

CIRCULAR DATED 6 MARCH 2023

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.**

**If you are in any doubt as to the contents of this Circular (as defined herein) or the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.**

Unless otherwise stated, capitalised terms appearing on the cover of this Circular have the same meanings as defined in the section entitled "Definitions" of this Circular.

If you have sold or transferred all your ordinary shares in the capital of Hengyang Petrochemical Logistics Limited (the "**Company**"), and together with its subsidiaries, the "**Group**") held through The Central Depository (Pte) Limited ("**CDP**"), you need not forward this Circular with the Notice of Extraordinary General Meeting ("**Notice of EGM**") and the attached Proxy Form to the purchaser or the transferee as arrangements will be made by CDP for a separate Circular with the Notice of EGM to be sent to the purchaser or the transferee. If you have sold or transferred all your shares in the issued share capital of the Company represented by physical share certificates, you should immediately forward this Circular, the Notice of EGM and the attached Proxy Form to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

This Circular has been prepared by the Company, and its contents have been reviewed by the Company's sponsor, Xandar Capital Pte Ltd (the "**Sponsor**").

This Circular 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 Circular, including the correctness of any of the statements or opinions made or reports contained in this Circular.

The contact person for the Sponsor is: Ms Pauline Sim (Head of Corporate Finance), Xandar Capital Pte Ltd, 3 Shenton Way, #24-02 Shenton House, Singapore 068805, Telephone: (65) 6319 4954.

This Circular, together with the Notice of EGM and the accompanying Proxy Form, has been made available on SGXNET and may be accessed at the URL <http://www.sgx.com/securities/company-announcements>. A printed copy of this Circular, the Notice of EGM and the Proxy Form will NOT be despatched to Shareholders.

Due to the current COVID-19 situation in Singapore, Shareholders will not be able to attend the EGM in person. Instead, alternative arrangements have been put in place to allow Shareholders to participate at the EGM by (a) watching the EGM proceedings via "live" audio-visual webcast or listening to the EGM proceedings via "live" audio-only stream; (b) submitting questions in advance of the EGM or during the "live" audio-visual webcast of the EGM; and/or (c) voting at the EGM (i) "live" by the Shareholders themselves or their duly appointed proxy(ies) (other than the Chairman of the EGM) via electronic means; or (ii) by appointing the Chairman of the EGM as proxy to vote on their behalf at the EGM.

Please refer to Sections 13 and 14 of this Circular for further information, including steps to be taken by Shareholders to participate at the EGM.



**HENGYANG PETROCHEMICAL LOGISTICS LIMITED**

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

**CIRCULAR TO SHAREHOLDERS IN RELATION TO THE PROPOSED ACQUISITIONS OF (A) 94.8033% OF THE EQUITY INTEREST IN NANRONG PETROCHEMICAL CO., LTD.<sup>1</sup> (南荣石油化学有限公司) AND (B) 100% OF THE EQUITY INTEREST IN NANRONG PETROCHEMICAL (JIANGYIN) CO., LTD.<sup>1</sup> (南荣石油化工(江阴)有限公司) AS A MAJOR TRANSACTION**

**IMPORTANT DATES AND TIMES:**

Last date and time for lodgment of Proxy Form	:	19 March 2023 at 10.00 a.m.
Date and time of Extraordinary General Meeting	:	21 March 2023 at 10.00 a.m.
Place of Extraordinary General Meeting	:	The Extraordinary General Meeting will be held by way of electronic means in the manner as set out in the Notice of EGM at Page N-1 to N-5 of this Circular

<sup>1</sup> These are English translations of the Chinese names and are included herein for identification purposes only.

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## CONTENTS

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<b>DEFINITIONS .....</b>	<b>3</b>
<b>LETTER TO SHAREHOLDERS .....</b>	<b>10</b>
<b>1. INTRODUCTION.....</b>	<b>10</b>
<b>2. THE PROPOSED ACQUISITIONS .....</b>	<b>11</b>
<b>3. INFORMATION ON THE TARGET COMPANIES AND THE VENDOR.....</b>	<b>12</b>
<b>4. VALUATION OF THE TARGET COMPANIES .....</b>	<b>15</b>
<b>5. RATIONALE OF THE PROPOSED ACQUISITIONS .....</b>	<b>16</b>
<b>6. PRINCIPAL TERMS OF THE PROPOSED ACQUISITIONS .....</b>	<b>17</b>
<b>7. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITIONS .....</b>	<b>20</b>
<b>8. APPLICATION OF CHAPTER 10 OF THE CATALIST RULES – THE PROPOSED ACQUISITIONS AS A MAJOR TRANSACTION .....</b>	<b>21</b>
<b>9. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS.....</b>	<b>23</b>
<b>10. DIRECTORS’ SERVICE CONTRACTS .....</b>	<b>24</b>
<b>11. DIRECTORS’ RECOMMENDATIONS .....</b>	<b>24</b>
<b>12. CONSENTS .....</b>	<b>24</b>
<b>13. EXTRAORDINARY GENERAL MEETING.....</b>	<b>24</b>
<b>14. ACTION TO BE TAKEN BY SHAREHOLDERS .....</b>	<b>25</b>
<b>15. DIRECTORS’ RESPONSIBILITY STATEMENT.....</b>	<b>29</b>
<b>16. DOCUMENTS AVAILABLE FOR INSPECTION .....</b>	<b>29</b>
<b>APPENDIX A – SUMMARY VALUATION LETTERS.....</b>	<b>30</b>
<b>NOTICE OF EXTRAORDINARY GENERAL MEETING .....</b>	<b>N-1</b>
<b>PROXY FORM .....</b>	<b>P-1</b>

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## DEFINITIONS

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In this Circular, the following definitions shall apply throughout unless the context otherwise requires:

- “Acquisition Announcement”** : The Company’s announcement on 24 February 2023 in relation to the Proposed Acquisitions
- “Associates”** : (a) in relation to any director, chief executive officer, substantial shareholder or Controlling Shareholder (being an individual) means:
- (i) his immediate family;
  - (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
  - (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more;
- (b) in relation to a substantial shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (direct or indirectly) have an interest of 30% or more
- “Better Logistics (SPV 1)”** : Jiangyin Better Logistics Limited (江阴佰特物流有限公司)
- “Best Logistics (SPV 2)”** : Jiangyin Best Logistics Limited (江阴佰思特物流有限公司)
- “Board”** : The board of directors of the Company
- “Catalist Rules”** : The SGX-ST Listing Manual Section B: Rules of Catalist, as amended, supplemented or modified from time to time
- “CDP”** : The Central Depository (Pte) Limited
- “China Holdco”** : Jiangyin Foreversun Chemical Logistics Co., Ltd. (江阴恒阳化工储运有限公司), a 41.64%-owned joint venture company of the Company
- “Circular”** : This circular to Shareholders dated 6 March 2023
- “CITIC Port”** : CITIC Port Investment Co., Ltd., which owns 1.68% of the equity interest in the China Holdco
- “Companies Act”** : Companies Act 1967 of Singapore, as amended from time to time

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## DEFINITIONS

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<b>“Company”</b>	:	Hengyang Petrochemical Logistics Limited
<b>“Company’s Valuation”</b>	:	The valuation of the Target Companies commissioned by the Company
<b>“Completion”</b>	:	The completion of the Proposed Acquisitions on the Completion Date
<b>“Completion Date”</b>	:	The date on which Completion of the Proposed Acquisitions shall take place, that is, the date on which the relevant registration procedures required to effect the change in commercial or industrial registration in respect of the Target Companies are completed, including completion of the registration of the release of the Equity Pledge so that the Sale Equity is of good and marketable title, and the updated business licences reflecting the changes in shareholding of the Target Companies are obtained in accordance with Section 6.4 of this Circular
<b>“Conditions Precedent”</b>	:	The conditions precedent to Completion as set out in the Equity Transfer Agreement and in Section 6.3 of this Circular
<b>“Confirmation Email”</b>	:	Confirmation email to be sent to authenticated Shareholders who have been pre-registered for the EGM, further details of which are set out in Section 14.1 of this Circular
<b>“Controlling Shareholder”</b>	:	A person who: -  (a) holds directly or indirectly 15% or more of the total voting rights in the Company. The SGX-ST may determine that a person who satisfies this paragraph is not a Controlling Shareholder; or  (b) in fact exercises control over the Company.
<b>“COVID-19 Act”</b>	:	The COVID-19 (Temporary Measures) Act 2020 of Singapore, as amended, modified or supplemented from time to time
<b>“COVID-19 Order”</b>	:	The COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 of Singapore, as amended, modified or supplemented from time to time
<b>“Debt Novation A”</b>	:	The novation of Existing Debt A to Better Logistics (SPV 1) and Best Logistics (SPV 2) for the purposes of settlement of RMB165 million of the Total Consideration (constituting approximately 27.5% of the Total Consideration), further details of which are set out in Section 6.2(b)(iii) of this Circular

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## DEFINITIONS

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<b>“Debt Novation B”</b>	:	The novation of Existing Debt B to Better Logistics (SPV 1) and Best Logistics (SPV 2) for the purposes of settlement of RMB90 million of the Total Consideration (constituting approximately 15% of the Total Consideration), further details of which are set out in Section 6.2(b)(iv) of this Circular
<b>“Directors”</b>	:	The directors of the Company as at the Latest Practicable Date
<b>“EGM”</b>	:	The extraordinary general meeting of the Company to seek Shareholders’ approval for the Proposed Acquisitions, notice of which is given on pages N-1 to N-5 of this Circular
<b>“Equity Pledge”</b>	:	The existing equity pledge in the PRC in respect of the Sale Equity, further details of which are set out in Section 6.1 of this Circular
<b>“Equity Transfer Agreement”</b>	:	The equity transfer agreement dated 24 February 2023 entered into between the China Holdco and the Vendor in connection with the transfer of the Sale Equity for the purposes of the Proposed Acquisitions, further details of which are set out in Section 6 of this Circular
<b>“Existing Debt A”</b>	:	The existing debt in the amount of RMB165 million currently owing by the Vendor to the Target Companies, details of which are set out in Section 6.2(b)(iii) of this Circular
<b>“Existing Debt B”</b>	:	The existing interest-bearing debt in the amount of RMB90 million currently owing by the Vendor to Nan Rong Singapore, details of which are set out in Section 6.2(b)(iv) of this Circular
<b>“Foreversun Holdings”</b>	:	Foreversun Holdings Co., Ltd., an investment holding company incorporated in the British Virgin Islands
<b>“FY”</b>	:	The financial year commenced or, as the case may be, commencing, on 1 January and ended, or as the case may be, ending on 31 December
<b>“FY2022”</b>	:	The financial year ended 31 December 2022
<b>“FY2023”</b>	:	The financial year ending 31 December 2023
<b>“Group”</b>	:	The Company and its subsidiaries from time to time
<b>“HHPL”</b>	:	Hengyang Holding Pte. Ltd., a wholly-owned subsidiary of the Company
<b>“ILB”</b>	:	Integrated Logistics Bhd, a logistics company listed on Bursa Malaysia
<b>“ILHK”</b>	:	Integrated Logistics (HK) Ltd., an investment holding company incorporated in Hong Kong

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## DEFINITIONS

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<b>“Initial Cash Component”</b>	:	The initial cash component of the Total Consideration, in the amount of RMB270 million, which shall be satisfied by way of cash payment after the Conditions Precedent are fully satisfied, further details of which are set out in Section 6.2(b)(ii) of this Circular
<b>“Jinqiao Chemical”</b>	:	Jiangyin Golden Bridge Chemical Co., Ltd., which owns 7.52% of the equity interest in the China Holdco
<b>“Latest Practicable Date”</b>	:	2 March 2023, being the latest practicable date prior to the printing of this Circular
<b>“LPS”</b>	:	Losses per Share
<b>“Nanrong Petrochemical”</b>	:	Nanrong Petrochemical Co., Ltd. (南荣石油化学有限公司)
<b>“Nanrong Petrochemical Industry (Jiangyin)”</b>	:	Nanrong Petrochemical Industry (Jiangyin) Co., Ltd. (南荣石油化工有限公司 (江阴) 有限公司)
<b>“Nanrong Port”</b>	:	Nanrong International Port (南荣码头) located in Jiangyin City, Wuxi, Jiangsu Province in the PRC, details of which are set out in Section 3.1(a) of this Circular
<b>“Nan Rong Singapore”</b>	:	Nan Rong Singapore Pte Ltd, an affiliate of the Vendor to which Existing Debt B is currently owing, further details of which are set out in Section 6.2(b)(iv) of this Circular
<b>“Notice of EGM”</b>	:	The notice of EGM, as set out on pages N-1 to N-5 of this Circular
<b>“NTA”</b>	:	Net tangible assets
<b>“Ordinary Resolution”</b>	:	A resolution to be passed by more than 50% of Shareholders present and voting either in person or by proxy at the EGM, as set out in the Notice of EGM
<b>“Post-Completion Cash Component”</b>	:	The post-Completion cash component of the Total Consideration, in the amount of RMB45 million, which shall be paid to the Vendor in instalments over the next one (1) year following Completion, further details of which are set out in Section 6.2(b)(v) of this Circular
<b>“PRC”</b>	:	People’s Republic of China
<b>“Previous Announcement”</b>	:	The Company’s announcement on 15 November 2022 in relation to the incorporation of the SPVs
<b>“Pre-registration Website”</b>	:	The pre-registration website for the EGM at the link <a href="https://globalmeeting.bigbangdesign.co/hengyang2023egm/">https://globalmeeting.bigbangdesign.co/hengyang2023egm/</a> , further details of which are set out in Section 14.1 of this Circular

