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**China Titans Energy Technology Group Co., Limited**

**中國泰坦能源技術集團有限公司\***

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 2188)**

**VOLUNTARY ANNOUNCEMENT  
FORMATION OF A NEW COMPANY**

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On 25 January 2018, Zhuhai Yilian, a subsidiary of the Company, entered into the Cooperation Agreement with Guowei Venture Capital Investment in respect of the formation of Guowei Yilian.

Subject to the approval of the relevant PRC government authority, Guowei Yilian will be principally engaged in the planning, design, investment and construction, engineering service and the operation service of the new energy vehicle charging facilities; the sale, lease, operation and maintenance services of the new energy vehicle (including second-hand vehicle); wholesale of the parts and accessories of vehicle; the design, production and publication of the advertisement; exhibition service; logistics and freight; and operation and management of the parking lot.

The total amount of the registered capital of Guowei Yilian is RMB50 million, which will be contributed in cash as to:

- (1) RMB32.5 million, representing 65% of the total registered capital, by Zhuhai Yilian, which will be funded by internal resources of the Group; and
- (2) RMB17.5 million, representing 35% of the total registered capital, by Guowei Venture Capital Investment.

Guowei Yilian will be owned as to 65% by Zhuhai Yilian and 35% by Guowei Venture Capital Investment upon its formation.

On 25 January 2018, Zhuhai Yilian, a subsidiary of the Company, entered into the Cooperation Agreement with Guowei Venture Capital Investment in respect of the formation of Guowei Yilian. The principal terms of the Cooperation Agreement and the Guowei Yilian Articles are summarised as follows:

#### **THE COOPERATION AGREEMENT AND THE GUOWEI YILIAN ARTICLES**

- Date of the Cooperation Agreement : 25 January 2018
- Parties to the Cooperation Agreement : (1) Zhuhai Yilian, a subsidiary of the Company; and  
(2) Guowei Venture Capital Investment
- Subject matter : Pursuant to the Cooperation Agreement, the parties thereto agreed to establish Guowei Yilian.
- Registered capital of Guowei Yilian : The total amount of the registered capital of Guowei Yilian is RMB50 million, which will be contributed in cash as to:
- (1) RMB32.5 million, representing 65% of the total registered capital, by Zhuhai Yilian, which will be funded by internal resources of the Group; and
  - (2) RMB17.5 million, representing 35% of the total registered capital, by Guowei Venture Capital Investment.

The total amount of the registered capital will be contributed in tranches. Upon the establishment of Guowei Yilian, 20% of the registered capital of Guowei Yilian, i.e. RMB10 million, shall be contributed by Zhuhai Yilian and Guowei Venture Capital Investment on pro rata basis based on their respective shareholding in Guowei Yilian.

Subsequent to the establishment of Guowei Yilian, the remaining amount of the registered capital shall be contributed by Zhuhai Yilian and Guowei Venture Capital Investment on pro rata basis based on their respective shareholding in Guowei Yilian in accordance with the progress of the project.

In any event, 50% of the total registered capital of Guowei Yilian, i.e. RMB25 million, shall be paid up no later than 30 June 2018 and the total amount of the registered capital shall be paid up no later than 31 December 2020.

Principal scope of business of Guowei Yilian : Subject to the approval of the relevant PRC government authority, Guowei Yilian will be principally engaged in the planning, design, investment and construction, engineering service and the operation service of the new energy vehicle charging facilities; the sale, lease, operation and maintenance services of the new energy vehicle (including second-hand vehicle); wholesale of the parts and accessories of vehicle; the design, production and publication of the advertisement; exhibition service; logistics and freight; and operation and management of the parking lot.

Exclusivity : Provided that the registered capital of Guowei Yilian is contributed on schedule without undermining the progress of the project, in respect of the market in Weifang City, except with the written consent of the other party to the Cooperation Agreement, none of the parties to the Cooperation Agreement shall introduce a third party to participate in the projects of Guowei Yilian or cooperate with a third party to participate in projects similar to those of Guowei Yilian.

