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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) QUARTERLY UPDATE ON RESUMPTION PROGRESS**
(2) DELAY IN PUBLICATION OF 2024 ANNUAL RESULTS AND
2024 ANNUAL REPORT
(3) FURTHER DELAY IN PAYMENT OF 2024 INTERIM DIVIDEND
AND
(4) CONTINUED SUSPENSION OF TRADING

This announcement is made by Strong Petrochemical Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”).

References are made to various announcements of the Company between 2 October 2024 and 11 March 2025 in relation to: (1) the suspension of trading (the “**Suspension**”) of the shares of the Company (the “**Shares**”) from 9:00 a.m. on 31 December 2024 and the Stock Exchange’s guidance for the resumption of trading in the Shares issued to the Company on 4 March 2025 (the “**Resumption Guidance**”); (2) the various incidents involving the directors and former management of the Company (the “**Matters**”), the establishment of the independent board committee (the “**IBC**”) by the board of directors of the Company (the “**Board**”) to investigate the Matters (the “**Investigation**”) and the engagements of a forensic auditor and a legal adviser by the IBC, (3) the possible delay in publication of the final results (the “**2024 Annual Results**”) and annual report (the “**2024 Annual Report**”) for the year ended 31 December 2024; and (4) the declaration of the interim dividend for the six months ended 30 June 2024 (the “**Interim Dividend**”) and the postponement of payment thereof.

UPDATE ON PROGRESS OF RESUMPTION

Pursuant to Rules 13.24 and 13.24A of the Listing Rules, the Board wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors of the progress of actions recently taken by the Company to fulfil the Resumption Guidance, and the latest development of the Group’s business operations.

Progress of the Investigations

As disclosed in the Company’s announcements dated 14 February 2025 and 28 February 2025, the IBC, comprising all the independent non-executive directors of the Company, has been established to conduct the Investigation. It has engaged the forensic team from a Big 4 accounting firm as investigator (the “**Forensic Investigator**”) and Messrs. Kwong & Lee, Solicitors as legal adviser to assist in the Investigation. To address the concerns of various stakeholders and to safeguard the best interests of the Company and its shareholders as a whole, the IBC decided that the Investigations shall focus on the Matters concerning (i) the allegations made by the former management against Mr. Wang Jian Sheng, Mr. Wang Pang Paul, Ms. Kwan Pui Shan and Mr. Zhang He, including but not limited to the suspected misappropriation of the Company’s assets, suspected non-compliance with and irregularities of the Company’s corporate governance and operation procedures, rules and laws relating to the listing of its shares, and/or applicable civil and criminal laws; and (ii) the possible substantial misconduct of the former management of the Company, including but not limited to prior investment and fund management of the Company, and the recently reported stolen items.

Based on the estimated workload of the Investigations, and subject to the progress of the investigation of the stolen items by the Hong Kong Police, if all stakeholders and relevant parties will cooperate with the Investigations, the Company is advised by the IBC and the Forensic Investigator that the Investigations will take two to three months.

As of the date of this announcement, the Investigation is still in progress, and the Company does not have sufficient information at this stage to assess the impact the Investigation on the Company’s business operation and financial position, or to conclude whether there are any issues relating to the integrity, competence and/or character of the Group’s management and/or any person with substantial influence over the Company’s management and operations. The IBC will report to the Board on its findings on the Matters and make recommendation on the steps forward after it receives the report from the Forensic Investigator, and the Company will formulate a detailed remedial action plan based on the IBC’s findings and recommendations.

Engagement of Internal Control Adviser

The Company has engaged Acclime Consulting (Hong Kong) Limited (“**Acclime**”) as internal control adviser to conduct an internal control review of the Group (the “**Internal Control Review**”). The Internal Control Review will cover both the Company and its subsidiaries which have business operations, hold property and/or are involved in financial payment and fund management within the Group. The scope of review covers, among other things, the corporate governance, risk management and anti-corruption procedures at the Company level, and financial reporting, fund management, procurement and inventory management at the business level of the Group. It is expected that Acclime will provide its

first review report in two to three months. The Board will carefully consider Acclime's findings and recommendations and, if necessary, formulate enhancement procedures as part of its remedial action plan.

Business Operation of the Group

The Group focused on its principal businesses of (i) trading of commodities, including crude oil, petroleum products, petrochemicals and coal, (ii) storage and other ancillary services for petroleum products and petrochemicals and leases, (iii) manufacturing of petrochemicals, and (iv) oil and gas operations.

The Group conducts trading of commodities through five subsidiaries in Hong Kong, Singapore and Mainland China. The Group's trading team continues to seek business opportunities, maintain relationships with key customers, and develop opportunities in trading petroleum products, petrochemicals, and coal. Considering the volatility of the oil market in the first quarter of 2025, the Group will adopt a prudent and measured approach to its trading activities.

