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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)

**ANNOUNCEMENT OF ANNUAL RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

The board of directors (the “Board”) of Strong Petrochemical Holdings Limited (the “Company”) presents herewith the audited consolidated results of the Company and its subsidiaries (collectively, the “Group”) for the year ended 31 December 2020, together with the comparative audited figures for the year ended 31 December 2019 as follows:

* For identification purposes only

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**

For the year ended 31 December 2020

	NOTES	2020 HK\$'000	2019 HK\$'000
Revenue	3		
Goods and services		6,523,194	17,342,010
Leases		49,120	14,243
		6,572,314	17,356,253
Cost of sales		(6,148,292)	(17,025,181)
Gross profit		424,022	331,072
Other income		17,691	25,154
Other gains and losses		(1,744)	(4,653)
Impairment loss under expected credit loss model		(227,737)	(20,000)
Gain on changes in fair value of derivative financial instruments, net		25,436	26,307
Distribution and selling expenses		(192,463)	(88,694)
Administrative expenses		(94,177)	(93,165)
Finance costs		(20,351)	(51,084)
Share of results of associates		4,203	(812)
(Loss) profit before taxation	6	(65,120)	124,125
Income tax (expense) credit	5	(19,294)	57
(Loss) profit for the year		(84,414)	124,182
Other comprehensive income (expense)			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		24,239	(5,348)
Reclassification of cumulative translation reserve to profit or loss upon disposal of subsidiaries		(394)	–
Reclassification adjustment upon deregistration of an associate		–	(2,023)
Other comprehensive income (expense) for the year		23,845	(7,371)
Total comprehensive (expense) income for the year		(60,569)	116,811

	<i>NOTE</i>	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
(Loss) profit for the year attributable to:			
Owners of the Company		(93,013)	125,044
Non-controlling interests		8,599	(862)
		<u>(84,414)</u>	<u>124,182</u>
Total comprehensive (expense) income for the year attributable to:			
Owners of the Company		(70,381)	118,402
Non-controlling interests		9,812	(1,591)
		<u>(60,569)</u>	<u>116,811</u>
(Loss) earnings per share	7		
— basic (HK cents)		<u>(4.38)</u>	<u>5.89</u>
— diluted (HK cents)		<u>(4.38)</u>	<u>5.89</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2020

	NOTES	2020 HK\$'000	2019 HK\$'000
Non-current assets			
Property, plant and equipment		84,881	260,104
Investment properties	8	209,987	–
Right-of-use assets		68,695	67,034
Goodwill		–	3,551
Other assets		1,865	1,059
Prepayment		3,045	–
Rental deposit		321	203
Interests in associates		52,080	44,825
Financial asset at fair value through profit or loss	9	195,000	–
		<u>615,874</u>	<u>376,776</u>
Current assets			
Inventories		24,399	23,553
Trade receivables	10	713,876	2,687,502
Other receivables, deposits and prepayments		107,566	298,332
Tax reserve certificates		–	8,175
Derivative financial instruments		53,253	25,424
Financial assets at fair value through profit or loss		1,233	825
Deposits placed with brokers		87,593	77,202
Pledged bank deposits		–	17,118
Bank balances and cash		144,173	358,075
		<u>1,132,093</u>	<u>3,496,206</u>
Current liabilities			
Trade payables	11	28,945	1,219,025
Other payables and accrued charges		104,181	85,000
Contract liabilities		6	25,965
Lease liabilities		2,085	1,242
Taxation payable		–	269
Bank and other borrowings		140,198	871,418
Derivative financial instruments		50,428	22,996
		<u>325,843</u>	<u>2,225,915</u>
Net current assets		<u>806,250</u>	<u>1,270,291</u>
Total assets less current liabilities		<u>1,422,124</u>	<u>1,647,067</u>

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Non-current liabilities		
Deferred tax liabilities	–	3,897
Lease liabilities	496	128
Bank borrowing	–	135,078
	<u>496</u>	<u>139,103</u>
Net assets	<u>1,421,628</u>	<u>1,507,964</u>
Capital and reserves		
Share capital	53,084	53,093
Reserves	1,368,041	1,438,543
Equity attributable to owners of the Company	1,421,125	1,491,636
Non-controlling interests	<u>503</u>	<u>16,328</u>
Total equity	<u>1,421,628</u>	<u>1,507,964</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2020

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 (Law 3 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 of Hong Kong Limited (the “HKEx”) 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 Company’s addresses of the registered office and principal place of business 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 mainly trading of commodities, including crude oil, petroleum products, petrochemicals, coal and iron ore, and provision of petroleum products and petrochemicals storage services.

The principal operations of the Group are conducted in Hong Kong Special Administrative Region (“Hong Kong”), Macao Special Administrative Region (“Macao”), the People’s Republic of China (other than Hong Kong, Macao and Taiwan) (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 statements’ users, the consolidated financial statements are presented in Hong Kong Dollar (“HK\$”).

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

(a) Adoption of new or amended HKFRSs

The Hong Kong Institute of Certified Public Accountants has issued a number of new or amended HKFRSs that are first effective for the current accounting period of the Group:

Amendments to HKFRS 3	Definition of a Business
Amendments to HKAS 1 and HKAS 8	Definition of Material
Amendments to HKAS 39, HKFRS 7 and HKFRS 9	Interest Rate Benchmark Reform
Amendments to HKFRS 16	COVID-19-Related Rent Concessions*

* The Amendments to HKFRS 16: COVID-19-Related Rent Concessions is mandatorily effective for annual reporting periods beginning on or after 1 June 2020.

Except for the Amendments to HKFRS 3, these new or amended HKFRSs do not have significant impacts on the Group’s results and financial position for the current or prior period.

