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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)

CONNECTED TRANSACTION
ACQUISITION OF 50.10% EQUITY INTEREST IN ANHUI XINNA
AND
CAPITAL INCREASE IN TIANNENG NEW MATERIALS AND DEEMED DISPOSAL

THE TRANSACTIONS

The Board is pleased to announce that, on 30 October 2026 (after trading hours), Tianneng New Materials (an indirect non-wholly owned subsidiary of the Company), Tianchang Holding and Anhui Xinna entered into the Equity Transfer Agreement, pursuant to which Tianneng New Materials has agreed to acquire, and Tianchang Holding has agreed to sell, the Target Equity, representing 50.10% of the registered capital of Anhui Xinna, for a Consideration of approximately RMB150.3 million, which will be satisfied by the subscription of the New Registered Capital in Tianneng New Materials by Tianchang Holding.

Upon Completion of the Transactions, (1) Tianneng New Materials will hold 50.10% equity interest in Anhui Xinna and Anhui Xinna will become a subsidiary of Tianneng New Materials and its assets and liabilities will be consolidated into the Group's financial statements, and (2) Tianchang Holding will hold approximately 33.35% equity interest in Tianneng New Materials, representing an increase of approximately 8.35 percentage points in its equity interest.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Tianchang Holding is owned as to 98% by Dr. Zhang, who is a controlling shareholder and an executive Director of the Company. Accordingly, Tianchang Holding is an associate of Dr. Zhang and a connected person of the Company, and the Transactions constitute a connected transaction of the Company under Chapter 14A of the Listing Rules.

As a result of the Capital Increase, the Group's equity interest in Tianneng New Materials will be diluted from 75% to approximately 66.65%. Accordingly, the Capital Increase constitutes a deemed disposal of the Company under Rule 14.29 of the Listing Rules.

The Transactions involve both an acquisition, namely the Equity Transfer, and the Deemed Disposal. Pursuant to Rule 14.24 of the Listing Rules, the Transactions are classified by reference to the larger of the acquisition or disposal. As the highest applicable percentage ratio calculated pursuant to Rule 14.07 of the Listing Rules in respect of each of the Equity Transfer and the Deemed Disposal is less than 5%, the Transactions are not subject to the requirements for notifiable transactions under Chapter 14 of the Listing Rules.

As one or more of the applicable percentage ratios in respect of the Transactions exceed 0.1% but all are less than 5%, the Transactions are subject to the reporting and announcement requirements but exempt from the circular, independent financial advice and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

INTRODUCTION

The Board is pleased to announce that, on 30 October 2026 (after trading hours), Tianneng New Materials (an indirect non-wholly-owned subsidiary of the Company), Tianchang Holding and Anhui Xinna entered into the Equity Transfer Agreement.

THE EQUITY TRANSFER AGREEMENT

The principal terms of the Equity Transfer Agreement are as follows:

Date

30 October 2026

Parties

(i) Tianneng New Materials, as transferee of the Target Equity and issuer of the New Registered Capital;

(ii) Tianchang Holding, as transferor of the Target Equity and subscriber for the New Registered Capital; and

(iii) Anhui Xinna, as the target company.

Subject matter

As at the date of the Equity Transfer Agreement, Anhui Xinna was held as to 90% by Tianchang Holding and 10% by Hexian.

Pursuant to the Equity Transfer Agreement, subject to the fulfilment of the conditions precedent as disclosed below, Tianchang Holding has agreed to transfer, and Tianneng New Materials has agreed to acquire, the Target Equity, representing 50.10% of the entire registered capital of Anhui Xinna for the Consideration of approximately RMB150.3 million, which will be satisfied by the subscription of the New Registered Capital in Tianneng New Materials by Tianchang Holding. The original acquisition cost of Tianchang Holding for the Target Equity was RMB11,133,333.

Shareholding structures of Anhui Xinna and Tianneng New Materials

The table below sets forth the shareholding structure of Anhui Xinna immediately before and upon Completion.

