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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)

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 (which have not been audited by the auditor of the Company), it is expected that the Group will record a loss for the year ended 31 December 2020 as compared to the profit recorded for the year ended 31 December 2019.

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 (which have not been audited by the auditor of the Company), it is expected that the Group 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 for the year ended 31 December 2020 as compared to the profit attributable to owners of the Company of HK\$125.0 million for the year ended 31 December 2019, which is primarily attributable to the increases in impairment loss under expected credit loss model, distribution and selling expenses and income tax expense. Yet, such loss has been partially offset by the increase in gross profit margin of the second half of the year 2020, and the decrease in finance cost.

As the Company is still in the process of finalising the results for the year ended 31 December 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, which are subject to finalisation 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 Company. The financial results of the Group for the year ended 31 December 2020 will only be ascertained when all the relevant results and accounting treatments are finalised.

The annual results announcement of the Group for the year ended 31 December 2020 is expected to be published in late March 2021.

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, 15 March 2021

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*