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## DEFINITIONS

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- “Proposed Acquisitions”** : The proposed acquisitions by the China Holdco of the Sale Equity from the Vendor
- “Proxy Form”** : The proxy form in respect of the EGM, as set out on pages P-1 to P-2 of this Circular
- “Registration Deadline”** : The deadline for pre-registration of the “live” audio-visual webcast or “live” audio-only stream of the EGM proceedings, that is, 10.00 a.m. on 16 March 2023, further details of which are set out in Section 14.1 of this Circular
- “RMB”** : Renminbi, the lawful currency of the People's Republic of China
- “Sale Equity”** : The equity interest to be acquired by the China Holdco pursuant to the Proposed Acquisitions, comprising the following:
- (a) 94.8033% of the equity interest in the total paid-up registered capital of Nanrong Petrochemical; and
  - (b) 100% of the equity interest in the total paid-up registered capital of Nanrong Petrochemical Industry (Jiangyin)
- “Securities Accounts”** : Securities accounts maintained by Depositors with CDP, but not including securities sub-accounts maintained with a Depository Agent
- “SFA”** : Securities and Futures Act 2001 of Singapore, as amended from time to time
- “SGX-ST”** : Singapore Exchange Securities Trading Limited
- “Share Registrar”** : Boardroom Corporate & Advisory Services Pte. Ltd., the share registrar of the Company
- “Shareholders”** : Registered holders of Shares in the Register of Members, except that where the registered holder is CDP, the term **“Shareholders”** shall, in relation to such Shares, and where the context admits, mean the persons named as Depositors in the Depository Register maintained by the CDP and whose Securities Accounts maintained by the CDP are credited with those Shares
- “Shares”** : Ordinary shares in the capital of the Company
- “Sinopec”** : Sinopec Chemical Sales Company Limited (中国石化化工销售有限公司), the joint venture partner of HHPL which owns 49.16% of the equity interest in the China Holdco

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## DEFINITIONS

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<b>“SPVs”</b>	:	The companies incorporated in the PRC as wholly-owned subsidiaries of the China Holdco for the purposes of the Proposed Acquisitions, namely, Better Logistics (SPV 1) and Best Logistics (SPV 2), further details of which are set out in Section 2.2 of this Circular and in the Previous Announcement
<b>“Substantial Shareholder”</b>	:	A person who has an interest (directly or indirectly) in 5% or more of the total issued share capital of the Company (excluding treasury shares)
<b>“Summary Valuation Letters”</b>	:	The summaries of the Valuation Reports attached as Appendix A of this Circular
<b>“S\$” and “cents”</b>	:	Singapore dollars and cents, respectively, the lawful currency of the Republic of Singapore
<b>“Target Companies”</b>	:	Nanrong Petrochemical and Nanrong Petrochemical Industry (Jiangyin)
<b>“Total Consideration”</b>	:	The total consideration for the Proposed Acquisitions, being RMB600,000,000 (equivalent to approximately S\$116,541,061), further details of which are set out in Section 6.2 of this Circular
<b>“Total Valuation”</b>	:	The total valuation attributable to the Sale Equity based on the Company’s Valuation, being RMB403.45 million, details of which are set out in Section 4.1 of this Circular
<b>“Valuation Reports”</b>	:	The valuation reports dated 6 March 2023 issued by the Valuer in relation to the Target Companies
<b>“Valuer”</b>	:	Jiangsu Huaxin Asset Appraisal Co., Ltd. (江苏华信资产评估有限公司), details of which are set out in Section 4.2 of this Circular
<b>“Valuer’s Consent Letter”</b>	:	The letter (set out in Section 12 of this Circular) issued by the Valuer indicating its written consent to the issue of this Circular with the inclusion of its name, the Summary Valuation Letters and all references thereto, in the form and context in which they appear in this Circular
<b>“Vendor”</b>	:	Jiangsu Sunshine Shareholding Group Co., Ltd. (江苏阳光控股集团有限公司)
<b>“Wuxi Public Utilities”</b>	:	Wuxi Public Utilities Industrial Group Co., Ltd. (无锡市市政公用产业集团有限公司), a wholly state-owned company controlled by the Wuxi Municipal People’s Government in Wuxi City, Jiangsu Province, the PRC, which holds the remaining 5.1967% of the equity interest in Nanrong Petrochemical
<b>“%” or “per cent”</b>	:	Percentage or per centum

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## DEFINITIONS

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The terms “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the meanings ascribed to them respectively in Section 81SF of the SFA or any statutory modification thereof, as the case may be.

The terms “**associated company**” and “**subsidiary**” shall have the meanings ascribed to them in the Catalist Rules and the Companies Act, as the case may be.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

Words importing the singular shall, where applicable, include the plural and *vice versa*, and words importing one gender shall, where applicable, include all other genders.

References to persons, where applicable, shall include corporations.

Any reference in this Circular to any statute or enactment is a reference to that statute or enactment for the time being amended or re-enacted. Any word defined under the Companies Act, the SFA, the Catalist Rules, or any relevant laws of Singapore or any modification thereof and used in this Circular shall, where applicable, have the meaning assigned to it under the Companies Act, the SFA, the Catalist Rules or any relevant laws of Singapore or any modification thereof, as the case may be, unless otherwise provided.

Any reference to a time of day and date in this Circular is a reference to Singapore time and date, respectively, unless otherwise stated.

All statements other than statements of historical facts included in this Circular are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as “expect”, “anticipate”, “believe”, “estimate”, “intend”, “project”, “plan”, “strategy”, “forecast” and similar expressions or future or conditional verbs such as “if”, “will”, “would”, “should”, “could”, “may” and “might”. These statements reflect the Company’s current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements.

Shareholders should not place undue reliance on such forward-looking statements. Further, the Company disclaims any responsibility to update or revise any forward-looking statements for any reason, even if new information becomes available or other events occur in the future, subject to compliance with all applicable laws and regulations and/or the rules of the SGX-ST and/or any other regulatory or supervisory body or agency.

The exchange rate of S\$1.00 to RMB5.1484 (being the exchange rate on 23 February 2023 (one day before the Equity Transfer Agreement was entered into) published by The People’s Bank of China) is applied throughout this Circular, unless otherwise stated.

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## LETTER TO SHAREHOLDERS

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### HENGYANG PETROCHEMICAL LOGISTICS LIMITED

(Incorporated in the Republic of Singapore)  
(Company Registration No. 200807923K)

#### Board of Directors:

Mr Anthony Ng Koon Leng (Non-Executive Independent Chairman)  
Mr Gu Wen Long (Executive Director and Chief Executive Officer)  
Mr Tee Tuan Sem (Vice-Chairman and Executive Director)  
Mr Diong Tai Pew (Non-Executive and Lead Independent Director)  
Mr Xie Yu (Non-Executive Director)

#### Registered Office:

10 Anson Road  
#25-06 International Plaza  
Singapore 079903

6 March 2023

**To: The Shareholders of Hengyang Petrochemical Logistics Limited**

Dear Shareholders,

**CIRCULAR TO SHAREHOLDERS IN RELATION TO THE PROPOSED ACQUISITIONS OF (A) 94.8033% OF THE EQUITY INTEREST IN NANRONG PETROCHEMICAL CO., LTD.<sup>1</sup> (南荣石油化学有限公司) AND (B) 100% OF THE EQUITY INTEREST IN NANRONG PETROCHEMICAL INDUSTRY (JIANGYIN) CO., LTD.<sup>1</sup> (南荣石油化工(江阴)有限公司) AS A MAJOR TRANSACTION**

#### 1. INTRODUCTION

1.1. As stated by the Company in its announcement dated 24 February 2023 (the “**Acquisition Announcement**”), Jiangyin Foreversun Chemical Logistics Co., Ltd. (the “**China Holdco**”), a 41.64%-owned<sup>2</sup> joint venture company of the Company, intends to acquire equity interest in the following companies (each a “**Target Company**” and collectively, the “**Target Companies**”) from Jiangsu Sunshine Shareholding Group Co., Ltd.<sup>1</sup> (江苏阳光控股集团有限公司) (the “**Vendor**”) (collectively, the “**Proposed Acquisitions**”):

(a) 94.8033% of the equity interest in the total paid-up registered capital of Nanrong Petrochemical Co., Ltd.<sup>1</sup> (南荣石油化学有限公司) (“**Nanrong Petrochemical**”); and

(b) 100% of the equity interest in the total paid-up registered capital of Nanrong Petrochemical Industry (Jiangyin) Co., Ltd.<sup>1</sup> (南荣石油化工(江阴)有限公司) (“**Nanrong Petrochemical Industry (Jiangyin)**”).

(collectively, the “**Sale Equity**”).

1.2. The total consideration for the Proposed Acquisitions is RMB600,000,000 (equivalent to approximately S\$116,541,061 (the “**Total Consideration**”).

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<sup>1</sup> These are English translations of the Chinese names and are included herein for identification purposes only.

<sup>2</sup> As disclosed in the Company’s announcement dated 20 January 2023, completion of the increase in the registered capital of the China Holdco has taken place on 20 January 2023. The Group’s interest in the China Holdco has been diluted from 49% to 41.64% following completion of the increase in registered capital.

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## LETTER TO SHAREHOLDERS

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- 1.3. The Company is proposing to convene an extraordinary general meeting (“**EGM**”) to seek approval from the shareholders of the Company (the “**Shareholders**”) for the Proposed Acquisitions as an Ordinary Resolution.
- 1.4. The purpose of this Circular is to provide Shareholders with the relevant information relating to the Proposed Acquisitions and to seek Shareholders’ approval for the Proposed Acquisitions at the forthcoming EGM to be held by electronic means at 10.00 a.m. on 21 March 2023, notice of which is set out in the Notice of EGM on pages N-1 to N-5 of this Circular.
- 1.5. The SGX-ST assumes no responsibility for the contents of this Circular, including the correctness of any of the statements or opinions made or reports contained in this Circular.
- 1.6. Insights Law LLC has been appointed as the legal adviser to the Company as to Singapore law for the Proposed Acquisitions.

## 2. THE PROPOSED ACQUISITIONS

- 2.1. The Company previously announced in the Acquisition Announcement that its 41.64%-owned joint venture company, the China Holdco, intends to acquire the Sale Equity in the Target Companies from the Vendor at the Total Consideration.
- 2.2. For the purposes of the Proposed Acquisitions, the Group has, through the China Holdco, incorporated the following companies (each an “**SPV**” and collectively, the “**SPVs**”), both of which are wholly-owned subsidiaries of the China Holdco, in the People’s Republic of China (the “**PRC**”):
  - (a) Jiangyin Better Logistics Limited<sup>3</sup> (江阴佰特物流有限公司) (“**Better Logistics (SPV 1)**”); and
  - (b) Jiangyin Best Logistics Limited<sup>3</sup> (江阴佰思特物流有限公司) (“**Best Logistics (SPV 2)**”).

The Company had, on 15 November 2022, made an announcement on SGXNET in relation to the incorporation of the SPVs (the “**Previous Announcement**”). Please refer to the Previous Announcement for more information on Better Logistics (SPV 1) and Best Logistics (SPV 2).

- 2.3. The Proposed Acquisitions will be undertaken by the following means:
  - (a) The China Holdco, through its wholly-owned subsidiary, Better Logistics (SPV 1), will acquire 94.8033% of the equity interest in the total paid-up registered capital of Nanrong Petrochemical from the Vendor for a consideration of RMB411,000,000 (equivalent to approximately S\$79,830,627); and
  - (b) The China Holdco, through its wholly-owned subsidiary, Best Logistics (SPV 2), will acquire 100% of the equity interest in the total paid-up registered capital of Nanrong Petrochemical Industry (Jiangyin) from the Vendor for a consideration of RMB189,000,000 (equivalent to approximately S\$36,710,434).
- 2.4. The China Holdco had, on 24 February 2023, entered into the relevant equity transfer agreement with the Vendor in connection with the transfer of the Sale Equity for the purposes of the Proposed

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<sup>3</sup> These are English translations of the Chinese names and are included herein for identification purposes only.

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## LETTER TO SHAREHOLDERS

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Acquisitions (the “**Equity Transfer Agreement**”). Further details on the Equity Transfer Agreement are set out in Section 6 of this Circular.

- 2.5. Upon the completion of the Proposed Acquisitions (“**Completion**”), the China Holdco will hold:
- (a) 94.8033% of the equity interest in Nanrong Petrochemical through Better Logistics (SPV 1) (the China Holdco’s wholly-owned subsidiary); and
  - (b) 100% of the equity interest in Nanrong Petrochemical Industry (Jiangyin) through Best Logistics (SPV 2) (the China Holdco’s wholly-owned subsidiary).
- 2.6. As the Proposed Acquisitions, when aggregated together, would constitute a “major transaction” for the purposes of Chapter 10 of the Catalyst Rules, the approval of Shareholders is required for the Proposed Acquisitions, and the Directors propose to convene an EGM to seek Shareholders’ approval for the same.

### 3. INFORMATION ON THE TARGET COMPANIES AND THE VENDOR

#### 3.1. Information on the Target Companies, their Principal Activities and Equity Holding Structures

- (a) The Target Companies are engaged in the day-to-day management and operations of the Nanrong International Port (南荣码头) (the “**Nanrong Port**”) located in Jiangyin City, Wuxi, Jiangsu Province in the PRC, as well as the storage and management of chemicals, including approved varieties of dangerous chemicals such as pentane, butadiene, 1-butene, C4 and liquefied petroleum gas. The Target Companies collectively possess pressure storage tanks with a total volume of 33,000 cubic metres and mainly store chemicals such as propane, 1-butene and 1-3 butadiene.
- (b) **Nanrong Petrochemical** is a limited liability company incorporated in the PRC on 28 June 1993 and is primarily engaged in the business of port operations and the import, export and wholesale of chemical products. Nanrong Petrochemical possesses a 25,000-ton first-class international open wharf with a total length of 230 metres, with an operating platform which is 168 metres long and 21 metres wide, as well as 16 spherical pressure storage tanks with a total volume of 18,000 cubic metres. As at the Latest Practicable Date, the fully paid-up registered capital of Nanrong Petrochemical is RMB152,264,296.43, with its equity holding structure as set out in Table 1 below:

Name of shareholder	Registered capital (fully paid-up)	Percentage equity interest in Nanrong Petrochemical
The Vendor (namely, Jiangsu Sunshine Shareholding Group Co., Ltd. (江苏阳光控股集团有限公司)), incorporated in PRC	RMB144,351,532.42	94.8033%

## LETTER TO SHAREHOLDERS

Name of shareholder	Registered capital (fully paid-up)	Percentage equity interest in Nanrong Petrochemical
Wuxi Public Utilities Industrial Group Co., Ltd. (无锡市市政公用产业集团有限公司) (“ <b>Wuxi Public Utilities</b> ”), incorporated in PRC	RMB7,912,764.01	5.1967%
Total	RMB152,264,296.43	100%

(Table 1)

- (c) **Nanrong Petrochemical Industry (Jiangyin)** is a limited liability company incorporated in the PRC on 5 November 1998 and is primarily engaged in the operation and construction of public ports and supporting facilities, the import, export and wholesale of organic and inorganic chemical products and the provision of cargo handling and warehousing services in port areas. Nanrong Petrochemical Industry (Jiangyin) possesses three (3) spherical pressure storage tanks with a total volume of 15,000 cubic metres. As at the Latest Practicable Date, the paid-up registered capital of Nanrong Petrochemical Industry (Jiangyin) is RMB41,400,000. The Vendor holds 100% of the equity interest in Nanrong Petrochemical Industry (Jiangyin).

