



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 FOURTH QUARTER ENDED 31 DECEMBER (“4Q”) AND THE FINANCIAL YEAR ENDED 31 DECEMBER (“FY”) 2021

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

On 1 September 2021, Hengyang Petrochemical Logistics Limited (the “Company”) announced that CITIC Port Investment Co., Ltd. (“CITIC Port”) has completed the disposal of its 49% equity interest in Jiangyin Foreversun Chemical Logistics Co., Ltd. (“China Holdco”) to Sinopec Chemical Sales Company Limited (“Sinopec Chemical”). In the same announcement, the Company announced that its wholly-owned subsidiary, Hengyang Holding Pte Ltd (“HHPL”) had entered into a transfer agreement with CITIC Port on the same date, to transfer 2% equity interest in China Holdco from HHPL to CITIC Port (the “Transfer”). Upon the completion of the Transfer, the shareholders of China Holdco will be HHPL (49%), Sinopec Chemical (49%) and CITIC Port (2%).

As at 31 December 2021, the Transfer has been completed. 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.

Shareholders should note that the Group’s interest in China Holdco represents its entire business and operations 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.

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

	Note	Group			Group		
		4Q2021 (Unaudited)	4Q2020 (Unaudited)	% (+/-)	FY2021 (Unaudited)	FY2020 (Audited)	% (+/-)
RMB'000							
Other income	N6.1	214	134	59.7	710	5,864	(87.9)
Administrative and other expenses		(1,106)	(2,610)	57.6	(3,716)	(5,450)	(31.8)
Interest expense	N8	(3)	(2)	(50.0)	(7)	(2)	250.0
Share of result of joint venture	N7	(4,805)	23,470	nm	(2,360)	(3,049)	nm
Loss on partial disposal of joint venture	8	-	-	nm	(18,736)	-	nm
Profit/(loss) before tax	N6	(5,700)	20,992	nm	(24,109)	(2,637)	814.2
Income tax expense		-	(98)	nm	-	(98)	-
Net profit/(loss) for the financial period		(5,700)	20,894		(24,109)	(2,735)	781.5
Profit/(loss) attributable to:							
Owners of the parent		(5,700)	20,894	nm	(24,109)	5,529	(536.0)

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	Note	Group			Group		
		4Q2021 (Unaudited)	4Q2020 (Unaudited)	% (+/-)	FY2021 (Unaudited)	FY2020 (Audited)	% (+/-)
RMB'000							
Non-controlling interests ⁽¹⁾		-	-	nm	-	(8,264)	nm
Total comprehensive income/(loss) attributable to:		(5,700)	20,894	nm	(24,109)	(2,735)	781.5
Owners of the parent		(5,700)	20,894	nm	(24,109)	5,529	(536.0)
Non-controlling interests		-	-	nm	-	(8,264)	nm
		(5,700)	20,894	nm	(24,109)	(2,735)	781.5
Earnings/(loss) per Share (“EPS/LPS”) (RMB cents):							
Basic	6	(2.80)	10.27		(11.85)	2.72	
Diluted	6	(2.80)	10.27		(11.85)	2.72	

Notes:

(1) Following the completion of the acquisition of the remaining 35% of the issued and paid-up share capital of HHPL not already owned by the company on 15 October 2020, HHPL has become a wholly-owned subsidiary of the Company. The loss attributable to non-controlling interests of RMB8.26 million in FY2020 relates to the losses attributable to the non-controlling interest in HHPL prior to completion of the HHPL Acquisition.

(2) “nm” denotes not meaningful.

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	
		31.12.2021	31.12.2020	31.12.2021	31.12.2020
RMB'000		(Unaudited)	(Audited)	(Unaudited)	(Audited)
Non-current assets					
Investments in subsidiaries		-	-	303,472	303,472
Investment in joint venture	N7	512,326	533,422	-	-
Right of use asset		100	151	-	-
		512,426	533,573	303,472	303,472
Current assets					
Other receivables		15	64	-	10
Interest income receivable		78	48	7	-
Amount owing by related parties		179	187	-	6
Amount owing by subsidiaries		-	-	9,544	11,158
Cash and cash equivalents		40,990	44,823	5,877	7,888
		41,262	45,122	15,428	19,062
Less:					
Current liabilities					
Other payables		786	1,233	451	761
Amount owing to directors		359	724	359	724
Amount owing to a subsidiary		-	-	28,308	29,588
Current income tax payable		59	97	59	97
Lease Liability	N8	50	49	-	-
		1,254	2,103	29,177	31,170
Net current assets/liabilities		40,008	43,019	(13,749)	(12,108)
Less:					
Non-current liability					
Lease Liability	N8	53	102	-	-
Net assets		552,381	576,490	289,723	291,364
Equity					
Share capital	1(d)(i)	289,064	289,064	289,064	289,064
Other reserve		83,004	83,004	-	-
Retained earnings		180,313	204,422	658	2,300
Equity attributable to owners of the parent		552,381	576,490	289,722	291,364
Total equity		552,381	576,490	289,722	291,364

