



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”) 2024

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.

As announced by the Company on 13 July 2022, 5 September 2022, 12 September 2022 and 20 January 2023 (the “**Registered Capital Announcements**”), Jiangyin Foreversun Chemical Logistics Co., Ltd. (“**China Holdco**”) completed the increase in its registered capital on 20 January 2023 resulting in the Group’s shareholding in China Holdco decreasing from 49.0% to 41.64%. Shareholders may refer to the Registered Capital Announcements as well as the Company’s circular to its shareholders dated 19 August 2022 for further details relating to the increase in the registered capital of China Holdco. Following the completion of the increase in the registered capital of China Holdco, the remaining shareholders of China Holdco are Sinopec Chemical Sales Company Limited (“**Sinopec Chemical**”) (holding 49.16%), CITIC Port Investment Co., Ltd. (“**CITIC Port**”) (holding 1.68%) and Jiangyin Golden Bridge Chemical Co., Ltd (“**Jinqiao Chemical**”, holding 7.52%).

Despite the reduction in the percentage shareholding, the financial statements presented herein continued to be prepared using the equity method of accounting in respect of the 41.64% interest in China Holdco held by the Company and its subsidiaries (collectively, the “**Group**”) as at the year ended 31 December 2023 and such interest has been accounted for as an investment under “*Investment in a Joint Venture*” on the Group’s balance sheets.

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

RMB'000	Note	Group		
		1Q2024 (Unaudited)	1Q2023 (Unaudited)	% (+/-)
Other income	N6.1	14	1	1,300.0
Administrative and other expenses	N8	(845)	(915)	(7.7)
Interest expense		(1)	(1)	0.0
Share of result of joint venture	N7	277	(6,702)	104.1
Loss before income tax	N6	(555)	(7,617)	(92.7)
Income tax		-	-	-
Net loss for the financial period		(555)	(7,617)	(92.7)
Total comprehensive loss attributable to owners of the Company		(555)	(7,617)	(92.7)
Loss per Share (“LPS”) (RMB cents):				
Basic	6	(0.27)	(3.74)	
Diluted	6	(0.27)	(3.74)	

HENGYANG PETROCHEMICAL LOGISTICS LIMITED
UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2024

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 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.

HENGYANG PETROCHEMICAL LOGISTICS LIMITED
UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2024

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	
		31.03.2024 (Unaudited)	31.12.2023 (Audited)	31.03.2024 (Unaudited)	31.12.2023 (Audited)
RMB'000					
Non-current assets					
Investments in a subsidiary		-	-	303,472	303,472
Investment in joint venture	N7	527,525	527,248	-	-
Right of use asset		95	109	-	-
		527,620	527,357	303,472	303,472
Current assets					
Other receivables		43	29	-	-
Amount owing by related parties		199	203	6	6
Amount owing by a subsidiary		-	-	6,399	6,585
Cash and cash equivalents		22,588	23,105	1,002	1,226
		22,830	23,337	7,407	7,817
Less:					
Current liabilities					
Other payables		1,864	1,539	1,451	1,117
Amount owing to a subsidiary		-	-	31,657	32,263
Lease liability	N8	52	51	-	-
		1,916	1,590	33,108	33,380
Net current assets/(liabilities)		20,914	21,747	(25,701)	(25,563)
Less:					
Non-current liability					
Lease liability	N8	45	60	-	-
		45	60	-	-
Net assets		548,489	549,044	277,771	277,909
Equity					
Share capital	1(d)(i)	289,064	289,064	289,064	289,064
Other reserve		83,004	83,004	-	-
Retained earnings		176,421	176,976	(11,293)	(11,155)
Equity attributable to owners of the Company		548,489	549,044	277,771	277,909
Total equity		548,489	549,044	277,771	277,909

HENGYANG PETROCHEMICAL LOGISTICS LIMITED
UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2024

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 2024		As at 31 December 2023	
Secured RMB'000	Unsecured RMB'000	Secured RMB'000	Unsecured RMB'000
-	-	-	-

Amount repayable after one year

As at 31 March 2024		As at 31 December 2023	
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 2024, the Group and its joint venture partners had given guarantees amounting up to RMB243,929,000 (31 December 2023: RMB243,929,000) to certain lenders in respect of borrowings of the China Holdco Group.

