

THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt about this Prospectus or as to the action to be taken, you should consult your licensed securities dealer or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in DeTai New Energy Group Limited (the "Company"), you should at once hand the Rights Issue Documents to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee. The Rights Issue Documents should not, however, be distributed, forwarded to or transmitted to, into or from any jurisdiction where to do so might constitute a violation of local securities laws or regulation.

A copy of each of the Rights Issue Documents, having attached thereto the documents specified in the paragraph headed "Documents delivered to the Registrar of Companies in Hong Kong" in Appendix III to this Prospectus, have been registered with the Registrar of Companies in Hong Kong as required by Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Securities and Futures Commission and the Registrar of Companies in Hong Kong take no responsibility as to the contents of any of the Rights Issue Documents.

Dealings in the Rights Shares in their nil-paid and fully-paid forms may be settled through CCASS established and operated by HKSCC and you should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser for details of those settlement arrangements and how such arrangements may affect your rights and interests.

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 requirements 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 their respective commencement dates of dealings in the Rights Shares on the Stock Exchange or such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this Prospectus, 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 Prospectus.



**RIGHTS ISSUE ON THE BASIS OF
TWO (2) RIGHTS SHARES FOR EVERY ONE (1) EXISTING SHARE
HELD ON THE RECORD DATE**

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

Capitalised terms used in this cover shall have the same meanings as defined in this Prospectus.

The Latest Time for Acceptance is 4:00 p.m. on Tuesday, 5 June 2018. The procedures for acceptance, payment and transfer are set out on pages 15 to 19 of this Prospectus.

It should be noted that the Shares have been dealt in on an ex-rights basis from Friday, 11 May 2018. Dealings in the Rights Shares in the nil-paid form will take place from Thursday, 24 May 2018 to Thursday, 31 May 2018 (both days inclusive). If the conditions of the Rights Issue are not fulfilled or the Underwriting Agreement is terminated by the Underwriter, the Rights Issue will not proceed. Any person contemplating dealing in the nil-paid Rights Shares during the period from Thursday, 24 May 2018 to Thursday, 31 May 2018 (both days inclusive) will accordingly bear the risk that the Rights Issue may not become unconditional and/or may not proceed. Any person contemplating dealing in the Shares and/or the Rights Shares in their nil-paid form are recommended to consult his/her/its/their own professional advisers.

It should be noted that the Underwriting Agreement contains provisions granting the Underwriter the right to terminate the obligations of the Underwriter thereunder on the occurrence of certain events including force majeure. These certain events are set out in the paragraph headed "Termination of the Underwriting Agreement" on pages iv to v of this Prospectus. If the Underwriting Agreement is terminated by the Underwriter or does not become unconditional, the Rights Issue will not proceed.

21 May 2018

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EXPECTED TIMETABLE

The expected timetable for the Rights Issue set out below is for indicative purposes only and it has been prepared on the assumption that all the conditions of the Rights Issue will be fulfilled. The expected timetable is subject to change, and any changes will be announced in separate announcement(s) by the Company as and when appropriate.

2018

First day of dealing in nil-paid Rights Shares	9:00 a.m. on Thursday, 24 May
Latest time for splitting nil-paid Rights Shares.....	4:30 p.m. on Monday, 28 May
Last day of dealing in nil-paid Rights Shares	4:00 p.m. on Thursday, 31 May
Latest Time for Acceptance of and payment for the Rights Shares and application and payment for excess Rights Shares	4:00 p.m. on Tuesday, 5 June
Latest Time for Termination and for the Rights Issue to become unconditional	4:00 p.m. on Monday, 11 June
Announcement of results of the Rights Issue.....	Tuesday, 12 June
Despatch of certificates for fully-paid Rights Shares	Wednesday, 13 June
Despatch of refund cheques for wholly or partially unsuccessful excess applications or if the Rights Issue is terminated	Wednesday, 13 June
Commencement of dealings in fully-paid Rights Shares	9:00 a.m. on Thursday, 14 June
Effective date of change in board lot size from 10,000 Shares to 30,000 Shares	9:00 a.m. on Thursday, 14 June
Designated broker starts to stand in the market to provide matching services for odd lots of Shares.....	9:00 a.m. on Thursday, 14 June
The last day for the designated broker to provide matching services for odd lots of Shares.....	4:00 p.m. on Tuesday, 10 July

EXPECTED TIMETABLE

All times and dates stated in this Prospectus refer to Hong Kong local times and dates. Dates or deadlines specified in the expected timetable above are indicative only and may be extended or varied by the Company. Any changes to the expected timetable will be published or notified to Shareholders as and when appropriate.

EFFECT OF BAD WEATHER ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES AND APPLICATION FOR EXCESS RIGHTS SHARES

All times in this Prospectus refer to Hong Kong time. If there is a “black” rainstorm warning or a tropical cyclone warning signal number 8 or above in force in Hong Kong on Tuesday, 5 June 2018:

- (i) at any time before 12:00 noon and no longer in force after 12:00 noon, the Latest Time for Acceptance will be postponed to 5:00 p.m. on the same business day; or
- (ii) at any time between 12:00 noon and 4:00 p.m., the Latest Time for Acceptance will be rescheduled to 4:00 p.m. on the next business day which does not have either of those warnings in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m.

Under such circumstances, the dates mentioned in the expected timetable above (including, without limitation, the Latest Time for Termination) may be affected.

Dates or deadlines stated in this Prospectus for events in the timetable are indicative only and may be extended or varied between the Company and the Underwriter. Any changes to the anticipated timetable for the Rights Issue will be announced as and when appropriate.

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

TERMINATION OF THE UNDERWRITING AGREEMENT

- (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 prospects 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 this Prospectus and not having been disclosed in this 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 the 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.

DEFINITIONS

In this Prospectus, the following expressions have the meanings set out below unless the context requires otherwise:

“acting in concert”	has the meaning ascribed to it under the Takeovers Code
“Announcement”	the announcement of the Company dated 3 January 2018 in relation to, among other things, the Rights Issue
“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
“Circular”	the circular of the Company dated 20 April 2018 in relation to, among others, the Rights Issue
“Companies (Winding Up and Miscellaneous Provisions) Ordinance”	Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended from time to time
“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(s)”	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

DEFINITIONS

“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 was 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 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 trading day of the Shares on the Stock Exchange prior to the release of the Announcement

DEFINITIONS

“Latest Practicable Date”	Tuesday, 15 May 2018, being the latest practicable date prior to the printing of this Prospectus for the purpose of ascertaining certain information for inclusion in this Prospectus
“Latest Time for Acceptance”	4:00 p.m. on Tuesday, 5 June 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 Monday, 11 June 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”	Monday, 21 May 2018 being the date of despatch of this Rights Issue Documents
“Prospectus”	this prospectus
“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

DEFINITIONS

“Record Date”	Friday, 18 May 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) existing 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 10,463,687,800 Shares
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGM”	the special general meeting of the Company convened on 9 May 2018 during which, among other things, the Rights Issue and the Underwriting Agreement were approved by the Independent Shareholders
“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”	1,094,610,000 outstanding options to subscribe for 1,094,610,000 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

DEFINITIONS

“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 out Type 1 (dealing in securities) regulated activity under the SFO
“Underwriting Agreement”	the underwriting agreement dated 3 January 2018 (as amended and supplemented by the extension letters dated 24 January 2018, 8 March 2018 and 11 April 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

LETTER FROM THE BOARD



德泰新能源集團有限公司
DeTai New Energy Group Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 559)

Executive Directors:

Mr. Wong Hin Shek (*Chairman*)
Mr. Chi Chi Hung, Kenneth
(*Chief Executive Officer*)
Mr. Chan Wai Ki
Mr. Shek Yat Him

Registered office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Non-executive Director:

Mr. Chui Kwong Kau

Head office and principal place of business

in Hong Kong:
Suite 3301, 33/F.
The Center
99 Queen's Road Central
Hong Kong

Independent non-executive Directors:

Mr. Chiu Wai On
Mr. Man Kwok Leung
Dr. Wong Yun Kuen

21 May 2018

*To the Qualifying Shareholders and,
for information purpose only, the Non-Qualifying Shareholders*

Dear Sir or Madam,

**RIGHTS ISSUE ON THE BASIS OF
TWO (2) RIGHTS SHARES FOR EVERY ONE (1) EXISTING SHARE
HELD ON THE RECORD DATE**

INTRODUCTION

Reference is made to the Announcement and the announcements of the Company dated 24 January 2018, 5 February 2018, 15 February 2018, 1 March 2018, 14 March 2018, 29 March 2018 and 11 April 2018 respectively, and the Circular in relation to, among other things, the Rights Issue.

At the SGM convened and held on Wednesday, 9 May 2018, the necessary resolutions approving, among other things, the Rights Issue and the Underwriting Agreement, were duly passed by the Independent Shareholders by way of poll.

As at the Record Date, the total number of issued Shares was 5,231,843,900 Shares. Accordingly, a total of 10,463,687,800 Rights Shares are expected to be allotted and issued by the Company under the Rights Issue.

LETTER FROM THE BOARD

The purpose of this Prospectus is to provide you with further details of the Rights Issue.

PROPOSED RIGHTS ISSUE

The Company proposed to raise approximately HK\$544.1 million, before expenses, by way of the Rights Issue of 10,463,687,800 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 Latest Practicable Date	:	5,231,843,900 Shares
Number of Rights Shares	:	10,463,687,800 Rights Shares
Aggregate nominal value of the Rights Shares	:	HK\$523,184,390.00
Number of Shares as enlarged by the allotment and issue of the Rights Shares	:	15,695,531,700 Shares
Underwriter	:	Kingston Securities Limited

Share Options

As at the date of the Announcement, the Company had 1,094,810,000 Share Options, 200,000 Share Options with an exercise period between 21 January 2015 and 20 January 2020 lapsed in January 2018. Accordingly, as at the Latest Practicable Date, the number of outstanding Share Options is 1,094,610,000. Details of the outstanding Share Options are as follows:

- (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) 184,400,000 Share Options are exercisable from 21 January 2015 to 20 January 2020;

LETTER FROM THE BOARD

- (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 Latest Practicable Date, 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 Latest Practicable Date, 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.

