

DEFINITIONS

In this prospectus, unless the context otherwise requires, the following terms and expressions shall have the following meanings. Certain other terms are explained in the section headed “Glossary of Technical Terms” in this prospectus.

“A-share”	ordinary shares denominated and traded in Renminbi and issued by companies listed on a recognised stock exchange in China
“Application Form(s)”	the WHITE and YELLOW application form(s) or where the context so requires, any of them which is used in relation to the Hong Kong Public Offer
“Articles”	our articles of association, as amended from time to time
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Audit Committee”	the audit committee of our Board
“Board”	our board of Directors
“Business Day”	any day (other than a Saturday, Sunday or public holiday) on which banks in Hong Kong are generally open for normal banking business
“BVI”	British Virgin Islands
“Capitalisation Issue”	the issue of Shares to be made upon capitalisation of certain sums standing to the credit of our share premium account referred to under “Resolutions of Shareholders passed on 26 February 2007” in appendix VI to this prospectus
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“CCASS Broker Participant”	a person admitted to participate in CCASS as a broker participant
“CCASS Custodian Participant”	a person admitted to participate in CCASS as a custodian participant
“CCASS Investor Participant”	a person admitted to participate in CCASS as an investor participant who may be an individual or joint individuals or a corporation
“CCASS Participant”	a CCASS Broker Participant or a CCASS Custodian Participant or a CCASS Investor Participant

DEFINITIONS

“Changxing Changshun”	長興長順塑業有限公司 (Changxing Changshun Plastic Co., Ltd.*), a limited liability company established in China and our connected person
“China” or “PRC”	the People’s Republic of China which, for the purposes of this prospectus, excludes Hong Kong, Macau and Taiwan
“Companies Law”	the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
“Companies Ordinance”	the Companies Ordinance, Chapter 32 of the Laws of Hong Kong
“Company” or “we” or “our” or “us”	Tianneng Power International Limited (天能動力國際有限公司) (formerly known as Tianneng International Limited), an exempted company incorporated in the Cayman Islands with limited liability on 16 November 2004
“Compromise Agreements”	the compromise agreements dated 24 August 2005 entered into between Tianneng Battery and the Villagers’ Commissions (村民委員會) of Jianxia Village, Xinan Village and Qiuwu Village in Meishan Town, pursuant to which Tianneng Battery has agreed to provide subsidy to the children with blood lead level over 10µg/dL
“connected person”	has the meaning ascribed to it under the Listing Rules
“Controlling Shareholder(s)”	our controlling shareholders (which has the meaning ascribed to it under the Listing Rules), namely Prime Leader Global Limited and its sole shareholder, Mr. ZHANG Tianren, our executive Director
“Director(s)”	the director(s) of our Company
“EU”	the European Union
“Exchangeable Notes”	the exchangeable notes in an aggregate amount of US\$2.5 million issued by the Existing Shareholders to the Investors pursuant to the Subscription Agreement

DEFINITIONS

“Existing Individual Shareholders”	the beneficial owners of the Existing Shareholders, namely Mr. ZHANG Tianren (張天任), Mr. RUAN Mansheng (阮滿生), Mr. ZHANG Kaihong (張開紅), Mr. ZHANG Aogen (張敖根), Mr. SHI Borong (史伯榮), Mr. GAO Xinkun (高鑫坤), Mr. CHEN Minru (陳敏如), Mr. HU Shijin (胡仕金), Mr. YANG Lianming (楊連明), Mr. ZHANG Zengquan (張增泉), Mr. SHE Rensong (佘仁松), Mr. ZHOU Jianzhong (周建中) and Mr. YANG Huanrong (楊煥榮)
“Existing Shareholders”	the existing Shareholders (other than the Selling Shareholders) immediately prior to completion of the Share Offer and the Capitalisation Issue, namely (1) Prime Leader Global Limited (being one of the Controlling Shareholders), (2) Plenty Gold Holdings Limited, (3) Precise Asia Global Limited, (4) Easy Express Limited, (5) Top Benefits International Limited, (6) Super View Investments Limited, (7) Profit Best International Limited, (8) Mark Victory Limited, (9) Success Zone Limited, (10) Oriental Best Trading Limited, (11) High Profit Capital Limited, (12) Centre Wealth Limited and (13) Glorious Crest Limited
“Frost & Sullivan Report”	a market research report on the rechargeable battery market and Chinese battery market for electric bikes published in February 2007 by Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., an independent international market research consultant commissioned by us to prepare the market research report
“GEM”	the Growth Enterprise Market of the Stock Exchange
“Global Co-ordinator” or “Kingsway Financial”	Kingsway Financial Services Group Limited, a licensed corporation under the SFO to engage in types 1, 2, 4, 6 and 9 of the regulated activities (as defined under the SFO), acting as the global co-ordinator, sole bookrunner and lead manager of the Share Offer
“Group” or “we” or “our” or “us”	our Company and the subsidiaries or, where the context so requires, in respect of the period before our Company became the holding company of our present subsidiaries, our present subsidiaries or entities which carried on the business currently operated by such subsidiaries at the relevant time or (as the case may be) their predecessors

