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TESSON HOLDINGS LIMITED

天臣控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 1201)

**(1) MAJOR AND CONNECTED TRANSACTION
IN RELATION TO THE CAPITAL INCREASE AND DEEMED
DISPOSAL OF THE EQUITY INTEREST
IN THE TARGET GROUP; AND
(2) RESUMPTION OF TRADING**

THE CAPITAL INCREASE

The Target Company, an indirect non-wholly-owned subsidiary of the Company, recently considered to raise its registered capital by approximately RMB600 million to cater for the funding and other requirements of the Development Projects. Under the articles of association of the Target Company and the applicable PRC laws, its existing shareholders shall have the pre-emptive right in the event of a capital increase. As at the date of this announcement, the Target Company is owned as to 68.8% by Tesson Shenzhen, 30.0% by Nanfang Black Sesame, and 1.2% by Dalian Zhiyun. Tesson Shenzhen thus was invited to contribute at least RMB412.8 million to the new registered capital of the Target Company, which was determined on a pro rata basis with reference to its proportionate interest in the Target Company and the scale of the Capital Increase. Nevertheless, having considered (a) the Company's intention to focus its resources to seek new investment opportunities in the lithium ion motive battery and further improve the product quality and develop more battery products targeting on home appliances and electric motorcycles, in order to occupy a leading position in the increasingly competitive lithium ion motive battery market; (b) the Development Projects are still in the early development stage and substantial capital injections are expected in the near future to fund the construction costs and working capital needs; and (c) the working capital needs for the Company's existing lithium ion motive battery operations, Tesson Shenzhen proposed not to participate in the Capital Increase, and intended to waive the pre-emptive right in respect of the Capital Increase of the Target Company.

Dalian Zhiyun, being one of the shareholders of the Target Company, has not yet decided whether or not to participate in the Capital Increase. Meanwhile, Nanfang Black Sesame, being one of the shareholders of the Target Company, would consider to contribute RMB500 million for the Capital Increase; and Dalian CBAK, currently not a shareholder of the Target Company, would consider to contribute RMB100 million for the Capital Increase in the form of intellectual property including trademark and battery manufacturing technology.

DEEMED DISPOSAL

In light of the Capital Increase, Tesson Shenzhen will waive the pre-emptive right and will not make any contribution to the Target Company in respect of the Capital Increase under the Capital Increase Agreement. Immediately upon Completion, assuming Dalian Zhiyun will waive the pre-emptive right and will not make any contribution to the Target Company in respect of the Capital Increase, the Company's equity interest in the Target Company through Tesson Shenzhen whose shareholding will decrease from 68.8% to approximately 31.3%. Immediately upon Completion, the Target Company will cease to be a subsidiary of the Company and the financial results of the Target Company will no longer be consolidated into the financial statement of the Group, and the Target Company will become an associated company of the Company.

IMPLICATIONS UNDER THE LISTING RULES

As a result of the Capital Increase, assuming Dalian Zhiyun will waive the pre-emptive right and will not make any contribution to the Target Company in respect of the Capital Increase, the Company's equity interest in the Target Company through Tesson Shenzhen whose shareholding will decrease from 68.8% to 31.3%, which constitutes a deemed disposal of the equity interest in the Target Company under Rule 14.29 of the Listing Rules.

In addition, as at the date of this announcement, given Mr. Wei Qingwen (韋清文先生), being the spouse of Ms. Cheng Hung Mui, the executive Director and ultimate controlling shareholder of the Company, together with his party acting in concert, holds 91.5% of the issued share capital of Guangxi Heiwulei which controlled Nanfang Black Sesame. By virtue of this shareholding interest, Mr. Wei Qingwen (韋清文先生), together with the party acting in concert, is considered as one of the controlling shareholders of the Nanfang Black Sesame. As a result, the Capital Increase contemplated under the Capital Increase Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios for the transactions contemplated under the Capital Increase Agreement are over 25% but less than 75%, the Capital Increase constitutes a major and connected transaction of the Company under Chapter 14 and Chapter 14A of the Listing Rules, and is subject to reporting, announcement, circular and independent shareholders' approval requirements under Chapter 14 and Chapter 14A of the Listing Rules.

