

**CIRCULAR DATED 8 JULY 2022**

**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 ACQUISITION  
OF AN ADDITIONAL 21% OF THE EQUITY INTEREST IN  
ODFJELL NANGANG TERMINALS (TIANJIN) CO., LTD. (天津南港奥德费尔码头仓储有限公司)  
AS A MAJOR TRANSACTION**

**IMPORTANT DATES AND TIMES:**

Last date and time for lodgement of Proxy Form	:	23 July 2022 at 10.00 a.m.
Date and time of Extraordinary General Meeting	:	25 July 2022 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 of this Circular

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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 ACQUISITION .....</b>	<b>11</b>
<b>3. INFORMATION ON THE TARGET, THE SALE EQUITY, THE VENDOR, THE CHINA HOLDCO AND THE 49% ACQUISITION .....</b>	<b>12</b>
<b>4. THE OPEN TENDER PROCESS AND THE ENTRY INTO DEFINITIVE AGREEMENT(S) .....</b>	<b>17</b>
<b>5. MATERIAL TERMS AND CONDITIONS OF THE PROPOSED ACQUISITION .....</b>	<b>17</b>
<b>6. RATIONALE FOR THE PROPOSED ACQUISITION .....</b>	<b>19</b>
<b>7. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION.....</b>	<b>20</b>
<b>8. APPLICATION OF CHAPTER 10 OF THE CATALIST RULES – THE PROPOSED ACQUISITION AS A MAJOR TRANSACTION .....</b>	<b>22</b>
<b>9. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS.....</b>	<b>24</b>
<b>10. DIRECTORS’ SERVICE CONTRACTS .....</b>	<b>25</b>
<b>11. DIRECTORS’ RECOMMENDATIONS .....</b>	<b>25</b>
<b>12. CONSENTS .....</b>	<b>26</b>
<b>13. EXTRAORDINARY GENERAL MEETING.....</b>	<b>26</b>
<b>14. ACTION TO BE TAKEN BY SHAREHOLDERS .....</b>	<b>27</b>
<b>15. DIRECTORS’ RESPONSIBILITY STATEMENT.....</b>	<b>30</b>
<b>16. DOCUMENTS AVAILABLE FOR INSPECTION .....</b>	<b>31</b>
<b>APPENDIX A – SUMMARY VALUATION LETTER .....</b>	<b>32</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:

- “1Q2022”** : The three months ended 31 March 2022
- “49% Acquisition”** : The China Holdco’s acquisition of 49% of the total paid-up registered capital of the Target from the 49% Acquisition Vendor, which was completed on 23 June 2022
- “49% Acquisition Agreement”** : The equity transfer agreement dated 21 June 2022 in relation to the 49% Acquisition entered into between the China Holdco and the 49% Acquisition Vendor
- “49% Acquisition Consideration”** : The aggregate consideration for the 49% Acquisition, consisting of the following:
- (a) a nominal amount of RMB10 payable by the China Holdco to the 49% Acquisition Vendor in cash within five (5) business days upon the receipt of the relevant approvals for the remittance of such nominal amount to the 49% Acquisition Vendor’s bank account in Singapore; and
  - (b) the Assumption of 49% Acquisition Vendor’s Corporate Guarantee by the China Holdco, being RMB160,156,304 (equivalent to approximately S\$32,872,130),
- amounting to a total sum of RMB160,156,314 (equivalent to approximately S\$32,872,132), further details of which are set out in the Earlier Announcement and Sections 3.4 and 8.2 of this Circular.
- “49% Acquisition Vendor”** : Odfjell Terminals Asia Pte. Ltd.
- “49% Acquisition Vendor’s Corporate Guarantee”** : The corporate guarantee provided by the 49% Acquisition Vendor in favour of the Bank in respect of 49% of the Existing Bank Loan quantum
- “Announcement”** : The Company’s announcement on 30 June 2022 in relation to the Proposed Acquisition
- “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

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## DEFINITIONS

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- (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more; and
- (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
- “Assumption of 49% Acquisition Vendor’s Corporate Guarantee”** : The taking over of the 49% Acquisition Vendor’s Corporate Guarantee by the China Holdco, resulting in the China Holdco becoming the corporate guarantor to the Bank in respect of 49% of the Existing Bank Loan quantum in place of the 49% Acquisition Vendor, as part of the 49% Acquisition Consideration
- “Available Facilities”** : The Target’s available working facilities and equipment
- “Bank”** : The financial institution in the PRC to which the Existing Bank Loan is owed
- “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 49%-owned joint venture company of the Company
- “China Holdco’s Bid”** : The bid to be submitted by the China Holdco in respect of the Sale Equity between the Consideration and the Maximum Consideration, as the case may be, for the purposes of and in connection with the Tender
- “Circular”** : This circular to Shareholders dated 8 July 2022
- “CITIC Port”** : CITIC Port Investment Co., Ltd., which owns 2% of the equity interest in the China Holdco
- “Companies Act”** : Companies Act 1967 of Singapore, as amended from time to time
- “Company”** : Hengyang Petrochemical Logistics Limited
- “Completion”** : The completion of the Proposed Acquisition on the Completion Date

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## DEFINITIONS

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<b>“Completion Date”</b>	:	The date on which Completion of the Proposed Acquisition shall take place, that is, the date on which the Sale Equity is transferred by the Vendor to the China Holdco and the relevant registration procedures and formalities in connection with such transfer are completed in the PRC in accordance with Section 5.5 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>“Consideration”</b>	:	The minimum consideration for the Sale Equity payable by the China Holdco to the Vendor for the purposes of the Proposed Acquisition, being the sum of RMB22,502,600 (equivalent to approximately S\$4,618,665), details of which are set out in Section 5.1 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>“Definitive Agreement(s)”</b>	:	The definitive agreement(s) to be entered into in connection with the transfer of Sale Equity for the purposes of the Proposed Acquisition following the conclusion of the Tender
<b>“Deposit”</b>	:	The deposit for the Proposed Acquisition payable by the China Holdco, being the sum of RMB5,000,000 (equivalent to approximately S\$1,026,252), details of which are set out in Section 5.3 of this Circular
<b>“Directors”</b>	:	The directors of the Company as at the Latest Practicable Date
<b>“Earlier Announcement”</b>	:	The Company’s announcement on 21 June 2022 in relation to the 49% Acquisition
<b>“EGM”</b>	:	The extraordinary general meeting of the Company to seek Shareholders’ approval for the Proposed Acquisition, notice of which is given on pages N-1 to N-5 of this Circular

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## DEFINITIONS

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<b>“Existing Bank Loan”</b>	:	The Target’s existing bank loan in the aggregate amount of RMB667,040,000 (equivalent to approximately S\$136,910,162) owed to the Bank
<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>“FY2021”</b>	:	The financial year ended 31 December 2021
<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 company incorporated in Hong Kong
<b>“Latest Practicable Date”</b>	:	4 July 2022, being the latest practicable date prior to the printing of this Circular
<b>“LPS”</b>	:	Losses per Share
<b>“Maximum Consideration”</b>	:	The maximum consideration for the Sale Equity payable by the China Holdco to the Vendor for the purposes of the Proposed Acquisition, being the sum of RMB24,750,000 (equivalent to approximately S\$5,079,945), details of which are set out in Section 5.1 of this Circular
<b>“Nangang Industrial Zone”</b>	:	The Nangang Industrial Zone in Tianjin, PRC
<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>“Open Tender Process”</b>	:	The public tender process required to be conducted through an equity exchange for the purposes of and in connection with the transfer of assets by a state-owned enterprise in the PRC
<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>“PRC”</b>	:	People’s Republic of China
<b>“Pre-registration Website”</b>	:	The pre-registration website for the EGM at the link <a href="https://globalmeeting.bigbangdesign.co/hengyang2022egm/">https://globalmeeting.bigbangdesign.co/hengyang2022egm/</a> , further details of which are set out in Section 14.1 of this Circular