### 3.2. Information on the Vendor

- (a) The Vendor is a private company with limited liability incorporated in the PRC on 12 April 2001. The Vendor has a registered capital of RMB500,000,000, with its equity holding structure as set out in Table 2 below:

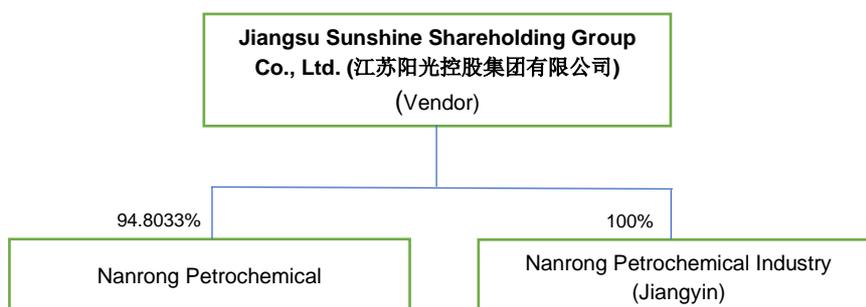
Name of shareholder	Registered capital (fully paid-up)	Percentage equity interest in the Vendor
Lu Keping (陆克平)	RMB301,450,000	60.29%
Chen Lifan (陈丽芬)	RMB168,550,000	33.71%
Wang Hongming (王洪明)	RMB30,000,000	6%
Total	RMB500,000,000	100%

(Table 2)

- (b) The Vendor is primarily involved in foreign investment, software development and sales, research and development, manufacturing, processing and sale of wool, yarn, woolen sweaters, clothing, knitwear and special protection products for labour (such as anti-static overalls, acid-proof overalls, flame-retardant protective clothing), as well as the sale of textile raw materials (excluding seed cotton), building materials and chemical products (excluding dangerous goods).
- (c) As at the Latest Practicable Date, the Vendor holds 94.8033% of the equity interest in Nanrong Petrochemical and 100% of the equity interest in Nanrong Petrochemical Industry (Jiangyin). Upon Completion, the Vendor will sell the Sale Equity to the China Holdco through the SPVs in accordance with the terms set out in the Equity Transfer Agreement. The remaining 5.1967% of the equity in Nanrong Petrochemical is held by Wuxi Public Utilities, a wholly state-owned company controlled by the Wuxi Municipal People’s Government in Wuxi City, Jiangsu

## LETTER TO SHAREHOLDERS

Province, the PRC. The relevant group chart indicating the equity interest held by the Vendor in the Target Companies as at the Latest Practicable Date is set out below for reference:



### Vendor Group Chart\*

\*Note: Only the corporate entities that are relevant to the Proposed Acquisitions are included in the aforesaid chart.

- (d) The Vendor is an independent third party which is not related to any of the Directors, Controlling Shareholders of the Company and/or their respective Associates. The Vendor also does not hold any shares, directly or indirectly, in the Company.

### 3.3. Information on the China Holdco

The China Holdco is a limited liability company incorporated in the PRC on 25 November 2002 and is primarily engaged in the business of storage and warehousing of chemical products within port areas, storage and warehousing of food additives within port areas, general goods transportation, and construction and operation of public port facilities.

The China Holdco is a 41.64%-owned joint venture company of the Company. The Company owns 41.64% of the equity interest in the China Holdco through its wholly-owned subsidiary, Hengyang Holding Pte. Ltd. (“**HHPL**”). Sinopec Chemical Sales Company Limited (中国石化化工销售有限公司) (“**Sinopec**”), Jiangyin Golden Bridge Chemical Co., Ltd. (“**Jinqiao Chemical**”) and CITIC Port Investment Co., Ltd. (“**CITIC Port**”) respectively own 49.16%, 7.52% and 1.68% of the equity interest in the China Holdco.

The equity holding structure of the China Holdco as at the Latest Practicable Date is set out in Table 3 below:

Name of shareholder	Percentage of equity interest in the China Holdco
HHPL (that is, Hengyang Holding Pte. Ltd., incorporated in Singapore, which is wholly owned by the Company)	41.64%
Sinopec (that is, Sinopec Chemical Sales Company Limited (中国石化化工销售有限公司), incorporated in the PRC)	49.16%
Jinqiao Chemical (that is, Jiangyin Golden Bridge Chemical Co., Ltd., incorporated in the PRC)	7.52%
CITIC Port (that is, CITIC Port Investment Co., Ltd., incorporated in the PRC)	1.68%
<b>Total</b>	<b>100%</b>

(Table 3)

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## LETTER TO SHAREHOLDERS

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### 4. VALUATION OF THE TARGET COMPANIES

4.1. In connection with the Proposed Acquisitions, the China Holdco has engaged Jiangsu Huaxin Asset Appraisal Co., Ltd. (江苏华信资产评估有限公司) as an independent valuer (the “**Valuer**”) to determine the value of the Target Companies (the “**Company’s Valuation**”). Based on the Company’s Valuation, 100% equity interest in both of the Target Companies had a collective valuation of approximately RMB417.8 million. The total valuation attributable to the Sale Equity amounted to RMB403.45 (the “**Total Valuation**”), comprising the following:

- (a) The valuation of 94.8033% of the equity interest in the total paid-up registered capital of Nanrong Petrochemical was RMB261.65 million; and
- (b) The valuation of 100% of the equity interest in the total paid-up registered capital of Nanrong Petrochemical Industry (Jiangyin) was RMB141.8 million.

The valuation of the Target Companies and the Sale Equity was arrived at based on the income approach. The income approach in enterprise value appraisal refers to the appraisal approach of capitalization or discount of expected income to determine the value of the appraised object. The specific approaches commonly used in income approach include the dividend discounted cash flow approach and the discount cash flow approach where in this case, free cash flow discount model is used. The valuation reports issued by the Valuer in connection with the Company’s Valuation (the “**Valuation Reports**”) were prepared in accordance with the Asset Valuation Basic Standards (资产评估基本准则) issued by the Ministry of Finance of the PRC (中国财政部) as well as the Professional Ethics of Assets Appraisal (资产评估职业道德准则), and various practicing standards (资产评估执业准则) and guidance (指南/指导) issued by China Appraisal Society (中国资产评估协会).

4.2. The Valuer, being the leading brand in the Chinese appraisal industry, was established in 1994 by the State-owned Assets Administration Bureau of Jiangsu Provincial Finance Department. It was restructured and renamed in 2000 and is now a council member of the China Asset Appraisal Association and the vice president of Jiangsu Asset Appraisal Association. The Valuer has the highest qualification in the asset appraisal industry in the PRC. In particular, it holds the relevant securities and futures related business assets appraisal agency qualification issued by the Ministry of Finance of the PRC and the China Securities Regulatory Commission. The Valuer also holds the relevant military secret-related qualification.

For more information on the Valuer, please refer to its website at <http://www.jshuaxin.net/>.

4.3. Based on the latest available unaudited financial statements of the Target Companies, as at 31 December 2022:

- (a) The net asset value of Nanrong Petrochemical and Nanrong Petrochemical Industry (Jiangyin) was RMB168.36 million and RMB53.6 million respectively. The net asset value attributable to the Sale Equity was RMB213.21 million.
- (b) The net profit before tax attributable to Nanrong Petrochemical was RMB7.03 million and the net profit before tax attributable to Nanrong Petrochemical Industry (Jiangyin) was RMB11.42 million. The net profit before tax attributable to the Sale Equity was RMB18.08 million.

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## LETTER TO SHAREHOLDERS

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- 4.4. The summaries of the Valuation Reports (the “**Summary Valuation Letters**”) are annexed hereto as Appendix A and copies of which (and the underlying Valuation Reports) are also made available to the Shareholders for inspection at the registered office of the Company. Shareholders are advised to read and consider the Summary Valuation Letters issued by the Valuer carefully.

### 5. RATIONALE OF THE PROPOSED ACQUISITIONS

- 5.1. Firstly, the Proposed Acquisitions are in line with the Group’s strategic efforts in further enhancing its competitiveness and influence in the petrochemicals logistics industry in the PRC. The China Holdco is seeking to transition towards providing a full suite of logistics and warehousing services in the petrochemicals industry by connecting different regions of the Yangtze River and harnessing various means of transport across water, highways and railways. The China Holdco has five existing storage areas for hazardous chemicals in the Yangtze River Basin. Following Completion, the China Holdco will gain control over the day-to-day management and operations of the Nanrong Port, allowing the China Holdco’s five existing storage areas for hazardous chemicals in the Yangtze River Basin to each have access to further port resources and shoreline resources along the Yangtze River. In light of the high demand for available ports and storage resources for hazardous chemicals along the Yangtze River and the **limited supply** of such facilities and resources, the Proposed Acquisitions present an invaluable opportunity for the Group to gain access to the Nanrong Port and its accompanying resources to further enhance the Group’s core competitiveness and lay the foundation for the Group’s future strategic development.
- 5.2. Secondly, the Proposed Acquisitions will allow for the streamlining and coordination of port facilities by removing bottlenecks encountered in the China Holdco’s supply of logistics services to its customers. There have been various instances where the continuous berthing of ships belonging to the Target Companies at Nanrong Port had caused ships belonging to the China Holdco’s customers to be unable to berth, resulting in losses and delays suffered by the China Holdco’s customers. Following Completion, the berthing of all ships at Nanrong Port will be managed and coordinated by the China Holdco in a unified manner to minimise instances of ship detention arising from competition for berthing positions between the China Holdco and the Target Companies. The China Holdco will also be in a better position to distribute its port resources to ensure optimal storage capacity, thereby increasing the efficiency of its services.
- 5.3. Thirdly, the Proposed Acquisitions generate operational and management synergies and efficiencies for the China Holdco. The China Holdco will gain access to additional storage resources following Completion, allowing the China Holdco to diversify and increase the varieties of products which may be stored in its facilities so that it may better serve the needs of its customers, in particular, in view of the policy that no new chemical parks or chemical projects are allowed to be built or expanded within one (1) kilometre of the main branches and tributaries of the Yangtze River. Further, the Proposed Acquisitions will enhance the China Holdco’s management efficiency. Safety equipment and resources will no longer need to be shared between the China Holdco and the Target Companies, and a unified management system incorporating production, safety and environmental aspects will be used to manage both the China Holdco and the Target Companies in a seamless manner.
- 5.4. Lastly, the Proposed Acquisitions facilitate the sustainable development of the China Holdco’s logistics network in the long run. The logistics industry in China is transitioning towards specialisation, integration and depth, with more players providing comprehensive services such as agency, loading and unloading, warehousing management, distribution and transportation, financing support and information compilation. The sustainable development of a logistics business is greatly facilitated by the presence of a port and accompanying port resources.

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## LETTER TO SHAREHOLDERS

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Following Completion, the China Holdco will be equipped with its own port (that is, the Nanrong Port) and will be in a position to transition towards developing a sustainable, active and integrated comprehensive service model, which consists of its core storage business and ancillary businesses such as transportation and agency, thereby creating a complete petrochemical logistics supply chain. A sustainable service model further allows the China Holdco to consolidate its existing resources while expanding its services to more diverse groups of customers.

- 5.5. Given the potential synergies and efficiencies which will be created by the Proposed Acquisitions, the Board believes that the Proposed Acquisitions are in the interests of the Group and the Shareholders in the long run. The Proposed Acquisitions are undertaken pursuant to a strategic review of the financial position, operational needs, long-term strategy and direction of the Group.
- 5.6. In addition to the potential benefit with the control of the Nanrong Port as set out above, the Group will have cost savings upon Completion. The China Holdco paid the Target Companies total port utilisation fees of RMB18.5 million in FY2022. The port utilisation fees are determined annually and the total fee payable for FY2023 is fixed to be RMB18.8 million. The China Holdco will not need to pay further port utilisation fees upon Completion.

## 6. PRINCIPAL TERMS OF THE PROPOSED ACQUISITIONS

### 6.1. Overview of the Proposed Acquisitions

The Proposed Acquisitions shall be undertaken in accordance with the terms set out in the Equity Transfer Agreement. The Equity Transfer Agreement was entered into between the China Holdco, being the purchaser, and the Vendor on 24 February 2023. Pursuant to the Equity Transfer Agreement, the China Holdco shall acquire the Sale Equity from the Vendor through the China Holdco's wholly-owned subsidiaries, Better Logistics (SPV 1) and Best Logistics (SPV 2). Following Completion, the China Holdco will hold:

- (a) 94.8033% of the equity interest in Nanrong Petrochemical through Better Logistics (SPV 1) (the China Holdco's wholly-owned subsidiary); and
- (b) 100% of the equity interest in Nanrong Petrochemical Industry (Jiangyin) through Best Logistics (SPV 2) (the China Holdco's wholly-owned subsidiary).

The Vendor has pledged the Sale Equity for bank loans (the "**Equity Pledge**"). Apart from the Equity Pledge, there are no other encumbrances on the Sale Equity and the Vendor has full and exclusive ownership of, and proper legal and good marketable title to, the Sale Equity.

