

JIUTIAN CHEMICAL GROUP LIMITED

(Company Registration Number: 200415416H)

Unaudited Financial Statement Announcement for the First Quarter Ended 31 March 2020.

PURSUANT TO RULES 705(2C) OF THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED (THE "SGX-ST") LISTING MANUAL SECTION B: RULES OF CATALIST, JIUTIAN CHEMICAL GROUP LIMITED IS REQUIRED BY SGX-ST TO ANNOUNCE ITS QUARTERLY FINANCIAL STATEMENTS.

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

| | Unaudited Group Three months ended 31-Mar-20 RMB'000 | Unaudited Group Three months ended 31-Mar-19 RMB'000 | Increase/ (Decrease) % |
|---|---|---|------------------------------|
| Revenue | 199,387 | 300,640 | (34) |
| Cost of sales | (185,714) | (280,335) | (34) |
| Gross profit | 13,673 | 20,305 | (33) |
| Other income | 876 | 2,045 | (57) |
| Distribution costs | (2,619) | (7,250) | (64) |
| Administrative expenses | (4,595) | (5,277) | (13) |
| Other expenses | (1,077) | 47 | n/m |
| Finance costs | (2,210) | (1,922) | 15 |
| Share of result of associated companies | (56) | (12,392) | (100) |
| Profit/ (loss) before tax | 3,992 | (4,444) | n/m |
| Tax expense | (1,217) | (2,120) | n/m |
| Profit/ (loss) and total comprehensive income/ (loss) for the period | 2,775 | (6,564) | n/m |
| Profit/ (loss) and total comprehensive income/ (loss) for the period attributable to: | | | |
| Equity holders of the Company | 2,870 | (6,315) | |
| Non-controlling interest | (95) | (249) | |
| | 2,775 | (6,564) | |

n/m - not meaningful

(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:-

| | Unaudited Group Three months ended 31-Mar-20 RMB'000 | Unaudited Group Three months ended 31-Mar-19 RMB'000 | <i>Increase/ (Decrease)</i> % |
|---|---|---|--------------------------------------|
| Profit before tax is arrived at after charging/(crediting): | | | |
| Amortisation of deferred income | (15) | (16) | (6) |
| Amortisation of land use rights | 161 | 161 | - |
| Depreciation of property, plant and equipment | 6,505 | 6,854 | (5) |
| Interest expenses | 1,510 | 1,390 | 9 |
| Interest income | (792) | (396) | 100 |
| Net gain on disposal of property, plant and equipment | - | (1,021) | <i>n/m</i> |
| Property, plant and equipment written off | 1,030 | - | <i>n/m</i> |
| Net loss/(gain) on foreign exchange | 47 | (47) | <i>n/m</i> |

n/m – not meaningful

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

| | Unaudited Group 31-Mar-20 <u>RMB'000</u> | Audited Group 31-Dec-19 <u>RMB'000</u> | Unaudited Company 31-Mar-20 <u>RMB'000</u> | Audited Company 31-Dec-19 <u>RMB'000</u> |
|---|---|---|---|---|
| ASSETS | | | | |
| <u>Current assets</u> | | | | |
| Cash and cash equivalents | 295,367 | 400,842 | 3,091 | 565 |
| Trade and other receivables | 411,956 | 475,450 | 468 | 394 |
| Inventories | 44,055 | 23,975 | - | - |
| Total current assets | <u>751,378</u> | <u>900,267</u> | <u>3,559</u> | <u>959</u> |
| <u>Non-current assets</u> | | | | |
| Land use rights | 3,819 | 3,980 | - | - |
| Property, plant and equipment | 200,980 | 208,433 | - | - |
| Investment in subsidiary companies | - | - | 257,736 | 257,736 |
| Investment in associated companies | 71,692 | 71,749 | 71,749 | 71,749 |
| Deferred tax assets | 8,987 | 8,987 | - | - |
| Total non-current assets | <u>285,478</u> | <u>293,149</u> | <u>329,485</u> | <u>329,485</u> |
| Total assets | <u>1,036,856</u> | <u>1,193,416</u> | <u>333,044</u> | <u>330,444</u> |
| LIABILITIES AND EQUITY | | | | |
| <u>Current liabilities</u> | | | | |
| Bank borrowings | 435,371 | 444,098 | - | - |
| Trade and other payables | 275,026 | 423,835 | 458 | 11,022 |
| Contract liabilities | 18,355 | 20,491 | - | - |
| Income tax payables | 2,336 | 1,983 | - | - |
| Total current liabilities | <u>731,088</u> | <u>890,407</u> | <u>458</u> | <u>11,022</u> |
| <u>Non-current liabilities</u> | | | | |
| Amount owing to subsidiary | - | - | 10,900 | - |
| Deferred income | 2,049 | 2,064 | - | - |
| Total non-current liabilities | <u>2,049</u> | <u>2,064</u> | <u>10,900</u> | <u>-</u> |
| <u>Capital and reserves</u> | | | | |
| Share capital | 661,153 | 661,153 | 661,153 | 661,153 |
| Accumulated losses | (356,054) | (358,923) | (339,467) | (341,731) |
| Equity attributable to equity holders of the Company | <u>305,099</u> | <u>302,230</u> | <u>321,686</u> | <u>319,422</u> |
| Non-controlling interests | (1,380) | (1,285) | - | - |
| Total equity | <u>303,719</u> | <u>300,945</u> | <u>321,686</u> | <u>319,422</u> |
| Total liabilities and equity | <u>1,036,856</u> | <u>1,193,416</u> | <u>333,044</u> | <u>330,444</u> |

