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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)**

### **(1) SUBSCRIPTION FOR SHARES; AND (2) ISSUE OF CONVERTIBLE NOTES**

**Financial adviser to the Company**



**Guotai Junan Capital Limited**

#### **(1) SUBSCRIPTION FOR SHARES**

On 12 October 2015 (after trading hours), the Company entered into the Share Subscription Agreement with the Subscriber. Pursuant to the Share Subscription Agreement, the Subscriber has conditionally agreed to subscribe for, and the Company has conditionally agreed to issue, 84,096,000 Shares at the Share Subscription Price of HK\$1.19 per Subscription Share.

The Share Subscription Price of HK\$1.19 per Subscription Share represents:

- (i) a discount of 15.00% to the closing price of HK\$1.40 per Share as quoted on the Stock Exchange on 12 October 2015, being the date of the Share Subscription Agreement;
  - (ii) a discount of approximately 2.62% to the average closing price of HK\$1.222 per Share as quoted on the Stock Exchange for the five trading days immediately prior to the date of the Share Subscription Agreement;
- and

(iii) a premium of approximately 95.08% over the audited net asset value per Share attributable to the Shareholders of approximately HK\$0.61 as at 31 December 2014, calculated based on the audited consolidated net assets attributable to the Shareholders of approximately RMB409,678,000 (equivalent to approximately HK\$516,112,000) as at 31 December 2014 and 840,960,000 Shares in issue as at the date of this announcement.

The 84,096,000 Subscription Shares represent (i) 10.00% of the existing issued share capital of the Company; (ii) approximately 9.09% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares; and (iii) approximately 8.33% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares and the Conversion Shares upon full exercise of the Conversion rights attached to the Convertible Notes (assuming that there is no other change in the share capital structure of the Company from the date of this announcement and up to the date of issue of the Subscription Shares).

## **(2) ISSUE OF CONVERTIBLE NOTES**

On 12 October 2015 (after trading hours), the Company and the Subscriber entered into the CN Subscription Agreement, pursuant to which the Company has conditionally agreed to issue, and the Subscriber has conditionally agreed to subscribe for, the Convertible Notes in the principal amount of not more than HK\$100,000,000.

The initial Conversion Price of HK\$1.19 per Conversion Share represents:

- (i) a discount of 15.00% to the closing price of HK\$1.40 per Share on 12 October 2015, the date of the CN Subscription Agreement;
- (ii) a discount of approximately 2.62% to the average closing price of HK\$1.222 per Share as quoted on the Stock Exchange for the five trading days immediately prior to the date of the CN Subscription Agreement; and
- (iii) a premium of approximately 95.08% over the audited net asset value per Share attributable to the Shareholders of approximately HK\$0.61 as at 31 December 2014, calculated based on the audited consolidated net assets attributable to the Shareholders of approximately RMB409,678,000 (equivalent to approximately HK\$516,112,000) as at 31 December 2014 and 840,960,000 Shares in issue as at the date of this announcement.

Assuming the aggregate principal amount of the Convertible Notes is HK\$100,000,000, and upon full conversion of the Convertible Notes at the initial Conversion Price, the Convertible Notes will be convertible into a maximum of 84,033,613 Shares, representing (i) approximately 9.99% of the existing issued share capital of the Company; (ii) approximately 9.08% of the issued share capital of the Company as enlarged by the issue of the Conversion Shares upon full conversion of the Convertible Notes; and (iii) approximately 8.33% of the issued share capital of the Company as enlarged by the allotment and issue of the Conversion Shares upon full conversion of the Convertible Notes and the allotment and issue of the Share Subscription (assuming that there is no other change in the share capital structure the Company from the date of this announcement and up to the date of issue of the Conversion Shares).

Both the Subscription Shares to be allotted and issued and the Conversion Shares to be issued upon exercise of the conversion rights attaching to the Convertible Notes will be issued under the General Mandate. Under the General Mandate, a maximum of 168,192,000 new Shares may fall to be allotted and issued.