### 6.2. Total Consideration

- (a) The Total Consideration for the Proposed Acquisitions is RMB600,000,000 (equivalent to approximately S\$116,541,061), comprising the following components:
- (i) The consideration for the acquisition of 94.8033% of the equity interest in Nanrong Petrochemical by the China Holdco through its wholly-owned subsidiary, Better Logistics (SPV 1), being RMB411,000,000 (equivalent to approximately S\$79,830,627); and
- (ii) The consideration for the acquisition of 100% of the equity interest in Nanrong Petrochemical Industry (Jiangyin) by the China Holdco through its wholly-owned

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## LETTER TO SHAREHOLDERS

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subsidiary, Best Logistics (SPV 2), being RMB189,000,000 (equivalent to approximately S\$36,710,434).

- (b) The Total Consideration shall be satisfied in the following manner:
- (i) Approximately 5% of the Total Consideration, being a non-refundable deposit which amounts to RMB30 million, will be paid within five (5) working days from the date of the Equity Transfer Agreement.
  - (ii) Approximately 45% of the Total Consideration, which amounts to RMB270 million (“**Initial Cash Component**”), will be satisfied by cash payment after the Conditions Precedent (as defined in Section 6.3 below) are fully satisfied.
  - (iii) Approximately 27.5% of the Total Consideration, which amounts to approximately RMB165 million, will be satisfied by way of a debt novation exercise. To elaborate further, the existing debt in the amount of RMB165 million currently owing by the Vendor (being the original debtor) to the Target Companies (collectively, the creditors) (the “**Existing Debt A**”) shall be novated (“**Debt Novation A**”) to Better Logistics (SPV 1) and Best Logistics (SPV 2) respectively (namely, RMB134 million to be novated to Better Logistics (SPV 1) and RMB31 million to be novated to Best Logistics (SPV 2)). Pursuant to the Debt Novation A, Better Logistics (SPV 1) and Best Logistics (SPV 2) (being the new debtors) shall assume and perform all of the Vendor’s obligations in connection with the Existing Debt A in place, and in substitution, of the Vendor, and all of the Vendor’s rights, obligations and liabilities in connection with the Existing Debt A shall be transferred to Better Logistics (SPV 1) and Best Logistics (SPV 2) (as the new debtors of the Target Companies). In exchange for the Debt Novation A, part of the Total Consideration amounting to RMB165 million (being approximately 27.5% of the Total Consideration), which would have been paid by the China Holdco to the Vendor in cash, will be deemed as fully and duly settled upon the completion of the Debt Novation A; and
  - (iv) Approximately 15% of the Total Consideration, which amounts to approximately RMB90 million, will be satisfied by way of another debt novation exercise. To elaborate further, the existing interest-bearing debt in the amount of RMB90 million (“**Existing Debt B**”) currently owing by the Vendor (the original debtor) to Nan Rong Singapore Pte Ltd (an affiliate of the Vendor) (the creditor) (“**Nan Rong Singapore**”) will be novated (“**Debt Novation B**”) to Better Logistics (SPV 1) and Best Logistics (SPV 2) respectively (namely, RMB22 million to be novated to Better Logistics (SPV 1) and RMB68 million to be novated to Best Logistics (SPV 2)). Pursuant to the Debt Novation B, Better Logistics (SPV 1) and Best Logistics (SPV 2) (being the new debtors) shall assume and perform all of the Vendor’s obligations in connection with the Existing Debt B in place, and in substitution, of the Vendor, and all of the Vendor’s rights, obligations and liabilities in connection with the Existing Debt B shall be transferred to Better Logistics (SPV 1) and Best Logistics (SPV 2) (being the new debtors of the Target Companies). In exchange for the Debt Novation B, part of the Total Consideration amounting to RMB90 million (being approximately 15% of the Total Consideration), which would have been paid by the China Holdco to the Vendor in cash, will be deemed as fully and duly settled upon the completion of the Debt Novation B. For the avoidance of doubt, Nan Rong Singapore, being the creditor, has agreed to the arrangement in relation to the Debt Novation B. Better Logistics (SPV 1) and Best Logistics (SPV 2) shall repay the Existing Debt B to Nan Rong Singapore over a period of 18 months following the Completion Date either in the form of a lump-sum payment or in instalments. The relevant repayment arrangement shall be further

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## LETTER TO SHAREHOLDERS

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negotiated and agreed upon at the relevant time. An interest rate of 6% per annum shall continue to be applicable to such repayment. The China Holdco intends to source for alternative financing with lower interest rates to repay the Debt Novation B.

- (v) The remainder of the Total Consideration, in the amount of RMB45 million (the “**Post-Completion Cash Component**”), shall be paid to the Vendor in instalments over the next one (1) year following Completion. In consideration of the payment timeline, the Vendor has requested and the China Holdco has agreed to an interest rate of 10% per annum on the Post-Completion Cash Component. The China Holdco intends to source for alternative financing with lower interest rates to repay the Post-Completion Cash Component.
- (c) The Total Consideration was arrived at arm's length and on a willing-buyer-willing-seller basis after taking into account the following factors:
  - (i) The rationale of the Proposed Acquisitions as elaborated in Section 5 of this Circular; and
  - (ii) The Total Valuation as concluded in accordance with the Valuation Reports;
- (d) Taking into account the above factors, the Directors are of the view that the Total Consideration for the Proposed Acquisitions is fair and reasonable, notwithstanding that the Group is paying a high premium for the Proposed Acquisitions above the Total Valuation.

### 6.3. **Conditions Precedent**

Based on the Equity Transfer Agreement, Completion is conditional upon, among other things, the fulfilment and satisfaction of the following conditions precedent (“**Conditions Precedent**”):

- (a) The necessary internal authorisations and approvals having been obtained for the Proposed Acquisitions in accordance with the applicable laws and regulations and the articles of association of the relevant parties to the Proposed Acquisitions, including but not limited to the board of directors and shareholders of the China Holdco, the Vendor and the Target Companies (where applicable), as well as the Board and Shareholders of the Company, having passed resolutions approving the Proposed Acquisitions;
- (b) Wuxi Public Utilities (that is, the shareholder of 5.1967% of the equity interest in Nanrong Petrochemical) having waived its rights of first refusal to acquire the relevant portion of the Sale Equity (that is, 94.8033% of the equity interest in Nanrong Petrochemical); and
- (c) The necessary approval from the relevant banks in respect of the external loans granted for the Initial Cash Component having been obtained and the relevant loan conditions having been met.

As at the Latest Practicable Date, the China Holdco has received the approval from its board of directors and shareholders (including Sinopec) for the Proposed Acquisitions in respect of the Condition Precedent set out in Section 6.3(a) of this Circular. The China Holdco has also received the waiver from Wuxi Public Utilities in respect of the Condition Precedent set out in Section 6.3(b) of this Circular.

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## LETTER TO SHAREHOLDERS

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### 6.4. Completion

Completion of the Proposed Acquisitions shall occur on the date on which the relevant registration procedures required to effect the change in commercial or industrial registration in respect of the Target Companies are completed, including completion of the registration of the release of the Equity Pledge so that the Sale Equity is of good and marketable title, and the updated business licences reflecting the changes in shareholding of the Target Companies are obtained (the “**Completion Date**”).

### 6.5. Source of Funds

The Group intends to finance the Initial Cash Component and Post-Completion Cash Component of the Total Consideration using a combination of external bank borrowings of at least RMB300 million and the internal resources of the China Holdco. The Proposed Acquisitions will not adversely affect the China Holdco’s or the Group’s operations. Please refer to Section 6.2 of this Circular for more information.

## 7. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITIONS

The *pro forma* financial effects of the Proposed Acquisitions on the Group as set out below are for illustrative purposes only and do not reflect the actual financial position or the future financial performance of the Company or the Group after Completion.

The *pro forma* financial effects in this section are based on the consolidated audited financial statements of the Group for the financial year ended 31 December 2022 (“**FY2022**”). The *pro forma* financial effects of the Proposed Acquisitions have been prepared based on the following assumptions:

- (i) The Company has 203,461,883 Shares as at 31 December 2022;
- (ii) The Proposed Acquisitions had been completed on 31 December 2022 for the purposes of computing the *pro forma* financial effects on the net tangible assets (“**NTA**”) of the Group; and
- (iii) The Proposed Acquisitions had been completed on 1 January 2022 for the purposes of computing the *pro forma* financial effects on the losses per Share (“**LPS**”) of the Group for FY2022.

### 7.1. Effect on Group’s NTA per Share

For illustrative purposes only, had the Proposed Acquisitions been completed on 31 December 2022 and based on the consolidated audited financial statements of the Group for FY2022, the Proposed Acquisitions would have had the following impact on the NTA per Share of the Group:

	Immediately before Completion	Immediately after Completion
<b>NTA (RMB’000)<sup>(1)</sup></b> :	543,446	543,446
<b>Number of Shares</b> :	203,461,883	203,461,883

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## LETTER TO SHAREHOLDERS

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**NTA per Share** : 267.1 267.1  
**(RMB cents)**

**Note:**

(1) NTA is based on the net asset value of the Group less intangible assets.

### 7.2. Effect on Group's LPS

For illustrative purposes only, had the Proposed Acquisitions been completed on 1 January 2022 and based on the consolidated audited financial statements of the Group for FY2022, the Proposed Acquisitions would have had the following impact on the LPS of the Group:

	Immediately before Completion	Immediately after Completion
<b>Loss attributable to Shareholders (RMB'000)</b>	(9,540)	(3,858)
<b>Number of Shares</b>	203,461,883	203,461,883
<b>LPS (RMB cents)</b>	(4.69)	(1.95)

## 8. APPLICATION OF CHAPTER 10 OF THE CATALIST RULES – THE PROPOSED ACQUISITIONS AS A MAJOR TRANSACTION

### 8.1. Rule 1005 of the Catalist Rules

Rule 1005 of Chapter 10 of the Catalist Rules states that, in determining whether a transaction is a non-discloseable transaction, discloseable transaction, major transaction, very substantial acquisition or reverse takeover, the SGX-ST may aggregate separate transactions completed within the last 12 months and treat them as if they were one transaction.

As the Proposed Acquisitions both involve acquisitions of equity interest in the Target Companies from the Vendor by the China Holdco, both Target Companies are involved in the day-to-day management and operations of the Nanrong Port, and both of the Proposed Acquisitions are intended to be completed within the same 12 months' period, both of the Proposed Acquisitions have been aggregated in determining the nature of the Proposed Acquisitions.

### 8.2. Relative Figures Computed Pursuant to Rule 1006 of the Catalist Rules

Based on the latest announced financial statements of the Group, being the consolidated unaudited financial statements of the Group and the unaudited management accounts of the Target Companies for FY2022, the relative figures for the Proposed Acquisitions (when aggregated) as computed on the bases set out in Rule 1006 of the Catalist Rules are as follows:

(a) Net asset value of the assets to be disposed of, compared with the Group's net asset value. Not applicable <sup>(1)</sup>

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## LETTER TO SHAREHOLDERS

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(b)	Net profits attributable to the Sale Equity in the Target Companies to be acquired pursuant to the Proposed Acquisitions, compared with the Group's net losses.	-190.18% <sup>(2)</sup>
(c)	Aggregate value of the consideration given for the Sale Equity in the Target Companies to be acquired pursuant to the Proposed Acquisitions, compared with the Company's market capitalisation based on the total number of issued Shares excluding treasury shares.	98.97% <sup>(3)</sup>
(d)	The number of equity securities issued by the Company as consideration for the Proposed Acquisitions, compared with the number of equity securities previously in issue.	Not applicable <sup>(4)</sup>
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets.	Not applicable <sup>(5)</sup>

### Notes:

- (1) Not applicable as the Proposed Acquisitions are in relation to the acquisition of assets.
- (2) "Net profits/losses" means profit/loss before income tax and non-controlling interests. Based on the latest unaudited consolidated financial statements of the Group and the unaudited management accounts of the Target Companies for FY2022, the net profits attributable to the Sale Equity are RMB18.08 million and the net losses of the Group are RMB9.51 million.
- (3) Under Rule 1002(5) of the Catalist Rules, "market capitalisation" is determined by multiplying the number of Shares in issue by the weighted average price of such Shares transacted on the market day preceding the date of the Acquisition Announcement. Accordingly, the market capitalisation of the Company is based on 203,461,883 Shares in issue and the weighted average price of S\$0.241 of the Shares transacted on 20 February 2023, being the last market date preceding the date of the Acquisition Announcement that the Shares were traded, and as such the market capitalisation for the purposes of the Proposed Acquisitions is S\$49,034,314. The portion of the Total Consideration for the Proposed Acquisitions to the Company is S\$48,527,698 (being 41.64% of the Total Consideration at the exchange rate of S\$1.00 to RMB5.1484, being the exchange rate of RMB to SGD on 23 February 2023 (i.e., one day before the Equity Transfer Agreement was entered into)).
- (4) Not applicable as there will be no issuance of shares as consideration for the Proposed Acquisitions.
- (5) Not applicable as the Company is not a mineral, oil or gas company.

### 8.3. The Proposed Acquisitions as a Major Transaction under Chapter 10 of the Catalist Rules

Save for Rule 1006(b) of the Catalist Rules which exceeds 100%, the relevant applicable figure computed on the bases set out in Rule 1006(c) of the Catalist Rules exceeds 75% but does not exceed 100%. Accordingly, the Proposed Acquisitions, when aggregated, collectively constitute a "major transaction" as defined in Chapter 10 of the Catalist Rules. Accordingly, the approval of the Shareholders is required for the Proposed Acquisitions.

To elaborate further, the relative figure computed under Rule 1006(b) of the Catalist Rules exceeds 100% and is a negative figure. This was mainly because the Target Companies were profitable while the Group reported a loss for FY2022. Pursuant to Rule 1015(8) of the Catalist Rules, Rule

## LETTER TO SHAREHOLDERS

1015 of the Catalist Rules relating to “very substantial acquisitions” does not apply in the case of an acquisition of profitable assets if the only limit breached is Rule 1006(b) of the Catalist Rules. Accordingly, reading Rule 1006(b) and Rule 1015(8) of the Catalist Rules together, the Proposed Acquisitions, when aggregated, are not considered a “very substantial acquisition” or “reverse takeover” as defined in Chapter 10 of the Catalist Rules since the only limit breached is Rule 1006(b) of the Catalist Rules.

