

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



(Incorporated in Bermuda with limited liability)

(Stock Code: 559)

VOLUNTARY ANNOUNCEMENT

This is a voluntary announcement by DeTai New Energy Group Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) to inform its shareholders of the latest business development of the Group.

The Disposal

The board (the “**Board**”) of directors (the “**Directors**”) of the Company announces that on 6 April 2018, the Company as vendor entered into a share transfer agreement (the “**Agreement**”) with an independent third party as purchaser (the “**Purchaser**”), pursuant to which the Company conditionally agreed to sell, and the Purchaser conditionally agreed to acquire, the entire equity interest of 國豐友立(無錫)車業有限公司 (Guofeng Youli (Wuxi) Vehicles Ltd.*) (the “**Target**”), a wholly-owned subsidiary of the Company, which engages in the manufacturing and trading of electric cycles (the “**Disposal**”). Upon completion of the Disposal, the Target will cease to be a subsidiary of the Company. The financial results of the Target will be presented as a discontinued operation following completion of the Disposal.

Information of the Group and the remaining Group

The Group is principally engaged in six business segments, (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.

Following the completion of the Disposal, the remaining Group will continue to be principally engaged in the (i) new energy business; (ii) hotel hospitality business; (iii) provision of money lending services; (iv) trading and distribution of liquor and wine; and (v) investments in listed securities and funds.

Reasons for and benefits of the Disposal

Sales of electric cycles were far from satisfactory as there was fierce competition in pricing and the product life cycle for electric cycles is relatively short in the People's Republic of China (PRC) market. Despite the Group's effort to reorganize the product strategy to tailor for the market trend promptly, sales continued to fall short of expectation. In view of the loss-making records of the Target for the year ended 30 June 2017 and for the six months ended 31 December 2017, the Directors consider that the Disposal can reduce financial burden on the Group and allow the Group to focus its resources on the remaining business segments of the Group, thus strengthening the financial position of the Group and enhancing shareholders' values.

The Directors consider that the terms of the Agreement are on normal commercial terms and are fair and reasonable. The Disposal is in the interests of the Company and its shareholders as a whole.

As none of the applicable percentage ratios in respect of the Agreement and the transactions contemplated thereunder exceed 5%, the Agreement does not constitute a notifiable transaction under Chapter 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. This announcement is made on a voluntary basis by the Company to provide its shareholders and potential investors with updated information in relation to the latest business development of the Group.

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

Hong Kong, 6 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.

** The English name is for identification only*