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)

SUPPLEMENTAL ANNOUNCEMENT
POSITIVE PROFIT ALERT

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

Reference is made to the Company's positive profit alert announcement dated 19 March 2020 (the "**Announcement**"). Capitalized terms used herein shall have the same meanings as defined in the Announcement unless the context requires otherwise.

The Board wishes to further inform the Shareholders and potential investors that based on the information currently available from the Group's management accounts (which have not been audited by the auditor of the Company), it is expected that the Group will record a profit attributable to owners of the Company of not less than Hong Kong Dollar ("**HK$**") 90.0 million for the year ended 31 December 2019 as compared to the profit attributable to owners of the Company of HK$7.5 million for the year ended 31 December 2018. Such increase is primarily attributable to (1) the gain from the trading of crude oil and oil product related derivative financial instruments for hedging purpose, and (2) the increase in gross profit margin, which was partially offset by (a) the decrease in net gains on changes in fair value under provisional pricing arrangements, (b) the increase of impairment losses, and (c) the decrease in penalty interest income.

As the Company is still in the process of finalizing the results for the year ended 31 December 2019, the information contained in this announcement is only based on the preliminary assessment by the Company's management according to the unaudited management accounts of the Group, which are subject to finalization and other potential adjustments, if any, and have not been reviewed or confirmed by the auditors of the Group or the audit committee of the Board. Shareholders and potential investors of the Company should refer to the preliminary annual results announcement of the Group for the year ended 31 December 2019, which is expected to be published in late March 2020.

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

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

Hong Kong, 23 March 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*