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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 December 2021		As at 31 December 2020	
Secured RMB'000	Unsecured RMB'000	Secured RMB'000	Unsecured RMB'000
-	-	-	-

Amount repayable after one year

As at 31 December 2021		As at 31 December 2020	
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 December 2021, the Group and its joint venture partners had given guarantees amounting up to RMB316,124,000 (31/12/2020: RMB890,026,500) to certain lenders in respect of borrowings of the China Holdco Group.

At 31 December 2021, the total amount of borrowings covered by the guarantees is RMB237,915,000 (31/12/2020: RMB675,138,000). 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 December 2021, the current liabilities of the China Holdco Group exceeded its current assets by RMB237,496,911. The China Holdco Group has RMB285,813,145 of borrowings which are due for repayment within the next 12 months from the reporting date, of which RMB237,915,000 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 December 2021, 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.

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
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RMB'000	FY2021 (Unaudited)	FY2020 (Audited)
Operating activities		
Loss before income tax	(24,109)	(2,637)
Adjustments for:		
Amortisation of right of use assets	51	53
Share of result of joint venture	2,360	3,049
Loss on partial disposal of joint venture	18,736	-
Interest income	(680)	(1,335)
Derecognition of financial instrument	-	(4,366)
Interest expense	7	2
Operating cash flows before working capital changes	(3,635)	(5,234)
Other receivables (including related parties)	57	(41)
Other payables (including directors and related parties)	(812)	23
Cash used in operations	(4,390)	(5,252)
Income tax paid	(38)	(1)
Net cash used in operating activities	(4,428)	(5,253)
Investing activities		
Acquisition of non-controlling interests		(36,000)
Interest received	650	1,287
Net cash generated from/(used in) investing activities	650	(34,713)
Financing activities		
Principal element of lease payments	(48)	(54)
Interest expense	(7)	(2)
Net cash used in financing activities	(55)	(56)
Net change in cash and cash equivalents	(3,833)	(40,022)
Cash and cash equivalents at the beginning of the financial year	44,823	84,845
Cash and cash equivalents at end of the financial year	40,990	44,823

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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
(Unaudited)			
Balance as at 1 January 2021	289,064	2,300	291,364
Total comprehensive loss for the period	-	(1,642)	(1,642)
Balance as at 31 December 2021	289,064	658	289,722
(Audited)			
Balance as at 1 January 2020	289,064	4,158	293,222
Total comprehensive loss for the period	-	(1,858)	(1,858)
Balance as at 31 December 2020	289,064	2,300	291,364

The Group

RMB'000	Attributable to owners of the Company				Non-controlling Interests	Total equity
	Share capital	Other reserve	Retained earnings	Equity attributable to owners of the parent		
(Unaudited)						
Balance as at 1 January 2021	289,064	83,004	204,422	576,490	-	576,490
Total comprehensive income/(loss) for the financial year	-	-	(24,109)	(24,109)	-	(24,109)
Balance as at 31 December 2021	289,064	83,004	180,313	552,381		552,381
(Audited)						
Balance as at 1 January 2020	289,064	83,004	36,840	408,908	206,317	615,225
Total comprehensive income/(loss) for the financial year	-	-	5,529	5,529	(8,264)	(2,735)
Acquisition for non-controlling interests	-	-	162,053	162,053	(198,053)	(36,000)
Balance as at 31 December 2020	289,064	83,004	204,422	576,490	(198,053)	576,490

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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 2020 and 31 December 2021.

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.

	31.12.2021	31.12.2020
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 December 2021 and 31 December 2020.