**Each of the Share Subscription Completion and the CN Subscription Completion is subject to the satisfaction of the respective conditions precedent therein. The Share Subscription Completion and the CN Subscription Completion are not inter-conditional with each other. As the Share Subscription Agreement and/or the CN Subscription Agreement may or may not be completed and the Subscription Shares and/or the issue of the Convertible Notes may or may not proceed, Shareholders and prospective investors are advised to exercise caution when dealing in the Shares.**

## **(1) THE SHARE SUBSCRIPTION AGREEMENT**

On 12 October 2015 (after trading hours), the Company entered into the Share Subscription Agreement with the Subscriber. Pursuant to the Share Subscription Agreement, the Subscriber has conditionally agreed to subscribe for, and the Company has conditionally agreed to issue, 84,096,000 Shares at the Share Subscription Price of HK\$1.19 per Subscription Share.

**Date:** 12 October 2015 (after trading hours)

**Issuer:** The Company

**Subscriber:** The Subscriber

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, the Subscriber and its ultimate beneficial owners are Independent Third Parties. As at the date of the announcement, the Subscriber did not hold any Shares.

## **SUBSCRIPTION SHARES**

The number of Subscription Shares shall be 84,096,000 Shares (with an aggregate nominal value of HK\$840,960) representing (i) 10.00% of the issued share capital of the Company as at the date of this announcement; (ii) approximately 9.09% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares; and (iii) approximately 8.33% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares and the Conversion Shares upon full exercise of the conversion rights attached to the Convertible Notes (assuming that there is no other change in the share capital structure of the Company from the date of this announcement and up to the date of issue of the Subscription Shares).

The Subscription Shares will be issued pursuant to the General Mandate.

## **RANKING OF THE SUBSCRIPTION SHARES**

The Subscription Shares, when allotted and issued, will rank equally in all respects with the Shares in issue as at the date of allotment of the Subscription Shares.

## **SHARE SUBSCRIPTION PRICE**

The Share Subscription Price of HK\$1.19 per Subscription Share represents:

- (i) a discount of 15.00% to the closing price of HK\$1.40 per Share as quoted on the Stock Exchange on 12 October 2015, being the date of the Share Subscription Agreement;
- (ii) a discount of approximately 2.62% to the average closing price of HK\$1.222 per Share as quoted on the Stock Exchange for the five trading days immediately prior to the date of the Share Subscription Agreement; and
- (iii) a premium of approximately 95.08% over the audited net asset value per Share attributable to the Shareholders of approximately HK\$0.61 as at 31 December 2014, calculated based on the audited consolidated net assets attributable to the Shareholders of approximately RMB409,678,000 (equivalent to approximately HK\$516,112,000) as at 31 December 2014 and 840,960,000 Shares in issue as at the date of this announcement.

The Subscription Price was determined on an arm's length basis between the Parties with reference to the prevailing market price of the Shares and the current market conditions. The Directors (including the independent non-executive Directors) consider that the terms of the Share Subscription Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **CONDITIONS PRECEDENT FOR THE SHARE SUBSCRIPTION**

The Share Subscription Completion is conditional upon, amongst others, the following conditions precedent:

- (a) the Stock Exchange granting or agreeing to grant the listing of, and permission to deal in, the Subscription Shares;
- (b) all approvals, authorisations, consents, licences, certificates, permits, concessions, agreements or other permissions of any kind of, from or by any governmental authority, regulatory body (including the Stock Exchange and the SFC) or other third party necessary for the consummation of the transactions contemplated in the Share Subscription Agreement having been obtained by the Parties and remaining in full force and effect; and
- (c) there being no applicable law or regulations which prohibits, restricts or imposes conditions or limitations on, or is reasonably expected to operate to prohibit, restrict or impose conditions or limitations on, the consummation of any of the transactions contemplated in the Share Subscription Agreement (collectively, the **“Share Subscription Conditions Precedent”**).

If the Share Subscription Conditions Precedent are not fulfilled at or before 5:00 p.m. on 30 October 2015 or such later date as the Parties may agree, the Share Subscription Agreement shall lapse and become null and void and the Parties shall be released from all obligations save for liabilities for any antecedent breach pursuant to the Share Subscription Agreement.

## **SHARE SUBSCRIPTION COMPLETION**

Share Subscription Completion shall take place within three Business Days after the day on which the last of the Share Subscription Conditions Precedent is satisfied or such other date as may be agreed between the Parties.

The Share Subscription Completion and the CN Subscription Completion are not inter-conditional with each other.

