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**(1) PROPOSED RIGHTS ISSUE ON THE BASIS OF
TWO RIGHTS SHARES
FOR EVERY ONE EXISTING SHARE HELD ON THE RECORD DATE
AND
(2) CHANGE IN BOARD LOT SIZE**

Underwriter of the Rights Issue

 **KINGSTON SECURITIES**

Joint financial advisers to the Company

 **KINGSTON CORPORATE FINANCE**



泓港企業融資有限公司
Grand Harbour Corporate Finance Limited

PROPOSED RIGHTS ISSUE

The Company proposes to raise not less than approximately HK\$544.1 million and not more than approximately HK\$697.7 million, before expenses, by way of the Rights Issue of not less than 10,463,687,800 Rights Shares and not more than 13,417,938,276 Rights Shares to the Qualifying Shareholders at a subscription price of HK\$0.052 per Rights Share on the basis of two (2) Rights Shares for every one (1) existing Share held on the Record Date.

The net proceeds from the Rights Issue (after deducting the estimated expenses) are estimated to be not less than approximately HK\$524.9 million and not more than approximately HK\$678.5 million. The estimated net subscription price per Rights Share after deducting the related expenses of the Rights Issue is expected to be approximately HK\$0.050. The Company intends to apply net proceeds of approximately HK\$524.9 million (assuming no Exercisable Options being exercised, no conversion of the outstanding Convertible Preference Shares and no issue of new Shares or repurchase of Shares by the Company from the date of this announcement and the Underwriting Agreement up to and including the Record Date) from the Rights Issue as to (i) approximately HK\$196.0 million for the contribution to the facility to be made available to the JV Company; (ii) approximately HK\$183.6 million for repayment of the outstanding corporate bonds and borrowings; (iii) approximately HK\$100.0 million for expansion of the Group's money lending business; and (iv) the remaining balance for general working capital of the Group.

To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company on the Record Date and not be a Non-Qualifying Shareholder.

In order to be registered as members of the Company on the Record Date, all transfers of the Shares (together with the relevant share certificate(s) and/or instrument(s) of transfer) must be lodged with the Registrar at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, by 4:30 p.m. on Wednesday, 14 February 2018.

Mr. Tong has irrevocably undertaken to the Underwriter and the Company to accept his entitlements and subscribe for 2,936,434,250 Rights Shares pursuant to the Irrevocable Undertaking.

CHANGE IN BOARD LOT SIZE

The Board proposes that the board lot size of the Shares for trading on the Stock Exchange will be changed from 10,000 Shares to 30,000 Shares with effect from 9:00 a.m. on Tuesday, 20 March 2018. The Company will arrange odd lot matching services in order to facilitate the trading of odd lots.

LISTING RULES IMPLICATIONS

The Rights Issue is fully underwritten by the Underwriter. As the Rights Issue will increase the issued share capital of the Company by more than 50%, under Rule 7.19(6) of the Listing Rules, the Rights Issue is subject to approval of the Independent Shareholders at the SGM by a resolution on which any controlling Shareholders and their respective associates or, where there are no controlling Shareholders, the Directors (excluding the independent non-executive Directors) and the chief executive of the Company, and their respective associates shall abstain from voting in favour of the Rights Issue. Since there is no controlling Shareholder as at the date of this announcement, the Directors (excluding the independent non-executive Directors) and the chief executive of the Company, and their respective associates shall abstain from voting in favour of the Rights Issue in accordance with Rule 7.19(6) of the Listing Rules.

As at the date of this announcement, none of the Underwriter and its close associates has any shareholding interest in the Company. In the event that the Underwriter and any of the sub-underwriters have shareholding interest in the Company, it/they is/are required to abstain from voting on the resolution(s) approving the Rights Issue, the Underwriting Agreement and the transactions contemplated respectively thereunder at the SGM.

GENERAL

The Independent Board Committee, comprising all the independent non-executive Directors, will be established to provide recommendation to the Independent Shareholders in connection with the Rights Issue. An independent financial adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders in relation to the Rights Issue.

A circular containing, among other things, (i) further details of the Rights Issue; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders; (iii) a letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Rights Issue; and (iv) a notice convening the SGM will be despatched by the Company to the Shareholders on or before Wednesday, 24 January 2018.

Subject to the fulfillment of certain conditions of the Rights Issue including the approval of the Independent Shareholders at the SGM, the Company will despatch the Rights Issue Documents containing, among other matters, details of the Rights Issue, to the Qualifying Shareholders. The Company will despatch the Prospectus to the Non-Qualifying Shareholders for their information only, but the Company will not send the PAL and EAF to the Non-Qualifying Shareholders.

WARNING OF THE RISKS OF DEALINGS IN THE SHARES AND THE NIL-PAID RIGHTS SHARES

The Rights Issue is subject to, among other things, the fulfillment of the conditions set out in the paragraph headed “Conditions of the Rights Issue” below. In particular, it is subject to the Underwriting Agreement not being terminated in accordance with its terms. Accordingly, the Rights Issue may or may not proceed.

Shareholders should note that the Shares will be dealt in on an ex-entitlement basis commencing from Tuesday, 13 February 2018 and that dealings in the Rights Shares in the nil-paid form will take place while the conditions to which the Underwriting Agreement is subject to remaining unfulfilled. Any dealings by the Shareholders and other persons in the Shares between the date of this announcement and the date on which the Rights Issue becomes unconditional (which is expected to be at 4:00 p.m. on Thursday, 15 March 2018), and any dealings in the Rights Shares in their nil-paid form from Tuesday, 27 February 2018 to Tuesday, 6 March 2018 (both dates inclusive), will be at their own risk and if they are in any doubt about their position, they should consult their own professional advisers.

PROPOSED RIGHTS ISSUE

The Company proposes to raise not less than approximately HK\$544.1 million and not more than approximately HK\$697.7 million, before expenses, by way of the Rights Issue of not less than 10,463,687,800 Rights Shares and not more than 13,417,938,276 Rights Shares to the Qualifying Shareholders at a subscription price of HK\$0.052 per Rights Share on the basis of two (2) Rights Shares for every one (1) existing Share held on the Record Date. The Rights Issue (subject to the Irrevocable Undertaking) will be fully underwritten by the Underwriter on the terms and conditions set out in the Underwriting Agreement.

