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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)**

### **(1) RULE 13.09 ANNOUNCEMENT AND (2) SUSPENSION OF TRADING**

For the reasons set out in the section headed “Proposed Removal of Mr. Chung as a Director”, a resolution for the removal of Mr. Chung as a Director will be proposed at the SGM.

Trading in Shares on the Stock Exchange will continue to be suspended pending the issue of further announcement relating to, among other things, a possible fund-raising exercise.

Reference is made to the Acquisition Circular, the First Announcement and the Second Announcement.

### **PROPOSED REMOVAL OF MR. CHUNG AS A DIRECTOR**

As disclosed in the section headed “Potential Claims Against Mr. Chung” in the First Announcement, the Special Board Committee has received evidence that has led it to believe that Mr. Chung and his associates have conducted activities that are in breach of the agreements in connection with the Acquisition and the sale of Electric Battery Products and his duties as a director of the Company including but not limited to the following:

- (1) As disclosed in Note 13 to the 2010 Interim Report, the PRC Operating Companies act as agents to sell Electric Battery Products for the Group. To the extent that sales of Electric Battery Products were made by the PRC Operating Companies, the PRC Operating Companies have confirmed the amount payable

to the Group up to 30 September 2010 of about HK\$30.5 million. The PRC Operating Companies have failed and/or refused, despite repeated requests and demands, to allow the Company's auditors to inspect the sales records in respect of such sales or to remit such amount to the Group.

- (2) The evidence that the Special Board Committee has received suggested that there were sales of Electric Battery Products to other parties by the PRC Operating Companies since 1 October 2010 but the PRC Operating Companies have refused to provide any sales records or accounted to the Group in relation to the sale of Electric Battery Products made since 1 October 2010.
- (3) Mr. Chung and/or companies controlled by him (including, in particular, 溫斯頓電池製造有限公司 (Winston Battery Limited\*) and Seven One Limited) have competed with the business of the Group or diverted business from the Group.

As disclosed in the Second Announcement, for the protection of the Company's interests and the enforcement of its rights, legal proceedings were issued against Mr. Chung, Mei Li New Energy, the PRC Operating Companies and certain other companies controlled by Mr. Chung on 12 March 2011.

Mr. Chung is personally interested in the PRC Operating Companies and the companies mentioned in paragraph (3) above. The Board is of the view that given Mr. Chung's conflict of interest, he is not in a position to discharge his fiduciary duty to the Company as a Director. Mr. Chung declined to resign as a Director despite the facts that he is required to do so under his service agreement with the Company upon the termination of his employment with the Company on 8 March 2011 (as referred to in paragraph (c) of the sub-section headed "Measures for the protection of the Company's interest" in the First Announcement) and the request from the Company. For the protection of the interests of the Company and the Shareholders as a whole, the Board has no alternative but has resolved to put forward a resolution to remove Mr. Chung as a Director for the Shareholders to vote on at the SGM.

Regarding the proposed removal of Mr. Chung as a Director, the Company has, as at the date hereof, no further matters which need to be brought to the attention of the Shareholders save as disclosed in the First Announcement, the Second Announcement and this Announcement.

## **REQUIREMENTS UNDER THE BYE-LAWS**

Under Bye-law 104 of the Bye-Laws, the Company may by ordinary resolution remove any Director (including any managing director or executive director) before the expiration of his period of office notwithstanding anything in the Bye-Laws or in

any agreement between the Company and such Director (but without prejudice to any claim which such Director may have for damages for any breach of any contract between him and the Company).

Under section 93(1) of the Companies Act and subject to its bye-laws, shareholders of a Bermuda company may at a special general meeting call for the removal of a director provided that notice of such meeting shall be served on the director concerned not less than 14 days before the meeting and he shall be entitled to be heard at such meeting.

### **SPECIAL GENERAL MEETING TO BE CONVENED**

A circular containing, among other things, information in relation to the proposed removal of Mr. Chung as a Director and a notice convening the SGM will be despatched to the Shareholders as soon as practicable.

### **SUSPENSION OF TRADING IN SHARES**

Trading in Shares on the Stock Exchange will continue to be suspended pending the issue of further announcement relating to, among other things, a possible fund-raising exercise.

### **DEFINITIONS**

In this Announcement, the following expressions have the following meanings and terms defined in the First Announcement, the Second Announcement and the Acquisition Circular will bear the same meanings in this Announcement unless the context otherwise requires.

“Acquisition Circular”	means the Company’s circular to the Shareholders dated 3 May 2010
“Companies Act”	means the Companies Act 1981 of Bermuda (as amended from time to time)
“First Announcement”	means the announcement of the Company dated 9 March 2011
“Mr. Chung”	means Mr. Chung Winston (鍾馨稼)
“Second Announcement”	means the announcement of the Company dated 12 March 2011

“SGM”	means the special general meeting of the Company to be convened for the purpose of considering and if thought fit, passing the resolutions described in the First Announcement and this Announcement
“Shareholders”	means holders of Shares
“Shares”	means ordinary shares of HK\$0.01 each in the share capital of the Company
“Special Board Committee”	means a committee of the Board consisting of all the Directors (other than Mr. Chung and Mr. Miao Zhenguo)

By order of the board of  
**Thunder Sky Battery Limited**  
**Jaime Che**  
*Executive Director*

Hong Kong, 16 March 2011

*As of the date of this Announcement, the board of directors of the Company comprises Mr. Miao Zhenguo (Deputy Chairman and Chief Executive Officer), Mr. Lo Wing Yat, Mr. Xu Donghui (Chief Operating Officer) and Mr. Jaime Che as executive directors; Mr. Chung Winston as non-executive director; 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>

*\*For identification only*