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**DISCLOSEABLE TRANSACTION  
DEED OF SETTLEMENT IN RESPECT OF THE OUTSTANDING  
PRINCIPAL AMOUNT OF THE LOAN**

On 8 October 2019 (after trading hours), the Lender entered into the Deed of Settlement with the Borrower for the settlement of the payment obligations and liabilities of the Borrower under the Loan Agreement.

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

Reference is made to the announcement of the Company dated 5 December 2017 relating to the provision of the Loan. On 5 December 2017, the Lender and the Borrower entered into the Loan Agreement in relation to the Loan granted by the Lender to the Borrower. Pursuant to the Loan Agreement, the Borrower is obliged to make repayment of the principal amount of the Loan together with all interest accrued thereon to the Company on or before 5 November 2018. On 3 October 2019, the Borrower repaid HK\$11,000,000 to the Lender, of which HK\$7,643,520.36 being all the interest and default interest accrued on the Loan up to 3 October 2019 and HK\$3,356,479.64 being part of the principal amount of the Loan. After the repayment of HK\$11,000,000 by the Borrower, the outstanding principal amount of the Loan is HK\$36,643,520.36.

## DEED OF SETTLEMENT

On 8 October 2019 (after trading hours), after arm's length negotiation, the Lender entered into the Deed of Settlement with the Borrower for the settlement of the payment obligations and liabilities of the Borrower under the Loan Agreement. The main terms of the Deed of Settlement are as follows:

1. the Borrower irrevocably and unconditionally undertakes to pay to the Lender HK\$40,307,872.40 in four instalments in the following manner:
  - (a) HK\$5,000,000 being the first instalment, shall be paid to the Lender by cashier's order issued by a licensed bank in Hong Kong or wire-transfer of immediately available funds to the designated account of the Lender within 6 months after the date of execution of the Deed of Settlement;
  - (b) HK\$10,000,000 being the second instalment, shall be paid to the Lender by cashier's order issued by a licensed bank in Hong Kong or wire-transfer of immediately available funds to the designated account of the Lender within 12 months after the date of execution of the Deed of Settlement;
  - (c) HK\$10,000,000 being the third instalment, shall be paid to the Lender by cashier's order issued by a licensed bank in Hong Kong or wire-transfer of immediately available funds to the designated account of the Lender within 18 months after the date of execution of the Deed of Settlement; and
  - (d) HK\$15,307,872.40 being the final instalment, shall be paid to the Lender by cashier's order issued by a licensed bank in Hong Kong or wire-transfer of immediately available funds to the designated account of the Lender within 24 months after the date of execution of the Deed of Settlement.
2. Subject to the full performance of the above obligations by the Borrower and the provisions in paragraph 3 below, the Lender shall irrevocably and unconditionally release and discharge the Borrower from all its payment obligations and liabilities under the Loan Agreement and from all claims and demands whatsoever arising out of or in respect of or under the Loan Agreement (including but not limited to the repayment of the Loan, and all interest and default interest accrued thereon) as from the date on which the Borrower has fully performed and discharged its obligations in paragraph 1 above.
3. If (i) the Borrower fails to pay any of the instalments referred to in paragraph 1 above; or (ii) any of the cashier's order delivered by the Borrower to the Lender referred to above is not duly honoured on first presentation and the Lender has not received the same sum in immediately available funds within seven (7) days immediately thereafter, the Deed of Settlement shall cease and determine and the Borrower is obliged to forthwith make repayment of the outstanding principal amount of the Loan, and the interest and default interest accrued thereon in accordance with the terms of the Loan Agreement.

4. In the event that the Deed of Settlement shall cease and determine, all moneys received by the Lender under the Deed of Settlement shall be applied in the following order of priority:
- (a) in or towards payment of or provision for all costs and expenses incurred by the Lender in relation to the Deed of Settlement, the Loan Agreement or the Share Charge;
  - (b) in or towards payment of or provision for the default interest payable by the Borrower to the Lender under the Loan Agreement;
  - (c) in or towards payment of or provision for the interest payable by the Borrower to the Lender under the Loan Agreement;
  - (d) in or towards payment of or provision for the principal amount of the Loan payable by the Borrower to the Lender under the Loan Agreement;
  - (e) in or towards payment of or provision for any sums payable by the Borrower to the Lender not covered in paragraphs (a) to (d) above; and
  - (f) in payment of the surplus (if any) to the Borrower or other person entitled to it; and

the date of the application of the moneys in or towards payment of or provision for the above sums payable by the Borrower to the Lender shall be deemed to be the date of actual receipt of the relevant moneys by the Lender.