Issue statistics

Basis of the Rights Issue	:	Two (2) Rights Shares for every one (1) existing Share held on the Record Date
Subscription Price	:	HK\$0.052 per Rights Share
Number of Shares in issue as at the date of this announcement	:	5,231,843,900 Shares
Number of Rights Shares	:	Not less than 10,463,687,800 Rights Shares (assuming no Exercisable Options being exercised, no conversion of the outstanding Convertible Preference Shares and no issue of new Shares or repurchase of Shares by the Company from the date of this announcement and the Underwriting Agreement up to and including the Record Date) and not more than 13,417,938,276 Rights Shares (assuming all Exercisable Options having been exercised and the conversion rights attaching to all outstanding Convertible Preference Shares having been exercised in full but no further issue of new Shares or repurchase of Shares by the Company from the date of this announcement and the Underwriting Agreement up to and including the Record Date)
Aggregate nominal value of the Rights Shares	:	Not less than HK\$523,184,390.00 and not more than HK\$670,896,913.80

Number of Shares as enlarged by the allotment and issue of the Rights Shares : Not less than 15,695,531,700 Shares (assuming no Exercisable Options being exercised, no conversion of the outstanding Convertible Preference Shares and no issue of new Shares or repurchase of Shares by the Company from the date of this announcement and the Underwriting Agreement up to and including the Record Date) and not more than 20,126,907,414 Shares (assuming all Exercisable Options having been exercised and the conversion rights attaching to all outstanding Convertible Preference Shares having been exercised in full but no further issue of new Shares or repurchase of Shares by the Company from the date of this announcement and the Underwriting Agreement up to and including the Record Date)

Underwriter : Kingston Securities Limited

As at the date of this announcement, the Company has outstanding Share Options under the Share Option Schemes carrying rights for the holders thereof to subscribe for an aggregate of 1,094,810,000 new Shares, of which:

- (i) 202,250,000 Share Options are exercisable from 4 July 2013 to 3 July 2018;
- (ii) 100,000,000 Share Options are exercisable from 19 July 2013 to 18 July 2018;
- (iii) 184,600,000 Share Options are exercisable from 21 January 2015 to 20 January 2020;
- (iv) 444,410,000 Share Options are exercisable from 14 October 2015 to 13 October 2020;
- (v) 54,200,000 Share Options are exercisable from 24 January 2018 to 23 January 2021;
- (vi) 54,200,000 Share Options are exercisable from 24 January 2019 to 23 January 2021;
and
- (vii) 55,150,000 Share Options are exercisable from 24 January 2020 to 23 January 2021.

As at the date of this announcement, the Company also has outstanding Convertible Preference Shares which are convertible into 491,665,238 new Shares upon full conversion of such Convertible Preference Shares (subject to adjustment). Save for the foregoing, as at the date of this announcement, the Company does not have any outstanding derivatives, options, warrants and conversion rights or other similar rights which are convertible or exchangeable into Shares. The Company also has no intention to issue or grant any convertible securities, options and/or warrants on or before the Record Date.

Assuming no exercise of the outstanding Share Options and the conversion rights attaching to the outstanding Convertible Preference Shares and no issue of new Shares (other than the Rights Shares) or repurchase of Shares by the Company from the date of this announcement and the Underwriting Agreement up to and including the Record Date, the aggregate number

of the Rights Shares represents (i) 200% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 66.67% of the issued share capital of the Company as enlarged by the allotment and issue of the Rights Shares.

Subscription Price

The Subscription Price is HK\$0.052 per Rights Share, payable in full upon acceptance under the PAL(s), and where applicable, application for excess Rights Shares, or when a transferee of the nil-paid Rights Shares accepts the provisional allotment of the relevant Rights Shares which represents:

- (i) a discount of approximately 29.73% to the closing price of HK\$0.074 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 28.77% to the average of the closing prices of approximately HK\$0.073 per Share as quoted on the Stock Exchange for the 5 consecutive trading days up to and including the Last Trading Day;
- (iii) a discount of approximately 11.86% to the theoretical ex-rights price of approximately HK\$0.059 per Share as adjusted for the effect of the Rights Issue, based on the closing price of HK\$0.074 per Share as quoted on the Stock Exchange on the Last Trading Day; and
- (iv) a discount of approximately 63.89% to the net asset value of the Company per Share of approximately HK\$0.144 as at 30 June 2017 (which is calculated based on the total equity attributable to the owners of the Company as at 30 June 2017 of approximately HK\$755.63 million and 5,231,843,900 Shares in issue as at the date of this announcement).

The Subscription Price was determined after arm's length negotiation between the Company and the Underwriter with reference to, among other things, the market price of the Shares under the prevailing market conditions and the funding needs of the Group as detailed in the section headed "Reasons for and benefits of the Rights Issue and intended use of proceeds" below.

Given that (i) the Rights Shares are offered to all Qualifying Shareholders and each Qualifying Shareholder is entitled to subscribe for the Rights Shares at the same price in proportion to his/her/its shareholding in the Company held on the Record Date; (ii) the Subscription Price has been set at a discount to the recent closing prices of the Shares with a view to encourage the existing Shareholders to participate in the Rights Issue; and (iii) the proceeds from the Rights Issue can fulfil the funding needs of the Group, the Directors (excluding the independent non-executive Directors who will form their views after considering the advice from the Independent Financial Adviser) consider that the terms of the Rights Issue, including the Subscription Price, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Basis of provisional allotment

The Rights Shares will be allotted on the basis of two (2) Rights Shares for every one (1) existing Share held on the Record Date. Acceptances of all or any part of a Qualifying Shareholder's provisional allotment should be made by completing the PAL and lodging the same with a remittance for the Rights Shares being applied for by the Latest Time for Acceptance.

Status of the Rights Shares

The Rights Shares, when allotted and issued, shall rank pari passu in all respects with the Shares in issue on the date of allotment and issue of the Rights Shares, including the right to receive all dividends and distributions which may be declared, made or paid on or after such date.

The Irrevocable Undertaking

As at the date of this announcement, Mr. Tong, a substantial shareholder of the Company as defined under the Listing Rules, personally owns 1,468,217,125 Shares, representing approximately 28.06% of the issued share capital of the Company.

Mr. Tong has given an irrevocable undertaking to the Company and the Underwriter that, (i) he would subscribe, or procure his associates to subscribe, for 2,936,434,250 Rights Shares which comprise the full acceptance of his provisional entitlement; (ii) the 1,468,217,125 Shares comprising his current shareholding in the Company would remain beneficially owned by him on the Record Date; and (iii) he would procure that his acceptance of the 2,936,434,250 Rights Shares, which would be provisionally allotted to him in nil-paid form under the Rights Issue, be lodged with the Registrar, with payment in full therefor, by no later than 4:00 p.m. at the Latest Time for Acceptance or otherwise in accordance with the instructions printed on the PAL(s).

