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

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2188)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2016

The board of directors (the "Board") of China Titans Energy Technology Group Co., Limited (the "Company") announces the interim results of the Company and its subsidiaries (collectively the "Group") for the six months ended 30 June 2016 together with the comparative figures for the corresponding period in 2015. These condensed consolidated interim financial information have not been audited, but have been reviewed by the audit committee of the Company.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2016

		Six months ended 30 June	
		2016	2015
	Notes	***RMB'000***	*RMB'000*
		(Unaudited)	(Unaudited and restated)
Revenue	*4*	**117,427**	66,281
Cost of sales		**(68,291)**	(39,372)
Gross profit		**49,136**	26,909
Other revenue		**5,505**	6,896
Selling and distribution expenses		**(21,785)**	(14,759)
Administrative and other expenses		**(30,152)**	(21,845)
Reversal of impairment loss recognised in respect of trade receivables		**2,560**	–
Impairment loss on available-for-sale financial asset		**(298)**	(1,091)
Impairment loss on property, plant and equipment		**(434)**	–
Write-down of inventories	*15*	**(1,638)**	–
Fair value gain on derivative components of the convertible notes	*14*	**6,474**	–
Gain on disposal of a subsidiary		**481**	–
Gain on disposal of an associate		**–**	2,655
Share of results of associates		**(725)**	1,870
Finance costs		**(5,135)**	(3,043)
Profit (loss) before taxation		**3,989**	(2,408)
Income tax (expense) credit	*5*	**(3,270)**	258
Profit (loss) for the period	*6*	**719**	(2,150)

		Six months ended 30 June	
		2016	2015
	Note	***RMB'000***	*RMB'000*
		(Unaudited)	(Unaudited and restated)
Other comprehensive income (loss) for the period			
Items that may be reclassified subsequently to profit or loss:			
Net fair value gain on available-for-sale financial assets		**886**	–
Reserve released upon impairment loss on available-for-sale financial asset		**–**	1,008
Income tax relating to items that may be reclassified subsequently		**(222)**	(152)
Other comprehensive income for the period, net of tax		**664**	856
Total comprehensive income (loss) for the period		**1,383**	(1,294)
Profit (loss) for the period attributable to:			
– Owners of the Company		**1,198**	(1,877)
– Non-controlling interests		**(479)**	(273)
		719	(2,150)
Total comprehensive income (loss) for the period attribute to:			
– Owners of the Company		**1,862**	(1,021)
– Non-controlling interests		**(479)**	(273)
		1,383	(1,294)
Earnings (loss) per share	*8*		
Basic and diluted		**0.12 RMB cent**	(0.22) RMB cent

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2016

	Notes	30 June 2016 RMB'000 (Unaudited)	31 December 2015 RMB'000 (Audited)
Non-current assets			
Property, plant and equipment		**34,239**	29,688
Prepaid lease payments		**8,769**	8,925
Deposit paid for acquisition of property, plant and equipment		**20,000**	–
Deposit paid for the acquisition of available-for-sale financial asset		**–**	5,000
Other intangible assets		**120**	180
Interests in associates	*9*	**5,852**	706
Available-for-sale financial assets		**14,773**	3,074
Deferred tax assets		**9,567**	9,465
		93,320	57,038
Current assets			
Inventories		**82,807**	89,717
Trade and bills receivables	*10*	**323,615**	331,730
Amounts due from associates	*11*	**11,498**	34
Prepayments, deposits and other receivables		**77,391**	54,301
Prepaid lease payments		**312**	312
Redemption option derivative of the convertible notes	*14*	**17,080**	–
Restricted bank balances		**124,490**	81,823
Short-term bank deposits		**50,502**	30,000
Bank balances and cash		**28,624**	58,621
		716,319	646,538
Assets of a disposal group/assets classified as held for disposal	*15*	**43,148**	28,000
		759,467	674,538

	Notes	30 June 2016 RMB'000 (Unaudited)	31 December 2015 RMB'000 (Audited)
Current liabilities			
Trade and bills payables	*12*	**74,523**	88,749
Receipts in advance		**168**	3,006
Accruals and other payables		**15,522**	21,882
Conversion option derivative of the convertible notes	*14*	**29,586**	–
Amounts due to non-controlling shareholders of subsidiaries		**20**	1,171
Tax payable		**6,351**	2,962
Bank borrowings	*13*	**152,000**	126,700
		278,170	–
Liabilities associated with a disposal group classified as held for disposal	*15*	**15,148**	–
		293,318	244,470
Net current assets		**466,149**	430,068
Total assets less current liabilities		**559,469**	487,106
Non-current liabilities			
Convertible notes	*14*	**70,911**	–
Deferred tax liabilities		**9,524**	9,319
		80,435	9,319
Net assets		**479,034**	477,787
Capital and reserves			
Share capital		**8,087**	8,087
Reserves		**460,426**	458,564
Equity attributable to owners of the Company		**468,513**	466,651
Non-controlling interests		**10,521**	11,136
Total equity		**479,034**	477,787

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2016

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 Cricket Square, Hutchins Drive, 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 Room 18/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong.

The condensed consolidated interim financial information 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 information of the Group for the six months ended 30 June 2016 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. PRINCIPAL ACCOUNTING POLICIES

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

The accounting policies used in the condensed consolidated financial information are consistent with those followed in the preparation of the Group's annual consolidated financial information for the year ended 31 December 2015 except as described below.

In the current year, the Group has applied, for the first time, the following new amendments issued by the HKICPA which are effective for the Group's financial year beginning 1 January 2016.

Amendments to HKFRSs	*Annual Improvements to HKFRSs 2012 – 2014 Cycle*
Amendments to HKAS 1	*Disclosure Initiative*
Amendments to HKAS 16 and HKAS 38	*Clarification of Acceptable Methods of Depreciation and Amortisation*
Amendments to HKAS 16 and HKAS 41	*Agriculture: Bearer Plants*
Amendments to HKAS 27	*Equity Method in Separate Financial Statements*
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	*Investment Entities: Applying the Consolidation Exception*
Amendments to HKFRS 11	*Accounting for Acquisitions of Interests in Joint Operations*

Except as described below, the application of other new amendments in the current year has had no material effect on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these condensed consolidated financial information.

The Group has not applied any new and revised Hong Kong Financial Reporting Standards (the "HKFRSs"), which include HKFRSs, HKASs, amendments and interpretations, that have been issued but not yet effective.

Annual Improvement to HKFRSs 2012 – 2014 Cycle

The Annual Improvements to HKFRSs 2012 – 2014 Cycle include a number of amendments to various HKFRSs, which are summarised below.

The amendments to HKFRS 5 clarify that changing from one of the disposal methods (i.e. disposal through sale or disposal through distribution to owners) to the other should not be considered to be a new plan of disposal, rather it is a continuation of the original plan. There is therefore no interruption of the application of the requirements in HKFRS 5. Besides, the amendments also clarify that changing the disposal method does not change the date of classification.

The amendments to HKFRS 7 clarify that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and arrangement against the guidance for continuing involvement in HKFRS 7 in order to assess whether the additional disclosures for any continuing involvement in a transferred asset that is derecognised in its entirety are required. Besides, the amendments to HKFRS 7 also clarify that disclosures in relation to offsetting financial assets and financial liabilities are not required in the condensed interim financial report, unless the disclosures provide a significant update to the information reported in the most recent annual report.

The amendments to HKAS 19 clarify that the market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used.

HKAS 34 requires entities to disclose information in the notes to the interim financial information 'if not disclosed elsewhere in the interim financial report'. The amendments to HKAS 34 clarify that the required interim disclosures must either be in the interim financial information or incorporated by cross-reference between the interim financial information and wherever they are included within the greater interim financial report. The other information within the interim financial report must be available to users on the same terms as the interim financial information and at the same time. If users do not have access to the other information in this manner, then the interim financial report is incomplete.

The directors of the Company do not anticipate that the application of the amendments included in the Annual Improvements to HKFRSs 2012 – 2014 Cycle will have a material effect on the Group's consolidated financial information.