## **NON-DISPOSAL UNDERTAKINGS**

Pursuant to the Share Subscription Agreement, the Subscriber agreed and undertook to the Company that it shall not, without the prior written consent of the Company, at any time during the period ending on the date which is six months from the Share Subscription Completion Date:

- (a) offer, pledge, charge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant or agree to grant any option, right or warrant to purchase or subscribe for, lend, make any short sale or otherwise transfer or dispose of, nor enter into any agreements to transfer or dispose of or otherwise create any options, rights, interests or encumbrances (including the creation or entry into of any agreement to create any pledge or charge) in respect of any of the Subscription Shares or any interest in the Subscription Shares (which includes any interest in a company which holds any such securities) or securities that constitute or confer the right to receive such securities or securities convertible into or exercisable or exchangeable for or repayable with the Subscription Shares; or
- (b) enter into a swap agreement or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of the Subscription Shares, whether any such swap agreement or other agreement or transaction is to be settled by delivery of the Subscription Shares or other securities, in cash or otherwise; or
- (c) agree (conditionally or unconditionally) to enter into or effect any transaction with the same economic effect as any of the transactions referred to in paragraphs (a) and (b) above; or
- (d) announce any intention to enter into or effect any of the transactions referred to in paragraphs (a), (b) and (c) above.

## **LISTING APPLICATION IN RESPECT OF THE SUBSCRIPTION SHARES**

An application will be made to the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

### **(2) THE CN SUBSCRIPTION AGREEMENT**

On 12 October 2015 (after trading hours), the Company and the Subscriber entered into the CN Subscription Agreement, pursuant to which the Company has conditionally agreed to issue, and the Subscriber has conditionally agreed to subscribe for, the Convertible Notes in the principal amount of not more than HK\$100,000,000.

**Date:** 12 October 2015 (after trading hours)

**Issuer:** The Company

**Subscriber:** The Subscriber

## **THE CONVERTIBLE NOTES TO BE ISSUED**

Subject to the fulfilment of the conditions set out in the paragraph headed “Conditions Precedent for CN Subscription Completion”, the Subscriber has agreed to subscribe and the Company has agreed to issue the Convertible Notes with the principal amount of not more than HK\$100,000,000 which will be satisfied by cash in immediate available funds by the Subscriber to the Company or any other person as it may direct on the CN Subscription Completion Date in the terms and conditions as set out in the CN Subscription Agreement. The Convertible Notes may be issued in various tranches provided that the aggregate amount of the Convertible Notes shall not be more than HK\$100,000,000.

## **CONDITIONS PRECEDENT FOR CN SUBSCRIPTION COMPLETION**

Under the CN Subscription Agreement, the subscription of the Convertible Notes is conditional upon, among other things:

- (a) the Stock Exchange granting or agreeing to grant the listing of, and permission to deal in, the Conversion Shares;
- (b) all approvals, authorisations, consents, licences, certificates, permits, concessions, agreements or other permissions of any kind of, from or by any governmental authority, regulatory body (including the Stock Exchange and the SFC) or other third party necessary for the consummation of the transactions contemplated in the CN Subscription Agreement having been obtained by the parties and remaining in full force and effect; and
- (c) there being no applicable law or regulations which prohibits, restricts or imposes conditions or limitations on, or is reasonably expected to operate to prohibit, restrict or impose conditions or limitations on, the consummation of any of the transactions contemplated in the CN Subscription Agreement (collectively, the “**CN Conditions Precedent**”).

None of the above conditions can be waived by any party to the CN Subscription Agreement. If the CN Conditions Precedent are not fulfilled on or before the Long Stop Date, as the case may be, the CN Subscription Agreement (save and except for clauses relating to notices, costs and expenses, restriction on announcements and governing law and jurisdiction) shall cease and terminate and no party shall have any claim against the other party in respect of any matter or thing arising out of or in connection with the CN Subscription Agreement save in respect of any antecedent breach of any obligation thereof.

The CN Subscription Completion and the Share Subscription Completion are not inter-conditional with each other.



## **CONVERSION PRICE**

The initial Conversion Price of HK\$1.19 per Conversion Share represents:

- (a) a discount of 15.00% to the closing price of HK\$1.40 per Share on 12 October 2015, the date of the CN Subscription Agreement;
- (b) a discount of approximately 2.62% to the average closing price of HK\$1.222 per Share as quoted on the Stock Exchange for the five trading days immediate prior to the date of the CN Subscription Agreement; and
- (c) a premium of approximately 95.08% over the audited net asset value per Share attributable to the Shareholders of approximately HK\$0.61 as at 31 December 2014, calculated based on the audited consolidated net assets attributable to the Shareholders of approximately RMB409,678,000 (equivalent to approximately HK\$516,112,000) as at 31 December 2014 and 840,960,000 Shares in issue as at the date of this announcement.

