



HENGYANG PETROCHEMICAL LOGISTICS LIMITED

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

UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE HALF-YEAR FINANCIAL PERIOD ENDED 30 JUNE ("1H") 2024

The following information are prepared in accordance with Appendix 7C Financial Statements and Dividend Announcement of the Listing Manual Section B: Rules of Catalist (the "Catalist Rules") of the Singapore Exchange Securities Trading Limited (the "SGX-ST"), cross-referenced from Catalist Rule 704(10) and Catalist Rule 705.

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 Group does not generate any revenue.

As announced by the Company on 13 July 2022, 5 September 2022, 12 September 2022 and 20 January 2023 (the "Registered Capital Announcements"), Jiangyin Foreversun Chemical Logistics Co., Ltd. ("China Holdco") completed the increase in its registered capital on 20 January 2023 resulting in the Group's shareholding in China Holdco decreasing from 49.0% to 41.64%. Shareholders may refer to the Registered Capital Announcements as well as the Company's circular to its shareholders dated 19 August 2022 for further details relating to the increase in the registered capital of China Holdco. Following the completion of the increase in the registered capital of China Holdco, the remaining shareholders of China Holdco are Sinopec Chemical Sales Company Limited ("Sinopec Chemical") (holding 49.16%), CITIC Port Investment Co., Ltd. ("CITIC Port") (holding 1.68%) and Jiangyin Golden Bridge Chemical Co., Ltd ("Jinqiao Chemical", holding 7.52%).

Despite the reduction in the percentage shareholding, the financial statements presented herein continued to be prepared using the equity method of accounting in respect of the 41.64% interest in China Holdco held by the Company and its subsidiaries (collectively, the "Group") as at 31 December 2023 and 30 June 2024, and such interest has been accounted for as an investment under "Investment in a Joint Venture" on the Group's balance sheets.

Condensed interim consolidated statement of profit or loss and other comprehensive income

RMB'000	Note	Group		
		1H2024 (Unaudited)	1H2023 (Unaudited)	% (+/-)
Other income	N6.1	14	1	1,300.0
Administrative and other expenses	N8	(1,719)	(1,984)	(13.4)
Interest expense		(1)	(1)	-
Share of result of joint venture	N7	5,142	(12,627)	140.7
Profit/(loss) before income tax	N6	3,436	(14,611)	(123.5)
Income tax expense		-	-	-
Net loss for the financial period		3,436	(14,611)	(123.5)
Total comprehensive loss attributable to owners of the Company		3,436	(14,611)	(123.5)
Profit/(loss) per Share ("EPS"/"LPS") (RMB cents):				
Basic	6	1.69	(7.18)	-
Diluted	6	1.69	(7.18)	-

HENGYANG PETROCHEMICAL LOGISTICS LIMITED
UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024

The Group's interest in China Holdco represents its entire business and operations, all of which are carried out in the People's Republic of China (the "PRC"). Where appropriate, certain financial information relating to China Holdco and its subsidiaries (the "China Holdco Group") has been included herein purely for the purpose of understanding the underlying financial performance of the Group.

- 1(a)(ii) The following items (with appropriate breakdowns and explanations), if significant, must either be included in the income statement or in the notes to the income statement for the current financial period reported on and the corresponding period of the immediately preceding financial year: (A) Investment income; (B) Other income including interest income; (C) Interest on borrowings; (D) Depreciation and amortisation; (E) Allowance for doubtful debts and bad debts written off; (F) Write-off for stock obsolescence; (G) Impairment in value of investments; (H) Foreign exchange gain/loss (where applicable); (I) Adjustments for under or overprovision of tax in respect of prior years; and (J) Profit or loss on sale of investments, properties, and/or plant and equipment**

Please refer to N6.

