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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)

**INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2025**

The board (the “Board”) of directors (the “Director(s)”) of Strong Petrochemical Holdings Limited (the “Company”) presents herewith the unaudited consolidated financial results of the Company and its subsidiaries (collectively, the “Group”) for the six months ended 30 June 2025 (the “Six Month Period”).

* *For identification purposes only*

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

For the six months ended 30 June 2025 (the “Six Month Period”), Strong Petrochemical Holdings Limited (the “Company”) and its subsidiaries (collectively, the “Group”) focused on its principal businesses of trading of commodities and storage and other ancillary services for petroleum products and petrochemicals and leases.

Revenue for the Six Month Period was approximately Hong Kong (“HK”) dollar (“HK\$”) 948.2 million. Loss attributable to owners of the Company for the Six Month Period was approximately HK\$64.0 million.

Trading of Commodities

During the Six Month Period, analysts remained divided on crude oil prices, with some anticipating subdued demand amid weak global growth and others expecting support from heightened geopolitical tensions in the Middle East. Brent crude oil prices fluctuated between United States dollar (“US\$”) 63 and US\$82 per barrel (“BBL”), lower than the same period in 2024, reflecting easing geopolitical risks, slower demand recovery in the People’s Republic of China (the “PRC”), supply adjustments by the Organization of the Petroleum Exporting Countries (“OPEC”) and allied non-OPEC oil-producing nations, as well as the impact of policy decisions in the United States of America on global economic conditions.

Following the resumption of crude oil trading in June 2024, the Group will continue to explore crude oil trading opportunities in a prudent and selective manner. At the same time, the Group will maintain strong business relationships with key customers and pursue opportunities in the trading of petroleum products and petrochemicals to diversify its revenue base.

Storage and Other Ancillary Services for Petroleum Products and Petrochemicals and Leases

Strong Petrochemical (Nantong) Logistics Company Ltd. (“Strong Nantong”), an indirect wholly-owned subsidiary of the Company, operates its storage facilities of 21 storage tanks with a capacity of 139,000 cubic meters in Nantong City, Jiangsu Province, the PRC. It is principally engaged in providing storage services for gasoline, diesel fuel and methyl alcohol. During the Six Month Period, Strong Nantong recorded a decline in revenue and profit due to the termination of a contract with a key customer in 2024. In first half of 2025, efforts to secure long-term customers continued but progress was limited, resulting in lower revenue. Looking ahead, Strong Nantong will focus on strengthening customer development and exploring new business models to improve utilisation of its storage tanks.

Exploration, Exploitation and Operation of Crude Oil

In June 2024, Saint Ocean Investment Limited, a direct wholly-owned subsidiary of the Company, acquired the entire share capital of Success Plus Global Limited (“Success Plus”) which directly owns the entire equity interest in Pan-China Resources Ltd. (“Pan-China”). Pan-China operates the oil and gas development and production in relation to the three blocks, namely Duannan, West Xiepo and Xiaoji (collectively, “Kongnan Block”), located in Dagang Oilfield in Hebei province of the PRC (“Oil and Gas Operations”). Pursuant to the petroleum contract between China National Petroleum Corporation (“CNPC”) and Pan-China for the Oil and Gas Operations (the “Petroleum Contract”), Pan-China holds the entire participating interest in the entitlement. Pan-China conducts the Oil and Gas Operations and shares in the production of crude oil with CNPC after the successful development of oil reserves. Upon full recovery of its development costs, the revenue and operating costs have been allocated to Pan-China at 49%. The Petroleum Contract originally signed in 1997 with a maximum term of 30 years, will expire in September 2027. In the Six Month Period, Pan-China’s operations remained stable. The Group continues to work towards obtaining an extension of the Petroleum Contract, and the management of the Group considers there to be no foreseeable obstacles in securing the extension of the Petroleum Contract.

Outlook

The Group continued to face significant challenges in early 2025 arising from matters under former management, including delays in the audit process and weaknesses in record-keeping. These matters created operational and regulatory uncertainties and further tested the resilience of the Company. In response, the Company’s shareholders and newly appointed board of directors took decisive measures to strengthen governance, safeguard the Group’s assets and reinstate compliance processes. Stability has been achieved, and operations have returned to normal. The current management will continue to address any matters identified, including taking appropriate actions where necessary, in order to protect the interests of the Group and its shareholders. Looking ahead, the Group remains committed to disciplined corporate governance, transparency and efficiency. With strengthened oversight and a renewed vision for growth, the Group is positioned to rebuild confidence among stakeholders and pursue sustainable success.

Fujian Hong Kong Petrochemical Limited (“Fujian Petrochemical”), an indirect wholly-owned subsidiary of the Company, successfully completed the construction of the Fujian Petrochemical manufacturing plant (the “Fujian Plant”) in Quanzhou City, Fujian Province, the PRC. Trial operations commenced in March 2025 and have been progressing smoothly with ongoing refinements to ensure operational efficiency and product quality. The Group continues to advance the Styrene Ethylene Butylene Styrene Thermoplastic Elastomer (“SEBS Project”), a two-phase production initiative with a planned annual production capacity of 50,000 metric tonnes (“MT”) upon full implementation. Recognised as a provincial key project, the SEBS Project has received strong support from the local government, reinforcing confidence in its long-term prospects and market potential. Looking forward, the Group will focus on stabilising operations at the Fujian Plant, optimising production processes, and strengthening customer development. The Group will continue to evaluate the timing and conditions for commencing the next phase of the SEBS Project, taking into account market demand, operational readiness and strategic priorities.

During the Six Month Period, the Group continued to diversify its business portfolio. While the storage business remained under pressure, the Group maintained selective participation in crude oil trading and progressed steadily in oil and gas development and production through Pan-China. The Group intends to focus on stabilising operations, strengthening customer development for its storage business, and pursuing opportunities in petroleum products, petrochemicals and oil and gas operations. The Group remains committed to enhancing shareholder value through prudent expansion and disciplined execution of its strategic initiatives.

FINANCIAL REVIEW

Revenue

Trading of commodities

The revenue from trading business of the Group was approximately HK\$844.4 million (the six months ended 30 June 2024 (“1H2024”): approximately HK\$888.3 million) for the Six Month Period, representing a decrease of approximately 5%, compared with 1H2024. Approximately 37% (1H2024: 20%) of the Group’s revenue from trading business was generated from trading of crude oil for the Six Month Period. Approximately 5% (1H2024: approximately 0%) of the Group’s revenue from trading business was generated from trading of petroleum products for the Six Month Period. The revenue generated from the trading of petrochemicals for the Six Month Period was approximately 58% (1H2024: approximately 62%). No revenue was generated from trading of coal for the Six Month Period (1H2024: approximately 18%).

The trading volume of crude oil was 483,442 BBL for the Six Month Period (1H 2024: 298,842 BBL). The trading volume of petroleum products increased significantly to 6,954 MT for the Six Month Period (1H2024: 129 MT). The trading volume of petrochemicals decreased slightly from 94,370 MT for 1H2024 to 88,154 MT for the Six Month Period.

		Six months ended 30 June					
Products	Unit	Number of contracts	2025		Number of contracts	2024	
			Sales quantity	Revenue HK\$ million		Sales quantity	Revenue HK\$ million
Trading of commodities							
Crude oil	BBL	1	483,442	314.0	1	298,842	174.6
Petroleum products	MT	4	6,954	41.3	1	129	0.5
Petrochemicals	MT	71	88,154	489.1	104	94,370	553.4
Coal	MT	—	—	—	8	200,441	159.8
Total		76		844.4	114		888.3

Storage and other ancillary services for petroleum products and petrochemicals and leases

Revenue generated from the provision of general storage and other ancillary services for petroleum products and petrochemicals was approximately HK\$1.2 million for the Six Month Period (1H2024: approximately HK\$2.8 million). Approximately 63% (1H2024: approximately 29%) of the Group's revenue from storage business was generated from general storage services, while approximately 37% (1H2024: approximately 71%) was generated from other ancillary services such as pipeline transmission, waste treatment and vehicle loading. Revenue generated from leases was approximately HK\$0.9 million for the Six Month Period (1H2024: approximately HK\$4.4 million).

Exploration, Exploitation and Operation of Crude Oil

Revenue generated from exploration, exploitation and operation of crude oil was approximately HK\$65.0 million while this business was commenced in late June 2024.

