

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in China Titans Energy Technology Group Co., Limited, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



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 members' limited liability)

(Stock code: 2188)

(1) PROPOSED ADOPTION OF SHARE OPTION SCHEME
AND
(2) NOTICE OF EXTRAORDINARY GENERAL MEETING

The notice convening the Extraordinary General Meeting of China Titans Energy Technology Group Co., Limited to be held at Suite 2703, 27/F., Shui On Centre, 6-8 Harbour Road, Wanchai, Hong Kong on 18 December 2020 at 11:15 a.m. is set out on pages 19 to 20 of this circular. A form of proxy for use at the Extraordinary General Meeting is also enclosed. Such form of proxy is also published on the websites of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company (www.titans.com.cn).

Whether or not you are able to attend the Extraordinary General Meeting, please complete and sign the enclosed form of proxy for use at the Extraordinary General Meeting in accordance with the instructions printed thereon and return it to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the Extraordinary General Meeting or the adjourned meeting (as the case may be). Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the Extraordinary General Meeting if they so wish.

References to time and dates in this circular are to Hong Kong time and dates.

The translation into Chinese language of this circular is for reference only. In case of any inconsistency, the English version shall prevail.

DEFINITIONS

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

“Adoption Date”	the date on which the Share Option Scheme will be approved and adopted by an ordinary resolution of the Shareholders
“Extraordinary General Meeting”	the extraordinary general meeting of the Company to be held at Suite 2703, 27/F., Shui On Centre, 6-8 Harbour Road, Wanchai, Hong Kong on Friday, 18 December 2020 at 11:15 a.m., to consider and, if appropriate, to approve the resolutions contained in the notice of the meeting which is set out on pages 19 to 20 of this circular, or any adjournment thereof
“Articles of Association”	the articles of association of the Company currently in force
“Board”	the board of Directors
“close associate(s)”	has the same meaning as ascribed to it under the Listing Rules
“Companies Law”	the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands (as amended, supplemented or otherwise modified from time to time)
“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 members’ limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange (Stock code: 2188)
“core connected person(s)”	has the same meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Eligible Participant”	has the meaning ascribed to it under paragraph (B) of “APPENDIX I – SUMMARY OF THE PRINCIPAL TERMS OF THE SHARE OPTION SCHEME”
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

* For identification purpose only

DEFINITIONS

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	25 November 2020, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Previous Share Option Scheme”	the share option scheme adopted by the Company on 8 May 2010
“PRC”	the People’s Republic of China which, for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Share Options”	the options granted under the Share Option Scheme to subscribe for Shares in accordance with the Share Option Scheme
“Share Option Scheme”	the new share option scheme of the Company proposed to be adopted at the Extraordinary General Meeting, the principal terms of which are set out in Appendix I to this circular
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Code on Takeovers and Mergers and Share Buy-backs
“%”	per cent.



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 members' limited liability)

(Stock code: 2188)

Executive Directors:

Mr. Li Xin Qing (*Chairman*)

Mr. An Wei (*Chief Executive Officer*)

Independent non-executive Directors:

Mr. Li Wan Jun

Mr. Zhang Bo

Mr. Pang Zhan

Registered office:

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman

KY1-1111

Cayman Islands

Principal place of business

in Hong Kong:

Suite 2703, 27/F

Shui On Centre

Nos. 6-8 Harbour Road

Wanchai

Hong Kong

1 December 2020

To the Shareholders

Dear Sir/Madam,

**(1) PROPOSED ADOPTION OF SHARE OPTION SCHEME
AND
(2) NOTICE OF EXTRAORDINARY GENERAL MEETING**

1. INTRODUCTION

The purpose of this circular is to provide the Shareholders with information in respect of certain resolutions to be proposed at the Extraordinary General Meeting to be held on 18 December 2020.

* For identification purpose only

2. PROPOSED ADOPTION OF SHARE OPTION SCHEME

Previous Share Option Scheme

The Previous Share Option Scheme was adopted for the purpose of recognising and acknowledging the contributions that eligible person had made or may have made to the Group.

The Previous Share Option Scheme was expired on 7 May 2020. As at the Latest Practicable Date, no share options under the Previous Share Option Scheme remain outstanding and exercisable upon. To enable the Company to continue to grant Share Options to Eligible Participants as incentives or rewards for their contributions to the success of the Group, the Board proposes to recommend to the Shareholders at the Extraordinary General Meeting to approve and adopt the Share Option Scheme.

