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**DISCLOSEABLE TRANSACTION
IN RELATION TO
THE SECOND SUPPLEMENTAL SETTLEMENT DEED
AND
VARIATION OF TERMS OF
DISCLOSEABLE TRANSACTION
RELATING TO 2016 SETTLEMENT DEED**

The Board announces that on 27 September 2019, the Vendor and the Company entered into the Second Supplemental Settlement Deed for the full and final settlement of the Vendor's obligations of the Outstanding Supplemental Settlement Payment under the First Supplemental Settlement Deed.

LISTING RULES IMPLICATIONS

This announcement is made by the Company pursuant to Rule 14.36 of the Listing Rules, as the entering into of the Second Supplemental Settlement Deed constitutes material variation of the terms of the 2016 Settlement Deed (as amended and supplemented by the First Supplemental Settlement Deed) previously announced under the 2016 Announcement and the 2018 Announcement.

As one or more of the relevant percentage ratios under the Listing Rules in respect of the Second Supplemental Settlement Deed are more than 5% but are less than 25%, the Second Supplemental Settlement Deed constitutes a discloseable transaction on the part of the Company under Chapter 14 of the Listing Rules, and is therefore subject to the reporting and announcement requirements under the Listing Rules.

Reference is made to the announcement (the “**2015 Announcement**”) of DeTai New Energy Group Limited (the “**Company**”) dated 26 April 2015 in relation to, amongst others, the discloseable transaction relating to the acquisition agreement dated 26 April 2015 and entered into between Mr. Lee Man Bun (李文彬) (the “**Vendor**”) and the Company, pursuant to which the Company agreed to acquire 85% of the total issued shares of Delta Prestige Holdings Limited (德泰匯信控股有限公司) (the “**Target Company**”). As disclosed in the 2015 Announcement, the Vendor had irrevocably warranted and guaranteed to the

Company (the “**Profit Guarantee**”) that the after-tax audited consolidated net profit (including net profit attributable to non-controlling interests) of the Target Company and its subsidiaries in accordance with the Hong Kong generally accepted accounting principles for the financial year from 1 July 2015 to 30 June 2016 shall not be less than HK\$100,000,000 (the “**Guaranteed Net Profit**”).

Reference is also made to the announcement (the “**2016 Announcement**”) of the Company dated 26 September 2016 in relation to, amongst others, the discloseable transaction relating to the settlement deed (the “**2016 Settlement Deed**”) dated 26 September 2016 and entered into between the Vendor and the Company, pursuant to which the Vendor and the Company agreed that, in full and final settlement of the Vendor’s obligations under the Profit Guarantee, the Vendor shall pay HK\$100,850,000 (being the sum of the shortfall to the Guaranteed Net Profit of HK\$100,000,000 and the additional amount of compensation of HK\$850,000) to the Company. As disclosed in the 2016 Announcement, the Vendor shall pay HK\$20,000,000 within 5 business days upon execution of the 2016 Settlement Deed, HK\$20,400,000 on or before 31 March 2017, HK\$30,300,000 on or before 30 September 2017, and HK\$30,150,000 on or before 31 March 2018 respectively.

Reference is also made to the announcement (the “**2018 Announcement**”) of the Company dated 28 September 2018 in relation to the supplemental deed (the “**First Supplemental Settlement Deed**”) to the 2016 Settlement Deed regarding the settlement of the Vendor’s obligations under the 2016 Settlement Deed. As disclosed in the 2018 Announcement, the Vendor had paid HK\$70,700,000 to the Company pursuant to the 2016 Settlement Deed, and notwithstanding repeated requests made by the Company, the Vendor failed to make payment of the remaining balance of HK\$30,150,000 (the “**Outstanding Settlement Payment**”) which was due and payable on 31 March 2018 in accordance with the terms and conditions of the 2016 Settlement Deed. After arm’s length negotiations, on 28 September 2018, the Vendor and the Company entered into the First Supplemental Settlement Deed, pursuant to which the Vendor and the Company agreed that, in full and final settlement of the Vendor’s obligations under the Outstanding Settlement Payment, the Vendor shall pay HK\$30,650,000 (being the sum of the Outstanding Settlement Payment of HK\$30,150,000 and the additional amount of compensation of HK\$500,000) to the Company (or its nominee), among which (i) HK\$10,000,000 shall be payable on the date of the First Supplemental Settlement Deed; and (ii) HK\$20,650,000 shall be payable on or before 31 March 2019.