Gross Profit

Due to the gross loss incurred from petrochemicals manufacturing business under the unfavourable market conditions, the gross profit dropped to approximately HK\$4.3 million in the Six Month Period (1H2024: approximately HK\$11.1 million).

Changes in Fair Value of Derivative Financial Instruments

The Group has engaged in trading of derivative financial instruments for investment purpose. The Group intends to enhance its profitability with the use of surplus cash through investing in crude oil and oil products related derivative products and securities.

For the Six Month Period, the Group reported an aggregate gain on changes in fair value of derivative financial instruments of approximately HK\$10.6 million (1H2024: approximately HK\$7.3 million). The realised gain and unrealised loss on changes in fair value of derivative financial instruments were approximately HK\$10.7 million and HK\$0.1 million, respectively (1H2024: realised gain of approximately HK\$11.6 million and unrealised loss HK\$4.3 million respectively).

Loss for the Period

Loss attributable to owners of the Company for the Six Month Period was approximately HK\$64.0 million (1H2024: approximately HK\$8.8 million).

Liquidity and Financial Resources

The total of restricted bank balance, and bank balances and cash as at 30 June 2025 amounted to approximately HK\$270.3 million (31 December 2024: approximately HK\$981.8 million). The decrease in restricted bank balance, and bank balances and cash was mainly attributable to the payments made under instructions from former management of the Company and increase in administrative expenses such as legal and professional fee.

The banking facilities as at 30 June 2025 were amounted to US\$35.0 million and Renminbi (“RMB”) 10.0 million (equivalent to approximately HK\$284.0 million in total) from several banks. Save for the Group’s bank borrowings of approximately HK\$313.2 million, the Group had no other bank overdraft as at 30 June 2025.

Gearing Ratio

As at 30 June 2025, the gearing ratio was approximately 17% (31 December 2024: approximately 16%). The gearing ratio was calculated as the Group’s total borrowings divided by total assets.

Charges of Assets and Contingent Liabilities

As at 30 June 2025, the Group's certain banking facilities, bank and other borrowings were secured by certain property, plant and equipment of approximately HK\$3.6 million (31 December 2024: approximately HK\$430.3 million), right-of-use assets of approximately HK\$38.7 million (31 December 2024: approximately HK\$38.8 million), trade receivables of approximately HK\$9.4 million (31 December 2024: approximately HK\$13.8 million) and deposits of approximately HK\$1.0 million (31 December 2024: approximately HK\$1.0 million).

As at 30 June 2025, the Group did not have any significant contingent liabilities.

Foreign Exchange Exposure

The functional currency of the Group is denominated in US\$, while the reporting currency is denominated in HK\$. Since the exchange rate of US\$ against HK\$ has been relatively stable during the Six Month Period, the exposure on foreign exchange was insignificant.

The Group has not implemented any foreign currency hedging policy at the moment. Nonetheless, the management of the Group has been continuously monitoring the level of foreign currency receipts and payments, ensuring that their net exposure to foreign exchange risk is kept at an acceptable level from time to time and will consider hedging the foreign exchange exposure if it is significant to the Group.

Capital Commitment

As at 30 June 2025, the Group had contracted for capital expenditure of approximately RMB0.2 million (equivalent to approximately HK\$0.2 million) (31 December 2024: approximately RMB35.9 million (equivalent to approximately HK\$38.8 million)) in respect of the construction of the Fujian Plant.

Interim Dividends

The board (the "Board") of directors (the "Directors") of the Company does not recommend the payment of any interim dividend for the Six Month Period (1H2024: HK8 cents).

Significant Investment

There were no significant investments held by the Group as at 30 June 2025, which represented over 5% of the Group's total assets.

Material Acquisitions and Disposals, and Future Plans for Material Investments

As at 30 June 2025, there were no plans for material investments of capital assets as at the date of this announcement, nor were there other material acquisitions and disposals of subsidiaries during the Six Month Period.

Employees and Remuneration Policy

The number of the Group's employees slightly increased to 286 as at 30 June 2025 (31 December 2024: 268). The Group's remuneration packages are maintained at competitive levels and are determined on the basis of performance, qualification and experience of individual employee.

We recognise the importance of maintaining good relationships with our employees by providing our employees with competitive remuneration packages that commensurate with prevailing market practice, including but not limited to provident fund, life and medical insurances, discretionary bonus and trainings for human resources upskilling.

OTHER SIGNIFICANT EVENTS

(1) Suspension of Trading on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”)

Trading in the Company's shares (the “Shares”) on the Stock Exchange has been suspended with effect from 9:00 a.m. on Tuesday, 31 December 2024 and will remain suspended pending the fulfillment of the guidance for the resumption of trading in the Shares as specified by the Stock Exchange (“Resumption Guidance”).

The suspension of trading arose from the various incidents involving the directors and former management of the Company (the “Matters”) as disclosed in the announcements of the Company from 26 December 2024 to the date of this announcement.

(2) Resumption Guidance

As stated in the announcement of the Company dated 11 March 2025, the Stock Exchange has set out the following Resumption Guidance for the Company: (a) conduct an independent forensic investigation into the Matters, assess the impact on the Company's business operation and financial position, announce the findings and take appropriate remedial actions; (b) demonstrate that there is no reasonable regulatory concern about 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, which may pose a risk to investors and damage market confidence; (c) conduct an independent internal control review and demonstrate that the Company has in place adequate internal controls and procedures to comply with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"); (d) publish all outstanding financial results required under the Listing Rules and address any audit modifications; (e) demonstrate the Company's compliance with Rule 13.24 of the Listing Rules; and (f) inform the market of all material information for the Company's shareholders and other investors to appraise the Company's position.

Under Rule 6.01A(1) of the Listing Rules, the Stock Exchange may cancel the listing of any securities that have been suspended from trading for a continuous period of 18 months (the "18-month Period"). In the case of the Company, the 18-month Period expires on 30 June 2026. If the Company fails to remedy the issues causing its trading suspension, fulfil the Resumption Guidance and fully comply with the Listing Rules to the Stock Exchange's satisfaction and resume trading in its Shares by 30 June 2026, the Listing Division will recommend the Listing Committee to proceed with the cancellation of the Company's listing. Under Rules 6.01 and 6.10 of the Listing Rules, the Stock Exchange also has the right to impose a shorter specific remedial period or to cancel the listing of the Company immediately, where appropriate.

(3) Progress of Fulfilment of the Resumption Guidance

Details of the progress of the Company in fulfilment of the Resumption Guidance, please refer to the announcement of the Company published on 28 March 2025, 27 June 2025, 30 September 2025, 31 December 2025, 31 March 2026 and 12 June 2026 in accordance with Rule 13.24A of the Listing Rules. The Company will continue to set out the progress in the quarterly update announcements in due course.

SUBSEQUENT EVENTS

Appointment of Joint Liquidators of Controlling Shareholder

As stated in the announcements of the Company dated 23 December 2024, 17 January 2025 and 18 December 2025, on 8 December 2025, upon application by Jin Yao Holdings Ltd. (“Jin Yao”), a company wholly owned by Mr. Yao Guoliang, a former executive Director, Forever Winner International Ltd. (“Forever Winner”) is wound up pursuant to an order granted by the Eastern Caribbean Supreme Court in the High Court of Justice in the British Virgin Islands and joint liquidators (the “Liquidators”) were appointed to Forever Winner under the provisions of the Insolvency Act 2003 (Revised 2020). As of the date of this announcement, to the knowledge of the Company, Forever Winner is the controlling shareholder of the Company and holds 1,041,746,000 ordinary Shares accounting for approximately 49.06% of the total issued share capital of the Company. Forever Winner is owned as to 50% by Jin Yao and 50% by Sino Century Holdings Limited (“Sino Century”) which is wholly owned by Mr. Wang Jian Sheng who currently serves as a non-executive Director.

Commencement of the Offer Period

As stated in the announcement of the Company dated 25 February 2026, the Company was informed by the Liquidators that the Liquidators have sent out an invitation for expression of interest looking for potential purchasers of the 1,041,746,000 ordinary Shares held by Forever Winner on 16 February 2026. If the above disposal of the shares by Forever Winner (the “Potential Transaction”) materialises, it may trigger a mandatory general offer under Rule 26.1 of the Code on Takeovers and Mergers (the “Takeovers Code”). For the purpose of Practice Note 24 of the Takeovers Code and based on the fact that the Liquidators were actively looking a potential purchaser for the controlling stake of the Company as informed by the Liquidators, the offer period commenced on 25 February 2026.

