

This announcement is for information purpose only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities. This announcement is not, and is not intended to be, an offer of securities of Tianneng Power International Limited (the "Company") for sale in the United States. The Shares of the Company have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act") and may not be offered or sold within the United States (as defined in Regulation S under the Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

Unless the context requires otherwise, the capitalised terms used in this announcement shall have the same meanings as defined in the prospectus (the "Prospectus") issued by the Company on Tuesday, 29 May 2007.

The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and Hong Kong Securities Clearing Company Limited ("HKSCC") take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

Prospective investors should note that Kingsway Financial Services Group Limited ("Kingsway Financial") has the right in certain circumstances to terminate the obligations of the Underwriters pursuant to the Underwriting Agreements at any time prior to 8:00 a.m. (Hong Kong time) on the Listing Date.

In connection with the Share Offer, Kingsway Financial may, but is not obliged to, over-allocate Shares and/or effect transactions with a view to supporting the market price of the Shares at a level higher than that which might otherwise prevail in the market, for a limited period after the Listing Date. Such transactions shall be effected in compliance with all applicable laws and regulations, including the Securities and Futures (Price Stabilizing) Rules made under SFO and, if commenced, may be discontinued at any time and are required to be brought to an end after a limited period. The details of these stabilisation actions and how will they be regulated under the SFO are contained in the Prospectus. The number of Shares being offered in the International Placing may be increased by not more than an aggregate of 45,000,000 additional Shares (of which up to 15,000,000 additional Shares to be issued and allotted by the Company and up to 30,000,000 additional Shares to be sold by the Selling Shareholders) through the exercise of the Over-allocation Option, exercisable by Kingsway Financial, at any time within 30 days from the last date for lodging the Application Forms. In the event that the Over-allocation Option is exercised, a separate announcement will be made by the Company.



TIANNENG POWER INTERNATIONAL LIMITED

天能動力國際有限公司

(Incorporated in the Cayman Islands with limited liability)

INTERNATIONAL PLACING AND HONG KONG PUBLIC OFFER PROPOSED LISTING ON THE MAIN BOARD OF THE STOCK EXCHANGE OF HONG KONG LIMITED

**Number of Offer Shares : 300,000,000 Shares, comprising 250,000,000
New Shares
and 50,000,000 Sale Shares (subject to the
Over-allocation Option)**

**Number of International Placing Shares : 270,000,000 Shares, comprising 220,000,000
New Shares
and 50,000,000 Sale Shares (subject to
reallocation
and the Over-allocation Option)**

Number of Hong Kong Public Offer Shares : 30,000,000 New Shares (subject to reallocation)

Offer Price : Not more than HK\$1.92 per Offer Share and expected to be not less than HK\$1.48 per Offer Share
(payable in full upon application and subject to refund,
plus brokerage of one per cent.,
SFC transaction levy of 0.004 per cent. and
Stock Exchange trading fee of 0.005 per cent.)
Nominal value : HK\$0.10 per Share
Stock code : 819

Global Co-ordinator, Sole Bookrunner, Lead Manager and Sponsor



Application has been made to the Listing Committee of the Stock Exchange for the granting of the listing of, and permission to deal in, the Shares in issue and to be issued as described in the Prospectus and the Application Forms (including the additional Shares to be issued pursuant to the exercise of the Over-allocation Option and upon the exercise of any option which may be granted under the Share Option Scheme).

Dealings in the Shares on the Main Board are expected to commence at 9:30 a.m. on Monday, 11 June 2007. Applications for the Offer Shares will only be considered on the basis of the terms and conditions set out in the Prospectus and in the **WHITE** or **YELLOW** Application Forms. **It should be noted that multiple applications or suspected multiple applications or any application for more than 15,000,000 Hong Kong Public Offer Shares will be rejected.**

Only one application on a **WHITE** or **YELLOW** Application Form may be made for the benefit of any person. Applicants for the Hong Kong Public Offer Shares are required to undertake and confirm that they or the relevant beneficial owner(s) have not applied for or taken up, or indicated an interest for, and will not apply for or take up, or indicate an interest for, any International Placing Shares. Subject to the granting of the listing of, and permission to deal in, the Shares on the Main Board as well as compliance with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the Listing Date or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second business day after any trading day. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements have been made for the shares to be submitted into CCASS.

