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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Tianneng Power International Limited**, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

**DEEMED DISPOSAL AND MAJOR TRANSACTION
IN RELATION TO THE PROPOSED OFFERING OF
THE GLOBAL DEPOSITORY RECEIPTS REPRESENTING A SHARES
OF
TIANNENG BATTERY GROUP CO., LTD.
ON
SIX SWISS EXCHANGE AG**

A notice convening the EGM of the Company to be held at Conference Room, 3/F., Tianneng Group Building, No. 18 Baoqiao Road, Huaxi Industrial Function Zone, Changxing County, Zhejiang, China on Tuesday, 31 January 2023 at 2:00 p.m. is set out on pages 17 to 18 of this circular. A form of proxy for use at the EGM is also enclosed.

Whether or not you are able to attend the EGM in person, you are requested to complete and return the form of proxy enclosed with this circular in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for holding the EGM. Completion and delivery of a form of proxy will not preclude you from attending and voting in person at the EGM (or any adjournment thereof).

In view of the ongoing coronavirus disease 2019 (“COVID-19”) pandemic, the Company will implement the following precautionary measures at the EGM including, without limitation:

- compulsory body temperature screening;
- wearing of surgical face masks;
- no distribution of corporate gift or refreshment; and
- appropriate seating arrangement to avoid over-crowding.

The Company strongly advises shareholders of the Company (the “Shareholders”) to appoint the chairman of the EGM as their proxy to vote on the relevant resolution as an alternative to attending the EGM in person.

11 January 2023

PRECAUTIONARY MEASURES FOR THE EGM

In view of the ongoing COVID-19 pandemic, the Company will implement necessary precautionary measures at the EGM to protect the attending Shareholders and other attendees from the risk of infection, including the following:

- (1) There will be compulsory body temperature screening for all persons before entering the venue of the EGM. Any person with a body temperature of 37.5 degrees Celsius or above or any person who exhibits any flu-like symptoms may be denied entry to the venue or be required to promptly leave the venue.
- (2) Every attendee will be required to wear a surgical face mask throughout the EGM and inside the venue. Attendees are advised to maintain appropriate social distance with each other at all times when attending the EGM.
- (3) No refreshment will be served, and there will be no corporate gift.
- (4) Anyone attending the EGM is reminded to observe good personal hygiene at all times.
- (5) There will be appropriate seating arrangement at the EGM venue to avoid overcrowding.
- (6) In light of the continuing risks posed by the COVID-19 pandemic, and in the interests of protecting the attendees, the Company is supportive of the precautionary measures being adopted and reminds Shareholders that physical attendance in person at the EGM is not necessary for the purpose of exercising voting rights. The Company strongly advises Shareholders to appoint the chairman of the EGM as their proxy to vote on the relevant resolutions as an alternative to attending the EGM in person.
- (7) Shareholders are advised to monitor the development of COVID-19. Subject to the development of COVID-19, the Company may implement further changes and precautionary measures and may issue further announcement on such measures as appropriate.

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DEFINITIONS

In this circular, the following expressions have the meanings set out below unless the context requires otherwise:

“A Shares”	domestic shares of RMB1.00 each in the share capital of ordinary shares of Tianneng Share, which are listed on the Science and Technology Innovation Board of the Shanghai Stock Exchange and traded in RMB
“Articles”	the articles of association of the Company
“Board”	the board of Directors
“Company”	Tianneng Power International Limited, a company incorporated under the laws of the Cayman Islands with limited liability and the issued shares of which are listed on the Stock Exchange
“CSRC”	the China Securities Regulatory Commission
“Deemed Disposal”	the deemed disposal of 7.87% of equity interest in Tianneng Share as a result of the Proposed Offering
“Director(s)”	the director(s) of the Company
“EGM” or “Meeting”	the extraordinary general meeting of the Company to be convened and held at Conference Room, 3/F., Tianneng Group Building, No. 18 Baoqiao Road, Huaxi Industrial Function Zone, Changxing County, Zhejiang, China on Tuesday, 31 January 2023 at 2:00 p.m. for the purpose of considering and, if thought fit, approving the Proposed Offering
“GDRs”	global depository receipts representing A shares of Tianneng Share
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

