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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)**

### **SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO DISCLOSEABLE TRANSACTION IN RELATION TO INVESTMENT IN A FUND**

Reference is made to the announcement (the “**Announcement**”) of Strong Petrochemical Holdings Limited (the “**Company**”) dated 7 August 2020 in relation to the investment in a fund which constitutes a discloseable transaction for the Company. Unless the context otherwise requires, capitalized terms in this announcement shall have the same meanings as defined in the Announcement.

#### **FURTHER INFORMATION OF THE MANAGER**

The Manager is a limited liability company incorporated under the laws of Hong Kong on 22 October 2009, and is licensed and regulated by the Securities and Futures Commission in the conduct of Type 1 regulated activity (dealing in securities), Type 4 regulated activity (advising on securities), Type 6 regulated activity (advising on corporate finance) and Type 9 regulated activity (asset management) in Hong Kong.

To the best of the Directors’ knowledge, Mr. Chung Wing Water Cheung (“**Mr. Cheung**”) is the sole director of the Manager and is responsible for making all major investment decisions of the Manager, and Buckwheat Investments Limited is the sole shareholder of the Manager. To the best of the Directors’ knowledge, information and belief, and having made all reasonable enquiries, the Manager and its ultimate beneficial owners are third parties independent of the Company and the connected persons of the Company.

Mr. Cheung joined the Manager in February 2010 as the senior partner and chief executive officer who is responsible for overseeing the Manager’s business in the Asia Pacific region. Prior to joining the Manager, Mr. Cheung has worked for a number of banking institutions, including multinational banks where he held senior positions of head of global financial markets, head of regional derivatives and credit products, managing director in financial products and head of regional derivatives trading. Mr. Cheung has extensive experience in

\* For identification purposes only

the financial service sectors and banking industry. Mr. Cheung holds a bachelor degree of applied science from the University of Toronto and a master degree of business administration degree from York University in Canada.

#### **FURTHER INFORMATION OF SH ENERGY**

The SH Energy Directors comprise of Mr. Cheung and Mr. Chu Cheuk Yin Andrew (“**Mr. Chu**”).

Mr. Chu joined the Manager in 2016 and is responsible for capital market and credit origination. Previously, Mr. Chu worked in a leading consultancy firm in Beijing focusing on providing corporate advice to various state-owned companies. He has substantial experience in asset acquisitions, restructurings, structure financing and project financing. Mr. Chu holds a Bachelor Degree in Business Administration from University of London.

The SH Energy Directors have delegated, subject to their responsibility and supervision, day-to-day investment management of the Company’s assets to the Manager. All of the SH Energy Directors serve in a non-executive capacity.

#### **ESTIMATED AMOUNT OF ANNUAL MANAGEMENT FEE PAYABLE**

The management fee is payable to the Manager by SH Energy. Based on the estimated initial invested capital of SH Energy which is approximately US\$31,000,000 (equivalent to approximately HK\$241,800,000), the Manager’s management fee is US\$620,000 (equivalent to approximately HK\$4,836,000) in respect of the period from the date of the Investment Management Agreement to the first anniversary of that date, which represent approximately 2% of the estimate initial invested capital. The subsequent management fee will be dependent upon the subsequent Total Invested Capital, which will be calculated at 2% per annum of the Total Invested Capital.

#### **ACCESS TO INFORMATION**

The annual audited financial statements in respect of a financial year ended 31 December of SH Energy, will be sent to investors on or before 15 March of the following calendar year.

#### **REMOVAL OF THE INVESTMENT MANAGER**

The majority of the holders of Class A Shares shall have the power in relation to the removal of the investment manager of SH Energy.

#### **FURTHER INFORMATION OF THE REASONS FOR AND BENEFITS OF THE INVESTMENT**

The Group has been actively seeking new business opportunities from time to time in order to diversify its business and enhance the long-term growth potential of the Group and its shareholders’ value. The Board is of the view that the prevailing price of the oil and gas is on the low side and therefore has been optimistic about the prospects for the oil and gas industry. By investing in SH Energy, it is expected that the Group can benefit from

diversifying its revenue stream through investments in oil and gas assets and companies which demonstrate a strong performance record, which will in turn broaden the Group's revenue base in the future.

With reference to the investment objective of SH Energy and the extensive experience, capabilities and skills of the SH Energy Directors, especially Mr. Cheung, who is also the sole director of the Manager, the Board believes that the Investment will enable the Group to achieve the purpose of exploiting profitable investment opportunities and diversifying the Group's investment portfolio.

As such, the Company considers that the Investment is in the interest of the Company and its shareholders as a whole.

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

Hong Kong, 14 August 2020

*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 Ms. Cheung Siu Wan, Dr. Chan Yee Kwong and Mr. Deng Heng.*