Shareholder	Immediately before Completion		Immediately after Completion	
	Registered capital *(RMB)*	Shareholding percentage	Registered capital *(RMB)*	Shareholding percentage
Tianchang Holding	20,000,000	90.00%	7,385,185	33.23%
Hexian	2,222,222	10.00%	3,703,704	16.67%*(Note)*
Tianneng New Materials	–	–	11,133,333	50.10%
Total	**22,222,222**	**100.00%**	**22,222,222**	**100.00%**

Note: It is expected that Hexian will acquire approximately 6.67% equity interest in Anhui Xinna from Tianchang Holding upon Completion of the Equity Transfer pursuant to the exercise of its anti-dilution right.

The table below sets forth the shareholding structure of Tianneng New Materials immediately before and upon Completion.

Shareholder	Immediately before Completion		Immediately after Completion	
	Registered capital *(RMB)*	Shareholding percentage	Registered capital *(RMB)*	Shareholding percentage
Tianneng Holding	89,216,400	65.00%	89,216,400	57.76%
Tianchang Holding	34,314,000	25.00%	51,505,314	33.35%
Tianneng Management	13,725,600	10.00%	13,725,600	8.89%
Total	**137,256,000**	**100.00%**	**154,447,314**	**100.00%**

Conditions precedent

Completion of the Equity Transfer and the Capital Increase is conditional upon the satisfaction (or, where applicable, written waiver by Tianneng New Materials) of the following conditions precedent:

(i) all agreements (including the Equity Transfer Agreement), the articles of association, resolutions and other documents relating to the Transactions having been duly executed and become effective;

(ii) all approvals, consents, exemptions, permissions, authorisations and waivers required for the Completion having been obtained;

(iii) Anhui Xinna having provided Tianneng New Materials with true, accurate and complete information for the purposes of the Transactions and with no material omission or concealment;

(iv) there having been no material adverse change in the business operations, financial condition or assets of Anhui Xinna between the date of the Equity Transfer Agreement and the date of Completion, save for those as disclosed to Tianneng New Materials; and

(v) the Company having complied with all applicable requirements under the Listing Rules in respect of the Transactions.

Within 20 days after all of the above conditions precedent have been fulfilled or, where applicable, waived, the parties shall complete the filing and reporting procedures for change of industrial and commercial registration in respect of the Equity Transfer and the Capital Increase.

Requisite consent and waiver from Hexian

As at the date of this announcement, the relevant consent and waiver from Hexian in respect of its pre-emptive rights, rights of first refusal and other restrictions applicable to the Equity Transfer have not been obtained. It is expected that Hexian will exercise its anti-dilution right, upon which Tianchang Holding will transfer to Hexian the registered capital of Anhui Xinna in the amount of approximately RMB1.48 million, representing approximately 6.67% equity interest in Anhui Xinna. Accordingly, upon Completion, Anhui Xinna will be owned as to approximately 33.23% by Tianchang Holding, approximately 16.67% by Hexian and approximately 50.10% by Tianneng New Materials.

Consideration

The Consideration for the Equity Transfer will be satisfied by way of the Capital Increase, pursuant to which Tianneng New Materials will issue the New Registered Capital to Tianchang Holding in exchange for the Target Equity.

The Target Equity and the New Registered Capital are each valued at approximately RMB150.3 million, determined with reference to the appraised value of Anhui Xinna and Tianneng New Materials respectively as at the Valuation Benchmark Date, i.e., 31 May 2026, as assessed by the Valuer and after arm's length negotiations between Tianneng New Materials and Tianchang Holding.

Basis for determining the Consideration

As at the Valuation Benchmark Date,

(a) the total shareholders' equity value of Anhui Xinna was appraised at approximately RMB300 million. Accordingly, the value of the Target Equity, being 50.10% equity interest in Anhui Xinna, was approximately RMB150.3 million; and

(b) the total shareholders' equity value of Tianneng New Materials was appraised at approximately RMB1.2 billion. Accordingly, the value of the New Registered Capital as the Consideration, being approximately 12.53% of the total shareholders' equity value of Tianneng New Materials immediately before Completion, was approximately RMB150.3 million.

The Directors consider that the independent valuations have provided a fair basis for determining the value of the Target Equity and the New Registered Capital respectively, and that the Equity Transfer and the Capital Increase are conducted on a substantially equivalent value basis. Accordingly, the Directors consider that the Consideration is fair and reasonable and in the interests of the Company and its shareholders as a whole.