The Share Option Scheme

A summary of the principal terms of the Share Option Scheme is set out in Appendix I of this circular.

The Share Option Scheme will continue to enable the Company to grant share options to Eligible Participants as incentives or rewards for their contribution or potential contribution to the Company and/or any of the subsidiaries.

The Directors consider that the adoption of the Share Option Scheme is in the interests of the Company and the Shareholders as a whole.

Under the Share Option Scheme, the Board has the authority to set the terms and conditions in the grant of the Share Options (e.g. in relation to the minimum period of the Share Options to be held, the performance targets to be achieved before such Share Options can be exercised and to determine the subscription price). The Board considers that this will provide the Board with more flexibility in imposing appropriate conditions in light of the circumstances of each grant to achieve of the purpose of the Share Option Scheme.

None of the Directors is a trustee of the Share Option Scheme or has a direct or indirect interest in the trustee of the Share Option Scheme, if any.

The provisions of the Share Option Scheme comply with the requirements of Chapter 17 of the Listing Rules.

LETTER FROM THE BOARD

As at the Latest Practicable Date, there were 925,056,000 Shares in issue. Assuming that no further Share will be allotted, issued, repurchased or cancelled prior to the Extraordinary General Meeting, the total number of Shares that may fall to be allotted and issued under the Share Option Scheme after the resolution regarding the proposed adoption of the Share Option Scheme is passed at the Extraordinary General Meeting would be 92,505,600 Shares, representing 10% of the total number of Shares in issue as at the Adoption Date.

The Directors consider that it is not appropriate to state the value of the Share Options which may be granted under the Share Option Scheme as if they had been granted as at the Latest Practicable Date. The pricing of the Share Options are also set out in paragraph (F) of Appendix I of this circular. The Directors believe that any estimate regarding the value of the Share Options will not be meaningful to the Shareholders, since the Share Options to be granted shall not be assignable, and no holder of the Share Options shall in any way sell, transfer, charge, mortgage or create any interest (legal or beneficial) in favour of any third party over or in relation to any Share Option.

As at the Latest Practicable Date, no Share Option had been granted under the Share Option Scheme.

The Share Option Scheme is conditional upon the satisfaction of the conditions set out in paragraph (X) set out in Appendix I of this circular. Application will be made to the Listing Committee of the Stock Exchange for the approval of the listing of, and permission to deal in, the Shares which may fall to be issued pursuant to the exercise of the Share Options granted under the Share Option Scheme.

As at the Latest Practicable Date, no Shareholder had a material interest in the adoption of the Share Option Scheme. As such, no Shareholder is required to abstain from voting on the resolution in relation thereto.

A copy of the rules of the Share Option Scheme is available for inspection at the Company's principal place of business in Hong Kong at Suite 2703, 27/F., Shui On Centre, Nos. 6-8 Harbour Road, Wanchai, Hong Kong, at normal business hours from the date of this circular up to and including the date of the Extraordinary General Meeting.

3. EXTRAORDINARY GENERAL MEETING AND PROXY ARRANGEMENT

The notice of the Extraordinary General Meeting is set out on pages 19 to 20 of this circular.

Pursuant to 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll except where the chairman decides to allow a resolution relating to a procedural or administrative matter to be voted on by a show of hands. An announcement on the poll results will be published by the Company after the Extraordinary General Meeting in the manner prescribed under 13.39(5) of the Listing Rules.

LETTER FROM THE BOARD

A form of proxy for use at the Extraordinary General Meeting is enclosed with this circular and such form of proxy is also published on the websites of Hong Kong Exchanges and Clearing Limited (<http://www.hkexnews.hk>) and the Company (www.titans.com.cn). To be valid, the form of proxy must be completed and signed in accordance with the instructions printed thereon and deposited, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power of attorney or authority at the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, as soon as possible but in any event not less than 48 hours before the time appointed for holding the Extraordinary General Meeting or the adjourned meeting (as the case may be). Completion and delivery of the form of proxy will not preclude you from attending and voting at the Extraordinary General Meeting or any adjournment thereof if you so wish.

4. GENERAL INFORMATION

Your attention is drawn to the additional information set out in Appendix I (Summary of the Principal Terms of the Share Option Scheme) to this circular.

5. RECOMMENDATION

The Directors consider that the proposed adoption of the Share Option Scheme is in the best interests of the Company and the Shareholders. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the Extraordinary General Meeting.

6. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief and information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

Yours faithfully,
For and on behalf of the Board
China Titans Energy Technology Group Co., Limited
Li Xin Qing
Chairman

The following is a summary of the principal terms of the Share Option Scheme.

A. PURPOSE

The Share Option Scheme is a share incentive scheme prepared in accordance with Chapter 17 of the Listing Rules and is established to recognize and acknowledge the contributions that the Eligible Participants (as defined in paragraph (B) below) had or may have made to the Group. The Share Option Scheme will enable the Company to grant options to Eligible Participants as incentives or rewards for their contribution or potential contribution to the Group.

B. WHO MAY JOIN

The Board may, at its discretion, offer to grant an option to the following persons (collectively the “**Eligible Participants**”) to subscribe for such number of new Shares as the Board may determine at an exercise price determined in accordance with paragraph (F) below:

Any full-time or part-time employees, executives or officers or directors (including executive, non-executive and independent non-executive directors) of the Company or any of the subsidiaries and any suppliers, customers, consultants, agents and advisers who, in the sole opinion of the Board, will contribute or have contributed to the Group.

The eligibility of any of the Eligible Participants to Share Options shall be determined by the Directors from time to time on the basis of the Directors’ opinion as to such Eligible Participant’s contribution to the development and growth of the Group. The Board considers that the grant of the Share Options to these Eligible Participants will offer incentives for the full-time or part-time employees, executives or officers or directors of the Company or any of the subsidiaries to demonstrate exceptional performance and dedication to the Group, for suppliers to offer more economic and quality supplies to the Group, for customers to maximise the quantity of their orders and increase loyalty to the Group, for advisors, consultants and agents to provide better services to the Group, thereby attracting and retaining experienced and qualified personnel, optimising performance efficiency and benefiting the long-term growth of the Group. Accordingly, the Board will assess the eligibility of these Eligible Participants based on various factors such as performance conditions, or targets to be achieved and potential and/or actual contribution to the business affairs of and benefits to the Group. It is expected that grantees of the Share Options will make an effort to contribute to the development of the Group so as to bring about an increased market price of the Shares in order to capitalize on the benefits of the Share Options granted and in turn benefiting the Company and its Shareholders as a whole.

Upon acceptance of the option, the grantee shall pay HK\$1.00 to the Company by way of consideration for the grant.

C. ACCEPTANCE OF AN OFFER OF OPTIONS

An option shall be deemed to have been granted and accepted by the grantee and to have taken effect when the duplicate offer document constituting acceptances of the options duly signed by the grantee, together with a remittance or payment in favor of the Company of HK\$1.00 by way of consideration for the grant thereof, is received by the Company on or before the relevant acceptance date. Such remittance or payment shall in no circumstances be refundable. Any offer to grant an option to subscribe for Shares may be accepted in respect of less than the number of Shares for which it is offered provided that it is accepted in respect of a board lot for dealing in Shares on the Stock Exchange or an integral multiple thereof and such number is clearly stated in the duplicate offer document constituting acceptance of the option. To the extent that the offer to grant an option is not accepted by any prescribed acceptance date, it shall be deemed to have been irrevocably declined.

Subject to paragraphs (L), (M), (N), (O) and (P), an option shall be exercised in whole or in part and, other than where it is exercised to the full extent outstanding, shall be exercised in integral multiples of such number of Shares as shall represent one board lot for dealing in Shares on the Stock Exchange for the time being, by the grantee by giving notice in writing to the Company stating that the option is thereby exercised and the number of Shares in respect of which it is exercised. Each such notice must be accompanied by a remittance or payment for the full amount of the exercise price for the Shares in respect of which the notice is given. Within 21 days after receipt of the notice and the remittance or payment and, where appropriate, receipt of the certificate by the auditors to the Company or the approved independent financial adviser as the case may be pursuant to paragraph (R), the Company shall allot and issue the relevant number of Shares to the grantee credited as fully paid and issue to the grantee certificates in respect of the Shares so allotted.

The exercise of any option shall be subject to the Shareholders in general meeting approving any necessary increase in the authorized share capital of the Company.

