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**DISCLOSEABLE TRANSACTIONS
IN RELATION TO
(I) EXTENSION OF THE LOAN; AND
(II) ACQUISITION OF CERTAIN SHARES IN AND
THE SALE LOAN OWED BY
COLOUR PALACE INVESTMENTS LIMITED**

BACKGROUND

Reference is made to the announcement of the Company dated 24 March 2019 in relation to the provision of the Loan in the principal amount of HK\$51,350,000 under the Loan Agreement.

EXTENSION LETTER

As at the date of this announcement, the Vendor is in debt to DeTai Finance in the amount of HK\$55,424,235.62 under the Loan Agreement, among which HK\$51,350,000 is the outstanding principal amount of the Loan and HK\$4,074,235.62 is the interest accrued thereon.

On 20 March 2020 (after trading hours), in order to facilitate the Acquisition, DeTai Finance entered into the Extension Letter with the Vendor, pursuant to which DeTai Finance agreed to extend the repayment date of the outstanding principal amount of the Loan of HK\$51,350,000 together with all then outstanding interest accrued thereon and all other monies payable and outstanding under the Loan Agreement to 31 July 2020 or the date of lapse, termination or completion of the Sale and Purchase Agreement, whichever is the earlier.

Save for the extension of the date of repayment, all other terms and provisions of the Loan Agreement remain unchanged and in full force and effect.

SALE AND PURCHASE AGREEMENT

The Board is pleased to announce that on 20 March 2020 (after trading hours), the Company as purchaser and the Vendor as vendor entered into the Sale and Purchase Agreement, pursuant to which the Company has conditionally agreed to acquire and the Vendor has conditionally agreed to sell the Sale Shares, representing 70% of the entire issued share capital of the Target Company after completion of the Increase in Issued Share Capital and as at Completion, and the Sale Loan at the Consideration of HK\$54,000,000.

LISTING RULES IMPLICATIONS

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

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

BACKGROUND

Reference is made to the announcement of the Company dated 24 March 2019 in relation to the provision of the Loan in the principal amount of HK\$51,350,000 under the Loan Agreement.

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On 20 March 2020 (after trading hours), in order to facilitate the Acquisition, DeTai Finance entered into the Extension Letter with the Vendor, pursuant to which DeTai Finance agreed to extend the repayment date of the outstanding principal amount of the Loan of HK\$51,350,000 together with all then outstanding interest accrued thereon and all other monies payable and outstanding under the Loan Agreement to 31 July 2020 or the date of lapse, termination or completion of the Sale and Purchase Agreement, whichever is the earlier.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Vendor and its ultimate beneficial owners are Independent Third Parties.

Save for the extension of the date of repayment, all other terms and provisions of the Loan Agreement remain unchanged and in full force and effect.

SALE AND PURCHASE AGREEMENT

The Board is pleased to announce that on 20 March 2020 (after trading hours), the Company as purchaser and the Vendor as vendor entered into the Sale and Purchase Agreement, pursuant to which the Company has conditionally agreed to acquire and the Vendor has conditionally agreed to sell the Sale Shares, representing 70% of the entire issued share capital of the Target Company after completion of the Increase in Issued Share Capital and as at Completion, and the Sale Loan at the Consideration of HK\$54,000,000.

The principal terms of the Sale and Purchase Agreement are summarised below:

Date: 20 March 2020 (after trading hours)

Parties: (i) the Company as purchaser; and
(ii) Imperial Pacific International Holdings Limited as vendor.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Vendor and its ultimate beneficial owners are Independent Third Parties.

Assets to be acquired

Pursuant to the Sale and Purchase Agreement, the Company has conditionally agreed to acquire and the Vendor has conditionally agreed to sell the Sale Shares, representing 70% of issued share capital of the Target Company after completion of the Increase in Issued Share Capital and as at Completion, and the Sale Loan.

The actual amount of the Sale Loan shall be 70% of the Vendor's Loan after deduction of the Vendor's Loan Repayment as at Completion.

The Sale Shares will be sold free from all encumbrances together with all rights now and thereafter attaching thereto as at the date of the Sale and Purchase Agreement. The Sale Loan will be sold free from all encumbrances as at the date of Completion.