DEFINITIONS

“HKSCC”	Hong Kong Securities Clearing Company Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
“HKSCC Nominees”	HKSCC Nominees Limited
“HK\$” or “HK cents”	Hong Kong dollars and cents, the lawful currency of Hong Kong
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong Branch Share Registrar”	Tricor Investor Services Limited, our branch share registrar and transfer office in Hong Kong
“Hong Kong Public Offer”	the offer of the Hong Kong Public Offer Shares for subscription by members of the public in Hong Kong at the Offer Price (plus brokerage of one per cent., Stock Exchange trading fee of 0.005 per cent. and SFC transaction levy of 0.004 per cent.) on the terms and subject to the terms and conditions described in this prospectus and in the Application Forms
“Hong Kong Public Offer Shares”	the 30,000,000 New Shares subject to reallocation as described in the section headed “Structure and conditions of the Share Offer” in this prospectus
“Hong Kong Public Offer Underwriters”	the underwriters of the Hong Kong Public Offer whose names are set forth under “Hong Kong Public Offer Underwriters“ in the section headed “Underwriting” in this prospectus
“Hong Kong Public Offer Underwriting Agreement”	the underwriting agreement relating to the Hong Kong Public Offer dated 28 May 2007 and entered into between our Company, our Controlling Shareholders, our executive Directors, certain other Shareholders and individuals and the Hong Kong Public Offer Underwriters
“Independent Third Party(ies)”	a person(s) or a company(ies) which is/are independent of, and not connected with (as defined under the Listing Rules), any of our Company, our Directors, the chief executive or the substantial Shareholders or any of our subsidiaries or associates or connected persons of any of them

DEFINITIONS

“International Placing”	the conditional placing of the International Placing Shares, at the final Offer Price, with professional, institutional and other investors by the International Placing Underwriters on behalf of our Company and the Selling Shareholders as described in the section headed “Structure and conditions of the Share Offer” in this prospectus
“International Placing Shares”	the 270,000,000 Shares, comprising 220,000,000 New Shares and 50,000,000 Sale Shares and, where relevant, together with any additional Shares which may be issued and sold pursuant to the exercise of the Over-allocation Option, subject to reallocation, as described in the section headed “Structure and conditions of the Share Offer” in this prospectus
“International Placing Underwriters”	the underwriters of the International Placing whose names are set forth under “International Placing Underwriters” in the section headed “Underwriting” in this prospectus
“International Placing Underwriting Agreement”	the underwriting agreement relating to the International Placing expected to be entered into on or about 1 June 2007 between our Company, the Selling Shareholders, our Controlling Shareholders, our executive Directors, certain other Shareholders and individuals and the International Placing Underwriters
“Investors” or “Selling Shareholders”	Power Active and Prax Capital
“Issuing Mandate”	the general unconditional mandate to issue new Shares given by our Shareholders to our Directors, particulars of which are set forth under “Resolutions of Shareholders passed on 26 February 2007” in appendix VI to this prospectus
“Kingsway Capital ” or “Sponsor”	Kingsway Capital Limited, a licensed corporation under the SFO to engage in type 6 of the regulated activities (as defined under the SFO), acting as the sponsor to the Proposed Listing
“Latest Practicable Date”	23 May 2007, being the latest practicable date for the purpose of ascertaining certain information in this prospectus prior to its publication

DEFINITIONS

“Listing Committee”	the Listing Committee of the Stock Exchange
“Listing Date”	the date of commencement of dealings in the Shares on the Main Board, which is expected to be on or about 11 June 2007
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Macau”	The Macau Special Administrative Region of the People’s Republic of China
“Main Board”	the stock market operated by the Stock Exchange prior to the establishment of GEM (excluding the options market) and which stock market continues to be operated by the Stock Exchange in parallel with GEM (for avoidance of doubt, the Main Board excludes GEM)
“Meishan Xing Da”	長興煤山興達注塑廠 (Changxing Meishan Xing Da Plastic Co.*), an individual business (個體工商戶) established in China which was de-registered on 28 July 2006 and was our connected person
“Memorandum”	our memorandum of association, as amended from time to time
“MWH Report”	the environmental assessment report issued by MWH Environmental Engineering (Shanghai) Co., Ltd., an independent international environment consulting company commissioned by us, a summary of which is set forth in appendix IV to this prospectus
“Nanjing Shuang Neng”	南京雙能電池有限公司 (Nanjing Shuang Neng Battery Co. Ltd.*), a limited liability company established in China and our connected person
“New Issue”	the issue of the New Shares as part of the Share Offer
“New Shares”	250,000,000 Shares being offered for subscription at the Offer Price under the Share Offer which shall include the new Shares that may be issued pursuant to the exercise of the Over-allocation Option
“New World”	New World Development Company Limited, a company listed on the Main Board
“New World Liberty”	New World Liberty China Ventures Ltd., a company incorporated in the BVI on 31 December 1998 and is indirectly owned by New World as to approximately 71 per cent. and other investors as to approximately 29 per cent.