The Conversion Price will be subject to adjustment for subdivision or consolidation of Shares, issue any Shares credited as fully paid by way of capitalization of profits or reserves (other than Shares issued in lieu of the whole or any part of a cash dividend), capital distribution to Shareholders provided that the Conversion Price shall not be less than the par value of a Share, rights issues or options over shares at a price less than 80% of the then market price per Share, rights issues of other securities (other than shares or options, warrants or other rights to subscribe for or purchase shares), issue wholly for cash any shares other than shares issued on the exercise of conversion rights or on the exercise of any other rights of conversion into, or exchange or subscription for, shares or on the issue or grant of options, warrants or other rights to subscribe for or purchase shares at less than 80% of the then market price per Share, other issues of securities (other than notes issue) which carry rights of conversion into, or exchange or subscription for, shares wholly for cash at less than 80% of the then market price per Share, modification of rights of conversion, exchange or subscription attaching to the securities, other offers to Shareholders generally or other events that the Company considers as appropriate. The initial Conversion Price was determined after arm's length negotiation between the Parties.

## **CONVERSION SHARES**

Assuming the aggregate principal amount of the Convertible Notes is HK\$100,000,000, and upon full conversion of the Convertible Notes at the initial Conversion Price, the Convertible Notes will be convertible into a maximum of 84,033,613 Shares (with an aggregate nominal value of HK\$840,336.13), representing (i) approximately 9.99% of the existing issued share capital of the Company; (ii) approximately 9.08% of the issued share capital of the Company as enlarged by the issue of the Conversion Shares upon full conversion of the Convertible Notes; and (iii) approximately 8.33% of the



issued share capital of the Company as enlarged by the allotment and issue of the Conversion Shares upon full conversion of the Convertible Notes and the allotment and issue of the Share Subscription (assuming that there is no other change in the share capital structure the Company from the date of this announcement and up to the date of issue of the Conversion Shares).

The Conversion Shares will be issued pursuant to the General Mandate.

An application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares. The Conversion Shares, when issued, will rank *pari passu* in all respects with the existing Shares in issue.

## **PRINCIPAL TERMS OF THE CONVERTIBLE NOTES**

The principal terms of the Convertible Notes were determined after arm's length negotiations between the Parties and are summarized below:

Principal amount: The aggregate principal amount of the Convertible Notes is not more than HK\$100,000,000.

Issue price: 100% of the principal amount of the Convertible Notes.

Denomination: HK\$10,000,000 each or multiples thereof.

Interest: Any amount of the Convertible Notes which remain outstanding shall bear interest from the date of its issue at the base lending interest rate offered to institutions by the People's Bank of China (the "**PBC Rate**") per annum.

Interest shall be payable every six months after the date of issue of the Convertible Notes (each an "**Interest Payment Date**"), provided that if an Interest Payment Date would otherwise fall on a day which is not a Business Day, it shall be postponed to the next day which is a Business Day. Any amount of the Convertible Notes which is converted or redeemed shall not bear any interest.

For the avoidance of doubt, if the PBC Rate adjusts on any day before the maturity date or the date on which the Convertible Notes are converted or redeemed (the “**Interest Adjustment Date**”), the interest to the Convertible Notes payable by the Company shall also be adjusted accordingly on the Interest Adjustment Date provided that the interest accrued before the Interest Adjustment Date shall be calculated based on the interest rate quoted before the Interest Adjustment Date. If there are more than one adjustment to the PBC Rate within an interest payment period, the interest to the Convertible Notes shall be adjusted accordingly in each Interest Adjustment Date.

The Convertible Notes will, in respect of the conversion rights attached thereto which are not yet exercised, cease to bear interest on or after the maturity date or the date on which the Convertible Notes are redeemed or converted.

Maturity date: The second (2nd) anniversary of the date of issue of the Convertible Notes.

