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)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE PERIOD ENDED 31 DECEMBER 2013

The board of directors (the "Board") of Strong Petrochemical Holdings Limited (the "Company") is pleased to announce the audited consolidated results of the Company and its subsidiaries (the "Group") for the period ended 31 December 2013, together with the comparative audited figures for the year ended 31 March 2013 as follows:

* *For identification purposes only*

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the period from 1 April 2013 to 31 December 2013

	NOTES	**1/4/2013 to 31/12/2013 HK$'000**	1/4/2012 to 31/3/2013 HK$'000
Revenue	3	**20,875,730**	15,090,716
Cost of sales		**(20,206,338)**	(14,785,878)
Gross profit		**669,392**	304,838
Other income	4(a)	**22,647**	21,224
Other gains and losses	4(b)	**3,619**	164,215
Fair value changes on derivative financial instruments		**50,598**	117,708
Distribution and selling expenses		**(268,289)**	(107,205)
Administrative expenses		**(67,877)**	(56,478)
Other expenses		**(596)**	(476)
Finance costs	5	**(24,282)**	(24,444)
Share of losses of associates		**(7,371)**	(107,238)
Profit before taxation		**377,841**	312,144
Taxation charge	6	**(4,543)**	(4,642)
Profit for the period/year	7	**373,298**	307,502
Other comprehensive income			
Item that may be reclassified subsequently to profit or loss:			
Exchange difference arising on translation		**8,928**	1,010
Total comprehensive income for the period/year		**382,226**	308,512
Profit (loss) for the period/year attributable to:			
Owners of the Company		**372,519**	308,716
Non-controlling interests		**779**	(1,214)
		373,298	307,502
Total comprehensive income (expense) attributable to:			
Owners of the Company		**379,506**	309,640
Non-controlling interests		**2,720**	(1,128)
		382,226	308,512
Earnings per share	9		
— basic (HK$)		**0.23**	0.19
— diluted (HK$)		**0.22**	0.19

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2013

	NOTES	31/12/2013 HK$'000	31/3/2013 HK$'000
Non-current assets			
Property, plant and equipment		**297,634**	117,172
Prepaid lease payments		**54,581**	21,063
Other investment		**–**	1,560
Other assets		**32,220**	1,059
Interests in associates		**136,610**	128,943
		521,045	269,797
Current assets			
Inventories		**1,365,401**	819,044
Prepaid lease payments		**1,186**	479
Trade and bills receivables	10	**3,197,614**	183,215
Other receivables, deposits and prepayments		**102,024**	88,824
Tax recoverable		**93**	20
Derivative financial instruments		**378,525**	21,869
Other investment		**1,491**	–
Deposits placed with brokers		**194,295**	163,136
Pledged bank deposits		**65,290**	73,506
Bank balances and cash		**345,326**	361,856
		5,651,245	1,711,949
Assets classified as held for sale		**187,979**	175,292
		5,839,224	1,887,241
Current liabilities			
Trade and bills payables	11	**2,501,257**	381,307
Other payables and accruals		**191,796**	28,503
Receipt in advance		**14,580**	22,081
Bank borrowings		**1,684,621**	536,820
Derivative financial instruments		**387,021**	43,472
Tax payable		**4,482**	155
		4,783,757	1,012,338
Liabilities associated with assets classified as held for sale		**78,000**	–
		4,861,757	1,012,338
Net current assets		**977,467**	874,903
Total assets less current liabilities		**1,498,512**	1,144,700

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2013

	NOTES	31/12/2013 HK$'000	31/3/2013 HK$'000
Equity			
Share capital		**40,424**	40,300
Reserves		**1,336,451**	1,018,679
Equity attributable to owners of the Company		**1,376,875**	1,058,979
Non-controlling interests		**74,001**	71,281
Total equity		**1,450,876**	1,130,260
Non-current liability			
Bank borrowings		**47,636**	14,440
		1,498,512	1,144,700

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period from 1 April 2013 to 31 December 2013

	Attributable to owners of the Company										
	Share capital HK$'000	**Share premium HK$'000**	**Special reserve HK$'000** (Note 1)	**Legal reserve HK$'000** (Note 2)	**Share options reserve HK$'000**	**Translation reserve HK$'000**	**Other reserve HK$'000** (Note 3)	**Retained profits HK$'000**	**Total HK$'000**	**Non-controlling interests HK$'000**	**Total HK$'000**
At 1 April 2012	40,360	209,270	(1,922)	49	42,099	16,991	10,533	433,941	751,321	72,409	823,730
Exchange differences arising on translation	–	–	–	–	–	924	–	–	924	86	1,010
Profit (loss) for the year	–	–	–	–	–	–	–	308,716	308,716	(1,214)	307,502
Total comprehensive income (expense) for the year	–	–	–	–	–	924	–	308,716	309,640	(1,128)	308,512
Shares repurchased and cancelled	(60)	(1,922)	–	–	–	–	–	–	(1,982)	–	(1,982)
At 31 March 2013	40,300	207,348	(1,922)	49	42,099	17,915	10,533	742,657	1,058,979	71,281	1,130,260
Exchange differences arising on translation	**–**	**–**	**–**	**–**	**–**	**6,987**	**–**	**–**	**6,987**	**1,941**	**8,928**
Profit for the period	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**372,519**	**372,519**	**779**	**373,298**
Total comprehensive income for the period	**–**	**–**	**–**	**–**	**–**	**6,987**	**–**	**372,519**	**379,506**	**2,720**	**382,226**
Shares repurchased and cancelled	**(21)**	**(752)**	**–**	**–**	**–**	**–**	**–**	**–**	**(773)**	**–**	**(773)**
Issue of shares on exercise of share options	**145**	**5,274**	**–**	**–**	**(1,679)**	**–**	**–**	**–**	**3,740**	**–**	**3,740**
Dividend recognised as distribution (note 8)	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(64,577)**	**(64,577)**	**–**	**(64,577)**
At 31 December 2013	**40,424**	**211,870**	**(1,922)**	**49**	**40,420**	**24,902**	**10,533**	**1,050,599**	**1,376,875**	**74,001**	**1,450,876**

Notes:

1. The special reserve represents the difference between the nominal value of shares of the acquired subsidiaries and the nominal value of the shares of the Company issued for the acquisition at the time of the corporate reorganisation to rationalise the Group structure prior to the listing of the Company's share on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

2. According to the law and regulation of Macao Special Administrative Region ("Macao"), a legal reserve is required to be established up to a minimum of 50% of the company's paid up capital and is established in any year in which a dividend is appropriated. A subsidiary of the Company established in Macao appropriated a final dividend for the year ended 31 March 2006 to the Company, as a result, 50% of the issued capital MOP100,000 was transferred to the legal reserve.