The Company shall not be obliged to purchase any of the Sale Shares and the Sale Loan unless the sale and purchase of the Sale Shares and the Sale Loan are completed simultaneously.

Consideration

The aggregate consideration for the Acquisition shall be HK\$54,000,000 and which shall be apportioned as follows:

- (a) the consideration for the assignment of the Sale Loan shall be the face value of the Sale Loan as at the date of Completion; and
- (b) the consideration for the transfer of the Sale Shares shall be the amount of the Consideration less the consideration for the assignment of the Sale Loan set out in paragraph (a) above.

The Consideration shall be satisfied by the Company to the Vendor by way of Set-Off at Completion. To facilitate the Set-Off, part of the Debt in the amount of HK\$54,000,000 will be assigned to the Company by DeTai Finance at Completion.

Given that the Vendor is in debt to DeTai Finance in the amount of HK\$55,424,235.62 as at the date of this announcement and the amount of the Debt to be assigned to the Company by DeTai Finance at Completion shall be in the amount of HK\$54,000,000, the remaining balance of the Debt shall be repaid by the Vendor to DeTai Finance in cash at Completion.

The consideration for the Acquisition has been arrived at after arm's length negotiations between the Company and the Vendor having taken into account, among other things, the preliminary valuation of the Saipan Property A of US\$10,000,000 (equivalent to approximately HK\$77,600,000) as appraised by the independent valuer engaged by the Company under market approach as at 29 February 2020.

Conditions Precedent

Completion shall be conditional upon and subject to the fulfilment or waiver of the following conditions:

- (1) the Company being satisfied with the results of the due diligence review to be conducted on the assets, liabilities, operations and affairs of the Target Group and Colour Palace CNMI's title to the Saipan Properties at its sole and absolute discretion;
- (2) Colour Palace CNMI having completed the Saipan Property B Disposal;
- (3) the obtaining of a valuation report (in the form and substance satisfactory to the Company) from a firm of independent professional valuers appointed by the Company showing the valuation of the Saipan Property A as at 29 February 2020 is not less than US\$10,000,000;
- (4) all necessary consents, licences and approvals required to be obtained on the part of the Vendor in respect of the Sale and Purchase Agreement and the transactions contemplated thereby having been obtained and remain in full force and effect;
- (5) all necessary consents, licences and approvals required to be obtained on the part of the Company in respect of the Sale and Purchase Agreement and the transactions contemplated thereby having been obtained and remain in full force and effect;
- (6) the warranties provided by the Vendor remaining true, accurate and complete in all material respects;
- (7) the warranties provided by the Company remaining true, accurate and complete in all material respects;
- (8) the Target Group having completed the Debt Restructuring; and
- (9) the Target Company having completed the Increase in Issued Share Capital.

The Company shall use its best endeavour to procure the fulfilment of the conditions (5) and (7) above. The Vendor shall use its best endeavour to procure the fulfilment of the conditions (1), (2), (4), (6), (8) and (9) above. The Company may at its absolute discretion at any time waive in writing the conditions (1), (2), (3), (6) and (8) above. The Vendor may

at its absolute discretion at any time waive in writing the condition (7) above. Conditions (4), (5) and (9) above are incapable of being waived. If any of the above conditions have not been satisfied (or as the case may be, waived) on or before the Long Stop Date, the Sale and Purchase Agreement shall cease and terminate and neither party shall have any obligations and liabilities towards each other thereunder save for any antecedent breach of the Sale and Purchase Agreement.

Completion

Completion shall take place within ten (10) Business Days following the fulfilment or waiver (as the case may be) of the conditions precedent set out in the Sale and Purchase Agreement (not later than 31 July 2020) or such other date as the Vendor and the Company may agree in writing.

Upon Completion, the Target Company will become a direct non-wholly owned subsidiary of the Company and the financial statements of the Target Group will be consolidated into the financial statements of the Group.

Debt Restructuring

It is intended that prior to Completion, the Target Group will implement a debt restructuring, pursuant to which the Target Group will undergo a series of debt assignments and novations such that all the liabilities, obligations and indebtedness currently owed by any member of the Target Group to the Vendor or any of the Vendor's subsidiaries or associated companies will be assigned and novated such that all such liabilities, obligations and indebtedness will be owed by the Target Company to the Vendor (the "**Debt Restructuring**").

