TITANS

INTERIM REPORT 2015

Incorporated in the Cayman Islands with limited liability

Stock Code: 2188

China Titans Energy Technology Group Co., Limited
中國泰坦能源技術集團有限公司*

*For identification purpose only

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CORPORATE INFORMATION

Board of Directors

Executive Directors
Mr. Li Xin Qing *(Chairman)*
Mr. An Wei *(Chief Executive Officer)*

Independent non-executive Directors
Mr. Li Wan Jun
Mr. Zhang Bo
Mr. Pang Zhan

Audit Committee

Mr. Li Wan Jun *(Committee Chairman)*
Mr. Zhang Bo
Mr. Pang Zhan

Remuneration Committee

Mr. Zhang Bo *(Committee Chairman)*
Mr. Li Wan Jun
Mr. Pang Zhan

Nomination Committee

Mr. Li Xin Qing *(Committee Chairman)*
Mr. Zhang Bo
Mr. Pang Zhan

Authorised Representatives

Mr. Li Xin Qing
Mr. Chau Kwok Ming

Company Secretary

Mr. Chau Kwok Ming

Auditor

SHINEWING (HK) CPA Limited

Registered Office

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Hutchins Drive
P.O. Box 2681
Grand Cayman
KY1-1111
Cayman Islands

Principal Place of Business and Address of Headquarters in the PRC

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No. 60 Shihua Road West
Zhuhai
Guangdong Province
The PRC

Principal Place of Business in Hong Kong

18/F, Tesbury Centre
28 Queen's Road East
Wanchai
Hong Kong

Principal Share Registrar and Transfer Office

Royal Bank of Canada Trust Company (Cayman) Limited
4th Floor, Royal Bank House
24 Shedden Road, George Town
Grand Cayman
KY1-1110
Cayman Islands

Hong Kong Branch Share Registrar and Transfer Office

Computershare Hong Kong Investor Services Limited
Shops 1712–1716, 17th Floor
Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

Legal Adviser

As to Hong Kong law
P. C. Woo & Co.

Principal Banker

Bank of Communications

Stock Code

2188

Website

www.titans.com.cn

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

For the six months ended 30 June 2015, China Titans Energy Technology Group Co., Limited (the "Company") and its subsidiaries (collectively the "Group") recorded revenue of approximately RMB66,281,000, representing an increase of approximately 12.72% over that of the corresponding period last year. Revenue was mainly derived from the Group's principal business including operations of various product series such as electrical direct current (''DC'') products and charging equipment for electric vehicles. The table below shows the revenue of different series of products of the Group for the six months ended 30 June 2014 and 2015.

	Six months ended 30 June			
	2015		2014	
	RMB'000	**%**	RMB'000	%
	(unaudited)		(unaudited)	
Electrical DC products	**22,736**	**34.30**	29,013	49.34
Charging equipment for electric vehicles	**41,321**	**62.34**	28,609	48.65
Power grid monitoring and management products	**1,756**	**2.65**	1,179	2.01
Electric vehicles	**468**	**0.71**	—	—
Plug and switch system (''PASS'') products	**—**	**—**	—	—
Total	**66,281**	**100.00**	58,801	100.00

The Group recorded a loss for the period attributable to owners of the Company of approximately RMB1,877,000 for the six months ended 30 June 2015, representing a decrease of approximately RMB7,115,000 over the loss of approximately RMB8,992,000 of the corresponding period last year. The sustained loss was mainly due to the fact that despite the significant increase in revenue of charging equipment for electric vehicles during the reporting period as compared to the corresponding period of last year, the number of tenders for electrical DC products failed to meet the Group's expectation and slightly decreased as compared to the corresponding period of last year, which had affected the overall results performance. During the reporting period, the Group recorded an increase in revenue as compared with the corresponding period last year. The increase in revenue was mainly attributed to a relatively significant increase in revenue of the related products of charging equipment for electric vehicles business during the reporting period.

Electrical DC Products

During the reporting period, sales of the electrical DC products was approximately RMB22,736,000 (for the six months ended 30 June 2014: approximately RMB29,013,000), representing a decrease of approximately 21.64%. The directors (the ''Directors'') of the Company consider that the decrease in sales of electrical DC products was mainly attributed to the decrease in number of goods delivered during the reporting period as a result of fewer orders received by the Group in 2014. Meanwhile, the new orders secured during the reporting period had not been delivered in full. Therefore, the sales of the reporting period had decreased as compared to that of the corresponding period last year.

Charging Equipment for Electric Vehicles

For the six months ended 30 June 2015, sales of the charging equipment for electric vehicles amounted to approximately RMB41,321,000 (for the six months ended 30 June 2014: approximately RMB28,609,000), representing an increase of approximately 44.43%. The Directors consider that the growth was mainly attributed to the increased market demand for charging equipment for electric vehicles and the Group's continuous focus on the business of charging equipment for electric vehicles during the reporting period.

Power Grid Monitoring and Management Products

For the six months ended 30 June 2015, the Group's sales of power grid monitoring and management products business amounted to approximately RMB1,756,000 (for the six months ended 30 June 2014: approximately RMB1,179,000), representing an increase of approximately 48.94%. The Directors consider this product series is currently under steady development.

Electric Vehicles

For the six months ended 30 June 2015, the Group's sales of electric vehicles amounted to approximately RMB468,000. The electric vehicles segment was a newly added segment during the reporting period to complement the Group's investment and operation of the charging networks.

PASS Products

For the six months ended 30 June 2015, the Group's PASS products did not generate any sales (for the six months ended 30 June 2014: nil). The Directors do not consider this segment as a major operation business of the Group and the Group will not make further investment into this business. However, the Group will still provide corresponding products and technical supports if there is a demand in the market.

Major Operating Activities in the First Half of 2015:

In the first half of 2015, the Company continued to optimise its asset structure, strip ‘‘sideline’’ assets and businesses and consistently promote the development of its business of charging equipment for electric vehicles. The operating income of the electrical DC products business for the first half of 2015 decreased due to the decline in the number of tenders in 2014; however, benefitting from the transformation of power grid in the rural areas during the year, the market demand has been recovering. While the Group is actively pushing forward the marketisation of new products, it is also expanding the sales channels for its existing products by exploring the electrical DC product market in railway and nuclear power projects. As such, the board of Directors (the "Board") of the Company believes that the sales performance of these products will show improvement in the second half of the year. Taking the advantages of the clearer policies and the sales of electric vehicles, the business of charging equipment for electric vehicles will be ready for a major breakthrough. The Group will remain positive to the opportunities and challenges and strive for both internal growth and external expansion. During the reporting period, the operating activities of the Group mainly covered the following aspects:

1. Enhance production and manufacturing as a capable equipment supplier

In March 2015, the Group acquired a plot of land of approximately 21,000 square metres in Zhuhai High-Tech Industrial Development Zone* (珠海市高新技術開發區), which will be used to construct the Group's new production base. The new production base will enhance the capability of the Group as an equipment supplier. In May 2015, Zhuhai Titans Technology Co., Ltd.* (珠海泰坦科技股份有限公司) ("Titans Technology"), a wholly-owned subsidiary of the Company and Tangshan Jidong Special Vehicle Co., Ltd* (唐山冀東專用車有限公司) jointly established Hebei Jidong Titans Technology Co., Ltd* (河北冀東泰坦科技有限公司) which is principally engaged in the production and manufacturing of charger facilities, and aims to provide better services to the Northern China market.

2. Actively explore channel collaboration to boost its share in the charging facilities market

Adhering to its market-oriented principles, the Group seeks to enhance the synergy effect of different markets by stepping up its efforts in channel exploration for its charging equipment through the followings: (1) actively penetrating into the public transport systems in various regions to conduct marketing activities. Up to the reporting period, the Group had entered into sales contracts for charging equipment with public transportation corporations in Guangdong, Shanghai, Qingdao, Fujian, etc.; (2) closely cooperating with new energy vehicle manufacturers (including electric vehicle manufacturers such as BAIC* (北汽), Sunlong* (申龍), Foton* (福田), Chery* (奇瑞), JAC* (江淮) and Zotye* (眾泰) etc.) by entering into sales contracts or comprehensive cooperation agreements with them; (3) launching multi-level cooperation with new energy vehicle distributors and property companies; (4) cooperating with new energy charging facilities investors and operators. Up to the reporting period, the Group had entered into strategic cooperation agreements with approximately ten operators. Taking the advantage of its comprehensive product lines and the provision of customised general solutions to its customers, the Group has gradually expanded its sales network and boosted its share in the charging facilities market.

3. Swiftly commence the operating business to develop the ''No. 1 Charging Network'' in full force

While stepping up its effort in research and development of charging technology and product manufacturing for electric vehicles, the Group established Zhuhai Yilian New Energy Motors Co., Ltd.* (珠海驛聯新能源汽車有限公司) (''Zhuhai Yilian'') on 30 December 2014, which is mainly responsible for the investment, planning, design, construction and operation of the Group's new energy vehicle charging network. The establishment of Zhuhai Yilian is a major initiative of the Group in its implementation of the ''Dual Drive'' strategy. The ''Dual Drive'' strategy refers to the drive from equipment (research and development+manufacturing+sales) on one hand and the drive from operation (investment+construction+operation) on the other hand. In April 2015, Zhuhai Yilian and Zhuhai Urban Construction Smart Technology Co., Ltd* (珠海城建智能科技有限公司) formed a joint venture company which is principally engaged in the construction and operation of the sales and charging network of new energy vehicles in Zhuhai and aims to establish Zhuhai as the model city of ''New Energy Network''. In August 2015, subsequent to the reporting period, Zhuhai Yilian and Pangda Automobile Trade Co., Ltd.* (龐大汽貿集團股份有限公司) ("Pangda") formed a joint venture company in Beijing which focused on the construction and operation of the new energy vehicle charging network in Beijing, Tianjin and Hebei provinces. For details, please refer to the announcement dated 17 August 2015 published by the Company. During the reporting period, Zhuhai Yilian's investment and operation plans for its charging facilities in other regions progressing steadily.

4. Engage in China EV 100 to promote a healthy development of charging infrastructure

Dr. An Wei, the Chief Executive Officer of the Group and a member of China EV 100 (an unofficial, non-profit making and academic research discussion platform for cross discipline, industry, sector and ownership policies in the field of electric vehicles in China, which is also a high-end exchange platform participated voluntarily by government officials, experts and scholars, and industry players in the field of electric vehicles in China. It is also a third-party think tank for the government in the field of electric vehicles), actively participated in various activities organised by China EV 100 and acted as a keynote speaker in seminars of electric vehicles charging infrastructure to call for standardisation and share of business models. He also provided suggestions on the healthy and orderly development of charging infrastructure. The Group hopes to contribute to the healthy growth of the charging infrastructure industry in the PRC through China EV 100.

