

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**TIANNENG POWER INTERNATIONAL LIMITED**

**天能動力國際有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 00819)**

## **RENEWAL OF CONTINUING CONNECTED TRANSACTIONS**

Reference is made to the Prospectus, the announcement and the circular of the Company dated 29 May 2007, 9 October 2008 and 22 October 2008 respectively regarding the entering into of the Existing NSN Agreement, the Existing Procurement Agreements and the Existing Distribution Agreements which constitute continuing connected transactions of the Company. As all the aforesaid agreements will expire on 31 December 2009, the Company entered into New NSN Agreements, the New Procurement Agreements and the New Distribution Agreements on 2 December 2009 in order to continue the business relationship with Nanjing Shuang Neng, the Connected Sales Representatives and the Connected Exclusive Distributors.

Nanjing Shuang Neng is a company established in the PRC which is beneficially owned as to 20% by each of Mr. Xu Changquan and Ms. Yang Yaqin who are the brother-in-law and the sister respectively of the spouse of Mr. Zhang Tianren, an executive Director. According, Nanjing Shuang Neng, Mr. Xu Changquan and Ms. Yang Yaqin are associates of Mr. Zhang Tianren and hence are connected persons of the Company. The Connected Sales Representatives and the Connected Exclusive Distributors are associates of certain Directors and thus are also connected persons of the Company.

Each of the sales of lead alloy under the New NSN Agreement and the commission to be paid by the Group under the New Procurement Agreements for the three years ending 31 December 2012 is expected to be less than 2.5% of the relevant applicable percentage ratios under the Listing Rules on an annual basis. Hence, the entering into of the New NSN Agreement to sell lead alloy and the New Procurement Agreements will constitute continuing connected transactions exempted from independent shareholders' approval under Rule 14A.34 of the Listing Rules.

As each of the respective transaction amounts for the purchase of electrode plates under the New NSN Agreement and the Direct Sale Transactions under the New Distribution Agreements for the three years ending 31 December 2012 is expected to exceed HK\$10,000,000 and 2.5% of the relevant applicable percentage ratios under the Listing Rules, the entering into of the New NSN Agreement to purchase electrode plates and the Direct Sale Transactions under the New Distribution Agreements will constitute non-exempt continuing connected transactions under Rule 14A.35 of the Listing Rules and thus will be subject to reporting, announcement and independent shareholders' approval requirements by way of poll at the EGM. The Connected Shareholders A and the Connected Shareholders B will be required to abstain from voting at the resolution relating to the purchase of electrode plates under the New NSN Agreement and the Direct Sale Transactions under the New Distribution Agreements and the respective annual caps respectively at the EGM.

An Independent Board Committee will be established to consider whether the terms entering into of the New NSN Agreement to purchase electrode plates and the Direct Sale Transactions under the New Distribution Agreements and the respective annual caps are fair and reasonable, on normal commercial basis and in the interest of the Company and the Shareholders as a whole. An independent financial adviser will be appointed to advise the Independent Board Committee and the Independent Shareholder in this connection.

A circular containing, inter alia, further information of the purchase of electrode plates under the New NSN Agreement and the Direct Sale Transactions under the New Distribution Agreements and the respective annual caps, advice from the Independent Board Committee and the independent financial adviser, will be despatched to the Shareholders as soon as practicable.

Reference is made to the Prospectus, the announcement and the circular of the Company dated 29 May 2007, 9 October 2008 and 22 October 2008 respectively regarding the entering into of the Existing NSN Agreement, the Existing Procurement Agreements and the Existing Distribution Agreements which constitute continuing connected transactions of the Company. As all the aforesaid agreements will expire on 31 December 2009, the Company entered into New NSN Agreements, the New Procurement Agreements and the New Distribution Agreements on 2 December 2009 in order to continue the business relationship with Nanjing Shuang Neng, the Connected Sales Representatives and the Connected Exclusive Distributors.

