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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)

PROFIT WARNING

This announcement is made by the board (the “**Board**”) of directors (the “**Directors**”) of China Titans Energy Technology Group Co., Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Practice Note 2 of the Code on Takeovers and Mergers (the “**Takeovers Code**”) issued by the Securities and Futures Commission.

The Board wishes to inform the shareholders (the “**Shareholders**”) and potential investors of the Company that based on the preliminary assessment of the Group’s unaudited consolidated management accounts for the year ended 31 December 2022 and the information currently available to the Board, the Group is expected to record a net loss attributable to owners of the Company in the range of approximately RMB17 million to RMB20 million as compared to the net profit attributable to owners of the Company of approximately RMB18.6 million in the corresponding period in 2021 (the “**Profit Warning**”). The reason of turnaround from profit to loss position of the Group was mainly attributable to, among other factors, (i) the increase in costs and selling expenses by approximately 7.8% to RMB290.7 million, as compared to the costs and selling expenses of approximately RMB269.6 million for the corresponding period in 2021; and (ii) the impairment losses of financial assets amounting to approximately RMB12.9 million for the year ended 31 December 2022 as compared to a reversal of impairment losses of financial assets amounting to approximately RMB12.4 million for the corresponding period in 2021. The increase in costs and selling expenses were mainly due to the increases in (i) cost of raw materials; and (ii) installing and testing expenses. The impairment losses on financial assets were mainly due to COVID-19, which affected the progress of trade receivables settlement of the Group.

As at the date of this announcement, the Company is still in the process of finalizing its results for the year ended 31 December 2022. The information contained in this announcement is only a preliminary assessment by the Board based on the unaudited consolidated management accounts of the Group and the information currently available to the Board, which has not been audited or reviewed by the Company's independent auditors or the audit committee of the Board and may be subject to adjustments. Details of the Group's annual results for the year ended 31 December 2022 will be disclosed in the annual results announcement of the Company, which is expected to be published by the end of March 2023.

Reference is made to the announcements of the Company dated 18 October 2022 (the "**Announcement**"), 12 December 2022, 12 January 2023, 10 February 2023 and 10 March 2023 and the circular of the Company dated 18 November 2022 in relation to, among other things, the Subscription and the Whitewash Waiver. Unless the context otherwise requires, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

The Profit Warning included in this announcement constitutes a profit forecast under Rule 10 of the Takeovers Code and should be reported on by the Company's financial advisers and auditors or accountants in accordance with Rule 10 of the Takeovers Code. In view of the requirements of timely disclosures of the inside information under Rule 13.09 of the Listing Rules and the Inside Information Provisions, the Company is required to issue this announcement as soon as practicable and given the time constraints, the Company has encountered genuine practical difficulties (time-wise or otherwise) in meeting the reporting requirements set out in Rule 10.4 of the Takeovers Code.

Under Rule 10.4 of the Takeovers Code, if the Profit Warning is published first in an announcement, it must be repeated in full, together with the reports from the Company's financial advisers and auditors or accountants on the Profit Warning, in the next document to be sent to the Shareholders ("**Shareholders' Document**"). However, if the annual results announcement of the Company for the year ended 31 December 2022, which falls within the ambit of Rule 10.9 of the Takeovers Code, has been published by the time of release of the next Shareholders' Document and the relevant results together with the notes to the financial statements are included in the next Shareholders' Document, the requirements to report on the Profit Warning under Rule 10 of the Takeovers Code will no longer apply.

Shareholders and potential investors should note that the Profit Warning has not been reported on in accordance with the requirements under Rule 10 of the Takeovers Code and does not meet the standard required by Rule 10 of the Takeovers Code. Shareholders and potential investors should therefore exercise caution in placing reliance on the Profit Warning in assessing the merits and demerits of the Subscription and the possible change in control which may lead to a mandatory general offer under Rule 26.1 of the Takeovers Code for the securities of the Company. However, Shareholders and potential investors should note that the Subscription may or may not proceed.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company, and if they are in any doubt about their position, they should consult their professional adviser(s).

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

Hong Kong, 17 March 2023

As at the date of this announcement, the executive Directors of the Company are Mr. Li Xin Qing and Mr. An Wei, and the independent non-executive Directors of the Company are Mr. Li Wan Jun, Mr. Pang Zhan and Mr. Li Xiang Feng.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statement in this announcement misleading.

* *For identification purpose only*