The aggregate number of the Rights Shares represents (i) 200% of the existing issued share capital of the Company as at the Latest Practicable Date; 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 premium of 4.00% over the closing price of HK\$0.050 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (iv) 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;

LETTER FROM THE BOARD

- (v) 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 Latest Practicable Date); and
- (vi) a discount of approximately 61.19% to the net asset value of the Company per Share of approximately HK\$0.134 as at 31 December 2017 (which is calculated based on the total equity attributable to the owners of the Company as at 31 December 2017 of approximately HK\$701.79 million and 5,231,843,900 Shares in issue as at the Latest Practicable Date).

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 prior to and including the Last Trading Day, 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.

The trading liquidity of the Shares continued to be thin for the six months preceding the Last Trading Day (the "**Relevant Period**") and the average daily trading volume of the Shares during the Relevant Period was approximately 22,204,333 Shares, representing approximately 0.42% of the total number of issued Shares as at the date of the Underwriting Agreement. In view of the unsatisfactory financial performance and position of the Group, as well as the thin trading volume of the Shares, the Board considers that it is necessary to set the Subscription Price at a discount to the recent market price, so as to attract the Qualifying Shareholders to participate in the Rights Issue.

LETTER FROM THE BOARD

In addition, the Board has reviewed all rights issue announcements issued by companies listed on the Stock Exchange during the Relevant Period and identified an exhaustive list of 23 rights issues (the “**Reference Transactions**”) announced during such period details of which are set out in the table below:

Date of announcement	Company name	Stock code	Basis of entitlement	Premium/	Premium/	Premium/	Maximum dilution (B)	Dilution ratio (A) x (B)	Underwriting commission
				(Discount) of the subscription price over/to the closing price on the last trading day (A)	(Discount) of the subscription price over/to the theoretical ex-entitlement price, based on the Last Trading Day (Note 3)	(Discount) of the subscription price over/to the consolidated net asset value per share (Notes 1 & 7)			
				Approximately %	Approximately %	Approximately %	Approximately %	Approximately %	Approximately %
19/7/2017	Beautiful China Holdings Company Limited	706	3 for 4	(29.50)	(19.28)	(19.28)	42.86	(12.64)	1.50
19/7/2017	V.S. International Group Limited	1002	1 for 4	(17.86)	(14.81)	(10.72)	20.00	(3.57)	0.00
21/7/2017	Digital China Holdings Limited	861	1 for 4	(29.58)	(25.09)	(25.13)	20.00	(5.92)	0.00
28/7/2017	Kaisa Health Group Holdings Limited (formerly known as Mega Medical Technology Limited)	876	1 for 3	21.25	15.94	67.04	25.00	N/A (Note 9)	0.00
14/8/2017	Roma Group Limited (Note 4)	8072	3 for 2	(34.21)	(17.13)	(60.63)	60.00	(20.53)	7.00
15/8/2017	Carnival Group International Holdings Limited	996	1 for 4	(39.39)	(34.21)	(2.55)	20.00	(7.88)	3.50
18/8/2017	China Polymetallic Mining Limited	2133	1 for 2	(50.82)	(40.89)	(83.40)	33.33	(16.94)	1.50
22/8/2017	China State Construction International Holdings Limited.	3311	1 for 8	(9.36)	(8.41)	80.13	11.11	(1.04)	2.00
31/8/2017	China HKBridge Holdings Limited	2323	1 for 2	(21.43)	(15.38)	171.60 (Note 5)	33.33	(7.14)	1.00
4/9/2017	CircuTech International Holdings Limited	8051	2 for 5	(9.64)	(6.83)	337.58 (Note 5)	28.57	(2.75)	2.00
18/9/2017	The Sincere Company, Limited	244	3 for 5	(28.00)	(19.64)	60.71	37.50	(10.50)	0.00
21/9/2017	eForce Holdings Limited	943	4 for 1	(15.38)	(3.51)	(86.25)	80.00	(12.30)	0.00
22/9/2017	TC Orient Lighting Holdings Limited	515	1 for 1	(48.00)	(31.58)	(45.83)	50.00	(24.00)	1.50
29/9/2017	China Child Care Corporation Limited	1259	1 for 1	(23.08)	(13.15)	(73.26)	50.00	(11.54)	1.50
4/10/2017	China Agri-Products Exchange Limited	149	5 for 1	(30.16)	(6.38)	(85.01)	83.33	(25.13)	2.50
20/10/2017	The 13 Holdings Limited (Note 4)	577	10 for 1	(87.91)	(39.89)	(98.22)	90.91	(79.92)	3.00
7/11/2017	China Overseas Grand Oceans Group Limited	81	1 for 2	(7.90)	(5.34)	(22.73)	33.33	(2.63)	1.50
8/11/2017	China Power International Development Limited	2380	1 for 3	(27.49)	(22.14)	(55.30)	25.00	(6.87)	2.00

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Date of announcement	Company name	Stock code	Basis of entitlement	Premium/	Premium/	Premium/	Maximum dilution (B) (Note 2)	Dilution ratio (A) x (B) (Note 8)	Underwriting commission
				(Discount) of the subscription price over/to the closing price on the last trading day (A) Approximately %	(Discount) of the subscription price over/to the theoretical ex-entitlement price, based on the Last Trading Day (Note 3) Approximately %	(Discount) of the subscription price over/to the consolidated net asset value per share (Notes 1 & 7) Approximately %			
19/11/2017	REXLot Holdings Limited	555	1 for 2	(12.07)	(8.38)	(90.55)	33.33	(4.02)	1.00
21/11/2017	National Investments Fund Limited	1227	1 for 2	(41.67)	(32.26)	438.46 (Note 5)	33.33	(13.89)	3.00
28/11/2017	TCL Multimedia Technology Holdings Limited	1070	1 for 3	(25.75)	(20.64)	(10.63)	25.00	(6.44)	2.15 (Note 6)
18/12/2017	China Tonghai International Financial Limited	952	8 for 3	6.80	1.85	19.57	72.73	N/A (Note 9)	1.50
20/12/2017	Yu Tak International Holdings Limited	8048	1 for 2	5.26	3.45	49.25	33.33	N/A (Note 9)	0.00
	Minimum			(87.91)	(40.89)	(98.22) (Note 5)	11.11	(79.92)	0.00
	Maximum			21.25	15.94	80.13 (Note 5)	90.91	(1.04)	7.00
	Average			(24.17)	(15.81)	(24.23) (Note 5)	40.96	(13.78)	1.66
Company			2 for 1	(29.73)	(11.86)	(61.19)	66.67	(19.82)	2.5

Source: The Stock Exchange of Hong Kong Limited and the rights issue announcement/circular issued by the respective listed issuers

Notes:

- For each of the Reference Transactions, the net consolidated net asset value per share was extracted or computed from financial information from the relevant announcement, circular or prospectus of the underlying rights issue, where such information is not available from the above published sources, computed based on the reported consolidated net asset value as shown in the relevant interim report or annual report and the number of shares in issue as at the date of the relevant announcement of the underlying proposed rights issue.
- Maximum dilution effect of each rights issue is calculated as: $((\text{number of rights shares to be issued under the basis of entitlement}) / (\text{number of existing shares held for the entitlement for the rights shares under the basis of entitlement} + \text{number of rights shares to be issued under the basis of entitlement}) \times 100\%)$, e.g. for a rights issue with basis of 1 rights share for every two (2) existing shares, the maximum dilution effect is calculated as $((1)/(1+2)) \times 100\% = \text{approximately } 33.33\%$.
- Premium/(Discount) of the subscription price over/to the theoretical ex-entitlement price based on the Last Trading Day is calculated as: $((\text{number of rights shares to be issued under the basis of entitlement} \times \text{subscription price per rights share}) / (\text{number of existing shares held for the entitlement for the rights shares under the basis of entitlement} \times \text{share price on last trading day} + \text{number of rights shares to be issued under the basis of entitlement} \times \text{subscription price per rights share}) \times 100\%)$
- Roma Group Limited (stock code: 8072) has conducted share consolidation prior to its underlying rights issue and The 13 Holdings Limited (stock code:577) proposed to conducted share consolidation, capital reduction and share subdivision prior to its underlying rights issue.

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5. The net asset value attributable to owners of the company per shares of CircuTech International Holdings Limited (stock code:8051), China HKBridge Holdings Limited (stock code: 2323) and National Investments Fund Limited (stock code:1227) are excluded from the calculations as they appear to be extreme outlier as compared to the rest of the Reference Transactions, thus does not provide a meaningful analysis.
6. The underwriting commission is fixed at US\$1,432,395, being approximately HK\$11.1 million and for the purpose of our analysis, the commission is expressed in percentage of the aggregate subscription price in respect of the maximum number of the underwritten shares.
7. For the purpose of our analysis and illustration purposes only, the exchange rate between the Renminbi and Hong Kong dollar is assumed to be 1.00 to 1.13.
8. Dilution ratio of each rights issue is calculated as: ((A) (Discount) of the subscription price over/to the closing price on the last trading day x (B) Maximum dilution /100), (the “**Dilution Ratio**”), e.g. for a rights issue with the subscription price representing a discount of 10% and a maximum dilution effect of 50%, the dilution ratio is calculated as $(-10\%) \times 50\% \times 100 = -5\%$
9. Note applicable to rights issue whereby shares were issued at a premium to the share price as at the respective last trading day.

The subscription prices of the Reference Transactions ranged from a premium of approximately 21.25% to a discount of approximately 87.91% compared to the respective closing prices of their shares on the last trading day prior to the release of the respective announcements of the Reference Transactions (the “**LTD Market Range**”). The Subscription Price over the closing price per Share on the Last Trading Day represents a discount of approximately 29.73% (the “**LTD Discount**”), which is at a similar level to the average from the Reference Transactions and falls within the LTD Market Range; and (ii) the subscription prices to the theoretical ex-entitlement prices per share based on the last trading day prior to the respective rights issue announcement of the Reference Transactions ranged from a premium of approximately 15.94% to a discount of approximately 40.89% (the “**TERP Market Range**”). The discount of the Subscription Price over the theoretical ex-entitlement price per Share of approximately 11.86% (the “**TERP Discount**”) falls within the TERP Market Range. The Board considers that it is common for listed companies in Hong Kong to set the subscription price of rights issues at a discount to the market price, and the discount level of the Subscription Price to the market price falls within the range of that of the Reference Transactions.

Dilution effect and the structure of the Rights Issue

If all the Qualifying Shareholders do not take up the Rights Shares to which they are entitled and the Underwriter takes up all the Rights Shares, the percentage of shareholding of the existing public Shareholders will be reduced from 100% to 33.33%, representing a dilution effect on the shareholding interests of approximately 66.67% as a result of the Rights Issue.

