

## **Prax Capital and New World Invest US\$12 Million in Tianneng Batteries**

*Zhejiang Tianneng Battery Co., Ltd., the largest producer of electric bicycles batteries in China, raises US\$ 12 million from Prax Capital and New World. New World's Ms. Ki Man Fung Leonie and Prax Capital's Mr. Jeff Yao join the board of the Company.*

Changxing County, Zhejiang Province, China ([PRWEB](http://www.prweb.com)) May 19, 2005 -- Zhejiang Tianneng Battery Co. Ltd., the largest producer of electric batteries for bicycles in China, announced today that it has completed an initial close of US\$ 12 million in funding from New World and Prax Capital.

Zhejiang Tianneng Battery Co., Ltd. is principally engaged in the R&D, manufacturing and distribution of storage batteries for the use of electric bicycles, a type of bicycle which runs on battery-operated motors which does not require the pedaling by riders. Zhejiang Tianneng Battery Co., Ltd. is the largest electric bicycle battery producer in China with an estimated market share of over 20%. The Company also designs, manufactures and distributes electric bicycle chargers, motors and controllers, which together with the batteries, are commonly known as the four major components of electric bicycles.

With this funding round, Ki Man Fung Leonie, managing director of New World China Enterprises Projects Limited, and Jeff Yao, general partner of Prax Capital, joined Zhejiang Tianneng Battery Co.'s Board of Directors. "The electric bicycle is economical for use and environmental friendly in comparison with motor cycles. Also, cars are yet expensive for the general population in China", Ms. Ki comments. "The electric bicycle is becoming increasingly popular in China. It's convenient, comfortable and not expensive. The demand has doubled annually in recent years and will continue to grow for years to come, as millions of Chinese people still use traditional bicycles, representing a huge upgrade market." Mr. Yao comments.

The Company, located in Changxing, Zhejiang Province, was founded by the chairman and chief executive officer, Mr. Zhang Tianren. "We will use this round of funding to expand our manufacturing capabilities and develop next generation batteries for electric bicycles. The electric bicycle market in China is growing very fast nationwide. This has prompted us to increase our production facilities in order to cope with demand. In addition, the Company plans to do an IPO on the Main Board of the Hong Kong Stock Exchange within one year, in order to continue to fund our rapid growth." Mr. Zhang says.

In respect of this transaction, Crosby Limited was the financial advisor for the Company. Gallant Y.T.Ho & Co. acted as the Hong Kong legal advisor to the Company. Boughton Peterson Yang Anderson were the legal advisors for New World China Enterprises Projects Limited and Prax Capital. Grandall Legal Group Hangzhou Law Firm acted as the PRC legal advisor to the Company. Deloitte Touche Tohmatsu acted as the auditors of the Company.

About Zhejiang Tianneng Battery Co. Ltd.

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For additional information, please refer to the Company's website: [www.cn-tn.com](http://www.cn-tn.com)



#### About Prax Capital

Prax Capital is a US private equity house that invests in Chinese growth companies in traditional sectors. With a team with over 10 years of investing experience in China, Prax Capital is committed to providing long-term capital to companies with high growth potential in noncyclical industries with a strong manufacturing component.

The firm's investment philosophy is to invest in companies in growth capital and pre-IPO deals, pursuing a balanced equity portfolio strategy.

Prax Capital has offices in Shanghai, Barcelona and Miami.

For additional information, please refer to the firm's website: [www.praxcapital.com](http://www.praxcapital.com)

#### About New World

New World Group is one of Hong Kong's leading conglomerates. The Group's core businesses include property, service, infrastructure, telecommunication and strategic investment. Over the last two decades, the Group has actively participated in various businesses in Mainland China and established itself as one of the largest foreign direct investors in the Mainland China. The Group now has existing investment exceeding US\$5 billion in Mainland China spreading across 4 municipalities and 19 provinces.

New World China Enterprises Projects Limited (NWCEP) is a wholly owned subsidiary of the New World's parent company, New World Development Company Limited. Established in 1997, NWCEP is responsible for managing investment with a primary focus in China, engaged in private equity investments in small and medium size enterprises.

NWCEP has also entered into joint venture partnership, being New World Liberty China Ventures Limited, with Liberty Mutual Group and Asian Development Bank for investments into China.

NWCEP's objective is to provide strategic support and resources improving the competitiveness, corporate governance and management practices for investee companies.

For additional information, please refer to the Group's website: [www.nwd.com.hk](http://www.nwd.com.hk)

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