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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)

**(I) EXTENSION OF MATURITY DATE
OF CONVERTIBLE NOTES; AND
(II) DISCLOSEABLE TRANSACTION – EXTENSION OF
MATURITY DATE OF THE LOAN**

(I) EXTENSION OF MATURITY DATE OF CONVERTIBLE NOTES

The Board is pleased to announce that on 1 June 2018, the Company and the Subscriber entered into the Second Deed of Variation, pursuant to which it is agreed that, subject to the fulfillment of conditions precedent, the Note Maturity Date will be extended from 1 June 2018 to 1 October 2018. Save for the extension of the Note Maturity Date, all other terms and conditions of the Convertible Notes remain unchanged.

The Company will apply to the Stock Exchange for its approval of the extension of the Note Maturity Date pursuant to Rule 28.05 of the Listing Rules. As a result of the extension of the Note Maturity Date, a new application will also be made to the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares under the Convertible Notes.

(II) DISCLOSEABLE TRANSACTION – EXTENSION OF MATURITY DATE OF THE LOAN

The Board would like to announce that on 1 June 2018, the Loan Extension Agreement was entered into between Titans Power Electronics and Broad-Ocean Motor, pursuant to which Titans Power Electronics and Broad-Ocean Motor agreed to extend the Loan Maturity Date from 2 June 2018 to 1 October 2018.

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Loan Extension Agreement (when calculated individually or in aggregation with those for the Loan Agreement) are more than 5% but less than 25%, the transaction contemplated under the Loan Extension Agreement constitutes a discloseable transaction of the Company and is subject to the notification and announcement requirements, but exempted from the Shareholders' approval requirement under Chapter 14 of the Listing Rules.

(I) EXTENSION OF MATURITY DATE OF CONVERTIBLE NOTES

Background

Reference is made to the announcements of the Company dated 12 October 2015, 13 October 2015 and 29 February 2016 in relation to, among others, the issue of Convertible Notes in principal amount of HK\$100,000,000.

On 28 February 2018, the Company and the Subscriber entered into the deed of variation, pursuant to which the maturity date of the Convertible Notes was extended from 1 March 2018 to 1 June 2018. For details, please refer to the announcement of the Company dated 28 February 2018 (the "**Announcement**").

As at the date of this announcement, Convertible Notes in the principal amount of HK\$100,000,000 remain outstanding.

Second Deed of Variation

The Board is pleased to announce that on 1 June 2018, the Company and the Subscriber entered into the Second Deed of Variation, pursuant to which it is agreed that, subject to the fulfillment of conditions precedent, the Note Maturity Date will be extended from 1 June 2018 to 1 October 2018.

To the best of the Director's knowledge, information and belief, having made all reasonable enquires, as at the date of this announcement, save for the Subscriber's holding of 84,096,000 Shares (representing approximately 9.09% of the entire issued share capital of the Company as at the date of this announcement), the Subscriber and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

The Conversion Shares to be issued upon exercise of the conversion rights attaching to the Convertible Notes will be issued under the General Mandate. As at the date of this announcement, no Shares have been issued by the Company under the General Mandate, thus the maximum number of new Shares which could be issued by the Company under the General Mandate is 185,011,200 Shares (not exceeding 20% of the total number of issued Shares of the Company, i.e. 925,056,000 Shares, as at the date of the annual general meeting held on 25 May 2018).

The Company will apply to the Stock Exchange for its approval of the extension of the Note Maturity Date pursuant to Rule 28.05 of the Listing Rules. As a result of the extension of the Note Maturity Date, a new application will also be made to the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares under the Convertible Notes.

Set out below are the principal terms of the Second Deed of Variation.

Date: 1 June 2018

Parties: the Company; and
the Subscriber

(a) Alteration of Terms

Pursuant to the Second Deed of Variation, it is agreed that the Note Maturity Date will be extended from 1 June 2018 to 1 October 2018. Save for the above proposed alteration, all other terms and conditions of the outstanding Convertible Notes shall remain unchanged.

(b) Conditions Precedent

The Alteration of Terms shall become effective upon the fulfillment of all the following conditions precedent:

- (a) the approval from Noteholder(s) of more than 75% of the aggregate principal amount of the outstanding Convertible Notes approving the Alteration of Terms having been obtained by the Company;
- (b) the Listing Committee having granted or having agreed to grant the listing of, and permission to deal in, the Conversion Shares falling to be allotted and issued upon an exercise of the conversion rights attaching to the outstanding Convertible Notes in accordance with the terms as varied by the Second Deed of Variation; and
- (c) the Company having obtained from the Stock Exchange all requisite approval or consent to the Alteration of Terms as set out in the Second Deed of Variation.

The Alteration of Terms shall take effect on the date on which the Company notifies the Noteholder(s) in writing the fulfillment of the conditions precedent as set out above, which date shall not be more than five Business Days after the fulfillment of the condition precedent last in time to be fulfilled. If any of the conditions precedent above has not been fulfilled on or before 30 June 2018 (or such other date as may be agreed by the parties to the Second Deed of Variation in writing), the Second Deed of Variation shall lapse and be of no further effect and none of the parties to the Second Deed of Variation will have any claim against or liability to the other parties in respect of the Second Deed of Variation save for any antecedent breaches thereof.

