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

DIFFERENCES BETWEEN UNAUDITED AND AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

The Board of Directors of the Company ("**Board**") refers to the announcement released by the Company on 28 February 2018 in relation to its unaudited full year financial results ("**Unaudited Results**") for the financial year ended 31 December 2017 ("**FY2017**").

Pursuant to Rule 704(5) of Section B of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual ("**Catalist Rules**"), the Board wishes to announce and clarify certain reclassifications and material differences to the unaudited consolidated financial statements for FY2017, following the finalisation of the audit. Detailed information is set out in Appendix A to this announcement.

By Order of the Board

Mr Gu Wen Long
Executive Chairman and Chief Executive Officer
9 April 2018

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

The contact 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

Consolidated Statement of Comprehensive Income ("SOCI")

	4Q2017	Per audited	Differences
Other income	1,522	2,127	(605)
Share of result of joint venture	(26,479)	(25,654)	(825)
Profit from discontinued operations	209,710	204,154	5,556
Other comprehensive income			
Reclassification of foreign currency translation reserve	-	270	(270)

The above differences are not material except for the change in profit from discontinued operations mainly due to the fair value of Option granted to CITI Port Investment Co., Ltd ("CITIC Port") of RMB5,286,000. As disclosed in Note 7 to the financial statements, as part of the Transactions Documents entered with CITIC Port, the Group also granted CITIC Port an Option to subscribe for additional 2% of the equity interest in Jiangyin Foreversun Chemical Logistics Co., Ltd. Accordingly, the Group engaged an independent valuer to value the Option granted. It was highlighted in the announcement that the valuation of the Option granted was not finalised.

Consolidated Statement of Financial Position

	4Q2017	Per audited	Differences
Non-current assets			
Investment in joint venture	590,621	591,446	(825)
Non-current liabilities			
Derivative financial instrument	-	4,681	(4,681)

The above differences are not material except for the recognition of the derivative financial instrument which arose from the Option granted to CITIC Port as explained above. At the end of the financial year, the fair value change of RMB605,000 was recognised in profit and loss.

Statement of Financial Position - Company

	4Q2017	Per audited	Differences
Current assets			
Amount owing by related parties	-	6	(6)

No material difference noted.

Consolidated Statement of Cash Flows

	4Q2017	Per audited	Differences	
Operating activities				
Loss before income tax from continuing operations	(30,905)	(29,475)	(1,430)	
Profit/(Loss) before income tax from discontinued operations	211,144	205,588	5,556	(a)
Change in fair value of derivative financial instrument	-	(605)	605	
Loss of control in subsidiaries	(230,737)	(225,181)	(5,556)	(a)
Share of results of joint venture	26,479	25,654	825	
Loss on property, plant and equipment written off	379	280	99	
Unrealised foreign exchange gain	-	(16)	16	
Operating cash flows before working capital exchanges	**387**	**272**	**115**	
Working capital changes:				
Trade and other payables (including Directors and related	(13,300)	37,207	(50,507)	(b)
Cash absorbed by operations	**(24,484)**	**25,908**	**(50,392)**	
Investing activities				
Acquisition of property, plant and equipment	**(6,089)**	**(56,904)**	50,815	(b)
Financing activities				
Interest paid and capitalised	(8,530)	(8,139)	(391)	
Effect of exchange rate changes on cash and cash equivalents	-	31	(31)	

The above differences are not material except for the following mainly due to:

(a) change in profit from discontinued operations - see analysis in SOCI above; and

(b) reclassification of payment made to suppliers of property, plant and equipment from operating activities to investing activities amounting to RMB50,815,000.