

**CHINA TITANS ENERGY TECHNOLOGY GROUP COMPANY LTD:
SOMETHING DOES NOT SMELL RIGHT, HERE**

The Placing and Public Offer Prospectus of China Titans Energy Technology Group Company Ltd () (Code: 2188, Main Board, The Stock Exchange of Hongkong Ltd) is studded with suggestions that, not long ago, this Company had financial problems.

And these problems, most likely, persist, in some form or another, today.

The problems must have been material, by the smell of things.

The Company issued its Placing and Public Offer Prospectus on Tuesday, May 18, 2010, when it launched a cash-raising exercise, hoping to collect about \$HK201.80 million, net of expenses.

Of the 200 million, one-cent Shares on Offer, Hongkong investors were Offered 20 million Shares, the remaining 180 million Shares, being reserved for International Investors.

The Offer Price Range is between \$HK1.05 per Share and \$HK1.20 per Share and the determination of the Offer Price is scheduled to be published tomorrow, unless otherwise advised.

Management has stated that, on the assumption that the Offer Price will be \$HK1.125 per Share, being the midway point in the Offer Price Range, the net proceeds, amounting to about \$HK201.80 million, will be utilised as follows:

- About \$HK62.70 million, or about 31.10 percent of the net proceeds of the **Initial Public Offering (IPO)**, for enhancing the Company's manufacturing facilities by purchasing a new piece of land in Zhuhai, the People's Republic of China (PRC), and, thereupon, building a new factory;
- About \$HK75.70 million, or about 37.50 percent of the net proceeds of the IPO, to promote the Company and its products;
- About \$HK18.60 million, or about 9.20 percent of the net proceeds of the IPO, to be used for research and development;
- About \$HK27 million, or about 13.40 percent of the net proceeds of the IPO, to beef up sales and marketing activities as well as establishing 10 additional new representative offices; and,
- About \$HK17.80 million, or about 8.80 percent of the net proceeds of the IPO, to be used as Working Capital.

China Titans Energy Technology Group Company Ltd claims to be in the business of supplying power electronic products and equipment to various entities in the PRC.

The emphasis of the Company, however, has been, in the past, the production and sales of electrical Direct Current products.

The following '**OVERVIEW**' is copied from Page 124 of the Placing and Public Offer Prospectus:

‘Our Group is a supplier of power electronic products and equipment and holds various copyrights, patents and trademarks. Our Group’s subsidiary, Titans Technology (Zhuhai Titans Technology Company Ltd []), has been engaged in the research and development and commercial application of power electronic technology since 1992. Our power electronic technology is applied in different sectors of the power electronic industry. Our principal product line is our electrical DC product series. In addition, we have also applied our technology to develop further products lines, namely, power grid monitoring and management products, charging equipment for electric vehicles, wind and solar power generation balancing control products and high-power LED lighting products.

‘Our two subsidiaries, Titans Technology and Zhuhai Titans (Zhuhai Titans New Energy System Company Ltd []), are accredited high and new technology enterprises by the Department of Science and Technology of Guangdong Province, the PRC.

‘Our electrical DC products are developed, manufactured and sold by our Group. These products accounted for the majority of our total turnover during the Track Record Period. Our electrical DC products comprise the following categories of products:

‘Product Product Categories and Name

Electrical DC products

- *High frequency switch DC power supply systems*
- *High frequency switch communication power supply systems*
- *Power dedicated UPS We have developed core technologies and gained market experience through the development of our electrical DC products.’*

‘We have developed core technologies and gained market experience through the development of our electrical DC products.’

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