At 31 March 2024, the total amount of borrowings covered by the guarantees is RMB196,128,000 (31 December 2023: RMB196,128,000). 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 2024, the current liabilities of the China Holdco Group exceeded its current assets by RMB742,842,000. The China Holdco Group has RMB676,125,000 of borrowings which are due for repayment within the next 12 months from the reporting date, of which RMB16,403,000 were guaranteed by the Group.

There was no default or non-repayment since the inception of these borrowings. Furthermore, China Holdco Group's borrowings are secured over mortgages against fixed assets of China Holdco Group. As at 31 March 2024, 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.

HENGYANG PETROCHEMICAL LOGISTICS LIMITED
UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2024

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

	Group	
	1Q2024 (Unaudited)	1Q2023 (Unaudited)
RMB'000		
Operating activities		
Loss before income tax	(555)	(7,617)
Adjustments for:		
Amortisation of right of use assets	14	14
Share of result of joint venture	(277)	6,702
Interest income	(14)	(1)
Interest expense	1	4
Operating cash flows before working capital changes	(831)	(898)
Other receivables (including related parties)	(10)	(42)
Other payables (including directors and related parties)	325	324
Cash used in operations	(516)	(616)
Income tax paid	-	(28)
Net cash used in operating activities	(516)	(644)
Investing activities		
Capital contribution to investment in joint venture	-	(8,616)
Interest received	14	1
Net cash generated from/(used in) investing activities	14	(8,615)
Financing activities		
Principal element of lease payments	(14)	(14)
Interest expense	(1)	(4)
Net cash used in financing activities	(15)	(18)
Net change in cash and cash equivalents	(517)	(9,277)
Cash and cash equivalents at the beginning of the financial year	23,105	37,410
Cash and cash equivalents at end of the financial year	22,588	28,133

HENGYANG PETROCHEMICAL LOGISTICS LIMITED
UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2024

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
(Unaudited)			
Balance as at 1 January 2024	289,064	(11,155)	277,909
Total comprehensive loss for the period	-	(138)	(138)
Balance as at 31 March 2024	289,064	(11,293)	277,771
(Unaudited)			
Balance as at 1 January 2023	289,064	(6,000)	283,064
Total comprehensive loss for the period	-	(847)	(847)
Balance as at 31 March 2023	289,064	(6,847)	282,217

The Group

RMB'000	Attributable to owners of the Company				Total equity
	Share capital	Other reserve	Retained earnings	Equity attributable to owners of the Company	
(Unaudited)					
Balance as at 1 January 2024	289,064	83,004	176,976	549,044	549,044
Total comprehensive loss for the period	-	-	(555)	(555)	(555)
Balance as at 31 March 2024	289,064	83,004	176,421	548,489	548,489
(Audited)					
Balance as at 1 January 2023	289,064	83,004	199,777	571,845	571,845
Total comprehensive loss for the period	-	-	(7,617)	(7,617)	(7,617)
Balance as at 31 March 2023	289,064	83,004	192,160	564,228	564,228

HENGYANG PETROCHEMICAL LOGISTICS LIMITED
UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2024

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 options, convertibles, treasury shares or subsidiary holdings as at 31 March 2024 and 31 December 2023.

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.

	31.03.2024	31.12.2023
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 2024 and 31 December 2023.

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.

HENGYANG PETROCHEMICAL LOGISTICS LIMITED
UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2024

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 its principal operating entity is set out in Note N7.

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 2024 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 FY2023.

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

HENGYANG PETROCHEMICAL LOGISTICS LIMITED
UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2024

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 2023.

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 2024, the Group (through Hengyang Holding Pte Ltd), Sinopec Chemical, CITIC Port and Jinqiao Chemical respectively hold 41.64%, 49.16%, 1.68% and 7.52% 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 financial year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next 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 FY2023. 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 2024 was RMB527,525,000 (31 December 2023: RMB527,248,000).

N3. Seasonal operations

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

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.

