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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)

**PAST CONTINUING CONNECTED TRANSACTIONS
AND
MASTER PURCHASE AGREEMENT**

Reference is made to the 3 August Announcement, in which it was disclosed that as Ms. Zhang Mei'e, being the sister of Mr. Zhang Tianren (an executive Director, the chairman of the Board and a controlling shareholder of the Company) and Mr. Zhang Aogen (an executive Director), acquired 90% shareholding interest in Zhejiang Changtong in December 2019, Zhejiang Changtong then became a company directly and jointly owned by Ms. Zhang Mei'e and her spouse, Mr. Ni Danqing, as to 90% and 10%, respectively. As Ms. Zhang Mei'e and Mr. Ni Danqing are associates of Mr. Zhang Tianren and Mr. Zhang Aogen, Zhejiang Changtong has become a connected person of the Company since the completion of the change of business registration in respect of the above equity transfer on 30 December 2019 by virtue of Rule 14A.12(2) of the Listing Rules.

Certain member(s) of the Group have been purchasing certain components for the production of lead storage batteries (including plastic and glass fiber components) from Zhejiang Changtong, in their ordinary and usual course of business, over the past few years. For the purpose of regulating such purchases from Zhejiang Changtong, the 2020 Master Purchase Agreement was entered into between Tianneng Battery (for itself and on behalf of other member(s) of the Group) and Zhejiang Changtong as an annual master purchase agreement. As Zhejiang Changtong has become a connected person of the Company, all the Transactions conducted under the 2020 Master Purchase Agreement constituted continuing connected transactions of the Company under Chapter 14A of the Listing Rules. The aggregate consideration for the Transactions under the 2020 Master Purchase Agreement during the period from 1 January 2020 to the date of this announcement was approximately RMB280,000,000.

As the aggregate consideration payable by the Group in respect of the Transactions conducted under the 2020 Master Purchase Agreement during the period from 1 January 2020 to the date of this announcement exceeded HK\$3,000,000 and the applicable percentage ratios in respect thereof exceeded 0.1% but all of them were less than 5%, such Transactions were subject to the reporting, announcement and annual review requirements under Chapter 14A of the Listing Rules but were exempt from any independent shareholders' approval requirement.

The process of Zhejiang Changtong becoming a connected person of the Company and the relationship between Zhejiang Changtong and the Company have been disclosed in the 3 August Announcement in detail. Upon the publication of the 3 August Announcement, the Company had been actively coordinating its relevant internal departments to collect, consolidate, re-authenticate and analyse the details of all the Transactions conducted under the 2020 Master Purchase Agreement for purposes of Chapter 14A of the Listing Rules. The Company was informed by its professional advisers engaged around 18 December 2020, after their investigation of the actual situations, that the Company had not made timely announcement of, or set an annual cap for, the Transactions under the 2020 Master Purchase Agreement in accordance with Rules 14A.35 and 14A.53 of the Listing Rules. Such non-compliance was inadvertent and the Company had as soon as practicable sought assistance from its professional advisers in taking remedial actions. The Board will adopt measures to strengthen the relevant internal control procedures to prevent the occurrence of similar incidents in the future.

As the Group intends to continue to purchase certain components for its production of lead storage batteries (including plastic and glass fiber components) from Zhejiang Changtong in the ordinary and usual course of its business, such Transactions will constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. In view of the expiry of the 2020 Master Purchase Agreement on 31 December 2020, on 25 December 2020, the Company entered into the 2021-23 Master Purchase Agreement with Zhejiang Changtong for the purchase of certain components for its production of lead storage batteries (including plastic and glass fiber components) by member(s) of the Group from Zhejiang Changtong during the 3-year period commencing 1 January 2021 and expiring on 31 December 2023, both days inclusive.

As the maximum Annual Cap for the Transactions contemplated under the 2021-23 Master Purchase Agreement exceeds HK\$3,000,000 and the applicable percentage ratios in respect of the maximum Annual Cap exceed 0.1% but all of them are less than 5%, the Transactions contemplated under the 2021-23 Master Purchase Agreement are subject to the reporting, announcement and annual review requirements under Chapter 14A of the Listing Rules but are exempt from any independent shareholders' approval requirement.

