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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)

DISCLOSEABLE TRANSACTION DISPOSAL OF THE ENTIRE EQUITY INTEREST OF STRONG PETROCHEMICAL (NANTONG) LOGISTICS COMPANY LTD.

THE DISPOSAL

The Board announces that on 16 October 2026 (after trading hours), Teamskill, an indirect wholly-owned subsidiary of the Company, and Yantai Jincheng, an Independent Third Party, entered into the Sale and Purchase Agreement, pursuant to which Teamskill has agreed to sell and Yantai Jincheng has agreed to acquire the entire equity interest of the Target Company at the Consideration of US\$12.5 million (equivalent to approximately HK\$97.5 million).

As at the date of this announcement, the Target Company is wholly owned by Teamskill. Upon Completion, Teamskill will cease to have any interest in the Target Company and the Target Company will cease to be a subsidiary of the Company. Accordingly, the financial results of the Target Company will no longer be consolidated into the consolidated financial statements of the Group upon Completion.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Disposal exceeds 5% but all of them are less than 25%, the Disposal constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements but is exempt from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

Completion is subject to the fulfillment or waiver (where applicable) of the conditions precedent set out in the Sale and Purchase Agreement and therefore the Disposal may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

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THE SALE AND PURCHASE AGREEMENT

The principal terms of the Sale and Purchase Agreement are summarised as follows:

- Date: 16 October 2026 (after trading hours)
- Parties: (i) Teamskill (as the Seller); and
(ii) Yantai Jincheng (as the Buyer)
- Subject matter: The entire equity interest of the Target Company, representing its registered capital of US\$12.5 million which has been fully paid up
- The Target Company is an indirect wholly-owned subsidiary of the Company, as at the date of this announcement.
- Consideration and Payment: The Consideration is US\$12.5 million (equivalent to approximately HK\$97.5 million).
- Within ten (10) Business Days after the signing of the Sale and Purchase Agreement, the parties shall open the Escrow Account. Within ten (10) Business Days after the signing of the Sale and Purchase Agreement and the opening of the Escrow Account, and before submitting any application for the Equity Transfer Registration, the Buyer shall deposit an amount equal to the Completion Payment (as defined below) into the Escrow Account.
- The Consideration is payable by the Buyer in cash in the following manner:
- (a) US\$11.3 million (equivalent to approximately HK\$88.1 million) (the “**Completion Payment**”) shall be released from the Escrow Account to Teamskill on the Completion Date; and

- (b) the remaining balance of US\$1.2 million (equivalent to approximately HK\$9.4 million) (the “**Deferred Payment**”) shall be paid to Teamskill as soon as practicable within twelve (12) months after the release of the Completion Payment, provided that there are no issues relating to the quality of the tanks and pipelines, environmental protection and fire safety of the Target Company.

Conditions
precedent:

The Completion is conditional upon the fulfilment of the following conditions:

- (a) the hazardous chemicals business licence, the port operation licence (together with the dangerous goods operation certificate), the pollutant discharge permit and other permits, approvals and filings necessary for the operation of the business held by the Target Company are valid and subsisting on the Completion Date, and none of them has been revoked, cancelled, suspended, refused renewal or made subject to conditions;
- (b) the Target Company has obtained a tax payment certificate or a certificate of no outstanding tax liabilities issued by the competent tax authority as of the most recent tax return filing date, and there are no arrears in social insurance contributions or housing provident fund contributions;
- (c) if the Target Company or the land occupied by it is included in the list of key regulated units for soil pollution, or if the Target Company intends to change the land use right or the use of the land, a soil pollution status investigation has been completed and the conclusion indicates that no risk control or remediation is required; or the parties have otherwise reached a written arrangement on the assumption of pollution liability;
- (d) the Equity Transfer Registration has been completed;
- (e) the fundamental warranties given by the Seller remain true and accurate in all material respects as at Completion;
- (f) the warranties given by the Buyer remain true, accurate and complete as at Completion; and
- (g) if required by the Stock Exchange or the Listing Rules, the Company has complied with all requirements of the Stock Exchange and the Listing Rules relating to the Sale and Purchase Agreement, including obtaining any necessary approvals of its board of directors and/or shareholders.

