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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)

VOLUNTARY ANNOUNCEMENT PROPOSED OFFERING OF THE GLOBAL DEPOSITORY RECEIPTS REPRESENTING A SHARES OF TIANNENG BATTERY GROUP CO., LTD. ON SIX SWISS EXCHANGE AG

This announcement is made by Tianneng Power International Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis.

Reference is made to the announcement made by Tianneng Battery Group Co., Ltd.* (“**Tianneng Share**”) (688819.SH) dated 13 December 2022 in relation to the proposed offering by Tianneng Shares of global depository receipts (“**GDRs**”) representing A shares of Tianneng Share on SIX Swiss Exchange AG (the “**Proposed Offering**”).

As at the date hereof, Tianneng Share is controlled as to approximately 86.53% by the Company and its results are consolidated with the financial statements of the Company. Tianneng Share is listed on the Science and Technology Innovation Board of the Shanghai Stock Exchange.

PROPOSED OFFERING OF GDRS BY TIANNENG SHARE

The Proposed Offering, if proceed, will involve the issue of A shares by Tianneng Share which will be subject to the approval by, among other things, the board of directors of Tianneng Share, as well as the shareholders of Tianneng Share at an extraordinary general meeting to be convened by Tianneng Share. The Proposed Offering, if proceed, will constitute a deemed disposal of the interest in a subsidiary of the Company under Rule 14.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and is expected to constitute a major transaction of the Company under Chapter 14 of the Listing Rules. On this basis, the Company will seek approval from its shareholders at an extraordinary general meeting to be convened by the Company as required under Chapter 14 of the Listing Rules. Further announcement(s) will be made by the Company in relation to Chapter 14 of the Listing Rules as and when appropriate.

As at the date hereof, no formal application for the Proposed Offering has been submitted to the regulatory authorities in the PRC and Switzerland.

The Company expects that, upon completion of the Proposed Offering, the Company will continue to have not less than 50% interest in Tianneng Share, and therefore Tianneng Share will remain as an indirect non-wholly owned subsidiary of the Company and its results will continue to be consolidated with the financial statements of the Company.

REASONS AND BENEFITS OF THE PROPOSED OFFERING

(1) Strengthening the overseas production base and enhancing the overseas sales network

Tianneng Share is one of the largest lead battery companies in the world, and is also a leading enterprise in batteries (including lead batteries and lithium-ion batteries) for light electric vehicles in China. It is also one of the few Chinese companies that can deliver comprehensive new energy system solutions including, among other things, motive batteries and energy storage batteries to customers across the globe including those in Asia Pacific, Europe, America and Africa. Internationalization has always been one of Tianneng Share's important development strategies. In light of the huge market potentials arising from the gradual increase of overseas lead battery and lithium-ion battery production capacities, Tianneng Share will continue to strengthen its position in the Asia-Pacific, European and American markets, enhance its global sales capabilities, and increase penetration of key overseas regions. Tianneng Share aims to enhance its brand awareness and competitiveness in the international market through the Proposed Offering, with a view to further boosting its position in the global market.

(2) Improving capabilities in R&D and technological innovation

Adhering to the development strategy of "Application Generation, Reserve Generation, R&D Generation", Tianneng Share adheres to technological innovation in promoting green development and cultivating the lead battery, lithium-ion battery and fuel cell markets, and is committed to providing support to the evolution in the industry both domestically and internationally. Through the Proposed Offering, Tianneng Share will increase investment in research and development and innovation and participate in the global market for new energy batteries proactively. Through the recruitment of high-quality technical personnel overseas and the expansion of international presence, Tianneng Share will further integrate cutting-edge and application technologies domestically and globally, better utilize resources of different regions, improve technical standards and capabilities in various aspects, and actively optimize its product structures with a view to offering the world leading new energy battery products.

(3) Inter-connection of the Sino-Swiss capital markets, optimizing the share capital structure and improving corporate governance

The Proposed Offering is a key step for Tianneng Share to actively respond to the domestic capital market policy, deepen the inter-connection of the Sino-Swiss capital markets, and promote the economic development through offshore capital market. By virtue of the inter-connection mechanism between the domestic capital market and offshore capital market, Tianneng Share will be directly connected with the offshore capital market, thereby enhancing Tianneng Share's global brand awareness, financial position as well as multi-channel financing capabilities. Further, pursuant to the issuance of GDRs to offshore professional institutional investors and investors in the industry, Tianneng Share's share capital structure will be optimized which will further improve the transparency and standard of corporate governance of Tianneng Share, thereby providing a solid corporate governance structure for Tianneng Share to achieve high quality development.

Shareholders and prospective investors should note that the implementation and the final size of the Proposed Offering will be subject to factors including, among other things, the market conditions and demands, the relevant PRC and Swiss laws, rules and regulations, and the requisite approvals by the respective shareholders of the Company and Tianneng Share and the relevant PRC and Swiss regulatory authorities, and the Proposed Offering may or may not proceed as contemplated or at all. Accordingly, Shareholders and prospective investors are advised to exercise caution when dealing in the shares or other securities of the Company or Tianneng Share. Further announcement(s) will be made as and when appropriate.

By order of the Board
TIANNENG POWER INTERNATIONAL LIMITED
ZHANG Tianren
Chairman

Hong Kong, 13 December 2022

As at the date of this announcement, the executive directors of the Company are Dr. ZHANG Tianren, Mr. ZHANG Aogen, Mr. ZHANG Kaihong, Mr. SHI Borong and Mr. ZHOU Jianzhong; the independent non-executive directors of the Company are Mr. HUANG Dongliang, Mr. ZHANG Yong and Mr. XIAO Gang.