



## HENGYANG PETROCHEMICAL LOGISTICS LIMITED

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

### UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE THREE-MONTH FINANCIAL PERIOD ENDED 31 MARCH (“1Q”) 2022

The following information are prepared in accordance with Appendix 7C Financial Statements and Dividend Announcement of the Listing Manual Section B: Rules of Catalist (the “**Catalist Rules**”) of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”), cross-referenced from Catalist Rule 704(10) and Catalist Rule 705.

#### 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 Group does not generate any revenue. The Group holds 49% equity interest in Jiangyin Foreversun Chemical Logistics Co., Ltd. (“**China Holdco**”) through its wholly-owned subsidiary, Hengyang Holding Pte Ltd (“**HHPL**”). The remaining shareholders of China Holdco are Sinopec Chemical Sales Company Limited (“**Sinopec Chemical**”) and CITIC Port Investment Co., Ltd. (“**CITIC Port**”) which holds the remaining 49% and 2% equity interest in China Holdco respectively.

Accordingly, the financial statements presented herein have been prepared using the equity method of accounting in respect of the 49% interest in China Holdco held by the Company and its subsidiaries (collectively, the “**Group**”) and such interest has been accounted for as an investment under “*Investment in Joint Venture*” on the Group’s balance sheets.

##### Condensed interim consolidated statement of profit or loss and other comprehensive income

RMB'000	Note	Group		
		1Q2022 (Unaudited)	1Q2021 (Unaudited)	% (+/-)
Other income	N6.1	177	136	30.1
Administrative and other expenses		(846)	(677)	25.0
Interest expense		(2)	(2)	-
Share of result of joint venture	N7	(6,590)	3,757	(275.4)
<b>Profit/(loss) before tax</b>	N6	<b>(7,261)</b>	<b>3,214</b>	<b>(325.9)</b>
Income tax expense		-	-	-
<b>Net profit/(loss) for the financial period</b>		<b>(7,261)</b>	<b>3,214</b>	<b>(325.9)</b>
<b>Profit/(loss) attributable to:</b>				
Owners of the parent		(7,261)	3,214	(325.9)
		<b>(7,261)</b>	<b>3,214</b>	<b>(325.9)</b>
<b>Total comprehensive income/(loss) attributable to:</b>				
Owners of the parent		(7,261)	3,214	(325.9)
		<b>(7,261)</b>	<b>3,214</b>	<b>(325.9)</b>
<b>Earnings/(loss) per Share (“EPS”/“LPS”) (RMB cents):</b>				
Basic	6	<b>(3.57)</b>	<b>1.58</b>	<b>(325.9)</b>
Diluted	6	<b>(3.57)</b>	<b>1.58</b>	<b>(325.9)</b>

The Group’s interest in China Holdco represents its entire business and operations, all of which are carried out in the People’s Republic of China (the “**PRC**”). Where appropriate, certain financial information relating to China Holdco and its subsidiaries (the “**China Holdco Group**”) has been

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included herein purely for the purpose of understanding the underlying financial performance of the Group.

- 1(a)(ii) The following items (with appropriate breakdowns and explanations), if significant, must either be included in the income statement or in the notes to the income statement for the current financial period reported on and the corresponding period of the immediately preceding financial year: (A) Investment income; (B) Other income including interest income; (C) Interest on borrowings; (D) Depreciation and amortisation; (E) Allowance for doubtful debts and bad debts written off; (F) Write-off for stock obsolescence; (G) Impairment in value of investments; (H) Foreign exchange gain/loss (where applicable); (I) Adjustments for under or overprovision of tax in respect of prior years; and (J) Profit or loss on sale of investments, properties, and/or plant and equipment**

Please refer to N6.