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

| | <u>(Unaudited)</u> As at 31 March 2020 | | <u>(Audited)</u> As at 31 December 2019 | |
|------------------------|---|-----------------------------|--|-----------------------------|
| | <u>Secured</u> RMB'000 | <u>Unsecured</u> RMB'000 | <u>Secured</u> RMB'000 | <u>Unsecured</u> RMB'000 |
| Bank borrowings | 110,000 | - | 120,000 | - |
| Bills payable to banks | 325,371 | - | 324,098 | - |
| Total | 435,371 | - | 444,098 | - |

Details of any collaterals

As at 31 March 2020, there were RMB 80 million (31 December 2019: RMB 90 million) short-term borrowings guaranteed by one of the Group's related party, Anyang Chemical Industry Group Co., Ltd. ("Anhua").

As at 31 March 2020, there were RMB 30 million (31 December 2019: RMB 30 million) short-term borrowings guaranteed by a related party of the Group, Henan Energy and Chemical Co., Ltd ("HNEC"). A security deposit of RMB 3 million were pledged to HNEC for the aforementioned corporate guarantee provided.

Bills payable to banks have an average maturity period of 60 to 120 days and are interest-free as repayments will be made within the credit period. The bills payable to banks are secured by pledged bank deposits amounting of RMB 265.39 million (31 December 2019: RMB 264.12 million).

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

| | (Unaudited) Group Three months ended 31-Mar-20 RMB'000 | (Unaudited) Group Three months ended 31-Mar-19 RMB'000 |
|--|---|---|
| Cash flows from operating activities | | |
| Profit/ (loss) before tax | 3,992 | (4,444) |
| Adjustments for: | | |
| Amortisation of deferred income | (15) | (16) |
| Amortisation of land use rights | 161 | 161 |
| Depreciation of property, plant and equipment | 6,505 | 6,854 |
| Interest expense | 1,510 | 1,390 |
| Interest income | (792) | (396) |
| Net gain on disposal of plant and equipment | - | (1,021) |
| Property, plant and equipment written off | 1,030 | - |
| Share of result of associated companies | 56 | 12,392 |
| Operating cash flows before movement in working capital | <u>12,447</u> | <u>14,920</u> |
| Inventories | (20,080) | 15,822 |
| Receivables | 64,869 | 171,686 |
| Payables | <u>(150,945)</u> | <u>(181,823)</u> |
| Cash (used in)/ generated from operations | <u>(93,709)</u> | <u>20,605</u> |
| Interest received | 792 | 396 |
| Income tax paid | <u>(864)</u> | <u>(4,046)</u> |
| Net cash (used in)/ generated from operating activities | <u>(93,781)</u> | <u>16,955</u> |
| Cash flows from investing activities | | |
| Advances to associated company | (1,375) | (9,595) |
| Purchase of property, plant and equipment (Note 1) | (82) | (993) |
| Proceed from disposal of property, plant and equipment | - | 1,021 |
| Net cash used in investing activities | <u>(1,457)</u> | <u>(9,567)</u> |
| Cash flows from financing activities | | |
| Drawdown of bank borrowings | - | 10,000 |
| Repayment of bank borrowings | (10,000) | - |
| (Increase)/ decrease in pledged bank deposits | (1,279) | 13,000 |
| Increase/(decrease) in bill payables to bank | 1,273 | (43,000) |
| Interest paid | (1,510) | (1,363) |
| Net cash used in financing activities | <u>(11,516)</u> | <u>(21,363)</u> |
| Net decrease in cash and cash equivalents | <u>(106,754)</u> | <u>(13,975)</u> |
| Cash and cash equivalents at beginning of period | <u>136,727</u> | <u>63,287</u> |
| Cash and cash equivalents at end of period | <u>29,973</u> | <u>49,312</u> |
| Cash and bank balances at end of period | 295,367 | 203,462 |
| Less: Pledged bank deposit | <u>(265,394)</u> | <u>(154,150)</u> |
| | <u>29,973</u> | <u>49,312</u> |
| Note 1:Purchase of property, plant and equipment | | |
| Aggregate cost of property, plant and equipment acquired | 82 | 1,733 |
| Add: outstanding payables at the beginning of the period | 30,534 | 28,850 |
| Less: outstanding payables at the end of the period | <u>(30,534)</u> | <u>(29,590)</u> |
| | <u>82</u> | <u>993</u> |