Conditions (a) to (d) and condition (g) cannot be waived. Condition (e) may be waived by the Buyer and condition (f) may be waived by the Seller.

Completion and
Handover:

Completion shall take place within five Business Days after all the conditions precedent have been satisfied or waived (or such other date as may be mutually agreed by the parties in writing), against release of the Completion Payment to the Seller.

The Buyer shall be entitled, from and including the Completion Date, to all rights attaching to the equity interest of the Target Company. However, during the transition period (the “**Transitional Period**”) from the submission of the application for Equity Transfer Registration to the Completion Date and, after Completion, until the Handover Date, as defined below, the Seller continues to hold and control the business licence, all seals, bank U-shields and bank authorisations, permits, title documents, books and records of the Target Company, and the existing directors, supervisor(s), legal representative and general manager of the Target Company appointed by the Seller shall continue to hold office, and any change to any such person may be filed only after the expiry of the Transitional Period.

During the Transitional Period, neither party may cause, permit or purport to authorise the Target Company to: (i) borrow or raise funds, or provide guarantees, indemnities or security interests, except renewal of existing bank loans; (ii) create or permit new encumbrances over the Target Company’s assets or its equity interest; (iii) sell, lease, transfer or otherwise dispose of assets, or transfer funds out of the Target Company’s bank accounts, except in the ordinary course of business; (iv) declare or pay dividends or distributions, change registered capital, merge, split or dissolve; (v) enter into, amend, terminate or waive contractual rights, or transact with the Buyer or its affiliates; (vi) amend the articles of association (except as required for registration), change bank signatories, or replace directors, officers or employees; or (vii) commence or settle legal proceedings.

Within five (5) Business Days after the Seller’s receipt of the Completion Payment (the “**Handover Date**”), the Seller shall deliver the above items to the Buyer and procure the resignations of the directors, supervisor(s), legal representative and general manager appointed by the Seller to take effect.

Warranties and
indemnities:

During the period from the Target Company’s Management Accounts Date (being 31 August 2026) to the Completion Date, the Target Company shall not dispose of any fixed assets or intangible assets; where any single change in the Target Company’s current assets amounts to RMB500,000 (or above), the Target Company shall promptly notify the Buyer.

The Seller has given warranties in respect of, among others, the fundamental information of itself, the Target Company and its equity interest in the Target Company, as well as other information relating to the permits, taxation, assets and real property, environmental protection, employment and litigation of the Target Company. Save for claims arising from fraud or wilful concealment of material facts by the Seller, the Seller's liability is subject to customary limitations, including (i) a de minimis of US\$10,000 per claim and an aggregate threshold of US\$100,000; (ii) an aggregate cap of 100% of the Consideration actually received by the Seller (for claims relating to the warranties of the fundamental information) and 20% of the Consideration actually received by the Seller (for all other claims); and (iii) a claim notification period served within 12 months after the Completion Date. Claims relating to the quality of the tanks and pipelines, environmental protection and fire safety of the Target Company are not subject to the de minimis and threshold, and are capped at the amount of the Deferred Payment.

In addition, the Seller shall bear and indemnify the Buyer against all liabilities arising from any taxes, late payment surcharges, fines and interest that are payable or underpaid by the Target Company on or before the Completion Date; any supplementary tax payment obligations, late payment surcharges, fines and possible criminal liabilities arising from tax evasion, refusal to pay tax, tax fraud, false invoicing or other tax violations before the Completion Date; any tax inspection, demand for supplementary tax payment or administrative penalty imposed by the tax authority in respect of matters occurring before the Completion Date; any recovery of tax incentives, financial rebates or subsidies enjoyed before the Completion Date; and any special tax adjustment for related-party transfer pricing before the Completion Date, and such indemnity shall not be subject to the above de minimis threshold, liability cap or claim period.

Default and
Termination:

The parties shall use reasonable endeavours to procure the above conditions precedent to be fulfilled on or before the date falling six months after the date of the Sale and Purchase Agreement (or such later date as the parties may agree in writing) (the “**Long Stop Date**”). If all the conditions are not satisfied or waived on or before the Long Stop Date (which may be extended by mutual agreement of the parties), either party shall be entitled to terminate the Sale and Purchase Agreement by written notice to the other party.

