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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)**

### **ANNOUNCEMENT ACQUISITION OF ASSETS**

This announcement is made by the Company on a voluntary basis.

On 27 September 2010, Jilin Thunder Sky, an indirect wholly-owned subsidiary of the Company, entered into the Agreement with, among others, Liaoyuan Liyuan to acquire the Assets at a consideration of RMB100 million (equivalent to HK\$116 million) in cash.

As the applicable percentage ratios (as defined in the Listing Rules) in respect of the Acquisition are below 5%, the Acquisition does not constitute a notifiable transaction for the Company under the Listing Rules.

This announcement is made by the Company on a voluntary basis.

#### **THE AGREEMENT**

##### **Date**

27 September 2010

##### **Parties**

- (1) Jilin Thunder Sky, an indirect wholly-owned subsidiary of the Company, as the purchaser
- (2) Liaoyuan Liyuan, as the vendor

(3) Mr. Yang and Mr. Shan, as the guarantors of the vendor. Mr. Yang and Mr. Shan have unconditionally and irrevocably agreed to guarantee the due performance of Liaoyuan Liyuan's obligations under the Agreement.

(4) Liaoyuan Economic Committee

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as at the date of this announcement, each of Liaoyuan Liyuan, Mr. Yang and Mr. Shan, Liaoyuan Economic Committee and their associates, and in respect of Liaoyuan Liyuan and the Liaoyuan Economic Committee, their respective ultimate beneficial owners, are independent of and not connected with the Company and its connected persons.

### **Assets to be acquired**

Jilin Thunder Sky has agreed to acquire the Assets from Liaoyuan Liyuan. The Assets comprise land located at 遼源經濟開發區友誼工業園 (the Friendship Industrial Park of Liaoyuan Economic Development Area\*) of Jilin Province, the PRC, with a total site area of approximately 30,144 square metres, factories and office buildings erected on the land, and production equipment and facilities. The permitted usage of such land is industrial. The Assets are to be used in the manufacture of electric battery products.

### **Consideration**

The consideration for the Assets is RMB100 million, of which RMB70 million is to be satisfied by cash and will be funded by internal resources of the Group. The balance of RMB30 million will be satisfied by the bank loan to be provided by Jilin Bank to Jilin Thunder Sky. The consideration is payable in full on the Completion Date to an account in the Jilin Bank designated by Liaoyuan Liyuan and the Liaoyuan Economic Committee.

The consideration is determined after arm-length's negotiations between Liaoyuan Liyuan and the Group with reference to, among others, the valuation of the Assets conducted by an independent professional valuer. The Directors consider the terms of the Agreement (including the consideration for the Acquisition) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## Conditions

Completion of the Acquisition is conditional upon the satisfaction of a number of conditions, including, among others, the following:-

- (a) Jilin Thunder Sky being satisfied with the results of the due diligence review on the Assets, including but not limited to the receipt of a PRC legal opinion in such form and substance to the satisfaction of Jilin Thunder Sky;
- (b) all applicable and necessary approvals (including third parties consents) and notification obligations in relation to the Acquisition having been obtained or fulfilled (as the case may be);
- (c) Jilin Thunder Sky having obtained all relevant consents and authorisations in respect of the Acquisition in accordance with its memorandum and articles and the Listing Rules;
- (d) Liaoyuan Economic Committee having assisted Jilin Thunder Sky to obtain a non-guaranteed and non-secured RMB30 million loan from the Jilin Bank;
- (e) the necessary consent or approval (or, as the case may be, the relevant confirmation that no such consent or approval is required) from the relevant PRC governmental authorities in respect of the Acquisition having been obtained; and
- (f) all legal procedures in relation to the transfer of the Assets to Jilin Thunder Sky have been completed and Jilin Thunder Sky having obtained the relevant land use rights certificates, property certificates, construction permits (if applicable), construction planning permits (if applicable) and other title certificates to the Assets.

If for any reasons that any of the conditions precedent has not been satisfied or waived within 60 days after the signing of the Agreement (or such other later time as may be agreed among the parties), Jilin Thunder Sky shall have the right to terminate the Agreement by written notice. Each of the other parties to the Agreement may not claim against Jilin Thunder Sky if the Agreement is so terminated.