3. Other reserve was resulted from the deemed disposal of partial interests in subsidiaries without losing the Group's control over the subsidiaries in previous years.

NOTES:

1. GENERAL

The Company was incorporated as an exempted company and registered in the Cayman Islands with limited liability under the Companies Law, Chapter 22 (Laws of 1961, as consolidated and revised) of the Cayman Islands on 1 February 2008. The shares of the Company have been listed on the Main Board of the Stock Exchange since 12 January 2009. Its parent and ultimate holding company is Forever Winner International Ltd. ("Forever Winner"), a limited company incorporated in the British Virgin Islands. Mr. Wang Jian Sheng, the Chairman and executive director of the Company and Mr. Yao Guoliang, the chief executive officer and executive director of the Company each holds 50% equity interest in Forever Winner. The addresses of the registered office and principal place of business of the Company are Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and Room 1604, 16th Floor, Far East Finance Centre, 16 Harcourt Road, Admiralty, Hong Kong, respectively.

The Company acts as an investment holding company. The principal activities of the Company's subsidiaries are trading of crude oil, petroleum products and petrochemicals.

During the current financial period, the financial year end date of the Group was changed from 31 March to 31 December because the directors of the Company determined to bring the financial year end date of the Group in line with the financial year end date of the subsidiaries in the People's Republic of China (the "PRC"), which are statutorily required to close their accounts with financial year end date of 31 December. Accordingly, the consolidated financial statements for the current period cover nine months ended 31 December 2013. The corresponding comparative amounts shown for the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows and related notes cover a twelve months period from 1 April 2012 to 31 March 2013 and therefore may not be comparable with amounts shown for the current period.

The Group's principal operations are conducted in Hong Kong, Macao, the PRC and Singapore. The functional currency of the Company and most of its subsidiaries is United States Dollar ("US$"), as the Group mainly trades in US$ with its customers and suppliers. However, for the convenience of the financial statement users, the consolidated financial statements are presented in Hong Kong Dollar ("HK$").

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

Application of new and revised HKFRSs

The Group has applied the following new and revised HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") for the first time in the current period:

Amendments to HKFRSs	Annual improvements to HKFRSs 2009–2011 cycle
Amendments to HKFRS 7	Disclosures — Offsetting financial assets and financial liabilities
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	Consolidated financial statements, joint arrangements and disclosure of interests in other entities: Transition guidance
HKFRS 10	Consolidated financial statements
HKFRS 11	Joint arrangements
HKFRS 12	Disclosure of interests in other entities
HKFRS 13	Fair value measurement
HKAS 19 (as revised in 2011)	Employee benefits
HKAS 27 (as revised in 2011)	Separate financial statements
HKAS 28 (as revised in 2011)	Investments in associates and joint ventures
Amendments to HKAS 1	Presentation of items of other comprehensive income
HK(IFRIC)-Int 20	Stripping costs in the production phase of a surface mine

Except as described below, the application of the new and revised HKFRSs in the current period has had no material impact on the Group's financial performance and positions for the current period and prior years and/or on the disclosures set out in these consolidated financial statements.

Amendments to HKFRS 7 Disclosures — Offsetting financial assets and financial liabilities

The Group has applied the amendments to HKFRS 7 Disclosures — Offsetting financial assets and financial Liabilities for the first time in the current period. The amendments to HKFRS 7 require entities to disclose information about:

(a) recognised financial instruments that are set off in accordance with HKAS 32 Financial instruments: presentation; and

(b) recognised financial instruments that are subject to an enforceable master netting agreement or similar agreement, irrespective of whether the financial instruments are set off in accordance with HKAS 32.

The amendments to HKFRS 7 have been applied retrospectively. The application of the amendments has had no material impact on the amounts reported in the Group's consolidated financial statements but has resulted in more disclosures relating to the Group's derivative financial instruments and certain financial instruments which are under master netting agreements or similar agreements.

HKFRS 10 Consolidated financial statements

HKFRS 10 replaces the parts of HKAS 27 (Revised) Consolidated and separate financial statements that deal with consolidated financial statements and HK(SIC)-Int 12 Consolidation — Special purpose entities. HKFRS 10 changes the definition of control such that an investor has control over an investee when (a) it has power over the investee, (b) it is exposed, or has rights, to variable returns from its involvement with the investee and c) has the ability to use its power to affect its returns. All three of these criteria must be met for an investor to have control over an investee. Previously, control was defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Additional guidance has been included in HKFRS 10 to explain when an investor has control over an investee.

The directors of the Company have made an assessment as at the date of initial application of HKFRS 10 as to whether or not the Group has control over the investees in accordance with the new definition of control and the related guidance set out in HKFRS 10, and concluded that the application of HKFRS 10 does not change any of the control conclusions reached by the Group in respect of its involvement with other entities.

HKAS 28 (as revised in 2011) Investments in associates and joint ventures

The Group has entered into a conditional sale and purchase agreement to dispose approximately 33.12% out of 40% equity interest in an associate and the entire carrying amount of the associate was reclassified as assets held for sales during the year ended 31 March 2013. The HKAS 28 (as revised in 2011) has introduced the accounting treatment for the partial disposal of investment in an associate which is classified as held for sale. The portion of the investment in an associate to be recovered principally through a sale transaction rather than through continuing use is classified as held for sale if it meets the condition that the sale is highly probable and the disposal is available for immediate sale in its present condition. Any retained portion of investment in an associate that has not been classified as held for sale shall be accounted for using the equity method until disposal of the portion that is classified as held for sale takes place.