Amendments to HKFRS 3, Definition of a Business

The amendments clarify the definition of a business and introduce an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The election to apply the concentration test is made for each transaction. The concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. If the concentration test is met, the set of activities and assets is determined not to be a business. If the concentration test is failed, the acquired set of activities and assets is further assessed based on the elements of a business.

The Group elected to apply the amendments prospectively to acquisitions for which the acquisition date is on or after 1 January 2020. The Group acquired a set of activities and assets in August 2020 and elected to apply the concentration test to that transaction and the transaction passed the concentration test. Based on the assessment of elements of a business, the Group concluded that the acquired set of activities and assets is not a business.

(b) New or amended HKFRSs that have been issued but are not yet effective

The following new or amended HKFRSs, potentially relevant to the Group’s financial statements, have been issued, but are not yet effective and have not been early adopted by the Group. The Group’s current intention is to apply these changes on the date they become effective.

Amendments to HKAS 1 HK Interpretation 5 (2020)	Classification of Liabilities as Current or Non-current ⁴ Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause ⁴
Amendments to HKAS 16	Proceeds before Intended Use ²
Amendments to HKAS 37	Onerous Contracts — Cost of Fulfilling a Contract ²
Amendments to HKFRS 3	Reference to the Conceptual Framework ³
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁵
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform — Phase 2 ¹
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018–2020 ²

¹ Effective for annual periods beginning on or after 1 January 2021.

² Effective for annual periods beginning on or after 1 January 2022.

³ Effective for business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after 1 January 2022.

⁴ Effective for annual periods beginning on or after 1 January 2023.

⁵ The amendments shall be applied prospectively to the sale or contribution of assets occurring in annual periods beginning on or after a date to be determined.

Except for the new and amendments to HKFRSs mentioned below, the directors of the Company do not anticipate that the applications of the amendments and revision in the future will have significant impacts on the financial statements.

Amendments to HKAS 1, Classification of Liabilities as Current or Non-current and HK Interpretation 5 (2020) (“HK Int 5 (2020)”), *Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause*

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability and explain that rights are in existence if covenants are complied with at the end of the reporting period. The amendments also introduce a definition of ‘settlement’ to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

HK Int 5 (2020) was revised as a consequence of the Amendments to HKAS 1 issued in August 2020. The revision to HK Int 5 (2020) updates the wordings in the interpretation to align with the Amendments to HKAS 1 with no change in conclusion and do not change the existing requirements.

Amendments to HKAS 37, Onerous Contracts — Cost of Fulfilling a Contract

The amendments specify that the ‘cost of fulfilling’ a contract comprises the ‘costs that relate directly to the contract’. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (e.g. direct labour and materials) or an allocation of other costs that relate directly to fulfilling contracts (e.g. the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

Amendments to HKFRS 3, Reference to the Conceptual Framework

The amendments update HKFRS 3 *Business Combinations* so that it refers to the revised Conceptual Framework for Financial Reporting 2018 instead of the version issued in 2010. The amendments add to HKFRS 3 a requirement that, for obligations within the scope of HKAS 37 *Provisions, Contingent Liabilities and Contingent Assets*, an acquirer applies HKAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of Hong Kong (IFRIC) Interpretation 21 (“HK(IFRIC)-Int 21”) *Levies*, the acquirer applies HK(IFRIC)-Int 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date. The amendments also add an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.

Amendments to HKFRS 10 and HKAS 28, Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments clarify with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. When the transaction with an associate or joint venture that is accounted for using the equity method, any gains or losses resulting from the loss of control of a subsidiary that does not contain a business are recognised in the profit or loss only to the extent of the unrelated investors’ interests in that associate or joint venture. Similarly, any gains or losses resulting from the remeasurement of retained interest in any former subsidiary (that has become an associate or a joint venture) to fair value are recognised in the profit or loss only to the extent of the unrelated investors’ interests in the new associate or joint venture.

3. REVENUE

(i) Disaggregation of revenue from contracts with customers

Segments	For the year ended 31 December 2020		
	Trading business <i>HK\$'000</i>	Storage business <i>HK\$'000</i>	Total <i>HK\$'000</i>
Types of goods or services in respect of contracts with customers			
Trading of commodities			
Crude oil	5,099,470	–	5,099,470
Petroleum products	353,676	–	353,676
Petrochemicals	696,811	–	696,811
Coal	224,169	–	224,169
Iron ore	106,895	–	106,895
	<u>6,481,021</u>	<u>–</u>	<u>6,481,021</u>
Storage and other ancillary services for petroleum products and petrochemicals			
General storage services	–	22,605	22,605
Other ancillary services	–	19,568	19,568
	<u>–</u>	<u>42,173</u>	<u>42,173</u>
Total	<u>6,481,021</u>	<u>42,173</u>	<u>6,523,194</u>
For the year ended 31 December 2019			
Segments	Trading business <i>HK\$'000</i>	Storage business <i>HK\$'000</i>	Total <i>HK\$'000</i>
Types of goods or services in respect of contracts with customers			
Trading of commodities			
Crude oil	15,715,381	–	15,715,381
Petroleum products	106,477	–	106,477
Petrochemicals	826,932	–	826,932
Coal	523,499	–	523,499
Iron ore	115,891	–	115,891
	<u>17,288,180</u>	<u>–</u>	<u>17,288,180</u>
Storage and other ancillary services for petroleum products and petrochemicals			
General storage services	–	40,942	40,942
Other ancillary services	–	12,888	12,888
	<u>–</u>	<u>53,830</u>	<u>53,830</u>
Total	<u>17,288,180</u>	<u>53,830</u>	<u>17,342,010</u>

(ii) Leases

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
For operating leases:		
Lease income that is fixed or depends on a rate	<u>49,120</u>	<u>14,243</u>

4. SEGMENT INFORMATION

Geographical information

The Group's operations are currently carried out by the subsidiaries operating in Hong Kong, Macao, the PRC and Singapore.