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 8 Robinson Road, #13-00 ASO Building, Singapore 048544.

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, People’s Republic of China (“**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 year ended 31 December 2021 have been prepared in accordance with 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 2020 (“**FY2020**”).

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 (its “**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.

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N2.1 New and amended standards adopted by the Group

The following new SFRS(I), amendments to and SFRS(I) interpretations are relevant to the Group for the current reporting period:

		Effective date (annual periods beginning on or after)
SFRS(I) 9, SFRS(I) 1-39, SFRS(I) 7, SFRS(I) 4, and SFRS(I) 16 (Amendments)	<i>Interest Rate Benchmark Reform-Phase 2</i>	1 January 2021
Amendment to SFRS(I) 16	<i>Covid-19-Related Rent Concessions beyond 30 June 2021</i>	1 April 2021

The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting the above standard.

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.

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 2020.

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 December 2021, the Group (through HHPL), Sinopec Chemical Sales Company Limited ("**Sinopec Chemical**") and CITIC Port Investment Co., Ltd ("**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 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).

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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 next financial year, are discussed below.

Impairment of investment in joint venture

The Group had carried out a review of the investment in joint venture for the financial year ended 31 December 2020. For FY2021, there is no impairment on the investment in joint venture. The share of result of joint venture for FY2021 was RMB2,360,000 loss. (FY2020: RMB3,049,000 loss).

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 a joint venture and other investment holding activities. The Group's business is engaged entirely in the PRC and hence no segment information is disclosed.

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 December 2021 and 31 December 2020:

RMB'000	Group	
	31-Dec-2021	31-Dec-2020
Financial assets		
Other receivables	15	64
Interest income receivable	78	48
Amount owing by related parties	179	187
Cash and cash equivalents	40,990	44,823
Financial liabilities		
Other payables	786	1,233
Amount owing to directors	359	724
Lease liability	50	49

N6. (Loss)/Profit before tax

N6.1 Significant items

RMB'000	Group			
	4Q2021	4Q2020	FY2021	FY2020
Other income				
Interest income from bank deposits	202	100	680	1,335
Government grant	12	34	30	163
Derecognition of derivative financial instrument	-	-	-	4,366
	214	134	710	5,864

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RMB'000	Group			
	4Q2021	4Q2020	FY2021	FY2020
Expenses				
Amortisation of right-of-use asset	13	13	51	53
Professional fees	230	503	618	930
Employee benefit costs (inclusive of directors' fees)	860	653	2,726	2,607

N6.2. Related party transactions

During FY2021, 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	
	FY2021	FY2020
By joint venture		
<i>Sales to related parties</i>	42,984	43,304
– Jiangyin Golden Bridge Chemical Co., Ltd. (a)	40,220	43,304
– Jiangyin Golden Bridge Trade Co., Ltd. (b)	2,764	-
<i>Interest expense charged by related parties</i>	6,269	5,784
– Jiangyin Golden Bridge Chemical Co., Ltd. (a)	5,510	5,015
– Gu Wen Long	759	769

Notes:

- (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.

N7. Investment in joint venture

RMB'000	31-Dec-2021
Unquoted equity investment, at cost	533,422
Movement in the financial year	(21,096)
Balance as at 31 December 2021	<u>512,326</u>

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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 December 2021	31 December 2020
		%	%
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 terminal	49	51

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 1(b)(ii).

N7.1 Impairment assessment of investment in a joint venture

The management carried out a review of the investment in a joint venture, having regard for indicators of impairment on investment in a joint venture as certain subsidiaries of the joint venture have been incurring losses for the prior and current financial years. The assessment was made with reference to the value-in-use calculations by discounting future cash flow of remaining years of the respective land use rights for each operating entity. Based on management's review, no impairment was required.

The key assumptions for the value-in-use calculations are as follows:

	Group 2020
	%
Revenue growth rates	1.8
Earnings before interest and tax ("EBIT") margins	20 - 49
Discount rate	<u>9.7</u>

If any of the following changes were made to the above key assumptions, the carrying amount and recoverable amount would be equal.

