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**Titan Petrochemicals Group Limited  
(In Liquidation)**

*(Incorporated in Bermuda with limited liability)  
(Stock Code: 1192)*

**WINDING UP BY THE COURT AND  
APPOINTMENT OF JOINT PROVISIONAL LIQUIDATORS AND  
CONTINUED SUSPENSION OF TRADING**

This announcement is made by Titan Petrochemicals Group Limited (In Liquidation) (the “**Company**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the Company’s announcements (the “**Announcements**”) dated 25 September 2019, 4 October 2019, 28 October 2019, 18 November 2019, 16 December 2019, 6 March 2020, 28 April 2020, and 31 August 2020. Terms used herein shall have the same meanings as defined in the Announcements unless otherwise stated.

**WINDING UP BY THE COURT AND APPOINTMENT OF JOINT PROVISIONAL LIQUIDATORS**

On 20 September 2019, Sino Charm International Limited (the “**Petitioner**”) served a winding up petition to the Supreme Court of Bermuda (the “**Bermuda Court**”) for an order that the Company be wound up by the Bermuda Court (the “**Winding Up Petition**”). The hearing of the Winding Up Petition was adjourned by orders of the Bermuda Court dated 25 October 2019, 14 November 2019, 13 December 2019, 10 January 2020, 17 January 2020 and 21 February 2020.

On hearing the Winding Up Petition on 12 July 2021 and 13 July 2021, the Bermuda Court issued a judgment in relation to the Winding Up Petition (the “**Judgment**”) and consequently an order was granted by the Bermuda Court on 11 August 2021 (“**Order**”) that the Company be wound up and Mr. Man Chun So (also known as Mr. Christopher So) and Mr. Yat Kit Jong (also known as Mr. Victor Jong) of PricewaterhouseCoopers Limited in Hong Kong and Mr. James Ferris of PricewaterhouseCoopers Advisory Limited in Bermuda, be appointed as joint provisional liquidators of the Company (the “**JPLs**”).

Upon the appointment of the JPLs on 11 August 2021, the powers of the directors of the Company have been suspended, and the JPLs will be solely responsible for the affairs of the Company as sanctioned in the Order. As of the date of this announcement, the JPLs have not authorised the publication of any announcement by the Company other than this announcement since their appointment on 11 August 2021.

Pursuant to the Order, the JPLs are empowered to, *inter alia*, ascertain the money, properties, books, records, documents, shares or interest held in companies, and take all steps necessary to secure the assets of the Company, including but not limited to bank accounts, liquid assets and cash; and take control of and exercise all rights which the Company may have in relation to entities in which the Company holds an interest. The JPLs are empowered under the Order to review books and records of the Company available to them and may take necessary steps and enquiries to ascertain and conduct investigations into the affairs of the Company.

The JPLs note the announcement made by the board of directors of the Company under the name of the Company's Executive Director Mr. Zhang Qiandong on 13 August 2021 (at which point of time the directors' powers have been suspended), with extracts set out as below:-

“As reference to the Company's previous announcement (especially, the one dated 28 April 2020), the Company is in the strong view that the petitioning debt, i.e. the CB Claim, by Sino Charm are false and fictitious and/or should be set off by the claims entitled to the Company against Sino Charm. The Company has initiated an action in Hong Kong against Sino Charm and other parties whom should be held responsible including but not limited to the former management of the Company, Zhang Weibing and Tang ChaoZhang. The Company does not agree that Sino Charm is a creditor and/or a genuine creditor of the Company and the Company regrets to note that the Bermuda Court accepts the winding up petition made by Sino Charm who has relied on such false and/or problematic claim.

In addition, the Company strongly disagrees the allegation made by Marine Bright Limited (“Marine Bright”) that Marine Bright is the holder of 555,000,000 Preferred Shares of the Company and is in the position of a creditor of the Company to support the winding up petition. Beside the dispute raised by Liquidator(s) of Docile Bright Investments Limited (In Voluntary Liquidation) (“DBIL”) about the ownership of the Preferred Shares as disclosed in the announcement dated 28 April 2020, the Company, after investigation and obtaining legal opinion, is in view that the purported transfer from DBIL to Marine Bright had not been completed and/or should be void because, among other things, Marine Bright has never been an affiliate of Guangdong Zhenrong Energy Company Limited which is an expressed requirement specified in the memorandum of association of the Company to be the holder of the Preferred Shares. The Company's investigation suggested that at the material time, the shareholder and director of Marine Bright Limited at the time was Si Bo, the personal assistant of Zhang Weibing (i.e. the chairman of the Company at the material time). The Company's position and pursuant to the Company's records, the beneficial owner and holder of the Preferred Shares should be DBIL. On this basis, the Company regrets to note that the Bermuda Court had considered the view of Marine Bright Limited in the winding up petition.”

On balance, the rulings set out in the Judgment from the Bermuda Court on the related issues ought to be published in parallel for stakeholders' information.

In relation to Sino Charm's claim against the Company, paragraph 72 of the Judgment states that:-

“72. In light of these facts and circumstances the Court is of the view that the Company's dispute in relation to the Petitioner's debt is not being pursued *bona fide* and on substantial grounds. It appears to the court that a mass of evidence has been filed on behalf of the Company to mask the underlying reality that there are no substantial grounds to dispute the Petitioner's debt which forms the basis of the Statutory Demand. The defences and counterclaims set out in the Affirmations of Mr.