HKAS 28 (as revised in 2011) has been applied retrospectively. Upon application of HKAS 28 (as revised in 2011), the retained portion of investment in an associate is required to be accounted for using the equity method and only the portion to be disposed should be presented as assets held for sales. Since the Group's share of losses of the relevant associate exceeded its interest in the associate and had discontinued recognising its share of further losses prior to meeting the held for sale criteria, the application of HKAS 28 (as revised in 2011) has no impact on the carrying amount of the associate as at 31 March 2013, 1 April 2013 and 31 December 2013 and the Group's share of losses of the relevant associate for the year ended 31 March 2013 and for the period 31 December 2013. Accordingly, no adjustment has been made retrospectively.

HKFRS 12 Disclosure of interests in other entities

HKFRS 12 is a new disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the application of HKFRS 12 has resulted in more extensive disclosures in the consolidated financial statements.

HKFRS 13 Fair value measurement

The Group has applied HKFRS 13 for the first time in the current period. HKFRS 13 establishes a single source of guidance for, and disclosures about, fair value measurements. The scope of HKFRS 13 is broad: the fair value measurement requirements of HKFRS 13 apply to both financial instrument items and non-financial instrument items for which other HKFRSs require or permit fair value measurements and disclosures about fair value measurements, except for share-based payment transactions that are within the scope of HKFRS 2 Share-based payment, leasing transactions that are within the scope of HKAS 17 Leases, and measurements that have some similarities to fair value but are not fair value (e.g. net realisable value for the purposes of measuring inventories or value in use for impairment assessment purposes).

HKFRS 13 defines the fair value of an asset as the price that would be received to sell an asset (or paid to transfer a liability, in the case of determining the fair value of a liability) in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under HKFRS 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, HKFRS 13 includes extensive disclosure requirements.

HKFRS 13 requires prospective application. In accordance with the transitional provisions of HKFRS 13, the Group has not made any new disclosures required by HKFRS 13 for the 2012 comparative period. Other than the additional disclosures, the application of HKFRS 13 has not had any material impact on the amounts recognised in the consolidated financial statements.

Amendments to HKAS 1 Presentation of items of other comprehensive income

The Group has applied the amendments to HKAS 1 Presentation of items of other comprehensive income. Upon the adoption of the amendments to HKAS 1, the Group's 'statement of comprehensive income' is renamed as the 'statement of profit or loss and other comprehensive income'. The amendments to HKAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. Furthermore, the amendments to HKAS 1 require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis — the amendments do not change the option to present items of other comprehensive income either before tax or net of tax. The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes. Other than the above mentioned presentation changes, the application of the amendments to HKAS 1 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

Amendments to HKFRSs	Annual improvements to HKFRSs 2010–2012 cycle[2]
Amendments to HKFRSs	Annual improvements to HKFRSs 2011–2013 cycle[2]
HKFRS 9	Financial instruments[3]
Amendments to HKFRS 9 and HKFRS 7	Mandatory effective date of HKFRS 9 and transition disclosures[3]
Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (as revised in 2011)	Investment entities[1]
Amendments to HKAS 19	Defined benefit plans: Employee contributions[2]
Amendments to HKAS 32	Offsetting financial assets and financial liabilities[1]
Amendments to HKAS 36	Recoverable amount disclosures for non-financial assets[1]
Amendments to HKAS 39	Novation of derivatives and continuation of hedge accounting[1]
HK(IFRIC)-Int 21	Levies[1]

1 Effective for annual periods beginning on or after 1 January 2014, with earlier application permitted.
2 Effective for annual periods beginning on or after 1 July 2014. Early application is permitted.
3 Available for application — the mandatory effective date will be determined when the outstanding phases of HKFRS 9 are finalised.

HKFRS 9 Financial instruments

HKFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. HKFRS 9 amended in 2010 includes the requirements for the classification and measurement of financial liabilities and for derecognition.

Key requirements of HKFRS 9 that are relevant to the Group are described as follows:

- All recognised financial assets that are within the scope of HKAS 39 Financial instruments: Recognition and measurement are subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent reporting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

Based on an analysis of the Group's financial instruments as at 31 December 2013, the directors anticipate that the application of HKFRS 9, would have no material impact on the Group's financial assets and financial liabilities.

HK(IFRIC)-Int 21 Levies

HK(IFRIC)-Int 21 Levies addresses the issue of when to recognise a liability to pay a levy. The Interpretation defines a levy, and specifies that the obligating event that gives rise to the liability is the activity that triggers the payment of the levy, as identified by legislation. The Interpretation provides guidance on how different levy arrangements should be accounted for, in particular, it clarifies that neither economic compulsion nor the going concern basis of financial statements preparation implies that an entity has a present obligation to pay a levy that will be triggered by operating in a future period.

The directors of the Company anticipate that the application of HK(IFRIC)-Int 21 will have no material effect on the Group's consolidated financial statements.

The directors of the Group anticipate that the application of the other new and revised HKFRSs will have no material impact on the consolidated financial statements.

3. REVENUE AND SEGMENTAL INFORMATION

Revenue

Revenue represents the amounts received and receivable for goods sold in the normal course of business, net of discounts and sales related taxes.

Segmental information

The Group is principally engaged in trading of crude oil, petroleum products and petrochemicals ("Trading business"). In addition, the management plans to develop an oil storage business ("Oil Storage business") and manufacture of petrochemicals ("Petrochemicals Manufacture Business") in the PRC (excluding Hong Kong and Macao). Certain storage and manufacturing facilities were either partially completed or in the process of construction.

