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STRONG PETROCHEMICAL HOLDINGS LIMITED

海峡石油化工控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 852)

- (1) FURTHER INFORMATION RELATING TO THE EXTRAORDINARY
GENERAL MEETING HELD ON 27 DECEMBER 2024;**
**(2) LEGAL PROCEEDINGS RELATING TO THE EXTRAORDINARY
GENERAL MEETING HELD ON 27 DECEMBER 2024;**
(3) THE ADJOURNED EXTRAORDINARY GENERAL MEETING;
AND
(4) CONTINUED SUSPENSION OF TRADING

References are made to (i) the notice of extraordinary general meeting (the “**Original EGM**”) of Strong Petrochemical Holdings Limited (the “**Company**”) dated 12 December 2024 (the “**Original Notice**”); (ii) the circular of the Company dated 12 December 2024 in respect of the EGM (the “**Circular**”); and (iii) the announcement on the adjournment of the EGM (the “**Announcement**”) dated 27 December 2024. Unless the context requires otherwise, capitalised terms used in this announcement shall have the same meanings as those defined in the Original Notice, the Circular and the Announcement.

- (1) FURTHER INFORMATION RELATING TO THE EXTRAORDINARY GENERAL
MEETING HELD ON 27 DECEMBER 2024**

The Board wishes to provide further information to the Shareholders and potential investors relating to the Original EGM.

In accordance with article 63 of the Articles of Association of the Company (the “**Articles of Association**”), the Original EGM was chaired by Mr. Deng Heng (the “**Chairman**” or “**Mr. Deng**”), an independent non-executive Director and Chairman of the Board.

At the Original EGM, it was noted that Mr. Yao Guoliang (“**Mr. Yao**”) and Mr. Wang Jian Sheng (“**Mr. Wang**”), both of whom executive Directors, each held an indirect 50% shareholding interests in Forever Winner International Limited (“**FWIL**”), and which held approximately 49% of the issued share capital of the Company.

The Chairman considered that, because FWIL's vote would be determinative of the resolutions proposed to be put at the Original EGM, he was unable to ascertain the wishes of the meeting without first determining who is entitled to represent FWIL. Accordingly, the Chairman adjourned the Original EGM to enable the matter to be determined.

In relation to his power to adjourn the Original EGM, the Chairman was advised by the legal advisers on Cayman laws that:

1. Where resolutions are carried by majority vote, the duty of the chairman of a meeting is to ascertain the will of the majority.
2. Where the chairman of a meeting is unable to ascertain the will of the meeting, he has the power at common law to adjourn the meeting for the purpose of enabling the will of the meeting to be ascertained. This power may be exercised without the consent of the meeting, even where the rules governing the meeting (such as the Articles of Association) contain their own provisions with respect to adjournment.

The legal advisers on Cayman laws concluded that the Chairman had the power at common law to adjourn the Original EGM for the purpose of determining who is entitled to represent FWIL. This is because the exercise of the voting rights attached to FWIL's shareholding in the Company would have been determinative of any resolution put at the Original EGM, and excluding FWIL's votes would have led to the effective disenfranchisement of the Company's largest shareholder and rendered it impossible for the Chairman to ascertain the will of the majority.

(2) **LEGAL PROCEEDINGS RELATING TO THE EXTRAORDINARY GENERAL MEETING HELD ON 27 DECEMBER 2024**

Mr. Wang claims that on 27 December 2024 the Original EGM continued and he was entitled to act as chairman of the Original EGM and that at the Original EGM as continued with him acting as chairman all the directors of the Company (except he himself) were removed by the Shareholders.

On 30 December 2024, Speed Success Group Limited ("**Speed Success**"), a company which is wholly owned by Mr. Wang and interested in approximately 2.38% of the issued share capital of the Company, have sought to dispute the Original EGM by commencing High Court legal proceedings ("**High Court Proceedings**") against the Company and Mr. Yao, Mr. Deng, Dr. Tan Xiao, Dr. Ma Yi, Ms. Jiao Jie ("**Ms. Jiao**") and Mr. Lai Wai Chi (collectively the "**Directors Concerned**"), seeking, amongst others:

- (a) a declaration that the Directors Concerned had been validly removed as directors of the Company by shareholders resolutions passed at an extraordinary general meeting purportedly held after the adjournment of the Original EGM;