Fractional entitlements to the Rights Shares

On the basis of provisional allotment of two (2) Rights Shares for every one (1) existing Share held on the Record Date, no fractional entitlements to the Rights Shares will arise under the Rights Issue.

Qualifying Shareholders

To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company and not be a Non-Qualifying Shareholder at the close of business on the Record Date. Overseas Shareholders whose names appear on the register of members of the Company at the close of business on the Record Date whom the Company, based on legal opinions to be provided by legal advisers, considers necessary or expedient not to offer the Rights Shares on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place will not be regarded as Qualifying Shareholders.

Based on the register of members of the Company as at the date of this announcement, there is no Overseas Shareholder. Further information in this connection will be set out in the Prospectus to be despatched to the Shareholders.

In order to be registered as members of the Company at the close of business on the Record Date, beneficial owners must lodge any transfers documents of the Shares (together with the relevant share certificates) with the Registrar, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. (Hong Kong Time) on Wednesday, 14 February 2018.

The Company will send the Rights Issue Documents to the Qualifying Shareholders on or about Friday, 23 February 2018.

Non-Qualifying Shareholders

The Company will send the Prospectus only (without PAL or EAF) to the Non-Qualifying Shareholders, if any, for their information only, on or about Friday, 23 February 2018.

Arrangement will be made for Rights Shares which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders to be sold on the market in their nil-paid form as soon as practicable after dealings in the nil-paid Rights Shares commence and before dealings in nil-paid Rights Shares end, if a premium (net of expenses) can be obtained. The proceeds of such sale, less expenses, of more than HK\$100 will be paid pro rata to the Non-Qualifying Shareholders. The Company will retain individual amounts of HK\$100 or less for its own benefit. Any unsold entitlement of Non-Qualifying Shareholders, together with any Rights Shares provisionally allotted but not accepted, will be taken up by the Underwriter.

Application for excess Rights Shares

Qualifying Shareholders may apply, by way of excess application, for (i) any unsold entitlements of the Non-Qualifying Shareholder(s); and (ii) any Rights Shares provisionally allotted but not accepted.

Application for excess Rights Shares can only be made by duly completing and signing an EAF (in accordance with the instructions printed therein) and lodging the same with a separate cheque or banker's cashier order for the sum payable for the excess Rights Shares being applied for with the Registrar at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong by not later than 4:00 p.m. on Friday, 9 March 2018 (Hong Kong time).

The Directors will, upon consultation with the Underwriter, allocate the excess Rights Shares (if any) at their discretion on a fair and equitable basis and on a pro rata basis in proportion to the number of excess Rights Shares being applied for under each application. No reference will be made to Rights Shares subscribed through applications by PAL(s) or the existing number of Shares held by Qualifying Shareholders. If the aggregate number of Rights Shares not taken up by the Qualifying Shareholders under PAL(s) is greater than the aggregate number of excess Rights Shares applied for through EAF(s), the Directors will allocate in full to each Qualifying Shareholder the number of excess Rights Shares applied for under the EAF(s).

In applying the above principles, reference will only be made to the number of excess Rights Shares being applied for. No preference will be given to topping up odd lots to whole board lots.

Shareholders with Shares held by a nominee (or which are held in CCASS) should note that the Board will consider the nominee (including HKSCC Nominees Limited) as one single Shareholder according to the register of members of the Company. Accordingly, such Shareholders should note that the aforesaid arrangement in relation to the allocation of the excess Rights Shares will not be extended to the relevant beneficial owners individually.

Shareholders with Shares held by a nominee (or which are held in CCASS) are advised to consider whether they would like to arrange for the registration of their relevant Shares under the names of the beneficial owners prior to the Record Date for the purpose of the Rights Issue. Shareholders and investors should consult their professional advisers if they are in doubt as to their status.

Application for listing

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the Rights Shares, in both their nil-paid and fully-paid forms.

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirement of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement dates of the dealings in the Rights Shares in both their nil-paid and fully-paid forms or such other dates as may be determined by HKSCC.

Dealing in the Rights Shares in both their nil-paid and fully-paid forms will be in the new board lots of 30,000 Rights Shares. Dealing in the Rights Shares will be subject to the payment of the stamp duty and other applicable fees and charges in Hong Kong.

Share certificates for the Rights Issue

Subject to the fulfillment of the conditions of the Rights Issue, share certificates for all fully-paid Rights Shares are expected to be posted on or before Monday, 19 March 2018 to those who have accepted and paid for the Rights Shares, by ordinary post at their own risk.

Conditions of the Rights Issue

The Rights Issue is conditional upon the Underwriting Agreement having become unconditional and not being terminated in accordance with the terms thereof.

UNDERWRITING ARRANGEMENT FOR THE RIGHTS ISSUE

Pursuant to the Underwriting Agreement, the Underwriter has agreed to fully underwrite all the Rights Shares under the Rights Issue, other than those agreed to be taken by Mr. Tong pursuant to the Irrevocable Undertaking.

Date : 3 January 2018

Underwriter : Kingston Securities Limited

Total number of Underwritten Shares : The Rights Issue is, subject to the Irrevocable Undertaking, fully underwritten by the Underwriter.

The total number of the Underwritten Shares shall be not less than 7,527,253,550 Shares (assuming no Exercisable Options being exercised, no conversion of the outstanding Convertible Preference Shares and no issue of new Shares or repurchase of Shares by the Company from the date of this announcement and the Underwriting Agreement up to and including the Record Date) and not more than 10,481,504,026 Rights Shares (assuming all Exercisable Options having been exercised and the conversion rights attaching to all outstanding Convertible Preference Shares having been exercised in full but no further issue of new Shares or repurchase of Shares by the Company from the date of this announcement and the Underwriting Agreement up to and including the Record Date), being the total number of the Rights Shares less a total of 2,936,434,250 Rights Shares undertaken to be taken up by Mr. Tong pursuant to the Irrevocable Undertaking.

Commission : The Underwriter will receive 2.5% of the aggregate subscription price in respect of the maximum number of the Underwritten Shares (i.e. 10,481,504,026 Rights Shares)

Kingston Securities Limited is a licensed corporation to carry on Type 1 (dealing in securities) regulated activity under the SFO. To the best of the Directors' knowledge, information and belief, the Underwriter and its ultimate beneficial owner(s) are Independent Third Parties.

The terms of the Underwriting Agreement (including the commission rate) were determined after arm's length negotiation between the Company and the Underwriter by reference to, among other things, the existing financial position of the Group, the size of the Rights Issue, and the current and expected market condition. The Board considers the terms of the Underwriting Agreement (including the commission rate) are fair and reasonable.