Information about the Group's revenue from external customers is categorised by (a) the locations of shipment/delivery as designated by the customers, (b) the locations that the customers are instructed to pick up the commodities as determined by the Group and (c) the locations that the general storage and other ancillary services in respect of petroleum products and petrochemicals are rendered by the Group. Information about the Group's non-current assets is presented based on by geographical location of assets.

	Revenue from external customers		Non-current assets <i>(note)</i>	
	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Hong Kong	–	–	5,018	1,663
Macao	–	–	369	452
The PRC	5,398,883	16,452,140	138,503	373,481
Singapore	–	–	151	977
Korea	477,164	–	–	–
France	–	328,001	–	–
Japan	65,926	169,550	–	–
Vietnam	173,259	406,562	–	–
United Kingdom	457,082	–	–	–
	<u>6,572,314</u>	<u>17,356,253</u>	<u>144,041</u>	<u>376,573</u>

Note: The non-current assets for the purpose of geographical information exclude financial asset at fair value through profit or loss ("FVTPL"), investment properties, rental deposit, prepayment, certain right-of-use assets and property, plant and equipment.

5. INCOME TAX (EXPENSE) CREDIT

Income tax (expense) credit in the consolidated statement of profit or loss and other comprehensive income represents:

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Current tax		
Enterprise Income Tax in the PRC	–	(355)
Hong Kong Profits Tax	<u>(19,391)</u>	–
	<u>(19,391)</u>	<u>(355)</u>
Deferred taxation	<u>97</u>	<u>412</u>
	<u>(19,294)</u>	<u>57</u>

6. (LOSS) PROFIT BEFORE TAXATION

(a) (Loss) profit before taxation is arrived after charging (crediting):

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Auditor's remuneration	2,345	3,063
Depreciation of property, plant and equipment	20,938	21,802
Depreciation of investment properties	3,559	–
Depreciation of right-of-use assets	4,415	4,219
Amortisation of other assets	1,295	–
Net foreign exchange loss (gain)	2,154	(520)
Impairment loss on trade receivables	216,301	–
Impairment loss on loan receivable	–	20,000
Impairment loss on other receivables, deposits and prepayments	11,436	–
Share of results of associates	(4,203)	812
Directors' emoluments	480	480
Other staff costs		
Salaries, bonus and other allowances	46,602	49,558
Retirement benefit schemes contributions	1,382	1,950
	48,464	51,988
Cost of inventories recognised as an expense (included in cost of sales)	<u>6,099,825</u>	<u>16,979,413</u>

(b) Disposal of subsidiaries

On 4 December 2020, the Group disposed of its entire equity interest (i.e. 51%) in Nicefame Global Limited (“Nicefame Global”) which owns 90% equity interest in Huizhou Daya Bay Nicefame Chemical Storage and Trading Co., Ltd. (“Huizhou Nicefame”) (collectively referred to as “Nicefame Global Group”). Huizhou Nicefame was engaged in trading of petrochemicals and petroleum products, and provision of petrochemicals and petroleum products storage services.

The results of Nicefame Global Group for the current and preceding period were as follows:

	1 January 2020 to 4 December 2020 <i>HK\$'000</i>	24 February 2019 to 31 December 2019# <i>HK\$'000</i>
Revenue	725,664	375,447
Cost of sales	(696,250)	(367,068)
Other income	457	4,852
Other gains and losses	1,709	(1,190)
Administrative expenses	(5,760)	(6,517)
Finance costs	(7,351)	(7,562)
Profit (loss) before taxation	18,469	(2,038)
Income tax credit	97	412
Profit (loss) for the period	<u>18,566</u>	<u>(1,626)</u>
Profit (loss) for the period attributable to:		
Owners of the Company	9,967	(765)
Non-controlling interests	8,599	(861)
	<u>18,566</u>	<u>(1,626)</u>

The Group acquired 51% of the equity interest in Nicefame Global Group on 24 February 2019.

7. (LOSS) EARNINGS PER SHARE

The calculations of the basic and diluted (loss) earnings per share attributable to owners of the Company are based on the following data:

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
(Loss) earnings		
(Loss) earnings for the purposes of calculating basic and diluted (loss) earnings per share		
(Loss) profit for the year attributable to owners of the Company	<u>(93,013)</u>	<u>125,044</u>
	2020	2019
Number of shares		
Weighted average number of ordinary shares for the purpose of calculating basic and diluted (loss) earnings per share	<u>2,123,369,953</u>	<u>2,124,409,350</u>

For the year ended 31 December 2020, the incremental shares from the assumed exercise of share options are excluded in calculation of the diluted loss per share since the assumed exercise of those share options will result in a decrease in loss per share.

For the year ended 31 December 2019, the computation of diluted earnings per share did not assume the exercise of the Company's share options because the exercise price of the share options was higher than the average market price for the year.

8. INVESTMENT PROPERTIES

The Group's investment properties comprise of commercial properties situated in Hong Kong. These properties were acquired during the year ended 31 December 2020, and are stated at cost less accumulated depreciation and accumulated impairment losses. In 2020, no impairment loss in respect of the Group's investment properties was charged to the consolidated statement of profit or loss and other comprehensive income. As at 31 December 2020, the carrying value of the investment properties was approximately its fair value by reference to comparable sales transactions as available in the relevant market with adjustments to reflect the condition and location of the related properties.

9. FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT OR LOSS

The Group's financial asset at FVTPL represents an unlisted equity investment.

