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HENGYANG PETROCHEMICAL LOGISTICS LIMITED

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

UNAUDITED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2017

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

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

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

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

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

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

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

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

HENGYANG PETROCHEMICAL LOGISTICS LIMITED
UNAUDITED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2017

	Group		
	9M2017	9M2016 Restated	%
	RMB'000	RMB'000	(+/-)
Continuing operation：			
Revenue	**-**	**-**	**nm**
Cost of sales	-	**-**	**nm**
Gross profit	**-**	**-**	**nm**
Other income	1,336	888	50.5
Administrative and other expenses	(6,242)	(2,811)	122.1
Finance costs	-	-	nm
Share of joint venture loss	(5,482)	-	nm
Profit/(loss) before tax from continuing operation	**(10,388)**	**(1,923)**	**440.2**
Income tax expense	(22)	-	nm
Profit/(loss) from continuing operations	(10,410)	(1,923)	441.3
Discontinued operation：			
Profit/(loss) from discontinued operations	219,662	(21,139)	(1,139.1)
Net profit/(loss) for the period	**209,252**	**(23,062)**	**1,007.3**
Profit/(Loss) attributable to:			
Owners of the parent			
Profit/(loss) from continuing operation	(9,068)	(2,707)	234.9
Profit/(loss) from discontinued operation	142,780	(13,872)	1,129.3
Profit/(loss) for the year attributable to owners of the company	**133,712**	**(16,579)**	**906.5**
Non-controlling interests			
Profit/(loss) from continuing operation	(1,342)	784	(271.1)
Profit/(loss) from discontinued operation	76,882	(7,267)	(1,157.9)
Profit/(loss) for the year attributable to non-controlling interests	**75,540**	**(6,483)**	**1,265.2**
	209,252	**(23,062)**	**1,007.3**
Total comprehensive income/(loss) attributable to:			
Owners of the parent	133,712	(16,579)	906.5
Non-controlling interests	75,540	(6,483)	1,265.2
	209,252	**(23,062)**	**1,007.3**

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

	RMB'000	RMB'000
	Jan-May 2017	9M 2016
Revenue	**70,767**	**100,387**
Cost of sales	(62,131)	(88,156)
Gross profit	**8,636**	**12,231**
Other income	747	(84)
Administrative and other expenses	(16,251)	(23,080)
Finance costs	(8,653)	(9,579)
Loss from discontinued operations	**(15,521)**	**(20,512)**
Income tax expense	(563)	(2,731)
Loss for the period	**(16,084)**	**(23,243)**
Gain on disposal of discontinued operation (49%)	105,680	-
Re-measurement of 51% Joint venture interest	130,066	-
Profit(loss) from discontinued operation	**219,662**	**(23,243)**

Income Statement of China Holdco Group for the nine months ended 30 September 2017 ("9M 2017"):

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

	RMB'000	RMB'000	RMB'000	RMB'000
	Jan-May 2017	Jun-Sep 2017	9M 2017	9M 2016
Revenue	**70,767**	**62,156**	**132,923**	**104,424**
Cost of sales	(62,131)	**(53,235)**	(115,366)	(89,473)
Gross profit	**8,636**	**8,921**	**17,557**	**14,951**
Other income	747	5,226	5,973	3,172
Administrative and other expenses	(16,251)	(18,059)	(34,310)	(24,208)
Finance costs	(8,653)	(6,157)	(14,810)	(12,323)
Profit(loss) from discontinued operations	**(15,521)**	**(10,069)**	**(25,590)**	**(18,408)**
Income tax expense	(563)	(680)	(1,243)	(2,731)
Profit(loss) for the period	**(16,084)**	**(10,749)**	**(26,833)**	**(21,139)**
51% share proportion		51%		
Share of joint venture profit		**(5,482)**		

Gain on disposal of subsidiary:

	9M 2017 RMB'000
Gain on disposal :	
Total consideration satisfied by cash receivable	142,900
Investment in joint venture recognised	495,915
Net assets derecognised	(525,208)
Non-controlling interest derecognised	2,824
Costs(including income taxes) directly attributable to the disposal	(10,751)
Gain on disposal of discontinued operation (49%)	**105,680**

Net assets of Joint Venture:

	9M2017 RMB'000
Fair Value*	777,414
Net assets derecognised	522,384
Re-measurement of 100% Joint venture interest	**255,030**
51% share proportion	51%
Re-measurement of 51% Joint venture interest	**130,066**

*Based on valuation adjusted for RMB450 million capital injection by CITIC Port.

