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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)

(1) UPDATE ON RESUMPTION PROGRESS;
(2) FURTHER DELAY IN PAYMENT OF 2024 INTERIM DIVIDEND; AND
(3) CONTINUED SUSPENSION OF TRADING

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

References are made to various announcements (the "**Announcements**") of the Company from 2 October 2024 to the date of this announcement in relation to, among others: (1) the suspension of trading (the "**Suspension**") of the shares of the Company (the "**Shares**") from 9:00 a.m. on 31 December 2024 and the Stock Exchange's guidance for the resumption of trading in the Shares issued to the Company on 4 March 2025 (the "**Resumption Guidance**"); (2) the various incidents involving the directors and former management of the Company (the "**Matters**"), the establishment of the independent board committee (the "**IBC**") by the board of directors of the Company (the "**Board**") to investigate the Matters (the "**Investigation**") and its engagements of the forensic team from a Big 4 accounting firm as investigator (the "**Forensic Investigator**") and legal adviser to assist the IBC in the Investigation; (3) the engagement of Acclime Consulting (Hong Kong) Limited ("**Acclime**") as internal control adviser to conduct an internal control review of the Group (the "**Internal Control Review**") and follow-up review (the "**Follow-up Review**") after the implementation of the relevant remedial measures by the Group; and (4) the delay in publication of the final results and annual report for the year ended 31 December 2024 (the "**2024 Annual Results**"), interim results and interim report for the six months ended 30 June 2025 (the "**2025 Interim Results**") and final results and annual report for the year ended 31 December 2025 (the "**2025 Annual Results**") in accordance with the Listing Rules. Unless otherwise defined, capitalized terms used in this announcement have the same meanings as those defined in the Announcements.

UPDATE ON RESUMPTION PROGRESS

The Board hereby wishes to inform the shareholders of the Company and potential investors on the updates of the resumption progress.

The Company will continue to work closely with its professional advisers and proactively take all necessary and appropriate steps to comply with the Resumption Guidance, with the aim of resuming trading in its shares as soon as practicable. The Company will also continue to keep the Shareholders and potential investors abreast of any relevant material developments by making further announcement(s) as and when appropriate.

Progress of the Investigation

As disclosed in the announcement of the Company dated 30 September 2025 (the "**Investigation Findings Announcement**"), the Forensic Investigator has sent the report of the Investigation (the "**Investigation Report**") to the Independent Board Committee, subject to the review and satisfaction of the Stock Exchange for the purpose of fulfilment of the Resumption Guidance.

In response to the rounds of inquiries and comments raised by The Stock Exchange regarding the Investigation Report, the Forensic Investigator has updated the Investigation Report by taking additional procedures and incorporating more detailed evidentiary analysis, and the overall findings and conclusions of the Investigation as disclosed in the Investigation Findings Announcement remain unchanged. The latest revised Investigation Report (the "**Revised Report**") has been submitted to the Stock Exchange in mid-May 2026, and as of the date of this announcement, the Company has not received any further comments from the Stock Exchange regarding the Revised Report.

The Board (including the IBC) has reviewed the Revised Report and confirms that the findings and conclusions of the Investigation therein are consistent with those set out in the Investigation Findings Announcement. The Board (including the IBC) is of the view that its contents are reasonable and acceptable, and the findings are adequate for the purpose of fulfilling the Resumption Guidance.

Key updates and/or supplemental findings for each Matter are summarized as follows:

(1) Matter 1 — Suspected misappropriation of the Group's assets

Overall Conclusion Remains: Not Substantiated.

Supplemental Findings/Updates:

- The Forensic Investigator obtained new written confirmations from Beijing Asia Hotel and Wanhua, further corroborating that Mr. Wang Jian Sheng only claimed reimbursements from the Company and did not double-claim expenses from Wanhua as alleged.
- A more detailed analysis confirmed that the irregularities in expense claim approvals stemmed primarily from a lack of clear internal control procedures and the absence of approvers, rather than any deliberate act to misappropriate assets.