The Company has not approached other potential underwriters in respect of the Rights Issue as: (a) the Company is mindful of the laws and regulations in Hong Kong pertaining to the need to preserve the confidentiality of inside information and the proposed Rights Issue is considered by the Company to be highly price sensitive and thus the Company is mindful not to solicit or negotiate with multiple potential underwriters in the market at the same time; (b) the Underwriter has agreed to take up all the Untaken Shares, which ensures that the Company

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will raise the proceeds to satisfy its expected funding needs without the need to engage any additional underwriter(s) to ensure the Rights Issue is fully underwritten; and (c) the commission rate of 2.5% charged by the Underwriter falls within the range of the Reference Transactions. The Directors consider that, due to the relative high offer ratio (i.e. two Rights Shares for every one existing Share) compared to the Reference Transactions, additional time and efforts will be required in negotiating with other potential underwriters to obtain the best possible terms. Due to the imminent need of the Company to utilise the proceeds from the Rights Issue to fund its business needs, the Directors believe that it is in the interests of the Company and its Shareholders to secure the underwriting services for the Rights Issue as soon as practicable and at fair and reasonable terms instead of spending prolonged time and efforts to obtain the best possible terms for underwriting the Rights Shares. Taking into account the above-mentioned factors, the Company considered the terms offered by the Underwriter are fair and reasonable, and therefore had not approached multiple potential underwriters.

The Company has compared the underwriting commission of 2.5% to the underwriting commission of the Reference Transactions. Out of the 23 Reference Transactions, there were three outliers as explained above, 15 out of the remaining 20 Reference Transactions had a discount Price-to-NAV, out of which six Reference Transactions had a higher discount Price-to-NAV than that under the Rights Issue (the “**Selected Reference Transactions**”), and three of the Selected Reference Transactions had a higher maximum dilution effect than that of the Rights Issue’s maximum dilution effect of approximately 66.67%. The underwriting commission of the above-mentioned three transactions was nil, 2.5% and 3%, respectively (the “**Reviewed Transactions**”) compared to the underwriting commission under the Rights Issue of 2.5%. The underwriter of two of the Reviewed Transactions were connected person to the listed issuer and that their underwriting commission was nil and 2.5%, respectively, and the underwriter of the remaining Reviewed Transaction was an independent third party and the relevant underwriting commission charged was 3%. Given the Underwriter under the Rights Issue is an Independent Third Party, the Company considers that it is more appropriate to compare the underwriting commission of the Reviewed Transactions that was underwritten by an independent third party, of which had a higher underwriting commission at 3%. On this basis, having considered that the commission rate of 2.5% charged by the Underwriter (i) falls within the range of the Reference Transactions; (ii) falls within the range of the Reviewed Transactions; and (iii) lower than that of the underwriting commission of 3% charged by the independent underwriter under the Reviewed Transaction, the Company is of the view that the underwriting commission paid to the Underwriter under the Rights Issue is generally in line with the market practice and therefore considered to be fair and reasonable.

Apart from the above, when arriving the current structure of the Rights Issue, the Company has further considered the following factors:

- (i) in view of the funding requirements of the Group of approximately HK\$523.6 million and the need for setting a Subscription Price at a level acceptable to the Underwriter and all of the Qualifying Shareholders;

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- (ii) under the Rights Issue, all the Qualifying Shareholders will be offered the same opportunity to maintain their proportionate interests in the Company and to participate in the growth and development of the Company. Furthermore, Shareholders who do not want to participate in the Rights Issue could dispose the nil-paid Rights Shares in the secondary market;
- (iii) while there is an inherent dilutive nature of rights issue in general if the Qualifying Shareholders did not take up their entitlements under the Rights Issue in full, the Qualifying Shareholders have the first right to decide whether to accept their entitlements of the Rights Shares; and
- (iv) although the Rights Issue has an inherent dilutive nature, it is subject to Shareholders' approval, which means that the Shareholders have a right to disapprove the Rights Issue.

Having considered the above, the Directors (including the independent non-executive Directors) consider that the terms of the Rights Issue (including the subscription ratio and the Subscription Price which has been set at a discount to the closing prices prior to the entering into of the Underwriting Agreement of the Share with an object to encourage existing Shareholders to take up their entitlements so as to participate in the potential growth of the Company) to be 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 the Announcement and as at the Latest Practicable Date, 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 Shares.

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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 Record Date, there was no Overseas Shareholder.

The Rights Issue Documents are sent to the Qualifying Shareholders on the Posting Date.

Non-Qualifying Shareholders

Based on the register of members of the Company as at the Record Date, there was no Shareholder with address on the register of members of the Company outside Hong Kong. Accordingly, there is no Non-Qualifying Shareholder under the Rights Issue.

Procedures for acceptance, payment and transfer

A PAL is enclosed with the Prospectus which entitles the Qualifying Shareholder(s) to whom it is addressed to subscribe for the number of Rights Shares shown therein.

If a Qualifying Shareholder wishes to accept all the Rights Shares provisionally allotted to him/her/it as specified in the PAL, he/she/it must lodge the PAL in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance with the Registrar at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, by no later than 4:00 p.m. on Tuesday, 5 June 2018. All remittances must be made in

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Hong Kong dollars by cheques which must be drawn on an account with, or by cashier's orders which must be issued by, a licensed bank in Hong Kong and made payable to "**DeTai New Energy Group Limited — Rights Issue Account**" and crossed "**Account Payee Only**".

It should be noted that unless the PAL, together with the appropriate remittance, have been lodged with the Registrar by no later than 4:00 p.m. on Tuesday, 5 June 2018, whether by the original allottee or any person in whose favour the rights have been validly transferred, that provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled and such Rights Shares will be available for excess application under the EAFs by other Qualifying Shareholders. The Company may, at its sole discretion, treat a PAL as valid and binding on the person(s) by whom or on whose behalf it is lodged even if the PAL is not completed in accordance with the relevant instructions. The Company may require such incomplete PAL to be completed by the relevant applicants at a later stage.

If a Qualifying Shareholder wishes to accept only part of his/her/its provisional allotment or transfer part of his/her/its rights to subscribe for the Rights Shares provisionally allotted to him/her/it under the PAL or to transfer part or all of his/her/its rights to more than one person, the entire PAL must be surrendered and lodged for cancellation by no later than 4:30 p.m. on Monday, 28 May 2018 to the Registrar, who will cancel the original PAL and issue new PALs in the denominations required which will be available for collection from the Registrar at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, after 9:00 a.m. on the second business day after the surrender of the original PAL.

The PAL contains further information regarding the procedures to be followed for acceptance and/or transfer of the whole or part of the provisional allotment of the Rights Shares by the Qualifying Shareholders. All cheques and cashier's orders accompanying completed PALs will be presented for payment immediately upon receipt and all interest earned on such monies (if any) will be retained for the benefit of the Company. Completion and return of the PAL will constitute a warranty and representation to the Company that all registration, legal and regulatory requirements of all relevant jurisdictions other than Hong Kong in connection with the PAL and any acceptance of it, have been, or will be, duly complied with. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited is subject to any of the representations and warranties. Completion and return of the PAL with a cheque or a cashier's order in payment for the Rights Shares, whether by a Qualifying Shareholder or by any nominated transferee, will constitute a warranty by the subscriber that the cheque or the cashier's order will be honoured on first presentation.

Without prejudice to the other rights of the Company in respect thereof, the Company reserves the right to reject any PAL in respect of which the accompanying cheque and/or cashier's order is dishonoured on first presentation, and, in such event, the relevant provisional allotment and all rights and entitlements thereunder will be deemed to have been declined and will be cancelled.

No action has been taken to obtain permission of the offering of the Rights Shares or the distribution of the Rights Issue Documents in any jurisdiction other than Hong Kong. Accordingly, no person receiving a copy of the Rights Issue Documents in any jurisdiction outside Hong Kong may treat it as an offer or invitation to apply for the Rights Shares, unless

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in the relevant jurisdictions, such an offer or invitation could lawfully be made without compliance with any registration or other legal and regulatory requirements. It is the responsibility of anyone outside Hong Kong wishing to make on his/her/its behalf an application for the Rights Shares to satisfy himself/herself/itself as to the observance of the laws and regulations of all relevant jurisdiction, including the obtaining of any governmental or other consents, and to pay any taxes and duties required to be paid in such jurisdiction in connection therewith.

If the Underwriter exercises the right to terminate the Underwriting Agreement at or before the Latest Time for Termination or if the conditions of the Underwriting Agreement are not fulfilled or waived (as the case may be), the monies received in respect of acceptances of the Rights Shares will be returned to the Qualifying Shareholders or such other persons to whom the nil-paid Rights Shares shall have been validly transferred, or in case of joint acceptances, to the first-named person, without interest by means of cheques despatched by ordinary post to their respective registered address at their own risk as soon as practicable thereafter.

No receipt will be issued in respect of any application monies received.

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 Tuesday, 5 June 2018 (Hong Kong time).

Any Qualifying Shareholder wishing to apply for any Rights Shares in addition to his/her/its provisional allotment must complete and sign the EAF in accordance with the instructions printed thereon and lodge the same, together with a separate remittance for the amount payable on application in respect of the excess Rights Shares applied for, with the Registrar on or before the Latest Time for Acceptance. All remittances must be made by cheque or cashier's order in Hong Kong dollars. Cheques must be drawn on an account with, and cashier's orders must be issued by, a licensed bank in Hong Kong and made payable to "**DeTai New Energy Group Limited — Excess Application Account**" and crossed "**Account Payee Only**".

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

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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 whose Shares are held by their nominee(s) and who would like to have their names registered on the register of members of the Company must have been lodged all necessary documents with the Registrar at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, by 4:30 p.m. on Monday, 14 May 2018.

The allocation of excess Rights Shares (if any) to the Qualifying Shareholders will be announced by the Company on Tuesday, 12 June 2018. If no excess Rights Shares are allotted to the Qualifying Shareholders, it is expected that a cheque for the amount tendered on application will be refunded in full without interest on or before Wednesday, 13 June 2018. If the number of excess Rights Shares allotted to the Qualifying Shareholders is less than that applied for, a cheque for the amount of the surplus application monies are also expected to be refunded to them without interest on or before Wednesday, 13 June 2018.

