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*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 559)**

## **DISCLOSEABLE TRANSACTION DISPOSAL OF PROPERTY HOLDING COMPANY**

### **THE DISPOSAL**

On 25 April 2019 (after trading hours), the Company, as vendor entered into the Provisional SP Agreement with the Purchaser, pursuant to which the Company has conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire (i) the Sale Share, representing the entire issued share capital of the Target Company; and (ii) the Sale Loan, at the Consideration of HK\$82,820,000.

Upon Completion, the Group will cease to have any interests in the Target Company, and the financial results of the Target Company will no longer be consolidated in the financial statements of the Group.

### **LISTING RULES IMPLICATIONS**

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

The Board wishes to announce that on 25 April 2019 (after trading hours), the Company, as vendor entered into the Provisional SP Agreement with the Purchaser in respect of the Disposal. The principal terms of the Provisional SP Agreement are set out below.

## **THE PROVISIONAL SP AGREEMENT**

**Date:** 25 April 2019 (after trading hours)

**Parties:** the Company as vendor; and  
Team Eight Group Limited as purchaser.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner(s) are Independent Third Parties. The Purchaser is a company incorporated in the British Virgin Islands with limited liability and is principally engaged in investment holding.

### **Assets to be disposed of**

Pursuant to the Provisional SP Agreement, the Company has conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire, (i) the Sale Share, representing the entire issued share capital of the Target Company and (ii) the Sale Loan, representing all such sum of money advanced by way of loan by the Company to the Target Company and due and owing by the Target Company to the Company as at Completion.

As at the date of this announcement, the Sale Loan amounted to HK\$80,248,128.

### **Consideration**

The consideration for the Disposal is HK\$82,820,000 which shall be paid or to be paid by the Purchaser to the Company by way of cashier order(s) and/or solicitors' cheque(s) (except the initial deposit) as follows:

- (a) an initial deposit of HK\$2,484,600 has been paid by cheque upon signing of the Provisional SP Agreement;
- (b) a further deposit of HK\$5,797,400 shall be paid on or before 20 May 2019; and
- (c) the remaining balance of the consideration in the sum of HK\$74,538,000 shall be paid on the date of completion of the Disposal which is scheduled to take place on or before 29 July 2019.

The consideration for the Disposal was agreed between the Company and the Purchaser after arm's length negotiations with reference to, amongst other things, the acquisition cost of HK\$80,000,000 of the Property, the reasonable premium and the agent's service fee payable by the Company.

## **Conditions Precedent**

Completion shall be conditional upon the following conditions precedent:

- (i) the Purchaser having completed its due diligence investigation on the business, financial, legal and other aspects of the Target Company and having reasonably satisfied with the results thereof;
- (ii) the Company having procured the Target Company to give and prove a good title of the Property in accordance with Sections 13A and 13 of the Conveyancing and Property Ordinance (Cap.219 of the Laws of Hong Kong); and
- (iii) the Company having obtained all necessary consents and approvals required to be obtained on the part of the Company for the Provisional SP Agreement and the transactions contemplated thereunder.

## **Formal Agreement**

Pursuant to the terms of the Provisional SP Agreement, a formal agreement for sale and purchase in relation to the Disposal shall be signed on or before 20 May 2019.

## **Completion of the Disposal**

Completion shall take place on or before 29 July 2019. Completion of the sale and purchase of the Sale Share and the Sale Loan shall take place simultaneously. Vacant possession of the Property will be delivered to the Purchaser on Completion.

## **INFORMATION OF THE TARGET COMPANY**

The Target Company is a company incorporated in the British Virgin Islands with limited liability and a direct wholly-owned subsidiary of the Company. The principal business of the Target Company is property holding and its principal asset is the Property located at Unit 2, 31st Floor of Tower Two, Lippo Centre, No. 89 Queensway, Hong Kong. The Property is a commercial unit with a saleable area of approximately 1,738 square feet. The Property is currently vacant. The Target Company acquired the Property on 6 March 2019 at a consideration of HK\$80,000,000.