Management arrangement : The board of directors of Guowei Yilian (the “**Guowei Yilian Board**”) will consist of five directors, three of whom will be appointed by Zhuhai Yilian and two of whom will be appointed by Guowei Venture Capital Investment. The chairman of Guowei Yilian Board will be appointed from the directors appointed by Zhuhai Yilian.

The Guowei Yilian Board can appoint one general manager of Guowei Yilian nominated by Zhuhai Yilian for the daily management of the Guowei Yilian and execution of the resolutions of Guowei Yilian Board.

The board of supervisors of Guowei Yilian will consist of three supervisors, two of whom will be appointed by Zhuhai Yilian and one of whom will be appointed by Guowei Venture Capital Investment.

Profit distribution : Profit after tax (after covering the loss of Guowei Yilian and deducting the provident fund) can be distributed to the shareholders of Guowei Yilian pro rata to their respective actual capital contribution in Guowei Yilian.

Restriction on equity transfers : A shareholder of Guowei Yilian shall not transfer its equity interest in Guowei Yilian to a third party other than a shareholder of Guowei Yilian without obtaining the consent from more than half of the remaining shareholders of Guowei Yilian.

In the event that a shareholder of Guowei Yilian proposes to transfer its equity interest in Guowei Yilian to a third party, other shareholders of Guowei Yilian shall have a right of first refusal to such equity interest.

Guowei Yilian will be owned as to 65% by Zhuhai Yilian and 35% by Guowei Venture Capital Investment upon its formation.

## **INFORMATION ON GUOWEI VENTURE CAPITAL INVESTMENT**

Guowei Venture Capital Investment was established in the PRC in 2014 and is a state-owned investment company, which is principally engaged in the investment in startup projects; equity investment and its management. The main investment areas of Guowei Venture Capital Investment include smart manufacturing, electronic information, energy saving, new energy, new materials and health services.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, Guowei Venture Capital Investment and its ultimate beneficial owner(s) are Independent Third Parties as at the date of this announcement.

## **INFORMATION OF THE GROUP**

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

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

## **REASONS FOR AND BENEFITS OF THE FORMATION OF GUOWEI YILIAN**

The manufacture of new energy vehicles and the construction of charging facilities have entered into a rapid growth stage in the PRC. Guowei Yilian, through this cooperation, will make full use of the advantages provided by Zhuhai Yilian (in terms of technical capabilities and service quality possessed in the charging facilities of new energy vehicles) and Guowei Venture Capital Investment (in terms of the financing capacity, local resources, management capacities and business experience in Weifang city area) to engage in the promotion of new energy vehicles and the construction of charging facilities network. The Company believes that the parties to the Cooperation Agreement will complement with each other to tap the market of new energy vehicles charging facilities in Weifang city area.

The Directors consider that the terms of the Cooperation Agreement and the Guowei Yilian Articles are fair and reasonable and the formation of Guowei Yilian is in the interests of the Company and its Shareholders as a whole.

## DEFINITION

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

“Board”	the board of Directors
“Company”	China Titans Energy Technology Group Co., Limited (中國泰坦能源技術集團有限公司*), a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange (Stock code: 2188)
“Cooperation Agreement”	the cooperation agreement dated 25 January 2018 entered into between Zhuhai Yilian and Guowei Venture Capital Investment in relation to the formation of Guowei Yilian
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Guowei Venture Capital Investment”	Weifang City Guowei Venture Capital Investment Company Limited* (濰坊市國維創業投資有限公司), a company established in the PRC
“Guowei Yilian”	a company to be established in the PRC under the proposed name of Shandong Guowei Yilian New Energy Company Limited* (山東國維驛聯新能源有限公司)
“Guowei Yilian Articles”	the proposed articles of association of Guowei Yilian subject to the approval of the relevant PRC government authority
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	any entity(ies) or person(s) which or who is/are not a connected person of the Company within the meaning ascribed thereto under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“PRC”	The People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Zhuhai Yilian”	Zhuhai Yilian New Energy Motor Co., Ltd.* (珠海驛聯新能源汽車有限公司), a company established in the PRC and a subsidiary of the Company as at the date of this announcement
“%”	per cent.

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

Hong Kong, 25 January 2018

*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*