Zhang and set out in the Hong Kong proceedings, appear to the Court to be a desperate attempt to avoid the normal consequences of the Statutory Demand which has not been discharged by the Company, and in the words of Hoffmann J (as he then was) in *Record Tennis Centres* have "*been conjured up by the company in an attempt to stave off liquidation*". In stating this, the Court accepts that it will of course remain open to the Liquidators to consider and determine the Petitioner's proof of debt as they consider appropriate and indeed pursue any claims against it if they are so advised."

In relation to Marine Bright Limited's claim against the Company, paragraph 80 of the Judgment states that:-

"80. In this case the Court concludes that Marine Bright should be considered as the creditor of the Company for the purposes of this hearing given that:

- (a) The transfer of the shares from Docile Bright to Marine Bright, was approved by the directors of the Company.
- (b) A copy of the register of members of the Company dated 20 September 2017 shows that Marine Bright is the registered shareholder in respect of the DCIL Preferred Shares.
- (c) Marine Bright has been issued Share Certificate No 3 by the Company certifying that Marine Bright is the registered shareholder of 69,375,000 convertible redeemable preferred shares issued by the Company."

The Bermuda Court made the following paragraphs at the end of the Judgment in relation to the Winding-up Petition:-

"85. It is only in exceptional circumstance that the Court would not accept the wishes of the majority of the creditors for an immediate winding up order particularly, as here, the Company appears to be insolvent. In addition there are good reasons why the Court should make an order for the immediate winding up of the Company. As noted earlier, the Company has failed to publish its annual results by the end of March 2021 and as a result trading in the shares on the Hong Kong Stock Exchange has been suspended since April 2021. The Company's auditors have resigned issuing a disclaimer of their previous opinion and highlighting the significant doubt about the Company's ability to continue as a going concern. Furthermore, these winding up proceedings against the Company have been outstanding since 20 September 2019, an exceptionally long period of nearly 2 years. It is contrary to the legislative scheme and the interest of the creditors of the Company, that they should endure a further period of uncertainty.

86. Finally, the Court is bound to express its concern at the substantial disposition of the Company's property, shortly after the Petition was filed, for nominal consideration to companies associated with Mr. Zhang and/or his father. Having regard to the dispositions of the Company's property, identified in paragraph 70 above, it is in the interests of the general body of creditors and the wider public interest that the transfers of property be investigated by independent liquidators appointed by this Court.

87. In the circumstances, the Court is satisfied that the appropriate order to make is that Titan Petrochemicals Group Limited be wound up by the Court under the provisions of sections 161 (c) of the Act and the Court so orders.

88. The Court also orders that (i) Man Chun So (also known as Christopher So) and Yat Kit Jong (also known as Victor Jong) of PricewaterhouseCoopers, 22/F, Prince's Building, 10 Charter Road, Hong Kong; and (ii) James Ferris of PricewaterhouseCoopers Advisory Limited, 16 Church Street, Hamilton, Bermuda be appointed as the joint and several Provisional Liquidators of the Company. The Court also orders that the costs of the Petitioner be paid out of the assets of the Company.

89. Mr. White, appearing on behalf of the Petitioner, submitted that if the Court determined that there is a genuine dispute on substantial grounds, the court retains the discretion to wind up the company and in support of that proposition he cited *Parmalat Capital Finance Ltd v Food Holding Ltd & Anor* [2008] UKPC 23 at [9] and *Lacontha Foundation v GBI Investments Ltd* [2010] 2 BCLC 624. The Court accepts that it retains the discretion to make a winding up order in exceptional circumstances even though there is a *bona fide* dispute as to the debt in question. At paragraph 71 of his written submissions, Mr. White sets out the facts and circumstances which should lead the Court to conclude that this is such an exceptional case. Whilst paragraph 71 of the written submissions makes a compelling case, particularly having regard to the dispositions of the Company's property set out at paragraph 70 above, it is unnecessary for the Court to express a concluded view given that the Court has held that the debt in question is not disputed *bona fide* and on substantial grounds.

90. The Court will hear the parties in relation to any outstanding issue relating to costs.”

The JPLs take note of the view of the board of directors and the ruling of the Bermuda Court and will discharge their duties in the normal course of the liquidation of the Company.

Further announcements will be made to update the shareholders of the Company on development of the liquidation.

## **CONTINUED SUSPENSION OF TRADING**

Trading in the shares of the Company on the Hong Kong Stock Exchange has been halted with effect from 9:00 a.m. on 1 April 2021. Trading in the shares will remain suspended until further notice.

**Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.**

For and on behalf of  
**Titan Petrochemicals Group Limited**  
**(In Liquidation)**  
**Man Chun So**  
**Yat Kit Jong**  
**James Ferris**  
*Joint Provisional Liquidators*  
*Acting as agents of the Company without*  
*personal liability*

Hong Kong, 31 August 2021

*As at the date of this announcement, the board of Directors of the Company comprises of Mr. Zhang Qiandong as executive Director; Mr. Lai Wing Lun (Chairman) and Mr. Osman Mohammed Arab as the non-executive Directors; and Mr. Lau Fai Lawrence, Mr. Sun Feng and Mr. Cheung Hok Fung Alexander as the independent non-executive Directors.*