VALUATIONS OF ANHUI XINNA AND TIANNENG NEW MATERIALS

Identity, qualifications and independence of the Valuer

The valuations of Anhui Xinna and Tianneng New Materials were both conducted by Beijing Zhongjiancheng Assets Appraisal Co., Ltd.* (北京中簡誠資產評估有限公司), an independent PRC asset appraisal firm qualified to conduct asset valuations in the PRC. The Valuer has confirmed that it does not have any present or prospective interest in Anhui Xinna, Tianneng New Materials, Tianchang Holding or any of their respective connected persons, and is independent of the parties to the Transactions.

(1) Valuation of Anhui Xinna

Valuation Benchmark Date:

31 May 2026

Valuation approach and rationale:

In arriving at the valuation of Anhui Xinna, the Valuer considered the three generally accepted valuation approaches, namely the market approach, the income approach and the asset-based approach.

The income approach was considered inappropriate because Anhui Xinna was, as at the Valuation Benchmark Date, still at the research and development and project construction stage and had not yet achieved scale sales revenue or profitability. The adoption of the income approach would therefore require a long-term financial forecast involving significant uncertainty and subjective assumptions.

The asset-based approach was also considered inappropriate because it would not adequately reflect the value of Anhui Xinna's technology reserves, research and development capabilities, technical team and future growth potential.

Accordingly, the Valuer adopted the market approach, which it considered to be the most appropriate approach for reflecting the market value of a technology company at its current stage of development.

There are two commonly adopted methods under the market approach, namely the guideline public company method and the guideline transaction method. The Valuer adopted the guideline public company method in valuing Anhui Xinna. The guideline transaction method was not adopted due to the limited number of recent comparable transactions involving companies engaged in a similar business and at a similar stage of development as Anhui Xinna.

Valuation process:

The table below sets forth the 11 comparable companies (i) engaging in a similar business to Anhui Xinna, i.e. companies deriving more than 50% of their principal business activities relate to the battery cathode materials business; and (ii) whose shares are listed on a stock exchange in Mainland China or Hong Kong (but excluding those indicated with the special treatment code of "**ST**" and "***ST**").

Comparable company	**Stock code**	**Total market capitalisation** *(RMB100 million)*	**Research and development expenses** *(RMB100 million)*	**PRR**	**Net assets** *(RMB100 million)*	**PB**
CNGR Advanced Material Co., Ltd.* (中偉新材料股份有限公司)	2579.HK	309.67	11.70	26.46	241.35	1.28
Hubei Wanrun New Energy Technology Co., Ltd.* (湖北萬潤新能源科技股份有限公司)	688275.SH	175.00	2.52	69.53	51.15	3.42
Minmetals New Energy Materials (Hunan)Co., Ltd.* (五礦新能源材料(湖南)股份有限公司)	688779.SH	179.49	2.68	67.05	72.57	2.47
Beijing Easpring Material Technology Co., Ltd.* (北京當升材料科技股份有限公司)	300073.SZ	302.06	4.86	62.20	146.93	2.06
XTC New Energy Materials (Xiamen) Co., Ltd.* (廈門廈鎢新能源材料股份有限公司)	688778.SH	333.15	5.45	61.11	91.91	3.62

Comparable company	Stock code	Total market capitalisation *(RMB100 million)*	Research and development expenses *(RMB100 million)*	PRR	Net assets *(RMB100 million)*	PB
Ningbo Ronbay New Energy Technology Co., Ltd.* (寧波容百新能源科技股份有限公司)	688005.SH	241.83	4.22	57.35	79.95	3.02
Hunan Yuneng New Energy Battery Material Co., Ltd.* (湖南裕能新能源電池材料股份有限公司)	301358.SZ	725.87	3.81	190.59	128.83	5.63
Tianjin Guoan Mengguli New Materials Science & Technology Co., Ltd.* (天津國安盟固利新材料科技股份有限公司)	301487.SZ	109.00	1.05	103.63	19.03	5.73
Shandong Fengyuan Chemical Co., Ltd.* (山東豐元化學股份有限公司)	002805.SZ	66.16	0.73	90.51	8.58	7.71
Guizhou Zhenhua E-chem Inc.* (貴州振華新材料股份有限公司)	688707.SH	77.78	0.94	82.53	39.87	1.95
Guangdong Fangyuan New Materials Group Co., Ltd.* (廣東芳源新材料集團股份有限公司)	688148.SH	47.70	0.60	79.37	4.86	9.81
Average		**233.43**	**3.51**	**80.94**	**80.46**	**4.25**
Median		**179.49**	**2.68**	**69.53**	**72.57**	**3.42**

As at the Valuation Benchmark Date, Anhui Xinna had not yet achieved commercial-scale sales or generated positive net profit. Accordingly, revenue-based and earnings-based valuation multiples, including the price-to-sales ratio ("**PS**") and price-to-earnings ratio ("**PE**"), were considered inappropriate.