As stated in the announcement of the Company dated 27 March 2026, the Company was informed by the Liquidators that six parties expressed interest in the Potential Transaction and each of them was selected by the Liquidators to enter into the bidding process of the Potential Transaction.

As stated in the announcement of the Company dated 24 April 2026, the Company was informed by the Liquidators that the Liquidators have received five non-binding indicative offers in respect of the Potential Transaction, but have not entered into any agreement with the bidders.

As stated in the announcement of the Company dated 2 June 2026, the Company was informed by the Liquidators that on 29 May 2026, the Liquidators have entered into a sale and purchase agreement relating to disposal of 1,041,746,000 ordinary Shares with a bidder (namely Speed Success Group Limited). Speed Success Group Limited is wholly owned by Mr. Wang Jian Sheng.

In compliance with Rule 3.7 of the Takeovers Code, monthly announcement(s) setting out the progress of the Potential Transaction will be made until an announcement of a firm intention to make an offer under Rule 3.5 of the Takeovers Code or of a decision not to proceed with an offer is made. Further announcement(s) will be made by the Company and/or the Liquidators as and when appropriate or required in accordance with the Listing Rules or the Takeovers Code (as the case may be).

Ongoing Legal Proceedings

As stated in the announcement of the Company dated 17 October 2025, Strong Petrochemical Limited (“Strong HK”), an indirect wholly-owned subsidiary of the Company, filed a writ of summons with the High Court of Hong Kong against two former directors of Strong HK, Mr. Yao Guoliang and Dr. Tan Xiao. The claim relates to losses of approximately RMB37.0 million arising from a purported crude oil transaction in late 2024. Strong HK alleged that Mr. Yao Guoliang and Dr. Tan Xiao breached their fiduciary, common law and/or statutory duties owed to Strong HK.

As stated in the announcement of the Company dated 2 March 2026, the Company and Strong HK filed a writ of summons with the High Court of Hong Kong against Mr. Yao Guoliang and Dr. Tan Xiao, both former executive directors of the Company and former directors of Strong HK, and several external entities. The claim relates to a series of unauthorised payments of approximately HK\$8.8 million made from a bank account of Strong HK between December 2024 and January 2025. The Company and Strong HK alleged that Mr. Yao Guoliang and Dr. Tan Xiao breached their fiduciary duties owed to the Company and Strong HK.

As stated in the announcement of the Company dated 27 March 2026, Strong Petroleum Singapore Private Ltd., an indirect wholly-owned subsidiary of the Company, received an arbitration award and a statutory demand served by a creditor in the total amount of approximately US\$4.0 million (equivalent to approximately HK\$31.0 million) plus interest, together with costs of approximately 0.28 million Singapore Dollar (equivalent to approximately HK\$1.6 million). The Company has already discussed with the other party the repayment schedule and reached agreement on the repayment arrangement.

As stated in the announcement of the Company dated 1 April 2026, the Company received a writ of summons issued by the High Court of Hong Kong. The writ of summons was initiated by EuroAmerican International Energy L.L.C. (“EuroAmerican”) against the Company, three directors and/or management of the Company and two wholly-owned subsidiaries of the Company (collectively, the “Defendants”), seeking recovery of approximately US\$34.2 million (equivalent to approximately HK\$266.6 million) plus interest and costs under an arbitral award dated 24 March 2022 against Strong Petrochemical Limited (Macao Commercial Offshore) (“Strong MCO”), the Company’s indirect wholly-owned subsidiary which was liquidated in 2021. To the best knowledge of the Company, the claims against the Company and the other defendants are based on the alleged conspiracy, and are not claims arising from any contractual relationship between EuroAmerican and the Defendants. The Company denies the allegations and has engaged legal advisers to defend the claims. The Board will take all necessary steps to protect the Company’s position.

Save and except for the matters disclosed above and those the section headed “Other Significant Events” in this announcement, there have been no other material subsequent events following the end of the Six Month Period up to the date of this announcement.

OTHER INFORMATION

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s securities during the Six Month Period.

INTERESTS OF DIRECTORS AND CHIEF EXECUTIVE

As at 30 June 2025, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or any of the Company’s associated corporations (within the meaning of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong (the “SFO”)), as recorded in the register required to be kept under Section 352 of Part XV of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) are set out below:

Long position in the ordinary shares of HK\$0.025 each of the Company

Name of Director	Nature of interest	Number of ordinary shares held	Approximate percentage of the issued share capital of the Company (%)
Mr. Wang Jian Sheng	Interest of a controlled corporation (<i>note 1</i>)	1,041,746,000	49.06
	Interest of a controlled corporation (<i>note 2</i>)	50,576,000	2.38
	Interest of concert parties (<i>note 3</i>)	124,984,000	5.89

notes:

- Each of Sino Century and Jin Yao holds 50% of the entire issued share capital of Forever Winner. Mr. Wang Jian Sheng holds the entire issued share capital of Sino Century. Mr. Yao Guoliang holds the entire issued share capital of Jin Yao. On 8 December 2025, upon the application of Mr. Yao Guoliang, Forever Winner was wound up pursuant to an order granted by the Eastern Caribbean Supreme Court in the High Court of Justice in the British Virgin Islands and the Liquidators were appointed to Forever Winner under the provisions of the Insolvency Act 2003 (Revised 2020). On 29 May 2026, the Liquidators have entered into a sale and purchase agreement relating to disposal of 1,041,746,000 Shares with Speed Success Group Limited.
- Mr. Wang Jian Sheng holds the entire issued share capital of Speed Success Group Limited.
- As of 30 June 2025, since Mr. Wang Jian Sheng and Mr. Yao Guoliang jointly control Forever Winner which in turn holds 1,041,746,000 Shares, Mr. Wang Jian Sheng and Mr. Yao Guoliang are deemed as parties acting in concert. Therefore, as Mr. Yao Guoliang beneficially owns approximately 5.89% equity interest in the Company as at 30 June 2025, Mr. Wang Jian Sheng shall be deemed to hold the same equity interest in the Company.

INTERESTS OF SUBSTANTIAL SHAREHOLDERS

Save as disclosed below, as at 30 June 2025, the Directors are not aware of any other person (other than the interests of the Directors or the chief executive of the Company) had an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept under Section 336 of the SFO:

Long position in the ordinary shares of HK\$0.025 each of the Company

Name of shareholder	Nature of interest	Number of ordinary shares held	Approximate percentage of the issued share capital of the Company (%)
Forever Winner	Beneficial Owner (<i>note 1</i>)	1,041,746,000	49.06
Hongkong Hengyuan Investment Limited	Beneficial Owner (<i>note 2</i>)	353,603,681	16.65

notes:

1. Each of Sino Century and Jin Yao holds 50% of the entire issued share capital of Forever Winner. Mr. Wang Jian Sheng holds the entire issued share capital of Sino Century. Mr. Yao Guoliang holds the entire issued share capital of Jin Yao. On 8 December 2025, upon the application of Mr. Yao Guoliang, Forever Winner was wound up pursuant to an order granted by the Eastern Caribbean Supreme Court in the High Court of Justice in the British Virgin Islands and the Liquidators were appointed to Forever Winner under the provisions of the Insolvency Act 2003 (Revised 2020). On 29 May 2026, the Liquidators have entered into a sale and purchase agreement relating to disposal of 1,041,746,000 Shares with Speed Success Group Limited.
2. Mr. Chang Liang holds the entire issued share capital of Hongkong Hengyuan Investment Limited.

SHARE SCHEMES

During the Six Month Period, the Company had no share option scheme or share award scheme.