10. TRADE RECEIVABLES

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Trade receivables		
— contracts with customers (<i>note</i>)	713,216	2,685,965
— lease receivables	<u>660</u>	<u>1,537</u>
	<u>713,876</u>	<u>2,687,502</u>

Note: At 31 December 2020, all trade receivables are at amortised cost (2019: HK\$467,717,000 of trade receivables at FVTPL in respect of contracts with customers). At 31 December 2019, included in the trade receivables at amortised cost in respect of contracts with customers, there were bills receivables of approximately HK\$9,210,000 received and held by the Group for future settlement of trade debts. These bills were with a maturity period of less than one year.

The Group allows credit periods of 30 to 90 days to its customers from the trading business and 5 to 30 days to its customers from the storage business.

The following is an ageing analysis of trade receivables presented based on the invoice dates or goods delivery dates which approximated the revenue recognition dates at the end of the reporting period:

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
0 to 30 days	45,010	2,118,193
31 to 60 days	–	569,085
61 to 90 days	–	224
91 to 365 days	647,647	–
Over 365 days	21,219	–
	<u>713,876</u>	<u>2,687,502</u>

Impairment losses in respect of trade receivables are recorded using an allowance unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade receivables directly. During the year ended 31 December 2020, long outstanding trade receivables of HK\$216,301,000 are written off.

11. TRADE PAYABLES

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Trade payables at amortised cost	28,945	1,102,284
Trade payables designated at FVTPL	–	116,741
	<u>28,945</u>	<u>1,219,025</u>

The following is an ageing analysis of trade payables presented based on the invoice dates or goods receipt dates at the end of the reporting period:

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
0 to 30 days	28,945	1,218,846
Over 90 days	–	179
	<u>28,945</u>	<u>1,219,025</u>

The credit period granted by suppliers on purchase of goods is normally 30 to 90 days.

12. DISPOSAL OF SUBSIDIARIES

As referred to note 6(b), on 4 December 2020, the Group disposed of its entire equity interest (i.e. 51%) in its subsidiary, Nicefame Global, which owns 90% equity interest in Huizhou Nicefame. Huizhou Nicefame was engaged in trading of petrochemicals and petroleum products, and provision of petrochemicals and petroleum products storage services.

The net assets of Nicefame Global Group at the date of disposal were as follows:

	At 4 December 2020 HK\$'000
Property, plant and equipment	181,569
Right-of-use assets	50,651
Inventories	4,019
Trade receivables	9,529
Other receivables, deposits and prepayments	51,042
Bank balances and cash	15,832
Other payables and accrued charges	(22,295)
Contract liabilities	(61,630)
Amount due to a non-controlling shareholder of a subsidiary	(25,496)
Amount due to an ultimate holding company	(27)
Bank borrowing	(149,057)
Deferred tax liabilities	(4,017)
	<hr/>
Net assets disposed of	50,120
	<hr/>
Non-controlling interests	(25,637)
Amount due to an ultimate holding company	27
Other payables and accrued charges	2
Goodwill	3,551
Reclassification of cumulative translation reserve	(394)
	<hr/>
	27,669
	<hr/>
Loss on disposal	(1,695)
	<hr/>
Total consideration	25,974
	<hr/> <hr/>
Total consideration satisfied by cash	25,974
	<hr/> <hr/>
Net cash inflow arising on disposal:	
Cash consideration	25,974
Bank balances and cash disposed of	(15,832)
	<hr/>
	10,142
	<hr/> <hr/>

MANAGEMENT DISCUSSION AND ANALYSIS

Revenue for the year ended 31 December 2020 (the “year”) was approximately HK\$6,572.3 million (2019: approximately HK\$17,356.3 million). Loss attributable to owners of the Company for the year was approximately HK\$93.0 million (2019: profit of approximately HK\$125.0 million).

BUSINESS REVIEW

Trading of Commodities

Affected by the global macro economy in 2020, our trading business of commodities was severely and massively impacted. Due to the poor worldwide economic environment and adverse market condition, a significant decrease in overall revenue compared to last year was as expected. The situation was similarly faced by other commodities traders and we were no exception. In 2020, our trading strategy on crude oil continued to apply by focusing on back-to-back trade arrangement which was considered less risky and we inclined to keep a low level of inventories to minimise inventory risk. The major cause of critical drop in revenue generated from trading of crude oil was due to significant declined demand in the PRC market and drop of crude oil price, which were the consequences of the COVID-19 crisis. On the other hand, our petroleum products team inspirationally expanded its sales channels which enhanced its trading activities in the PRC, thus facilitated an increase in revenue generated from petroleum products for the year by 2.3 times, compared to that in last year, after offsetting the effect brought by the declined demand in the PRC. For trading of petrochemicals, the steep drop in price of petrochemicals in the PRC led to the decrease in revenue generated from trading of petrochemicals. The trading volume of coal decreased deeply because of the decreased demand from the Vietnam power plants under the backdrop of the pandemic. As a result of the huge market price volatility and bank credit crunch, revenue generated from trading of iron ore recorded a decrease, and the trading of iron ore was suspended since March 2020.

Storage and Other Ancillary Services for Petroleum Products and Petrochemicals and Leases

Strong Petrochemical (Nantong) Logistics Company Ltd. (“Strong Nantong”), our indirect wholly-owned subsidiary, provides storage services with 21 storage tanks and a capacity of 139,000 cubic meters. Strong Nantong is principally engaged in providing storage services for gas oil and diesel fuel. The total throughput increased from approximately 1,947,000 metric tons (“MT”) in 2019 to approximately 1,980,000 MT in 2020. During the year, Strong Nantong has recorded increases in both revenue and profit which were benefited by its ability to charge for higher service fee premium and the increase in total throughput. By increasing the percentage of long-term lease storage, reducing temporary storage lease, and by virtue of the enduring business cooperation with core customers, Strong Nantong maintained a stable source of income from the storage business.