## **A. NEW NSN AGREEMENT**

Pursuant to the New NSN Agreement, Tianneng Battery will purchase electrode plates from and sell lead alloy to Nanjing Shuang Neng from time to time, principal terms of which are summarised below:

### **(a) Date**

2 December 2009

### **(b) Parties**

- (i) Tianneng Battery
- (ii) Nanjing Shuang Neng

Nanjing Shuang Neng is a company established in the PRC which is beneficially owned as to 20% by each of Mr. Xu Changquan and Ms. Yang Yaqin who are the brother-in-law and the sister respectively of the spouse of Mr. Zhang Tianren, an executive Director. According, Nanjing Shuang Neng, Mr. Xu Changquan and Ms. Yang Yaqin are associates of Mr. Zhang Tianren and hence are connected persons of the Company.

### **(c) Term**

3 years from 1 January 2010 to 31 December 2012 (both days inclusive)

### **(d) Pricing basis and policy**

The price of electrode plates to be purchased from Nanjing Shuang Neng will be determined with reference to the lowest lead price as quoted on the website of Shanghai Nonferrous Metals 上海有色網 (<http://en.smm.cn/>) plus a premium representing the processing fee of such electrode plates as agreed between the Group and Nanjing Shuang Neng. Such premium will be determined by reference to the processing fee of purchase of similar quantities of the same or similar products by the Group from the Independent Third Parties at the relevant time when the relevant orders are placed.

The price of lead alloy to be sold to Nanjing Shuang Neng will be determined between the parties with reference to the lowest lead price as quoted on the website abovementioned plus a premium representing the processing fee as agreed between the Group and Nanjing Shuang Neng. Such premium will be determined by reference to the processing fee for similar quantities of the same or similar products sold by the Group to the Independent Third Parties at the relevant time when the relevant orders are placed.

The pricing basis and policy above will be comparable to those of electrode plates purchased from and lead alloy sold to the Independent Third Parties by the Group.

**(e) Payment terms**

Amount payable by the Company for the purchase of electrode plates shall be settled by way of bankers' acceptance bill or telegraph transfer within 10 days after receiving value-added tax invoice. The payment terms will be similar to those offered to the Group by the Independent Third Parties.

Amount receivable from Nanjing Shuang Neng for the sale of lead alloy shall be settled by way of bankers' acceptance bill or telegraph transfer within 10 days after receiving value-added tax invoice. The payment terms will be similar to those offered by the Group to the Independent Third Parties.

**(f) Conditions Precedent**

The purchase of electrode plates under the New NSN Agreement and the annual caps shall be conditional upon the obtaining of approval from the Independent Shareholders at the EGM.

## **REASONS FOR AND BENEFITS OF ENTERING INTO OF THE NEW NSN AGREEMENT**

The Group is principally engaged in the production of motive battery products in the PRC. Nanjing Shuang Neng is principally engaged in the production and sale of electrode plates which are one of the essential materials of the lead acid motive battery products produced by the Group. The Company has engaged Nanjing Shuang Neng under the Existing NSN Agreement as one of its main suppliers of electrode plates.

In the past, the Group supplied lead alloy to Nanjing Shuang Neng for production of electrode plates which would be sold to the Group. However, the Group ceased to supply lead alloy to Nanjing Shuang Neng since the second half of 2007 as the Group's capacity to produce lead alloy could hardly satisfy its own production of electrode plates. The Group is now expanding its production capacity for lead alloy and expects to resume supply of lead alloy to Nanjiang Shuang Neng in 2011.

The Existing NSN Agreement will expire on 31 December 2009 and thus the Group entered into the New NSN Agreement in order to continue the long term business relationship with Nanjing Shuang Neng so as to secure the supply of electrode plates in addition to the supply from independent suppliers and resume its supply of lead alloy to Nanjing Shuang Neng for production of the electrode plates in order to facilitate the quality control of the electrode plates sold to the Group.

