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VOLUNTARY ANNOUNCEMENT ISSUANCE OF CORPORATE BONDS

This is a voluntary announcement made by the board (the “**Board**”) of directors (the “**Directors**”) of Hoifu Energy Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) in relation to the issuance of corporate bonds by the Company (the “**Corporate Bonds**”).

ISSUANCE OF CORPORATE BONDS

The Board is pleased to announce that the Company has appointed agents (the “**Agents**”) to procure or refer independent professional, institutional and other individual or private investors (the “**Subscriber(s)**”) to subscribe for the Corporate Bonds. The Company intends to issue the Corporate Bonds in an aggregate principal amount of up to HK\$50 million bearing interest rate of 7% per annum with maturity ranging from 5 years to 7.5 years from the date of issue.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquires, each of the Agents and the Subscribers and their respective ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**")). The Company will not issue the Corporate Bonds to its connected persons (as defined under the Listing Rules).

REASONS FOR THE ISSUANCE OF CORPORATE BONDS AND USE OF PROCEEDS

The principal activities of the Company include trading of natural resources, petrochemical production, oil and gas exploration and production, mineral mining business and provision of financial services. Assuming the Corporate Bonds are issued in full, the maximum gross proceeds from the issuance of the Corporate Bonds will be up to HK\$50 million. The net proceeds from the issuance of the Corporate Bonds will be used as general working capital of the Group and to finance any potential investment opportunities of the Group that may arise from time to time.

The issuance of the Corporate Bonds will not result in any dilution on the shareholding of the existing shareholders of the Company.

In view of the above, the Directors are of the view that the issuance of the Corporate Bonds provides a great opportunity to strengthen the Company's financial position and is in the interests of the Company and its shareholders as a whole.

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

Hong Kong, 23 May 2017

As at the date of this announcement, the honorary chairman and senior consultant of the Company is Dr. Yukio Hatoyama; the Board comprises seven executive Directors, namely, Dr. Hui Chi Ming, G.B.S., J.P., Mr. Neil Bush, Dr. Chui Say Hoe, Mr. Xu Jun Jia, Mr. Cao Yu, 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.