DEFINITIONS

“Latest Practicable Date”	6 January 2023, the latest practicable date for the purpose of ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC” or “China”	the People’s Republic of China (excluding, for the purpose of this circular, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan)
“Proposed Offering”	the proposed offering by Tianneng Share of the GDRs on SIX Swiss Exchange
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of par value of HK\$0.1 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“SIX Swiss Exchange”	SIX Swiss Exchange AG
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tianneng Share”	天能電池集團股份有限公司 (Tianneng Battery Group Co., Ltd.*), an indirect non-wholly owned subsidiary of the Company listed on the Science and Technology Innovation Board of the Shanghai Stock Exchange (stock code: 688819.SH)
“%”	percent

* For identification purposes only.

LETTER FROM THE BOARD



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)

Executive Directors:

ZHANG Tianren (*Chairman*)
ZHANG Aogen
SHI Borong
ZHANG Kaihong
ZHOU Jianzhong

Registered office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman
KY1-1111
Cayman Islands

Independent Non-Executive Directors:

HUANG Dongliang
ZHANG Yong
XIAO Gang

Head office and principal place of business in

Hong Kong:
Suite 3202, 32nd Floor
Central Plaza
18 Harbour Road
Wanchai, Hong Kong

11 January 2023

To the Shareholders

Dear Sir or Madam,

**DEEMED DISPOSAL AND MAJOR TRANSACTION
IN RELATION TO THE PROPOSED OFFERING OF
THE GLOBAL DEPOSITORY RECEIPTS REPRESENTING A SHARES
OF
TIANNENG BATTERY GROUP CO., LTD.
ON
SIX SWISS EXCHANGE AG**

INTRODUCTION

Reference is made to the announcement of the Company dated 13 December 2022 in relation to the Proposed Offering that may be implemented by Tianneng Share. As at the Latest Practicable Date, Tianneng Share is controlled as to approximately 86.53% by the Company and its results are consolidated with the financial statements of the Company.

LETTER FROM THE BOARD

The Proposed Offering, if proceed, will constitute a deemed disposal of the interest in a subsidiary of the Company (namely Tianneng Share) under Rule 14.29 of the Listing Rules. As the highest applicable percentage ratio calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Proposed Offering is expected to be higher than 25% but less than 75%, the Proposed Offering, if proceed, may constitute a major transaction of the Company under Chapter 14 of the Listing Rules. The Company therefore proposes to convene the EGM to obtain the approval of the Shareholders regarding the Proposed Offering as required under Chapter 14 of the Listing Rules.

The purpose of this circular is to provide you with, among other things, (i) information on the Proposed Offering; (ii) other information as required under the Listing Rules; and (iii) a notice of the EGM.

THE PROPOSED OFFERING

Subject to, among other things, the market conditions and demands, the relevant PRC and Swiss laws, rules and regulations, the requisite approvals by the Shareholders, the shareholders of Tianneng Share and the relevant PRC and Swiss regulatory authorities, it is currently proposed that Tianneng Share, an indirect non-wholly owned subsidiary of the Company established under the laws of the PRC with limited liability and whose A Shares are listed on the Science and Technology Innovation Board of the Shanghai Stock Exchange, will issue GDRs representing A Shares on SIX Swiss Exchange. The Proposed Offering is expected to involve the issue of not more than 97,210,000 A Shares by Tianneng Share, equivalent to not more than 10% of the total issued share capital of Tianneng Share as at the Latest Practicable Date.

On the basis of the aforesaid, existing shareholders of Tianneng Share will experience dilution of their holdings of A Shares and voting rights with respect to such A Shares of no more than 9.09%. Accordingly, upon completion of the Proposed Offering, the shareholding of the Company in Tianneng Share will be diluted from approximately 86.53% to no less than approximately 78.66%.

The actual number of GDRs will depend on, among other things, the conversion ratio between the GDRs and A Shares, the market conditions and demands, as well as the relevant PRC and Swiss laws, rules and regulations. It is currently expected that immediately upon completion of the Proposed Offering, the Company will have an indirect interest of not less than 50% 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.

