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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)

SUPPLEMENTAL ANNOUNCEMENT DISCLOSEABLE TRANSACTION DISPOSAL OF 10% OF EQUITY INTEREST IN TITANS NEW ENERGY

Reference is made to the announcement of China Titans Energy Technology Group Co., Limited (the “**Company**”) dated 5 January 2017 (the “**Announcement**”) in relation to the Disposal. Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

As disclosed in the Announcement, the Final Consideration will be settled by Lead Intelligent by way of payment of the Cash Consideration and the issue of the Consideration Shares. As the taking up of the Consideration Shares may also be considered as an acquisition of assets under the Listing Rules, the Company would like to provide the following information as required under the Listing Rules in respect of the taking up of the Consideration Shares.

THE SP AGREEMENT

Date and the parties

As disclosed in the Announcement, the SP Agreement dated 5 January 2017 has been entered into between Zhuhai Titans, as vendor, and Lead Intelligent, as purchaser, in relation to the Disposal.

To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, each of Lead Intelligent and its ultimate beneficial owner(s) is a third party independent of the Company and its connected person(s).

Principal terms of the SP Agreement

Principal terms of the SP Agreement, including, among others, details of (i) the conditions precedent to the SP Agreement, (ii) the settlement and adjustment of the consideration for the Disposal and (iii) the completion of the Disposal, are set out in the Announcement.

Consideration Shares to be issued to Zhuhai Titans

As disclosed in the Announcement, 55% of the Final Consideration (assuming the Final Consideration is equal to the Provisional Consideration), being RMB74,250,000 (subject to adjustment), will be settled by the issue of the Consideration Shares.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of the SP Agreement and the date of this announcement, the total number of the issued shares of Lead Intelligent was 408,000,000 shares.

The Consideration Shares, being 2,185,108 (subject to adjustment) new shares of Lead Intelligent (assuming the Final Consideration is equal to the Provisional Consideration), represent (i) approximately 0.54% of the existing issued shares of Lead Intelligent as at the date of this announcement; (ii) approximately 0.53% of the issued shares of Lead Intelligent as enlarged by the allotment and issue of the Consideration Shares immediately after completion of such allotment and issue (the "**Issue Completion**") (assuming there is no change in the issued share capital of Lead Intelligent from the date of this announcement and up to the Issue Completion); and (iii) approximately 0.51% of the issued shares of Lead Intelligent as enlarged by the allotment and issue of the consideration shares under the SP Agreement and the Remaining Shareholders' SP Agreement immediately after completion of such allotment and issue (assuming there is no change in the issued share capital of Lead Intelligent from the date of this announcement and up to the completion of such allotment and issue).

The issue price per Consideration Share, being RMB33.98 (subject to adjustment), was not less than 90% of the Market Reference Price and was arrived at based on normal commercial terms after arm's length negotiations between Zhuhai Titans and Lead Intelligent with reference to the Market Reference Price. Further details of the basis of the issue price of the Consideration Shares are set out in the Announcement.

Allotment and issue of the Consideration Shares

As disclosed in the Announcement, Lead Intelligent shall settle the Final Consideration within three (3) months after the Effective Date, including, among others, the allotment and issue of the Consideration Shares.

The Consideration Shares shall be allotted and issued, credited as fully paid, and rank pari passu inter se in all respects with all other then existing shares of Lead Intelligent in issue on Issue Completion, including the rights to all dividends and other distributions which may be declared, made or paid in respect thereof, the record date for which falls on or after the date of Issue Completion.

The Consideration Shares to be issued to Zhuhai Titans are subject to the transfer restriction, details of which are disclosed in the Announcement.

The Directors (including the independent non-executive Directors) consider that the terms of the SP Agreement (including the basis of the Provisional Consideration, the issue price of the Consideration Shares and the Consideration Adjustment Mechanism), as determined based on an arm's length negotiations between the parties, are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

INFORMATION OF THE COMPANY AND ZHUHAI TITANS

General background information of the Company and Zhuhai Titans are set out in the Announcement.

INFORMATION OF LEAD INTELLIGENT

General background information of Lead Intelligent are set out in the Announcement.

Set out below is the financial information of Lead Intelligent for the two years ended 31 December 2014 and 2015.

	Year ended 31 December	
	2014	2015
	<i>RMB</i>	<i>RMB</i>
	(audited)	(audited)
Net profit before taxation	77,283,139.41	170,256,998.74
Net profit after taxation	65,514,489.34	145,560,757.38

According to the 2016 third quarterly report of Lead Intelligent, the unaudited net asset value of Lead Intelligent attributable to the shareholders of Lead Intelligent as at 30 September 2016 was approximately RMB806,441,558.13.

LISTING RULES IMPLICATIONS OF TAKING UP THE CONSIDERATION SHARES

As one of the applicable percentage ratios in respect of the taking up of the Consideration Shares is more than 5% but less than 25%, the taking up of the Consideration Shares constitutes a discloseable transaction for the Company under the Listing Rules, and is therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

Save as disclosed above, all other information in the Announcement remains unchanged.

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

Hong Kong, 9 January 2017

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*