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Strong Petrochemical Holdings Limited

海峽石油化工有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 852)

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

On 18 July 2019, the Parties entered into the Supplemental Agreement to the New Disposal for an extension of settlement for completion. Pursuant to the Supplemental Agreement, among other things, the date of settlement for completion of the Outstanding Consideration by the Purchaser to the Vendor shall be extended to on or before 30 May 2020, with a choice to extend one calendar year to no later than 30 May 2021, subject to the approval of the Vendor.

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. (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\$10.0 million (equivalent to approximately HK\$78.0 million) (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 (the “**Parties**”) entered into a supplemental agreement (the “**Supplemental Agreement**”) to extend the settlement date for completion with the major terms as follows:

1. The Purchaser shall pay a non-refundable deposit in an aggregate amount of US\$500,000 (equivalent to approximately HK\$3.9 million) to the Vendor on or before 31 August 2019 and agreed the settlement for completion of the remaining balance of the Outstanding Consideration of US\$9.5 million (equivalent to approximately HK\$74.1 million) (the “**Outstanding Amount**”) be extended to no later than 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..
2. The Purchaser shall procure the Vendor to obtain 336,460 shares of Metro Leader Limited (“**Metro Leader**”) (the “**Collateral**”), a company incorporated in the Cayman Islands with limited liability. The principal activities of Metro Leader’s subsidiaries will be mainly provision of digital banking and related services in European Union. The preliminary valuation of the Collateral shall be not less than US\$12.0 million (equivalent to approximately HK\$93.6 million) on execution. If the value of the Collateral is less than US\$12.0 million (equivalent to approximately HK\$93.6 million) based on an independent valuer’s valuation, the Purchaser undertakes to procure the Vendor to obtain additional shares of Metro Leader and/or other collateral as additional collateral (the “**Additional Collateral**”) to top up the valuation of the Collateral to not less than US\$12.0 million (equivalent to approximately HK\$93.6 million).
3. The Guarantor shall procure a company assigned by the Vendor to hold certain shares of a company whose shares are listed on The Stock Exchange of Hong Kong Limited on trust for the Vendor as further collateral.
4. If the Purchaser makes the choice to request for a further extension for one calendar year with the Vendor’s approval, the Purchaser shall pay or provide to the Vendor on the Settlement Date (i) a fixed sum of US\$5,000,000 (equivalent to approximately HK\$39.0 million) as a non-refundable deposit; or (ii) at least US\$5,000,000 (equivalent to approximately HK\$39.0 million) of in-kind (of which the type(s) and quality to be accepted subject to the absolute discretion of the Vendor) value creation; or (iii) supplemental collateral to top up the shortfall of the value of the Collateral and the Additional Collateral as collateral for extension, unless valuation of the Collateral and the Additional Collateral assessed by an independent valuer within one month before the Settlement Date to be not less than US\$17,000,000 (equivalent to approximately HK\$132.6 million) .

The Board considers that the terms of the Supplemental Agreement are fair and reasonable and the entering into of the 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, 18 July 2019

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