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

| | Share capital | Accumulated losses | Equity attributable to equity holders of the Company | Non-controlling interests | Total equity |
|--|---------------|--------------------|--|---------------------------|--------------|
| | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| <u>Group</u> | | | | | |
| Balance at 1 January 2020 (Audited) | 661,153 | (358,923) | 302,230 | (1,285) | 300,945 |
| Profit and total comprehensive income for the financial period | - | 2,870 | 2,870 | (95) | 2,775 |
| Balance at 31 March 2020 (Unaudited) | 661,153 | (356,053) | 305,100 | (1,380) | 303,720 |
| Balance at 1 January 2019 (Audited) | 661,153 | (110,505) | 550,648 | 29,189 | 579,837 |
| Loss and total comprehensive loss for the financial period | - | (6,315) | (6,315) | (249) | (6,564) |
| Balance at 31 March 2019 (Unaudited) | 661,153 | (116,820) | 544,333 | 28,940 | 573,273 |

| | Share capital | Accumulated losses | Total equity |
|--|---------------|--------------------|--------------|
| | RMB'000 | RMB'000 | RMB'000 |
| <u>Company</u> | | | |
| Balance at 1 January 2020 (Audited) | 661,153 | (341,731) | 319,422 |
| Profit and total comprehensive income for the financial period | - | 2,264 | 2,264 |
| Balance at 31 March 2020 (Unaudited) | 661,153 | (339,467) | 321,686 |
| Balance at 1 January 2019 (Audited) | 661,153 | (113,138) | 548,015 |
| Profit and total comprehensive income for the financial period | - | 4,418 | 4,418 |
| Balance at 31 March 2019 (Unaudited) | 661,153 | (108,720) | 552,433 |

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, 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.

| | Number of shares | Issued and paid-up share capital |
|--|------------------|----------------------------------|
| | | RMB |
| As at 31 December 2019 and 31 March 2020 | 1,818,444,000 | 661,152,648 |

There were no outstanding options, convertibles, treasury shares and subsidiary holdings as at 31 March 2020 and 31 March 2019.

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.

There were no treasury shares as at 31 March 2020 and 31 December 2019. The total number of issued shares of the Company are:

| | Number of shares | Issued and paid-up share capital |
|--|------------------|----------------------------------|
| | | RMB |
| As at 31 December 2019 and 31 March 2020 | 1,818,444,000 | 661,152,648 |

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. The Company did not have any treasury shares during and as at the end of the financial period reported on.

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. The Company did not have any subsidiary holdings during and as at the end of the financial year reported on.

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

The figures have not been audited nor reviewed by the Company's auditors.

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

Not applicable.

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. The Company's audit issue is a material uncertainty relating to going concern.

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

The accounting policies and methods of computation adopted in the preparation of the financial statements for the current financial period are consistent with those described in the audited financial statements for the financial year ended 31 December 2019.

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.

Not applicable.

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.

- (a) Based on the weighted average number of ordinary shares on issue; and
- (b) On a fully diluted basis (detailing any adjustments made to the earnings).

| | (Unaudited) Group Three months ended 31 Mar 2020 | (Unaudited) Group Three months ended 31 Mar 2019 |
|--|--|--|
| Basic and Diluted earnings/(loss) per share (RMB fen) | 0.16 | (0.35) |

Earnings/(loss) per share ("**EPS/(LPS)**") for the respective financial periods are computed based on the net profit/(loss) attributable to equity holders of the Company and the weighted average number of the shares of 1,818,444,000.

