

JIUTIAN CHEMICAL GROUP LIMITED
(Company Registration Number: 200415416H)

Unaudited Financial Statement Announcement for the Quarter Ended 30 September 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 30-Sep-20 RMB'000	Unaudited Group Three months ended 30-Sep-19 RMB'000	Increase/ (Decrease) %	Unaudited Group Nine months ended 30-Sep-20 RMB'000	Unaudited Group Nine months ended 30-Sep-19 RMB'000	Increase/ (Decrease) %
Revenue	267,006	245,328	9	742,740	841,489	(12)
Cost of sales	(183,146)	(226,344)	(19)	(591,698)	(779,939)	(24)
Gross profit	<u>83,860</u>	<u>18,984</u>	342	<u>151,042</u>	<u>61,550</u>	145
Other income	2,900	1,893	53	4,808	3,510	37
Distribution costs	(3,872)	(6,024)	(36)	(9,467)	(18,337)	(48)
Administrative expenses	(5,988)	(6,081)	(2)	(16,790)	(16,445)	2
Other expenses	(3,395)	(413)	722	(4,422)	(438)	910
Finance costs	(1,801)	(2,043)	(12)	(5,850)	(6,128)	(5)
Share of result of associated companies	(266)	(1,603)	(83)	(2,111)	(28,169)	(93)
Profit/(loss) before tax	<u>71,438</u>	<u>4,713</u>	1,416	<u>117,210</u>	<u>(4,457)</u>	n/m
Tax expense	(20,135)	(2,359)	754	(30,525)	(6,717)	354
Profit/(loss) and total comprehensive income/(loss) for the period	<u><u>51,303</u></u>	<u><u>2,354</u></u>	2,079	<u><u>86,685</u></u>	<u><u>(11,174)</u></u>	n/m
Profit/(loss) and total comprehensive income/(loss) for the period attributable to:						
Equity holders of the Company	51,936	2,429		87,505	(10,827)	
Non-controlling interest	(633)	(75)		(820)	(347)	
	<u><u>51,303</u></u>	<u><u>2,354</u></u>		<u><u>86,685</u></u>	<u><u>(11,174)</u></u>	

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 30-Sep-20	Unaudited Group Three months ended 30-Sep-19	Increase/ (Decrease) %	Unaudited Group Nine months ended 30-Sep-20	Unaudited Group Nine months ended 30-Sep-19	Increase/ (Decrease) %
	RMB'000	RMB'000	%	RMB'000	RMB'000	%
Profit/(loss) before tax is arrived at after charging/(crediting):						
Amortisation of deferred income	(16)	(16)	-	(48)	(48)	-
Amortisation of land use rights	161	161	-	483	483	-
Depreciation of property, plant and equipment	6,470	7,275	(11)	19,413	21,057	(8)
Interest expenses	1,548	1,490	4	4,501	4,320	4
Interest income	(1,245)	(1,327)	(6)	(2,849)	(2,094)	36
Net gain on disposal of property, plant and equipment	-	-	n/m	-	(239)	n/m
Property, plant and equipment written off	3,371	-	n/m	4,401	-	n/m
Net (gain)/loss on foreign exchange	24	413	(94)	21	438	(95)

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 30-Sep-20 RMB'000	Audited Group 31-Dec-19 RMB'000	Unaudited Company 30-Sep-20 RMB'000	Audited Company 31-Dec-19 RMB'000
ASSETS				
<u>Current assets</u>				
Cash and cash equivalents	339,639	400,842	1,500	565
Trade and other receivables	691,456	475,450	226	394
Inventories	20,727	23,975	-	-
Total current assets	1,051,822	900,267	1,726	959
<u>Non-current assets</u>				
Land use rights	3,497	3,980	-	-
Property, plant and equipment	189,932	208,433	343	-
Investment in subsidiary companies	-	-	257,736	257,736
Investment in associated companies	69,638	71,749	71,749	71,749
Deferred tax assets	8,987	8,987	-	-
Total non-current assets	272,054	293,149	329,828	329,485
Total assets	1,323,876	1,193,416	331,554	330,444
LIABILITIES AND EQUITY				
<u>Current liabilities</u>				
Bank borrowings	411,619	444,098	-	-
Trade and other payables	479,825	423,835	1,013	11,022
Contract liabilities	21,102	20,491	-	-
Income tax payables	21,684	1,983	-	-
Total current liabilities	934,230	890,407	1,013	11,022
<u>Non-current liabilities</u>				
Amount owing to subsidiary	-	-	10,900	-
Deferred income	2,016	2,064	-	-
Total non-current liabilities	2,016	2,064	10,900	-
<u>Capital and reserves</u>				
Share capital	661,153	661,153	661,153	661,153
Accumulated losses	(271,418)	(358,923)	(341,512)	(341,731)
Equity attributable to equity holders of the Company	389,735	302,230	319,641	319,422
Non-controlling interests	(2,105)	(1,285)	-	-
Total equity	387,630	300,945	319,641	319,422
Total liabilities and equity	1,323,876	1,193,416	331,554	330,444