In view of the above, as the Proposed Acquisitions constitute a “major transaction” as defined in Chapter 10 of the Catalist Rules, the Proposed Acquisitions are subject to the approval of the Shareholders being obtained at the EGM of the Company.

### 9. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

The details of the Directors’ and Substantial Shareholders’ interests in the Shares as at the Latest Practicable Date are set out below:

	Direct interest (No. of Shares)	%	Deemed interest (No. of Shares)	%	Total interest (No. of Shares)	%
		(1)		(1)		(1)
<b>Directors</b>						
Anthony Ng Koon Leng	-	-	-	-	-	-
Gu Wen Long <sup>(2)</sup>	-	-	114,100,000	56.08	114,100,000	56.08
Tee Tuan Sem <sup>(3)</sup>	-	-	-	-	-	-
Xie Yu <sup>(4)</sup>	1,950,000	0.96	-	-	1,950,000	0.96
Diong Tai Pew <sup>(5)</sup>	676,100	0.33	-	-	676,100	0.33
<b>Substantial Shareholders</b>						
ForeverSun Holdings Co., Ltd. <sup>(2)</sup>	114,100,000	56.08	-	-	114,100,000	56.08
Integrated Logistics (H.K.) Ltd. <sup>(3)</sup>	52,500,000	25.80	-	-	52,500,000	25.80

**Notes:**

- (1) Based on the issued share capital of the Company of 203,461,883 Shares as at the Latest Practicable Date.
- (2) The Chief Executive Officer of the Company, Mr Gu Wen Long, holds 100% of the issued share capital of ForeverSun Holdings Co., Ltd. (“**ForeverSun Holdings**”) and is therefore deemed interested in the shares of the Company held by ForeverSun Holdings, a company incorporated in the British Virgin Islands, by virtue of Section 7 of the Companies Act. The principal activity of ForeverSun Holdings is investment holding.
- (3) Mr Tee Tuan Sem, the Executive Vice Chairman of the Company, is the chief executive officer of Integrated Logistics Bhd (“**ILB**”), a logistics company listed on Bursa Malaysia. ILB has a 70% indirect effective equity interest in Integrated Logistics (HK) Ltd. (“**ILHK**”), which is an investment holding company incorporated in Hong Kong with investments in logistics businesses in the PRC. The other 30% of ILHK is owned by Shun Hing China Investment Limited, an investment holding company that is indirectly owned by the family of Mr David Mong Tak-yeung and the estate of Dr William Wong Man-Wai. Mr David Mong Tak-yeung is not related to any of the Directors.
- (4) Mr Xie Yu, a Non-Executive Director of the Company, is holding 1,950,000 Shares through HSBC (Singapore) Nominees Pte Ltd.

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## LETTER TO SHAREHOLDERS

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- (5) Mr Diong Tai Pew, an Independent Director of the Company, is holding 104,800 Shares through OCBC Securities Private Limited and 571,300 Shares in his own name.

As at the Latest Practicable Date, none of the Directors or the Substantial Shareholders or their Associates has any direct or indirect interest in the Proposed Acquisitions, other than through their respective shareholding interests in the Company (if any).

### 10. DIRECTORS' SERVICE CONTRACTS

No person is proposed to be appointed as a director in connection with the Proposed Acquisitions. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

### 11. DIRECTORS' RECOMMENDATIONS

Having fully considered, amongst other things, the terms and rationale of the Proposed Acquisitions, the Directors are of the opinion that the Proposed Acquisitions are in the best interests of the Company. Accordingly, the Directors recommend that the Shareholders vote in favour of the Ordinary Resolution set out in the Notice of EGM.

### 12. CONSENTS

The Valuer has given and has not withdrawn its written consent ("**Valuer's Consent Letter**") to the issue of this Circular with the inclusion of its name, the Summary Valuation Letters annexed hereto as Appendix A and all references thereto, in the form and context in which they appear in this Circular.

### 13. EXTRAORDINARY GENERAL MEETING

#### 13.1. Notice of EGM

The EGM, notice of which is set out on pages N-1 to N-5 of this Circular, will be held on 21 March 2023 at 10.00 a.m. by electronic means in the manner as set out in the Notice of EGM for the purpose of considering and, if thought fit, passing, with or without modifications, the Ordinary Resolution relating to the Proposed Acquisitions set out in the Notice of EGM.

#### 13.2. No physical attendance at EGM

Due to the current COVID-19 restriction orders in Singapore (including under the COVID-19 (Temporary Measures) Act 2020 (the "**COVID-19 Act**") and the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (the "**COVID-19 Order**")), Shareholders will not be able to attend the EGM in person. Instead, alternative arrangements have been put in place to allow Shareholders to participate at the EGM by:

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## LETTER TO SHAREHOLDERS

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- (a) watching the EGM proceedings via “live” audio-visual webcast or listening to the EGM proceedings via “live” audio-only stream;
- (b) submitting questions in advance of the EGM or during the “live” audio-visual webcast of the EGM; and/or
- (c) voting at the EGM:
  - (i) “live” by the Shareholders themselves or their duly appointed proxy(ies) (other than the Chairman of the EGM) via electronic means; or
  - (ii) by appointing the Chairman of the EGM as proxy to attend, speak and vote on their behalf at the EGM.

Please refer to Section 14 of this Circular for further details on the alternative arrangements.

In addition, Shareholders should note that the Company may make further changes to its EGM arrangements (including but not limited to any applicable alternative arrangements as may be prescribed or permitted (as the case may be) under the COVID-19 Act and any regulations promulgated thereunder (including the COVID-19 Order, the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) (Amendment No. 2) Order 2020 as well as other guidelines issued by the relevant authorities) as the situation evolves. Shareholders are advised to keep abreast of any changes as may be announced by the Company from time to time on SGXNET.

### 13.3. **No Despatch of Printed Copies of Circular, Notice of EGM and Proxy Form**

No printed copies of this Circular, the Notice of EGM and the Proxy Form in respect of the EGM will be despatched to Shareholders. Copies of this Circular, the Notice of EGM and the Proxy Form will be made available via SGXNET at the URL <https://www.sgx.com/securities/company-announcements>. A Shareholder will need an Internet browser and PDF reader to view these documents on SGXNET.

## 14. **ACTION TO BE TAKEN BY SHAREHOLDERS**

### 14.1. **Alternative Arrangements**

Alternative arrangements have been put in place to allow Shareholders who have pre-registered to participate at the EGM by (a) observing and/or listening to the EGM proceedings via “live” audio-visual webcast or “live” audio-only stream, (b) submitting questions relating to the Ordinary Resolution tabled for approval in advance of the EGM or during the “live” audio-visual webcast of the EGM, and/or (c) voting at the EGM (i) “live” by the Shareholders themselves or their duly appointed proxy(ies) (other than the Chairman of the EGM) via electronic means; or (ii) appointing the Chairman of the EGM as proxy to vote on their behalf at the EGM.

Shareholders may begin to pre-register for the “live” audio-visual webcast or “live” audio-only stream of the EGM proceedings and/or submit any questions that are related to the Ordinary Resolution tabled for approval via the pre-registration website at this link: <https://globalmeeting.bigbangdesign.co/hengyang2023egm/> (“**Pre-registration Website**”).

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## LETTER TO SHAREHOLDERS

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Shareholders are to pre-register for the “live” audio-visual webcast or “live” audio-only stream of the EGM proceedings by 10.00 a.m. on 16 March 2023 (the “**Registration Deadline**”). Shareholders should refer to the Notice of EGM set out in pages N-1 to N-5 of this Circular for further information, including the steps to be taken by Shareholders to participate at the EGM.

Following successful verification by the Company, a confirmation email which contains instructions on how to join the webcast, and other relevant matters (the “**Confirmation Email**”) will be sent to authenticated Shareholders who have been pre-registered for the EGM by the Registration Deadline at the email specified in their pre-registration details.

Shareholders who do not receive a Confirmation Email by 10.00 a.m. on 19 March 2023, but have registered by the Registration Deadline, should contact the Company’s webcast vendor via email at [webcast@bigbangdesign.co](mailto:webcast@bigbangdesign.co).

### **IMPORTANT NOTICE:**

The Company will be conducting the EGM on 21 March 2023 at 10.00 a.m. wholly by electronic means through a “live” webcast comprising both video (audio-visual) and audio-only feeds, in accordance with the COVID-19 Order and the Joint Statement of the Accounting and Corporate Regulatory Authority, Monetary Authority of Singapore and Singapore Exchange Regulation (updated on 4 February 2022) titled “Guidance on the Conduct of General Meetings Amid Evolving COVID-19 Situation”.

As the COVID-19 situation continues to evolve, the Company will closely monitor the situation and any prevailing guidelines issued by the government authorities, and the Company may be required to change its EGM arrangements at short notice. **Shareholders should check the Company’s announcements on SGXNET for any updates in relation to the EGM.**

#### 14.2. **Submission of Shareholders’ queries**

##### Submission of Shareholders’ queries in advance

After publication of the Notice of EGM, Shareholders will be allowed at least seven (7) calendar days to submit their questions. All substantial and relevant questions received from Shareholders prior to the EGM will be addressed by the Board and/or management before 10.00 a.m. on 17 March 2023, being 48 hours prior to the closing date and time for the lodgement of the Proxy Forms.

All questions must be submitted by no later than 6.00 p.m. on 14 March 2023:

- (a) **via the Pre-registration Website** at the URL <https://globalmeeting.bigbangdesign.co/hengyang2023egm/>;
- (b) in hard copy **by post** to the registered address of the Company at 10 Anson Road, #25-06 International Plaza, Singapore 079903; or
- (c) **via email** to [hengyang.sg@hyplc.com](mailto:hengyang.sg@hyplc.com).

For verification purposes, when submitting any questions by post or via email, Shareholders **MUST** provide the Company with their particulars (comprising full name (for individuals) / company name

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## LETTER TO SHAREHOLDERS

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(for corporates), email address, contact number, NRIC / passport number / company registration number, shareholding type and number of Shares held).

Substantial and relevant questions which are submitted after 6.00 p.m. on 14 March 2023 will be consolidated and addressed either before the EGM via an announcement on SGXNET or at the EGM. The minutes of the EGM, which include responses to substantial queries from the Shareholders which are addressed during the EGM, shall thereafter be published on SGXNET, within one month from the conclusion of the EGM.

Investors who hold shares through relevant intermediaries as defined in Section 181(1C) of the Companies Act, including investors who hold shares under the Central Provident Fund Investment Scheme (“CPF”) and/or the Supplementary Retirement Scheme (“SRS”, and such investors the “CPF/SRS Investors”), can submit their questions in relation to the Ordinary Resolution set out in the Notice of EGM upon pre-registration, however, they should, in addition to pre-registering, approach their respective agents as soon as possible, so that the necessary arrangements can be made by the relevant agents for their participation in the EGM.

**In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult to submit questions by post, Shareholders are strongly encouraged to submit their questions electronically via email.**

### Submission of Shareholders' queries during the EGM

Authenticated Shareholders who have been pre-registered for the EGM by the Registration Deadline will be able to ask questions relating to the resolution to be tabled for approval at the EGM during the EGM by submitting text questions via the “Live Q&A” window/tab after logging in with the instructions found in the Confirmation Email. The Company will endeavour to respond to such queries during the EGM as far as reasonably practicable.

### 14.3. **Voting “live” at the EGM or by Proxy**

Shareholders who wish to exercise their voting rights at the EGM may:

- (a) (where such Shareholders are individuals) vote “live” via electronic means at the EGM or (whether such Shareholders are individuals or corporates) appoint a proxy(ies) (other than the Chairman of the EGM) to vote “live” via electronic means at the EGM on their behalf; or
- (b) (whether such Shareholders are individuals or corporates) appoint the Chairman of the EGM as their proxy to vote on their behalf at the EGM.

For the avoidance of doubt, CPF/SRS Investors will not be able to appoint third party proxy(ies) (that is, persons other than the Chairman of the EGM) to vote “live” at the EGM on their behalf.

### Pre-registration required for Shareholders and proxies

All Shareholders as well as CPF/SRS Investors who wish to attend the EGM must pre-register online at the Pre-registration Website at <https://globalmeeting.bigbangdesign.co/hengyang2023egm/> by the Registration Deadline for verification purposes.

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## LETTER TO SHAREHOLDERS

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Shareholders who are appointing proxyholder(s) (other than the Chairman of the EGM) to attend the EGM should inform his or her proxyholder(s) to pre-register via the Pre-registration Website at <https://globalmeeting.bigbangdesign.co/hengyang2023egm/> by the Registration Deadline, failing which the appointment shall be invalid.

Authenticated shareholders, proxyholders and CPF/SRS Investors will be provided with a Confirmation Email via the email address provided during pre-registration. Shareholders, proxyholders, CPF and SRS Investors who have pre-registered by the Registration Deadline but have not received the Confirmation Email by 10.00 a.m. on 19 March 2023 should immediately contact the Company's webcast vendor via email at [webcast@bigbangdesign.co](mailto:webcast@bigbangdesign.co).

### Submission of Proxy Form

In relation to the appointment of proxy(ies) to attend and vote on behalf of the Shareholder at the EGM, Shareholders should complete, sign and return the Proxy Form attached to the Notice of EGM in accordance with the instructions printed thereon as soon as possible by completing and submitting the Proxy Form to the Company in the following manner:

- (a) if submitted by post, be mailed to or deposited at the office of the Company's share registrar (that is, Boardroom Corporate & Advisory Services Pte. Ltd.) (the "**Share Registrar**"), at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or
- (b) if submitted electronically, be submitted via email to [srs.teamd@boardroomlimited.com](mailto:srs.teamd@boardroomlimited.com),

in either case not later than 48 hours before the time fixed for holding the EGM, which is 19 March 2023, 10.00 a.m.

The Proxy Form is not valid for use by investors and shall be ineffective for all intents and purposes if used or purported to be used by them. A CPF/SRS Investor may: (1) vote "live" via electronic means at the EGM if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies; or (2) appoint the Chairman of the EGM as proxy to vote on their behalf at the EGM, in which case they should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 10.00 a.m. on 10 March 2023, being seven (7) working days before the date of the EGM.