Revenue growth rates	Decreased by 1.5%
EBIT margins	Decreased by 6.0%
Discount rate	<u>Increased by 1.6%</u>

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N7.2 Significant restrictions

As at 31 December 2021, cash and bank balances of approximately RMB37,135,038 (31 December 2020: RMB85,304,000) 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

RMB'000	China Holdco Group	
	31-Dec-2021	31-Dec-2020
Current assets	259,361	308,255
Non-current assets	2,585,875	2,404,257
Current liabilities	(496,858)	(1,302,314)
Non-current liabilities	(1,419,712)	(473,550)
Net asset	928,666	936,648

The above amounts of assets and liabilities include the following:

RMB'000	China Holdco Group	
	31-Dec-2021	31-Dec-2020
Cash and cash equivalents	37,135	85,304
Current financial liabilities (excluding trade and other payables and current income tax payable)	(303,654)	(1,149,350)
Non-current financial liabilities (excluding trade and other payables and deferred income tax payable)	(1,389,164)	(442,695)

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

RMB'000	FY2021 (Unaudited)	FY2020 (Audited)	Variance RMB'000	Variance %
Revenue ⁽¹⁾⁽²⁾	442,932	344,098	98,834	28.72
Cost of sales ⁽²⁾⁽³⁾	(316,982)	(240,741)	76,241	31.67
Gross profit	125,950	103,357	22,593	21.86
Other income	5,127	5,378	(251)	-4.67
Administrative and other expenses ⁽⁴⁾	(71,418)	(61,939)	9,479	15.30
Finance costs ⁽⁵⁾	(64,790)	(43,085)	21,705	50.38
(Loss)/Profit before tax from continuing operation	(5,131)	3,711	(8,842)	-238.26
Income tax credit/(expense) ⁽⁶⁾	4,511	(6,112)	(10,623)	nm ⁽⁹⁾
Loss from continuing operation	(620)	(2,401)	(1,781)	74.18
Profit from discontinued operation, net of tax ⁽⁷⁾	10	721	(711)	-98.61
Loss for the financial year	(610)	(1,680)	(1,070)	-63.69
Non-controlling interest	162	48	114	237.50
Owners of China Holdco share proportion	(772)	(1,728)	(956)	-55.32
	49%	51%	-	-
Share of result of China Holdco	(218)	(881)	(663)	-75.26

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Depreciation and amortisation on fair value adjustment ⁽⁸⁾	(2,142)	(2,168)	(26)	-1.20
Share of result of joint venture	(2,360)	(3,049)	689	-22.69

Notes:

- (1) Revenue from transportation segment increased by RMB39.7 million or 43.33%, from RMB91.61 million in FY2020 to RMB131.31 million in FY2021, as it achieved pre-pandemic revenue level in the second quarter and third quarter of FY2021.

Revenue from storage service segment increased significantly by RMB59.13 million or 23.41%, from RMB252.49 million in FY2020 to RMB311.62 million in FY2021, mainly due to the following:

- (a) an increase in revenue of RMB60.67 million from Deqiao Logistics Co., Ltd., (“**Deqiao**”) with the resumption of its operations in September 2020;
- (b) an increase in revenue of RMB5.37 million from Yueyang as it achieved pre-pandemic revenue level ; offset by
- (c) a decrease in revenue of RMB7.78 million from Jiangyin Foreversun Chemical Logistics Co., Ltd., as a result of the decrease in capacity utilisation.

Both the transportation segment and storage service segment registered lower revenue in 4Q2021 which negated the higher revenue and profits registered by these segments in the first three quarters of FY2021. Please also refer to paragraph 8 of this announcement.

- (2) In FY2021, the Company completed the disposal of its entire 85% interest in Jiangsu Xinheng Supply Chain Management Service Co., Ltd. (“**Jiangsu Xinheng**”) for an aggregate cash consideration of RMB18,062,500 (the “**Disposal**”). Please also refer to paragraph 16 of this announcement for further information in relation to the Disposal. As a result of the Disposal, Jiangsu Xinheng is classified as discontinued operations, and revenue from Jiangsu Xinheng which amounted to RMB766.17 million in FY2020 and RMB14.64 million in FY2021 as well as cost of sales from Jiangsu Xinheng which amounted to RMB761.76 million in FY2020 and RMB14.63 million in FY2021 have been excluded from these line items.
- (3) Cost of sales increased by RMB76.24 million or 31.67%, including RMB35.14 million from transportation segment and RMB41.1 million from storage service segment. The increase was due to the increase in revenue from these two segments.
- (4) Administrative and other expenses increased by RMB9.48 million or 15.3%, mainly due to the increase in manpower costs and sales-related expenses with the resumption of Deqiao’s operation in September 2020.
- (5) Finance costs increased by RMB21.71 million or 50.38%, mainly due to the borrowing costs of Deqiao’s facility which was previously capitalised but now expensed since its resumption of operation.
- (6) Income tax credit mainly attributed by the over provision of tax in prior year.
- (7) Profit from discontinued operation refers to profits attributable to Jiangsu Xinheng as mentioned in paragraph 16 of this announcement.
- (8) 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.
- (9) “nm” denotes not meaningful.

