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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)

DISCLOSEABLE TRANSACTION SUBSCRIPTION OF THE FUND

THE SUBSCRIPTION

On 20 October 2017, Titans Power Electronics, being a wholly-owned subsidiary of the Company, has submitted an online application for subscription for the class C fund units of the Fund at a subscription amount of RMB10,000,000.

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Subscription exceed(s) 5% but less than 25%, the Subscription constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

THE SUBSCRIPTION

The Board is pleased to announce that on 20 October 2017, Titans Power Electronics, being a wholly-owned subsidiary of the Company, has submitted an online application for subscription for the class C fund units of the Fund at a subscription amount of RMB10,000,000. The subscription amount will be funded by internal resources of the Group.

Principal Terms of the Fund

The principal terms of the Fund are as follows:

- Name of the Fund : Tebon Xintianli Bond Securities Investment Fund* (德邦新添利債券型證券投資基金)
- Fund Manager : Tebon Fund Management Company Limited* (德邦基金管理有限公司)
- Fund Custodian : Industrial and Commercial Bank of China Limited (中國工商銀行股份有限公司)
- Investment Objective, Scope and Policies : The investment objective of the Fund is to achieve long-term and sustainable capital gain. The composition of the Fund is targeted at financial instruments with high liquidity, including but not limited to, shares listed on the stock exchanges in the PRC, equity investment instruments, bonds, convertible bonds, asset backed securities, bank savings and other financial instruments permitted by the CSRC. To reduce market risks and to attain sustainable growth of the value of the Fund, the investment portfolio of the Fund is re-evaluated by taking into account of various factors, including, amongst others, the performance of the macro-economy, the expected return rate and liquidity of different financial instruments and assets.
- Investment Restrictions : Pursuant to the terms of the Fund, there are certain investment restrictions imposed on the Fund, which include, among others:
- (a) the Fund shall consist of (i) the investments in debt securities, which shall not be less than 80% of the total assets value of the Fund; and (ii) the investments in shares and other equity securities, which shall not be more than 20% of the total assets value of the Fund;
 - (b) the market value of the warrants held by the Fund shall not exceed 3% of the net assets value of the Fund;

- (c) the cash or government bonds that have a maturity date within 1 year maintained in the Fund shall not be less than 5% of the net assets value of the Fund;
- (d) the market value of the securities of a company held by the Fund shall not exceed 10% of the net assets value of the Fund; and
- (e) the number of securities issued by a company held by all the funds managed by the Fund Manager shall not exceed 10% of the total number of such securities.

Subscription and redemption : Subscription and redemption of the Fund shall be conducted through a recognised sale institution set out in the prospectus or other announcements of the Fund. Subject to the laws and regulations, the request of the CSRC and the terms of the Fund, subscription and redemption shall be conducted during the trading hours of the Shanghai Stock Exchange and the Shenzhen Stock Exchange.

Transfer : Subject to the laws and regulations, transfer of the interests in the Fund can be conducted through a stock exchange recognised by the CSRC or through other registration institution.

Dividend policy : Dividends are not guaranteed.

The dividend distribution plan shall be made by the Fund Manager and shall be reviewed and approved by the Fund Custodian. Such plan shall be filed to the CSRC for record within 2 business days thereafter.

The investors are entitled to receive the dividends in cash or to reinvest the same in the Fund.

Subscription fee : Nil.

Redemption Fee : If the investors redeem their interests in the Fund which they hold for 60 days or more, no redemption fee will be charged.

If the investors redeem their interests in the Fund which they hold for less than 60 days, they will be charged with a redemption fee at 0.3% of the net assets value of their interests in the Fund as at the date of the redemption.

INFORMATION OF THE GROUP

The Company is a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange. The principal business activity of the Company is investment holding.

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

REASONS FOR AND BENEFITS OF THE SUBSCRIPTION

The Company has been seeking investment opportunities to enhance the application of its surplus fund and to maximise the return to the Shareholders. After considering the terms of the Subscription, the past performance of the Fund and the experience of the Fund Manager, the Directors consider that the Subscription will enhance the return on idle cash for the Group.

The Directors consider that the terms of the Subscription are fair and reasonable and the Subscription is in the interests of the Company and its Shareholders as a whole.

INFORMATION OF THE FUND MANAGER

To the best of the knowledge, information and belief of the Directors, the Fund Manager is a company established in the PRC with limited liability with the approval of the CSRC. Its permitted scope of business includes fundraising, sale of fund, assets management and other business permitted by the CSRC.

As at the date of this announcement, to the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the Fund Manager and its respective ultimate beneficial owners are Independent Third Parties.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Subscription exceed(s) 5% but less than 25%, the Subscription constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITION

In this announcement, unless the context requires otherwise, the following expressions have the following meanings:

“Board”	the board of Directors
“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 issued Shares of which are listed on the Main Board of the Stock Exchange (Stock code: 2188)
“CSRC”	China Securities Regulatory Commission
“Directors”	the directors of the Company
“Fund”	Tebon Xintianli Bond Securities Investment Fund* (德邦新添利債券型證券投資基金)
“Fund Custodian”	Industrial and Commercial Bank of China Limited (中國工商銀行股份有限公司)
“Fund Manager”	Tebon Fund Management Company Limited* (德邦基金管理有限公司), a company established in the PRC with limited liability
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Independent Third Party(ies)”	any entity(ies) or person(s) which or who is/are not a connected person of the Company within the meaning ascribed thereto under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	The People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	holder(s) of the shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription for the class C fund units of the Fund with the subscription amount of RMB10 million
“Titans Power Electronics”	Zhuhai Titans Power Electronics Group Co., Ltd* (珠海泰坦電力電子集團有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company as at the date of this announcement
“%”	per cent.

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

Hong Kong, 20 October 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