The Board (excluding Mr. Zhang Tianren and Mr. Zhang Aogen but including the independent non-executive Directors) considers that the terms of and the Transactions conducted or contemplated under the 2020 Master Purchase Agreement as well as the 2021-23 Master Purchase Agreement (including the Annual Caps) are fair and reasonable, on normal commercial terms, in the ordinary and usual course of business of the Group and in the interest of the Company and its shareholders as a whole.

1. PAST CONTINUING CONNECTED TRANSACTIONS WITH ZHEJIANG CHANGTONG

Reference is made to the 3 August Announcement, in which it was disclosed that as Ms. Zhang Mei'e, being the sister of Mr. Zhang Tianren (an executive Director, the chairman of the Board and a controlling shareholder of the Company) and Mr. Zhang Aogen (an executive Director), acquired 90% shareholding interest in Zhejiang Changtong in December 2019, Zhejiang Changtong then became a company directly and jointly owned by Ms. Zhang Mei'e and her spouse, Mr. Ni Danqing, as to 90% and 10%, respectively. As Ms. Zhang Mei'e and Mr. Ni Danqing are associates of Mr. Zhang Tianren and Mr. Zhang Aogen, Zhejiang Changtong has become a connected person of the Company since the completion of the change of business registration in respect of the above equity transfer on 30 December 2019 by virtue of Rule 14A.12(2) of the Listing Rules.

Certain member(s) of the Group have been purchasing certain components for the production of lead storage batteries (including plastic and glass fiber components) from Zhejiang Changtong, in their ordinary and usual course of business, over the past few years. For the purpose of regulating such purchases from Zhejiang Changtong, the 2020 Master Purchase Agreement was entered into between Tianneng Battery (for itself and on behalf of other member(s) of the Group) and Zhejiang Changtong as an annual master purchase agreement. As Zhejiang Changtong has become a connected person of the Company, all the Transactions conducted under the 2020 Master Purchase Agreement constituted continuing connected transactions of the Company under Chapter 14A of the Listing Rules. The aggregate consideration for the Transactions under the 2020 Master Purchase Agreement during the period from 1 January 2020 to the date of this announcement was approximately RMB280,000,000.

Principal Terms of the 2020 Master Purchase Agreement

The principal terms of the 2020 Master Purchase Agreement are summarised as follows:

Date:	1 January 2020
Parties:	(i) Tianneng Battery (for itself and on behalf of other member(s) of the Group); and (ii) Zhejiang Changtong.
Scope of products for sale and purchase:	Certain plastic and glass fiber components of such type(s), quantity and manner as may be specified in the purchase order(s) to be placed, and/or purchase contract(s) to be entered into by relevant member(s) of the Group with Zhejiang Changtong.
Term:	One year commencing 1 January 2020 and expiring on 31 December 2020, both days inclusive, renewable subject to the parties' negotiation.
Pricing principles:	The pricing of the products for sale and purchase will be determined in accordance with the following principles: (i) the volume and amount of purchases of products as specified in the purchase order(s) placed, and/or purchase contract(s) to be entered into by relevant member(s) of the Group with Zhejiang Changtong; (ii) the agreed price(s) as specified in the price determination confirmation(s) for each purchase order and/or purchase contract will be determined with reference to the actual or reasonable cost of supply in respect of the relevant products, including costs of raw materials, valued-added tax(es), and transportation, storage and handling charges and expenses incurred, etc.;; (iii) agreed prices should be comparable with prevailing market prices; and

- (iv) agreed prices should be no less favourable than those offered to Independent Third Party enterprises of the same industry as the Group at the material time, to the extent that those products are of comparable nature, quality, brand and specification.

Payment terms: Payment for the products purchased from Zhejiang Changtong will be settled by way of bank acceptance bill with a credit period of approximately 90 days.

Listing Rules Implications

As the aggregate consideration payable by the Group in respect of the Transactions conducted under the 2020 Master Purchase Agreement during the period from 1 January 2020 to the date of this announcement exceeded HK\$3,000,000 and the applicable percentage ratios in respect thereof exceeded 0.1% but all of them were less than 5%, such Transactions were subject to the reporting, announcement and annual review requirements under Chapter 14A of the Listing Rules but were exempt from any independent shareholders' approval requirement.