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

**Condensed interim statements of financial position**

	Note	Group		Company	
		31.03.2022	31.12.2021	31.03.2022	31.12.2021
RMB'000		(Unaudited)	(Audited)	(Unaudited)	(Audited)
<b>Non-current assets</b>					
Investments in subsidiaries		-	-	303,472	303,472
Investment in joint venture	N7	506,627	513,217	-	-
Right of use asset		88	100	-	-
		506,715	513,317	303,472	303,472
<b>Current assets</b>					
Other receivables		15	93	-	-
Interest income receivable		54	-	6	6
Amount owing by related parties		178	179	6	6
Amount owing by subsidiaries		-	-	9,538	9,538
Cash and cash equivalents		40,711	40,990	5,572	5,877
		40,958	41,262	15,122	15,427
Less:					
<b>Current liabilities</b>					
Other payables		781	786	448	452
Amount owing to directors		1,082	709	1,082	709
Amount owing to a subsidiary		-	-	28,160	28,307
Current income tax payable		59	59	59	59
Lease liability	N8	49	50	-	-
		1,971	1,604	29,749	29,527
<b>Net current assets/liabilities</b>		38,987	39,658	(14,627)	(14,100)
Less:					
<b>Non-current liability</b>					
Lease liability	N8	41	53	-	-
<b>Net assets</b>		545,661	552,922	288,845	289,372
<b>Equity</b>					
Share capital	1(d)(i)	289,064	289,064	289,064	289,064
Other reserve		83,004	83,004	-	-
Retained earnings		173,593	180,854	(219)	308
Equity attributable to owners of the parent		545,661	552,922	288,845	289,372
<b>Total equity</b>		545,661	552,922	288,845	289,372

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

**Amount repayable in one year or less, or on demand**

As at 31 March 2022		As at 31 December 2021	
Secured RMB'000	Unsecured RMB'000	Secured RMB'000	Unsecured RMB'000
-	-	-	-

**Amount repayable after one year**

As at 31 March 2022		As at 31 December 2021	
Secured RMB'000	Unsecured RMB'000	Secured RMB'000	Unsecured RMB'000
-	-	-	-

Details of any collateral

Nil

Note: The borrowings which exist in the China Holdco Group and the assets and liabilities of the China Holdco Group are not consolidated in the Group's financial statements.

Contingent liabilities

As at 31 March 2022, the Group and its joint venture partners had given guarantees amounting up to RMB325,066,500 (31/12/2021: RMB325,066,500) to certain lenders in respect of borrowings of the China Holdco Group.

At 31 March 2022, the total amount of borrowings covered by the guarantees is RMB262,851,000 (31/12/2021: RMB244,807,000). Such financial guarantees require the Group to reimburse the lenders if the China Holdco Group fails to make principal or interest repayments when due in accordance with the terms of the respective borrowings.

As at 31 March 2022, the current liabilities of the China Holdco Group exceeded its current assets by RMB124,750,000. The China Holdco Group has RMB155,980,000 of borrowings which are due for repayment within the next 12 months from the reporting date, of which RMB33,320,000 were guaranteed by the Group.

There was no default or non-repayment since the inception of these borrowings. The Company's directors are confident that the outcome of negotiations with the lenders in relation to the borrowings will be favourable and additional conditions, if any, will be fulfilled to avoid any breach of covenants of the borrowings. Furthermore, China Holdco Group's borrowings are secured over mortgages against fixed assets of China Holdco Group. As at 31 March 2022, the carrying amount of the China Holdco Group's fixed assets are substantially larger than the carrying amount of the outstanding borrowings. Based on the Company's consideration and assessment, the Group does not expect significant credit losses arising from these guarantees.

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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.

**Condensed interim consolidated statement of cash flows**

	<b>Group</b>	
	1Q2022 (Unaudited)	1Q2021 (Unaudited)
RMB'000		
<b>Operating activities</b>		
Profit/(loss) before income tax	(7,261)	3,214
Adjustments for:		
Amortisation of right of use assets	12	13
Share of result of joint venture	6,590	(3,757)
Interest income	(143)	(136)
Interest expense	2	2
Operating cash flows before working capital changes	(800)	(664)
Working capital changes		
Other receivables (including related parties)	79	(3)
Other payables (including directors and related parties)	368	(137)
Cash used in operations	(353)	(804)
Income tax paid	-	-
<b>Net cash used in operating activities</b>	(353)	(804)
<b>Investing activities</b>		
Interest received	89	97
<b>Net cash generated from investing activities</b>	89	97
<b>Financing activities</b>		
Repayment of obligations under lease	(13)	(12)
Interest expense	(2)	(2)
<b>Net cash used in financing activities</b>	(15)	(14)
Net change in cash and cash equivalents	(279)	(721)
Effect of exchange rate changes on cash and cash equivalents	-	-
Cash and cash equivalents at the beginning of the financial period	40,990	44,823
<b>Cash and cash equivalents at end of the financial period</b>	40,711	44,102