DEFINITIONS

“Nomination Committee”	the nomination committee of our Board
“Offer for Sale”	the offer for sale of the Sale Shares under the Share Offer
“Offer Price”	the offer price per Offer Share (exclusive of brokerage of one per cent., SFC transaction levy of 0.004 per cent. and Stock Exchange trading fee of 0.005 per cent.) of not more than HK\$1.92 and expected to be not less than HK\$1.48, such price is expected to be finally determined by the Global Co-ordinator (on behalf of the Underwriters), the Selling Shareholders and us on the Price Determination Date
“Offer Shares”	the Hong Kong Public Offer Shares and the International Placing Shares
“Over-allocation Option”	the option to be granted by our Company and the Selling Shareholders to the Global Co-ordinator pursuant to which our Company may be required to issue up to 15,000,000 additional Shares and the Selling Shareholders may be required to sell up to an aggregate of 30,000,000 additional Shares, both at the final Offer Price, to cover over-allocations in the International Placing
“Power Active”	Power Active Limited, a company incorporated in the BVI on 15 November 2004, and holding 13.08 per cent. of the Shares in issue prior to completion of the Share Offer and the Capitalisation Issue (taking no account of any Shares that may be issued or sold pursuant to the exercise of the Over-allocation Option and any option which may be granted under the Share Option Scheme)
“Prax Capital”	PraxCapital Fund I, LP, a limited partnership formed on 6 June 2003 under the laws of the State of Delaware, the U.S., and holding 6.54 per cent. of the Shares in issue prior to completion of the Share Offer and the Capitalisation Issue (taking no account of any Shares that may be issued or sold pursuant to the exercise of the Over-allocation Option and any option which may be granted under the Share Option Scheme)
“PRC government”	the government of the PRC, including all governmental subdivisions (including provincial, municipal and other regional or local government entities)

DEFINITIONS

“Price Determination Agreement”	the agreement that may be entered into between the Global Co-ordinator (on behalf of the Underwriters), the Selling Shareholders and us on the Price Determination Date to record the agreement on the final Offer Price
“Price Determination Date”	the date on which the final Offer Price is determined, which is expected to be on or before 1 June 2007 but no later than 5 June 2007
“Principal Share Registrar”	Bank of Bermuda (Cayman) Limited, the principal share registrar and transfer office of our Shares in the Cayman Islands
“Proposed Listing”	the proposed listing of the Shares on the Main Board
“Redeemable Convertible Notes”	the redeemable convertible notes in an aggregate amount of US\$9.5 million issued by us to the Investors pursuant to the Subscription Agreement
“Remuneration Committee”	the remuneration committee of our Board
“Reorganisation”	the reorganisation arrangements undergone by us in preparation for the Proposed Listing as set forth under “Group reorganisation” in appendix VI to this prospectus
“Repurchase Mandate”	the general unconditional mandate to repurchase Shares given by our Shareholders to our Directors, particulars of which are set forth under “Resolutions of Shareholders passed on 26 February 2007” in appendix VI to this prospectus
“RMB” and “Renminbi”	the lawful currency of the PRC
“Sale Shares”	50,000,000 Shares being offered for sale by the Selling Shareholders at the final Offer Price under the International Placing, comprising 33,333,382 Shares and 16,666,618 Shares being offered for sale by Power Active and Prax Capital, respectively, subject to the additional Shares that may be offered for sale pursuant to the exercise of the Over-allocation Option
“SFC”	Securities and Futures Commission of Hong Kong