The Valuer therefore adopted the price-to-research ratio ("**PRR**"), being equity value divided by research and development expenditure, as the primary valuation multiple. In the Valuer's view, the PRR is considered particularly suitable for research and development-driven technology companies that have not yet generated meaningful revenue, as it reflects the market value attributable to a company's research and development investment and is closely aligned with Anhui Xinna's current stage of development.

The price-to-book ratio ("**PB**"), being equity value divided by net assets, was adopted as a secondary valuation multiple for cross-checking purposes. In the Valuer's view, the PB ratio is suitable for asset-intensive manufacturing businesses with positive net asset value and serves as a useful supplementary reference.

The valuation multiples of the comparable companies were calculated based on their market capitalisation over the 20 trading days immediately preceding and following the Valuation Benchmark Date of 31 May 2026 and their financial data for the most recent financial year.

Valuation assumptions:

In determining the valuation of Anhui Xinna, the following principal assumptions were adopted by the Valuer:

(i) all assets subject to the valuation are assumed to be in the course of a hypothetical transaction, and the valuation has been conducted by reference to the terms and conditions applicable to such hypothetical transaction;

(ii) an open market exists for the assets subject to the valuation, and the parties to any such transaction are assumed to be independent, acting at arm's length and having equal access to sufficient market information and adequate time to make informed decisions;

(iii) Anhui Xinna will continue as a going concern after the Valuation Benchmark Date and will operate in substantially the same manner as at the Valuation Benchmark Date, with no unforeseen cessation of business, insolvency or similar event;

(iv) there will be no material change in the prevailing macroeconomic, financial or industry policies of the PRC;

(v) there will be no material change in the social and economic environment in which Anhui Xinna operates or in the applicable taxation policies and tax rates;

(vi) Anhui Xinna's management team will continue to perform its duties diligently and will continue to advance its research and development activities and project construction plans;

(vii) the development of Anhui Xinna's sodium-ion battery cathode and lithium iron phosphate battery cathode materials businesses will proceed as expected, and downstream demand for such businesses will continue to grow;

(viii) the market prices of the selected comparable listed companies fairly reflect their intrinsic value and the market remains sufficiently efficient for valuation purposes;

(ix) Anhui Xinna's annualised research and development expenditure adopted for the valuation is reasonable and representative of its normal level of research and development investment; and

(x) no unforeseen events, force majeure events or other circumstances will arise that would have a material adverse effect on Anhui Xinna.

Valuation conclusion:

As at the Valuation Benchmark Date, the book value of the entire shareholders' equity of Anhui Xinna was RMB54,057,755.52. For the year ended 31 December 2025 and the first five months in 2026, the research and development expenses of Anhui Xinna were RMB7,054,906.99 and RMB3,558,873.66 (i.e. approximately RMB8,541,300 on an annualised basis) respectively.

The Valuer also made certain adjustments to account for the differences between the comparable companies and Anhui Xinna:

(a) Discount for Lack of Marketability: The comparable companies are listed companies whose shares are traded in active markets and are therefore relatively liquid. Anhui Xinna is unlisted, and its equity interests are less liquid. For this valuation, a discount for lack of marketability of 30.42% has been adopted for the "other manufacturing" sector, based on the discount rates published by the China Appraisal Society for 2026;

(b) Control Premium: A control premium is the amount that a buyer is willing to pay, over and above the value of a minority equity interest in a company, to obtain control of that company. For the valuation of Anhui Xinna, a control premium of 18.6% has been adopted to reflect the acquisition of a controlling interest in Anhui Xinna, by reference to the report *Control Premium Study, Fourth Quarter 2025*, prepared by FactSet Mergerstat, LLC; and

(c) Size and Risk Adjustment Factor: The size and risk adjustment factor reflects differences in the relative strengths and weaknesses of Anhui Xinna and the selected comparable companies arising from their operating environments, company size, resilience to risk and other factors. Having considered the existing corporate governance structure, management capabilities and resilience to industry risks, a company-specific risk adjustment factor of 28.20% has been determined for Anhui Xinna.

