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China Titans Energy Technology Group Co., Limited

中國泰坦能源技術集團有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2188)

VOLUNTARY ANNOUNCEMENT

INVESTMENT AGREEMENT

This is a voluntary announcement made by the Company.

On 12 December 2014 (after trading hours), Zhuhai Titans, an indirect wholly-owned subsidiary of the Company, entered into the Investment Agreement with Hebei-Pingwu Management Committee and MMPG, pursuant to which Zhuhai Titans agreed to form the JV Company with Haote to invest in the Investment Project. To incentivize and support the JV Company's participation in the Investment Project, Hebei-Pingwu Management Committee agreed to provide suitable industrial land for construction use of the Investment Project and MMPG agreed to liaise with relevant municipal departments for facilitating the preliminary preparation work of the Investment Project; and will also list the Investment Project on the new energy vehicles supporting catalogue of Mianyang City. Furthermore, under the same conditions offered by other parties, the JV Company shall have priority to participate in any construction projects of charging stations, charging networks and service networks invested by the government.

THE INVESTMENT AGREEMENT

Details of the Investment Agreement are summarised as follows:

Date : 12 December 2014

Parties : (1) Zhuhai Titans;
(2) Hebei-Pingwu Management Committee; and
(3) MMPG

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the personnel of both Hebei-Pingwu Management Committee and MMPG are third parties independent of the Company and its connected persons.

Capital to be injected : The estimated total registered capital of the JV Company will be to the JV Company RMB50,000,000, each of Zhuhai Titans and Haote is expected to contribute RMB25,500,000 and RMB24,500,000, representing 51% and 49% of the estimated total registered capital of the JV Company. The first stage of investment will be RMB21,000,000, which is expected to be contributed as to 51% by Zhuhai Titans and as to 49% by Haote.

Formation of the JV Company

Haote confirmed, acknowledged and agreed with the arrangement and the terms of the Investment Agreement. Pursuant to the Investment Agreement, Zhuhai Titans will form the JV Company with Haote to invest in the Investment Project. The total investment amount of the Investment Project is estimated to be RMB200,000,000, which will be contributed by the JV Company itself in two phases. Other than the prorata contribution to the registered capital, the Group is not obliged to inject further capital or provide any financial assistance to the JV Company for obtaining financing. If the Group is required to provide further funding or financial assistance to the JV Company, the Company will comply with the relevant requirements under the Listing Rules and make further announcement(s) as and when appropriate.

Zhuhai Titans and Haote will further negotiate on the terms of formation of the JV Company and will enter into further agreement(s) regarding its formation.

Other key terms of the Investment Agreement

The Investment Project is aimed to achieve a revenue of RMB450,000,000. MMPG will fully support the Investment Project and it will list the Investment Project on the new energy vehicles supporting catalogue of Mianyang City. Furthermore, under the same conditions offered by other parties, the JV Company shall have priority to participate in any construction projects of charging stations, charging networks and service networks invested by the government. It is agreed that subject to the satisfaction and fulfilment of all the terms in the Investment Agreement (including the construction time, the project contents, the investment amount and the tax payment), Hebei-Pingwu Management Committee will provide certain supportive policies in supporting the Investment Project including, among others, (i) assistance to the JV Company in obtaining the Preferential Policies; (ii) provision of the Reserved Industrial Land for the Investment Project; and (iii) provision of the Financial Reward Policy.

Termination of the Investment Agreement

The Investment Agreement will be terminated and Hebei-Pingwu Management Committee shall have the right to resume the Reserved Industrial Land and shall be entitled to claim against the JV Company for a liquidated damages, amounting to 10% of the total investment amount of the Investment Project, if the construction of the Investment Project does not satisfy the requirements of the environmental assessment.

Further, the provision of the Reserved Industrial Land and/or the Financial Reward Policy shall be cancelled automatically if, the following occurs:

- (i) the Investment Project is not constructed and operated in accordance with the designated time and contents;
- (ii) the fixed assets invested in the Investment Project and its contribution for tax payment do not fulfill the designated amount; and
- (iii) the Investment Project cannot be completed within the designated time.

REASONS FOR AND BENEFITS OF ENTERING INTO OF THE INVESTMENT AGREEMENT AND FORMATION OF THE JV COMPANY

The Investment Project will be located at Hebei-Pingwu Industrial Zone in the National High-Tech Industrial Development Zone in Mianyang* (綿陽國家高新技術產業開發區河北—平武工業園區) and is an investment on new energy charging and storage production bases in Mianyang City in the PRC by the JV Company, for the main purposes of (i) research and development, production, sales and service of charging equipment for electric vehicles; (ii) planning and design, construction, investment and operation of electric vehicles charging stations; (iii) operation and management of new energy vehicles; (iv) technology development on professional information technology and technical services; and (v) sales, installation, testing and maintenance of communication system facilities.

