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DISCLOSEABLE TRANSACTION RELATING TO THE PROVISION OF THE NEW LOAN

The Board announces that on 28 September 2018, the Lender, an indirect wholly-owned subsidiary of the Company, entered into the New Loan Agreement with the Borrower, pursuant to which the Lender has agreed to lend the New Loan of HK\$6,124,530 to the Borrower for a term from the date of drawdown (which is 28 September 2018) to 28 September 2019 at an interest rate of 20% per annum.

As one or more of the relevant applicable percentage ratios in respect of the provision of the New Loan are higher than 5% but less than 25%, the provision of the New Loan constitutes a discloseable transaction for the Company under the Listing Rules and is subject to the notification and announcement requirements under the Listing Rules.

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THE NEW LOAN AGREEMENT

- Date:** 28 September 2018
- Lender:** DeTai Finance Limited, an indirect wholly-owned subsidiary of the Company
- Borrower:** The Borrower is a company incorporated in the Cayman Islands and the issued shares of which are listed on the GEM of the Stock Exchange. The Borrower and its subsidiaries are principally engaged in the business of providing financial guarantee services and the relevant consultancy services in the People's Republic of China. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Borrower is an Independent Third Party

Principal terms of the New Loan Agreement

Amount of the New Loan: HK\$6,124,530

Term: From the date of drawdown (which is 28 September 2018) to 28 September 2019

Interest: 20% per annum

Default interest: If the Borrower defaults in repayment on the due date of the New Loan, interest or other amounts payable under the New Loan Agreement, the Borrower shall pay interest on such overdue sums from the due date until payment in full (before and after judgment) at the rate of twenty per cent. (20%) per annum. Such interest shall be calculated on the actual number of days elapsed and on the basis of a 365-day year

Repayment: The outstanding principal amount of the New Loan shall be repaid on 28 September 2019. The accrued interest of the New Loan shall be repaid on the date of repayment

Prepayment: The New Loan may be prepaid in whole or in part, without prepayment penalty, with accrued interest up to and including the date of prepayment on the outstanding balance of the New Loan to be prepaid by notice in writing

Security: A post-dated cheque for the interest accrued on the New Loan payable on the date of repayment, and a post-dated cheque for the payment of the principal amount of the New Loan on the date of repayment drawn on a licensed bank in Hong Kong

The personal guarantee executed by the Guarantor in favour of the Lender as security for the due and punctual performance of the Borrower's obligations under the New Loan Agreement

The terms of the New Loan Agreement were arrived at after arm's length negotiations between the Lender and the Borrower with reference to the outstanding principal amount of the Existing Loan, the financial background, repayment ability of the Borrower and the Personal Guarantee. The Lender 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. No new funding is required from the Group for the provision of the New Loan.

INFORMATION ON THE GROUP

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

REASONS FOR PROVISION OF THE NEW LOAN

The New Loan was provided to the Borrower for the repayment the Existing Loan. Before the entering into of the New Loan Agreement, the Borrower had repaid part of the principal amount of the Existing Loan in the sum of HK\$1,875,470 and all the accrued interest on the Existing Loan. The provision of the New Loan will provide reasonable interest income to the Lender and the New Loan will be recorded as loan receivable of the Group. The Directors consider that the transactions contemplated under the New Loan Agreement are in ordinary and usual course of business of the Group and on normal commercial terms and the terms of the New Loan Agreement are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the relevant applicable percentage ratios in respect of the provision of the New Loan are higher than 5% but less than 25%, the provision of the New Loan constitutes a discloseable transaction for the Company under the Listing Rules and is subject to the notification and announcement requirements under the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the following meanings when used herein:

“Board”	the board of Directors
“Borrower”	a company incorporated in the Cayman Islands and the issued shares of which are listed on the GEM of the Stock Exchange, and is owned as to approximately 52.82% by the Guarantor
“Company”	DeTai New Energy Group Limited, a company incorporated in Bermuda with limited liability whose issued Shares are listed on the main board of the Stock Exchange
“connected person”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Existing Loan”	the term loan in the amount of HK\$8,000,000 granted by the Lender to the Borrower which was repaid in full by the Borrower on the date of this announcement
“Group”	the Company and its subsidiaries
“Guarantor”	a natural person who is an Independent Third Party and the chairman, an executive director and the owner of approximately 52.82% of the issued shares of the Borrower
“HK\$”	Hong Kong dollars, the lawful currency for the time being of Hong Kong

“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s) are third parties independent of and not connected with the Group and its connected persons in accordance with the Listing Rules
“Lender”	DeTai Finance Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Loan”	the term loan in the amount of HK\$6,124,530 granted by the Lender to the Borrower pursuant to the terms of the New Loan Agreement
“New Loan Agreement”	the new loan agreement dated 28 September 2018 entered into between the Lender and the Borrower relating to the granting of the New Loan
“Personal Guarantee”	the personal guarantee executed by the Guarantor in favour of the Lender for the due and punctual performance of the Borrower’s obligations under the New Loan Agreement
“Share(s)”	ordinary share(s) of HK\$0.05 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

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

Hong Kong, 28 September 2018

As at the date of this announcement, the executive Directors are Mr. Wong Hin Shek, Mr. Chi Chi Hung, Kenneth, Mr. Chan Wai Ki and Mr. Zhou Danqing; 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.