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天能

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)

**DISCLOSEABLE AND CONNECTED TRANSACTION:
DEEMED DISPOSAL OF INTERESTS IN A CONNECTED SUBSIDIARY
AND GRANT OF PUT OPTION**

Independent financial adviser to the IBC and the Independent Shareholders

ALTUS CAPITAL LIMITED

**CAPITAL INCREASE AGREEMENT: SUBSCRIPTION OF NEW REGISTERED
CAPITAL IN A CONNECTED SUBSIDIARY OF THE COMPANY**

The Board announces that on 5 May 2023 (after trading hours), Party A (a connected subsidiary of the Company), Parties B (comprising (i) 15 outside investors who are Independent Third Parties, namely Party B1 to Party B15; and (ii) three investors who are controlled by the Company, namely Party B16, Party B17 and Party B18) and Parties C (comprising (i) two indirect wholly-owned subsidiaries of the Company who are the existing shareholders of Party A; and (ii) a connected person of the Company who is an existing shareholder of Party A) entered into the Capital Increase Agreement whereby Parties B agreed to pay the Total Subscription Price (RMB1,000,000,000) to subscribe to the New Registered Capital (RMB39,216,000, representing approximately 28.57% of the registered capital of Party A as enlarged by the Capital Increase). The Total Subscription Price will be contributed to the capital of Party A as follows: (i) RMB39,216,000 to Party A's registered capital; and (ii) RMB960,784,000 to Party A's reserved capital.

Completion of the Capital Increase is subject to the fulfillment (or waiver) of the conditions precedent provided under the Capital Increase Agreement. Upon completion of the Capital Increase, the Company's indirect shareholding in Party A will decrease from 65% to approximately 49.27%. Notwithstanding the expected decrease in the Company's indirect shareholding interest in Party A, Party A will continue to be a non-wholly-owned subsidiary of the Company since Party A will continue to be controlled by the Company.

Party A principally engages in the business of recycling disposal, recycling and step utilization of waste lithiumion battery. Party A is one of the first batch of key enterprises in comprehensive utilization of solid waste resources in Zhejiang Province, the PRC and is a double-whitelist enterprise (recycling and echelon utilization) of the Ministry of Industry and Information Technology. Party A's main suppliers are traders and middlemen and its main customers are leading lithium anode material enterprises in the industry.

The Company intends to apply the Total Subscription Price as follows: 60% of the Total Subscription Price (i.e. RMB600,000,000) for the construction of a base of Party A in Binhai* (濱海) of Jiangsu Province, 15% of the Total Subscription Price (i.e. RMB150,000,000) for the regional recycling bases and recycling channels for waste batteries and the remaining 25% (RMB250,000,000) as general working capital of Party A.

SHAREHOLDERS AGREEMENT: GRANT OF PUT OPTION EXERCISABLE AT THE DISCRETION OF PARTIES B

In connection with the Capital Increase Agreement, Party A, Parties B and Parties C entered into the Shareholders Agreement on 5 May 2023, which sets out the rights and obligations of the shareholders of Party A, the governance structure of Party A and the Put Option. The Shareholders Agreement shall come into effect on the date on which the Capital Increase is considered and approved at the general meeting of the Company.

Pursuant to the Shareholders Agreement, each Party B has been, without having to pay any premium, granted the rights to request Party A and/or Party C1 to repurchase the equity interests in Party A owned by it under specified circumstances, such as (i) Party A fails to achieve a Qualified Listing before 31 December 2026 or (ii) Party A and/or Parties C materially breach the Shareholders Agreement, the Capital Increase Agreement or the new articles of association before the Qualified Listing. The Put Option is exercisable at the discretion of Parties B. For illustrative purpose, the maximum exercise price is estimated to be RMB1,304 million.

REASONS AND BENEFITS OF THE SUBJECT TRANSACTIONS

The Board believes that the Subject Transactions will provide additional financial resources to supplement Party A's general working capital, broaden the capital base, enhance its financial conditions for its business development and pursue its growth strategies, which is beneficial to the Company as a shareholder of Party A and ultimately to the Group in the long run and is in line with the Group's long-term corporate investment strategy.

LISTING RULES IMPLICATIONS

Each of the Capital Increase and the grant of the Put Option constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under the Listing Rules. In addition, the Capital Increase and the grant of the Put Option together constitute a connected transaction of the Company which is subject to the reporting, announcement and independent shareholders' approval requirements under the Listing Rules.

In accordance with the Listing Rules, the IBC (independent board committee) has been established to consider the Subject Transactions and to advise the Independent Shareholders on how to vote on the resolution to be proposed at the EGM in relation thereto. An independent financial adviser, namely Altus Capital Limited, has been appointed by the Company to advise the IBC as well as the Independent Shareholders in this regard.

EGM AND CIRCULAR

In accordance with the Listing Rules, the Company will convene the EGM for the Independent Shareholders to consider and, if thought fit, approve the Subject Transactions. It is expected that the Circular containing information as required under the Listing Rules together with the notice of the EGM will be dispatched to the Shareholders on or before 16 June 2023.

1. INTRODUCTION

The Board announces that on 5 May 2023 (after trading hours), Party A (a connected subsidiary of the Company), Parties B (comprising (i) 15 outside investors who are Independent Third Parties; and (ii) three investors who are controlled by the Company) and Parties C (the existing shareholders of Party A) entered into the Capital Increase Agreement whereby Parties B agreed to subscribe to the New Registered Capital at the Total Subscription Price. In connection with the Capital Increase Agreement, Party A, Parties B and Parties C have also entered into the Shareholders Agreement on 5 May 2023, which sets out the rights and obligations of the shareholders of Party A, the governance structure of Party A and the Put Option.

Further information on the Capital Increase Agreement and the Shareholders Agreement is set out below.

2. THE CAPITAL INCREASE AGREEMENT

Set out below is a summary of the principal terms of the Capital Increase Agreement and the relevant information.

2.1 Date

5 May 2023 (after trading hours).

2.2 Parties

The parties to the Capital Increase Agreement are:

- (a) Party A, a connected subsidiary of the Company (more information of which is disclosed in section 6 of this announcement);
- (b) Parties B (more information of which is disclosed in section 7.3 of this announcement); and
- (c) Parties C, comprising:
 - (i) Party C1 and Party C3, two indirect wholly-owned subsidiaries of the Company who are the existing shareholders of Party A (more information of which is disclosed in section 7.1 of this announcement); and
 - (ii) Party C2, a connected person of the Company who is an existing shareholder of Party A (more information of which is disclosed in section 7.2 of this announcement).