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**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 capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

**Condensed Interim Statement of Changes in Equity**

The Company

RMB'000	Share capital	Retained earnings	Total equity
<b>(Unaudited)</b>			
Balance as at 1 January 2022	289,064	308	289,372
Total comprehensive loss for the period	-	(527)	(527)
<b>Balance as at 31 March 2022</b>	<b>289,064</b>	<b>(219)</b>	<b>288,845</b>
<b>(Unaudited)</b>			
Balance as at 1 January 2021	289,064	2,300	291,364
Total comprehensive loss for the period	-	(303)	(303)
<b>Balance as at 31 March 2021</b>	<b>289,064</b>	<b>1,997</b>	<b>291,061</b>

The Group

RMB'000	Attributable to owners of the Company			Total equity
	Share capital	Other reserve	Retained earnings	
<b>(Unaudited)</b>				
Balance as at 1 January 2022	289,064	83,004	180,854	552,922
Total comprehensive loss for the period	-	-	(7,261)	(7,261)
<b>Balance as at 31 March 2022</b>	<b>289,064</b>	<b>83,004</b>	<b>173,593</b>	<b>545,661</b>
<b>(Unaudited)</b>				
Balance as at 1 January 2021	289,064	83,004	204,422	576,490
Total comprehensive income for the period	-	-	3,214	3,214
<b>Balance as at 31 March 2021</b>	<b>289,064</b>	<b>83,004</b>	<b>207,636</b>	<b>579,704</b>

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**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 31 December 2021 and 31 March 2022.

**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.**

	<b>31.03.2022</b>	<b>31.12.2021</b>
Total number of issued shares (excluding treasury shares)	203,461,883	203,461,883

The Company did not have any treasury shares as at 31 March 2022 and 31 December 2021.

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

Not applicable as the Company did not have any treasury shares.

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

Not applicable as the Company did not have any subsidiary holdings.

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**NOTES TO THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**N1. General Corporate information**

Hengyang Petrochemical Logistics Limited (the “**Company**”) is a public limited liability company, incorporated and domiciled in Singapore with its registered office located at 10 Anson Road, #25-06 International Plaza, Singapore 079903.

The Company’s registration number is 200807923K. The principal place of business is 1 Hengyang Road, Shizhuang Industrial Park, New Harbor City, Jiangyin, Jiangsu Province, PRC 214446. The Company is listed on the Catalist Board of the SGX-ST.

The principal activity of the Company is that of investment holding. The principal activities of the subsidiaries are set out in Note N7.3 to the financial statements.

The immediate and ultimate holding company is Foreversun Holdings Co., Ltd., a company incorporated in the British Virgin Islands. The ultimate controlling party is Mr Gu Wen Long, whose interest in the Company is held through his shareholdings in Foreversun Holdings Co., Ltd.

**N2. Basis of Preparation**

The condensed interim consolidated financial statements for the financial period ended 31 March 2022 have been prepared in accordance with Singapore Financial Reporting Standards (International) (“**SFRS(I)**”) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim consolidated financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the financial year ended 31 December 2021 (“**FY2021**”).

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in N2.1 below.

The individual financial statements of each Group entity are measured and presented in the currency of the primary economic environment in which the entity operates (“**functional currency**”). The condensed interim consolidated financial statements of the Group and the statement of financial position of the Company are presented in Chinese renminbi (“**RMB**”) which is the functional currency of the Company and the presentation currency for the consolidated financial statements and all values presented are rounded to the nearest thousand (RMB’000) unless otherwise stated.

**N2.1 New and amended standards adopted by the Group**

The new and/or amended SFRS(I) for the current reporting period are not relevant to the Group. The Group did not have to change its accounting policies or make retrospective adjustments as a result of the above new or amended SFRS(I).

**N2.2. Use of judgements and estimates**

In preparing the condensed interim consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the



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reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2021.

These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements made in applying the accounting policies

The following is the critical judgement, apart from those involving estimations (see below) that management has made in the process of applying the Group's accounting policies and which have a significant effect on the amounts recognised in the financial statements.

*Joint control*

As at 31 March 2022, the Group (through HHPL), Sinopec Chemical and CITIC Port respectively hold 49%, 49% and 2% of the equity interest in China Holdco.