If the Buyer fails to pay any amount due under the Sale and Purchase Agreement, the Buyer shall pay interest on the overdue amount at the rate of 0.05% per day from the due date until the date of actual payment. If any amount payable by the Buyer remains unpaid for more than 30 days after the due date and is not paid within 30 days after the Seller's written demand, the Seller may terminate the Sale and Purchase Agreement. If the Seller fails to perform any of its obligations under the Sale and Purchase Agreement, and such failure is not attributable to the Buyer, force majeure or delay in government approval, the Seller shall pay liquidated damages to the Buyer at the rate of 0.05% per day on the losses suffered by the Buyer from the date of default until the date of actual performance.

If the Sale and Purchase Agreement is terminated after the Equity Transfer Registration has been completed, the Buyer shall, at its own cost, re-transfer the equity interest of the Target Company to the Seller (or its nominee) at nil consideration and restore the Target Company to its position as at the date of the Sale and Purchase Agreement, and any amount in the Escrow Account shall only be released to the Buyer after such restoration has been completed.

BASIS FOR DETERMINING THE CONSIDERATION

The Consideration for the Disposal was arrived at after arm's length negotiations between Teamskill and Yantai Jincheng with reference to, amongst other things: (i) the net asset value of the Target Company as at 31 August 2026 in the amount of approximately HK\$39.7 million (unaudited); and (ii) the appraised value of the entire equity interest in the Target Company, being in the amount of approximately US\$7.475 million (equivalent to approximately RMB50.1 million or HK\$58.3 million), as assessed as at the Valuation Date (being 30 September 2026) (the "**Valuation**"), as assessed by the Valuer, an independent valuer appointed by the Company. The Consideration represents a premium of approximately US\$5.0 million (equivalent to approximately HK\$39.2 million), or approximately 67.2%, over the Valuation.

The Valuation

Valuer. The valuation report was prepared by AVISTA Valuation Advisory Limited and signed by Mr. Vincent C B Pang, its managing partner, who is a member of the CFA Institute, a fellow member of the Hong Kong Institute of Certified Public Accountants and CPA Australia, a member of the Royal Institution of Chartered Surveyors and a RICS Registered Valuer, and has extensive experience in financial valuation and business consulting in Hong Kong and the PRC. The Valuer has confirmed that it has neither present nor prospective interest in the Company, the Target Company or the value reported. Having considered the qualifications, experience and independence of the Valuer, the Directors are of the view that the Valuer is competent and independent to perform the Valuation.

Scope of work and sources of information. In performing the Valuation, the Valuer, among other things, obtained and reviewed the financial statements and other information of the Target Company provided by the management of the Group (including the financial information of the Target of the trailing 12-months (“LTM”) period ended 31 August 2026), discussed with the management the history, business model, operations and development plan of the Target Company, and carried out research on the overview of China’s macroeconomy and relevant industry and collected market data from public sources (including S&P Capital IQ and Bloomberg). The Valuer has relied on such information without independent verification.

Valuation approach. The Valuer has considered the three generally accepted valuation approaches, namely the asset-based approach, the income approach and the market approach, and has adopted the market approach. The asset-based approach was not adopted as it assumes that the assets and liabilities of the Target Company are separable and can be sold separately, and fails to take into account an adequate return on the assets used in the business. The income approach was not adopted as the financial projections of the Target Company would involve numerous assumptions which are unobservable and subjective, and improper assumptions may have a significant impact on the fair value. The market approach was adopted as it reflects market expectations of the relevant industry (as the price multiples of the guideline companies were arrived from the market consensus), there are sufficient listed companies of a similar nature and business to the Target Company and their market values are good indicators of the industry of the Target. As the Valuation was not based on discounted cash flows or projections of profits, earnings or cash flows, it does not constitute a profit forecast under Rule 14.61 of the Listing Rules.