5. Fully implement the ERP system to practise lean production management

The Group fully implements the ERP system in finance, supply chain and production-related departments to practise lean production progressively. It will also continue to implement measures to reduce costs and enhance efficiencies for continuous improvement until completion. With the consistent focus on customers, the Group actively engages with its customers and develops a prompt response and timely delivery mechanism to cope with their needs.

6. Disposed of shares of an associate to optimise its asset structure

On 30 March 2015, Zhuhai Titans Power Electronics Group Co., Ltd.* (珠海泰坦電力電子集團有限公司) (''Zhuhai Titans''), a wholly-owned subsidiary of the Group, entered into a sales and purchase agreement with Beijing Hua Shang Wei Ye Assets Management Co., Ltd.* (北京華商偉業資產管理有限公司) (''Beijing Wei Ye''), pursuant to which Zhuhai Titans disposed of its 35% equity interest in Beijing Hua Shang Clear New Energy Technology Co., Limited* (北京華商三優新能源科技有限公司) ("Beijing Hua Shang") to Beijing Wei Ye with a consideration of RMB25,430,000 (equivalent to approximately HK$32,118,000). The resources obtained from the disposal will facilitate the shift of Group's strategic focus towards the operation of charging equipment business for new energy vehicles, enhancing the flexibility of the Group's financial resources, which will in turn further expand the investment and construction on the charging equipment for new energy vehicles. Further details of the transaction are set out in the Company's announcement dated 30 March 2015 and the Company's circular dated 29 June 2015.

Results analysis

Revenue

	Six months ended 30 June	
	2015	2014
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Revenue		
Electrical DC products	**22,736**	29,013
Charging equipment for electric vehicles	**41,321**	28,609
Power grid monitoring and management products	**1,756**	1,179
Electric vehicles	**468**	—
PASS products	**—**	—
Total	**66,281**	58,801

For the six months ended 30 June 2015, the Group recorded revenue of approximately RMB66,281,000, representing an increase of approximately 12.72% as compared to approximately RMB58,801,000 for the corresponding period in 2014. Such increase in revenue was mainly due to the benefits from national development policies for new energy, and the relevant industries in China started to thrive in the second half of 2014, and consequently, the Group recorded a relatively significant increase in product sales relating to the charging equipment for electric vehicles business during the reporting period.

Cost of sales

The Group's cost of sales mainly included raw material costs, direct labour costs and manufacturing expenses. The cost of sales increased from approximately RMB38,470,000 for the six months ended 30 June 2014 to approximately RMB39,372,000 for the six months ended 30 June 2015, which was primarily attributable to the corresponding increase in sales during the period.

Gross profit and gross profit margin

The Group's gross profit increased by approximately RMB6,578,000 to approximately RMB26,909,000 for the six months ended 30 June 2015 from approximately RMB20,331,000 for the corresponding period in 2014. For the six months ended 30 June 2015, sales of electrical DC products contributed approximately RMB5,813,000 to our gross profit whereas sales of charging equipment for electric vehicles contributed approximately RMB20,173,000 to our gross profit, sales of power grid monitoring and management products contributed approximately RMB876,000 to our gross profit and sales of electric vehicles contributed approximately RMB47,000 to our gross profit. We will endeavour to enhance and improve the technology of the Group's products and the management of the Group in order to maintain our competitiveness and gross profit margin.

Percentage of gross profit margin of respective reportable segments

	Six months ended 30 June	
	2015	2014
	(unaudited)	(unaudited)
Segment:		
Electrical DC products	**25.57%**	25.53%
Charging equipment for electric vehicles	**48.82%**	43.11%
Power grid monitoring and management products	**49.89%**	50.18%
Electric vehicles	**10.04%**	—
PASS products	**—**	—

The Group's overall gross profit margin increased to approximately 40.60% for the six months ended 30 June 2015 from approximately 34.58% for the corresponding period in 2014, and increased by approximately 6.94% as compared to approximately 33.66% for the year ended 31 December 2014.

The gross profit margin of our electrical DC products for the six months ended 30 June 2015 increased slightly by approximately 0.04% as compared to that of the corresponding period in 2014, and decreased by approximately 2.35% as compared to approximately 27.92% for the year ended 31 December 2014. During the reporting period, the gross profit margin was substantially the same as the corresponding period last year, which was mainly due to the fact that the electrical DC product is a well-developed product and its gross profit margin is within a controllable range.

The gross profit margin of our charging equipment for electric vehicles for the six months ended 30 June 2015 increased by approximately 5.71% as compared to that of the corresponding period in 2014, and increased by approximately 5.92% as compared to approximately 42.90% for the year ended 31 December 2014. The increase in the gross profit margin compared to the corresponding period last year was mainly attributable to the combined effects of factors such as the sales of certain new products with higher gross profits margin and the decrease of raw material prices.

The gross profit margin of our power grid monitoring and management products for the six months ended 30 June 2015 decreased slightly by approximately 0.29% as compared to that of the corresponding period in 2014, but increased by approximately 8.39% as compared to approximately 41.5% for the year ended 31 December 2014.

For the six months ended 30 June 2015, the Group's gross profit margin of sales of electric vehicles was 10.04% (30 June 2014: not applicable). As the charging services of electric vehicles has not been put into operation yet and the electric vehicles is an agency business, the Directors consider that the gross profit margin level of sales of electric vehicles is within a normal range.

Other revenue

Other revenue of the Group, which mainly included value added tax refunds and government grants, decreased by approximately 6.60% from approximately RMB7,383,000 for the six months ended 30 June 2014 to approximately RMB6,896,000 for the six months ended 30 June 2015.

Selling and distribution expenses

Selling and distribution expenses increased by approximately RMB1,583,000, or approximately 12.01%, from approximately RMB13,176,000 for the six months ended 30 June 2014 to approximately RMB14,759,000 for the six months ended 30 June 2015. The increase in selling and distribution expenses was primarily due to the following reasons: (1) an increase in sales-related expenses such as wages, benefits and social security expenditure of approximately RMB377,000; (2) an increase in sales-related expenses such as travel expenses, transportation, business entertainment and office expenses of approximately RMB1,302,000; (3) an increase in depreciation and other expenses of approximately RMB363,000; and (4) a decrease in sales-related expenses such as installation testing, tendering services and material consumption expenses of approximately RMB459,000.

Administrative and other expenses

Administrative expenses decreased by approximately RMB1,669,000, or approximately 6.78%, from approximately RMB24,605,000 for the six months ended 30 June 2014 to approximately RMB22,936,000 for the six months ended 30 June 2015. The decrease in the administrative expenses of the Group during the reporting period was primarily due to the following reasons: (1) as there was no impairment loss on provision for property, plant and equipment during the reporting period, the related expenses decreased by approximately RMB3,189,000 as compared to the corresponding period of last year; (2) as the share options granted pursuant to the pre-IPO share option scheme of the Company adopted on 8 May 2010 (the ''Pre-IPO Share Option Scheme'') and share options granted on 17 February 2011 pursuant to the share option scheme of the Company adopted on 8 May 2010 (the ''Share Option Scheme'') had been fully vested during the year ended 31 December 2014, there were no equity-settled share-based payments incurred for the grant of options by the Company for the reporting period, and the related expenses decreased by approximately RMB850,000 as compared to the corresponding period last year; (3) a decrease in related transportation expenses of approximately RMB626,000; (4) an increase in wages and benefits relating to management of approximately RMB558,000; (5) an increase in related expenses such as travelling, business entertainment, office expenses and material consumption of approximately RMB1,210,000; and (6) an increase in expenses including fees of lawyers and professionals and other miscellaneous expenses of approximately RMB1,228,000.

Gains on disposal of an associate

On 30 March 2015, Zhuhai Titans, an indirect wholly-owned subsidiary of the Company, entered into a sale and purchase agreement with Beijing Wei Ye. Zhuhai Titans agreed to sell its 35% equity interest in Beijing Hua Shang to Beijing Wei Ye for a consideration of RMB25,430,000 (equivalent to approximately HK$32,118,000). The transaction has already been completed. The consideration was RMB2,655,000 higher than the carrying amount of such equity interest and was reflected in the profit and loss account for the period. For further details, please refer to the Company's circular ''Major Transaction — Disposal of 35% Equity Interest in Beijing Hua Shang'' dated 29 June 2015.

Share of results of associates

During the reporting period, the Group owned 30% (as at 31 December 2014: 30%) equity interest in Zhuhai Titans New Power Electronics Co., Ltd* (珠海泰坦新動力電子有限公司) ("Titans New Power"). Titans New Power was accounted for as the Group's associate, and the Group's share of profit from Titans New Power for the reporting period was approximately RMB32,000.

During the reporting period, the Group owned 20% (as at 31 December 2014: nil) equity interest in Beijing Aimeisen Information Technology Co., Ltd.* (北京埃梅森信息技術有限公司) ("Beijing Aimeisen"). Beijing Aimeisen is mainly engaged in the construction of charging equipment network for electric vehicles business. Beijing Aimeisen was accounted for as the Group's associate, and the Group's share of loss from Beijing Aimeisen for the reporting period was approximately RMB490,000.

During the reporting period, the Group's share of profit from Beijing Hua Shang was approximately RMB2,328,000 before the disposal.

Finance costs

Finance costs of the Group decreased by approximately 4.73% from approximately RMB3,194,000 for the six months ended 30 June 2014 to approximately RMB3,043,000 for the six months ended 30 June 2015. Finance costs of the Group as a percentage of the Group's revenue decreased from 5.43% for the six months ended 30 June 2014 to 4.59% for the six months ended 30 June 2015. The decrease in finance costs of the Group was mainly due to the decrease in the average total bank loans during the reporting period.

Loss attributable to non-controlling interests

For the six months ended 30 June 2015, loss attributable to the non-controlling interests of the Group's non wholly-owned subsidiaries was RMB273,000, as compared to an attributable loss of nil in the corresponding period last year.

Loss attributable to the owners of the Company

The Group recorded a loss attributable to the owners of the Company of approximately RMB1,877,000 for the six months ended 30 June 2015, representing a decrease of approximately RMB7,115,000 as compared to a loss of approximately RMB8,992,000 for the corresponding period in 2014.

The decrease in the loss attributable to the owners of the Company was mainly attributable to the integrated factors during the reporting period such as a relatively significant increase of product sales in relation to charging equipment for electric vehicles and the decrease of administrative expenses.