Management has carried out an assessment to determine whether the Group continues to have joint control over China Holdco. The assessment included review of unanimous consent from the three joint venture partners for certain reserved matters and relevant activities which will significantly affect the returns of the joint venture. Accordingly, the Company concluded that it is appropriate to classify China Holdco as a joint venture of the Company (N7).

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the interim financial period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the current financial year, are discussed below.

*Impairment of investment in joint venture*

The Group conducts impairment test annually and had carried out a review of the investment in joint venture for FY2021. The Group will review its investment in the joint venture at the end of the current financial year. The Group's carrying amount of investment in joint venture as at 31 March 2022 was RMB506,627,000 (31 December 2021: RMB513,217,000).

**N3. Seasonal operations**

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

**N4. Segment and revenue information**

The Group has only one reportable operating segment, which is the investment holding segment relating to the Group's investment in joint venture and other investment holding activities. The Group's business is engaged entirely in the PRC and hence no segment information is disclosed.

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**N5. Financial assets and financial liabilities**

Set out below is an overview of the financial assets and financial liabilities of the Group as at 31 March 2022 and 31 December 2021:

RMB'000	Group		Company	
	31-Mar-2022	31-Dec-2021	31-Mar-2022	31-Dec-2021
<b>Financial assets</b>				
Other receivables	15	15	-	-
Interest income receivable	54	78	6	6
Amount owing by related parties	178	179	6	6
Amount owing by subsidiaries	-	-	9,538	9,538
Cash and cash equivalents	40,711	40,990	5,572	5,877
<b>Financial liabilities</b>				
Other payables	781	786	448	452
Amount owing to directors	1,082	709	1,082	709
Amount owing to a subsidiary	-	-	28,160	28,307
Lease liability	49	50	-	-

**N6. (Loss)/Profit before tax**

**N6.1 Significant items**

RMB'000	Group	
	1Q2022	1Q2021
<b>Other income</b>		
Interest income from bank deposits	143	136
Government grant	34	-
	177	136
<b>Expenses</b>		
Amortisation of right-of-use asset	12	13
Employee benefit costs (inclusive of directors' fees)	662	605

**N6.2. Related party transactions**

RMB'000	1Q2022	1Q2021
<b>By joint venture</b>		
<i>Sales to related parties</i>		
	8,915	17,360
- Jiangyin Golden Bridge Chemical Co., Ltd. (a)	5,522	17,360
- Jiangyin Golden Bridge Trade Co., Ltd. (b)	156	-
- Sinopec Chemical (c)	3,237	-
<i>Interest expense charged by related parties</i>		
	1,564	1,435
- Jiangyin Golden Bridge Chemical Co., Ltd. (a)	1,521	1,243
- Gu Wen Long	43	192

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During 1Q2022, in addition to the information disclosed elsewhere in these interim financial statements, the Group's joint venture entered into the following transactions with related parties at rates and terms agreed between the parties:

- (a) Jiangyin Golden Bridge Chemical Co., Ltd (“**Jinqiao Chemical**”) is a company established and wholly-owned by Ms Sun Fang, the spouse of the Company's Chairman and Chief Executive Officer, Mr Gu Wen Long.
- (b) Jiangyin Golden Bridge Trade Co., Ltd. (“**Jinqiao Trade**”) is a company established and controlled by Ms Sun Fang, the spouse of the Company's Chairman and Chief Executive Officer, Mr Gu Wen Long.
- (c) Sinopec Chemical is a joint venture partner of China Holdco.

**N7. Investment in joint venture**

RMB'000	31-Mar-2022	31-Dec-2021
Unquoted equity investment, at cost	617,100	617,100
Share of results of joint venture, net of tax	(110,473)	(103,883)
	506,627	513,217
	506,627	513,217

The details of the joint venture are as follows:

Name of company (Principal place of business)	Principal activities	Effective equity interest held by the Group	
		31 March 2022	31 December 2021
		%	%
<b>Held by Hengyang Holding Pte. Ltd.</b>			
Jiangyin Foreversun Chemical Logistics Co., Ltd. (PRC)	Storage, dispatch, drumming and land transportation of liquid petrochemical products and management of ports terminal	49	49

The financial year end of the China Holdco is 31 December.

The Group has pledged the entire amount of its investment in the joint venture in favour of certain lenders for the borrowings taken by the joint venture. The Group also extended financial guarantees to these borrowings. The details are set out in paragraph 1(b)(ii) of this announcement.