Status: The Convertible Notes constitute direct, unconditional, unsubordinated and unsecured obligations of the Company and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Company under the Convertible Notes shall, save for such exceptions as may be provided by applicable legislation, at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations. No application will be made for a listing of the Convertible Notes on the Stock Exchange or any other stock exchange.

Transferability: Unless the Noteholder transfers the Convertible Notes to its wholly-owned subsidiaries or holding companies, the Noteholder may only assign or transfer the Convertible Notes to the transferee (other than a connected person (as defined in the Listing Rules) of the Company who/which could not be a transferee) subject to the written consent of the Company. The Convertible Notes may be assigned or transferred in whole or in part (in whole multiples of HK\$10,000,000) of its outstanding principal amount upon the payment in full and the Company shall facilitate any such assignment or transfer of the Convertible Notes, including making any necessary applications to the Stock Exchange for the said approval (if required).

Conversion rights: Subject to the conversion pre-requisite conditions, the Noteholders have the right at any time during the Conversion Period to convert the whole or part of the outstanding principal amount of the Convertible Notes registered in their name into Shares provided further that any conversion shall be made in amounts of not less than a whole multiple of HK\$10,000,000 on each conversion save that if at any time the aggregate outstanding principal amount of the Convertible Notes is less than HK\$10,000,000, the whole (but not part only) of the outstanding principal amount of the Convertible Notes may be converted.

Conversion pre-requisite: The Noteholders shall have the right at any time from the date of issue of the Convertible Notes to the maturity date to convert any outstanding amount of the Convertible Notes into the Conversion Shares at the Conversion Price, the conversion right attached to the Convertible Notes shall only be exercisable by the Noteholders after the following conditions been matched:

- (i) upon the Noteholders obtaining prior written approval granted by all executive directors of the Company for the exercise of the conversion right attaching to the Convertible Notes;
- (ii) so long as the public float of at least 25% of the issued share capital of the Company as enlarged by the issue of Conversion Shares can be maintained; and

(iii) so long as (a) the aggregate shareholding of such Noteholder, its associates (as defined in the Listing Rules) and parties acting in concert (as defined in the Takeovers Code) with it immediately after such exercise shall not be or exceed 29.9% of the then issued share capital of the Company; and (b) such Noteholder and parties acting in concert (as defined in the Takeovers Code) with it immediately after such exercise shall not be required to make a general offer under Rule 26 of the Takeovers Code.

Ranking of Conversion Shares: The Conversion Shares will rank *pari passu* in all respects with the Shares then in issue.

Redemption: Unless previously redeemed, converted or purchased and cancelled as provided in the CN Subscription Agreement, the Company will redeem the Convertible Notes, in whole or in part, at the face value on the maturity date. The Convertible Notes may also be early redeemed in amounts of HK\$10,000,000 or integral multiples thereof at any time before the maturity date at 100% of the principal amount outstanding under the Convertible Note(s) together with all interest accrued thereon up to and including the date of redemption by 15 days' prior written notice to be served by the Company to the Subscriber.

Events of default: Any Noteholder may give notice to the Company that the Convertible Notes are immediately due and repayable if:

- (i) the Company fails to pay the principal amount when due or the Company fails to pay interest (if any) on the Convertible Notes when due; or
- (ii) the Company defaults in performance or observance or compliance with any of its other obligations set out in the conditions of the Convertible Notes and such default continues for the period of 14 days next following the service by any Noteholder on the Company of notice specifying brief details of such default and requiring such default to be remedied; or

- (iii) an order of a court of competent jurisdiction is made or an effective resolution is passed for winding-up or dissolution of the Company or the Company disposes of all or substantially all of its assets otherwise than for the purposes of or pursuant to a consolidation, amalgamation, merger or reorganization; or
- (iv) an encumbrancer takes possession or a receiver is appointed of the whole or a material part of the assets or undertaking of the Company; or
- (v) a distress, execution or seizure before judgment is levied or enforced upon or sued out against a material part of the property of the Company and is not discharged within five Business Days thereof; or
- (vi) the Company becomes insolvent or is unable to pay its debts as they mature; or
- (vii) proceedings shall have been initiated against the Company under any applicable bankruptcy, reorganization or insolvency law and such proceedings shall not have been discharged or stayed within a period of 21 days.

