

CONTROLLING SHAREHOLDERS AND SUBSTANTIAL SHAREHOLDERS

CONTROLLING SHAREHOLDERS

Without taking into account any Shares which may be issued pursuant to the exercise of the Over-allocation Option and any option that may be granted under the Share Option Scheme, the following person will, immediately following completion of the Share Offer and the Capitalisation Issue (taking no account of any Shares taken up under the Share Offer), be directly or indirectly interested in thirty (30) per cent. or more of the nominal value of any class of share capital carrying the right to vote in all circumstances at general meetings of any member of the Group:—

Name	Capacity	Number of Shares	Approximate percentage of shareholding
Prime Leader Global Limited ^(Note)	Beneficial owner	414,179,650	41.42
Mr. ZHANG Tianren ^(Note)	Interest of a controlled corporation	414,179,650	41.42

Note:—

Prime Leader Global Limited is wholly-owned by Mr. ZHANG Tianren, our executive Director. Accordingly, Mr. ZHANG Tianren is deemed to be interested in the 414,179,650 Shares held by Prime Leader Global Limited.

Save as disclosed above, there is no other person who will, immediately following completion of the Share Offer and the Capitalisation Issue (taking no account of any Shares taken up under the Share Offer), be directly or indirectly interested in thirty (30) per cent. or more of the Shares then in issue or have a direct or indirect equity interest in any member of our Group representing thirty (30) per cent. or more of the equity in such entity.

SUBSTANTIAL SHAREHOLDERS

Without taking into account any Shares which may be issued pursuant to the exercise of the Over-allocation Option and any option that may be granted under the Share Option Scheme, the following persons, other than our Controlling Shareholders, will, immediately following completion of the Share Offer and the Capitalisation Issue (taking no account of any Shares taken up under the Share Offer), have interests or short positions in our shares or underlying shares which would fall to be disclosed to us under the provisions of Divisions 2 and 3 of Part XV of the SFO or who will be, directly or indirectly, interested in ten (10) per cent. or more of the nominal value of any class of share capital carrying the right to vote in all circumstances at general meetings of any member of the Group:—

Name	Capacity	Number of Shares	Approximate percentage of shareholding
Power Active	Beneficial owner	64,745,771	6.47
New World Liberty ^(Note 1)	Interest of a controlled corporation	64,745,771	6.47

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Name	Capacity	Number of Shares	Approximate percentage of shareholding
New World China Enterprises Investments Limited (“ New World China Enterprises ”) <i>(Note 2)</i>	Interest of a controlled corporation	64,745,771	6.47
Liberty New World China Enterprises Investments, L.P. (“ Liberty New World ”) <i>(Note 2)</i>	Interest of a controlled corporation	64,745,771	6.47
New World China Industrial Limited (“ New World China Industrial ”) <i>(Note 3)</i>	Interest of a controlled corporation	64,745,771	6.47
New World Enterprise Holdings Limited (“ New World Enterprise ”) <i>(Note 3)</i>	Interest of a controlled corporation	64,745,771	6.47
New World <i>(Note 3)</i>	Interest of a controlled corporation	64,745,771	6.47
Chow Tai Fook Enterprises Limited (“ Chow Tai Fook ”) <i>(Note 4)</i>	Interest of a controlled corporation	64,745,771	6.47
Centennial Success Limited (“ Centennial Success ”) <i>(Note 4)</i>	Interest of a controlled corporation	64,745,771	6.47
Cheng Yu Tung Family (Holdings) Limited (“ Cheng Yu Tung Family (Holdings) ”) <i>(Note 4)</i>	Interest of a controlled corporation	64,745,771	6.47

Notes:—

1. The 64,745,771 Shares are held by Power Active, a wholly-owned subsidiary of New World Liberty. Accordingly, New World Liberty is deemed to be interested in the 64,745,771 Shares held by Power Active for the purposes of the SFO.
2. New World Liberty is owned as to 50 per cent. by New World China Enterprises and 50 per cent. by Liberty New World. Accordingly, each of New World China Enterprises and Liberty New World is deemed to be interested in the 64,745,771 Shares held by Power Active for the purposes of the SFO.

Liberty New World is a California limited partnership formed by Newport Private Equity LLC as general partner.
3. New World China Enterprises is wholly-owned by New World China Industrial, which in turn wholly-owned by New World Enterprise, which in turn wholly-owned by New World. Accordingly, each of New World China Industrial, New World Enterprise and New World is deemed to be interested in the 64,745,771 Shares held by Power Active for the purposes of the SFO.
4. New World is owned as to 36.53 per cent. by Chow Tai Fook which is in turn wholly-owned by Centennial Success which is in turn owned as to 51 per cent. by Cheng Yu Tung Family (Holdings). Accordingly, each of Chow Tai Fook, Centennial Success and Cheng Yu Tung Family (Holdings) is deemed to be interested in the 64,745,771 Shares held by Power Active for the purposes of the SFO.

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Save as disclosed above, there is no other person, other than our Controlling Shareholders, who will, immediately following completion of the Share Offer and the Capitalisation Issue (taking no account of any Shares taken up under the Share Offer), have interests or short positions in our shares or underlying shares which would fall to be disclosed to us under the provisions of Divisions 2 and 3 of Part XV of the SFO or who will be, directly or indirectly, interested in ten (10) per cent. or more of the nominal value of any class of share capital carrying the right to vote in all circumstances at general.