Solely for reference purpose, on the basis of the 20-day average closing price of RMB36.71 per A share as traded on the Shanghai Stock Exchange on and before the Latest Practicable Date, and the pricing discount of 10%, the size of the Proposed Offering will be approximately RMB3,212 million. The aforesaid discount, which is for reference purpose only, was based on the Provisions on the Supervision and Administration of Depository Receipts under the Stock Connect Scheme between Domestic and Overseas Stock Exchange issued by China Securities Regulatory Commission on 11 February 2022, and with reference to the GDRs issued on the SIX Swiss Exchange from July 2022 to December 2022.

LETTER FROM THE BOARD

The Company would like to emphasize that the above price and issuance size are solely for reference purpose. As at the Latest Practicable Date, no such price range has been determined. Any such price range and the final offer price will depend on factors including, among other things, the market conditions and demands, the relevant PRC and Swiss laws, rules and regulations as well as the market price of the A Shares at the material time.

Tianneng Share will obtain approval from its shareholders at a general meeting to be convened by it for the Proposed Offering. Subject to factors including, among other things, the market conditions and demands, the relevant PRC and Swiss laws, rules and regulations, and barring unforeseeable circumstances, and after the Company and Tianneng Share having obtained their respective shareholders' approvals, it is currently expected that the formal application for the Proposed Offering will be submitted to the CSRC and SIX Exchange Regulation AG in or around February 2023 and the Proposed Offering will be launched and completed in or around the second quarter of 2023.

INFORMATION OF THE GROUP

The Company was incorporated in the Cayman Islands with limited liability and its Shares are listed on the Main Board of the Stock Exchange. The Group is principally engaged in the production of motive batteries in China.

INFORMATION OF TIANNENG SHARE

Tianneng Share was established in the PRC as a limited liability company and is an indirect non-wholly owned subsidiary of the Company whose A Shares are listed on the Science and Technology Innovation Board of the Shanghai Stock Exchange (stock code: 688819.SH). Tianneng Share is principally engaged in investment holding, research and development, manufacture and sales of lead-acid batteries and battery related accessories.

Key financial information of Tianneng Share

	For the year ended 31 December 2020 RMB'000	For the year ended 31 December 2021 RMB'000
Revenue	35,099,878	38,716,169
Net profit (before tax)	2,737,095	1,578,906
Net profit (after tax)	2,319,056	1,324,858
	As at 31 December 2020 RMB'000	As at 31 December 2021 RMB'000
Total assets	19,643,121	26,677,081
Net assets	7,128,028	12,739,103

As at 30 June 2022, the unaudited total assets and net assets of Tianneng Share amount to approximately RMB30,168,407,481 and RMB12,897,877,253, respectively.

LETTER FROM THE BOARD

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 evolutions 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 markets, 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.

LETTER FROM THE BOARD

Immediately upon completion of the Proposed Offering, the Company will remain to be the ultimate controlling shareholder of Tianneng Share and will continue to consolidate the financial statements of Tianneng Share. Accordingly, the Company will continue to enjoy the benefits arising from the future business development and growth of Tianneng Share.

Having considered the above, the Board (including the independent non-executive Directors) is of the view that the Proposed Offering is fair and reasonable and in the interests of the Company and its shareholders as a whole.

FINANCIAL EFFECT OF THE DEEMED DISPOSAL

Upon the completion of the Proposed Offering, on the basis of the sale of all GDRs, the Company's interest in Tianneng Share is currently expected to be diluted from approximately 86.53% to approximately 78.66%, and Tianneng Share will remain as a subsidiary of the Company.

Save for the listing expenses expected to be incurred in connection with the Proposed Offering and the dilution impact on the profit attributable to the owners of the Company, there will be no material gain or loss expected to accrue to the Company's consolidated statement of profit or loss and other comprehensive income as a result of the Deemed Disposal upon the completion of the Proposed Offering.

IMPLICATIONS UNDER THE LISTING RULES

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 Listing Rules. As the highest applicable percentage ratio calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Proposed Offering is expected to be higher than 25% but less than 75%, the Proposed Offering, if proceed, may constitute a major transaction under Chapter 14 of the Listing Rules. The Proposed Offering is therefore subject to the reporting, announcement and shareholders' approval requirement under Chapter 14 of the Listing Rules.

The Company therefore proposes to convene the EGM to obtain the approval of Shareholders regarding the Proposed Offering as required under Chapter 14 of the Listing Rules.