The Share Offer comprises the Hong Kong Public Offer of initially 30,000,000 Offer Shares, subject to reallocation and the International Placing of initially 270,000,000 Offer Shares, subject to the Over-allocation Option and reallocation. The Company and the Selling Shareholders intend to grant the Over-allocation Option to Kingsway Financial, which is exercisable up to the 30th day after the last day for lodging of applications under the Hong Kong Public Offer, to require (i) the Company to issue and allot up to 15,000,000 additional New Shares and (ii) the Selling Shareholders to sell up to 30,000,000 additional Sale Shares, representing in aggregate approximately 15 per cent. of the initial number of the Offer Shares, at the final Offer Price to cover, among other things, over-allocations in the International Placing, if any. In the event that the Over-allocation Option is exercised, the Company will issue a separate announcement.

The Share Offer is conditional on the conditions set forth under "Conditions" in the section headed "Structure and conditions of the Share Offer" in the Prospectus. The Offer Price will be not more than HK\$1.92 per Offer Share and is currently expected to be not less than HK\$1.48 per Offer Share. Applicants for Hong Kong Public Offer Shares are required to pay, on application, the maximum offer price of HK\$1.92 for each Offer Share together with a brokerage fee of 1%, SFC transaction levy of 0.004% and Stock Exchange trading fee of 0.005% subject to refund if the Offer Price as finally determined should be lower

than HK\$1.92 per Offer Share. The final Offer Price is expected to be determined among the Company, the Selling Shareholders and Kingsway Financial (on behalf of the Underwriters) on or before Friday, 1 June 2007 but, in any event, no later than Tuesday, 5 June 2007. Kingsway Financial (on behalf of the Underwriters) may reduce the indicative Offer Price range below that stated in the Prospectus at any time on or prior to the morning of the last day for lodging applications under the Hong Kong Public Offer. In such a case, a notice of the reduction in the indicative Offer Price range will be published in the South China Morning Post (in English) and the Hong Kong Economic Times (in Chinese) as soon as practicable following the decision to make such reduction, and in any event, not later than the morning of the day which is the last day for lodging applications under the Hong Kong Public Offer. If applications pursuant to the Hong Kong Public Offer Shares have been submitted prior to the last day for lodging applications under the Hong Kong Public Offer, then even if the indicative Offer Price range is so reduced, such applications cannot be subsequently withdrawn. If, for whatever reason, the Offer Price is not agreed between the Company, the Selling Shareholders and Kingsway Financial (on behalf of the Underwriters) by Tuesday, 5 June 2007, the Share Offer will not proceed and will lapse.

If the Share Offer does not become unconditional, all application money received from applicants under the Hong Kong Public Offer will be refunded, **WITHOUT INTEREST**, on the terms set out under “Refund of your application money — additional information” in the section headed “Terms and conditions of the Hong Kong Public Offer” in the Prospectus. Refund will be made if an application is rejected, revoked, not accepted or accepted in part only or the final Offer Price is less than the price paid for each Hong Kong Public Offer Share.

Applicants for 1,000,000 Shares or more who have elected in their Application Forms to collect their refund cheques (where relevant) and/or Share certificates (for applicants using **WHITE** Application Form) in person may do so from the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Hong Kong, from 9:00 a.m. to 1:00 p.m. on Friday, 8 June 2007. Applicants being individuals who opt for collection in person may not authorise any other person to make collection on their behalf. Applicants being corporations, who opt for collection in person, must attend by their authorised representatives each bearing a letter of authorisation from such corporation stamped with the corporation’s chop. Both individuals and authorised representatives must produce at the time of collection, evidence of identity acceptable to Tricor Investor Services Limited. Uncollected Share certificate(s) and refund cheque(s) will be despatched by ordinary post at the applicants’ own risk to the addresses or (in the case of joint applicants) the address of the first named applicant specified in the relevant Application Form. **Share certificates will only become valid certificates of title at 8:00 a.m. on Monday, 11 June 2007 provided that the Share Offer has become unconditional in all respects and the right of termination describe in the section headed “Underwriting” in the Prospectus has not been exercised.**

In relation to applicants who have applied for less than 1,000,000 Shares, or applicants who have applied for 1,000,000 Shares or more and have not elected in their Application Forms to collect their refund cheques (where relevant) and/or Share certificates (for applicants using **WHITE** Application Forms) in person, their refund cheques (where relevant) and/or Share certificates (for applicants using the **WHITE** Application Forms) will be sent by ordinary post at the applicants’ own risk to the addresses or (in the case of joint applicants) the address of the first named applicant specified in the relevant Application Forms on Friday, 8 June 2007.