UNDERTAKINGS BY OUR CONTROLLING SHAREHOLDERS

Non-disposal undertakings under the Underwriting Agreements

Each of our Controlling Shareholders has jointly and severally undertaken to our Company and the Underwriters that save for pursuant to the Stock Borrowing Agreement, he or it shall not, without the prior written consent of the Global Co-ordinator (on behalf of the Underwriters), directly or indirectly, and shall procure that the relevant registered holder(s) will not:—

- (a) transfer or otherwise dispose of (including without limitation pledge, mortgage, charge, create any other security interest, lend, assign, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase or otherwise transfer or dispose of, either conditionally or unconditionally, or directly or indirectly or otherwise) any Shares, interest in Shares, any securities that constitute or confer the right to receive Shares, or securities convertible into or exercisable or exchangeable for or repayable with Shares; or
- (b) enter into a swap agreement or any other agreement or any transaction that transfers to another, in whole or in part, directly or indirectly, the economic consequences of ownership of the Shares, whether any such swap agreement or other agreement or transaction is to be settled by delivery of Shares or such other securities, in cash or otherwise; or
- (c) agree (conditionally or unconditionally) to enter into or effect any transaction with the same economic effect as any of the forgoing transactions; or
- (d) announce any intention to enter into or effect any of the foregoing transactions,

at any time commencing from the date of this prospectus and ending on the date falling fifteen months from the Listing Date.

Non-disposal undertakings under the Listing Rules

Each of our Controlling Shareholders has undertaken to the Stock Exchange and our Company that he or it shall not and shall procure that the relevant registered holder shall not:—

- (a) in the period commencing on the date by reference to which disclosure of their shareholdings are made in this prospectus and ending on the date which is six months from the Listing Date, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of the Shares beneficially owned by it; and
- (b) in the period of six months commencing on the date on which the period referred to in paragraph (a) above expires, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of the Shares beneficially owned by it if, immediately following such disposal or upon the exercise or enforcement of such options, rights, interests or encumbrances, they would cease to be Controlling Shareholders.

Each of our Controlling Shareholders has also undertaken to the Stock Exchange and our Company that within the period commencing on the date by reference to which disclosure of their shareholdings are made in this prospectus and ending on the date which is twelve months from the Listing Date, it shall:—

- (a) when it pledges/charges any Shares beneficially owned by it in favour of an authorised institution (as defined in the Banking Ordinance, Chapter 155 of the Laws of Hong Kong), immediately inform our Company of such pledge/charge together with the number of Shares so pledged/charged; and
- (b) when it receives indications, whether verbal or written, from the pledgee/chargee that any of the pledged/charged Shares will be disposed of, immediately inform our Company of such indications.

We will inform the Stock Exchange as soon as we have been informed of the matters referred to in (a) and (b) above by any of our Controlling Shareholders and disclose such matters by way of a press announcement.

Competing interest

As at the Latest Practicable Date, none of the Existing Shareholders and their respective beneficial owners, Power Active, Prax Capital had any interest in any business which competes or may potentially compete with our business.

Non-competition undertaking

In order to avoid potential conflicts of interests between our Controlling Shareholders and the Group, each of our Controlling Shareholders has executed a deed of non-competition with the following principal terms:—

Each of our Controlling Shareholders undertakes to us that for so long as we remain listed on the Main Board and any of our Controlling Shareholders or their respective associates remains to be our controlling shareholder (as defined in the Listing Rules), each of them shall not, and shall procure that their associates shall not, conduct any Restricted Business (as defined below) within the Restricted Territory (as defined below), provided that our Controlling Shareholders may hold not more than five per cent. of the equity interest of any company listed on a recognised stock exchange with business activities including the Restricted Business (as defined below) within the Restricted Territory.

Mr. ZHANG Tianren undertakes that, effective from the Listing Date and so long as we remain listed on the Main Board and that Mr. ZHANG is our controlling shareholder (as defined in the Listing Rules), Mr. ZHANG shall not dispose of any of his interest in Prime Leader.

Each of our Controlling Shareholders further undertakes to us that that for so long as we remain listed on the Main Board and that any of our Controlling Shareholders or their respective associates remains to be our controlling shareholder (as defined in the Listing Rules), if there is any new business opportunity relating to any of the Restricted Business (the “**Business Opportunity**”) made available to any of them or their respective associates:—

- (a) each of them shall, or shall direct respective associate to, inform our Board of such Business Opportunity by serving us a written notice (the “**Written Notice**”) with such information as requested by our Board;
- (b) the Written Notice shall include all information together with any documents possessed by him/it or his/its associates in respect of the Business Opportunity to enable us to evaluate the merits of the Business Opportunity;
- (c) each of them shall provide all such reasonable assistance as requested by us in order to assist us to secure the Business Opportunity; and
- (d) only in the event that all our independent non-executive Directors agree not to pursue Business Opportunity, then any of our Controlling Shareholders may pursue it upon the same terms and conditions set forth in the Written Notice. If there is any variation in the material terms, our Controlling Shareholders shall be obliged to refer the Business Opportunity to us.

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Moreover, our Controlling Shareholders undertakes to our Company that they will submit all matters of potential conflicts with the Group for review and approval by the independent non-executive Directors and, where appropriate, our Company's compliance adviser and external financial adviser.

For the purpose of the above, "Restricted Business" includes any business activity which competes or is likely to compete, either directly or indirectly, with us which includes, but without limitation to, (i) production and sales of lead-acid motive battery products for electric bikes, electric motorcycles and electric cars in China; (ii) production and sales of battery products in whatever forms which include Ni-MH battery products and complementary electrical equipment, such as chargers, controllers and motors and (iii) our other business activities as described in this prospectus.

For the purpose of the above, "Restricted Territory" includes such countries in which we are conducting or propose to conduct the Restricted Business, which include, but without limitation to, China.