HENGYANG PETROCHEMICAL LOGISTICS LIMITED

(Incorporated in Singapore on 23 April 2008)
(Company Registration Number: 200807923K)

UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR FINANCIAL YEAR ENDED 31 DECEMBER 2017("FY2017")

PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a)(i) A statement of comprehensive income for the group together with a comparative statement for the corresponding period of the immediately preceding financial year

The operations of Hengyang Petrochemical Logistics Limited (the "Company") and its subsidiaries (the "Group") are principally conducted in People's Republic of China ("PRC"). Accordingly, the consolidated financial statements have been prepared in the Chinese Renminbi ("RMB"), being the functional currency of the Group.

As announced on 22 May 2017, the Group has completed the transfer of 49% of the equity interest of PRC wholly-owned subsidiary, Jiangyin Foreversun Chemical Logistics Co Ltd (the "China Holdco") to Citic Port Investment Co., Ltd. ("CITIC Port").

As a result, the Group loses its practicable ability to direct the relevant activities of this subsidiary and has derecognized the assets and liabilities of China Holdco from the Group's consolidated financial statements. That is, the assets and liabilities of China Holdco are no longer consolidated in the Group financial statements. Subsequently, the Group has applied the equity method of accounting for the remaining 51% interests in China Holdco as an investment under "Investment in Joint Venture".

The financial statements being presented reflect the equity method of accounting for the remaining 51% interests in China Holdco as an investment under "Investment in Joint Venture".

The Group's effective interest in China Holdco is 33.15%.

China Holdco effectively controls our entire PRC business and operations (collectively，the China Holdco and its subsidiaries are defined as "the China Holdco Group").

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	Group		
	FY2017	FY2016 Restated	%
	RMB'000	RMB'000	(+/-)
Continuing operation：			
Revenue	**-**	**-**	**nm**
Cost of sales	-	**-**	**nm**
Gross profit	**-**	**-**	**nm**
Other income	1,522	-	nm
Administrative and other expenses	(5,948)	(4,776)	24.5
Share of result of joint venture	(26,479)	-	nm
Loss before tax from continuing operation	**(30,905)**	**(4,776)**	**547.1**
Income tax expense	-	-	nm
Loss from continuing operations	(30,905)	(4,776)	547.1
Discontinued operation：			
Profit(Loss) from discontinued operations	209,710	(96,678)	nm
Net profit/(loss) for the financial year	**178,805**	**(101,454)**	**nm**
Profit/(Loss) attributable to:			
Owners of the parent			
Loss from continuing operation	(21,672)	(4,816)	350.0
Profit/(loss) from discontinued operation	136,031	(62,985)	nm
Profit/(loss) for the year attributable to owners of the company	**114,359**	**(67,801)**	**nm**
Non-controlling interests			
Profit/(loss) from continuing operation	(9,233)	40	nm
Profit/(loss) from discontinued operation	73,679	(33,693)	nm
Profit/(loss) for the year attributable to non-controlling interests	**64,446**	**(33,653)**	**nm**
	178,805	**(101,454)**	**nm**
Total comprehensive income/(loss) attributable to:			
Owners of the parent	114,359	(67,801)	nm
Non-controlling interests	64,446	(33,653)	nm
	178,805	**(101,454)**	**nm**

The results of the discontinued operations of China Holdco Group are as follows:

	RMB'000	RMB'000
	Jan-May 2017	FY2016
Revenue	**72,506**	**137,516**
Cost of sales	(66,682)	(119,731)
Gross profit	**5,824**	**17,785**
Other income	747	7,222
Administrative and other expenses	(16,825)	(98,360)
Finance costs	(9,339)	(16,451)
Loss from discontinued operations	**(19,593)**	**(89,804)**
Income tax expense	(1,434)	(6,874)
Loss for the period	**(21,027)**	**(96,678)**
Gain on disposal of discontinued operation (49%)	105,904	-
Re-measurement of 51% Joint venture interest	124,833	-
Profit(loss) from discontinued operation	**209,710**	**(96,678)**

Income Statement of China Holdco Group for the twelve months ended 31 December 2017:

For a better understanding of China Holdco Group's operational performance, the Income Statement of China Holdco Group is shown below:

	RMB'000	RMB'000	RMB'000	RMB'000
	Jan-May 2017	Jun-Dec 2017	FY2017	FY2016
Revenue	**72,506**	**125,869**	**198,375**	**137,516**
Cost of sales	(66,682)	**(119,651)**	(186,333)	(119,731)
Gross profit	**5,824**	**6,218**	**12,042**	**17,785**
Other income	747	7,339	8,086	7,222
Administrative and other expenses	(16,825)	(54,502)	(71,327)	(98,360)
Finance costs	(9,339)	(11,322)	(20,661)	(16,451)
Loss from discontinued operations	**(19,593)**	**(52,267)**	**(71,860)**	**(89,804)**
Income tax expense	(1,434)	528	(906)	(6,874)
Loss for the period	**(21,027)**	**(51,739)**	**(72,766)**	**(96,678)**
51% share proportion		51%		
Share of result of joint venture		**(26,387)**		
Non-controlling interest		92		
Owners of the parent		(26,479)		

Gain on disposal of subsidiary:

	FY2017 RMB'000
Gain on disposal :	
Total consideration satisfied by cash receivable	142,900
Investment in joint venture recognised	492,268
Net assets derecognised	(518,386)
Non-controlling interest derecognised	3,155
Costs(including capital gain tax) directly attributable to the disposal	(14,033)
Gain on disposal of discontinued operation (49%)	**105,904**

Net assets of Joint Venture:

	FY2017 RMB'000
Fair Value*	1,210,000 (1)
Net assets derecognised	965,231
Re-measurement of 100% Joint venture interest	**244,769**
51% share proportion	51%
Re-measurement of 51% Joint venture interest	**124,833**

*Based on transaction price adjusted for RMB450m capital injection by CITIC Port.

Proceeds from disposal (as shown in para 1(c)(i) Cash Flow) in relation to China Holdco Group**:**

	FY 2017 RMB'000
Consideration received cash and cash equivalents	142,900
Bank overdrafts of subsidiaries disposed	117,594
Costs directly attributable to the disposal	(14,033)
	246,461

(1) The fair value included an option granted to CITIC to acquire additional 2% interest in China Holdco. As at the date of the announcement, the value of the option granted has not been finalised.

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1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
	RMB'000	RMB'000	RMB'000	RMB'000
Non-current assets				
Property, plant and equipment	-	1,438,570	-	11
Land use rights	-	257,329	-	-
Investments in subsidiaries	-	-	267,472	267,472
Investment in joint venture	590,621	-	-	-
	590,621	1,695,899	267,472	267,483
Current assets				
Trade and other receivables	15	56,598	-	-
Amount owing by related parties	185	2,046	-	-
Amount owing by subsidiaries	-	-	60,391	769
Current income tax recoverable	20	-	-	-
Cash and cash equivalents	92,738	10,949	3,677	43
	92,958	69,593	64,068	812
Less:				
Current liabilities				
Trade and other payables	2,000	283,270	1,394	3,252
Amount owing to related parties	-	62,215	-	-
Amount owing to directors	794	13,133	794	2,509
Amount owing to a subsidiary	-	-	29,299	16,799
Amount owing to a former shareholder of a subsidiary	-	4,502	-	-
Bank and other borrowings	-	596,180	-	-
Derivative financial instruments	-	-	-	-
Current income tax payable	-	6,141	-	-
	2,794	965,441	31,487	22,560
Net current assets/(liabilities)	90,164	(895,848)	32,581	(21,748)
Less:				
Non-current liabilities				
Amount owing to a related party	-	93,050	-	-
Amount owing to a director	-	11,143	-	-
Bank borrowings	-	143,460	-	-
Deferred tax liabilities	-	18,418	-	-
	-	266,071	-	-
Net assets	680,785	533,980	300,053	245,735
Equity				
Share capital	289,064	289,064	289,064	289,064
Statutory common reserve	-	14,935	-	-
Foreign currency translation account	-	(270)	-	-
Other reserve	83,004	84,113	-	-
Retained earnings/(Accumulated losses)	81,845	(50,222)	10,989	(43,329)
Equity attributable to owners of the parent	453,913	337,620	300,053	245,735
Non-controlling interests	226,872	196,360	-	-
Total equity	680,785	533,980	300,053	245,735

An analysis of the results of the investment in joint venture is as follows:

Investment in joint venture:

	RMB'000
Cash receivable by share disposal	142,900
CITIC injection	450,000
Total consideration satisfied by cash receivable	**592,900**
49% share proportion	**49%**
Fair value after completed in CITIC injection	**1,210,000**
51% share proportion	51%
Investment in joint venture May 2017	617,100
Share of result of joint venture (Jun-Dec)	(26,479)
Investment in joint venture December 2017	**590,621**

1(b)(ii) Aggregate amount of Group's borrowings and debts security.