GENERAL

A SGM will be convened for the independent Shareholders to consider and, if thought fit, approve the major and connected transaction in relation to the Capital Increase under the Capital Increase Agreement. In view of the interest of Ms. Cheng Hung Mui, the executive Director and ultimate controlling shareholder of the Company, Ms. Cheng Hung Mui and her associates will abstain from voting at the SGM to be convened by the Company to consider and approve the resolution in relation to the Capital Increase and the Capital Increase Agreement.

An Independent Board Committee comprising all the independent non-executive Directors has been formed to advise the independent Shareholders in respect of the Capital Increase Agreement and the transactions contemplated thereunder. An independent financial adviser will be appointed to advise the Independent Board Committee and the independent Shareholders in this connection.

A circular containing, among other things (i) details of the Capital Increase, the Capital Increase Agreement and the relevant transactions contemplated thereunder; (ii) a letter from the Independent Board Committee; (iii) a letter from the independent financial adviser to advise the Independent Board Committee and the independent Shareholders on the terms of the Capital Increase Agreement; and (iv) a notice of the SGM, is expected to be despatched to the Shareholders on or before 31 October 2022.

INTRODUCTION

The Board is pleased to announce that on 10 October 2022, the Target Company, Tesson Shenzhen (a 95% indirect non-wholly-owned subsidiary of the Company), Nanfang Black Sesame and Dalian CBAK entered into the Capital Increase Agreement in respect of the Capital Increase.

BACKGROUND

The Target Company, an indirect non-wholly-owned subsidiary of the Company, recently considered to raise its registered capital by approximately RMB600 million to cater for the funding and other requirements of the Development Projects. Under the articles of association of the Target Company and the applicable PRC laws, its existing shareholders shall have the pre-emptive right in the event of a capital increase. As at the date of this announcement, the Target Company is owned as to 68.8% by Tesson Shenzhen, 30.0% by Nanfang Black Sesame, and 1.2% by Dalian Zhiyun. Tesson Shenzhen thus was invited to contribute at least RMB412.8 million to the new registered capital of the Target Company, which was determined on a pro rata basis with reference to its proportionate interest in the Target Company and the scale of the Capital Increase. Nevertheless, having considered (a) the Company's intention to focus its resources to seek new investment opportunities in the lithium ion motive battery and further improve the product quality and develop more battery products targeting on home appliances and electric motorcycles, in order to occupy a leading position in the increasingly competitive lithium ion motive battery market; (b) the Development Projects are still in the early development stage and substantial capital injections are expected in the near future to fund the construction costs and working capital needs; and (c) the working capital needs for the Company's existing lithium ion motive battery operations, Tesson Shenzhen proposed not to participate in the Capital Increase, and intended to waive the pre-emptive right.

In respect of the Capital Increase of the Target Company, Dalian Zhiyun, being one of the shareholders of the Target Company, has not yet decided whether or not to participate in the Capital Increase. Meanwhile, Nanfang Black Sesame, being one of the shareholders of the Target Company, would consider to contribute RMB500 million for the Capital Increase; and Dalian CBAK, currently not a shareholder of the Target Company, would consider to contribute RMB100 million for the Capital Increase in the form of intellectual property including trademark and battery manufacturing technology.

In light of the Capital Increase, Tesson Shenzhen will waive the pre-emptive right and will not make any contribution to the Target Company in respect of the Capital Increase under the Capital Increase Agreement. Immediately upon Completion, assuming Dalian Zhiyun will also waive the pre-emptive right and will not make any contribution to the Target Company in respect of the Capital Increase, the Company's equity interest in the Target Company through Tesson Shenzhen whose shareholding will decrease from 68.8% to approximately 31.3%.

Immediately upon Completion, the Target Company will cease to be a subsidiary of the Company and the financial results of the Target Company will no longer be consolidated into the financial statement of the Group, and the Target Company will become an associated company of the Company.

THE CAPITAL INCREASE AGREEMENT

The material terms of the Capital Increase Agreement are summarized below:

Date:

10 October 2022

Parties:

- (i) The Target Company (as issuer);
- (ii) Tesson Shenzhen, a 95% indirect owned subsidiary of the Company;
- (iii) Nanfang Black Sesame; and
- (iv) Dalian CBAK

Pursuant to the Capital Increase Agreement, the registered capital of the Target Company is proposed to increase from approximately RMB500 million to RMB1,100 million, of which (i) Nanfang Black Sesame will contribute RMB500 million for the Capital Increase in the form of 100% equity interest of Jiangxi Xiaoheixiaomi where the shortfall from the appraised value of 100% equity interest of Jiangxi Xiaoheixiaomi will be supplemented by cash; and (ii) Dalian CBAK, currently not a shareholder of the Target Company, would consider to contribute RMB100 million for the Capital Increase in the form of intellectual property including trademark and battery manufacturing technology, it is agreed amongst all the parties to the Capital Increase Agreement that the value of such intellectual property is RMB100 million. Tesson Shenzhen will waive the pre-emptive right and will not make any contribution to the Target Company in respect of the Capital Increase under the Capital Increase Agreement.