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## DEFINITIONS

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<b>“Proposed Acquisition”</b>	:	The proposed acquisition by the China Holdco of the Sale Equity from the Vendor between the Consideration and the Maximum Consideration, as the case may be
<b>“Proxy Form”</b>	:	The proxy form in respect of the EGM, as set out on pages P-1 to P-2 of this Circular
<b>“Registration Deadline”</b>	:	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 20 July 2022, further details of which are set out in Section 14.1 of this Circular
<b>“Relevant Transactions”</b>	:	The Proposed Acquisition and the 49% Acquisition
<b>“RMB”</b>	:	Renminbi, the lawful currency of the People's Republic of China
<b>“Sale Equity”</b>	:	21% of the total paid-up registered capital of the Target
<b>“SASAC”</b>	:	State-owned Assets Supervision and Administration Commission of the State Council of the PRC
<b>“Securities Accounts”</b>	:	Securities accounts maintained by Depositors with CDP, but not including securities sub-accounts maintained with a Depository Agent
<b>“SFA”</b>	:	Securities and Futures Act 2001 of Singapore, as amended from time to time
<b>“SGX-ST”</b>	:	Singapore Exchange Securities Trading Limited
<b>“Share Registrar”</b>	:	Boardroom Corporate & Advisory Services Pte. Ltd., the share registrar of the Company
<b>“Shareholders”</b>	:	Registered holders of Shares in the Register of Members, except that where the registered holder is CDP, the term <b>“Shareholders”</b> 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
<b>“Shares”</b>	:	Ordinary shares in the capital of the Company
<b>“Sinopec”</b>	:	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% of the equity interest in the China Holdco
<b>“Standard Terms”</b>	:	The standard terms applicable to state-owned assets put up for sale by way of public tender administered by the Tianjin Exchange

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## DEFINITIONS

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<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 Letter”</b>	:	The summary of the Valuation Report 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>“Tender”</b>	:	The public tender administered by the Tianjin Exchange in respect of the Sale Equity
<b>“Target”</b>	:	Odfjell Nangang Terminals (Tianjin) Co., Ltd. (天津南港奥德费尔码头仓储有限公司)
<b>“Target’s Valuation”</b>	:	The valuation of the Target as set out in the Valuation Report
<b>“Tianjin Exchange”</b>	:	Tianjin Property Rights Exchange (天津产权交易中心) in the PRC
<b>“Total Consideration”</b>	:	The total consideration for the Relevant Transactions, which consists of (i) the 49% Acquisition Consideration and the Consideration, amounting to a total sum of RMB239,820,588 (equivalent to approximately S\$49,223,248) or (ii) the 49% Acquisition Consideration and the Maximum Consideration amounting to a total sum of RMB240,922,220 (equivalent to approximately S\$49,449,360), further details of which are set out in Section 8.2 of this Circular
<b>“Transaction Reference Date”</b>	:	30 June 2021
<b>“Valuation Report”</b>	:	The valuation report dated 8 July 2022 issued by the Valuer in relation to the Target
<b>“Valuer”</b>	:	Northern Tianjin Torch Asset Valuation Co., Ltd. (天津津北火炬资产评估有限公司)
<b>“Vendor”</b>	:	Tianjin Nangang Industrial Zone Ports Co., Ltd. (天津南港工业区港务有限公司)
<b>“Vendor’s Valuation”</b>	:	The valuation of the Target and the Sale Equity commissioned by the Vendor
<b>“%” or “per cent”</b>	:	Percentage or per centum

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.



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## DEFINITIONS

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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 RMB4.8721 (being the middle exchange rate on 31 May 2022 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

8 July 2022

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

Dear Shareholders,

### **THE PROPOSED ACQUISITION OF AN ADDITIONAL 21% OF THE EQUITY INTEREST IN ODFJELL NANGANG TERMINALS (TIANJIN) CO., LTD. (天津南港奥德费尔码头仓储有限公司) AS A MAJOR TRANSACTION**

#### **1. INTRODUCTION**

- 1.1. As stated by the Company in its announcement dated 30 June 2022 (the “**Announcement**”), the board of directors of the Company (the “**Board**” or the “**Directors**”) is proposing to convene an extraordinary general meeting (“**EGM**”) to seek approval from the shareholders of the Company (the “**Shareholders**”) for the proposed acquisition of an additional 21% of the total paid-up registered capital of Odfjell Nangang Terminals (Tianjin) Co., Ltd. (天津南港奥德费尔码头仓储有限公司) (the “**Target**”) (the “**Sale Equity**”) from Tianjin Nangang Industrial Zone Ports Co., Ltd. (天津南港工业区港务有限公司) (the “**Vendor**”) (the “**Proposed Acquisition**”) as an Ordinary Resolution, and the following proposed actions and transactions in connection therewith:
  - (a) the proposed participation in the public tender administered by the Tianjin Property Rights Exchange (天津产权交易中心) (the “**Tianjin Exchange**”) in respect of the Sale Equity (the “**Tender**”) and proposed submission of the China Holdco’s bid (the “**China Holdco’s Bid**”) in respect of the Sale Equity at a consideration of RMB22,502,600 (equivalent to approximately S\$4,618,665) (the “**Consideration**”); and
  - (b) the proposed entry into and execution of further definitive agreement(s) (as may be further amended, modified, varied and/or supplemented as the parties thereto may thereafter deem fit) in connection with the transfer of the Sale Equity for the purposes of the Proposed Acquisition (the “**Definitive Agreement(s)**”) following the conclusion of the Tender.
- 1.2. To increase its chance of a successful bid, the China Holdco may increase its bidding consideration to RMB24,750,000 (equivalent to approximately S\$5,079,945) (the “**Maximum Consideration**”).
- 1.3. The purpose of this Circular is to provide Shareholders with the relevant information relating to the Proposed Acquisition and to seek Shareholders’ approval for the Proposed Acquisition at the

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## LETTER TO SHAREHOLDERS

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forthcoming EGM to be held by electronic means at 10.00 a.m. on 25 July 2022, notice of which is set out in the Notice of EGM on pages N-1 to N-5 of this Circular.

- 1.4. 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.
- 1.5. ZICO Insights Law LLC has been appointed as the legal adviser to the Company in relation to Singapore law for the Proposed Acquisition.