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>		<u>(Audited)</u>	
	<u>As at 30 September 2020</u>		<u>As at 31 December 2019</u>	
	<u>Secured</u>	<u>Unsecured</u>	<u>Secured</u>	<u>Unsecured</u>
	RMB'000	RMB'000	RMB'000	RMB'000
Bank borrowings	90,000	-	120,000	-
Bills payable to banks	321,619	-	324,098	-
Total	411,619	-	444,098	-

Details of any collaterals

As at 30 September 2020, there were RMB 90 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 December 2019, there were 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

As at 30 September 2020, there were RMB 321.62 million (31 December 2019: RMB 324.10 million) in bills payable to bank. 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 261.78 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 30-Sep-20 RMB'000	(Unaudited) Group Three months ended 30-Sep-19 RMB'000	(Unaudited) Group Nine months ended 30-Sep-20 RMB'000	(Unaudited) Group Nine months ended 30-Sep-19 RMB'000
Cash flows from operating activities				
Profit/ (loss) before tax	71,438	4,713	117,210	(4,457)
Adjustments for:				
Amortisation of deferred income	(16)	(16)	(48)	(48)
Amortisation of land use rights	161	161	483	483
Depreciation of property, plant and equipment	6,470	7,275	19,413	21,057
Interest expense	1,548	1,490	4,501	4,320
Interest income	(1,245)	(1,327)	(2,849)	(2,094)
Net gain on disposal of plant and equipment	-	-	-	(239)
Property, plant and equipment written off	3,371	-	4,401	-
Share of result of associated companies	266	1,602	2,111	28,169
Operating cash flows before movement in working capital	<u>81,993</u>	<u>13,898</u>	<u>145,222</u>	<u>47,191</u>
Inventories	4,880	17,161	3,248	22,116
Receivables	(151,173)	(114,484)	(211,266)	(1,535)
Payables	<u>90,604</u>	<u>27,766</u>	<u>56,601</u>	<u>(97,389)</u>
Cash generated from/ (used in) operations	<u>26,304</u>	<u>(55,659)</u>	<u>(6,195)</u>	<u>(29,617)</u>
Interest received	1,245	1,327	2,849	2,094
Income tax paid	<u>(5,000)</u>	<u>(2,831)</u>	<u>(10,824)</u>	<u>(13,292)</u>
Net cash generated from/ (used in) operating activities	<u>22,549</u>	<u>(57,163)</u>	<u>(14,170)</u>	<u>(40,815)</u>
Cash flows from investing activities				
Advances to associated company	(3,519)	(5,402)	(4,740)	(17,484)
Purchase of property, plant and equipment (Note 1)	(3,959)	(4,657)	(5,313)	(8,357)
Proceed from disposal of property, plant and equipment	-	(83)	-	938
Net cash used in investing activities	<u>(7,478)</u>	<u>(10,142)</u>	<u>(10,053)</u>	<u>(24,903)</u>
Cash flows from financing activities				
Drawdown of bank borrowings	80,000	110,000	90,000	120,000
Repayment of bank borrowings	(110,000)	(110,000)	(120,000)	(110,000)
Decrease/ (increase) in pledged bank deposits	(20,258)	6,673	2,335	(3,827)
(Decrease)/ increase in bill payables to bank	22,679	(6,698)	(2,479)	33,802
Interest paid	<u>(1,548)</u>	<u>(1,545)</u>	<u>(4,501)</u>	<u>(4,320)</u>
Net cash generated from/ (used in) financing activities	<u>(29,127)</u>	<u>(1,570)</u>	<u>(34,645)</u>	<u>35,655</u>
Net decrease in cash and cash equivalents	<u>(14,056)</u>	<u>(68,875)</u>	<u>(58,868)</u>	<u>(30,063)</u>
Cash and cash equivalents at beginning of period	<u>91,915</u>	<u>102,099</u>	<u>136,727</u>	<u>63,287</u>
Cash and cash equivalents at end of period	<u>77,859</u>	<u>33,224</u>	<u>77,859</u>	<u>33,224</u>
Cash and bank balances at end of period	<u>339,639</u>	<u>204,201</u>	<u>339,639</u>	<u>204,201</u>
Less: Pledged bank deposit	<u>(261,780)</u>	<u>(170,977)</u>	<u>(261,780)</u>	<u>(170,977)</u>
	<u>77,859</u>	<u>33,224</u>	<u>77,859</u>	<u>33,224</u>
<u>Note 1:Purchase of property, plant and equipment</u>				
Aggregate cost of property, plant and equipment acquired	3,959	1,512	5,313	5,952
Add: outstanding payables at the beginning of the period	30,534	29,590	30,534	28,850
Less: outstanding payables at the end of the period	<u>(30,534)</u>	<u>(26,445)</u>	<u>(30,534)</u>	<u>(26,445)</u>
	<u>3,959</u>	<u>4,657</u>	<u>5,313</u>	<u>8,357</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 July 2020 (Unaudited)	661,153	(323,354)	337,799	(1,472)	336,327
Profit and total comprehensive income for the financial period	-	51,936	51,936	(633)	51,303
Balance at 30 September 2020 (Unaudited)	<u>661,153</u>	<u>(271,418)</u>	<u>389,735</u>	<u>(2,105)</u>	<u>387,630</u>
Balance at 1 July 2019 (Unaudited)	661,153	(123,763)	537,390	28,917	566,307
Profit and total comprehensive income for the financial period	-	2,429	2,429	(75)	2,354
Balance at 30 September 2019 (Unaudited)	<u>661,153</u>	<u>(121,334)</u>	<u>539,819</u>	<u>28,842</u>	<u>568,661</u>