Loss per share

For the six months ended 30 June 2015, basic loss and diluted loss per share of the Company ("Share(s)") were both RMB0.22 cents whilst the basic loss and diluted loss per Share for the corresponding period in 2014 were both RMB1.08 cents. The decrease in basic loss and diluted loss per Share compared to the corresponding period of last year was attributable to the decrease in loss of the Company for the reporting period as compared to the loss recorded in the corresponding period in 2014.

Employees and remuneration

As at 30 June 2015, the Group had 367 employees (as at 30 June 2014: 365) in total. The remuneration paid to our employees and the Directors is based on their experience, responsibility, workload and the time devoted to the Group.

The Group participates in various employees' benefit plans, such as retirement benefit scheme and medical insurance. The Group also makes pension contributions in compliance in all material respects with the requirements of the laws and regulations of the jurisdictions where it operates.

All PRC-based employees are entitled to participate in the social security insurance operated by the Ministry of Labour and Social Security, and the premium in respect of which is undertaken by the Group and the employees respectively based on percentages fixed by relevant PRC laws.

The Group and its employees in Hong Kong contribute to the mandatory provident fund in accordance with the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) and relevant requirements.

The Company adopted the Pre-IPO Share Option Scheme on 8 May 2010 and share options carrying rights to subscribe for a total of 23,920,000 Shares were granted to 53 employees of the Group on 8 May 2010, including two executive Directors, under the Pre-IPO Share Option Scheme. The purpose of the Pre-IPO Share Option Scheme is to recognise the contributions of eligible persons (including employees, officers, agents, consultants or representatives and sales partners of the Group) who have contributed or will contribute to the Group and to provide incentives to them. For the six months ended 30 June 2015, under the Pre-IPO Share Option Scheme, share options to subscribe for 100,000 Shares had lapsed as a result of the share options past due and the employees did not exercise such share options vested to them during the period. In addition, share options for a total of 1,420,000 Shares were exercised during the reporting period. As at the date of this report, no share options carrying rights to subscribe for Shares remained outstanding under the Pre-IPO Share Option Scheme.

The Company also adopted the Share Option Scheme on 8 May 2010. The purpose of the Share Option Scheme is to provide incentives to the eligible persons (including but not limited to employees, officers, agents, consultants or representatives of any members of the Group (including the executive or non-executive directors of any members of the Group)) for their contributions to the Company and to enable the Company to recruit and retain high-calibre employees and attract and retain human resources that are valuable to the Group. On 17 February 2011, the Company published an announcement relating to the grant of share options where share options carrying rights to subscribe for a total of 19,430,000 Shares were granted to 61 employees of the Group on the same day under the Share Option Scheme. For the six months ended 30 June 2015, under the Share Option Scheme, share options carrying rights to subscribe for 5,616,667 Shares had lapsed as a result of the share options past due and the employees did not exercise such share options vested to them during the period. Subsequent to the reporting period and up to the date of this report, no share options carrying rights to subscribe for Shares have been exercised. As at the date of this report, no share options carrying rights to subscribe for Shares remained outstanding under the Share Option Scheme.

Liquidity, financial resources and capital structure

The Group generally finances its operation through internal resources and bank borrowings. As at 30 June 2015, the Group had short-term bank deposits, bank balances and cash of approximately RMB80,004,000 (as at 31 December 2014: approximately RMB99,324,000), excluding restricted bank balances of approximately RMB7,813,000 (as at 31 December 2014: approximately RMB3,732,000).

The net current assets of the Group as at 30 June 2015 were approximately RMB391,308,000 (as at 31 December 2014: approximately RMB345,460,000).

The Group did not hold any significant financial investment during the six months period ended 30 June 2015 save for currency held.

Bank borrowings

As at 30 June 2015, total bank borrowings of the Group amounted to RMB89,700,000 (as at 31 December 2014: RMB95,000,000), of which RMB52,700,000 were secured loans (as at 31 December 2014: RMB68,000,000), and the balance of RMB37,000,000 were unsecured loans (as at 31 December 2014: RMB27,000,000). Secured bank loans as at 30 June 2015 were subject to the floating interest rates ranging from 5.62% to 7.05% per annum. The Group recorded a decrease of RMB5,300,000 in total bank borrowings as at 30 June 2015 as compared with those as at 31 December 2014. The decrease in total bank borrowings was due to the Company's decreased demand for liquidity.

As at 30 June 2015, the Group's current ratio (i.e. current assets divided by current liabilities) was 3.04 as compared with 2.75 as at 31 December 2014, and the gearing ratio (i.e. borrowings divided by total assets x 100%) was 14.40% as compared with 15.36% as at 31 December 2014.

Trade and bills receivables

As at 30 June 2015, the Group recorded trade and bills receivables (net of allowance) of approximately RMB323,064,000 (as at 31 December 2014: approximately RMB274,876,000). The Group did not make additional specific doubtful debts provision for trade and bills receivables during the first six months of 2015 (for the six months ended 30 June 2014: nil; for the year ended 31 December 2014: RMB37,922,000). As at 30 June 2015, the Group made an allowance of approximately RMB37,922,000 for trade receivables.

The increase in trade receivables of the Group for the six months ended 30 June 2015 was mainly due to the fact that certain projects of the Company were undergoing equipment life-run adjustment and testing after delivery, and conditions for collection of payment had not been met.

The table below sets out the ageing analysis of trade and bills receivables (net of allowance for doubtful debts) of the Group as at 30 June 2015.

	30 June 2015 RMB'000 (unaudited)	31 December 2014 RMB'000 (audited)
Trade receivables		
Within 90 days	**42,814**	103,585
91 days to 180 days	**12,187**	21,484
181 days to 365 days	**123,488**	46,926
Over 1 year to 2 years	**64,404**	69,886
Over 2 years to 3 years	**56,787**	23,821
Over 3 years	**23,384**	9,174
	323,064	274,876

Our key products, namely electrical DC product series, are supplied to, among others, power generation plants and power grid companies. Sales are recognised upon product delivery which may be before the date when trade receivables are due for payment. Our customers are only required to pay us the purchase amounts pursuant to the terms of the sales contracts. For the purpose of selling our electrical DC products, we may require the payment of a deposit of approximately 10% of the total contract sum to be paid after signing the contract, and 80% of the contract sum by the customer after our products have been delivered and properly installed and tested. It is normally stipulated in the contract that the balance of 10% will be withheld, being the retention money as a form of product performance surety, and be settled by the customer to us 12 to 18 months after the on-site installation and testing.

We consider that longer trade and bills receivables turnover days and the high proportion of overdue trade and bills receivables were mainly due to (1) the time lag between our accounting policy to recognise the full sales amount and trade receivables amount upon delivery of products until the due dates of trade receivables; (2) some of our customers in the power generation or transmission sectors settle the amounts payable to their suppliers, including us, after completion of the construction of their whole power generation units or transforming stations; and (3) delay in the schedule of some of the customers' projects.

Whilst we believe it is a special feature of the power electronic market that equipment suppliers will face a relatively long trade receivables turnover period, we will continue to monitor, control and speed up the collection of our trade receivables by closely liaising with the customers and monitoring the progress of their projects.

Pledge of assets

As at 30 June 2015, the Group's leasehold land and buildings with carrying amounts of approximately RMB4,015,000 (as at 31 December 2014: RMB4,422,000) were pledged to secure bank borrowings and other facilities granted to the Group.

Capital commitments and contingent liabilities

As at 30 June 2015, the Group had capital expenditure contracted for but not provided in the consolidated financial statements in respect of the acquisition of property, plant and equipment of RMB7,595,000 (as at 31 December 2014: approximately RMB11,219,000).

As at 30 June 2015 and the date of this report, the Group had no significant contingent liabilities.

Foreign exchange

The Group conducts its business primarily in the PRC with substantially all of its transactions are denominated and settled in Renminbi. The Group's consolidated financial statements are expressed in Renminbi, whereas dividends on Shares, if any, will be paid in Hong Kong dollars. Thus, any fluctuation of Renminbi could affect the value of Shares. During the reporting period, the Group recorded an exchange loss of approximately RMB22,000 (corresponding period in 2014: loss of approximately RMB16,000). Such foreign exchange loss arose as a result of the difference between the exchange rate on the date of transaction and the exchange rate as at 30 June 2015. As at 30 June 2015, the Group had no hedging arrangement in place with respect to foreign currency exchange.

The Group adopted a prudent approach towards its treasury policies. Our treasury function mainly involves the management of our cash flows. Cash is mainly deposited in banks in Renminbi for our working capital purposes. We did not have any material holding in financial securities or foreign exchange (except for business purposes) during the six months ended 30 June 2015.

Our accounts department projects monthly cash receipts and plans for cash payments based on the data provided by our marketing management and supporting teams regarding the progress on the customers' projects and relevant payment plans. Thereafter, our accounts department plans for cash payments based on the projections.

The Group strives to reduce exposure to credit risk by performing on-going credit evaluations of the financial conditions of its customers. Our sales representatives and other sales staff together with our sales partners will monitor the development of our customers' projects on a timely basis and communicate with our customers regarding the settlement of our trade and bills receivables.

Future business prospect and plans

Looking forward, the Group will capture the great opportunities for rapid growth of the new energy vehicles in the PRC and under intense efforts of the country in the reform of the rural power grid and the construction of and investment in nuclear power projects. The Group will seek to enhance its capability in technology and product design, optimise the business model of operation and strengthen internal control management by optimising its marketing management system, so as to ensure steady development of electrical DC products and continuous growth of charging equipment for electric vehicles business. This will help maintain and further improve the Group's leading position in terms of sales of charging equipment and demonstrate the effective business model for investment and operation of charging network. While focusing on internal development, the Group will also put dedicated efforts in external expansion by seeking appropriate opportunities to acquire relevant premium assets through mergers and acquisitions, thereby maximising the economic benefits for the shareholders of the Company.

The Group will make every effort to have the following tasks well performed on the foundation laid during the first half of 2015:

1. **Increase investment in technology and product design and enhance competitiveness through product differentiation**

   The Group has operated in the power electronics industry for over 20 years and accumulated extensive related patents and technologies. The Group will further enhance its competitiveness through product differentiation by continuous communication with its customers proactively and increasing investments in research and development, so as to better satisfy different needs of its customers. This will help achieve customer experience with high satisfaction and thus enhance customer loyalty and maintain competitiveness in the industry with our leading technology.

2. **Expand manufacturing capacity to meet requirement of market growth**

   In the first half of 2015, the total sales of new energy vehicles in the PRC amounted to 72,000 units, representing a year-on-year growth of 2.4 times. With the supporting policies for new energy vehicles and the continuous improvement of the basic ecological environment such as charging facilities, it is expected that the annual sales of new energy vehicles in the PRC will continue to grow in multiples in the next six years. Accordingly, the effective demand for the ancillary charging facilities will also increase at the same rate. In order to better satisfy the needs of the fast- growing market, the Group will steadily facilitate the construction of the new production base, while expanding the manufacturing capacity of existing manufacturing lines as well as proactively cooperating with external contractors, so as to enhance the production and manufacturing capability of the Group.

