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(Incorporated in Bermuda with limited liability)

(Stock Code: 559)

**MAJOR AND EXEMPTED CONNECTED TRANSACTION
IN RELATION TO THE DISPOSAL OF
49% EQUITY INTEREST IN
PERFECT ESSENTIAL HOLDINGS LIMITED**

THE DISPOSAL

On 4 April 2018 (after trading hours), the Company as vendor, the Purchaser as purchaser and the Guarantor as guarantor entered into the SPA, pursuant to which the Company has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the Sale Shares, representing 49% of the issued share capital of the Target Company, and the Sale Loans, subject to the terms and conditions of the SPA at a total consideration of HK\$64,484,382.2.

OPTION DEED

Pursuant to the SPA, the Purchaser and the Vendor shall enter into the Option Deed upon the First Completion, pursuant to which the Vendor shall grant the Purchaser the right to acquire all but not part of the Option Shares, representing 51% of the issued share capital of the Target Company, and the Option Loan, within six months from the First Completion Date.

LISTING RULES IMPLICATIONS

As at the date of this announcement, the Purchaser is wholly owned by the Guarantor, who is a director of the Target Company and certain members of the Target Group. The Purchaser is therefore a connected person of the Company at the subsidiary level, and the SPA and the transactions contemplated thereunder constitute a connected transaction of the Company under Chapter 14A of the Listing Rules. Given that (i) the Directors have approved the Disposal and the proposed grant of the Call Option; and (ii) the independent non-executive Directors have confirmed that the terms of the Disposal and the Call Option are fair and reasonable and the Disposal and the Call Option are on normal commercial terms and in the interests of the Company and its Shareholders as a whole, such connected transaction is exempted from the circular, independent financial advice and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios as set out in the Listing Rules for the Disposal and the Call Option are more than 25% but all of them are less than 75%, the Disposal together with the proposed grant of the Call Option constitute a major transaction for the Company under Chapter 14 of the Listing Rules and are subject to the reporting, announcement and Shareholders' approval requirements under the Listing Rules. An SGM will be convened by the Company to consider and, if thought fit, approve the SPA and the transactions contemplated thereunder, including the Disposal and the proposed grant of the Call Option.

In accordance with the Listing Rules, any Shareholder who has a material interest in the SPA shall abstain from voting on the resolution(s) to approve the SPA and the transactions contemplated thereunder at the SGM. The Purchaser, the Guarantor and their respective associates will abstain from voting on the relevant resolution(s) at the SGM accordingly.

GENERAL

The Circular containing, among other things, (i) further details in relation to the Disposal, the Call Option and the SPA; (ii) other information as required by the Listing Rules; and (iii) the notice convening the SGM together with the proxy form in respect of the SGM, is expected to be despatched to the Shareholders on or before 26 April 2018.

On 4 April 2018 (after trading hours), the Company as vendor, the Purchaser as purchaser and the Guarantor as guarantor entered into the SPA, pursuant to which the Company has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the Sale Shares, representing 49% of the issued share capital of the Target Company, and the Sale Loans, subject to the terms and conditions of the SPA at a total consideration of HK\$64,484,382.2.

THE SPA

The principal terms of the SPA are summarised below:

Date

4 April 2018

Parties

| | |
|------------|------------------------------|
| Vendor: | the Company |
| Purchaser: | Excellent Point Asia Limited |
| Guarantor: | Mr. Zhu Yongjun |

The Purchaser is a company incorporated in British Virgin Islands with limited liability and is principally engaged in investment holding. As at the date of this announcement, the Purchaser is wholly owned by the Guarantor, who is a director of the Target Company and certain members of the Target Group. The Purchaser is therefore a connected person of the Company at the subsidiary level.

Assets to be disposed of

Pursuant to the SPA, the Company has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the Sale Shares, representing 49% of the issued share capital of the Target Company, and the Sale Loans, subject to the terms and conditions of the SPA.