The process of Zhejiang Changtong becoming a connected person of the Company and the relationship between Zhejiang Changtong and the Company have been disclosed in the 3 August Announcement in detail. Upon the publication of the 3 August Announcement, the Company had been actively coordinating its relevant internal departments to collect, consolidate, re-authenticate and analyse the details of all the Transactions conducted under the 2020 Master Purchase Agreement for purposes of Chapter 14A of the Listing Rules. The Company was informed by its professional advisers engaged around 18 December 2020, after their investigation of the actual situations, that the Company had not made timely announcement of, or set an annual cap for, the Transactions under the 2020 Master Purchase Agreement in accordance with Rules 14A.35 and 14A.53 of the Listing Rules. Such non-compliance was inadvertent and the Company had as soon as practicable sought assistance from its professional advisers in taking remedial actions.

After consultation with the Company's legal advisers and auditors, the Board realised that the Transactions contemplated under the 2020 Master Purchase Agreement were subject to the connected transaction requirements under Chapter 14A of the Listing Rules. The Board will adopt measures as set out in the paragraph headed "4. Remedial Measures" in this announcement below to strengthen the relevant internal control procedures to prevent the occurrence of similar incidents in the future.

Mr. Zhang Tianren and Mr. Zhang Aogen had abstained from voting at the Board meeting on the resolution approving, ratifying and confirming the 2020 Master Purchase Agreement due to conflict of interests. Save as mentioned above, none of the Directors had any material interest in the 2020 Master Purchase Agreement and hence no other Director had abstained from voting on such resolution.

The Company will disclose information in relation to the 2020 Master Purchase Agreement in its subsequently published annual report and accounts in accordance with the relevant requirements as set out in Rule 14A.71 of the Listing Rules.

2. 2021-23 MASTER PURCHASE AGREEMENT AND ANNUAL CAPS

As the Group intends to continue to purchase certain components for its production of lead storage batteries (including plastic and glass fiber components) from Zhejiang Changtong in the ordinary and usual course of its business, such Transactions will constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. In view of the expiry of the 2020 Master Purchase Agreement on 31 December 2020, on 25 December 2020, the Company entered into the 2021-23 Master Purchase Agreement with Zhejiang Changtong for the purchase of certain components for its production of lead storage batteries (including plastic and glass fiber components) by member(s) of the Group from Zhejiang Changtong during the 3-year period commencing 1 January 2021 and expiring on 31 December 2023, both days inclusive.

Principal Terms of the 2021-23 Master Purchase Agreement

The principal terms of the 2021-23 Master Purchase Agreement are summarised as follows:

Date:	25 December 2020
Parties:	(i) the Company (for itself and on behalf of other member(s) of the Group); and (ii) Zhejiang Changtong.
Scope of products for sale and purchase:	Certain plastic and glass fiber components of such type(s), quantity and manner as may be specified in the purchase order(s) to be placed, and/or purchase contract(s) to be entered into by relevant member(s) of the Group with Zhejiang Changtong.

- Term:
- (i) Three years commencing 1 January 2021 and expiring on 31 December 2023, both days inclusive;
 - (ii) the term of each individual purchase order and/or purchase contract shall not exceed the term specified in the 2021-23 Master Purchase Agreement; and
 - (iii) the 2021-23 Master Purchase Agreement shall be terminated once Zhejiang Changtong ceases to be a connected person of the Company, or when the Listing Rules are no longer applicable to the Company (whichever earlier).

Pricing principles: The pricing of the products for sale and purchase will be determined in accordance with the following principles:

- (i) the volume and amount of purchases of products as specified in the purchase order(s) placed, and/or purchase contract(s) to be entered into by relevant member(s) of the Group with Zhejiang Changtong;
- (ii) the agreed price(s) as specified in the price determination confirmation(s) for each purchase order and/or purchase contract will be determined with reference to the reasonable cost of supply in respect of similar products from Independent Third Party suppliers to relevant member(s) of the Group plus a reasonable profit margin to cover the related costs and expenses incurred, including costs of raw materials, valued-added tax(es), and transportation, storage and handling charges and expenses incurred, etc.;
- (iii) agreed prices should be fair and reasonable in the ordinary and usual course of business, and on terms and conditions determined in accordance with normal commercial terms, or if there are not sufficient comparable transactions to determine whether they are on normal commercial terms, on terms no less favourable to the Group than terms available to or from (as appropriate) any other Independent Third Party;

- (iv) agreed prices should be comparable with prevailing market prices; and
- (v) agreed prices should be no less favourable than those offered to Independent Third Party enterprises of the same industry as the Group at the material time, to the extent that those products are of comparable nature, quality, brand and specification.