3. **Step up efforts in market development to secure leading position in terms of market share of products**

   Adhering to its market-oriented principles, the Group will place emphasis on the optimisation of the marketing management system to strengthen its competitiveness in the market comprehensively. While upholding the original market share in the power grid market, the Group will also be committed to expanding into markets beyond the power grid industry, developing a comprehensive sales channel in the PRC, actively exploring overseas markets and increasing its market share. The Group will strive to enhance the loyalty of regular customers on one hand and deepen its cooperation with new customers on the other hand. The Group will strive to realise sales growth in electrical DC products in the second half of the year, and further enhance and expand its market share in the charging equipment for electric vehicles.

4. **Steadily push forward the construction and operation of charging facilities to grow the business**

   The Group firmly believes that, in this "Internet+" era when portals possess the highest power, the electric vehicle charging network, which is developed by connecting the chargers, is likely to initiate a bottom to top industry reform through its control over portal resources. The Group will proactively and orderly promote the investment in construction and operation of charging facilities and develop a three-network-in-one service platform comprising the vehicle network, internet and charging network. Meanwhile, the Group will also accelerate the replicate and promotion of the "Zhuhai Model" in other cities and strive to implement the same in five cities in 2015. The Group will also make its best endeavours to establish the "No.1 Charging Network" in the PRC within the shortest period of time.

5. Strengthen efforts in attracting and training of talents and focus on effective team-building

The Group has always considered quality staff as the most valuable asset of the Group. As a result, the Group values the introduction and training of talents and establishes relevant system for human resources management. In order to better attract and train our talents, the Group will adopt award schemes for high calibre talents as well as share option and share award schemes from time to time, in order to provide core competences for the Group's development. Adhering to its strategy, the Group will focus its resources on recruiting talents for sales, business planning, project management and internet software, and work proactively to build up a diligent and loyal team with high calibre and team spirit for the investments in and operations of charging facilities in the future.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2015

		Six months ended 30 June	
		2015	2014
	Notes	**RMB'000**	RMB'000
		(unaudited)	(unaudited)
Continuing operations			
Revenue	*4*	**66,281**	58,801
Cost of sales		**(39,372)**	(38,470)
Gross profit		**26,909**	20,331
Other revenue		**6,896**	7,383
Selling and distribution expenses		**(14,759)**	(13,176)
Administrative and other expenses		**(22,936)**	(24,605)
Gain on disposal of an associate		**2,655**	—
Share of results of associates		**1,870**	3,493
Finance costs		**(3,043)**	(3,194)
Loss before taxation		**(2,408)**	(9,768)
Income tax credit	*5*	**258**	776
Loss for the period from continuing operations		**(2,150)**	(8,992)
Discontinued operation	*6*		
Loss for the period from discontinued operation		**—**	—
Loss for the period	*7*	**(2,150)**	(8,992)
Other comprehensive income (loss) for the period			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Reserve released on disposal of available-for-sale financial assets		**—**	272
Reserve released upon impairment loss on available-for-sale financial assets		**1,008**	—
Income tax relating to items that may be reclassified subsequently		**(152)**	—
Other comprehensive income for the period, net of income tax		**856**	272
Total comprehensive loss for the period		**(1,294)**	(8,720)

	Note	Six months ended 30 June 2015 RMB'000 (unaudited)	2014 RMB'000 (unaudited)
Loss for the period attributable to owners of the Company			
— from continuing operations		**(1,877)**	(8,992)
— from discontinued operation		**—**	—
		(1,877)	(8,992)
Non-controlling interests from continuing operations		**(273)**	—
		(2,150)	(8,992)
Total comprehensive loss for the period attributable to:			
Owners of the Company		**(1,021)**	(8,720)
Non-controlling interests		**(273)**	—
		(1,294)	(8,720)
Loss per share	*9*		
From continuing and discontinued operations			
Basic and diluted (RMB)		**(0.22 cents)**	(1.08 cents)
From continuing operations			
Basic and diluted (RMB)		**(0.22 cents)**	(1.08 cents)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2015

	Notes	30 June 2015 RMB'000 (unaudited)	31 December 2014 RMB'000 (audited)
Non-current assets			
Property, plant and equipment	*10*	**25,780**	27,960
Goodwill		**642**	642
Other intangible assets		**240**	300
Deposit paid for the acquisition of land use rights		**2,800**	—
Interests in associates	*11*	**1,782**	38,282
Available-for-sale financial assets		**1,574**	1,657
Deferred tax assets		**6,504**	6,492
		39,322	75,333
Current assets			
Inventories		**81,479**	65,163
Trade receivables	*12*	**323,064**	274,876
Prepayments, deposits and other receivables		**59,700**	46,939
Amounts due from associates	*13*	**3,366**	25,035
Restricted bank balances		**7,813**	3,732
Short-term bank deposits		**42,000**	63,000
Bank balances and cash		**38,004**	36,324
		555,426	515,069
Assets classified as held for sale		**28,000**	28,000
		583,426	543,069
Current liabilities			
Trade and bills payables	*14*	**73,150**	77,062
Receipts in advance		**7,861**	1,256
Accruals and other payables		**19,261**	21,680
Tax payable		**2,146**	2,611
Bank borrowings	*15*	**89,700**	95,000
		192,118	197,609
Net current assets		**391,308**	345,460
Total assets less current liabilities		**430,630**	420,793

	Note	30 June 2015 RMB'000 (unaudited)	31 December 2014 RMB'000 (audited)
Non-current liabilities			
Deferred income		**4,600**	122
Deferred tax liabilities		**8,168**	9,134
		12,768	9,256
Net assets		**417,862**	411,537
Capital and reserves			
Share capital	*16*	**7,398**	7,387
Reserves		**401,919**	402,291
Equity attributable to owners of the Company		**409,317**	409,678
Non-controlling interests		**8,545**	1,859
Total equity		**417,862**	411,537

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2015

	Attributable to owners of the Company												
	Share capital RMB'000	Share premium RMB'000	Share option reserve RMB'000	Merger reserve RMB'000	Exchange translation reserve RMB'000	Available-for-sale financial assets revaluation reserve RMB'000	Capital reserve RMB'000	Statutory reserve fund RMB'000	Other reserves RMB'000	Retained earnings RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 1 January 2014 (audited)	7,311	232,139	10,864	8,640	504	(1,066)	(1,539)	38,633	2,066	150,833	448,385	—	448,385
Loss for the period	—	—	—	—	—	—	—	—	—	(8,992)	(8,992)	—	(8,992)
Other comprehensive income for the period:													
Reserve released on disposal of available-for-sale financial assets	—	—	—	—	—	272	—	—	—	—	272	—	272
Total comprehensive income (expense) for the period	—	—	—	—	—	272	—	—	—	(8,992)	(8,720)	—	(8,720)
Recognition of equity settled share-based payment	66	8,714	(4,894)	—	—	—	—	—	—	—	3,886	—	3,886
Recognition of share-based payments *(note 17)*	—	—	850	—	—	—	—	—	—	—	850	—	850
Lapse of share options	—	—	(1,995)	—	—	—	—	—	—	1,995	—	—	—
Forfeiture of share options	—	—	(108)	—	—	—	—	—	—	108	—	—	—
At 30 June 2014 (unaudited)	7,377	240,853	4,717	8,640	504	(794)	(1,539)	38,633	2,066	143,944	444,401	—	444,401
At 1 January 2015	**7,387**	**242,998**	**2,834**	**8,640**	**504**	**(856)**	**(1,539)**	**38,633**	**2,066**	**109,011**	**409,678**	**1,859**	**411,537**
Loss for the period	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**(1,877)**	**(1,877)**	**(273)**	**(2,150)**
Other comprehensive income for the period:													
Reserve released upon impairment loss on available-for-sale financial assets	**—**	**—**	**—**	**—**	**—**	**1,008**	**—**	**—**	**—**	**—**	**1,008**	**—**	**1,008**
Income tax relating to items that may be reclassified subsequently	**—**	**—**	**—**	**—**	**—**	**(152)**	**—**	**—**	**—**	**—**	**(152)**	**—**	**(152)**
Total comprehensive income (expense) for the period	**—**	**—**	**—**	**—**	**—**	**856**	**—**	**—**	**—**	**(1,877)**	**(1,021)**	**(273)**	**(1,294)**
Establishment of non-wholly owned subsidiaries	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**6,959**	**6,959**
Exercise of share options	**11**	**1,314**	**(665)**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**660**	**—**	**660**
Lapse of share options	**—**	**—**	**(2,169)**	**—**	**—**	**—**	**—**	**—**	**—**	**2,169**	**—**	**—**	**—**
Transfer in (out)	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**101**	**—**	**(101)**	**—**	**—**	**—**
At 30 June 2015 (unaudited)	**7,398**	**244,312**	**—**	**8,640**	**504**	**—**	**(1,539)**	**38,734**	**2,066**	**109,202**	**409,317**	**8,545**	**417,862**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2015

	Six months ended 30 June	
	2015	2014
	RMB'000	RMB'000
	(unaudited)	(unaudited)
NET CASH USED IN OPERATING ACTIVITIES	**(53,626)**	(34,569)
INVESTING ACTIVITIES		
Withdrawal of restricted bank balances	**919**	25,764
Withdrawal of short-term bank deposits	**21,000**	18,000
Placement of restricted bank balances	**(5,000)**	(14,820)
Dividend received from an associate	**17,445**	—
Proceeds on disposal of an associate	**25,430**	—
Purchase of property, plant and equipment	**(2,160)**	(3,220)
Acquisition of interest in an associate	**(1,250)**	(300)
Capital contribution to the associate	**(600)**	—
Other cash flows arising from investing activities	**5,004**	(1,559)
NET CASH FROM INVESTING ACTIVITIES	**60,788**	23,865
FINANCING ACTIVITIES		
Repayment of bank loans	**(75,000)**	(45,000)
Interest paid	**(3,043)**	(3,194)
New bank loans raised	**69,700**	40,000
Other cash flows arising from financing activities	**2,861**	—
NET CASH USED IN FINANCING ACTIVITIES	**(5,482)**	(8,194)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**1,680**	(18,898)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	**36,324**	56,338
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD, REPRESENTING BANK BALANCES AND CASH	**38,004**	37,440

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2015

1. GENERAL INFORMATION

China Titans Energy Technology Group Co., Limited (the "Company") was incorporated and registered as an exempted company in the Cayman Islands with limited liability. The address of the registered office is P.O. Box 2681, Grand Cayman, KY1-1111, the Cayman Islands. The address of the principal place of business and headquarters in the People's Republic of China (the "PRC") is Titans Science and Technology Park, No. 60 Shihua Road West, Zhuhai, Guangdong Province, the PRC. The address of the principal place of business in Hong Kong is 18/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong.