D. MAXIMUM NUMBER OF SHARES

The maximum number of Shares in respect of which options may be granted under the Share Option Scheme and under any other share option schemes of the Company must not in aggregate exceed 10% of the total number of Shares in issue on the Adoption Date. Subject to the issue of a circular by the Company and the approval of the Shareholders in general meeting and/or such other requirements prescribed under the Listing Rules from time to time, the Board may:

- (i) renew this limit at any time to 10% of the Shares in issue as at the date of the approval by the Shareholders in general meeting; and/or

- (ii) grant options beyond the 10% limit to Eligible Participants specifically identified by the Board. The circular issued by the Company to the Shareholders shall contain a generic description of the specified Eligible Participants who may be granted such options, the number and terms of the options to be granted, the purpose of granting options to the specified Eligible Participants with an explanation as to how the options serve such purpose, the information required under Rule 17.02(2)(d) and the disclaimer required under Rule 17.02(4) of the Listing Rules.

Notwithstanding the foregoing and subject to paragraph (R) below, the maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of the Company at any time shall not exceed 30% of the Shares in issue from time to time. No options shall be granted under any schemes of the Company (including the Share Option Scheme) if this will result in the 30% limit being exceeded. The maximum number of Shares in respect of which options may be granted shall be adjusted, in such manner as the auditors of the Company or an approved independent financial adviser shall certify to be appropriate, fair and reasonable in the event of any alteration in the capital structure of the Company in accordance with paragraph (R) below whether by way of consolidation, capitalization issue, rights issue, sub-division or reduction of the share capital of the Company but in no event shall exceed the limit prescribed in this paragraph.

E. MAXIMUM NUMBER OF OPTIONS TO ANY ONE INDIVIDUAL

The total number of Shares issued and which may fall to be issued upon exercise of the options granted under the Share Option Scheme and any other share option schemes of the Company (including both exercised and outstanding options) to each Eligible Participant in any 12-month period up to the date of grant shall not exceed 1% of the Shares in issue as at the date of grant. Any further grant of options in excess of this 1% limit shall be subject to:

- (i) the issue of a circular by the Company containing the identity of the Eligible Participant, the numbers of and terms of the options to be granted (and options previously granted to such participant), the information as required under Rules 17.02(2)(d) and the disclaimer required under Rule 17.02(4) of the Listing Rules; and
- (ii) the approval of the Shareholders in general meeting and/or other requirements prescribed under the Listing Rules from time to time with such Eligible Participant and his/her close associates (as defined in the Listing Rules) (or his/her associates if the Eligible Participant is a core connected person) abstaining from voting. The numbers and terms (including the exercise price) of options to be granted to such participant must be fixed before the Shareholders' approval and the date of the Board meeting at which the Board proposes to grant the options to such Eligible Participant shall be taken as the date of grant for the purpose of calculating the subscription price

of the Shares. The Board shall forward to such Eligible Participant an offer document in such form as the Board may from time to time determine (or, alternatively, documents accompanying the offer document which state), among others:

- (1) the name, address and position of the Eligible Participant;
- (2) the date on which an option is offered to an Eligible Participant which must be a date on which the Stock Exchange is open for the business of dealing in securities;
- (3) the date upon which an offer for an option must be accepted;
- (4) the date upon which an option is deemed to be granted and accepted in accordance with paragraph (C);
- (5) the number of Shares in respect of which the option is offered;
- (6) the subscription price and the manner of payment of such price for the Shares on and in consequence of the exercise of the option;
- (7) the date of the expiry of the option as may be determined by the Board;
- (8) the method of acceptance of the option which shall, unless the Board otherwise determines, be as set out in paragraph (C); and
- (9) other terms and conditions (including, without limitation, any minimum period for which an option must be held before it can be exercised and/or any performance targets which must be achieved before the option can be exercised) relating to the offer of the option which in the opinion of the Board are fair and reasonable but not being inconsistent with Share Option Scheme and the Listing Rules.

F. PRICE OF SHARES

Subject to any adjustments made as described in paragraph (R) below, the subscription price of a Share in respect of any particular option granted under the Share Option Scheme shall be such price as the Board in its absolute discretion shall determine, save that such price must not be less than the highest of:

- (i) the official closing price of the Shares as stated in the Stock Exchange's daily quotation sheets on the date of grant, which must be a day on which the Stock Exchange is open for the business of dealing in securities;

- (ii) the average of the official closing prices of the Shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of grant; and
- (iii) the nominal value of a Share.