Valuation method. Of the two methods commonly used under the market approach, the comparable transactions method was not adopted as only a limited number of comparable transactions closed between October 2025 and September 2026 could be identified. The guideline public company method was therefore adopted. By adopting the guideline public company method, the Valuer has to select the appropriate guideline public companies. The selection of the guideline public companies was based on the comparability of the overall industry sector. Although no two companies are ever exactly alike, behind the differences, there are certain business universals, such as required capital investment and overall perceived risks and uncertainties, that guide the market in reaching the expected returns for companies with certain similar attributes.

Selection of comparable companies. The comparable companies were selected based on the following criteria: (i) the primary industry of the companies is in the industry of Diversified Support Services industry or Marine Ports and Services industry or Oil and Gas Storage and Transportation industry, under Global Industry Classification Standard, as extracted from S&P Capital IQ; (ii) the principal business of the companies is engaged in the provision of storage and logistics-related middle stream services for hydrocarbon resources; (iii) Majority of the total revenue (i.e., over 50%) is attributable to the provision of storage and logistics-related middle stream services for hydrocarbon resources; (iv) the companies are listed on the Stock Exchange of Hong Kong, Shanghai Stock Exchange, Shenzhen Stock Exchange, major U.S. exchanges, or Taiwan Stock Exchange; and (v) the financial information of the companies is publicly available and is considered sufficient and reliable as at the Valuation Date. Based on these criteria, the Valuer identified an exhaustive list of 10 guideline public companies that engaged in the provision of storage and logistics-related middle stream

services for hydrocarbon resources, set out below (the percentages in brackets represent the revenue contribution from business segments relevant to the business of the Target Company):

Comparable company (stock code)	Unadjusted EV/EBITDA	Adjusted EV/ EBITDA
1. Sinopec Kantons Holdings Limited (SEHK:934) (100.0%)	23.7x	8.2x
2. Great River Smart Logistics Co., Ltd. (SZSE:002930) (94.2%)	13.8x	11.1x
3. Zhuhai Winbase International Chemical Tank Terminal Co., Ltd. (SZSE:002492) (85.4%)	N/A	N/A
4. Prime Oil Chemical Service Corporation (TWSE:2904) (78.0%)	6.0x	5.8x
5. South Bow Corporation (NYSE:SOBO) (73.8%)	11.9x	8.8x
6. Western Midstream Partners, LP (NYSE:WES) (94.9%)	11.0x	8.1x
7. MPLX LP (NYSE:MPLX) (69.5%)	13.4x	9.3x
8. The Williams Companies, Inc. (NYSE:WMB) (67.7%)	16.5x	8.9x
9. Kinder Morgan, Inc. (NYSE:KMI) (56.0%)	13.2x	8.2x
10. Hess Midstream LP (NYSE:HESM) (52.3%)	6.8x	5.8x
Median	13.2x	8.2x

Note: Zhuhai Winbase recorded negative LTM EBITDA and NOPAT as at the Valuation Date, and therefore no meaningful multiple could be derived; it was not included in the calculation of the median multiple.

Valuation multiple. The Valuer has considered the price-to-book (P/B), enterprise value to sales (EV/S), price-to-earnings (P/E) and enterprise value to earnings before interest, taxes, D&A Expenses (EV/EBITDA) multiples, and adopted the EV/EBITDA multiple as it effectively measures the performance of the Target's core operations by removing the impact of the cost of capital, tax effect on earnings, and depreciation and amortization, which eliminates differences in capital structure among companies, and is considered the most appropriate indicator of the fair value of the entire equity interest in the Target Company in the valuation. The P/B multiple was not adopted as book value does not capture company-specific intangible competencies; the EV/S multiple was not adopted as it ignores the cost structure and profitability of a company; and the P/E multiple was not adopted as it does not take into account the capital structure of a company and is affected by differing tax policies.

Adjustments to the multiples. To account for differences in size and country risk between the comparable companies and the Target Company, each unadjusted EV/EBITDA multiple (M) was adjusted using the formula: adjusted multiple = $1 / ((1/M) + \theta \times \varepsilon \times \alpha)$, where (i) θ is the total risk premium differential for each comparable company, being the sum of the size premium differential and the equity risk premium differential. The size premium differential is adopted with reference to the "Cost of Capital Navigator 2025" published by Kroll, based on the market capitalisation of each comparable company (the size premium of the Target Company being 3.01%), and the equity risk premium differential is adopted with reference to the "Country Default Spreads and Risk Premiums Study" issued and last updated by

Aswath Damodaran in July 2026 (the equity risk premium of the Target Company being 5.07%); (ii) ε is the weighting factor, being the ratio of market capitalisation to enterprise value of each comparable company; and (iii) α is the scale factor, being the ratio of LTM EBITDA to LTM net operating profit after tax (NOPAT) of each comparable company. The median of the adjusted EV/EBITDA multiples of 8.2 times was adopted.