2.3 Subscription of the new registered capital of Party A

Pursuant to the Capital Increase Agreement, Parties B agreed to pay the Total Subscription Price (RMB1,000,000,000) to subscribe to the New Registered Capital (RMB39,216,000, representing approximately 28.57% of the registered capital of Party A as enlarged by the Capital Increase). The Total Subscription Price will be contributed to the capital of Party A as follows: (i) RMB39,216,000 will be contributed to the registered capital; and (ii) RMB960,784,000 will be contributed to the reserved capital. Upon Completion, the registered capital of Party A will be increased from RMB98,040,000 to RMB137,256,000. The subscription price payable by each Party B will be calculated on the basis of the subscription price of RMB25.50 for each RMB1.00 in the New Registered Capital.

The table depicted below (“**Registered Capital Table**”) sets out (i) the amount of the registered capital of Party A owned by the existing shareholders (see information set out in the second column opposite to the respective Parties C); (ii) the amount of the new registered capital of Party A agreed to be subscribed to by each of Parties B pursuant to the Capital Increase Agreement (see information set out in the second column opposite to the respective Parties B); and (iii) the shareholding structure of Party A upon Completion (see information set out in the third column):

**Amount of registered
capital of Party A owned
as at the Announcement
Date (in the case of
Parties C) and will be
owned upon Completion
(in the case of both
Parties B and Parties C)
(RMB)**

**Percentage of equity
interest in Party A
(%)**

Party C1 (<i>Note 1</i>)	50,000,000	36.43
Party C2	34,314,000	25.00
Party C3 (<i>Note 1</i>)	13,726,000	10.00
Party B1	3,921,600	2.86
Party B2	3,921,600	2.86
Party B3	2,745,100	2.00
Party B4	2,745,100	2.00
Party B5	1,960,800	1.43
Party B6	392,200	0.29
Party B7	1,960,800	1.43
Party B8	1,176,500	0.86
Party B9	784,300	0.57
Party B10	3,921,600	2.86
Party B11	3,921,600	2.86
Party B12	980,400	0.71
Party B13	980,400	0.71
Party B14	1,960,800	1.43
Party B15	3,921,600	2.86
Party B16 (<i>Note 2</i>)	1,341,200	0.97
Party B17 (<i>Note 2</i>)	1,317,600	0.95
Party B18 (<i>Note 2</i>)	1,262,800	0.92
Total	137,256,000	100

Notes:

1. *As disclosed in section 2.2(c)(i) of this announcement, Party C1 and Party C3 are the wholly-owned subsidiaries of the Company.*
2. *Each Tianneng Investor is a limited partnership the general partner of which is Party C3 and, as such, the Tianneng Investors are considered to be controlled by the Company. Further, the Tianneng Investors are consolidated in the financial statements of the Company. Accordingly, the interest of the Tianneng Investors in Party A is the indirect interest of the Company in Party A.*

2.4 Basis of the determination of the Total Subscription Price

The Total Subscription Price was arrived at after arm's length negotiations among the parties to the Capital Increase Agreement on normal commercial terms after taking into account, among other things, the business prospects of Party A and the price-to-earnings ratio of the recent fund raisings of peers in the same industry.

2.5 Payment terms

Party A shall deliver a payment notice to Parties B on the date on which all Completion Conditions have been fulfilled or waived. Parties B shall pay the Total Subscription Price in cash to the designated account opened by Party A within 20 working days upon receipt of the payment notice.

2.6 Completion Conditions and effectiveness

(a) Completion Conditions

Completion is subject to the fulfilment (or waiver given by Parties B) of the conditions summarised below:

- (i) All necessary internal approvals and approvals from the approving authorities (if applicable) of all parties have been obtained and have not been revoked, and the articles of association of Party A that have been amended in accordance with the terms and conditions of the Capital Increase Agreement have been approved by the shareholders of Party A.
- (ii) Party C1 has completed all necessary internal approval procedures, disclosure requirements (if any) and obtained shareholders' approval for the execution of the Capital Increase Agreement and the performance of the Put Option.

- (iii) The transaction documents have been executed, and the board of directors and shareholders of Party A have approved: (A) the transaction documents and the proposed transactions thereunder; (B) Party A's execution and performance of transaction documents; and (C) the amendments to the articles of association of Party A.
- (iv) If any Party B or any Party C has entered into any agreement with any other party, and the performance of the Capital Increase Agreement and other transaction documents requires the consent of any third party according to such agreement, the relevant Party B or Party C has obtained such third party's consent (or waivers) in accordance with such agreement, and such consent is unconditional, comprehensive and with immediate effect.
- (v) Each Party C has waived its pre-emptive right to the increase in capital in writing.
- (vi) Party A's registered capital of RMB98,040,000 has been fully paid up.
- (vii) As at the date on which the Total Subscription Price is paid, no governmental agency has enacted any law, regulation or made any decision that would prohibit or materially delay: (A) the subscription or payment of the additional capital, (B) the change of shareholders of Party A, (C) the operation of Party A after the payment date of the Total Subscription Price, or (D) such prohibition, restriction or delay which could reasonably be expected to have a material adverse effect on Party A or the expected business interests of Parties B's investment in Party A.
- (viii) As at the date on which the Total Subscription Price is paid, the representations, covenants and warranties made by Party A and each Party C in the Capital Increase Agreement are true, correct, complete and not misleading in all material respects.
- (ix) Party A has provided Parties B with the information of the account to receive the Total Subscription Price in writing.
- (x) Parties B have received the balance sheets, profit statements and cash flow statements of Party A for the recent three years (2020 to 2022) sealed by Party A.
- (xi) Parties B have received a confirmation signed by Party A and Parties C confirming that the Completion Conditions have been fulfilled and there is no material adverse change to Party A.

- (xii) During the period from the execution of the Capital Increase Agreement to Completion, there is no material adverse impact on Party A's business operation, finance, management and legal situation.

Each Party B has the right to confirm that the Completion Conditions have been fulfilled or to waive one or more Completion Conditions, and each Party B has the right to proceed to completion of its own subscription of the New Registered Capital. Any breach of the Capital Increase Agreement by any of the Parties B shall not affect the completion of the transaction by any other Parties B in accordance with the laws and the Capital Increase Agreement.