G. GRANTING OPTIONS TO A DIRECTOR, CHIEF EXECUTIVE OR SUBSTANTIAL SHAREHOLDER OF THE COMPANY OR ANY OF THEIR RESPECTIVE ASSOCIATES

Any grant of options to a director, chief executive or substantial shareholder (as defined in the Listing Rules) of the Company or any of their respective associates (as defined in the Listing Rules) is required to be approved by the independent non-executive Directors of the Company (excluding any independent non-executive Director who is the grantee of the options). If the Board proposes to grant options to a substantial shareholder or any independent non-executive Director (or any of their respective associates (as defined in the Listing Rules)) which will result in the number of Shares issued and to be issued upon exercise of options granted and to be granted (including options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:

- (i) representing in aggregate over 0.1% or such other percentage as may be from time to time provided under the Listing Rules of the Shares in issue; and
- (ii) having an aggregate value in excess of HK\$5 million or such other sum as may be from time to time provided under the Listing Rules, based on the official closing price of the Shares at the date of each grant, such further grant of options will be subject to the issue of a circular by the Company and the approval of the Shareholders in general meeting on a poll at which the grantee, his/her associates and all core connected persons (as defined in the Listing Rules) of the Company shall abstain from voting in favor, and/or such other requirements prescribed under the Listing Rules from time to time. Any vote taken at the meeting to approve the grant of such options shall be taken as a poll.

The circular to be issued by the Company to the Shareholders pursuant to the above paragraph shall contain the following information:

- (i) the details of the number and terms (including the exercise price) of the options to be granted to each selected Eligible Participant which must be fixed before the Shareholders' meeting and the date of Board meeting for proposing such further grant shall be taken as the date of grant for the purpose of calculating the exercise price of such options;

- (ii) a recommendation from the independent non-executive Directors (excluding any independent non-executive Director who is the grantee of the options) to the independent Shareholders as to voting;
- (iii) the information required under Rule 17.02(2)(c) and (d) and the disclaimer required under Rule 17.02(4) of the Listing Rules; and
- (iv) the information required under Rule 2.17 of the Listing Rules.

H. RESTRICTIONS ON THE TIMES OF GRANT OF OPTIONS

A grant of options shall not be made after inside information has come to the knowledge of the Company until it has announced such inside information pursuant to the requirements of the Listing Rules and the Inside Information Provisions of Part XIVA of the SFO. In particular, no options shall be granted during the period commencing one month immediately preceding the earlier of:

- (i) the date of the Board meeting (as such date to first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of the Company's annual results half-year, quarterly or other interim period (whether or not required under the Listing Rules); and
- (ii) the deadline for the Company to publish an announcement of its annual results or half-year, or quarterly or other interim period (whether or not required under the Listing Rules) and ending on the date of actual publication of the results announcement, and where an option is granted to a Director:
 - (1) no options shall be granted during the period of 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and
 - (2) no option shall be granted during the period of 30 days immediately preceding the publication date of the quarterly results (if any) and half-year results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of the results.

I. RIGHTS ARE PERSONAL TO GRANTEE

An option and an offer to grant an option shall be personal to the grantee and shall not be transferable or assignable and no grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest (legal or beneficial) in favor of any third party over or in relation to any option or attempt so to do (save that the grantee may nominate a nominee in whose name the Shares issued pursuant to the Share Option Scheme may be registered). Any breach of the foregoing shall entitle the Company to cancel any outstanding options or any part thereof granted to such grantee.

J. TIME OF EXERCISE OF OPTION AND DURATION OF THE SHARE OPTION SCHEME

An option may be exercised in accordance with the terms of the Share Option Scheme at any time after the date upon which the option is deemed to be granted and accepted and prior to the expiry of 10 years from that date. The period during which an option may be exercised will be determined by the Board in its absolute discretion, save that no option may be exercised more than 10 years after it has been granted. No option may be granted more than 10 years after the date of approval of the Share Option Scheme. Subject to earlier termination by the Company in general meeting or by the Board, the Share Option Scheme shall be valid and effective for a period of 10 years from the date of its adoption.

K. PERFORMANCE TARGET

At the time of the grant of the Share Options, the Company may specify any performance target(s) which must be achieved before the Share Options can be exercised. Save as determined by the Board and provided in the offer of the grant of the relevant Share Options, there is no performance target which must be achieved before any of the Share Options can be exercised.

