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(Incorporated in Bermuda with limited liability)

(Stock Code: 559)

**DISCLOSEABLE TRANSACTION
IN RELATION TO PROVISION OF LOAN FACILITY
AND
CHANGE IN USE OF PROCEEDS FROM RIGHTS ISSUE**

The Board is pleased to announce that, on 10 August 2018, Lender A, an indirect wholly-owned subsidiary of the Company, and Lender B as the lenders, the Agent as the agent for the Lenders, the Borrower as the borrower and the Guarantor as the guarantor entered into the Facility Agreement, pursuant to which the Lenders have agreed, on several basis, to make available to the Borrower the Facility on the terms and subject to the conditions therein. The commitment of Lender A under the Facility is HK\$50,000,000 and the commitment of Lender B under the Facility is HK\$50,000,000.

LISTING RULES IMPLICATIONS

As Lender A is an indirect wholly-owned subsidiary of the Company, the Transaction entered into by Lender A shall be a transaction of the Company under the Listing Rules as the definition of “listed issuer” under the Listing Rules shall include the listed issuer’s subsidiaries.

The Transaction constitutes a discloseable transaction for the Company, as the relevant percentage ratio(s) exceeds 5% but is below 25%.

CHANGE IN USE OF PROCEEDS FROM THE RIGHTS ISSUE

As disclosed in the Prospectus, the Company intended to apply net proceeds of approximately HK\$523.6 million from the Rights Issue in the following ways: (i) approximately HK\$196.0 million for the contribution to the facility to be made available to the relevant joint venture 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 for general working capital of the Group.

As at the date of this announcement, an aggregate of HK\$61,350,000 from the Money Lending Proceeds has been applied to the provision of the Previous Loan and the New Loan, leaving a remaining balance of HK\$38,650,000. Therefore, if the Group proceeds with the Transaction by funding the Facility with the remaining Money Lending Proceeds, there will be an outstanding balance of HK\$11,350,000.

In view of the reasonable interest income to be provided by the Transaction, the abovementioned outstanding balance of HK\$11,350,000 will be funded by reallocating the said amount from the General Working Capital Proceeds. Save for the aforesaid, the use of proceeds from the Rights Issue as stated in the Prospectus remains unchanged.

The Board is pleased to announce that, on 10 August 2018, Lender A, an indirect wholly-owned subsidiary of the Company, and Lender B as the lenders, the Agent as the agent for the Lenders, the Borrower as the borrower and the Guarantor as the guarantor entered into the Facility Agreement, pursuant to which the Lenders have agreed, on several basis, to make available to the Borrower the Facility on the terms and subject to the conditions therein. The commitment of Lender A under the Facility is HK\$50,000,000 and the commitment of Lender B under the Facility is HK\$50,000,000.

THE FACILITY AGREEMENT

Date: 10 August 2018

Parties: (1) Lender A as one of the Lenders under the Facility Agreement;
(2) Lender B as one of the Lenders and the Agent under the Facility Agreement;
(3) Borrower as the borrower under the Facility Agreement; and
(4) Guarantor as the guarantor under the Facility Agreement.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Lender B, the Borrower, the Borrower Subsidiary, the Securing Party and their respective ultimate beneficial owners are third parties independent of the Company and its connected persons.

Principal terms of the Facility Agreement

Facility amount: HK\$100,000,000, as severally committed by the Lenders as follows:

- (i) Lender A: HK\$50,000,000
- (ii) Lender B: HK\$50,000,000

Term: nine months from the date of first drawdown of the Facility

Purpose: The Facility will be applied and used by the Borrower for its general working capital and/or business development.

- Interest rate: 10% per annum in respect of the Facility amount committed by Lender A
- Securities for the Facility:
- (1) the Assignment
 - (2) the Debenture
 - (3) the Share Mortgage

The terms of the Facility Agreement were arrived at after arm's length negotiations between Lender A and the Borrower with reference to, among other matters, the prevailing market interest rate.

Assignment

The Facility is secured by the Assignment which is created by the Securing Party in favour of the Agent by way of an assignment of all the right, title and interest as a creditor and the full benefit and right to receive and recover the loan in the amount of HK\$11,135,238 owed by the Borrower Subsidiary to the Securing Party, which shall be repayable to the Agent on demand by the Agent.

Debenture

The Facility is secured by the Debenture which is created by the Borrower Subsidiary in favour of the Agent by way of a fixed and floating charge over all the undertaking, property and assets of the Borrower Subsidiary.

The Debenture and all security constituted by or pursuant to the Debenture shall become immediately enforceable upon the occurrence of an event of default or the occurrence of any event which may lead to a default by the Borrower.

Share Mortgage

The Facility is secured by the Share Mortgage which is created by the Borrower in favour of the Agent by way of a first fixed mortgage of the entire issued share capital of the Borrower Subsidiary.

The Agent, as mortgagee of the Share Mortgage, shall have rights, among other things, to transfer to itself the entire issued share capital of the Borrower Subsidiary upon execution of the Share Mortgage and dispose of the entire issued share capital of the Borrower Subsidiary upon the occurrence of any event of default or the occurrence of any event which may lead to a default by the Borrower.

REASONS FOR AND BENEFITS OF ENTERING INTO THE TRANSACTION

The Transaction will provide reasonable interest income to Lender A and is in the ordinary and usual course of business of the Group.

In view of the above, the Directors consider that the Transaction is on normal commercial terms and the terms of the Facility Agreement are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

INFORMATION ABOUT THE GROUP, THE LENDERS, THE AGENT, THE BORROWER, THE BORROWER SUBSIDIARY AND THE SECURING PARTY

The Group

The Group is principally engaged in hotel hospitality business, provision of money lending services, new energy business, trading and distribution of liquor and wine and investments in listed securities and funds.