Calculation of the Valuation. The calculation of the Valuation is set out below:

RMB'000

LTM EBITDA of the Target as of the Valuation Date ^{(1), (2)}	2,520
Adjusted Median EV/EBITDA Multiple	<u>8.2x</u>
Estimated Enterprise Value of the Target⁽³⁾	20,776
Less: Debt ⁽⁴⁾	—
Add: Cash and Cash Equivalents ⁽⁴⁾	2,438
Add/(Less): Non-operating Asset/(Liabilities) ^{(4), (5)}	<u>29,269</u>
Estimated 100% Equity Value of the Target (marketable and minority basis)	52,483
Less: Discount for Lack of Marketability (“DLoM”) ⁽⁶⁾	<u>(10,707)</u>
Estimated 100% Equity Value of the Target (non-marketable and minority basis)⁽⁹⁾	41,777
Add: Control Premium (“CP”) ⁽⁷⁾	<u>8,355</u>
Estimated 100% Equity Value of the Target (non-marketable and controlling basis)	50,132
Exchange Rate ⁽⁸⁾	<u>6.7064</u>
Estimated 100% Equity Value of the Target (non-marketable and controlling basis) (USD'000)⁽⁹⁾	<u><u>7,475</u></u>

Notes:

- (1) As of the Valuation Date, the best available LTM financial information of the Target covered up to 31 August 2026, according to the Management. These have therefore been adopted for the valuation.
- (2) LTM EBITDA amount is based on financial data covered for the period from 1 September 2025 to 31 August 2026, excluding non-operating and non-recurring expenses or gains, provided by the Management.
- (3) The amount does not equal the multiple LTM EBITDA of the Target and the adopted multiple illustrated above due to rounding.
- (4) Based on the consolidated balance sheet of the Target as of 31 August 2026 provided by the Management.
- (5) Non-operating assets/(liabilities) are assets and liabilities that are not required for, and do not contribute to, the core operations of the Target. They are therefore not reflected in the LTM EBITDA or the resulting enterprise value. Based on the consolidated balance sheet of the Target as of 31 August 2026, the net non- operating assets of approximately RMB29,269,000 comprised (i) other receivables of

approximately RMB30,009,000, mainly representing amounts due from related parties; less (ii) other payables of approximately RMB741,000, mainly representing receipts in advance and sundry payables. As advised by the Management, the other receivables are expected to be fully recovered and the other payables to be settled in full. Accordingly, the net non-operating assets have been added to the estimated enterprise value at their carrying amounts, which are considered to approximate their fair values, in arriving at the equity value of the Target.

- (6) DLoM reflects the fact that there is no readily available market of shares in a closely held corporation. Therefore, a share of stock in a privately held company is usually worth less than an otherwise comparable share in a publicly listed company. As the guideline companies are all listed companies, a DLoM was applied. It is derived based on the study of “*Stout Restricted Stock Study Companion Guide 2025 Edition*” published by Stout Risius Ross, LLC, which suggests an average DLoM of 20.4%.
- (7) CP is the amount that a buyer is willing to pay over the minority equity value of the company in order to acquire a controlling interest in that company. The multiple adopted in the valuation was calculated from public listed companies, which represents minority ownership interest. Thus, a CP was applied. CP of 20% is sourced from Bloomberg.
- (8) Exchange rate as of the Valuation Date is sourced from Bloomberg.
- (9) Total may not foot due to rounding.

Key assumptions. The principal assumptions adopted in the Valuation include: (i) there will be no material change in the existing political, legal, technological, fiscal or economic conditions which might adversely affect the business of the Target Company; (ii) there are no material changes in the financial positions of the Target Company and the comparable companies between their respective financial reporting dates and the Valuation Date; (iii) the operations of the Target Company will not be constrained by the availability of finance; (iv) the Target Company will retain competent management, key personnel and technical staff to support its ongoing operations; and (v) there are no hidden or unexpected conditions associated with the assets valued that might adversely affect the reported value.