(b) Effectiveness

The Capital Increase Agreement shall come into effect on the date on which it is considered and approved at the general meeting of the Company.

2.7 Completion of the Capital Increase

Upon completion of the Capital Increase by each of the Parties B, the Company's indirect shareholding in Party A will decrease from 65% to approximately 49.27% (comprising (i) the existing registered capital owned by Party C1 and Party C3; and (ii) the new registered capital in Party A agreed to be subscribed to by the Tianneng Investors). Please refer to the Registered Capital Table for the shareholding structure of Party A upon Completion.

Given that the Company will continue to control Party A upon Completion after taking into account, among other things, (i) Party A does not have a board of directors and the executive director of Party A shall be appointed by Parties C and (ii) the shareholding structure of Party A upon Completion, Party A will continue to be an indirect non-wholly owned subsidiary of the Company and its financial results will continue to be consolidated into those of the Group. In addition, as demonstrated by the Registered Capital Table, it is expected that Party C2 will be a 25% shareholder of Party A upon Completion. Hence, Party A will remain a connected subsidiary of the Company for the reasons set out in the last paragraph of section 6.1 of this announcement.

3. FINANCIAL EFFECT OF THE CAPITAL INCREASE ON THE GROUP

As disclosed in section 2.7 of this announcement, Party A will remain an indirect non-wholly owned subsidiary of the Company upon Completion. As such, the results of operations and financial position of Party A will continue to be recorded in the Group's consolidated financial statements. As the decrease in the indirect interests of the Company in Party A will not cause a loss of its control over Party A, the Company will not record gain or loss from the Capital Increase under the Hong Kong Financial Reporting Standards.

4. INTENDED USE OF PROCEEDS

As at the Announcement Date, the Company intends to use 60% of the Total Subscription Price (i.e. RMB600,000,000) for the construction of a base of Party A in Binhai* (濱海) of Jiangsu Province (the “**Binhai Base**”), 15% of the Total Subscription Price (i.e. RMB150,000,000) for the regional recycling bases and recycling channels for waste batteries and the remaining 25% (RMB250,000,000) as general working capital of Party A.

The Binhai Base will be a comprehensive disposal base, generating high-value metal salts through the wet disposal process with a planned production capacity of 103,000 tons. The construction of the Binhai Base will be divided into two phases. The first phase is a 60,000-ton NCM recycling and disposal line and a 3,000-tons lithium-ion iron phosphate pilot line, while the second phase is a 40,000-ton lithium-ion iron phosphate disposal line. The Company also intends to build regional recycling bases and recycling channels for waste batteries in key regions across China.

5. SHAREHOLDERS AGREEMENT

The parties to the Capital Increase Agreement have also entered into the Shareholders Agreement which shall come into effect on the date on which the Capital Increase is considered and approved at the general meeting of the Company. A summary of the principal terms of the Shareholders Agreement and the relevant information is set out below.

5.1 Board of directors

Party A shall have no board of directors. The executive director shall be appointed by Parties C.

5.2 Put Option for Parties B to request Party A and/or Party C1 to repurchase Parties B’s equity interests in Party A

Pursuant to the Shareholders Agreement, each Party B, without having to pay any premium, has been granted the rights to request Party A and/or Party C1 to repurchase the equity interests in Party A owned by it. The rights to request for repurchase as disclosed amount to a put option exercisable at the discretion of Parties B under the Shareholders Agreement. The principal terms of the Put Option are summarised below:

(a) *Circumstances under which the Put Option may be exercised*

A Party B may exercise the Put Option under any of the circumstances set out below:

- (i) Party A fails to achieve a Qualified Listing before 31 December 2026, or due to other causes, it is reasonably foreseeable that Party A cannot achieve a Qualified Listing within the aforesaid deadline;
- (ii) before 31 December 2026, Party A or Party C1 expressly declares that Party A has abandoned the Qualified Listing arrangement or work;
- (iii) Party A and/or Parties C materially breach the Shareholders Agreement, the Capital Increase Agreement or the new articles of association before the Qualified Listing; or
- (iv) there are other shareholders requesting Party A and/or Party C1 to repurchase their equity interests in Party A.

Parties B may exercise the Put Option by giving written notice to Party A and/or Party C1. Party A and/or Party C1 shall pay the repurchase price within three months from the date on which Parties B issued the exercise notice.

(b) *Repurchase Price*

The repurchase price shall be the part of the Total Subscription Price paid by the relevant Party B, plus an annualized interest rate of 8% (simple interest) on such Total Subscription Price, calculated during the period Party B holds the equity interests (from the date of making the payment of the Total Subscription Price to the date of payment of the repurchase price), minus the cash dividends received by that Party B over the years.

The return rate of 8% was determined based on arm's length negotiations among the parties to the Capital Increase Agreement with reference to the customary practices of private equity in the PRC with regard to assessing the investment return of the industry that Party A is situated.

For illustrative purposes, the estimated maximum repurchase price is approximately RMB1,304 million calculated on the following principal assumptions and bases: (i) the earliest that Parties B will pay the Total Subscription Price and become the shareholders of Party A is 14 June 2023, being the day on which the EGM is held (assuming that both the Circular and the notice of the EGM will be dispatched to the Shareholders on 29 May 2023, being the 15th business day after the Announcement Date, and the EGM will be called by 14 clear days' notice and, hence, the EGM will

be held on 14 June 2023); (ii) Parties B will exercise the Put Option in full by giving written notice to Party A and/or Party C1 on 31 December 2026; and (iii) the repurchase price will be paid to Parties B on 31 March 2027, being the last day of the three months' period after Parties B have given the exercise notice as disclosed in section 5.2(a) of this announcement.

5.3 Restrictions on transfer of equities in Party A

Before the occurrence of the Qualified Listing, each Party C shall not transfer any or all of its equity interests in Parties A, or pledge or encumber such equity interests without the written consent of Parties B, except for those transfers permitted under the Shareholders Agreement, such as transfer to its affiliates which would not cause a change of control in Party A, and transfer for the purpose of implementing employee incentive schemes.

Without Parties C's prior written consent, Parties B shall not transfer their equity interests in Party A to any competitor directly or indirectly engaging in the same business or business similar to the principal business of Party A, any entity controlling such competitor or any entity controlled by such competitor. Parties B shall ensure that when they transfer their equity interests in Party A to the prospective purchaser, the prospective purchaser shall comply with the requirements for an entity qualified for the listing of A-shares at the material time and ensure that the prospective purchaser undertakes all of its obligations under the Shareholders Agreement and other transaction documents.