Lender A

Lender A is a company incorporated in Hong Kong with limited liability and is an indirect wholly-owned subsidiary of the Company. Lender A is a registered money lender holding a valid money lenders licence under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong) and is principally engaged in the business of money lending service.

Lender B (and the Agent)

Lender B (and the Agent) is a company incorporated in Hong Kong with limited liability, and is a registered money lender holding a valid money lenders licence under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong). The principal business activity of Lender B is the provision of money lending service.

The Borrower

The Borrower is a company incorporated in Hong Kong with limited liability. The principal business activity of the Borrower is investment holding and provision of corporate supporting services to its subsidiaries.

The Borrower Subsidiary

The Borrower Subsidiary is a company incorporated in Hong Kong with limited liability and a direct wholly-owned subsidiary of the Borrower. The principal business activity of the Borrower Subsidiary is the provision of loan financing. The Borrower Subsidiary is a registered money lender holding a valid money lenders licence under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong).

The Securing Party

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

LISTING RULES IMPLICATIONS

As Lender A is an indirect wholly-owned subsidiary of the Company, the Transaction entered into by Lender A shall be a transaction of the Company under the Listing Rules as the definition of “listed issuer” under the Listing Rules shall include the listed issuer’s subsidiaries.

The Transaction constitutes a discloseable transaction for the Company, as the relevant percentage ratio(s) exceeds 5% but is below 25%.

CHANGE IN USE OF PROCEEDS FROM THE RIGHTS ISSUE

References are made to (i) the Prospectus and (ii) the announcement of the Company dated 26 June 2018 in relation to the provision of a loan in the amount of HK\$42,600,000 (the “**New Loan**”) and the aggregation of the New Loan with a previous loan in the amount of HK\$18,750,000 (the “**Previous Loan**”).

As disclosed in the Prospectus, the Company intended to apply net proceeds of approximately HK\$523.6 million from the Rights Issue in the following ways: (i) approximately HK\$196.0 million for the contribution to the facility to be made available to the relevant joint venture 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 (the “**Money Lending Proceeds**”); and (iv) the remaining balance of approximately HK\$33.7 million for general working capital of the Group (the “**General Working Capital Proceeds**”).

As at the date of this announcement, an aggregate of HK\$61,350,000 from the Money Lending Proceeds has been applied to the provision of the Previous Loan and the New Loan, leaving a remaining balance of HK\$38,650,000. Therefore, if the Group proceeds with the Transaction by funding the Facility with the remaining Money Lending Proceeds, there will be an outstanding balance of HK\$11,350,000 (the “**Outstanding Balance**”).

In view of the reasonable interest income to be provided by the Transaction, the Outstanding Balance will be funded by reallocating the said amount of HK\$11,350,000 from the General Working Capital Proceeds. Save for the aforesaid, the use of proceeds from the Rights Issue as stated in the Prospectus remains unchanged.

In light of the above, the Directors consider that the above change in the use of the proceeds from the Rights Issue will allow the Company to facilitate efficient use of its financial resources. The Directors are also of the view that such change is fair and reasonable and is in the interest of the Company and its Shareholders as a whole.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions have the following meaning:

“Agent”	Lender B, being the agent for the Lenders under the Facility Agreement, Assignment, Debenture and Share Mortgage
“Assignment”	the assignment dated 10 August 2018 created by the Securing Party in favour of the Agent of a loan in the amount of HK\$11,135,238 owed by the Borrower Subsidiary to the Securing Party
“Board”	the board of Directors
“Borrower”	the borrower under the Facility Agreement and the mortgagor under the Share Mortgage
“Borrower Subsidiary”	the chargor under the Debenture and a direct wholly-owned subsidiary of the Borrower
“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
“Debenture”	the debenture dated 10 August 2018 created by the Borrower Subsidiary in favour of the Agent by way of a fixed and floating charge over all the undertaking, property and assets of the Borrower Subsidiary
“Director(s)”	the director(s) of the Company
“Facility”	the facility in the amount of HK\$100,000,000 as severally committed by the Lenders as to HK\$50,000,000 for each of Lender A and Lender B, made or to be made available by the Lenders to the Borrower on the terms and subject to the conditions set out in the Facility Agreement
“Facility Agreement”	the facility agreement entered into between the Lenders as lenders, the Agent as agent, the Borrower as borrower and the Guarantor as guarantor, on 10 August 2018
“Group”	the Company and its subsidiaries
“Guarantor”	the guarantor under the Facility Agreement
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Lender A”	DeTai Finance Limited, a company incorporated in Hong Kong with limited liability, an indirect wholly-owned subsidiary of the Company and one of the Lenders under the Facility Agreement
“Lender B”	one of the Lenders and the Agent under the Facility Agreement
“Lender(s)”	Lender A and Lender B
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“percentage ratio(s)”	percentage ratio(s) as set out in Rule 14.07 of the Listing Rules to be applied for determining the classification of a transaction
“Prospectus”	the prospectus of the Company dated 21 May 2018 in relation to the Rights Issue
“Rights Issue”	the issue of the rights shares by way of rights on the basis of two rights shares for every one existing Share as disclosed in the Prospectus
“Securing Party”	the assignor under the Assignment
“Share Mortgage”	the mortgage dated 10 August 2018 created by the Borrower in favour of the Agent as the mortgagee over the entire issued share capital of the Borrower Subsidiary
“Share(s)”	the ordinary share(s) of HK\$0.05 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the issued Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transaction”	the transaction contemplated under the Facility Agreement
“%”	per cent.

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

Hong Kong, 10 August 2018

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