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Titan Petrochemicals Group Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 1192)

DECISION OF THE LISTING COMMITTEE ON CANCELLATION OF LISTING; AND REVIEW REQUEST OF THE DELISTING DECISION

This announcement is made by Titan Petrochemicals Group Limited (the “**Company**”) pursuant to Rules 13.09(2) and 13.24A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (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).

References are made to the announcements of the Company dated 31 March 2021, 3 June 2021, 14 September 2022 and 10 October 2022, 16 January 2023, 26 January 2023 and 31 March 2023 (the “**Announcements**”) in relation to, among others, (i) the suspension in trading of the shares of the Company (the “**Shares**”) on the Stock Exchange, (ii) the setting aside of the winding-up order against the Company, (iii) discharge of the joint and several provisional liquidators, (iv) submission of application for extension of remedial period of the Company and (v) winding up of a subsidiary. Terms used herein shall have the same meanings as defined in the Announcements unless otherwise stated.

LISTING COMMITTEE DECISION ON CANCELLATION OF LISTING

On 6 April 2023, the Company received a letter (the “**Letter**”) from the Listing Committee of the Stock Exchange (the “**Committee**”) stating that the Committee has decided to cancel the Company’s listing under Rule 6.01A of the Listing Rules (the “**Decision**”). In arriving the Decision, the Committee has considered the following:

1. Trading in the Company’s shares had been suspended since 1 April 2021. Under Rule 6.01A(1) of the Listing Rules, the Stock Exchange had the right to delist the Company if the Company failed to resume trading by 30 September 2022.
2. To avoid delisting, the Company was required to fulfill all the resumption guidance and re-comply with the Listing Rules by the resumption deadline. The Committee was not satisfied that the Company had met Resumption Guidance 1, being published all

outstanding financial results and address any audit modifications, based on the following:

- a. To date, the Company had not published the 2020 Annual Results and the subsequent periods remained unpublished.
 - b. Based on its update announcements and submissions, the Company and the auditors did not appear to have made substantive progress in the audit for the 2020 Annual Results since its trading suspension on 1 April 2021. The reasons for being unable to proceed with the audit was attributed to the lack of financial resources to pay the audit fees.
 - c. In addition, the Company did not demonstrate that the audit issues in relation to the validity of the convertible bond of HK\$78 million (the “**Bond**”) issued by the Company to Sino Charm International Limited (“**Sino Charm**”) will be resolved within a short period of time or at all. Nor did the Company provide assurance that there will be no other audit issues given that the audit for the 2021 and 2022 annual results have not been started.
3. The Committee was not satisfied that the Company had met Resumption Guidance 2, being demonstrated its compliance with Rule 13.24, having regard that:
- a. Without publishing its audited annual results for three years since 2020, there was no reliable information to assess the Company’s operational and financial status and hence compliance with Rule 13.24.
 - b. Based on the following observations, the Committee was concerned that the Company might not have sufficient operations and sufficient assets to support its operations:

On Operation

- i. Absent any plan to resume the commodity trading business (suspended in 2021), the Company relied on the shipbuilding business operated by 江蘇宏強船舶重工有限公司 (“**OPCO**”) and 江蘇炯強海洋裝備有限公司 (“**Jiongqiang**”). There is an issue about the viability and sustainability of the shipbuilding business, having regard that:
 1. From 2020 onwards, the shipbuilding business recorded segment loss each year. Despite having recorded (unaudited) annual revenue of over RMB200 million, the business recorded segment loss of RMB57 million, RMB244 million and RMB36 million for 2020, 2021 and 2022 respectively. Each of OPCO and Jiongqiang were loss making;
 2. OPCO was under serious financial difficulty and maintains only minimal operation. The Group was said to have secured 10 signed contracts with total sum of about RMB207 million. It was unclear as to how many of

these contracts were secured by OPCO, which was undergoing a winding up process and had questionable financial capability to meet the orders. In any event, the total revenue generated under these contracts would be insufficient to cover the operating costs of OPCO and Jiongqiang in light of the historical track record, let alone the Company's administrative expenses and finance costs.