Accordingly, under the PRR method, the valuation of Anhui Xinna is arrived at as follows:

Items	**Value**
Average PRR of the comparable companies, a	80.94
Annualised research and development expenses of Anhui Xinna *(RMB'000)*, b	8,541.3
Preliminary valuation *(RMB'000)*, c = a × b	691,330
Discount for lack of marketability, e	30.42%
Size and risk adjustment factor, f	28.20%
Control premium, g	18.60%
Valuation under the PRR method *(RMB'000)*, h = c × (1 - e) × (1 - f) × (1 + g)	**409,620**

Accordingly, under the PB method, the valuation of Anhui Xinna is arrived at as follows:

Item	**Value**
Average PB ratio of the comparable companies, a	4.25
Book value of Anhui Xinna's net assets *(RMB'000)*, b	54,057.8
Preliminary valuation *(RMB'000)*, c = a × b	229,600
Discount for lack of marketability, e	30.42%
Size and risk adjustment factor, f	28.20%
Control premium, g	18.60%
Valuation under the PB method *(RMB'000)*, h = c × (1 - e) × (1 - f) × (1 + g)	**136,040**

As Anhui Xinna is a research and development-driven enterprise, the PRR method better reflects its core value and is assigned a weighting of 60%. The PB method serves as a supplementary cross-check and is assigned a weighting of 40%. The weighted calculation is as follows:

Valuation method	**Valuation** *(RMB'000)*	**Weighting**	**Weighted value** *(RMB'000)*
PRR method	409,620	60%	245,770
PB method	136,040	40%	54,420
Weighted total	–	**100%**	**300,190**

Based on the market approach, the Valuer appraised the entire shareholders' equity of Anhui Xinna at RMB300,190,000, representing an appreciation of approximately RMB246.13 million, or 455.31%, over its book value.

(2) Valuation of Tianneng New Materials

Valuation Benchmark Date:

31 May 2026

Valuation approach and rationale:

In arriving at the valuation of Tianneng New Materials, the Valuer considered the three generally accepted valuation approaches, namely the market approach, the income approach and the asset-based approach.

The income approach was considered inappropriate because, although Tianneng New Materials has been in operation since its establishment in October 2018 and its future earnings can be quantified and the duration of such future earnings can be projected, the valuation information obtained was relatively insufficient and the risks associated with such earnings could not be reliably assessed.

The market approach was also considered inappropriate because of the limited availability of comparable transaction information in the PRC market and the significant differences in business operations, product mix and principal activities among potential comparable companies. As a result, it was not practicable to identify a sufficient number of genuinely comparable companies or transactions for valuation purposes.

Accordingly, the Valuer adopted the asset-based approach. The Valuer considered this approach to be the most appropriate as Tianneng New Materials has clear ownership of its assets, complete financial records and identifiable assets and liabilities that are capable of being individually valued.

Valuation process:

Under the asset-based approach, the Valuer appraised the assets and liabilities of Tianneng New Materials as at the Valuation Benchmark Date, including both on-balance sheet and identifiable off-balance sheet items.

Different valuation methodologies were applied according to the nature of the relevant assets and liabilities. In particular, property, plant and equipment were principally valued using the cost approach, long-term equity investments were valued based on the value of the underlying investees, and land use rights were valued using the market approach.

The appraised value of the shareholders' equity of Tianneng New Materials was determined by deducting the appraised value of liabilities from the aggregate appraised value of assets.