5.4 Anti-dilution

The parties agree that, from the date of Completion to the date of the Qualified Listing, if Party A undertakes any capital increase or issues convertible bonds or other security interests that may be converted into the registered capital of Party A, unless Parties B agree in writing, the unit subscription price of the new investors shall not be lower than the unit subscription price of Parties B. With the written consent of Parties B, the unit subscription price of the new investor may be lower than that of Parties B. In such case, Parties B shall have the right to request Parties C to compensate Parties B according to the "broad-based weighted average" approach that the unit subscription price of Parties B's investment in Party A shall be adjusted such that after the capital contribution from the new investor, Parties B's unit subscription price will be equal to Parties B's weighted average price.

6. INFORMATION ON PARTY A

6.1 General information

Party A is a company established in the PRC with limited liability and principally engages in the business of recycling disposal, recycling and step utilization of waste lithiumion battery. Party A is one of the first batch of key enterprises in comprehensive utilization of solid waste resources in Zhejiang Province, the PRC and is a double-whitelist enterprise (recycling and echelon utilization) of the Ministry of Industry and Information Technology. Party A's main suppliers are traders and middlemen and its main customers are leading lithium anode material enterprises in the industry.

As at the Announcement Date, Party A is owned as to 51%, 35% and 14% by Party C1, Party C2 and Party C3, respectively.

By virtue of Dr. Zhang, a connected person of the Company at the issuer level, having the control of 10% or more of the voting power at the general meeting of Party A as disclosed in section 7.2 of this announcement, Party A is a connected subsidiary of the Company under the Listing Rules and therefore a connected person of the Company.

6.2 Financial information

Set out below is the audited consolidated financial information of Party A in relation to the two years ended 31 December 2021 and 31 December 2022, respectively, which were prepared in accordance with accounting principles generally accepted in the PRC:

	For the year ended 31 December 2021	For the year ended 31 December 2022
	<i>RMB'000</i>	<i>RMB'000</i>
Profit before taxation	59,745	144,748
Profit after taxation	54,034	126,249
	As at 31 December 2021	As at 31 December 2022
	<i>RMB'000</i>	<i>RMB'000</i>
Total assets	313,815	692,893
Total liabilities	213,477	341,404
Net assets	100,338	351,489

7. INFORMATION ON THE OTHER PARTIES

7.1 The Group, Party C1 and Party C3

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) renewable 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.

Party C1 is a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company. Party C1 principally engages in provision of investment management, enterprise management consulting and investment advisory services.

Party C3 is a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company. Its scope of business includes, among other things, the provision of commercial management services.

7.2 Party C2

Party C2 is a company established in the PRC with limited liability whose principal activities are assets and equity investments, provision of enterprise management advisory services and related businesses. As at the Announcement Date, Party C2's equity interest is owned as to 98% by Dr. Zhang and, as such, Party C2 is a connected person of the Company.

7.3 Parties B

Each Party B is a limited partnership established in the PRC. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, all the partners of Party B1 to Party B15 (regardless of general partner or limited partners) and their respective ultimate beneficial owners are Independent Third Parties. Further information on Parties B is disclosed below:

Party B1

The general partner of Party B1 is Hangzhou Puhua Tianji Equity Investment Management Company Limited* (杭州普華天驥股權投資管理有限公司), which is wholly-owned by Zhejiang Puhua Tianqin Equity Investment Management Co., Ltd.* (浙江普華天勤股權投資管理有限公司) (“**Puhua Tianqin**”), which is ultimately owned as to approximately 69.3% by Shen Qinhu* (沈琴華).

Except that the equity interest of Party B1 is owned as to approximately 48.73% by Xinchang Xinneng Puhua Venture Capital Partnership (Limited Partnership)* (新昌新能普華創業投資合夥企業(有限合夥)), approximately 19.49% by Huzhou Fengyi Investment Partnership (Limited Partnership)* (湖州豐毅投資合夥企業(有限合夥)) and approximately 9.75% by Ningbo Yaoye Investment Co., Ltd.* (寧波姚葉投資有限公司), each other limited partner owns less than 5% of the equity interest of Party B1.

Party B1 is a special investment fund for the equity investment.

Party B2

The general partner of Party B2 is Hangzhou Puhua Zhiqin Venture Capital Partnership (Limited Partnership)* (杭州普華至勤創業投資合夥企業(有限合夥)), the general partner of which is Puhua Tianqin (note: please refer to the subsection on Party B1 above for the information on Puhua Tianqin).

Party B2 has a total of 14 limited partners.

The principal investments of Party B2 are cutting-edge technology, medical health, new energy and other industries.

Party B3

The general partner of Party B3 is CICC Capital Management Company Limited* (中金資本運營有限公司) (“**CICC Capital**”), which is wholly-owned by China International Capital Corporation Limited* (中國國際金融股份有限公司) (“**CICC**”, which is listed on the Stock Exchange (stock code: 3908) and the Shanghai Stock Exchange (stock code: 601995), respectively).

Party B3 has a total of 15 limited partners.

The principal investments of Party B3 are high-quality projects in the fields of integrated circuits, information technology, artificial intelligence, new energy and new materials.

Party B4

The general partner of Party B4 is CICC Private Equity Investment Management Company Limited* (中金私募股權投資管理有限公司), which is wholly-owned by CICC (note: please refer to the subsection on Party B3 above for the information on CICC).

The equity interest of Party B4 is owned as to approximately 69.7%, 18.9%, 10%, 0.4% and 0.3% by Anhui Traffic Control Capital Investment Management Co., Ltd.* (安徽交控資本投資管理有限公司), CICC Pucheng Investment Co., Ltd.* (中金浦成投資有限公司) (“**CICC Pucheng**”), Anhui Anlian Expressway Co., Ltd.* (安徽安聯高速公路有限公司), Anhui Pingzhang Venture Capital Partnership (Limited Partnership)* (安徽平章創業投資合夥企業(有限合夥)) and Anhui Traffic Control Capital Fund Management Co., Ltd.* (安徽交控資本基金管理有限公司), respectively.

The principal investments of Party B4 are strategic emerging industries such as intelligent transportation, new generation information technology, new energy and high-end manufacturing.

Party B5

The general partner of Party B5 is CICC (note: please refer to the subsection on Party B3 above for the information on CICC).