	Share capital	Accumulated losses	Total equity
	RMB'000	RMB'000	RMB'000
<u>Company</u>			
Balance at 1 July 2020 (Unaudited)	661,153	(340,622)	320,531
Loss and total comprehensive loss for the financial period	-	(890)	(890)
Balance at 30 September 2020 (Unaudited)	<u>661,153</u>	<u>(341,512)</u>	<u>319,641</u>
Balance at 1 July 2019 (Unaudited)	661,153	(110,577)	550,576
Loss and total comprehensive loss for the financial period	-	(1,516)	(1,516)
Balance at 30 September 2019 (Unaudited)	<u>661,153</u>	<u>(112,093)</u>	<u>549,060</u>

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 30 September 2020	1,818,444,000	661,152,648

There were no outstanding options, convertibles, treasury shares and subsidiary holdings as at 30 September 2020 and 30 September 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 30 September 2020 and 31 December 2019. The total number of issued shares of the Company are:

	Number of shares	Issued and paid- up share capital share capital RMB
As at 31 December 2019 and 30 September 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 modifications 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 30 Sep 2020	(Unaudited) Group Three months ended 30 Sep 2019	(Unaudited) Group Nine months ended 30 Sep 2020	(Unaudited) Group Nine months ended 30 Sep 2019
Basic and Diluted earnings/(loss) per share (RMB fen)	2.86	0.13	4.81	(0.60)

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 30 Sep 2020	(Audited) Group 31 Dec 2019	(Unaudited) Company 30 Sep 2020	(Audited) Company 31 Dec 2019
Net asset value per ordinary share (RMB fen)	21.32	16.55	17.58	17.57

Net asset value per ordinary share as at 30 September 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

3Q2020

Revenue increased mainly due to a higher selling price of Dimethylformamide (“DMF”) and Methylamine. During 3Q2020, the average selling price of DMF and Methylamine were RMB 6,195 per tonne and RMB 7,421 per tonne respectively, which were 36% and 2% higher than that for 3Q2019. The sales volume of DMF and Methylamine in 3Q2020 were 17% lower and 10% higher than that of 3Q2019 respectively. The increase in average selling prices of the products were mainly due to continuing recovery of China's economy, a surge in demand for our main products of DMF and methylamine from downstream customers who in turn are experiencing strong growth in both local and export markets for their products and the permanent closure of one of our largest competitors.