**N7.1 Impairment assessment of investment in a joint venture**

As set out in Note N2.2, there is no impairment on the investment in joint venture for 1Q0222.

**N7.2 Significant restrictions**

As at 31 March 2022, cash and bank balances of approximately RMB25,819,976 (31 December 2021: RMB37,135,000) held by the joint venture in the PRC are subject to local exchange control

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regulations. These regulations place restrictions on exporting capital out of the country other than through dividends.

**N7.3 Summarised financial information**

Summarised financial information in respect of the China Holdco Group and reconciliation with the carrying amount of the investment in the condensed interim consolidated financial statements are as follows:

*Summarised condensed interim consolidated statement of financial position of China Holdco Group*

	<b>China Holdco Group</b>	
<b>RMB'000</b>	<b>31-Mar-2022</b>	<b>31-Dec-2021</b>
Current assets	147,779	195,564
Non-current assets	2,633,577	2,623,299
Current liabilities	(272,529)	(486,318)
Non-current liabilities	(1,592,129)	(1,404,729)
Net asset	916,698	927,816

The above amounts of assets and liabilities include the following:

	<b>China Holdco Group</b>	
<b>RMB'000</b>	<b>31-Mar-2022</b>	<b>31-Dec-2021</b>
Cash and cash equivalents	25,820	37,135
Current financial liabilities (excluding trade and other payables and current income tax payable)	(173,821)	(300,635)
Non-current financial liabilities (excluding trade and other payables and deferred income tax payable)	(1,576,593)	(1,390,477)

*Condensed interim consolidated statement of profit or loss and other comprehensive income of China Holdco Group*

RMB'000	1Q2022 (Unaudited)	1Q2021 (Unaudited)	RMB'000 (+/-)	% (+/-)
<b>Revenue<sup>(1)</sup></b>	<b>90,724</b>	<b>105,278</b>	<b>(14,554)</b>	<b>-13.82</b>
Cost of sales <sup>(2)</sup>	(76,562)	(70,073)	6,489	9.26
<b>Gross profit<sup>(3)</sup></b>	<b>14,162</b>	<b>35,205</b>	<b>(21,043)</b>	<b>-59.77</b>
Other income <sup>(4)</sup>	849	1,911	(1,062)	-55.57
Administrative and other expenses	(13,629)	(12,863)	766	5.96
Finance costs	(14,390)	(15,685)	(1,295)	-8.26
<b>Profit/(loss) before tax from continuing operation</b>	<b>(13,008)</b>	<b>8,568</b>	<b>21,576</b>	<b>nm<sup>(7)</sup></b>
Income tax expense	-	(121)	(121)	nm <sup>(7)</sup>
<b>Profit/(loss) from continuing operation</b>	<b>(13,008)</b>	<b>8,447</b>	<b>21,455</b>	<b>nm<sup>(7)</sup></b>
Profit from discontinued operation, net of tax <sup>(5)</sup>	-	30	30	nm <sup>(7)</sup>
<b>Profit/(Loss) for the financial period</b>	<b>(13,008)</b>	<b>8,477</b>	<b>(21,485)</b>	<b>nm<sup>(7)</sup></b>
Non-controlling interest	(622)	48	(670)	nm <sup>(7)</sup>

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RMB'000	1Q2022 (Unaudited)	1Q2021 (Unaudited)	RMB'000 (+/-)	% (+/-)
Owners of China Holdco	<b>(12,386)</b>	<b>8,492</b>	<b>(20,878)</b>	nm <sup>(7)</sup>
Proportion of Group ownership	49%	51%	-	-
Share of result of China Holdco	<b>(6,069)</b>	<b>4,299</b>	<b>(10,368)</b>	nm <sup>(7)</sup>
Depreciation and amortisation on fair value adjustment <sup>(6)</sup>	(521)	(542)	(21)	-
<b>Share of result of joint venture</b>	<b>(6,590)</b>	<b>3,757</b>	<b>(10,347)</b>	nm <sup>(7)</sup>