- (b) the Directors Concerned be restrained from acting or holding out as directors of the Company;
- (c) a declaration that the written resolutions of the board of directors of the Company passed on 27 December 2024, resolving with effect from 27 December 2024, the following are valid:
 - (i) Mr. Zhang He (“**Mr. Zhang**”) be appointed as an executive director of the Company;
 - (ii) Dr. Wang Guoqi (“**Dr. Wang**”) be appointed as an independent non-executive director of the Company;
- (d) a declaration that the board of directors of the Company, following the resolutions passed at the extraordinary general meeting purportedly held after the adjournment of the Original EGM and the resolutions purportedly passed by Mr. Wang, comprises of Mr. Wang Jian Sheng, Mr. Zhang and Dr. Wang (the “**New Board**”).

Speed Success also seeks the following interim reliefs (“**Application**”):

- (a) an injunction restraining the Directors Concerned from acting or holding out as directors of the Company; and
- (b) an order recognising the New Board.

Following directions given by The Honourable Madam Justice Linda Chan on the same day, the Company on 30 December 2024 gave the following undertakings to the Court:

1. The Company would hold an adjourned EGM within 14 days from the date of the notice to convene the adjourned EGM (pursuant to the Articles of Association), and to appoint an independent person to act as chairman of the adjourned EGM if it is permitted by the Articles of Association.
2. The Directors would not carry out any act or exercise their power other than for the purpose of carrying on the ordinary business of the Company including but not limited to acts for the Company to comply with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (which does not include changing the constitute of the board in any way other than convening and holding the Adjourned EGM).

(3) THE ADJOURNED EXTRAORDINARY GENERAL MEETING

Hearing of the Application

At a hearing of the Application before The Honourable Madam Justice Linda Chan on 31 December 2024 (“**Hearing of the Application**”):

The following undertakings were given by the Company:

1. The Company do hold the Adjourned EGM on 15 January 2025 between 9:00 a.m. and 5:00 p.m. at a time to be specified at 28th Floor, Overseas Trust Bank Building, 160 Gloucester Road, Wan Chai, Hong Kong (“**Adjourned EGM**”).
2. The Company do issue a notice to convene the Adjourned EGM by 3 January 2025.
3. Ms. Jiao, be appointed as chairman of the Adjourned EGM.
4. Tricor Investor Services Limited, the Company’s branch share registrar, be engaged as the independent scrutineer of the Adjourned EGM.
5. All proxy forms admitted for the purposes of the Original EGM shall stand as valid proxy forms for the purposes of the Adjourned EGM.
6. The Company do within 3 days of the order provide to Ms. Jiao and Mr. Wang the list of proxies for the Original EGM.
7. The Directors Concerned and Mr. Wang shall not carry out any act or exercise their power as directors of the Company other than for the purpose of carrying on the ordinary business of the Company until the conclusion of the Adjourned EGM (which does not include changing the constitute of the board in any way other than convening and holding the Adjourned EGM).

It was ordered that:

1. The Application be adjourned sine die with liberty to restore; and
2. Costs be reserved.

In relation to the Hearing of the Application, the Company notes that (a) the Court did not make any ruling on the substance of the Application and (b) the fact that the Application was adjourned without a definite return date means that there will not be any court ruling on the Application in the foreseeable future. The Company also notes that, apart from the Hearing of the Application, the High Court Proceedings have not undergone further substantive development.

Adjourned EGM

The Adjourned EGM will be held at 3:00 p.m. on 15 January 2025 to consider the resolutions set out in the Original Notice. The notice for the Adjourned Notice has been despatched on 3 January 2025.

(4) CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading of the shares of the Company was suspended with effect from 9:00 a.m. on 31 December 2024, and in view of the fact that there has been no court ruling on the Application, trading of the shares of the Company will remain suspended.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares.

By Order of the Board
Strong Petrochemical Holdings Limited
Deng Heng
Chairman of the Board

Hong Kong, 13 January 2025

As at the date of this announcement, the Board comprises four executive Directors and three independent non-executive Directors. The executive Directors are Mr. Wang Jian Sheng (duties suspended), Mr. Yao Guoliang, Dr. Ma Yi and Dr. Tan Xiao. The independent non-executive Directors are Mr. Deng Heng, Ms. Jiao Jie and Mr. Lai Wai Chi.

* *For identification purpose only*