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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)

(1) CLARIFICATION ANNOUNCEMENT TO THE PRESS REPORTS AND UNUSUAL SHARE PRICE AND TRADING VOLUME MOVEMENTS
(2) DISCLOSURE OF INSIDE INFORMATION
(3) RESUMPTION OF TRADING

This announcement is made by Tianneng Power International Limited (the "Company", together with its subsidiaries, the "Group") pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

Reference is made to the announcement published at 8:01 a.m. on 5 August 2013 by the Company.

Since the board of directors (the "Board") of the Company noticed the recent reports on the Group (the "Reports") and the Company's unusual share price and trading volume movements before the trading halt on 5 August 2013, the Company made this announcement for clarification.

The Reports primarily alleged that the production of the Group's plant (the "Plant") located in Shuyang County, Jiangsu Province, the People's Republic of China (the "PRC") contaminated the surrounding environment and phase III of the Plant ("Phase III") was suspected of overdue trial production. In relation to the above allegations, the Reports also cited the expectation of some analysts that the government would require the Plant to discontinue production, which, if occur, would have a significant impact on the Group's operations.

As a background information, the Plant consists of three phases, except Phase III which was under trial production, phases I and II of the Plant, which are operated by Zhejiang Tianneng Battery (Jiangsu) Co., Ltd. (浙江天能電池(江蘇)有限公司) and Zhejiang Tianneng Battery Jiangsu New Energy Co., Ltd. (浙江天能電池江蘇新能源有限公司) of the Group respectively, are under formal production.

Regarding the allegations made by the Reports, the Board wishes to clarify that the Group is always committed to ensure compliance with relevant environmental protection regulations for the productions of its plants and regularly engages international environmental consultation companies, which are independent party, to conduct assessment on the environment and compliance of the current operation of its plants. To the knowledge and belief of the Board, after making reasonable inquiries, there is no significant non-compliance with the State environmental protection regulations for the production of the Plant. Further, the trial production of Phase III has been operating under the monitor of the relevant government authorities and in compliance with the relevant regulatory requirements. However, since the Group understands the concerns of local residents, the Group, after negotiating with the relevant government authority, agrees to suspend the trial production for Phase III. The Group will work with relevant government authorities for project verification for Phase III in consideration of seeking formal production as soon as possible.

The Board considers that, as Phase III is still under trial production whose sales revenue in 2012 contributing only to approximately 5% of the Group's sales revenue, and the productions of phase I and phase II of the Plant still continues, the impact of discontinuing the trial production of Phase III on the Group's business is minimal.

In addition to the above allegations relating to the production of the Plant, the Reports also mentioned that Zhejiang Tianneng Battery (Jiangsu) Co., Ltd. and Zhejiang Tianneng Battery Jiangsu New Energy Co., Ltd. (relating to phases I and II of the Plant) were removed from the official list of the first batch of lead batteries and recycled lead companies (the "List") of the Ministry of Environmental Protection of the PRC that meet the environmental requirements.

The Board wishes to clarify that application for registration on the List is on voluntary basis. To the knowledge and belief of the Board, after making reasonable inquiries, removing both the companies from the List may be by reason of receipt of a third party's unverified complaints to the Ministry of Environmental Protection. Accordingly removing from the List does not mean that there is a non-compliance of environmental protection regulations regarding the production of phases I and II of the Plant. As always, the Group will closely monitor and strictly control the management of environmental protection for its plants.

Trading in the shares of the Company on The Stock Exchange of Hong Kong Limited was suspended with effect from 10:23 a.m. on Monday, 5 August 2013 pending the release of this announcement. An application has been made to The Stock Exchange of Hong Kong Limited for resumption of trading in the shares of the Company with effect from 9:00 a.m. on 9 August 2013.

By Order of the Board
Tianneng Power International Limited
ZHANG Tianren
Chairman

Hong Kong, 8 August 2013

As at the date of this announcement, the executive directors of the Company are Mr. ZHANG Tianren, Mr. ZHANG Aogen, Mr. CHEN Minru, Mr. ZHANG Kaihong, Mr. SHI Borong and Mr. YANG Lianming; the independent non-executive directors of the Company are Mr. HO Tso Hsiu, Mr. HUANG Dongliang and Mr. WANG Jingzhong.