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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)

VOLUNTARY ANNOUNCEMENT PROVISION OF GUARANTEE TO INDIRECT WHOLLY-OWNED SUBSIDIARY OF THE COMPANY

This announcement is made by Strong Petrochemical Holdings Limited (the “**Company**”) on a voluntary basis in relation to the guarantee provided by the Company to its indirect wholly-owned subsidiary.

The board (the “**Board**”) of directors (the “**Director(s)**”) of the Company announces that on 27 February 2023, the Company entered into a corporate guarantee (the “**Corporate Guarantee**”) with Quanzhou Branch of Bank of Communications Co., Ltd. (the “**Lender**”). On 9 February 2023, Fujian Hong Kong Petrochemical Limited, an indirect wholly-owned subsidiary of the Company (the “**Subsidiary**”) entered into a loan agreement (the “**Loan Agreement**”) with the Lender. Pursuant to the Loan Agreement, the Subsidiary agreed to borrow and the Lender agreed to provide a loan of RMB 300,000,000 (the “**Loan Facility**”).

As a consideration of the Lender’s provision of the Loan Facility under the Loan Agreement, the Company agreed to provide the Lender with the Corporate Guarantee to guarantee the fulfilment of the Subsidiary’s payment obligations up to a principal amount of RMB 300,000,000, and interest, penalty interest, liquidated damages, damages and the cost of realising creditor’s rights. The Board authorised Mr. Yao Guoliang, the executive director of the Company, to sign the agreement for the Corporate Guarantee. The Corporate Guarantee was signed on 27 February 2023 in Hong Kong. All parties to the Corporate Guarantee agreed that in the event of any legal action concerning the Corporate Guarantee, the parties will submit to the jurisdiction of the court in the People’s Republic of China with jurisdiction.

The purpose of entering into an agreement for the Loan Facility and providing the Corporate Guarantee is to finance the construction of the Subsidiary's manufacturing plant. The Board believes that such transactions are beneficial to the Company and its shareholders as a whole.

The Corporate Guarantee provided by the Company to the Subsidiary does not constitute a notifiable transaction of the Company under Chapter 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"), nor does it constitute a connected transaction of the Company under Chapter 14A of the Listing Rules. The Board hereby makes a voluntary disclosure to inform its shareholders and potential investors of the details of the Corporate Guarantee.

Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

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

Hong Kong, 27 February 2023

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, Prof. Chan Yee Kwong and Mr. Deng Heng.

** For identification purpose only*