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Titan Petrochemicals Group Limited

(Provisional Liquidators appointed)

(Incorporated in Bermuda with limited liability)

(Stock Code: 1192)

(1) SETTLEMENT AGREEMENT WITH CAMDEN, EDINBURGH AND MAYFAIR; AND (2) SUPPORT AGREEMENT WITH KAWASAKI

This announcement is made by Titan Petrochemicals Group Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) 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.

THE SETTLEMENT AGREEMENT

Background

The Company, Titan Storage Limited (“**TSL**”), a wholly-owned subsidiary of the Company, KTL Camden Inc. (“**Camden**”), Edinburgh Navigation S.A. (“**Edinburgh**”) and KTL Mayfair Inc. (“**Mayfair**”, together with Camden and Edinburgh, the “**Creditors**”) are parties to the respective arbitration proceedings (the “**Arbitration Proceedings**”) in relation to the claims by the Creditors against TSL and the Company arising out of certain bareboat charters entered into between the Creditors and TSL in 2010 and the related guarantees or alleged guarantees entered into by the Company (the “**Creditor Debt Documents**”).

The board of directors of the Company (the “**Board**”) is pleased to announce that on 2 May 2014, the Company and TSL entered into a settlement agreement (the “**Settlement Agreement**”) with the Creditors, pursuant to which the parties have agreed:

- (a) on the amounts of the claims by Camden, Edinburgh and Mayfair (collectively, the “**Creditor Debt**”) to be recognized as unsecured claims (the “**Agreed Claim Amounts**”) in the proposed debt restructuring of the Company (the “**Restructuring**”) by way of one or more schemes of arrangement (the “**Schemes**”) as announced by the Company on 25 November 2013;
- (b) that subject to and upon receipt by the Creditors of the full cash payment under the Schemes of HK\$0.10 for every HK\$1.00 of the Agreed Claim Amounts (the “**Settlement Payment**”), the parties will be released from all liabilities arising out of or in connection with the Creditor Debt, the Creditor Debt Documents and the subject matter thereof and any previous arrangement between the Company, TSL and the Creditors in relation to the Arbitration Proceedings;
- (c) that promptly and in any event within three business days of the date of the Settlement Agreement, the parties will take all steps reasonably required to effect a stay of the Arbitration Proceedings; and
- (d) that promptly and in any event within three business days upon the Settlement Payment has been made, the parties will take all steps to inform the arbitral tribunal that the Arbitration Proceedings have been settled and/or terminated.

Further, each of the Creditors has agreed under the Settlement Agreement that:

- (i) during the Support Period, it will take any actions that are reasonably required to facilitate the Restructuring, including taking all reasonable steps necessary to vote in favour of the Schemes;
- (ii) until expiry of the Support Period or such other period as agreed between the parties, it will not oppose any application by the Company for any adjournment of the petition for the winding up of the Company pending before the Supreme Court of Bermuda (the “**Bermuda Court**”); and
- (iii) subject to the terms of the Settlement Agreement, it will not, during the Support Period, commence any legal or arbitration proceedings or insolvency proceedings against the Company or any of its subsidiaries in relation to the Creditor Debt Documents.

“Support Period”, under the Settlement Agreement, means the period between the date of the Settlement Agreement and the date upon which the Settlement Agreement terminates, being the earlier of:

- (1) 31 December 2014 (or such later date as may be agreed between the parties);
- (2) the date on which a final non appealable order of a governmental body of competent jurisdiction first comes into effect prohibiting the implementation and consummation of the Restructuring;
- (3) the date on which an order is made in any jurisdiction for the winding up of the Company;
- (4) the Company’s failure, within 5 business days of receipt of a notice from any of the Creditors notifying the Company its intention to treat the Settlement Agreement as having terminated, to withdraw a condition, term or modification of the Restructuring proposed by the Company to the Bermuda Court or the Company’s unsecured creditors, the addition of which condition or term to the Restructuring or which modification of the Restructuring would affect certain rights of the Company’s unsecured creditors under the Schemes as set out in the Settlement Agreement; and
- (5) the date on which the scheme document is deposited with the Bermuda Registrar of Companies following sanction of the Schemes by the Bermuda Court and approval by qualifying majorities of creditors.

SUPPORT AGREEMENT

Background

Titan Shipyard Holdings Limited (the **“Issuer”**), a wholly-owned subsidiary of the Company, issued US\$25,000,000 1% Guaranteed Exchangeable Notes due 2013 (**“K-Line Notes”**) which were subscribed by Kawasaki Kisen Kaisha Ltd (**“Kawasaki”**) and guaranteed by the Company.

The Board is pleased to announce that as part of the Company’s efforts to restructure its indebtedness, the Company and the Issuer, on 17 April 2014, entered into a support agreement (the **“Support Agreement”**) with Kawasaki, pursuant to which the parties have agreed that the claims of Kawasaki under the K-Line Notes shall be compromised, terminated and/or discharged upon its receipt of consideration being no less than HK\$0.10 for every HK\$1.00 of the Agreed Claim Amounts in cash under the Restructuring by way of participation in a scheme of arrangement or otherwise.

Further, Kawasaki has agreed under the Support Agreement, among other things, that:

- (i) subject to the terms of the Support Agreement, it will not, during the K-Line Support Period,
 - (a) accelerate any sum payable under the K-Line Notes or make any declaration that any sum payable under the K-Line Notes is due and payable or payable on demand;
 - (b) make any demand against any member of the Group under any guarantee or surety provided by such member of the group;
 - (c) sue for, commence or join any legal or arbitration proceedings against any member of the Group to recover any sums payable under the K-Line Notes;
 - (d) petition, apply or vote for, or take any other positive action in support of, any insolvency proceedings in relation to the Company or any member of the Group; and
- (ii) if Kawasaki is required to participate in any scheme of the arrangement of the Company during the K-Line Support Period, it shall vote, or procure that its vote is cast, in favour of any such scheme within any applicable time periods.

“K-Line Support Period”, under the Support Agreement, means the period between the date of the Support Agreement and the date upon which the Support Agreement terminates, being the earlier of:

- (1) 31 December 2014 (or such later date as may be agreed between the parties);
- (2) the date on which a final non appealable order of a governmental body of competent jurisdiction first comes into effect prohibiting the implementation and consummation of the Restructuring; and
- (3) the date on which all the documentation in connection with the Restructuring has been signed and has become effective, regardless of whether all necessary court actions have occurred.

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

5 May 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.