The chief operating decision makers (the "CODM"), being the executive directors of the Company, regularly review oil price analysis, hedging positions, liquidity position and the construction progress report. However, no discrete financial information is available for the various businesses respectively. For the purpose of performance assessment and resource allocation, the CODM regularly review the Group's revenue and Group's profit for the period/year as a whole, which are measured in accordance with the Group's accounting policies. No analysis of the Group's assets and liabilities by the respective businesses is regularly provided to the CODM for review. Accordingly, only entity-wide disclosures on products, geographical areas and major customers are presented under HKFRS 8.

Revenue from major products

The following is an analysis of the Group's revenue from its major products:

	1/4/2013 to 31/12/2013 HK$'000	1/4/2012 to 31/3/2013 HK$'000
Crude oil	**8,259,707**	9,132,189
Petroleum products	**11,953,817**	5,375,932
Petrochemicals	**662,206**	582,595
	20,875,730	15,090,716

Geographical information

The Group's operations are currently carried out by the subsidiaries operating in Hong Kong, Macao, the PRC and Singapore in which the sales contracts are negotiated and concluded. However, based on the terms of the contracts, the products are arranged to be delivered to the designated location as specified by the customers except for delivery through a vessel rented by the Group in Malaysia.

The Group's revenue from external customers as categorised by the location of shipment/delivery as designated by the customers and information about the Group's non-current assets by geographical location of assets are detailed below:

	Revenue from external customers		**Non-current assets**	
	1/4/2013 to 31/12/2013 HK$'000	1/4/2012 to 31/3/2013 HK$'000	**31/12/2013 HK$'000**	31/3/2013 HK$'000
Hong Kong	**–**	–	**2,561**	1,122
Macao	**–**	–	**995**	1,080
PRC	**18,419,439**	11,376,989	**474,626**	265,290
Malaysia*	**1,455,442**	3,101,112	**–**	–
Thailand	**–**	287,482	**11,124**	–
Korea	**182,239**	325,133	**–**	–
Italy	**818,610**	–	**–**	–
Singapore	**–**	–	**578**	745
	20,875,730	15,090,716	**489,884**	268,237

* Based on the terms of the contracts, certain trade transactions were carried out with customers who directly arranged the transportation to obtain crude oil and petroleum products from the vessel rented by the Group, which served as storage facilities, anchoring at a port in Malaysia.

Note: For the purpose of the geographical information above, non-current assets as at 31 December 2013 excluded deposit paid for an investment (31/3/2013: excluded other investment).

Information about major customers

Revenue from customers of the corresponding period/year which contributed over 10% of the total sales of the Group are as follows:

	1/4/2013 to 31/12/2013 HK$'000	1/4/2012 to 31/3/2013 HK$'000
Customer A	**4,501,243**	4,894,399
Customer B	**–***	2,334,025
Customer C	**–***	2,013,154
Customer D	**5,605,023**	–*
Customer E	**2,992,925**	–*

* Revenue below 10% of total sales for the respective period is not disclosed.

4. OTHER INCOME, GAINS AND LOSSES

	1/4/2013 to 31/12/2013 HK$'000	1/4/2012 to 31/3/2013 HK$'000
(a) Other income		
Rental income from short-term leasing of unutilised property, plant and equipment and storage area of the rented vessel	**5,587**	6,290
Bank interest income	**560**	577
Service income	**129**	296
Non-performance claim	**3,682**	–
Imputed interest income from loan to an associate	**12,689**	14,061
	22,647	21,224
(b) Other gains and losses		
Gain on change in estimated cash flows in respect of loan to an associate	**–**	83,640
Reversal of impairment loss on interest in an associate	**–**	81,402
Decrease in fair value on bank structured deposit	**–**	(1,041)
Loss on change in fair value on other investment	**(69)**	–
Gain on trading of held-for-trading securities	**1,031**	–
Gain on disposal of property, plant and equipment	**–**	3
Others	**2,657**	211
	3,619	164,215

5. FINANCE COSTS

	1/4/2013 to 31/12/2013 HK$'000	1/4/2012 to 31/3/2013 HK$'000
Interests on bank borrowings wholly repayable within five years	**12,213**	15,073
Bank charges on letter of credit facilities	**12,069**	9,371
	24,282	24,444

6. TAXATION CHARGE

	1/4/2013 to 31/12/2013 HK$'000	1/4/2012 to 31/3/2013 HK$'000
Current tax:		
PRC Enterprise Income Tax	**167**	284
Singapore Income Tax	**4,376**	–
	4,543	284
Deferred tax charge	**–**	4,358
	4,543	4,642

No provision for Hong Kong Profits Tax has been made for the period/year since tax losses were incurred for the subsidiaries with operations in Hong Kong or the assessable profit is wholly absorbed by tax losses brought forward.

Under the Enterprise Income Tax Law (the "EIT Law") and Implementation Rules of the PRC, the tax rate of the PRC subsidiaries is 25% (1/4/2012 to 31/3/2013: 25%) for the period.

Pursuant to the Decree Law No. 58/99M, Chapter 2, Article 12 dated 18 October 1999, issued by Macao, Strong Petrochemical Limited (Macao Commercial Offshore) is exempted from Macao Complementary Tax for the period/year.

Singapore Income Tax is calculated at 17% of the estimated assessable profits for the period. No provision for Singapore Income Tax for the year ended 31 March 2013 as there was no assessable profit for that year.

7. PROFIT FOR THE PERIOD/YEAR

	1/4/2013 to 31/12/2013 HK$'000	1/4/2012 to 31/3/2013 HK$'000
Profit for the period/year is arrived after charging (crediting):		
Auditor's remuneration	**1,875**	1,687
Depreciation of property, plant and equipment	**5,479**	2,510
Net foreign exchange (gain) losses	**(110)**	4,292
Operating lease rentals in respect of storage facilities, a vessel and rented premises	**53,986**	64,962
Directors' emoluments	**315**	420
Other staff costs		
Salaries, bonus and other allowances	**22,207**	18,135
Retirement benefits scheme contributions	**750**	665
	23,272	19,220
Cost of inventories recognised as expense (included in cost of sales)	**20,206,338**	14,785,878

Distribution and selling expenses principally comprises of sales commission and storage expenses.