HENGYANG PETROCHEMICAL LOGISTICS LIMITED
UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024

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

Condensed interim statements of financial position

	Note	Group		Company	
		30.06.2024 (Unaudited)	31.12.2023 (Audited)	30.06.2024 (Unaudited)	31.12.2023 (Audited)
RMB'000					
Non-current assets					
Investments in a subsidiary		-	-	303,472	303,472
Investment in joint venture	N7	532,390	527,248	-	-
Right of use asset		81	109	-	-
		532,471	527,357	303,472	303,472
Current assets					
Other receivables		43	29	-	-
Amount owing by related parties		199	203	6	6
Amount owing by a subsidiary		-	-	5,413	6,585
Cash and cash equivalents		21,293	23,105	918	1,226
		21,535	23,337	6,337	7,817
Less:					
Current liabilities					
Other payables		1,443	1,539	1,128	1,117
Amount owing to a subsidiary		-	-	31,674	32,263
Lease liability	N8	54	51	-	-
		1,497	1,590	32,802	33,380
Net current assets/(liabilities)		20,038	21,747	(26,465)	(25,563)
Less:					
Non-current liability					
Lease liability	N8	29	60	-	-
		29	60	-	-
Net assets		552,480	549,044	277,007	277,909
Equity					
Share capital	1(d)(i)	289,064	289,064	289,064	289,064
Other reserve		83,004	83,004	-	-
Retained earnings		180,412	176,976	(12,057)	(11,155)
Equity attributable to owners of the Company		552,480	549,044	277,007	277,909
Total equity		552,480	549,044	277,007	277,909

HENGYANG PETROCHEMICAL LOGISTICS LIMITED
UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024

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

Amount repayable in one year or less, or on demand

As at 30 June 2024		As at 31 December 2023	
Secured RMB'000	Unsecured RMB'000	Secured RMB'000	Unsecured RMB'000
-	-	-	-

Amount repayable after one year

As at 30 June 2024		As at 31 December 2023	
Secured RMB'000	Unsecured RMB'000	Secured RMB'000	Unsecured RMB'000
-	-	-	-

Details of any collateral

Nil

Note: The borrowings which exist in the China Holdco Group and the assets and liabilities of the China Holdco Group are not consolidated in the Group's financial statements.

Contingent liabilities

As at 30 June 2024, the Group and its joint venture partners had given guarantees amounting up to RMB243,929,000 (31 December 2023: RMB243,929,000) to certain lenders in respect of borrowings of the China Holdco Group.

At 30 June 2024, the total amount of borrowings covered by the guarantees is RMB188,680,000 (31 December 2023: RMB196,128,000). Such financial guarantees require the Group to reimburse the lenders if the China Holdco Group fails to make principal or interest repayments when due in accordance with the terms of the respective borrowings.

As at 30 June 2024, the current liabilities of the China Holdco Group exceeded its current assets by RMB823,876,000 (31 December 2023: RMB636,938,000). The China Holdco Group has RMB589,833,000 of borrowings which are due for repayment within the next 12 months from the reporting date, of which RMB16,403,000 were guaranteed by the Group.

There was no default or non-repayment since the inception of these borrowings. Furthermore, China Holdco Group's borrowings are secured over mortgages against fixed assets of China Holdco Group. As at 30 June 2024, the carrying amount of the China Holdco Group's fixed assets are substantially larger than the carrying amount of the outstanding borrowings. Based on the Company's consideration and assessment, the Group does not expect significant credit losses arising from these guarantees.

HENGYANG PETROCHEMICAL LOGISTICS LIMITED
UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024

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.

Condensed interim consolidated statement of cash flows

	Group	
	1H2024 (Unaudited)	1H2023 (Unaudited)
RMB'000		
Operating activities		
Profit/(loss) before income tax	3,436	(14,611)
Adjustments for:		
Amortisation of right of use assets	28	27
Share of result of joint venture	(5,142)	12,627
Interest income	(14)	(1)
Interest expense	1	4
Operating cash flows before working capital changes	(1,691)	(1,954)
Other receivables (including related parties)	(10)	(6)
Other payables (including directors and related parties)	(96)	(74)
Cash used in operations	(1,797)	(2,034)
Income tax paid	-	(28)
Net cash used in operating activities	(1,797)	(2,062)
Investing activities		
Capital contribution to investment in joint venture	-	(8,616)
Interest received	14	1
Net cash generated from/ (used in) investing activities	14	(8,615)
Financing activities		
Principal element of lease payments	(28)	(28)
Interest expense	(1)	(4)
Net cash used in financing activities	(29)	(32)
Net change in cash and cash equivalents	(1,812)	(10,709)
Cash and cash equivalents at the beginning of the financial period	23,105	37,410
Cash and cash equivalents at end of the financial period	21,293	26,701