HENGYANG PETROCHEMICAL LOGISTICS LIMITED
UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2024

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 2024 and 31 December 2023:

RMB'000	Group		Company	
	31.03.2024	31.12.2023	31.03.2024	31.12.2023
Financial assets				
Other receivables	43	15	-	-
Amount owing by related parties	199	203	6	6
Amount owing by a subsidiary	-	-	6,399	6,585
Cash and cash equivalents	22,588	23,105	1,002	1,226
	<u>22,830</u>	<u>23,323</u>	<u>7,407</u>	<u>7,817</u>
Financial liabilities				
Other payables	1,864	1,539	1,451	1,117
Amount owing to a subsidiary	-	-	31,657	32,263
Lease liability	52	51	-	-
	<u>1,916</u>	<u>1,590</u>	<u>33,108</u>	<u>33,380</u>

N6. Loss before income tax

N6.1 Significant items

RMB'000	Group	
	1Q2024	1Q2023
Other income		
Interest income from bank deposits	14	-
Government grant	-	1
	<u>14</u>	<u>1</u>
Expenses		
Amortisation of right-of-use asset	14	12
Employee benefit costs (inclusive of directors' fees)	632	679

N6.2. Related party transactions

During 1Q2024, 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:

RMB'000	Group	
	1Q2024	1Q2023
By joint venture		
<i>Sales to related parties</i>	13,074	15,450
– Jiangyin Golden Bridge Chemical Co., Ltd. (a)	8,283	5,147
– Jiangyin Golden Bridge Trade Co., Ltd. (b)	-	172
– Sinopec Chemical Sales Company Limited (c)	4,792	10,131

HENGYANG PETROCHEMICAL LOGISTICS LIMITED
UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2024

- (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 Director 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 Director and Chief Executive Officer, Mr Gu Wen Long.
- (c) Sinopec Chemical is a joint venture partner of China Holdco.

N7. Investment in a joint venture

RMB'000	Group	
	31.03.2024	30.12.2023
At beginning of the financial year	527,248	536,272
Share of results of joint venture, net of tax	277	(17,640)
Capital increase	-	8,616
At the end of the financial year	527,525	527,248

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 2024 %	31 December 2023 %
Held by Hengyang Holding Pte. Ltd.			
Jiangyin Foreversun Chemical Logistics Co., Ltd. (PRC)	Storage, dispatch, drumming and land transportation of liquid petrochemical products and management of ports terminals	41.64	41.64

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 1Q2024.

HENGYANG PETROCHEMICAL LOGISTICS LIMITED
UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2024

N7.2 Significant restrictions

As at 31 March 2024, cash and bank balances of approximately RMB81,882,138 (31 December 2023: RMB167,827,000) held by the joint venture in the PRC are subject to local exchange control 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

	China Holdco Group	
RMB'000	31.03.2024	31.12.2023
Current assets	251,260	295,410
Non-current assets	4,312,005	4,248,879
Current liabilities	(994,103)	(932,348)
Non-current liabilities	(2,325,311)	(2,408,954)
Net asset	1,243,851	1,202,987

The above amounts of assets and liabilities include the following:

	China Holdco Group	
RMB'000	31.03.2024	31.12.2023
Cash and cash equivalents	81,882	168,480
Current financial liabilities (excluding trade and other payables and current income tax payable)	(593,041)	(569,678)
Non-current financial liabilities (excluding trade and other payables and deferred income tax payable)	(2,265,714)	(2,349,351)

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

RMB'000	1Q2024	1Q2023	VAR	%
	(Unaudited)	(Unaudited)		(+/-)
Revenue⁽¹⁾	135,834	104,680	31,154	29.76
Cost of sales ⁽²⁾	(85,673)	(77,874)	7,799	10.01
Gross profit	50,161	26,806	23,355	87.13
Other income ⁽³⁾	1,434	1,586	(152)	(9.58)
Administrative and other expenses	(18,562)	(19,522)	(960)	(4.92)
Finance costs ⁽⁴⁾	(29,743)	(26,961)	2,782	10.32
Profit/(Loss) before tax from operation	3,290	(18,091)	(21,381)	118.19
Income tax expense ⁽⁴⁾	(4,665)	(879)	3,786	430.72
Loss for the financial period	(1,375)	(18,970)	17,595	(92.75)

HENGYANG PETROCHEMICAL LOGISTICS LIMITED
UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2024

Non-controlling interest	(3,106)	(3,939)	833	21.15
Owners of China Holdco	1,731	(15,031)	16,762	(111.52)
Share proportion of Company in China Holdco	41.64%	41.64%	0.00%	-
Share of result of China Holdco	721	(6,259)	6,980	(111.52)
Depreciation and amortisation on fair value adjustment ⁽⁵⁾	(443)	(443)	-	0.00
Share of result of joint venture	277	(6,702)	6,979	(104.13)

Notes:

- (1) Revenue from transportation segment increased by RMB6.59 million or 84.27%, from RMB7.82 million in 1Q2023 to RMB14.41 million in 1Q2024, as the volume of transportation increased.