8. DIVIDENDS

	1/4/2013 to 31/12/2013 HK$'000	1/4/2012 to 31/3/2013 HK$'000
Dividend recognised as distribution during the period/year:		
1/4/2012 to 31/3/2013 Final — HK4 cents	**64,577**	–

The final dividend of HK5 cents (1/4/2012 to 31/3/2013: HK4 cents) per ordinary share of the Company has been proposed by the directors and is subject to the approval by the Company's shareholders at the forthcoming annual general meeting.

9. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share is based on the profit for the period/year attributable to owners of the Company and on the number of shares as follows:

	1/4/2013 to 31/12/2013	1/4/2012 to 31/3/2013
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	**1,614,443,019**	1,613,731,551
Effect of dilutive potential ordinary shares:		
Share options	**47,854,244**	25,744,913
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	**1,662,297,263**	1,639,476,464

10. TRADE AND BILLS RECEIVABLES

The following is an aged analysis of trade and bills receivables presented based on the invoice date at the end of the reporting period which approximated the revenue recognition dates:

	31/12/2013 HK$'000	31/3/2013 HK$'000
0 to 30 days	**3,163,225**	183,215
61 to 90 days	**34,389**	–
	3,197,614	183,215

The credit period on sale of goods is 30 to 90 days. The Group does not hold any collateral over these balances. All trade receivables are neither past due nor impaired as at the end of the reporting period. The directors of the Company consider these trade receivables are of good credit quality as the debtors have no history of defaults and all of these balances had been subsequently settled.

In the opinion of the directors, the Group has a well established strong client portfolio where the customers have a strong financial and well established market position. The directors consider that such client portfolio enable the Group to limit its credit risk exposure. Before accepting any new customers, the Group will assess the potential customer's credit quality by reference to the experience of the management and defines credit limits by customer. Such credit limit is reviewed by the management periodically.

At 31 March 2013, included in the Group's bills receivables were receivable amounting to HK$40,068,000 which have been discounted to an unrelated bank and pledged as security for certain borrowings. After the discounting, the Group was still responsible for the non-repayment by the customer. Accordingly, the Group continued to recognise the full carrying amount of the receivables and has recognised the cash received on the transfer as secured borrowings. The carrying amounts of the associated liability of the Group was approximately HK$40,068,000.

11. TRADE AND BILLS PAYABLES

The aged analysis of trade and bills payables presented based on the invoice date at the end of the reporting period is stated as follows:

	31/12/2013	31/3/2013
	HK$'000	HK$'000
0 to 30 days	**2,501,257**	139,897
31 to 60 days	**–**	241,410
	2,501,257	381,307

The credit period on purchases of goods is normally 30 to 90 days. The Group has financial risk management policies in place to ensure that all payables are paid within the credit time frame.

MANAGEMENT DISCUSSION AND ANALYSIS

The current financial year covered a nine-month period from 1 April 2013 to 31 December 2013. To facilitate meaningful comparison, in the following paragraphs, unless specified, the comparative figures refer to the result of the nine months from 1 April to 31 December 2012. It should be noted that the financial data for the nine-month period ended 31 December 2012 has not been reviewed nor audited by our auditor.

Revenue for the nine-month period ended 31 December 2013 ("the nine-month period") was approximately Hong Kong ("HK") Dollars ("HK$") 20,875.7 million (2012: approximately HK$12,053.2 million), representing an increase of approximately 73% compared with the same period of the previous year. Profit attributable to owners of the Company for the nine-month period was approximately HK$372.5 million (2012: approximately HK$108.5 million). Considering the effect of imputed interest income from loan to an associate, normalised profit attributable to owners of the Company for the nine-month period was approximately HK$359.8 million (2012: approximately HK$125.3 million). Details are set out in the section of "Normalised Profit attributable to Owners of the Company" below.

BUSINESS REVIEW

Trading of Crude Oil, Petroleum Products and Petrochemicals

Facing keen competition and volatile economic environment, the Group strived to expand the trading business of crude oil, petroleum products and petrochemicals, and maintained stable growth during the nine-month period. We continued to adopt the strategy to trade better quality crude oil products with higher profit margin and recorded a slight increase in sales revenue. In 2013, our Singapore office commenced trading petroleum products and increased trading volume with customers significantly. This successful development in the petroleum market was reflected in the increasing portion of the Group's revenue from 34% to 57%. During the nine-month period, the Group expanded its petrochemicals market of mixed C_4, ortho-xylene and methanol, especially in the the People's Republic of China (the "PRC") market.

Manufacture and Development of Chemical Products

We have acquired 57% equity interest of Hainan Huizhi Petrochemical Fine Chemical Industry Limited Company ("Huizhi") which manufacture and process chemical products. The C_4 and C_5 reformers, sec-Butyl Acetate processing equipment and liquefied petroleum gas pipelines construction were completed in October 2013. Huizhi completed the fine-tuning of the manufacturing areas in early March 2014 and it is expected to commence its trial operation in April 2014.

Storage Business

In June 2013, Strong Petrochemical (Nantong) Logistics Company Limited, our non-wholly owned subsidiary, completed its trial operation of its storage facilities with 21 storage tanks and a capacity of 139,000 cubic meters. The reclamation rate of the oil gas reclamation plant reached 99.5%. The trading volume of re-filling platforms increased significantly to 2,050 metric tons ("MT") per day during the nine-month period, compared with 1,200 MT per day in March 2013. For the nine-month period, the total throughput reached 849,744 MT.

Our storage facilities project in Tianjin is carried out by the Group's 15% owned associate, Sinochem Tianjin Port Petrochemical Terminal Co., Ltd. ("Tianjin Terminal"). The Phase 1 construction of storage tanks and facilities with a capacity of 420,000 cubic meters and the Phase 2 construction of storage tanks and facilities with a capacity of 540,000 cubic meters were in operation. Extended construction of storage tanks, with a capacity of 130,000 cubic meters is expected to be completed by the end of 2015. Tianjin Terminal is in the process of fine-tuning the construction work of port oil pipeline connection project with a capacity of 300,000 MT. After State Council of the PRC promulgated Regulation of Administration of Railway Safety, Tianjin Terminal communicated closely with State Railway Administration with regards to the railway construction project and the project is expected to be commenced in the second quarter of 2014.