Amendments to HKAS 1 Disclosure Initiative

The amendments clarify that companies should use professional judgement in determining what information as well as where and in what order information is presented in the financial information. Specifically, an entity should decide, taking into consideration all relevant facts and circumstances, how it aggregates information in the financial information, which include the notes. An entity does not require to provide a specific disclosure required by a HKFRS if the information resulting from that disclosure is not material. This is the case even if the HKFRS contain a list of specific requirements or describe them as minimum requirements.

Besides, the amendments provide some additional requirements for presenting additional line items, headings and subtotals when their presentation is relevant to an understanding of the entity's financial position and financial performance respectively. Entities, in which they have investments in associates or joint ventures, are required to present the share of other comprehensive income of associates and joint ventures accounted for using the equity method, separated into the share of items that (i) will not be reclassified subsequently to profit or loss; and (ii) will be reclassified subsequently to profit or loss when specific conditions are met.

Furthermore, the amendments clarify that:

(i) an entity should consider the effect on the understandability and comparability of its financial statements when determining the order of the notes; and
(ii) significant accounting policies are not required to be disclosed in one note, but instead can be included with related information in other notes.

The application of Amendments to HKAS 1 has had no material impact on the disclosures or on the amounts recognised in the Group's condensed consolidated financial information.

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 (the "CODM"), for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. The CODM has chosen to organise the Group around differences in products and services.

The Group's reporting segments under HKFRS 8 are as follows:

(i) DC Power System — Manufacturing and sales of direct current power system
(ii) Charging Equipment — Manufacturing and sales of charging equipment for electric vehicles
(iii) Charging Services — Provision of charging services for electric vehicles
(iv) Others — Including three operating segments namely (i) PASS Products – sales of plug and switch system products; (ii) Power Monitoring – sales of power monitoring and management equipment; and (iii) Electric Vehicles – sales and leases of electric vehicles

Charging Services which do not meet any of the quantitative thresholds under HKFRS 8, is considered as individual reporting segment and separately disclosed as the CODM concludes that segment information is useful to users of the financial information as the nature of products and services of Charging Services is distinct to other reporting segments.

Operating segments of PASS Products, Power Monitoring and Electric Vehicles are combined as one reporting segments namely as "Others" since they do not meet the quantitative thresholds under HKFRS 8 and the CODM considers that the segment information is not useful to users of the financial statements as the business is insignificant when compared to other operating segments. Prior period comparative segment information has been restated to conform with the current presentation accordingly.

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 2016

	DC Power System *RMB'000* **(Unaudited)**	**Charging Equipment** *RMB'000* **(Unaudited)**	**Charging Services** *RMB'000* **(Unaudited)**	**Others** *RMB'000* **(Unaudited)**	**Total** *RMB'000* **(Unaudited)**
Segment revenue	**25,915**	**90,558**	**189**	**765**	**117,427**
Segment results	**5,779**	**23,399**	**33**	**20**	**29,231**
Unallocated other revenue					**3,957**
Impairment loss on available-for-sale financial asset					**(298)**
Fair value gain on derivative components of the convertible notes					**6,474**
Gain on disposal of a subsidiary					**481**
Share of results of associates					**(725)**
Unallocated head office and corporate expenses					**(29,996)**
Finance costs					**(5,135)**
Profit before taxation					**3,989**

Six months ended 30 June 2015

	DC Power System *RMB'000* (Unaudited)	Charging Equipment *RMB'000* (Unaudited)	Charging Services *RMB'000* (Unaudited)	Others *RMB'000* (Unaudited and restated)	Total *RMB'000* (Unaudited)
Segment revenue	22,736	41,321	–	2,224	66,281
Segment results	5,016	9,116	–	267	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 asset					(1,091)
Unallocated head office and corporate expenses					(21,845)
Finance costs					(3,043)
Loss before taxation					(2,408)

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

Segment results represent the profit earned from each segment without allocation of certain unallocated other revenue, fair value gain on derivative components of the convertible notes, gain on disposal of a subsidiary, gain on disposal of an associate, share of results of associates, impairment loss on available-for-sale financial asset, unallocated head office and corporate expenses and finance costs. This is the measure reported to the CODMs for the purposes of resource allocation and performance assessment.

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable segment:

Segment assets

	30 June 2016	31 December 2015
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
DC Power System	**233,809**	232,014
Charging Equipment	**264,241**	239,558
Charging Services	**1,900**	1,720
Others	**19,753**	21,151
Total segment assets	**519,703**	494,443
Assets of a disposal group/assets classified as held for disposal	**43,148**	28,000
Unallocated	**289,936**	209,133
Consolidated assets	**852,787**	731,576

Segment liabilities

	30 June 2016	31 December 2015
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
DC Power System	**28,574**	32,558
Charging Equipment	**42,950**	54,759
Charging Services	**481**	334
Others	**2,686**	4,104
Total segment liabilities	**74,691**	91,755
Liabilities associated with a disposal group classified as held for disposal	**15,148**	–
Unallocated	**283,914**	162,034
Consolidated liabilities	**373,753**	253,789

For the purpose of monitoring segment performance and allocating resource between reporting segments:

- all assets are allocated to operating segments other than deposit paid for the acquisition of available-for-sale financial asset, interests in associates, available-for-sale financial assets, deferred tax assets, other receivables, redemption option derivative of convertible notes, restricted bank balances, short-term bank deposits, bank balances and cash and assets of a disposal group/assets classified as held for disposal; and

- all liabilities are allocated to operating segments other than accruals and other payables, conversion option derivative of convertible notes, amounts due to non-controlling shareholders of subsidiaries, tax payable, bank borrowings, liabilities associated with a disposal group classified as held for disposal, convertible notes and deferred tax liabilities.

5. INCOME TAX (EXPENSE) CREDIT

	For the six months ended 30 June	
	2016	2015
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
PRC Enterprise Income Tax ("EIT"):		
Current year	**(1,917)**	(872)
Prior Year	**(1,472)**	–
Deferred tax:		
Current year	**119**	1,130
	(3,270)	258

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for the six months ended 30 June 2016 and 2015. 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 2016 and 2015.

Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries other than Zhuhai Titans Technology Co., Ltd.* (珠海泰坦科技股份有限公司) ("Titans Technology") is 25% from 1 January 2008 onwards.

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 Department of Science and Technology of Guangdong Province in 2008 and the income tax rate applicable to them is 15% for both six months ended 30 June 2016 and 2015.

* *English name is for identification purpose only*

6. PROFIT (LOSS) FOR THE PERIOD

Profit (loss) for the period has been arrived at after charging (crediting):

	Six months ended 30 June	
	2016	2015
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Net exchange loss	**1,427**	22
Depreciation of property, plant and equipment	**3,935**	4,298
Amortisation of other intangible assets	**60**	60
Amortisation of prepaid lease payments	**156**	–
Gain on disposal of property, plant and equipment	**(650)**	(68)
Total staff costs	**29,505**	15,688
Minimum lease payments paid under operating lease rentals in respect of rented premises	**1,214**	1,544
Bank interest income	**(828)**	(735)
Value added tax ("VAT") refunds *(note (i))*	**(1,548)**	(2,249)
Government grant	**(2,225)**	(3,724)
Research and development expenses (including in administrative and other expenses) *(note (ii))*	**12,539**	9,513

Notes:

(i) VAT refunds represent the refund of VAT charged on qualified sales of products of direct current power system by the PRC tax bureau.

(ii) Research and development expenses included staff costs of employees and depreciation of property, plant and equipment for the purpose of research and development activities.

7. DIVIDENDS

No dividend has been paid or proposed by the Group for the six months ended 30 June 2016 and 2015 nor has any dividend been proposed since the end of each reporting period.

8. EARNINGS (LOSS) PER SHARE

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

	Six months ended 30 June	
	2016	2015
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Earnings (loss):		
Earnings (loss) for the purpose of basic and diluted earnings (loss) per share	**1,198**	(1,877)

	Six months ended 30 June	
	2016	2015
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted earnings (loss) per share	**981,386**	840,175

The computation of diluted earnings per share does not assume the conversion of the Company's convertible notes since the conversion would result in an increase in earnings per share for the six months ended 30 June 2016.