	As at 31 December 2017			As at 31 December 2016		
RMB'000	**Secured**	**Unsecured**	**Total**	**Secured**	**Unsecured**	**Total**
Repayable within one year	-	-	-	596,180	79,850	676,030
Repayable within one year	-	-	-	156,960	90,693	247,653
Total	**-**	**-**	**-**	**753,140**	**170,543**	**923,683**

The Group had no borrowing as at 31 December 2017. The borrowings which exist in the China Holdco Group and the assets and liabilities of China Holdco Group are no longer consolidated in the Group financial statements.

Accordingly, where such loans have personal guarantees or corporate guarantees, such details are also no longer disclose in this results announcement.

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1(c)(i) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group	
	FY2017	FY2016 Restated
	RMB'000	RMB'000
Operating activities		
Loss from continuing operations	(30,905)	(4,776)
Profit(loss) from discontinued operations	211,144	(89,804)
Adjustments for:		
Depreciation of property, plant and equipment	15,199	39,675
Amortisation for land use rights	828	1,987
Loss on disposal of property, plant and equipment	-	165
Gain on disposal of subsidiaries	(230,737)	-
Share of result of joint venture	26,479	-
Loss on property, plant and equipment written off	379	11,072
Interest income	(1,339)	(364)
Interest expense	9,339	16,451
Unrealised foreign exchange loss	-	(35)
Operating cash flows before working capital changes	387	(25,629)
Working capital changes:		
Trade and other receivables (including related parties)	(11,571)	14,731
Trade and other payables (including directors and related parties)	(13,300)	141
Cash used in operations	(24,484)	(10,757)
Interest paid	(260)	(12,966)
Income tax paid	(668)	(897)
Net cash used in operating activities	(25,412)	(24,620)
Investing activities		
Acquisition of property, plant and equipment	(6,089)	(25,793)
Refund of downpayment to purchase land use right	-	30,000
Downpayment paid to purchase land use right	(32,750)	(8,200)
Proceeds from disposal of property, plant and equipment	-	214
Proceeds from disposal of subsidiaries, net of cash disposed	246,461	-
Interest paid and capitalised	(8,530)	(28,952)
Interest received	1,339	364
Net cash generated from/(used in) investing activities	200,431	(32,367)
Financing activities		
Proceeds from borrowings	25,886	112,107
Repayment of borrowings	(87,116)	(85,778)
Fixed deposits pledged in financial institutions	-	41,726
Amount owing to related parties	-	(7,183)
Dividends paid to non-controlling interests	(32,000)	(225)
Net cash generated from/(used in) financing activities	(93,230)	60,647
Net change in cash and cash equivalents	81,789	3,660
Cash and cash equivalents at beginning of the financial year	10,949	7,291
Effect of exchange rate changes on cash and cash equivalents	-	(2)
Cash and cash equivalents at end of the financial year	92,738	10,949

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Company (RMB'000)	Share capital	Retained earnings/ (Accumulated losses)	Total equity
(Unaudited)			
Balance as at 1 January 2017	**289,064**	**(43,329)**	**245,735**
Profit for the financial year	**-**	**54,318**	**54,318**
Balance as at 31 December 2017	**289,064**	**10,989**	**300,053**
(Audited)			
Balance as at 1 January 2016	**289,064**	**(38,439)**	**250,625**
Loss for the financial year	-	(4,890)	(4,890)
Balance as at 31 December 2016	**289,064**	**(43,329)**	**245,735**

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Consolidated Statement of Changes in equity