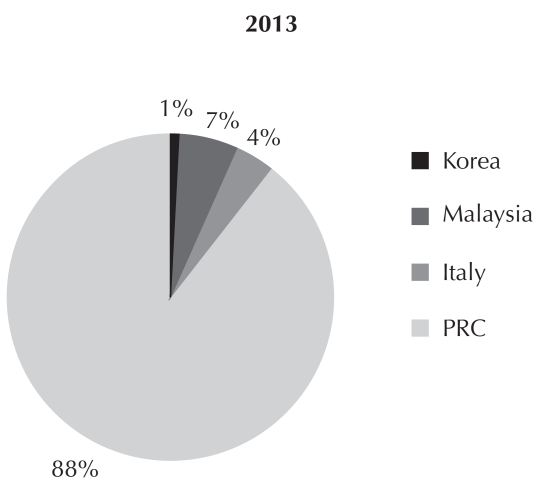
Revenue and Fair Value Changes on Derivative Financial Instruments

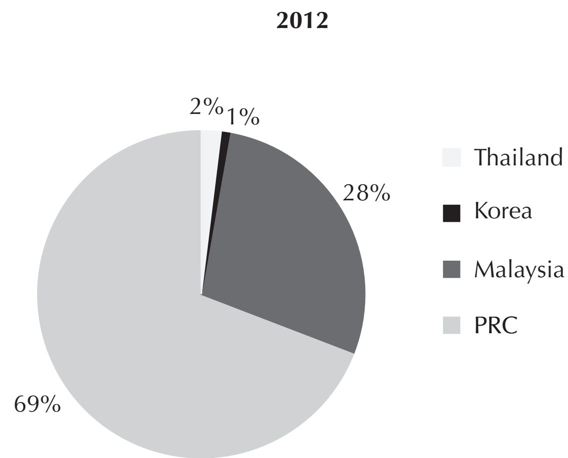
The Group is principally engaged in the trading of oil products. Approximately 40% (2012: 63%) of the Group's revenue was generated from trading of crude oil for the nine-month period, while the revenue generated from trading of petroleum products was approximately 57% (2012: 34%) and the revenue generated from trading of petrochemicals was approximately 3% (2012: 3%).

The revenue of the Group was approximately HK$20,875.7 million (2012: approximately HK$12,053.2 million) for the nine-month period, representing an increase of approximately 73% compared with same period last year. The trading volume of crude oil increased from 8,960,291 barrels ("BBL") to 9,722,054 BBL for the nine-month period which is primarily attributable to the development of business relationship with valuable new customers and increase in bank credit lines which provides the Group with more opportunities to raise trading volume. Due to the commencement of our Singapore office's trade in petroleum products in 2013 and other offices' effort to expand the petroleum market, the trading volume of petroleum products increased by almost 1.7 times from 677,561 MT to 1,804,947 MT for the nine-month period. The trading volume of petrochemicals increased from 34,541 MT to 76,307 MT since Nantong Strong International Trading Company Limited, our wholly owned subsidiary, and our Hong Kong office successfully expanded the business in the petrochemicals market by getting new customers and developing new products, such as ortho-xylene and methanol.

		Nine-month ended 31 December					
		2013			2012		
Products	Unit	**Number of shipment**	**Sales quantity**	**Revenue HK$'000**	Number of shipment	Sales quantity	Revenue HK$'000
Crude oil	BBL	**15**	**9,722,054**	**8,259,707**	16	8,960,291	7,604,442
Petroleum products	MT	**71**	**1,804,947**	**11,953,817**	136	677,561	4,145,404
Petrochemicals	MT	**131**	**76,307**	**662,206**	67	34,541	303,335
Total		**217**		**20,875,730**	219		12,053,181

Analysis of sales in percentage to total sales by location of delivery to the customers:





The increase in proportion of sales to customers in the PRC to total sales from 69% to 88% demonstrates that we have successfully expanded our business in the PRC. In the coming years, we will still focus on expanding businesses in the PRC market which oil demand is expected to grow steadily.

The Group has established trading teams as well as daily management oversight, manages the overall physical cargo price exposure and controls this through offsetting oil derivative contracts according to the Group's risk management policy. As part of our rigorous control process, a daily reporting system is adopted for all physical and derivative contracts. Such risk control system enables effective and timely management of the Group's exposure to market risk.

During the nine-month period, the Group reported a net profit on fair value changes on derivative financial instruments of approximately HK$50.6 million (2012: approximately HK$136.5 million), which was attributable to the Group entering derivative contracts.

Gross Profit

The overall gross profit of the Group increased to approximately HK$669.4 million (2012: approximately HK$170.5 million), representing an increase of approximately HK$498.9 million, for the nine-month period. The growth in gross profit was largely attributable to the increase in revenue and the expansion of business.

Normalised Profit attributable to Owners of the Company

As mentioned in last financial year's annual report, a shipment with approximately 902,000 net US barrels (the "Shipment") was concluded and delivered in March 2012. However, part of the revenue adjustment of the Shipment and most of the fair value changes on derivative financial instruments which the Group entered the derivative contracts in order to hedge the exposure to crude oil price volatility of the Shipment could only be recognised in the second quarter of 2012. The net profit of the Shipment recognised in the second quarter of 2012 was approximately HK$47.9 million.

As mentioned in the section of "Significant Investment Held, Material Acquisitions and Disposals of Subsidiaries, and Future Plans for Material Investments or Capital Assets" below, in March 2013, the Group entered into a sale and purchase agreement to dispose approximately 33% equity interest in the issued share capital of Asia Sixth Energy Resources Limited ("Asia Sixth") and 100% of the shareholder's loan. Therefore, share of losses of Asia Sixth of approximately HK$75.2 million and imputed interest income from loan to Asia Sixth of approximately HK$10.5 million were considered as one-off gain or loss in last financial period.