Huizhou Nicefame, our previously indirect non wholly-owned subsidiary, operated its storage facilities with a capacity of 105,000 cubic meters and was principally engaged in providing storage services for liquid petrochemicals, petroleum products and other hazardous chemicals. During the year and up to the disposal of Huizhou Nicefame in December 2020, Huizhou Nicefame’s continuous effort on providing quality services, with the benefits of synergy effect of its storage and trading businesses contributed to a boost in storage revenue.

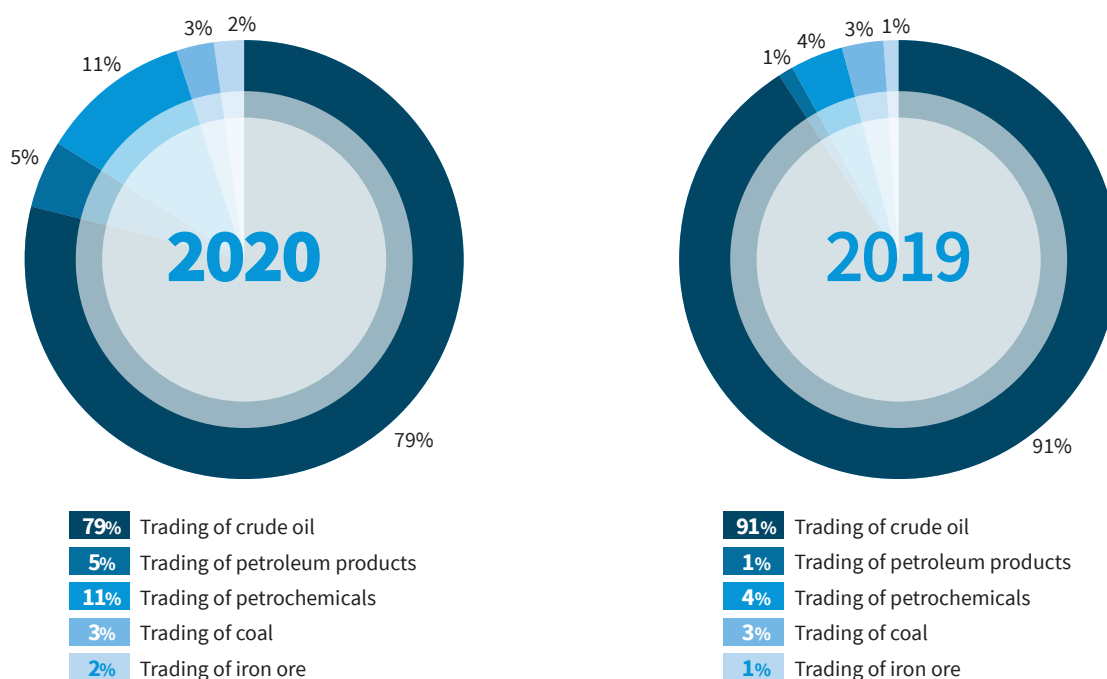
FINANCIAL REVIEW

Revenue

Trading of commodities

The Group is principally engaged in the trading of commodities. The revenue from trading business of the Group was approximately HK\$6,481.0 million (2019: approximately HK\$17,288.2 million) for the year. Approximately 79% (2019: 91%) of the Group's revenue from trading business was generated from trading of crude oil for the year, while the revenue generated from trading of petroleum products was approximately 5% (2019: 1%) and the revenue generated from trading of petrochemicals was approximately 11% (2019: 4%). Revenue generated from trading of coal was approximately 3% (2019: 3%) and the trading of iron ore generated approximately 2% (2019: 1%) of the Group's revenue from trading business.

Analysis of revenue in percentage to total revenue from trading business by types of commodities:



The trading volume of crude oil decreased from 30,167,689 barrels (“BBL”) in the last year to 15,398,408 BBL for the year since the overall demand in crude oil from the PRC customers decreased significantly. Due to the successful expansion of sales channels in the PRC, the trading volumes of petroleum products and petrochemicals increased from 23,225 MT in the last year to 79,196 MT for the year and 147,567 MT in the last year to 190,046 MT for the year, respectively. The market shrinkage in Vietnam drove the trading volume of coal to decrease from 1,351,131 MT in the last year to 621,894 MT for the year. The trading volume of iron ore decreased from 175,753 MT in the last year to 156,778 MT for the year due to price volatility and limited grant of credit line facilities from banks.

Products	Unit	Year ended 31 December					
		2020			2019		
		Number of contracts	Sales quantity	Revenue HK\$'000	Number of contracts	Sales quantity	Revenue HK\$'000
Trading of commodities							
Crude oil	BBL	16	15,398,408	5,099,469.7	33	30,167,689	15,715,380.7
Petroleum products	MT	26	79,196	353,676.3	8	23,225	106,476.9
Petrochemicals	MT	157	190,046	696,811.3	190	147,567	826,931.7
Coal	MT	6	621,894	224,168.9	14	1,351,131	523,499.1
Iron ore	MT	1	156,778	106,894.8	1	175,753	115,891.3
Total		<u>206</u>		<u>6,481,021.0</u>	<u>246</u>		<u>17,288,179.7</u>

Storage and other ancillary services for petroleum products and petrochemicals and leases

Revenue generated from the provision of general storage and other ancillary services for petroleum products and petrochemicals was approximately HK\$42.2 million for the year (2019: approximately HK\$53.8 million). Approximately 54% (2019: 76%) of the Group's revenue from storage business was generated from general storage services, while approximately 46% (2019: 24%) was generated from other ancillary services such as pipeline transmission, waste treatment and vehicle loading.