The Directors (excluding the independent non-executive Directors) are of the view that the New NSN Agreement is entered into in the ordinary and usual course of business of the Group, and the terms of which are on normal and commercial basis, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## B. NEW PROCUREMENT AGREEMENTS

Tianneng Power entered into the New Procurement Agreement with each of the Connected Sales Representatives for, acting on Tianneng Power's behalf, procure sales of the Group's products to manufacturers of electric bikes, principal terms of which are summarised as follows:

### (a) Date

2 December 2009

### (b) Parties

- (i) Tianneng Power
- (ii) Each of the Connected Sales Representatives

The names and relationship of the Connected Sales Representatives are set out below for reference:

<b>Name of the Connected Sale Representatives</b>	<b>Name of related Directors</b>	<b>Relationship</b>
1. She Guoqing	Zhang Tianren, Zhang Aogen	Cousin's Husband
2. Chen Qinfeng	Zhang Tianren, Zhang Aogen	Nephew
3. She Peiqing	Zhang Tianren, Zhang Aogen	Cousin's Husband
4. Chen Qinzhong	Zhang Tianren, Zhang Aogen	Nephew
5. Zhang Zhiming	Zhang Kaihong	Nephew
6. Wang Jindi	Zhang Aogen	Sister-in-law
7. Du Peiqiang	Zhang Aogen	Nephew
8. Wu Fuhua	Zhang Kaihong	Cousin
9. Chen Zhijie	Zhang Tianren, Zhang Aogen	Nephew
10. Chen Zhiming	Yang Lianming	Brother-in-law
11. Chen Ying	Zhang Tianren, Zhang Aogen	Cousin
12. Du Yueping	Zhang Aogen	Nephew

**(c) Term**

3 years from 1 January 2010 to 31 December 2012 (both days inclusive)

**(d) Pricing basis and policy**

Commission of the Connected Sales Representatives will be calculated based on the difference between the Group's uniform ex-factory prices and the selling prices of the Group's products. Pursuant to the New Procurement Agreement, each of the Connected Sales Representatives has agreed to guarantee the payment obligation of the customers procured by them. The pricing basis and policy will be comparable to those offered to independent sales representatives of the Group.

**(e) Payment terms**

Commission of the Connected Sales Representatives will be computed and paid monthly in general. The payment terms will be comparable to those offered to independent sales representatives of the Group.

**REASONS FOR AND BENEFITS OF ENTERING INTO OF THE NEW PROCUREMENT AGREEMENTS**

The Group has engaged various sales representatives including the Connected Sales Representatives to sell its products to manufacturers of electric bikes, the primary market, under the Existing Procurement Agreements. In order to continue to benefit from the sales network and customer base established by the Connected Sales Representatives, the Directors considered it in the best interest of the Group to engage the Connected Sales Representative.

The Directors (excluding the independent non-executive Directors) are of the view that the entering into of the New Procurement Agreements is in the ordinary and usual course of business of the Group, and the terms of which are on normal and commercial basis, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## C. NEW DISTRIBUTION AGREEMENTS

Tianneng Power entered into the New Distribution Agreement with each of the Connected Exclusive Distributors for conducting the Direct Sale Transactions, principal terms of which are summarised as follows:

### (a) Date

2 December 2009

### (b) Parties

- (i) Tianneng Power
- (ii) Each of the Connected Exclusive Distributors

The names and relationship of the Connected Exclusive Distributors are set out below for reference:

<b>Name of the Connected Exclusive Distributors</b>	<b>Name of related Directors</b>	<b>Relationship</b>
1. Chen Ling Ling	Zhang Tianren, Zhang Aogen	Cousin
2. Chen Huichi	Yang Lianming	Brother-in-law
3. Chen Haichi	Yang Lianming	Brother-in-law
4. Yang Lianzhen	Yang Lianming	Brother
5. She Boxing	Shi Borong	Son-in-law
6. Du Peiming	Zhang Aogen	Nephew
7. Zhang Jinfeng	Zhang Kaihong	Son
8. Zhang Kaiming	Zhang Kaihong	Cousin
9. Zhang Zhifeng	Zhang Kaihong	Nephew
10. Chen Chunhua	Zhang Kaihong	Brother-in-law

### (c) Term

3 years from 1 January 2010 to 31 December 2012 (both days inclusive)

**(d) Pricing basis and policy**

The Connected Exclusive Distributors purchase products from the Group at the Group's uniform ex-factory price plus uniform fixed delivery fee for reselling. The pricing basis and policy will be similar to those offered to independent exclusive distributors of the Group.