## 2. THE PROPOSED ACQUISITION

- 2.1. The Company previously announced in the Announcement that its 49%-owned joint venture company, the China Holdco, intends to acquire the Sale Equity from the Vendor.
- 2.2. The Company had previously announced on 21 June 2022 (the “**Earlier Announcement**”) that the China Holdco wishes to acquire 49% of the total paid-up registered capital of the Target from Odfjell Terminals Asia Pte. Ltd. (the “**49% Acquisition Vendor**”), representing the entire equity interest in the Target held by the 49% Acquisition Vendor (the “**49% Acquisition**”), upon the terms of and subject to the conditions in the equity transfer agreement dated 21 June 2022 (the “**49% Acquisition Agreement**”). The 49% Acquisition was completed on 23 June 2022 following the fulfilment of the conditions precedent set out in the Earlier Announcement. Following the completion of the 49% Acquisition, the China Holdco has become the 49% shareholder of the Target. For more details on the 49% Acquisition, please refer to Section 3.4 of this Circular.
- 2.3. The Vendor is the 51% shareholder of the Target. As the Vendor is a state-owned holding company, the Sale Equity is considered to be a state-owned asset under the laws of the People’s Republic of China (the “**PRC**”). In accordance with the Measures for the Supervision and Administration of the Transactions of State-owned Assets of the Enterprises (企业国有资产交易监督管理办法) jointly issued by the State-owned Assets Supervision and Administration Commission of the State Council of the PRC (the “**SASAC**”) and the Ministry of Finance of the PRC, relevant approval by the supervisory bodies for state-owned assets is required for any transfer of assets by a state-owned enterprise and such transfer is required to be conducted publicly through an equity exchange (the “**Open Tender Process**”). Accordingly, the Vendor has put up the Sale Equity for sale by way of the Tender administered by the Tianjin Exchange on 29 June 2022. The Tender for the Sale Equity will be open for 20 business days and will close on 26 July 2022.
- 2.4. Based on the valuation of the Target of approximately RMB107.2 million (equivalent to approximately S\$22.00 million) as at 30 June 2021 commissioned by the Vendor (“**Vendor’s Valuation**”), the minimum open tender price for the Sale Equity is RMB22,502,600 (being the Consideration). Accordingly, the China Holdco intends to submit its bid at between RMB22,502,600 (equivalent to approximately S\$4,618,665, being the minimum open tender price) (being the Consideration) and RMB24,750,000 (equivalent to approximately S\$5,079,945, representing approximately 10% premium to the minimum open tender price) (being the Maximum Consideration). If the China Holdco’s Bid is successful, the China Holdco and the Vendor will then enter into the Definitive Agreement(s) following the conclusion of the Tender. For the avoidance of doubt, the Definitive Agreement(s) will be consistent with the standard terms applicable to state-owned assets put up for sale by way of public tender administered by the Tianjin Exchange (the “**Standard Terms**”) without any material deviations. Further details on the Open Tender Process and the Tender are set out in Sections 4 and 5 of this Circular.

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## LETTER TO SHAREHOLDERS

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- 2.5. In the event that the China Holdco's Bid is successful, together with the 49% equity interest in the Target held by the China Holdco pursuant to the 49% Acquisition completed on 23 June 2022, the China Holdco will collectively hold 70% equity interest in the Target upon completion of the Proposed Acquisition ("**Completion**"). Following Completion, the Vendor will continue to hold the remaining 30% of the equity interest in the Target.
- 2.6. As the Proposed Acquisition, when aggregated with the 49% Acquisition, would constitute a "major transaction" for the purposes of Chapter 10 of the Catalist Rules, the approval of Shareholders is required for the Proposed Acquisition, and the Directors propose to convene an EGM to seek Shareholders' approval for the same.

### 3. **INFORMATION ON THE TARGET, THE SALE EQUITY, THE VENDOR, THE CHINA HOLDCO AND THE 49% ACQUISITION**

#### 3.1. **Information on the Target**

(a) The Target and its Principal Activities

The Target is a joint venture company established in 2011 between the Vendor and the 49% Acquisition Vendor. The Target's terminal is strategically located at Tianjin Port, on Bohai Bay, in the Nangang Industrial Zone (the "**Nangang Industrial Zone**") and is the nearest port to the production areas of the north and northwest hinterland of the PRC and the link to Middle/West Asia. It is also the closest port to Beijing.

The Nangang Industrial Zone is a green field development, and is planned by the government of the PRC to be the largest petrochemical zone in Northeast PRC. It is expected to accommodate the production of over 200 different petrochemicals.

The Target commenced operations in 2016.

As at 31 March 2022, the Target owns 26 storage tanks with a total capacity of 137,800 cubic metres (including 7,000 cubic metres of stainless steel storage capacity) and three ship docks.

## LETTER TO SHAREHOLDERS

(b) The Target's Registered Capital and Equity Holding Structure

As at the Latest Practicable Date, the paid-up registered capital of the Target is RMB342,000,000 (equivalent to approximately S\$70,195,604) and its equity holding structure is as follows:

Name of shareholder	Paid-up registered capital	Percentage equity interest in the Target
The Vendor (namely, Tianjin Nangang Industrial Zone Ports Co., Ltd.), incorporated in PRC	RMB174,420,000 (equivalent to approximately S\$35,799,758)	51%
The China Holdco (namely, Jiangyin Foreversun Chemical Logistics Co., Ltd.), incorporated in PRC	RMB167,580,000 (equivalent to approximately S\$34,395,846)	49%
<b>Total</b>	<b>RMB342,000,000</b> (equivalent to approximately S\$70,195,604)	<b>100%</b>

Following Completion, the equity holding structure of the Target will be as follows:

Name of shareholder	Paid-up registered capital	Percentage equity interest in the Target
The Vendor (namely, Tianjin Nangang Industrial Zone Ports Co., Ltd.), incorporated in PRC	RMB102,600,000 (equivalent to approximately S\$21,058,681)	30%
The China Holdco (namely, Jiangyin Foreversun Chemical Logistics Co., Ltd.), incorporated in PRC	RMB239,400,000 (equivalent to approximately S\$49,136,922)	70%
<b>Total</b>	<b>RMB342,000,000</b> (equivalent to approximately S\$70,195,604)	<b>100%</b>

(c) The Target's Financial Information

Based on the latest available unaudited financial statements of the Target, as at 31 March 2022, the book value and the net tangible liabilities value attributable to the Sale Equity was RMB6.26 million (equivalent to approximately S\$1.28 million) and RMB16.07 million (equivalent to approximately S\$3.30 million) respectively. The net losses before tax for the financial year ended 31 December 2021 ("FY2021") and the three months ended 31 March 2022 ("1Q2022") attributable to the Sale Equity amounted to RMB13.84 million (equivalent to approximately S\$2.84 million) and RMB3.28 million (equivalent to approximately S\$0.67 million) respectively.

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## LETTER TO SHAREHOLDERS

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(d) Other Relevant Information on the Target

(i) Legal proceedings

The Target is currently involved in a legal proceeding with a construction firm (the “**Construction Firm**”) in relation to the construction of the storage facilities of the Target (which was completed in 2016). The claims made by the Construction Firm against the Target are for outstanding payments of approximately RMB22.1 million (equivalent to approximately S\$4.5 million) and the counter-claims made by the Target against the Construction Firm are for a total amount of RMB56.1 million (equivalent to approximately S\$11.5 million) for expenses which may be incurred by the Target in rectifying the defective construction work. The China Holdco has been advised by Beijing Yongqin Law Firm (the legal counsel representing the Target for this matter), that the Target has a valid defence to the Construction Firm’s claims and a reasonable basis for its counter-claims against the Construction Firm. The Construction Firm has also applied for and was granted a pre-judgement by the Tianjin Maritime Court to freeze certain bank accounts of the Target with a total carrying value of RMB26.3 million (equivalent to approximately S\$5.4 million). As at the Latest Practicable Date, the legal proceeding is still in progress.

The Target has made full provision of the remaining outstanding payments due to the Construction Firm. Based on the advice of Beijing Yongqin Law Firm, the Target does not expect its financial position to be adversely affected by the legal proceedings.