The equity interest of Party B5 is owned as to approximately 84.85%, 10%, 3.85%, 0.15% and 0.15% by each of Hubei Jiaotou Capital Investment Co., Ltd.* (湖北交投資本投資有限公司), Yichang Industrial Investment Holding Group Co., Ltd.* (宜昌產投控股集團有限公司), CICC Pucheng, Kuang Pingjiang* (曠平江) and Hubei Jiaotou Private Equity Fund Management Co., Ltd.* (湖北交投私募股權基金管理有限公司), respectively.

The principal investments of Party B5 are high-quality projects in emerging industries such as transportation technology, modern logistics, carbon neutrality and high-end manufacturing.

Party B6

The general partner of Party B6 is CICC (note: please refer to the subsection on Party B3 above for the information on CICC).

The equity interest of Party B6 is owned as to approximately 99.9% by Zhuhai Chong’a Technology Development Partnership (Limited Partnership)* (珠海崇阿科技發展合夥企業(有限合夥)).

The principal investments of Party B6 are new energy, carbon neutrality and other fields.

Party B7

The general partner of Party B7 is Shenzhen Guangyuan Investment Management Partnership (Limited Partnership)* (深圳市光遠投資管理合夥企業(有限合夥)) (“**Shenzhen Guangyuan**”), the general partner of which is Shenzhen Guangyuan Consulting Management Co., Ltd.* (深圳市光遠諮詢管理有限公司) (“**Guangyuan Consulting**”), which is in turn owned as to 51% and 49% by Xu Lu* (許璐) and Gao Wei* (高薇), respectively.

Party B7 has a total of 7 limited partners.

The principal investments of Party B7 are manufacturing, new energy and information industries.

Party B8

The general partner of Party B8 is Shenzhen Guangyuan (note: please refer to the subsection on Party B7 above for the information on Shenzhen Guangyuan).

Party B8 has a total of 9 limited partners.

The principal investments of Party B8 are new energy direction, energy storage direction and energy digitalisation direction.

Party B9

The general partner of Party B9 is Shenzhen Guangyuan (note: please refer to the subsection on Party B7 above for the information on Shenzhen Guangyuan).

The limited partners of Party B9 are Yang Yang and Wang Yue, who own approximately 60.00% and 39.99% of the equity interest of Party B9, respectively.

The principal investments of Party B9 are manufacturing and other directions.

Party B10

The general partner of Party B10 is Shenzhen Yanghong Assets Management Company Limited* (深圳陽宏資產管理有限公司), which is owned as to 70% and 30% by Zong Baihan* (宗柏含) and Huang Jin* (黃津), respectively.

The limited partners of Party B10 are Xie Qiyun* (謝奇芸) and Wang Siyu* (王思宇), who own approximately 50% and 49% of the equity interest of Party B10, respectively.

The principal investments of Party B10 are parts of the industrial chain such as new energy, new materials, technology and environmental protection, and high-end equipment manufacturing.

Party B11

The general partner of Party B11 is Zhejiang Fuzhe Equity Investment Fund Management Company Limited* (浙江富浙股權投資基金管理有限公司) (“**Zhejiang Fuzhe**”). Zhejiang Fuzhe is directly owned as to 40% by Zhejiang Fuzhe Capital Management Co., Ltd.* (浙江富浙資本管理有限公司) (“**Fuzhe Capital**”, which is indirectly wholly-owned by Zhejiang Province People’s Government State-owned Assets Supervision and Administration Commission* (浙江省人民政府國有資產監督管理委員會)) and indirectly owned as to 40% by Guoxin Guokong (Hangzhou) Investment Management Co., Ltd.* (國新國控(杭州)投資管理有限公司) (indirectly owned as to 49% by the State-owned Assets Supervision and Administration Commission of the State Council* (國務院國有資產監督管理委員會), being the single largest shareholder), respectively.

The equity interest of Party B11 is owned as to approximately 96.52% and 3.47% by each of Fuzhe Capital and Hangzhou Fuzhe Daozheng Equity Investment Partnership (Limited Partnership)* (杭州富浙道正股權投資合夥企業(有限合夥)), respectively.

The principal investments of Party B11 are strategic and forward-looking industrial layout such as high-end manufacturing, digital economy, new energy, life and health.

Party B12

The general partner of Party B12 is Shanghai Chengding Wealth Creation Investment Management Company Limited* (上海誠鼎創富投資管理有限公司), which is owned as to 50% by each of Shanghai Hengzhi Jinkai Investment Partnership (Limited Partnership)* (上海恒智謹凱投資合夥企業(有限合夥)) (“**Hengzhi Jinkai**”) and Shanghai Chengtong Holding Co., Ltd.* (上海城投控股股份有限公司) (a company listed on the Shanghai Stock Exchange (stock code: 600649)), respectively. The general partner of Hengzhi Jinkai is Shanghai Wotu Investment Management Co., Ltd.* (上海沃土投資管理有限公司), which is owned as to approximately 72.31% by Chen Zhihai* (陳智海).

Party B12 has a total of 6 limited partners.

The principal investments of Party B12 are related sub-sectors of the industrial chain of rapidly growing smart city and green city.

Party B13

The general partner of Party B13 is Nanjing Chuangding Jincheng Business Management and Consulting Partnership (Limited Partnership)* (南京創鼎錦誠企業管理諮詢合夥企業(有限合夥)) (“**Chuangding Jincheng**”), the general partner of which is Guochuang Zhongding (Shanghai) Equity Investment Management Co., Ltd.* (國創中鼎(上海)股權投資管理有限公司) (“**Guochuang Zhongding**”). Each of Hangzhou Zhongding Pujin Equity Investment Management Co., Ltd.* (杭州中鼎浦金股權投資管理有限公司) (owned as to 95% by Shi Haining* (施海寧)) and Hangzhou Puxin Investment Management Partnership (Limited Partnership)* (杭州璞鑫投資管理合夥企業(有限合夥)) (the general partner of which is Shi Haining* (施海寧)) owns 40% of the equity interest in Guochuang Zhongding, respectively.