## **CN SUBSCRIPTION COMPLETION**

CN Subscription Completion shall take place after the CN Conditions Precedent are fulfilled and the delivery of the Notes Issue Notice. The Notes Issue Notice shall be issued by the Company to the Subscriber three Business Days before the CN Subscription Completion Date and the last tranche of the Convertible Notes shall be issued on or before the CN Subscription Latest Completion Date. CN Subscription Completion shall take place on the the CN Subscription Completion Date (or such other place and/or such other time and/or other date as the Company and the Subscriber may agree in writing).

## **APPLICATION FOR LISTING IN RESPECT OF THE CONVERSION SHARES**

No application will be made by the Company to the Stock Exchange for listing of the Convertible Notes. An application will be made by the Company to the Listing Committee for the listing of and permission to deal in the Conversion Shares.

## **REASONS FOR AND BENEFITS OF THE ISSUE OF NEW SHARES AND THE CONVERTIBLE NOTES**

The Group is principally engaged in the research and development, production and sale of electrical direct current (DC) products, charging equipment for electric vehicles, power grid monitoring and management products and plug-in switch system products. At the same time, the Group is also undertaking the planning, design, investment and construction, engineering services, operating services and other value-added services in relation to charging facilities of new energy vehicles.

The Group intends to use the net proceeds from the Share Subscription and issue of the Convertible Notes for supplementing the operating capital of the Group. The Directors (including the independent non-executive Directors) are of the view that the Share Subscription and issue of the Convertible Notes will enhance the liquidity of the Group and provide capital for any future investment opportunities of the Group, and the terms thereunder are fair and reasonable and in the interests of the Group and the Shareholders as a whole.

### **USE OF PROCEEDS**

#### **(1) In respect of the Share Subscription**

The gross proceeds and the net proceeds (after deduction of related expenses payable by the Company) of the Share Subscription will be approximately HK\$100,074,240 and HK\$99,500,000 respectively. The net issue price per Subscription Share based on the above net proceeds is approximately HK\$1.183.

#### **(2) In respect of the issue of Convertible Notes**

Assuming the aggregate principal amount of the Convertible Notes is HK\$100,000,000, the net proceeds (after deducting estimated expenses) from the issue of the Convertible Notes is expected to be not more than HK\$99,500,000 and the net price per Conversion Share is approximately HK\$1.184.

It is intended that 40% of the above net proceeds will be applied as to the investment for construction and operation of charging facilities for electric vehicles of the Company, 50% of the above net proceeds will be used as to enhance the liquidity of our wholly-owned subsidiary, Zhuhai Titans Technology Co., Ltd.\* (珠海泰坦科技股份有限公司) and the remaining 10% of the above net proceeds will be used as to the investment for research and development of new technologies on energy reserves etc. of the Group.

## EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has not conducted any equity fund raising activities during the past twelve months immediately preceding the date of this announcement.

### EFFECT ON SHAREHOLDING STRUCTURE

As at the date of this announcement, the Company has 840,960,000 Shares in issue. The shareholding structure of the Company as at (i) the date of this announcement; (ii) assuming the CN Subscription Completion does not take place and immediately after the Share Subscription Completion; (iii) assuming the Share Subscription Completion does not take place and immediately after full conversion of the Convertible Notes at the initial Conversion Price pursuant to the CN Subscription Agreement; and (iv) assuming the Share Subscription Completion takes place, and immediately after full conversion of the Convertible Notes at the initial Conversion Price pursuant to the CN Subscription Agreement are as follows:

Shareholders	As at the date of this announcement		Assuming the CN Subscription Completion does not take place and immediately after the Share Subscription Completion		Assuming the Share Subscription Completion does not take place and immediately after full conversion of the Convertible Notes at the initial Conversion Price pursuant to the CN Subscription Agreement		Assuming the Share Subscription Completion takes place, and immediately after full conversion of the Convertible Notes at the initial Conversion Price pursuant to the CN Subscription Agreement	
	Number of Shares	Approximate percentage (Note 1)	Number of Shares	Approximate percentage (Note 1)	Number of Shares	Approximate percentage (Note 1)	Number of Shares	Approximate percentage (Note 1)
Mr. Li Xin Qing	205,909,875 (Note 3)	24.49%	205,909,875 (Note 3)	22.26%	205,909,875 (Note 3)	22.26%	205,909,875 (Note 3)	20.41%
Genius Mind Enterprises Limited	197,724,457 (Note 3)	23.51%	197,724,457 (Note 3)	21.37%	197,724,457 (Note 3)	21.38%	197,724,457 (Note 3)	19.59%
Mr. An Wei	196,269,875 (Note 4)	23.34%	196,269,875 (Note 4)	21.22%	196,269,875 (Note 4)	21.22%	196,269,875 (Note 4)	19.45%
Great Passion International Limited	187,884,457 (Note 4)	22.34%	187,884,457 (Note 4)	20.31%	187,884,457 (Note 4)	20.31%	187,884,457 (Note 4)	18.62%
Mr. Li Xiao Bin	82,458,117 (Note 5)	9.81%	82,458,117 (Note 5)	8.91%	82,458,117 (Note 5)	8.91%	82,458,117 (Note 5)	8.17%
Honor Boom Investments Limited	82,458,117 (Note 5)	9.81%	82,458,117 (Note 5)	8.91%	82,458,117 (Note 5)	8.91%	82,458,117 (Note 5)	8.17%
Mr. Thomas Karl Amade Pilscheur	66,244,818	7.88%	66,244,818	7.16%	66,244,818	7.16%	66,244,818	6.56%
The Subscriber	0	0	84,096,000	9.09%	84,033,613	9.08%	168,129,613	16.66%
Other Shareholders	290,077,315	34.49%	290,077,315	31.36%	290,077,315	31.36%	290,077,315	28.75%
	<u>840,960,000</u>	<u>100.00</u>	<u>925,056,000</u>	<u>100.00</u>	<u>924,993,613</u>	<u>100.00</u>	<u>1,009,089,613</u>	<u>100.00</u>



*Notes:*

1. Certain percentage figures included in this table have been subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.
2. All interests in Shares were long positions.
3. The entire issued share capital of Genius Mind Enterprises Limited (“**Genius Mind**”) is beneficially owned by Mr. Li Xin Qing who is deemed to be interested in 197,724,457 Shares held by Genius Mind by virtue of the SFO. In addition, Mr. Li Xin Qing is also deemed to be interested in 7,985,418 Shares held by Rich Talent Management Limited (“**Rich Talent**”), a company which shareholding is owned as to 50% by him, by virtue of the SFO. He is also beneficially interested in 200,000 Shares.
4. The entire issued share capital of Great Passion International Limited (“**Great Passion**”) is beneficially owned by Mr. An Wei who is deemed to be interested in 187,884,457 Shares held by Great Passion by virtue of the SFO. In addition, Mr. An Wei is also deemed to be interested in 7,985,418 Shares held by Rich Talent, a company which shareholding is owned as to 50% by him, by virtue of the SFO. He is also beneficially interested in 400,000 Shares.
5. The entire issued share capital of Honor Boom Investments Limited (“**Honor Boom**”) is owned as to 40% by Mr. Li Xiao Bin, 30% by Ms. Ou Yang Fen and 30% by Mr. Cui Jian respectively. Therefore, Mr. Li is deemed to be interested in the 82,458,117 Shares held by Honor Boom by virtue of the SFO.

## **GENERAL MANDATE**

Both the Subscription Shares to be allotted and issued and the Conversion Shares to be issued upon exercise of the conversion rights attaching to the Convertible Notes will be issued under the General Mandate. As at the date of this announcement, no Shares have been issued by the Company under the General Mandate, thus the maximum number of new Shares which could be issued by the Company under the General Mandate is 168,192,000 Shares (not exceeding 20% of the total number of issued Shares of the Company, i.e. 840,960,000 Shares, as at the date of the annual general meeting held on 22 May 2015). As such, no Shareholders’ approval is required for the allotment and issue of the Subscription Shares and the Conversion Shares.

## **INFORMATION OF THE SUBSCRIBER**

The Subscriber is a limited company incorporated in Hong Kong. It is a wholly-owned subsidiary of 中山大洋電機股份有限公司 (Zhongshan Broad-Ocean Motor Co., Ltd.) (“**Broad-Ocean Motor**”), a company listed on the Shenzhen Stock Exchange (stock code: 002249). Located in Zhongshan, Guangdong Province, the PRC, Broad-Ocean Motor is a supplier of electric machines which is committed to providing its customers with safe, environment-friendly and efficient solutions for motor driving system.