9. INTERESTS IN ASSOCIATES

	30 June	31 December
	2016	2015
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Cost of investment in unlisted associates	**7,121**	1,250
Share of post acquisition results	**(1,269)**	(544)
	5,852	706

On 17 August 2015, the subsidiary of the Company entered into an agreement with an independent third party to establish a PRC company, Beijing Pangda Yilian New-energy Technology Co., Limited* (北京龐大驛聯新能源科技有限公司) ("Pangda Yilian"). Pangda Yilian was established on 1 April 2016, with total paid-up capital of RMB15,000,000. RMB5,250,000 has been contributed by the subsidiary of the Company, representing 35% equity interest in Pangda Yilian. After the completion of the capital contribution, Pangda Yilian became one of the associates of the Group and has been accounted for using equity method.

On 1 June 2016, the Group entered into a sale and purchase agreement for the disposal of 25.5% equity interest in a non-wholly owned subsidiary, Sichuan Titans Haote New-energy Motor Co., Limited* (四川泰坦豪特新能源汽車有限公司) ("Sichuan Haote") for a cash consideration of RMB1,102,000 (the "Disposal"). After the completion of the Disposal on 29 June 2016, the Group's equity interest in Sichuan Haote has been diluted from 51% to 25.5%. As a result, the Group has lost its control over Sichuan Haote and Sichuan Haote was reclassified from subsidiary of the Company to an associate of the Company. Gain on disposal of a subsidiary of approximately RMB481,000 has been recognised for the six months ended 30 June 2016.

As at 30 June 2016 and 31 December 2015, 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**		**Proportion of voting power held**		Principal activities
				30 June 2016	31 December 2015	**30 June 2016**	31 December 2015	
Pangda Yilian	Registered	The PRC	Capital contribution	**35%**	–	**35%**	–	Research and development of charging equipment
Beijing Aimeisen Information Technology Co., Ltd.* ("Beijing Aimeisen") (北京埃梅森信息技術有限公司)	Registered	The PRC	Capital contribution	**20%**	20%	**20%** *(note)*	20%	Research and development of charging equipment
Sichuan Haote	Registered	The PRC	Capital contribution	**25.5%**	–	**25.5%**	–	Production and sales of charging equipment

Note: The Group is able to exercise significant influence over Beijing Aimeisen because it has appointed one out of the three directors of Beijing Aimeisen at the date of establishment.

* *English name is for identification purpose only*

10. TRADE AND BILLS RECEIVABLES

The following is an ageing analysis of trade and bills receivables, net of allowance for impairment of trade and bills 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 2016	31 December 2015
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
0 – 90 days	**36,087**	106,897
91 – 180 days	**65,849**	40,556
181 – 365 days	**104,010**	39,874
1 – 2 years	**79,548**	104,387
2 – 3 years	**29,802**	35,108
Over 3 years	**8,319**	4,908
	323,615	331,730

The Group allows an average credit period of 90 days (31 December 2015: 90 days) to its trade customers or 90 days (31 December 2015: 90 days) counted from the due date of each of their installment payments pursuant to the sales contracts. Installment payments are separated into initial deposit payment which due upon signing of sales contracts, the payment after installation and testing and retention money which due from the end of the product quality assurance period.

Before accepting any new customer, 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 monitored 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.

11. AMOUNTS DUE FROM ASSOCIATES

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

The following is an ageing 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 2016	31 December 2015
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
0 – 90 days	**8,310**	34
91 – 180 days	**3,188**	–
	11,498	34

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 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 provision for impairment loss in respect of amounts due from the associates required at the end of the reporting period.

12. TRADE AND BILLS PAYABLES

	30 June 2016	31 December 2015
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Trade payables	**62,743**	78,417
Bills payables	**11,780**	10,332
	74,523	88,749

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

	30 June 2016	31 December 2015
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
0 – 90 days	**48,337**	70,042
91 – 180 days	**3,692**	4,315
181 – 365 days	**11,976**	5,519
1 – 2 years	**2,061**	7,315
Over 2 years	**8,457**	1,558
	74,523	88,749

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

13. BANK BORROWINGS

	30 June 2016	31 December 2015
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Bank borrowings, secured	**152,000**	86,700
Bank borrowings, unsecured	**–**	40,000
	152,000	126,700
Carrying amounts repayable (based on schedule repayment dates set out in the loan agreement):		
Within one year, shown under current liabilities	**152,000**	126,700

During the six months ended 30 June 2016, the Group obtained new bank borrowings of RMB80,000,000. The proceeds were used as the Group's working capital. The above bank borrowings are all denominated in RMB.

All bank borrowings are arranged at floating rates. The effective interest rates (which also equal to contracted interest rates) on the Group's bank borrowings ranges from 0.32% to 4.62% per annum (31 December 2015: 0.4% to 4.67% per annum) for the six months ended 30 June 2016.

As at 30 June 2016, secured bank borrowings of RMB30,000,000 (31 December 2015: secured and unsecured bank borrowings with aggregate amount of RMB10,000,000) were guaranteed by the directors of the Company with guaranteed amount of RMB120,000,000 (31 December 2015: RMB120,000,000).

As at 30 June 2016, the Group had pledged its leasehold land and buildings with carrying amount of approximately RMB3,210,000 (31 December 2015: RMB3,608,000) to secure banking facilities granted to the Group.

As at 30 June 2016, the restricted bank balances which have been pledged as security for the bank borrowings were RMB124,490,000 (31 December 2015: RMB78,560,000). The carrying amount of the associated liability is RMB122,000,000 (31 December 2015: RMB76,700,000).

As at 30 June 2016, the Group has available un-utilised overdraft and short-term bank loan facilities of RMB100,000,000 (31 December 2015: RMB89,000).

14. CONVERTIBLE NOTES

On 29 February 2016, the Company issued convertible notes (the "CNs") with aggregate principal amount of HK$100,000,000, equivalent to approximately RMB84,246,000, to a substantial shareholder of the Company with maturity date on 28 February 2018 (the "Maturity Date"). The CNs is denominated in HK$. The CNs bear interest at the base lending interest rate offered to the institutions by the People's Bank of China per annum, payable semi-annually.

At 30 June 2016, the interest rate of the CNs was 4.35%.

The principal terms of the CNs are as follows:

Conversion:	The holder of the CNs is entitled to convert the CNs into ordinary shares of the Company at a conversion price of HK$1.19 per ordinary share. The conversion rights are exercisable by the holder at any time during the period commencing from the date of issue of the CNs up to the Maturity Date.
Redemption:	The Company may, by notice, redeem whole or part of the outstanding CNs at the face value of the principal amount of such CNs together with all interest accrued before or on the Maturity Date. The holder of the CNs is not entitled to request for early redemption except for event of default occurred.

Unless previously converted or redeemed, the Company will redeem the CNs, in whole or in part, at the face value on the Maturity Date.

The CNs contain three components, including liability component, redemption option derivative and conversion option derivative, which were presented as "convertible bonds", "redemption option derivative of convertible bonds" and "conversion option derivative of convertible bonds" in the condensed consolidated statement of financial position. The effective interest rate of the liability component is 16%. The conversion option derivative and redemption option derivative are measured at fair value with changes in fair value recognised in profit or loss.

No conversion or redemption of the CNs has been made during the six months ended 30 June 2016.

