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## **VARIATION OF TERMS OF DISCLOSEABLE TRANSACTION RELATING TO 2016 SETTLEMENT DEED**

The Board announces that on 28 September 2018, the Vendor and the Company entered into the Supplemental Settlement Deed for the full and final settlement of the Vendor's obligations of the Outstanding Settlement Payment under the 2016 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 Supplemental Settlement Deed constitutes material variation of the terms of the 2016 Settlement Deed previously announced under the 2016 Announcement.

Reference is made to the announcement of DeTai New Energy Group Limited (the “**Company**”) dated 26 April 2015 (the “**2015 Announcement**”) 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 of the Company dated 26 September 2016 (the “**2016 Announcement**”) in relation to, amongst others, the discloseable transaction relating to the settlement deed dated 26 September 2016 (the “**2016 Settlement Deed**”) 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. Unless otherwise stated, capitalised terms used herein shall have the same meanings as those defined in the 2015 Announcement and the 2016 Announcement.

As at the date of this 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 a supplemental deed (the “**Supplemental Settlement Deed**”) to the 2016 Settlement Deed regarding the settlement of the Vendor’s obligations of the Outstanding Settlement Payment under the 2016 Settlement Deed.

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

#### **THE SUPPLEMENTAL SETTLEMENT DEED**

**Date:** 28 September 2018

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

Pursuant to the Supplemental Settlement Deed, the Vendor and the Company agreed that, in full and final settlement of the Vendor’s obligations of the Outstanding Settlement Payment under the 2016 Settlement Deed, 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) 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 Supplemental Settlement Deed; and
- (b) HK\$20,650,000 shall be paid by the Vendor to the Company (or its nominee) in cash or cashier’s order or cheque on or before 31 March 2019.

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

As the Vendor required additional time to arrange necessary fund flow for the payment of the Outstanding Settlement Payment and taking into account that (i) the Company could receive a payment of HK\$10,000,000 on the date of the Supplemental Settlement Deed; and (ii) the additional amount of compensation under the Supplemental Settlement Deed, the Board considers that the terms of the 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 Supplemental Settlement Deed constitutes material variation of the terms of the 2016 Settlement Deed previously announced under the 2016 Announcement.

As all of the relevant percentage ratios under the Listing Rules in respect of the Supplemental Settlement Deed are less than 5%, the entering into of the Supplemental Settlement Deed does not constitute a discloseable transaction on the part of the Company under Chapter 14 of the Listing Rules.

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

Hong Kong, 28 September 2018

*As at the date of this announcement, the executive Directors are Mr. Wong Hin Shek, Mr. Chi Chi Hung, Kenneth, Mr. Chan Wai Ki and Mr. Zhou Danqing; 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.*