Valuation assumptions:

In determining the valuation of Tianneng New Materials, the following principal assumptions were adopted by the Valuer:

(i) the valuation has been prepared on the assumption that Tianneng New Materials and its underlying assets are subject to a hypothetical transaction, and the valuation represents the most probable transaction value determined by reference to the relevant transaction conditions;

(ii) Tianneng New Materials and its underlying assets are assumed to be transacted in an open market in which buyers and sellers are independent, act at arm's length, have equal access to sufficient market information and adequate time to make informed decisions, and enter into transactions voluntarily and without compulsion;

(iii) following completion of the transaction for which the valuation was prepared, Tianneng New Materials and its underlying assets will continue as a going concern and will continue to be utilised at their existing locations and in the same manner and for the same purposes as at the Valuation Benchmark Date;

(iv) there will be no material changes in the prevailing economic, financial, taxation, foreign exchange, legal, regulatory or industry policies that may materially affect the business operations of Tianneng New Materials;

(v) there will be no material changes in the social and economic environment in which Tianneng New Materials operates, and the development of the industry in which it operates will remain stable;

(vi) except as otherwise disclosed and to the best of the Valuer's knowledge, the acquisition, ownership, development and use of the assets of Tianneng New Materials comply with all applicable laws and regulations;

(vii) except as otherwise disclosed and to the best of the Valuer's knowledge, the assets of Tianneng New Materials are free from any title defects, encumbrances or restrictions that would materially affect their value, and all relevant purchase prices, taxes and other amounts payable in respect of such assets have been duly settled;

(viii) except as otherwise disclosed and to the best of the Valuer's knowledge, the properties, equipment and other tangible assets of Tianneng New Materials are free from material defects or hazardous substances that would adversely affect their continued use or value;

(ix) the legal, technical, financial, operational and other information provided by Tianneng New Materials and relied upon by the Valuer is true, accurate and complete in all material respects; and

(x) except as otherwise stated in the valuation report, the physical condition and remaining useful lives of the tangible assets of Tianneng New Materials are consistent with the findings of the Valuer's site inspections, and no specialised technical inspection of such assets has been conducted.

Valuation conclusion:

As at the Valuation Benchmark Date, Tianneng New Materials had unaudited total assets of RMB1,581,685,158.84, total liabilities of RMB380,874,935.59 and shareholders' equity of RMB1,200,810,223.25 on a book-value basis.

Based on the asset-based approach, the appraised value of the shareholders' equity of Tianneng New Materials as at the Valuation Benchmark Date was RMB1,201,060,417.67. Accordingly, the appraised value of the shareholders' equity of Tianneng New Materials represented an appreciation of RMB250,194.42, or 0.02%, over its book value.

DIRECTORS' VIEW ON THE VALUATIONS

Based on the above, the Directors (including the independent non-executive Directors) consider that the basis for determining the Consideration by reference to the valuations of Anhui Xinna and Tianneng New Materials, and the terms of the Transactions are fair and reasonable and in the interests of the Company and the shareholders of the Company as a whole.

INFORMATION ON THE PARTIES

The Group

The Group principally engages in three major businesses, namely the research and development, production, sale and service of (i) high-end eco-friendly batteries; (ii) new energy batteries; and (iii) renewable new materials. The Group mainly operates in the PRC.

Tianneng New Materials

Tianneng New Materials is a limited company established under the laws of the PRC. It is principally engaged in the recycling and comprehensive utilisation of used lithium-ion batteries. As at the date of this announcement, it is owned as to 65% by Tianneng Holding and 10% by Tianneng Management, both being indirect wholly-owned subsidiaries of the Company, and 25% by Tianchang Holding.

The table below sets forth the audited consolidated financial information of Tianneng New Materials prepared in accordance with accounting principles generally accepted in the PRC:

	For the year ended 31 December 2024	**For the year ended 31 December 2025**
	RMB'000	*RMB'000*
Net profit/(loss) before taxation	(162,521)	(56,502)
Net profit/(loss) after taxation	(128,018)	(34,299)

	As at 31 December 2024	**As at 31 December 2025**
	RMB'000	*RMB'000*
Total assets	2,134,111	2,435,715
Net assets	1,145,378	1,109,761

Tianchang Holding

Tianchang Holding is a company established in the PRC with limited liability and is a connected person of the Company for the reasons set out in the section headed "Listing Rules Implications" in this announcement. It is principally engaged in asset and equity investments, the provision of enterprise management consulting services and related businesses. Tianchang Holding is owned as to 98% by Dr. Zhang.

Anhui Xinna

Anhui Xinna is a company established in the PRC with limited liability. It is principally engaged in the business of new energy battery cathode materials. Immediately prior to Completion, it was owned as to 90% by Tianchang Holding and 10% by Hexian.