The Sale Loans represent 49% of the Shareholder's Loan. As at the date of this announcement, the Shareholder's Loan and the Sale Loans amounted to HK\$131,600,000 and HK\$64,484,000 respectively. The principal amounts of the Shareholder's Loan and the Sale Loans are non-interest bearing.

Consideration

The total consideration for the sale and purchase of the Sale Shares and the Sale Loans shall be HK\$64,484,382.2, which shall be apportioned as follows:

- (i) the consideration for the assignment of the Sale Loan A shall be HK\$26,320,000, being the principal amount of the Sale Loan A;
- (ii) the consideration for the assignment of the Sale Loan B shall be HK\$9,541,000, being the principal amount of the Sale Loan B;
- (iii) the consideration for the assignment of the Sale Loan C shall be HK\$9,541,000, being the principal amount of the Sale Loan C;
- (iv) the consideration for the assignment of the Sale Loan D shall be HK\$9,541,000, being the principal amount of the Sale Loan D;
- (v) the consideration for the assignment of the Sale Loan E shall be HK\$9,541,000, being the principal amount of the Sale Loan E; and
- (vi) the consideration for the transfer of the Sale Shares shall be HK\$382.2, being the par value of the Sale Shares.

The Consideration shall be payable by the Purchaser to the Company in cash in the following manner:

- (a) HK\$26,320,382.2 shall be paid to the Company within five Business Days from the date of signing of the SPA as refundable deposit under the SPA and as payment of the consideration for the Sale Shares and the Sale Loan A (the "**Deposit**");
- (b) HK\$9,541,000 shall be paid to the Company on or before the Second Completion Date as payment of the consideration for the Sale Loan B;

- (c) HK\$9,541,000 shall be paid to the Company on or before the Third Completion Date as payment of the consideration for the Sale Loan C;
- (d) HK\$9,541,000 shall be paid to the Company on or before the Fourth Completion Date as payment of the consideration for the Sale Loan D; and
- (e) HK\$9,541,000 shall be paid to the Company on or before the Fifth Completion Date as payment of the consideration for the Sale Loan E.

The Consideration was determined after arm's length negotiations between the Company and the Purchaser with reference to the aggregate amount of the Sale Loans as at the date of the SPA being HK\$64,484,000 and the HK\$ equivalent amount of the par value of the Sale Shares.

Conditions precedent

Each Relevant Completion is conditional upon the following conditions precedent being fulfilled or waived (as the case may be):

- (a) all the representations and warranties given by the Purchaser and the Guarantor in the SPA remaining true and correct in all material respects and not misleading;
- (b) all the representations and warranties given by the Company in the SPA remaining true and correct in all material respects and not misleading;
- (c) all necessary consents, licenses and approvals (including without limitation, any approval and/or waiver as required under the Listing Rules) required to be obtained on the part of the Company and the Target Group in respect of the SPA and the transactions contemplated thereby having been obtained and remaining in full force and effect;
- (d) all necessary consents, licenses and approvals required to be obtained on the part of the Purchaser in respect of the SPA and the transactions contemplated thereby having been obtained and remaining in full force and effect;
- (e) the passing by the Shareholders at the SGM of an ordinary resolution to approve the SPA and the transactions contemplated thereunder (including but not limited to the grant of the Call Option pursuant to the terms of the Option Deed);
- (f) the Company having received the Deposit from the Purchaser in full; and
- (g) the parties to the SPA having agreed on the terms and form of (i) the Shareholders' Agreement which shall cover, among others, the major matters as set out in the SPA; and (ii) the Option Deed, within 10 Business Days after the signing of the SPA (or such later date as may be agreed by the parties thereto in writing).

The Company may at any time waive (in whole or in part) the condition set out in (a) above at its sole and reasonable discretion, such waiver shall be effective only if it is made in writing and notified to the Purchaser. The Purchaser may at any time waive (in whole or in part) the condition set out in (b) above at its sole and reasonable discretion, such waiver shall be effective only if it is made in writing and notified to the Company. The other conditions set out above are incapable of being waived. If the conditions set out above have

not been satisfied (or as the case may be, waived by the Company or the Purchaser) on or before 5:00 p.m. on the Long Stop Date, or the condition (g) set out above has not been fulfilled on or before the date falling 10 Business Days from the date of the SPA (or such later date as may be agreed by the parties thereto in writing), the SPA shall cease and determine, and, subject to the provisions set out below, thereafter neither party shall have any obligations and liabilities towards each other thereunder save for any antecedent breaches of the terms thereof.