Applicants who would like to be allotted Shares in their own names should complete and sign the **WHITE** Application Forms. Applicants who would like to have the Shares issued in the name of HKSCC Nominees Limited and deposited directly into CCASS for credit to their CCASS investor participants stock accounts or the stock accounts of their designated CCASS participants maintained in CCASS should complete and sign the **YELLOW** Application Forms.

Obtaining a copy of the Prospectus and Application Forms

Copies of the Prospectus, together with the **WHITE** Application Forms, may be obtained during normal business hours from 9:00 a.m. on Tuesday, 29 May 2007 until 12:00 noon on Friday, 1 June 2007 at:

1. Any participant of the Stock Exchange;
2. Kingsway Financial Services Group Limited, 5th Floor, Hutchison House, 10 Harcourt Road, Central, Hong Kong;
3. China Everbright Securities (HK) Limited, 36/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong;
4. UOB Kay Hian (Hong Kong) Limited, 15/F, Aon China Building, 29 Queen's Road Central, Hong Kong;
5. CCB International Capital Limited, Suites 2815–21, 28th Floor, Two Pacific Place, 88 Queensway, Admiralty, Hong Kong;
6. First Shanghai Securities Limited, 19/F, Wing On House, 71 Des Voeux Road Central, Hong Kong;
7. KCG Securities Asia Limited, Room 1914–1917, 19/F, Hutchison House, 10 Harcourt Road, Central, Hong Kong;
8. KGI Capital Asia Limited, 27/F, ICBC Tower, Citibank Plaza, 3 Garden Road, Central, Hong Kong;
9. Kingston Securities Limited, Suite 2801, 28th Floor, One International Finance Centre, 1 Harbour View Street, Central, Hong Kong;
10. Polaris Capital (Asia) Limited, Unit 6503–06, 65th Floor, The Center, 99 Queen's Road Central, Hong Kong;
11. VC Brokerage Limited, 28/F, The Centrium, 60 Wyndham Street, Central, Hong Kong;

or any of the following branches of Standard Chartered Bank (Hong Kong) Limited:

	Branches	Address
Hong Kong Island:	Des Voeux Road Branch	Standard Chartered Bank Building, 4–4A, Des Voeux Road Central, Central
	88 Des Voeux Road Branch	88 Des Voeux Road Central, Central
	Central Branch	Shop No. 16, G/F and Lower G/F, New World Tower, 16–18 Queen's Road Central, Central
	Hennessy Road Branch	399 Hennessy Road, Wanchai
	Leighton Centre Branch	Shop 12–16, UG/F, Leighton Centre, 77 Leighton Road, Causeway Bay
Kowloon:	Quarry Bay Branch	G/F, Westlands Gardens, 1027 King's Road, Quarry Bay
	North Point Centre Branch	North Point Centre, 284 King's Road, North Point
	Mongkok Branch	Shop B, G/F, 1/F & 2/F, 617–623 Nathan Road, Mongkok
	Tsimshatsui Branch	G/F, 10 Granville Road, Tsimshatsui
	Cheung Sha Wan Branch	828 Cheung Sha Wan Road, Cheung Sha Wan
	Kwun Tong Branch	1A Yue Man Square, Kwun Tong
	Yaumati Branch	546–550 Nathan Road, Yaumati

Telford Gardens Branch

Shop P9–12, Telford Centre, Telford Gardens, Tai Yip Street, Kwun Tong

New Territories:

Tsuen Wan Branch

Shop C, G/F & 1/F, Jade Plaza, No. 298 Sha Tsui Road, Tsuen Wan

Shatin Centre Branch

Shop 32C, Level 3, Shatin Shopping Arcade, Shatin Centre, 2–16 Wang Pok Street, Shatin

Copies of the Prospectus, together with the **YELLOW** Application Forms, may be obtained during normal business hours in the same period from the Depository Counter of HKSCC at 2/F., Viewood Plaza, 199 Des Voeux Road Central, Hong Kong.

