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THUNDER SKY BATTERY LIMITED

中聚雷天電池有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 729)

DISCLOSEABLE TRANSACTION: DISPOSAL OF A SUBSIDIARY

The Company is pleased to announce that on 7 January 2011, Fullbelief, an indirect wholly-owned subsidiary of the Company, and the Purchaser entered into the Sale and Purchase Agreement pursuant to which Fullbelief has agreed to sell and the Purchaser has agreed to purchase the Sale Shares subject to the terms and conditions of the Sale and Purchase Agreement. The Sale Shares represent the entire issued share capital of Infast and Infast will no longer be a subsidiary of the Company immediately after completion of the Disposal. In addition, the Group will no longer be engaged in the business of securities brokerage services.

As one of the relevant percentage ratios (as set out in Rule 14.07 of the Listing Rules) in respect of the Disposal is more than 5% but less than 25%, the Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules. The Disposal is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

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THE SALE AND PURCHASE AGREEMENT

Date

7 January 2011

Parties

(1) Fullbelief, an indirect wholly-owned subsidiary of the Company; and

- (2) The Purchaser, IAM Group Inc., a limited liability company established in the British Virgin Islands which is principally engaged in the business of investment holding. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as at the date of this announcement, the Purchaser and its ultimate beneficial owners are third parties independent of and not connected with the Company and its connected persons.

The Company and the Purchaser have not entered into any transactions of a similar nature in the past twelve months that would need to be aggregated in accordance with Rule 14.22 of the Listing Rules.

Interest to be disposed of

The Sale Shares represent the entire issued share capital of Infast. Infast is an indirect wholly-owned subsidiary of the Company which is principally engaged in the business of securities brokerage services.

The unaudited net asset value of Infast as at 30 September 2010 was approximately HK\$3,833,000 without taking into account the proposed waiver of the amounts due to Glory Era Limited and the Subordinated Loan under the Sale and Purchase Agreement.

The audited financial information of Infast for the two financial years immediately preceding the date of the Sale and Purchase Agreement is as follows:

	For the year ended 31 March	
	2009	2010
	<i>HK\$'000</i>	<i>HK\$'000</i>
Loss before and after tax and extraordinary items	<u>3,501</u>	<u>2,407</u>

Consideration

The consideration for the Disposal is the sum of HK\$700,000 and an amount equal to the net current assets after the waiver of the outstanding current liabilities and the Subordinated Loan owed by Infast to Glory Era Limited, as revealed in the Completion Account of Infast which is estimated to be approximately HK\$8,000,000 (subject to adjustments). The consideration was agreed after arm's length negotiations between the parties by reference to the net asset value and the business that Infast is undertaking. Out of the consideration, a deposit of HK\$500,000 will be payable by the Purchaser to the Purchaser's solicitors as stakeholder at the signing of the Sale and Purchase Agreement and the balance (subject to adjustments with reference to the Audited Completion Account) will be payable at completion.

Conditions

Completion of the Disposal is conditional upon fulfilment of a number of conditions, including, among others, the Purchaser being satisfied with its due diligence on Infast, the approval by the SFC of the Disposal and the type 1 (dealing in securities) licence under SFO held by Infast shall remain valid.

If the conditions under the Sale and Purchase Agreement cannot be fulfilled or waived (if applicable) by the Long Stop Date and/or at completion (if applicable), the Sale and Purchase Agreement will be terminated. **As completion of the Disposal is subject to the satisfaction of a number of conditions which may or may not be fulfilled, the Disposal may or may not proceed to completion, Shareholders and investors are reminded to exercise caution in dealing in the securities of the Company.**

Completion

Completion shall take place within five business days following all the conditions under the Sale and Purchase Agreement having been fulfilled and/or waived (if applicable).

After the Disposal, Infast will cease to be a subsidiary of the Company and the Group will no longer be engaged in the business of securities brokerage services.

Financial effect of the Disposal

The Group is expected to realise an unaudited gain on the Disposal of approximately HK\$100,000, calculated with reference to the estimated consideration of the Sale Shares and the estimated net asset value of Infast at completion. The Company intends to apply the proceeds from the Disposal as general working capital of the Group.

REASONS FOR THE DISPOSAL

The Group is principally engaged in the business of production, distribution and sale of rechargeable Lithium-ion power batteries. Given the business of securities brokerage services of Infast does not form a good strategic fit with the principal business of the Group, the Directors consider that the Disposal would enable the Group to streamline its operation and commit the available resources of the Group to its principal business.

The Sale and Purchase Agreement was entered into under normal commercial terms after arm's length negotiations between the parties. The Directors consider that the terms of the Disposal are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

GENERAL

As one of the relevant percentage ratios in respect of the Disposal (as set out in Rule 14.07 of the Listing Rules) is more than 5% but less than 25%, the Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules. The Disposal is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Audited Completion Account”	the Completion Account to be audited by the auditors appointed by the Purchaser;
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“Board”	the board of directors of the Company;
“Company”	Thunder Sky Battery Limited, a company incorporated in Bermuda with limited liability and the shares of which are listed on the main board of the Stock Exchange;
“Completion Account”	the proforma statement of financial position and unaudited statement of comprehensive income of Infast covering the period from the date next following the audited accounts of Infast is made up and projecting to the completion date to be delivered by Fullbelief to the Purchaser pursuant to the terms of the Sale and Purchase Agreement;
“connected person”	has the meaning ascribed to it under the Listing Rules;
“Director(s)”	the director(s) of the Company;
“Disposal”	the disposal of the Sale Shares by Fullbelief to the Purchaser pursuant to the terms and conditions of the Sale and Purchase Agreement;
“Fullbelief”	Fullbelief International Limited, a company incorporated in the British Virgin Islands and is an indirect wholly-owned subsidiary of the Company;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Infast”	Infast Brokerage Limited, an indirect wholly-owned subsidiary of the Company which possesses a type 1 (dealing in securities) licence under the SFO;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Long Stop Date”	the last day of the period of four months following the signing of the Sale and Purchase Agreement or such later date as shall be agreed by the parties in writing;
“Purchaser”	IAM Group Inc., a company incorporated in the British Virgin Islands, a third party which is independent of and not connected with the Company and its connected persons;

“Sale and Purchase Agreement”	the sale and purchase agreement dated 7 January 2011 in relation to the sale and purchase of the Sale Shares;
“Sale Shares”	the entire issued share capital of Infast;
“SFC”	the Securities and Futures Commission of Hong Kong;
“SFO”	Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong);
“Shareholder(s)”	shareholder(s) of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subordinated Loan”	a loan of an amount of HK\$3,000,000 provided to Infast by Glory Era Limited, a wholly-owned subsidiary of the Company, which has been approved by the SFC as an approved subordinated loan as defined under section 2(1) of the Securities and Futures (Financial Resources) Rules (Chapter 571N of the laws of Hong Kong); and
“%”	per cent.

By order of the Board of
Thunder Sky Battery Limited
Miao Zhenguo
Chief Executive Officer

Hong Kong, 7 January 2011

As of the date of this announcement, the Board comprises Mr. Chung, Winston (Deputy Chairman and Chief Technical Officer), Mr. Miao Zhenguo (Chief Executive Officer & Chief Operating Officer) and Mr. Lo Wing Yat as executive Directors; and Mr. Chan Yuk Tong, Mr. Fei Tai Hung and Mr. Tse Kam Fow as independent non-executive Directors.

Website: <http://www.thunder-sky.com.hk>