Pursuant to the SPA, in the event that (aa) the SPA ceases and determines in accordance with the provisions of the SPA and none of the conditions referred to in (a), (d) and (f) above remains unfulfilled (or waived by the Company in the case of condition (a)) at 5:00 p.m. on the Long Stop Date; or (bb) the SPA ceases and determines due to the occurrence of a force majeure event or the non-fulfillment of condition (g) above, the Company shall forthwith return the Deposit received by the Company without interest to the Purchaser in full within five (5) Business Days after the Long Stop Date or the date of termination of the SPA (whichever is earlier).

Pursuant to the SPA, in the event that the SPA ceases and determines in accordance with the provisions of the SPA and one or more of the conditions referred to in (a), (d) and (f) has not been satisfied (or not being waived by the Company in the case of condition (a)) at or before 5:00 p.m. on the Long Stop Date, the Company shall be entitled to forfeit the Deposit received from the Purchaser and the Company shall be entitled to retain all such amounts received from the Purchaser.

Pursuant to the SPA, in the event that the SPA ceases and determines and one or more of the conditions (b), (c) and (e) above has not been satisfied, the Company shall forthwith return to the Purchaser the Deposit received by the Company together with the interest accrued on the Deposit at the rate of 12% per annum. Interest shall be calculated on the basis of the actual number of days elapsed based on a 365-day year and accrued on a daily basis for the period commencing from the date of payment of the Deposit and up to the date of the full and final settlement of the return of the Deposit and the interest accrued thereon.

Undertakings by the Company before Completion

Pursuant to the SPA, the Company has undertaken to the Purchaser that, unless with the prior written consent of the Purchaser, the Company shall procure the Target Company not to (i) declare or pay any dividends to any of its shareholders; or (ii) repay the whole or part of the Shareholder's Loan from the date of the SPA up to the First Completion Date.

Working capital arrangement before the First Completion

Pursuant to the SPA, the Vendor shall provide all the working capital (the "**Vendor Contribution**") required for the operation of the Target Group by way of shareholder's loan(s) upon signing of the SPA and up to the First Completion Date.

The Purchaser has undertaken to the Company that it shall be responsible for financing the working capital requirements of the Target Group in proportion to its shareholding in the Target Company following the First Completion and shall advance a sum (the "**Purchaser Contribution**") equal to 49% of the Vendor Contribution as shareholder's loan to the Target Company within one month from the First Completion Date. The Purchaser Contribution

shall be applied to repayment of the Vendor Contribution. For avoidance of doubt, the Purchaser shall not be responsible for any working capital requirement of the Group if the First Completion does not take place.

Pursuant to the SPA, each of the Company and the Purchaser has agreed and undertaken that, subject to the payment of the Purchaser Contribution in full in accordance with the SPA, if the Target Group has cash in excess of its working capital requirements at the First Completion, the Company and the Purchaser shall procure the Target Company to repay, within one month from the date of the First Completion, the whole or part of the Vendor Contribution and the Purchaser Contribution in proportion to their respective shareholding in the Target Company to the extent such repayment shall not affect the working capital level necessary to maintain the normal business operation of the Target Group. Any future repayment of any other shareholder's loans of the Target Company shall be made to the Company and the Purchaser in proportion to their respective shareholding in the Target Company.

Guarantee provided by the Guarantor

Pursuant to the SPA, the Guarantor has irrevocably and unconditionally guaranteed to the Vendor the due and punctual performance of the Purchaser under the SPA. The obligations of the Guarantor shall be continuing obligations and shall not be satisfied, discharged or affected by any intermediate payment or settlement of account or any change in the constitution or control of, or the insolvency of or any bankruptcy, winding up or analogous proceedings relating to any of the parties to the SPA.