AUDIT COMMITTEE

An audit committee has been established to review and supervise the financial reporting process and internal control procedures of the Group. As at the date of this announcement, the audit committee of the Company comprises all of the three independent non-executive Directors, namely, Ms. Tam Yuk Yu (Chairman), Mr. Wang Qihong and Dr. Lu Guoyang. The unaudited interim results of the Group for the Six Month Period have been reviewed by the audit committee of the Company.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company has fully complied with the code provisions as set out in Part 2 of Appendix C1 to the Listing Rules during the Six Month Period.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as its code of conduct regarding the Directors' securities transactions. Having made specific enquiries by the Company, all current Directors have confirmed that they had complied with the required standards set out in the Model Code during the Six Month Period.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and to the knowledge of the Directors, the Directors confirm that the Company has maintained a sufficient public float as required under the Listing Rules during the Six Month Period.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2025

		Six months ended 30 June	
		2025	2024
	NOTES	HK\$'000	HK\$'000
		(unaudited)	(unaudited)
Revenue	3		
Goods and services		947,224	891,049
Leases		938	4,381
		<u>948,162</u>	<u>895,430</u>
Cost of sales		<u>(943,826)</u>	<u>(884,352)</u>
Gross profit		4,336	11,078
Other income	4	4,940	8,641
Other gains and losses	4	10,983	(2,037)
Gain/(loss) on financial assets at fair value through profit or loss, net	11	24	(1,655)
Gain on changes in fair value of derivative financial instruments, net		10,568	7,300
Distribution, selling and operating expenses		(5,767)	(943)
Administrative expenses		(80,577)	(31,762)
Finance costs	5	(4,596)	(381)
Share of results of associates		<u>84</u>	<u>3,364</u>
Loss before taxation	7	(60,005)	(6,395)
Income tax expense	6	<u>(4,390)</u>	<u>(2,975)</u>
Loss for the period		(64,395)	(9,370)
Other comprehensive income/(expense)			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		<u>4,493</u>	<u>(3,580)</u>
Total comprehensive expense for the period		<u>(59,902)</u>	<u>(12,950)</u>

		Six months ended 30 June	
		2025	2024
<i>NOTE</i>		<i>HK\$'000</i>	<i>HK\$'000</i>
		(unaudited)	(unaudited)
Loss for the period attributable to:			
Owners of the Company		(63,981)	(8,750)
Non-controlling interests		(414)	(620)
		<u>(64,395)</u>	<u>(9,370)</u>
Total comprehensive expense for the period attributable to:			
Owners of the Company		(59,488)	(12,330)
Non-controlling interests		(414)	(620)
		<u>(59,902)</u>	<u>(12,950)</u>
Loss per share	9		
— basic (HK cents)		<u>(3.01)</u>	<u>(0.41)</u>
— diluted (HK cents)		<u>(3.01)</u>	<u>(0.41)</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2025

		30 June 2025 <i>HK\$'000</i> (unaudited)	31 December 2024 <i>HK\$'000</i> (audited)
	NOTES		
Non-current assets			
Property, plant and equipment	10	651,264	651,332
Right-of-use assets		40,701	40,759
Other assets		–	667
Other receivables and deposits		1,255	1,236
Intangible assets		571	630
Interests in associates		33,897	33,299
Deferred tax assets		36,234	38,242
		<u>763,922</u>	<u>766,165</u>
Current assets			
Inventories		171,776	108,520
Trade receivables	12	9,766	14,094
Other receivables, deposits and prepayments		742,652	38,688
Income tax recoverables		767	1,102
Derivative financial instruments		22,630	3,892
Financial assets at fair value through profit or loss	11	153	130
Deposits placed with brokers		75,479	155,448
Restricted bank deposits		55,474	103,166
Bank balances and cash		214,840	878,551
		<u>1,293,537</u>	<u>1,303,591</u>
Current liabilities			
Trade payables	13	2,639	–
Other payables and accrued charges		729,849	739,471
Provision		23,548	19,599
Contract liabilities		25,296	9,672
Lease liabilities		824	886
Bank and other borrowings	14	34,381	13,175
Income tax payables		1,160	9
Derivative financial instruments		22,697	3,844
		<u>840,394</u>	<u>786,656</u>
Net current assets		<u>453,143</u>	<u>516,935</u>
Total assets less current liabilities		<u>1,217,065</u>	<u>1,283,100</u>

		30 June 2025	31 December 2024
	<i>NOTES</i>	HK\$'000	HK\$'000
		(unaudited)	(audited)
Non-current liabilities			
Lease liabilities		762	1,171
Bank and other borrowings	<i>14</i>	316,863	322,451
Provision		2,903	3,039
		<u>320,528</u>	<u>326,661</u>
Net assets		<u>896,537</u>	<u>956,439</u>
Capital and reserves			
Share capital	<i>15</i>	53,084	53,084
Reserves		847,801	907,289
		<u>900,885</u>	<u>960,373</u>
Equity attributable to owners of the Company		900,885	960,373
Non-controlling interests		<u>(4,348)</u>	<u>(3,934)</u>
Total equity		<u>896,537</u>	<u>956,439</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

	Attributable to owners of the Company										Total
	Share capital	Share premium	Special reserve	Statutory reserve	Share-based payments reserve	Translation reserve	Other reserve	Retained profits	Sub-total	Non-controlling interests	
	HK\$'000	HK\$'000	HK\$'000 (note (i))	HK\$'000 (note (ii))	HK\$'000	HK\$'000	HK\$'000 (note (iii))	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2024	53,084	566,111	(2,000)	6,366	50,391	(29,335)	12,295	641,669	1,298,581	(1,198)	1,297,383
Loss for the period	-	-	-	-	-	-	-	(8,750)	(8,750)	(620)	(9,370)
Exchange differences arising on translation of foreign operations	-	-	-	-	-	(3,580)	-	-	(3,580)	-	(3,580)
Total comprehensive expense for the period	-	-	-	-	-	(3,580)	-	(8,750)	(12,330)	(620)	(12,950)
Appropriation to statutory reserves	-	-	-	(9)	-	-	-	9	-	-	-
At 30 June 2024 (unaudited)	53,084	566,111	(2,000)	6,357	50,391	(32,915)	12,295	632,928	1,286,251	(1,818)	1,284,433
At 1 January 2025	53,084	566,111	(2,000)	7,106	50,391	(39,996)	12,295	313,382	960,373	(3,934)	956,439
Loss for the period	-	-	-	-	-	-	-	(63,981)	(63,981)	(414)	(64,395)
Exchange differences arising on translation of foreign operations	-	-	-	-	-	4,493	-	-	4,493	-	4,493
Total comprehensive expense for the period	-	-	-	-	-	4,493	-	(63,981)	(59,488)	(414)	(59,902)
At 30 June 2025 (unaudited)	53,084	566,111	(2,000)	7,106	50,391	(35,503)	12,295	249,401	900,885	(4,348)	896,537

notes:

- (i) The special reserve represents the difference between the nominal value of shares of the acquired subsidiaries and the nominal value of the Shares issued for the acquisition at the time of the corporate reorganisation to rationalise the structure of the Group prior to the listing of the Shares on the Stock Exchange.
- (ii) The PRC laws and regulations require companies registered in the PRC to provide for certain statutory reserves, which are to be appropriated from the profit after income tax (after offsetting accumulated losses from prior years) as reported in their respective statutory financial statements, before profit distributions to equity holders. All statutory reserves are created for specific purposes. A PRC company is required to appropriate an amount of not less than 10% of statutory profits after income tax to statutory reserve prior to distribution of its post-tax profits of the current year. A company may discontinue the contribution when the aggregate sum of the statutory reserve is more than 50% of its registered capital. The statutory reserve shall only be used to make up losses of the company, to expand the company's operations, or to increase the capital of the company. In addition, a company may make further contribution to the discretionary reserve using its post-tax profits in accordance with resolutions of the board of directors.
- (iii) Other reserve was resulted from (a) the deemed disposal of partial interests in subsidiaries without losing the Group's control over the subsidiaries, and (b) the difference between the fair value of ordinary shares issued by the Company and the carrying amount of the additional interests in a subsidiary acquired by the Group in previous years.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2025

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Net cash from operating activities	<u>(764,991)</u>	<u>56,384</u>
Net cash used in investing activities		
Decrease (increase) in deposits placed with brokers	79,969	(7,036)
Payments for construction and purchase of property, plant and equipment	(32,819)	(96,243)
Payments for purchase of other assets	–	(500)
Reduction of pledged bank deposits	–	25
Withdrawal of restricted bank deposits	47,692	–
Interest received	1,171	4,823
Dividend income from financial assets at fair value through profit or loss	117	–
Net cash outflow on acquisition of subsidiaries	<u>–</u>	<u>(30,224)</u>
	<u>96,130</u>	<u>(129,155)</u>
Net cash from financing activities		
Proceeds from bank and other borrowings	10,966	104,267
Proceeds from shareholder loans	10,000	–
Repayments of shareholder loans	(10,000)	–
Repayments of lease liabilities	(474)	(1,394)
Interest paid	<u>(7,709)</u>	<u>(4,540)</u>
	<u>2,783</u>	<u>98,333</u>
Net increase in cash and cash equivalents	(666,078)	25,562
Cash and cash equivalents at 1 January	878,551	456,586
Effect of foreign exchange rate changes	<u>2,367</u>	<u>(1,025)</u>
Cash and cash equivalents at 30 June, representing bank balances and cash	<u><u>214,840</u></u>	<u><u>481,123</u></u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Listing Rules and with Hong Kong Accounting Standard 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). It was authorised for issue on 23 June 2026.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values, as appropriate.