The movement of the liability and derivative components of the CNs and the reconciliation of Level 3 fair value measurement during the reporting period are set out below:

	Liability component of the CNs *RMB'000* **(Unaudited)**	**Financial asset - redemption option derivative of the CNs** *RMB'000* **(Unaudited)**	**Financial liability - Conversion option derivative of the CNs** *RMB'000* **(Unaudited)**	**Total** *RMB'000* **(Unaudited)**
At 1 January 2015, 31 December 2015 and 1 January 2016	–	–	–	–
Issued during the period	**65,610**	**(16,360)**	**34,996**	**84,246**
Transaction cost	**(129)**	–	–	**(129)**
Effective interest charge for the period	**4,183**	–	–	**4,183**
Exchange loss recognised in profit or loss	**1,247**	**(302)**	**646**	**1,591**
Changes in fair value	–	**(418)**	**(6,056)**	**(6,474)**
At 30 June 2016	**70,911**	**(17,080)**	**29,586**	**83,417**

At the date of issuance of the CNs and 30 June 2016, the fair values of the derivative components of CNs were valued by APAC Asset Valuation and Consulting Limited, an independent qualified professional valuer not connected to the Group, using the Binomial Option Pricing model. The total transaction cost was approximately RMB230,000, in which approximately RMB129,000 was capitalised in liability component of the CNs, while remaining amount of approximately RMB101,000 attributable to the derivative components of the CNs was recognised in the condensed consolidated statement of profit or loss and other comprehensive income. The changes in fair value of the redemption option derivative and conversion option derivative of the CNs of approximately RMB418,000 and RMB6,056,000 were recognised respectively in the condensed consolidated statement of profit or loss and other comprehensive income. The inputs into the model were as follows:

	At 30 June 2016	At 29 February 2016 (date of issue)
Share price	**HK$1.14**	HK$1.21
Conversion price	**HK$1.19**	HK$1.19
Expected volatility	**66%**	63%
Expected life	**1.67 years**	2 years
Risk-free rate	**0.4%**	0.59%
Expected dividend yield	**Nil**	Nil

15. ASSETS AND LIABILITIES OF A DISPOSAL GROUP/ASSETS CLASSIFIED AS HELD FOR DISPOSAL

	30 June 2016 *RMB'000* **(Unaudited)**	31 December 2015 *RMB'000* (Audited)
Plant and equipment classified as held for disposal	**28,000**	28,000
Assets of a disposal group classified as held for disposal *(note)*	**15,148**	–
Assets of a disposal group/assets classified as held for disposal	**43,148**	28,000
Liabilities associated with a disposal group classified as held for disposal *(note)*	**15,148**	–

Note: **Assets/liabilities associated with assets of a disposal group classified as held for disposal at 30 June 2016**

On 28 June 2016, a subsidiary of the Group entered into a sale and purchase agreement with the non-controlling shareholder of Shenzhen Heimt Technology Co., Ltd.* (深圳市瀚美特科技有限公司) ("SZ Heimt") to dispose of its entire 51% equity interests in SZ Heimt, which was one of the manufacturing subsidiaries in the Charging Equipment segment prior to the disposal, for a consideration of RMB1 (the "SZ Heimt Disposal").

The completion of the SZ Heimt Disposal took place on 14 July 2016. The assets and liabilities attributable to SZ Heimt have been classified as a disposal group held for disposal and are presented separately in the condensed consolidated statement of financial position as at 30 June 2016.

Immediately before the SZ Heimt Disposal, plant and equipment of SZ Heimt with carrying amount of approximately RMB434,000 was subject to impairment assessment as a result of the loss making status of SZ Heimt. Impairment loss of approximately RMB434,000 has been recognised (as disclosed in note 9).

Write-down of inventories of approximately RMB1,638,000 was recognised during the six months ended 30 June 2016 since the cash consideration of RMB1 was lower than the net carrying amount of the relevant assets and liabilities of RMB1,638,000 at 30 June 2016.

The major classes of assets and liabilities of SZ Heimt classified as held for disposal are as follows:

	28 June 2016
	RMB'000
	(Unaudited)
Inventories	**9,669**
Trade receivables	**5,133**
Prepayment, deposits and other receivables	**331**
Bank balances and cash	**15**
Total assets classified as held for disposal	**15,148**
Trade payables	**12,418**
Receipts in advance	**538**
Accruals and other payables	**1,820**
Amount due to a non-controlling shareholder of a subsidiary	**372**
Total liabilities classified as held for sale	**15,148**

* *English name is for identification purpose only*

16. 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 fall due as follows:

	30 June 2016	31 December 2015
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Within one year	**2,355**	2,385
In the second to fifth year inclusive	**1,362**	2,064
	3,717	4,449

Operating lease payments represent rentals payable by the Group for certain of its offices and workshops. Leases are negotiated for a range of one to two years (31 December 2015: one to three years) and rentals are fixed for the lease period for the six months ended 30 June 2016 and year ended 31 December 2015.

The Group as a lessor

Property rental income and rental income from operating leases of electric vehicles earned during the six months ended 30 June 2016 were RMB127,000 (six months ended 30 June 2015: RMB58,000) and RMB47,000 (six months ended 30 June 2015: nil), respectively. The property held has committed tenants for a range of one to two years (31 December 2015: one to three years). While the contract periods for the operating lease of electric vehicles are one year (31 December 2015: one year).

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

	30 June 2016 *RMB'000* **(Unaudited)**	31 December 2015 *RMB'000* (Audited)
Within one year	**213**	321
In the second to fifth year inclusive	**152**	39
	365	360

17. CAPITAL COMMITMENTS

	30 June 2016 *RMB'000* **(Unaudited)**	31 December 2015 *RMB'000* (Audited)
Capital expenditures contracted for but not provided in the condensed consolidated financial information in respect of:		
– Acquisition of property, plant and equipment	**38,591**	34,685
– Investment in available-for-sale financial asset	**–**	6,111
– Capital contribution to an associate	**5,500**	–
– Establishment of associates	**–**	28,000
– Capital contribution to a subsidiary	**700**	8,813
	44,791	77,609

18. COMPARATIVE FIGURES

Impairment loss on available-for-sale financial asset was previously included in administrative and other expenses in the condensed consolidated statement of profit or loss and other comprehensive income. In the current interim period, the amount has been separated in the condensed consolidated statement of profit or loss and other comprehensive income to facilitate a better presentation. Corresponding comparative figures for the six months ended 30 June 2015 has been reclassified to conform the current period presentation.

19. EVENT AFTER THE REPORTING PERIOD

As disclosed in note 15, the SZ Heimt Disposal was completed on 14 July 2016. Upon the completion of the SZ Heimt Disposal, SZ Heimt has ceased to be the subsidiary of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS

Business review

For the six months ended 30 June 2016, the Group recorded revenue of approximately RMB117,427,000, representing an increase of approximately 77.17% 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 direct current power system products ("DC Power System" or "electrical DC products"), manufacturing of charging equipment and charging services for electric vehicles. The table below shows the revenue of different series of products of the Group for the six months ended 30 June 2015 and 2016.

	Six months ended 30 June			
	2016		2015	
	RMB'000	*%*	*RMB'000*	*%*
	(unaudited)		(unaudited and restated)	
Electrical DC products	**25,915**	**22.07**	22,736	34.30
Charging equipment for electric vehicles	**90,558**	**77.12**	41,321	62.34
Charging services for electric vehicles	**189**	**0.16**	–	–
Others	**765**	**0.65**	2,224	3.36
Total	**117,427**	**100.00**	66,281	100.00

The Group recorded a profit for the period attributable to owners of the Company of approximately RMB1,198,000 for the six months ended 30 June 2016, representing a difference of approximately RMB3,075,000 over the loss of approximately RMB1,877,000 in the corresponding period last year. Compared with the corresponding period last year, the profit recorded in the period was mainly due to a significant increase in revenue. During the reporting period, the Group recorded an increase of 77.17% in revenue as compared with the corresponding period last year, and it was mainly attributed to a significant increase in revenue of the major products, being charging equipment for the electric vehicles, which has benefited from the country's policy to support development of the new-energy vehicle industry.

Electrical DC products

During the reporting period, sales of the electrical DC products was approximately RMB25,915,000 (for the six months ended 30 June 2015: approximately RMB22,736,000), representing an increase of approximately 13.98%. The directors (the "Directors") of the Company believe that the sales of electrical DC products increased as compared with the corresponding period last year, mainly due to the Group's effort to re-adjust and configure the resources such as labors and increased marketing efforts.

Charging equipment for electric vehicles

For the six months ended 30 June 2016, sales of the charging equipment for electric vehicles amounted to approximately RMB90,558,000 (for the six months ended 30 June 2015: approximately RMB41,321,000), representing an increase of approximately 119.16%. The Directors believe that significant growth in the charging equipment for electric vehicles operations has met the expectation of the Group. The increase in revenue during the period was mainly due to the soaring demand for charging equipment for electric vehicles in the market, which was driven by the country's policy to support development of the new-energy vehicle industry.