DEFINITIONS

“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	the ordinary share(s) of HK\$0.10 each in the share capital of our Company
“Share Offer”	the Hong Kong Public Offer and the International Placing
“Share Option Scheme”	the share option scheme conditionally approved and adopted by us on 26 February 2007, the principal terms of which are summarised under “Share Option Scheme” in appendix VI to this prospectus
“Shareholder(s)”	holder(s) of the Shares
“Shu Yang Xin Tian”	滬陽新天電源材料有限公司(Shu Yang Xin Tian Power Materials Co. Ltd.*), a limited company established in China and our connected person
“Stock Borrowing Agreement”	the stock borrowing agreement entered into among Mr. ZHANG Tianren, Prime Leader Global Limited, the Selling Shareholders and the Global Co-ordinator on 28 May 2007
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Agreement”	the agreement dated 29 November 2004 entered into between our Company, the Existing Shareholders, the Existing Individual Shareholders and the Investors in respect of the terms and conditions of the Redeemable Convertible Notes and the Exchangeable Notes
“subsidiary” or “subsidiaries”	has the meaning ascribed to it under section 2 of the Companies Ordinance
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Supplemental Deeds”	the seven supplemental deeds dated 6 December 2004, 22 December 2004, 31 January 2005, 13 September 2005, 14 September 2006, 15 December 2006 and 23 May 2007 amending the Subscription Agreement
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers

DEFINITIONS

“Tianli Battery”	浙江省長興天力電池有限公司 (Zhejiang Changxing Tianli Battery Co., Ltd.*), a limited liability company established in China on 5 June 2001 and a former member of the Group, which was merged with Zhejiang Changtong in June 2006
“Tianneng Battery”	浙江天能電池有限公司 (Zhejiang Tianneng Battery Co., Ltd.*), a limited liability company established in China on 13 March 2003 and converted into a wholly foreign-owned enterprise on 14 December 2004, our wholly-owned subsidiary
“Tianneng BVI”	Tianneng International Investment Holdings Limited, a company incorporated in the BVI on 15 November 2004 with limited liability and our wholly-owned subsidiary
“Tianneng Electronic”	浙江天能電子電器有限公司 (Zhejiang Tianneng Electronic Apparatus Co., Ltd.*), a limited liability company established in China on 1 July 2004 and our wholly-owned subsidiary
“Tianneng Jiangsu”	浙江天能電池 (江蘇) 有限公司 (Zhejiang Tianneng Battery (Jiangsu) Co., Ltd.*), a limited liability company established in China on 9 May 2005 and our wholly-owned subsidiary
“Tianneng Power”	浙江省長興天能電源有限公司 (Zhejiang Changxing Tianneng Power Supply Co., Ltd.*), a limited liability company established in China on 11 March 1998 and our wholly-owned subsidiary
“Tianneng Recycle”	浙江省長興天能物資回收有限公司 (Zhejiang Changxing Tianneng Recycle Co., Ltd.*), a limited liability company established in China on 7 May 1999 and our wholly-owned subsidiary
“Tianneng Transport”	長興天能汽車運輸有限公司 (Changxing Tianneng Vehicle Transport Co., Ltd.*), a limited liability company established in China on 30 May 2005 and our wholly-owned subsidiary
“Tianneng Wuhu”	天能電池 (蕪湖) 有限公司 (Tianneng Battery (Wuhu) Co., Ltd.*), a limited liability company established in China on 21 October 2005 and our wholly-owned subsidiary

DEFINITIONS

“Track Record Period”	the three financial years ended 31 December 2006
“Underwriters”	the International Placing Underwriters and the Hong Kong Public Offer Underwriters
“Underwriting Agreements”	the International Placing Underwriting Agreement and the Hong Kong Public Offer Underwriting Agreement
“U.S.” or “United States”	The United States of America
“US\$”	United States dollars, the lawful currency of the United States
“Xintian Real Estates”	長興新天房地產開發有限公司 (Changxing Xintian Real Estates Development Co., Ltd.*), a limited liability company established in China on 5 April 2006 and a former member of the Group, which was dissolved on 9 August 2006
“Zhejiang Changtong”	浙江暢通電動車有限公司 (Zhejiang Changtong Electric Bicycle Company Limited*), a limited liability company established in China on 27 April 2002 and our major customer which is also our connected person and owned by Mr. NI Danqing, the brother-in-law of Mr. ZHANG Tianren and Mr. ZHANG Aogen, as to 88.08 per cent. and Mr. SHE Zhifu, an Independent Third Party, as to 11.92 per cent.

Certain monetary amounts included in this prospectus are subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

For the purpose of this prospectus, unless otherwise indicated, exchange rates of HK\$7.80 = US\$1.00 and HK\$1.00 = RMB1.00 are being used for currency translations, where applicable. This is for the purposes of illustration only and does not constitute a representation that any amounts in HK\$, RMB or US\$ have been, could have been or may be converted, at these or any other rates.

* *The English names of Chinese entities are translated from their Chinese names. If there is any inconsistency between the Chinese names of the Chinese entities mentioned in this prospectus and their English translated names, the Chinese names shall prevail.*