

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



*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 559)**

## **DISCLOSEABLE TRANSACTION EXTENSION OF THE TERM OF INVESTMENT IN THE FUND**

### **EXTENSION OF THE TERM OF THE INVESTMENT**

The Board announces that on 27 December 2019 (after trading hours), Alliance Global gave the Consent to TAR SPC for the extension of the term of the Investment for a further term of one year which may be further extended by the directors of TAR SPC for up to two consecutive one-year periods thereafter.

### **LISTING RULES IMPLICATIONS**

As one or more applicable percentage ratios stipulated under Rule 14.07 of the Listing Rules in respect of the extension of the term of the Investment exceed 5% but are less than 25%, the extension of the term of the Investment constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements.

### **EXTENSION OF THE TERM OF THE INVESTMENT**

The Board announces that on 27 December 2019 (after trading hours), Alliance Global gave the Consent to TAR SPC for the extension of the term of the Investment for a further term of one year which may be further extended by the directors of TAR SPC for up to two consecutive one-year periods thereafter.

### **Date of the Consent**

27 December 2019

### **Parties to the Consent**

- (1) Alliance Global, an indirect wholly-owned subsidiary of the Company; and
- (2) TAR SPC

## **Information on the Investment**

The details of the Investment are as follows:

<b>Name of the Fund:</b>	TAR High Value Fund SP
<b>Date of Subscription Agreement:</b>	29 December 2016
<b>Date of Subscription:</b>	30 December 2016
<b>Subscriber:</b>	Alliance Global
<b>Subscription amount:</b>	HK\$50,000,000, which was satisfied by the internal financial resources of the Group.
<b>Commitment period:</b>	The Manager will generally only invest, or commit to invest, contributions from Alliance Global for a period of one year from the date of Subscription.
<b>Term:</b>	One year which may be extended by the directors of TAR SPC for up to two further periods of one year each. The term was extended by the directors of TAR SPC to 30 December 2019. The term was further extended to 30 December 2020 under the Consent which may be further extended by the directors of TAR SPC for up to two consecutive one-year periods thereafter.
<b>Investment strategy of the Fund:</b>	The purpose of the Fund is to carry on the business of investing, holding, monitoring and realising investments made with the principal objective of achieving a high rate of return through capital appreciation through investments identified by the directors of TAR SPC that operate in or derive significant business opportunities from the financial services, natural resources and/or property investments sectors. The investment can be in form of equity investments and/or debt instruments including but not limited to convertible or exchangeable bonds, notes and debentures.

**Management fee:**

The Manager is entitled to a management fee out of the assets of the Fund of 2% per annum of (a) during the commitment period, the aggregate commitments of all shareholders of the Participating Shares; and (b) from the expiry of the commitment period to the expiry of the term, the aggregate amount of capital contribution made by all shareholders of the Participating Shares in respect of the Portfolio Investments less the aggregate capital contribution made by shareholders of the Participating Shares in respect of the Portfolio Investments that have been realised, disposed of or written off as at the relevant date.

**Distributions:**

Disposition Proceeds (to the extent not retained for reinvestment or to meet portfolio expenses or other liabilities) will be allocated to shareholders of the Participating Shares in proportion to each of their respective contributions with respect to such portfolio investment. Each shareholder's share of Disposition Proceeds shall then be further divided between such shareholders on the one hand and the Manager on the other hand in the following amounts and order of priority:

- (1) *Return of contributions.* First, 100% to the shareholder of the Participating Shares until the cumulative amount allocated to such shareholder equal to the aggregate contributions made by the shareholder on or prior to the date of the relevant distribution; and
- (2) *80/20 split:* Thereafter, 80% to the shareholder of the Participating Shares and 20% to the Manager.

**Expenses of the Fund:**

The Fund will bear all the costs of its operation and management including the organizational expenses, the fees and expenses payable to service providers and all expenses related to its investment programme.

**Restrictions on sale and transfer:**

Participating Shares will only be issued to, and may only be transferred to, persons who are Eligible Investors. Participating Shares may not be transferred without the prior written consent of the directors of TAR SPC.

**Redemptions:**

Holders of Participating Shares will not be permitted to redeem their Participating Shares voluntarily. The directors of TAR SPC may compulsorily redeem the Participating Shares in certain circumstances.