(ii) Management of the Target

As the Target is currently majority-owned by the Vendor (which is a state-owned enterprise), the employees of the Target may have become accustomed to the original corporate culture. They may not adapt to the new management style if the China Holdco is successful with its bid and become the 70% shareholder of the Target. The China Holdco will review the management style of the Target upon Completion with a view to improve synergies with the other subsidiaries of the China Holdco.

### 3.2. Information on the Vendor

The Vendor is a state-owned holding company which is lawfully established and validly existing under the laws of the PRC with a registered capital of about RMB549,520,000 (equivalent to approximately S\$112,789,146). The Vendor is wholly-owned by Tianjin Economic and Technological Development Zone Nangang Development Group Co., Ltd. (天津经济技术开发区南港发展集团有限公司). The Vendor is primarily involved in the construction and development of the port area, as well as port operations and management within the Nangang Industrial Zone.

As at the Latest Practicable Date, the Vendor holds 51% of the total paid-up registered capital in the Target. If the China Holdco’s Bid is successful, the Vendor will sell the Sale Equity to the China Holdco between the Consideration and the Maximum Consideration, as the case may be, in accordance with the Standard Terms. Following Completion, the Vendor will continue to retain 30% of the equity interest in the Target.

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

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## LETTER TO SHAREHOLDERS

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### 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 49%-owned joint venture company of the Company. The Company owns 49% 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**”) owns 49% of the equity interest in the China Holdco and CITIC Port Investment Co., Ltd. (“**CITIC Port**”) owns 2% of the equity interest in the China Holdco. Both Sinopec and CITIC Port are independent third parties.

The equity holding structure of the China Holdco as at the Latest Practicable Date is as follows:

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)	49%
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%
CITIC Port (that is, CITIC Port Investment Co., Ltd., incorporated in the PRC)	2%
<b>Total</b>	<b>100%</b>

### 3.4. Information on the 49% Acquisition

As stated in the Earlier Announcement, the China Holdco had acquired 49% of the total paid-up registered capital of the Target from the 49% Acquisition Vendor, representing the entire equity interest in the Target held by the 49% Acquisition Vendor, at the following aggregate consideration (collectively, the “**49% Acquisition Consideration**”):

- (a) A nominal amount of RMB10 payable by the China Holdco to the 49% Acquisition Vendor in cash within five (5) business days upon the receipt of the relevant approvals for the remittance of such nominal amount to the 49% Acquisition Vendor’s bank account in Singapore; and
- (b) The Target has an existing outstanding bank loan in the aggregate amount of RMB667,040,000 (equivalent to approximately S\$136,910,162) owed to a financial institution in the PRC (the “**Bank**”) (the “**Existing Bank Loan**”), to be repaid in instalments with the final instalment due by 20 September 2028. Prior to the 49% Acquisition, the Existing Bank Loan was secured by, among other things, corporate guarantees provided by the 49% Acquisition Vendor and the Vendor in favour of the Bank in accordance with their respectively equity holding percentages in the Target. For the avoidance of doubt, prior to the 49% Acquisition, the 49% Acquisition Vendor had provided a corporate

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## LETTER TO SHAREHOLDERS

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guarantee in favour of the Bank in respect of 49% of the Existing Bank Loan quantum (the “**49% Acquisition Vendor’s Corporate Guarantee**”). Following the completion of the 49% Acquisition, the China Holdco took over the 49% Acquisition Vendor’s Corporate Guarantee and assumed all obligations in connection therewith, becoming the corporate guarantor to the Bank in respect of 49% of the Existing Bank Loan quantum (that is, for an amount of RMB160,156,304 (equivalent to approximately S\$32,872,130)) in place of the 49% Acquisition Vendor (the “**Assumption of 49% Acquisition Vendor’s Corporate Guarantee**”).

The 49% Acquisition was completed on 23 June 2022. Following the completion of the 49% Acquisition, the China Holdco became the 49% shareholder of the Target.

### 3.5. Value of the Sale Equity

The valuation of the Target based on the Vendor’s Valuation is approximately RMB107.2 million (equivalent to approximately S\$22.00 million) as at 30 June 2021. Based on the Vendor’s Valuation, the Sale Equity has a value of approximately RMB22,502,600 (equivalent to approximately S\$4,618,665).

In connection with the Proposed Acquisition, the China Holdco has commissioned Northern Tianjin Torch Asset Valuation Co., Ltd. (天津津北火炬资产评估有限公司) as an independent valuer (the “**Valuer**”) to determine the value of 100% of the equity interest in the Target.

The Valuer was established in 2008. As at 31 December 2021, the Valuer has more than 50 experienced professionals who have rich appraisal experience, presided over many major appraisal businesses, and have a good professional quality and working level. The Valuer is accredited by the China Appraisal Society, a self-disciplinary organisation of the appraisal profession under the supervision, regulation and guidance of the Ministry of Finance in the PRC. The Valuer has also undertaken valuation work for companies such as Tianjin FAW Toyota Motor Co., Ltd. and Zhenhua Logistics (Tianjin) Co., Ltd. (a 63%-owned subsidiary of China International Marine Containers (Group) Co., Ltd., a company with shares listed on the Shenzhen Stock Exchange and Hong Kong Stock Exchange).

Based on the valuation report dated 8 July 2022 issued by the Valuer (the “**Valuation Report**”), as at 30 April 2022, the market value of 100% equity interest in the Target is RMB106,910,700 (equivalent to approximately S\$21,943,454) (the “**Target’s Valuation**”). Accordingly, as at 30 April 2022, the Sale Equity has a market value of RMB22,451,247 (equivalent to approximately S\$4,608,125), being 21% of the Target’s Valuation. The Consideration hence represents a slight premium of 0.23% (or RMB51,353, equivalent to approximately S\$10,540) while the Maximum Consideration represents a premium of 10.24% (or RMB2,298,753, equivalent to approximately S\$471,820) to the valuation commissioned by the China Holdco.

The valuation of the Target Group was arrived at based on the asset-based approach, which appraises the value of an appraised enterprise by reasonably evaluating the value of each asset and liability on and off the appraised enterprise’s balance sheet that can be identified and determines the value of the appraisal object on the basis of the balance sheet of the appraised entity on the valuation benchmark date. The Valuation Report was 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), the Professional Ethics of Assets Appraisal (资产评估职业道德准则), and



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## LETTER TO SHAREHOLDERS

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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).

The summary of the Valuation Report (the “**Summary Valuation Letter**”) is annexed hereto as Appendix A and a copy of which (and the underlying Valuation Report) is 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 Letter issued by the Valuer carefully.

#### 4. THE OPEN TENDER PROCESS AND THE ENTRY INTO DEFINITIVE AGREEMENT(S)

The Proposed Acquisition is subject to the Open Tender Process as the Sale Equity is considered to be a state-owned asset in the PRC. The Open Tender Process comprises the following steps:

- (a) **Submission of tenders during the Tender:** Subject to the receipt of approval from the Shareholders for the Proposed Acquisition, the China Holdco will submit the China Holdco’s Bid prior to the close of the Tender on 26 July 2022. For compliance with the applicable laws and regulations in the PRC and the requirements of the Tianjin Exchange, the Tender shall be subject to and based on the Standard Terms.
- (b) **Conclusion of Tender:** After the close of the Tender, the Tianjin Exchange will process all the bids submitted. In general, the highest bidder or the only bidder will be the successful bidder of the Sale Equity. The successful bidder will then be required to pay a deposit (of not more than 30% of the successful bid amount) into the escrow account designated by the Tianjin Exchange within the stipulated timeframe (in general, within three (3) business days from the date of notification of the successful bid), enter into the Definitive Agreement(s) for the Proposed Acquisition with the Vendor and pay the remaining consideration within three (3) business days after the completion of the procedures in relation to the change of business registration for the Proposed Acquisition.