Year on year, capacity utilisation of the Anyang Jiutian DMF plant decreased from 49% to 44% whilst capacity utilisation of the Anyang Jiutian Methylamine plant increased from 88% to 90%. There was a scheduled maintenance shutdown of approximately 20 days for both plants during the financial period.

Gross profit increased by RMB 64.88 million mainly due to decrease in purchase price per tonne of Methanol, one of the key raw materials, resulting in lower cost of production for DMF and Methylamine during the financial period

As a result of the foregoing, gross profit margins increased from 8% in 3Q2019 to 31%.

Other income increased mainly due to one of income arising from disposal of scrap material.

Total operating expenses decreased by RMB 0.84 million mainly due to:

a) RMB 1.34 million Improvement in share of results of associated companies in 3Q2020 mainly due to:

(i) Share of profit of RMB 1.05 million (3Q2019: share of loss RMB 8.07 million) from the Company's 49% associated company, Anyang Jiulong Chemical Co., Ltd (“**Anyang**”

Jiulong”). This was mainly due to the absence of an unexpected temporary shutdown of operation for one of the boilers for repair and maintenance at Anyang Jiulong’s plant which occurred 3Q2019; and

- (ii) Decrease in share of loss of RMB 1.31 million (3Q2019: share of loss of RMB 3.27 million partially offset by the reversal of over-recognition of share of loss of RMB 9.74 million from Anyang Jiujiu in 1H2019.) from Anyang Jiujiu Chemical Technology Co., Ltd (“**Anyang Jiujiu**”), an associated company in which the Group has an effective interest of 74%. This was mainly due to significant impairment of property, plant and equipment in FY2019, thus resulting in lower depreciation charges for the current financial period.
- b) Distribution costs decreased mainly due to lower transportation cost, which resulted from more customers opting to use their own transportation.
- c) Partially offset by an increase in property plant and equipment written off classified under other expenses in 3Q2020.

The decrease in finance cost was mainly due to quarter on quarter decrease in bank borrowings during 3Q2020.

As a result of the above, the net profit before tax for 3Q2020 increased by RMB 66.7 million to RMB 71.4 million compared to RMB 4.7 million last year.

Commentaries on balance sheet and cash flow

Group’s balance sheet:

The Group’s increase in total assets was largely attributed to:

- a. an increase in trade receivables, as more customers opted to use trade bills as a form of repayment during the nine month ended 30 September 2020 (“**9M2020**”) and this led to a longer credit repayment period;
- b. partially offset by 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; and
- c. partially offset by a decrease in PPE mainly due to depreciation charges during 9M2020.

The Group’s increase in total liabilities was largely attributed to:

- a. an increase in gross trade and other payables due to trade bills received from customer with longer credit repayment period used to repay supplier as trade bills payables;
- b. an increase in income tax payables, in line with higher profit before tax recorded at Anyang Jiutian for the nine months financial period;
- c. an increase in contract liabilities due to more advance receipts from customers; and
- d. Partially offset by a repayment of bank borrowings.

Working Capital

The Group is in a net current assets position as at 30 September 2020 of RMB 117.59 million.

Group's cash flow

Net cash generated from operating activities in 3Q2020 was mainly due to profit before tax and partially offset by the outflow from working capital changes caused by decrease in inventories and increase in trade payables and partially offset by increase in trade receivables.

Net cash used in investing activities in 3Q2020 was mainly due to purchase of property, plant and equipment and advance provided to Anyang Jiujiu for working capital purposes.

Net cash used in financing activities in 3Q2020 was mainly due to repayment of bank borrowings and interest paid. This was partially offset by drawdown of bank borrowings during 3Q2020.

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.

The recovery of China's economy from the depth of the COVID-19 crisis gathered speed in 3Q2020 resulting in stronger demand for our main products of DMF and methylamine, with significant and steady rise in selling prices across the board.