(2) Matter 2 — Suspected forgery of Mr. Yao's signature

Overall Conclusion Remains: Not Substantiated.

Supplemental Findings/Updates:

- The Forensic Investigator identified email records from 2019 showing that Mr. Yao himself acknowledged a standing practice for others to handle document signings during his and Mr. Wang Jian Sheng's absence from Hong Kong.
- Mr. Yao failed to provide a reasonable explanation for the delay in raising the forgery allegation until late 2024, further undermining the credibility of his claim.

(3) Matter 3 — Suspected non-cooperation of Zibo Huineng and Hainan Huineng

Overall Conclusion Remains: Not Substantiated.

Supplemental Findings/Updates:

- With respect to the Suspected Improper Transfer, which involves Hainan Huineng's transfer of RMB98.775 million to an independent petrochemical products supplier in January 2024 for ordinary business purpose (i.e. the funds were used for purchases of petrochemical products, which were subsequently sold to several customers, under sales and purchase contracts), (i) a more in-depth commercial rationale analysis of such transaction, including price comparisons and industry norms for product loss, confirmed these were ordinary course business activities; and (ii) background checks confirmed that such supplier and the downstream customers were not connected persons of the Group.

(4) Matter 4 — Potential misconduct of Mr. Yao for arranging the Fujian Subsidiary to invest in a fund

Overall Conclusion Remains: Substantiated.

Supplemental Findings/Updates:

- The Forensic Investigator cited Mr. Yao's own statements in separate legal proceedings, where he admitted to arranging the investment.
- The connections between Mr. Deng Heng (former Chairman) and the core members of the fund manager were more clearly delineated.
- It was explicitly noted that reducing the investment amount from RMB50 million to RMB16.5 million was a maneuver to circumvent the disclosure requirements under the Listing Rules.

(5) ***Matter 5 — Potential misconduct of Mr. Yao for unauthorised fund transfer***

Overall Conclusion Remains: Not Substantiated.

Supplemental Findings/Updates:

- The Forensic Investigator noted that in subsequent legal filings, Mr. Yao explained the transfer was necessary for the Group to "continue and maintain its daily operations," a rationale not considered unreasonable given the freezing of several Group bank accounts at the time.

(6) ***Matter 6 — Loss of books, records and assets of the Company***

Overall Conclusion Remains: Partially Substantiated.

Supplemental Findings/Updates:

- The Forensic Investigator discovered new evidence where Mr. Yao mentioned that "most things have been shredded," and a WeChat message where former director Dr. Tan Xiao admitted to taking documents and agreed to return them.

- Based on this new evidence, the Revised Report more clearly indicates that Mr. Yao, Dr. Tan Xiao, and former CFO Mr. Leung Chin Ho likely had knowledge of and/or involvement in the incident.

(7) ***Matter 7 — The Statutory Demand from the liquidators of Santron***

Overall Conclusion Remains: Unsubstantiated.

Supplemental Findings/Updates:

- The Revised Report adds that the liquidators of Santron failed to file a winding-up petition after the 21-day statutory deadline had passed, further supporting the finding that the claim lacked a genuine and enforceable basis.

Based on the findings of the Revised Report and to the best of its knowledge and belief, the Board reiterates its views as follows:

(i) With respect to Matters 1, 2 and 3, there is no evidence to conclude the existence of misconduct or irregularities as alleged by Mr. Yao and/or the former management. Therefore, there is no reasonable regulatory concern about the integrity, competence and/or character of the Group's current management and/or any person with substantial influence over the Company's current management and operations, which may pose a risk to investors and damage market confidence;

(ii) With respect to Matter 4, the investigation findings substantiated misconduct by Mr. Yao. As Mr. Yao is no longer a director or member of senior management of the Company, the Board considers that this matter does not affect the integrity of the Group's current management;

(iii) With respect to the loss of assets in Matter 6, the Company is continuing to cooperate with the Hong Kong Police in their investigation; and

(iv) None of the Matters is expected to have any material impact on the Group's business operations and financial position.

