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Titan Petrochemicals Group Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 1192)

VOLUNTARY ANNOUNCEMENT IN RELATION TO THE FORMATION OF A JOINT VENTURE COMPANY

This announcement made by Titan Petrochemicals Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis to provide the shareholders of the Company and potential investors an update on the latest business development of the Group.

The board of directors (the “**Board**”) of the Company is pleased to announce that upon the approval of the State Administration for Industry and Commerce of the People’s Republic of China, the Company and the JV Parties (as defined below) have formed and registered a sino-foreign joint stock limited company (the “**JV Company**”) with the Shanghai Administration for Industry and Commerce on 19 January 2017, 振戎重工股份有限公司 (Sinozing Shipyard Stock Limited Company*). The JV Company was jointly initiated by Titan Oil Storage Investment Limited (“**TOSIL**”), a wholly-owned subsidiary of the Company with three independent third parties (“**JV Parties**”), namely 上海耀炫貿易有限公司 (Shanghai Yaoxuan Trading Co., Ltd.*) (“**Shanghai Yaoxuan**”)、寧波市美悅商貿有限公司 (Ningbo Meiyue Trading Co., Ltd.*) (“**Ningbo Meiyue**”) and 上海文豪國際物流有限公司 (Shanghai Wenhao International Logistics Co., Ltd.*) (“**Shanghai Wenhao**”) in the People’s Republic of China.

THE JV COMPANY

The registered capital of the JV Company is RMB100 million and is contributed as stated below:

Shareholders	Contribution amount (RMB)	Proportion of contribution
TOSIL	40,000,000	40%
Shanghai Yaoxuan	20,000,000	20%
Ningbo Meiyue	20,000,000	20%
Shanghai Wenhao	20,000,000	20%

All the above capital contributions to the registered capital of the JV Company shall be fully paid in cash within three years from the date of incorporation of the JV Company.

The business scope of the JV Company are, among others, marine engineering equipment and fitting, ship equipment, electro-mechanical equipment and related complementary services (including installation and maintenance service); engaging in the technical development, technical transfer and technical consulting services in the professional fields of shipping and marine engineering machinery, plant leasing arrangement and consulting services to enterprises etc. (Subject to the scope of business set out in the business license for enterprise legal person issued by the Administration for Industry and Commerce).

REASONS AND BENEFITS OF FORMATION OF THE JV COMPANY

The JV Company is located in the North Bund area of Hongkou District, Shanghai, China (“**North Bund**”), where was entitled of “Shipping Headquarter Base” in 2012 by the Ministry of Transport, the PRC. Many famous international and Chinese shipping companies registered their China headquarters in this area. The JV Company is proposed to rely on the policy and geographical advantages of the North Bund, to offer the integrated service of ship repair, shipbuilding, ship conversation, maritime construction and maritime services business starting from China market. The JV Company aims to build up a leading comprehensive service company of ship industry in Asia.

In view of the above, the Board consider that the formation of the JV Company will help the Group to develop its business in an orderly manner so as to enable the Company to achieve sustainable development and therefore in the interests of the Company and the Shareholders as a whole.

INFORMATION OF THE JV PARTIES

TOSIL, a company incorporated in BVI, is a wholly-owned subsidiary of the Company. The Company incorporated in Bermuda with limited liability and listed on the Hong Kong Stock Exchange. The Group had been a provider of logistics, transportation, distribution and marine services for oil and petrochemical products in the Asia Pacific region and, in particular, in the People’s Republic of China. The Group aims to build up a leading comprehensive shipbuilding industry service company in Asia.

Shanghai Yaoxuan, a company incorporated in PRC with limited liability, carries on the import and export business of building decorator, chemical product and raw materials, oil product and others.

Ningbo Meiyue, a company incorporated in PRC with limited liability, carries on the business of distribution & retailing of mechanical equipment and accessories, marine equipment, chemical products, petrochemical products, fuel oil, lubricating grease, engine oil and asphalt and others.

Shanghai Wenhao, a company incorporated in PRC with limited liability, is a service provider of general cargo, specializing in cargo transportation and others.

To the best of the Directors’ knowledge, information and belief after having made all reasonable enquiry, the JV Parties and their ultimate beneficial owners are independent third parties of the Company and it connected persons.

GENERAL

As the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the formation of the JV Company do not exceed 5%, the formation of the JV Company does not constitute a notifiable transaction for the Company pursuant to Chapter 14 of the Listing Rules.

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

Hong Kong, 24 January 2017

As at the date of this announcement, the executive directors are Dr. Zhang Weibing, Mr. Tang Chao Zhang and Dr. Liu Liming; the non-executive director is Mr. Hu Hongwei; and the independent non-executive directors are Mr. Lau Fai Lawrence, Ms. Xiang Siying and Dr. Han Jun.

** for identification only*