Conditions of the Underwriting Agreement

The Underwriting Agreement is conditional upon:

- (1) the passing of the necessary resolution(s) by the Independent Shareholders at the SGM approving and confirming the Rights Issue, the Underwriting Agreement and the transactions contemplated respectively thereunder and authorizing the Directors to allot and issue the Rights Shares (in both their nil-paid and fully-paid forms), in accordance with the memorandum of association and bye-laws of the Company and the Listing Rules on or before the Record Date;
- (2) the delivery of the Prospectus to the Stock Exchange and the issue by the Stock Exchange on or before the Posting Date of a certificate authorising registration of the Prospectus with Hong Kong Companies Registry;
- (3) a duly certified copy of the Prospectus (and other required documents) having been lodged with Hong Kong Companies Registry and Hong Kong Companies Registry issuing a confirmation of registration on or before the Posting Date;
- (4) following registration, the posting of the Prospectus to the Qualifying Shareholders and the publication of the Prospectus on the website of the Stock Exchange on or before the Posting Date;
- (5) the grant of listing of the Rights Shares by the Stock Exchange (either unconditionally or subject only to the allotment and despatch of the share certificates in respect thereof) and the grant of permission to deal in the Rights Shares (in both their nil-paid and fully-paid forms) by the Stock Exchange (and such permission and listing not subsequently having been withdrawn or revoked prior to the Latest Time for Termination);
- (6) the Underwriting Agreement not being terminated by the Underwriter pursuant to the terms thereof at or before the Latest Time for Termination;
- (7) the compliance with and performance by the Company of all the undertakings and obligations under the terms of the Underwriting Agreement;
- (8) the compliance with and performance of all the undertakings and obligations of Mr. Tong under the Irrevocable Undertaking;
- (9) if necessary, the obtaining of the consent or permission from the Bermuda Monetary Authority in respect of the issue of the Rights Shares;
- (10) the posting of the Rights Issue Documents to the Qualifying Shareholders and the posting of the Prospectus to the Non-Qualifying Shareholders, if any, for information purposes only, on or before the Posting Date;
- (11) there being no Specified Event occurring prior to the Latest Time for Termination;

- (12) the Shares remaining listed on the Stock Exchange at all times prior to the date of despatch of share certificates for fully-paid Rights Shares and the listing of the Shares not having been withdrawn or the trading of the Shares not having been suspended for a consecutive period of more than 10 trading days at any time prior to the Latest Time for Acceptance; and
- (13) compliance with the requirements under the applicable laws and regulations of Hong Kong and Bermuda.

The conditions set out above are incapable of being waived. If all of the above conditions are not fully satisfied by the Latest Time for Termination, i.e. 4:00 p.m. (Hong Kong time) on Thursday, 15 March 2018 (or such later date or dates as the Underwriter may agree with the Company in writing), the Underwriting Agreement shall terminate and no party will have any claim against any other party for costs, damages, compensation or otherwise save for any antecedent breaches, and the Rights Issue will not proceed.

Termination of the Underwriting Agreement

If, prior to the Latest Time for Termination (provided that if the date of the Latest Time for Termination shall be a business day on which a tropical cyclone warning signal no. 8 or above or a black rainstorm warning signal is or remains hoisted in Hong Kong between 9:00 a.m. and 5:00 p.m. on that day, the date of the Latest Time for Termination shall be the next Business Day on which no tropical cyclone warning signal no. 8 or above or no black rainstorm warning signal is or remains hoisted in Hong Kong between 9:00 a.m. and 5:00 p.m. on that day):

- (i) in the absolute opinion of the Underwriter, the success of the Rights Issue would be materially and adversely affected by:
 - (a) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Rights Issue; or
 - (b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date hereof) of a political, military, financial, economic or other nature (whether or not ejusdem generis with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or materially and adversely prejudice the success of the Rights Issue or otherwise makes it inexpedient or inadvisable to proceed with the Rights Issue; or

- (ii) any adverse change in market conditions (including without limitation, any change in fiscal or monetary policy, or foreign exchange or currency markets, suspension or material restriction or trading in securities) occurs which in the absolute opinion of the Underwriter is likely to materially or adversely affect the success of the Rights Issue or otherwise makes it inexpedient or inadvisable to proceed with the Rights Issue; or
- (iii) there is any change in the circumstances of the Company or any member of the Group which in the absolute opinion of the Underwriter will adversely affect the prospects of the Company, including without limiting the generality of the foregoing the presentation of a petition or the passing of a resolution for the liquidation or winding up or similar event occurring in respect of any of member of the Group or the destruction of any material asset of the Group; or
- (iv) any event of force majeure including, without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out which would, in the absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospectus of the Group as a whole; or
- (v) any other material adverse change in relation to the business or the financial or trading position or prospects of the Group as a whole whether or not ejusdem generis with any of the foregoing; or
- (vi) any matter which, had it arisen or been discovered immediately before the date of the Prospectus and not having been disclosed in the Prospectus, would have constituted, in the absolute opinion of any of the Underwriter, a material omission in the context of the Rights Issue; or
- (vii) any suspension in the trading of securities generally or the Company's securities on the Stock Exchange for a period of more than ten consecutive business days, excluding any suspension in connection with the clearance of this announcement or the Rights Issue Documents or other announcements or circulars in connection with the Rights Issue; or
- (viii) any moratorium, suspension or material restriction on trading of the Shares on the Stock Exchange due to exceptional financial circumstances or otherwise,

the Underwriter shall be entitled by notice in writing to the Company, served prior to the Latest Time for Termination, to terminate the Underwriting Agreement.

The Underwriter shall be entitled by notice in writing to rescind the Underwriting Agreement if prior to the Latest Time for Termination:

- (a) any material breach of any of the representations, warranties or undertakings contained in the Underwriting Agreement comes to the knowledge of the Underwriter; or
- (b) any Specified Event comes to the knowledge of the Underwriter.

Any such notice of rescission shall be served by the Underwriter prior to the Latest Time for Termination.