Other than additional accounting policies resulting from adoption of new and amended Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations (hereinafter collectively referred to as the “HKFRS Accounting Standards”), the accounting policies and methods of computation used in the condensed consolidated financial statements for the Six Month Period are the same as those presented in the Group’s annual financial statements for the year ended 31 December 2024.

Adoption of new and amended HKFRSs

In the Six Month Period, the Group has adopted the following amended HKFRS Accounting Standards issued by the HKICPA, for the first time, which are mandatorily effective for the Group’s financial year beginning on 1 January 2025 for the preparation of the Group’s condensed consolidated financial statements:

Amendments to HKAS 21

Lack of Exchangeability

The adoption of the amended HKFRS Accounting Standards in the Six Month Period has had no material impact on the Group’s financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

The Group has not adopted the new and amended HKFRS Accounting Standards that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new and amended HKFRS Accounting Standards but is not yet in a position to state whether these new and amended HKFRS Accounting Standards would have a material impact on its results of operations and financial position.

3. REVENUE AND SEGMENT INFORMATION

Revenue

(i) Disaggregation of revenue from contracts with customers

Six months ended 30 June 2025					
Segments	Trading business HK\$'000 (unaudited)	Storage business HK\$'000 (unaudited)	Exploration, exploitation and operation of crude oil business HK\$'000 (unaudited)	Petrochemicals manufacture business HK\$'000 (unaudited)	Total HK\$'000 (unaudited)
Types of goods or services in respect of contracts with customers					
Trading of commodities					
Crude oil	313,960	–	–	–	313,960
Petroleum products	41,299	–	–	–	41,299
Petrochemicals	489,165	–	–	–	489,165
	844,424	–	–	–	844,424
Storage and other ancillary services for petroleum products and petrochemicals					
General storage services	–	756	–	–	756
Other ancillary services	–	442	–	–	442
	–	1,198	–	–	1,198
Exploration, exploitation and operation of crude oil					
Sales of crude oil	–	–	65,042	–	65,042
Petrochemicals manufacture business					
Petrochemicals	–	–	–	36,560	36,560
Total	844,424	1,198	65,042	36,560	947,224
Geographical markets					
The PRC	844,424	1,198	65,042	36,560	947,224
Other regions	–	–	–	–	–
Total	844,424	1,198	65,042	36,560	947,224
Timing of revenue recognition					
A point in time	844,424	–	65,042	36,560	946,026
Over time	–	1,198	–	–	1,198
Total	844,424	1,198	65,042	36,560	947,224

Segments	Six months ended 30 June 2024		
	Trading	Storage	Total
	business	business	
	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)
Types of goods or services in respect of contracts with customers			
Trading of commodities			
Crude oil	174,636	–	174,636
Petroleum products	467	–	467
Petrochemicals	553,390	–	553,390
Coal	159,795	–	159,795
	<u>888,288</u>	<u>–</u>	<u>888,288</u>
Storage and other ancillary services for petroleum products and petrochemicals			
General storage services	–	787	787
Other ancillary services	–	1,974	1,974
	<u>–</u>	<u>2,761</u>	<u>2,761</u>
Total	<u>888,288</u>	<u>2,761</u>	<u>891,049</u>
Geographical markets			
The PRC	764,024	2,761	766,785
Other regions	124,264	–	124,264
Total	<u>888,288</u>	<u>2,761</u>	<u>891,049</u>
Timing of revenue recognition			
A point in time	888,288	–	888,288
Over time	–	2,761	2,761
Total	<u>888,288</u>	<u>2,761</u>	<u>891,049</u>

(ii) *Leases*

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
For operating leases:		
Lease income that is fixed or depends on a rate	938	4,381

(iii) *Set out below is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information*

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Trading business	844,424	888,288
Storage business	1,198	2,761
Exploration, exploitation and operation of crude oil business	65,042	–
Petrochemicals manufacture business	36,560	–
Revenue from contracts with customers	947,224	891,049
Leases	938	4,381
Total revenue	948,162	895,430

Segment information

Operating segments and the amounts of each segment item reported in the condensed consolidated financial statements are identified from the financial information provided regularly to the executive directors of the Company for the purposes of allocating resources to and assessing the performance of the Group's various lines of business.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of business activities. No operating segments have been aggregated to form the reporting segments.

Segment revenue, expenses, and results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis to that segment, but exclude exceptional items. Segment assets excluding income tax recoverables are managed on a group basis. Segment liabilities excluding income tax payables are managed on a group basis. The Group's operating and reportable segments are therefore as follows:

- (i) Trading business (trading of commodities including crude oil, petroleum products, petrochemicals and coal (*note*));
- (ii) Storage business (provision of general storage and other ancillary services in respect of petroleum products and petrochemicals);

- (iii) Exploration, exploitation and operation of crude oil business (participation in and operation of crude oil production activities under the production sharing contracts); and
- (iv) Petrochemicals manufacture business (comprising the production and sale of petrochemical products manufactured by the Group).

note: The Group did not conduct trades for coal for the Six Month Period as the Group adjusted its trading strategy.

Segment revenue and results

The following is an analysis of the Group's revenue and results by operating and reportable segments:

For the six months ended 30 June 2025

	Trading business HK\$'000 (unaudited)	Storage business HK\$'000 (unaudited)	Exploration, exploitation and operation of crude oil business HK\$'000 (unaudited)	Petrochemicals manufacture business HK\$'000 (unaudited)	Eliminations HK\$'000 (unaudited)	Total HK\$'000 (unaudited)
Revenue from contracts with customers	844,424	1,198	65,042	36,560	–	947,224
Leases	–	938	–	–	–	938
Inter-segment other ancillary services (note (i))	–	47	–	–	(47)	–
Inter-segment lease (note (i))	–	974	–	–	(974)	–
Total revenue	<u>844,424</u>	<u>3,157</u>	<u>65,042</u>	<u>36,560</u>	<u>(1,021)</u>	<u>948,162</u>
Segment results	<u>2,413</u>	<u>(1,075)</u>	<u>10,491</u>	<u>(28,722)</u>		(16,893)
Share of results of associates						84
Gain on financial assets at fair value through profit or loss ("FVTPL"), net						24
Unallocated finance costs						(999)
Unallocated income and gains						1,206
Unallocated expenses and losses (note (ii))						(43,427)
Loss before taxation						<u>(60,005)</u>

For the six months ended 30 June 2024

	Trading business HK\$'000 (unaudited)	Storage business HK\$'000 (unaudited)	Total HK\$'000 (unaudited)
Revenue from contracts with customers	888,288	2,761	891,049
Leases	–	4,381	4,381
Total revenue	<u>888,288</u>	<u>7,142</u>	<u>895,430</u>
Segment results	<u>3,025</u>	<u>(2,055)</u>	970
Share of results of associates			3,364
Loss on financial assets at FVTPL, net			(1,655)
Unallocated finance costs			(12)
Unallocated income and gains			5,263
Unallocated expenses and losses (<i>note (ii)</i>)			<u>(14,325)</u>
Loss before taxation			<u>(6,395)</u>

notes:

- (i) Inter-segment other ancillary services and inter-segment lease were charged at agreed terms set out in the service contracts and the lease contracts entered into between group companies.
- (ii) Unallocated expenses and losses mainly comprised of auditor's remuneration, legal and professional fee, certain depreciation of property, plant and equipment and administrative costs of the headquarter (1H2024: depreciation of investment properties and administrative costs of the headquarter).