Increase in Issued Share Capital

As at the date of this announcement, one (1) Target Share has been issued and is fully paid up or credited as fully paid, and registered in the name of and is beneficially owned by the Vendor. It is intended that prior to Completion, the Target Company will implement the proposed increase in the issued share capital of the Target Company by allotting and issuing 9,999 new Target Shares to the Vendor so that the total number of issued Target Shares will be 10,000 Target Shares (the "**Increase in Issued Share Capital**").

Saipan Property B Disposal, Vendor's Loan Repayment and Reserved Amount

It is intended that prior to Completion, Colour Palace CNMI will dispose of the entire leasehold interest in the Saipan Property B (the "**Saipan Property B Disposal**").

The Vendor shall procure Colour Palace CNMI to reserve such amount of proceeds (the "**Reserved Amount**") from the Saipan Property B Disposal which shall be sufficient for the settlement of all relevant taxes (including but not limited to withholding taxes), rates, costs and expenses incurred or to be incurred by Colour Palace CNMI in relation to or arising from the Saipan Property B Disposal and use the balance of proceeds from the Saipan Property B Disposal (after deducting the Reserved Amount) for repayment of the Vendor's Loan before Completion (the "**Vendor's Loan Repayment**"). The Vendor shall indemnify

the Company and the Target Group against all losses and damages on a full indemnity basis if the Reserved Amount is not sufficient for the settlement of such taxes (including but not limited to withholding taxes), rates, costs and expenses.

New Lease Agreement and vacant possession of the Saipan Property A

At Completion, the Vendor's Saipan Subsidiary as lessee will enter into a new lease agreement (the "**New Lease Agreement**") with Colour Palace CNMI as lessor for the lease of the Saipan Property A for a term of 3 years and at a monthly rent of US\$63,400.

Pursuant to the Sale and Purchase Agreement, the Vendor undertakes that at Completion, the Saipan Property A shall be vacant or the possession of which has been delivered to the Vendor's Saipan Subsidiary, being the new tenant of the Saipan Property A under the New Lease Agreement.

INFORMATION OF THE VENDOR, THE TARGET GROUP AND THE SAIPAN PROPERTY A

The Vendor is a company incorporated in Bermuda with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1076). The Vendor and its subsidiaries are principally engaged in the gaming and resort business, including the development of an integrated resort on the Island of Saipan.

The Target Company is a company incorporated in the British Virgin Islands with limited liability and a direct wholly-owned subsidiary of the Vendor as at the date of this announcement. The principal business of the Target Company is investment holding. The Target Company is the sole registered and beneficial owner of Colour Palace CNMI, a company incorporated in the Commonwealth of the Northern Mariana Islands with limited liability and is the holder of the leasehold interest in the Saipan Properties.

The Saipan Property A comprises a low-rise residential development accommodating 60 residential apartment units with ancillary facilities such as restaurant, office premises, warehouses etc. It has a site area of about 19,999 square metres and a total gross floor area of about 7,491 square metres. The majority of the property on the Saipan Property A is owner-occupied and the restaurant and several office units are left vacant.

Financial information of the Target Company

Set out below is a summary of the key financial information of the Target Company as extracted from its unaudited consolidated management accounts for the two years ended 31 December 2019 and 31 December 2018 respectively:

	For the year ended 31 December 2019 HK\$ (unaudited)	For the year ended 31 December 2018 HK\$ (unaudited)
Revenue	70,530	56,418
Net loss before tax	841,400	837,778
Net loss after tax	841,400	837,778

As at 31 January 2020, the unaudited consolidated net liabilities of the Target Company based on the unaudited consolidated management accounts of the Target Company was approximately HK\$2 million and the net amount of debt owing by the Target Group to the Vendor, Vendor's subsidiaries or associated companies was HK\$45,716,800.

REASONS FOR AND BENEFITS OF THE EXTENSION AND THE ACQUISITION

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.

As disclosed in the annual report of the Company for the year ended 30 June 2019, the Group would continue to proactively explore investment opportunities to create long-term value to our shareholders and stakeholders.