Reasons for the extension of the Note Maturity Date

The Convertible Notes will, but for the extension of the Note Maturity Date, mature on 1 June 2018 upon which the Company would be required to deploy its cash reserves to redeem the Convertible Notes. The extension of the Note Maturity Date in effect allows the Company to refinance its debts under the Convertible Notes on the same terms for another 4 months, and provides the Company with additional time and flexibility to consider and conduct the fund raising activities (e.g. placing of new Shares, issuing of new convertible notes and etc.), which could on one hand assist the Company to redeem the Convertible Notes and on the other hand satisfy the financial needs of the Group for future development. Accordingly, the Directors consider that the terms and conditions of the Second Deed of Variation are fair and reasonable and that the extension of the Note Maturity Date is in the interests of the Company and its Shareholders as a whole.

(II) DISCLOSEABLE TRANSACTION – EXTENSION OF MATURITY DATE OF THE LOAN

Background

On 28 February 2018, the Loan Agreement was entered into between Titans Power Electronics, a wholly-owned subsidiary of the Company (as the lender), and Broad-Ocean Motor, (as the borrower), pursuant to which Titans Power Electronics has agreed to lend to Broad-Ocean Motor with an amount of RMB80,860,000 (equivalent to approximately HK\$100,000,000) for a period from 28 February 2018 to 2 June 2018 at the interest rate of 4.75% per annum. For details, please refer to the Announcement.

Loan Extension Agreement

The Board would like to announce that on 1 June 2018, the Loan Extension Agreement was entered into between Titans Power Electronics and Broad-Ocean Motor, pursuant to which Titans Power Electronics and Broad-Ocean Motor agreed to extend the Loan Maturity Date from 2 June 2018 to 1 October 2018.

Save as disclosed herein, all other terms and provisions of the Loan Agreement shall remain unchanged and in full force and effect.

Reasons for, and Benefits of, entering into the Loan Extension Agreement

By entering into the Loan Extension Agreement, the Group is able to increase the interest income from the Loan and the rate of return of its cash and cash equivalents which can improve both the investment income and the profits of the Group. Considering the terms of the Long Extension Agreement were negotiated on an arm's length basis between Titans Power Electronics and the Borrower and the interest income that is expected to be generated from the extension of the Loan Maturity Date, the Directors consider that the terms of the Loan Extension Agreement are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

Implications under the Listing Rules

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Loan Extension Agreement (when calculated individually or in aggregation with those for the Loan Agreement) are more than 5% but less than 25%, the transaction contemplated under the Loan Extension Agreement constitutes a discloseable transaction of the Company and is subject to the notification and announcement requirements, but exempted from the Shareholders' approval requirement under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

“acting in concert”	has the meaning ascribed to this term under the Takeovers Code;
“Alteration of Terms”	the proposed alteration of certain terms of the instrument for the outstanding Convertible Notes pursuant to the terms of the Second Deed of Variation;
“associates”	has the meaning ascribed to this term under the Listing Rules;
“Board”	the board of Directors;
“Borrower” or “Broad-Ocean Motor”	中山大洋電機股份有限公司 (Zhongshan Broad-Ocean Motor Co., Ltd.), a company listed on the Shenzhen Stock Exchange (stock code: 002249);
“Business Day”	any day (excluding Saturday, Sunday, public holiday and any day on which a tropical cyclone warning no.8 or above or a “black” rainstorm warning signal is hoisted or remains hoisted in Hong Kong at any time between 9:00 a.m. and 12:00 noon and is not lowered or discontinued at or before 12:00 noon) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours;

“CN Subscription Agreement”	the agreement dated 12 October 2015 entered into between the Company and the Subscriber in relation to the subscription by the Subscriber of the Convertible Notes in the principal amount of not more than HK\$100,000,000;
“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 shares of which are listed on the main board of the Stock Exchange (stock code: 2188);
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules;
“Conversion Share(s)”	the Share(s) to be issued by the Company upon exercise by the Noteholders of the conversion rights attaching to the Convertible Notes;
“Convertible Notes”	the convertible notes in the aggregate principal amount of HK\$100,000,000 issued by the Company pursuant to the CN Subscription Agreement;
“Directors”	the director(s) of the Company;
“General Mandate”	the general mandate granted to the Directors by the Shareholders at the annual general meeting held on 25 May 2018 to allot, issue or otherwise deal with Shares up to a maximum of 20% of the total number of issued Shares of the Company;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and its connected persons;
“Listing Committee”	the listing committee of the Stock Exchange;

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Loan”	the loan in the amount of RMB80,860,000 granted by Titans Power Electronics to the Borrower pursuant to the Loan Agreement;
“Loan Agreement”	the loan agreement dated 28 February 2018 and entered into between Titans Power Electronics (as lender) and the Borrower (as borrower) in relation to the granting of loan in the amount of RMB80,860,000 to the Borrower;
“Loan Extension Agreement”	the loan extension agreement dated 1 June 2018 and entered into between Titans Power Electronics (as lender) and the Borrower (as borrower) in relation to the extension of the Loan Maturity Date;
“Loan Maturity Date”	2 June 2018;
“Note Maturity Date”	1 June 2018;
“Noteholder(s)”	holder(s) of the Convertible Notes;
“PRC”	The People’s Republic of China, for the purposes of this announcement, excluding Hong Kong, the Macau Special Administrative Region and Taiwan;
“Second Deed of Variation”	the deed of variation dated 1 June 2018 entered into between the Company and the Subscriber in relation to Alteration of Terms;
“Share(s)”	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;

“Subscriber”	大洋電機(香港)有限公司 (Broad-Ocean Motor (Hong Kong) Co. Limited), a limited company incorporated in Hong Kong;
“Titans Power Electronics”	Zhuhai Titans Power Electronics Group Co., Ltd* (珠海泰坦電力電子集團有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company as at the date of this announcement; and
“%”	per cent.

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

Hong Kong, 1 June 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*