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UPDATE ON DISCLOSEABLE TRANSACTION

(I) CHANGE OF NAME OF THE JV COMPANY; AND (II) SUPPLEMENTAL AGREEMENT IN RELATION TO FORMATION OF A JOINT VENTURE WITH ZHONGKE INTERNATIONAL CAPITAL

Reference is made to the announcements of DeTai New Energy Group Limited (the “**Company**”) dated 5 June 2017, 14 July 2017 and 18 August 2017 in respect of the formation of a joint venture company with Zhongke International Capital. Capitalised terms used herein shall have the same meanings as those defined in the announcement of the Company dated 14 July 2017 (the “**Announcement**”) unless otherwise stated.

CHANGE OF NAME OF THE JV COMPANY

The Board announces that on 10 October 2017, the name of the JV Company was changed to Zhongke International Finance Limited as the JV Company may also be engaged in financial services and investment in the future.

SUPPLEMENTAL AGREEMENT

The Board also announces that on 14 November 2017, Rich Express and Zhongke International Capital entered into a supplemental agreement (the “**Supplemental Agreement**”) to amend the Amended and Restated JV Agreement to the effect that:

- (i) financial services and investment is added as one of the principal businesses of the JV Company;
- (ii) Rich Express is now entitled to appoint a maximum of one (1) director (instead of two (2)) and Zhongke International Capital is now entitled to appoint a maximum of two (2) directors (instead of one (1));
- (iii) the chairman of the JV Board shall be appointed by Zhongke International Capital;

- (iv) the time and amount of utilisation of the facility in an aggregate amount of HK\$400,000,000 to be made available by Rich Express and Zhongke International Capital shall be determined by all the shareholders of the JV Company unanimously;
- (v) if a shareholder of the JV Company (subject to the right of first refusal of the other shareholder(s)) is unable to sell its shares in the JV Company within the prescribed period, all the shareholders shall use the best endeavours to reach an agreement with other shareholder(s) within 3 months (or such longer period as agreed by all the shareholder(s)) that all the assets and liabilities of the JV Company shall be distributed and assumed in proportion to the shareholding if such distribution and assumption are not subject to restrictions imposed by third parties or the laws, or the remaining assets of the JV Company after repayment of its liabilities shall be distributed in proportion to the shareholding; and
- (vi) if the shareholders of the JV Company are unable to sell their shares or reach an agreement for the distribution and assumption of the assets and liabilities of the JV Company, the shareholders shall procure a shareholders' meeting of the JV Company to be held to wind up the JV Company. Save as disclosed above, all material terms and conditions of the Amended and Restated JV Agreement remain unchanged.

Financial effect of the Supplemental Agreement

Since Rich Express no longer has control of the JV Board, the JV Company will not be recognised as a subsidiary of the Company. As a result, the financial results, assets and liabilities of the JV Company will not be consolidated into the accounts of the Group.

Reasons for entering into the Supplemental Agreement

The Group has always been looking for new investment opportunities, including but not limited to financial services and investment sectors in Hong Kong servicing the vast China market and striving to gain further exposure in the capital markets in Hong Kong and China. The Group targets to achieve a diversified business model and bring better returns to the stakeholders of the Company.

The holding company of Zhongke International Capital is 中科建設開發總公司 (Bureau of Construction and Development Company) (the “**Bureau**”, together with its subsidiaries, the “**Zhongke Group**”), which is a leading national enterprise in China. In recent years, the Bureau has expanded its scope from construction and engineering into, including but not limited to, investment and financing. The Board considers that given the experience of the Zhongke Group in investment and financing together with its reputation and vast business network in China market, the Group could leverage these advantages to step into financial services and investment sectors in both Hong Kong and China. Given the amendments in the Supplemental Agreement, the Zhongke Group will contribute more on the operation of the JV Company which will give greater flexibility in future development of the JV Company.

As such, the Directors are of the view that the terms of the Supplemental Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

Pursuant to the Amended and Restated JV Agreement (as supplemented), Rich Express shall contribute HK\$196,000,000 (the “**Contribution**”) to the Facility to be made available to the JV Company. Since the JV Company is no longer a subsidiary of the Company, the Contribution is financial assistance to the JV Company within the meaning of the Listing Rules.

As the amount of the Contribution exceeds 8% under the assets ratio as defined under Rule 14.07(1) of the Listing Rules, the making of the Contribution is subject to the general disclosure obligations under Rules 13.13 and 13.15 of the Listing Rules. As disclosed in the Announcement, the loan under the Facility will be interest-free, unsecured, without fixed term and repayable on demand. As at the date of this announcement, no Contribution has been made by Rich Express.

By order of the Board
DeTai New Energy Group Limited
Wong Hin Shek
Chairman and Executive Director

Hong Kong, 14 November 2017

As at the date of this announcement, the executive Directors are Mr. Wong Hin Shek, Mr. Chi Chi Hung, Kenneth, Mr. Shek Yat Him and Mr. Chan Wai Ki; the non-executive Director is Mr. Chui Kwong Kau; and the independent non-executive Directors are Mr. Chiu Wai On, Mr. Man Kwok Leung and Dr. Wong Yun Kuen.