**(e) Payment terms**

Full payment shall be made in advance by cash or bank draft by the Connected Exclusive Distributors. Payment terms offered to the Connected Exclusive Distributors will be comparable to those offered to the independent exclusive distributors of the Group.

**(f) Conditions Precedent**

The Direct Sale Transactions under the New Distribution Agreements and the annual caps shall be conditional upon the obtaining of approval from the Independent Shareholders at the EGM.

Under the Existing Distribution Agreements, apart from the Direct Sale Transactions, the Connected Exclusive Distributors also provide Agent Sale Transactions and after-sale services to the customers and will receive commission and subsidy from the Group. As stated in the Prospectus, the annual caps for each of such commission and subsidy were expected to be less than 2.5% of the relevant percentage ratios and HK\$1,000,000 for the three years ending 31 December 2009. Thus, each of such commission and subsidy paid for after-sale services under the Existing Distribution Agreements were exempted from reporting, announcement and independent shareholders' requirement under the Listing Rules. The Directors confirmed that the actual annual amount of each of such commission and subsidy paid in 2007, 2008 and 2009 (up to 31 October) were less than HK\$1,000,000. Under the New Distribution Agreements, the Connected Exclusive Distributors will continue to provide after-sale services. The Directors estimated that the amount of such subsidy for the three years ending 31 December 2012 will be less than HK\$1,000,000 and 2.5% of the relevant applicable percentage ratios under the Listing Rules on an annual basis. Therefore, such subsidy will be exempted from reporting, announcement and independent shareholders' approval requirements under Rule 14A.33 of the Listing Rules.

## REASONS FOR AND BENEFITS OF ENTERING INTO OF THE DISTRIBUTION AGREEMENTS

The Group has engaged various exclusive distributors including the Connected Exclusive Distributors to distribute its products in the retail market, the secondary market, under the Existing Distribution Agreements. It is the Group's strategy to continue to engage the Connected Exclusive Distributors to further expand the retail market of batteries for electric bikes.

The Directors (excluding the independent non-executive Directors) are of the view that the New Distribution Agreements are entered into in the ordinary and usual course of business of the Group, and the terms of which are on normal and commercial basis, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## ANNUAL TRANSACTION VALUES

Set out below are the actual transaction values for the purchase of electrode plates and sale of lead alloy under the Existing NSN Agreement, the Existing Procurement Agreements and the Direct Sale Transactions under the Existing Distribution Agreements for the two years ended 31 December 2008 and the ten months ended 31 October 2009:

	<b>For the year ended</b>		<b>For the ten months</b>
	<b>31 December</b>		<b>ended 30 October</b>
	<b>2007</b>	<b>2008</b>	<b>2009</b>
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
A. Existing NSN Agreement			
(i) Purchase of electrode plates	80.1	58.7	42.9
(ii) Sale of lead alloy	5.6	0	0
B. Existing Procurement Agreements	8.6	8.0	3.5
C. Direct Sale Transactions under the Existing Distribution Agreements	27.4	40.7	23.6

## ANNUAL CAPS

Set out below are the existing annual caps for the purchase of electrode plates and sale of lead alloy under the Existing NSN Agreement, the Existing Procurement Agreements and the Direct Sale Transactions under the Existing Distribution Agreements for the three years ending 31 December 2009:

	For the year ended		For the year
	31 December		ending
	2007	2008	31 December
	<i>RMB million</i>	<i>RMB million</i>	2009
			<i>RMB million</i>
A. Existing NSN Agreement			
(i) Purchase of electrode plates	87.0	108.0	123.0
(ii) Sale of lead alloy	28.0	35.0	40.0
B. Existing Procurement Agreements	12.0	16.0	20.0
C. Direct Sale Transactions under the Existing Distribution Agreements	28.0	53.0	72.0

Set out below are the annual caps for the purchase of electrode plates and sale of lead alloy under the New NSN Agreement, the New Procurement Agreements and the Direct Sale Transactions under the New Distribution Agreements for the three years ending 31 December 2012:

	For the year ending 31 December		
	2010	2011	2012
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
A. New NSN Agreement			
(i) Purchase of electrode plates	82.0	115.0	162.0
(ii) Sale of lead alloy	0	44.0	62.0
B. New Procurement Agreements	12.0	16.0	23.0
C. Direct Sale Transactions under the New Distribution Agreements	49.0	70.0	100.0

The annual caps for the purchase of electrode plates under the New NSN Agreement are principally determined based on (i) the historical transaction volume and expected annual growth rate; (ii) expected growth in the price of lead; and (iii) processing fee.

The annual caps for the sale of lead alloy under the New NSN Agreement are principally determined based on (i) the expected volume of lead alloy required for the production of the expected volume of electrode plates to be purchased from Nanjing Shuang Neng; (ii) the expected growth in price of lead; and (iii) processing fee. As the new production capacity for lead alloy of the Group is expected to commence production in 2011, the Group may resume supply of lead alloy to Nanjing Shuang Neng as and when its then production capacity is capable to do so.

The annual caps for the New Procurement Agreements are principally determined based on (i) the historical transaction volume and expected annual growth rate; (ii) the expected growth in the uniform ex-factory price of the Group's products; and (iii) the historical average premium of the selling prices over the ex-factory price.

The annual caps for the Direct Sale Transactions under the New Distribution Agreements are principally determined based on (i) the historical transaction volume and expected annual growth rate; and (ii) expected annual growth of the uniform ex-factory price of the Group's products.

The Directors (excluding the independent non-executive Directors) are of the view that the basis of determining the annual caps for the purchase of electrode plates and sale of lead alloy under the New Distribution Agreements, the New Procurement Agreements and the Direct Sale Transactions under the New Distribution Agreements are fair and reasonable.

## **IMPLICATIONS UNDER THE LISTING RULES**

Nanjing Shuang Neng is a company established in the PRC which is beneficially owned as to 20% by Mr. Xu Changquan, as to 20% by Ms. Yang Yaqin and as to 60% by Mr. Cheung Xincheng, an Independent Third Party. Mr. Xu Changquan and Ms. Yang Yaqin are the brother-in-law and the sister respectively of the spouse of Mr. Zhang Tianren, an executive Director. According, Nanjing Shuang Neng, Mr. Xu Changquan and Ms. Yang Yaqin are associates of Mr. Zhang Tianren and hence are connected persons of the Company. The Connected Sales Representatives and the Connected Exclusive Distributors are associates of certain Directors and hence are connected persons of the Company.

Each of the sales of lead alloy under the New NSN Agreement and the commission to be paid by the Group under the New Procurement Agreements for the three years ending 31 December 2012 is expected to be less than 2.5% of the relevant applicable percentage ratios under the Listing Rules on an annual basis. Hence, the entering into of the New NSN Agreement to sell lead alloy and the New Procurement Agreements will constitute continuing connected transactions exempted from independent shareholders' approval under Rule 14A.34 of the Listing Rules.