Revenue reported above represents revenue generated from external customers. There were no inter-segment sales during the Six Month Period.

4. OTHER INCOME AND OTHER GAINS AND LOSSES

A. Other income

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Bank interest income	839	4,464
Interest income from deposits placed with brokers	332	359
Interest income from trade receivable	–	1,252
Rental income	–	1,329
Government grants	574	50
Service income	2,593	–
Others	602	1,187
	<u>4,940</u>	<u>8,641</u>

B. Other gains and losses

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Losses on disposal of property, plant and equipment	(38)	–
Net foreign exchange gains/(losses)	10,289	(2,438)
Others	732	401
	<u>10,983</u>	<u>(2,037)</u>

5. FINANCE COSTS

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Bank charges on letter of credit facilities	–	300
Interest on bank and other borrowings	7,501	4,550
Interest on lease liabilities	25	81
Interest on shareholder loans	74	–
Less: capitalised finance costs (<i>note</i>)	(3,004)	(4,550)
	<u>4,596</u>	<u>381</u>

note: Fujian Petrochemical obtained bank borrowings to support the construction of the Fujian Plant. For the Six Month Period, interest on bank borrowings of approximately HK\$3,004,000 (2024: approximately HK\$4,550,000) was capitalised under property, plant and equipment.

6. INCOME TAX EXPENSE

Income tax expense in the condensed consolidated statement of profit or loss and other comprehensive income represents:

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Current tax		
Enterprise Income Tax (“EIT”) in the PRC (<i>note (i)</i>)	2,109	3,318
Singapore Corporate Income Tax (<i>note (ii)</i>)	–	168
Deferred tax		
Origination of temporary differences	2,008	–
Underprovision/(overprovision) of taxation in prior year		
EIT in the PRC	273	(511)
	<u>4,390</u>	<u>2,975</u>

notes:

- (i) Under the Law of the PRC on EIT (the “EIT Law”) and Implementation Rules of the EIT Law in the PRC, the tax rate of the PRC subsidiaries is 25% for both periods. On 18 March 2022, the Ministry of Finance and the State Taxation Administration implemented preferential income tax policies for low-profit small businesses with annual taxable income that exceeds RMB1 million but does not exceeds RMB3 million will be counted as 25% of the actual amount at a tax rate of 20% which would be retrospectively implemented from 1 January 2022 to 31 December 2024.

The withholding tax rates were either 5% or 10% on the remittance of dividends from the subsidiaries in the PRC. For 1H2024, due to withholding tax on dividends declared by subsidiaries in the PRC, the overpayment of RMB450,000 (equivalent to approximately HK\$483,000) in the prior year was recovered and approximately RMB1,375,000 (equivalent to approximately HK\$1,501,000) was paid (1H2023: paid RMB1,200,000 (equivalent to approximately HK\$1,302,000)).

- (ii) The Singapore Corporate Income Tax is determined by applying the Singapore tax rate of 17%. With the approval of the Group’s application for Global Trader Programme by International Enterprise Singapore, certain qualified income generated by a subsidiary operating in Singapore for 1H2022 from physical trading of energy products is taxed at a concessionary rate of 10% until the end of year 2024.
- (iii) On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the “Bill”) which introduced the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK\$2,000,000 of assessable profits of a qualifying group entity will be taxed at 8.25%, and assessable profits above HK\$2,000,000 will be taxed at 16.5%. The assessable profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. The Directors considered the amount involved upon implementation of the two-tiered profits tax rates regime is insignificant to the condensed consolidated financial statements. Accordingly, Hong Kong Profits Tax for subsidiaries operating in Hong Kong is calculated at 16.5% of the estimated assessable profit for both periods. No provision for Hong Kong Profits Tax has been made for both periods since tax losses are incurred for the subsidiaries operating in Hong Kong or the assessable profit is wholly absorbed by tax losses brought forward from previous years.
- (iv) No provision for Macao Profit Tax has been made for both periods since loss was incurred for the subsidiary operating in Macao.

7. LOSS BEFORE TAXATION

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Loss before taxation is arrived after charging (crediting):		
Auditor's remuneration	3,019	927
Depreciation of property, plant and equipment	36,439	3,711
Depreciation of investment properties	–	4,719
Depreciation of right-of-use assets	651	2,092
Amortisation of intangible assets	68	–
Net foreign exchange (gains)/losses	(10,289)	2,438
Share of results of associates	(84)	(3,364)
Directors' emoluments	1,715	240
Other staff costs		
Salaries, bonus and other allowances	22,841	13,127
Retirement benefit schemes contributions	2,223	789
	26,779	14,156
Cost of inventories recognised as an expense (included in cost of sales) (note)	936,789	877,363
Provision for write down of inventories	4,398	–

note: Cost of inventories includes approximately HK\$6,276,000 (1H2024: Nil), approximately HK\$31,984,000 (1H2024: Nil), approximately HK\$197,000 (1H2024: Nil) and approximately HK\$68,000 (1H2024: Nil) relating to staff costs, depreciation of property, plant and equipment, depreciation of right-of-use assets and depreciation of intangible assets respectively which the amounts are also included in the respective total amounts disclosed separately above.

8. DIVIDENDS

The Board does not recommend the payment of any interim dividend for the Six Month Period (1H2024: HK8 cents). For details of the interim dividend for 1H2024, please refer to the announcement of the Company dated 12 June 2026.

9. LOSS PER SHARE

The calculations of the basic and diluted loss per share attributable to owners of the Company are based on the following data:

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Loss		
Loss for the purposes of calculating basic and diluted loss per share		
Loss for the period attributable to owners of the Company	<u>(63,981)</u>	<u>(8,750)</u>
Number of shares		
Weighted average number of ordinary shares for the purpose of calculating basic and diluted loss per share	<u>2,123,364,090</u>	<u>2,123,364,090</u>

For the Six Month Period and 1H 2024, no diluted loss per share has been presented as there were no potential dilutive ordinary shares outstanding.

10. MOVEMENT IN PROPERTY, PLANT AND EQUIPMENT

	For the six months ended 30 June 2025	For the year ended 31 December 2024
	HK\$'000	HK\$'000
	(unaudited)	(audited)
At the beginning of the period/year	651,332	440,619
Exchange realignment	6,601	(9,143)
Acquired from acquisition of subsidiaries (Note 18)	–	123,512
Additions	29,820	141,889
Transfer from investment properties	–	151,109
Disposals	(50)	(1,003)
Depreciation charge	(36,439)	(37,275)
Impairment loss recognised	<u>–</u>	<u>(158,376)</u>
At the end of the period/year	<u>651,264</u>	<u>651,332</u>

11. FINANCIAL ASSETS AT FVTPL

	30 June 2025 HK\$'000 (unaudited)	31 December 2024 HK\$'000 (audited)
Current assets		
— Listed securities held for trading	153	130
	<u>153</u>	<u>130</u>
	Six months ended 30 June 2025 HK\$'000 (unaudited)	2024 HK\$'000 (unaudited)
Loss on financial assets at FVTPL, net:		
Loss on fair value change in unlisted equity investment	—	(1,585)
Gain/(loss) on fair value change in listed securities held for trading	24	(70)
	<u>24</u>	<u>(1,655)</u>

Unlisted equity investment

On 31 August 2020, the Group subscribed for 2.5 million Class A Shares in SH Energy Fund 1 (“SH Energy”). SH Energy is an exempted company incorporated under the laws of the Cayman Islands with limited liability on 14 July 2020. The cost of such investment is US\$25,000,000 (equivalent to approximately HK\$195,000,000).

Fair value measurement of the Group’s investment in SH Energy was classified as Level 3 of the fair value hierarchy. During 1H2024, the Group acquired the principal assets of SH Energy. Details of the acquisition were set out in the announcement of the Company dated 26 June 2024. As at 30 June 2024, there were only liquid assets and certain debts on SH Energy’s book, the management of the Group determined that the net asset value of SH Energy of approximately US\$6,264,000 (equivalent to approximately HK\$48,856,000) could fairly reflect SH Energy’s value. Fair value loss on investment in SH Energy of approximately US\$203,000 (equivalent to approximately HK\$1,585,000) was recognised during the six month ended 30 June 2024. Subsequently, the directors of SH Energy had informed the Group that SH Energy would be wind up and the entire participating share in SH Energy held by the Group would be compulsorily redeemed. In July 2024, the directors of SH Energy decided to compulsorily redeem all participating shares. Approximately US\$6.2 million (equivalent to approximately HK\$48.1 million) and approximately US\$0.1 million (equivalent to approximately HK\$0.9 million) were received from SH Energy as redemption proceeds on 26 July 2024 and 9 August 2024 respectively.