EGM

The EGM will be convened by the Company at Conference Room, 3/F., Tianneng Group Building, No. 18 Baoqiao Road, Huaxi Industrial Function Zone, Changxing County, Zhejiang, China on Tuesday, 31 January 2023 at 2:00 p.m., at which a resolution will be proposed to consider and, if thought fit, approve the Proposed Offering. A notice convening the EGM is set out on pages 17 to 18 of this circular.

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, no Shareholder is required to abstain from voting at the EGM.

LETTER FROM THE BOARD

CLOSURE OF REGISTER OF MEMBERS

In order to determine the entitlement of Shareholders to attend and vote at the EGM, the register of members of the Company will be closed from 26 January 2023 to 31 January 2023, both days inclusive, during which no transfer of shares will be effected. All properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with Tricor Investor Services Limited, the Company's branch share registrar, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not later than 4:30 p.m. on 20 January 2023. Shareholders whose names are recorded in the register of members of the Company on 31 January 2023 are entitled to attend and vote at the EGM.

RECOMMENDATION

The Directors, including the independent non-executive Directors, consider that the Proposed Offering is fair and reasonable, and in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors, including the independent non-executive Directors, recommend the Shareholders to vote in favour of the resolution to be proposed at the EGM to approve the Proposed Offering.

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this circular.

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, as well as 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. The Company will make further announcement(s) in relation to the Proposed Offering as and when appropriate.

By Order of the Board
Tianneng Power International Limited
Zhang Tianren
Chairman

* *For identification purposes only*

CONSOLIDATED FINANCIAL STATEMENTS

The Company is required to set out in this circular the information for the last three financial years with respect to the profits and losses, financial record and position, set out as a comparative table and the latest published audited balance sheet together with the notes on the annual accounts for the last financial year for the Group.

The unaudited consolidated financial statements of the Group for the six months ended 30 June 2022 are set out from page 39 to 78 in the Interim Report 2022 of the Company, which was published on 26 August 2022. Please see below a link to the Interim Report 2022 posted on the website of the Stock Exchange:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0826/2022082602329.pdf>

The audited consolidated financial statements of the Group for the year ended 31 December 2021 are set out from page 72 to page 134 in the Annual Report 2021 of the Company, which was published on 31 March 2022. Please see below a link to the Annual Report 2021 posted on the website of the Stock Exchange:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0331/2022033103315.pdf>

The audited consolidated financial statements of the Group for the year ended 31 December 2020 are set out from page 62 to page 128 in the Annual Report 2020 of the Company, which was published on 28 March 2021. Please see below a link to the Annual Report 2020 posted on the website of the Stock Exchange:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0328/2021032800101.pdf>

The audited consolidated financial statements of the Group for the year ended 31 December 2019 are set out from page 56 to page 124 in the Annual Report 2019 of the Company, which was published on 30 March 2020. Please see below a link to the Annual Report 2019 posted on the website of the Stock Exchange:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0330/2020033000045.pdf>

INDEBTEDNESS STATEMENT

As at 30 November 2022, being the latest practicable date for the purpose of this statement of indebtedness prior to the printing of this circular, the indebtedness of the Group comprises the following:

	As at 30 November 2022 <i>RMB'000</i>
Borrowings	
Unsecured and unguaranteed:	
Bank borrowings	6,639,696
Other borrowings	280,000
Sub-total	6,919,696

Unsecured and guaranteed:	
Bank borrowings	30,000
Secured by assets owned by the Group and unguaranteed:	
Bank borrowings	1,005,570
Total borrowings	7,955,266
Lease liabilities	
Unsecured and unguaranteed:	11,583
Unsecured and guaranteed:	1,897
Secured by assets owned by the Group and unguaranteed:	4,560
Total lease liabilities	18,040

Save as disclosed above or as otherwise mentioned herein, and apart from intra-group liabilities and normal accounts and other payables in the ordinary course of business, as of 30 November 2022, the Group did not have any other debt securities issued and outstanding, and authorised or otherwise created but unissued, and other term loans, other borrowings or indebtedness in the nature of borrowing including liabilities under acceptances or acceptance credits, other recognised lease liabilities, or lease commitments, and any other mortgages and charges, guarantees and material contingent liabilities.