The condensed consolidated interim financial statements of the Company and its subsidiaries (hereinafter collectively referred to as the "Group") are presented in Renminbi ("RMB") which is the same as the functional currency of the Company.

2. BASIS OF PREPARATION

The condensed consolidated interim financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and Hong Kong Accounting Standard ("HKAS") 34, Interim Financial Reporting, issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

3. SIGNIFICANT ACCOUNTING POLICIES

The condensed consolidated interim financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values, as appropriate.

Except as described below, the accounting policies and methods of computation used in the condensed consolidated interim financial statements for the six months ended 30 June 2015 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2014.

In the current interim period, the Group has applied, for the first time, the following new and revised Hong Kong Financial Reporting Standards ("HKFRSs"), which includes HKFRSs, Hong Kong Accounting Standards ("HKAS(s)"), amendments and Interpretations ("Int(s)"), issued by Hong Kong Institute of Certified Public Accountants.

Amendments to HKFRSs	*Annual Improvements to HKFRSs 2010–2012 Cycle*
Amendments to HKFRSs	*Annual Improvements to HKFRSs 2011–2013 Cycle*
Amendments to HKAS 19	*Defined Benefit Plans: Employee Contributions*

The application of the new and revised HKFRSs in the current interim period has had no material impact on the amounts reported on these condensed consolidated interim financial statements and/or on the disclosures set out in these condensed consolidated interim financial statements.

The Group has not applied the new HKFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new HKFRSs but is not yet in a position to state whether these new HKFRSs would have a material impact on its results of operations and financial position.

4. REVENUE AND SEGMENT INFORMATION

Revenue represents the amounts received and receivable for goods sold and services provided to external customers, net of discounts, returns and sales related taxes.

Information reported to the executive directors of the Company, being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. No operating segments identified by the chief operating decision maker have been aggregated in arriving at the reportable segments of the Group.

The Group currently organises its operations into five operating and reportable segments (six months ended 30 June 2014: four), excluding sales of wind and solar power generating balancing control products ("Wind and Solar Power") segment which was discontinued on 31 October 2014 (see note 6), namely sales of direct current power system products ("DC Power System"), distribution of plug and switch system products ("PASS Products"), sales of power monitoring and management equipment ("Power Monitoring"), sales of charging equipment for electric vehicles ("Charging Equipment") and sales of electric vehicles ("Electric Vehicles"). They represent five major lines of products (six months ended 30 June 2014: four) sold by the Group. The principal activities of the operating and reportable segments are as follows:

DC Power System	—	Sales of DC Power System products
PASS Products	—	Distribution of PASS products
Power Monitoring	—	Sales of power monitoring and management equipment
Charging Equipment	—	Sales of charging equipment for electric vehicles
Electric Vehicles	—	Sales of electric vehicles

The Group's Electric Vehicles segment was introduced in the current interim period as a result of the establishment of the subsidiary, Zhuhai Yilan New Energy Vehicles Operations and Services Company Limited* (珠海驛聯新能源汽車運營服務有限公司).

The operation of Wind and Solar Power segment of the Group was discontinued on 31 October 2014. The segment information reported on the following does not include any amounts for this discontinued operation, which are described in more detail in note 6.

* *English name is for identification purpose only*

4. REVENUE AND SEGMENT INFORMATION (continued)

Segment revenues and results

The following is an analysis of the Group's revenue and the results by reportable and operating segments:

Six months ended 30 June 2015

Continuing operations

	DC Power System RMB'000 (unaudited)	PASS Products RMB'000 (unaudited)	Power Monitoring RMB'000 (unaudited)	Charging Equipment RMB'000 (unaudited)	Electric Vehicles RMB'000 (unaudited)	Total RMB'000 (unaudited)
Segment revenue	22,736	—	1,756	41,321	468	66,281
Segment results	5,016	—	388	9,116	(121)	14,399
Unallocated other revenue						4,647
Gain on disposal of an associate						2,655
Share of results of associates						1,870
Impairment loss on available-for-sale financial assets						(1,091)
Unallocated head office and corporate expenses						(21,845)
Finance costs						(3,043)
Loss before taxation (continuing operations)						(2,408)

4. REVENUE AND SEGMENT INFORMATION (continued)

Segment revenues and results (continued)

Six months ended 30 June 2014

Continuing operations

	DC Power System RMB'000 (unaudited)	PASS Products RMB'000 (unaudited)	Power Monitoring RMB'000 (unaudited)	Charging Equipment RMB'000 (unaudited)	Electric Vehicles RMB'000 (unaudited)	Total RMB'000 (unaudited)
Segment revenue	29,013	—	1,179	28,609	—	58,801
Segment results	4,373	—	580	5,125	—	10,078
Unallocated other revenue						4,648
Share of results of associates						3,493
Loss on disposal of available-for-sale financial assets						(188)
Unallocated head office and corporate expenses						(24,605)
Finance costs						(3,194)
Loss before taxation (continuing operations)						(9,768)

Note: all of the segment revenue reported above is from external customers.

Segment results represent the profit (loss) from each segment without allocation of certain unallocated other revenue, gain on disposal of an associate, share of results of associates, impairment loss on available-for-sale financial assets, loss on disposal of available-for-sale financial assets, unallocated head office and corporate expenses and finance costs. This is the measure reported to the executive directors of the Company for the purpose of resource allocation and performance assessment.

4. REVENUE AND SEGMENT INFORMATION (continued)

Segment assets and liabilities

The following is an analysis of the Group's assets by reportable and operating segments:

Segment assets

	30 June 2015 RMB'000 (unaudited)	31 December 2014 RMB'000 (audited)
Continuing operations		
DC Power System	**158,032**	258,463
PASS Products	**—**	1,090
Power Monitoring	**12,205**	19,767
Charging Equipment	**299,033**	144,529
Electric Vehicles	**2,100**	—
Total segment assets	**471,370**	423,849
Assets classified as held for sale	**28,000**	28,000
Unallocated	**123,378**	166,553
Consolidated assets	**622,748**	618,402

Segment liabilities

	30 June 2015 RMB'000 (unaudited)	31 December 2014 RMB'000 (audited)
Continuing operations		
DC Power System	**27,570**	47,758
PASS Products	**—**	201
Power Monitoring	**2,129**	3,653
Charging Equipment	**50,385**	26,706
Electric Vehicles	**927**	—
Total segment liabilities	**81,011**	78,318
Unallocated	**123,875**	128,547
Consolidated liabilities	**204,886**	206,865

4. REVENUE AND SEGMENT INFORMATION (continued)

Segment assets and liabilities (continued)

For the purpose of monitoring segment performances and allocating resources between segments:

- all assets are allocated to operating segments other than goodwill, deposit paid for the acquisition of land use rights, interests in associates, available-for-sale financial assets, deferred tax assets, certain of the prepayments, deposits and other receivables, restricted bank balances, short-term bank deposits, bank balances and cash and assets classified as held for sale; and

- all liabilities are allocated to operating segments other than certain of the accruals and other payables, tax payable, bank borrowings, deferred income and deferred tax liabilities.

5. INCOME TAX CREDIT

	Six months ended 30 June	
	2015	2014
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Continuing operations		
Current tax:		
PRC withholding tax from distribution of dividend from the PRC associate	**872**	—
Deferred tax:		
Current year	**(1,130)**	(776)
	(258)	(776)

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for the six months ended 30 June 2015 and 2014. No provision for Hong Kong Profits Tax has been made as the Group's income neither arises in, nor was derived from, Hong Kong for both six months ended 30 June 2015 and 2014.

Zhuhai Titans Technology Co., Ltd.* (珠海泰坦科技股份有限公司) ("Titans Technology") was established in Zhuhai, the special economic zone, and the income tax rate applicable to Titans Technology was 15% pursuant to the relevant PRC laws in 2007. Titans Technology was recognised as High and New Technology Enterprises by Guangdong Provincial Department of Science and Technology in 2008 and the income tax rate applicable to them is 15% for both six months ended 30 June 2015 and 2014.

Withholding tax is levied on from dividend distributions arising from profit of the PRC associate earned after 1 January 2008 based on the applicable tax rate at 5%.

Save as mentioned above, the relevant tax rate for the Group's subsidiaries in the PRC other than Titans Technology was 25% for the six months ended 30 June 2015 and 2014.

* *English name is for identification purpose only*

6. DISCONTINUED OPERATION

Pursuant to a resolution on 31 October 2014, the directors of the Company decided to cease the operation of Wind and Solar Power segment with immediate effect.

No segment revenue (six months ended 30 June 2014: nil), results (six months ended 30 June 2014: nil) were reported for the six months ended 30 June 2015.

The discontinued operation did not affect the Group's revenue, loss for the period and net operating cash flows during the six months ended 30 June 2015 and 2014.

7. LOSS FOR THE PERIOD

Loss for the period have been arrived at after charging (crediting):

	Six months ended 30 June	
	2015	2014
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Continuing operations		
Depreciation of property, plant and equipment	**4,298**	5,080
Amortisation of intangible assets	**60**	189
Gain on disposal of property, plant and equipment	**(68)**	(24)
Total staff costs *(note i)*	**10,215**	11,256
Operating lease rentals in respect of rented premises	**1,544**	1,393
Bank interest income	**(735)**	(170)
Value added tax ("VAT") refunds *(note ii)*	**(2,249)**	(2,735)
Impairment loss on available-for-sale financial assets	**1,091**	—
Impairment recognised in respect of property, plant and equipment	**—**	3,189
Loss on disposal of available-for-sale financial assets	**—**	188
Government grant	**(3,724)**	(176)

Notes:

(i) Included in the staff costs are the share-based payment expenses of approximately RMB850,000 for the six months ended 30 June 2014. No share-based payment expenses have been recognised for the six months ended 30 June 2015.

(ii) VAT refunds represent the refund of VAT charged on qualified sales of software products by the PRC tax bureau.

8. DIVIDENDS

No dividend has been paid or proposed by the Group for the six months ended 30 June 2015 and 2014 nor has any dividend been proposed since the end of the reporting period (31 December 2014: nil).