The Group provides petroleum products and petrochemicals storage services through Strong Petrochemical (Nantong) Logistics Company Ltd. ("**Strong Nantong**"), a PRC subsidiary operating 21 storage tanks for gas oil and diesel fuel storage services with a capacity of 139,000 cubic meters in Nantong, Jiangsu Province, the PRC. It is principally engaged in providing storage services for gasoline, diesel fuel and methyl alcohol. Strong Nantong continues to develop relationships with different customers and develop new business models to increase the utilisation rate of the storage tanks.

The Group manufactures styrene thermoplastic elastomer, a petrochemical product, through its subsidiary Fujian Hong Kong Petrochemical Limited ("**Fujian Petrochemical**"). The manufacturing plant, located in Fujian province, recently commenced trial operations in mid-March 2025. Fujian Petrochemical is focusing on expanding its production capacity while maintaining strong relationships with its long-term customers.

The Group has expanded its business into oil and gas operations following the acquisition of Success Plus Global Limited, which wholly owns Pan-China Resources Ltd. ("**Pan-China**"). Pan-China is engaged in the development and production of oil and gas across three blocks-Duannan, West Xiepo, and Xiaoji-located in Dagang Oilfield, Hebei province, under a petroleum contract with China National Petroleum Corporation expiring in September 2027. The Group is actively negotiating with China National Petroleum Corporation to secure an extension of the petroleum contract.

As of the date of this announcement, the business operations of the Group are continuing as usual in all material aspects notwithstanding the Suspension. The Board will continue to assess and monitor the operational and financial impact of the Suspension.

DELAY IN PUBLICATION OF 2024 ANNUAL RESULTS AND 2024 ANNUAL REPORT

As disclosed in the Company's announcement dated 14 February 2025, numerous items belonging to the Group were stolen, including but not limited to certain accounting records, human resources records, board minutes, contracts, company secretarial records, computer hardware and records, email correspondence, company chops and common seals, bank tokens and furniture, which had been reported to the Hong Kong Police. The Company is still in the process of recovering the stolen items by continuing its efforts to reach out to relevant stakeholders, including former employees and third-party service providers, and by cooperating with the Hong Kong Police in their ongoing investigation.

In addition, as disclosed in the Company's announcement dated 28 February 2025, the Company will only commence its annual audit for the year ended 31 December 2024 (the "**2024 Annual Audit**") upon the conclusion of the Investigation, by when it can determine the impact of the Matters on the financial statements for 2024. It is expected that the 2024 Annual Audit will take approximately three months from conclusion of the Investigation, which is expected to be completed in July 2025.

Pursuant to Rules 13.46 and 13.49 of the Listing Rules, the Company is required to publish the 2024 Annual Results no later than three months after the end of the financial year (i.e., on or before 31 March 2025), and the 2024 Annual Report no later than four months after the end of the financial year (i.e., on or before 30 April 2025). The delay in the publication of the Annual Results and the Annual Report constitutes a non-compliance of Rules 13.46(1) and 13.49(1) of the Listing Rules.

FURTHER DELAY IN 2024 INTERIM DIVIDEND PAYMENT

References are made to the Company's announcements dated 2 October 2024, 25 November 2024 and 30 December 2024 regarding the declaration of the Interim Dividend and the postponement of payment to on or about 31 March 2025.

Due to the ongoing Investigation, the Company is unable to ascertain the impact of the Matters on the financial position of the Company. The Board has decided to further postpone the payment of the Interim Dividend until the conclusion of the Investigation and the 2024 Annual Audit. In view of the current timeline for the Investigation and the 2024 Annual Audit and subject to the Investigation results, the Company aim to make payment of the Interim Dividend on or about 31 August 2025.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in its shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on Tuesday, 31 December 2024 and will remain suspended until further notice.

The Company will make further announcements on the findings of the Investigation and the Internal Control Review, the progress of the 2024 Annual Audit and the payment arrangements for the Interim Dividend as and when appropriate, in accordance with the Listing Rules and the SFO, to inform the market of all material information for the Shareholders and other investors to appraise the Company's position. In addition, the Company will provide updates on its resumption progress on a quarterly basis according to Rule 13.24A of the Listing Rules.

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

By order of the board of directors
STRONG PETROCHEMICAL HOLDINGS LIMITED
Wang Qihong
Chairman

Hong Kong, 28 March 2025

As at the date of this announcement, the board of directors of the Company comprises two executive directors, two non-executive directors and three independent non-executive directors. The executive directors of the Company are Dr. Wang Pang Paul and Mr. Cao Xinzhong. The non-executive directors of the Company are Mr. Guo Yan Jun and Mr. Wang Jian Sheng. The independent non-executive directors of the Company are Mr. Wang Qihong, Dr. Lu Guoyang and Ms. Tam Yuk Yu.

* *For identification purpose only*