	Attributable to owners of the company							
Group (RMB'000)	**Share capital**	**Statutory common reserve**	**Foreign currency translation account**	**Other reserve**	**Retained earnings/ (Accumulated losses)**	**Equity attributable to owners of the parent**	**Non-controlling Interests**	**Total equity**
(Unaudited)								
Balance as at 1 January 2017	**289,064**	**14,935**	**(270)**	**84,113**	**(50,222)**	**337,620**	**196,360**	**533,980**
Total comprehensive loss for the financial year	-	-	-	-	(21,672)	(21,672)	(9,233)	(30,905)
Loss for the financial year	-	-	-	-	(21,672)	(21,672)	(9,233)	(30,905)
Disposal of subsidiaries	-	(14,935)	270	(1,109)	153,739	137,965	71,745	209,710
Discontinued operations	-	-	-	-	(13,892)	(13,892)	(7,135)	(21,027)
Gain on disposal of subsidiaries	-	-	-	-	149,923	149,923	80,814	230,737
Disposal of subsidiaries	-	(14,935)	270	(1,109)	17,708	1,934	(1,934)	-
Others	-	-	-	-	-	-	(32,000)	(32,000)
Dividends paid to non-controlling interests	-	-	-	-	-	-	(32,000)	(32,000)
Balance as at 31 December 2017	**289,064**	**-**	**-**	**83,004**	**81,845**	**453,913**	**226,872**	**680,785**
(Audited)								
Balance as at 1 January 2016	**289,064**	**14,922**	**(270)**	**84,113**	**17,592**	**405,421**	**230,238**	**635,659**
Total comprehensive loss for the financial year	-	-	-	-	(67,801)	(67,801)	(33,653)	(101,454)
Loss for the financial year	-		-	**-**	(67,801)	(67,801)	(33,653)	(101,454)
Others	-	13	-	-	(13)	-	(225)	(225)
Transfer to statutory common reserve	-	13	-	-	(13)	-	-	-
Dividends paid to non-controlling interests		-	-	-	-	-	(225)	(225)
Balance as at 31 December 2016	**289,064**	**14,935**	**(270)**	**84,113**	**(50,222)**	**337,620**	**196,360**	**533,980**

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

There were no changes in the Company's share capital since the end of the previous period reported on and there were no outstanding convertibles, treasury shares or subsidiary holdings held as at 31 December 2017 and 31 December 2016.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	31.12.2017	31.12.2016
Total number of issued shares (excluding treasury shares)	203,461,883	203,461,883

The Company does not have any treasury shares as at 31 December 2017 and 31 December 2016.

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable.

1(d)(v) A statement showing all sales, transfers, disposal, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

There were no subsidiary holdings as at the end of the current financial period reported on.

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have neither been audited nor reviewed by the Company's auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the Issuer's most recently audited financial statements have been applied.

The accounting policies and methods of computation are the same as in the Company's audited consolidated financial statements for the financial year ended at 31 December 2016.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Group has adopted the new and revised Singapore Financial Reporting Standards ("FRS") and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for annual periods beginning on or after 1 January 2017.

The adoption of new/revised FRS and INT FRS does not result in any substantial changes to the Group's accounting policies, and has no material effect on the amounts reported for the current or prior periods.

6. If earnings per ordinary share of the Group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	Group	
Earnings per ordinary share:	FY2017	FY2016Restated
Actual number of ordinary shares used in computation of basic EPS	203,461,883	203,461,883
(a) EPS from continuing operation—basic and diluted (RMB cents)	(10.65)	(2.37)
(b) EPS From discontinued operation—basic and diluted (RMB cents)	66.86	(30.96)

Notes:

(a) Basic earnings per share is calculated by dividing the net profit for the financial year attributable to owners of the parent by the actual number of ordinary shares in issue during the financial period.

(b) Diluted EPS is the same as the basic EPS as the Group does not have any outstanding instruments convertible into, rights to subscribe for and options in respect of its ordinary shares during the respective financial period.

7. Net assets value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) Current financial period reported on and (b) Immediately preceding financial year.

	Group		Company	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Net asset value per ordinary share (RMB cents)	223.1	165.9	147.5	120.8

8. A review of the performance of the group to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:

(a) Any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) Any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Statement of comprehensive income of the Group

Administrative and other expenses are in respect of the Company and 65% owned investment holding subsidiary Hengyang Holding Pte Ltd ("HHPL"). All other items relates to the activities of China Holdco Group and are included in "Profit from discontinued operations" (up to 31 May 2017) and as share of Joint venture profit from June to December 2017.

Profit/(loss) from discontinued operation

The Group has recognised profit from the discontinued operation attributed to China Holdco Group which amounted to RMB209.71 million comprising:

Gain on disposal of 49% of China Holdco Group	RMB105.90 million
Re-measurement fair value gain of remaining 51% interest in China Holdco Group	RMB124.83 million
Offset by loss from discontinued operations	(RMB21.03 million).

Share of result of joint venture

The group had recognised its share of result of joint venture of RMB26.48 million attributable to the Group's 51% share of loss from China Holdco Group.

Other income

Other income comprises mainly the interest income from fixed deposits amounting to RMB1.34 million.