As each of the respective transaction amounts for the purchase of electrode plates under the New NSN Agreement and the Direct Sale Transactions under the New Distribution Agreements for the three years ending 31 December 2012 is expected to exceed HK\$10,000,000 and 2.5% of the relevant applicable percentage ratios under the Listing Rules on an annual basis, the entering into of the New NSN Agreement to purchase electrode plates and the Direct Sale Transactions under the New Distribution Agreements will constitute non-exempt continuing connected transactions under Rule 14A.35 of the Listing Rules and will be subject to reporting, announcement and independent shareholders' approval requirements by way of poll at the EGM. The Connected Shareholders A and the Connected Shareholders B will be required to abstain from voting at the resolution relating to the purchase of electrode plates under the New NSN Agreement and the Direct Sale Transactions under the New Distribution Agreements respectively at the EGM.

An Independent Board Committee will be established to consider whether the entering into of the New NSN Agreement to purchase electrode plates and the Direct Sale Transactions under the New Distribution Agreements are in the ordinary and usual course of business of the Group, and the terms of which are on normal and commercial basis, fair and reasonable and in the interests of the Company and the Shareholders as a whole, and whether the determination basis of the respective annual caps are fair and reasonable. An independent financial adviser will be appointed to advise the Independent Board Committee and the Independent Shareholder in this connection.

A circular containing, inter alia, further information of the purchase of electrode plates under the New NSN Agreement and the Direct Sale Transactions under the New Distribution Agreements and the respective annual caps, advice from the Independent Board Committee and the independent financial adviser, will be despatched to the Shareholders as soon as practicable.

## **PUBLICATION**

This announcement will be published on the Company's website at [www.tianneng.com.hk](http://www.tianneng.com.hk) and the website of the Stock Exchange at [www.hkex.com.hk](http://www.hkex.com.hk).

## DEFINITIONS

In this announcement, unless otherwise defined, terms used herein shall have the following meanings:

“Agent Sale Transactions”	sale and purchase transactions pursuant to the Existing Distribution Agreements under which the purchasers procured by the Connected Exclusive Distributors dealt directly with Tianneng Power
“associates”	has the meaning ascribed to it in the Listing Rules
“Board”	the board of the Directors
“Company”	Tianneng Power International Limited (天能動力國際有限公司), a company incorporated in the Cayman Islands whose securities are listed on the Stock Exchange
“Connected Exclusive Distributors”	the connected exclusive distributors as stated under the section headed “C. New Distribution Agreements” in this announcement
“Connected Sales Representatives”	the connected sales representatives as stated in the section headed “B. New Procurement Agreements” in this announcement
“Connected Shareholders A”	Prime Leader Global Limited which is wholly-owned by Mr. Zhang Tianren, the executive Director, and its associates
“Connected Shareholders B”	Prime Leader Global Limited, Top Benefits International Limited, Plenty Gold Holdings Limited, Precise Asia Global Limited and Success Zone Limited, which are wholly-owned by Mr. Zhang Tianren, Mr. Zhang Aogen, Mr. Zhang Kaihong, Mr. Shi Borong and Mr. Yang Lianming, all being executive Directors, respectively and their associates
“Director(s)”	director(s) of the Company
“Direct Sale Transactions”	sale and purchase transactions pursuant to the Existing or New Distribution Agreements which the Connected Exclusive Distributors purchase the products from the Group at the Group’s uniform ex-factory prices plus uniform fixed delivery fee and then re-sell those products to customers
“EGM”	the extraordinary general meeting of the Company to be held to approve the purchase of electrode plates under the New NSN Agreements and the Direct Sale Transactions under the New Distribution Agreements and the respective annual caps