On Asset

- ii. Based on the published financial results, the Company had been recording substantial net liabilities and net current liabilities since 2018. As at 30 June 2021, the net liabilities and net current liabilities amounted to HK\$797 million and HK\$933 million, respectively, with cash and cash equivalent of HK\$1.6 million, which was insufficient to cover the Company's administrative expenses and finance costs that in aggregate amounted to HK\$37.2 million for the six months ended 30 June 2021. OPCO (and the Group as a whole as well) had been unable to repay the debt of RMB3 million, resulting in the ongoing winding up proceedings against OPCO. Coupled with the matters noted above, there was a serious concern that the Company did not have sufficient assets to support its operations.
 - iii. The Company mentioned its intention to raise funds and restructure its debts. This was preliminary and uncertain. The Company had been unable to identify any interested investor. It had not demonstrated a prospect of successfully raising sufficient funds and restructuring its debts in the foreseeable future.
4. The Committee was not satisfied that the Company had met Resumption Guidance 3, being have the Winding-Up Order against the Company dismissed and liquidators discharged, having regard that:
- a. The winding up petition (the "**Petition**") filed by Sino Charm against the Company was stayed pending the outcome of the legal proceedings initiated by the Company in Hong Kong to dispute the validity of the Bond (the "**Hong Kong Proceedings**"). Alternatively, the Company expected its liabilities to be settled in full upon implementation of the scheme of arrangement.
 - b. The Company did not provide a clear timeline for the reactivation of the Hong Kong Proceedings or the proposed restructuring. The Company had not demonstrated that the liabilities under the Bond can be resolved or the Petition can be dismissed within a short period of time or at all.
5. The Committee was not satisfied that the Company had met Resumption Guideline 4 and 5, being independent investigation and management integrity, having regard that the Company had not provided its progress on the independent investigation, nor indicated that the investigation had started at all.

6. The Committee was not satisfied that the Company had met Resumption Guideline 6, being informed that the market of all material information, having regard that fulfilment of this resumption guidance was to be assessed after the Company had met all the other resumption guidance.

Also, as regards to the Company's extension request for the extending the resumption deadline to 31 October 2023, the Committee considered that there was no reasonable basis to grant an extension of the remedial period (or resumption deadline) as request, or at all for the reasons below:

1. The Committee was not satisfied that the Company had addressed the substantive issues underlying the resumption guidance and shown sufficient certainty on trading resumption. Therefore, the Company's situation did not fall within the "exceptional circumstances".
2. The Company failed to establish that its failure to meet all the resumption guidance by the resumption deadline was caused by the Winding-Up Order and the appointment of the joint provisional liquidators (the "JPLs" or "Liquidators"), and not other factors. In particular,
 - a. The Company did not appear to have made substantive resumption progress before the appointment of JPLs in August 2021, as reflected in the Company's generic update announcement on its audit progress and other resumption work. Even after the Winding-Up Order as set aside, the Company did not provide any substantive update on its resumption progress.
 - b. The reasons for being unable to proceed with the audit as attributed to the lack of financial resources to pay the audit fees.
 - c. The Company failed to demonstrate that it had sufficient operations and assets. This failure was unrelated to the Winding-Up Order and the appointment of the JPLs or Liquidators.
3. The Company had failed to demonstrate that but for the Winding-Up Order, the Company would have fulfilled the resumption guidance by the resumption deadline.
4. In any case, the Company had not demonstrated any prospect that if the requested time extension were to be granted, it would then be able to meet all the resumption guidance and resume trading within the requested time extension. In particular, without a prospect of successfully raising sufficient funds to resume the resumption work (particularly the outstanding audit), the Company had been unable to formulate a concrete action plan and timetable to meet the resumption guidance. Therefore, it was uncertain as to whether and when it would be able to meet all the resumption guidance and resume trading.

REVIEW REQUEST OF THE DELISTING DECISION

After considering legal and professional advice, the Company has on 14 April 2023 submitted a written request to the secretary of the Listing Review Committee of the Stock Exchange in accordance with its rights under Chapter 2B of the Listing Rules for a review of the Decision (the “**Review**”). Shareholders and potential investors of the Company are reminded that the outcome of the Review is uncertain.

Should there be any material development(s), further announcement(s) will be made by the Company as and when appropriate and in accordance with the requirements of the Listing Rules. Shareholders who have queries about the implication of the delisting of the Shares are advised to seek appropriate professional advice.

CONTINUED SUSPENSION OF TRADING

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

There is no guarantee that any extension of the remedial period for the fulfillment of resumption guidance will be granted or resumption of the trading of Shares will be achieved. Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.

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

Hong Kong, 14 April 2023

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

#All figures contained in this announcement are unaudited