The aggregate amount of Capital Increase to be made by Nanfang Black Sesame and Dalian CBAK of RMB600 million was determined with reference to the funding and other requirements of the Development Projects. Separate announcement(s) will be made by the Company once the appraised values of 100% equity interest of Jiangxi Xiaoheixiaomi, the intellectual property including trademark and battery manufacturing technology to be contributed by Dalian CBAK, and the Target Company before the Capital Increase are finalized.

Conditions precedent to the Capital Increase

The Capital Increase is conditional upon the fulfilment of the followings:

- (i) the Capital Increase is approved in the shareholders' meeting of the Target Company;
- (ii) the signing of the Capital Increase Agreement is approved by the relevant authority of Tesson Shenzhen, Nanfang Black Sesame and Dalian CBAK, including but not limited to the board of directors and shareholders' meeting;
- (iii) Dalian Zhiyun waives the pre-emptive right and will not make any contribution to the Target Company in respect of the Capital Increase, in the event that Dalian Zhiyun decides to make contribution to the Target Company in respect of the Capital Increase on a pro rata basis with reference to its proportionate interest in the Target Company, the shareholders' respective interest in the Target Company upon Completion will change accordingly; and
- (iv) the Jiangxi Development Project is approved by the relevant government authorities where Jiangxi Xiaoheixiaomi is located.

Completion of the Capital Increase Agreement is conditional upon the Target Company having completed the filing in respect of the changes in shareholding structure, directors, supervisors, senior management (if applicable), articles of association, etc., and Nanfang Black Sesame and Dalian CBAK having made the relevant contribution within the specified period after the effective day of the Capital Increase Agreement.

Use of fund

All capital injected by Nanfang Black Sesame will be used to fund the construction costs of the Development Projects and the energy storage lithium ion battery business of the Target Company.

The Development Projects consists of (i) the Nanjing Development Project, which involves the construction of production and research facilities on the Land, which includes factory, the research and development building, the headquarters and other ancillary facilities, the maximum production capacity of square cells and battery pack are planned to be 9GWh and 3GWh, respectively; and (ii) the Jiangxi Development Project, involving the modification of production plant of energy storage lithium ion battery on a parcel of industrial land located in Nanchang City, Jiangxi Province, as transformed from production plant owned by Jiangxi Xiaoheixiaomi, providing maximum production capacity of square cells of 9GWh. Battery product is targeted to be mainly used in new energy vehicles and industrial energy storage.

The initial investment of the Development Projects is expected to be approximately RMB8 billion to be invested in 5 years.

As at the date of this announcement, Tesson Shenzhen has no intention nor expectation to provide additional equity funding to the Target Company.

INFORMATION OF THE TARGET GROUP

The Target Company is a company with limited liability established in the PRC, and is principally engaged in the manufacturing and packaging of energy storage lithium ion battery products. Its major assets are related to the Nanjing Development Project, which include the Land and production and research facilities under construction. As at the date of this announcement, the Target Company is owned as to 68.8% by Tesson Shenzhen, 30.0% by Nanfang Black Sesame, and 1.2% by Dalian Zhiyun.

The Target Company will hold 100% equity interest in Tesson New Energy Research (Nanjing) Limited* (天臣新能源研究南京有限公司) after restructuring, which is a company with limited liability established in the PRC, and is principally engaged in the research and development of new energy products with limited operation.

The unaudited consolidated net loss of the Target Group before and after taxation for each of the years ended 31 December 2020 and 2021 were as follows:

	For the year ended 31 December	
	2020	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>
Net loss before taxation	13,632	66,383
Net loss after taxation	13,632	66,383

The unaudited consolidated net asset of the Target Group as at 31 August 2022 was approximately HK\$256 million.

