

May 5, 2017

Highpower International Enters into Equity Transfer Agreement

SAN DIEGO and SHENZHEN, China, May 5, 2017 /PRNewswire/ -- Highpower International, Inc. (NASDAQ: HPJ) ("Highpower" or the "Company"), a developer, manufacturer, and marketer of lithium ion and nickel-metal hydride (Ni-MH) rechargeable batteries, battery management systems, and a provider of battery recycling, today announced that its wholly-owned subsidiary, Huizhou Highpower Technology Co., Ltd ("Huizhou Highpower"), has entered into an equity transfer and capital increase agreement ("Agreement") whereby Huizhou Highpower will sell most of its shares of Huizhou Yipeng Energy Technology Co., Ltd. ("Yipeng"), an electric vehicle power battery system solutions provider specializing in the plug-in hybrid electric vehicle (PHEV) and electric vehicle (EV) bus market in China, to Xiamen Jiupai Yuanjiang New Power Equity Investment Partnership ("New Power") for an aggregate consideration of RMB71.0 million (approximately \$10.3 million).

Pursuant to the terms of the Agreement, the Company will receive RMB71.0 million (approximately \$10.3 million) in cash for the transfer of 29.58% of equity of Yipeng. In connection with the transfer, the Company will also receive approximately RMB50 million (approximately \$7.3 million) in outstanding accounts receivable due from Yipeng. To date, the Company has invested a total of approximately RMB65 million (approximately \$9.4 million, including \$6.5 million in equipment) in Yipeng. New Power will also make an additional equity investment of RMB60 million (approximately \$8.7 million) in Yipeng based on Yipeng's post valuation of RMB300 million (approximately \$43.6 million). As a result of the equity transfer and New Power's additional investment, Huizhou Highpower's equity ownership of Yipeng will decrease from 35.4% to 4.654%.

Highpower's potential benefits from the transaction include:

- Approximately RMB20 million (approximately \$2.9 million) of potential investment income from 2016;
- Approximately RMB45 million (approximately \$6.5 million) of investment in equipment will be returned in cash;
- Yipeng will pay to Huizhou Highpower approximately RMB50 million (approximately \$7.3 million) related to outstanding accounts receivable; and
- With the cash received from the transaction, Highpower plans to invest more capital in R&D as well as additional production capacity for batteries, including power cells for electric vehicles.

Mr. George Pan, Chairman and CEO of Highpower International, commented, "We are pleased to have entered into an agreement to transfer our equity interest in Yipeng to New Power. Highpower's competitive edge lies in our cell technology and manufacturing capabilities, and we are deeply focused on strengthening our core cell business including Ni-MH and Li-ion batteries. Power solutions are becoming the main bottleneck of the

rapidly developing EV and energy storage devices, and cells are the core focal point for emerging power solutions. We believe we are well positioned to capture the opportunities associated with the growing demand for high-quality cells, which we consider to be our principal strength."

About Highpower International, Inc.

Highpower International was founded in 2001 and produces high-quality Nickel-Metal Hydride (Ni-MH) and lithium-based rechargeable batteries used in a wide range of applications such as electric buses, bikes, energy storage systems, power tools, medical equipment, digital and electronic devices, personal care products, and lighting, etc. Highpower's target customers are Fortune 500 companies and top 20 companies in each vertical segment. With advanced manufacturing facilities located in Shenzhen, Huizhou, and Ganzhou of China, Highpower is committed to clean technology, not only in the products it makes, but also in the processes of production. The majority of Highpower International's products are distributed to worldwide markets mainly in the United States, Europe, China and Southeast Asia.

Forward Looking Statements

This press release contains "forward-looking statements" within the meaning of the "safe-harbor" provisions of the Private Securities Litigation Reform Act of 1995 that are not historical facts. These statements can be identified by the use of forward-looking terminology such as "believe," "expect," "may," "will," "should," "project," "plan," "seek," "intend," or "anticipate" or the negative thereof or comparable terminology and include statements about sale of the Yipeng shares and intended use of the proceeds from such sale. Such statements involve known and unknown risks, uncertainties and other factors that could cause the Company's actual results to differ materially from the results expressed or implied by such statements, including, without limitation, risks and uncertainties associated with the satisfaction of customary closing conditions related to the sale; changes in the Company's business and growth strategies; ability to use the proceeds as anticipated; changes in the laws of the PRC that affect our operations; the devaluation of the U.S. Dollar relative to the Renminbi; ability to continue R&D development to keep up with technological changes; changes in foreign, political, social, business and economic conditions that affect our production capabilities or demand for our products . For a discussion of risks and uncertainties see "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the Company's public filings with the SEC. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct. The Company has no obligation to update the forward-looking information contained in this press release.

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