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**SUPPLEMENTAL ANNOUNCEMENT  
IN RELATION TO THE ANNUAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2020**

Reference is made to the annual report of DeTai New Energy Group Limited for the year ended 30 June 2020 (the “**Annual Report**”). Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as defined in the Annual Report.

In addition to the information provided in the Annual Report, the Board would like to provide the following further information in relation to the impairment loss on the Hotel Hospitality Business CGU.

The value-in-use calculation was the estimated future cash flows discounted to their present value using a pre-tax discount rate that reflected current market assessment of time value of money and the risk specific to the hotel hospitality business of the Group (the “**Hotel Hospitality Business**”). The calculation used in cash flow projections was based on latest financial budgets covering a period of 5 years with compound annual growth rate of revenue of approximately 1.43% (2019: 2.98%). The compound annual growth rate of revenue was determined with reference to historical revenue in the current year and the 5-year forecasted revenue taking into account of the expected number of tourists who would visit Niseko. Due to worldwide prevalence of the COVID-19 pandemic happened in 2020 and the travel restrictions imposed by most of the countries, the revenue growth rate in 2020 was lower than that in 2019 by approximately 5%. The Company expects the impact of the COVID-19 pandemic would continue affecting the results of the Hotel Hospitality Business in 2021 and the revenue in 2021 would drop by approximately 4% as compared with that of 2020. The Directors expect that the COVID-19 pandemic would be contained and under control in 2021 and consider the tourism promotion campaign to be launched by the Japanese Government and the Tokyo Olympics to be rescheduled to take place in the summer of 2021, the revenue in 2022 would boost by approximately 19% from 2021. After the one-off events of the COVID-19 pandemic and the Tokyo Olympics, the Directors expect the revenue would return to normal level from the peak level and would record a negative growth rate of approximately 10% in 2023 as compared to 2022. The revenue is expected to steadily grow at an annual rate of approximately 2% in the subsequent years. The gross profit was expected to be approximately 91% (2019: 91%) with reference to the historical record. The pre-tax discount rate of 18% (2019: 18%) was determined with reference to the market conditions, such as company specific risk premium and cost of debt of the Hotel Hospitality

Business. The cash flow projections beyond the 5-year period are extrapolated using a perpetual growth rate of 2% (2019: 2%) which was referred to long-term growth rate of tourism in Niseko and the long-term inflation rate in Japan.

The rate of cost of disposal used in the fair value less cost of disposal approach was 3.5% (2019: 3.5%) of the market value of the property which was referred to the average market rate of brokerage fee and other miscellaneous administrative and legal costs.

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

Hong Kong, 28 December 2020

*As at the date of this announcement, the executive Directors are Mr. Wong Hin Shek, Mr. Chan Wai Ki and Mr. Eric Todd; and the independent non-executive Directors are Mr. Chiu Wai On and Mr. Man Kwok Leung.*