CHANGE IN THE SHAREHOLDING STRUCTURE OF THE COMPANY ARISING FROM THE RIGHTS ISSUE

Set out below is the shareholding structure of the Company as at the date of this announcement and immediately upon completion of the Rights Issue for illustration purpose only:

(a) assuming no change in the number of issued Shares on or before the Record Date:

	(i) As at the date of this announcement		(ii) Immediately upon completion of the Rights Issue assuming full acceptance by all Qualifying Shareholders under the Rights Issue		(iii) Immediately upon completion of the Rights Issue assuming no acceptance by the Qualifying Shareholders (other than Mr. Tong) under the Rights Issue	
	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %
<i>Ordinary Shares of HK\$0.05 each</i>						
Directors						
Chi Chi Hung, Kenneth	23,000,000	0.44	69,000,000	0.44	23,000,000	0.15
Chui Kwong Kau	<u>660,000</u>	<u>0.01</u>	<u>1,980,000</u>	<u>0.01</u>	<u>660,000</u>	<u>0.01</u>
Sub-total	23,660,000	0.45	70,980,000	0.45	23,660,000	0.16
Mr. Tong	1,468,217,125	28.06	4,404,651,375	28.06	4,404,651,375	28.06
The Underwriter	—	—	—	—	7,527,253,550	47.95
Other public Shareholders	<u>3,739,966,775</u>	<u>71.49</u>	<u>11,219,900,325</u>	<u>71.49</u>	<u>3,739,966,775</u>	<u>23.83</u>
Total	<u>5,231,843,900</u>	<u>100.00</u>	<u>15,695,531,700</u>	<u>100.00</u>	<u>15,695,531,700</u>	<u>100.00</u>
<i>Convertible Preference Shares</i>						
The holder(s) of the Convertible Preference Shares	<u>491,665,238</u>	<u>100.00</u>	<u>491,665,238</u>	<u>100.00</u>	<u>491,665,238</u>	<u>100.00</u>

(b) assuming no change in number of issued Shares on or before the Record Date other than the issue of new Shares upon the exercise in full of all the Exercisable Options and the conversion rights attaching to the outstanding Convertible Preference Shares:

	(i) As at the date of this announcement		(ii) Immediately upon full exercise of all Exercisable Options and the conversion rights attaching to the Convertible Preference Shares before the Record Date		(iii) Immediately upon completion of the Rights Issue assuming full acceptance by all Qualifying Shareholders under the Rights Issue		(iv) Immediately upon completion of the Rights Issue assuming no acceptance by the Qualifying Shareholders (other than Mr. Tong) under the Rights Issue	
	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %
<i>Ordinary Shares of HK\$0.05 each</i>								
Directors								
Chi Chi Hung, Kenneth	23,000,000	0.44	23,000,000	0.34	69,000,000	0.34	23,000,000	0.11
Chui Kwong Kau	660,000	0.01	660,000	0.01	1,980,000	0.01	660,000	0.01
Sub-total	23,660,000	0.45	23,660,000	0.35	70,980,000	0.35	23,660,000	0.12
Mr. Tong	1,468,217,125	28.06	1,468,217,125	21.88	4,404,651,375	21.88	4,404,651,375	21.88
The holders of the Exercisable Options	—	—	985,460,000	14.69	2,956,380,000	14.69	985,460,000	4.90
The holder(s) of the Convertible Preference Shares	—	—	491,665,238	7.33	1,474,995,714	7.33	491,665,238	2.44
The Underwriter	—	—	—	—	—	—	10,481,504,026	52.08
Other public Shareholders	3,739,966,775	71.49	3,739,966,775	55.75	11,219,900,325	55.75	3,739,966,775	18.58
Total	5,231,843,900	100.00	6,708,969,138	100.00	20,126,907,414	100.00	20,126,907,414	100.00
<i>Convertible Preference Shares</i>								
The holder(s) of the Convertible Preference Shares	491,665,238	100.00	—	—	—	—	—	—

Note: Pursuant to the Underwriting Agreement, if the Underwriter is called upon to take up any Untaken Shares: (1) the Underwriter will not subscribe, for its own account, for such number of Untaken Shares which will result in it (together with parties acting in concert with it and its close associates) holding 30% (or such other percentage which will trigger a general offer to be made for the Shares under the Takeovers Code) or more of the voting rights of the Company immediately upon completion of the Rights Issue; (2) unless the Underwriter itself subscribes for all the Untaken Shares, the Underwriter shall use its best endeavours to ensure that the subscribers for the Untaken Shares shall be Independent Third Parties and each of these subscribers (together with parties acting in concert with it and its close associates) will not be holding 30% (or such other percentage which shall trigger a general offer to be made for the Shares under the Takeovers Code) or more of the voting rights of the Company immediately upon completion of the Rights Issue; and (3) the Underwriter shall (and shall cause the sub-underwriters to) procure subscribers who are Independent Third Parties to take up such number of Untaken Shares as necessary to ensure compliance by the Company of the minimum public float requirements set out under Rule 8.08(1) of the Listing Rules.

REASONS FOR AND BENEFITS OF THE RIGHTS ISSUE AND INTENDED USE OF PROCEEDS

The Group is principally engaged in six business segments, namely (i) new energy business, (ii) hotel hospitality business, (iii) provision of money lending services, (iv) manufacturing and trading of electric cycles, (v) trading and distribution of liquor and wine, and (vi) investments in listed securities and funds.

The net proceeds from the Rights Issue (after deducting the estimated expenses) are estimated to be not less than approximately HK\$524.9 million and not more than approximately HK\$678.5 million. The estimated net subscription price per Rights Share after deducting the related expenses of the Rights Issue is expected to be approximately HK\$0.050. The Company intends to apply net proceeds of approximately HK\$524.9 million (assuming no Exercisable Options being exercised, no conversion of the outstanding Convertible Preference Shares and no issue of new Shares or repurchase of Shares by the Company from the date of this announcement and the Underwriting Agreement up to and including the Record Date) from the Rights Issue as to (i) approximately HK\$196.0 million for the contribution to the facility to be made available to the JV Company; (ii) approximately HK\$183.6 million for repayment of the outstanding corporate bonds and borrowings; (iii) approximately HK\$100.0 million for expansion of the Group's money lending business; and (iv) the remaining balance for general working capital of the Group. Further details of the intended use of the proceeds from the Rights Issue are set out below:

(i) Contribution to the facility to be made available to the JV Company

Reference is made to the JV Announcements in relation to the Formation of JV Company. As disclosed in the JV Announcements, Rich Express Investment Group Limited, a wholly-owned subsidiary of the Company, shall contribute HK\$196.0 million to the facility to be made available to the JV Company. The JV Company will be engaged in new energy business, financial services and investment and other related business.