The table below sets forth the audited consolidated financial information of Anhui Xinna prepared in accordance with accounting principles generally accepted in the PRC:

	For the year ended 31 December 2024	**For the year ended 31 December 2025**
	RMB'000	*RMB'000*
Net profit/(loss) before taxation	(2,275)	(8,700)
Net profit/(loss) after taxation	(2,275)	(8,700)

	As at 31 December 2024	**As at 31 December 2025**
	RMB'000	*RMB'000*
Total assets	68,365	72,862
Net assets	66,750	58,050

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

Anhui Xinna focuses on the research and development of new energy battery cathode materials and has accumulated technical expertise and research and development experience in sodium-ion battery cathode materials and lithium iron phosphate cathode materials. Lithium iron phosphate batteries are widely used in new energy vehicles and large-scale energy storage applications due to their long cycle life, thermal stability, safety and cost advantages. As batteries installed in earlier years reach the end of their service lives, demand for the recycling of used lithium iron phosphate batteries and the restoration and reuse of their cathode materials is expected to increase.

Tianneng New Materials is principally engaged in the recycling and comprehensive utilisation of used lithium-ion batteries. The Transactions are expected to complement its existing business with Anhui Xinna's cathode material technologies, broaden its technical capabilities across the battery recycling value chain and enhance its processing capabilities. The resulting synergies in research and development, resource recovery and commercial application are expected to strengthen the Group's competitive position in new energy battery recycling and support its long-term sustainable development.

The Directors (including the independent non-executive Directors) consider that, notwithstanding that the Transactions are not conducted in the ordinary and usual course of business of the Group, the terms of the Equity Transfer Agreement and the Transactions contemplated thereunder are on normal commercial terms, and are fair and reasonable and in the interests of the Company and the shareholders of the Company as a whole.

Dr. Zhang, an executive Director and the chairman of the Board, is deemed to have a material interest in the Transactions by virtue of his 98% equity interest in Tianchang Holding. Accordingly, he has abstained from voting on the relevant Board resolutions approving the Transactions.

Mr. ZHANG Aogen, an executive Director, is a brother of Dr. Zhang and therefore each of Mr. ZHANG Aogen and Dr. Zhang is an associate of the other. Mr. ZHANG Aogen does not have a material interest in the Transactions. However, by virtue of Mr. ZHANG Aogen being an associate of Dr. Zhang, he is required to abstain, and has abstained, from voting on the relevant Board resolutions approving the Transactions.

Save as disclosed above, none of the Directors has a material interest in the Transactions and, accordingly, none of them was required to abstain from voting on the relevant Board resolutions approving the Transactions.

FINANCIAL EFFECTS OF THE TRANSACTIONS

Upon Completion, Anhui Xinna will become a subsidiary of Tianneng New Materials and its assets and liabilities will be consolidated into the Group's financial statements. Meanwhile, Tianneng New Materials will remain a non-wholly-owned subsidiary of the Company and its financial results will continue to be consolidated into the Group's consolidated financial statements. The Transactions are therefore expected to expand the asset base and operational scale of the Group's new energy battery recycling business.

Based on the proposed transaction structure, under which the Consideration will be satisfied by the Capital Increase without the Group losing control of its existing subsidiaries, the Group does not expect to recognise any disposal gain or loss upon Completion. The final accounting treatment and the actual financial effects of the Transactions will be subject to review or audit by the Company's auditors.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Tianchang Holding is owned as to 98% by Dr. Zhang, who is a controlling shareholder and an executive Director of the Company. Accordingly, Tianchang Holding is an associate of Dr. Zhang and a connected person of the Company, and the Transactions constitute a connected transaction of the Company under Chapter 14A of the Listing Rules.

As a result of the Capital Increase, the Group's equity interest in Tianneng New Materials will be diluted from 75% to approximately 66.65%. Accordingly, the Capital Increase constitutes a deemed disposal of the Company under Rule 14.29 of the Listing Rules.

