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Titan Petrochemicals Group Limited

(Provisional Liquidators appointed)
(Incorporated in Bermuda with limited liability)
(Stock Code: 1192)

FURTHER UPDATE ON BUSINESS DEVELOPMENT

This announcement is made by Titan Petrochemicals Group Limited (the “**Company**”, collectively 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**”) and Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap.571).

Reference is made to the announcements of the Company dated 11 November 2013, 6 March 2014, 1 April 2014 and 11 April 2014 in relation to, among other things, the management and operation of the shipyard in Quanzhou, the PRC (the “**Shipyard**”) owned by Titan Quanzhou Shipyard Co., Ltd. (“**TQS**”), a wholly-owned subsidiary of the Company.

As set out in the announcement of the Company dated 11 April 2014, the Company, TQS and FELS Offshore Pte Ltd (“**FELS**”) entered into a management services agreement (the “**Management Services Agreement**”) on 9 April 2014, pursuant to which FELS has conditionally agreed to provide management services for the operations of the Shipyard. The Management Services Agreement is subject to the satisfaction of certain conditions precedent, of which is all regulatory requirements, registrations or formalities required for the deed of undertaking (the “**Deed of Undertaking**”) to be executed by Guangdong Zhenrong Energy Co. Ltd (“**GZE**”), the controlling shareholder of the Company, in favour of FELS and all of its related corporations (collectively, the “**Keppel Group**”), pursuant to which GZE will provide certain undertakings and guarantees to and for the benefit of FELS and all members of the Keppel Group having been complied with or obtained.

The Company was notified by GZE that GZE, in consideration of FELS entering into the Management Services Agreement, entered into the Deed of Undertaking in favour of FELS. Pursuant to Deed of the Undertaking, GZE unconditionally and irrevocably undertakes to and for the benefit of FELS and all members of the Keppel Group, among other things, that:

- (i) GZE shall, after the signing of the Deed of Undertaking, procure the Company to provide to TQS working capital and, if the Company fails to do so, GZE shall provide (whether directly or indirectly) to TQS working capital;

- (ii) GZE shall take all steps as may be required, necessary or relevant to ensure that the effective date of the Management Services Agreement occurs on or before the 31 December 2014; and
- (iii) if the effective date of the Management Services Agreement does not occur on or before 31 December 2014; or TQS becomes insolvent, or admits in writing its inability to pay its debts when due, or a resolution is passed by TQS for its winding up or dissolution, or any order of the relevant court is made for the appointment of a liquidator or judicial manager of TQS or any receiver over the whole or any part of TQS's assets (collectively, the "**Specified Events**"), GZE shall, upon the occurrence of any of the Specified Events take over the Shipyard and procure that TQS enters into a novation agreement with FELS.

Pursuant to the Deed of the Undertaking, GZE also agrees to take all steps necessary or desirable to promote the business of TQS, including (without limitation) procuring the entry of customer contracts between GZE and TQS pursuant to which GZE will purchase certain rigs, floating platforms and vessels from TQS. The entering into any agreement between the Group and GZE is subject to the compliance of the Listing Rules as GZE is a connected person under the Listing Rules. The Company will make further announcement and comply with the Listing Rules requirements under Chapter 14A of the Listing Rules.

CONTINUED SUSPENSION OF TRADING

Trading in the ordinary shares of the Company was suspended with effect from 9:00 a.m. on 19 June 2012 and will remain suspended until further notice.

By Order of the Board
Titan Petrochemicals Group Limited
TANG Chao Zhang
Executive Director

Hong Kong, 14 April 2014

As at the date of this announcement, the executive Directors are Mr. Zhao Xu Guang (Chairman), Mr. Tang Chao Zhang, Mr. Wong Siu Hung, Patrick and Mr. Fu Yong Yuan; the non-executive Directors are Mr. Fan Qinghua and Mr. Hu Zhong Shan; and the independent non-executive Directors are Mr. Foo Meng Kee, Mr. Lau Fai Lawrence and Mr. Cheung Hok Fung, Alexander.