The basic and diluted EPS/(LPS) are the same as there were no potentially dilutive ordinary shares outstanding during the respective financial periods.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-

- (a) current financial period reported on; and
- (b) immediately preceding financial year.

| | (Unaudited) Group 31 Mar 2020 | (Audited) Group 31 Dec 2019 | (Unaudited) Company 31 Mar 2020 | (Audited) Company 31 Dec 2019 |
|---|-------------------------------------|-----------------------------------|---------------------------------------|-------------------------------------|
| Net asset value per ordinary share (RMB fen) | 16.78 | 16.62 | 17.69 | 17.57 |

Net asset value per ordinary share as at 31 March 2020 and 31 December 2019 respectively have been computed based on total issued shares of 1,818,444,000.

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 financial period reported on.

Commentaries on performance

1Q2020

Revenues decreased mainly due to decreases in sales volume of Dimethylformamide (“DMF”) and Methylamine. Sales volume of DMF and Methylamine in 1Q2020 were 53% and 10% lower than that of 1Q2019 respectively. For 1Q2020, average selling prices of DMF and Methylamine were RMB 4,725 per tonne and RMB 6,735 per tonne respectively, which were 6% higher and 11% lower than that for 1Q2019. The decrease in sales volume of the products were mainly due to the pandemic arising from Coronavirus Disease 2019 (COVID-19), as movements of people and goods are severely affected by the curbs imposed by some provincial authorities to help contain the spread of the COVID 19. Factories were also slow to resume operation resulting in lower demand of our products.

Year on year, capacity utilisation of the Anyang Jiutian DMF plant decreased from 81% to 56% whilst capacity utilisation of the Anyang Jiutian methylamine plant decreased from 100% to 89% as explained in the preceding paragraphs.

Gross profit decreased in line with the decrease in revenue, while gross profit margins remained relatively stable at 7% for 1Q2020.

Other income decreased mainly due to an absence of gain on disposal of property plant and equipment, partially offset by the higher interest income mainly attributable to an increase in pledged bank deposits during the financial period.

Distribution costs decreased mainly due to a decrease of transportation costs under Anyang Jiutian in line with lower sales volume of DMF during the financial period.

Administrative expenses decreased mainly due to lower staff related expenses arising from the Company's cost rationalisation efforts.

Other expense consists of property, plant and equipment written off and a net loss on foreign exchange.

The increase in finance cost was mainly due to increase in bank borrowings during 1Q2020.

Share of results of associated companies in 1Q2020 improved mainly due to:

- (i) Increase in share of profit of RMB 1.34 million (1Q2019: share of profit RMB 0.53 million) from the Company's 49% associated company, Anyang Jiulong Chemical Co., Ltd (“**Anyang Jiulong**”); and
- (ii) Decrease in share of loss of RMB 1.40 million (1Q2019: share of loss of RMB 12.92 million) from Anyang Jiujiu Chemical Technology Co., Ltd (“**Anyang Jiujiu**”), an associated company in which the Group has an effective interest of 74%.

Commentaries on balance sheet and cash flow

Group's balance sheet:

The Group's decrease in current assets was largely attributed to:

- a. a decrease in cash and cash equivalents due largely to cash used in operating activities, investing activities and financing activities as presented in the cash flow statements;
- b. a decrease in trade receivables in line with the decrease in revenue in 1Q2020; and
- c. partially offset by an increase in inventories due largely to a scheduled annual maintenance of Anyang Jiutian's production plant for DMF and Methylamine, a production plant with an annual capacity of 30,000 tons production, which would be temporarily shut-down for 15 days in the upcoming 2Q2020 for repair and maintenance. As such, the Group maintained a level of higher finished goods as at 31 March 2020 to ensure minimal delivery disruptions to the Group's customers in anticipation of the said shutdown.

The Group's decrease in current liabilities was largely attributed to:

- a. a repayment of bank borrowings during 1Q2020;
- b. partially offset by a decrease in contract liabilities due to lesser advance receipts from customers.
- c. decrease in gross trade and other payables due to higher payment to suppliers, lower purchases and transport cost incurred during the financial period as explained in the paragraphs above; and
- d. partially offset by an increase in trade bills payables to banks, categorized under 'bank borrowings', as more suppliers opted for trade bills as a form of repayment.

Working Capital

The Group is in a net current assets position as at 31 December 2019 of RMB 20.29 million.

Group's cash flow

Net cash used in operating activities in 1Q2020 was mainly due to the outflow from working capital changes caused by increased in inventories and decrease in trade payables and partially offset by increased in trade receivables.