Revenue from storage service segment increased by RMB24.56 million or 25.35%, from RMB96.86 million in 1Q2023 to RMB121.42 million in 1Q2024, mainly due to the following:

- (a) an increase in revenue of RMB5.44 million from Deqiao Logistics Co., Ltd., (“**Deqiao**”) as well as an increase in revenue of RMB2.03 million from Yueyang Hengyang Petrochemical Logistics Co., Ltd. These increases were attributed to new products and new customers which brought about higher utilization rate of the tanks;
- (b) an increase in revenue of RMB10.54 million from Wuhan Hengyang Petrochemical Logistics Co., Ltd attributed by commencement of trial operation of the new storage tanks since November 2023;
- (c) an increase in revenue of RMB7.98 million from Chongqing New Hengyang Logistics Co., Ltd., (“**Chongqing New Hengyang**”) attributed by commencement of operation of the new storage tanks since December 2022 and utilization rate of the new storage tanks has gradually increased;
- (d) the acquisition of Nanrong Petrochemical Co., Ltd. (南荣石油化学有限公司) and Nanrong Petrochemical Industry (Jiangyin) Co., Ltd. (南荣石油化工(江阴)有限公司), collectively, the “**Nanrong Subsidiaries**” by China Holdco was completed in June 2023. Revenue of RMB7.02 million is consolidated from the Nanrong Subsidiaries, and partially offset by
- (e) an decrease in revenue of RMB8.56 million from Jiangyin Foreversun Logistics Co., Ltd, attributed by a lower utilisation rate of its tanks’ capacity due to reduce of import chemicals.
- (2) Other income decreased by RMB152,000 or 9.58%, mainly due to the absence of the additional value added tax deduction policy that valid only in FY2023.
- (3) Finance costs increased by RMB2.78 million or 10.32%, mainly due to the increase of borrowing arised by the acquisition of Nanrong Petrochemical Co., Ltd. (南荣石油化学有限公司) and Nanrong Petrochemical Industry (Jiangyin) Co., Ltd. (南荣石油化工(江阴)有限公司) in June 2023;
- (4) Income tax expense increased by RMB3.78 million or 430.72%, mainly due to profit made by **Deqiao** and **Nanrong Subsidiaries**.
- (5) 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.

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:

Group

HENGYANG PETROCHEMICAL LOGISTICS LIMITED
UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2024

RMB'000	31.03.2024	31.12.2023
Proportion of Group ownership	41.64%	41.64%
Share of net assets of the joint venture	435,391	434,671
Fair value adjustment on plant and equipment and land use rights	53,879	53,879
Cumulative depreciation and amortisation on fair value adjustment	(12,094)	(11,651)
Interest in joint venture	477,176	476,899
Goodwill	50,349	50,349
Carrying value of Group's interest in joint venture	527,525	527,248

N8. Lease liability

RMB'000	Group	
	31.03.2024	31.12.2023
Balance as at 1 January	111	52
Interest expense	1	1
Addition	-	116
Lease payments		
- Principal portion	(14)	(57)
- Interest portion	(1)	(1)
	(15)	(58)
Balance as at the end of the period	97	111

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

RMB'000	31.03.2024	31.12.2023
Contractual undiscounted cash flows		
- Not later than a year	56	56
- Between one and three years	46	61
	102	117
Less: Future interest expense	(5)	(6)
Present value of lease liabilities	97	111
Presented in statement of financial position		
- Non-current	45	60
- Current	52	51
	97	111

The Group leases an office premise in Singapore with fixed payments over the lease terms and the incremental borrowing rate applied was 5.25% (FY2023: 5.25%) per annum.

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

HENGYANG PETROCHEMICAL LOGISTICS LIMITED
UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2024

The lease liability is denominated in Singapore dollars.

N9. Subsequent events

There are no known subsequent events which 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 2024 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	
	1Q2024 Unaudited	1Q2023 Unaudited
Weighted average number of ordinary shares used in computation of basic (LPS)	203,461,883	203,461,883
Basic and diluted (LPS)(RMB cents)	(0.27)	(3.74)

HENGYANG PETROCHEMICAL LOGISTICS LIMITED
UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2024

Notes:

- (a) Basic LPS is calculated by dividing the net loss for the financial period attributable to owners of the Company by the actual number of ordinary shares in issue during the financial period/year.
- (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	
	31.03.2024 Unaudited	31.12.2023 Audited	31.12.2024 Unaudited	31.12.2023 Audited
Net asset value per ordinary share (RMB cents)	269.58	269.85	136.52	136.59

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 RMB13,000 from RMB1,000 in 1Q2023 to RMB14,000 in 1Q2024 mainly due to the increase of interest income.