#### 5. MATERIAL TERMS AND CONDITIONS OF THE PROPOSED ACQUISITION

The Proposed Acquisition shall be undertaken in accordance with the Standard Terms. The China Holdco may not depart from the Standard Terms in undertaking the Proposed Acquisition. Following the conclusion of the Tender, if the China Holdco’s Bid is successful, the China Holdco and the Vendor will then enter into the Definitive Agreement(s) and will undertake the relevant procedures to complete the Proposed Acquisition.

##### 5.1. Consideration and Maximum Consideration

The China Holdco intends to submit its bid for the Sale Equity between the Consideration of RMB22,502,600 (equivalent to approximately S\$4,618,665), which is the minimum open tender price set by the Vendor based on the Vendor’s Valuation, and the Maximum Consideration of RMB24,750,000 (equivalent to approximately S\$5,079,945).

Although the Consideration and the Maximum Consideration represent premia of between 0.23% and 10.24% to the market value of the Sale Equity of RMB22,451,247 (equivalent to approximately S\$4,608,125) (being 21% of the Company’s Valuation), the premia is necessary so that (a) the

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## LETTER TO SHAREHOLDERS

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China Holdco can participate in the Tender at the minimum open tender price; and (b) at the Maximum Consideration will increase the chance of a successful bid for the China Holdco.

The Company has determined the bidding consideration after taking into account (i) the Vendor's Valuation, (ii) that the China Holdco already holds 49% of the Target and the Proposed Acquisition will increase the China Holdco's interest in the Target to 70% and the China Holdco will become the majority shareholder of the Target, (iii) the prospects of the Target and (iv) the rationale and benefits to the Group for the Proposed Acquisition as set out in Section 6 of this Circular.

### 5.2. Source of Funds

The Proposed Acquisition will be satisfied in cash and financed with the internal funds and revenue of the China Holdco. The Proposed Acquisition will not adversely affect the China Holdco's or the Group's operations.

### 5.3. Deposit

Based on the Standard Terms, the China Holdco expects to make payment of a deposit of approximately RMB5,000,000 (equivalent to approximately S\$1,026,252) (the "**Deposit**") to the Tianjin Exchange's designated bank account prior to the execution of the Definitive Agreement(s), for the purposes of, among other things, securing the China Holdco's due performance of its obligations under the Definitive Agreement(s). The Deposit shall be used to offset the successful bid consideration payable for the Sale Equity.

### 5.4. Conditions Precedent

The Proposed Acquisition is subject to and is required to be undertaken in accordance with the Standard Terms. The Standard Terms do not contain any conditions precedent to the Proposed Acquisition.

### 5.5. Completion

Completion shall occur on the date on which the Sale Equity is transferred by the Vendor to the China Holdco and the relevant registration procedures and formalities in connection with such transfer are completed in the PRC (the "**Completion Date**").

### 5.6. Other Key Terms of the Proposed Acquisition

Other key terms of the Proposed Acquisition include the following:

- (a) Following Completion, the China Holdco and the Vendor shall provide corporate guarantees in favour of the Bank in respect of the Existing Bank Loan, in accordance with their respective equity holding percentages in the Target.
- (b) Following Completion, all shareholders of the Target shall make *pro rata* capital injection to the Target to strengthen the financial position of the Target. The capital injection (amount to be determined) shall be made within a month from Completion.
- (c) The transaction reference date shall be 30 June 2021 (the "**Transaction Reference Date**"). Any profit or loss generated or risks arising between the Transaction Reference

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## LETTER TO SHAREHOLDERS

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Date and the Completion Date shall be borne by the shareholders of the Target following Completion.

- (d) The Target shall complete the relevant procedures and formalities in connection with the transfer of the Sale Equity within 30 days from the date on which the Definitive Agreement(s) is executed.

### 6. RATIONALE FOR THE PROPOSED ACQUISITION

- 6.1. As set out in the Announcement, the Proposed Acquisition is in line with the Group's strategic efforts in further enhancing its competitiveness and influence in the petrochemicals industry in the PRC following the 49% Acquisition. The China Holdco is seeking to diversify its operations beyond petrochemical logistics alone and is in the process of transitioning towards providing a full suite of services in the petrochemicals industry, including but not limited to constructing and developing a smart logistics system, creating an accessible logistics channel for liquid petrochemical products and providing integrated solutions in the field of supply chain management. Given the difficulty in obtaining the requisite initial approvals for the construction of new petrochemical terminals and storage projects and the long construction periods thereof, the Proposed Acquisition is a key step in realizing the Group's development strategy. Following Completion, the China Holdco's equity interest in the Target will increase from 49% to 70% (pursuant to which China Holdco will become the majority shareholder of the Target), further facilitating the China Holdco's entry into the coastal economic belt and enhancing the China Holdco's ability to obtain coastal petrochemical storage resources at a reasonable cost.
- 6.2. Prior to the 49% Acquisition, the China Holdco already has five storage areas for hazardous chemicals in the Yangtze River Basin and has largely completed its petrochemical logistics network along the Yangtze River. The Target also has a complete set of working facilities and equipment which are relatively new (the "**Available Facilities**") but which are currently under-utilised. The Group believes that the Available Facilities can be better utilized. As such, the Proposed Acquisition and the corresponding increase in the China Holdco's equity interest in the Target following Completion is expected to have a positive impact on the capital, profitability and financial position of the Group in the long run with more efficient and effective utilization of the Available Facilities.
- 6.3. Further, the increase in the China Holdco's equity interest in the Target following Completion will strengthen the China Holdco's control over the Target, allowing the China Holdco to utilize the Available Facilities while leveraging its extensive operating experience and talent pool in the field of storage of hazardous chemicals, placing the China Holdco in a better position to smoothly undertake or take over the preparation and construction works of various projects in an efficient manner.
- 6.4. Given the potential synergies and efficiencies which will be created by the Proposed Acquisition, the Board is of the view that the Proposed Acquisition is in the best interests of the Group and the Shareholders in the long run. The Proposed Acquisition is undertaken pursuant to a strategic review of the financial position, operational needs, long-term strategy and direction of the Group.

## LETTER TO SHAREHOLDERS

- 6.5. Upon the completion of the Proposed Acquisition, China Holdco will have majority stakes in the following storage facilities:

Storage facilities	Brief description
Storage facilities at Jiangyin, PRC, wholly-owned by China Holdco	48 storage tanks with an aggregate storage capacity of 138,600 cubic metres (including one-third stainless steel storage capacity)
Storage facilities at Jingjiang, PRC, wholly-owned by China Holdco	139 storage tanks with an aggregate capacity of 547,500 cubic metres and two petrochemical jetties, of which 21 are spherical tanks with a total capacity of 39,000 cubic metres for the storage of liquefied petroleum gases and olefins
Storage facilities at Chongqing, PRC, wholly-owned by China Holdco	58 storage tanks with an aggregate capacity of 266,000 cubic metres and five docks of 3,000DWT (deadweight tons) berths
Phase I of the storage facilities in Yueyang, PRC, wholly-owned by China Holdco	40 storage tanks with an aggregate capacity of 72,000 cubic metres
Phase I of the storage facilities in Wuhan, PRC, wholly-owned by China Holdco	38 storage tanks with an aggregate capacity of 88,000 cubic metres
The Target, 70%-owned by China Holdco upon completion of the Proposed Acquisition	26 storage tanks with a total capacity of 137,800 cubic metres (including 7,000 cubic metres of stainless steel storage capacity) and three ship docks

There is no change to the risk profile of the Group arising from the Proposed Acquisition.