FINANCIAL EFFECT OF THE CAPITAL INCREASE

Upon Completion, the registered capital of the Target Company will be increased from RMB500 million to RMB1,100 million. Assuming Dalian Zhiyun will waive the pre-emptive right and will not make any contribution to the Target Company in respect of the Capital Increase, the Company's equity interest in the Target Company through Tesson Shenzhen whose shareholding will decrease from 68.8% to approximately 31.3%, and the Target Company will be owned as to approximately 59.09% by Nanfang Black Sesame, 31.3% by Tesson Shenzhen, 9.1% by Dalian CBAK, and 0.6% by Dalian Zhiyun. Immediately upon Completion, the Target Company will cease to be a subsidiary of the Company and the financial results of the Target Group will no longer be consolidated into the financial statement of the Group, and the Target Company will become an associated company of the Company. The Company expects to record a gain of approximately HK\$12.5 million after deducting estimated direct transactions costs due to the Capital Increase.

INFORMATION OF THE COMPANY AND THE GROUP

The Company is an investment holding company incorporated in Bermuda with limited liability and its Shares are listed on the Main Board of the Stock Exchange (stock code: 1201). The Group is principally engaged in the Lithium Ion Motive Battery Business.

INFORMATION OF PARTIES TO THE CAPITAL INCREASE AGREEMENT

Nanfang Black Sesame

Nanfang Black Sesame is a company incorporated in the PRC with limited liability, whose issued shares are listed on the Shenzhen Stock Exchange (stock code: 000716). It is a shareholder of the Target Company and directly holds 30.0% of the equity interest of the Target Company. It is principally engaged in production and distribution of black sesame related products in the PRC.

As the date of this announcement, Nanfang Black Sesame is held as to 30.6% by Guangxi Heiwulei. Guangxi Heiwulei is held as to 34.1% by Mr. Wei Qingwen (韋清文先生), 28.7% by Mr. Li Hanrong (李漢榮先生), 28.6% by Mr. Li Hanchao (李漢朝先生) and 0.03% by Mr. Li Yuqi (李玉琦先生). The above four shareholders and Guangxi Heiwulei are deemed to be parties acting in concert by the Rules Governing the Listing of Shares on Shenzhen Stock Exchange. Mr. Wei Qingwen (韋清文先生) is the spouse of Ms. Cheng Hung Mui, who is the executive Director and the ultimate controlling shareholder of the Company.

Dalian CBAK

Dalian CBAK is a company incorporated in the PRC with limited liability, wholly-owned by CBAK Energy Technology, Inc., whose issued shares are listed on the Nasdaq Stock Market (stock code: CBAT). It is principally engaged in the development, manufacturing, and sales of new energy high power lithium batteries and raw materials used in manufacture of high power lithium batteries. To the best knowledge, information and belief of the Directors after making reasonable enquiries, Dalian CBAK and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

REASONS FOR ENTERING INTO THE CAPITAL INCREASE AGREEMENT

The Development Projects consist of the Nanjing Development Project and the Jiangxi Development Project, which will produce energy storage lithium ion battery upon completion. The initial investment of the Development Projects is expected to be approximately RMB8 billion to be invested in 5 years. The global shipment of energy storage lithium ion battery amounted to 70.6GWh in 2021, representing an increase of 143.4%, and is expected to grow in the future. However, given the substantial amount of investment for the Development Projects and the Company's intention to focus its resources in the lithium ion motive battery business, the Capital Increase would allow the Development Projects to complete without the Group having to provide additional equity funding to the Target Company and still allow the Group to participate in the energy storage lithium ion battery market through the Target Company. After the Capital Increase, Nanfang Black Sesame will become the controlling shareholder of the Target Company, additional resources will be provided for completion of the Development Projects.

Given that Nanfang Black Sesame has been an investor of the Target Company since 2017, participating in the Capital Increase enables Nanfang Black Sesame to further expand their investment in the manufacture of energy storage lithium ion battery business and strengthen the strategic partnership with the Group. Whereas Dalian CBAK as a new shareholder of the Target Company, will provide its trademark and battery manufacturing technology for the operation of the Target Company. In addition, based on the preliminary discussion, subsequent to the Capital Increase, the Target Company will further expand its production capacity in the energy storage lithium ion battery products through the Jiangxi Development Project.