## **INFORMATION ON TAR SPC, THE FUND AND THE MANAGER**

TAR SPC is a segregated portfolio company incorporated under the laws of the Cayman Islands with limited liability. TAR SPC is registered as a “segregated portfolio company” with the Registrar of Companies of the Cayman Islands. TAR SPC is principally engaged in the investment and fund related services. TAR SPC has appointed the Manager as its investment manager.

The Fund is a segregated portfolio created by TAR SPC.

The Manager is an exempted company incorporated in the Cayman Islands with limited liability. The Manager will not undertake any investment activities in Hong Kong and will not participate any marketing activities in respect of the Fund in Hong Kong.

To the best of the Directors’ knowledge, information and belief, and having made all reasonable enquiries, TAR SPC, the Manager and their ultimate beneficial owners are Independent Third Parties.

## **INFORMATION OF THE COMPANY**

The Company was incorporated in Bermuda as an exempted company with limited liability. The Group is principally engaged in (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 funds.

## **REASONS FOR AND BENEFITS OF THE EXTENSION OF THE TERM OF THE INVESTMENT**

The purpose of the Investment is to develop a more diversified investment portfolio and broaden the revenue stream for the Group. The Investment will also enhance the capital efficiency as well as the return from working capital. The average rate of return on the Investment per annum in the term of the Investment is approximately 5%. The Investment has offered a better return to the Group when compared to the deposit interest rate normally offered by commercial banks in Hong Kong. In view of the satisfactory return on the Investment, the Group decided to give the Consent to extend the term of the Investment for a further term of one year which may be further extended by the directors of TAR SPC for up to two consecutive one-year periods thereafter.

The amount of the Investment was determined by the Company taking into account of various factors including the financial resources of the Group, the risk level and the investment terms.

The Directors consider that the terms of the Investment and the extension of the term of the Investment are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## LISTING RULES IMPLICATIONS

As one or more applicable percentage ratios stipulated under Rule 14.07 of the Listing Rules in respect of the extension of the term of the Investment exceed 5% but are less than 25%, the extension of the term of the Investment constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements.

## DEFINITIONS

In this announcement, unless the context requires otherwise, the following expressions shall have the following meanings:

“Alliance Global”	Alliance Global Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“Board”	board of the Directors
“Company”	DeTai New Energy Group Limited, a company incorporated in Bermuda with limited liability, the 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
“Consent”	the consent dated 27 December 2019 given by Alliance Global to TAR SPC for the extension of the term of the Investment for a further term of one year which may be further extended by the directors of TAR SPC for up to two consecutive one-year periods thereafter
“Director(s)”	the director(s) of the Company
“Disposition Proceeds”	in respect of any Portfolio Investment, means the net proceeds of sale from the disposal of all or part of such Portfolio Investment
“Eligible Investors”	a person to whom TAR SPC can lawfully make an invitation to subscribe for Participating Shares without compliance with any registration or other legal requirements, who is able to acquire and hold Participating Shares without breaching the law or requirements of any country, regulatory body or government authority and who satisfies such additional eligibility requirements as may be determined by the directors of TAR SPC from time to time
“Fund”	TAR High Value Fund SP, a segregated portfolio created by TAR SPC
“Group”	the Company and its subsidiaries

“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Parties”	parties who are independent of and not connected with the Company and its connected persons
“Investment”	the investment of HK\$50,000,000 in the Fund by Alliance Global by way of the Subscription
“Listing Rules”	the Rules Governing the Listing of Securities of the Stock Exchange
“Manager”	TAR Fund Management (Cayman) Limited, a company incorporated under the laws of the Cayman Islands
“Participating Shares”	participating, non-redeemable, non-voting shares of par value of US\$0.01 each in the share capital of TAR SPC attributable to the Fund
“Portfolio Investment”	an interest (whether direct or indirect) in an asset or rights in the nature of an investment acquired or to be acquired by TAR SPC or on TAR SPC’s behalf
“Share(s)”	the ordinary share(s) of the Company
“Shareholder(s)”	the holder(s) of the issued Shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	subscription of the Participating Shares by Alliance Global pursuant to the Subscription Agreement
“Subscription Agreement”	the agreement entered into between Alliance Global and TAR SPC dated 29 December 2016, pursuant to which Alliance Global has agreed to subscribe for Participating Shares in the Fund at a total consideration of HK\$50,000,000
“TAR SPC”	TAR Opportunities Fund SPC, a segregated portfolio company incorporated under the laws of the Cayman Islands with limited liability
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

“US\$” United States dollars, the lawful currency of the United States of America

“%” per cent

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

Hong Kong, 27 December 2019

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