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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	Group	
	31-Dec-2021	31-Dec-2020
Proportion of Group ownership	49%	51%
Share of net assets of the joint venture	401,165	419,267
Fair value adjustment on plant and equipment and land use rights	63,403	65,991
Cumulative depreciation and amortisation on fair value adjustment	(9,910)	(7,768)
Non-controlling interest	(1,173)	(2,909)
Interest in joint venture	453,485	474,581
Goodwill	58,841	58,841
Carrying value of Group's interest in joint venture	512,326	533,422

N8. Lease liabilities

RMB'000	Group	
	31-Dec-2021	31-Dec-2020
Balance as at 1 January	151	50
Interest expense	7	2
Addition	-	155
Lease payments		
- Principal portion	48	54
- Interest portion	7	2
	55	56
Balance as at the end of the financial year	103	151

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

RMB'000	31-Dec-2021	31-Dec-2020
Contractual undiscounted cash flows		
– Not later than a year	54	56
– Between one and three years	54	107
	108	163
Less: Future interest expense	(5)	(12)
Present value of lease liabilities	103	151
Presented in statement of financial position		
– Non-current	53	49
– Current	50	102
	103	151

The Group leases an office premise in Singapore with fixed payments over the lease terms and the incremental borrowing rate applied was 5.25% (FY2020: 5.25%) per annum.

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

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The lease liability is denominated in Singapore dollars.

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 FY2021 are the same as those adopted in the preceding year.

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	
	FY2021 Unaudited	FY2020 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)	(11.85)	2.72

Notes:

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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	
	31.12.2021 Unaudited	31.12.2020 Audited	31.12.2021 Unaudited	31.12.2020 Audited
Net asset value per ordinary share (RMB cents)	271.5	283.3	142.4	143.2

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.

4Q2021 vs 4Q2020

The Group's other income increased by RMB80,000 or 59.7% from RMB134,000 in 4Q2020 to RMB214,000 in 4Q2021 mainly due to higher interest income of RMB202,000 in 4Q2021 as compared to RMB100,000 in 4Q2020.

Administrative and other expenses decreased by RMB1.5 million or 57.6% from RMB2.61 million in 4Q2020 to RMB1.11 million in 4Q2021 mainly due to the absence of the one-off professional fees incurred in 4Q2020 in relation to the acquisition of 35% shareholding of HHPL.

Share of results of joint venture relates to the Company's 49% interest in the China Holdco Group. The interest of the Company in the joint venture changed from 51% to 49% due to the Transfer in September 2021. Share of results of joint venture decreased from a profit of RMB23.47 million in 4Q2020 to a loss of RMB4.81 million in 4Q2021 due mainly to the decrease in revenue resulted by reduction in port activities as the Chinese government implemented tighter measures in view of the resurgence of COVID-19 in 4Q2021 and reduction in petrochemical trading activities as the Chinese government increased the tax levied on imported fuel in 4Q2021 coupled with higher operational costs in 4Q2021 arising from tighter COVID-19 prevention measures as well as to comply with the carbon emission guidance issued by the Chinese government in September 2021. Please also refer to paragraph N7.3 for review of the China Holdco Group's financial performance.

As a result of operational loss registered by the China Holdco Group in 4Q2021, the Group recorded a net loss attributable to owners of the parent of RMB5.7 million in 4Q2021 as compared to a profit of RMB20.89 million in 4Q2020.

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FY2021 vs FY2020

The Group's other income decreased by RMB5.15 million or 87.9% from RMB5.86 million in FY2020 to RMB0.71 million in FY2021. This was mainly due to the absence of RMB4.37 million income arising from the de-recognition of the derivative financial instrument relating to the option granted to CITIC Port in respect of 2% equity interest in China Holdco. The Group also had lower government grant of RMB0.3 million in FY2021 as compared to RMB1.63 million in FY2020. The Group's interest income decreased from RMB1.33 million in FY2020 to RMB0.68 million in FY2021 mainly due to the reduced cash balance within the Group.