All cheques and cashier's orders will be presented for payment immediately following receipt and all interest earned on such monies (if any) will be retained for the benefit of the Company. Completion and return of the EAF together with a cheque or cashier's order in payment for excess Rights Shares applied for will constitute a warranty by the applicant that the cheque or the cashier's order will be honoured on first presentation. If any cheque or cashier's order accompanying a completed EAF is dishonoured on first presentation, without prejudice to the other rights of the Company, such EAF is liable to be rejected.

Completion and return of the EAF by anyone outside Hong Kong will constitute a warranty and representation to the Company that all the local registration, legal and regulatory requirements of such relevant jurisdictions other than Hong Kong in connection with the EAF and any application under it, have been, or will be, duly complied with. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited is subject to any of the representations and warranties

The EAF is for use only by the person(s) to whom it is addressed and is not transferable. All documents, including refund cheques for wholly or partially unsuccessful applications for excess Rights Shares, will be despatched by ordinary post at the risk of the persons entitled thereto to their respective registered addresses as shown in the register of members of the Company on the Record Date.

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If the Underwriter exercises the right to terminate the Underwriting Agreement at or before the Latest Time for Termination or if the conditions of the Rights Issue are not fulfilled or waived (as the case may be), the monies received in respect of the relevant applications for excess Rights Shares will be returned to the applicants, or in case of joint applicants, to the first-named person, without interest by means of cheques despatched by the ordinary post to their respective addresses at their own risk as soon as practicable thereafter.

Application for listing

The Company has applied 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 Wednesday, 13 June 2018 to those who have accepted and paid for the Rights Shares, by ordinary post at their own risk.

One share certificate will be issued for all Rights Shares allotted and issued to an applicant.

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 (as amended and supplemented by the extension letters dated 24 January 2018, 8 March 2018 and 11 April 2018)

Underwriter : Kingston Securities Limited

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

Pursuant to the Underwriting Agreement, the total number of the Underwritten Shares shall be 7,527,253,550 Shares 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, being the maximum number of Underwritten Shares as at the date of the Underwriting Agreement)

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 this 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;

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- (4) following registration, the posting of this 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. on Monday, 11 June 2018 (Hong Kong time) (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.

As at the Latest Practicable Date, save as condition (1) has been fulfilled, the other conditions of the Underwriting Agreement were yet to be fulfilled.

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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

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- (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 the 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.

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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 Latest Practicable Date and immediately upon completion of the Rights Issue for illustration purpose only:

	(i) As at the Latest Practicable Date		(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	0.40	69,000,000	0.43	23,000,000	0.14
Chui Kwong Kau	660,000	0.01	1,980,000	0.01	660,000	0.00
Sub-total	23,660,000	0.41	70,980,000	0.44	23,660,000	0.14
Mr. Tong	1,468,217,125	25.65	4,404,651,375	27.21	4,404,651,375	27.21
The Underwriter (<i>Note</i>)	—	—	—	—	3,077,253,550	19.01
<i>Sub-underwriters procured by the Underwriter</i>						
Ruan Yuan	—	—	—	—	650,000,000	4.02
Chau Lai Him	—	—	—	—	700,000,000	4.32
Get Nice Securities Limited	—	—	—	—	700,000,000	4.32
Global Mastermind Securities Limited	—	—	—	—	600,000,000	3.71
Emperor Securities Limited	—	—	—	—	600,000,000	3.71
VMS Securities Limited	131,390,000	2.30	394,170,000	2.43	731,390,000	4.52
Cornerstone Securities Limited	—	—	—	—	600,000,000	3.71
Other public Shareholders	3,608,576,775	63.05	10,825,730,325	66.88	3,608,576,775	22.29
Sub-total — ordinary Shares	5,231,843,900	91.41	15,695,531,700	96.96	15,695,531,700	96.96
<i>Convertible Preference Shares</i>						
The holder(s) of the Convertible Preference Shares	491,665,238	8.59	491,665,238	3.04	491,665,238	3.04
Total	5,723,509,138	100.00	16,187,196,938	100.00	16,187,196,938	100.00

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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. As at the Latest Practicable Date, the Underwriter had procured seven sub-underwriters who are Independent Third Parties in respect of the sub-underwriting an aggregate of 4,450,000,000 Underwritten Shares. The seven sub-underwriters, namely Ruan Yuan, Chau Lai Him, Get Nice Securities Limited, Global Mastermind Securities Limited, Emperor Securities Limited, VMS Securities Limited and Cornerstone Securities Limited (collectively, the “**Sub-underwriters**”) who had agreed to take up 650,000,000 Underwritten Shares, 700,000,000 Underwritten Shares, 700,000,000 Underwritten Shares, 600,000,000 Underwritten Shares, 600,000,000 Underwritten Shares, 600,000,000 Underwritten Shares and 600,000,000 Underwritten Shares (collectively, the “**Sub-underwritten Shares**”), respectively (collectively, the “**Sub-underwriting Agreements**”). As at the Latest Practicable Date, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, (i) each of Ruan Yuan, Chau Lai Him is an ordinary investor, Get Nice Securities Limited is principally engaged in securities brokerage services, Global Mastermind Securities Limited is principally engaged in dealing in securities, Emperor Securities Limited is principally engaged in provision of financial services, VMS Securities Limited is principally engaged in securities dealing and brokerage and Cornerstone Securities Limited is a principally engaged in securities dealing and brokerage service; and (ii) save for an affiliated company of VMS Securities Limited being interested in 131,390,000 Shares, none of the Sub-underwriters is interested in any Shares; (iii) the Sub-underwriters are independent of each other; and (iv) save for the Underwriting Agreement and the Sub-underwriting Agreements, there is no other agreements, arrangements, understandings entered into by the Sub-underwriters and the Underwriter.

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

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

The net proceeds from the Rights Issue (after deducting the estimated expenses) are estimated to be approximately HK\$523.6 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\$523.6 million 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\$193.9 million for repayment of the outstanding borrowings; (iii) approximately HK\$100.0 million for expansion of the Group’s money lending business; and (iv) the remaining balance

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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

References are 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) A secured bank loan of approximately HK\$137.9 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.
- (2) Indebtednesses owed to an Independent Third Party of approximately HK\$56 million due in June 2018, bearing interest rate of 18% per annum. With repayment of this indebtedness, the Group expects that approximately HK\$10.1 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 interim report of the Company for the six months ended 31 December 2017, the Group generated interest income of approximately HK\$5.2 million and recorded a segment profit of approximately HK\$1.2 million. As at 31 December 2017, the loans receivable with gross principal amount of approximately HK\$103.9 million in aggregate with interest bearing at rates ranging from 7% to 20% per annum were due from Independent Third Parties. Up to the Latest Practicable Date, the Group has loans receivable with gross principal amount of approximately HK\$105.4 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.

(iv) General working capital of the Group

The remaining proceeds of the Rights Issue (of approximately HK\$33.7 million) will be retained for the expected working capital requirements of the Group including staff costs and Directors' remuneration for the next 12 months.

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The Directors have considered other financing alternatives including (i) additional debt financing; and (ii) equity fund raising such as placement of Shares and open offer. The Directors are of the view that while additional debt financing will increase the Group's gearing ratio, it will also increase the ongoing interest expenses of the Group which may in turn affect the profitability of the Company. As for equity fund raising, such as placement of Shares, it is a common market practice to conduct such activity on a best-effort basis and accordingly the amount to be raised would be uncertain and subject to the then market conditions. In addition, for placement of new Shares, it would lead to immediate dilution in the shareholding interest of existing Shareholders without offering them the opportunity to participate in the enlarged capital base of the Company. As for open offer, similar to a rights issue, it also offers qualifying shareholders to participate, but it does not allow the trading of rights entitlements in the open market. The Directors are of the view that the Rights Issue provides better financial flexibility for the Company as it will strengthen the capital base of the Company, thus enhancing its net asset position without the ongoing burden of interest expenses, and also offers all Qualifying Shareholders the opportunity to maintain their pro rata shareholding interests in the Company and avoid dilution for those Shareholders who take up their entitlement under the Rights Issue in full.

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 Thursday, 14 June 2018. The change in board lot size will not result in any change in the relative rights of the Shareholders.

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 has appointed Kingston Securities Limited to provide matching services, on a best effort basis, to those Shareholders who wish to top up or sell their holdings of odd lots Shares (i.e. less than 30,000 Shares). Holders of odd lots of Shares who wish to take advantage of this trading facility to dispose of or top up odd lots should contact Mr. James Lee (telephone number: (852) 2298 6228) of Kingston Securities Limited, at Suite 2801, 28/F, One International Finance Centre, 1 Harbour View Street, Central, Hong Kong during the period from 9:00 a.m. on Thursday, 14 June 2018 to 4:00 p.m. on Tuesday, 10 July 2018 (both days inclusive).

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Holders of Shares in odd lots of less than 30,000 Shares should note that successful matching of the sale and purchase of odd lots of Shares will not be guaranteed. Shareholders are advised to consult their professional advisers if they are in doubt about the above arrangement.

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.

FUND RAISING ACTIVITY IN THE PAST TWELVE MONTHS

Fund raising activity	Net proceeds raised	Intended use of proceeds	Actual use of proceeds
<p>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.</p>	<p>Approximately HK\$160.8 million</p>	<p>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.</p>	<p>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.</p>

Save as disclosed above, the Company had not conducted any equity fund raising activities in the past 12 months immediately preceding the date of the Announcement and up to the Latest Practicable Date.

POSSIBLE ADJUSTMENTS TO THE SHARE OPTIONS AND THE CONVERTIBLE PREFERENCE SHARES

As at the Latest Practicable Date, the Company had (i) outstanding Share Options under the Share Option Schemes carrying rights for the holders thereof to subscribe for an aggregate of 1,094,610,000 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

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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.

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 have been dealt in on an ex-entitlement basis commencing from Friday, 11 May 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 Prospectus and the date on which the Rights Issue becomes unconditional (which is expected to be at 4:00 p.m. on Monday, 11 June 2018), and any dealings in the Rights Shares in their nil-paid form from Thursday, 24 May 2018 to Thursday, 31 May 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.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this Prospectus.

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

1. FINANCIAL INFORMATION

Details of the financial information of the Group for (i) each of the three years ended 30 June 2015, 2016 and 2017; and (ii) the six months ended 31 December 2017 are disclosed in the annual reports of the Company for the years ended 30 June 2015, 2016 and 2017 and the interim report of the Company for the six months ended 31 December 2017, respectively. These annual reports and the interim report are published on the website of the Stock Exchange (<http://www.hkex.com.hk>) and the website of the Company (<http://www.detai-group.com>).