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

	9M 2017 RMB'000
Consideration received cash and cash equivalents	142,900
Cash and cash equivalents of subsidiary disposed	(16,633)
Costs directly attributable to the disposal	(10,751)
	115,516

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

	Group		Company	
	30.9.2017	31.12.2016	30.9.2017	31.12.2016
	RMB'000	RMB'000	RMB'000	RMB'000
Non-current assets				
Property, plant and equipment	8	1,438,570	9	11
Land use rights	-	257,329	-	-
Investments in subsidiaries	-	-	267,472	267,472
Investment in joint venture	620,499	-	-	-
	620,507	1,695,899	267,481	267,483
Current assets				
Trade and other receivables	202	56,598	-	-
Amount owing by related parties	-	2,046	-	-
Amount owing by subsidiaries	-	-	769	769
Current income tax recoverable	-	-	-	-
Cash and cash equivalents	125,790	10,949	4,605	43
	125,992	69,593	5,374	812
Less:				
Current liabilities				
Trade and other payables	2,876	283,270	3,492	3,252
Amount owing to related parties	-	62,215	-	-
Amount owing to directors	390	13,133	390	2,509
Amount owing to a subsidiary	-	-	29,637	16,799
Amount owing to a former shareholder of a subsidiary	-	4,502	-	-
Bank and other borrowings	-	596,180	-	-
Current income tax payable	2	6,141	-	-
	3,268	965,441	33,519	22,560
Net current assets/liabilities	122,724	(895,848)	(28,145)	(21,748)
Less:				
Non-current liabilities				
Amount owing to a related party	-	93,050	-	-
Amount owing to a director	-	11,143	-	-
Bank borrowings	-	143,460	-	-
Deferred tax liabilities	-	18,418	-	-
	-	266,071	-	-
Net assets	743,231	533,980	239,336	245,735
Equity				
Share capital	289,064	289,064	289,064	289,064
Statutory common reserve	-	14,935	-	-
Foreign currency translation account	145	(270)	-	-
Other reserve	75,935	84,113	-	-
Retained earnings/(Accumulated losses)	106,187	(50,222)	(49,728)	(43,329)
Equity attributable to owners of the parent	471,331	337,620	239,336	245,735
Non-controlling interests	271,900	196,360	-	-
Total equity	743,231	533,980	239,336	245,735

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

Investment in joint venture:

	RMB'000
Net assets derecognised	522,384
Fair value re-measurement	255,030
Fair value	**777,414**
CITIC injection	450,000
Fair value after completed in CITIC injection	**1,227,414**
51% share proportion	51%
Investment in joint venture May 2017	625,981
Share of joint venture profit (Jun-sep)	(5,482)
Investment in joint venture September 2017	**620,499**

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

	As at 30 September 2017			As at 31 December 2016		
RMB'000	**Secured**	**Unsecured**	**Total**	**Secured**	**Unsecured**	**Total**
Repayable within one year	-	-	-	596,180	79,850	676,030
Repayable within one year	-	-	-	156,960	90,693	247,653
Total	**-**	**-**	**-**	**753,140**	**170,543**	**923,683**

The Group had no borrowing as at 30 September 2017. The borrowings which exist in the China Holdco Group and the assets and liabilities of China Holdco Group are no longer consolidated in the Group financial statements.

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

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

	Group	
	9M 2017	9M 2016 Restated
	RMB'000	RMB'000
Operating activities		
Loss from continuing operations	(10,410)	(1,923)
Profit from discontinued operations	219,662	(21,139)
Adjustments for:		
Depreciation of property, plant and equipment	18,922	29,741
Amortisation for land use rights	828	967
Gain on disposal of property, plant and equipment	(6)	312
Gain on disposal of discontinued operation (49%)	(105,680)	-
Re-measurement of 51% Joint venture interest	(130,066)	-
Share of joint venture profit	5,482	-
Interest income	(3)	(381)
Interest expense	8,653	12,323
Operating cash flows before working capital changes	7,382	19,900
Working capital changes:		
Trade and other receivables (including related parties)	7,357	10,904
Trade and other payables (including directors and related parties)	60,626	(3,678)
Cash generated from operations	75,365	27,126
Interest paid	(4,800)	(9,690)
Income tax paid/(refunded)	657	1,461
Net cash generated from operating activities	71,222	18,897
Investing activities		
Acquisition of property, plant and equipment	(52,000)	(30,399)
Proceeds from disposal of subsidiary	115,516	-
Interest paid and capitalised	(6,363)	(22,272)
Interest received	3	330
Net cash (used in)/generated from investing activities	57,156	(52,341)
Financing activities		
Proceeds from bank and other borrowings	-	40,000
Repayment of bank borrowings	(7,122)	(25,778)
Fixed deposits pledged in financial institutions	-	41,726
Amount owing to related parties	(6,415)	(21,252)
Net cash (used in)/generated from financing activities	(13,537)	34,696
Net change in cash and cash equivalents	114,841	1,252
Cash and cash equivalents at beginning of the period	10,949	7,291
Non-cash items	-	(174)
Effect of exchange rate changes on cash and cash equivalents	-	-
Cash and cash equivalents at end of the period	125,790	8,369