Going forward, with our plants fully serviced in September 2020, we will focus on continuing to operate efficiently, and moving our utilisation rates higher to take advantage of the current favourable operating margins of our main products. Barring any significant resurgence of COVID-19 in China, we are hopeful that the operating environment will continue to be conducive for the rest of 2020.

The Company refers to the announcement dated 27 October 2020 in relation to the completion of the placement of 170,000,000 new ordinary shares in the capital of the Company. 100% of the net proceeds will be used for the Company's general working capital which may include investments in asset enhancement and improvement should such need arises. Apart from plant enhancement and improvement, the Group is constantly exploring potential investment opportunities including acquisition of synergistic businesses or manufacturing facilities, and plant expansion where the market demand for the product is expected to be strong and sustainable.

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 would like to conserve resources for the Company's ongoing operations so as 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 23 June 2020 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 9M2020.

Name of interested person / Nature of relationship	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)
	9M2020	9M2020
Anyang Chemical Industry Group Co., Ltd ("Anhua") ⁽¹⁾	Sales of Dimethylacetamide RMB 0.54 million	Sales of Repair Material, industrial steam and electricity RMB 54.71 million
		Purchase of Raw Materials I and II RMB 256.87 million

	Sales of Raw Materials I and II RMB 3.20 million	Purchase of Repair Materials RMB 5.53 million Rental of equipment RMB 0.48 million
Anyang Jiujiu Chemical Technology Co., Ltd ⁽²⁾	Advances given for working capital purposes RMB 4.74 million	Nil
Anyang Jiulong Chemical Co., Ltd ⁽³⁾	Nil	Sale of Dimethylamine RMB 26.24 million Purchase of electricity and industrial steam RMB 35.31 million Rental of equipment RMB 0.52 million

Notes:

- (1) Anhua is the holding company of Anyang Longyu (HK) Development Co., Ltd. (“**Anyang Longyu**”), a controlling 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 effective interest of the Group in Anyang Jiujiu is therefore approximately 74%. However, it was assessed and concluded that the Group has no control but only significant influence over Anyang Jiujiu as the majority voting rights and representative of the board of the directors in Anyang Jiujiu are held by Anyang Jiulong. As Anyang Jiulong is a subsidiary company of HNEC, the parent of Anhua who is in turn the holding company of the controlling shareholder, Anyang Longyu. HNEC would have control over Anyang Jiujiu through Anyang Jiulong.

The Advances were made for Anyang Jiujiu’s working capital and were provided by the joint venture partners, namely the Company and Anyang Jiulong, in proportion to their respective equity interest in Anyang Jiujiu and on the same terms and conditions. The Advances are interest-free, payable on demand and is guaranteed by a related party of the Group, Anhua.

Pursuant to Rule 916(3) of the Singapore Exchange Securities Trading Limited Listing Manual Section B: Rules of Catalyst, the Audit Committee of the Company, having considered the terms of the Advances and the joint venture, is of the view that (i) the provision of the Advances is not prejudicial to the interests of the Company and its minority shareholders, and (ii) the risk and rewards of the joint venture are in proportion to the equity of each joint venture partner and the terms of the joint venture are on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders.

- (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 third quarter ended 30 September 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.

16. Disclosures on Acquisition and Realisation of Shares pursuant to Catalyst Rule 706A

During 3Q2020, the Company did not acquire any shares resulting in any company becoming a subsidiary or associated company or increasing its shareholding percentage in any subsidiary. Additionally, the Company did not dispose any shares resulting in a company ceasing to be a subsidiary or associated company or decreasing its shareholding percentage in any subsidiary.

17. Use of Net Proceeds

The following relates to the net proceeds of S\$9.97 million raised from the Placement that was completed on 27 October 2020:

Purpose	Amount allocated (S\$'000)	Net proceeds utilised as at the date of announcement (S\$'000)	Balance unutilised (S\$'000)
Working capital	9,967	-	9,967

BY ORDER OF THE BOARD

Name: Han Lianguo
Designation: Non-executive and Non-independent Chairman
Date: 11 November 2020

This announcement has been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte.Ltd. (the “**Sponsor**”). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the “**Exchange**”) and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.

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