Completion

Subject to satisfaction or waiver (as case may be) of all of the conditions precedent of the SPA, Completion shall take place at 4:00 p.m. (Hong Kong time) of the Relevant Completion Date or such other date as the parties to the SPA may agree.

Upon the First Completion, the Company will directly hold 51% equity interest of the Target Company and the Target Group will become non-wholly-owned subsidiaries of the Company. The Sale Loan A will also be assigned to the Purchaser on the First Completion Date.

The Sale Loan B will be assigned to the Purchaser on the Second Completion Date.

The Sale Loan C will be assigned to the Purchaser on the Third Completion Date.

The Sale Loan D will be assigned to the Purchaser on the Fourth Completion Date.

The Sale Loan E will be assigned to the Purchaser on the Fifth Completion Date.

Subject to the provisions of the SPA, in the event that any party fails to do anything required to be done by it on the Relevant Completion, without prejudice to any other right or remedy available to the Company, the non-defaulting party may:

- (a) defer the Relevant Completion to a day not more than 28 days after the date fixed for the Relevant Completion, and the defaulting party shall fully indemnify the non-defaulting party and keep the non-defaulting party fully indemnified in respect of all fees, costs and expenses (including legal fees) reasonably incurred by the non-defaulting party in connection with the negotiation, preparation, execution and performance of the SPA; or
- (b) proceed to the Relevant Completion so far as practicable but without prejudice to the non-defaulting party's right to the extent that the defaulting party shall not have complied with its obligations hereunder; or
- (c) rescind the SPA without liability on its part.

Pursuant to the SPA, in the event that the Purchaser fails to do anything required to be done by it with respect to payment of the Relevant Tranche Payment on the Relevant Completion, without prejudice to any other right or remedy available to the Company, the Company may:

- (a) defer the Relevant Completion to a day not more than 28 days after the date fixed for the Relevant Completion, and the Purchaser shall pay to the Company an amount equal to the interest accrued on the Relevant Tranche Payment at the rate of 12% per annum as liquidated damages. Interest shall be calculated on the basis of the actual number of days elapsed based on a 365-day year and accrued on a daily basis for the period commencing from the date on which the Relevant Tranche Payment becomes due and up to the date of the full and final payment of such Relevant Tranche Payment; or
- (b) rescind the SPA without liability on its part.

Security

Upon First Completion, a share charge will be created by the Purchaser in favour of the Company over 29 shares of US\$1.00 each in the share capital of the Target Company (the "**Charged Shares**"), representing 29% of the issued share capital of the Target Company, as security for the payment of the consideration of the Sale Loan B, the Sale Loan C, the Sale Loan D and the Sale Loan E. The Company shall enter into partial release of share charge in favour of the Purchaser to release 7 Charged Shares, 7 Charged Shares, 7 Charged Shares and 8 Charged Shares, upon full and final settlement of the consideration for the Sale Loan B, the Sale Loan C, the Sale Loan D and the Sale Loan E, respectively.

Grant of license for use of name

Pursuant to the SPA, the Company has undertaken with the Purchaser that the Company shall grant to the Target Group a non-exclusive and non-transferable license or permission at nil consideration to use the names of "德泰易馳" and "Detai EPS" (the "**Licensed Names**") to conduct its business in the PRC commencing from the First Completion Date provided that the Target Group shall not use the Licensed Names in any manner which will

or may, directly or indirectly, (i) compete with any business engaged by the Group from time to time; or (ii) cause any material adverse effect to the business, operations, financial conditions or prospects of the Group.

Pursuant to the SPA, the Purchaser covenants and agrees that, during the license period, it shall not and shall procure the Target Group not to commit or omit any act or pursue any course of conduct which, in the reasonable opinion of the Company, might tend to bring the Licensed Names or the Group into disrepute or use the Licensed Names in any way so as to damage the goodwill and reputation attaching thereto or in a manner likely to dilute the value or strength of the Licensed Names or the business, operations, financial conditions or prospects of the Group.

