HENGYANG PETROCHEMICAL LOGISTICS LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No. 200807923K)
("**Company**", together with its subsidiaries the "**Group**")

PROPOSED INVESTMENT BY WUXI JINFAN INVESTMENT MANAGEMENT LIMITED PARTNERSHIP INTO JIANGYIN GOLDEN BRIDGE TRANSPORTATION CO., LTD.

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1. INTRODUCTION

The Board of Directors ("**Board**") of the Company wishes to announce that Jiangyin Foreversun Chemical Logistics Co., Ltd ("**Jiangyin Foreversun**"), a 65.00% owned subsidiary of the Company, had entered into an agreement with Wuxi Jinfan Investment Management Limited Partnership (无锡市金帆投资管理合伙企业) (the "**Investor**") and Mr Gu Wenlong ("**Mr Gu**"), pursuant to which the Investor shall invest an aggregate of RMB4,200,000 (equivalent to approximately S$929,460[1]) ("**Investment Monies**") into Jiangyin Golden Bridge Transportation Co., Ltd ("**Golden Bridge**") by way of, *inter alia*, subscription to the equity of Golden Bridge ("**Proposed Investment**"). As at the date of this Announcement, the Group has a 63.70% effective equity interest in Golden Bridge.

2. BACKGROUND OF THE INVESTOR AND RATIONALE

The Investor is a limited partnership incorporated in the People's Republic of China, and its principal business is investment management. Mr Gu, being the general partner of the Investor, is responsible for the actions of the Investor and liable for all debts and obligations of the Investor. For the avoidance of doubt, Mr Gu (the Group Executive Chairman and Chief Executive Officer of the Company) holds a 2.0% direct equity interest in Golden Bridge as at the date of this Announcement.

The remaining partners are limited partners of the Investor, who are not liable for debts and obligations of the Investor beyond his/her agreed contribution, provided that he/she does not take part in the management of the Investor. Each of the limited partners is an employee of the Group.

As Mr Gu is both a director and a controlling shareholder of the Company (with approximately 56.08% equity interest in the share capital of the Company, held through his wholly owned investment holding vehicle - Foreversun Holdings Co., Ltd.), he is an "interested person" within the definition set out in Chapter 9 of the Catalist Listing Manual of the Singapore Exchange Trading Limited. Golden Bridge, being a subsidiary of the Company, is regarded as an "entity at risk" within the definition set out in Chapter 9 of the Catalist Listing Manual. Although Mr Gu's investment into Golden Bridge through the Investor is regarded as an interested person transaction under Chapter 9 of the Catalist Listing Manual, Mr Gu's contribution to the Proposed Investment is RMB160,000 (equivalent to approximately S$35,408[1] only), being an amount less than S$100,000. At this juncture, it is noted that both Rule 905(1) and Rule 905(2) do not apply to any transaction below S$100,000 in accordance with Rule 905(3) of the Catalist Listing Manual of the SGX-ST.

The funds raised from the Proposed Investment shall be utilised for the expansion of Golden Bridge's business operations.

3. THE PROPOSED INVESTMENT

[1] Based on an exchange rate of S$1.00: RMB0.2213.

The salient terms of the Proposed Investment are as follows:

(a) **Tranche 1 Investment**. The first tranche of the Investment Monies, amounting to RMB3,800,000 (equivalent to approximately S$840,940[1]), shall be invested by the Investor into Golden Bridge. Immediately after completion of the Tranche 1 Investment, Jiangyin Foreversun, Mr Gu and the Investor shall each directly hold 87.65%, 1.79% and 10.56% equity interest in the enlarged equity of Golden Bridge, respectively.

(b) **Tranche 2 Investment**. The second tranche of the Investment Monies, amounting to RMB400,000 (equivalent to approximately S$88,520[1]), shall be invested by the Investor into Golden Bridge prior to 16 February 2016. Immediately after completion of the Tranche 1 Investment and Tranche 2 Investment, Jiangyin Foreversun, Mr Gu and the Investor shall each directly hold 86.56%, 1.77% and 11.67% equity interest in the enlarged equity of Golden Bridge, respectively.

Pursuant to the Proposed Investment, the Company's effective equity interest in Golden Bridge shall be diluted from:

(i) 63.70% to 56.97%, following completion of the Tranche 1 Investment; and

(ii) 56.97% to 56.27%, following completion of the Tranche 1 Investment and Tranche 2 Investment.

The Investment Monies and equity interest in Golden Bridge held by the Investor pursuant to the Proposed Investment was arrived at, following arms' length negotiations between Jiangyin Foreversun, Mr Gu and the Investor on a willing-buyer and willing-seller basis, taking into account the value of Golden Bridge's registered capital and the future business prospect of Golden Bridge.

4. FINANCIAL EFFECTS OF THE PROPOSED INVESMENT

Purely for illustrative purposes only, the pro forma financial effects of the Proposed Investment summarised below have been prepared using the consolidated audited accounts of the Group for the full year ended 31 December 2014 ("**FY2014**"), being the most recently completed financial year, based on, *inter alia*, the following assumptions:

(a) The number of shares is based on the 203,461,883 issued ordinary shares ("**Shares**") in the capital of the Company as at 31 December 2014;

(b) For the purposes of the effect on the earnings per share ("**EPS**"), the Proposed Investment had been completed on 1 January 2014, being the beginning of FY2014; and

(c) For the purposes of the effect on the net tangible asset value attributable to owners of the parent ("**NTA**") per Share, the Proposed Investment had been completed on 31 December 2014, being the end of FY2014.

EPS

The effect of the Proposed Investment on the EPS is as follows:

	Before Proposed Investment	**After the Proposed Investment**
Loss after tax attributable to Shareholders (RMB'000)	(9,129)	(9,356)
Number of Shares	203,461,883	203,461,883
EPS (RMB cents)	(4.49)	(4.60)

NTA

The effect of the Proposed Investment on the NTA per Share is as follows:

	Before Proposed Investment	After the Proposed Investment
NTA [(1)] (RMB'000)	414,731	415,931
Number of Shares	203,461,883	203,461,883
NTA per Share (RMB cents)	203.84	204.43

(1) NTA includes land use rights.

5. Interest of Directors and Substantial Shareholders

Save as disclosed above, none of the directors (other than in his capacity as director or shareholder of the Company, as the case may be) of the Company has any interest, direct or indirect in the Proposed Transactions. To the best of the knowledge of the Board, save as disclosed above, there are no substantial shareholders in the Company who have any interest, direct or indirect, in relation to the Proposed Transactions.

By Order of the Board

Mr Gu Wenlong
Executive Chairman and Chief Executive Officer
16 November 2015

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*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 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 person for the Sponsor is Mr Yee Chia Hsing, Head, Catalist. The contact particulars are 50 Raffles Place, #09-01 Singapore Land Tower, Singapore 048623, Telephone: +65 6337 5115.