**In view of the current COVID-19 measures which may make it difficult for Shareholders to submit completed Proxy Forms by post, Shareholders are strongly encouraged to submit completed Proxy Forms electronically via email.** The Company thanks Shareholders for their patience, understanding and cooperation in this regard.

Shareholders (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting in the Proxy Form, failing which the appointment will be treated as invalid.

If the appointor is a corporate, the Proxy Form must be executed under seal or the hand of its duly authorised officer or attorney.

The Company shall be entitled to reject a Proxy Form if it is incomplete, improperly complete, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the Proxy Form (such as in the case the appointor submits more than one instrument of proxy).

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## LETTER TO SHAREHOLDERS

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### Depositors

A Depositor will not be regarded as a member of the Company entitled to attend the EGM and to speak and vote thereat unless he/she is shown to have Shares entered against his/her name in the Depository Register as certified by CDP to the Company at least 72 hours before the EGM.

### **15. DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Acquisitions and the Group, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading.

Where information in this Circular has been extracted or reproduced from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

### **16. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection at the registered office of the Company at 10 Anson Road, #25-06 International Plaza, Singapore 079903, during normal business hours from the date of this Circular up to the date of the EGM:

- (a) The Summary Valuation Letters (and the underlying Valuation Reports);
- (b) The Equity Transfer Agreement;
- (c) The Valuer's Consent Letter set out in Section 12 of this Circular; and
- (d) Constitution of the Company.

Yours faithfully,

For and on behalf of the Board of  
**HENGYANG PETROCHEMICAL LOGISTICS LIMITED**

**GU WEN LONG**  
Director and Chief Executive Officer

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**APPENDIX A – SUMMARY VALUATION LETTERS**

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## APPENDIX A

### SUMMARY VALUATION REPORT ON 南荣石油化学有限公司 (NANRONG PETROCHEMICAL CO., LTD.<sup>1</sup>)

6 March 2023

#### HENGYANG PETROCHEMICAL LOGISTICS LIMITED

10 Anson Road  
#25-06 International Plaza  
Singapore 079903

#### Valuation of the entire equity interest of 南荣石油化学有限公司 (NANRONG PETROCHEMICAL CO., LTD.<sup>1</sup>)

Dear Sirs:

##### 1. Introduction

Hengyang Petrochemical Logistics Ltd.- ("Hengyang Petrochemical") has entrusted 江苏华信资产评估有限公司 (Jiangsu Huaxin Asset Appraisal Co., Ltd.<sup>1</sup>) to appraise the value of the entire equity interest in the registered capital of 南荣石油化学有限公司 (Nanrong Petrochemical Co., Ltd.<sup>1</sup>) in connection with the proposed acquisition of 94.80% equity in the registered capital of 南荣石油化学有限公司 (Nanrong Petrochemical Co., Ltd.<sup>1</sup>) by a subsidiary of Hengyang Petrochemical.

江苏华信资产评估有限公司 (Jiangsu Huaxin Asset Appraisal Co., Ltd.<sup>1</sup>), formerly known as 江苏资产评估公司 (Jiangsu Asset Appraisal Co., Ltd.<sup>1</sup>), was established in 1994 by the State-owned Assets Administration Bureau of Jiangsu Provincial Finance Department. It was restructured and renamed in 2000. Now it is a council member of China Asset Appraisal Association and vice president of Jiangsu Asset Appraisal Association. 江苏华信资产评估有限公司 (Jiangsu Huaxin Asset Appraisal Co., Ltd.<sup>1</sup>) has the highest qualification in the asset appraisal industry, which has securities and futures related business assets appraisal agency qualification issued by the Ministry of Finance of the People's Republic of China and China Securities Regulatory Commission. 江苏华信资产评估有限公司 (Jiangsu Huaxin Asset Appraisal Co., Ltd.<sup>1</sup>) also has the military-secret-related qualification.

##### 2. Purpose of the appraisal

To appraise the value of the entire equity interest in the registered capital of 南荣石油化学有限公司 (Nanrong Petrochemical Co., Ltd.<sup>1</sup>) in connection with the proposed acquisition of 94.80% equity interest in the registered capital of 南荣石油化学有限公司 (Nanrong Petrochemical Co., Ltd.<sup>1</sup>) by a subsidiary of Hengyang Petrochemical.

##### 3. Object and scope of the appraisal

The entrusted appraised object and the scope of appraisal are consistent with the appraised object and the scope of appraisal involved in the economic behavior.

The appraised object is the entire equity interest in the registered capital of 南荣石油化学有限公司 (Nanrong Petrochemical Co., Ltd.<sup>1</sup>) as at the appraisal date.

<sup>1</sup> This is the English translation of the Chinese name and included herein for identification purpose only.

## SUMMARY OF JIANGSU HUAXIN EQUITY VALUE VALUATION REPORT

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The scope of appraisal includes all the assets and liabilities declared by 南荣石油化学有限公司 (Nanrong Petrochemical Co., Ltd.<sup>1</sup>) on the appraisal date.

#### 4. Reliance on information and representation

The information used by us in preparing this Summary Valuation Report has been obtained primarily from 南荣石油化学有限公司 (Nanrong Petrochemical Co., Ltd.<sup>1</sup>) and other sources as indicated in this Summary Valuation Report. These include:

- a) Financial projections provided by the management of 南荣石油化学有限公司 (Nanrong Petrochemical Co., Ltd.<sup>1</sup>) and supporting information (such as, technical reports, discussions/correspondences with the Management); and
- b) All other publicly available information.

#### 5. Valuation methodology and summary results

According to the Practice Standards for Assets Appraisal - Enterprise Value, the enterprise value appraisal shall be carried out by analyzing the applicability of income approach, market approach and cost approach (asset-based approach) on the basis of the evaluation purpose, evaluation object, value type, data collection and other relevant conditions, to select the appraisal approach.

The asset-based approach in the enterprise value appraisal reflects the value from the perspective of the purchase and construction of the asset. This appraisal has the conditions to adopt the approach, so it can be used.

Since the necessary data about the enterprise nature, asset size, historical operation, forecast of future returns and risks of the 南荣石油化学有限公司 (Nanrong Petrochemical Co., Ltd.<sup>1</sup>) is accessible, the appraisal has the operating conditions for the implementation of the income approach which can be adopted.

As it is difficult to collect appropriate amount of listed comparable companies and relevant data needed for comparative analysis, and the sample size of comparable companies with similar major business and operation scale is small, which doesn't meet the appraisal requirements of using the listed company comparison method. The operating conditions for using market approach are not available.

Therefore, the asset-based approach and income approach are used for the appraisal, and after analysis, the results of income approach are used to determine the appraisal conclusion, knowledgeably, prudently and without compulsion.

The asset-based method, based on the balance sheet of the 南荣石油化学有限公司 (Nanrong Petrochemical Co., Ltd.<sup>1</sup>) on the appraisal date, determines the value of the appraisal object by reasonably appraise the value of the assets and liabilities on balance sheet and identifiable off-balance sheet. Specifically, on the premise of resetting various factors of production, the idea is to sum up the appraisal value of various assets and then subtract the appraisal value of various liabilities to find the total value of the entire equity interest in the registered capital of 南荣石油化学有限公司 (Nanrong Petrochemical Co., Ltd.<sup>1</sup>)

The income approach in enterprise value appraisal refers to the appraisal approach of capitalization or discount of expected income to determine the value of the appraised object. The specific approaches commonly used in income approach include the dividend discounted cash flow approach and the discount cash flow approach.

This appraisal adopts the enterprise free cash flow discount model in the discount cash

## SUMMARY OF JIANGSU HUAXIN EQUITY VALUE VALUATION REPORT

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flow approach. The specific approach is that weighted average cost of capital (WACC) is taken as the discount rate, and the estimated free cash flow of firm (FCFF) in future years is discounted and summed to obtain the value of operating assets, then to add the value of surplus assets and non-operating assets to get the total asset value of the enterprise, minus the value of interest-paying liabilities, to get the total value of the entire equity interest in the registered capital of 南荣石油化学有限公司 (Nanrong Petrochemical Co., Ltd.<sup>1</sup>). The basic formula is as follows:

Total shareholder equity value = value of operating assets + value of non-operating assets - value of non-operating liabilities + value of surplus assets - value of interest-paying liabilities.

We have set out below, the key assumptions as well as the risk factors, which may materially affect the entire equity interest in the registered of 南荣石油化学有限公司 (Nanrong Petrochemical Co., Ltd.<sup>1</sup>). These include:

- i. Going concern assumption: It is assumed that the 南荣石油化学有限公司 (Nanrong Petrochemical Co., Ltd.<sup>1</sup>) can continue to operate, and all the assets of the 南荣石油化学有限公司 (Nanrong Petrochemical Co., Ltd.<sup>1</sup>) can continue to be used for the original purpose after the appraisal date. It is assumed that the business is a going concern.
- ii. Trading assumption: Assume that all assets to be valued are already in the process of trading, the appraisal will be conducted by simulating the market according to the trading conditions of the assets to be appraised.
- iii. Open market assumption: It is assumed that the assets traded or to be traded in the market, possess equal status in asset transaction and have the opportunity and time to obtain enough market information to facilitate rational judgment of the functions, purposes and trading prices of the assets. The open market assumption is based on the fact that assets can be bought and sold openly in the market.
- iv. There are no major changes in the relevant laws, regulations and policies of the state, the national macroeconomic situation, and the political, economic and social environment of the region where the parties in the transaction are located.
- v. There will be no significant changes in interest rates, exchange rates, tax bases and tax rates, and policy levy fees.
- vi. It is assumed that, on the basis of the existing management mode and level, the business scope and mode of 南荣石油化学有限公司 (Nanrong Petrochemical Co., Ltd.<sup>1</sup>) are consistent with the current direction. The operator of 南荣石油化学有限公司 (Nanrong Petrochemical Co., Ltd.<sup>1</sup>) is responsible, and the management of 南荣石油化学有限公司 (Nanrong Petrochemical Co., Ltd.<sup>1</sup>) is capable of performing corresponding duties, and the core team hasn't undergone significantly adverse changes. 南荣石油化学有限公司 (Nanrong Petrochemical Co., Ltd.<sup>1</sup>) fully complies with all relevant laws and regulations.
- vii. Assuming that the market access conditions of relevant qualifications don't change, the business qualification of 南荣石油化学有限公司 (Nanrong Petrochemical Co., Ltd.<sup>1</sup>) can be continued when expire.
- viii. It is assumed that the accounting policies to be adopted by 南荣石油化学有限公司 (Nanrong Petrochemical Co., Ltd.<sup>1</sup>) in the future are basically consistent with those used in this report in important aspects.
- ix. No other force majeure and unforeseeable factors will cause significant adverse effects on 南荣石油化学有限公司 (Nanrong Petrochemical Co., Ltd.<sup>1</sup>).

### 6. Conclusion

Without considering the lack of equity liquidity discount, the income approach is adopted

## SUMMARY OF JIANGSU HUAXIN EQUITY VALUE VALUATION REPORT

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to appraise. The book value of 南荣石油化学有限公司 (Nanrong Petrochemical Co., Ltd.<sup>1</sup>)'s net asset is RMB 166.4484 million as at September 30, 2022, being the appraisal date.

The value of entire equity interest in the registered capital of 南荣石油化学有限公司 (Nanrong Petrochemical Co., Ltd.<sup>1</sup>) based on our appraisal is RMB 276.00 million, and the appraisal value added is RMB 109.5516 million yuan, an appreciation ratio of 39.69%.

In the Income approach, the main parameters are as follows:

Discount rate	Forecast period
10.24%	From October 2022 to December 2027

This Summary Valuation Report is addressed to and intended for the use of Hengyang Petrochemical for the purpose as set out herein. Accordingly, this Summary Valuation Report may not be used or relied upon by, nor confer any benefit to, any other person (including without limitation, the shareholders of Hengyang Petrochemical). Any recommendation made by the Directors of Hengyang Petrochemical ("Directors") to the shareholders of Hengyang Petrochemical shall remain the responsibility of such Directors.

Yours faithfully,

For and on behalf of  
江苏华信资产评估有限公司  
(Jiangsu Huaxin  
Asset Appraisal  
Co., Ltd.<sup>1</sup>)

Wang Xin  
Director



## APPENDIX B

### SUMMARY VALUATION REPORT ON 南荣石油化工（江阴）有限公司 (NANRONG PETROCHEMICAL(JIANGYIN)CO., LTD.<sup>1</sup>)

6 March 2023

#### HENGYANG PETROCHEMICAL LOGISTICS LIMITED

10 Anson Road  
#25-06 International Plaza  
Singapore 079903

#### Valuation of the entire equity interest of 南荣石油化工（江阴）有限公司 (Nanrong Petrochemical (Jiangyin) Co., Ltd.<sup>1</sup>)

Dear Sirs:

##### 1. Introduction

Hengyang Petrochemical Logistics Ltd.- ("Hengyang Petrochemical") has entrusted 江苏华信资产评估有限公司 (Jiangsu Huaxin Asset Appraisal Co., Ltd.<sup>1</sup>) to appraise the value of the entire equity interest in the registered capital of 南荣石油化工（江阴）有限公司 (Nanrong Petrochemical (Jiangyin) Co., Ltd.<sup>1</sup>) in connection with the proposed acquisition of the entire equity interest in the registered capital of 南荣石油化工（江阴）有限公司 (Nanrong Petrochemical (Jiangyin) Co., Ltd.<sup>1</sup>) by a subsidiary of Hengyang Petrochemical.

江苏华信资产评估有限公司 (Jiangsu Huaxin Asset Appraisal Co., Ltd.<sup>1</sup>), formerly known as 江苏资产评估公司 (Jiangsu Asset Appraisal Co., Ltd.<sup>1</sup>), was established in 1994 by the State-owned Assets Administration Bureau of Jiangsu Provincial Finance Department. It was restructured and renamed in 2000. Now it is a council member of China Asset Appraisal Association and vice president of Jiangsu Asset Appraisal Association. 江苏华信资产评估有限公司 (Jiangsu Huaxin Asset Appraisal Co., Ltd.<sup>1</sup>) has the highest qualification in the asset appraisal industry, which has securities and futures related business assets appraisal agency qualification issued by the Ministry of Finance of the People's Republic of China and China Securities Regulatory Commission. 江苏华信资产评估有限公司 (Jiangsu Huaxin Asset Appraisal Co., Ltd.<sup>1</sup>) also has the military-secret-related qualification.