Both **WHITE** and **YELLOW** Application Forms completed in all respects (to which one check or banker's cashier order should be securely stapled) should be deposited in the special collection boxes provided at the branches of Standard Chartered Bank (Hong Kong) Limited referred to above at the following times on the following dates:

Tuesday, 29 May 2007	—	9:00 a.m. to 4:30 p.m.
Wednesday, 30 May 2007	—	9:00 a.m. to 4:30 p.m.
Thursday, 31 May 2007	—	9:00 a.m. to 4:30 p.m.
Friday, 1 June 2007	—	9:00 a.m. to 12:00 noon

Subject to the terms and conditions set out in the Prospectus and the Application Forms relating to the Hong Kong Public Offer, applications must be received no later than 12:00 noon on Friday, 1 June 2007 (or if the application lists are not open on that day, by the time and date stated under "How to apply for the Hong Kong Public Offer Shares" in the Prospectus). Please refer to the section headed "How to apply for the Hong Kong Public Offer Shares" in the Prospectus for further details. **No temporary documents or evidence of title will be issued. No receipt will be issued for application money.**

The total number of the Hong Kong Public Offer Shares (after taking into account of any reallocation between the International Placing and the Hong Kong Public Offer) will be divided into two pools for allocation purposes: Pool A and Pool B. The Shares in Pool A will be allocated on an equitable basis to applicants who have applied for Shares with an aggregate subscription price of HK\$5,000,000 (excluding brokerage, SFC transaction levy and Stock Exchange trading fee payable) or less. The Shares in Pool B will be allocated on an equitable basis to applicants who have applied for Shares with an aggregate subscription price of more than HK\$5,000,000 (excluding brokerage, SFC transaction levy and Stock Exchange trading fee payable) and up to the value of Pool B. Investors should be aware that applications in Pool A and applications in Pool B may receive different allocation ratios. If the Shares in one (but not both) of the pools are undersubscribed, the surplus Shares will be transferred to the other pool to satisfy demand in this other pool and be allocated accordingly. Applicants can only receive an allocation of the Shares from either Pool A or Pool B but not from both pools.

The Company and the Selling Shareholders intend to grant the Over-allocation Option to Kingsway Financial which is exercisable up to the 30th day from the last day for the lodging of applications under the Hong Kong Public Offer. Pursuant to the Over-allocation Option, the Company may be required to issue up to 15,000,000 additional Shares and the Selling Shareholders may be required to sell up to 30,000,000 additional Shares (which in aggregate representing 15 per cent. of the initial number of Offer Shares) to cover over-allocations in the International Placing. A further announcement will be made by the Company if the Over-allocation Option is exercised.

The indications of interest in the International Placing, the results of applications and the basis of allotment of Shares available under the Hong Kong Public Offer are expected to be announced on Friday, 8 June 2007, in South China Morning Post (in English) and Hong Kong Economic Times (in Chinese) and the website of the Company at www.tianneng.com.hk.

If you are applying through a designated CCASS participant (other than a CCASS investor participant), you can check the number of Hong Kong Public Offer Shares allocated to you with that CCASS participant. If you are applying as a CCASS investor participant, you should check the announcement published by the Company and report any discrepancies to HKSCC before 5:00 p.m. on Friday, 8 June 2007 or such other date as shall be determined by HKSCC or HKSCC Nominees Limited. Immediately after the credit of the Hong Kong Public Offer Shares to your stock account (if you are applying as a CCASS investor participant), you can check your new account balance via the CCASS Phone System and CCASS Internet System (under the procedures contained in HKSCC's "An Operating Guide for Investor Participants" in effect from time to time). HKSCC will also make available to you an activity statement showing the number of Hong Kong Public Offer Shares credited to your CCASS investor participant stock account. For further details, please refer to the section headed "Terms and conditions of the Hong Kong Public Offer" in the Prospectus.

Part of the Hong Kong identity card number/passport number of an applicant, or, if there are joint applicants, part of the Hong Kong identity card number/passport number of the first-named applicant, provided by the respective applicant may be printed on the refund cheque, if any. Such data will also be transferred to a third party for refund purpose. The banker of the respective applicant may require verification of his/her Hong Kong identity card number/passport number before encashment of the refund cheque. Inaccurate completion of Hong Kong identity card number/passport number may lead to delay in encashment of or may invalidate the refund cheque.

The Share certificates will only become valid evidence of title if the Share Offer has become unconditional and the Underwriting Agreements have not been terminated in accordance with its terms.

Dealings in our Shares on the Stock Exchange are expected to commence on Monday, 11 June 2007. Our Shares will be traded in board lots of 2,000 Shares each. The stock code of our Shares is 819.

By Order of the Board
ZHANG Tianren
Chairman

Hong Kong, 29 May 2007

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

*"Please also refer to the published version of this announcement in **South China Morning Post**."*