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**SUPPLEMENTAL ANNOUNCEMENT
IN RELATION TO
A MAJOR AND CONNECTED TRANSACTION**

References are made to the announcements of Hoifu Energy Group Limited (the “Company”) dated 4 August 2015 and 8 September 2015 in relation to, among others, the acquisition of the entire issued share capital of Oriental Bliss Holdings Limited (the “Announcements”). Capitalized terms used in this announcement shall have the same meanings as those defined in the Announcements, unless otherwise stated.

As set out in the announcement of the Company dated 4 August 2015, the net asset value of the Target amounted to approximately HK\$750 million as at 31 July 2015. The assets of the Target mainly comprised the MSP Equity Interest, representing the total consideration for the acquisition of the MSP Equity Interest paid/payable by the Target. The Target recognized its investment in the MSP Equity Interest at the fair value of the MSP Equity Interest, which was determined based on the indicative value of the fair value of Madagascar Southern Petroleum, in accordance with Hong Kong Accounting Standards 39 Financial Instrument: Recognition and Measurement issued by Hong Kong Institute of Certified Public Accountants (“HKICPA”).

Madagascar Southern Petroleum owns 100% interest of the exploration, exploitation and operation rights as well as the profit sharing rights of Oilfield Block 3112 (the “Rights”) through the Production Sharing Contract entered into between Madagascar Southern Petroleum and OMNIS. According to Hong Kong Financial Reporting Standard 6 Exploration for and Evaluation of Mineral Resources issued by HKICPA, exploration and evaluation assets shall be measured at cost. As there were no initial costs on acquiring the Rights, the cost of exploration and evaluation assets recognized in the financial statements of Madagascar Southern Petroleum is zero in value and the fair value of the Rights is not reflected in the financial statements of Madagascar Southern Petroleum. Accordingly, Madagascar Southern Petroleum had net liabilities of approximately US\$4.1 million (equivalent to approximately HK\$31.8 million) as at 31 December 2014 as disclosed in the announcement of the Company dated 8 September 2015.

Given that fair value of MSP Equity Interest is used in the recognition of the Target's investment in the MSP Equity Interest while the book value of Madagascar Southern Petroleum does not reflect the fair value of the Rights, there is a significant difference between the net asset value of the Target as at 31 July 2015 and the net liabilities of Madagascar Southern Petroleum as at 31 December 2014. A reconciliation of the net liabilities and adjusted fair value of Madagascar Southern Petroleum as at 31 December 2014 is set out below for illustrative and reference purpose only.

HK\$'000

Book value of Madagascar Southern Petroleum as at 31 December 2014	(31,800)
Adjustment for the fair value of the Rights	<u>15,000,000</u>
Adjusted fair value of Madagascar Southern Petroleum as at 31 December 2014	<u><u>14,968,200</u></u>

On 23 September 2015, Madagascar Southern Petroleum informed the Company that a loan from ultimate controlling party, Dr. Hui Chi Ming, in the amount of approximately US\$79.2 million (equivalent to approximately HK\$613.8 million) as at 31 December 2014 has been waived by its ultimate controlling party. Therefore, had the waiver of the loan from ultimate controlling party been taken place on 31 December 2014, the financial position of Madagascar Southern Petroleum would have been changed from net liabilities of approximately US\$4.1 million (equivalent to approximately HK\$31.8 million) as disclosed in the announcement of the Company dated 8 September 2015 to net assets of approximately US\$75.1 million (equivalent to approximately HK\$582.0 million) as at 31 December 2014. Meanwhile, had the waiver of the loan from ultimate controlling party been taken place on 1 January 2014, the net loss before and after taxation of Madagascar Southern Petroleum for the year ended 31 December 2014 would have been changed from approximately US\$0.2 million (equivalent to approximately HK\$1.6 million) respectively as disclosed in the announcement of the Company dated 8 September 2015 to net profit before and after taxation of approximately US\$79.0 million (equivalent to approximately HK\$612.2 million) respectively for the year ended 31 December 2014.

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

Hong Kong, 23 September 2015

For the purposes of this announcement, unless otherwise indicated, conversion of US\$ into HK\$ is calculated at the exchange rate of US\$1 to HK\$7.75. The exchange rate is for illustrative purpose only and does not constitute a representation that any amount has been, could have been, or may be exchanged at this or any other rate at all.

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.