“Existing Distribution Agreements”	the distribution agreements dated April 2007 entered into between Tianneng Power and each of the Connected Exclusive Distributors for the Agent Sale Transactions, Direct Sale Transactions and after-sales services for a 3-year term up to 31 December 2009
“Existing NSN Agreement”	the agreement dated 25 April 2007 entered into between Tianneng Battery and Nanjing Shuang Neng for the purchase of electrode plates from and sale of lead alloy to Nanjing Shuang Neng by Tianneng Battery for a 3-year term up to 31 December 2009
“Existing Procurement Agreements”	the procurement agreements dated April 2007 entered into between Tianneng Power and each of the Connected Sales Representatives for the Sales Representative Transactions for a 3-year term up to 31 December 2009
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent board committee, comprising all the independent non-executive Directors, namely, Mr. Ho Tso Hsiu, Dr. Cheng Cheng Wen, Mr. Huang Dongliang and Mr. Wang Jingzhong, formed to advise the Independent Shareholders on the purchase of electrode plates under the New NSN Agreement, the Direct Sale Transactions under the New Distribution Agreements and the respective annual caps
“Independent Financial Adviser”	the independent financial adviser to be appointed by the Company for the purpose of advising the Independent Board Committee and the Independent Shareholders on the purchase of electrode plates under the New NSN Agreement, the Direct Sale Transactions under the New Distribution Agreements and the respective annual caps
“Independent Shareholders”	Shareholders other than the Connected Shareholders A in respect of the purchase of electrode plates under the New NSN Agreement; Shareholders other than the Connected Shareholders B in respect of the Direct Sale Transactions under the New Distribution Agreements
“Independent Third Parties”	a person(s) or a company(ies) which is/are independent of, and not connected with (as defined under the Listing Rules), any of the Company, the Directors, the chief executive or the substantial Shareholders or any of the Group’s subsidiaries or associates or connected persons of any of them
“Listing Rules”	the Rules Governing the Listing of Securities of the Stock Exchange

“Nanjing Shuang Neng”	南京雙能電池有限公司 (Nanjing Shuang Neng Battery Co. Ltd.*), a limited liability company established in China and a connected person of the Company
“New Distribution Agreements”	the distribution and agreements dated 2 December 2009 entered into between Tianneng Power and each of the Connected Exclusive Distributors for the Direct Sale Transactions and after-sales services
“New NSN Agreement”	the agreement dated 2 December 2009 entered into between Tianneng Battery and Nanjing Shuang Neng for the purchase of electrode plates from and sale of lead alloy to Nanjing Shuang Neng by Tianneng Battery
“New Procurement Agreements”	the procurement agreement dated 2 December 2009 entered into between Tianneng Power and each of the Connected Sales Representatives for the Sales Representative Transactions
“Prospectus”	the prospectus issued by the Company on 29 May 2007
“PRC”	the People’s Republic of China and for the sole purpose of this announcement shall exclude Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Sale Representatives Transactions”	sales of the Group’s products to manufacturers of electric bikes, the primary market, by the Connected Sale Representatives under the Existing or New Procurement Agreements
“Shares”	the ordinary shares of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tianneng Battery”	浙江天能電池有限公司 (Zhejiang Tianneng Battery Co., Ltd.*), a limited company established in the PRC which is a wholly-owned subsidiary of the Company
“Tianneng Power”	浙江省長興天能電源有限公司 (Zhejiang Changxing Tianneng Power Supply Co., Ltd.*), a limited company established in the PRC which is a wholly-owned subsidiary of the Company

“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
%	percentage

\* *The English name of the entity is translated from its Chinese name. If there is any inconsistency between the Chinese name of the entity mentioned in this announcement, the Chinese name shall prevail.*

*Unless otherwise stated, the conversion of RMB into HK\$ is based on the exchange rate of HK\$1.00 = RMB0.88. Such conversion should not be construed as a representation that the amount in question has been, could have been or could be converted at any particular rate or at all.*

By order of the Board of  
**Tianneng Power International Limited**  
**Zhang Tianren**  
*Chairman*

Hong Kong, 2 December 2009

*As at the date of this announcement, the executive Directors are Mr. Zhang Tianren, Mr. Zhang Aogen, Mr. Chen Minru, Mr. Zhang Kaihong, Mr. Shi Borong and Mr. Yang Lianming; the independent non-executive Directors are Mr. Ho Tso Hsiu, Dr. Cheng Cheng Wen, Mr. Huang Dongliang and Mr. Wang Jingzhong.*