L. RIGHTS ON CEASING EMPLOYMENT OR DEATH

If the grantee of an option ceases to be an Eligible Participant:

- (i) by any reason other than death or termination of his/her employment on the grounds specified in paragraph (M) below, the grantee may exercise the option up to the entitlement of the grantee as at the date of cessation (to the extent not already exercised) within a period of three months from such cessation; or
- (ii) by reason of death, his/her personal representative(s) may exercise the option within a period of 12 months from such cessation, which date shall be the last actual working day with the Company or the relevant subsidiary whether salary is paid in lieu of notice or not, failing which it will lapse.

M. RIGHTS ON DISMISSAL

If the grantee of an option ceases to be an employee of the Group on the grounds that he/she has been guilty of serious misconduct, or has been convicted of any criminal offence involving his/her integrity or honesty or in relation to an employee of the Group (if so determined by the Board), or has become insolvent, bankrupt or has made arrangements or compositions with his/her creditors generally, or on any other ground on which an employer would be entitled to terminate his/her employment at common law or pursuant to any applicable laws or under the grantee's service contract with the Group, his/her option will lapse and not be exercisable after the date of termination of his/her employment.

N. RIGHTS ON TAKEOVER

If a general offer is made to all the Shareholders (or all such Shareholders other than the offeror and/or any person controlled by the offeror and/or any person acting in concert with the offeror (as defined in the Takeovers Codes)) and such offer becomes or is declared unconditional during the option period of the relevant option, the grantee of an option shall be entitled to exercise the option in full (to the extent not already exercised) at any time within 14 days after the date on which the offer becomes or is declared unconditional.

O. RIGHTS ON WINDING-UP

In the event a notice is given by the Company to its members to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall forthwith give notice thereof to all grantees and thereupon, each grantee (or his/her legal personal representative(s)) shall be entitled to exercise all or any of his/her options (to the extent not already exercised) at any time not later than two business days prior to the proposed general meeting of the Company referred to above by giving notice in writing to the Company, accompanied by a remittance for the full amount of the aggregate subscription price for the Shares in respect of which the notice is given, whereupon the Company shall as soon as possible and, in any event, no later than the business day immediately prior to the date of the proposed general meeting, allot the relevant Shares to the grantee credited as fully paid and register the grantee as holder thereof.

P. RIGHTS ON COMPROMISE OR ARRANGEMENT BETWEEN THE COMPANY AND ITS MEMBERS OR CREDITORS

If a compromise or arrangement between the Company and its members or creditors is proposed for the purposes of a scheme for the reconstruction of the Company or its amalgamation with any other companies pursuant to the laws of jurisdictions in which the Company was incorporated, the Company shall give notice to all the grantees of the options on the same day as it gives notice of the meeting to its members or creditors summoning the meeting to consider such a compromise or arrangement and any grantee may by notice in writing to the Company accompanied by a remittance for the full amount of the aggregate subscription price for the Shares in respect of which the notice is given (such notice to be received by the Company not later than two business days prior to the proposed meeting), exercise the option to its full extent or to the extent specified in the notice and the Company shall as soon as possible and in any event no later than 12:00 noon (Hong Kong time) on the business day immediately prior to the date of the proposed meeting, allot and issue such number of Shares to the grantee which falls to be issued on such exercise of the option credited as fully paid and register the grantee as holder thereof.

With effect from the date of such meeting, the rights of all grantees to exercise their respective options shall forthwith be suspended. Upon such compromise or arrangement becoming effective, all options shall, to the extent that they have not been exercised, lapse and determine. If for any reason such compromise or arrangement does not become effective and is terminated or lapses, the rights of grantees to exercise their respective options shall with effect from such termination be restored in full but only upon the extent not already exercised and shall become exercisable.

Q. RANKING OF SHARES

The Shares to be allotted upon the exercise of an option will not carry voting, dividend or other rights until completion of the registration of the grantee (or such other person nominated by the grantee) as the holder thereof. Subject to the aforesaid, Shares allotted and issued on the exercise of options will rank *pari passu* in all respects and shall have the same voting, dividend, transfer and other rights, including those arising on liquidation as attached to the other fully-paid Shares in issue on the date of issue and rights in respect of any dividend or other distributions paid or made on or after the date of issue.