## 7. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

The *pro forma* financial effects of the Proposed Acquisition 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 of the Proposed Acquisition in this section are based on the consolidated audited financial statements of the Group and the Target for FY2021. The *pro forma* financial effects of the Proposed Acquisition have been prepared based on the following assumptions:

- (a) The number of shares is based on the 203,461,883 issued and paid-up ordinary shares in the capital of the Company ("**Shares**") as at 31 December 2021;
- (b) The Proposed Acquisition had been completed on 31 December 2021 for the purposes of computing the *pro forma* financial effects on the net tangible assets ("**NTA**") of the Group;

## LETTER TO SHAREHOLDERS

- (c) The Proposed Acquisition had been completed on 1 January 2021 for the purposes of computing the *pro forma* financial effects on the losses per Share (“LPS”) of the Group; and
- (d) Based on the Consideration, goodwill of approximately RMB51,353 (equivalent to S\$10,540) will be recognised. Goodwill of approximately RMB2,247,400 (equivalent to S\$461,280) will be recognised by the China Holdco based on the Maximum Consideration for the purpose of *pro forma* financial effects. However, a purchase price allocation exercise will be carried out and the financial impact of the Proposed Acquisition will be adjusted in due course. As the Group applied equity accounting for its interests in the China Holdco, there will be no material impact to the NTA per Share for the Proposed Acquisition.

The *pro forma* financial effects are largely based on the valuation on the Sale Equity as mentioned in Section 3.5 of this Circular, and thus may be materially different from the actual valuation. Therefore, the *pro forma* financials set out in the following sections may differ significantly from the audited financial statements for the current year ending 31 December 2022.

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

For illustrative purposes only, had the Proposed Acquisition been completed on 31 December 2021 and based on the audited consolidated financial statements of the Group for FY2021, the Proposed Acquisition would have had the following impact on the NTA per Share of the Group:

	As at 31 December 2021	Immediately after the completion of the 49% Acquisition	Immediately after the completion of the Proposed Acquisition	
			(based on the Consideration)	(based on the Maximum Consideration)
<b>NTA <sup>(1)</sup> (RMB’000)</b>	552,922	578,649	578,649	578,649
<b>Number of Shares</b>	203,461,883	203,461,883	203,461,883	203,461,883
<b>NTA per Share (RMB cents)</b>	271.76	284.40	284.40	284.40

**Note:**

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

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## LETTER TO SHAREHOLDERS

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### 7.2. Effect on Group's LPS

For illustrative purposes only, had the Proposed Acquisition been completed on 1 January 2021 and based on the audited consolidated financial statements of the Group for FY2021, the Proposed Acquisition would have had the following impact on the LPS of the Group:

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		Immediately after the completion of the 49% Acquisition	Immediately after the completion of the Proposed Acquisition  (based on the Consideration)	(based on the Maximum Consideration)
	FY2021		(based on the Consideration)	(based on the Maximum Consideration)
<b>Loss attributable to Shareholders (RMB'000)</b>	(23,568)	(13,662)	(20,442)	(20,442)
<b>Number of Shares</b>	203,461,883	203,461,883	203,461,883	203,461,883
<b>LPS (RMB cents)</b>	(11.58)	(6.71)	(10.05)	(10.05)

7.3. There is no change to the share capital of the Company as the Company is not issuing any new Shares for the Proposed Acquisition.

7.4. There is no change to the gearing ratio of the Group as the Group's investment in the China Holdco is accounted for using the equity method. Under the equity method, the investment in the China Holdco is carried in the consolidated statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the China Holdco.

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

### 8.1. Rule 1005 of the Catalist Rules

Rule 1005 of Chapter 10 of Section B: Rules of Catalist of the listing manual (the "**Catalist Rules**") of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") 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 Acquisition and the 49% Acquisition (collectively, the "**Relevant Transactions**") both involve acquisitions of equity interest in the Target by the China Holdco and are intended to be completed within the same 12 months' period, the Proposed Acquisition has been aggregated with the 49% Acquisition in determining the nature of the Proposed Acquisition.

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## LETTER TO SHAREHOLDERS

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

The relative figures for the Proposed Acquisition aggregated with the 49% Acquisition (that is, the Relevant Transactions) as computed on the bases set out in Rule 1006 of the Catalist Rules and the latest announced financial statements, being the consolidated unaudited financial statements of the Group, and the unaudited management accounts of the Target for 1Q2022, are as follows:

	<b>Based on the Consideration</b>	<b>Based on the Maximum Consideration</b>
(a) Net asset value of the assets to be disposed of, compared with the Group's net asset value.	Not applicable <sup>(1)</sup>	Not applicable <sup>(1)</sup>
(b) Net losses attributable to the 70% equity interest in the Target to be acquired pursuant to the Relevant Transactions, compared with the Group's net losses.	73.75% <sup>(2)</sup>	73.75% <sup>(2)</sup>
(c) Aggregate value of the consideration given for the 70% equity interest in the Target to be acquired pursuant to the Relevant Transactions, compared with the Company's market capitalisation based on the total number of issued Shares excluding treasury shares.	98.75% <sup>(3)</sup>	99.20% <sup>(3)</sup>
(d) The number of equity securities issued by the Company as consideration for the Relevant Transactions, compared with the number of equity securities previously in issue.	Not applicable <sup>(4)</sup>	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>	Not applicable <sup>(5)</sup>

**Notes:**

- (1) Not applicable as the Relevant Transactions are in relation to the acquisition of assets.
- (2) "Net losses" means loss before income tax and non-controlling interests. Based on the latest unaudited consolidated financial statements of the Target and the Group for 1Q2022, the net losses attributable to the 70% equity interest in the Target pursuant to the Relevant Transactions is RMB5.36 million (equivalent to approximately S\$1.10 million) and the net losses of the Group is RMB7.26 million (equivalent to approximately S\$1.49 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 Announcement. Accordingly, the market capitalisation of the Company is based on 203,461,883 Shares in issue and the weighted average price of S\$0.245 of the Shares transacted on 12 April 2022, being the last market date preceding the date of the Announcement that the Shares were traded, and as such the market capitalisation for the purposes of the Relevant Transactions is S\$49,848,161.

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## LETTER TO SHAREHOLDERS

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The consideration for the Relevant Transactions (the “**Total Consideration**”) consists of the following:

- (a) In relation to the 49% Acquisition, the 49% Acquisition Consideration (which consists of a nominal amount of RMB10 and the Assumption of 49% Acquisition Vendor’s Corporate Guarantee in relation to 49% of the Target’s Existing Bank Loan quantum, being RMB160,156,304), amounting to a total of RMB160,156,314 (equivalent to approximately S\$32,872,132); and
- (b) In relation to the Proposed Acquisition, between the Consideration of RMB22,502,600 (equivalent to approximately S\$4,618,665) and the Maximum Consideration of RMB24,750,000 (equivalent to approximately S\$5,079,945), and the assumption by the China Holdco of the corporate guarantee in relation to an additional 21% of the Target’s Existing Bank Loan quantum, being RMB68,638,000 (equivalent to approximately S\$14,087,970), in connection with the acquisition of the Sale Equity.