HENGYANG PETROCHEMICAL LOGISTICS LIMITED
UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024

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 capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Condensed Interim Statement of Changes in Equity

The Company

RMB'000	Share capital	Retained earnings	Total equity
(Unaudited)			
Balance as at 1 January 2024	289,064	(11,155)	277,909
Total comprehensive loss for the period	-	(902)	(902)
Balance as at 30 June 2024	289,064	(12,057)	277,007
(Unaudited)			
Balance as at 1 January 2023	289,064	(6,000)	283,064
Total comprehensive loss for the period	-	(2,761)	(2,761)
Balance as at 30 June 2023	289,064	(8,761)	280,303

The Group

RMB'000	<u>Attributable to owners of the Company</u>				Total equity
	Share capital	Other reserve	Retained earnings	Equity attributable to owners of the Company	
(Unaudited)					
Balance as at 1 January 2024	289,064	83,004	176,976	549,044	549,044
Total comprehensive profit for the period	-	-	3,436	3,436	3,436
Balance as at 30 June 2024	289,064	83,004	180,412	552,480	552,480
(Unaudited)					
Balance as at 1 January 2023	289,064	83,004	199,777	571,845	571,845
Total comprehensive loss for the period	-	-	(14,611)	(14,611)	(14,611)
Balance as at 30 June 2023	289,064	83,004	185,166	557,234	557,234

HENGYANG PETROCHEMICAL LOGISTICS LIMITED
UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024

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 options, convertibles, treasury shares or subsidiary holdings as at 30 June 2024 and 31 December 2023.

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.

	30.06.2024	31.12.2023
Total number of issued shares (excluding treasury shares)	203,461,883	203,461,883

The Company did not have any treasury shares as at 30 June 2024 and 31 December 2023.

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

Not applicable as the Company did not have any treasury shares.

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

Not applicable as the Company did not have any subsidiary holdings.

HENGYANG PETROCHEMICAL LOGISTICS LIMITED
UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024

NOTES TO THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

N1. General Corporate information

Hengyang Petrochemical Logistics Limited (the “**Company**”) is a public limited liability company, incorporated and domiciled in Singapore with its registered office located at 10 Anson Road, #25-06 International Plaza, Singapore 079903.

The Company’s registration number is 200807923K. The principal place of business is 1 Hengyang Road, Shizhuang Industrial Park, New Harbor City, Jiangyin, Jiangsu Province, PRC 214446. The Company is listed on the Catalist Board of the SGX-ST.

The principal activity of the Company is that of investment holding. The principal activities of its principal operating entity is set out in Note N7.

The immediate and ultimate holding company is Foreversun Holdings Co., Ltd., a company incorporated in the British Virgin Islands. The ultimate controlling party is Mr Gu Wen Long, whose interest in the Company is held through his shareholdings in Foreversun Holdings Co., Ltd.

N2. Basis of Preparation

The condensed interim consolidated financial statements for the financial period ended 30 June 2024 have been prepared in accordance with Singapore Financial Reporting Standards (International) (“**SFRS(I)**”) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim consolidated financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for FY2023.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in N2.1 below.

The individual financial statements of each Group entity are measured and presented in the currency of the primary economic environment in which the entity operates (“**functional currency**”). The condensed interim consolidated financial statements of the Group and the statement of financial position of the Company are presented in Chinese renminbi (“**RMB**”) which is the functional currency of the Company and the presentation currency for the consolidated financial statements and all values presented are rounded to the nearest thousand (RMB’000) unless otherwise stated.

N2.1 New and amended standards adopted by the Group

The new and/or amended SFRS(I) for the current reporting period are not relevant to the Group. The Group did not have to change its accounting policies or make retrospective adjustments as a result of the above new or amended SFRS(I).