Given that the Group is currently engaged in hotel hospitality business, the acquisition of the Target Company and indirectly, the Saipan Property A on which certain apartments and commercial buildings which can generate rental income are erected thereon, is in line with the business focus of the Group. The Extension will facilitate the Acquisition and the Loan will continue to generate interest income to the Group before completion.

After Completion, it is intended that the Saipan Property A will be held for investment purpose and leased out for rental income. As such, it is expected that the rental income generated from the Saipan Property A will provide another steady income stream to the Group. Based on the aggregate Consideration of HK\$54,000,000 and the annual rental income of US\$760,800 (equivalent to approximately HK\$5,903,800), there will be an annualised yield of approximately 10.9%. The Acquisition will also provide capital appreciation potential to the Group.

Further, as the Consideration will be satisfied by way of the Set-Off, the Company believes that the Acquisition could generate stable cashflow and income to the Group without additional financial burden imposed on the Group.

Accordingly, the Directors are of the view that the terms of the Extension and the Sale and Purchase 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 Extension are higher than 5% but less than 25%, the Extension constitutes a discloseable transaction for the Company under the Listing Rules and is subject to the notification and announcement requirements under the Listing Rules.

As one or more of the relevant applicable percentage ratios in respect of the Acquisition are higher than 5% but less than 25%, the Acquisition 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:

“Acquisition”	the acquisition of the Sale Shares and the Sale Loan by the Company from the Vendor in accordance to the terms and conditions of the Sale and Purchase Agreement
“Assigned Debt”	part of the Debt in the amount of HK\$54,000,000 to be assigned by DeTai Finance to the Company at Completion
“Board”	board of Directors
“Business Day(s)”	a day (other than a Saturday, Sunday and public holiday) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
“Colour Palace CNMI”	Colour Palace (CNMI) LLC, a company incorporated in the Commonwealth of the Northern Mariana Islands with limited liability, its issued share capital is legally and beneficially owned by the Target Company as at the date of this announcement
“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 Acquisition in accordance with the terms and conditions of the Sale and Purchase Agreement
“connected person(s)”	has the meaning ascribed to it under the Listing Rules

“Consideration”	the aggregate sum of HK\$54,000,000, being the purchase price payable by the Company for the Sale Shares and the Sale Loan under the Sale and Purchase Agreement
“Debt”	the outstanding principal amount of the loan of HK\$51,350,000 and interests accrued thereon as at the date of Completion payable by the Vendor to DeTai Finance in accordance with the terms of the Loan Agreement
“Debt Restructuring”	has the meaning ascribed thereto under the paragraph headed “Debt Restructuring” in the section headed “Sale and Purchase Agreement” in this announcement
“DeTai Finance”	DeTai Finance Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“Director(s)”	director(s) of the Company
“Extension”	the extension of the Loan pursuant to the terms of the Extension Letter
“Extension Letter”	the extension letter dated 20 March 2020 and entered into between DeTai Finance and Vendor in relation to the Extension
“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
“Increase in Issued Share Capital”	has the meaning ascribed thereto under the paragraph headed “Increase in Issued Share Capital” in the section headed “Sale and Purchase Agreement” in this announcement
“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
“Loan”	the term loan in the principal amount of HK\$51,350,000 granted by DeTai Finance to the Vendor pursuant to the terms of the Loan Agreement

