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## **DISCLOSEABLE TRANSACTION ACQUISITION OF LISTED SECURITIES**

### **SALE AND PURCHASE AGREEMENT**

The Board is pleased to announce that on 13 September 2021 (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 agreed to acquire and the Vendor has agreed to sell the Sale Shares, representing approximately 2.08% of the issued share capital of the Target Company as at the date of this announcement at the Consideration of HK\$43,781,477, representing approximately HK\$0.5428 per Sale Share. The Acquisition was completed on the date of the Sale and Purchase Agreement.

### **LISTING RULES IMPLICATIONS**

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 5 December 2017 in relation to the provision of the Loan under the Loan Agreement and the announcement of the Company dated 8 October 2019 in relation to the Deed of Settlement and the Share Charge.

Immediately before Completion, the Vendor was in debt to DeTai Finance in the amount of HK\$43,781,477 under the Loan Agreement, among which HK\$36,643,520.36 was the outstanding principal amount of the Loan and HK\$7,137,956.64 was the default interest under the Loan Agreement.

### **SALE AND PURCHASE AGREEMENT**

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agreed to sell the Sale Shares, representing approximately 2.08% of the issued share capital of the Target Company as at the date of this announcement at the Consideration of HK\$43,781,477.

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

Date: 13 September 2021

Parties: (i) the Company as purchaser; and  
(ii) Allied Summit Inc. as vendor.

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

### **Assets to be acquired**

Pursuant to the Sale and Purchase Agreement, the Company has agreed to acquire and the Vendor has agreed to sell the Sale Shares, representing approximately 2.08% of issued share capital of the Target Company as at the date of this announcement.

The Sale Shares shall be sold free from all encumbrances together with all rights now and thereafter attaching thereto at any time on or after the date of the Sale and Purchase Agreement.

### **Consideration**

The Consideration for the Acquisition shall be HK\$43,781,477, representing approximately HK\$0.5428 per Sale Share.

The Consideration of approximately HK\$0.5428 per Sale Share represents (i) a discount of approximately 6.41% to the closing price of HK\$0.58 per Sale Share as quoted on the Stock Exchange on the date of the Sale and Purchase Agreement; (ii) a discount of approximately 0.95% to the average closing price of HK\$0.5480 per Sale Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the date of the Sale and Purchase Agreement; and (iii) a discount of approximately 3.59% to the average closing price of HK\$0.5630 per Sale Share as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the date of the Sale and Purchase Agreement.

The Consideration shall be satisfied by the Company to the Vendor by way of Set-Off at Completion. To facilitate the Set-Off, the whole amount of the Debt shall be assigned to the Company by DeTai Finance at Completion.

The Consideration for the Acquisition was determined after arm's length negotiations between the parties to the Sale and Purchase Agreement after taking into account of (i) the average closing price per Sale Share as quoted on the Stock Exchange for the last ten trading days up to and including the date of the Sale and Purchase Agreement; and (ii) the number of the Sale Shares.

## Completion

The sale and purchase of the Sale Shares is not subject to any condition precedent. Completion took place on the date of the Sale and Purchase Agreement. Upon Completion, the Assigned Debt has been set off against the Consideration in full and DeTai Finance has released and discharged the Vendor's obligations and liabilities under the Share Charge. Upon Completion, the Sale Shares has been accounted for as financial assets at fair value through profit or loss in the consolidated financial statements of the Group and the Consideration has been recorded as the initial fair value of the Sale Shares.

## INFORMATION ABOUT THE VENDOR AND THE TARGET COMPANY

The Vendor is an investment holding company incorporated in the British Virgin Islands with limited liability and is wholly-owned by Mr. Su Weibiao. To the best of the knowledge, information and belief of the Directors and having made all reasonable enquiries, the Vendor and its ultimate beneficial owner, Mr. Su Weibiao, are Independent Third Parties.

The Target Company is a company incorporated under the law of Bermuda with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 767). The Target Company and its subsidiaries are principally engaged in the business of longevity science, money lending, securities investments and investment advisory.

Set out below are the financial information of the Target Company as extracted from the annual report of the Target Company for the year ended 31 December 2020:

	<b>For the year ended 31 December 2019 HK\$ (audited)</b>	<b>For the year ended 31 December 2020 HK\$ (audited)</b>
Revenue	145,846,000	80,022,000
Net loss before tax	812,429,000	9,172,000
Net loss after tax	825,969,000	10,700,000
	<b>As at 31 December 2019 HK\$ (audited)</b>	<b>As at 31 December 2020 HK\$ (audited)</b>
Net asset value	967,369,000	454,886,000

## REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group is principally engaged in (i) hotel hospitality business; (ii) provision of money lending services; (iii) trading and distribution of liquor and wine; and (iv) investments in funds.

The Company is always open for investment opportunities which generates returns for its Shareholders, including but not limited to investing in other publicly-listed stocks of the companies listed on the Stock Exchange and other stock exchange. Having considered (i) the investment committee of the Board endorsed the Acquisition; (ii) the Consideration represents a discount of approximately 3.59% from the average closing price per Sale Share as quoted on the Stock Exchange for the last ten trading days up to and including the date of the Sale and Purchase Agreement; and (iii) the Consideration being satisfied by way of the Set-off, the Directors are of the view that the terms of 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 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 by the Company from the Vendor in accordance to the terms and conditions of the Sale and Purchase Agreement
“Assigned Debt”	whole amount of the Debt 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
“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\$43,781,477, being the purchase price payable by the Company for the Sale Shares under the Sale and Purchase Agreement
“Debt”	the outstanding debt owing by the Vendor to DeTai Finance under the Loan Agreement prior to Completion

“Deed of Settlement”	the deed of settlement dated 8 October 2019 and entered into between DeTai Finance and the Vendor in relation to the settlement of the payment obligations and liabilities of the Vendor under the Loan Agreement
“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
“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
“Independent Third Party(ies)”	person(s) or company(ies) who/which is(are) independent of and not connected with 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 amount of HK\$40,000,000 granted by DeTai Finance to the Vendor pursuant to the terms of the Loan Agreement
“Loan Agreement”	the loan agreement dated 5 December 2017 and entered into between DeTai Finance as lender and the Vendor as borrower in relation to the provision of the Loan
“Sale and Purchase Agreement”	the sale and purchase agreement dated 13 September 2021 entered into between the Company as purchaser and the Vendor as vendor in relation to the Acquisition
“Sale Shares”	80,659,755 shares of HK\$0.001 each in the issued share capital of the Target Company, representing approximately 2.08% of the entire issued share capital of the Target Company as at the date of this announcement
“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

“Share Charge”	the share charge dated 8 October 2019 over 580,659,755 shares of the Target Company executed by the Vendor in favour to DeTai Finance
“Shareholder(s)”	holder(s) of the issued Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Zhong Ji Longevity Science Group Limited (中基長壽科學集團有限公司), a company incorporated in Bermuda with limited liability and the issued shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 767)
“Vendor”	Allied Summit Inc., a company incorporated in the British Virgin Islands with limited liability
“%”	per cent

By order of the Board  
**DeTai New Energy Group Limited**  
**Charlie Lu**  
*Chairman and Executive Director*

Hong Kong, 13 September 2021

*As at the date of this announcement, the executive Directors are Mr. Charlie Lu (Chairman), Mr. Cheng Chi Kin and Mr. Liu Shihao; and the independent non-executive Directors are Mr. Chiu Wai On, Mr. Man Kwok Leung and Mr. Sheung Kwong Cho.*