N2.2. Use of judgements and estimates

In preparing the condensed interim consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

HENGYANG PETROCHEMICAL LOGISTICS LIMITED
UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2023.

These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements made in applying the accounting policies

The following is the critical judgement, apart from those involving estimations (see below) that management has made in the process of applying the Group's accounting policies and which have a significant effect on the amounts recognised in the financial statements.

Joint control

As at 30 June 2024, the Group (through Hengyang Holding Pte Ltd), Sinopec Chemical, CITIC Port and Jinqiao Chemical respectively hold 41.64%, 49.16%, 1.68% and 7.52% of the equity interest in China Holdco.

Management has carried out an assessment to determine whether the Group continues to have joint control over China Holdco. The assessment included review of unanimous consent from the three joint venture partners for certain reserved matters and relevant activities which will significantly affect the returns of the joint venture. Accordingly, the Company concluded that it is appropriate to classify China Holdco as a joint venture of the Company (N7).

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the financial year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Impairment of investment in joint venture

The Group conducts impairment test annually and had carried out a review of the investment in joint venture for FY2023. The Group will review its investment in the joint venture at the end of the current financial year. The Group's carrying amount of investment in joint venture as at 30 June 2024 was RMB532,390,000 (31 December 2023: RMB527,248,000).

N3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period/year.

N4. Segment and revenue information

The Group has only one reportable operating segment, which is the investment holding segment relating to the Group's investment in joint venture and other investment holding activities. The Group's business is engaged entirely in the PRC and hence no segment information is disclosed.

HENGYANG PETROCHEMICAL LOGISTICS LIMITED
UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024

N5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 June 2024 and 31 December 2023:

RMB'000	Group		Company	
	30.06.2024	31.12.2023	30.06.2024	31.12.2023
Financial assets				
Other receivables	43	29	-	-
Amount owing by related parties	199	203	6	6
Amount owing by a subsidiary	-	-	5,413	6,585
Cash and cash equivalents	21,293	23,105	918	1,226
	<u>21,535</u>	<u>23,337</u>	<u>6,337</u>	<u>7,817</u>
Financial liabilities				
Other payables	1,443	1,539	1,128	1,117
Amount owing to a subsidiary	-	-	31,674	32,263
Lease liability	83	111	-	-
	<u>1,526</u>	<u>1,650</u>	<u>32,802</u>	<u>33,380</u>

N6. Profit/(loss) before income tax

N6.1 Significant items

RMB'000	Group	
	1H2024	1H2023
Other income		
Interest income from bank deposits	14	-
Government grant	-	1
	<u>14</u>	<u>1</u>
Expenses		
Amortisation of right-of-use asset	28	27
Staff cost	1,260	1,397

N6.2. Related party transactions

During 1H2024, in addition to the information disclosed elsewhere in these interim financial statements, the Group's joint venture entered into the following transactions with related parties at rates and terms agreed between the parties:

RMB'000	Group	
	1H2024	1H2023
By joint venture		
<i>Sales to related parties</i>	63,558	34,275
- Jinqiao Chemical (a)	20,667	9,283
- Jiangyin Golden Bridge Trade Co., Ltd. (b)	47	191

HENGYANG PETROCHEMICAL LOGISTICS LIMITED
UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024

RMB'000	Group	
	1H2024	1H2023
– Sinopec Chemical Sales Company Limited (c)	42,843	24,801

- (a) Jinqiao Chemical is a company established and wholly-owned by Ms Sun Fang, the spouse of the Company's Director and Chief Executive Officer and Controlling Shareholder, Mr Gu Wen Long.
- (b) Jiangyin Golden Bridge Trade Co., Ltd. ("**Jinqiao Trade**") is a company established and controlled by Ms Sun Fang, the spouse of the Company's Director and Chief Executive Officer and Controlling Shareholder, Mr Gu Wen Long.
- (c) Sinopec Chemical is a joint venture partner of China Holdco.