Net cash used in investing activities in 1Q2020 was mainly due to the advances provided to Anyang Jiujiu for working capital purposes. These advances were provided in proportion to the Group's effective interest in Anyang Jiujiu

Net cash used in financing activities in 1Q2020 was mainly due to repayment in bank borrowing, increase in pledged bank deposits and interest paid during the financial period. This was partially offset by an increase in bill payables to bank.

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

Not applicable. No forecast or prospect statements have 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.

In addition to the general slowdown in China's economy due to the China-US trade war, the current pandemic caused by COVID-19 has serious economic repercussions in the global markets. This has affected the Group's performance during 1Q 2020, and is expected to exert downward pressure on the Group's performance for the rest of 2020.

In view of above, the business environment will be extremely challenging for the year. The Group will monitor the market condition closely, adapting its business strategies as and when appropriate.

11. Dividend

(a) Whether an interim (final) ordinary dividend has been declared (recommended); and
Nil

(b)(i) Amount per share (cents)
Nil.

(ii) Previous corresponding period (cents)
Nil.

(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).
NA.

(d) The date the dividend is payable.
NA.

(e) The date on which Registrable Transfers received by the Company (up to 5.00pm) will be registered before entitlements to the dividend are determined.
NA.

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

No dividend has been recommended for the current financial year reported on. The Company wishes to reserve adequate resources for the Company's ongoing projects and to respond to any adverse changes in the macroeconomic environment.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transaction as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Company had at its annual general meeting held on 25 April 2019 obtained shareholders' approval for the renewal of the general mandate for IPTs.

Save as disclosed below, there are no other IPTs equal to or above S\$100,000 in 1Q2020.

| Name of interested person | Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) | Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000) |
|--|--|--|
| | 1Q2020 | 1Q2020 |
| Anyang Chemical Industry Group Co., Ltd ("Anhua") ⁽¹⁾ | Sales of DMAC RMB 0.34 million | Sales of Repair Material, industrial steams and electricity RMB 14.61 million |
| | | Purchase of Raw Materials I and II (as defined in shareholders' mandate) RMB 78.58 million |
| | Sales of Raw Materials RMB 3.20 million | Purchase of Repair Materials RMB 1.03 million |
| | | Rental of equipment RMB 0.16 million |
| Anyang Jiujiu Chemical Technology Co., Ltd ⁽²⁾ | Advances given RMB 1.38 million | Nil |
| Anyang Jiulong Chemical Co., Ltd ⁽³⁾ | Nil | Sale of Dimethylamine RMB 6.12 million |
| | | Purchase of electricity and industrial steam RMB 21.07 million |

Notes:

- (1) Anhua is the holding company of Anyang Longyu (HK) Development Co., Ltd. ("Anyang Longyu"), a major shareholder of the Company. Anyang Longyu holds approximately 27.63% of the issued share capital of the Company.
- (2) Anyang Jiujiu is a joint venture between Jiutian Chemical Group Limited and Anyang Jiulong pursuant to which Anyang Jiulong holds 51% and Jiutian Chemical Group Limited holds 49% of the registered capital of Anyang Jiujiu. The advances were for Anyang Jiujiu's working capital and provided in proportion to the Group's effective interest in Anyang Jiujiu.
- (3) Anyang Jiulong is a joint venture between Jiutian Chemical Group Limited and Anhua and Henan Energy and Chemical Industry Group Co., Ltd. ("HNEC") pursuant to which Anhua holds 15.9% and HNEC holds 35.1% and Jiutian Chemical Group Limited holds 49% of the registered capital of Anyang Jiulong. HNEC is the parent of Anhua.

14. Negative confirmation by the Board pursuant to Rule 705(5) of the Listing Manual

We, Han Lianguo and Wang Gang, being two directors of Jiutian Chemical Group Limited (the “Company”), do hereby confirm on behalf of the Board of Directors of the Company that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial statements of the Company and the Group for the first quarter ended 31 March 2020 to be false or misleading in any material respect.

15. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in format set out in Appendix 7(H)) under Rule 720(1).

The Company confirms that it has procured undertakings from all its directors and executive officers in the required format.

BY ORDER OF THE BOARD

Name: Han Lianguo
Designation: Non-executive and Non-independent Chairman
Date: 12 May 2020

This announcement has been prepared by the Company and its contents have been reviewed by the sponsor, PrimePartners Corporate Finance Pte. Ltd. (the “Sponsor”) for compliance with the Singapore Exchange Securities Trading Limited (the “SGX-ST”) Listing Manual Section B: Rules of Catalist. The Sponsor has not 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 accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Ms Gillian Goh, Director, Head of Continuing Sponsorship (Mailing Address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318 and E-mail: sponsorship@ppcf.com.sg).