subscription Shares by the Subscribers in accordance with the terms and conditions of the Subscription Agreements
“Subscription Agreements”	two subscription agreements dated 21 November 2013 entered into between the Company and each of the Subscribers in relation to the Subscription
“Subscription Share(s)”	an aggregate of 32,000,000 new Shares to be issued by the Company to the Subscribers upon completion of the Subscription Agreements

“%”

per cent

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

Hong Kong, 21 November 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.*

*\* for identification purpose only*