Charging services for electric vehicles

For the six months ended 30 June 2016, the Group's sales of charging services for electric vehicles amounted to approximately RMB189,000 (for the six months ended 30 June 2015: nil). The Directors believe that construction of electric vehicle charging network would be an important part of the Group's strategy of "two-wheel drive". During the reporting period, the charging infrastructure for electric vehicles developed by the Group was put into operation with preliminary income generated. The Directors believe that the income generated from the charging services for electric vehicles will be gradually improved, as the Group's electric vehicle charging network grows large enough in size and its operations are brought on the right track.

Others

For the six months ended 30 June 2016, the Group's revenue of other business amounted to approximately RMB765,000, mainly including the revenue from the following three operating segments: 1) sales of power grid monitoring and management equipment of approximately RMB100,000, representing a decrease of approximately 94.31% (for the six months ended 30 June 2015: approximately RMB1,756,000); 2) sales of PASS Products of RMB nil (for the six months ended 30 June 2015: nil); 3) sales and lease business for electric vehicles of approximately RMB665,000, representing an increase of approximately 42.09% (for the six months ended 30 June 2015: approximately RMB468,000).

Power gird monitoring and management equipment is not the principal business of the Group, and the decrease for the period is affected by the market demand. PASS products did not realise sales during the period which was due to the decrease in the market demand. Sales and lease business for electric vehicles is a related business arising from the Company's commencement of the charging operation business for electric vehicles. The increase in revenue was due to the increase in the charging operation business for electric vehicles for the period.

Major operating activities in the first half of 2016:

In the first half of 2016, the Group concentrated on its corporate development strategy and operating plan 2016 and recorded sound development in both electrical DC products and charging equipment for electric vehicles. In addition, the Group gradually realized simultaneous development in traditional manufacturing and new investment service industries. During the reporting period, the Group's operating activities mainly fell into the following aspects:

I. Equipment manufacturing

1. Electrical DC products

Electrical DC products are a mature product line of the Group. However, as the Group began to allocate a majority of its resources to the manufacturing of charging equipment for electric vehicles and the construction and operation services of the charging network for electric vehicles in 2015, insufficient resources, improved market maturity and intensified competition restricted normal development of the electrical DC product line. In early 2016, the Group promptly adjusted its operating strategy to curb the downward trend of the electrical DC product line and steadily improved its performance. As of the end of the first half of 2016, the sales of the Group's electrical DC products increased compared with that in the same period of last year. The Directors believe that, with constant efforts of the Company's team, the market position of the electrical DC products will be gradually consolidated and enhanced.

2. *Charging equipment for electric vehicles*

As the State introduces more policies to support and promote new-energy vehicle industry, the market demand for charging equipment for electric vehicles is increasing, new competitors are emerging, and the competitive landscape in the market is gradually taking shape. As a pioneer and practitioner in the new-energy vehicle charging industry, the Group has made major breakthroughs in relevant business. During the reporting period, the revenue from charging equipment for electric vehicles recorded approximately a year-on-year growth of 119.16%; the Group is moving forward steadily to its goal of becoming a domestic leading supplier of charging equipment for electric vehicles by 2020. The Group's achievements are mainly as follows:

To the Group, an important manifestation of its competitiveness is providing non-state grid customers with the products that can better meet their needs. To this end, the Group strengthens research and development of new technologies and new products based on customer's ultimate needs, and continuously improves product competitiveness. In the first half of 2016, the Group launched a new product – intelligent intensive charging station (i-Charge Unit), which can realize multi-plug cyclic charging under intelligent power distribution and support micro-grid energy storage. This product has such characteristics as less land occupation, flexible layout and cost saving, etc., and is especially suitable for urban public charging stations and bus dedicated charging stations and well received by the market.

In April 2016, State Grid Corporation of China ("SGCC") appointed a third-party testing institution for the first time to carry out acceptance testing for new-energy vehicle charging stations. Four public fast charging stations of the Group smoothly passed the third-party testing, namely, charging stations in Chongqing Dianjiang Changan Proving Ground, Jiangjin Shuangfu Agricultural Product Trade Market, Yubei New-energy Industrial Park and Sunshine 100. Operations including docking, charging, and interaction, etc., were perfectly completed, thus winning high recognition from the SGCC.

In 2016, the Group focused on improving supply chain management, strengthening cost control and enhancing product delivery capacity. The efforts in the first half year had achieved initial effect, and the pace of adjustment was accelerating. The Group believes that a strong and timely delivery capacity is an important means to deal with fast-growing market.

II. Investment operation

1. Construction of charging infrastructure

(1) In terms of operating strategy: In 2016, the Group's investment and construction operation strategy on charging infrastructure for electric vehicles is to achieve regional large-scale and focus on developing North China market (with Beijing as the core and extension to surrounding areas) and South China market (with the Group's headquarters as the core and extension to surrounding areas). During the reporting period, the Group promoted North China market mainly in Beijing, Baoding, Zhangjiakou, Shijiazhuang, Xingtai and other cities, and South China market mainly in Zhuhai, Shaoguan, Zhongshan, Foshan, Guangzhou, Zhanjiang and other cities.

(2) In terms of channel integration: On the one hand, the Group strengthened cooperation with local governments, made top-level design for new-energy vehicle charging infrastructure planning according to local new-energy vehicle development planning and the characteristics of local resources, and carried out relevant business based on local conditions; for example, the Group cooperated with the local governments or government investment platforms in cities such as Zhuhai, Wuhan, Qingdao, etc. On the other hand, the Group strengthened cooperation with vehicle operators, matched charging infrastructure construction with the layout of new-energy vehicle operators, improved the use efficiency of charging piles, and ensured the effectiveness of charging network assets; for example, the Group cooperated with new-energy vehicle operators such as Pangda Automobile Trade Co., Ltd.*, (龐大汽貿集團股份有限公司) and Beijing Shuimu Huatong Technology Co., Ltd.*, (北京水木華通科技有限公司) ("SMHT"), etc.

(3) In terms of investment in construction of charging stations: The Group has explored a complete solution for charging stations. It adheres to the role of a real charging station operator, providing "truly cost-effective, convenient, and safe" products and accurately meeting customer needs. "Truly cost-effective" – no matter in the aspect of construction costs, maintenance costs or operating expenses, the Group as a professional charging station operator has obvious advantages over other competitors. "Truly convenient" – the Group has all-in-one charging monitoring system, consisting of power distribution monitoring system, charger monitoring system, metering and billing system, security monitoring system and dynamic environment monitoring system. "Truly safe" — the Group establishes isolation between the grid and the charging system to avoid fault ride-through to the external

grid; establishing multiple protection means such as lightning-tower within the field to ensure personal and equipment safety; adopting sublevel feeder breaker and multiple differential protection to prevent expansion of accidents and reduce losses; using i-Charge Unit for background monitoring of SCADA system, and adopting triple protection during the charging of electric vehicles; installing automatic fire alarm system, which can start the fire extinguishing system at a fire point according to the fire alarm level.

(4) In terms of charging service fees: The Group was pleased to observe that, during the reporting period, the charging volume of both the centralized dedicated charging grid and the distributed public charging grid enjoyed a significant increase, generating cash flow of charging service fees for the Group. It was attributable to the effective matching between Yi Charging operation management platforms and charging network construction. The Group believes that income from this item will continue to increase in the future.

To sum up, the Group always adheres to the principle of "efficiency focusing, risk controlling, and rhythm mastering" in the investment and operation of new-energy vehicle charging facilities. During the reporting period, the Group achieved fruitful results, and regional large-scale charging network was taking shape, and the effective charging network assets were forming step by step.