If the Purchaser fails to comply with the above covenants, the Company shall be entitled to terminate the above license or permission by notice in writing and the Purchaser shall be obliged to and shall procure the Target Group to cease to use the Licensed Names upon such termination. The Purchaser further agrees to fully indemnify and keep the Company and our assigns fully indemnified on demand from and against any depletion of assets, all losses, costs and expenses (including legal expenses) which the Company may incur or sustain from or in consequence of the above covenant not being correct or fully complied with except for those arising out of or in connection with the wilful default gross negligence and/or fraudulent act of the Company or its assigns.

OPTION DEED

Pursuant to the SPA, the Purchaser and the Vendor shall enter into the Option Deed upon the First Completion, pursuant to which the Vendor shall grant the Purchaser the right to acquire all but not part of the Option Shares, representing 51% of the issued share capital of the Target Company, and the Option Loan, within six months from the First Completion Date.

As at the date of this announcement, the Option Loan amounted to HK\$67,116,000.

Pursuant to the SPA, the Option Deed shall be in a form to be agreed between the parties to the SPA and shall cover the following major terms:

Exercise price

The exercise price (the “**Exercise Price**”) of the Call Option shall be HK\$67,116,397.8, being the principal amount of the Option Loan and the HK\$ equivalent amount of the par value of the Option Shares.

Conditions precedent

It is intended that the acquisition of the Option Shares and the Option Loan upon the exercise of the Call Option will be conditional upon, including but not limited to, the fulfillment) of the following conditions:

- (1) all necessary consents and approvals required to be obtained on the part of the Company in respect of the Option Deed and the transactions contemplated thereunder having been obtained;

- (2) all necessary consents and approvals required to be obtained on the part of the Purchaser in respect of the Option Deed and the transactions contemplated thereunder having been obtained; and
- (3) the Purchaser having served a notice (the “**Exercise Notice**”) on the Company to exercise the Call Option.

Further details of the terms and conditions of the Option Deed as agreed by the parties to the SPA will be set out in the Circular.

SHAREHOLDERS’ AGREEMENT

Upon the First Completion, the Purchaser and the Vendor shall enter into the Shareholders’ Agreement in respect of the affairs (including but not limited to the operations, management and business) of, and the rights and obligations of the Purchaser and the Company with respect to their interests in, the Target Group.

Pursuant to the SPA, the Shareholders’ Agreement shall be in a form to be agreed between the parties to the SPA and shall cover the following major terms:

Board composition

The board of directors of the Target Company shall comprise an odd number of directors of not less than three (3) directors, of which the Company is entitled to appoint the majority number of directors and the Purchaser is entitled to appoint the remaining number of directors.

Funding

The working capital requirements of the Target Group will be met as the board of directors of the Target Company may from time to time resolve, including but not limited to by means of advances and credit from financial institutions and other third party sources on the most favourable terms reasonably obtainable as to interest, repayment and security, or by advances from the shareholders of the Target Company.

Any advances made by the shareholders of the Target Company shall, unless otherwise unanimously agreed between the shareholders of the Target Company, be unsecured and be in proportion to the shareholders’ respective shareholdings in the Target Company at the material time when the advance(s) is/are made.

Further details of the Shareholders’ Agreement as agreed by the parties to the SPA will be set out in the Circular.

INFORMATION ON THE PURCHASER AND THE TARGET GROUP

The Purchaser is a company incorporated in the British Virgin Islands with limited liability. The principal activity of the Purchaser is investment holding.

The Target Company, Perfect Essential Holdings Limited, is a company incorporated in the British Virgin Islands with limited liability, with an authorised share capital of US\$50,000.00 divided into 50,000 shares of US\$1.00 each, of which 100 shares have been

issued and is fully paid up and is legally and beneficially owned by the Company as at the date of this announcement. The Target Group is principally engaged in the development, manufacturing and distribution of a fuel additive product namely EuroAd which can reduce fuel consumption and environmental impact.