The equity interest of Party B13 is owned as to 12.31%, 12.31%, 36.92%, 12.31% and 24.62% by each of Wuxi Chuangding Jinyan Equity Investment Partnership (Limited Partnership)* (無錫創鼎錦延股權投資合夥企業(有限合夥)), Nanjing Industrial Development Fund Co., Ltd.* (南京市產業發展基金有限公司), Zhuhai Hancui Management Consulting Partnership (Limited Partnership)* (珠海漢萃管理諮詢合夥企業(有限合夥)), Wuxi Fengrun Investment Co., Ltd.* (無錫豐潤投資有限公司) and Nanjing Yangtze River Innovation Investment Fund (Limited Partnership)* (南京揚子江創新投資基金(有限合夥)), respectively.

The principal investments of Party B13 are high-end manufacturing, new energy, new materials, new generation information technology and other fields.

Party B14

The general partner of Party B14 is Hubei Agricultural, Financial and High Technology Investment Management Company Limited* (湖北農金高投投資管理有限公司), which is owned as to 60% and 40% by Hubei Gaotou Technology Financial Investment Management Co., Ltd.* (湖北高投科技金融投資管理有限公司) (“**Hubei Gaotou**”) and ABC Financial Assets Investment Co., Ltd.* (農銀金融資產投資有限公司) (“**ABC Finance**”), respectively. Hubei Gaotou is owned as to 60%, 20% and 20% by Beijing Ruizhihe Investment Management Co., Ltd.* (北京睿致合投資管理有限公司) (“**Beijing Ruizhi**”), Hubei High-tech Industry Investment Group Co., Ltd.* (湖北省高新產業投資集團有限公司) and Hubei Zhengyu Equity Investment Co., Ltd.* (湖北正昱股權投資有限公司), respectively. Beijing Ruizhi is owned as to 30% by Liu Yang* (劉楊), and the remaining 70% is owned by six other shareholders between 5.43% to 17.14%. ABC Finance is wholly-owned by Agricultural Bank of China Limited (stock code on the Stock Exchange: 1288).

The equity interest of Party B14 is owned as to 49.00%, 20.00% and 13.33% by each of ABC Finance, Enshi Longfeng Investment Development Co., Ltd.* (恩施龍鳳投資開發有限公司) and Changjiang Venture Capital Fund Co., Ltd.* (長江創業投資基金有限公司), respectively.

The principal investments of Party B14 are high-end equipment, intelligent manufacturing, new energy and other fields.

Party B15

The general partner of Party B15 is CNBM (Anhui) New Materials Fund Management Company Limited* (中建材(安徽)新材料基金管理有限公司), which is owned as to approximately 37.86% by CNBM Private Equity Fund Management (Beijing) Co., Ltd.* (中建材私募基金管理(北京)有限公司) (“**CNBM Private Equity Fund**”) (each of the other shareholders owns less than 15% of the equity interest). CNBM Private Equity Fund is owned as to 30% and 70% by China National Building Material Group Co., Ltd.* (中國建材集團有限公司) (“**CNBM**”), which is wholly-owned by the State Council, and CNBM United Investment Co., Ltd.* (中建材聯合投資有限公司), which is wholly-owned by CNBM, respectively.

Party B15 has a total of 15 limited partners.

The principal investments of Party B15 are new material industry.

Party B16 to Party B18

The general partner of each of Party B16, Party B17 and Party B18 is Party C3. Party C3 is a wholly-owned subsidiary of the Company. Please refer to section 7.1 of this announcement for the information on Party C3. All of the limited partners of Party 16, Party 17 and Party 18 are employees of the Company and its subsidiaries.

Except for Zhao Haimin* (趙海敏) and Yuan Jiang* (袁將) who own approximately 8.77% and 5.85% of the equity interest of Party B16, respectively, all the other limited partners own less than 5% of the equity interest of Party B16.

Except for Wang Tuanwei* (王團維) who owns approximately 14.88% of the equity interest of Party B17, and Gao Yin* (高銀), Sha Mei* (沙梅) and Ding Shaohua* (丁少華), each of whom owns approximately 5.95% of the equity interest of Party B17, all the other limited partners own less than 5% of the equity interest of Party B17.

Except for Li Ming* (李明) who owns approximately 12.42% of the equity interest of Party B18, and Yang Zhiqing* (楊志清), Zhu Jianbin* (朱建彬) and Chang Qing* (常清), each of whom owns approximately 6.21% of the equity interest of Party B18, all the other limited partners own less than 5% of the equity interest of Party B18.

All the limited partners of Party B16, Party B17 and Party B18 are Independent Third Parties.

Party B16, Party B17 and Party B18 are special investment funds which invest in Party A.

8. REASONS AND BENEFITS OF THE SUBJECT TRANSACTIONS

The Board believes that the Subject Transactions will provide additional financial resources to supplement Party A's general working capital, broaden the capital base, enhance its financial conditions for its business development (including the business plan disclosed in section 4 of this announcement) and pursue its growth strategies, which is beneficial to the Company as a shareholder of Party A and ultimately to the Group in the long run and is in line with the Group's long-term corporate investment strategy.

The Board also believes that the terms of the Capital Increase Agreement and the Shareholders Agreement are fair and reasonable, are on normal commercial terms and in the ordinary and usual course of business of the Group and are in the interests of the Company and the Shareholders as a whole provided that the view of the Independent Directors is subject to the advice of the IFA and the opinion of the IBC that will be set forth in the Circular. Accordingly, the Board has approved the entering into of the Capital Increase Agreement and the Shareholders Agreement. By virtue of Dr. Zhang's relationship with Party C2 as disclosed in section 7.2 of this announcement, he has material interest in the Subject Transactions and therefore has abstained from voting on the relevant resolutions of the Board and has not been counted towards the quorum of the relevant Board meeting. On the other hand, Mr. ZHANG Aogen, an executive Director, is a brother of Dr. Zhang and therefore Mr. ZHANG Aogen and Dr. Zhang is an associate of each other. Mr. ZHANG Aogen does not have material interest in the Subject Transactions. However, by virtue of Mr. ZHANG Aogen being an associate of Dr. Zhang as disclosed, he is required to abstain, and has abstained, from voting on the relevant resolutions of the Board approving the Subject Transactions and has not been counted towards the quorum of the relevant Board meeting since the constitution of the Company provides that a Director shall not vote on any Board resolution approving any contract or arrangement in which any of his associates is materially interested. Save as disclosed above, as at the Announcement Date, none of the Directors has any material interest in the Subject Transactions, or was required to abstain from voting on the relevant resolutions of the Board.

