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**COMPLETION OF
THE ACQUISITION OF 65% EQUITY INTEREST IN
BEIBUWAN YUCHAI ENERGY CHEMICAL CO., LTD.**

References are made to the announcements dated 19 December 2013, 27 January 2014, 4 February 2014 and 4 March 2014 and the circular dated 28 February 2014 (the “Circular”) issued by Hoifu Energy Group Limited in relation to, among other things, the acquisition of 65% equity interest in 北部灣玉柴能源化工有限公司 (Beibuwan Yuchai Energy Chemical Co., Ltd.*). Unless otherwise stated, capitalized terms used herein shall have the same meanings as ascribed thereto in the Circular.

The Board is pleased to announce that all conditions precedent to completion of the Acquisition have been fulfilled, and the Acquisition was completed on the date hereof.

The Target has planned to construct an olefins and aromatics manufacturing plant with annual production capacity of 2 million tones at Qinzhou Petrochemical Industrial Park, Qinzhou Port, Guangxi with total area of approximately 2,100 mu, of which 1,873 mu will be used for production while the remaining area will be used for storage. The manufacturing plant shall have 10 heavy oil processing equipments for residue hydro-treating, heavy oil catalytic and gas fractionation etc. and 7 chemical processing equipments for production of styrene, polypropylene, methyl methacrylate, poly(methyl methacrylate), isopropanol, k-resin etc.

The Group has made a series of acquisitions, business rationalization and diversification from 2013 on to expand its business scope, especially in the area of exploration and exploitation of natural resources and production of petrochemicals so as to further improve its profitability. The Directors consider that the Acquisition is in line with the strategic development of the Group and can bring long-term and strategic benefits to the Company. The Directors expect that the Acquisition shall have synergy effect with the Group’s proposed investments in other petrochemical projects in Guangxi. Together with the complimentary advantages of having large-scale petrochemical projects of China National Petroleum Corporation, and preferential policies for China-ASEAN Free Trade Area, in

* For identification purposes only

Qinzhou, Guangxi, it is believed that the Acquisition shall lay a solid foundation and good operating conditions for the Group's long-term development of petrochemical business in Guangxi.

Furthermore, the Directors believe that the Acquisition will broaden the Group's income source in the future and facilitate the further cooperation with Yuchai Machinery. Being a shareholder holding 35% equity interest of the Target, Yuchai Machinery has strong financial strength. Yuchai Machinery and its subsidiaries (collectively, the "Yuchai Machinery Group") is the largest independent diesel engine manufacturer in the PRC which generates annual revenue of over RMB40 billion and annual engine sales volume of 550,000 units. Yuchai Machinery Group manufactures a variety of heavy-duty petroleum, diesel and natural gas engines for use in vehicles, ships, construction machinery, agricultural machinery and electricity generating equipment. It has production bases in various areas, such as Fujian, Jiangsu, Anhui and Shandong. It also has an extensive sales and services network comprising over 20,000 employees, 45 domestic and overseas offices, 3,000 service outlets, 95 overseas services agents and over 4,500 sales outlets for parts. Apart from sales in the PRC, products of Yuchai Machinery Group also reach out to Asia, Europe, America, Africa and Oceania with products sold to over 180 countries and regions.

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

Hong Kong, 7 March 2014

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.