Administrative and other expenses decreased by RMB1.73 million or 31.8% from RMB5.45 million in FY2020 to RMB3.72 million in FY2021 mainly due to the one-off professional fees incurred in FY2020 in relation to the acquisition of 35% shareholding of HHPL.

Share of results of joint venture relates to the Company's 49% interest in the China Holdco Group. The interest of the Company in the joint venture changed from 51% to 49% due to the Transfer in September 2021. Share of result of joint venture decreased from a loss of RMB3.05 million in FY2020 to a loss RMB2.36 million in FY2021 due mainly to overall improvement in the financial performance of the China Holdco Group for FY2021 as compared to FY2020. Please refer to paragraph N7.3 for review of the China Holdco Group's financial performance.

Loss on partial disposal of joint venture refer to the loss registered by the Company in relation to the Transfer. Based on a nominal consideration of S\$1 and the net asset value of the joint venture as at 30 September 2021 of RMB18.74 million, the loss of disposal is RMB18.74 million. Please refer to the announcement made by the Company on 1 September 2021 and paragraph 16 of this announcement.

The Group recorded a net loss attributable to owners of the parent of RMB24.11 million in FY2021 as compared to a profit of RMB5.53 million in FY2020. This was mainly due to the loss of disposal arising from the Transfer as well as the losses registered by the China Holdco Group for FY2021 (in particular 4Q2021) as elaborated above.

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 RMB21.09 million from RMB533.42 million as at 31 December 2020 to RMB512.33 million as at 31 December 2021, mainly due to the transfer of 2% shareholding in China Holdco to CITIC Port in September 2021.

Current assets comprise cash and cash equivalents, amount owing by related parties, other receivables and interest income receivables. Current assets decreased by RMB3.86 million from RMB45.12 million as at 31 December 2020 to RMB41.26 million as at 31 December 2021, mainly due to a decrease in cash and cash equivalents. Cash and cash equivalents decreased by RMB3.83 million from RMB44.82 million as at 31 December 2020 to RMB40.99 million as at 31 December 2021 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 decreased by RMB0.85 million from RMB2.1 million as at 31 December 2020 to RMB1.25 million as at 31 December 2021, mainly due to the payment to professionals and directors.

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

Condensed interim consolidated statement of cash flows of the Group

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The Group recorded cash and cash equivalents of RMB40.99 million as at 31 December 2021, as compared to RMB44.82 million as at 31 December 2020, a decrease of RMB3.83 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.

In the Company's unaudited financial results for the first quarter ended 31 March 2021 released on 7 May 2021 ("1Q Results"), the Company made the statement that "*With the resumption in operations of the Deqiao facility in September 2020, the Board is cautiously optimistic of the Group's financial performance in the current financial year ending 31 December 2021.*"

The China Holdco Group's over-all financial performance for FY2021 is reflective of the improvement of the financial performance of the Group's underlying operating entities held through China Holdco as compared to FY2020.

The operating performance of the Group for 4Q2021 has been affected by a decrease in revenue and subsequently losses registered by the China Holdco Group. The revenue of the China Holdco Group decreased significantly in 4Q2021 as compared with the third quarter of FY2021, mainly because of reduction in port activities as the Chinese government implemented tighter measures in view of the resurgence of COVID-19 in the fourth quarter of FY2021 and reduction in petrochemical trading activities as the Chinese government increased the tax levied on imported fuel. The China Holdco Group also had higher operational costs arising from tighter COVID-19 prevention measures as well as to comply with the carbon emission guidance issued by the Chinese government in September 2021.

The Group also registered a one-off loss arising from the transfer of 2% shareholding in China Holdco from HHPL to CITIC Port in FY2021.

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 8.1% in FY2021 compared with FY2020 signifying the recovery of the PRC's economy from the COVID-19 pandemic. Nevertheless, the growth rate decreased to 4% in 4Q2021, but the management is optimistic that PRC's GDP will gradually rebound in 2022.

The China Holdco Group's operations are along the coast of Yangtze River. 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, 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.

