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Strong Petrochemical Holdings Limited

海峽石油化工控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 852)

FURTHER EXTENSION OF DATE OF SETTLEMENT FOR COMPLETION OF DISPOSAL OF 49.3% OF GSR GO SCALE CAPITAL ADVISORS, LTD.

On 20 May 2021, the Parties entered into the Second Supplemental Agreement to the New Disposal for a further extension of settlement for completion. Pursuant to the Second Supplemental Agreement, among other things, the date of settlement for completion of the Outstanding Amount by the Purchaser to the Vendor shall be extended to on or before 30 November 2021.

Reference is made to the announcements of Strong Petrochemical Holdings Limited (the “**Company**”) dated 21 December 2018, 24 December 2018, and 30 May 2019 in relation to a discloseable transaction relating to disposal of 49.3% of GSR GO SCALE CAPITAL ADVISORS, LTD. and the announcement on the extension of the date of settlement for the completion dated 18 July 2019 (collectively, the “**Announcements**”). Terms used herein shall have the same meanings as defined in the Announcements unless otherwise stated.

Since completion of the New Disposal is unconditional, the Purchaser was liable to settle the consideration of US\$10,000,000 (equivalent to approximately HK\$78,000,000) (the “**Outstanding Consideration**”) on 30 May 2019 (the “**Proposed Completion Date**”). However, as the Purchaser could not settle the Outstanding Consideration at the Proposed Completion Date, the Outstanding Consideration became due and payable.

On 18 July 2019, the Vendor, the Purchaser and Mr. Sonny Wu as the guarantor entered into a supplemental agreement (the “**Supplemental Agreement**”) to extend the settlement date for completion. Upon payment of a non-refundable deposit in an aggregate amount of US\$500,000 (equivalent to approximately HK\$3,900,000), the Proposed Completion Date was extended to 30 May 2020 (the “**Settlement Date**”), with a choice to extend one calendar year to no later than 30 May 2021,

subject to the approval of the Vendor. As a result of the Supplemental Agreement, the Purchaser agreed to settle for completion of the remaining balance of the Outstanding Consideration of US\$9,500,000 (equivalent to approximately HK\$74,100,000) (the “**Outstanding Amount**”) to be made by the Settlement Date, subject to the extension. The Settlement Date was extended by 30 May 2021 (“**Extended Settlement Date**”) upon approval of the Vendor. However, the Purchaser informed the Vendor that it is unlikely to be able to settle the Outstanding Amount at the Extended Settlement Date.

On 20 May 2021, the Vendor, the Purchaser and Ms. Liu Yang (“**Ms. Liu**”) (collectively, the “**Parties**”), a party independent from the Company and its connected persons, as the guarantor entered into a second supplemental agreement (the “**Second Supplemental Agreement**”) to further extend the settlement date to 30 November 2021 for completion with the major terms as follows:

1. The Purchaser shall pay US\$750,000 (equivalent to approximately HK\$5,850,000) on signing of the Second Supplemental Agreement, US\$500,000 (equivalent to approximately HK\$3,900,000) on or before 15 July 2021, US\$500,000 (equivalent to approximately HK\$3,900,000) on or before 15 September 2021, and the remaining balance of the Outstanding Amount (i.e., US\$7,750,000 (equivalent to approximately HK\$60,450,000)) to the Vendor on or before 30 November 2021.
2. If the Purchaser fails to pay the remaining balance by 30 November 2021, a default interest shall be accrued at 15% per annum for any unpaid remaining balance of the Outstanding Amount (the “**Default Interest**”). The Default Interest shall be payable to the Vendor on a monthly basis.
3. Ms. Liu guarantees to pay and satisfy to the Vendor all sums of moneys debts and liabilities arising from or by the Purchaser in relation to the Outstanding Amount under the Second Supplemental Agreement.

The Board considers that the terms of the Second Supplemental Agreement are fair and reasonable and the entering into of the Second Supplemental Agreement is in the interests of the Company and its Shareholders as a whole.

By Order of the Board
STRONG PETROCHEMICAL HOLDINGS LIMITED
Wang Jian Sheng
Chairman

Hong Kong, 20 May 2021

As at the date of this announcement, the Board comprises two executive Directors and three independent non-executive Directors. The executive Directors are Mr. Wang Jian Sheng and Mr. Yao Guoliang. The independent non-executive Directors are Dr. Chan Yee Kwong, Ms. Cheung Siu Wan and Mr. Deng Heng.

** For identification purposes only*