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

Company (RMB'000)	Share capital	Accumulated losses	Total equity
(Unaudited)			
Balance as at 1 January 2017	**289,064**	**(43,329)**	**245,735**
Loss for the period	-	(1,519)	(1,519)
Balance as at 31 March 2017	**289,064**	**(44,848)**	**244,216**
Loss for the period	-	(3,218)	(3,218)
Balance as at 30 June 2017	**289,064**	**(48,066)**	**240,998**
Loss for the period	-	(1,662)	(1,662)
Balance as at 30 September 2017	**289,064**	**(49,728)**	**239,336**

HENGYANG PETROCHEMICAL LOGISTICS LIMITED
UNAUDITED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2017

Consolidated Statement of Changes in equity

	Attributable to owners of the company									
Group (RMB'000)	**Share capital**	**Statutory common reserve**	**Capital Reserve**	**Foreign currency translation account**	**Other comprehesiv e income**	**Other reserve**	**Retained earnings**	**Equity attributable to owners of the parent**	**Non-controlling Interests**	**Total equity**
(Unaudited)										
Balance as at 1 January 2017	**289,064**	**14,935**	**-**	**(270)**	-	**84,113**	**(50,222)**	**337,620**	**196,360**	**533,980**
Total comprehensive income for the period	-	-	-	-	-	-	(8,656)	(8,656)	(3,847)	(12,503)
Balance as at 31 March 2017	**289,064**	**14,935**	**-**	**(270)**	**-**	**84,113**	**(58,878)**	**328,964**	**192,513**	**521,477**
Total comprehensive income for the period	-	-	-	-	-	-	146,314	146,314	83,668	229,982
Disposal of subsidiary	-	(14,935)	-	415	-	(8,178)	23,467	769	(2,729)	(1,960)
Balance as at 30 June 2017	**289,064**	**-**		**145**	**-**	**75,935**	**110,903**	**476,047**	**273,452**	**749,499**
Loss for the period	-	-	-	-	-	-	(4,715)	(4,715)	(1,552)	(6,267)
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	-	(4,715)	(4,715)	(1,552)	(6,267)
Balance as at 30 September 2017	**289,064**	**-**		**145**		**75,935**	**106,187**	**471,331**	**271,900**	**743,231**
(Unaudited)										
Balance as at 1 January 2016	**289,064**	**14,922**	**-**	**(270)**	**-**	**84,113**	**17,592**	**405,421**	**230,238**	**635,659**
Total comprehensive income for the period	-	-	-	-	-	-	204	204	1,134	1,338
Balance as at 31 March 2016	**289,064**	**14,922**	**-**	**(270)**		**84,113**	**17,796**	**405,625**	**231,372**	**636,997**
Total comprehensive income for the period	-	-	-	-	-	-	(7,939)	(7,939)	(3,351)	(11,290)
Balance as at 30 June 2016	**289,064**	**14,922**	**-**	**(270)**	**-**	**84,113**	**9,857**	**397,686**	**228,021**	**625,707**
Loss for the period	-	-	-	-	-	-	(8,844)	(8,844)	(4,267)	(13,111)
Dividend declared by a subsidiary	-	-	-	-	-	-	-	-	(176)	(176)
Balance as at 30 September 2016	**289,064**	**14,922**	**-**	**(270)**	**-**	**84,113**	**1,013**	**388,842**	**223,578**	**612,420**

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

There were no changes in the Company's share capital since the end of the previous period reported on and there were no outstanding convertibles, treasury shares or subsidiary holdings held as at 30 September 2017 and 31 December 2016.

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

	30.9.2017	**31.12.2016**
Total number of issued shares (excluding treasury shares)	203,461,883	203,461,883

The Company does not have any treasury shares as at 30 September 2017 and 31 December 2016.

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

Not applicable.

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

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

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

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

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

Not applicable.