Listed securities held for trading

	30 June 2025 HK\$'000 (unaudited)	31 December 2024 HK\$'000 (audited)
Listed securities held for trading:		
— Equity securities listed in Hong Kong	107	76
— Equity securities listed outside Hong Kong	46	54
	<u>153</u>	<u>130</u>

Fair value measurement of the Group's investment in listed securities is classified as Level 1 of the fair value hierarchy (Note 19), as the fair value is based on quoted bid prices in active markets. For the Six Month Period, a fair value gain of approximately HK\$24,000 (1H2024: a fair value loss of approximately HK\$70,000) was recognised.

12. TRADE RECEIVABLES

	30 June 2025 HK\$'000 (unaudited)	31 December 2024 HK\$'000 (audited)
Trade receivables		
— contracts with customers (<i>note</i>)	9,766	14,016
— lease receivables	—	78
	<u>9,766</u>	<u>14,094</u>

note: At 30 June 2025 and 31 December 2024, all trade receivables were at amortised cost.

The Group allows credit periods of 30 to 90 days to its customers from the trading business, 5 to 30 days to its customers from the storage business and 30 days to its customer from the exploration, exploitation and operation of crude oil business.

The following is an ageing analysis of trade receivables based on the invoice dates or goods delivery dates which approximated the revenue recognition dates at the end of the reporting period:

	30 June 2025 HK\$'000 (unaudited)	31 December 2024 HK\$'000 (audited)
0 to 30 days	9,515	14,094
91 to 180 days	251	–
	9,766	14,094

13. TRADE PAYABLES

	30 June 2025 HK\$'000 (unaudited)	31 December 2024 HK\$'000 (audited)
Trade payables at amortised cost	2,639	–
	2,639	–

The following is an ageing analysis of trade payables based on the invoice dates or goods receipt dates at the end of the reporting period:

	30 June 2025 HK\$'000 (unaudited)	31 December 2024 HK\$'000 (audited)
31 to 60 days	2,639	–

The credit period granted by suppliers on purchases of goods is normally 30 to 90 days.

14. BANK AND OTHER BORROWINGS

	30 June 2025 HK\$'000 (unaudited)	31 December 2024 HK\$'000 (audited)
Bank borrowings — secured	313,169	297,605
Other borrowing — secured	13,075	13,021
Other borrowings — unsecured	25,000	25,000
Total	<u>351,244</u>	<u>335,626</u>
The carrying amount of the above borrowings are repayable (<i>note</i>):		
Within one year	34,381	13,175
Within a period of more than one year but not exceeding two years	60,174	44,486
Within a period of more than two years but not exceeding five years	211,542	198,404
More than five years	45,147	79,561
	<u>351,244</u>	<u>335,626</u>
Less: Amount shown under current liabilities	<u>(34,381)</u>	<u>(13,175)</u>
Amount shown under non-current liabilities	<u>316,863</u>	<u>322,451</u>

note: The amounts due are based on scheduled repayment dates set out in the borrowing agreements.

As at 30 June 2025, the bank borrowings carried interest at floating rate of ranging from 3.6% to 4.2% (Loan Prime Rate announced by the National Interbank Funding Centre of the PRC plus 0.2%) and 2.4% (Loan Prime Rate announced by the National Interbank Funding Centre of the PRC minus 0.6%) respectively. The bank borrowings were secured by certain right-of-use assets and property, plant and equipment.

The secured other borrowing carried interest at a fixed rate of 8.5% per annum and are secured by certain trade receivables and deposits.

The unsecured other borrowings carried interest at a fixed rate of 7.0% and 7.5% per annum.

The bank borrowings and the secured other borrowing were denominated in RMB, which was functional currency of the relevant group entities.

The unsecured other borrowings were denominated in HK\$, which was functional currency of the relevant group entity. The unsecured other borrowings were borrowed from an individual, who became the director of the relevant group entity after the reporting period.

15. SHARE CAPITAL

	Number of shares	Amount <i>HK\$'000</i>
Ordinary shares of HK\$0.025 each		
Authorised:		
At 31 December 2024 (audited) and 30 June 2025 (unaudited)	4,000,000,000	100,000
Issued and fully paid:		
At 31 December 2024 (audited) and 30 June 2025 (unaudited)	2,123,364,090	53,084

16. CAPITAL COMMITMENTS

	30 June 2025 <i>HK\$'000</i> (unaudited)	31 December 2024 <i>HK\$'000</i> (audited)
Capital expenditure contracted for but not provided in the condensed consolidated financial statements in respect of the construction of the Fujian Plant	168	38,794

17. RELATED PARTY TRANSACTION

(a) Shareholder loans

During the Six Month Period, the Group entered into two loan agreements (the “Shareholder Loan Agreements”) with Speed Success Group Limited, a company holding 50,576,000 Shares. Mr. Wang Jian Sheng, a non-executive Director, holds the entire issued share capital of Speed Success Group Limited. Pursuant to the Shareholder Loan Agreements, Speed Success Group Limited agreed to provide two unsecured term loans of HK\$5 million each, in aggregate of HK\$10 million (the “Shareholder Loans”) to the Group in order to support its operating activities. The Group shall repay the Shareholder Loans on 31 May 2025 and 31 July 2025 respectively, or upon demand. Each of the Shareholder Loans bore an interest of 1-month HIBOR per annum. During the Six Month Period, the Shareholder Loans were fully settled.

(b) Transaction

Save as disclosed elsewhere in the condensed consolidated financial statements, the Group has the following transaction with its related party during the period:

Name of related party	Nature of transaction	Six months ended 30 June	
		2025 HK\$'000 (unaudited)	2024 HK\$'000 (unaudited)
Strong Property Limited (<i>note (i)</i>)	Rental expenses	–	994
Beijing Wanhua Real Estate Co., Ltd. (<i>note (ii)</i>)	Rental expenses	452	–
Speed Success Group Limited (<i>note (iii)</i>)	Interest expenses	74	–

notes:

- (i) Strong Property Limited was owned and controlled by Mr. Yao Guoliang, a former executive Director.
- (ii) Mr. Wang Jian Sheng, a non-executive Director, is a minority shareholder of Beijing Wanhua Real Estate Co., Ltd..
- (iii) Mr. Wang Jian Sheng, a non-executive Director, holds the entire issued share capital of Speed Success Group Limited.

18. ACQUISITION OF SUBSIDIARIES

On 28 June 2024, the Group acquired the entire issued share capital of Success Plus for consideration of US\$9,000,000 (equivalent to approximately HK\$70,200,000) from SH Energy, on that date, control in Success Plus was passed to the Group. This acquisition has been accounted for using the acquisition method. The major asset of Success Plus is the entire participating interest in Pan-China's entitlement under the Petroleum Contract and the overriding royalty interest in Zhou 13 Block of Daqing Zhaozhou Oilfield of the PRC. Success Plus was acquired to facilitate and resume the development of the Group's exploration, exploitation and operation of crude oil business.

Consideration transferred:

	<i>HK\$'000</i>
Cash consideration	70,200

The fair value of identifiable assets acquired and liabilities of Success Plus and its subsidiary recognised at the date of acquisition are as follows:

	<i>HK\$'000</i>
Property, plant and equipment (Note 10)	123,512
Deferred tax assets	39,737
Inventories	10,470
Trade receivables	13,616
Other receivables, deposits and prepayments	9,907
Restricted bank deposits	16,194
Bank balances and cash	23,782
Other payables and accrued charges	(77,493)
Provision	(18,726)
Other borrowing	(68,951)
Income tax payable	(1,848)
	70,200

Net cash outflow on acquisition of Success Plus and its subsidiary during 1H2024:

	<i>HK\$'000</i>
Cash and cash equivalents paid	70,200
Less: Cash and cash equivalents balance acquired	(23,782)
	46,418

19. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

This note provides information about how the Group determines fair values of various financial assets and financial liabilities.