Revenue generated from leases was approximately HK\$49.1 million (2019: approximately HK\$14.2 million) for the year.

Fair Value Changes on Derivative Financial Instruments

The Group has established trading teams as well as daily management oversight, which manages the overall physical cargo price exposure and controls it 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 year, the Group reported an aggregate gain on fair value changes on derivative financial instruments of approximately HK\$25.4 million (2019: approximately HK\$26.3 million).

Gross Profit

The overall gross profit of the Group for the year increased to approximately HK\$424.0 million (2019: approximately HK\$331.1 million). The increase in gross profit was primarily a result of the increase in gross profit margin in relation to crude oil trading in the third quarter of 2020.

Loss Attributable to Owners of the Company

Loss attributable to owners of the Company for the year was approximately HK\$93.0 million (2019: profit of approximately HK\$125.0 million).

Properties Held for Investment

As at 31 December 2020, the Group held properties in Hong Kong with address of Penthouse and Car Parking Space Nos. 13 & 14 on 2/F, Overseas Trust Bank Building, No. 160 Gloucester Road, Hong Kong, which will be marketed for lease to generate rental income for the Group.

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 2020, the Group had deposits placed with brokers, pledged bank deposits, and bank balances and cash of approximately HK\$87.6 million (2019: approximately HK\$77.2 million), nil balance (2019: approximately HK\$17.1 million) and approximately HK\$144.2 million (2019: approximately HK\$358.1 million) respectively. The total of deposits placed with brokers, pledged bank deposits, and bank balances and cash (collectively, the “Liquidity Resources”) were approximately HK\$231.8 million (2019: approximately HK\$452.4 million). Most of the Liquidity Resources were denominated in US\$.

The equity attributable to owners of the Company decreased by approximately HK\$70.5 million to approximately HK\$1,421.1 million as at 31 December 2020 (2019: approximately HK\$1,491.6 million).

As at 31 December 2020, the Group had bank and other borrowings, represented by short-term loans of approximately HK\$20.2 million (2019: approximately HK\$1,006.5 million) and shareholder loans of HK\$120.0 million (2019: nil). As at 31 December 2020, the Group’s gearing ratio dropped from approximately 26% in 2019 to approximately 8% mainly because of the decrease in trust receipt loans and bank borrowings. The gearing ratio is calculated as the Group’s total borrowings divided by total assets.

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

As at 31 December 2020, the Group has banking facilities of US\$258.0 million and Renminbi (“RMB”) 35.0 million (equivalent to approximately HK\$2,054.0 million in total) from several banks. The decrease in amount of banking facilities was mainly caused by the tightening approach of banks to limit the grant of banking facilities for the sake of minimising potential credit risk.

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

Pledge of Group Assets

As at 31 December 2020, right-of-use assets of approximately HK\$17.1 million (2019: right-of-use assets and pledged bank deposits of approximately HK\$82.8 million) had been pledged to secure bank and other borrowings and certain banking facility granted to the Group.

Contingent Liabilities

As at 31 December 2020, the Group did not have any significant contingent liabilities.

Litigations

- (a) *Litigation against Shandong Yuhuang Shengshi Chemical Co., Ltd., Shandong Yuhuang Chemical Co., Ltd. and Mr. Wang Jinshu for unpaid trade debts*

Reference is made to the announcements of the Company dated 12 October 2020 and 15 December 2020, Strong Petrochemical Limited (Macao Commercial Offshore) ("Strong Macao"), an indirect wholly-owned subsidiary of the Company, instituted legal proceedings against Shandong Yuhuang Shengshi Chemical Co., Ltd. (山東玉皇盛世化工股份有限公司) (the "First Defendant") and Shandong Yuhuang Chemical Co., Ltd. (山東玉皇化工有限公司) (the "Second Defendant") and Mr. Wang Jinshu (王金書) (the "Third Defendant") (collectively, the "Defendants") in Heze Intermediate People's Court of Shandong Province of the People's Republic of China (中華人民共和國山東省荷澤市中級人民法院) (the "Heze Court") in relation to unpaid trade debts which were due and payable to Strong Macao (the "Shandong Yuhuang Legal Proceedings").

According to the long-term cooperation agreement signed by Strong Macao and the First Defendant in January 2018, Strong Macao agreed to sell crude oil to the First Defendant and the First Defendant agreed to purchase crude oil from Strong Macao. The Second Defendant and the Third Defendant agreed to act as chargor (in respect of the shares in the First Defendant) and guarantor respectively for repayment of the debts of the First Defendant under the long-term cooperation agreement.

The First Defendant defaulted on its payment of the price of the crude oil payable to Strong Macao (the “Shandong Yuhuang Default”) in the total sum of approximately US\$62.5 million (equivalent to approximately HK\$487.5 million) (the “Shandong Yuhuang Outstanding Sum”). During the period from 22 January 2020 to 11 September 2020, the First Defendant made partial repayments of the Shandong Yuhuang Outstanding Sum in a total sum of approximately US\$31.3 million (equivalent to approximately HK\$244.1 million). The unsettled Shandong Yuhuang Outstanding Sum amounted to approximately US\$31.2 million (equivalent to approximately HK\$243.4 million) (the “Shandong Yuhuang Unsettled Outstanding Sum”). Strong Macao filed a Writ for the commencement of the Shandong Yuhuang Legal Proceedings to claim for the Shandong Yuhuang Unsettled Outstanding Sum on 24 September 2020, which was accepted by the Heze Court on the same day.

