

HENGYANG PETROCHEMICAL LOGISTICS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 200807923K)
(the “**Company**”, and together with its subsidiaries, the “**Group**”)

INTRAGROUP RESTRUCTURING EXERCISE

1. INTRODUCTION

The Board of Directors (“**Board**”) of the Company wishes to announce that as of the date of this announcement, the Group has completed an intragroup restructuring exercise (“**Intragroup Restructuring Exercise**”) with the primary purpose of streamlining its corporate group structure. This Intragroup Restructuring Exercise, through a series of intragroup transfers of equity interests (“**Equity Transfers**”), consolidated ownership of all of the Company’s present subsidiaries incorporated within the People’s Republic of China (“**PRC**”) under one PRC intermediate holding company, Jiangyin Foreversun Chemical Logistics Co., Ltd. (“**PRC Intermediate Holding Company**”).

2. INTRAGROUP RESTRUCTURING EXERCISE

2.1 Rationale

The Group undertook the Intragroup Restructuring Exercise with the primary goal of streamlining its corporate group structure, specifically within the PRC.

The Intragroup Restructuring Exercise comprised the Equity Transfers which are defined in detail below in section 2.2.

2.2 The Intragroup Restructuring Exercise

Group Corporate Structure of Relevant Target Subsidiaries Prior to the Intragroup Restructuring Exercise

The Intragroup Restructuring Exercise mainly involves five China incorporated subsidiaries of the Company, namely:

a) **Jiangyin Foreversun Chemical Logistics Co., Ltd. (“PRC Intermediate Holding Company”)**

The assigned PRC Intermediate Holding Company for the Group’s PRC operations is a company incorporated in the PRC. Prior to the Intragroup Restructuring Exercise, 100% of the equity interest in the PRC Intermediate Holding Company was directly and wholly held by Hengyang Holding Pte. Ltd. (“**HHPL**”), an immediate 65% owned subsidiary of the Company. For the avoidance of doubt, immediately upon completion of the Intragroup Restructuring Exercise, the shareholdings in relation to the PRC Intermediate Holding Company remain unchanged, which means its immediate sole shareholder is still HHPL, which is a 65% owned immediate subsidiary of the Company.

b) **Jiangsu Deqiao Storage Co., Ltd. (“Deqiao PRC”)**

Deqiao PRC is a company incorporated in the PRC. Prior to the Intragroup Restructuring Exercise, ownership of 54.92% of the equity interest in Deqiao PRC was

held by the PRC Intermediate Holding Company, while the remainder of 45.08% of the equity interest in Deqiao PRC was directly held by Deqiao Petrochemical Logistics Pte. Ltd. ("**Deqiao Singapore**"), a company incorporated in Singapore that is directly and wholly owned by HHPL.

c) Wuhan Hengyang Chemical Logistics Co., Ltd. ("**Wuhan PRC**")

Wuhan PRC is a company incorporated in the PRC. Prior to the Intragroup Restructuring Exercise, 100% of the equity interest in Wuhan PRC was directly and wholly held by HHPL.

d) Chongqing New Hengyang Storage Co., Ltd. ("**Chongqing PRC**")

Chongqing PRC is a company incorporated in the PRC. Prior to the Intragroup Restructuring Exercise, 100% of the equity interest in Chongqing PRC was directly and wholly held by HHPL.

e) Yueyang Hengyang Petrochemical Logistics Co., Ltd. ("**Yueyang PRC**")

Yueyang PRC is a company incorporated in the PRC. Prior to the Intragroup Restructuring Exercise, 100% of the equity interest in Yueyang PRC was directly and wholly held by HHPL.

Please refer to Appendix A for the corporate chart of the Group **prior to** the Intragroup Restructuring Exercise.

For the purposes of this announcement, Deqiao PRC, Wuhan PRC, Chongqing PRC and Yueyang PRC are collectively known as "**Target Subsidiaries**".

The Equity Transfers

Pursuant to the Intragroup Restructuring Exercise, the PRC Intermediate Holding Company consolidated all of the relevant equity interests in the Target Subsidiaries under its wing.

This was done through the following equity transfers:

- a) 45.08% of the equity interest in Deqiao PRC from Deqiao Singapore to the PRC Intermediate Holding Company;
- b) 100% of the equity interest in Wuhan PRC from HHPL to the PRC Intermediate Holding Company;
- c) 100% of the equity interest in Chongqing PRC from HHPL to the PRC Intermediate Holding Company; and
- d) 100% of the equity interest in Yueyang PRC from HHPL to the PRC Intermediate Holding Company.

Group Corporate Structure Immediately after the completion of the Intragroup Restructuring Exercise

Following the completion of the Equity Transfers, the PRC Intermediate Holding Company holds directly the following equity interests:

- a) 100% of the equity interest in Deqiao PRC;
- b) 100% of the equity interest in Wuhan PRC;
- c) 100% of the equity interest in Chongqing PRC; and
- d) 100% of the equity interest in Yueyang PRC.

Please refer to Appendix B for the corporate chart of the Group **immediately after** the Intragroup Restructuring Exercise.