(i) Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and key input(s) used).

Inputs used in determining fair value measurements are categorised into different levels based on how observable the inputs used in the valuation technique utilised are (the "fair value hierarchy"):

- Level 1: Quoted prices in active markets for identical items (unadjusted);
- Level 2: Observable direct or indirect inputs other than Level 1 inputs; and
- Level 3: Unobservable inputs (i.e. not derived from market data).

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item. Transfers of items between levels are recognised in the period they occur.

Fair value hierarchy at 30 June 2025 and 31 December 2024

	At 30 June 2025			
	Level 1	Level 2	Level 3	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(note (i))		(note (iii))	
Financial assets				
Financial assets at FVTPL				
Derivative financial instruments				
(note (ii))	–	22,630	–	22,630
Listed securities held for trading	153	–	–	153
	<u>153</u>	<u>–</u>	<u>–</u>	<u>153</u>
Financial liabilities				
Financial liabilities at FVTPL				
Derivative financial instruments				
(note (ii))	–	22,697	–	22,697
	<u>–</u>	<u>22,697</u>	<u>–</u>	<u>22,697</u>

	At 31 December 2024			
	Level 1	Level 2	Level 3	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(note (i))		(note (iii))	
Financial assets				
Financial assets at FVTPL				
Derivative financial instruments				
(note (ii))	–	3,892	–	3,892
Listed securities held for trading	130	–	–	130
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Financial liabilities				
Financial liabilities at FVTPL				
Derivative financial instruments				
(note (ii))	–	3,844	–	3,844
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

notes:

- (i) Quoted bid prices in active markets.
- (ii) Difference between the contracted strike prices and prevailing futures, swaps and options or published indexes. Such prevailing futures, swaps and options or published indexes are derived from the relevant futures exchanges or prices publication as specified in the contracts.

There were no transfers among Level 1, 2 and 3 during the Six Month Period.

(ii) Fair value of the Group's financial assets and financial liabilities that are not measured at fair value on a recurring basis

The management of the Group considered that the carrying amounts of financial assets and financial liabilities recorded at amortised costs in the condensed consolidated financial statements approximate their fair values.

20. EVENTS AFTER THE END OF THE REPORTING PERIOD

Appointment of Joint Liquidators of Controlling Shareholder

As stated in the announcements of the Company dated 23 December 2024, 17 January 2025 and 18 December 2025, on 8 December 2025, upon application by Jin Yao, a company wholly owned by Mr. Yao Guoliang, a former executive Director, Forever Winner is wound up pursuant to an order granted by the Eastern Caribbean Supreme Court in the High Court of Justice in the British Virgin Islands and the Liquidators were appointed to Forever Winner under the provisions of the Insolvency Act 2003 (Revised 2020). As of the date of this announcement, to the knowledge of the Company, Forever Winner is the controlling shareholder of the Company and holds 1,041,746,000 ordinary Shares, accounting for approximately 49.06% of the total issued share capital of the Company. Forever Winner is owned as to 50% by Jin Yao and 50% by Sino Century which is wholly owned by Mr. Wang Jian Sheng who currently serves as a non-executive Director.

Commencement of the Offer Period

As stated in the announcement of the Company dated 25 February 2026, the Company was informed by the Liquidators that the Liquidators have sent out an invitation for expression of interest looking for potential purchasers of the 1,041,746,000 ordinary Shares held by Forever Winner on 16 February 2026. If the Potential Transaction materialises, it may trigger a mandatory general offer under Rule 26.1 of the Takeovers Code. For the purpose of Practice Note 24 of the Takeovers Code and based on the fact that the Liquidators were actively looking a potential purchaser for the controlling stake of the Company as informed by the Liquidators, the offer period commenced on 25 February 2026.

As stated in the announcement of the Company dated 27 March 2026, the Company was informed by the Liquidators that six parties expressed interest in the Potential Transaction and each of them was selected by the Liquidators to enter into the bidding process of the Potential Transaction.

As stated in the announcement of the Company dated 24 April 2026, the Company was informed by the Liquidators that the Liquidators have received five non-binding indicative offers in respect of the Potential Transaction, but have not entered into any agreement with the bidders.

As stated in the announcement of the Company dated 2 June 2026, the Company was informed by the Liquidators that on 29 May 2026, the Liquidators have entered into a sale and purchase agreement relating to disposal of 1,041,746,000 ordinary Shares with a bidder (namely Speed Success Group Limited). Speed Success Group Limited is wholly owned by Mr. Wang Jian Sheng.

In compliance with Rule 3.7 of the Takeovers Code, monthly announcement(s) setting out the progress of the Potential Transaction will be made until an announcement of a firm intention to make an offer under Rule 3.5 of the Takeovers Code or of a decision not to proceed with an offer is made. Further announcement(s) will be made by the Company and/or the Liquidators as and when appropriate or required in accordance with the Listing Rules or the Takeovers Code (as the case may be).

Ongoing Legal Proceedings

Strong HK, an indirect wholly-owned subsidiary of the Company, filed a writ of summons with the High Court of Hong Kong against two former directors of Strong HK, Mr. Yao Guoliang and Dr. Tan Xiao. The claim relates to losses of approximately RMB37.0 million arising from a purported crude oil transaction in late 2024. Strong HK alleged that Mr. Yao Guoliang and Dr. Tan Xiao breached their fiduciary, common law and/or statutory duties owed to Strong HK. Details of the writ of summons were set out in the announcement of the Company dated 17 October 2025.

The Company and Strong HK filed a writ of summons with the High Court of Hong Kong against Mr. Yao Guoliang and Dr. Tan Xiao, both former executive directors of the Company and former directors of Strong HK, and the Receiving Entities. The claim relates to a series of unauthorised payments of approximately HK\$8.8 million made from a bank account of Strong HK between December 2024 and January 2025. The Company and Strong HK alleged that Mr. Yao Guoliang and Dr. Tan Xiao breached their fiduciary duties owed to the Company and Strong HK. Details of the writ of summons were set out in the announcement of the Company dated 2 March 2026.

Strong Petroleum Singapore Private Ltd., an indirect wholly-owned subsidiary of the Company, received an arbitration award and a statutory demand served by a creditor in the total amount of approximately US\$4.0 million (equivalent to approximately HK\$31.0 million) plus interest, together with costs of approximately 0.28 million Singapore Dollar (equivalent to approximately HK\$1.6 million). The Company has already discussed with the other party the repayment schedule and reached agreement on the repayment arrangement. Details of the arbitration award and the statutory demand were set out in the announcement of the Company dated 27 March 2026.

The Company announced received a writ of summons issued by the High Court of Hong Kong. The writ of summons was initiated by EuroAmerican, seeking recovery of approximately US\$34.2 million (equivalent to approximately HK\$266.6 million) plus interest and costs under an arbitral award dated 24 March 2022 against Strong MCO which was closed in 2021. To the best knowledge of the Company, the claims against the Company and the other defendants are based on the alleged conspiracy, and are not claims arising from any contractual relationship between EuroAmerican and the Defendants. The Company denies the allegations and has engaged legal advisers to defend the claims. The Board will take all necessary steps to protect the Company's position. Details of the writ of summons were set out in the announcement of the Company dated 1 April 2026.

Saved as disclosed above, the Directors are not aware of any significant event which had material effect on the Group subsequent to 30 June 2025 and up to the date of this announcement.

PUBLICATION OF INTERIM RESULTS

This results announcement is published on the website of the Company at www.strongpetrochem.com and the Stock Exchange's website at www.hkexnews.hk. The interim report of the Company for the Six Month Period containing all the information required by the Listing Rules will be published on the above websites and despatched to the shareholders of the Company in due course.

By order of the Board
STRONG PETROCHEMICAL HOLDINGS LIMITED
Wang Qihong
Chairman

Hong Kong, 23 June 2026

As at the date of this announcement, the Board comprises two executive directors, one non-executive director and three independent non-executive directors. The executive directors of the Company are Dr. Wang Pang Paul and Mr. Cao Xinzong. The non-executive director of the Company is Mr. Wang Jian Sheng. The independent non-executive directors of the Company are Mr. Wang Qihong, Dr. Lu Guoyang and Ms. Tam Yuk Yu.