By excluding the nil balance of net profit effect of the Shipment (2012: HK$47.9 million), the nil balance of one-off share of losses of Asia Sixth (2012: approximately HK$75.2 million) and imputed interest income from loan to Asia Sixth of approximately HK$12.7 million (2012: approximately HK$10.5 million), the profit for the period attributable to owners of the Company is adjusted downward from approximately HK$372.5 million, under the best estimate by management, to a normalised profit for the period attributable to owners of the Company of approximately HK$359.8 million, approximately 3% less than the profit the Group achieved.

	Period from 1 April to 31 December 2013 HK$ million	Period from 1 April to 31 December 2012 (Unaudited) HK$ million	Period from 1 April 2012 to 31 March 2013 HK$ million
Profit for the period attributable to owners of the Company	**372.5**	108.5	308.7
Deduct: Net profit of the Shipment	**–**	(47.9)	(47.9)
Add: Share of losses of Asia Sixth	**–**	75.2	100.3
Deduct: Imputed interest income from loan to Asia Sixth	**(12.7)**	(10.5)	(14.1)
Deduct: Gain on change in estimated cash flows in respect of loan to Asia Sixth	**–**	–	(83.6)
Deduct: Reversal of impairment loss on interest in Asia Sixth	**–**	–	(81.4)
Underlying earnings after tax	**359.8**	125.3	182.0

Liquidity and Financial Resources

The Group generally finances its daily operations from internally generated cash flows (the "Internal Funds") and banking facilities. As at 31 December 2013, the Group had deposits placed with brokers, pledged bank deposits, and bank balances and cash of approximately HK$194.3 million (31 March 2013: approximately HK$163.1 million), approximately HK$65.3 million (31 March 2013: approximately HK$73.5 million) and approximately HK$345.3 million (31 March 2013: approximately HK$361.9 million) respectively. The total of deposits placed with brokers, bank structured deposit, pledged bank deposits, and bank balances and cash (collectively, the "Liquidity Resources") were approximately HK$604.9 million (31 March 2013: approximately HK$598.5 million). Most of the Liquidity Resources were denominated in United States Dollars ("US$").

The equity attributable to the owners of the Company increased by approximately HK$317.9 million to approximately HK$1,376.9 million as at 31 December 2013 (31 March 2013: approximately HK$1,059.0 million).

The Group had bank borrowings represented trust receipt, discounting, short-term loans and long-term loans, repayable within 1 year of approximately HK$1,684.6 million (31 March 2013: approximately HK$536.8 million). As at 31 December 2013, the Group's gearing ratio was approximately 27% (31 March 2013: 26%). The gearing ratio was calculated as the Group's total borrowing divided by total assets.

The Group will mainly use the Internal Funds to repay the due debts and relevant interests, in case of any shortfall, the Group will consider to avail itself of new loans by unused banking facilities to finance the repayment of the principal and interest in a timely manner.

As at 31 December 2013, the Group has banking facilities of US$1,000.0 million (equivalent to approximately HK$7,800.0 million) from several banks.

The majority of the Group's sales and purchases are denominated in US$. The Group considers its foreign currency exposure is mainly arising from the exposure of exchange between US$ and HK$ with limited exposure to Singapore Dollar, Euro and Renminbi ("RMB"). Since the exchange rate of US$ against HK$ is relatively stable during the nine-month period, the exposure on foreign exchange is insignificant.

Contingent Liabilities

As at 31 December 2013, the Group did not have any significant contingent liabilities.

Capital Commitments

As at 31 December 2013, the Group had contracted for capital expenditure of approximately RMB77,603,000 (equivalent to approximately HK$98,703,000) (31 March 2013: RMB61,171,000 (equivalent to approximately HK$75,748,000)) and authorised but not contracted for capital expenditure of approximately RMB345,367,000 (equivalent to approximately HK$439,270,000 (31 March 2013: RMB71,847,000 (equivalent to approximately HK$88,967,000)), respectively in respect of the construction of the petroleum products and petrochemicals storage facilities on two leasehold land parcels in Nantong City, Jiangsu Province, the PRC, and construction of facilities and equipment for manufacture and processing of petrochemicals in Yangpu Economic Development Zone, Hainan Province, the PRC.

Save as disclosed above, the Group did not have any other significant capital commitments as at 31 December 2013.

Significant Investment Held, Material Acquisitions and Disposals of Subsidiaries, and Future Plans for Material Investments or Capital Assets

The success of the Group will depend, inter alia, on the realisation of the expected synergies, costs control, and growth opportunities and potentials upon integration of the acquired businesses. The Group concentrates on its core business and cautiously expands the scale and geographical spread of its business through organic growth and investment in selective acquisitions with great potential. There can be no assurance that a failure to operate the acquired businesses successfully and thereby not achieve the expected financial benefits, may not adversely affect the Group's financial position and results.

In September 2013, the Group entered into a joint venture agreement with an independent Thailand company to acquire 49% equity interest of a joint venture company, Srithai Capital Co., Ltd. ("Srithai Capital"), in the consideration of Thailand Baht 49.0 million (equivalent to approximately HK$12.1 million). Pursuant to a vessel purchase agreement, Srithai Capital completed the acquisition of the vessel from an independent third party in October 2013 for storage of oil products. The vessel is a double hulled oil tanker built in 1998 with a gross tonnage of approximately 149,407 MT and deadweight of approximately 281,050 MT. Starting from January 2014, the vessel has been rented by the Company's wholly owned subsidiary, Strong Petrochemical Limited (Macao Commercial Offshore), for storing oil products in Malaysia.