The Borrower has created the Share Charge in favour of the Lender as security for the payment obligations and liabilities of the Borrower under the Deed of Settlement and the Loan Agreement. As part of the terms of the settlement and in view of the Borrower having agreed to provide additional 400,000,000 shares of AP Silk Road as security on top of 180,659,755 shares of AP Silk Road previously provided, the Lender has agreed to undertake that in case of enforcement of its rights under the Share Charge, whether by way of foreclosure, appointment of receivers or disposal in respect of the Charged Shares or otherwise, the Lender (i) will not accept the Possible Offer; (ii) will procure the receivers not to accept the Possible Offer; and (iii) will procure all the transferee(s) of the Charged Shares to provide an undertaking not to accept the Possible Offer and/or disposal of the Charged Shares, up to the date of the close of the Possible Offer or the date falling three months from the date of this announcement, whichever is the earlier.

## **INFORMATION OF THE BORROWER**

The Borrower is a company incorporated in the British Virgin Islands. To the best of the knowledge, information and belief of the Directors and having made all reasonable enquiries, the Borrower and its ultimate beneficial owner are Independent Third Parties.

## **REASONS FOR AND BENEFITS OF THE ENTERING INTO OF THE DEED OF SETTLEMENT**

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.

The terms of the Deed of Settlement and the Share Charge were negotiated on an arm's length basis between the Lender and the Borrower. The Directors are of the view that given that (i) the Borrower repaid HK\$11,000,000 to the Lender to settle all the outstanding interest and default interest and part of the principal amount of the Loan on 3 October 2019; (ii) it may not be in the Group's best interest to commence lengthy and costly legal proceedings or winding-up proceedings against the Borrower as it may be detrimental to the possibility of full recovery of the outstanding amounts; (iii) the Lender will receive additional amount of compensation on top of the outstanding principal amount of the Loan under the Deed of Settlement; and (iv) the Borrower provided 580,659,755 shares of Asia Pacific Silk Road Investment Company Limited as security under the Share Charge, the transactions contemplated under the Deed of Settlement are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

## **IMPLICATIONS UNDER THE LISTING RULES**

As one or more of the relevant applicable percentage ratios in respect of the settlement of the outstanding principal amount of the Loan under the Deed of Settlement are higher than 5% but less than 25%, the settlement of the outstanding principal amount of the Loan under the Deed of Settlement 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 words and expressions shall have the following meanings when used herein:

“AP Silk Road”	Asia Pacific Silk Road Investment Company Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 767)
“Board”	the board of Directors
“Borrower”	a company incorporated in the British Virgin Islands with limited liability
“Charged Shares”	580,659,755 shares of AP Silk Road charged under the Share Charge
“Company”	DeTai New Energy Group Limited, a company incorporated in Bermuda with limited liability whose issued Shares are listed on the main board of the Stock Exchange

“connected person”	has the meaning ascribed to it under the Listing Rules
“Deed of Settlement”	the deed of settlement dated 8 October 2019 entered into between the Lender and the Borrower in relation to the settlement of the payment obligations and liabilities of the Borrower under the Loan Agreement
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency for the time being of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s) are third parties independent of and not connected with the Group and its connected persons in accordance with the Listing Rules
“Lender”	DeTai Finance Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	the loan in the amount of HK\$40,000,000 granted by the Lender to the Borrower pursuant to the terms of the Loan Agreement
“Loan Agreement”	the loan agreement dated 5 December 2017 entered into between the Lender and the Borrower relating to the granting of the Loan
“Possible Offer”	the possible mandatory general offer as announced in the announcement dated 25 September 2019 of AP Silk Road
“Share(s)”	ordinary share(s) of HK\$0.05 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of issued Share(s)
“Share Charge”	the share charge dated 8 October 2019 over 580,659,755 shares of AP Silk Road executed by the Borrower in favour to the Lender
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“%”

per cent

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

Hong Kong, 8 October 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.*