9. LOSS PER SHARE

For continuing and discontinued operations

The calculation of basic and diluted loss per share attributable to owners of the Company is based on the following data:

	Six months ended 30 June	
	2015	2014
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Loss		
Loss for the period attributable to owners of the Company	**(1,877)**	(8,992)
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	**840,175,470**	832,601,667

The computation of diluted loss per share does not assume the exercise of the Company's share options since their exercise would result in a decrease in loss per share for the six months ended 30 June 2015 and 2014.

From continuing operations

The basic and diluted loss per share from continuing operations attributable to owners of the Company is the same as the calculation of basic and diluted loss per share from continuing and discontinued operations as those detailed above since there was no loss for the period attributable to owners of the Company from discontinued operation.

10. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2015, the Group disposed of certain property, plant and equipment with an aggregate carrying amount of approximately RMB42,000 (six months ended 30 June 2014: RMB170,000), resulting in a gain on disposal of approximately RMB68,000 (six months ended 30 June 2014: RMB24,000).

During the six months ended 30 June 2015, the Group acquired property, plant and equipment and with a cost of approximately RMB2,160,000 (six months ended 30 June 2014: RMB3,220,000).

11. INTERESTS IN ASSOCIATES

	30 June 2015 RMB'000 (unaudited)	31 December 2014 RMB'000 (audited)
Cost of investment in unlisted associates	**2,150**	18,861
Share of post acquisition results	**(368)**	19,421
	1,782	38,282

During the six months ended 30 June 2015, the Group disposed all of its holding of 35% equity interest in Beijing Hua Shang Clear New Energy Technology Co., Limited* (北京華商三優新能源科技有限公司) ("Beijing Hua Shang"), with a consideration of RMB25,430,000. Gain on disposal of an associate of approximately RMB2,655,000 has been recognised for the six months ended 30 June 2015.

During the six months ended 30 June 2015, the Group acquired 20% equity interest in Beijing Aimeisen Information Technology Co., Ltd.* (北京埃梅森信息技術有限公司) ("Beijing Aimeisen") from an independent third party on 2 March 2015, with a consideration of RMB1,250,000. After the acquisition, Beijing Aimeisen becomes one of the associates of the Group and has been accounted for using equity method.

During the six months ended 30 June 2015, capital injection of RMB600,000 has been made to Zhuhai Titans New Power Electronics Co., Ltd* (珠海泰坦新動力電子有限公司) ("Titans New Power"). The equity interest held by the Group remained unchanged after the capital injection.

As at 30 June 2015 and 2014, the Group had interests in the following associates:

Name of entity	Form of business structure	Place of establishment/ operation	Class of share held	Proportion of nominal value of registered capital held by the Group 2015	2014	Proportion of voting power held 2015	2014	Principal activities
Beijing Hua Shang	Registered	The PRC	Capital contribution	—	35%	—	35%	Promotion and sale of charging equipment for electric vehicles
Beijing Aimeisen	Registered	The PRC	Capital contribution	**20%**	—	**20%**	—	Research and development of charging equipment
Titans New Power	Registered	The PRC	Capital contribution	**30%**	30%	**30%**	30%	Production and sales of battery formation products

* *English name is for identification purpose only.*

12. TRADE RECEIVABLES

The following is an aged analysis of trade receivables net of allowance for impairment of trade receivables presented based on the dates of delivery of goods or rendering services, which approximates the respective revenue recognition dates, at the end of the reporting period.

	30 June 2015 RMB'000 (unaudited)	31 December 2014 RMB'000 (audited)
0–90 days	**42,814**	103,585
91–180 days	**12,187**	21,484
181–365 days	**123,488**	46,926
1–2 years	**64,404**	69,886
2–3 years	**56,787**	23,821
Over 3 years	**23,384**	9,174
	323,064	274,876

The Group allows an average credit period of 90 days to its trade customers counted from the due date of each of their installment payments pursuant to the sales contracts. Installment payments are separated into the initial deposit payment which is due upon signing of sales contracts, the payment after installation and testing and the retention money which is due from the end of the product quality assurance period. The trade customers of the Group are mainly the state-owned enterprises in the PRC. These state-owned enterprises repay their outstanding balances upon the completion of their constructions in accordance with the industry practice in the PRC.

Before accepting any new customers, the Group assesses the credit quality of the potential customers with reference to the credit report and their financial strength and determines the credit terms and limits for them. The Group also regularly monitors the credit quality of the existing customers by established credit policies and procedures. The Group will adjust the credit limit to the existing customers with reference to the past repayment history and external credit source on the customers' financial strength.

13. AMOUNTS DUE FROM ASSOCIATES

The amounts due from associates are unsecured, interest-free and trading in nature.

The following is an aged analysis of amounts due from associates based on the dates of delivery of goods, which approximates the revenue recognition dates, at the end of the reporting period:

	30 June 2015 RMB'000 (unaudited)	31 December 2014 RMB'000 (audited)
0–90 days	**605**	—
91–180 days	**2,761**	—
181–365 days	**—**	1,000
1–2 years	**—**	—
2–3 years	**—**	24,035
	3,366	25,035

The Group allows an average credit period of 90 days to its associates for balances which are trading in nature.

In determining the recoverability of amounts due from associates, the Group considers any change in credit quality of amounts due from associates from the date when credit was initially granted up to the reporting date. In view of the good repayment history of the associates of the Group, the directors of the Company consider that there is no credit provision required for the period.

14. TRADE AND BILLS PAYABLES

The following is an aged analysis of trade payables based on the dates of receipt of goods purchased at the end of the reporting period:

	30 June 2015 RMB'000 (unaudited)	31 December 2014 RMB'000 (audited)
0–90 days	**48,009**	62,114
91–180 days	**6,468**	1,857
181–365 days	**3,598**	2,519
1–2 years	**8,773**	8,115
Over 2 years	**857**	1,356
	67,705	75,961
Bills payables	**5,445**	1,101
	73,150	77,062

The average credit period on purchases of goods is 90 days.

15. BANK BORROWINGS

	30 June 2015 RMB'000 (unaudited)	31 December 2014 RMB'000 (audited)
Bank loans, secured	**52,700**	68,000
Bank loans, unsecured	**37,000**	27,000
	89,700	95,000
Carrying amounts repayable within one year, shown under current liabilities	**89,700**	95,000

During the six months ended 30 June 2015, the Group obtained new bank loans amounting to RMB69,700,000 (31 December 2014: RMB95,000,000). The proceeds were used as the Group's working capital. The above bank borrowings are all denominated in RMB.

15. BANK BORROWINGS (continued)

All bank borrowings are arranged at floating rates. The effective interest rates (which also equal to contracted interest rates) on the Group's bank loans range from 5.62% to 7.05% (31 December 2014: 6.60% to 7.80% per annum) per annum for the six months ended 30 June 2015.

As at 30 June 2015 and 31 December 2014, certain of the bank borrowings were guaranteed by the Company and the directors of the Company, details of the guarantees by the directors of the Company are set out in note 21(c).

As at 30 June 2015, the Group had pledged its leasehold land and buildings with carrying amount values of approximately RMB4,015,000 (31 December 2014: RMB4,422,000) to secure banking facilities granted to the Group.

As at 30 June 2015, the restricted bank balances and the carrying amount of the short-term receivables which had been pledged as security for the bank borrowings were RMB5,000,000 and RMB90,000,000 (31 December 2014: nil and RMB90,000,000), respectively. The carrying amount of the associated liability was RMB39,700,000 (31 December 2014: RMB55,000,000).

At the end of the reporting period, the Group had the undrawn borrowing facilities of approximately RMB67,880,000 (31 December 2014: RMB107,010,000).

16. SHARE CAPITAL

	Number of shares	Share capital
		HK$'000
Authorised:		
Ordinary shares of HK$0.01 each		
At 1 January 2014, 31 December 2014 and 30 June 2015	10,000,000,000	100,000
		RMB'000
Issued and fully paid:		
At 1 January 2014, 31 December 2014 (audited)	839,540,000	7,387
Exercise of share options (note)	1,420,000	11
At 30 June 2015 (unaudited)	840,960,000	7,398

Note: During the six months ended 30 June 2015, 1,420,000 options with exercise price of HK$0.59 were exercised to subscribe for 1,420,000 ordinary shares in the Company at a consideration of approximately RMB660,000.

17. SHARE-BASED PAYMENTS

Pre-IPO share option scheme

Pursuant to the written resolution approved by the Company's shareholders on 8 May 2010, the pre-IPO share option scheme of the Company (the "Pre-IPO Share Option Scheme") became effective. Certain executive directors, senior managerial staff and employees of the Group were granted options to recognise their contribution to the Group. Under the Pre-IPO Share Option Scheme, 53 participants (the "Grantees") have been conditionally granted options by the Company. The exercise of the options would entitle the Grantees to purchase aggregate of 23,920,000 shares of the Company immediately following completion of the placing and public offer and the capitalisation issue at 50% of the final offer price. The options are exercisable by installments twelve months after 28 May 2010, the date on which the shares of the Company were listed on the Stock Exchange (the "Listing Date") and up to 5 years since the Listing Date.

The Group has received HK$1 for each grant under the Pre-IPO Share Option Scheme.

Share option scheme

Pursuant to the resolution in writing of shareholders of the Company passed on 8 May 2010, the Company has adopted a share option scheme (the "Share Option Scheme") for a period of 10 years commencing on 8 May 2010. The Board may, at its discretion, grant share options to any individual being an employee, officer, agent, consultant or representative of any member of the Group (including any executive or non-executive director of any member of the Group) for a consideration of HK$1 on acceptance of the option offer. The subscription of shares in the Company is subject to the terms and conditions as stipulated in the Share Option Scheme. Share options for a total of 19,430,000 shares were first granted during the year ended 31 December 2011.

The limit on the total number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme, and any other scheme adopted by the Group, must not exceed 30% of the number of the issued shares from time to time.

No share options were granted during the six months ended 30 June 2015 and 2014.