**Notes:**

- (1) Revenue from transportation segment decreased by RMB1.67 million or 5.80%, from RMB28.81 million in 1Q2021 to RMB27.14 million in 1Q2022, due to the tightening of COVID-19 measures, in particular, during the Chinese New Year festive seasons in PRC.
- Revenue from storage service segment decreased by RMB12.88 million or 16.85%, from RMB76.46 million in 1Q2021 to RMB63.58 million in 1Q2022, mainly due to the following:
- (a) an increase in revenue of RMB7.06 million from China Holdco, attributed by an exceptionally high utilization of its tanks' capacity due to high demand for storage requirement as shipments are delayed by the COVID-19 measures; offset by
- (b) a decrease in revenue of RMB18.91 million from Deqiao Logistics Co., Ltd., ("**Deqiao**") as well as a decrease in revenue of RMB3.59 million from Yueyang Hengyang Petrochemical Logistics Co., Ltd, both due to reduction in petrochemical trading activities as the Chinese government increased the tax levied on imported fuel since June 2021.
- (2) Cost of sales increased by RMB6.49 million or 9.26%, including RMB4.36 million from transportation segment and RMB2.13 million from storage service segment. The higher operation costs arising from tighter COVID-19 measures as well as to comply with the carbon emission guidance issued by the Chinese government in September 2021.
- (3) Gross profit decreased significantly by RMB21.04 million, from RMB35.21 million in 1Q2021 to RMB14.16 million in 1Q2022. Gross profit margin decreased from 33.44% in 1Q2021 to 15.61% in 1Q2022 in line with the lower revenue and higher cost of sales.
- (4) Other income decreased by RMB1.06 million or 55.57%, mainly due to the absence of RMB1.06 million gain on disposal of China Holdco's entire 85% interest in Jiangsu Xinheng Supply Chain Management Service Co., Ltd. ("**Jiangsu Xinheng**") in 1Q2021.
- (5) During 1Q2021, China Holdco completed the disposal of its entire 85% interest in Jiangsu Xinheng for an aggregate cash consideration of RMB18,062,500 (the "**Disposal**"). As a result of the Disposal, Jiangsu Xinheng is classified as discontinued operations.
- (6) Fair value adjustment arose from the initial recognition in May 2017 from fair value adjustment on property, plant and equipment and land use rights of the joint venture, and amortised over the useful life of these assets of the joint-venture.
- (7) "nm" denotes not meaningful.

**N7.4 Reconciliation of summarised financial information**

Reconciliation of the summarised financial information presented, to the carrying amount of the Group's interest in joint venture, is as follows:

RMB'000	31-Mar-2022	31-Dec-2021
Proportion of Group ownership	49%	49%

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<b>RMB'000</b>	<b>31-Mar-2022</b>	<b>31-Dec-2021</b>
Share of net assets of the joint venture	394,131	400,508
Fair value adjustment on plant and equipment and land use rights	63,403	63,402
Cumulative depreciation and amortisation on fair value adjustment	(10,066)	(9,545)
Non-controlling interest	318	11
Interest in joint venture	447,786	454,376
Goodwill	58,841	58,841
	<hr/>	<hr/>
Carrying value of Group's interest in joint venture	506,627	513,217
	<hr/> <hr/>	<hr/> <hr/>

**N8. Lease liabilities**

<b>RMB'000</b>	<b>31-Mar-2022</b>	<b>31-Dec-2021</b>
Balance as at 1 January	103	151
Interest expense	2	7
Addition	-	-
Lease payments		
- Principal portion	13	48
- Interest portion	2	7
	<hr/>	<hr/>
	15	55
Balance as at the end of the period	90	103
	<hr/> <hr/>	<hr/> <hr/>

The maturity analysis of lease liability of the Group is as follows:

<b>RMB'000</b>	<b>31-Mar-2022</b>	<b>31-Dec-2021</b>
<b>Contractual undiscounted cash flows</b>		
- Not later than a year	53	54
- Between one and three years	40	54
	<hr/>	<hr/>
	94	108
Less: Future interest expense	(4)	(5)
Present value of lease liabilities	90	103
	<hr/> <hr/>	<hr/> <hr/>
Presented in statement of financial position		
- Non-current	41	50
- Current	49	53
	<hr/>	<hr/>
	90	103
	<hr/> <hr/>	<hr/> <hr/>

The Group leases an office premise in Singapore with fixed payments over the lease terms and the incremental borrowing rate applied was 5.25% (1Q2021: 5.25%) per annum.

There is no externally imposed covenant on the lease arrangement. There is no lease expense not capitalised in lease liability.