2. INDEBTEDNESS

As at the close of business on 31 March 2018, being the Latest Practicable Date for the purpose of preparing the indebtedness statement prior to the printing of this Prospectus, the Group had outstanding borrowings and corporate bonds of totalling approximately HK\$219,082,000, details of which are set out below:

	<i>Approximately HK\$'000</i>
Bank borrowings and overdrafts, secured	153,082
Corporate bonds, unsecured	10,000
Other borrowings, unsecured	56,000

As at 31 March 2018, the Group's bank borrowings and overdrafts were secured by freehold land and buildings in Japan, certain bank balances, the entire equity interest of a subsidiary of the Group and the corporate guarantees executed by certain subsidiaries within the Group.

As at 31 March 2018, the Group's unsecured corporate bonds with principal amount of HK\$10,000,000, which bear interest at 8% per annum, were guaranteed by the Company.

As at 31 March 2018, the Group's unsecured other borrowings with principal amount of HK\$56,000,000, which bear interest at 18% per annum, were guaranteed by the Company.

Save as disclosed above and apart from intra-group liabilities and normal trade and other payables, at the close of the business on 31 March 2018, the Group did not have any loan capital issued or agreed to be issued, debt securities issued and outstanding, authorised or otherwise created but unissued, bank overdrafts or loans or term loans, other borrowings or other similar indebtedness, liabilities under acceptances, acceptance credits, debentures, mortgages, charges, finance lease or hire purchase commitments, guarantees or contingent liabilities.

The Directors confirm that, save as disclosed therein, there has not been any material change in the indebtedness, contingent liabilities and commitments of the Group since 31 March 2018.

3. WORKING CAPITAL

The Directors, after due and careful consideration, are of the opinion that in the absence of unforeseeable circumstances, taking into account the financial resources available to the Group and the estimated net proceeds from the Rights Issue, the Group will have sufficient working capital for its present requirements for at least the next twelve months following the date of this Prospectus.

4. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse changes in the financial or trading position of the Group since 30 June 2017 (being the date to which the latest published audited consolidated financial statements of the Group were made up).

5. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

As at the Latest Practicable Date, the Group is principally engaged in five business segments, (i) hotel hospitality business; (ii) provision of money lending services; (iii) new energy business; (iv) trading and distribution of liquor and wine; and (v) investments in securities and funds.

For the year ended 30 June 2017, the Group recorded a revenue of approximately HK\$44.2 million, representing an increase of about 169% over the last year. Loss for the year attributable to owners of the Company was approximately HK\$144.4 million, representing a decrease of about 71% compared to the last year. The decrease in net loss was mainly attributable to (i) the decrease in impairment loss on goodwill and intangible assets of approximately HK\$363.0 million and HK\$91.3 million respectively and (ii) the decrease in share based payment expenses of approximately HK\$39.5 million as compared to that for the corresponding year of 2016.

For the six months ended 31 December 2017, the Group recorded a revenue of approximately HK\$26.8 million, representing an increase of about 106% over the last period. Loss for the period attributable to owners of the Company was approximately HK\$65.5 million while that of last period was HK\$8.2 million. The increase in the net loss was mainly attributable to (i) the impairment loss on goodwill and intangible asset of the new energy business; (ii) the general and administrative expenses recorded from the new energy business and hotel hospitality business; and (iii) the absence of gain on derecognition of available-for-sale investments as compared to that for the corresponding period of 2016.

On 4 April 2018, the Company as vendor, Excellent Point Asia Limited (the “**Purchaser**”) as purchaser and Mr. Zhu Yongjun as the purchaser’s guarantor entered into a sale and purchase agreement (the “**SPA**”), pursuant to which the Company has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase 49 shares of US\$1.00 each in the share capital of Perfect Essential Holdings Limited (the “**Target Company**”), representing 49% of the issued share capital of the Target Company, and part of the

shareholder's loan in the aggregate amount of HK\$64,484,000 owing by the Target Company to the Company, subject to the terms and conditions of the SPA at a total consideration of HK\$64,484,382.2 (the "**Disposal**").

Pursuant to the SPA, the Purchaser and the Company shall enter into an option deed upon the first completion of the Disposal, pursuant to which the Company shall grant the Purchaser the right to acquire all but not part of the 51 shares of US\$1.00 each in the share capital of the Target Company, representing 51% of the issued share capital of the Target Company, and part of the shareholder's loan in the aggregate amount of HK\$67,116,000 owing by the Target Company to the Company, within six months from the date of the first completion of the Disposal (the "**Call Option**").

The Target Company together with its subsidiaries (the "**Target Group**") are engaged in developing and distributing a biofuel product namely EuroAd, a biodegradable vegetable additive which catalyzes the combustion process in both fossil and bio fuels to achieve fuller fuel efficiency and cost savings with increased fuel performance.

For the year ended 30 June 2017 and for the six months ended 31 December 2017, the Target Group recorded losses. 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, 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.

Hotel hospitality business is the core business of the Group which generates satisfactory income to the Group. The hotel, One Niseko Resort Towers, is located in the famous Japanese skiing destination of Niseko, Hokkaido, Japan. Niseko is one of the famous ski resort areas in Japan and is well known for its heavy light powder snow and spectacular backcountry. In recent years, Niseko has become a year round resort destination and is experiencing a rapid increase in foreign visitors and interest especially from China and South East Asia who have been responsible for popularising the resort area with the skiing/snowboarding community outside Japan. In view of the large potential growth in tourism in Japan driven by the Tokyo Olympics 2020 and the enactment of the Integrated Resort Laws in Japan, the Group is confident that the resort towers will allow the Group to achieve further diversification in our business portfolio and manage a steady income stream.

References are made to the JV Announcements in relation to the Formation of JV Company. The principal activities of the JV Company are research and development, production and distribution of new energy and renewable energy, corporate management, financial services and investment and related business. The another shareholder of the JV Company is Zhongke International Capital Limited whose holding company is 中科建設開發總

公司 (Bureau of Construction and Development Company) (the “**Bureau**”, together with its subsidiaries, the “**Zhongke Group**”), which is a leading national enterprise in China. In recent years, the Bureau has expanded its scope from construction and engineering into, including but not limited to, investment and financing and new energy. Given the experience of the Zhongke Group in investment and financing together with its reputation and vast business network in China market, the Group could leverage these advantages to step into financial services and investment sectors in both Hong Kong and China. It is expected that Zhongke Group will contribute more on the operation of the JV Company which will give greater flexibility in future development of the JV Company.

The money lending business provides a relatively stable income to the Group and the Group would invest more resources to expand this business in the future.

The Group will continue to identify investment and business development opportunities conservatively and seriously, to better utilise its capital to expand the scope of business, to explore potential projects and to acquire good quality assets so as to enhance its long-term return of the shareholders of the Company.

A. UNAUDITED PRO FORMA STATEMENT OF CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP

The following unaudited pro forma statement of consolidated net tangible assets of the Group is prepared in accordance with Paragraph 29 of Chapter 4 of the Listing Rules and is set out to illustrate the effects of Rights Issue on the unaudited consolidated net tangible assets of the Group as if the Rights Issue had taken place on 31 December 2017.

The unaudited pro forma statement of consolidated net tangible assets of the Group has been prepared for illustrative purposes only, and because of its hypothetical nature, may not give a true picture of the unaudited consolidated net tangible assets of the Group had the Rights Issue been completed as at 31 December 2017 or at any future date.

The following statement of unaudited pro forma consolidated net tangible assets of the Group is prepared based on the unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2017, as extracted from the published interim report of the Group for the six months ended 31 December 2017, adjusted as described below:

	Unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2017 <i>HK\$'000</i> <i>(Note 1)</i>	Estimated net proceeds from the Rights Issue <i>HK\$'000</i> <i>(Note 2)</i>	Unaudited pro forma consolidated net tangible assets of the Group attributable to owners of the Company as if the Rights Issue had been completed on 31 December 2017 <i>HK\$'000</i>
Based on the issue of 10,463,687,800 Rights Shares at the Subscription Price of HK\$0.052 per Rights Share	<u>584,522</u>	<u>523,576</u>	<u>1,108,098</u>
Unaudited consolidated net tangible assets of the Group attributable to owners of the Company per Share as at 31 December 2017 <i>(Note 3)</i>	<u>HK\$0.11</u>		
Unaudited pro forma consolidated net tangible assets of the Group attributable to owners of the Company per Share immediately after completion of the Rights Issue as if the Rights Issue had been completed on 31 December 2017 <i>(Note 4)</i>			<u>HK\$0.071</u>

Notes:

1. The unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2017 are based on the unaudited consolidated net assets of the Group as at 31 December 2017 of approximately HK\$703,644,000 as extracted from the published interim report of the Group for the six months ended 31 December 2017, less goodwill of approximately HK\$54,773,000, intangible assets of approximately HK\$62,496,000 and non-controlling interest of approximately HK\$1,853,000 as at that date as extracted from the published interim report of the Group for the six months ended 31 December 2017.
2. The estimated net proceeds from the Rights Issue of approximately HK\$523,576,000 are based on the estimated gross proceeds to be raised by the issue of 10,463,687,800 Rights Shares at the subscription price of HK\$0.052 per Rights Share, after deduction of the estimated underwriting commission and related expenses incurred incidental to the Rights Issue of approximately HK\$20,536,000.
3. The unaudited consolidated net tangible assets of the Group attributable to owners of the Company per Share as at 31 December 2017 is calculated based on the unaudited consolidated net tangible assets of the Group of approximately HK\$584,522,000 and 5,231,843,900 Shares in issue as at 31 December 2017.
4. The unaudited pro forma consolidated net tangible assets of the Group attributable to owners of the Company per Share after completion of the Rights Issue is based on the unaudited pro forma consolidated net tangible assets of the Group attributable to owners of the Company of approximately HK\$1,108,098,000 and 15,695,531,700 Shares in issue, which comprise (i) 5,231,843,900 Shares in issue as at 31 December 2017; and (ii) 10,463,687,800 Rights Shares to be issued.
5. No adjustment has been made to the unaudited pro forma financial information of the Group to reflect any trading results or other transactions of the Group entered into subsequent to 31 December 2017.