In light of the above, the Total Consideration is between the amount of RMB239,820,588 (equivalent to approximately S\$49,223,248) and RMB240,922,220 (equivalent to approximately S\$49,449,359).

- (4) Not applicable as there will be no issuance of shares as consideration for the Relevant Transactions.
- (5) Not applicable as the Company is not a mineral, oil or gas company.

### 8.3. Major Transaction

As the relative figures computed on the bases set out in Rule 1006 of the Catalist Rules exceed 75% but do not exceed 100%, the Proposed Acquisition (aggregated with the 49% Acquisition) constitutes a “major transaction” for the purposes of Chapter 10 of the Catalist Rules. Accordingly, the Proposed Acquisition is subject to the approval of the Shareholders being obtained in a general meeting to be convened.

## 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		Deemed interest		Total interest	
	(No. of Shares)	% <sup>(1)</sup>	(No. of Shares)	% <sup>(1)</sup>	(No. of Shares)	% <sup>(1)</sup>
<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



## LETTER TO SHAREHOLDERS

	Direct interest		Deemed interest		Total interest	
	(No. of Shares)	% <sup>(1)</sup>	(No. of Shares)	% <sup>(1)</sup>	(No. of Shares)	% <sup>(1)</sup>
<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. and is therefore deemed interested in the shares of the Company held by Foreversun Holdings Co., Ltd., 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.
- (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 Acquisition, 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 Acquisition. 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 Acquisition, the Directors are of the opinion that the Proposed Acquisition is 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.

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## LETTER TO SHAREHOLDERS

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### 12. CONSENTS

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

Beijing Yongqin Law Firm has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name and opinion, 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 25 July 2022 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 Acquisition 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:

- (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)

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## LETTER TO SHAREHOLDERS

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(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/hengyang2022egm/> (“**Pre-registration Website**”). 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 20 July 2022 (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 unique user credentials and/or 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 24 July 2022, but have registered by the Registration Deadline, should contact the Company via email at [contact@hyplc.com](mailto:contact@hyplc.com).

### **IMPORTANT NOTICE:**

The Company will be conducting the EGM on 25 July 2022 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

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## LETTER TO SHAREHOLDERS

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(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 21 July 2022, 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 10.00 a.m. on 18 July 2022:

- (a) **via the Pre-registration Website** at the URL <https://globalmeeting.bigbangdesign.co/hengyang2022egm/>;
- (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 (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 10.00 a.m. on 18 July 2022 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.**

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## LETTER TO SHAREHOLDERS

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### 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 or video questions via the "Q&A" window/tab and then clicking "Ask a Question" to input queries in the questions text box. 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/hengyang2022egm/> by the Registration Deadline for verification purposes.

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/hengyang2022egm/> 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 24 July 2022 should immediately contact the Company via email at [contact@hyplc.com](mailto:contact@hyplc.com).

### 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

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## LETTER TO SHAREHOLDERS

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(b) if submitted electronically, be submitted via email to the Company at hengyang.sg@hyplc.com,

in either case not later than 48 hours before the time fixed for holding the EGM, which is 23 July 2022, 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 14 July 2022, 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).

### 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 Acquisition 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.

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## LETTER TO SHAREHOLDERS

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### 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 draft Definitive Agreement(s);
- (b) The Summary Valuation Letter (and the underlying Valuation Report); and
- (c) The letters of consent set out in Section 12 of this Circular.

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 LETTER**

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## APPENDIX A

### SUMMARY OF EQUITY VALUE VALUATION REPORT

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8 July 2022

**HENGYANG  
PETROCHEMICAL LOGISTICS  
LIMITED**

10 Anson Road  
#25-06 International Plaza  
Singapore 079903

**Valuation of all equity of shareholders of Odfjell Nangang Terminals (Tianjin) Co., Ltd.**

Dear Sirs:

1. Introduction

Proposed acquisition of partial equity in Odfjell Nangang Terminals (Tianjin) Co., Ltd. by Jiangyin Foreversun Chemical Logistics Co., Ltd. Jiangyin Foreversun Chemical Logistics Co., Ltd. has entrusted Northern Tianjin Torch Asset Valuation Co., Ltd. to appraise the value of all equity of shareholders of Odfjell Nangang Terminals (Tianjin) Co., Ltd. involved in the acquisition of the equity for value reference.

Northern Tianjin Torch Asset Valuation Co., Ltd. was established in 2008. As at 31 December 2021, we have more than 50 experienced professionals who have rich appraisal experience, presided over many major appraisal businesses, and have a good professional quality and working level. Northern Tianjin Torch Asset Valuation Co., Ltd. is accredited by the China Appraisal Society, a self-disciplinary organization of the appraisal profession under the supervision, regulation and guidance of the Ministry of Finance in the PRC. We have also undertaken valuation work for companies such as Tianjin FAW Toyota Motor Co., Ltd. and Zhenhua Logistics (Tianjin) Co., Ltd. (a 63%-owned subsidiary of China International Marine Containers (Group) Co., Ltd., a company with shares listed on the Shenzhen Stock Exchange and Hong Kong Stock Exchange).

2. Purpose of the appraisal

Proposed acquisition of partial equity in Odfjell Nangang Terminals (Tianjin) Co., Ltd. by Jiangyin Foreversun Chemical Logistics Co., Ltd. Jiangyin Foreversun Chemical Logistics Co., Ltd. has entrusted Northern Tianjin Torch Asset Valuation Co., Ltd. to appraise the value of all equity of shareholders of Odfjell Nangang Terminals (Tianjin) Co., Ltd. involved in the acquisition of the equity for value reference.

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 value of all equity of the shareholders of Odfjell Nangang Terminals (Tianjin) Co., Ltd. The scope of appraisal includes all the assets and liabilities of Odfjell Nangang Terminals (Tianjin) Co., Ltd. corresponding to the appraised object on the valuation date.

## SUMMARY OF NORTHERN TIANJIN EQUITY VALUE VALUATION REPORT

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### 4. Reliance on information and representation

The information used by us in preparing the Summary Valuation Report has been obtained primarily from Odfjell Nangang Terminals (Tianjin) Co., Ltd. and other sources as indicated in this Summary Valuation Report. These include:

- a) Financial projections provided by Management and supporting information (e.g. technical reports, discussions/correspondences with Management); and
- b) All other publicly available information.

### 5. Valuation methodology and summary results

According to the Practicing 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.

As the asset and liability structure of the appraised entity is clear, the value of each asset and liability can be appraised and recognized separately, and the selection of economic and technical parameters involved in the appraisal of these assets has sufficient data as the basis, so this appraisal meets the applicable conditions for adopting the asset-based approach.

As the appraised entity has the basis of going concern, the historical operating and financial data are available, and the future earnings and risks can be predicted and quantified, so this appraisal meets the applicable conditions for adopting income approach.

As the public transaction cases of share acquisition of relevant industries and enterprises of relevant scale of the appraised entity cannot be obtained, in addition, there is no suitable reference enterprise, which does not have the applicable conditions of the market approach, so the market approach is not used in this appraisal.