FINANCIAL INFORMATION OF THE DISPOSAL

The audited consolidated revenue and net loss before and after taxation of the Target Group for each of the two financial years ended 30 June 2016 and 2017 are set out below:

| | For the financial year ended | |
|--------------------------|-------------------------------------|---------------------|
| | 30 June | |
| | 2016 | 2017 |
| | <i>(Approximate</i> | <i>(Approximate</i> |
| | <i>HK\$'000)</i> | <i>HK\$'000)</i> |
| | (audited) | (audited) |
| Revenue | — | 3,492 |
| Net loss before taxation | — | 26,688 |
| Net loss after taxation | — | 23,555 |

The audited consolidated net liability of the Target Group as at 30 June 2017 was approximately HK\$13 million.

FINANCIAL EFFECT OF THE DISPOSAL AND THE USE OF PROCEEDS

Upon completion of the Disposal, the Group will hold 51% of the equity interest in the Target Company. As the Group will retain control in the Target Group, the Target Group will continue to be regarded as subsidiaries of the Group. From accounting perspective, the Disposal will be accounted for as a disposal of interest in subsidiaries without losing control. No gain or loss will be recognised by the Group. The difference between the consideration for the Sale Shares to be received by the Group and the proportionate net assets of the Target Group attributable to the non-controlling shareholder (i.e. the Purchaser) at the Completion Date shall be recognised in the equity of the Group.

If the Purchaser exercises the Call Option within six months from the First Completion Date, the Group will dispose of the remaining 51% of the equity interest in the Target Group to the Purchaser. The Target Group will cease to be regarded as subsidiaries of the Group on the completion date of transferring the Option Shares to the Purchaser. Subsequent to the exercise of this Call Option, the related financial effect will be able to quantify and disclose in future announcement.

The Group currently intends to use the net proceeds from the Disposal of the Sale Shares and the Sale Loans for (i) general working capital and future business development of the Target Group; and (ii) as general working capital of the Group.

In the event that the Purchaser exercises the Call Option, the Company will use the proceeds from the sale of the Option Shares and the Option Loan together with the proceeds from the Disposal as the general working capital of the Group.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Group is principally engaged in (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 securities and funds.

Product testing with potential customers is a prerequisite for entering the energy markets in different regions. However, the time taken to carry out product testing on the customers' plants and premises was much longer than expectation due to the constraints presented in the customers' own facilities and political influences in certain countries. The prolonged product testing phase resulted in delays in placing of sales orders from the targeted potential customers. Sales was therefore unsatisfactory and did not meet the original expectation when the new energy business was acquired in 2016. In view of the loss-making records of the Target Group for the year ended 30 June 2017 and for the period ended 31 December 2017, the Directors consider that the Disposal can bring cash inflow to the Company and lower the working capital required on the part of the Company. The Call Option also enables the Company to get back the investment cost used in the original acquisition of the new energy business should it be exercised. Therefore, the Directors believe that the SPA would strengthen the financial position of the Group and enhance Shareholders' values.

The Directors (including the independent non-executive Directors) consider that the terms of the SPA are on normal commercial terms and are fair and reasonable and the SPA and the transactions contemplated thereunder are in the interests of the Company and the Shareholders as a whole. No Director has a material interest in the SPA and the transactions contemplated thereunder and as such, no Director was required to abstain from voting on the resolution(s) to approve the SPA and the transactions contemplated thereunder at the Board meeting.

LISTING RULES IMPLICATIONS

As at the date of this announcement, the Purchaser is wholly owned by the Guarantor, who is a director of the Target Company and certain members of the Target Group. The Purchaser is therefore a connected person of the Company at the subsidiary level, and the SPA and the transactions contemplated thereunder constitute a connected transaction of the Company under Chapter 14A of the Listing Rules. Given that (i) the Directors have approved the Disposal and the proposed grant of the Call Option; and (ii) the independent non-executive Directors have confirmed that the terms of the Disposal and the Call Option are fair and reasonable and the Disposal and the Call Option are on normal commercial terms and in the interests of the Company and its Shareholders as a whole, such connected transaction is exempted from the circular, independent financial advice and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios as set out in the Listing Rules for the Disposal and the Call Option are more than 25% but all of them are less than 75%, the Disposal together with the proposed grant of the Call Option constitute a major transaction for the Company under Chapter 14 of the Listing Rules and are subject to the reporting, announcement and Shareholders' approval requirements under the Listing Rules. An SGM will be convened by the Company to consider and, if thought fit, approve the SPA and the transactions contemplated thereunder, including the Disposal and the proposed grant of the Call Option.