Set out below is a summary of the key financial data of the Target Company for the period from 28 April 2017 (the date of incorporation of the Target Company) to 30 June 2018 and the nine months ended 31 March 2019 which were prepared in accordance with the generally accepted accounting principles in Hong Kong:

	<b>For the period from 28 April 2017 (date of incorporation of the Target Company) to 30 June 2018</b>	<b>For the nine months ended 31 March 2019</b>
	<i>HK\$'000</i> (unaudited)	<i>HK\$'000</i> (unaudited)
Revenue	—	—
Net (loss)/profit before tax	(13)	4,892
Net (loss)/profit after tax	(13)	4,892

As at 31 March 2019, the unaudited net asset value of the Target Company (adjusted for the fair value gain of the Property) based on the unaudited financial statements of the Target Company prepared in accordance with the generally accepted accounting principles in Hong Kong was approximately HK\$4,880,000.

#### **FINANCIAL EFFECT OF THE DISPOSAL**

Upon Completion, the Group will cease to have any interests in the Target Company, and the financial results of the Target Company will no longer be consolidated in the financial statements of the Group.

Based on the preliminary assessment on the unaudited financial information of the Target Company, the Group will record a book loss of approximately HK\$3,409,000 as a result of the Disposal, which is calculated based on (i) the net asset value of the Target Company (adjusted for the fair value gain of the Property) and the estimated expenses in connection with the Disposal; (ii) the amount of the Sale Loan; and (iii) the Consideration. Taking into account of the fair value gain of HK\$5,000,000 for the acquisition of the Property, the Company is expected to record a net gain of approximately HK\$1,591,000 after the relevant expenses relating to the acquisition of the Property and the Disposal, which is subject to final audit to be performed by the auditors of the Company. Based on the Consideration of HK\$82,820,000 and the associated estimated expenses of the Disposal of approximately HK\$1,183,000, the Company is expected to receive net proceeds of approximately HK\$81,637,000 from the Disposal. The Company intends to use the net proceeds from the Disposal for potential acquisition and investment should opportunities arise and as general working capital of the Group.

## **REASONS FOR AND BENEFITS OF THE DISPOSAL**

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 funds.

The Directors consider that the Disposal represents a good opportunity for the Group to realise its investment in the Property given that a net gain of approximately HK\$1,591,000 can be obtained with such short period of time.

Accordingly, the Directors are of the view that the terms of the Provisional SP Agreement are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As one or more of the relevant applicable percentage ratios in respect of the Disposal are higher than 5% but less than 25%, the Disposal 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 expressions shall have the meanings set out below:

“Board”	board of Directors
“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
“Completion”	completion of the Disposal in accordance with the terms and conditions of the Provisional SP Agreement
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the aggregate sum of HK\$82,820,000, being the purchase price payable by the Purchaser to the Company for the Sale Share and Sale Loan under the Provisional SP Agreement
“Director(s)”	director(s) of the Company
“Disposal”	the disposal of the Sale Share and the Sale Loan pursuant to the terms and conditions of the Provisional SP Agreement
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	person(s) or company(ies) who/which is(are) independent of the Company and its connected persons
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Property”	the property located at Unit 2, 31st Floor of Tower Two, Lippo Centre, No. 89 Queensway, Hong Kong with a saleable area of approximately 1,738 square feet
“Provisional SP Agreement”	the provisional sale and purchase agreement dated 25 April 2019 entered into between the Company and the Purchaser in relation to the Disposal
“Purchaser”	Team Eight Group Limited, a company incorporated in the British Virgin Islands with limited liability
“Sale Loan”	all such sum of money advanced by way of loan by the Company to the Target Company and due and owing by the Target Company to the Company as at Completion
“Sale Share”	1 ordinary share in the issued share capital of the Target Company, representing the entire issued share capital of the Target Company
“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
“Target Company”	Rich Shine Development Limited, a company incorporated in the British Virgin Islands with limited liability and a direct wholly-owned subsidiary of the Company as at the date of this announcement
“%”	per cent

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

Hong Kong, 25 April 2019

*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. Chan Wing Kit; 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.*