R. EFFECT OF ALTERATIONS TO CAPITAL

In the event of any alteration in the capital structure of the Company whilst any option may become or remains exercisable, whether by way of capitalization issue, rights issue, open offer (if there is a price dilutive element), consolidation, sub-division or reduction of share capital of the Company, such corresponding alterations (if any) shall be made in the number of Shares subject to any options so far as unexercised and/or the subscription price per Share of each outstanding option as the auditors of the Company or an independent financial adviser shall certify in writing to the Board to be in their/his/her opinion fair and reasonable in compliance with Rule 17.03(13) of the Listing Rules and the note thereto and the supplementary guidance issued by the Stock Exchange on 5 September 2005 and any future guidance and interpretation of the Listing Rules issued by the Stock Exchange from time to time and the note thereto. The capacity of the auditors of the Company or the approved independent financial adviser, as the case may be, in this paragraph is that of experts and not arbitrators and their certificate shall, in absence of manifest error, be final and conclusive and binding on the Company and the grantees.

Any such alterations will be made on the basis that a grantee shall have the same proportion of the issued share capital of the Company for which any grantee of an option is entitled to subscribe pursuant to the options held by him/her before such alteration and the aggregate subscription price payable on full exercise of any option is to remain as nearly as possible the same (and in any event not greater than) as it was before such event. No such alteration will be made the effect of which would be to enable a Share to be issued at less than its nominal value. The issue of securities as consideration in a transaction is not to be regarded as a circumstance requiring any such alterations.

S. EXPIRY OF OPTION

An option shall lapse automatically and not be exercisable (to the extent not already exercised) on the earliest of:

- (i) the date of expiry of the option as may be determined by the Board;
- (ii) the expiry of any of the periods referred to in paragraphs (L), (M), (N), (O) or (P);
- (iii) the date on which the scheme of arrangement of the Company referred to in paragraph (P) becomes effective;
- (iv) subject to paragraph (O), the date of commencement of the winding-up of the Company;
- (v) the date on which the grantee ceases to be an Eligible Participant by reason of such grantee's resignation from the employment of the Group or the termination of his/her employment or contract on any one or more of the grounds that he or he/she has been guilty of serious misconduct, or has been convicted of any criminal offence involving his/her integrity or honesty, or in relation to an employee of the Group (if so determined by the Board), or has been insolvent, bankrupt or has made compositions with his/her creditors generally or any other ground on which an employer would be entitled to terminate his/her employment at common law or pursuant to any applicable laws or under the grantee's service contract with the Group. A resolution of the Board to the effect that the employment of a grantee has or has not been terminated on one or more of the grounds specified in this paragraph shall be conclusive; or
- (vi) the date on which the Board shall exercise the Company's right to cancel the option at any time after the grantee commits a breach of paragraph (I) above or the options are cancelled in accordance with paragraph (U) below.

T. ALTERATION OF THE SHARE OPTION SCHEME

The Share Option Scheme may be altered in any respect by resolution of the Board except that:

- (i) any alteration to the advantage of the grantees or the Eligible Participants (as the case may be) in respect of the matters contained in Rule 17.03 of the Listing Rules; and
- (ii) any material alteration to the terms and conditions of the Share Option Scheme or any change to the terms of options granted, shall first be approved by the Shareholders in general meeting provided that if the proposed alteration shall adversely affect any option granted or agreed to be granted prior to the date of alteration, such alteration shall be further subject to the grantees' approval in accordance with the terms of the Share Option Scheme. The amended terms of the Share Option Scheme shall still comply with Chapter 17 of the Listing Rules and any change to the authority of the Board in relation to any alteration to the terms of the Share Option Scheme must be approved by Shareholders in general meeting.

U. CANCELLATION OF OPTIONS

Any cancellation of options granted but not exercised must be approved by the grantees of the relevant options in writing. For the avoidance of doubt, such approval is not required in the event any Option is cancelled pursuant to paragraph (I).

V. TERMINATION OF THE SHARE OPTION SCHEME

The Company may by resolution in general meeting or the Board at any time terminate the Share Option Scheme and in such event no further option shall be offered but the provisions of the Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any option granted prior thereto or otherwise as may be required in accordance with the provisions of the Share Option Scheme. Options granted prior to such termination but not yet exercised at the time of termination shall continue to be valid and exercisable in accordance with the Share Option Scheme.

W. ADMINISTRATION OF THE BOARD

The Share Option Scheme shall be subject to the administration of the Board whose decision as to all matters arising in relation to the Share Option Scheme or its interpretation or effect (save as otherwise provided herein) shall be final and binding on all parties.