Statement of financial position of the Group as at 31 December 2017

There is a substantial change in most items of the Balance Sheet as the assets and liabilities of China Holdco Group are no longer consolidated in the Group's financial statements.

As at 31 December 2017, the Group recorded an investment in joint venture which amounted to RMB590.62 million by measuring the retained interest of 51% China Holdco Group based on deemed disposed consideration and equity accounting for the June to December 2017 results.

Current assets

As at 31 December 2017, the Group's current assets amounted to RMB92.96 million, comprising mainly cash and cash equivalents of RMB92.74 million.

Current liabilities

As at 31 December 2017, the Group's current liabilities amounted to RMB2.79 million comprising trade and other payables and amount owing to directors which accounted for 100% of its total liabilities.

The decrease in current liabilities was mainly attributed to deconsolidation of its subsidiary, China Holdco.

Statement of Cash Flows of the Group for FY2017

Cash flow used in operating activities increased from RMB24.62 million in FY2016 to RMB25.41 million in FY2017 which was mainly attributed to the increase in trade and other payables (including directors and related parties).

Net cash generated from(used in) investing activities increased to RMB200.43 million in FY2017 from a deficit balance of RMB32.37million in FY2016 which was mainly attributed to sales proceeds from the disposal of its subsidiary, China Holdco, which amounted to RMB246.46 million during the financial period, partially offset by acquisition of property, plant and equipment and interest paid and capitalized.

Net cash generated from(used in) financing activities decreased from RMB60.65 million in FY2016 to deficit balance of RMB93.23 million in FY2017. This was due to repayment of bank and other borrowings which amounted to RMB87.12 million.

As at 31 December 2017, the Group's cash and cash equivalents was RMB92.74 million.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

The Group has not issued any forecast. There has been no significant variance in the business environment in which the Group operated.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

China's gross domestic product expanded 6.9% year-on-year in 2017. The growth rate is higher than the 6.7% in 2016 and well above the government's target of 6.5%, reflecting firmer trend in the economy. Nonetheless, market conditions remain challenging although there are preliminary signs of recovery.

With the new ecological protection initiative along the Yangzi river catchment region by the PRC government, the main focus of our joint venture is to capitalize on the advantage of our strategic locations of the facilities along Yangzi river so as to align to this initiative.

As previously announced, the operations in Deqiao facility has been suspended since 22 April 2016 due to an industrial fire. Hence, the operating performance of Deqiao is unlikely to improve significantly in the near future.

In 2017, China Holdco had an increase in its revenue which increased 44% or RMB61 million than that of last year. This was mainly due to the RMB50.05 million or 81.91% growth of revenue attributed to transport service and RMB10.87 million attributed to Logistic service.
The Group had completed the disposal of 49% of its equity interest in China Holdco on 22 May 2017.

Shareholders should note that the gain on disposal is one-off and non-recurrent. Following the disposal, the Company is an investment holding company with no source of direct revenue and is only accounting for its share of results of the joint venture.

The Group will continue to seek opportunities for the development and growth of its business and operations.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

No dividend has been declared or recommended for FY2017.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

No dividend has been declared or recommended for FY2016.

12. If no dividend has been declared/recommended, a statement to that effect

No dividend has been declared for FY2017.

13. Interested Person Transactions ("IPT")

If the Group has obtained a general mandate from shareholders for interested person transactions ("IPT") the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

Name of Interested Person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandated pursuant to Rule 920)(5)	Aggregate value of all interested person transactions conducted under the existing shareholders' mandated pursuant to Rule 920 (excluding transactions less than $100,000)
	RMB'000	RMB'000
Provision of Petrochemical storage services and land transport services (1)		
- Jinqiao Chemical	-	5,894
- Shanghai Kangyang(2)	-	78
- Wuhan Kangyang(2)	-	-
- Jiangyin Saisheng(3)	-	-
- Golden Hope(3)	-	-
Intereste expense charged		
- Jinqiao Chemical	-	5,193
- Wuhan Kangyang(2)	-	1,625
Gu Wenlong		685
A success fee payment		
- Jadestone(4)	5,929	-

Notes:

(1) Jinqiao Chemical is wholly-owned by Ms Sun Fang, the spouse of the **Chairman**.

(2) Shanghai Kangyang, Wuhan Kangyang and Jiangyin Saisheng are controlled by Jinqiao Chemical.

(3) Golden Hope is controlled by Mr Gu Wen Long, the **Chairman** of the Group.

