

*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.*



## **ANNOUNCEMENT IN RELATION TO THE DEVELOPMENT OF THE MINES IN KENYA**

On 5 June 2015, Hoifu Mineral Resources, a wholly-owned subsidiary of the Company, and Guangxi Power Engineering, an independent third party, entered into the Agreement, pursuant to which, Guangxi Power Engineering shall provide engineering construction services for Kenya Copper Mine 253 and Kenya Gold Mine 341.

The board of directors (the “Board”) of Hoifu Energy Group Limited (the “Company”) is pleased to announce that Hoifu Mineral Resources Holdings Limited (“Hoifu Mineral Resources”), a wholly-owned subsidiary of the Company, entered into a contracting agreement for mining and stripping of copper and gold deposits (the “Agreement”) with 中國能建廣西電力工程建設有限公司 (China Energy Guangxi Power Engineering Construction Co., Ltd.\*) (“Guangxi Power Engineering”) on 5 June 2015. Pursuant to the Agreement, Guangxi Power Engineering shall be responsible for the engineering construction for mining and processing of Kenya Copper Mine 253 and Kenya Gold Mine 341 (as defined below), including the provision of management personnel, equipments and other facilities. The contracting fee shall be settled by cash, ordinary shares of the Company (the “Shares”) or convertible notes (the “Convertible Notes”) to be issued by the Company or any combination of the above, provided that the issue of the Shares and/or the Convertible Notes shall be fully complied with the relevant requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The issue price of the Shares and conversion price of the Convertible Notes to be issued to Guangxi Power Engineering shall be equal to the average closing price of the Shares for the last three trading days immediately prior to, and including, the settlement date of the project.

Hoifu Mineral Resources is an investment holding company holding 65% equity interest of Zhen Hua Company Limited, a company principally engaged in the exploration, exploitation and production of minerals. Zhen Hua Company Limited owns 100% interest in the rights granted by the authority in Kenya to prospect and explore for industrial minerals lying and being in or under a mine with an area of approximately 1,056 square kilometers situated in Kitui District Eastern Province, Kenya (“Kenya Copper Mine 253”) and to prospect and

explore for gold, iron ore and non-precious minerals lying and being in or under a mine with an area of approximately 417 square kilometers situated in Nandi County, Kenya (“Kenya Gold Mine 341”).

Guangxi Power Engineering, a large state-owned enterprise established under the laws of the PRC, is a member of 中國能源建設集團有限公司 (China Energy Engineering Group Co., Ltd.\*). China Energy Engineering Group Co., Ltd. is an extra large state-owned energy engineering group under the direct administration of the State-owned Assets Supervision and Administration Commission of the State Council with a registered capital of RMB26 billion and is principally engaged in the provision of engineering construction services, including power planning and engineering consultation, engineering, construction, project management, equipment manufacturing, investment and operation. It has been engaged in a vast number of large-scale infrastructure construction projects in relation to hydropower, thermal power, nuclear power, new energy, power grid, water conservancy, coal mining, petrochemical, transportation and public facilities, smelting and housing in over 80 countries and regions around the World. It was ranked the 465th in the Fortune Global 500 in 2014 and the 32nd among the State-owned Enterprises with Class A Performance. In 2014, it recorded a revenue of over RMB180 billion and had total assets of over RMB220 billion and 160,000 employees. Guangxi Power Engineering is a power construction enterprise with the qualification of Grade A general contractor in power engineering, mine development and management and housing construction accredited by China Ministry of Construction. Its core business is contracting of engineering construction projects mainly in relation to thermal power, hydropower, wind power, electric transmission and transformation, biomass power generation, power plant maintenance, housing construction, mine exploration, exploitation and operation, municipal construction, road and bridge, gas pipeline and gas station. It has extensive experiences in construction of large-scale power plants, power stations, water conservancy and hydropower, gas pipe network, gas stations, highways and civil buildings in China and overseas. To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, Guangxi Power Engineering and its ultimate beneficial owner(s) are third parties independent of the Company and connected persons of the Company.

The directors of the Company considers that the participation of Guangxi Power Engineering in the contracting works for mining and stripping of the Company’s gold and copper mines in Kenya shall have positive effects on the development of the Company’s gold and copper mining business in Kenya.

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

Hong Kong, 5 June 2015

*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