With Nanfang Black and Dalian CBAK, as strategic partners, participating in the Capital Increase, the Target Company would be able to obtain additional capital and resources for the Development Projects so as to participate in the development of energy storage lithium ion battery business so as to capture the business opportunity in the new energy market.

In view of the above, the Directors (excluding the independent non-executive Directors, whose opinion on the Capital Increase Agreement and the relevant transactions contemplated thereunder by reference to the advice from the independent financial adviser in this regard will be set forth in the circular) are of the view that the Capital Increase Agreement are entered into (i) on normal commercial terms; and (ii) on terms that are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

As Ms. Cheng Hung Mui is considered to have a material interest in the Capital Increase, she has abstained from voting at the board meeting at which the Capital Increase Agreement was considered and approved. Save for Ms. Cheng Hung Mui, none of the Directors has any material interest in the Capital Increase Agreement or is required to abstain from voting on the relevant Board resolutions to approve the same.

IMPLICATIONS UNDER THE LISTING RULES

As a result of the Capital Increase, assuming Dalian Zhiyun will waive the pre-emptive right and will not make any contribution to the Target Company in respect of the Capital Increase, the Company's equity interest in the Target Company through Tesson Shenzhen whose shareholding will decrease from 68.8% to 31.3%, which constitutes a deemed disposal of the equity interest in the Target Company under Rule 14.29 of the Listing Rules.

In addition, as at the date of this announcement, given Mr. Wei Qingwen (韋清文先生), being the spouse of Ms. Cheng Hung Mui, the executive Director and ultimate controlling shareholder of the Company, together with his party acting in concert, holds 91.5% of the issued share capital of Guangxi Heiwulei which controlled Nanfang Black Sesame. By virtue of this shareholding interest, Mr. Wei Qingwen (韋清文先生), together with the party acting in concert, is considered as one of the controlling shareholders of the Nanfang Black Sesame. As a result, the Capital Increase contemplated under the Capital Increase Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

GENERAL

A SGM will be convened for the independent Shareholders to consider and, if thought fit, approve the major and connected transaction in relation to the Capital Increase under the Capital Increase Agreement. In view of the interest of Ms. Cheng Hung Mui, the executive Director and ultimate controlling shareholder of the Company, Ms. Cheng Hung Mui and her associates will abstain from voting at the SGM to be convened by the Company to consider and approve the resolution in relation to the Capital Increase and the Capital Increase Agreement.

An Independent Board Committee comprising all the independent non-executive Directors, namely, Dr. Ng Ka Wing, Mr. See Tak Wah and Mr. Wang Jinlin, has been formed to advise the independent Shareholders in respect of the Capital Increase Agreement and the transactions contemplated thereunder. An independent financial adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders in this connection.

A circular containing, among other things (i) details of the Capital Increase, the Capital Increase Agreement and the relevant transactions contemplated thereunder; (ii) a letter from the Independent Board Committee; (iii) a letter from the independent financial adviser to advise the Independent Board Committee and the independent Shareholders on the terms of the Capital Increase Agreement; and (iv) a notice of the SGM, is expected to be despatched to the Shareholders on or before 31 October 2022.

Separate announcement(s) will be made by the Company once the appraised values of 100% equity interest of Jiangxi Xiaoheixiaomi, the intellectual property including trademark and battery manufacturing technology contributed by Dalian CBAK, and the Target Company before the Capital Increase are finalized.

RESUMPTION OF TRADING

At the request of the Company, trading in the shares of the Company on the Stock Exchange has been halted with effect from 9:00 a.m. on 10 October 2022 pending the publication of this announcement.

Application will be made by the Company to the Stock Exchange for the resumption of trading in the shares of the Company on the Stock Exchange with effect from 9:00 a.m. on 11 October 2022.

DEFINITIONS

In this announcement, unless the context specifies otherwise, the following defined expressions have the following meanings:

“Board”	the board of Directors;
“Capital Increase”	the increase of the registered capital of RMB600 million of the Target Company pursuant to the Capital Increase Agreement;
“Capital Increase Agreement”	the capital increase agreement dated 10 October 2022 entered into by the Target Company, Nanfang Black Sesame, Dalian CBAK, and Tesson Shenzhen in respect of, among other things, the Capital Increase;
“Company”	Tesson Holdings Limited, an exempted company incorporated in Bermuda with limited liability, whose issued shares are listed on the Main Board of the Stock Exchange (stock code: 1201);
“Completion”	the completion of the Capital Increase in accordance with the Capital Increase Agreement;
“connected person(s)”	has the meaning as ascribed to it under the Listing Rules;
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules;
“Dalian CBAK”	Dalian CBAK Power Battery Co., Ltd.* (大連中比動力電池有限公司), a company incorporated in the PRC with limited liability, an indirect wholly-owned subsidiary of CBAK Energy Technology, Inc., whose issued shares are listed on the Nasdaq Stock Market (stock code: CBAT);
“Dalian Zhiyun”	Dalian Zhiyun Automation Co., Ltd.* (大連智雲自動化裝備股份有限公司), a company incorporated in the PRC with limited liability, whose issued shares are listed on the Shenzhen Stock Exchange (stock code: 300097);

“Development Projects”	Jiangxi Development Project and Nanjing Development Project;
“Director(s)”	directors of the Company;
“Guangxi Heiwulei”	Guangxi Heiwulei Foods Group Co., Ltd.* (廣西黑五類食品集團有限責任公司), a company incorporated in the PRC with limited liability, whose shares are held as to 34.1% by Mr. Wei Qingwen (韋清文先生), 28.7% by Mr. Li Hanrong (李漢榮先生), 28.6% by Mr. Li Hanchao (李漢朝先生) and 0.03% by Mr. Li Yuqi (李玉琦先生) as at the date of this announcement;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Independent Board Committee”	the independent committee of the Board, comprising all the independent non-executive Directors, namely, Dr. Ng Ka Wing, Mr. See Tak Wah and Mr. Wang Jinlin, established to advise the independent Shareholders in respect of the terms of the Capital Increase Agreement and the transactions contemplated thereunder;
“Jiangxi Development Project”	the modification of production plant of energy storage lithium ion battery on a parcel of industrial land located in Nanchang City, Jiangxi Province, as transformed from production plant owned by Jiangxi Xiaoheixiaomi;
“Jiangxi Xiaoheixiaomi”	Jiangxi Xiaoheixiaomi Food Co., Ltd.* (江西小黑小蜜食品有限責任公司), a company incorporated in the PRC with limited liability, a wholly-owned subsidiary of Nanfang Black Sesame;

“Land”	a parcel of industrial land located in Lishui District, Nanjing city;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Lithium Ion Motive Battery Business”	one of the Group’s principal business activities, which is the manufacturing and sale of lithium ion motive battery, lithium ion battery module, battery charging devices, battery materials machines and production lines, new energy solution and sale of relevant equipment, investments holding and import and export trading;
“Nanfang Black Sesame”	Nanfang Black Sesame Group Co. Ltd.* (南方黑芝麻集團股份有限公司), a company incorporated in the PRC with limited liability, whose issued shares are listed on the Shenzhen Stock Exchange (stock code: 000716). The shares are held as to 30.6% by Guangxi Heiwulei;
“Nanjing Development Project”	the construction of production and research facilities on the Land, which includes factory, the research and development building, the headquarters and other ancillary facilities under the Lithium Ion Motive Battery Business of the Group;
“PRC”	the People’s Republic of China (for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan);
“RMB”	Renminbi, the lawful currency of the PRC;
“SGM”	the special general meeting to be held by the Company to consider and approve, among other things, the Capital Increase Agreement and the transactions contemplated thereunder;

“Share(s)”	ordinary share(s) of HK\$0.1 each in the share capital of the Company;
“Shareholder(s)”	holder(s) of the Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Target Company”	Tesson New Energy Company Limited* (天臣新能源有限公司), a company incorporated in the PRC with limited liability and a 65.36% indirectly owned subsidiary of the Company;
“Target Group”	the Target Company and its subsidiary;
“Tesson Shenzhen”	Tesson New Energy (Shenzhen) Limited* (天臣新能源(深圳)有限公司), a company incorporated in the PRC with limited liability and a 95% indirectly owned subsidiary of the Company;
“%”	per cent.

By Order of the Board
Tesson Holdings Limited
Tin Kong
Chairman

** for identification purpose only*

Hong Kong, 10 October 2022

As at the date of this announcement, the Board comprises Mr. Tin Kong, Mr. Chan Wei, Ms. Cheng Hung Mui and Ms. Liu Liu as executive Directors; and Dr. Ng Ka Wing, Mr. See Tak Wah and Mr. Wang Jinlin, as independent non-executive Directors.