N7. Investment in a joint venture

RMB'000	Group	
	30.06.2024	31.12.2023
At beginning of the financial period/ year	527,248	536,272
Share of results of joint venture, net of tax	5,142	(17,640)
Capital increase	-	8,616
At the end of the financial period/year	532,390	527,248

The details of the joint venture are as follows:

Name of company (Principal place of business)	Principal activities	Effective equity interest held by the Group	
		30 June 2024 %	31 December 2023 %
Held by Hengyang Holding Pte. Ltd.			
Jiangyin Foreversun Chemical Logistics Co., Ltd. (PRC)	Storage, dispatch, drumming and land transportation of liquid petrochemical products and management of ports terminals	41.64	41.64

The financial year end of the China Holdco is 31 December.

The Group has pledged the entire amount of its investment in the joint venture in favour of certain lenders for the borrowings taken by the joint venture. The Group also extended financial guarantees to these borrowings. The details are set out in paragraph 1(b)(ii) of this announcement.

N7.1 Impairment assessment of investment in a joint venture

As set out in Note N2.2, there is no impairment on the investment in joint venture for 1H2024.

HENGYANG PETROCHEMICAL LOGISTICS LIMITED
UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024

N7.2 Significant restrictions

As at 30 June 2024, cash and bank balances of approximately RMB67,853,000 (31 December 2023: RMB167,827,000) held by the joint venture in the PRC are subject to local exchange control regulations. These regulations place restrictions on exporting capital out of the country other than through dividends.

N7.3 Summarised financial information

Summarised financial information in respect of the China Holdco Group and reconciliation with the carrying amount of the investment in the condensed interim consolidated financial statements are as follows:

Summarised condensed interim consolidated statement of financial position of China Holdco Group

	China Holdco Group	
RMB'000	30.06.2024	31.12.2023
Current assets	208,664	295,410
Non-current assets	4,400,482	4,248,879
Current liabilities	(1,032,540)	(932,348)
Non-current liabilities	(2,322,840)	(2,408,954)
Net asset	1,253,766	1,202,987

The above amounts of assets and liabilities include the following:

	China Holdco Group	
RMB'000	30.06.2024	31.12.2023
Cash and cash equivalents	67,853	168,480
Current financial liabilities (excluding trade and other payables and current income tax payable)	(596,749)	(569,678)
Non-current financial liabilities (excluding trade and other payables and deferred income tax payable)	(2,263,195)	(2,349,351)

Condensed interim consolidated statement of profit or loss and other comprehensive income of China Holdco Group

RMB'000	1H2024	1H2023	VAR	%
	(Unaudited)	(Unaudited)		(+/-)
Revenue⁽¹⁾	288,839	217,168	71,671	33.00
Cost of sales	(176,133)	(158,738)	17,395	10.96
Gross profit	112,706	58,430	54,276	92.89
Other income ⁽²⁾	10,395	3,358	7,037	209.56
Administrative and other expenses	(43,689)	(41,475)	2,214	5.34
Finance costs ⁽³⁾	(59,330)	(53,902)	5,428	10.07
Profit/(loss) before tax from operation	20,082	(33,589)	(53,671)	159.79
Income tax expense ⁽⁴⁾	(11,851)	(1,619)	10,231	631.93
Profit/(loss) for the financial period	8,231	(35,208)	43,440	(123.38)
Non-controlling interest	(6,244)	(7,008)	764	10.90
Owners of China Holdco	14,475	(28,200)	42,676	(151.33)
Share proportion of Company in China Holdco	41.64%	41.64%	-	-

HENGYANG PETROCHEMICAL LOGISTICS LIMITED
UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024

RMB'000	1H2024 (Unaudited)	1H2023 (Unaudited)	VAR	%
				(+/-)
Share of result of China Holdco	6,027	(11,742)	17,770	(151.34)
Depreciation and amortisation on fair value adjustment ⁽⁵⁾	(885)	(885)	-	-
Share of result of joint venture	5,142	(12,627)	17,769	(140.72)

Notes:

- (1) Revenue from transportation segment increased by RMB14.69 million or 88.17%, from RMB16.66 million in 1H2023 to RMB31.35 million in 1H2024, as the volume of transportation increased.