STATEMENT OF SUFFICIENCY OF WORKING CAPITAL

The Directors, after due and careful consideration, are of the opinion that after taking into account the effects of the Deemed Disposal, and the financial resources available to the Group including the internally generated funds, the present bank facilities, the working capital available to the Group is sufficient for its requirements for at least 12 months from the date of this circular. The Company has obtained the relevant confirmation as required under Rule 14.66(12) of the Listing Rules.

FINANCIAL EFFECTS OF THE PROPOSED OFFERING ON THE GROUP

Tianneng Share will continue to be an indirect non-wholly owned subsidiary of the Company upon the completion of the Proposed Offering. Accordingly, the operating results of Tianneng Share will be consolidated into the financial statements of the Company. The following is the expected financial impact of the Proposed Offering on the Group:

Earnings

The Proposed Offering will be regarded as a transaction with non-controlling interest, the carrying amount of the non-controlling interest will be adjusted to reflect the proportionate change in the non-controlling interest in Tianneng Share. It is expected that there would be no expected gain or loss on the Deemed Disposal credited to the Company's consolidated income statement as gain or loss upon the completion of the Proposed Offering in accordance with HKFRS 10. The difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration received will be recorded in equity attributed to the shareholders of the Company. In addition, as the proportion of the Company's shareholding in Tianneng Share will be diluted by not less than 7.87% immediately after the completion of the Proposed Offering, it is expected that the earnings attributable to controlling shareholders of the Company contributed by Tianneng Share will decrease while the earnings attributable to non-controlling interests of the Company will increase.

Assets and liabilities

The Proposed Offering will increase the number of shares of Tianneng Share and raise corresponding funds. The net proceeds of the Proposed Offering will increase the cash recorded in the consolidated balance sheet of the Group and increase the total assets of the Group correspondingly. The Proposed Offering will not affect the liabilities of the Group. However, the Proposed Offering will raise funds and further improve the structure of the Group's assets and liabilities.

FINANCIAL AND TRADING PROSPECTS OF THE GROUP

In the first half of 2022, the global pandemic was in a state of flux. Under the backdrop of global energy transition, facing an industry situation with both opportunities, challenges and development task in the new stage, the Group, through the implementation of the "Industry Technology Capital" development strategy with determination, quickly and scientifically adjusted the operation strategies of various business segments, stepping on an "upward trend" during the off-season of the industry. Leveraging on the core competitiveness built with rich industry experience of more than 30 years, comprehensive product research and development, production and sales systems, as well as profound brand power, the Company was able to withstand the impact of the external environment in the first half of 2022.

In the future, the Group will continue to concentrate on making progress while maintaining stability as its general tone, adhere to its market demand-oriented principle, and further optimizing its strategy of sustainable development. The Group's management will be the backbone of the Company's development, and will focus on the development of the Group's principal business, strive to establish new business in energy batteries, resources recycling and emerging industry, aiming at enhancing its overall high-quality development.

In line with the improvement of battery technology and product competitiveness for batteries such as lead-acid batteries and lithium-ion batteries, the Group will strive to research and develop new-generation batteries, stimulate the innovation of the research and development team, facilitate the output arising from the Group's major research and development projects, and accelerate innovation-driven technologies. Recycling and new energy storage segment will be the Group's focus while the fundamentals of lead-acid batteries will also be strengthened. The Company will enhance the lead-acid battery recycling segment with its solid effort and continuously improve the operation management and equipment technology standards to accelerate the development plan of lithium-ion battery recycling. Building a strong recycling network and improving recycling technology are conducive to forming the Company's core competitiveness. The new energy storage business will have an extensive breakthrough to the new market and enhance the edge of various market segments, further increasing the competitiveness of the industry.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

DISCLOSURE OF INTEREST

Interests and short positions of Directors in the Company

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the shares and debentures of the Company (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under the provisions of the SFO) or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or which had otherwise been notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, were as follows:

Name of Director	Capacity	Number of interested shares held (note 1)	Aggregate approximate percentage of issued share capital of the Company (note 7)
Zhang Tianren	Interest of a controlled corporation (note 2)	410,355,650 (L)	36.44%
Zhang Aogen	Interest of a spouse (note 2) Interest of a controlled corporation (note 3)	438,000 (L) 13,641,022 (L)	0.04% 1.21%
Zhang Kaihong	Interest of a controlled corporation (note 4)	18,884,174 (L)	1.68%
Shi Borong	Interest of a controlled corporation (note 5)	15,686,141 (L)	1.39%
Zhou Jianzhong	Interest of a controlled corporation (note 6)	2,362,815 (L)	0.21%
Huang Dongliang	Beneficial owner	240,000 (L)	0.02%

Notes:

- The letter "L" denotes long position in the shares of the Company.
- The 410,355,650 shares of the Company were held by Prime Leader Global Limited, which was wholly-owned by Dr. Zhang Tianren. The interest in 438,000 shares arise from the share options granted to Ms. Yang Yaping, spouse of Dr. Zhang Tianren.
- The 13,641,022 shares of the Company were held by Top Benefits International Limited, which was wholly-owned by Mr. Zhang Aogen.
- The 18,884,174 shares of the Company were held by Plenty Gold Holdings Limited, which was wholly-owned by Mr. Zhang Kaihong.
- The 15,686,141 shares of the Company were held by Precise Asia Global Limited, which was wholly-owned by Mr. Shi Borong.
- The 2,363,815 shares of the Company were held by Centre Wealth Limited, which was wholly-owned by Mr. Zhou Jianzhong.
- Shareholding percentage is based on 1,126,124,500 issued shares of the Company as at the Latest Practicable Date.

Save as disclosed above, on 16 June 2014, the Company has granted 58,660,000 options to subscribe for Shares in accordance with the Company's share option scheme adopted pursuant to a resolution passed by the then Shareholders on 26 February 2007 (the "Scheme"). Among the options, 2,215,000 options were granted to the associates of the Directors. The names of the grantees who are associates of the Directors were listed in the announcement of the Company dated 16 June 2014.

Interests in the Group's Assets or Contracts or Arrangements Significant to the Group

As at the Latest Practicable Date, none of the Directors of the Company had any interest in any asset which have been, since 31 December 2021 (being the date to which the latest published audited accounts of the Company were made up), acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

As at the Latest Practicable Date, none of the Directors of the Company was materially interested in any contract or arrangement subsisting at the Latest Practicable Date and which is significant in relation to the businesses of the Group.

Service Contracts

All of the executive Directors and independent non-executive Directors of the Company have entered into services contracts or a letter of appointment with the Company respectively. The term of appointment of Dr. Zhang Tianren, Mr. Zhang Aogen, Mr. Zhang Kaihong, Mr. Shi Borong and Mr. Huang Dongliang is 3 years from 11 June 2007; the term of appointment of Mr. Zhou Jianzhong is 3 years from 27 March 2015; the term of appointment of Mr. Zhang Yong is 3 years from 8 August 2018; the term of appointment of Mr. Xiao Gang is 1 year from 15 March 2022. The term of appointment of each Director is renewable by mutual agreement of both parties unless terminated by not less than three months' prior notice in writing served by either party. All Directors are subject to retirement by rotation and re-election at the Company's annual general meeting at least once every three years in accordance with Article No. 87 of the Articles.

Save as disclosed above, no Director has a service contract which is not terminable by the Group within one year without payment of compensation (other than statutory compensation).

Competing Interests

As at the Latest Practicable Date, none of the Directors or, so far as is known to them, any of their respective associates was interested in any business (apart from the Group's businesses) which competes or is likely to compete either directly or indirectly with the Group's businesses (as would be required to be disclosed under Rule 8.10 of the Listing Rules as if each of them were a controlling shareholder).

Material Adverse Changes

The Directors confirm that there was no material adverse change in the financial or trading position of the Group since 31 December 2021 (being the date to which the latest published audited accounts of the Company were made up).

Litigation

As at the Latest Practicable Date, none of the members of the Group was engaged in any litigation or arbitration or claim of material importance and the Directors were not aware of any litigation or arbitration or claim of material importance pending or threatened by or against any member of the Group.

Material Contracts

No material contracts have been entered into by the Group (not being contracts entered into in the ordinary course of business) within two years preceding the date of this circular.