B. REPORT ON THE UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP

The following is the text of a report received from the reporting accountants of the Company, BDO Limited, Certified Public Accountants, Hong Kong, in respect of the unaudited pro forma financial information of the Group for the purpose of incorporation in this Prospectus.



Tel : +852 2218 8288
Fax: +852 2815 2239
www.bdo.com.hk

25th Floor Wing On Centre
111 Connaught Road Central
Hong Kong

電話 : +852 2218 8288
傳真 : +852 2815 2239
www.bdo.com.hk

香港干諾道中111號
永安中心25樓

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE
COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION****TO THE DIRECTORS OF DETAI NEW ENERGY GROUP LIMITED**

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of DeTai New Energy Group Limited (the “**Company**”) and its subsidiaries (hereinafter collectively referred to as the “**Group**”) by the directors of the Company for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2017 and related notes as set out in Section A of Appendix II to the prospectus issued by the Company dated 21 May 2018 (the “**Prospectus**”) in connection with the rights issue on the basis of two rights shares for every one existing share of the Company (the “**Rights Issue**”). The applicable criteria on the basis of which the directors have compiled the unaudited pro forma financial information are described in Section A of Appendix II to the Prospectus.

The unaudited pro forma financial information has been compiled by the directors to illustrate the impact of the Rights Issue on the Group’s consolidated net tangible assets attributable to owners of the Company as at 31 December 2017 as if the Rights Issue had taken place at 31 December 2017. As part of this process, information about the Group’s financial position as at 31 December 2017 has been extracted by the directors of the Company from the Group’s published interim report for the six months ended 31 December 2017. The interim results have not been audited or reviewed and no audit or review report has been published.

Directors’ Responsibility for the Unaudited Pro Forma Financial Information

The directors of the Company are responsible for compiling the unaudited pro forma financial information in accordance with paragraph 4.29 of the Rules Governing the Listing of The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and with reference to Accounting Guideline 7 “Preparation of Unaudited Pro Forma Financial Information for Inclusion in Investment Circulars” (“**AG 7**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”).

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the “Code of Ethics for Professional Accountants” issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies Hong Kong Standard on Quality Control 1 “Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements” and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants’ Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420, “Assurance Engagements to Report on the Compilation of Unaudited Pro Forma Financial Information Included in a Prospectus” issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the directors of the Company have compiled the unaudited pro forma financial information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma financial information.

The purpose of unaudited pro forma financial information included in a prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Rights Issue at 31 December 2017 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors

in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgement, having regard to the reporting accountants' understanding of the nature of the entity, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- (a) the unaudited pro forma financial information has been properly compiled by the directors of the Company on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

BDO Limited
Certified Public Accountants
Hong Kong

21 May 2018

1. RESPONSIBILITY STATEMENT

This Prospectus, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this Prospectus is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this Prospectus misleading.

2. SHARE CAPITAL

(I) The authorised and issued share capital of the Company

(i) As at the Latest Practicable Date

<i>Authorised:</i>	<i>HK\$</i>
<u>30,000,000,000</u> Shares of HK\$0.05 each	<u>1,500,000,000.00</u>
<u>1,238,095,238</u> Convertible Preference Shares of HK\$0.05 each	<u>61,904,761.90</u>
<i>Issued and fully-paid:</i>	
<u>5,231,843,900</u> Shares of HK\$0.05 each	<u>261,592,195.00</u>
<u>491,665,238</u> Convertible Preference Shares of HK\$0.05 each	<u>24,583,261.90</u>

(ii) Immediately following the allotment and issue of the Rights Shares

<i>Authorised:</i>	<i>HK\$</i>
<u>30,000,000,000</u> Shares of HK\$0.05 each	<u>1,500,000,000.00</u>
<u>1,238,095,238</u> Convertible Preference Shares of HK\$0.05 each	<u>61,904,761.90</u>
<i>Issued and fully-paid:</i>	
5,231,843,900 Shares in issue as at the Latest Practicable Date	261,592,195.00
10,463,687,800 Rights Shares to be allotted and issued under the Rights Issue	523,184,390.00
<u>15,695,531,700</u> Total	<u>784,776,585.00</u>
<u>491,665,238</u> Convertible Preference Shares in issue as at the Latest Practicable Date	<u>24,583,261.90</u>

All the existing Shares in issue are fully-paid and rank pari passu in all respects including all rights as to dividends, voting and return of capital. The Rights Shares, when allotted, issued and fully-paid, will rank pari passu with the Shares then in issue in all respects. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions which may be declared, made or paid on or after the date of allotment and issue of the fully-paid Rights Shares.

The Rights Shares to be issued will be listed on the Stock Exchange. No part of the share capital or any other securities of the Company is listed or dealt in on any stock exchange other than the Stock Exchange and no application is being made or is currently proposed or sought for the Shares or the Rights Shares or any other securities of the Company to be listed or dealt in on any other stock exchange.

As at the Latest Practicable Date, there is no arrangement under which future dividends are/will be waived or agreed to be waived.

(II) Share Options and Convertible Preference Shares

As at the Latest Practicable Date, the Company had outstanding Share Options under the Share Option Schemes carrying rights for the holders thereof to subscribe for an aggregate of 1,094,610,000 new Shares. Details of which are set out below:

Date of grant	Exercise period	Exercise price (HK\$)	Number of underlying Shares
4 July 2013	4 July 2013 to 3 July 2018	0.435	202,250,000
19 July 2013	19 July 2013 to 18 July 2018	0.433	100,000,000
21 January 2015	21 January 2015 to 20 January 2020	0.320	184,400,000
13 October 2015	14 October 2015 to 13 October 2020	0.320	444,410,000
24 January 2017	24 January 2018 to 23 January 2021	0.235	54,200,000
24 January 2017	24 January 2019 to 23 January 2021	0.235	54,200,000
24 January 2017	24 January 2020 to 23 January 2021	0.235	55,150,000

As at the Latest Practicable Date, the Company 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 Share Options and the Convertible Preference Shares, the Company had no other outstanding warrants, options or convertible or exchangeable securities in issue which would otherwise confer any right to subscribe for, convert or exchange into existing Shares as at the Latest Practicable Date.

Save for the 1,094,610,000 Share Options and the 491,665,238 Convertible Preference Shares, no capital of any member of the Group was under option, or agreed conditionally or unconditionally to be put under option as at the Latest Practicable Date.

3. DISCLOSURE OF INTERESTS

(a) Directors' and chief executive's interests and short positions in shares and underlying shares

As at the Latest Practicable Date, the interests and short positions of the Directors or chief executives of the Company and their associates in the Shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which (i) would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) were required to be entered in the register referred to therein pursuant to section 352 of the SFO; or (iii) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules, were as follows:

Name of Director	Capacity in which Shares/underlying Shares are held	Number of Shares held	Number of underlying Shares held under equity derivatives	Total	Approximate percentage of aggregate interest to total number of Shares in issue %
Mr. Wong Hin Shek	Beneficial owner	—	40,000,000	40,000,000	0.76
Mr. Chi Chi Hung, Kenneth	Beneficial owner	23,000,000	—	23,000,000	0.44
Mr. Chiu Wai On	Beneficial owner	—	1,000,000	1,000,000	0.02
Mr. Man Kwok Leung	Beneficial owner	—	1,000,000	1,000,000	0.02
Dr. Wong Yun Kuen	Beneficial owner	—	1,000,000	1,000,000	0.02
Mr. Chui Kwong Kau	Beneficial owner	660,000	—	660,000	0.01

Save as disclosed above, as at the Latest Practicable Date, none of the Directors nor the chief executive of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies.

(b) Substantial shareholders' interests and short positions in shares and underlying shares

As at the Latest Practicable Date, so far as any Directors are aware, the interest or short positions owned by the following parties (other than the Directors or chief executives of the Company) in the Shares, underlying Shares or debentures of the Company which are required to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO or which were required to be recorded in the register of the Company required to be kept under section 336 of the SFO, or who were, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital or relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company or any member of the Group were as follows:

Long and short positions in Shares and underlying Shares of the Company

Name of Shareholder	Capacity in which Shares/underlying Shares are held	Number of Shares held	Number of underlying Shares held under equity derivatives	Total	Approximate percentage of aggregate interest to total number of Shares in issue % (Note 3)
The Underwriter (Note 1)	Underwriter	—	10,481,104,026	10,481,104,026	52.07
Galaxy Sky Investments Limited (Note 1)	Interest of controlled corporation	—	10,481,104,026	10,481,104,026	52.07
Kingston Capital Asia Limited (Note 1)	Interest of controlled corporation	—	10,481,104,026	10,481,104,026	52.07
Kingston Financial Group Limited (Note 1)	Interest of controlled corporation	—	10,481,104,026	10,481,104,026	52.07
Active Dynamic Limited (Note 1)	Interest of controlled corporation	—	10,481,104,026	10,481,104,026	52.07
Chu Yuet Wah (Note 1)	Interest of controlled corporation	—	10,481,104,026	10,481,104,026	52.07
Mr. Tong Liang	Beneficial owner	1,468,217,125	—	1,468,217,125	28.06
Goldsure Limited (Note 2)	Beneficial owner	—	491,665,238	491,665,238	9.40
Mr. Tang Tong (Note 2)	Interest of controlled corporation	—	491,665,238	491,665,238	9.40

Notes:

- The 10,481,104,026 underlying Shares are the Rights Shares which the Underwriter is interested under the Underwriting Agreement assuming no Qualifying Shareholders (other than Mr. Tong) take up their respective entitlements under the Rights Issue. The Underwriter is a wholly-owned subsidiary of Galaxy Sky Investments Limited, which is wholly owned by Kingston Capital Asia Limited. Kingston Capital Asia Limited is wholly owned by Kingston Financial Group Limited. Active Dynamic Limited owns 40.24% interest in Kingston Financial Group Limited. Ms. Chu Yuet Wah owns 100% interest in Active Dynamic Limited.
- The 491,665,238 Convertible Preference Shares are held by Goldsure Limited, which is wholly-owned by Mr. Tang Tong. Thus, he is deemed to be interested in the 491,665,238 Convertible Preference Shares held by Goldsure Limited pursuant to the SFO.

3. The percentage is calculated on the basis of 5,231,843,900 Shares in issue as at the Latest Practicable Date.

Saved as disclosed above, as at the Latest Practicable Date, the Directors are not aware of any interests or short positions owned by any persons (other than the Directors or chief executives of the Company) in the Shares or underlying Shares of the Company which were required to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO or which were required to be recorded in the register of the Company required to be kept under Section 336 of the SFO, or who were, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital or relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company or any member of the Group.

4. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors or proposed directors of the Company (if any) has any existing or proposed service contracts with any member of the Group which is not determinable by the Company within one (1) year without payment of any compensation (other than statutory compensation).

5. DIRECTORS' INTERESTS IN CONTRACT, ASSETS AND ARRANGEMENT OF SIGNIFICANCE

As at the Latest Practicable Date, there was no contract or arrangement subsisting in which any Director was materially interested and which was significant in relation to any business of the Group.

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which had been since 30 June 2017 (being the date to which the latest published audited consolidated financial statements of the Group were made up) acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

6. DIRECTORS' COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors or proposed directors of the Company (if any) or their respective associate(s) was interested in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

7. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or arbitration proceedings of material importance and there was no litigation or claim of material importance known to the Directors to be pending or threatened against any member of the Group.

8. QUALIFICATION AND CONSENT OF EXPERT

The following are the qualification of the expert who has given opinions or advice which are contained in this Prospectus:

Name	Qualification
BDO Limited	Certified Public Accountants

BDO Limited has given and confirmed that it has not withdrawn its written consent to the issue of this Prospectus with the inclusion herein of its letter, report, advice, opinion and/or references to its name in the form and context in which they respectively appear.

As at the Latest Practicable Date, BDO Limited did not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any Shares, convertible securities, warrants, options or derivatives which carry voting rights in any member of the Group.

As at the Latest Practicable Date, BDO Limited did not have any interest, either directly or indirectly, in any assets which have been since 30 June 2017 (being the date to which the latest published audited consolidated financial statements of the Company were made up) acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

9. MATERIAL CONTRACTS

The following contracts (not being contracts in the ordinary course of business) have been entered into by the members of the Group within the two years immediately preceding the date of this Prospectus and are or may be material:

- (a) the sale and purchase agreement (the “**EPS Acquisition Agreement**”) dated 29 July 2016 entered into between (i) Perfect Essential Holdings Limited (“**Perfect Essential**”), a wholly-owned subsidiary of the Company, as the purchaser and (ii) Quondino, Mr. Leslie, Juralen, Lestan, Xerigue, Rem Tene AB, Perfero AB and Per Pedes AB as the vendors (the “**EPS Vendors**”) in relation to the acquisition of the entire issued share capital of Emission Particle Solution Sweden AB, at a total consideration of SEK239,000,000;
- (b) the deed of settlement dated 26 September 2016 entered into between Mr. Lee Man Bun (“**Mr. Lee**”) and the Company, pursuant to which Mr. Lee agreed to settle his payment obligation with respect to the shortfall in the after-tax audited consolidated net profit (including net profit attributable to non-controlling interests) of Delta Prestige Holdings Limited and its subsidiaries for the financial year ended 30 June 2016 as compared to the guaranteed profit of HK\$100,000,000 pursuant to the sale and purchase agreement dated 26 April 2015 entered into between the Company and Mr. Lee by payment of an aggregate amount of HK\$100,850,000 on or before 31 March 2018;

- (c) the supplemental agreement dated 22 December 2016 entered into between Perfect Essential and the EPS Vendors to vary certain terms of the EPS Acquisition Agreement;
- (d) the agreement for the transfer of 651,430,000 Convertible Preference Shares dated 13 September 2016 (the “**First CPS Transfer Agreement**”) and entered into between the Company of the one part and Mr. Zhu Yongjun (“**Mr. Zhu**”) and Jumbo Grand Enterprise Development Limited (“**Jumbo Grand**”) of the other part, pursuant to which (i) the Company has agreed to procure the sale of and Mr. Zhu has agreed to purchase 80,000,000 Convertible Preference Shares at the transfer price of HK\$0.21 per Convertible Preference Share; and (ii) the Company has agreed to procure the sale of and Jumbo Grand has agreed to purchase 571,430,000 Convertible Preference Shares at the transfer price of HK\$0.21 per Convertible Preference Share;
- (e) the placing agreement dated 6 October 2016 entered into among Castle Stream Limited, a direct wholly-owned subsidiary of the Company, as issuer, Jun Yang Securities Company Limited as the placing agent and the Company as the guarantor in relation to the placing of the three-year 5% coupon unlisted straight guaranteed bonds with an aggregate principal amount of up to HK\$100,000,000;
- (f) the agreement for the transfer of 100,000,000 Convertible Preference Shares dated 7 October 2016 and entered into between the Company of the one part and Capital Farm Limited (“**Capital Farm**”) and Jovial Sky Investments Limited (“**Jovial Sky**”) of the other part, pursuant to which (i) the Company has agreed to procure the sale of and Capital Farm has agreed to purchase 50,000,000 Convertible Preference Shares at the transfer price of HK\$0.24 per Convertible Preference Share; and (ii) the Company has agreed to procure the sale of and Jovial Sky has agreed to purchase 50,000,000 Convertible Preference Shares at the transfer price of HK\$0.24 per Convertible Preference Share;
- (g) the agreement for the transfer of 136,665,238 Convertible Preference Shares dated 28 October 2016 and entered into between the Company of the one part and Capital Farm and Jovial Sky of the other part, pursuant to which (i) the Company has agreed to procure the sale of and Capital Farm has agreed to purchase 68,332,619 Convertible Preference Shares at the transfer price of HK\$0.233 per Convertible Preference Share; and (ii) the Company has agreed to procure the sale of and Jovial Sky has agreed to purchase 68,332,619 Convertible Preference Shares at the transfer price of HK\$0.233 per Convertible Preference Share;
- (h) the agreement for the transfer of 350,000,000 Convertible Preference Shares dated 28 October 2016 and entered into between the Company of the one part and New Hyde Investments Limited (“**New Hyde**”) and Wolfview Limited (“**Wolfview**”) of the other part, pursuant to which (i) the Company has agreed to procure the sale of and New Hyde has agreed to purchase 175,000,000 Convertible Preference Shares at the transfer price of HK\$0.233 per Convertible Preference Share; and (ii) the Company

has agreed to procure the sale of and Wolfview has agreed to purchase 175,000,000 Convertible Preference Shares at the transfer price of HK\$0.233 per Convertible Preference Share;

- (i) the loan agreement dated 20 January 2017 entered into between DeTai Finance Limited (“**DeTai Finance**”), an indirect wholly-owned subsidiary of the Company, as the lender and a corporate borrower who is an Independent Third Party relating to the granting of the term loan in the amount of HK\$20,000,000;
- (j) the sale and purchase agreement dated 25 January 2017 entered into between Noble Advantage Limited, a wholly-owned subsidiary of the Company, as the purchaser and Key Vision Holdings Limited as the vendor in relation to the acquisition of 5% equity interest of Integrated Capital Investments Limited at a consideration of HK\$35,600,000;
- (k) the deed of settlement (the “**Deed**”) dated 22 March 2017 entered into between Mr. Zhu and the Company for the repudiatory breach of the First CPS Transfer Agreement by Mr. Zhu, pursuant to which: (i) Mr. Zhu shall pay HK\$125,000 to the Company within 10 business days from the date of the Deed; and (ii) the Company shall release and discharge Mr. Zhu from all his obligations and liabilities in respect of the repudiatory breach of First CPS Transfer Agreement and from all claims and demands whatsoever arising out of or in respect of the repudiatory breach of First CPS Transfer Agreement as from the date on which Mr. Zhu has fully performed and discharged his obligations in (f) above;
- (l) the joint venture agreement dated 21 April 2017 entered into between 北京中聯光採科技有限公司 (in English, for identification purpose only, Beijing ZhongLian GuangCai Technology Co. Ltd) and Emission Particle Solution Sweden AB in relation to the formation of joint venture company with registered capital of RMB20,000,000;
- (m) the loan agreement dated 31 May 2017 entered into between DeTai Finance as the lender and a natural person who is an Independent Third Party as the borrower relating to the granting of the term loan in the amount of HK\$16,800,000;
- (n) the joint venture agreement dated 5 June 2017 entered into between Rich Express Investment Group Limited (“**Rich Express**”) and Zhongke International Capital Limited (“**Zhongke International Capital**”) in relation to the formation of a joint venture company (the “**JV Company**”);
- (o) the amended and restated joint venture agreement (the “**Amended and Restated JV Agreement**”) dated 14 July 2017 entered into between Rich Express and Zhongke International Capital in relation to the formation of the JV Company;
- (p) the supplemental agreement dated 14 November 2017 entered into between Rich Express and Zhongke International Capital to amend the Amended and Restated JV Agreement;

- (q) the loan agreement dated 5 December 2017 entered into between DeTai Finance as the lender and a company incorporated in the British Virgin Islands who is an Independent Third Party as the borrower relating to the granting of the term loan in the amount of HK\$40,000,000;
- (r) the Underwriting Agreement; and
- (s) the sale and purchase agreement dated 4 April 2018 and entered into between the Company as vendor, Excellent Point Asia Limited as purchaser and Mr. Zhu Yongjun as the purchaser's guarantor in relation to the disposal of 49% equity interest in Perfect Essential Holdings Limited (the "Target") and part of the shareholder's loan due from the Target to the Company in the aggregate amount of HK\$64,484,000 at a total consideration of HK\$64,484,382.2.

10. EXPENSES

The expenses in connection with the Rights Issue, including financial advisory fees, underwriting commission, printing, registration, translation, legal and accountancy charges are estimated to be approximately HK\$20.5 million, which are payable by the Company.