(ii) Repayment of corporate bonds and borrowings

The Group has the following outstanding indebtedness:

- (1) Reference is made to the announcement of the Company dated 14 March 2014 in relation to the issue of corporate bonds. Up to the date of this announcement, the Group has outstanding corporate bonds at the aggregate principal amount of approximately HK\$35 million bearing interest at 8% per annum. The interest of the corporate bonds has been paid in advance. The bonds were issued by a wholly-owned subsidiary of the Company and are guaranteed by the Company. The corporate bonds will be due in March and April 2018.
- (2) A secured bank loan of approximately HK\$134.6 million will be due in December 2021 which bears the floating interest rate of approximately 0.85% per annum. The Group intends to repay this indebtedness. With early repayment, approximately HK\$1.2 million finance costs per annum would be saved and the pledges of property and equity interest of a subsidiary would be released by the bank accordingly.
- (3) An indebtedness owed to an Independent Third Party of approximately HK\$14 million will be due in January 2018 which bears interest rate of 14% per annum. The maturity date of this indebtedness can be extended for another six months if consent could be obtained from the lender. With repayment of this indebtedness, the Group expects that approximately HK\$2.0 million finance costs per annum would be saved accordingly.

(iii) Expansion of money lending business

The Group has continued to explore opportunities to diversify its businesses in order to enhance the income stream and continue to improve Shareholders' return. As disclosed in the annual report of the Company for the year ended 30 June 2017, the Group generated interest income of approximately HK\$12.3 million and recorded a segment profit of approximately HK\$5.5 million. As at 30 June 2017, the loans receivable with gross principal amount of approximately HK\$106.1 million in aggregate with interest bearing at rates ranging from 7% to 20% per annum were due from Independent Third Parties. Up to the date of this announcement, the Group has loans receivable with gross principal amount of approximately HK\$104.0 million in aggregate. The Group is of the view that the money lending business has relatively stable income as compared with other segments and would invest more resources to expand the money lending business.

The Board considers that the Rights Issue will increase the capital base of the Company and give the Qualifying Shareholders equal opportunity to maintain their respective pro-rata shareholding interests in the Company. Hence, the Board considers that fund raising through the Rights Issue is in the interests of the Company and the Shareholders as a whole. **However, those Qualifying Shareholders who do not take up the Rights Shares to which they are entitled and Non-Qualifying Shareholders should note that their shareholdings will be diluted.**

CHANGE IN BOARD LOT SIZE

The Board proposes that the board lot size of the Shares for trading on the Stock Exchange will be changed from 10,000 Shares to 30,000 Shares with effect from 9:00 a.m. on Tuesday, 20 March 2018. The change in board lot size will not result in any change in the relative rights of the Shareholders. The Board is of the opinion that the change in board lot size is in the interests of the Company and its Shareholders as a whole.

Based on the theoretical ex-rights price of approximately HK\$0.059 per Share (calculated based on the closing price of HK\$0.074 per Share as quoted on the Stock Exchange on the Last Trading Day), the market value of each existing board lot is HK\$590 and the estimated market value of each proposed new board lot is HK\$1,770.

To alleviate the difficulties in trading odd lots of the Shares arising from the change in board lot size of the Shares, the Company will appoint an agent to provide matching services to the Shareholders who wish to top up or sell their holdings of odd lots of the Shares during the period from 9:00 a.m. on Tuesday, 20 March 2018 to 4:00 p.m. on Monday, 16 April 2018 (both dates inclusive). Further details in respect of the matching services will be set out in the Prospectus.

All existing share certificates in board lot of 10,000 shares will remain good evidence of the legal title to the Shares and continue to be valid for delivery, transfer, trading and settlement purposes. No new share certificates for existing Shareholders will be issued as a result of the change in the board lot size, and therefore no arrangement for free exchange of existing share certificates in board lot size 10,000 shares to new share certificate in board lot size of 30,000 shares is necessary.

EXPECTED TIMETABLE

The expected timetable for the Rights Issue is set out below:

2018

Expected despatch date of the circular, proxy form
and notice of the SGM Wednesday, 24 January

Latest time for lodging transfers of the Shares in order to
qualify for attendance and voting at the SGM..... 4:30 p.m. on
Friday, 2 February

Closure of register of members for determination of
the identity of the Shareholders entitled to attend and
vote at the SGM (both dates inclusive)..... Monday, 5 February to
Friday, 9 February

Latest time for lodging proxy forms for the SGM.....	10:00 a.m. on Wednesday, 7 February
Expected time and date of the SGM.....	10:00 a.m. on Friday, 9 February
Announcement of poll results of the SGM	Friday, 9 February
Last day of dealings in the Shares on a cum-rights basis.....	Monday, 12 February
First day of dealings in the Shares on an ex-rights basis.....	Tuesday, 13 February
Latest time for lodging transfer of Shares in order to qualify for the Rights Issue.....	4:30 p.m. on Wednesday, 14 February
Closure of register of members (both days inclusive)	Thursday, 15 February to Thursday, 22 February
Record Date for determining entitlements to the Rights Issue	Thursday, 22 February
Register of member re-opens	Friday, 23 February
Despatch of Rights Issue Documents (in the case of the Non-Qualifying Shareholders, the Prospectus only)	Friday, 23 February
First day of dealing in nil-paid Rights Shares	9:00 a.m. on Tuesday, 27 February
Latest time for splitting nil-paid Rights Shares.....	4:30 p.m. on Thursday, 1 March
Last day of dealing in nil-paid Rights Shares	4:00 p.m. on Tuesday, 6 March
Latest Time for Acceptance of and payment for the Rights Shares and application and payment for excess Rights Shares	4:00 p.m. on Friday, 9 March
Latest Time for Termination and for the Rights Issue to become unconditional	4:00 p.m. on Thursday, 15 March
Announcement of results of the Rights Issue.....	Friday, 16 March
Despatch of certificates for fully-paid Rights Shares.....	Monday, 19 March

Despatch of refund cheques for wholly or partially unsuccessful excess applications or if the Rights Issue is terminated	Monday, 19 March
Commencement of dealings in fully-paid Rights Shares.....	9:00 a.m. on Tuesday, 20 March
Effective date of change in board lot size from 10,000 Shares to 30,000 Shares	9:00 a.m. on Tuesday, 20 March
Designated broker starts to stand in the market to provide matching services for odd lots of Shares.....	9:00 a.m. on Tuesday, 20 March
The last day for the designated broker to provide matching services for odd lots of Shares	4:00 p.m. on Monday, 16 April

Dates or deadlines specified in this announcement are indicative only and may be varied by agreement between the Company and the Underwriter. Any consequential changes to the expected timetable will be published or notified to the Shareholders as and when appropriate.