##### 2. Purpose of the appraisal

To appraise the value of the entire equity interest in the registered capital of 南荣石油化工（江阴）有限公司 (Nanrong Petrochemical (Jiangyin) Co., Ltd.<sup>1</sup>) in connection with the proposed acquisition of the entire equity interest in the registered capital of 南荣石油化工（江阴）有限公司 (Nanrong Petrochemical (Jiangyin) Co., Ltd.<sup>1</sup>) by a subsidiary of Hengyang Petrochemical.

##### 3. Object and scope of the appraisal

The entrusted appraised object and the scope of appraisal are consistent with the appraised object and the scope of appraisal involved in the economic behavior.

The appraised object is the entire equity interest in the registered capital of 南荣石油化

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<sup>1</sup> This is the English translation of the Chinese name and included herein for identification purpose only.

## SUMMARY OF JIANGSU HUAXIN EQUITY VALUE VALUATION REPORT

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工（江阴）有限公司（Nanrong Petrochemical (Jiangyin) Co., Ltd.<sup>1</sup>) as at the appraisal date.

The scope of appraisal includes all the assets and liabilities declared by 南荣石油化工（江阴）有限公司（Nanrong Petrochemical (Jiangyin) Co., Ltd.<sup>1</sup>) on the appraisal date.

#### 4. Reliance on information and representation

The information used by us in preparing this Summary Valuation Report has been obtained primarily from 南荣石油化工（江阴）有限公司（Nanrong Petrochemical (Jiangyin) Co., Ltd.<sup>1</sup>) and other sources as indicated in this Summary Valuation Report. These include:

- a) Financial projections provided by the management of 南荣石油化工（江阴）有限公司（Nanrong Petrochemical (Jiangyin) Co., Ltd.<sup>1</sup>) and supporting information (such as, technical reports, discussions/correspondences with the Management); and
- b) All other publicly available information.

#### 5. Valuation methodology and summary results

According to the Practice Standards for Assets Appraisal - Enterprise Value, the enterprise value appraisal shall be carried out by analyzing the applicability of income approach, market approach and cost approach (asset-based approach) on the basis of the evaluation purpose, evaluation object, value type, data collection and other relevant conditions, to select the appraisal approach.

The asset-based approach in the enterprise value appraisal reflects the value from the perspective of the purchase and construction of the asset. This appraisal has the conditions to adopt the approach, so it can be used.

Since the necessary data about the enterprise nature, asset size, historical operation, forecast of future returns and risks of 南荣石油化工（江阴）有限公司（Nanrong Petrochemical (Jiangyin) Co., Ltd.<sup>1</sup>) is accessible, the appraisal has the operating conditions for the implementation of the income approach which can be adopted.

As it is difficult to collect appropriate amount of listed comparable companies and relevant data needed for comparative analysis, and the sample size of comparable companies with similar major business and operation scale is small, which doesn't meet the appraisal requirements of using the listed company comparison method. The operating conditions for using market approach are not available.

Therefore, the asset-based approach and income approach are used for the appraisal, and after analysis, the results of income approach are used to determine the appraisal conclusion, knowledgeably, prudently and without compulsion.

The asset-based method, based on the balance sheet of 南荣石油化工（江阴）有限公司（Nanrong Petrochemical (Jiangyin) Co., Ltd.<sup>1</sup>) on the appraisal date, determines the value of the appraisal object by reasonably appraise the value of the assets and liabilities on balance sheet and identifiable off-balance sheet. Specifically, on the premise of resetting various factors of production, the idea is to sum up the appraisal value of various assets and then subtract the appraisal value of various liabilities to find the total value of the entire equity interest in the registered capital of 南荣石油化工（江阴）有限公司（Nanrong Petrochemical (Jiangyin) Co., Ltd.<sup>1</sup>)

The income approach in enterprise value appraisal refers to the appraisal approach of capitalization or discount of expected income to determine the value of the appraised

## SUMMARY OF JIANGSU HUAXIN EQUITY VALUE VALUATION REPORT

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object. The specific approaches commonly used in income approach include the dividend discounted cash flow approach and the discount cash flow approach.

This appraisal adopts the enterprise free cash flow discount model in the discount cash flow approach. The specific approach is that weighted average cost of capital (WACC) is taken as the discount rate, and the estimated free cash flow of firm (FCFF) in future years is discounted and summed to obtain the value of operating assets, then to add the value of surplus assets and non-operating assets to get the total asset value of the enterprise, minus the value of interest-paying liabilities, to get the total value of the entire equity interest in the registered capital of 南荣石油化工（江阴）有限公司 (Nanrong Petrochemical (Jiangyin) Co., Ltd.<sup>1</sup>) The basic formula is as follows:

Total shareholder equity value = value of operating assets + value of non-operating assets - value of non-operating liabilities + value of surplus assets - value of interest-paying liabilities.

We have set out below, the key assumptions as well as the risk factors, which may materially affect the entire equity interest in the registered of 南荣石油化工（江阴）有限公司 (Nanrong Petrochemical (Jiangyin) Co., Ltd.<sup>1</sup>). These include:

- i. Going concern assumption: It is assumed that 南荣石油化工（江阴）有限公司 (Nanrong Petrochemical (Jiangyin) Co., Ltd.<sup>1</sup>) can continue to operate, and all the assets of the enterprise can continue to be used for the original purpose after the appraisal date. It is assumed that the business is a going concern.
- ii. Trading assumption: Assume that all assets to be valued are already in the process of trading, the appraisal will be conducted by simulating the market according to the trading conditions of the assets to be appraised.
- iii. Open market assumption: It is assumed that the assets traded or to be traded in the market, possess equal status in asset transaction and have the opportunity and time to obtain enough market information to facilitate rational judgment of the functions, purposes and trading prices of the assets. The open market assumption is based on the fact that assets can be bought and sold openly in the market.
- iv. There are no major changes in the relevant laws, regulations and policies of the state, the national macroeconomic situation, and the political, economic and social environment of the region where the parties in the transaction are located.
- v. There will be no significant changes in interest rates, exchange rates, tax bases and tax rates, and policy levy fees.
- vi. It is assumed that, on the basis of the existing management mode and level, the business scope and mode of 南荣石油化工（江阴）有限公司 (Nanrong Petrochemical (Jiangyin) Co., Ltd.<sup>1</sup>) are consistent with the current direction. The operator of 南荣石油化工（江阴）有限公司 (Nanrong Petrochemical (Jiangyin) Co., Ltd.<sup>1</sup>) is responsible, and the management of 南荣石油化工（江阴）有限公司 (Nanrong Petrochemical (Jiangyin) Co., Ltd.<sup>1</sup>) is capable of performing corresponding duties, and the core team hasn't undergone significantly adverse changes. 南荣石油化工（江阴）有限公司 (Nanrong Petrochemical (Jiangyin) Co., Ltd.<sup>1</sup>) fully complies with all relevant laws and regulations.
- vii. Assuming that the market access conditions of relevant qualifications don't change, the business qualification of 南荣石油化工（江阴）有限公司 (Nanrong Petrochemical (Jiangyin) Co., Ltd.<sup>1</sup>) can be continued when expire.
- viii. It is assumed that the accounting policies to be adopted by 南荣石油化工（江阴）有限公司 (Nanrong Petrochemical (Jiangyin) Co., Ltd.<sup>1</sup>) in the future are basically consistent with those used in this report in important aspects.
- ix. No other force majeure and unforeseeable factors will cause significant adverse effects on 南荣石油化工（江阴）有限公司 (Nanrong Petrochemical (Jiangyin) Co.,

## SUMMARY OF JIANGSU HUAXIN EQUITY VALUE VALUATION REPORT

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Ltd.<sup>1</sup>)

### 6. Conclusion

Without considering the lack of equity liquidity discount, the income approach is adopted to appraise. The book value 南荣石油化工（江阴）有限公司（Nanrong Petrochemical (Jiangyin) Co., Ltd.<sup>1</sup>)'s net asset is RMB 49.4481 million as at September 30, 2022, being the appraisal date.

The value of entire equity interest in the registered capital of 南荣石油化工（江阴）有限公司（Nanrong Petrochemical (Jiangyin) Co., Ltd.<sup>1</sup>) based on our appraisal is RMB 141.80 million, and the appraisal value added is RMB 92.3519 million yuan, an appreciation ratio of 65.13%.

In the Income approach, the main parameters are as follows:

Discount rate	Forecast period
10.24%	From October 2022 to December 2027

This Summary Valuation Report is addressed to and intended for the use of Hengyang Petrochemical for the purpose as set out herein. Accordingly, this Summary Valuation Report may not be used or relied upon by, nor confer any benefit to, any other person (including without limitation, the shareholders of Hengyang Petrochemical). Any recommendation made by the Directors of Hengyang Petrochemical ("Directors") to the shareholders of Hengyang Petrochemical shall remain the responsibility of such Directors.

Yours faithfully,

For and on behalf of  
江苏华信资产评估有限公司  
(Jiangsu Huaxin  
Asset Appraisal  
Co., Ltd.<sup>1</sup>)

Wang Xin  
Director



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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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### HENGYANG PETROCHEMICAL LOGISTICS LIMITED

(Company Registration No. 200807923K)  
(Incorporated in the Republic of Singapore)

### NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting (“EGM”) of Hengyang Petrochemical Logistics Limited (the “**Company**”) will be held by way of electronic means on 21 March 2023 at 10.00 a.m. for the purpose of considering and, if thought fit, passing, with or without amendments, the following ordinary resolution:

**ORDINARY RESOLUTION – THE PROPOSED ACQUISITIONS OF (A) 94.8033% OF THE EQUITY INTEREST IN NANRONG PETROCHEMICAL CO., LTD.<sup>1</sup> (南荣石油化学有限公司) AND (B) 100% OF THE EQUITY INTEREST IN NANRONG PETROCHEMICAL INDUSTRY (JIANGYIN) CO., LTD.<sup>1</sup> (南荣石油化工(江阴)有限公司) AS A MAJOR TRANSACTION**

**THAT:**

- (a) approval be and is hereby given for the Proposed Acquisitions on the terms and subject to the conditions of the Equity Transfer Agreement, as well as any other transactions contemplated under the Equity Transfer Agreement;
- (b) approval be and is hereby given to effect and complete the Proposed Acquisitions and undertake all actions and transactions in connection therewith; and
- (c) the Directors or any one of them be and is/are hereby authorised to complete and do all acts and things (including executing all such documents as may be required) as they or he may consider necessary, desirable or expedient or in the interests of the Company to give effect to the Proposed Acquisitions and/or the transactions authorised by this Ordinary Resolution; with full power to assent to any conditions, modifications, revaluations, variations including but not limited to any amendments as may be required by any relevant authority/authorities or persons.

*All capitalised terms used in this notice which are not defined herein shall have the meanings ascribed to them in the circular dated 6 March 2023 to shareholders of the Company in relation to the proposed acquisitions of (A) 94.8033% of the equity interest in Nanrong Petrochemical Co., Ltd. (南荣石油化学有限公司) and (B) 100% of the equity interest in Nanrong Petrochemical Industry (Jiangyin) Co., Ltd. (南荣石油化工(江阴)有限公司).*

By Order of the Board

Gu Wen Long  
Director and Chief Executive Officer

6 March 2023

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<sup>1</sup> These are English translations of the Chinese names and are included herein for identification purposes only.

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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### Notes:

Shareholders of the Company (“**Shareholders**”) should take note of the following arrangements for the extraordinary general meeting (“**EGM**”) of the Company.

1. **No attendance in person:** Pursuant to the COVID-19 (Temporary Measures) Act 2020 (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, the Company has the option to hold a virtual meeting, even where the Company is permitted under safe distancing regulations to hold a physical meeting. Due to the current COVID-19 situation and the Company’s efforts to minimise physical interactions and keep COVID-19 transmission risk to a minimum, the EGM of the Company will be held by way of electronic means. Shareholders will NOT be allowed to attend the EGM in person.
2. **“Live” webcast and “live” audio feed:** Shareholders will be able to watch the EGM proceedings through a “live” webcast via their mobile phones, tablets or computers or listen to these proceedings through a “live” audio feed via telephone.
3. **Online Pre-registration required to attend the EGM:** All Shareholders as well as investors who hold shares of the Company (“**Shares**”) through the Central Provident Fund (“**CPF**”) or Supplementary Retirement Scheme (“**SRS**”, and such investors “**CPF/SRS Investors**”), who wish to attend the EGM must pre-register online at <https://globalmeeting.bigbangdesign.co/hengyang2023egm/> (“**Pre-registration Website**”) no later than 10.00 a.m. on 16 March 2023 Singapore time (the “**Registration Deadline**”) for verification purposes. Shareholders who wish to appoint a person or persons (other than the Chairman of the EGM (“**Chairman**”)) as a proxy or proxies to attend and vote at the EGM on their behalf must pre-register their proxy(ies) for the EGM.

Investors who hold Shares through relevant intermediaries (as defined in Section 181 of the Companies Act 1967 of Singapore (“**Companies Act**”)) or depository agents (as defined in Section 81SF of the Securities and Futures Act 2001 of Singapore) (together, “**Relevant Intermediaries**”, and such investors “**Investors**”) (other than CPF/SRS Investors) who wish to attend the EGM should instead approach their Relevant Intermediary as soon as possible in order for the Relevant Intermediary to make the necessary arrangements to pre-register.

Following successful verification by the Company, a confirmation email which contains instructions on how to join the webcast, and other relevant matters (the “**Confirmation Email**”) will be sent to authenticated Shareholders, proxies and Investors who have been pre-registered for the EGM by the Registration Deadline at the email specified in their pre-registration details.