Payment terms: Payment for the products purchased from Zhejiang Changtong will be settled by way of bank acceptance bill or cash with a credit period of approximately 90 days.

Internal Control Measures

In order to ensure that the pricing mechanism and terms of the Transactions under the 2021-23 Master Purchase Agreement are fair and reasonable and no less favourable than the terms offered by any Independent Third Party, the Group has established a series of internal control procedures, namely:

- (i) with respect to the purchase of products by the Group, in determining whether the price and/or payment terms offered by Zhejiang Changtong are reasonable or no less favourable than those offered by any Independent Third Party, the Group will obtain and compare price references from the market to the extent that those products are of comparable nature, quality, quantity and condition. In the event that the price and/or payment terms offered by Zhejiang Changtong are less favourable than those offered by any Independent Third Party, the Group will have the right to terminate and cancel such purchases. The Directors (including the independent non-executive Directors) consider that such methods and procedures can ensure that the Transactions contemplated under the 2021-23 Master Purchase Agreement will be conducted on normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders;
- (ii) the Group's audit committee will convene meetings every year to discuss and assess the implementation of the continuing connected transactions of the Group;

- (iii) the external auditors of the Group will conduct an interim review and a year-end audit for each financial year, and will issue their conclusion and letter to the Board in relation to the pricing policies and annual caps of the continuing connected transactions of the Group conducted during the preceding financial year pursuant to the Listing Rules; and
- (iv) in accordance with the Listing Rules, the independent non-executive Directors will conduct an annual review with respect to the continuing connected transactions of the Group throughout the preceding financial year and give confirmation on the transaction amounts and terms of the transactions in each annual report of the Group.

In view of the above, the Company considers that there are adequate internal control procedures and external supervision measures to ensure that the Transactions will comply with the relevant regulatory guidelines and the terms of the 2021-23 Master Purchase Agreement.

Annual Caps

The Annual Caps represent the estimated aggregate amount payable to Zhejiang Changtong by the Group for the products to be provided by Zhejiang Changtong in each year under the 2021-23 Master Purchase Agreement, and are determined with reference to the following assumptions which the Directors (including the independent non-executive Directors) consider reasonable: (i) the anticipated purchase orders to be placed and/or purchase contracts to be entered into by relevant member(s) of the Group with Zhejiang Changtong, together with the anticipated market demand for the Group's products; (ii) the historical volume and consideration for the products purchased by member(s) of the Group from Zhejiang Changtong pursuant to the 2020 Master Purchase Agreement; and (iii) the expected increase in the Group's production of batteries in the coming three years.

The Annual Caps in respect of the Transactions contemplated under the 2021-23 Master Purchase Agreement for the three years ending 31 December 2021, 2022 and 2023 are set out as below:

For the year ending 31 December 2021 (RMB)	For the year ending 31 December 2022 (RMB)	For the year ending 31 December 2023 (RMB)
520,000,000	580,000,000	640,000,000

In the event that the actual amount of Transactions conducted by relevant member(s) of the Group with Zhejiang Changtong pursuant to the 2021-23 Master Purchase Agreement may exceed the Annual Cap for the relevant year, the Company shall promptly notify the Stock Exchange and take necessary actions to comply with the Listing Rules, including (among others) seeking independent shareholders' approval (if necessary) and announcing such Transactions.

Listing Rules Implications

As the maximum Annual Cap for the Transactions contemplated under the 2021-23 Master Purchase Agreement exceeds HK\$3,000,000 and the applicable percentage ratios in respect of the maximum Annual Cap exceed 0.1% but all of them are less than 5%, the Transactions contemplated under the 2021-23 Master Purchase Agreement are subject to the reporting, announcement and annual review requirements under Chapter 14A of the Listing Rules but are exempt from any independent shareholders' approval requirement.

Mr. Zhang Tianren and Mr. Zhang Aogen have abstained from voting at the Board meeting on the resolution approving the 2021-23 Master Purchase Agreement due to conflict of interests. Save as mentioned above, none of the Directors has any material interest in the 2021-23 Master Purchase Agreement and hence no other Director has abstained from voting on such resolution.

