



HENGYANG PETROCHEMICAL LOGISTICS LIMITED

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

LOAN AGREEMENT AND EQUITY PLEDGE ARRANGEMENT

1. Introduction

The board of directors (the “Board” or the “Directors”) of the Company wishes to announce that Jiangyin Foreversun Chemical Logistics Co., Ltd. (江阴恒阳化工储运有限公司) (“Jiangyin Hengyang”), a company with 51% of its equity being directly held by Hengyang Holding Pte. Ltd. (恒阳控股私人有限公司) (“HHPL”), which is in turn 65% owned by the Company, had on 3 December 2018, entered into a loan agreement (the “Loan Agreement”) with CITIC Finance Co., Ltd. (中信财务有限公司) (the “Lender”). Pursuant to the Loan Agreement, the Lender has agreed to extend to Jiangyin Hengyang a commercial loan (the “Loan”) with the principal amount being RMB500,000,000 (approximately SGD99,185,044.38) and the applicable interest rate being 5.4625% per annum as at the date of the Loan Agreement. The Loan was taken for working capital purposes.

2. Information on the Lender

The Lender is a Chinese state-owned licensed financial institution in the People’s Republic of China. The Company confirms that the Company, the Board and / or its controlling shareholders do not have any material connection with the Lender.

3. Salient Terms of the Loan Agreement

S/N	Salient Terms	Description
1.	Principal Amount	RMB500,000,000
2.	Purpose of the Loan	General working capital purposes to (i) refinance certain old loans extended by the commercial banks, (ii) make further invest in some ongoing projects in China, including but not limited to Deqiao Project’s phase II development, (iii) repay certain loans extended by interested persons etc.
3.	Term of the Loan	Three years
4.	Interest Rate	The Loan shall bear a floating interest rate using the following formula: Base Rate x (1+15%) “Base Rate” represents the base rate published by the People’s Bank of China in relation to one to five years of the RMB loan At the date of the Loan Agreement, the applicable interest rate stands at 5.4625% per annum.



HENGYANG PETROCHEMICAL LOGISTICS LIMITED

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

4. Equity Pledge Arrangement

In order to satisfy one of the conditions precedent for the Loan to be extended, 51% of the equity interest in Jiangyin Hengyang which is directly held by HHPL (the Company’s 65% owned subsidiary) will be pledged in favour of the Lender (“**Equity Pledge Arrangement**”). In this connection, an equity pledge agreement has been entered into on 3 December 2018 to document the Equity Pledge Arrangement.

5. Rationale for the Loan and the Equity Pledge Arrangement

The entry into the Loan Agreement will serve to strengthen the financial position of Jiangyin Hengyang as well as its subsidiaries by improving their working capital and cash flow and the entry into the Equity Pledge Arrangement serves to satisfy one of the conditions for the Loan.

6. Interests of Directors and Controlling Shareholders

Save as disclosed herein, none of the Directors and controlling shareholders has any interest, direct or indirect, in the Loan Agreement and/or the Equity Pledge Arrangement.

By Order of the Board

GU WEN LONG
Executive Chairman and Chief Executive Officer
4 December 2018

This announcement has been prepared by the Company and its contents have been reviewed by the Company’s sponsor, CIMB Bank Berhad, Singapore Branch (“Sponsor”), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (“SGX-ST”), this being the SGX-ST Listing Manual Section B: Rules of Catalyst. The Sponsor has not independently verified the contents of this announcement. This announcement has not been examined or approved by the SGX-

ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Mr Yee Chia Hsing, Head, Catalyst Investment Banking. The contact particulars are 50 Raffles Place, #09-01 Singapore Land Tower, Singapore 048623, Telephone: +65 6337 5115.