Progress of the Internal Control Review and Follow-up Review

Some internal control issues were identified by the Forensic Investigator in the Investigation. For example, with respect to Matter 1 above, according to the Investigation Report, there are expense claim irregularities arising from the Company's systematic internal control weakness.

To address the internal control weakness arising from the Investigation and to comply with the Resumption Guidance, the Company has engaged Acclime as internal control adviser to conduct the Internal Control Review, and provide appropriate improvement recommendations for internal control weaknesses based on the Group's current operations, and then perform a Follow-up Review to assess the implementation of the remedial measures by the Group. As of the date of this announcement, the Internal Control Review and Follow-up Review have been completed and the latest report of the Internal Control Review and Follow-up Review (the "**IC Report**") has been submitted to the Stock Exchange for review. Details of the findings and results of the Internal Control Review and Follow-up Review have been disclosed on the same date as this announcement.

Acclime has confirmed in the IC Report that the internal control deficiencies (including those identified in the Investigation Report) have been rectified and adequately remediated, and the enhanced internal control measures recommended by the IC Report have been implemented to prevent recurrence, so the Group has established and effectively implemented sufficient internal controls and procedures to comply with the Listing Rules. After reviewing the IC Report and subject to the satisfaction of the Stock Exchange, the Board (including the IBC) is of the view that the internal control deficiencies have been addressed, and the Group has in place an adequate internal control system and procedures to comply with the Listing Rules.

Progress of the Publication of Outstanding Financial Results

On the same date as this announcement, the Company published the audited 2024 Annual Results, which include, among other matters, the auditor's qualified opinion on the Group's consolidated financial statements for the year ended 31 December 2024, together with the responses of the management and the Audit Committee. The qualified opinion arises primarily from three scope limitations, relating to two transactions of the Company's subsidiaries and the bank confirmations for two bank accounts, which were largely attributable to document losses and operational disruptions affected by the shareholder disputes of the Company.

With the 2024 Annual Results now published, the Company has commenced the preparation of its 2025 Interim Results and 2025 Annual Results. The Company does not anticipate any new issues that would give rise to auditor concerns, and expects that the remaining outstanding financial results will be published smoothly and as soon as practicable in full compliance with the Listing Rules. As notified in the Board meeting notice dated 11 June 2026, the Company plans to publish its unaudited 2025 Interim Results on 23 June 2026.

FURTHER DELAY IN 2024 INTERIM DIVIDEND PAYMENT

As previously disclosed by the Company, the 2024 Interim Dividend was resolved to be paid by the then board of directors on 2 October 2024. At the time of such resolution and ever since, the Company has experienced uncertainties arising from shareholder disputes and various changes, including but not limited to various allegations involving either the former or current management and directors of the Company, the suspension of trading of the shares of the Company on the Stock Exchange in the end of December 2024 and reconstitution of the board of directors and management of the Company in the end of January 2025. As of the date of this announcement, the Company is currently still advancing the resumption work and has not yet published its interim results for the six months ended 30 June 2025 and its audited annual results for the year ended 31 December 2025.

In light of the above developments, the current Board considers it prudent to assess the Group's future business planning, cash flow position and funding requirements based on the audited latest financial results, and to revisit the dividend arrangement accordingly. Therefore, the Board has resolved to further postpone the payment of the 2024 Interim Dividend. The payment arrangement will be reconsidered by the Board after the Company has published all outstanding financial results and complied with the relevant requirements under the Listing Rules. Based on the current estimated timeline, the payment of the 2024 Interim Dividend is now proposed to be postponed until on or around 31 August 2026.

The Company will make further announcement(s) as and when appropriate regarding the progress of the dividend payment.

CONTINUED SUSPENSION OF TRADING

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

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

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

Hong Kong, 12 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 Xinzhong. 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.

* *For identification purposes only*