9. LISTING RULES IMPLICATIONS

9.1 Deemed disposal

Upon Completion, the shareholding interests of the Company in Party A will decrease from 65% to approximately 49.27% (being the aggregate shareholding of the Tianneng Investors, Party C1 and Party C3). As such, the Capital Increase constitutes a deemed disposal under rule 14.29 of the Listing Rules. As the highest applicable percentage ratio in respect of the Capital Increase is more than 5% but less than 25%, the Capital Increase constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

9.2 Put Option

As the exercise of the Put Option is not at the discretion of the Company, it will be classified as if the Put Option has been exercised under the Listing Rules. As the highest applicable percentage ratio in respect of the grant of the Put Option is more than 5% but less than 25% on the basis of the estimated maximum repurchase price disclosed in section 5.2(b) of this announcement, the grant of the Put Option constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

9.3 Discloseable and connected transaction

As disclosed in section 6.1 and section 7.2 of this announcement respectively, each of Party A and Party C2 is a connected person of the Company. Since the Capital Increase and the grant of the Put Option are part and parcel of one single arrangement and each of Party A and Party C2 is a party to this arrangement, the Capital Increase and the grant of the Put Option together constitute a connected transaction of the Company under Chapter 14A of the Listing Rules. As the highest percentage ratio (other than the profits ratio) in respect of the Subject Transactions is more than 5% but less than 25%, the Subject Transactions are subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

As (i) the Capital Increase and the grant of the Put Option are part and parcel of the same transaction which has been negotiated and agreed by the Group, the Outside Investors and Party C2 simultaneously; and (ii) the approval of each of the Capital Increase and the grant of the Put Option is interdependent on, and cannot proceed without, the approval of the other, the Company will seek Independent Shareholders' approval for each of the Capital Increase and the grant of the Put Option under the same single resolution at the EGM. As a result, Independent Shareholders who exercise their rights to vote will be either voting in favour of the one single resolution which includes both of the Capital Increase and the grant of the Put Option, or voting against it.

10. GENERAL

10.1 EGM and Circular

The EGM will be convened for the Independent Shareholders to consider and, if thought fit, approve the Subject Transactions.

The Circular containing, among other things, (i) further details of the Subject Transactions, (ii) a letter from the IBC, (iii) a letter from an independent financial adviser, together with the notice of the EGM and a form of proxy, is expected to be dispatched to the Shareholders on or before 16 June 2023 as additional time will be required to finalise certain information to be included in the Circular.

10.2 Shareholders required to abstain from voting at the EGM

As at the Announcement Date, Prime Leader Global Limited, which is wholly-owned by Dr. Zhang, holds approximately 36.4% of the shares of the Company in issue. In addition, by virtue of the SFO, Dr. Zhang is deemed to be interested in the shares of the Company (being approximately 0.04% of the shares of the Company in issue) owned by his spouse. As Dr. Zhang is a controlling shareholder of Party C2, Dr. Zhang and his associates (namely, Prime Leader Global Limited and his spouse) will abstain from voting on the resolution in respect of the Subject Transactions at the EGM. To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, no other Shareholder will be required to abstain from voting on the resolution(s) in respect of the Subject Transactions at the EGM.

10.3 Formation of the IBC

The IBC, comprising only of all the Independent Directors, has been formed and will, after taking into account the advice of the IFA, provide its advice to the Independent Shareholders on the matters referred to in rule 14A.40 of the Listing Rules, including but not limited to whether the terms of the Subject Transactions are fair and reasonable and how to vote on the resolution in relation to the Subject Transactions. The advice of the IBC to the Independent Shareholders will be included in the Circular.

10.4 Appointment of the independent financial adviser

Altus has been appointed as the independent financial adviser to advise the IBC and the Independent Shareholders on the Subject Transactions.

Altus is a corporation licensed to carry out Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO.

Completion of the Capital Increase is subject to fulfilment of the conditions as set out in the Capital Increase Agreement and the approval of Independent Shareholders at the EGM, and the Capital Increase may or may not proceed. Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the securities of the Company. If in doubt, Shareholders and potential investors are recommended to consult their professional advisers.

DEFINITIONS

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

“Altus” or “IFA”	Altus Capital Limited, a corporation licensed to carry out Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO, being the independent financial adviser appointed to advise the IBC and the Independent Shareholders on the Subject Transactions
“Announcement Date”	the date of this announcement, being 5 May 2023
“associate”	as defined under the Listing Rules
“Binhai Base”	as defined in section 4 of this announcement
“Board”	the board of Directors
“Capital Increase”	the increase in the capital of Party A pursuant to the subscription of the New Registered Capital at the Total Subscription Price
“Capital Increase Agreement”	the Capital Increase Agreement dated 5 May 2023 in relation to the Capital Increase entered into among Party A, Parties B and Parties C
“Circular”	the circular of the Company in relation to the Subject Transactions to be dispatched to the Shareholders
“Company”	Tianneng Power International Limited, a company incorporated in the Cayman Islands and whose shares are listed on the Stock Exchange
“Completion”	completion of the Capital Increase in accordance with the Capital Increase Agreement

“Completion Conditions”	the conditions for Completion contained in the Capital Increase Agreement as summarised in section 2.6(a) of this announcement
“connected person”	as defined under the Listing Rules
“controlling shareholder”	as defined under the Listing Rules
“connected subsidiary”	as defined under the Listing Rules
“Director”	a director of the Company
“Dr. Zhang”	Dr. Zhang Tianren (張天任), the chairman of the Board, and a controlling shareholder and an executive Director
“EGM”	the extraordinary general meeting of the Company to be convened and held for the Independent Shareholders to consider and, if thought fit, approve the Subject Transactions
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“IBC”	the independent board committee of the Company whose members comprise Independent Directors only to advise the Independent Shareholders on the Subject Transactions
“Independent Director”	an independent non-executive Director
“Independent Shareholders”	shareholders who are not involved in, or interested in, the Subject Transactions (other than their interests as a Shareholder) and who are entitled to attend and vote at the EGM under all the applicable laws and rules (including without limitation the Listing Rules)
“Independent Third Party”	a party who is independent of, and not connected with, the Company and its connected persons
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Registered Capital”	the new registered capital of Party A in the amount of RMB39,216,000 agreed to be subscribed to by Parties B pursuant to the Capital Increase Agreement

