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TERMINATION OF TRANSACTIONS

As certain conditions precedent of the agreements, inter alia, completion of due diligence to the satisfaction of the Company, had not been fulfilled by the agreed long-stop dates and the parties to the transactions failed to agree on an extension of time to fulfill the conditions precedent for completion of the transactions, the agreements pertaining to the Yuchai Acquisition, Capital Injection and Chenxi & Tianxiang Acquisition were terminated with effect from 31 March 2014, 1 April 2014 and 1 April 2014 respectively.

TERMINATION OF YUCHAI ACQUISITION

Reference is made to the announcement of Hoifu Energy Group Limited (the “Company”) dated 5 February 2014 in relation to, among other things, the acquisition of 70% equity interest in 廣西玉柴石油化工有限公司 (Guangxi Yuchai Petrochemical Co., Ltd.*) by 廣西凱富能源有限公司 (Guangxi Hoifu Energy Limited*), a wholly-owned subsidiary of the Company (the “Yuchai Acquisition”).

Pursuant to the sale and purchase agreement dated 12 January 2014 pertaining to the Yuchai Acquisition (“Yuchai Acquisition Agreement”), completion of the Yuchai Acquisition shall take place on the date on which all the conditions precedent of the Yuchai Acquisition having been satisfied. If the conditions shall not have been fulfilled by 30 March 2014 or such later date as the parties to the Yuchai Acquisition Agreement may agree in writing, the Yuchai Acquisition Agreement shall terminate and of no effect.

Since certain conditions precedent had not been fulfilled by the long stop date of 30 March 2014 and the parties to the Yuchai Acquisition Agreement failed to agree on an extension of time to fulfill the conditions precedent for completion of the Yuchai Acquisition, the parties mutually agreed not to proceed with the Yuchai Acquisition and the Yuchai Acquisition Agreement was terminated with effect from 31 March 2014. The directors of the Company (the “Directors”) believe that the termination of the Yuchai Acquisition shall have no material adverse impact on the Company and its Shareholders.

TERMINATION OF THE CAPITAL INJECTION

References are made to the announcements of the Company dated 3 October 2013, 30 October 2013, 31 October 2013, 27 November 2013, 30 December 2013, 4 February 2014, 5 February 2014 and 3 March 2014 in relation to, among other things, the injection of additional capital of RMB140,000,000 by Guangxi Hoifu Energy Limited into 廣西欽州恒源石化有限公司 (Guangxi Qinzhou Hengyuan Petrochemical Co., Ltd.*) (the “Capital Injection”).

Pursuant to the supplemental agreement dated 28 February 2014 in relation to the Capital Injection (the “Capital Injection Supplemental Agreement”), the long stop date for fulfillment of the conditions precedent for completion of the Capital Injection was extended to 31 March 2014. However, since certain conditions precedent to the completion of the Capital Injection, inter alia, completion of due diligence on Qinzhou Hengyuan Petrochemical Co., Ltd and its subsidiaries to the satisfaction of the Company, had not been fulfilled by the long stop date of 31 March 2014 and the parties to the Capital Injection Supplemental Agreement failed to agree on a further extension of time to fulfill the conditions precedent for completion of the Capital Injection, the parties mutually agreed not to proceed with the Capital Injection and the agreements pertaining to the Capital Injection were terminated with effect from 1 April 2014. The Directors believe that the termination of the Capital Injection shall have no material adverse impact on the Company and its Shareholders.

TERMINATION OF THE CHENXI & TIANXIANG ACQUISITION

Reference is made to the announcements of the Company dated 3 October 2013, 30 October 2013, 4 November 2013, 27 November 2013, 30 December 2013, 4 February 2014 and 3 March 2014 in relation to, among other things, 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公司 (Beihai Tianxiang Aviation Oil Storage and Transportation Co., Ltd.*) by 廣西凱富石油有限公司 (Guangxi Hoifu Petroleum Limited*), a wholly-owned subsidiary of the Company (the “Chenxi & Tianxiang Acquisition”).

Pursuant to the supplemental agreement dated 28 February 2014 in relation to the Chenxi & Tianxiang Acquisition (the “CT Acquisition Supplemental Agreement”), the long stop date for fulfillment of the conditions precedent for completion of the Chenxi & Tianxiang Acquisition was extended to 31 March 2014. However, since certain conditions precedent to the completion of the Chenxi & Tianxiang Acquisition, inter alia, completion of due diligence on Guangxi Chenxi Gas Co., Ltd and Beihai Tianxiang Aviation Oil Storage and Transportation Co., Ltd. to the satisfaction of the Company, had not been fulfilled by the long stop date of 31 March 2014 and the parties to the CT Acquisition Supplemental Agreement failed to agree on a further extension of time to fulfill the conditions precedent for completion of the Chenxi & Tianxiang Acquisition, the parties mutually agreed not to proceed with the Chenxi & Tianxiang Acquisition and the agreements pertaining to the Chenxi & Tianxiang Acquisition were terminated with effect from 1 April 2014. The Directors believe that the termination of the Chenxi & Tianxiang Acquisition shall have no material adverse impact on the Company and its Shareholders.

The Company will continue to explore other suitable investment opportunities to further enhance the value of the Group.

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

Hong Kong, 31 March 2014

** for identification purpose only*

As at the date of this announcement, 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.