In view of the premium of the Consideration referred to above, the Directors (including the independent non-executive Directors) are of the view that the amount of the Consideration offered by Yantai Jincheng is acceptable and financially rewarding to the Group, and is fair and reasonable so far as the Group is concerned and is in the interests of the Group and the Shareholders as a whole.

FINANCIAL EFFECTS OF THE DISPOSAL AND USE OF PROCEEDS

As a result of the Disposal, the Group is expected to recognise a gain of approximately HK\$58.1 million which is calculated by reference to the net asset value of the Target Company based on its unaudited financial statements as at 31 August 2026. The actual amount of the gain as a result of the Disposal is subject to audit and the net asset value of the Target Company as at the Completion Date, as well as any adjustment to the Deferred Payment under the Sale and Purchase Agreement.

It is intended that the net proceeds from the Disposal will be used as general working capital of the Group and to fund any investment opportunities in business development if and when they arise in the future.

INFORMATION OF THE TARGET COMPANY

The Target Company

The Target Company is a company established in the PRC with limited liability and is principally engaged in providing general storage and other ancillary services in respect of petroleum products and petrochemicals. As at the date of this announcement, the Target Company is an indirect wholly owned subsidiary of the Company. According to a valuation report prepared by the Valuer, the fair value of the entire equity interest of the Target Company was approximately US\$7.475 million (equivalent to approximately HK\$58.3 million) as at the Valuation Date.

Financial information of the Target Company

Set out below are the unaudited financial information of the Target Company extracted from the audited financial statements of the Group for the year ended 31 December 2024, the audited financial statements of the Group for the year ended 31 December 2025 and the unaudited financial statements of the Group for the six months ended 30 June 2026 respectively:

	For the year ended 31 December 2024 (unaudited) <i>HK\$'000</i>	For the year ended 31 December 2025 (unaudited) <i>HK\$'000</i>	For the six months ended 30 June 2026 (unaudited) <i>HK\$'000</i>
Revenue	17,607	8,896	5,074
Net (loss) profit (before taxation and extraordinary items)	(63,437)	(1,615)	484
Net (loss) profit (after taxation and extraordinary items)	(64,598)	(1,741)	484

The unaudited total asset value and net asset value of the Target Company as at 31 August 2026 were approximately HK\$40.9 million and HK\$39.7 million respectively.

INFORMATION OF THE GROUP, TEAMSKILL AND YANTAI JINCHENG

The Group

The Company is an investment holding company. The Group is principally engaged in trading of commodities, including crude oil, petroleum products and petrochemicals, provision of petroleum products and petrochemical storage services, exploration, exploitation and operation of crude oil, and manufacture of petrochemicals.

Teamskill

Teamskill is a company incorporated in the BVI with limited liability. It is an investment holding company and an indirect wholly-owned subsidiary of the Company.

Yantai Jincheng

Yantai Jincheng is a company incorporated in the PRC with limited liability. It is principally engaged in wholesale of oil products and operation of hazardous chemicals. Yantai Jincheng is a wholly owned subsidiary of Beijing Yantai Jincheng Technology Development Company Limited* (北京燕泰錦城科技發展有限公司), which is indirectly wholly owned by the Beijing Municipal People's Government.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, Yantai Jincheng and its ultimate beneficial owner(s) are Independent Third Parties.

REASONS FOR THE DISPOSAL

The Directors consider that the Disposal represents a good opportunity for the Group to realise its investment in the Target Company at an attractive return. Moreover, the Disposal will improve the liquidity and strengthen the overall financial position of the Group. Under these circumstances, the Company decided to exit the Target Company by selling the entire equity interest of the Target Company to Yantai Jincheng.