Unless otherwise stated, capitalised terms used herein shall have the same meaning as those defined in the 2015 Announcement, the 2016 Announcement and the 2018 Announcement.

As at the date of this announcement, the Vendor had paid HK\$10,000,000 to the Company pursuant to the First Supplemental Settlement Deed, and notwithstanding repeated requests made by the Company, the Vendor failed to make payment of the remaining balance of HK\$20,650,000 (the “**Outstanding Supplemental Settlement Payment**”) which was due and payable on 31 March 2019 in accordance with the terms and conditions of the First Supplemental Settlement Deed. After arm’s length negotiations, on 27 September 2019, the Vendor and the Company entered into the second supplemental deed (the “**Second Supplemental Settlement Deed**”) to the 2016 Settlement Deed (as amended and

supplemented by the First Supplemental Settlement Deed) regarding the settlement of the Vendor's obligations of the Outstanding Supplemental Settlement Payment under the First Supplemental Settlement Deed.

Principal terms of the Second Supplemental Settlement Deed are set out below:

THE SECOND SUPPLEMENTAL SETTLEMENT DEED

Date: 27 September 2019

Parties: (1) the Vendor; and
(2) the Company.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Vendor is independent of the Company and its connected persons (as defined in the Listing Rules). As confirmed by the Vendor, he and his associates do not hold any shares, options, warrants, derivatives or convertible securities of the Company as at the date of this announcement.

Pursuant to the Second Supplemental Settlement Deed, the Vendor and the Company agreed that, in full and final settlement of the Vendor's obligations of the Outstanding Supplemental Settlement Payment under the First Supplemental Settlement Deed, the Vendor shall pay HK\$21,050,000 (being the sum of the Outstanding Supplemental Settlement Payment of HK\$20,650,000 and the additional amount of compensation of HK\$400,000) to the Company (or its nominee) in the following manner:

- (a) HK\$10,000,000 shall be paid by the Vendor to the Company (or its nominee) in cash or cashier's order or cheque on the date of the Second Supplemental Settlement Deed; and
- (b) HK\$11,050,000 shall be paid by the Vendor to the Company (or its nominee) in cash or cashier's order or cheque on or before 30 September 2020.

REASONS FOR AND BENEFITS OF THE ENTERING INTO OF THE SECOND SUPPLEMENTAL SETTLEMENT DEED

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.

As the Vendor required additional time to arrange necessary fund flow for the payment of the Outstanding Supplemental Settlement Payment and taking into account that (i) the Company could receive a payment of HK\$10,000,000 on the date of the Second Supplemental Settlement Deed; and (ii) the additional amount of compensation under the Second Supplemental Settlement Deed, the Board considers that the terms of the Second Supplemental Settlement Deed are on normal commercial terms, fair and reasonable and in the interest of the Group and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

This announcement is made by the Company pursuant to Rule 14.36 of the Listing Rules, as the entering into of the Second Supplemental Settlement Deed constitutes material variation of the terms of the 2016 Settlement Deed (as amended and supplemented by the First Supplemental Settlement Deed) previously announced under the 2016 Announcement and the 2018 Announcement.

As one or more of the relevant percentage ratios under the Listing Rules in respect of the Second Supplemental Settlement Deed are more than 5% but are less than 25%, the Second Supplemental Settlement Deed constitutes a discloseable transaction on the part of the Company under Chapter 14 of the Listing Rules, and is therefore subject to the reporting and announcement requirements under the Listing Rules.

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

Hong Kong, 27 September 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 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.