The lease liability is denominated in Singapore dollars.

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**N9. Subsequent events**

There are no known subsequent events which have led to adjustments to this set of condensed interim consolidated financial statements.

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

The figures have not been audited or reviewed by the auditors.

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

Not applicable as the figures have not been audited or reviewed by the auditors.

**3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:**

**(a) Updates on the efforts taken to resolve each outstanding audit issue.**

**(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.**

**This is not required for any audit issue that is a material uncertainty relating to going concern.**

Not applicable as the Company's financial statements are not subject to any adverse opinion, qualified opinion or disclaimer of opinion.

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

The financial statements are prepared in accordance with Singapore Financial Reporting Standards (International) (SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore). The accounting policies and computation methods adopted in the financial statements for the three months ended 31 March 2022 are the same as those adopted in the Company's most recently audited financial statements.

**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.**

Please refer to N2.

**6. 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	
	1Q2022 Unaudited	1Q2021 Unaudited
Weighted average number of ordinary shares used in computation of basic (LPS)/EPS	203,461,883	203,461,883
Basic and diluted (LPS)/EPS (RMB cents)	(3.57)	1.58

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- (a) Basic LPS is calculated by dividing the net profit/loss for the financial period attributable to owners of the parent by the actual number of ordinary shares in issue during the financial period.
- (b) Diluted LPS is the same as the basic LPS as the Group did 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 excluding treasury shares of the issuer at the end of the (a) Current financial period reported on and (b) Immediately preceding financial year.**

	Group		Company	
	31.03.2022 Unaudited	31.12.2021 Audited	31.03.2022 Unaudited	31.12.2021 Audited
Net asset value per ordinary share (RMB cents)	268.7	271.8	142.0	142.2

- 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.

**Condensed interim consolidated statement of comprehensive income of the Group**

The following review is on the performance of the Group. Review on the performance of the China Holdco Group can be found in paragraph N7.3 of this announcement.

The Group's other income increased by RMB41,000 or 30.1% from RMB136,000 in 1Q2021 to RMB177,000 in 1Q2022 mainly due to government grant of RMB34,000 received in 1Q2022.

Administrative and other expenses increased by RMB169,000 or 25% from RMB677,000 in 1Q2021 to RMB846,000 in 1Q2022 mainly due to the increase of directors' fees and one-off bank charges for guarantees.

Share of results of joint venture relates to the Company's 49% interest in the China Holdco Group. Share of results of joint venture decreased from a profit of RMB3.8 million in 1Q2021 to a loss of RMB6.6 million in 1Q2022 due to lower revenue and higher cost of sales incurred by the China Holdco Group. Please also refer to Note N7.3 for review of the China Holdco Group's financial performance.

As a result of the aforementioned, the Group recorded a net loss attributable to owners of the parent of RMB7.26 million in 1Q2022 as compared to a profit of RMB3.21 million in 1Q2021.

**Condensed interim consolidated statement of financial position of the Group**

Non-current assets comprise the Group's investment in joint venture which relates to its interest in the China Holdco Group and right-of-use asset. Investment in joint venture decreased by RMB6.59 million from RMB513.21 million as at 31 December 2021 to RMB506.63 million as at 31 March 2022, mainly due to the share of loss of China Holdco Group in 1Q2022.



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Current assets comprise cash and cash equivalents, amount owing by related parties, other receivables and interest income receivables. Current assets decreased by RMB304,000 from RMB41.26 million as at 31 December 2021 to RMB40.96 million as at 31 March 2022, mainly due to a decrease in cash and cash equivalents. Cash and cash equivalents decreased by RMB279,000 from RMB40.99 million as at 31 December 2021 to RMB40.71 million as at 31 March 2022 due to utilisation of the Group's cash in operating activities as set out in the cash flow statements.

Current liabilities comprise mainly other payables, amount owing to directors, lease liability and current income tax payable. Current liabilities increased by RMB367,000 from RMB1.6 million as at 31 December 2021 to RMB1.97 million as at 31 March 2022, mainly due to the increase of payables to directors arising from the increase in directors' fees.

Non-current liability relates to lease liability repayable after one year.

**Condensed interim consolidated statement of cash flows of the Group**

The Group recorded cash and cash equivalents of RMB40.71 million as at 31 March 2022, as compared to RMB40.99 million as at 31 December 2021, a decrease of RMB0.28 million due to utilisation of the Group's cash in operating activities as set out in the cash flow statements.