For the avoidance of doubt, the Company's effective interests in the Target Subsidiaries remain unchanged upon completion of the Intragroup Restructuring Exercise.

3. FINANCIAL EFFECTS

The Intragroup Restructuring Exercise is not expected to have any material impact on the net tangible assets and earnings per share of the Group for the financial year ending 31 December 2017.

4. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the directors of the Group (other than in his or her capacity as a director or shareholder of the Group, as the case may be), has any interest, direct or indirect, in relation to the Intragroup Restructuring Exercise.

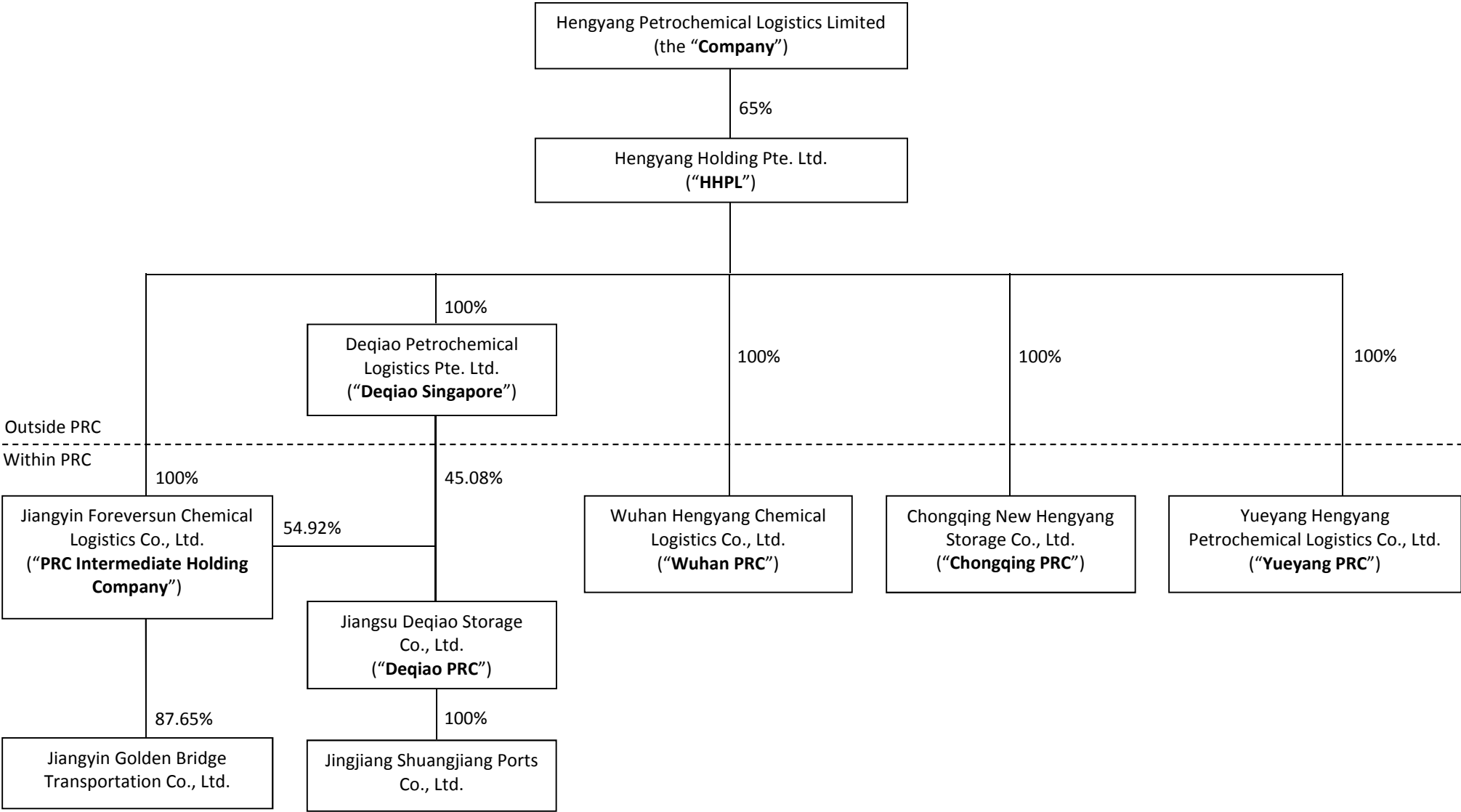
By Order of the Board

Mr Gu Wenlong
Executive Chairman and Chief Executive Officer
10 January 2017

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, CIMB Bank Berhad, Singapore Branch ("**Sponsor**"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), this being the SGX-ST Listing Manual Section B: Rules of Catalist. The Sponsor has not independently verified the contents of this announcement. This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.*

The contact 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.

**APPENDIX A
CORPORATE CHART OF THE GROUP PRIOR TO THE INTRAGROUP RESTRUCTURING EXERCISE**



**APPENDIX B
CORPORATE CHART OF THE GROUP IMMEDIATELY AFTER THE INTRAGROUP RESTRUCTURING EXERCISE**