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

“acting in concert”	has the meaning ascribed to this term under the Takeovers Code;
“associates”	has the meaning ascribed to this term under the Listing Rules;
“Board”	the board of Directors;
“Business Day”	any day (excluding Saturday, Sunday, public holiday and any day on which a tropical cyclone warning no. 8 or above or a “black” rainstorm warning signal is hoisted or remains hoisted in Hong Kong at any time between 9:00 a.m. and 12:00 noon and is not lowered or discontinued at or before 12:00 noon) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours;
“CN Subscription Agreement”	the agreement dated 12 October 2015 entered into between the Company and the Subscriber in relation to the subscription by the Subscriber of the Convertible Notes in the principal amount of not more than HK\$100,000,000;
“CN Subscription Completion”	completion of the CN Subscription Agreement;
“CN Subscription Completion Date”	the day as set out in the Notes Issue Notice provided that the completion date shall be within three Business Days after the Notes Issue Notice is issued by the Company to the Subscriber and after fulfilment of all conditions precedent set out in the CN Subscription Agreement;
“CN Subscription Latest Completion Date”	the date falling the expiry of three months from the date of the CN Subscription Agreement or such other date as may be agreed by the Company and the Subscriber;

“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 person(s)”	has the meaning ascribed thereto under the Listing Rules;
“Conversion Period”	the period commencing from the date of issue of the Convertible Notes up to 4:00 p.m. (Hong Kong time) on the maturity date of the Convertible Notes;
“Conversion Price”	HK\$1.19, being the initial conversion price per Share at which the Convertible Notes may be converted into Shares and subject to adjustments (if any);
“Conversion Share(s)”	the Share(s) to be issued by the Company upon exercise by the Noteholders of the conversion rights attaching to the Convertible Notes;
“Convertible Notes”	the convertible notes in the aggregate principal amount of not more than HK\$100,000,000 to be issued by the Company pursuant to the CN Subscription Agreement which may comprise various tranches provided that the aggregate principal amount of all tranches of the Convertible Notes shall not be more than HK\$100,000,000;
“Directors”	the director(s) of the Company;
“General Mandate”	the general mandate granted to the Directors by the Shareholders at the annual general meeting held on 22 May 2015 to allot, issue or otherwise deal with Shares up to a maximum of 20% of the total number of issued Shares of the Company;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;

“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and its connected persons;
“Long Stop Date”	the day falling the expiry of one month from the date of the CN Subscription Agreement or such other date as may be agreed by the Company and the Subscriber;
“Listing Committee”	the listing sub-committee of the board of directors of the Stock Exchange;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Noteholder(s)”	holder(s) of the Convertible Notes;
“Notes Issue Notice”	the Company’s written request that the Convertible Notes will be issued, such request shall specify the date of issue and the principal amount of the Convertible Notes provided that the aggregate principal amount of the Convertible Notes to be issued shall not be more than HK\$100,000,000;
“Parties”	the Company and the Subscriber, being the parties to the Share Subscription Agreement and the CN Subscription Agreement;
“PRC”	the People’s Republic of China, for the purposes of this announcement, excluding Hong Kong, the Macau Special Administrative Region and Taiwan;
“RMB”	Renminbi, the lawful currency of the PRC;
“SFC”	the Securities and Futures Commission of Hong Kong;
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong;
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company;
“Share Subscription”	the subscription of the Subscription Shares pursuant to the Share Subscription Agreement;

“Share Subscription Agreement”	the conditional share subscription agreement entered into between the Company and the Subscriber on 12 October 2015 in relation to the Share Subscription;
“Share Subscription Completion”	the completion of the Share Subscription in accordance with the Share Subscription Agreement;
“Share Subscription Completion Date”	the date on which Share Subscription Completion takes place;
“Share Subscription Price”	HK\$1.19 per Subscription Share;
“Shareholder(s)”	holder(s) of the shares of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscriber”	大洋電機(香港)有限公司 (Broad-Ocean Motor (Hong Kong) Co. Limited), a limited company incorporated in Hong Kong;
“Subscription Share(s)”	84,096,000 new Shares to be subscribed for by the Subscriber pursuant to the Share Subscription Agreement;
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs issued by the Securities and Futures Commission of Hong Kong; and
“%”	per cent.

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

Hong Kong, 12 October 2015

*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. Zhang Bo, and Mr. Pang Zhan.*

*\* For identification purpose only*