X. CONDITION OF THE SHARE OPTION SCHEME

The Share Option Scheme is conditional on:

- (i) the Listing Committee of the Stock Exchange granting the listing of and permission to deal in the Shares which may fall to be issued pursuant to the exercise of options to be granted under the Share Option Scheme; and
- (ii) the passing of ordinary resolution(s) by the Shareholders at the Extraordinary General Meeting to approve and adopt the Share Option Scheme, authorise the Board to grant Share Options under the Share Option Scheme, to allot and issue Shares pursuant to the exercise of any Share Options to be granted pursuant to the Share Option Scheme.

Y. DISCLOSURE IN ANNUAL AND INTERIM REPORTS

The Company will disclose details of the Share Option Scheme in its annual and interim reports including the number of options, date of grant, exercise price, exercise period and vesting period during the financial year/period in the annual/interim reports in accordance with the Listing Rules in force from time to time.

Z. PRESENT STATUS OF THE SHARE OPTION SCHEME

As at the Latest Practicable Date, no option had been granted or agreed to be granted under the Share Option Scheme.

NOTICE OF EXTRAORDINARY GENERAL MEETING



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 members' limited liability)

(Stock code: 2188)

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that the Extraordinary General Meeting of China Titans Energy Technology Group Co., Limited (the "Company") will be held at Suite 2703, 27/F., Shui On Centre, 6-8 Harbour Road, Wanchai, Hong Kong on Friday, 18 December 2020 at 11:15 a.m. for the following purposes:

As Special Business

1. To consider and, if thought fit, pass (with or without modification) the following resolution as an ordinary resolution of the Company:

"THAT:

- (a) subject to the granting by the Listing Committee of the Stock Exchange of the listing of and permission to deal in the Shares to be issued and allotted by the Company under the proposed share option scheme of the Company (the "**Share Option Scheme**", a copy of which has been produced to the Extraordinary General Meeting marked 'A' and initialled by the chairman of the Extraordinary General Meeting for the purpose of identification):
 - (i) the Share Option Scheme be and is hereby approved and adopted as the Company's share option scheme and the Directors be and are hereby authorized to take all such steps as they may deem necessary, desirable or expedient to carry into effect, waive or amend the Share Option Scheme subject to the terms of the Share Option Scheme and Chapter 17 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time); and

* For identification purpose only

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (ii) the Directors be and are hereby authorised to grant options to subscribe for Shares in accordance with the rules of the Share Option Scheme up to a maximum of 10% of the Shares in issue as at the date of passing of this resolution, to issue and allot Shares pursuant to the exercise of the options so granted, to administer the Share Option Scheme in accordance with its terms and to take all necessary actions incidental thereto as the Directors deem fit.”

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

Hong Kong, 1 December 2020

Notes:

1. All resolutions at the meeting will be taken by poll (except where the chairman decides to allow a resolution relating to a procedural or administrative matter to be voted on by a show of hands) pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”). The results of the poll will be published on the websites of Hong Kong Exchanges and Clearing Limited and the Company in accordance with the Listing Rules.
2. Any shareholder of the Company entitled to attend and vote at the meeting is entitled to appoint another person as his proxy to attend and on a poll, vote instead of him. A shareholder who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at the Extraordinary General Meeting. A proxy need not be a shareholder of the Company. If more than one proxy is appointed, the number of shares in respect of which each such proxy so appointed must be specified in the relevant form of proxy. Every shareholder present in person or by proxy shall be entitled to one vote for each share held by him.
3. In order to be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed or a certified copy of that power of attorney or authority, must be deposited at the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong not less than 48 hours before the time appointed for the meeting or the adjourned meeting (as the case may be). Completion and return of the form of proxy shall not preclude a shareholder of the Company from attending and voting in person at the meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
4. The register of members of the Company will not be closed for the purpose of ascertaining the right of shareholders of the Company to attend and vote at the forthcoming Extraordinary General Meeting to be held on Friday, 18 December 2020. However, in order to be eligible to attend and vote at the Extraordinary General Meeting, unregistered holders of shares of the Company shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong for registration not later than 4:30 p.m. on Friday, 11 December 2020. The last registration date to determine entitlement of the holders of shares to attend and vote at the Extraordinary General Meeting will be Friday, 11 December 2020.
5. The translation into Chinese language of this notice is for reference only. In case of any inconsistency, the English version shall prevail.
6. References to time and dates in this notice are to Hong Kong time and dates.

As at the date of this notice, 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.