Details of the Pre-IPO share options granted on 8 May 2010 are as follows:

Date of grant	Vesting proportion	Vesting period	Exercisable period	Exercise price	Fair value at grant date
				HK$	HK$
8 May 2010	25%	28.5.2010 – 27.5.2011	28.5.2011 – 27.5.2012	0.59	0.61
	25%	28.5.2010 – 27.5.2012	28.5.2012 – 27.5.2013	0.59	0.65
	25%	28.5.2010 – 27.5.2013	28.5.2013 – 27.5.2014	0.59	0.68
	25%	28.5.2010 – 27.5.2014	28.5.2014 – 27.5.2015	0.59	0.69

17. SHARE-BASED PAYMENTS (continued)

Details of the share options granted on 17 February 2011 pursuant to the Share Option Scheme are as follows:

Date of grant	Vesting proportion	Vesting period	Exercisable period	Exercise price HK$	Fair value at grant date HK$
17 February 2011	33%	17.2.2011 – 16.2.2012	17.2.2012 – 16.2.2013	1.10	0.29
	33%	17.2.2011 – 16.2.2013	17.2.2013 – 16.2.2014	1.10	0.39
	33%	17.2.2011 – 16.2.2014	17.2.2014 – 16.2.2015	1.10	0.46

The Company has established the Share Option Scheme for directors and eligible employees. Details of the share options outstanding during the periods are as follow:

	Weighted average exercise price HK$	Number of share options ('000)
Outstanding at 1 January 2014	0.85	23,033,334
Exercised during the period	0.59	(8,320,000)
Lapsed during the period	1.10	(6,046,667)
Forfeited during the period	0.69	(250,000)
Outstanding at 30 June 2014	0.94	8,416,667
Outstanding at 1 January 2015	0.99	7,136,667
Exercised during the period	0.59	(1,420,000)
Lapsed during the period	1.09	(5,716,667)
Forfeited during the period	N/A	—
Outstanding at 30 June 2015	N/A	—

17. SHARE-BASED PAYMENTS (continued)

Share options were granted on 8 May 2010 and 17 February 2011. The aggregate fair values of the options determined at the dates of grant using the binomial model were approximately HKD15,741,000 and HK$7,365,000 (equivalent to approximately RMB13,760,000 and RMB6,178,000) respectively, based on the valuation report issued by an independence valuer, Avista Valuation Advisory.

No equity-settled share-based payments (30 June 2014: approximately RMB850,000) have been recognised in profit or loss for the six months ended 30 June 2015.

The following assumptions were used to calculate the fair values of share options:

	Pre-IPO share options granted on 8 May 2010	**Share options granted on 17 February 2011**
Grant date share price (HK$)	1.05–1.2	1.06–1.12
Exercise price (HK$)	0.59	1.1
Expected life (years)	2.058–5.058	4
Expected volatility	54.59%–57.84%	46.50%–52.70%
Dividend yield	1.17%	0%
Risk-free interest rate	0.58%–1.82%	0.72%–1.63%

The binomial model has been used to estimate the fair value of the options. The variables and assumptions used in computing the fair value of the share options are based on the best estimate of the Directors. Changes in variables and assumptions may result in changes in the fair value of the options.

18. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

(a) Fair value of the Group's financial instruments that are measured at fair value on a recurring basis

The table analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

18. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (continued)

(a) Fair value of financial assets that are measured at fair value on a recurring basis (continued)

The following table provides the fair value measurement hierarchy of the Group's financial assets as at 30 June 2015 and 31 December 2014:

	Total RMB'000	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000
As at 30 June 2015				
Available-for-sale financial assets				
Unlisted equity shares (unaudited)	**1,574**	—	—	**1,574**
As at 31 December 2014				
Available-for-sale financial assets				
Unlisted equity shares (audited)	1,657	—	—	1,657

Reconciliation of recurring fair value measurements categorised within Level 3 of the fair value hierarchy:

	Total RMB'000
As at 1 January 2014	3,794
Fair value loss recognised in the other comprehensive expense	(73)
Disposal	(2,064)
As at 31 December 2014 (audited)	1,657
Reserve released upon impairment loss on available-for-sale financial assets	1,008
Impairment recognised on available-for-sale financial assets	(1,091)
As at 30 June 2015 (unaudited)	**1,574**

During the six months ended 30 June 2015, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements. The impairment recognised on available-for-sale financial assets categorised within Level 3 of approximately RMB1,091,000 (31 December 2014: nil) was recorded in statement of profit or loss and other comprehensive income.

(b) Fair value of financial instruments carried at other than fair value

The carrying amount of the Group's financial instruments carried at cost or amortised cost are not materially different from their respective fair values at 30 June 2015 and 31 December 2014.

19. OPERATING LEASE COMMITMENTS

The Group as a lessee

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases which would fall due as follow:

	30 June 2015 RMB'000 (unaudited)	31 December 2014 RMB'000 (audited)
Within one year	**1,637**	2,448
In the second to fifth year inclusive	**661**	829
	2,298	3,277

Operating lease payments represent rentals payable by the Group for certain of its offices and workshops. Leases were negotiated for an average of two (31 December 2014: two) years and rentals were fixed for one (31 December 2014: one) year for the six months ended 30 June 2015.

The Group as a lessor

Property rental income earned during the period was RMB58,000 (2014: RMB46,000). The property held has committed tenants for the next three years.

At the end of the reporting period, the Group had contracted with tenants for the following future minimum lease payments:

	30 June 2015 RMB'000 (unaudited)	31 December 2014 RMB'000 (audited)
Within one year	**78**	81
In the second to fifth year inclusive	**62**	89
	140	170

20. CAPITAL COMMITMENTS

	30 June 2015 RMB'000 (unaudited)	31 December 2014 RMB'000 (audited)
Capital expenditures contracted for but not provided in the condensed consolidated financial statements in respect of:		
— Acquisition of property, plant and equipment	**7,595**	1,305
— Acquisition of an associate	**—**	9,914
	7,595	11,219

21. RELATED PARTY TRANSACTIONS

During the six months ended 30 June 2015, the Group entered into the following transactions with related parties:

(a) Income received

	Six months ended 30 June 2015 RMB'000 (unaudited)	2014 RMB'000 (unaudited)
Rental income received from an associate	**60**	—
Sales to associates (note)	**338**	365
	398	365

Note: Sales of charging equipment for electric vehicles to the associates for the six months ended 30 June 2015 and 2014 were conducted on terms mutually agreed with the parties, which were by reference to prevailing market prices under the sales agreement.

21. RELATED PARTY TRANSACTIONS (continued)

(b) Compensation to key management personnel

The directors of the Company consider that the executive directors are the only key management personnel of the Company. The remuneration of directors during the six months ended 30 June 2015 and 2014 was as follows:

	Six months period ended	
	30 June 2015	30 June 2014
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Short-term benefits	**462**	462
Share-based payments	**—**	41
Post-employment benefits	**15**	15
	477	518

The remuneration of the directors is determined by the remuneration committee of the Company having regard to the performance of individuals and market trends.

(c) Guarantees from directors

At 30 June 2015 and 31 December 2014, certain banking facilities of the Group were guaranteed by Mr. Li Xin Qing and Mr. An Wei, directors of the Company:

	30 June 2015	31 December 2014
	RMB'000	RMB'000
	(unaudited)	(audited)
To the extent of	**180,000**	240,000

22. EVENT AFTER THE REPORTING PERIOD

On 17 August 2015, the Group entered into the agreement with Pangda Automobile Trade Co., Ltd.* (龐大汽貿集團股份有限公司) ("Pangda"), an independent third party, to establish a PRC company with total registered capital of RMB30,000,000. RMB10,500,000 will be contributed by the Group, representing 35% equity interest of the PRC company. The PRC company will become an associate of the Group and will be accounted for using equity method. Details are set out in the Company's announcement dated 17 August 2015.

* *English name is for identification purpose only.*

OTHER INFORMATION

Interim Dividend

The Board did not recommend the payment of any interim dividend for the six months ended 30 June 2015 (for the six months ended 30 June 2014: nil).

Compliance with Corporate Governance Code

The Company has complied with all the applicable code provisions (the "Code Provisions") of the Corporate Governance Code as set out in Appendix 14 to the Listing Rules during the six months ended 30 June 2015 and there have been no material deviations from the Code Provisions.

Directors' Interests in Shares

As at 30 June 2015, the interests of the Directors and their associates in the Shares which have been notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO, or which were recorded in the register required to be kept pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuer (the "Model Code") as set out in Appendix 10 to the Listing Rules were as follows:

Name of Director	Nature of interest	Number of Shares	Approximate percentage of issued share capital of the Company
Mr. Li Xin Qing	Interest of controlled corporations	205,709,875 *(Note 2)*	24.46%
	Beneficial owner	200,000	0.02%
Mr. An Wei	Interest of controlled corporations	205,869,875 *(Note 3)*	24.48%
	Beneficial owner	400,000	0.05%

Notes:

1. All interests in the Shares were long positions.

2. The entire issued share capital of Genius Mind Enterprises Limited ("Genius Mind") is beneficially owned by Mr. Li Xin Qing. Mr. Li is deemed to be interested in 197,724,457 Shares held by Genius Mind by virtue of the SFO. In addition, Mr. Li is also deemed to be interested in 7,985,418 Shares held by Rich Talent Management Limited ("Rich Talent") by virtue of the SFO, a company which is owned as to 50% by him.

3. 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 197,884,457 Shares held by Great Passion by virtue of the SFO. In addition, Mr. An is also deemed to be interested in 7,985,418 Shares held by Rich Talent by virtue of the SFO, a company which is owned as to 50% by him.

Save as disclosed above, as at 30 June 2015, none of the Directors or chief executive of the Company nor their associates had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which had to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

Directors' Rights to Acquire Shares or Debentures

Other than the Pre-IPO Share Option Scheme and the Share Option Scheme detailed in note 17 to the unaudited interim financial statements, at no time during the six months ended 30 June 2015 was the Company or any of its subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of acquisition of shares in, or debt securities (including debentures) of, the Company or any other body corporate and none of the Directors, their spouses or children under 18 years of age, had any rights to subscribe for securities of the Company, or had exercised any such rights.

Substantial Shareholders' Interests in Shares

As at 30 June 2015, as far as known to the Directors, the following persons or entities (not being a Director or a chief executive of the Company) who had interests in Shares which would fall to be disclosed to the Company pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Name of shareholder	Nature of interest	Number of Shares	Approximate percentage of issued share capital of the Company
Ms. Zeng Zhen *(Note 2)*	Interest of spouse	205,909,875	24.49%
Genius Mind *(Note 3)*	Beneficial owner	197,724,457	23.51%
Ms. Yan Kai *(Note 4)*	Interest of spouse	206,269,875	24.53%
Great Passion *(Note 5)*	Beneficial owner	197,884,457	23.53%
Honor Boom Investments Limited *(Note 6)*	Beneficial owner	82,458,117	9.81%
Mr. Li Xiao Bin *(Note 6)*	Interest of controlled corporation	82,458,117	9.81%
Ms. Zhang Lina *(Note 7)*	Interest of spouse	82,458,117	9.81%
Mr. Thomas Karl Amade Pilscheur	Beneficial owner	66,244,818	7.88%
Ms. Feng Yanlin *(Note 8)*	Interest of spouse	66,244,818	7.88%

Notes:

1. All interests in the Shares were long positions.

2. Ms. Zeng Zhen is the spouse of Mr. Li Xin Qing. Therefore, Ms. Zeng is deemed to be interested in the Shares in which Mr. Li is interested by virtue of the SFO.