The Transactions involve both an acquisition, namely the Equity Transfer, and the Deemed Disposal. Pursuant to Rule 14.24 of the Listing Rules, the Transactions are classified by reference to the larger of the acquisition or disposal. As the highest applicable percentage ratio calculated pursuant to Rule 14.07 of the Listing Rules in respect of each of the Equity Transfer and the Deemed Disposal is less than 5%, the Transactions are not subject to the requirements for notifiable transactions under Chapter 14 of the Listing Rules.

As one or more of the applicable percentage ratios in respect of the Transactions exceed 0.1% but all are less than 5%, the Transactions are subject to the reporting and announcement requirements but exempt from the circular, independent financial advice and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

"Anhui Xinna"	Anhui Xinna New Material Technology Co., Ltd. (安徽鑫鈉新材料科技有限公司), a company established in the PRC with limited liability
"associate(s)"	has the meaning ascribed to it under the Listing Rules
"Board"	the board of Directors of the Company
"Capital Increase"	the increase in the registered capital of Tianneng New Materials pursuant to the subscription of the New Registered Capital by Tianchang Holding as consideration for the Equity Transfer
"Company"	Tianneng Power International Limited (天能動力國際有限公司), a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 00819)
"Completion"	completion of the Transactions pursuant to the terms of the Equity Transfer Agreement
"Consideration"	the consideration for the transfer of the Target Equity of approximately RMB150.3 million
"connected person"	has the same meaning ascribed to it under the Listing Rules
"controlling shareholder(s)"	has the meaning ascribed to it under the Listing Rules
"Deemed Disposal"	the dilution of the Company's indirect equity interest in Tianneng New Materials from a shareholding percentage of 75% to approximately 66.65% as a result of the Transactions
"Director(s)"	the director(s) of the Company
"Dr. Zhang"	Dr. Zhang Tianren (張天任), the chairman of the Board, an executive Director and a controlling shareholder of the Company

"Equity Transfer"	the transfer of the Target Equity from Tianchang Holding (as transferor) to Tianneng New Materials (as transferee) pursuant to the Equity Transfer Agreement
"Equity Transfer Agreement"	the equity transfer agreement dated 30 October 2026 entered into between Tianneng New Materials, Tianchang Holding and Anhui Xinna in relation to the Transactions
"Group"	the Company and its subsidiaries
"Hexian"	Hexian Fenghe New Materials Industry Investment Fund Partnership (Limited Partnership)* (和縣鳳和新材料產業投資基金合夥企業(有限合夥)), a shareholder of Anhui Xinna holding 10% of its registered capital as at the date of this announcement
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"New Registered Capital"	the increased registered capital of Tianneng New Materials in the amount of RMB17,191,314 agreed to be subscribed to by Tianchang Holding pursuant to the Equity Transfer Agreement
"PB"	price-to-book ratio, a valuation multiple used in the market approach valuation of Anhui Xinna
"PE"	price-to-earnings ratio
"PRC"	the People's Republic of China and, for the purposes of this announcement only, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"PRR"	price-to-research ratio, a valuation multiple used in the market approach valuation of Anhui Xinna
"PS"	price-to-sales ratio
"RMB"	Renminbi, the lawful currency of the PRC

"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Target Equity"	the registered capital of Anhui Xinna in the amount of RMB11,133,333, representing 50.1% of the equity interest in Anhui Xinna, to be transferred from Tianchang Holding to Tianneng New Materials pursuant to the Equity Transfer Agreement
"Tianchang Holding"	Tianchang Holding Co., Ltd.* (天暢控股有限公司), a limited company established under the laws of the PRC and a connected person of the Company as at the date of this announcement
"Tianneng Holding"	Tianneng Holding Group Co., Ltd.* (天能控股集團有限公司), a company established under the laws of the PRC with limited liability and an indirect wholly-owned subsidiary of the Company as at the date of this announcement
"Tianneng Management"	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 and an indirect wholly-owned subsidiary of the Company as at the date of this announcement
"Tianneng New Materials"	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 and an indirect non-wholly-owned subsidiary of the Company as at the date of this announcement
"Transactions"	collectively, the Equity Transfer and the Capital Increase
"Valuation Benchmark Date"	31 May 2026

"Valuer"	Beijing Zhongjiancheng Assets Appraisal Co., Ltd.* (北京中簡誠資產評估有限公司), an independent asset appraisal firm qualified to conduct asset valuations in the PRC

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

Hong Kong, 30 October 2026

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

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