The Company has obtained an irrevocable undertaking from Mr. Tong Liang (佟亮), being the holder of 1,468,217,125 Shares (representing approximately 28.06% of the issued share capital of the Company as at the date of this announcement), that, among other things, he shall vote in favour of the SPA and the transactions contemplated thereunder at the SGM.

In accordance with the Listing Rules, any Shareholder who has a material interest in the SPA shall abstain from voting on the resolution(s) to approve the SPA and the transactions contemplated thereunder at the SGM. The Purchaser, the Guarantor and their respective associates will abstain from voting on the relevant resolution(s) at the SGM accordingly.

GENERAL

The Circular containing, among other things, (i) further details in relation to the Disposal, the Call Option and the SPA; (ii) other information as required by the Listing Rules; and (iii) the notice convening the SGM together with the proxy form in respect of the SGM, is expected to be despatched to the Shareholders on or before 26 April 2018.

Shareholders and potential investors of the Company should note that Completion is subject to the fulfillment of a number of conditions precedent, there is no assurance that the Disposal will be completed. Accordingly, Shareholders and potential investors of the Company should exercise caution when dealing in the Shares.

DEFINITIONS

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

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|-----------------------|--|
| “Board” | the board of Directors |
| “Business Day” | a day (other than a Saturday, Sunday or public holiday) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours |
| “Call Option” | the right to be granted by the Company to the Purchaser to acquire all but not part of the Option Shares and the Option Loan from the Company within six months from the First Completion Date |
| “Circular” | the circular to be issued by the Company to the Shareholders as required under the Listing Rules in respect of the Disposal |
| “Company” or “Vendor” | 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 |
| “Completion” | the First Completion, the Second Completion, the Third Completion, the Fourth Completion and/or the Fifth Completion, and the term “Relevant Completion” shall be construed accordingly |

| | |
|--------------------------|--|
| “Completion Date” | the First Completion Date, the Second Completion Date, the Third Completion Date, the Fourth Completion Date and/or Fifth Completion Date, and the term “Relevant Completion Date” shall be construed accordingly |
| “connected person(s)” | has the meaning ascribed to this term under the Listing Rules |
| “Consideration” | the total consideration for the sale and purchase of the Sale Shares and the Sale Loans, being the amount payable by the Purchaser to the Company in accordance with the SPA |
| “Director(s)” | the director(s) of the Company |
| “Disposal” | the proposed disposal of the Sale Shares and the Sale Loans by the Company to the Purchaser pursuant to the SPA |
| “Fifth Completion” | the completion the sale and purchase of the Sale Loan E in accordance with the terms and conditions of the SPA |
| “Fifth Completion Date” | the date falling one year from the First Completion Date (or such other date as shall be agreed in writing among the parties to the SPA), being the date of the Fifth Completion |
| “First Completion” | the completion the sale and purchase of the Sale Shares and the Sale Loan A in accordance with the terms and conditions of the SPA |
| “First Completion Date” | the date of First Completion which shall be within five Business Days after all conditions precedent set out in the SPA have been fulfilled or waived (as the case may be) (or such other date as shall be agreed in writing among the parties to the SPA) |
| “Fourth Completion” | the completion the sale and purchase of Sale Loan D in accordance with the terms and conditions of the SPA |
| “Fourth Completion Date” | the date falling nine months from the First Completion Date (or such other date as shall be agreed in writing among the parties to the SPA), being the date of the Fourth Completion |
| “Group” | the Company and its subsidiaries |
| “Guarantor” | Mr. Zhu Yongjun |
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |

| | |
|----------------------------|--|
| “Long Stop Date” | 30 September 2018 or such later date as the Company, the Guarantor and the Purchaser may agree in writing. If such day falls on a day which is not a business day, it shall be postponed to the next day which is a business day |
| “Option Deed” | the option deed in respect of the grant of the Call Option to be entered into between the Company as grantor and the Purchaser as grantee upon the First Completion |
| “Option Loan” | part of the Shareholder’s Loan in the amount of HK\$67,116,000 to be assigned by the Company to the Purchaser upon exercise of the Call Option |
| “Option Shares” | the 51 issued shares of US\$1.00 each and in the share capital of the Target Company, representing 51% of the issued share capital of the Target Company as at the date of this announcement |
| “PRC” | the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan |
| “Purchaser” | Excellent Point Asia Limited, a company incorporated in the British Virgin Islands with limited liability |
| “Relevant Tranche Payment” | the payment of the Consideration for the Sale Loan B, the Sale Loan C, the Sale Loan D or the Sale Loan E on the Relevant Completion Date |
| “Sale Loan A” | part of the Shareholder’s Loan in the amount of HK\$26,320,000 to be assigned by the Vendor to the Purchaser on First Completion |
| “Sale Loan B” | part of the Shareholder’s Loan in the amount of HK\$9,541,000 to be assigned by the Vendor to the Purchaser on Second Completion |
| “Sale Loan C” | part of the Shareholder’s Loan in the amount of HK\$9,541,000 to be assigned by the Vendor to the Purchaser on Third Completion |
| “Sale Loan D” | part of the Shareholder’s Loan in the amount of HK\$9,541,000 to be assigned by the Vendor to the Purchaser on Fourth Completion |
| “Sale Loan E” | part of the Shareholder’s Loan in the amount of HK\$9,541,000 to be assigned by the Vendor to the Purchaser on Fifth Completion |

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| “Sale Loans” | collectively the Sale Loan A, the Sale Loan B, the Sale Loan C, the Sale Loan D and the Sale Loan E |
| “Sale Shares” | the 49 issued shares of US\$1.00 each and in the share capital of the Target Company, representing 49% of the issued share capital of the Target Company as at the date of this announcement |
| “Second Completion” | the completion the sale and purchase of the Sale Loan B in accordance with the terms and conditions of the SPA |
| “Second Completion Date” | the date falling three months from the First Completion Date (or such other date as shall be agreed in writing among the parties to the SPA), being the date of the Second Completion |
| “SGM” | the special general meeting of the Company to be convened and held for the Shareholders to consider and approve, among other things, the SPA and the transactions contemplated thereunder (including but not limited to the proposed grant of the Call Option) |
| “Shareholders” | holders of the issued Shares |
| “Shareholder’s Loan” | all obligations, liabilities and debts owing or incurred by the Target Company to the Company on or at any time prior to the Relevant Completion whether actual, contingent or deferred and irrespective of whether or not the same is due and payable on the Relevant Completion, which as at the date of this announcement, amounted to HK\$131,600,000 |
| “Shareholders’ Agreement” | the shareholders’ agreement in agreed form to be entered into between the Company, the Purchaser and the Target Company upon the First Completion which shall set out the rights and obligations of the Purchaser and the Company |
| “Shares” | ordinary shares of HK\$0.05 each in the share capital of the Company |
| “SPA” | the sale and purchase agreement dated 4 April 2018 entered into among the Company as vendor, the Purchaser as purchaser and the Guarantor as guarantor in respect of the sale and purchase of the Sale Shares and the Sale Loans and the proposed grant of the Call Option |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Target Company” | Perfect Essential Holdings Limited, a company incorporated in the British Virgin Islands with limited liability, and a wholly-owned subsidiary of the Company |

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| “Target Group” | the Target Company and its subsidiaries |
| “Third Completion” | the completion the sale and purchase of the Sale Loan C in accordance with the terms and conditions of the SPA |
| “Third Completion Date” | the date falling six months from the First Completion Date (or such other date as shall be agreed in writing among the parties hereto), being the date of the Third Completion |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “%” | per cent. |

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

Hong Kong, 4 April 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.