## **Completion**

Completion of the Acquisition of the Assets shall take place on the Completion Date. Upon completion of the Acquisition, all the rights and risks of the Assets shall be transferred to and borne by Jilin Thunder Sky. **Shareholders and investors should be reminded that the conditions may not be satisfied and the Acquisition may or may not proceed to completion. Shareholders and investors should exercise caution when dealing in the securities of the Company.**

## **REASONS FOR AND BENEFITS OF THE ACQUISITION**

The Group is principally engaged in the production, sale and distribution of electric battery products, securities dealing and investment, and provision of securities brokerage services.

The Group intends to use the Assets to expand the production capacity for its electric battery products. As disclosed in the circular of the Company dated 3 May 2010, the Group intends to construct its own production facilities for the production of its electric battery products. As the Assets include land, plants and equipment, the Directors consider the Acquisition will accelerate the Company's production plan for the production of electric battery products with the preliminary design production capacity of around 70 million AH per year. The Directors are therefore of the view that it would be beneficial to the Company and its Shareholders as a whole to enter into the Agreement and acquire the Assets.

The Directors consider that the transactions contemplated under the Agreement have been entered into on normal commercial terms and after arm's length negotiations among the parties and are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

## **GENERAL**

Liaoyuan Liyuan is principally engaged in the production of battery and related products. Liaoyuan Economic Committee is the local government authority that is responsible for the administration of the 吉林遼源經濟開發區 (Jilin Liaoyuan Economic Development Area\*).

As the applicable percentage ratios (as defined in the Listing Rules) in respect of the Acquisition are below 5%, the Acquisition does not constitute a notifiable transaction for the Company under the Listing Rules, and this announcement is made by the Company on a voluntary basis.

## DEFINITIONS

Unless otherwise stated, the terms in this announcement have the following meanings:

“Acquisition”	the acquisition of the Assets by Jilin Thunder Sky pursuant to the terms and conditions of the Agreement;
“Agreement”	the assets transfer agreement dated 27 September 2010 between Jilin Thunder Sky, Liaoyuan Liyuan, Mr. Yang and Mr. Shan and Liaoyuan Economic Committee with respect to the transfer of the Assets;
“AH”	ampere-hour, a unit of electric charge;
“Assets”	the assets including land, factories, office buildings and production equipment and facilities, the details of which are set out in the annexure to the Agreement;
“associate(s)”	has the meaning ascribed to it under the Listing Rules;
“Board”	the board of Directors;
“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 Date”	the fifth business day from the date on which all the conditions precedent of the Acquisition have been satisfied or waived in accordance with the Agreement or such other day as Liaoyuan Liyuan and Jilin Thunder Sky may agree in writing;
“connected person(s)”	has the meaning ascribed to it under the Listing Rules;
“Director(s)”	the director(s) of the Company;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;

“Jilin Thunder Sky”	吉林中聚雷天新能源有限公司 (Jilin Thunder Sky New Energy Co., Ltd.*), a limited liability company established in the PRC and an indirect wholly-owned subsidiary of the Company;
“Liaoyuan Economic Committee”	吉林遼源經濟開發區管理委員會 (Jilin Liaoyuan Economic Development Area Management Committee*), a government department established in the PRC which is the co-ordinator and witness of the Acquisition and is independent of and not connected with the Company and its connected persons;
“Liaoyuan Liyuan”	遼源鋰源動力能源工業有限公司 (Liaoyuan Liyuan Energy Industrial Co., Ltd.*), a limited liability company established in the PRC and is independent of and not connected with the Company and its connected persons;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Mr. Shan”	單煒強 (Shan Weiqiang*), a PRC individual who is one of the guarantors of Liaoyuan Liyuan and is independent of and not connected with the Company and its connected persons;
“Mr. Yang”	楊塞新 (Yang Saixin*), a PRC individual who is one of the guarantors of Liaoyuan Liyuan and is independent of and not connected with the Company and its connected persons;
“PRC”	the People’s Republic of China;
“RMB”	Renminbi, the lawful currency of the PRC;
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company;
“Shareholder(s)”	holder(s) of the Shares;

“Stock Exchange”      The Stock Exchange of Hong Kong Limited; and  
“%”                      per cent.

*For the purpose of illustration only, amounts denominated in RMB in this announcement have been translated into HK\$ at the rate of RMB1 : HK\$1.16.*

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

Hong Kong, 27 September 2010

*As of the date of this announcement, the Board comprises Mr. Chung Hing Ka (Deputy Chairman and Chief Technical Officer), Mr. Miao Zhenguo (Chief Executive Officer and 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.*

\* *For identification only*

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