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

No forecast or prospect statement has been previously disclosed to shareholders.

**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 PRC's GDP increased by 4.8% in 1Q2022 as compared to 18.3% in 1Q2021. The lower increase in the PRC's GDP was largely attributable to the tightening of COVID-19 measures during 1Q2022.

The China Holdco Group's operations are along the coast of Yangtze River. According to the PRC's 14<sup>th</sup> five-year (2021 – 2025) plans, the PRC government will more comprehensively promote the development of the Yangtze River Economic Belt with focus on the construction of the Yangtze River's main artery, create an overall design for a comprehensive transportation system along the Yangtze River. The China Holdco Group intends to leverage on its strategic locations to explore further business opportunities along Yangtze River.

The construction of Chongqing project is near the end of completion and regulatory approval is expected in the second half of 2022. The Group will continue its efforts to increase the utilisation rate of the Deqiao facility and strive to put Chongqing project into formal operation as soon as possible to improve its performance.

The outbreak of the Omicron variant of COVID-19 and the strict preventive measures implemented by the Chinese government has caused some disruptions to the operations of the China Holdco Group. As at the date of this announcement, the situation is uncertain and the Company is unable to assess the impact to the China Holdco Group.

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**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 1Q2022.

**(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 1Q2021.

**(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated)**

Not applicable

**(d) Date payable**

Not applicable

**(e) Books closure date**

Not applicable

**12. If no dividend has been declared/recommended, a statement to that effect and the reason(s) for that decision**

The Board has decided not to recommend any dividend because China Holdco Group registered a loss for 1Q2022 and has not proposed or paid a dividend for 1Q2022. As such, the Company could not pay a meaningful amount of dividend without depleting its cash resources.

**13. Interested Person Transactions (“IPT”)**

**If the Group has obtained a general mandate from shareholders for IPTs, 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	Nature of relationship	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than \$100,000 and transactions conducted under the shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under the existing shareholders' mandate 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 <sup>(1)</sup>	Note1	-	5,522

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Name of Interested Person	Nature of relationship	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than \$100,000 and transactions conducted under the shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under the existing shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
		RMB'000	RMB'000
- Jinqiao Trade <sup>(2)</sup>	Note2	-	156
Interest expense charged	Note3		
- Jinqiao Chemical	Note1	-	1,521
- Gu Wen Long	Chairman, CEO and Controlling Shareholder of the Company	-	43

**Notes:**

- (1) Jinqiao Chemical is wholly-owned by Ms Sun Fang, the spouse of Mr Gu Wen Long who is the Chairman and Chief Executive Officer and Controlling Shareholder of the Company.
- (2) Jiangyin Trade is a company established and controlled by Ms Sun Fang, the spouse of the Company's Chairman and Chief Executive Officer, Mr Gu Wen Long.
- (3) The interest expenses charged were in relation to loans extended by Jinqiao Chemical and Mr Gu Wen Long for working capital purposes.

**14. Confirmation pursuant to Catalist Rule 705(5)**

We, Gu Wen Long and Diong Tai Pew, being directors of the Company ("Directors"), hereby confirm on behalf of the Board of Directors that, to the best of the Directors' knowledge, nothing has come to the attention of the board of Directors which may render the financial statements of the Group for the three-month period ended 31 March 2022 to be false or misleading in any material aspect.

On behalf of the board of Directors

GU WEN LONG  
Chief Executive Officer

DIONG TAI PEW  
Lead Independent Director (AC Chairman)

**15. Confirmation pursuant to Catalist Rule 720(1)**

The board of Directors hereby confirms that the undertakings under Catalist Rule 720(1) have been obtained from all the directors and executive officers as required in the format set out in Appendix 7H of the Catalist Rules.

**BY ORDER OF THE BOARD**

GU WEN LONG  
Director and Chief Executive Officer

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*This announcement has been reviewed by the Company's Sponsor, Xandar Capital Pte Ltd ("**Sponsor**"). This announcement 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 announcement including the correctness of any of the statements or opinions made or reports contained in this announcement. The contact person for the Sponsor is Ms Pauline Sim, Head of Corporate Finance, at 3 Shenton Way, #24-02 Shenton House, Singapore 068805, telephone (65) 6319 4954.*