Revenue from storage service segment increased by RMB56.98 million or 28.42%, from RMB200.51 million in 1H2023 to RMB257.49 million in 1H2024, mainly due to the following:

- (a) an increase in revenue of RMB15.85 million from Deqiao Logistics Co., Ltd., ("**Deqiao**") as well as an increase in revenue of RMB4.78 million from Yueyang Hengyang Petrochemical Logistics Co., Ltd. These increases were attributed to new products and new customers which brought about higher utilization rate of the tanks;
- (b) an increase in revenue of RMB19.35 million from Wuhan Hengyang Petrochemical Logistics Co., Ltd ("**Wuhan Hengyang**") attributed by commencement of trial operation of the new storage tanks since November 2023;
- (c) an increase in revenue of RMB14.21 million from Chongqing New Hengyang Logistics Co., Ltd. ("**Chongqing New Hengyang**") attributed by the formal commencement of operation of the new storage tanks in FY2023 and higher utilization rate of the new storage tanks in 1H2024;
- (d) the acquisition of Nanrong Petrochemical Co., Ltd. (南荣石油化学有限公司) and Nanrong Petrochemical Industry (Jiangyin) Co., Ltd. (南荣石油化工(江阴)有限公司), collectively, the "**Nanrong Subsidiaries**" by China Holdco was completed in June 2023. Revenue of RMB14.95 million is consolidated from the Nanrong Subsidiaries;

the above increases are partially offset by:

- (i) a decrease in revenue of RMB7.54 million from the China Holdco, attributed by a lower utilisation rate of its tanks' capacity due to reduce of import chemicals; and
- (ii) a decrease in revenue of RMB4.92 million from Tianjin Hengyang Petrochemical Logistics Co., Ltd. ("**Tianjin Hengyang**") attributed by a lower utilisation rate of its storage tanks as Tianjin Hengyang had scheduled downtime to facilitate the construction of new storage tanks. The group estimates that the construction to be completed by 4Q FY2024.
- (2) Other income increased by RMB7.04 million or 209.56%, mainly attributed by sale of a non-operating property.
- (3) Finance costs increased by RMB5.43 million or 10.07%, mainly due to the increase of borrowing arising from the acquisition of the Nanrong Subsidiaries in June 2023;
- (4) Income tax expense increased by RMB10.23 million or 631.93%, mainly due to profit made by Deqiao and the Nanrong Subsidiaries.
- (5) Fair value adjustment arose from the initial recognition in May 2017 from fair value adjustment on property, plant and equipment and land use rights of the joint venture, and amortised over the useful life of these assets of the joint-venture.

HENGYANG PETROCHEMICAL LOGISTICS LIMITED
UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024

N7.4 Reconciliation of summarised financial information

Reconciliation of the summarised financial information presented, to the carrying amount of the Group's interest in joint venture, is as follows:

RMB'000	Group	
	30.06.2024	31.12.2023
Proportion of Group ownership	41.64%	41.64%
Share of net assets of the joint venture	440,698	434,671
Fair value adjustment on plant and equipment and land use rights	53,879	53,879
Cumulative depreciation and amortisation on fair value adjustment	(12,536)	(11,651)
Interest in joint venture	482,041	476,899
Goodwill	50,349	50,349
Carrying value of Group's interest in joint venture	532,390	527,248

N8. Lease liability

RMB'000	Group	
	30.06.2024	31.12.2023
Balance as at 1 January	111	52
Interest expense	1	1
Addition	-	116
Lease payments		
- Principal portion	(28)	(57)
- Interest portion	(1)	(1)
	(29)	(58)
Balance as at the end of the period	83	111

The maturity analysis of lease liabilities of the Group is as follows:

RMB'000	30.06.2024	31.12.2023
Contractual undiscounted cash flows		
- Not later than a year	56	56
- Between one and three years	31	61
	87	117
Less: Future interest expense	(4)	(6)
Present value of lease liabilities	83	111
Presented in statement of financial position		
- Non-current	29	60
- Current	54	51
	83	111

The Group leases an office premise in Singapore with fixed payments over the lease terms and the incremental borrowing rate applied was 5.25% (FY2023: 5.25%) per annum.