2. Charging operation and management system

In the first half of 2016, the EV charging operation and management system - Yi Charging 2.0 system independently designed and developed by the Group successfully passed the acceptance inspection. Yi Charging System consists of the mobile App "Yi Charging" and "Yilian network operation service management platform", compared with the 1.0 system, the 2.0 system has adjustments and improvements in underlying architecture, data structure, service processing mode, and deployment environment, etc. The 2.0 system uses the industry's advanced J2EE solution based on the cloud computing distributed architecture, as well as the currently popular big data, real-time computing and other technologies, which can meet cross-platform running and facilitate expansion, capacity-increase and multi-system interconnection. As for the 2.0 system, its charging pile and front-end host communication system have such characteristics as low resource consumption, real-time data, timely alarm and zero false negative alarms, etc., and its open public operation interface can implement perfect business collaboration with third-party platforms.

III. Risk management and investment management

In the first half of 2016, by increasing related human resources, the Group further enhanced its risk prediction and prevention, strengthened the construction of the investment management and risk control system, and improved risk management and control functions. The Board urged the management to strengthen risk management and control. Relevant departments carried out work in scope and identification of risks, and revised and improved relevant systems.

Especially, with the development of the construction and operation of the charging network for electric vehicles, external investment projects increased rapidly. The Group strengthened the management regarding investment projects. The Group strengthened the risk awareness of project management team and the control of various processes from such aspects as team building, project approval, management and acceptance inspection. During the reporting period, remarkable achievements were made and no significant investment or project risk occurred.

IV. During the reporting period, the Group carried out the following major operating activities:

1. On 29 February 2016, the Group completed the issuance of HK$100,000,000 worth of convertible notes, in accordance with convertible notes subscription agreement concluded by and between the Company and Broad-Ocean Motor (HK) Co., Ltd. on 12 October 2015. Please refer to the Company's announcement dated 12 October 2015, the announcement dated 13 October 2015, the announcement dated 12 January 2016 and the announcement dated 29 February 2016 for further details;

2. On 12 January 2016, Zhuhai Yilian New Energy Motors Co., Ltd.* (珠海驛聯新能源汽車有限公司) ("Zhuhai Yilian") set up a wholly owned subsidiary – Shaoguan Yilian New-energy Vehicle Operations and Services Co., Ltd.* (韶關市驛聯新能源汽車運營服務有限公司) in Shaoguan, to carry out sales, leasing operations and maintenance of new-energy vehicles, as well as the planning, design, investment and construction, engineering services and operation services of new-energy vehicle chargers;

3. On 22 February 2016, Zhuhai Yilian set up a wholly owned subsidiary – Beijing Yilian New-energy Technology Co., Limited in Beijing (北京驛聯新能源科技有限公司), to carry out the business related to new-energy vehicle operations;

4. On 2 March 2016, Zhuhai Titans Energy Storage Technology Co., Ltd.* (珠海泰坦儲能科技有限公司) established a wholly owned subsidiary – Jieneng Electrical Appliance Investment (Beijing) New-energy Technology Co., Ltd.* (潔能電投(北京)新能源科技有限公司) in Beijing, to carry out technology promotion and services related to energy-saving products;

5. On 31 May 2016, Zhuhai Yilian and Beijing Tianrun Yuchen Investment Co., Ltd.* (北京天潤昱宸投資有限公司) jointly incorporated Zhangjiakou Yilian New-energy Technology Co., Ltd.* (張家口驛聯新能源科技有限公司) in Zhangjiakou, to carry out sales, leasing, charging facilities construction and services, etc. relating to new-energy vehicles;

6. On 1 June 2016, the Group entered into a sale and purchase agreement for the disposal of 25.5% equity interest in a non-wholly owned subsidiary, Sichuan Haote for a cash consideration of RMB1,102,000 (the "Disposal"). After the completion of the Disposal on 29 June 2016, the Group's equity interest in Sichuan Haote has been diluted from 51% to 25.5%;

7. On 29 June 2016, the Group invested in SMHT and held 5.0% equity. SMHT is an integrated new-energy vehicle service provider headquartered in Beijing and a technology platform company committed to providing intelligent new-energy transportation services.

Results analysis

Revenue

	Six months ended 30 June	
	2016	2015
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Electrical DC products	**25,915**	22,736
Charging equipment for electric vehicles	**90,558**	41,321
Charging services for electric vehicles	**189**	–
Others	**765**	2,224
Total	**117,427**	66,281

For the six months ended 30 June 2016, the Group recorded revenue of approximately RMB117,427,000, representing an increase of approximately 77.17% as compared to approximately RMB66,281,000 for the corresponding period in 2015. Such increase in revenue was mainly attributable to a significant increase in revenue of charging equipment for electric vehicles during the period, which has benefited from the country's policy to support development of the new-energy vehicle industry.

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 RMB39,372,000 for the six months ended 30 June 2015 to approximately RMB68,291,000 for the six months ended 30 June 2016, which was primarily attributable to an increase in sales during the period.

Gross profit and gross profit margin

The Group's gross profit increased by approximately RMB22,227,000 to approximately RMB49,136,000 for the six months ended 30 June 2016 from approximately RMB26,909,000 for the corresponding period in 2015. For the six months ended 30 June 2016, sales of electrical DC products contributed approximately RMB6,560,000 to our gross profit whereas sales of charging equipment for electric vehicles contributed approximately RMB42,346,000 to our gross profit, sales of charging services for electric vehicles contributed approximately RMB68,000 to our gross profit, sales of power grid monitoring and management products and sales and lease business for electric vehicles contributed approximately RMB162,000 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	
	2016	2015
	(unaudited)	(unaudited and restated)
Segment		
Electrical DC products	**25.31%**	25.57%
Charging equipment for electric vehicles	**46.76%**	48.82%
Charging services for electric vehicles	**35.98%**	–
Others	**21.18%**	41.46%

The Group's overall gross profit margin increased to approximately 41.84% for the six months ended 30 June 2016 from approximately 40.60% for the corresponding period in 2015, and increased by approximately 5.2% as compared to approximately 36.64% for the year ended 31 December 2015.

The gross profit margin of our electrical DC products for the six months ended 30 June 2016 decreased by approximately 0.26% as compared to that of the corresponding period in 2015, and decreased by approximately 3.54% as compared to approximately 28.85% for the year ended 31 December 2015. During the reporting period, the gross profit margin basically remained stable as compared with 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 2016 decreased by approximately 2.06% as compared to that of the corresponding period in 2015, and increased by approximately 5.5% as compared to approximately 41.26% for the year ended 31 December 2015. The decrease in the gross profit margin compared to the corresponding period last year was mainly attributable to the combined effects of factors such as reduction of the sale price to adapt to the market and the intensification of market competition.

The gross profit margin of our charging services for electric vehicles for the six months ended 30 June 2016 increased by approximately 7.13% as compared to approximately 28.85% for the year ended 31 December 2015. The increase in gross profit margin as compared with the year ended 31 December 2015 was mainly due to appropriately reduction of the charged price of charging services for electric vehicles during the period of application and promotion.

For the six months ended 30 June 2016, the gross profit margin of sales and lease business for electric vehicles increased by approximately 6.90% as compared to that of the corresponding period in 2015 and increased by approximately 4.04% as compared to approximately 12.90% for the year ended 31 December 2015. The increase in the gross profit margin of sales and lease business was mainly due to that the lease business for electric vehicles with higher gross profit margin as compared with that of the sales business for electric vehicles was newly incorporated into this operating segment during the period.

Other revenue

Other revenue of the Group, which mainly included value added tax refunds and government grants, decreased by approximately 20.17% from approximately RMB6,896,000 for the six months ended 30 June 2015 to approximately RMB5,505,000 for the six months ended 30 June 2016.

Selling and distribution expenses

Selling and distribution expenses increased by approximately RMB7,026,000, or approximately 47.60%, from approximately RMB14,759,000 for the six months ended 30 June 2015 to approximately RMB21,785,000 for the six months ended 30 June 2016. The increase in selling and distribution expenses was primarily due to the following reasons: 1) an increase in sales-related expenses such as wages, social security and benefits expenditure of approximately RMB2,413,000; 2) an increase in sales-related expenses such as travel expenses, business entertainment and office expenses of approximately RMB3,830,000; 3) an increase in sales-related expenses such as installation testing, depreciation and tendering services expenses of approximately RMB1,299,000; and 4) a decrease in sales-related expenses such as transportation and other miscellaneous expenses of approximately RMB516,000.