The Company will disclose information in relation to the 2021-23 Master Purchase Agreement in its subsequently published annual report and accounts in accordance with the relevant requirements as set out in Rule 14A.71 of the Listing Rules.

3. REASONS FOR AND BENEFITS OF THE 2020 MASTER PURCHASE AGREEMENT AND 2021-23 MASTER PURCHASE AGREEMENT

As Zhejiang Changtong has maintained business relationship with the Group during the past few years and is familiar with the Group's product specifications and quality requirements, it is able to respond quickly and in a cost effective manner to any new specifications that the Group may from time to time request. Furthermore, the new 2021-23 Master Purchase Agreement continues to allow the Group to source products needed for its ordinary and usual course of business at market price and terms and with assured stable quality, contributing towards the Group's efforts in cost control and improving efficiency.

In addition, the Directors consider that the 2021-23 Master Purchase Agreement can set out a framework to regulate and streamline the on-going transactions between members of the Group and Zhejiang Changtong. The 2021-23 Master Purchase Agreement will also provide a single basis on which the Company will comply with the relevant reporting, announcement and annual review requirements (to the extent applicable) in compliance with the Listing Rules and thereby enhance administrative efficiency and save costs for the Company in complying with such requirements.

Having considered the above factors and the basis of determination of the Annual Caps, the Board (excluding Mr. Zhang Tianren and Mr. Zhang Aogen but including the independent non-executive Directors) considers that the terms of and the Transactions conducted or contemplated under the 2020 Master Purchase Agreement as well as the 2021-23 Master Purchase Agreement are fair and reasonable, on normal commercial terms, in the ordinary and usual course of business of the Group and in the interest of the Company and its shareholders as a whole, and that the Annual Caps are fair and reasonable and in the interest of the Company and its shareholders as a whole.

4. REMEDIAL MEASURES

The Company deeply regrets its non-compliance with the relevant connected transaction requirements under Chapter 14A of the Listing Rules and would like to stress that such non-compliance was inadvertent.

The current internal control measures adopted by the Company involve, other than those set out in the paragraph headed “2. 2021-23 Master Purchase Agreement and Annual Caps - Internal Control Measures” hereinabove, (i) providing regular special and in-depth training sessions for the Directors and senior management of the Group to remind them, in particular the finance team, to report transactions which may constitute notifiable and/or connected transactions under the Listing Rules to the Group’s compliance personnel and seek professional advice if necessary; and (ii) reviewing and monitoring the Group’s contract signing procedures to ensure that current and future transactions will be conducted in compliance with the applicable requirements under the Listing Rules. However, given that (i) transactions between Zhejiang Changtong and the Group had been ongoing for a long time as part of the ordinary and usual course of business of the Group and (ii) the Company was not a party to the acquisition of 90% shareholding interest in Zhejiang Changtong by Ms. Zhang Mei’e on 30 December 2019, the relevant personnel of relevant member(s) of the Group had overlooked that Zhejiang Changtong had become a connected person of the Company and hence the requirements concerning transactions with connected persons of a listed company under Chapter 14A of the Listing Rules which should have applied to the Transactions when the said acquisition took place.

The Company will take remedial measures to tighten its internal control procedures with a view to ensuring timely compliance with the Listing Rules and preventing recurrence of similar events, namely:

- (i) preparing a continuing connected transaction report (“**CCT Report**”) every year on the Transactions which will be submitted to the Group’s audit committee for consideration. The contents of the CCT Report will include (a) the aggregate amount of the Transactions; and (b) the status of compliance with the Annual Caps;
- (ii) maintaining a list of connected persons and circulating such list together with copies of the relevant extracts of the Listing Rules to the Directors and senior management/personnel of each member of the Group. The list of connected persons should be updated and circulated again to the Directors and senior management/personnel of each member of the Group whenever there is a transaction that would lead to a change in the list of connected persons of the Company, and should be periodically reviewed;

- (iii) ensuring that the senior management/personnel of relevant member(s) of the Group should report any potential connected transaction or event where the counterparty(ies) or the subject company(ies) of the proposed transaction may in any way relate to any of the substantial shareholders, chief executives or directors (as defined under the Listing Rules) of any member of the Group (including their relatives and related trusts or companies) to the senior management/personnel of the Company in advance in order to ascertain whether there will be any implications under the Listing Rules; and
- (iv) for proposed transaction(s) which may constitute new connected transaction(s) of the Group, consulting legal advisers and the Stock Exchange (where necessary) in a timely manner prior to entering into of such transaction(s).