Announced on 27 March 2013, the Group entered into a sale and purchase agreement to dispose approximately 33% equity interest in the issued share capital of Asia Sixth and the shareholder's loan of US$24.1 million, at a total consideration of approximately US$24.1 million. Completion is conditional upon the parties having received a copy of the written confirmation from the Ministry of Oil and Gas of the Republic of Kazakhstan (the "MOG consent") that the MOG consent to the transactions contemplated under the sale and purchase agreement; and the government of Kazakhstan will not exercise the state's pre-emptive purchase right under the Law of the Republic of Kazakhstan on Subsoil and Subsoil Use dated 24 June 2010 by 27 December 2013. During the period ended 31 December 2013, the loan consideration of US$10.0 million was received. Pursuant to the supplemental agreements to amend the sale and purchase agreement dated 24 December 2013 and 19 February 2014 entered between the Group and The Sixth Energy Limited ("Sixth Energy") respectively, the parties agreed that Sixth Energy shall pay US$5.0 million of the outstanding loan consideration on or before 26 February 2014 and US$9.1 million of the outstanding loan consideration on or before 30 June 2014 while interests shall accrue at the rate of 30% per annum payable on US$9.1 million of the outstanding loan consideration commencing on the date of the supplemental agreement dated 19 February 2014 and ending on the date when Sixth Energy repays the whole amount to the Group. Upon completion, the Group will remain a shareholder holding of 7% equity interest in the issued share capital of Asia Sixth.

Save as disclosed above, there were no other significant investments held as at 31 December 2013, or 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 period.

Employees

The number of employees of the Group was increased to 150 as at 31 December 2013 (31 March 2013: 112) to cope with our expansion, especially in the PRC. The Group's remuneration packages are maintained at competitive level and are determined on the basis of performance, qualification and experience of individual employee.

We recognise the importance of a good relationship with our employees by providing competitive remuneration package commensurate with prevailing market practice to our employees, including provident fund, life and medical insurances, discretionary bonus, share options, and training for human resources upskilling.

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

During the nine-month period, the Company repurchased a total of 870,000 ordinary shares of the Company at an aggregate purchase price of HK$773,000 on The Stock Exchange of Hong Kong Limited, representing approximately 0.05% of the issued share capital of the Company as at the date of the passing of the ordinary resolution under which the general mandate to repurchase shares was granted. Particulars of the shares repurchased are as follow:

Month of repurchase	No. of ordinary shares of HK$0.025 each	Purchase price paid per share Highest	Purchase price paid per share Lowest	Aggregate consideration paid
		HK$	HK$	HK$
August 2013	196,000	0.90	0.86	174,000
September 2013	674,000	0.93	0.87	599,000
Total	870,000			773,000

The repurchased shares were cancelled during the nine-month period and the issued share capital of the Company was reduced by the nominal value thereof.

Save as disclosed above, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's securities during the nine-month period.

PROPOSED DIVIDENDS

The Board has recommended the payment of a final dividend of HK5 cents per ordinary share of the Company in respect of the period ended 31 December 2013 (year ended 31 March 2013: HK4 cents), payable on 6 June 2014 to shareholders whose names appear on the register of members of the Company as at the close of business on 22 May 2014 subject to the approval of the shareholders of the Company at the forthcoming Annual General Meeting ("AGM") of the Company.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from, Tuesday, 13 May 2014 to Thursday, 15 May 2014 both days inclusive, during which period no transfer of shares will be effected. In order to be eligible to attend and vote at the AGM of the Company to be held on 15 May 2014, all completed share transfer forms accompanied by the relevant share certificates must be lodged with the branch share registrar of the Company in Hong Kong, Tricor Investor Services Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong (which will be relocated to Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong with effect from 31 March 2014) not later than 4:30 p.m. on Monday, 12 May 2014.

The register of members of the Company will be closed from, Wednesday, 21 May 2014 to Thursday, 22 May 2014 both days inclusive, during which period no transfer of shares will be effected. In order to be eligible for the proposed final dividend, all completed share transfer forms accompanied by the relevant share certificates must be lodged with the branch share registrar of the Company in Hong Kong, Tricor Investor Services Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong (which will be relocated to Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong with effect from 31 March 2014) not later than 4:30 p.m. on Tuesday, 20 May 2014.

CORPORATE GOVERNANCE

The Company has adopted and is fully compliant with all the provisions of the Corporate Governance Code (the "CG Code") set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") throughout the period ended 31 December 2013, except for the deviation from Code provision A.6.7 of the CG Code.

Pursuant to Code provision A.6.7 of the CG Code, independent non-executive directors ("INED"s) and other non-executive directors should attend general meetings and develop a balanced understanding of the views of shareholders. Ms. Lin Yan, being INED, was unable to attend the AGM held on 7 August 2013 due to other prior business engagements.

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as its code of conduct regarding director's securities transactions. Having made specific enquiries by the Company, all directors have confirmed that they had complied with the required standards set out in the Model Code during the period ended 31 December 2013.

The Company has established written guidelines on no less exacting terms than the Model Code for dealings in the Company's securities by relevant employees who are likely to be in possession of unpublished price-sensitive information in relation to the Company or its securities. The Company has received written annual compliance declaration from employees to confirm their compliance.

AUDIT COMMITTEE

The Audit Committee comprises of three INEDs who possess relevant business and financial management experience. The company secretary of the Company acts as the secretary to the Audit Committee. None of the members is employed by or otherwise affiliated with the former or existing auditor of the Company. The Audit Committee is chaired by Ms. Cheung Siu Wan, one of the INEDs having professional qualifications, and accounting and financial management skills to understand financial statements and contribute to the corporate governance of the Company under the Listing Rules.

Subsequent to the financial year end, the Audit Committee has reviewed the Group's audited consolidated financial statements for the period ended 31 December 2013, including the accounting principles and practices adopted by the Group, and recommended them to the Board for approval.

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

Hong Kong, 25 March 2014

As at the date of this announcement, the Board comprises of two executive directors and three INEDs. The executive directors are Mr. Wang Jian Sheng and Mr. Yao Guoliang. The INEDs are Ms. Lin Yan, Mr. Guo Yan Jun and Ms. Cheung Siu Wan.