Pursuant to a ruling made by the Heze Court on 5 November 2020, the First Defendant and the Second Defendant entered into bankruptcy settlement procedures (the “Shandong Yuhuang Settlement Procedures”). Creditors of the First Defendant and the Second Defendant (the “Creditors”), including Strong Macao, filed declarations of their claims to the bankruptcy administrator appointed by the Heze Court. According to the Enterprise Bankruptcy Law of the People’s Republic of China, the litigation attachment of the First Defendant granted by the Heze Court on 12 October 2020 in favour of Strong Macao for preserving the property of the First Defendant had been lifted.

Based on the finalised settlement proposals made by the First Defendant and the Second Defendant and their related companies in the Shandong Yuhuang Settlement Procedures on 14 December 2020, the amount to be recovered by Strong Macao would be 10% of the Shandong Yuhuang Outstanding Sum which was eventually verified in the Creditors’ meeting and confirmed by the Heze Court (the “Recoverable Amount”). Thus, a provision of impairment on trade and other receivables from the First Defendant in the sum of approximately US\$27.8 million (equivalent to approximately HK\$216.8 million) in respect of the Shandong Yuhuang Default is made in the consolidated financial statements for the year. On 11 March 2021, the Recoverable Amount of approximately US\$3.4 million (equivalent to approximately HK\$26.5 million) was settled.

(b) Litigation against Shandong Shengxing Chemical Co., Ltd. for unpaid trade debts

Reference is made to the announcement of the Company dated 11 December 2020, Strong Macao has instituted legal proceedings against Shandong Shengxing Chemical Co., Ltd. (山東勝星化工有限公司) (“Shandong Shengxing”) in Dongying Intermediate People’s Court of Shandong Province of the People’s Republic of China (中華人民共和國山東省東營市中級人民法院) (the “Dongying Court”) in relation to unpaid trade debts which were due and payable to Strong Macao (the “Shandong Shengxing Legal Proceedings”).

According to the long-term trading cooperation agreements signed by Strong Macao and Shandong Shengxing on 24 August 2017 and 6 December 2019 respectively, Strong Macao agreed to sell crude oil to Shandong Shengxing and Shandong Shengxing agreed to purchase crude oil from Strong Macao.

Shandong Shengxing defaulted on its payment of the price of the crude oil payable to Strong Macao (the “Shandong Shengxing Default”) in the total sum of approximately US\$91.5 million (equivalent to approximately HK\$713.7 million) (the “Shandong Shengxing Outstanding Sum”). During the period from 1 June 2020 to 22 July 2020, Shandong Shengxing has made partial repayments of the Shandong Shengxing Outstanding Sum in a total sum of US\$8.5 million (equivalent to approximately HK\$66.3 million). As at 16 November 2020 and 31 December 2020, the unsettled Shandong Shengxing Outstanding Sum amounted to approximately US\$83.0 million (equivalent to approximately HK\$647.4 million) (the “Shandong Shengxing Unsettled Outstanding Sum”). Strong Macao filed a Writ for the commencement of the Shandong Shengxing Legal Proceedings to claim for the Shandong Shengxing Unsettled Outstanding Sum on 16 November 2020, which was accepted by the Dongying Court on the same day.

Pursuant to a ruling made by the Dongying Court on 21 December 2020, the Shandong Shengxing Default constituted a breach of contract. It was adjudged that Shandong Shengxing should bear the payment responsibility and compensate the economic loss of Strong Macao resulting from the Shandong Shengxing Default. Shandong Shengxing is therefore liable for the payment of Shandong Shengxing Unsettled Outstanding Sum to Strong Macao. As at 25 January 2021, Strong Macao has received approximately US\$1.5 million (equivalent to approximately HK\$11.7 million) as partial settlement of the Shandong Shengxing Unsettled Outstanding Sum.

Considering the availability of securities held by the Group including the share charge in relation to 49% equity interest of Shandong Shengxing and the share charge in relation to the entire equity interest of a related company of Shandong Shengxing, the Board considers that the Shandong Shengxing Legal Proceedings will not have any material adverse impact on the overall operation and financial condition of the Company, and thus, no provision of impairment on trade receivables from Shandong Shengxing is made. The Group will continue to proactively recover the Shandong Shengxing Unsettled Outstanding Sum.

Capital Commitments

As at 31 December 2020, the Group had contracted for capital expenditure of approximately RMB18.4 million (equivalent to approximately HK\$21.9 million) (2019: approximately RMB4.6 million (equivalent to approximately HK\$5.1 million)) in respect of the construction of a petrochemicals manufacturing plant (the “Fujian Plant”) in Fujian Province, the PRC.

Actual Use of Proceeds from the Subscription

As announced on 21 July 2020 in relation to the subscription of 353,603,681 new shares under the general mandate on 17 July 2017, up to 31 December 2019, the remaining amount of the subscription proceeds of approximately HK\$154.6 million has been fully utilised as general working capital as intended by the Group.

Significant Investment

The Group held a significant investment in SH Energy Fund 1 (“SH Energy”) as at 31 December 2020, which represented over 5% of the Group’s total assets and a significant portion in the net assets of the Group as at 31 December 2020.

Set below are the brief description of the business, performance and prospect of SH Energy.