Administrative and other expenses

Administrative expenses increased by approximately RMB8,307,000, or approximately 38.02%, from approximately RMB21,845,000 for the six months ended 30 June 2015 to approximately RMB30,152,000 for the six months ended 30 June 2016. The increase in the administrative expenses of the Group during the reporting period was primarily due to the combined effects of the following reasons: 1) an increase in management-related expenses such as wages and benefits of approximately RMB2,704,000; 2) an increase in research and development expenses of approximately RMB3,026,000; 3) an increase in management-related expenses such as travel expenses, business entertainment and office expenses of approximately RMB663,000; 4) an increase in fees of professionals such as lawyers of approximately RMB554,000; 5) incurrence of exchange loss of approximately RMB1,405,000 arising from the exchange rate difference between the conversion of convertible notes issued on 29 February 2016 with principal amount of HK$100,000,000 into RMB at the prevailing exchange rate and that on 30 June 2016; 6) an increase in incurrence of amortisation and other expenses of approximately RMB294,000; and 7) a decrease in expenses such as depreciation, maintenance, transportation and bank charges of approximately RMB339,000.

Share of results of associates

During the reporting period, the Group owned 35% (as at 31 December 2015: nil) equity interest in Pangda Yilian. Pangda Yilian was accounted for as the Group's associate, and the Group's share of loss from Pangda Yilian for the reporting period was approximately RMB118,000.

During the reporting period, the Group owned 20% (as at 31 December 2015: 20%) equity interest in 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 RMB607,000.

During the reporting period, the Group has 25.5% (as at 31 December 2015: 51%) equity interest in Sichuan Haote. On 29 June 2016, Sichuan Haote was accounted for as the Group's associate reclassified from the Group's subsidiary. The Group has no share of any profit or loss from Sichuan Haote for the reporting period.

Finance costs

Finance costs of the Group increased by approximately 68.75% from approximately RMB3,043,000 for the six months ended 30 June 2015 to approximately RMB5,135,000 for the six months ended 30 June 2016. Finance costs of the Group as a percentage of the Group's revenue decreased from 4.59% for the six months ended 30 June 2015 to 4.37% for the six months ended 30 June 2016. The increase in finance costs of the Group was mainly due to the increase in the effective interest expense as a result of the issuance of the convertible bonds in an amount of HK$100 million.

Loss attributable to non-controlling interests

For the six months ended 30 June 2016, loss attributable to the non-controlling interests of the Group's non-wholly-owned subsidiaries was RMB479,000, representing an increase in loss of approximately RMB206,000 as compared to an attributable loss of RMB273,000 in the corresponding period last year.

Profit attributable to the owners of the Company

The Group recorded a profit attributable to the owners of the Company of approximately RMB1,198,000 for the six months ended 30 June 2016, representing an increase in profit for the period approximately RMB3,075,000 as compared to a loss of approximately RMB1,877,000 for the corresponding period in 2015.

The profit recorded in the reporting period was mainly due to the combined factors such as the relatively significant increase in product sales in relation to charging equipment for electric vehicles and the increase in selling and distribution expenses and administrative and other expenses.

Earning per share

For the six months ended 30 June 2016, basic and diluted earnings per share of the Company ("Share(s)") were both RMB0.12 cents whilst the basic and diluted loss per share for the corresponding period in 2015 were both RMB0.22 cents. The increase in basic and diluted earnings per share compared to the corresponding period of last year was attributable to the profit-making status of the Company for the reporting period as compared to the loss recorded in the corresponding period in 2015.

Employees and remuneration

As at 30 June 2016, the Group had 474 employees (as at 30 June 2015: 367) 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 Company adopted the share option scheme on 8 May 2010 (the "Share Option Scheme"). 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.

Liquidity, financial resources and capital structure

The Group generally finances its operation through internal resources, bank borrowings and the convertible notes. As at 30 June 2016, the Group had short-term bank deposits, bank balances and cash of approximately RMB79,126,000 (as at 31 December 2015: approximately RMB88,621,000), excluding restricted bank balances of approximately RMB124,490,000 (as at 31 December 2015: approximately RMB81,823,000).

The net current assets of the Group as at 30 June 2016 were approximately RMB466,149,000 (as at 31 December 2015: approximately RMB430,068,000).

The Group did not hold any significant financial investment during the six months period ended 30 June 2016 save for currency held.

SHARE SUBSCRIPTION AND ISSUE OF CONVERTIBLE NOTES

Share Subscription

On 12 October 2015, the Company entered into a share subscription agreement (the "Share Subscription Agreement") with Broad-Ocean Motor (Hong Kong) Co. Limited (the "Subscriber"). Pursuant to the Share Subscription Agreement, the Subscriber agreed to subscribe for, and the Company issued, 84,096,000 Shares at the share subscription price of HK$1.19 per subscription share.

Issue of Convertible Notes

On 12 October 2015, the Company and the Subscriber entered into a subscription agreement on convertible notes, pursuant to which the Company agreed to issue, and the Subscriber has subscribed for, the convertible notes in the principal amount of not more than HK$100,000,000. Based on the initial conversion price of HK$1.19, a maximum number of 84,033,613 conversion shares will be allotted and issued upon full conversion of the convertible notes. The issue of convertible notes with aggregate principal amount of HK$100,000,000 was completed on 29 February 2016. During the six months ended 30 June 2016, there is no conversion of convertible notes into shares in the Company. For more details, please refer to the announcements of the Company dated 12 October 2015, 13 October 2015, 12 January 2016 and 29 February 2016.

Reasons for and Benefits of the Share Subscription and Issue of Convertible Notes

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

Use of Proceeds in relation to the Share Subscription and Issue of Convertible Notes

(1) *In Respect of the Share Subscription*

The gross proceeds and the net proceeds (after deduction of related expenses payable by the Company) of the share subscription are HK$100,074,240, equivalent to approximately RMB81,988,000, and HK$99,500,000, equivalent to approximately RMB81,518,000, respectively. The net issue price per subscription share based on the above net proceeds is approximately HK$1.183.

(2) *In Respect of the Issue of Convertible Notes*

The aggregate principal amount of the convertible notes is HK$100,000,000, the net proceeds (after deducting estimated expenses) from the issue of the convertible notes is approximately HK$99,500,000, equivalent to approximately RMB84,246,000 and approximately RMB84,016,000, respectively and the net price per conversion share is approximately HK$1.184.

40% of the above net proceeds from Share Subscription and Convertible Notes will be applied as to the investment for construction and operation of charging facilities for electric vehicles of the Company, 50% of the above net proceeds will be used as to enhance the liquidity of our wholly-owned subsidiary, Titans Technology and the remaining 10% of the above net proceeds will be used as to the investment for research and development of new technologies on energy reserves etc. of the Group.

	As of 30 June 2016			
Proposed use of proceeds	**Intended amount to be used from Share Subscription**	**Intended amount to be used from Convertible Notes**	**Total Intended amount to be used**	**Actual amount used**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Investment for construction and operation of charging facilities for electric vehicles	**32,607**	**33,606**	**66,213**	**15,399**
Enhancement of the liquidity of Titans Technology	**40,759**	**42,008**	**82,767**	**79,296**
Investment for research and development of new technologies on energy reserves	**8,152**	**8,402**	**16,554**	**1,283**
	81,518	**84,016**	**165,534**	**95,978**

The unused balance of the proceeds from Share Subscription and issue of convertible notes amounted to approximately RMB69,556,000, and it was kept at banks in the PRC and Hong Kong as of 30 June 2016.

Profit on disposal of a subsidiary

On 1 June 2016, the Group entered into a sale and purchase agreement for the disposal of 25.5% equity interest in a non-wholly owned subsidiary, Sichuan Haote for a cash consideration of RMB1,102,000 (the"Disposal"). After the completion of the Disposal on 29 June 2016, the Group's equity interest in Sichuan Haote has been diluted from 51% to 25.5%. As a result, the Group has lost its control over Sichuan Haote and Sichuan Haote was reclassified from subsidiary of the Company to an associate of the Company. Gain on disposal of a subsidiary of approximately RMB481,000 has been recognised for the six months ended 30 June 2016.

