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HUAFENG
華 豐

Huafeng Group Holdings Limited
華 豐 集 團 控 股 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 364)

**LAPSE OF MEMORANDUM OF UNDERSTANDING
IN RESPECT OF PROPOSED ACQUISITION**

The Company has decided not to proceed with the Proposed Acquisition and the MOU will be lapsed on 20 January 2012.

This announcement is made pursuant to Rule 13.09 of the Listing Rules.

Reference is made to the announcement of Huafeng Group Holdings Limited (the “**Company**”) dated 21 April 2010, 20 July 2010, 20 October 2010, 20 January 2011, 20 April 2011 and 20 July 2011 respectively (the “**Announcements**”) in relation to the proposed acquisition of a company with interest in a gold mine in the People’s Republic of China. Capitalised terms used herein shall have the same meanings as those defined in the Announcements unless the context requires otherwise.

The Company has decided not to proceed with the Proposed Acquisition and the MOU will be lapsed on 20 January 2012. The lapse of the MOU will not have any significant adverse effect on the financial position and business of the Group.

By Order of the Board of
Huafeng Group Holdings Limited
Cai Yangbo
Executive Director

Hong Kong, 19 January 2012

As at the date of this announcement, the executive directors of the Company are Mr. Cai Zhenrong, Mr. Cai Zhenyao, Mr. Cai Zhenying, Mr. Cai Yangbo and Mr. Choi Wing Toon. The independent non-executive directors of the Company are Mr. Lawrence Gonzaga, Ms. Choy So Yuk, JP and Mr. Wong Siu Hong.