Shareholders, proxies and Investors who do not receive the Confirmation Email by 10.00 a.m. on 19 March 2023 but have been pre-registered for the EGM by the Registration Deadline should contact the Company’s webcast vendor via email at [webcast@bigbangdesign.co](mailto:webcast@bigbangdesign.co) immediately.

**Submission of Questions:** Shareholders who registered and have been authenticated as members of the Company will be able to ask questions relating to the resolution to be tabled for approval at the EGM during the EGM by submitting text questions via the “Live Q&A” window/tab after logging in with the instructions found in the Confirmation Email. The Company will endeavour to respond to such queries during the EGM as far as reasonably practicable. Shareholders and Investors may also submit questions in advance of the EGM. All questions, together with the full names, identification numbers, contact numbers, email addresses of the Shareholders and Investors and manner in which they hold Shares in the Company, must be submitted no later than 6.00 p.m. on 14 March 2023 via the Pre-registration Website at the URL: <https://globalmeeting.bigbangdesign.co/hengyang2023egm/> or via email to [hengyang.sg@hyplc.com](mailto:hengyang.sg@hyplc.com). All substantial and relevant questions received by the Company from the Shareholders prior to the deadline of 6.00 p.m. on 14 March 2023 will be addressed by the Company at least 48 hours prior to the closing date and time for the lodgement of the Proxy Forms, that is, by 10.00 a.m. on 17 March 2023. Substantial and relevant questions which are submitted after 6.00 p.m. on 14 March 2023 will be consolidated and addressed either before the EGM via an announcement on SGXNET or at the EGM.

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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4. **Voting by Shareholders:** Shareholders who wish to exercise their voting rights at the EGM may:
- (i) (where the Shareholder is an individual) attend and vote "live" at the EGM;
  - (ii) (where the Shareholder is an individual or a corporate) appoint proxy(ies) to attend and vote "live" at the EGM on their behalf; and
  - (iii) (where the Shareholder is an individual or a corporate) appoint the Chairman as proxy to vote on their behalf.

"Live" voting will be conducted during the EGM. **It is important for Shareholders and proxies to have their own web-browser enabled devices ready for voting during the EGM. Examples of web-browser enabled devices include mobile smartphones, laptops, tablets or desktop computers with internet capabilities.**

Shareholders and proxies that have completed the pre-registration and indicated their preference for voting "live" at the EGM may cast their votes at the EGM using the instructions in the Confirmation Email sent to them. Shareholders and proxies should therefore have their Confirmation Email containing the instructions handy for reference. For the avoidance of doubt, "live" voting is not permissible by the audio-only feed.

5. **Appointment of Proxies:**

- (i) Shareholders who wish to appoint proxies to attend the EGM and vote "live" at the EGM on their behalf must do both of the following: (A) complete and submit the Proxy Form in accordance with the instructions below; and (B) pre-register the proxy(ies) at the Pre-registration Website by the Registration Deadline.
- (ii) As an alternative to "live" voting, Shareholders may also vote at the EGM by appointing the Chairman as proxy to vote on their behalf in respect of all the Shares held by them.

If a Shareholder wishes to appoint a proxy or proxies (including the Chairman) to vote at the EGM on their behalf, duly completed Proxy Forms must be deposited with the Company (A) via post at the office of the Company's share registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632, or (B) via electronic mail to [srs.teamd@boardroomlimited.com](mailto:srs.teamd@boardroomlimited.com) enclosing a clear scanned completed and signed Proxy Form.

The Proxy Form must be executed under the hand of the appointor or of his attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the Proxy Form is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.

Proxy Forms must be received by the Company by Sunday, 19 March 2023, 10.00 a.m. (Singapore time) (being 48 hours before the time appointed for the holding of the EGM). Proxy Forms can be downloaded from SGXNET ([www.sgx.com](http://www.sgx.com)). In the Proxy Form, a Shareholder should specifically direct the proxy on how he/she is to vote for or vote against (or abstain from voting on) the resolutions to be tabled at the EGM. If no specific direction as to voting is given, the proxy (including the Chairman if he is appointed as proxy) will vote or abstain from voting at his/her discretion. All valid votes cast via proxy on each resolution will be counted. In view of the COVID-19 situation, the Company encourages Shareholders to submit the completed and signed Proxy Form via electronic mail. The Company may reject any instrument appointing a proxy lodged if the Shareholder appointing the proxy is not shown to have Shares entered against his/her/its name in the Depository Register as at 72 hours before the time appointed for holding the EGM as certified by CDP to the Company.

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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A Shareholder (who is not a Relevant Intermediary) entitled to attend and vote at a meeting of the Company is entitled to appoint one or two proxies to attend and vote on his/her/its behalf. A proxy need not be a Shareholder. Any appointment of a proxy by a Shareholder attending the EGM shall be null and void and such proxy shall not be entitled to vote at the EGM. Where a Shareholder appoints two proxies, the appointments shall be invalid unless he/she/it specifies the number of Shares or proportion of his/her/its shareholding to be represented by each proxy. A Shareholder who is a Relevant Intermediary is entitled to appoint more than two proxies to attend and vote at the EGM, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such Shareholder. Where such Shareholder appoints two or more proxies, the appointments shall be invalid unless such Shareholder specifies the number of Shares to be represented by each proxy.

6. **Voting by Investors holding Shares through Relevant Intermediaries (including CPF/SRS Investors):** Investors holding Shares through Relevant Intermediaries (including CPF/SRS Investors) may exercise their votes in the following manner:
- (i) vote “live” at the EGM, if they are appointed as proxies by their respective Relevant Intermediaries (including CPF Agent Banks and SRS Operators); or
  - (ii) specify their voting instructions to/arrange for their votes to be submitted by their respective Relevant Intermediaries (including CPF Agent Banks and SRS Operators).

Investors should not make use of the Proxy Form. Only Investors that have been duly appointed as proxies by their respective Relevant Intermediary may vote “live” at the EGM.

CPF/SRS Investors who wish to exercise their votes should approach their respective CPF Agent Bank/SRS Operator at least 7 working days before the EGM (that is, by Friday, 10 March 2023 at 10.00 a.m., Singapore time).

7. **Voting Results:** An independent scrutineer will be appointed by the Company to direct and supervise the counting and validation of all valid votes cast through “live” voting and through Proxy Forms received as of the above-mentioned deadline. The voting results will be announced during the EGM (and displayed on-screen for the “live” webcast) in respect of the resolutions put to the vote at the EGM. The Company will also issue an announcement on SGXNET on the results of the resolutions put to vote at the EGM.

### Documents and Information Relating to the EGM

Documents and information relating to the EGM (including the Notice of EGM, Circular dated 6 March 2023 (the “Circular”) and the Proxy Form) have been published on SGXNET ([www.sgx.com](http://www.sgx.com)).

Printed copies of the Notice of EGM, the Circular and the Proxy Form will not be sent to Shareholders. In view of the evolving COVID-19 situation, Shareholders are advised to continue to check SGXNET regularly for any updates relating to the EGM.

### Personal data privacy:

Where a Shareholder submits an instrument appointing the Chairman to attend, speak and vote at the EGM and/or any adjournment thereof, a Shareholder (i) consents to the collection, use and disclosure of the Shareholder’s personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of the appointment of the Chairman as proxy for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the “Purposes”), (ii) warrants that where the Shareholder discloses the personal data of the Shareholder’s proxy(ies) and/or representative(s) to the Company (or its agents), the Shareholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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Purposes, and (iii) agrees that the Shareholder will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Shareholder's breach of warranty.

## PROXY FORM

### HENGYANG PETROCHEMICAL LOGISTICS LIMITED

(Company Registration No. 200807923K)  
(Incorporated in the Republic of Singapore)

**IMPORTANT:**

- Shareholders who wish to exercise their voting rights at the EGM may:
  - (where the Shareholder is an individual) attend and vote "live" at the EGM;
  - (where the Shareholder is an individual or a corporate) appoint proxy(ies) (other than the Chairman of the EGM) to attend and vote "live" at the EGM on their behalf; and
  - (where the Shareholder is an individual or a corporate) appoint the Chairman of the EGM as proxy to vote on their behalf.
- Shareholders who wish to appoint proxy(ies) (other than the Chairman of the EGM) to vote "live" at the EGM on their behalf must, in addition to completing and submitting this Proxy Form in accordance with the instructions in the Notes below, pre-register the proxy(ies) at the Pre-registration Website by 16 March 2023, at 10.00 a.m.
- For investors holding shares of Hengyang Petrochemical Logistics Limited through Relevant Intermediaries (as defined in the Notice of EGM), including CPF/SRS investors, this Proxy Form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them. Such investors who wish to exercise their voting rights should approach their Relevant Intermediary as soon as possible. CPF/SRS investors should approach their respective CPF Agent Banks or SRS Operators at least 7 working days before the EGM (i.e. by Friday, 10 March 2023 at 10.00 a.m.).

### PROXY FORM

(Please see notes overleaf before completing this Form)

I/We\*, \_\_\_\_\_ (Name), NRIC/Passport number/Company registration number\* \_\_\_\_\_ (Address) of \_\_\_\_\_ (Address) being a registered shareholder/shareholders\* in the Register of Members and/or the Depository Register ("Shareholder") of Hengyang Petrochemical Logistics Limited (the "Company"), hereby appoint:

Name	Email Address	NRIC/Passport No.	Number of Shares/Proportion of Shareholding (%)

and/or

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or failing whom, the Chairman of the Extraordinary General Meeting (the "EGM") as my/our\* proxy to attend and vote for me/us\* on my/our\* behalf at the EGM to be held by way of electronic means on 21 March 2023 at 10.00 a.m. (Singapore time) and at any adjournment thereof. I/We\* direct my/our proxy/proxies\* to vote for or against or abstain from voting on the resolution proposed at the EGM as indicated hereunder. If no specific direction as to voting or abstention is given or in the event of any other matter arising at the EGM and at any adjournment thereof, the proxy/proxies\* shall vote or abstain from voting at his/her\* own discretion.

No.	Ordinary Resolution	For	Against	Abstain
1	To approve the proposed acquisitions of (A) 94.8033% of the equity interest in Nanrong Petrochemical Co., Ltd. (南荣石油化学有限公司) and (B) 100% of the equity interest in Nanrong Petrochemical Industry (Jiangyin) Co., Ltd. (南荣石油化工(江阴)有限公司) as a major transaction			

(If you wish your proxy/proxies to exercise all your votes "For" or "Against" or to "Abstain" from voting on the resolution proposed at the EGM, please tick [✓] within the box provided. Alternatively, if you wish your proxy/proxies to exercise your votes both "For", "Against" or to "Abstain" from voting on the proposed resolution, please indicate the number of Shares in the box provided.)

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2023

**Total Number of Shares held:**

\_\_\_\_\_  
Signature(s) of Shareholder(s)  
or Common Seal of Corporate Shareholder

\* Delete where applicable

**IMPORTANT: PLEASE SEE NOTES OVERLEAF.**

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## PROXY FORM

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### Notes:

1. The Proxy Form will be sent to Shareholders solely by electronic means via publication on the SGXNET at the URL <https://www.sgx.com/securities/company-announcements>. Printed copies of the proxy form will **NOT** be despatched to Shareholders.
2. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members of the Company, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing the Chairman of the EGM as a proxy shall be deemed to relate to all the Shares held by you.
3. Shareholders who wish to appoint proxy(ies) (other than the Chairman of the EGM) to vote "live" at the EGM on their behalf must, in addition to completing and submitting this Proxy Form in accordance with the instructions below, pre-register the proxy(ies) at <https://globalmeeting.bigbangdesign.co/hengyang2023egm/> (the "Pre-registration Website") by 10.00 a.m. on 16 March 2023.
4. In the Proxy Form, a Shareholder should specifically direct the proxy on how he/she is to vote for, vote against, or to abstain from voting, on the resolutions. If no specific direction as to voting is given, the proxy (including the Chairman of the EGM) will vote or abstain from voting at his/her discretion.
5. In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for Shareholders to submit completed Proxy Forms by post, Shareholders are strongly encouraged to submit completed Proxy Forms electronically by email.
6. A Shareholder (who is not a Relevant Intermediary) entitled to attend and vote at a meeting of the Company is entitled to appoint one or two proxies to attend and vote on his/her/its behalf. A proxy need not be a Shareholder. Any appointment of a proxy by a Shareholder attending the EGM shall be null and void and such proxy shall not be entitled to vote at the EGM. Where a Shareholder (other than a Relevant Intermediary) appoints two (2) proxies, the appointments shall be invalid unless he/she/it specifies the number of Shares or proportion of his/her/its shareholding to be represented by each proxy.
7. A Shareholder who is a Relevant Intermediary may appoint more than two (2) proxies to attend and vote at the EGM, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such Shareholder. Where such Shareholder appoints two (2) or more proxies, the appointments shall be invalid unless such member specifies the number of Shares to be represented by each proxy.
8. The instrument appointing a proxy must be deposited (i) by post at the office of the Company's share registrar, Boardroom Corporate & Advisory Services Pte. Ltd. (the "Share Registrar"), at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632, or (ii) by electronic mail to [srs.teamd@boardroomlimited.com](mailto:srs.teamd@boardroomlimited.com) enclosing a clear scanned completed and signed Proxy Form. The Proxy Form must be received by the Company not less than 48 hours before the time appointed for the EGM. Shareholders are strongly encouraged to submit completed Proxy Forms via email.
9. The instrument appointing a proxy must be under the hand of the appointor or of his/her/its attorney duly authorised in writing.
10. Where the instrument appointing a proxy is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised.
11. Where the instrument appointing a proxy is signed on behalf of the appointor by an attorney, the letter or the power of attorney or other authority, if any, or a duly certified true copy thereof shall (failing previous registration with the Company) be duly stamped (if required by law) and be deposited by post to the office of the Share Registrar, or by electronic mail to [srs.teamd@boardroomlimited.com](mailto:srs.teamd@boardroomlimited.com), and must be received by the Company not less than 48 hours before the time for holding the EGM or adjourned meeting at which the person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid.

### General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the Shareholder, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the EGM, as certified by The Central Depository (Pte) Limited to the Company.

### Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representatives, the Shareholder accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated 6 March 2023.