There is no externally imposed covenant on the lease arrangement. There is no lease expense not capitalised in lease liability.

The lease liability is denominated in Singapore dollars.

HENGYANG PETROCHEMICAL LOGISTICS LIMITED
UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024

N9. Subsequent events

There are no known subsequent events which led to adjustments to this set of condensed interim consolidated financial statements.

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

The figures have not been audited or reviewed by the auditors.

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

Not applicable as the figures have not been audited or reviewed by the auditors.

3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:

(a) Updates on the efforts taken to resolve each outstanding audit issue.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

This is not required for any audit issue that is a material uncertainty relating to going concern.

Not applicable as the Company's financial statements are not subject to any adverse opinion, qualified opinion or disclaimer of opinion.

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

The financial statements are prepared in accordance with Singapore Financial Reporting Standards (International) (SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore). The accounting policies and computation methods adopted in the financial statements for the six months ended 30 June 2024 are the same as those adopted in the Company's most recently audited financial statements.

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.

Please refer to N2.

6. 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	
	1H2024 Unaudited	1H2023 Unaudited
Weighted average number of ordinary shares used in computation of basic (EPS/LPS)	203,461,883	203,461,883
Basic and diluted (EPS/LPS)(RMB cents)	1.69	(7.18)

HENGYANG PETROCHEMICAL LOGISTICS LIMITED
UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024

Notes:

- (a) Basic EPS/ LPS is calculated by dividing the net profit/loss for the financial period attributable to owners of the Company by the actual number of ordinary shares in issue during the financial period/year.
- (b) Diluted EPS/ LPS is the same as the basic EPS/ LPS as the Group did 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 excluding treasury shares of the issuer at the end of the (a) Current financial period reported on and (b) Immediately preceding financial year.

	Group		Company	
	30.06.2024 Unaudited	31.12.2023 Audited	30.06.2024 Unaudited	31.12.2023 Audited
Net asset value per ordinary share (RMB cents)	271.54	269.85	136.15	136.59

- 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.

Condensed interim consolidated statement of comprehensive income of the Group

The following review is on the performance of the Group. Review on the performance of the China Holdco Group can be found in paragraph N7.3 of this announcement.

The Group's other income increased by RMB13,000 from RMB1,000 in 1H2023 to RMB14,000 in 1H2024 mainly due to the increase of interest income.

Administrative and other expenses decreased by RMB265,000 or 13.4% from RMB1.98 million in 1H2023 to RMB1.72 million in 1H2024 mainly due to decrease of professional fee and staff cost..

Share of result of joint venture relates to the Company's 41.64% interest in the China Holdco Group. Share of result of joint venture increased from a loss of RMB12.63 million in 1H2023 to a profit of RMB5.14 million in 1H2024. Please refer to paragraph N7.3 for review of the China Holdco Group's financial performance.

The Group recorded a net profit attributable to owners of the company of RMB3.44 million in 1H2024 as compared to loss of RMB14.61 million in 1H2023. This was mainly due to the share of result of joint venture which improved from loss to profit.

Condensed interim consolidated statement of financial position of the Group

Non-current assets comprise the Group's investment in a joint venture which relates to its interest in the China Holdco Group and right-of-use asset. Investment in a joint venture increased by RMB5.14 million from RMB527.25 million as at 31 December 2023 to RMB532.39 million as at 30 June 2024, due to share of profit from China Holdco Group in 1H2024.

HENGYANG PETROCHEMICAL LOGISTICS LIMITED
UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024

Current assets comprise cash and cash equivalents, amount owing by related parties and other receivables. Current assets decreased by RMB1.8 million from RMB23.33 million as at 31 December 2023 to RMB21.53 million as at 30 June 2024, mainly due to a decrease in cash and cash equivalents. Cash and cash equivalents decreased by RMB1.82 million from RMB23.11 million as at 31 December 2023 to RMB21.29 million as at 30 June 2024 due to utilisation of the Group's cash in operating activities as set out in the cash flow statements.