(4) Mr Xie Yu, who is a non-executive director of the Company, is also the ultimate shareholder of Jadestone Development Limited. The payment of success fees is pursuant to the consultancy agreement entered into between the Company, Mr Gu and HHPL on 23 May 2016.

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PART II ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

14. Segmented revenue and results for operating segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

14 (a)(i) Business segments

	Service		Transportation		Development stage		Investment Holding		Elimination		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Revenue	-	-	-	-	-	-	-	-	-	-	-	-
Segment results	-	-	-	-	-	-	(5,948)	(4,776)	-	-	(5,948)	(4,776)
Interest income	-	-	-	-	-	-	1,522	867	-	(867)	1,522	-
Finance costs	-	-	-	-	-	-	-	-	-	-	-	-
Share of result of joint venture	-	-	-	-	-	-	(26,479)	-	-	-	(26,479)	
Operating loss	-	-	-	-	-	-	(30,905)	(3,909)	-	(867)	(30,905)	(4,776)
Income tax expense	-	-	-	-	-	-	-	-	-	-	-	-
Loss from continuing operations	-	-	-	-	-	-	(30,905)	(3,909)	-	(867)	(30,905)	(4,776)
Profit/(loss) from continued operations	(19,742)	(97,730)	1,632	1,796	(2,917)	(6,709)	230,737	-	-	5,965	209,710	(96,678)
Net profit/(loss) for the financial period	(19,742)	(97,730)	1,632	1,796	(2,917)	(6,709)	199,832	(3,909)	-	5,098	178,805	(101,454)
Segment assets	-	2,183,667	-	85,020	-	530,015	1,040,715	1,045,206	(357,156)	(2,078,416)	683,559	1,765,492
Segment liability	-	1,142,980	-	60,858	-	419,237	92,447	140,254	(89,653)	(556,376)	2,794	1,206,953
Other information												
Capital expenditure	-	9,045	-	36	-	8,524	-	-	-	5,533	-	23,138
Depreciation of property, plant and equipment	-	37,575	-	1,816	-	273	11	11	-	-	11	39,675
Amortisation charge of land use rights	-	1,987	-	-	-	-	-	-	-	-	-	1,987
Loss on property, plant and equipment written off	-	-	-	-		11,072	-	-	-	-	-	11,072

Reportable segments assets are reconciled to total assets as follows:

Reconciliation of reportable segment's liabilities to total liabilities:

	31.12.2017	31.12.2016
	RMB'000	RMB'000
Segment assets	683,559	1,765,492
Current income tax recoverable	20	-
	-	-
Total assets	683,579	1,765,492

Reportable segments liabilities are reconciled to total liabilities as follows:

	31.12.2017	31.12.2016
	RMB'000	RMB'000
Segment liabilities	2,794	1,206,953
Deferred tax liabilities	-	18,418
Current income tax payables	-	6,141
Total liabilities	2,794	1,231,512

14 (a)(ii) Geographical segments

As the business of the Group is engaged entirely in the People's Republic of China, no reporting by geographical segments is presented.

15. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family Relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Gu Fan	27	Daughter of Mr. Gu Wenlong, who is the executive chairman and CEO of the Company. Mr. Gu is also a controlling shareholder of the Company.	Investment & Development Manager since 1 March 2017. Ms. Gu Fan is responsible for facilitating the communication among the board members, investors and key management team; assisting with the Company's operations in Singapore; developing the Group's ASEAN clientele and overall ASEAN business development.	

16. Updates to the Industrial Fire Which Happened on 22 April 2016 ("Accident")

Operations in Deqiao facility had been suspended since 22 April 2016. The process to resume operation is longer than envisaged. It is likely that operations will resume at or around the end of 2018.

GU WEN LONG
Chairman and Chief Executive Officer

DIONG TAI PEW
Lead Independent Director (AC Chairman)

BY ORDER OF THE BOARD

GU WEN LONG
Chairman and Chief Executive Officer

27 February 2018

HENGYANG PETROCHEMICAL LOGISTICS LIMITED
UNAUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, CIMB Bank Berhad, Singapore Branch ("Sponsor"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("SGX-ST"), this being the SGX-ST Listing Manual Section B: Rules of Catalist. The Sponsor has not independently verified the contents of this announcement. This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact persons for the Sponsor are Mr Yee Chia Hsing, Head, Catalist and Mr. Ken Lee, Associate Director, Investment Banking. The contact particulars are 50 Raffles Place, #09-01 Singapore Land Tower, Singapore 048623, Telephone: +65 6337 5115.