11. CORPORATE INFORMATION AND PARTIES INVOLVED IN THE RIGHTS ISSUE

Registered office

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Head office and principal place of business in Hong Kong

Suite 3301, 33/F.
The Center
99 Queen's Road Central
Hong Kong

Authorised representatives

Ms. Tsang Kwai Ping
Suite 3301, 33/F.
The Center
99 Queen's Road Central
Hong Kong

Mr. Wong Hin Shek
Suite 3301, 33/F.
The Center
99 Queen's Road Central
Hong Kong

Company secretary	Ms. Tsang Kwai Ping <i>(member of the Hong Kong Institute of Chartered Secretaries, the Institute of Chartered Secretaries and Administrators in the United Kingdom, the Hong Kong Institute of Certified Public Accountants and the Institute of Chartered Accountants in England and Wales)</i>
Underwriter	Kingston Securities Limited Suite 2801 28/F One International Finance Centre 1 Harbour View Street Central Hong Kong
Financial advisers to the Company	Kingston Corporate Finance Limited Suite 2801 28/F, One International Finance Centre 1 Harbour View Street Central Hong Kong Grand Harbour Corporate Finance Limited Unit D, Eton Building 288 Des Voeux Road Central Hong Kong
Legal adviser to the Company	Michael Li & Co. 19/F, Prosperity Tower No. 39 Queen's Road Central Central Hong Kong
Auditor	BDO Limited <i>Certified Public Accountants</i> 25th Floor, Wing On Centre 111 Connaught Road Central Hong Kong
Principal bankers	Bank of Communications Co., Ltd. China CITIC Bank International Limited Sumitomo Mitsui Banking Corporation Canadian Imperial Bank of Commerce Bank of Tianjin Swedbank AB

Principal share registrar	MUFG Fund Services (Bermuda) Limited The Belvedere Building 69 Pitts Bay Road Pembroke HM08 Bermuda
Hong Kong branch share registrar and transfer office	Tricor Tengis Limited Level 22, Hopewell Centre 183 Queen's Road East Hong Kong

DIRECTORS AND SENIOR MANAGEMENT

Executive Directors

Mr. Wong Hin Shek (“**Mr. Wong**”), aged 48, has been appointed as the chairman and executive director of the Company since July 2009. Besides having over 23 years of experience in the investment banking industry, Mr. Wong has been involved in the management, business development and strategic investment of Hong Kong listed companies, which engage in the business of environmental protection, hotel, manufacturing and software industries. Mr. Wong holds a Master of Science degree in Financial Management from University of London in the United Kingdom and a Bachelor of Commerce degree from the University of Toronto in Canada. Mr. Wong is also a responsible officer of Veda Capital Limited, a licensed corporation which carries out Type 6 (advising on corporate finance) regulated activity under the Securities and Futures Ordinance. Mr. Wong is currently an executive director and the chief executive officer of Bisu Technology Group International Limited (stock code: 1372) (Mr. Wong has ceased to be the chairman of the board of directors and has been appointed as the chief executive officer of that company with effect from 1 March 2017), an executive director of GET Holdings Limited (stock code: 8100) (Mr. Wong was appointed as an executive director of that company with effect from 1 September 2017) and a non-executive director of Sino Golf Holdings Limited (stock code: 361). Mr. Wong was an executive director of Dongwu Cement International Limited (stock code: 695) from November 2016 to August 2017 (Mr. Wong resigned as executive director of that company with effect from 28 August 2017).

Mr. Chi Chi Hung, Kenneth (“**Mr. Chi**”), aged 49, has been appointed as the chief executive officer and executive director of the Company since January 2010. Mr. Chi has over 20 years of experience in accounting and financial control area. He holds a Bachelor of Accountancy Degree from the Hong Kong Polytechnic University and is a fellow member of Association of Chartered Certified Accountants in the United Kingdom, an associate member of the Hong Kong Institute of Certified Public Accountants, an associate member of the Hong Kong Institute of Chartered Secretaries and an associate member of the Institute of Chartered Secretaries and Administrators in the United Kingdom. Mr. Chi is currently an independent non-executive director of each of Perfect Shape Beauty Technology Limited (stock code: 1830), Noble Century Investment Holdings Limited (stock code: 2322) and Greentech Technology International Limited (stock code: 195). Mr. Chi was an executive director of each of Ceneric (Holdings) Limited (now known as “**TFG International Group Limited**”) (stock code: 542) from October 2010 to June 2017 (Mr. Chi resigned as executive director of that

company with effect from 22 June 2017) and e-Kong Group Limited (stock code: 524) from September 2014 to July 2015. Mr. Chi was an executive director and a non-executive director of China Sandi Holdings Limited (stock code: 910) from May 2010 to January 2015 and from January 2015 to August 2015 respectively. Mr. Chi was also an independent non-executive director of each of Hong Kong Life Sciences and Technologies Group Limited (stock code: 8085) from January 2010 to August 2015, Aurum Pacific (China) Group Limited (stock code: 8148) from March 2010 to October 2015 and Silk Road Energy Services Group Limited (stock code: 8250) from December 2011 to November 2015.

Mr. Shek Yat Him (“**Mr. Shek**”), aged 29, has been appointed as an executive Director since November 2017. Mr. Shek obtained a Bachelor’s degree in Business Administration in Corporate Administration from The Open University of Hong Kong. Mr. Shek has over 8 years of experience in corporate secretarial matters.

Mr. Chan Wai Ki (“**Mr. Chan**”), aged 33, has been appointed as an executive Director since November 2017. Mr. Chan obtained a Bachelor’s degree of Arts with Honours in Accounting from the University of Bedfordshire. Mr. Chan has extensive experience in accounting, audit and money lending business.

Non-executive Director

Mr. Chui Kwong Kau (“**Mr. Chui**”), aged 51, has been appointed as a non-executive director of the Company since December 2015. He is a non-executive director of each of Hsin Chong Group Holdings Limited (stock code: 404) and Boill Healthcare Holdings Limited (stock code: 1246). He is also an executive director of Hong Kong Life Sciences and Technologies Group Limited (stock code: 8085). Mr. Chui was an executive director of China Energy Development Holdings Limited (stock code: 228) from October 2005 to June 2016 and an independent non-executive director of Aurum Pacific (China) Group Limited (stock code: 8148) from March 2010 to March 2016. He has over 20 years’ experiences in accounting and auditing fields.

Independent Non-executive Directors

Mr. Chiu Wai On (“**Mr. Chiu**”), aged 48, joined the Company since June 2009. Mr. Chiu is also the chairman of each of the audit committee, remuneration committee and nomination committee of the Company. He is a member of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants. Mr. Chiu possesses over 10 years of professional experience in accounting and auditing services. Mr. Chiu is also an independent non-executive director of New Times Energy Corporation Limited (stock code: 166).

Mr. Man Kwok Leung (“**Mr. Man**”), aged 71, joined the Company since May 2009. Mr. Man is also the member of each of the audit committee, remuneration committee and nomination committee of the Company. He is a solicitor of the High Court of Hong Kong and a civil celebrant of marriages. Mr. Man has extensive experience in the legal practice. He had been appointed by Xinhua News Agency as a district advisor from 1995 to 1997. He is currently appointed as a director of Apleichau Kai Fong Primary School, the deputy chairman of Apleichau Kai Fong Welfare Association, the secretary of Apleichau Promotion of Tourism

Association and the honorary legal advisor of Junior Police Officers' Association. Mr. Man is currently an independent non-executive director of Noble Century Investment Holdings Limited (stock code: 2322). He was an independent non-executive director of Kong Sun Holdings Limited (stock code: 295) from June 2009 to September 2014.

Dr. Wong Yun Kuen (“**Dr. Wong**”), aged 60, joined the Company since June 2009. Dr. Wong is also the member of each of the audit committee, remuneration committee and nomination committee of the Company. He received his Ph.D. degree from Harvard University, and was “Distinguished Visiting Scholar” at Wharton School of the University of Pennsylvania. Dr. Wong has worked in financial industries in the United States and Hong Kong for many years, and has considerable experience in corporate finance, investment and derivative products. He is a member of the Hong Kong Securities Institute. Dr. Wong is the chairman of the board and an executive director of each of UBA Investments Limited (stock code: 768) and Far East Holdings International Limited (stock code: 36) (Dr. Wong has been re-designated from independent non-executive director to executive director and he has been appointed as the chairman of the board of that company with effect from 18 July 2017), an executive director of Boill Healthcare Holdings Limited (stock code: 1246), a non-executive director of China Sandi Holdings Limited (stock code: 910) and an independent non-executive director of each of Kaisun Energy Group Limited (stock code: 8203), GT Group Holdings Limited (stock code: 263), Kingston Financial Group Limited (stock code: 1031), Synergis Holdings Limited (stock code: 2340) and Tech Pro Technology Development Limited (stock code: 3823) (Dr. Wong has been appointed as an independent non-executive director of that company with effect from 27 September 2017). Dr. Wong was an independent non-executive director of each of Bauhaus International (Holdings) Limited (stock code: 483) from October 2004 to December 2016, Huge China Holdings Limited (formerly known as “Harmony Asset Limited”) (stock code: 428) from September 2004 to January 2015, Kong Sun Holdings Limited (stock code: 295) from April 2007 to November 2014 and Sincere Watch (Hong Kong) Limited (stock code: 444) from September 2012 to December 2017.

12. MISCELLANEOUS

- (a) The company secretary of the Company is Ms. Tsang Kwai Ping, who is a member of the Hong Kong Institute of Chartered Secretaries, the Institute of Chartered Secretaries and Administrators in the United Kingdom, the Hong Kong Institute of Certified Public Accountants and the Institute of Chartered Accountants in England and Wales.
- (b) The business address of the Directors, senior management and the company secretary of the Company is the same as the head office and principal place of business of the Company in Hong Kong at Suite 3301, 33/F., The Center, 99 Queen's Road Central, Hong Kong.
- (c) The Company's Hong Kong branch share registrar is Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (d) In the event of inconsistency, the English text of this Prospectus, the PAL and the EAF shall prevail over the Chinese text.

13. BINDING EFFECT

The Rights Issue Documents and all acceptances of any offer or application contained therein and governed by and shall be constructed in accordance with the laws of Hong Kong. The Rights Issue Documents shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

14. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

A copy of each of the Rights Issue Documents and the written consent referred to in the paragraph headed “Qualification and consent of expert” in this appendix have been delivered to the Registrar of Companies in Hong Kong for registration as required by Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

15. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be made available for inspection during normal business hours on any weekday (except for Saturday, Sunday and public holidays) at the head office and principal place of business in Hong Kong of the Company at Suite 3301, 33/F., The Center, 99 Queen’s Road Central, Hong Kong from the date of this Prospectus up to and including the Latest Time for Acceptance:

- (a) the memorandum of association and bye-laws of the Company;
- (b) the annual reports of the Company for the last three years ended 30 June 2017;
- (c) the unaudited pro forma financial information of the Group, the text of which is set out on pages II-1 to II-5 of this Prospectus;
- (d) the written consent of the expert as referred to in the section headed “Qualification and consent of expert” in this appendix;
- (e) the material contracts referred to in the section headed “Material contracts” in this appendix;
- (f) the Circular; and
- (g) this Prospectus.