Based on the above reasons, the Board considers that the terms of the Disposal are on normal commercial terms and are fair and reasonable and that the Disposal is in the best interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Disposal exceeds 5% but all of them are less than 25%, the Disposal constitutes a discloseable transaction of the Company, and is subject to the reporting and announcement requirements but is exempt from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

Completion is subject to the fulfilment or waiver (where applicable) of the conditions precedent set out in the Sale and Purchase Agreement and therefore the Disposal may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, the following expressions shall, unless the context requires otherwise, have the following meanings:

“Board”	the board of Directors
“Business Day”	a day (excluding Saturdays, Sundays and statutory holidays) on which commercial banks in the PRC are open for business. If it involves the Stock Exchange or Hong Kong matters, it shall mean a day on which banks in the PRC and licensed banks in Hong Kong are open for business
“BVI”	the British Virgin Islands

“Company”	Strong Petrochemical Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the Main Board of the Stock Exchange (stock code: 852)
“Completion”	the completion of the Disposal
“Completion Date”	the date of Completion, which shall take place within five Business Days after all the conditions precedent have been satisfied or (where applicable) waived, or such other date as may be agreed by the parties in writing
“Completion Payment”	has the meaning ascribed to it in the section headed “The Sale and Purchase Agreement — Consideration and Payment” in this announcement
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	US\$12.5 million (equivalent to approximately HK\$97.5 million), being the total consideration for the entire equity interest of the Target Company
“Deferred Payment”	has the meaning ascribed to it in the section headed “The Sale and Purchase Agreement — Consideration and Payment” in this announcement
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the entire equity interest of the Target Company pursuant to the Sale and Purchase Agreement
“Equity Transfer Registration”	the completion of the registration of the change of shareholders of the Target Company with the market regulatory authority in respect of the equity transfer under the Disposal, and the issuance by the market regulatory authority of an updated business licence
“Escrow Account”	a bank account jointly opened and jointly controlled by the Seller and the Buyer under the Disposal with a commercial bank in the PRC, and any transfer of funds therefrom shall be processed only upon a written instruction jointly signed by both parties
“Group”	the Company and its subsidiaries
“Handover Date”	has the meaning ascribed to it in the section headed “The Sale and Purchase Agreement — Completion and Handover” in this announcement
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	third party(ies) independent of the Company and its connected persons
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	has the meaning ascribed to it in the section headed “The Sale and Purchase Agreement — Default and Termination” in this announcement
“PRC”	the People’s Republic of China (which for the purpose of this announcement, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan)
“Sale and Purchase Agreement”	the sale and purchase agreement dated 16 October 2026 entered into between Teamskill and Yantai Jincheng in relation to the Disposal
“Shares”	the ordinary share(s) of par value HK\$0.025 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Strong Petrochemical (Nantong) Logistics Company Ltd. (南通潤德石油化工有限公司), a company established in the PRC with limited liability and a direct wholly-owned subsidiary of Teamskill
“Teamskill” or the “Seller”	Teamskill Investments Limited (添能投資有限公司), a company incorporated in the BVI with limited liability and an indirect wholly-owned subsidiary of the Company
“Transitional Period”	has the meaning ascribed to it in the section headed “The Sale and Purchase Agreement — Completion and Handover” in this announcement
“US\$”	United States dollars, the lawful currency of the United States of America
“Valuation Date”	30 September 2026, being the Valuation Date of the Valuation
“Valuer”	AVISTA Valuation Advisory Limited

“Yantai Jincheng” or the
“Buyer”

Yantai Jincheng (Jiangsu) Petrochemical Technology Co.,
Ltd. (燕泰錦城(江蘇)石化科技有限公司), a company
established in the PRC with limited liability

“%”

per cent

Unless the context requires otherwise, amounts denominated in US\$ have been converted into HK\$ at an exchange rate of US\$1 = HK\$7.80 for the purpose of illustration only. No representation is made that any amount in HK\$ or US\$ has been or could have been or could be converted at the relevant dates at the above rate or any other rates at all.

By order of the Board
Strong Petrochemical Holdings Limited
Wang Qihong
Chairman

Hong Kong, 16 October 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 are Dr. Wang Pang Paul and Mr. Cao Xinzhang. The non-executive Director is Mr. Wang Jian Sheng. The independent non-executive Directors are Mr. Wang Qihong, Dr. Lu Guoyang and Ms. Tam Yuk Yu.

* For identification purposes only