As mentioned in paragraphs N7.3 and 8 of this announcement, the Group (through China Holdco Group) registered improvements in revenues with the resumption of operations of the Deqiao facility in September 2020. In addition, the construction of Chongqing project is near the end of completion and government acceptance 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.

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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 FY2021.

(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 FY2020.

(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 has not proposed or paid a dividend during FY2021. 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 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	-	40,220

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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 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 ⁽²⁾	Note2	-	2,764
Interest expense charged	Note3		
- Jinqiao Chemical	Note1	-	5,510
- Gu Wenlong	Chairman, CEO and Controlling Shareholder of the Company	-	759

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 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.
- (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 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.

15. Acquisition or sale of shares in subsidiaries and/or associated companies under Catalist Rule 706(A)

On 11 January 2021, the Company announced that China Holdco had entered into a sale and purchase agreement with Jiangyin Jingang Chemical Co., Ltd. to dispose its entire 85% interest in Jiangsu Xinheng (the "**Disposal**") for an aggregate cash consideration of RMB18,062,500 (equivalent to approximately S\$3,678,717).

The consideration was arrived at on a willing-buyer and willing-seller basis, taking into account, among other things: (a) the valuation report which had valued 100% of the equity of Jiangsu Xinheng at RMB21,241,000 (equivalent to approximately S\$4,326,069); (b) the historical operating track record and financial performance of Jiangsu Xinheng; and (c) the rationale and benefits to the Group for the Disposal.

Based on the unaudited management accounts of Jiangsu Xinheng as at 31 October 2020, the book value of the 85% in Jiangsu Xinheng amounted to approximately RMB18,051,535 (or equivalent to approximately S\$3,676,484).

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Please refer to the Company's announcements in relation to the Disposal dated 11 January 2021 and 15 January 2021 and 7 September 2021 and notes (2) and (6) to paragraph N7.3 for more information.

On 1 September 2021, the Company announced the Transfer for a nominal consideration of S\$1.

The consideration for the Transfer was arrived at on a willing-buyer and willing-seller basis, taking into account, among other things: (a) The possibility of China Holdco Group be in breach of the loan covenants for the two loans from Bank of China (totalling RMB645.15 million) without the Transfer and the corresponding 2% corporate guarantee from CITIC Port; and (b) the rationale and benefits to the Group for the Transfer.

Based on the unaudited management accounts of China Holdco Group as at 30 September 2021, the book value of the 2% in China Holdco Group amounted to approximately RMB18.74 million (equivalent to approximately S\$3.9 million).

Save as disclosed above, there is no other acquisition and/or sale of shares in any subsidiaries or associated companies of the Group during FY2021 which is required to be reported under Rule 706(A) of the Catalist Rules.

PART II ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

- 16. Segmented revenue and results for operating segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

No reportable segments as set out in paragraph N4 of this announcement.

- 17. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.**

Noted. No reportable segments as set out in paragraph N4 of this announcement.

- 18. A breakdown of sales as follows:**

		Group		
	FY2021	FY2020		Increase/ (Decrease)
	RMB'000	RMB'000		%
(a) Sales reported for first half year	NIL	NIL		NIL
(b) Operating (loss)/profit after tax for the year before deducting non-controlling interests reported for first half year	1,943	(17,362)		Nm
(c) Sales reported for second half year	NIL	NIL		NIL
(d) Operating loss after tax for the year before deducting non-controlling interests reported for second half year	(24,109)	(2,735)		781.5

- 19. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows.**

	FY2021	FY2020
(a) Ordinary	—	—
(b) Preference	—	—
(c) Total	—	—

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20. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Gu Fan	30	Daughter of Mr Gu Wen Long, who is the Executive Chairman and CEO of the Company. Mr. Gu is also the controlling shareholder of the Company.	Investment & Development Manager since 1 March 2017. Ms Gu Fan is responsible for facilitating the communication among the board members, investors and key management team; assisting with the Company's operations in Singapore; developing the Group's ASEAN clientele and overall ASEAN business development.	No change in duties and position.

BY ORDER OF THE BOARD

GU WEN LONG
 Director and Chief Executive Officer

February 23, 2022

*This announcement has been reviewed by the Company's Sponsor, Xandar Capital Pte Ltd ("**Sponsor**") for compliance with the relevant rules of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). This announcement has not been examined or approved by 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.*