As announced on 7 August 2020 and 14 August 2020, Strong New Energy Global Limited (“Strong New Energy”), an indirect wholly-owned subsidiary of the Company, has agreed to make a capital commitment to subscribe for the participating shares in SH Energy, of up to US\$25.0 million (equivalent to approximately HK\$195.0 million). SH Energy is managed by a fund manager and seeks to achieve its investment objective by investing in privately held oil and gas assets and companies in the explorative and/or production stage, as well as assets and companies involved in the upstream and/or downstream oil and gas production processes. By investing in SH Energy, it is expected that the Group can benefit from diversifying its revenue stream through investments in oil and gas assets and companies which demonstrate a strong performance record, which will in turn broaden the Groups revenue base in the future. As at 31 December 2020, the accumulated investment made by the Group in SH Energy amounted to US\$17.5 million (equivalent to approximately HK\$136.5 million). The fair value of SH Energy was US\$25.0 million (equivalent to approximately HK\$195.0 million) as at 31 December 2020, which represented approximately 11% of the Group’s total assets. During the year, no distribution of dividend was received from the investment in SH Energy.

Save as disclosed above, there are no other significant investments held by the Group as at 31 December 2020.

Material Acquisitions and Disposals, and Future Plans for Material Investments

The success of the Group will depend, inter alia, on the realisation of the expected synergies, cost 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 achieving the expected financial benefits, may not adversely affect the Group’s financial position and results.

In August 2020, Strong New Energy, an indirect wholly-owned subsidiary of the Company, has agreed to make a capital commitment to subscribe for the participating shares in SH Energy, of up to US\$25.0 million (equivalent to approximately HK\$195.0 million). Please refer to section “Significant Investment” for details.

As announced on 27 August 2020, the acquisition of the entire share capital of Copower Properties Investments Company Limited which owns properties in Hong Kong was completed on 27 August 2020. The Group is optimistic about the growth potential of investment properties and expects that the properties will generate a stable and recurrent lease income for the Group.

In December 2020, Excellent Harvest Holdings Ltd. (“Excellent Harvest”), an indirect wholly-owned subsidiary of the Company, entered into a sale and purchase agreement. Excellent Harvest disposed 51% equity interest in Nicefame Global, which owns 90% equity interest in Huizhou Nicefame, at a consideration of US\$3.3 million (equivalent to approximately HK\$25.7 million) due to different points of view in the business direction of Huizhou Nicefame between the Group and the minority shareholder. Moreover, this disposal can strengthen the overall financial position of the Group and allow us to seek new business opportunities.

Fujian Hong Kong Petrochemical Limited (“Fujian Petrochemical”), an indirect wholly-owned subsidiary of the Company is in the process of setting up the Fujian Plant in Fujian Province of the PRC. The expected construction date of the Fujian Plant will be in the second quarter of 2021 and the expected commencement date of operation will be late 2021. Fujian Petrochemical was engaged in trading of petrochemicals during the year.

Save as disclosed above, there were no other 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 year.

Employees

Due to the disposal of Nicefame Global and its subsidiary in December 2020, the number of employees of the Group decreased to 94 as at 31 December 2020 (2019: 140). 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 packages which commensurate with the 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 year, the Company repurchased a total of 348,000 ordinary shares of the Company at an aggregate purchase price of HK\$129,740 on the HKEx, representing approximately 0.02% 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 repurchase are as follows:

Month of repurchase	No. of ordinary shares of HK\$0.025 each	Purchase price paid per share		Aggregate consideration paid <i>HK\$</i>
		Highest <i>HK\$</i>	Lowest <i>HK\$</i>	
January 2020	<u>348,000</u>	0.380	0.365	<u>129,740</u>

The repurchases of the Company's shares during the year were effected by the directors of the Company with a view to benefiting the shareholders as a whole by enhancing the net asset value per share of the Company.

The repurchased shares were cancelled during the year 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 year.

DIVIDENDS

The Board does not recommend the payment of final dividends for the year ended 31 December 2020 (2019: nil).

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from, Monday, 24 May 2021 to Thursday, 27 May 2021, both days inclusive, during which period no transfer of shares will be effected. In order to be eligible to attend and vote at the annual general meeting of the Company (the "AGM") to be held on 27 May 2021, 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 Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Friday, 21 May 2021.

CORPORATE GOVERNANCE REPORT

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 year ended 31 December 2020, with the exception of the following deviation:

Pursuant to Code Provision A.6.7 of the CG Code, generally independent non-executive directors and other non-executive directors should attend the general meetings to gain and develop a balanced understanding of the views of shareholders. Mr. Wang Jian Sheng, the executive director of the Company, Dr. Chan Yee Kwong and Mr. Deng Heng, the independent non-executive directors of the Company (“INEDs”), were unable to attend the AGM held on 28 May 2020 due to other prior business engagements.

MODEL CODE FOR SECURITIES TRANSACTIONS

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 the Company’s directors’ securities transactions. Having made specific enquiries by the Company, all directors of the Company have confirmed that they had complied with the required standards set out in the Model Code during the year.

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 inside information in relation to the Company or its securities. The Company has received written annual compliance declaration from employees to confirm their compliance.

SCOPE OF WORK OF MESSRS. BDO LIMITED

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2020 as set out in this announcement have been agreed by the Group’s auditor, Messrs. BDO Limited (the “Auditor”), to the amounts set out in the Group’s audited consolidated financial statements for the year. The work performed by the Auditor in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by the Auditor on this announcement.

AUDIT COMMITTEE

The audit committee of the Company (the “Audit Committee”) comprises three INEDs who possess relevant business and financial management experience. The company secretary of the Company acts as the secretary of 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.

No non-audit services were provided by the Auditor during the financial year ended 31 December 2020. The resigned auditor, Messrs. Deloitte Touche Tohmatsu provided non-audit services to the Group during the financial year ended 31 December 2020. The Audit Committee has recommended to the Board that the Auditor be nominated for reappointment as external auditor of the Company at the forthcoming AGM.

Subsequent to the financial year end, the Audit Committee has reviewed the Group’s audited consolidated financial statements for the year ended 31 December 2020, 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, 31 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.