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Titan Petrochemicals Group Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 1192)

VOLUNTARY ANNOUNCEMENT DISPOSAL AGREEMENT

References are made to the annual report of Company for the year ended 31 December 2018 (the “**Annual Report**”), the interim results announcement of the Company for the six months ended 30 June 2019 (the “**Interim Results Announcement**”) and the announcement of the Company dated 18 September 2019 (the “**Announcement**”) in relation to, among others, the Investments (including but not limited to the investment in Pacific Ocean). Unless the context requires otherwise, capitalised terms used herein shall bear the same meanings as defined in the Annual Report, the Interim Results Announcement and the Announcement.

THE DISPOSAL

The Company is pleased to announce that, on 6 December 2019, Create Treasure Limited 寶創有限公司 (the “**Vendor**”), a wholly-owned subsidiary of the Company entered into a sale and purchase agreement (the “**Disposal Agreement**”) with Sunlight Century Capital Limited (the “**Purchaser**”) pursuant to which the Vendor agreed to sell (the “**Disposal**”) and the Purchaser agreed to purchase one ordinary share of Surplus Full Limited 溢澧有限公司 (the “**Target Company**”), representing the entire issued share capital of the Target Company, at a consideration of HK\$10,000. To the best of the Director’s knowledge, information and belief, having made all reasonable enquiries, the Purchaser and its ultimate beneficial owners are independent third parties of the Company and its connected persons.

Upon completion of the Disposal, the Company will cease to hold any interests in the Target Company and the financial results of the Target Company will cease to be consolidated into the financial statements of the Group.

EVENTS AFTER THE DISPOSAL

Pursuant to the Disposal Agreement, after the Disposal, the Purchaser may take certain commercial and/or legal actions (the “**Actions**”) on behalf of the Target Company. If the Purchaser takes Actions on behalf of the Target Company, the Purchaser shall inform the Vendor the progress of the Actions as soon as reasonably practicable and the Purchaser shall return 50% of the monetary benefits (if any) derived from the Actions (after deducting relevant expenses incurred) to the Vendor by remittance to the bank account designated by the Vendor or by cashier order. The Vendor is entitled to engage independent auditors to perform an audit of the Target Company on such monetary benefits if necessary and the Purchaser shall procure the Target Company to assist with the said audit process. By monetary benefits, it shall refer to cash or disposable capital in bank account(s), which shall not include convertible bonds, debt securities, securities, and etc.

INFORMATION OF THE TARGET COMPANY

The Target Company is a private company incorporated under the laws of Hong Kong with limited liability and is principally engaged in investment holding.

As at the date of this announcement, the Target Company owns: (i) the entire equity interest in Yunnan Zhenmao Enterprise Management Co., Ltd.* (雲南振緬企業管理有限公司), a private company established under the laws of the PRC with limited liability; (ii) 49% of the entire equity interest in Yunnan Yuntou Zhenhao Energy Co., Ltd.* (雲南雲投振戎能源有限公司), a private company established under the laws of the PRC with limited liability; and (iii) 49% of the entire issued share capital of Pacific Ocean, a private company incorporated under the laws of Hong Kong with limited liability. The entire issued share capital of Pacific Ocean comprises 40,000,002 ordinary shares and 59,999,998 preferred shares.

REASONS FOR THE DISPOSAL

As disclosed in the Announcement, it was the intention of the Company to dispose of the Investments at such reasonable and fair price to be negotiated and agreed between the Group and the potential purchaser(s) and the Group was actively seeking appropriate potential purchaser(s).

The terms of the Disposal Agreement were determined after arm’s length negotiations and the Directors are of the view that the terms of the Disposal Agreement are fair and reasonable and on normal commercial terms, and the Disposal is in the interest and commercial benefit of the Group and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As all applicable percentage ratios (as defined under the Listing Rules) in respect of the Disposal Agreement are less than 5%, the Disposal is not a notifiable transaction under Chapter 14 of the Listing Rules.

By order of the Board
Titan Petrochemicals Group Limited
Zhang Qiandong
Executive Director

Hong Kong, 6 December 2019

As at the date of this announcement, the executive Director is Mr. Zhang Qiandong; the non-executive Directors are Mr. Lai Wing Lun (Chairman), Mr. Osman Mohammed Arab and Ms. Meng Ke Xin; and the independent non-executive Directors are Mr. Lau Fai Lawrence, Mr. Sun Feng and Mr. Cheung Hok Fung Alexander.

* *For identification purpose only*