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)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09(2)(a) of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

The Board wishes to inform the Shareholders and potential investors that based on preliminary assessment on the management accounts of the Group by the Company's management, it is expected that the unaudited interim results for the six months ended 30 June 2020 may record a significant loss as compared to the profit recorded for the same period last year.

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

This announcement is made by Strong Petrochemical Holdings Limited (the "**Company**" and together with its subsidiaries, the "**Group**") pursuant to Rule 13.09(2)(a) 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**").

The board of directors of the Company (the "**Board**") wishes to inform the shareholders of the Company (the "**Shareholders**") and potential investors that based on the information currently available from the Group's management accounts, it is expected that the Group's unaudited interim results for the six months ended 30 June 2020 will record a loss attributable to owners of the Company in the range of Hong Kong Dollar ("**HK$**") 90.0 million to HK$110.0 million as compared to the profit attributable to owners of the Company of HK$48.1 million for the six months ended 30 June 2019, which is primarily attributable to the substantial decrease in gross profit due to the adverse economic environment and the severe drop in demand of commodities caused by the outbreak and spread of COVID-19 pandemic during the first half of 2020, together with the decrease in bank and other interest income and the increase in income tax expense. Yet, such loss has been partially offset by the decrease of net losses on changes in fair value under provisional pricing arrangements and the decrease in finance cost.

As the Company is still in the process of finalizing the unaudited interim results for the six months ended 30 June 2020, 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. The financial results of the Group for the six months ended 30 June 2020 will only be ascertained when all the relevant results and accounting treatments are finalised.

The unaudited interim results announcement of the Group for the six months ended 30 June 2020 is expected to be published on 25 August 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, 14 August 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*