Bank borrowings

As at 30 June 2016, total bank borrowings of the Group amounted to RMB152,000,000 (all of which are secured loans) (as at 31 December 2015: RMB126,700,000, comprising secured loans of RMB86,700,000 and unsecured loans RMB40,000,000). Secured bank loans as at 30 June 2016 were subject to the floating interest rates ranging from 0.32% to 4.62% per annum. The Group recorded an increase of RMB25,300,000 in total bank borrowings as at 30 June 2016 as compared with those as at 31 December 2015. The increase in total bank borrowings was due to the Company's increased demand for liquidity.

As at 30 June 2016, the Group's current ratio (i.e. current assets divided by current liabilities) was 2.59 as compared with 2.76 as at 31 December 2015, and the gearing ratio (i.e. borrowings divided by total assets x 100%) was 17.82% as compared with 17.32% as at 31 December 2015.

Trade and bills receivables

As at 30 June 2016, the Group recorded trade and bills receivables (net of allowance) of approximately RMB323,615,000 (as at 31 December 2015: approximately RMB331,730,000). The Group did not make additional specific doubtful debts provision for trade and bills receivables during the six months ended 30 June 2016 (for the six months ended 30 June 2015: nil; for the year ended 31 December 2015: RMB76,528,000). As at 30 June 2016, the Group made an allowance of approximately RMB76,528,000 for trade receivables.

The increase in trade receivables of the Group for the six months ended 30 June 2016 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 2016.

	30 June 2016 *RMB'000* **(unaudited)**	31 December 2015 *RMB'000* (audited)
Within 90 days	**36,087**	106,897
91 days to 180 days	**65,849**	40,556
181 days to 365 days	**104,010**	39,874
Over 1 year to 2 years	**79,548**	104,387
Over 2 years to 3 years	**29,802**	35,108
Over 3 years	**8,319**	4,908
	323,615	331,730

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 amount 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 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 product 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 progress of their projects.

Pledge of assets

As at 30 June 2016, the Group's leasehold land and buildings with carrying amounts of approximately RMB3,210,000 (as at 31 December 2015: RMB3,608,000) were pledged to secure bank borrowings and other facilities granted to the Group.

Capital commitments and contingent liabilities

As at 30 June 2016, 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 RMB44,791,000 (as at 31 December 2015: approximately RMB77,609,000).

As at 30 June 2016 and the date of this announcement, 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 RMB1,405,000 (corresponding period in 2015: loss of approximately RMB22,000). 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 2016 and the exchange rate difference between the conversion of convertible notes issued on 29 February 2016 with principal amount of HK$100,000,000 into RMB at the prevailing exchange rate and that on 30 June 2016. As at 30 June 2016, 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 flow. 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 2016.

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

The top-level design of the charging facilities market in China has been completed, including target guidance, profit guarantee and unified standard. In this year, local governments will further break down the target, promulgate relevant industrial policies to consistently improve environment for new-energy vehicles and charging facilities. The Group believes that the construction of intelligent charging service network for electrical vehicle in China has entered a raid development phase, the market demand will further grow in the second half of the year, and as a result, competition will inevitably intensify. The year 2016 is a crucial year for the Group in promoting its "two-wheel drive" strategy under which both new-energy vehicles and charging services are emphasized. On the one hand, the equipment manufacturing and sales will see a remarkable growth; on the other hand, the investment and construction of the charging facilities network for new-energy vehicles and its operation will also sustain.

On the basis of the work performed in the first half of 2016, the Group will continue to seek steady progress and quality improvement in the second half of the year, focus on maintaining balanced development between boom of Titans' equipment sales and the investment in and operation of charging facilities, and spare no effort to promote all aspects of work and to realize the target of the year.

The Group will attach importance to the following aspects:

(I) Charging equipment for new-energy vehicles

1. Strengthen cost control to create high cost performance product

Improve technical advancement of products, especially the consistent optimization of "three-high" (high power, high stability and high adaptability) and "four-feature" (compact, intensive, intelligent and convenient) products. Step up efforts to create high cost performance products and strengthen the competitive advantage by promoting standardization progress, integrating supply chain, strengthening cost control and consistently improving product quality.

2. Strive to explore channel construction to steadily expand application of the products

As of now, the Group's charging facilities for new-energy vehicles have been operating in over 80 cities including Beijing, Shanghai, Guangzhou, Hong Kong, Taiwan, etc. In the second half of 2016, the Group will actively explore and build up new channels while consolidating existing channels, including but not limited to new-energy vehicle distributors, logistics operators and property companies.

3. Strengthen market exploitation and remain to be a tier-one supplier of charging facilities

Based on its technology and market advantages accumulated in the electric and electronic industry for over 20 years, the Group remains to be a thought leader in the industry while adhering to a concrete and practical work style and actively promoting its market exploitation plan to secure its role of a tier-one supplier of charging facilities for new-energy vehicles. The Group consolidates its role as a major supplier in the State Grid and constantly improves its market shares among non-grid customers.

(II) Charging business operation of new-energy vehicles

1. Strengthen regional win-win cooperation and establish an open charging network

Speed up regional development with focuses on North China and South China; Enhance opening and cooperation with regional advantageous resources and promote rapid development of charging network for new-energy vehicles in these two regions to establish an advantageous position in the regions in terms of scale.

2. *Strengthen the construction of integrated and special-purpose charging network to form valid assets*

According to the plan released by the National Development and Reform Commission for the period up to 2020, the quantity of integrated and special-purpose charging stations for new-energy vehicles shall account for more than 70% of all planned charging stations. Therefore, the Group will vigorously explore the investments in and operations of integrated and special-purpose charging stations in its new round of mass construction of charging stations, so as to form a charging network primarily based on an integrated and special-purpose charging network and supplemented by a distributed public charging network. The Group will strictly select the project and ensure sound operation cash flow and satisfactory payback periods to form valid assets.

3. *Optimize construction cost of charging stations and improve operation quality*

The Group has proposed a slogan of "truly cost effective, safe and convenient" for construction and operations of charging stations, and satisfied the clients' needs more accurately by leveraging its ten year of operation and maintenance experience. In each step of construction and operation, including project application, electricity construction, civil engineering, and improved and flexible reporting function upon completion of the intelligent charging system, the Group implements a compressive control over the construction and operation costs and improves the quality of service.

(III) Corporate governance

1. *Fully implement the assessment system and the reward and punishment system*

Key performance indicators are broken down for different positions by business and responsibility. Performance assessment is performed for all employees. Rewards or punishments are implemented according to the results of monthly assessment. Through in-depth communication between assessors and interviewees, the objectives, elements, and value of the work are fully understood by employees, and the work behaviors and results of employees are aligned with the Group's strategic objective.

2. *Strengthen internal control and risk control*

The internal audit and investment management department will fully utilize the internal audit functions to check and monitor risks, with focuses on identification and prevention of economic environment risks, policy risks, and risks in development and innovation.

3. ***Optimize business processes and make the best use of the information management platform***

Consistently optimize business processes and improve the ERP, CRM, and OA, and make further use of the information management platform to improve the overall management level of the Group.

INTERIM DIVIDEND

The Board did not recommend the payment of any interim dividend for the six months ended 30 June 2016.

CORPORATE GOVERNANCE

The Company has complied with all 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 2016 and there have been no material deviations from the Code Provisions.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as its model code regarding directors' 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 2016.

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 2016.

MAJOR LITIGATION AND ARBITRATION PROCEEDINGS

The Group had no major litigation or arbitration during the six months ended 30 June 2016.

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 2016.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This results announcement is published on the website of The Stock Exchange of Hong Kong Limited (http://www.hkexnews.hk) and the Company's website (http://www.titans.com.cn). The interim report of the Company for the six months ended 30 June 2016 containing all the information required by Appendix 16 to the Listing Rules will be dispatched to shareholders of the Company and made available on the above websites in due course.

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

Hong Kong, 26 August 2016

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

* *For identification purpose only*