5. INFORMATION ON THE GROUP

The Group principally engages in three major businesses, namely the research and development, production, sale and service of (i) high-tech eco-friendly batteries; (ii) new energy batteries; and (iii) green new materials. High-tech eco-friendly battery products are mainly used in electrical bicycles, electrical tricycles and mini electric vehicles, as well as for start-stop and energy storage. The Group mainly operates in the PRC.

6. INFORMATION ON ZHEJIANG CHANGTONG

Zhejiang Changtong principally engages in the supply of components for the production of battery products

7. DEFINITIONS

In this announcement, the following terms and expressions shall, unless the context requires otherwise, have the following meanings:

“2020 Master Purchase Agreement”	a framework agreement on purchase of certain components for the production of lead storage batteries (including plastic and glass fiber components) entered into between Tianneng Battery (for itself and on behalf of other member(s) of the Group) as purchaser and Zhejiang Changtong as supplier dated 1 January 2020 for a term commencing 1 January 2020 and expiring on 31 December 2020, both days inclusive
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“2021-23 Master Purchase Agreement”	a framework agreement on purchase of certain components for the production of lead storage batteries (including plastic and glass fiber components) entered into between the Company (for itself and on behalf of other member(s) of the Group) as purchaser and Zhejiang Changtong as supplier dated 25 December 2020 for a term commencing 1 January 2021 and expiring on 31 December 2023, both days inclusive
“3 August Announcement”	the announcement of the Company dated 3 August 2020 in respect of the clarification and refutation of certain false allegations or comments related to the Group in certain reports released by CloudyThunder Research (陰霆研究)
“Annual Cap(s)”	the maximum aggregate annual purchase amounts in respect of the Transactions contemplated under the 2021-23 Master Purchase Agreement for a term commencing 1 January 2021 and expiring on 31 December 2023, both days inclusive
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Company”	Tianneng Power International Limited (天能動力國際有限公司), a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 00819)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries, and “member of the Group” means any one of them

“HK\$”	Hong Kong dollars, 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)”	any third party(ies) which, together with their respective beneficial owner(s) (if any) and to the best of the Directors’ knowledge, information and belief, having made all reasonable enquires, are third party(ies) independent of the Company and its connected persons in accordance with the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“percentage ratio(s)”	has the meaning ascribed to it under Rule 14.04(9) of the Listing Rules
“PRC”	the People’s Republic of China and, for the purposes of this announcement only, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tianneng Battery”	Tianneng Battery Group Co., Ltd.* (天能電池集團股份有限公司), a joint stock company incorporated in the PRC which engages in investment holding, research and development, manufacture and sales of lead-acid batteries and battery related accessories
“Transactions”	the continuing connected transactions (as defined under the Listing Rules) of the Company concerning the purchase of certain products (including plastic and glass fiber components) by member(s) of the Group from Zhejiang Changtong

“Zhejiang Changtong”

Zhejiang Changtong Technology Company Limited* (浙江暢通科技有限公司), a company established in the PRC with limited liability which principally engages in the supply of components for the production of battery products

By order of the Board

TIANNENG POWER INTERNATIONAL LIMITED

ZHANG Tianren

Chairman

Hong Kong, 25 December 2020

As at the date of this announcement, the Board comprises:

Executive Directors : ZHANG Tianren (Chairman), ZHANG Aogen, ZHANG Kaihong, SHI Borong, and ZHOU Jianzhong

Independent non-executive Directors : HUANG Dongliang, WU Feng and ZHANG Yong

* *for ease of reference, the names of the PRC established companies or entities (if any) and the PRC laws and regulations (if any) have generally been included in this announcement in both Chinese and English languages and in the event of inconsistency, the Chinese language shall prevail.*

^ *Where the context so permits or requires, words importing the singular number include the plural and vice versa and words importing the masculine gender include the feminine and neuter genders and vice versa.*