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德泰新能源集團有限公司
DeTai New Energy Group Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 559)

**(1) THE SUPPLEMENTAL AGREEMENT
OF THE DISCLOSEABLE TRANSACTION
IN RELATION TO THE ACQUISITION OF
THE ENTIRE SHARE CAPITAL OF
EMISSION PARTICLE SOLUTION SWEDEN AB;
(2) COMPLETION ANNOUNCEMENT; AND
(3) COMPLETION OF TRANSFER OF CONVERTIBLE
PREFERENCE SHARES TO JUMBO GRAND**

Reference is made to the announcements (the “**Announcements**”) of DeTai New Energy Group Limited (the “**Company**”) dated 12 June 2016, 30 June 2016, 29 July 2016 and 29 October 2016 in respect of the discloseable transaction in relation to the acquisition of the entire share capital of the Emission Particle Solution Sweden AB (the “**Target Company**”). Unless otherwise specified, capitalized terms used herein shall have the same meanings as those defined in the Announcements.

1. THE SUPPLEMENTAL AGREEMENT

On 22 December 2016 (after the trading hours of the Stock Exchange), the Vendors and the Purchaser entered into a supplemental agreement (the “**Supplemental Agreement**”), pursuant to which the Vendors and the Purchaser have agreed to vary certain terms of the Sale and Purchase Agreement.

As at the date of this announcement immediately before the Completion, the Target Company was owned as to approximately 22.84% by Quondino, approximately 22.84% by Mr. Leslie, approximately 21.82% by Juralen, approximately 6.44% by Lestan, approximately 6.44% by Xerique, approximately 0.08% by Perfero AB, approximately 4.24% by Perdidi AB (formerly known as Per Pedes AB) and approximately 15.30% by Rem Tene AB.

A summary of amendments to the terms of the Sale and Purchase Agreement are set out as follows:

(i) Amendment of the terms of the payment of Consideration

The Consideration shall be a maximum amount of SEK239,000,000 subject to the post completion adjustment mechanism pursuant to the terms of the Supplemental Agreement.

The Purchaser shall procure the Company to pay to the Vendors the Consideration in the following manner:

- (i) as to SEK101,200,000 in immediately available funds to bank accounts designated by the Vendors at Completion; and
- (ii) as to the remaining maximum balance of SEK137,800,000 (the “**Balance**”) subject to the post completion adjustment mechanism pursuant to the Supplemental Agreement.

In accordance with the Supplemental Agreement, the Balance shall be adjusted in accordance with the formula as below:

$$X = \text{Balance} \times \text{NPAT} / \text{SEK}30,000,000$$

Where:

X = the amount of the Balance after being adjusted in accordance with the formula set out above (the “**Adjusted Balance**”)

NPAT = the net profit after tax of the Target Company forecasted for the period from 1 January 2017 to 31 December 2017 by way of the agreements and/or orders as determined by the Purchaser

For the avoidance of doubt, should it be forecasted that the Target Company would record a net loss after tax of the Target Company in aggregate in its financial statements for the period from 1 January 2017 to 31 December 2017, the Adjusted Balance shall be deemed as zero. In the event that the value of the Adjusted Balance exceeds the value of the Balance, the Purchaser shall only be obliged to pay the maximum of SEK137,800,000.

In the event that it is determined by the Purchaser that the value of the Adjusted Balance equals to or exceeds the value of the Balance, the Purchaser shall procure the Company to pay to the Vendors the amount of SEK137,800,000 within 7 Business Days after the compliance of all other terms under the Sale and Purchase Agreement.

(ii) Amendment of conditions precedent

The Purchaser and the Vendors also confirmed that the conditions precedent (v) and (vii) of the Sale and Purchase Agreement as set out in the Announcements shall be deleted in their entirety.

The Purchaser may in its absolute discretion waive either in whole or in part at any time by notice in writing to the Vendors any of conditions precedent (i), (iii) and (iv) of the Sale and Purchase Agreement (as supplemented by the Supplemental Agreement). All other conditions precedent cannot be waived by the Purchaser or the Vendors.

Completion shall commence on or before the 3rd Business Day following the date on which the last condition precedent has been satisfied or waived.

(iii) Post-Completion undertakings

The Vendors undertake to the Purchaser that notwithstanding anything contained in the Sale and Purchase Agreement (as supplemented by the Supplemental Agreement), they shall, if required, deliver to the Purchaser on or before 31 December 2017 (i) the original IP Transfer Confirmation Agreement and the deed of modification to modify the terms of the IP Transfer Confirmation Agreement in such form and substance satisfactory to the Purchaser; (ii) the List of Ingredients, the List of Suppliers, the Technical Production Specification; (iii) the original Assets Transfer Agreement; and (iv) any other manuals lodged with the Stockholm Chamber of Commerce by Mr. Leslie to the Purchaser and/or its nominees.

Save as disclosed above, all other terms and conditions under the Sale and Purchase Agreement remain unchanged and in full force and effect. The terms of the Supplemental Agreement were arrived at after arm's length negotiations between the Purchaser and the Vendors, and the Directors consider that the terms of the Supplemental Agreement are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

2. COMPLETION

The Board is pleased to announce that all the conditions precedent under the Sale and Purchase Agreement (as supplemented by the Supplemental Agreement) have been fulfilled or waived and Completion took place on 22 December 2016 in accordance with the terms and conditions of the Sale and Purchase Agreement (as supplemented by the Supplemental Agreement).

Following the Completion, the Target Company has become an indirect wholly-owned subsidiary of the Company, and the financial results of the Target Group will be consolidated into the consolidated financial statements of the Company.

3. COMPLETION OF TRANSFER OF CONVERTIBLE PREFERENCE SHARES TO JUMBO GRAND

As disclosed in the announcement dated 13 September 2016 of the Company and the circular dated 7 October 2016 of the Company, on 13 September 2016 (after trading hours), the Company entered into the agreement (the “**CPS Transfer Agreement**”) with Mr. Zhu Yongjun and Jumbo Grand Enterprise Development Limited (“**Jumbo Grand**”, together with Mr. Zhu Yongjun, the “**Purchasers**”) for the proposed transfer of 651,430,000 unlisted convertible preference shares (the “**Convertible Preference Shares**”) of the notional value of HK\$0.21 each in the share capital of the Company to the Purchasers. All conditions precedent as stipulated in the CPS Transfer Agreement have been fulfilled and completion (“**Jumbo Grand CPS Completion**”) of the transfer (the “**Transfer**”) of 571,430,000 Convertible Preference Shares to Jumbo Grand has taken place on 20 December 2016. The Company will make further announcement(s) to update the investors about the completion of other transfers of the remaining Convertible Preference Shares as and when appropriate.

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

Hong Kong, 22 December 2016

As at the date of this announcement, the executive Directors are Mr. Wong Hin Shek and Mr. Chi Chi Hung, Kenneth; 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.