3. The entire issued share capital of Genius Mind is beneficially owned by Mr. Li Xin Qing. Mr. Li is deemed to be interested in the Shares held by Genius Mind by virtue of the SFO. Mr. Li is the sole director of Genius Mind.

4. Ms. Yan Kai is the spouse of Mr. An Wei. Therefore, Ms. Yan is deemed to be interested in the Shares in which Mr. An is interested by virtue of the SFO.

5. The entire issued share capital of Great Passion is beneficially owned by Mr. An Wei who is deemed to be interested in the Shares held by Great Passion by virtue of the SFO. Mr. An is the sole director of Great Passion.

6. The 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.

7. Ms. Zhang Lina is the spouse of Mr. Li Xiao Bin. Therefore. Ms. Zhang is deemed to be interested in the Shares in which Mr. Li is interested by virtue of the SFO.

8. Ms. Feng Yanlin is the spouse of Mr. Thomas Karl Amade Pilscheur. Therefore, Ms. Feng is deemed to be interested in the Shares in which Mr. Pilscheur is interested by virtue of the SFO.

Save as disclosed above, as at 30 June 2015, the Company has not been notified by any person (other than the Directors or the chief executive of the Company) who had interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company pursuant to the provision of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

Share Option Schemes

Pre-IPO Share Option Scheme

The Company has adopted the Pre-IPO Share Option Scheme pursuant to a written resolution passed by the shareholders of the Company on 8 May 2010. The purpose of the Pre-IPO Share Option Scheme is to recognise the contribution of, and to provide an incentive to, the employees, officers, agents, consultants, representatives and sales partners of the Group who has contributed or will contribute to the Group. The principal terms of the Pre-IPO Share Option Scheme are basically the same as the terms of the Share Option Scheme (as described below) except, among other terms, that:

(a) the Pre-IPO Share Option Scheme expired on the date immediately prior to the Listing Date and save for the options which have been conditionally granted, no further options will be offered or granted or accepted under the Pre-IPO Share Option Scheme after the Listing Date;

(b) the subscription price of HK$0.59 per Share has been determined by the Board at 50% discount to the final offer price of the listing of the Shares on the Stock Exchange on the Listing Date;

(c) the option period of each option granted is: (a) in relation to 25% of the Shares comprised in the option, the period commencing on the expiration of 12 months after the Listing Date and ending on the expiration of 24 months after the Listing Date; (b) in relation to another 25% of the Shares comprised in the option, the period commencing on the expiration of 24 months after the Listing Date and ending on the expiration of 36 months after the Listing Date; (c) in relation to another 25% of the Shares comprised in the option, the period commencing on the expiration of 36 months after the Listing Date and ending on the expiration of 48 months after the Listing Date; and (d) in relation to the remaining 25% of the Shares comprised in the option, the period commencing on the expiration of 48 months after the Listing Date and ending on the expiration of 60 months after the Listing Date; and

(d) if any of the grantees fails to exercise all or part of the 25% of the total number of options vested to him/her in each period, such 25% or remaining part of the 25% of the total number of options vested and exercisable during that period (as the case may be) shall lapse.

On 8 May 2010, share options carrying rights to subscribe for a total of 23,920,000 Shares at an exercise price of HK$0.59 per Share were granted to 53 employees of the Group, including two executive Directors. All share options were conditionally granted to the grantees.

During the six months ended 30 June 2015, share options carrying rights to subscribe for a total of 100,000 Shares had lapsed in accordance with the terms of the Pre-IPO Share Option Scheme. As at 30 June 2015, no share options carrying rights to subscribe for Shares remained outstanding. Details of the movements in the share options granted under the Pre-IPO Share Option Scheme during the six months ended 30 June 2015 were as follows:

		Number of share options					
Name of participant	**Date of share options granted**	**Outstanding as at 1 January 2015**	**Exercised during the period**	**Lapsed during the period**	**Cancelled during the period**	**Outstanding as at 30 June 2015**	**Approximate percentage of issued share capital of the Company**
Mr. An Wei *(Note)*	8 May 2010	200,000	200,000	—	—	—	0%
Other employees of the Group	8 May 2010	1,320,000	1,220,000	100,000	—	—	0%
Total		1,520,000	1,420,000	100,000	—	—	0%

Note:

Mr. An Wei is an executive Director.

Share Option Scheme

The Company has adopted the Share Option Scheme pursuant to a written resolution passed by the shareholders of the Company on 8 May 2010 (the "Adoption Date").

The purpose of the Share Option Scheme is to enable the Group to grant share options to selected participants as incentives or rewards for their contributions to the Group. All officers, employees, agents, consultants or representatives of any member of the Group, (including any executive or non-executive Director) who the Board may determine in its absolute discretion, have made valuable contributions to the business of the Group based on their performance and/or years of service, or are regarded to be valuable human resources of the Group are eligible to participate in the Share Option Scheme subject to such conditions as the Board may think fit.

The Share Option Scheme will remain in force for a period of 10 years after the Adoption Date.

When the Share Option Scheme was approved by the shareholders of the Company on 8 May 2010, it was also approved that the total number of Shares which may be allotted and issued upon exercise of all options to be granted under the Share Option Scheme and any other share option scheme adopted by the Group must not in aggregate exceed 10% of the Shares in issue on the Listing Date, i.e. 80,000,000 Shares (the "Scheme Mandate Limit") which represented approximately 9.51% of the Shares in issue as at the date of this report. The Company may renew the Scheme Mandate Limit with shareholders' approval provided that each such renewal may not exceed 10% of the Shares in issue as at the date of the shareholders' approval.

As at the date of this report, the total number of shares available for issue under the Share Option Scheme was 79,880,000 shares, representing 9.50% of the issued share capital of the Company.

The maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option scheme adopted by the Group must not in aggregate exceed 30% of the Shares in issue from time to time.

Unless approved by shareholders of the Company, the total number of Shares issued and to be issued upon exercise of the options granted under the Share Option Scheme and any other share option scheme of the Group (including both exercised or outstanding options) to each participant in any 12-months period shall not exceed 1% of the issued share capital of the Company for the time being.

A nominal consideration of HK$1 is payable on acceptance of the grant of an option.

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period to be notified by the Board to each grantee, which period must expire no later than 10 years from the date of the grant (subject to acceptance) of the option.

The right to exercise an option is not subject to or conditional upon the achievement of any performance target unless otherwise stated in the grant letter which is to be made by the Company to the participant of the Share Option Scheme upon granting of the option.

The subscription price for the Shares under the Share Option Scheme will be a price determined by the Directors, but shall not be less than the highest of (i) the closing price of Shares as stated in the Stock Exchange's daily quotations sheet on the date of the offer of grant, which must be a business day; (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations for the five trading days immediately preceding the date of the offer of grant; and (iii) the nominal value of the Shares.

On 17 February 2011, the Company granted 19,430,000 share options to 61 employees of the Company under the Share Option Scheme with details as follows:

Date of grant	:	17 February 2011
Exercise price of share options granted	:	HK$1.10 per Share
Number of share options granted	:	19,430,000 share options (each share option shall entitle the holder of the share option to subscribe for one Share)
Closing price of the Share on the date of grant	:	HK$1.10 per Share
Validity period of the share options	:	4 years commencing from 17 February 2011 and expiring on 16 February 2015 (both days inclusive), to be exercised in the following manner:

Portions of the share options exercisable	**Period for exercise of the relevant portions of the share options**
One-third of the total number of share options granted to any grantee	During the period commencing on 17 February 2012 and up to 16 February 2013
One-third of the total number of share options granted to any grantee	During the period commencing on 17 February 2013 and up to 16 February 2014
One-third of the total number of share options granted to any grantee	During the period commencing on 17 February 2014 and up to 16 February 2015

If any of the grantees fails to exercise all or part of the one-third of the total number of share options vested to him/her in each period, such one-third or remaining part of the one-third of the total number of share options vested and exercisable during that period (as the case may be) shall lapse.

During the six months ended 30 June 2015, share options carrying rights to subscribe for a total of 5,616,667 Shares had lapsed in accordance with the terms of the Share Option Scheme. As at 30 June 2015, no share options carrying rights to subscribe for Shares remained outstanding. Details of the movements in the share options granted under the Share Option Scheme during the six months ended 30 June 2015 were as follows:

		Number of share options					
Name of participant	Date of share options granted	Outstanding as at 1 January 2015	Exercised during the period	Lapsed during the period	Cancelled during the period	Outstanding as at 30 June 2015	Approximate percentage of issued share capital of the Company
Mr. Li Xiao Bin *(Note)*	17 February 2011	200,000	—	200,000	—	—	0%
Other employees of the Group	17 February 2011	5,416,667	—	5,416,667	—	—	0%
Total		5,616,667	—	5,616,667	—	—	0%

Note:

Mr. Li Xiao Bin is a substantial shareholder and a member of the senior management of the Company.

Compliance with the Model Code for Securities Transactions by Directors

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as its model code regarding director's securities transactions. Having made specific enquiry of all Directors, all Directors confirmed that they had complied with the required standards of the Model Code during the six months ended 30 June 2015.

Purchase, Sale or Redemption of Listed Securities

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2015.

Material Acquisitions and Disposals

Disposed of shares of an associate

On 30 March 2015, Zhuhai Titans, a wholly-owned subsidiary of the Group, entered into a sales and purchase agreement with Beijing Wei Ye, pursuant to which Zhuhai Titans disposed of its 35% equity interest in Beijing Huashang to Beijing Wei Ye with a consideration of RMB25,430,000 (equivalent to approximately HK$32,118,000). The resources obtained from the disposal will facilitate the shift of Group's strategic focus towards the operation of charging equipment business for new energy vehicles, enhancing the flexibility of the Group's financial resources, which will in turn further expand the investment and construction on the charging equipment for new energy vehicles. Further details of the transaction are set out in the Company's announcement dated 30 March 2015 and the Company's circular dated 29 June 2015.

Save as disclosed above, the Group did not have any other material acquisitions and disposals during the six months ended 30 June 2015.

Sufficiency of Public Float

Based on the information that is publicly available to the Company and within the knowledge of the Directors, as at the date of this report, the Company has maintained the prescribed public float under the Listing Rules.

Major Litigation and Arbitration Proceedings

The Group had no major litigation or arbitration during the six months ended 30 June 2015.

Review by Audit Committee

The audit committee of the Company has reviewed and discussed with the management the accounting principles and practices adopted by the Group and the Group's internal controls and financial reporting matters, including the review of the unaudited interim results of the Group for the six months ended 30 June 2015.

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

Hong Kong, 21 August 2015

* *For identification purposes only*