FUND RAISING ACTIVITY IN THE PAST TWELVE MONTHS

Fund raising activity	Net proceeds raised	Intended use of proceeds	Actual use of proceeds
The successful transfers (the “ Transfers ”) of (i) 571,430,000 Convertible Preference Shares to Jumbo Grand Enterprise Development Limited as disclosed in the announcements of the Company dated 13 September 2016 and 22 December 2016; and (ii) 175,000,000 Convertible Preference Shares to Wolfview Limited as disclosed in the announcements of the Company dated 28 October 2016 and 22 March 2017.	HK\$160.8 million	The Company intended to use the net proceeds from the Transfers to settle part of the consideration of the acquisition of Emission Particle Solution Sweden AB as set out in the announcements of the Company dated 29 July 2016 and 22 December 2016 (the “ EPS Acquisition ”), and the remaining net proceeds (if any) as general working capital of the Group.	Approximately HK\$85.6 million had been used for settlement of the consideration for the EPS Acquisition which completed on 22 December 2016, and approximately HK\$75.2 million had been applied as general working capital of the new energy business of the Group.

Save as disclosed above, the Company had not conducted any equity fund raising activities in the past 12 months immediately preceding the date of this announcement.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 5 February 2018 to Friday, 9 February 2018 (both days inclusive) for determining the identity of the Shareholders entitled to attend and vote at the SGM. The register of members of the Company will be closed from Thursday, 15 February 2018 to Thursday, 22 February 2018 (both days inclusive) for determining the entitlements to the Rights Issue. No transfer of Shares will be registered during the above book closure periods.

POSSIBLE ADJUSTMENTS TO THE SHARE OPTIONS AND THE CONVERTIBLE PREFERENCE SHARES

As at the date of this announcement, the Company has (i) outstanding Share Options under the Share Option Schemes carrying rights for the holders thereof to subscribe for an aggregate of 1,094,810,000 new Shares; and (ii) outstanding Convertible Preference Shares which are convertible into 491,665,238 new Shares upon full conversion of such Convertible Preference Shares (subject to adjustment). As a result of the Rights Issue, there may be adjustments to the exercise prices and/or the number of Shares to be issued upon exercise of the outstanding Share Options pursuant to the terms and conditions of the Share Option Schemes and the notional price and/or the number of Shares to be issued upon conversion of the outstanding Convertible Preference Shares. The Company will appoint its auditor or an independent financial adviser to certify in writing the adjustments to the Share Options and/or the Convertible Preference Shares and that such adjustments are in accordance with the terms and conditions of the Share Option Schemes and the terms of the Convertible Preference Shares. Further announcement(s) will be made by the Company in relation thereof as and when appropriate.

LISTING RULES IMPLICATIONS

The Rights Issue is fully underwritten by the Underwriter. As the Rights Issue will increase the issued share capital of the Company by more than 50%, under Rule 7.19(6) of the Listing Rules, the Rights Issue is subject to approval of the Independent Shareholders at the SGM by a resolution on which any controlling Shareholders and their respective associates or, where there are no controlling Shareholders, the Directors (excluding the independent non-executive Directors) and the chief executive of the Company, and their respective associates shall abstain from voting in favour of the Rights Issue. Since there is no controlling Shareholder as at the date of this announcement, the Directors (excluding the independent non-executive Directors) and the chief executive of the Company, and their respective associates shall abstain from voting in favour of the Rights Issue in accordance with Rule 7.19(6) of the Listing Rules.

As at the date of this announcement, none of the Underwriter and its close associates has any shareholding interest in the Company. In the event that the Underwriter and any of the sub-underwriters have shareholding interest in the Company, it/they is/are required to abstain from voting on the resolution(s) approving the Rights Issue, the Underwriting Agreement and the transactions contemplated respectively thereunder at the SGM.

GENERAL

The Independent Board Committee, comprising all the independent non-executive Directors, will be established to provide recommendation to the Independent Shareholders in connection with the Rights Issue. An independent financial adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders in relation to the Rights Issue. The Independent Financial Adviser will be appointed by the Company with the approval of the Independent Board Committee to advise the Independent Board Committee and the Independent Shareholders in this regard.

The SGM will be convened and held to consider, and, if thought fit, to approve, the Rights Issue, the Underwriting Agreement and the transactions contemplated respectively thereunder. A circular containing, among other things, (i) further details of the Rights Issue; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders; (iii) a letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Rights Issue; and (iv) a notice convening the SGM will be despatched by the Company to the Shareholders on or before Wednesday, 24 January 2018.

Upon the approval of the Rights Issue, the Underwriting Agreement by the Independent Shareholders at the SGM, the Rights Issue Documents will be despatched to the Qualifying Shareholders as soon as practicable, and only the Prospectus, will be despatched to the Non-Qualifying Shareholders (if any) for their information only.

WARNING OF THE RISKS OF DEALINGS IN THE SHARES AND THE NIL-PAID RIGHTS SHARES

The Rights Issue is subject to, among other things, the fulfillment of the conditions set out in the paragraph headed “Conditions of the Rights Issue” above. In particular, it is subject to the Underwriting Agreement not being terminated in accordance with its terms. Accordingly, the Rights Issue may or may not proceed.

Shareholders should note that the Shares will be dealt in on an ex-entitlement basis commencing from Tuesday, 13 February 2018 and that dealings in the Rights Shares in the nil-paid form will take place while the conditions to which the Underwriting Agreement is subject to remaining unfulfilled. Any dealings by the Shareholders and other persons in the Shares between the date of this announcement and the date on which the Rights Issue becomes unconditional (which is expected to be at 4:00 p.m. on Thursday, 15 March 2018), and any dealings in the Rights Shares in their nil-paid form from Tuesday, 27 February 2018 to Tuesday, 6 March 2018 (both dates inclusive), will be at their own risk and if they are in any doubt about their position, they should consult their own professional advisers.