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

The asset-based approach in enterprise value appraisal refers to the approach of reasonably appraising the value of various assets and liabilities in and out of the enterprise's balance sheet and determining the value of the appraised object on the basis of the balance sheet of the appraised entity on the valuation date. When the asset-based approach is used to appraise the enterprise value, the value of each asset is obtained by choosing appropriate specific appraisal approach according to its specific situation.

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 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 shareholder equity value. The basic formula is as follows:

## SUMMARY OF NORTHERN TIANJIN EQUITY VALUE VALUATION REPORT

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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 valuation of Odfjell Nangang Terminals (Tianjin) Co., Ltd. These include:

- i. It is assumed that there are no major changes in the current relevant laws, regulations and policies of the country, the national macroeconomic situation, and there is no significant change in the political, economic and social environment of the region in which the parties of this transaction are located.
- ii. It is assumed that the business is a going concern.
- iii. It is assumed that the managers of the company are responsible and that the management of the company is capable of performing their duties.
- iv. Unless otherwise stated, the company is assumed to be in full compliance with all relevant laws and regulations.
- v. It is assumed that the accounting policies that the company will adopt in the future are substantially the same as those adopted at the time of the preparation of this report.
- vi. It is assumed that on the basis of the existing management mode and management level, the company's business scope and mode are consistent with the current direction.
- vii. It is assumed that there are no major changes in interest rates, exchange rates, tax bases and rates, and policy-based collection expenses.
- viii. It is assumed that no other force majeure factors and unforeseeable factors will cause significant adverse effects on the enterprise.
- ix. The main business, product structure, composition of revenue and cost, sales strategy and cost control of the appraisal object in the future business period will remain the same as in recent years without major changes. It does not consider the future profits and losses caused by changes in asset size, composition, main business and product structure caused by changes in management, business strategy and business environment, etc.
- x. In the future business period, the cost of each period of the appraisal object will not change significantly on the existing basis, but will maintain its trend of recent years and change synchronously with the change of operation scale.
- xi. It is assumed that the cash flow of appraised entity is generated at the year-end of each forecast period.
- xii. In this appraisal, unless otherwise specified, the influence of all equity value of shareholders of the appraised entity or possible mortgage and guarantee of related assets on the appraisal conclusion is not taken into account.
- xiii. This appraisal assumes that the basic information and financial information provided by the client and the appraised entity are true, accurate and complete; and the scope of appraisal shall only be subject to the appraisal statement provided by the entrusting party and the appraised entity, and the contingent assets and contingent liabilities that may exist beyond the list provided by the entrusting party and the appraised entity are not considered.
- xiv. The accounts receivable generated in the next year of the appraised entity can be gradually recovered according to the period agreed in the contract, and there will be no significant bad debts of accounts receivable in the future.
- xv. The main technical backbone, research and development group, marketing team and management team of the appraised entity are relatively stable without major changes.
- xvi. The contracts, agreements and winning bids that are being performed or not yet performed provided by the appraised entity are valid and can be completed within

## SUMMARY OF NORTHERN TIANJIN EQUITY VALUE VALUATION REPORT

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the planned time.

xvii. It is assumed that the appraised entity can continue to comply with the preferential tax policy in the future and continue to enjoy the preferential tax.

xviii. It is assumed that the business license of the appraised entity can be renewed after the business term expires.

### 6. Conclusion

On April 30, 2022, the valuation date, with asset-based approach, the appraised value of assets is RMB 931,076,900.00 Yuan, the appraised value of liabilities is RMB 824,166,300.00 Yuan, and the appraised value of all shareholders' equity is RMB 106,910,700.00 Yuan.

This Summary Valuation Report is addressed to and intended for the use of Jiangyin Foreversun Chemical Logistics Co., Ltd. and its shareholder, Hengyang Petrochemical Logistics Limited 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 Logistics Limited). Any recommendation made by the Directors of Hengyang Petrochemical Logistics Limited ("Directors") to the shareholders of Hengyang Petrochemical Logistics Limited shall remain the responsibility of such Directors.

Yours faithfully,

For and on behalf of  
Northern Tianjin  
Torch Asset Valuation  
Co., Ltd.

Huang Guoping  
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 25 July 2022 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 ACQUISITION OF AN ADDITIONAL 21% OF THE EQUITY INTEREST IN ODFJELL NANGANG TERMINALS (TIANJIN) CO., LTD. (天津南港奥德费尔码头仓储有限公司) AS A MAJOR TRANSACTION**

**THAT:**

- (a) for the purposes of Chapter 10 of the Catalist Rules, approval be and is hereby given to the Company to effect and complete the Proposed Acquisition and undertake all actions and transactions in connection therewith, including the following:
- (i) the proposed participation in the public tender administered by the Tianjin Property Rights Exchange in respect of the Sale Equity (the “**Tender**”) and submission of the China Holdco’s Bid in respect of the Sale Equity at a consideration of between RMB22,502,600 and RMB24,750,000; and
  - (ii) the proposed entry into and execution of further definitive agreement(s) (as may be further amended, modified, varied and/or supplemented as the parties thereto may hereafter deem fit) in connection with the transfer of the Sale Equity for the purposes of the Proposed Acquisition following the conclusion of the Tender; and
- (b) 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 Acquisition 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 8 July 2022 to shareholders of the Company in relation to the proposed acquisition of an additional 21% of the equity interest in Odfjell Nangang Terminals (Tianjin) Co., Ltd..*

By Order of the Board

Gu Wen Long  
Director and Chief Executive Officer

8 July 2022

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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 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/hengyang2022egm/> (“**Pre-registration Website**”) no later than 10.00 a.m. on 20 July 2022 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 unique user credentials and/or 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 24 July 2022 but have been pre-registered for the EGM by the Registration Deadline should contact the Company via email at [contact@hyplc.com](mailto:contact@hyplc.com) 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 or video questions via the “Q&A” window/tab and then clicking “Ask a Question” to input queries in the questions text box. 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 10.00 a.m. on 18 July 2022 via the Pre-registration Website at the URL: <https://globalmeeting.bigbangdesign.co/hengyang2022egm/> 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 10.00 a.m. on 18 July 2022 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 21 July 2022. Substantial and relevant questions which are submitted after 10 a.m. on 18 July 2022 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 may cast their votes at the EGM using the login credentials provided during pre-registration. Shareholders and proxies should therefore have their Confirmation Email containing their unique user credentials handy for reference. Instructions will be provided at the start of the EGM on how to vote. 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 [hengyang.sg@hyplc.com](mailto:hengyang.sg@hyplc.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 Saturday, 23 July 2022, 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 Thursday, 14 July 2022 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 8 July 2022 (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 Wednesday, 20 July 2022 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 Thursday, 14 July 2022 at 10.00 a.m.).

### PROXY FORM

(Please see notes overleaf before completing this Form)

I/We\*, \_\_\_\_\_ (Name), NRIC/Passport number/Company registration number\* \_\_\_\_\_  
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 25 July 2022 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 acquisition of an additional 21% of the equity interest in Odfjell Nangang Terminals (Tianjin) Co., Ltd. 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 \_\_\_\_\_ 2022

**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/hengyang2022egm/> (the "Pre-registration Website") by 10.00 a.m. on 20 July 2022.
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 [hengyang.sg@hyplc.com](mailto:hengyang.sg@hyplc.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 authorized.
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 [hengyang.sg@hyplc.com](mailto:hengyang.sg@hyplc.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 8 July 2022.