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

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

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

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

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

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

	Group	
Earnings per ordinary share:	9M2017	9M2016Restated
Weighted average number of ordinary shares used in computation of basic EPS	203,461,883	203,461,883
(a) EPS from continuing operation—basic and diluted (RMB cents)	(4.46)	(1.33)
(b) EPS From discontinued operation—basic and diluted (RMB cents)	70.18	(6.82)

Notes:

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

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

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

	Group		Company	
	30.9.2017	31.12.2016	30.9.2017	31.12.2016
Net asset value per ordinary share (RMB cents)	231.7	165.9	117.6	120.8

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

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

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

Statement of comprehensive income of the Group

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

Profit/(loss) from discontinued operation

The Group has recognised profit from the discontinued operation attributed to China Holdco Group which amounted to RMB219.66 million comprising:

Gain on disposal of 49% of China Holdco Group	RMB105.68 million
Re-measurement fair value gain of remaining 51% interest in China Holdco Group	RMB130.06 million
Offset by Loss from discontinued operations	(RMB16.08 million).
	RMB219.66 million

Share of joint venture profit

The group had recognised its Share of Joint Venture loss of RMB5.5 million attributable to the Group's 51% share of profit from China Holdco Group.

Administrative expenses

Administrative expense comprise mainly the overheads of the Company and HHPL.

Administrative expenses increased by RMB3.43 million or 122% from RMB2.81 million in 9M 2016 to RMB6.24 million in 9M2017 mainly due to increase in staff costs and professional fees.

Statement of financial position of the Group as at 30 September 2017

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

As at 30 September 2017, the Group recorded an investment in Joint Venture which amounted to RMB620.50 million based on a valuation report of 51% interest in China Holdco Group adjusted for the RMB450 million capital injection by CITIC Port.

Current assets

As at 30 September 2017, the Group's current assets amounted to RMB125.99 million, comprising mainly cash and cash equivalents of RMB125.79 million.

Current liabilities

As at 30 September 2017, the Group's current liabilities amounted to RMB3.27 million comprising trade and other payables and amount owing to directors which accounted for 100% of its total liabilities.

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

Statement of Cash Flows of the Group for 9M 2017

Net Cash generated from operating activities increased from RMB18.90 million in 9M2016 to RMB71.22 million in 9M 2017 which was mainly attributed to the increase in trade and other payables (including directors and related parties).

Net cash generated from investing activities increased to RMB57.16 million in 9M2017 from a deficit balance of RMB52.34 million in 9M2016 which was mainly attributed to sales proceeds from the disposal of its subsidiary, China Holdco, which amounted to RMB115.52 million during the financial period, partially offset by acquisition of property, plant and equipment and interest paid and capitalised.

Net cash used in financing activities decreased from a deficit balance of RMB34.70 million in 9M2016 to deficit balance of RMB13.54 million in 9M2017. This was due to repayment of bank and other borrowings which amounted to RMB7.12 million and advance to related parties of RMB6.42 million in 9M2017.

As at 30 September 2017, the Group's cash and cash equivalents was RMB125.79 million.

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

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

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

The Group had completed the disposal of 49% of its equity interest in China Holdco on 22 May 2017.

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

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

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

No dividend has been declared or recommended for 9M2017.

(b) Corresponding Period of the Immediately Preceding Financial Year

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

year?

No dividend has been declared or recommended for 9M2016.

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

No dividend has been declared for 9M2017.

13. Interested Person Transactions ("IPT")

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

Name of Interested Person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandated pursuant to Rule 920	Aggregate value of all interested person transactions conducted under the existing shareholders' mandated pursuant to Rule 920 (excluding transactions less than $100,000)
	RMB'000	RMB'000
Provision of Petrochemical storage services and land transport services		
- Jinqiao Chemical(1)	-	4,915
- Shanghai Kangyang(2)	-	88
- Wuhan Kangyang(2)	-	-
- Jiangyin Saisheng(2)	-	-
- Golden Hope(3)	-	0
Intereste expense charged		
- Jinqiao Chemical(1)	-	3,917
- Wuhan Kangyang(2)	-	1,219
- Gu Wenlong	-	491
A success fee payment		
- Jadestone(4)	5,929	-

Notes:

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

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

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

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

PART II ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

14. Confirmation By The Board

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm that to the best of the knowledge of the Directors of the Company, nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for 9M 2017 to be false or misleading in any material aspect.

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

Operations in Deqiao facility had been suspended since 22 April 2016. Management will strive to resume operations of the Deqiao facility by the end of 2017.

GU WEN LONG
Chairman and Chief Executive Officer

DIONG TAI PEW
Lead Independent Director (AC Chairman)

BY ORDER OF THE BOARD

GU WEN LONG
Chairman and Chief Executive Officer

13 November 2017

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