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Strong Petrochemical Holdings Limited

海峽石油化工有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 852)

VOLUNTARY ANNOUNCEMENT FINANCIAL ASSISTANCE FROM CONTROLLING SHAREHOLDERS

This announcement is made by Strong Petrochemical Holdings Limited (the “**Company**” together with its subsidiaries, the “**Group**”) on a voluntary basis.

The board (the “**Board**”) of directors (the “**Directors**”) of the Company announces that on 11 December 2020, the Company entered into shareholder’s loan agreements (the “**Loan Agreements**”) with each of Mr. Wang Jian Sheng (“**Mr. Wang**”) and Mr. Yao Guoliang (“**Mr. Yao**”), the controlling shareholders of the Company, pursuant to which each of Mr. Wang and Mr. Yao agreed to provide an unsecured term loan of HK\$60 million, in aggregate of HK\$120 million (the “**Shareholder’s Loans**”) to the Company. Each of the Shareholder’s Loans will bear an interest of 1-month Hong Kong Interbank Offered Rate plus 1.75% per annum. The Company shall repay the Shareholder’s Loans in full on 10 March 2021 (the “**Repayment date**”) or upon demand. The Company has a choice to extend the Repayment date by three calendar months, subject to mutual agreements with the lender of the relevant loan. The Shareholder’s Loans will be utilised by the Company to support its operating activities.

As at the date of this announcement, as Mr. Wang and Mr. Yao are the executive directors, the controlling shareholders of the Company and are deemed as parties acting in concert, who together hold 54.95% of the issued share capital of the Company, entering into the Loan Agreements constitutes connected transactions of the

Company under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). As the Shareholder’s Loans are not secured by any assets of the Group and are conducted on normal commercial terms or better, the Shareholder’s Loans are fully exempted from the Company’s shareholders’ approval, annual review and all disclosure requirements pursuant to Rule 14A.90 of the Listing Rules.

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

Hong Kong, 11 December 2020

As at the date of this announcement, the Board comprises two executive directors and three independent non-executive directors. The executive directors are Mr. Wang Jian Sheng and Mr. Yao Guoliang. The independent non-executive directors are Ms. Cheung Siu Wan, Dr. Chan Yee Kwong and Mr. Deng Heng.

** For identification purpose only*