Current liabilities comprise mainly other payables, lease liability and current income tax payable. Current liabilities decreased by RMB96,000 from RMB1.59 million as at 31 December 2023 to RMB1.49 million as at 30 June 2024, mainly due to payment made during the financial period.

Non-current liability relates to lease liability repayable after one year.

Condensed interim consolidated statement of cash flows of the Group

The Group recorded cash and cash equivalents of RMB21.29 million as at 30 June 2024, as compared to RMB23.11 million as at 31 December 2023, a decrease of RMB1.82 million due to utilisation of the Group's cash in operating activities as set out in the cash flow statements.

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

No forecast or prospect statement has been previously disclosed to shareholders.

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.

As published by PRC's National Bureau of Statistics, the PRC's GDP grew by 5% in 1H2024, unchanged from annual 5% growth target.

The China Holdco Group is seeking to expand its operations along Yangtze River and nearby coastal area of Tianjin to take advantage of the Group's business connection and expertise. According to the PRC's 14th five-year (2021–2025) plans, the PRC government will more comprehensively promote the development of the Yangtze River Economic Belt with focus on the construction of the Yangtze River's main artery, creating a comprehensive transportation system along the Yangtze River. The China Holdco Group intends to leverage on its strategic locations to consolidate its business operations along Yangtze River.

The Chongqing project managed by Chongqing New Hengyang formally commenced operations in FY2023. The construction of 2nd stage of Wuhan Project managed by Wuhan Hengyang has completed in the last quarter of 2023 and has begun trial operation in 1H2024. The Group will continue its efforts to increase the overall utilisation rate of its storage tanks and port terminals to improve its performance.

As at the date of this announcement, the current economic conditions remain uncertain and unpredictable. The Group will closely monitor the market conditions and navigate the situation accordingly.

HENGYANG PETROCHEMICAL LOGISTICS LIMITED
UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024

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 1H2024.

(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 1H2023.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated)

Not applicable

(d) Date payable

Not applicable

(e) Books closure date

Not applicable

12. If no dividend has been declared/recommended, a statement to that effect and the reason(s) for that decision

The Board has decided not to recommend any dividend because the China Holdco Group did not declare any dividend for 1H2024.

13. Interested Person Transactions (“IPT”)

If the Group has obtained a general mandate from shareholders for IPTs, 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	Nature of relationship	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than \$100,000 and transactions conducted under the shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under the existing shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
		RMB'000	RMB'000
Provision of petrochemical storage services and land transport services - Jinqiao Chemical	Note 1	-	20,667

**HENGYANG PETROCHEMICAL LOGISTICS LIMITED
UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024**

Note:

- (1) Jinqiao Chemical is wholly-owned by Ms Sun Fang, the spouse of Mr Gu Wen Long who is the Director and Chief Executive Officer and Controlling Shareholder of the Company.

14. Confirmation pursuant to Catalist Rule 705(5)

We, Gu Wen Long and Khaw Shee Kai, being directors of the Company ("**Directors**"), hereby confirm on behalf of the Board of Directors that, to the best of the Directors' knowledge, nothing has come to the attention of the Board of Directors which may render the financial statements of the Group for 1H2024 to be false or misleading in any material aspect.

On behalf of the Board of Directors

GU WEN LONG
Chief Executive Officer

KHAW SHEE KAI
Lead Independent Director (AC Chairman)

15. Confirmation pursuant to Catalist Rule 720(1)

The Board of Directors hereby confirms that the undertakings under Catalist Rule 720(1) have been obtained from all the directors and executive officers as required in the format set out in Appendix 7H of the Catalist Rules.

BY ORDER OF THE BOARD

GU WEN LONG
Director and Chief Executive Officer
August 13, 2024

*This announcement has been reviewed by the Company's Sponsor, Xandar Capital Pte Ltd ("**Sponsor**"). This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") and the SGX-ST assumes 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 person for the Sponsor is Ms Pauline Sim, Head of Corporate Finance, at 3 Shenton Way, #24-02 Shenton House, Singapore 068805, telephone (65) 6319 4954.*