Mianyang City is the only national science and technology city approved by the State Council of the PRC. There are abundant technological resources in Mianyang City, including 18 national technological institutes. These resources provide a solid business environment and significant advantage for the development of the industry of new energy vehicles. It is encouraged to develop and integrate the industrial chain of new energy vehicles in the Mianyang City, in order to advance the industry of new energy electric vehicles. It is expected that the demand for new energy charging and storage facilities in Mianyang City will be increasing.

By investing in the Investment Project, the Company can enjoy various kinds of supportive and preferential policies from the municipal government for its development of electric vehicles charging station business in Mianyang City. The JV Company can make full use of the advantages provided by the Group (in terms of technical capabilities possessed in electric vehicles) and Haote (in terms of the existing research and development results and existing offices and production facilities) to provide quality and efficient new energy charging and storage production bases for integrating the chain of

production of electric vehicles in Mianyang City and expanding the business to Chengdu and other areas in Sichuan Province, and to the western districts in the PRC. The Group's investment in the Investment Project is in line with its business and will provide a solid foundation and be advantageous for the Group to expand its business in the western parts of the PRC. The investment contribution to the Investment Project and the capital contribution to the JV Company by Zhuhai Titans will be funded by the Group's internal resources.

Haote is principally engaged in the research and development, production, sales and technical service for mechanical facilities, electric control facilities, mechatronic facilities, energy and environmental protection facilities, computer and electronic information technology, research and development in sound-absorbing materials, engineering consulting services, and production, processing and sales of steel rings, crank and accessories, industrial robots, aerospace accessories, automobile accessories. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Haote and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

The Directors (including the independent non-executive Directors) consider that the Investment Agreement and the transaction contemplated thereunder have been made on normal commercial terms and that such terms are fair and reasonable and in the interests of the Company and its shareholders as a whole.

DEFINITIONS

In this announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

“Company”	China Titans Energy Technology Group Co., Limited (中國泰坦能源技術集團有限公司*), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange (stock code: 2188);
“connected persons”	has the meaning ascribed thereto in the Listing Rules;
“Directors”	the directors of the Company;
“Financial Reward Policy”	a financial reward to be provided by Hebei-Pingwu Management Committee to the JV Company pursuant to the Investment Agreement for an respective amount of 50%, 30% and 20% of its tax received (including value-added tax and income tax) in the three consecutive years since the commencement date of the Investment Project, subject to the condition that the yearly tax to be received by Hebei-Pingwu Management Committee will amount to an average of RMB5,000,000 for the said three consecutive years;
“Group”	the Company and its subsidiaries;

“Haote”	Sichuan Haote Industry Group Company Limited* (四川豪特實業集團有限公司), a company incorporated in the PRC with limited liability;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Investment Agreement”	the agreement entered into among Zhuhai Titans, Hebei-Pingwu Management Committee and MMPG on 12 December 2014 in relation to the Investment Project;
“Investment Project”	the project of investing new energy charging and storage production bases in Mianyang City in the PRC by Zhuhai Titans and Haote through the JV Company;
“JV Company”	a joint venture company to be incorporated in the PRC by Zhuhai Titans and Haote pursuant to the arrangement in the Investment Agreement;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“MMPG”	Mianyang City Municipal People’s Government* (綿陽市人民政府);
“Hebei-Pingwu Management Committee”	the management committee of Hebei-Pingwu Industrial Zone in the National High-Tech Industrial Development Zone in Mianyang* (綿陽國家高新技術產業開發區河北—平武工業園區管理委員會);
“PRC”	the People’s Republic of China, for the purposes of this announcement, excluding Hong Kong, the Macau Special Administrative Region and Taiwan;
“Preferential Policies”	the national, provincial and municipal preferential policies, such as capital, technological advancement and financial assistance to be obtained by the JV Company for the Investment Project pursuant to the Investment Agreement;
“Reserved Industrial Land”	designated industrial land provided and reserved by Hebei-Pingwu Management Committee for construction use of the Investment Project pursuant to the Investment Agreement;
“RMB”	Renminbi, the lawful currency of the PRC;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Zhuhai Titans”	Zhuhai Titans Electricity Electronics Group Co., Limited* (珠海泰坦電力電子集團有限公司), a company incorporated in the PRC and an indirect wholly-owned subsidiary of the Company; and

“%”

per cent.

By Order of the Board
China Titans Energy Technology Group Co., Limited
Li Xin Qing
Chairman

Hong Kong, 12 December 2014

As at the date of this announcement, the Board comprises two executive Directors, namely Mr. Li Xin Qing and Mr. An Wei; and three independent non-executive Directors, namely Mr. Li Wan Jun, Mr. Yu Zhuo Ping and Mr. Zhang Bo.

* *For identification purpose only*