“Outside Investors”	collectively, Party B1, Party B2, Party B3, Party B4, Party B5, Party B6, Party B7, Party B8, Party B9, Party B10, Party B11, Party B12, Party B13, Party B14 and Party B15
“Parties B”	collectively, the Outside Investors and the Tianneng Investors, and Party B means any one of them
“Parties C”	collectively, Party C1, Party C2 and Party C3 and Party C means any one of them
“Party A”	Zhejiang Tianneng New Materials Co., Ltd.* (浙江天能新材料有限公司), a limited company established under the laws of the PRC
“Party B1”	Jiaxing Puhua Chengan Venture Investment Partnership (Limited Partnership)* (嘉興普華澄安創業投資合夥企業(有限合夥)), a limited partnership established in the PRC
“Party B2”	Small and Medium Enterprises Development Fund Puhua (Hangzhou) Venture Capital Partnership (Limited Partnership)* (中小企業發展基金普華(杭州)創業投資合夥企業(有限合夥)), a limited partnership established in the PRC
“Party B3”	CICC Win-Win Qijiang (Shanghai) Science and Technology Innovation Equity Investment Fund Partnership (Limited Partnership)* (中金共贏啟江(上海)科創股權投資基金合夥企業(有限合夥)), a limited partnership established in the PRC
“Party B4”	Anhui Traffic Control Zhongjin Industrial Development Fund Partnership (Limited Partnership)* (安徽交控中金產業發展基金合夥企業(有限合夥)), a limited partnership established in the PRC
“Party B5”	Hubei Communications Investment Zhongjin Ruizhi Venture Capital Fund Partnership (Limited Partnership)* (湖北交投中金睿致創業投資基金合夥企業(有限合夥)), a limited partnership established in the PRC
“Party B6”	Dinglu (Xiamen) Equity Investment Partnership (Limited Partnership)* (鼎路(廈門)股權投資合夥企業(有限合夥)), a limited partnership established in the PRC
“Party B7”	Shenzhen Kunpeng Guangyuan Private Equity Investment Fund Partnership (Limited Partnership)* (深圳鯤鵬光遠私募股權投資基金合夥企業(有限合夥)), a limited partnership established in the PRC

- “Party B8” Wuxi Guangyuan Jinpan New Energy Equity Investment Fund Partnership (Limited Partnership)* (無錫光遠金盤新能源股權投資基金合夥企業(有限合夥)), a limited partnership established in the PRC
- “Party B9” Wuxi Transocean Equity Investment Partnership (Limited Partnership)* (無錫越洋股權投資合夥企業(有限合夥)), a limited partnership established in the PRC
- “Party B10” Qingdao Lujia New Energy Venture Capital Fund Partnership (Limited Partnership)* (青島鷺嘉新能創業投資基金合夥企業(有限合夥)), a limited company established in the PRC
- “Party B11” Hangzhou Fuzhe Zitong Equity Investment Partnership (Limited Partnership)* (杭州富浙資通股權投資合夥企業(有限合夥)), a limited partnership established in the PRC
- “Party B12” Wuxi Chengding Smart Cities Venture Equity Investment Fund Partnership (Limited Partnership)* (無錫誠鼎智慧城市創業股權投資合夥企業(有限合夥)), a limited partnership established in the PRC
- “Party B13” Nanjing Chuangding Jinhe Venture Capital Partnership (Limited Partnership)* (南京創鼎錦和創業投資合夥企業(有限合夥)), a limited partnership established in the PRC
- “Party B14” Phase II (Hubei) Debt-to-Equity Swap Investment in Agriculture, Finance and High Technology Fund Partnership (Limited Partnership)* (農金高投二期(湖北)債轉股投資基金合夥企業(有限合夥)), a limited partnership established in the PRC
- “Party B15” CNBM (Anhui) New Materials Industry Investment Fund Partnership (Limited Partnership)* (中建材(安徽)新材料產業投資基金合夥企業(有限合夥)), a limited partnership established in the PRC
- “Party B16” Changxing Yuxiang Investment Partnership (Limited Partnership)* (長興鈺祥投資合夥企業 (有限合夥)), a limited partnership established in the PRC
- “Party B17” Changxing Yujin Investment Partnership (Limited Partnership)* (長興鈺金投資合夥企業 (有限合夥)), a limited partnership established in the PRC

“Party B18”	Changxing Yurui Investment Partnership (Limited Partnership)* (長興鈺瑞投資合夥企業 (有限合夥)), a limited partnership established in the PRC
“Party C1”	Tianneng Holding Group Co., Ltd.* (天能控股集團有限公司), a limited company established under the laws of the PRC
“Party C2”	Tianchang Holding Co., Ltd.* (天暢控股有限公司), a limited company established under the laws of the PRC
“Party C3”	Zhejiang Tianneng Commercial Management Co., Ltd.* (浙江天能商業管理有限公司), a limited company established under the laws of the PRC
“percentage ratios”	as defined under rule 14.07 of the Listing Rules
“PRC”	the People’s Republic of China which, for the purpose of this announcement only, excludes Taiwan, Hong Kong and the Macao Special Administrative Region
“Put Option”	the option granted to Parties B and exercisable by Parties B to sell at its discretion all or part of the equity interests held by Parties B in Party A to Party A and/or Party C1 pursuant to the terms and conditions of the Shareholders Agreement
“Qualified Listing”	the listing of the shares of Party A on the A Shares market in the PRC (including Shanghai Stock Exchange and the Shenzhen Stock Exchange only) and other markets as agreed by the parties to the Capital Increase Agreement
“Registered Capital Table”	as defined in section 2.3 of this announcement
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Shareholders”	holders of the shares of the Company
“Shareholders Agreement”	the shareholders’ agreement of Party A dated 5 May 2023 and entered into among Party A, Parties B and Parties C
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Subject Transactions”	all or any transactions provided under, contemplated by, in connection with, or incidental to, each or any of (i) the Capital Increase Agreement; and (ii) the Shareholders Agreement
“Tianneng Investors”	collectively, Party B16, Party B17 and Party B18
“Total Subscription Price”	the total amount payable by Parties B for the subscription of the New Registered Capital, being RMB1,000,000,000

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

Hong Kong, 5 May 2023

As at the Announcement Date, the executive Directors are Dr. ZHANG Tianren, Mr. ZHANG Aogen, Mr. ZHANG Kaihong, Mr. SHI Borong and Mr. ZHOU Jianzhong; and the Independent Directors are Mr. HUANG Dongliang, Mr. ZHANG Yong and Mr. XIAO Gang.

* *For ease of reference, the names of PRC established companies or entities (if any) and 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.*