“Loan Agreement”	the loan agreement dated 24 March 2019 (as amended and supplemented by the Extension Letter) and entered into between DeTai Finance as lender and the Vendor as borrower in relation to the provision of loan in the principal amount of HK\$51,350,000
“Long Stop Date”	on or before 4:00 p.m. on 31 July 2020, or such later date as the Vendor and the Company may agree in writing
“New Lease Agreement”	has the meaning ascribed thereto under the paragraph headed “New Lease Agreement and vacant possession of the Saipan Property A” in the section headed “Sale and Purchase Agreement” in this announcement
“Reserved Amount”	has the meaning ascribed thereto under the paragraph headed “Saipan Property B Disposal, Vendor’s Loan Repayment and Reserved Amount” in the section headed “Sale and Purchase Agreement” in this announcement
“Saipan Properties”	Saipan Property A and Saipan Property B
“Saipan Property A”	the land located at Tract 22706-1, Tract 22706-2, Tract 22706-3, Tract 22706-4, Tract 22706-5, Tract 22706-6, Tract 22706-R1, Capitol Hill, as more particularly described on Drawing/Cadastral Plat No. 2063/92, the originals of which were recorded on January 22, 1992 under File No. 92-205 at the Commonwealth Recorder’s, Saipan containing an area in the aggregate of approximately 19,999 square meters, and 58 2-bedroom apartments; two 3-bedroom apartments; a commercial building with 10 office units (including a restaurant); two warehouses; 5-bedroom staff house, and the furniture, fixtures and equipment, all known as Vestcor Village Saipan, erected on the above land
“Saipan Property B”	the land located at Tract 22631-2, Tract 22631-3, Tract 22631-4, Tract 22631-5, Tract 22631-6, Tract 22631-7, Tract 22631-8, Tract 22631-9, Tract 22631-10, Tract 22631-11, Tract 22631-12, Tract 22631-13, Tract 22631-14, Tract 22631-15, Tract 22631-16, Tract 22631-17, Tract 22631-18, Tract 22631-19, Tract 22631-20, Tract 22631-21, Tract 22631-22, Tract 22631-23, Tract 22631-24, Tract 22631-25, Tract 22631-26, Tract 22631-27, Tract 22631-28, Tract 22631-29, Tract 22631-30, Tract 22631-31, Tract 22631-R2, Tract 22631-R/W, as more particularly described on Drawing/Cadastral Plat No. 2071/90 the originals of which were recorded on February 26, 1990 under File No. 90-799 at Commonwealth Recorder’s, Saipan

“Saipan Property B Disposal”	has the meaning ascribed thereto under the paragraph headed “Saipan Property B Disposal, Vendor’s Loan Repayment and Reserved Amount” in the section headed “Sale and Purchase Agreement” in this announcement
“Sale and Purchase Agreement”	the sale and purchase agreement dated 20 March 2020 and entered into between the Company as purchaser and the Vendor as vendor in relation to the Acquisition
“Sale Loan”	70% of the Vendor’s Loan after deduction of the Vendor’s Loan Repayment as at Completion
“Sale Shares”	7,000 Target Shares, representing 70% of the entire issued share capital of the Target Company after completion of the Increase in Issued Share Capital and as at Completion
“Set-Off”	the set-off of the Assigned Debt on a dollar-for-dollar basis against the Consideration payable by the Company to the Vendor at Completion
“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”	Colour Palace Investments Limited (彩殿投資有限公司), a company incorporated in the British Virgin Islands with limited liability and a direct wholly-owned subsidiary of the Vendor as at the date of this announcement
“Target Group”	the Target Company and Colour Palace CNMI
“Target Share(s)”	share(s) of US\$1.00 each in the issued share capital of the Target Company
“US\$”	United States dollars, the lawful currency of the United States of America
“Vendor”	Imperial Pacific International Holdings Limited, a company incorporated in Bermuda with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1076)
“Vendor’s Loan”	all obligations, liabilities and debts owing or incurred by the Target Company to the Vendor on or at any time prior to the Completion whether actual, contingent or deferred and irrespective of whether or not the same is due and payable on Completion

“Vendor’s Loan Repayment” has the meaning ascribed thereto under the paragraph headed “Saipan Property B Disposal, Vendor’s Loan Repayment and Reserved Amount” in the section headed “Sale and Purchase Agreement” in this announcement

“Vendor’s Saipan Subsidiary” Imperial Pacific International (CNMI) LLC, a company incorporated in the Commonwealth of the Northern Mariana Islands which is wholly-owned by the Vendor

“%” per cent

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

Hong Kong, 20 March 2020

For the purpose of this announcement, unless otherwise indicated, conversion of United States dollars into Hong Kong dollars is calculated at the approximate exchange rate of US\$1.00 to HK\$7.76. This exchange rate is adopted for the purpose of illustration purpose only and does not constitute a representation that any amounts have been, could have been, or may be, exchanged at this rate or any other rates at all.

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 Director is Ms. Zhang Yudan; and the independent non-executive Directors are Mr. Chiu Wai On, Mr. Man Kwok Leung and Dr. Wong Yun Kuen.