Administrative and other expenses decreased by RMB70,000 or 7.7% from RMB915,000 in 1Q2023 to RMB845,000 in 1Q2024 mainly due to decrease of directors' fee.

Share of result of joint venture relates to the Company's 41.64% interest in the China Holdco Group. Share of result of joint venture increased from a loss of RMB6.7 million in 1Q2023 to a profit of RMB277,000 in 1Q2024. Please refer to paragraph N7.3 for review of the China Holdco Group's financial performance.

The Group recorded a net loss attributable to owners of the parent of RMB555,000 in 1Q2024 as compared to loss of RMB7.62 million in 1Q2023. This was mainly due to the share of result of joint venture has changed from loss to profit.

Condensed interim consolidated statement of financial position of the Group

Non-current assets comprise the Group's investment in a joint venture which relates to its interest in the China Holdco Group and right-of-use asset. Investment in a joint venture increased by RMB277,000 from RMB527.24 million as at 31 December 2023 to RMB527.52 million as at 31 March 2024, mainly due to share of profit of RMB277,000 on China Holdco Group in 1Q2024.

Current assets comprise cash and cash equivalents, amount owing by related parties and other receivables. Current assets decreased by RMB517,000 from RMB23.33 million as at 31 December

HENGYANG PETROCHEMICAL LOGISTICS LIMITED
UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2024

2023 to RMB22.83 million as at 31 March 2024, mainly due to a decrease in cash and cash equivalents. Cash and cash equivalents decreased by RMB517,000 from RMB23.11 million as at 31 December 2023 to RMB22.58 million as at 31 March 2024 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, lease liability and current income tax payable. Current liabilities increased by RMB326,000 as at 31 December 2023 to RMB1.92 million as at 31 March 2024, mainly due to accrued 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 RMB22.58 million as at 31 March 2024, as compared to RMB23.11 million as at 31 December 2023, a decrease of RMB517,000 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.

As published by PRC's National Bureau of Statistics, the PRC's GDP grew by 5.1% in 1Q2024 as compared to 5.2% in the fourth quarter of FY2023.

The China Holdco Group is seeking to expand its operations along Yangtze River and nearby coastal area of Tianjin to take advantage of the Group's business connection and expertise. According to the PRC's 14th 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, creating a comprehensive transportation system along the Yangtze River. The China Holdco Group intends to leverage on its strategic locations to consolidate its business operations along Yangtze River.

The Chongqing project managed by Chongqing New Hengyang formally commenced operations in FY2023. The construction of 2nd stage of Wuhan Project managed by Wuhan Hengyang has completed in the last quarter of 2023 and has began trial operation. The commencement of operation after the construction is not expected to contribute materially to the Group's financial performance. The Group will continue its efforts to increase the overall utilisation rate of its storage tanks and port terminals to improve its performance.

As the PRC fully reopens its borders for international travel, the economic growth of the PRC is expected to continue to recover in FY2024. Nevertheless, as at the date of this announcement, the PRC and global economic conditions including interest rate, inflation rate and unemployment rate in PRC and global political environments are still highly uncertain and unpredictable.

HENGYANG PETROCHEMICAL LOGISTICS LIMITED
UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2024

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 1Q2024.

(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 FY2023.

(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 the China Holdco Group did not declare any dividend for 1Q2024.

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 ⁽¹⁾	Note1	-	5,283

HENGYANG PETROCHEMICAL LOGISTICS LIMITED
UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2024

Notes:

- (1) Jinqiao Chemical is wholly-owned by Ms Sun Fang, the spouse of Mr Gu Wen Long who is the Director and Chief Executive Officer and Controlling Shareholder of the Company.

14. Confirmation pursuant to Catalist Rule 705(5)

We, Gu Wen Long and Khaw Shee Kai, 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 1Q2024 to be false or misleading in any material aspect.

On behalf of the Board of Directors

GU WEN LONG
Chief Executive Officer

KHAW SHEE KAI
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
May 10, 2024

*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.*