Miscellaneous

- (a) Ms. Hui Wai Man Shirley is the company secretary of the Company. Ms. Hui is a fellow member of Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants. She is also a fellow member of the Chartered Governance Institute (formerly known as the Institute of Chartered Secretaries and Administrators) and the Hong Kong Chartered Governance Institute (formerly known as Hong Kong Institute of Chartered Secretaries).
- (b) The registered office and the head office of the Company are situated at Cricket Square Hutchins Drive P.O. Box 2681 Grand Cayman KY1-1111 Cayman Islands.
- (c) The principal place of business of the Company is Suite 3202, 32nd Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong.
- (d) The Hong Kong branch share registrar and transfer office is Tricor Investor Services Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.

Saved as otherwise stipulated in this circular, in the event of any inconsistency between the English version and the Chinese version, the English version shall prevail.

Documents on Display

A copy of the letter from the Board, the text of which is set out on pages 3 to 8 of this circular will be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.tianneng.com.hk) for a period of 14 days from the date of this circular.

NOTICE OF EGM



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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “**Meeting**”) of Tianneng Power International Limited (the “**Company**”) will be held at Conference Room, 3/F., Tianneng Group Building, No. 18 Baoqiao Road, Huaxi Industrial Function Zone, Changxing County, Zhejiang, China on Tuesday, 31 January 2023 at 2:00 p.m. for the purposes of considering and, if thought fit, passing the following resolution:

ORDINARY RESOLUTION

1. “**THAT**

- (a) the proposed offering of the global depository receipts representing A shares of RMB1.00 each in the share capital of ordinary shares of 天能電池集團有限公司 (Tianneng Battery Group Co., Ltd.*), an indirect non-wholly owned subsidiary of the Company, on SIX Swiss Exchange AG (the “**Proposed Offering**”) be and is hereby approved; and
- (b) any one director of the Company be and is hereby authorised on behalf of the Company to do all such acts and sign all such documents and to enter into all such transactions and arrangements as may be necessary or expedient in connection with the implementation of and giving effect to the Proposed Offering.”

By Order of the Board
Tianneng Power International Limited
Zhang Tianren
Chairman

Hong Kong, 11 January 2023

NOTICE OF EGM

Notes:

- (1) Any member entitled to attend and vote at the Meeting convened by the above notice is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him. A proxy need not be a member of the Company. All proxy forms must be deposited with Tricor Investor Services Limited, the Company's Hong Kong branch share registrar, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not less than 48 hours before the time appointed for the Meeting or any adjournment meeting.
- (2) The register of members of the Company will be closed from 26 January 2023 to 31 January 2023, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to qualify for attending the Meeting, all share certificates, together with duly completed transfer forms, must be lodged with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, no later than 4:30 p.m. on 20 January 2023. Shareholders whose names are recorded in the register of members of the Company on 31 January 2023 are entitled to attend and vote at the Meeting.
- (3) Pursuant to Rule 13.39(4) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, all resolution(s) set out in this notice will be decided by poll at the Meeting.
- (4) In view of the ongoing coronavirus disease 2019 ("COVID-19") pandemic, to safeguard the health and safety of the shareholders and all attendees at the EGM and to prevent the spread of the COVID-19, the Company will implement the following precautionary and control measures at the EGM including, without limitation:
 - compulsory body temperature screening;
 - wearing of surgical face masks;
 - no distribution of corporate gift or refreshment; and
 - appropriate seating arrangement to avoid over-crowding.

Any person who does not comply with the precautionary measures above may be denied entry to the venue of the EGM. The Company would like to remind the Shareholders and all attendees who will attend the EGM in person to take personal precautions and abide by the requirements of epidemic precaution and control at the venue of the EGM. The Company would also like to remind the Shareholders that physical attendance in person at the EGM is not necessary for the purpose of exercising voting rights. Shareholders are encouraged to vote by submitting the relevant proxy form of the EGM, and appoint the chairman of the EGM as their proxy to vote on the relevant resolution as instructed in accordance with the relevant proxy form instead of attending the EGM in person. Subject to the development of the COVID-19 pandemic, the Company may implement further changes and precautionary measures and may issue further announcement(s) on such measures as and when appropriate.

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; and the independent non-executive directors of the Company are Mr. HUANG Dongliang, Mr. ZHANG Yong and Mr. XIAO Gang.

* *for identification purposes only*