DEFINITIONS

In this announcement, the following expressions shall have the following meanings, unless the context requires otherwise:

“acting in concert”	has the meaning ascribed to it under the Takeovers Code
“associates”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day”	any day (other than a Saturday or Sunday or public holiday or a day on which a typhoon signal no. 8 or above or black rainstorm signal is hoisted in Hong Kong between 9:00 a.m. and 5:00 p.m.) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Company”	DeTai New Energy Group Limited, a company incorporated in Bermuda with limited liability, the issued shares of which are listed on the main board of the Stock Exchange
“connected person”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Convertible Preference Share(s)”	the 491,665,238 unlisted convertible preference shares of the notional value of HK\$0.21 each in the share capital of the Company which are convertible into 491,665,238 Shares upon the exercise of the conversion rights attaching thereto
“Director(s)”	the director(s) of the Company
“EAF(s)”	the excess application form(s) for use by the Qualifying Shareholders who wish to apply for excess Rights Shares
“Exercisable Options”	the 985,460,000 Shares Options to subscribe for an aggregate of 985,460,000 Shares granted under the Share Option Schemes, which were outstanding as at the date of this announcement and are capable of being exercised on or before the Record Date
“Formation of JV Company”	the formation of a joint venture company with Zhongke International Capital Limited as disclosed in the JV Announcements
“Group”	the Company and its subsidiaries

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	the Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	the independent board committee, comprising all the independent non-executive Directors, namely Mr. Chiu Wai On, Mr. Man Kwok Leung and Dr. Wong Yun Kuen, which will be established to make recommendations to the Independent Shareholders in respect of the terms of the Rights Issue, the Underwriting Agreement and the transactions contemplated respectively thereunder
“Independent Financial Adviser”	the independent financial adviser to be appointed by the Company for the purpose of advising the Independent Board Committee and the Independent Shareholders in respect of the terms of the Rights Issue, the Underwriting Agreement and the transactions contemplated respectively thereunder
“Independent Shareholders”	Shareholders other than the controlling shareholders and their associates or, where there is no controlling shareholder, the Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates
“Independent Third Party(ies)”	third party(ies) who, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, are independent of the Company and its connected persons
“Irrevocable Undertaking”	the irrevocable undertaking dated 3 January 2018 given by Mr. Tong in favour of the Company and the Underwriter to subscribe for, in aggregate, 2,936,434,250 Rights Shares to which Mr. Tong is entitled to under the Rights Issue
“JV Announcements”	the announcements of the Company dated 5 June 2017, 14 July 2017, 18 August 2017 and 14 November 2017 in relation to, among other things, the Formation of JV Company
“JV Company”	Zhongke International Finance Limited, a company incorporated in Hong Kong with limited liability
“Last Trading Day”	3 January 2018, being the last full trading day of the Shares on the Stock Exchange prior to the release of this announcement

“Latest Time for Acceptance”	4:00 p.m. on Friday, 9 March 2018 or such other time or date as the Company and the Underwriter may agree, being the latest time and/or date for acceptance of, and payment of, Rights Shares
“Latest Time for Termination”	4:00 p.m. on Thursday, 15 March 2018, being the fourth Business Day after the Latest Time for Acceptance or such later time and/or date as the Company and the Underwriter may agree, being the latest time and/or date for termination of the Underwriting Agreement
“Listing Committee”	has the meaning ascribed to it under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Tong”	Mr. Tong Liang, a substantial shareholder (as defined under the Listing Rules) of the Company
“Non-Qualifying Shareholder(s)”	Overseas Shareholder(s) in respect of whom the Directors, based on legal opinions provided by legal advisers, consider it necessary or expedient not to offer the Rights Issue to such Overseas Shareholder(s) on account either of restrictions under the laws of the relevant place or the requirements of a relevant regulatory body or stock exchange in that place
“Overseas Shareholder(s)”	Shareholder(s) whose name(s) appear on the register of members of the Company at the close of business on the Record Date and whose address(es) as shown on such register is/are in a place(s) outside Hong Kong
“PAL(s)”	the provisional allotment letter(s) to be issued to the Qualifying Shareholders in connection with the Rights Issue
“Posting Date”	Friday, 23 February 2018, or such other day as may be agreed between the Company and the Underwriter, being the date of despatch of the Rights Issue Documents
“Prospectus”	the prospectus to be issued by the Company in relation to the Rights Issue
“Qualifying Shareholder(s)”	Shareholder(s) whose name(s) appear on the register of members of the Company at the close of business on the Record Date, other than the Non-Qualifying Shareholders
“Record Date”	Thursday, 22 February 2018 or such other date as may be agreed between the Company and the Underwriter, being the date for the determination of the entitlements of Qualifying Shareholders to participate in the Rights Issue

“Registrar”	the Company’s branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong
“Rights Issue”	the issue of the Rights Shares by way of rights on the basis of two (2) Rights Shares for every one (1) exiting Share held by the Qualifying Shareholders on the Record Date, pursuant to the terms and conditions to be set out in the Underwriting Agreement and the Rights Issue Documents
“Rights Issue Documents”	the Prospectus, PAL and EAF
“Rights Share(s)”	the new Share(s) to be allotted and issued in respect of the Rights Issue, being not less than 10,463,687,800 Shares (assuming no Exercisable Options being exercised, no conversion of the outstanding Convertible Preference Shares and no issue of new Shares or repurchase of Shares by the Company from the date of this announcement and the Underwriting Agreement up to and including Record Date) and not more than 13,417,938,276 Shares (assuming all Exercisable Options having been exercised and the conversion rights attaching to all outstanding Convertible Preference Shares having been exercised in full but no further issue of new Shares or repurchase of Shares by the Company from the date of this announcement and the Underwriting Agreement up to and including the Record Date)
“SFO”	Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
“SGM”	the special general meeting of the Company to be convened and held at which resolution(s) will be proposed to consider, and, if thought fit, to approve, among other things, the Rights Issue, the Underwriting Agreement and the transactions contemplated respectively thereunder
“Share(s)”	ordinary share(s) of HK\$0.05 each in the share capital of the Company
“Shareholder(s)”	holder(s) of issued Share(s)
“Share Options”	1,094,810,000 outstanding options to subscribe for 1,094,810,000 Shares granted under the Share Option Schemes
“Share Option Schemes”	the share option schemes of the Company adopted on 4 December 2003 and 13 December 2013 respectively

“Specified Event”	an event occurring or matter arising on or after the date of the Underwriting Agreement and prior to the Latest Time for Termination which if it had occurred or arisen before the date of the Underwriting Agreement would have rendered any of the warranties contained in the Underwriting Agreement untrue or incorrect in any material respect
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$0.052 per Rights Share
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Underwriter”	Kingston Securities Limited, a corporation licensed to carry on Type 1 (dealing in securities) regulated activity under the SFO
“Underwriting Agreement”	the underwriting agreement dated 3 January 2018 entered into between the Company and the Underwriter in relation to the underwriting and certain other arrangements in respect of the Rights Issue
“Underwritten Share(s)”	the Rights Shares, other than the 2,936,434,250 Rights Shares undertaken to be taken up by Mr. Tong pursuant to the Irrevocable Undertaking
“Untaken Shares”	all those Underwritten Shares not taken up by the Qualifying Shareholders on or before the Latest Time for Acceptance
“%”	percentage

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

Hong Kong, 3 January 2018

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.