

JIUTIAN CHEMICAL GROUP LIMITED

(Company Registration Number: 200415416H)

Unaudited Financial Statement Announcement for the Quarter Ended 30 September 2018.

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-18 RMB'000	Unaudited Group Three months ended 30-Sep-17 RMB'000	Increase/ (Decrease) %	Unaudited Group Nine months ended 30-Sep-18 RMB'000	Unaudited Group Nine months ended 30-Sep-17 RMB'000	Increase/ (Decrease) %
Revenue	289,654	233,271	24	966,948	752,978	28
Cost of sales	(294,055)	(207,237)	42	(863,719)	(665,011)	30
Gross (loss)/ profit	(4,401)	26,034	n/m	103,229	87,967	17
Other income	1,099	605	82	3,545	1,910	86
Distribution costs	(6,215)	(5,403)	15	(18,651)	(14,914)	25
Administrative expenses	(7,185)	(6,541)	10	(22,327)	(20,637)	8
Other expenses	(73)	7	n/m	(13)	(110)	(88)
Finance costs	(1,716)	(1,175)	46	(4,802)	(3,911)	23
Share of result of associated companies	(10,873)	(885)	n/m	(32,814)	(480)	n/m
(Loss)/ profit before tax	(29,364)	12,642	n/m	28,167	49,825	(43)
Tax expense	4,444	(500)	n/m	(15,366)	(7,599)	102
(Loss)/ profit and total comprehensive (loss)/ income for the period	(24,920)	12,142	n/m	12,801	42,226	(70)
(Loss)/ profit and total comprehensive (loss)/ income for the period attributable to:						
Equity holders of the Company	(24,501)	12,142		14,944	42,713	
Non-controlling interest	(419)	-		(2,143)	(487)	
	(24,920)	12,142		12,801	42,226	

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-18 RMB'000	Unaudited Group Three months ended 30-Sep-17 RMB'000	Increase/ (Decrease) %	Unaudited Group Nine months ended 30-Sep-18 RMB'000	Unaudited Group Nine months ended 30-Sep-17 RMB'000	Increase/ (Decrease) %
Profit before tax is arrived at after charging/(crediting):						
Amortisation of deferred income	(16)	(16)	-	(49)	(49)	-
Amortisation of land use rights	161	233	(31)	560	700	(20)
Depreciation of property, plant and equipment	7,345	7,655	(4)	21,651	22,001	(2)
Interest expenses	1,721	1,175	46	4,802	3,911	23
Interest income	(1,126)	(33)	3,312	(1,492)	(248)	502
Net gain on disposal of property, plant and equipment	-	-	n/m	(295)	-	n/m
Net loss/(gain) on foreign exchange	73	(7)	(1,143)	13	102	(87)
Property, plant and equipment written off	-	-	n/m	-	8	(100)

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-18 RMB'000	Group 31-Dec-17 RMB'000	Unaudited Company 30-Sep-18 RMB'000	Company 31-Dec-17 RMB'000
ASSETS				
<u>Current assets</u>				
Cash and cash equivalents	251,413	148,713	3,177	2,346
Trade and other receivables	550,009	648,268	117	66
Inventories	33,870	36,568	-	-
Total current assets	835,292	833,549	3,294	2,412
<u>Non-current assets</u>				
Land use rights	4,785	5,345	-	-
Property, plant and equipment	286,145	305,320	-	-
Investment in subsidiary companies	-	-	203,023	203,023
Investment in associated companies	312,782	345,596	339,709	339,709
Deferred tax assets	12,157	12,157	-	-
Total non-current assets	615,869	668,418	542,732	542,732
Total assets	1,451,161	1,501,967	546,026	545,144
LIABILITIES AND EQUITY				
<u>Current liabilities</u>				
Bank borrowings	60,000	110,000	-	-
Trade and other payables	811,498	824,478	12,445	11,658
Income tax payables	7,831	11,909	-	-
Total current liabilities	879,329	946,387	12,445	11,658
<u>Non-current liabilities</u>				
Deferred income	145	194	-	-
Total non-current liabilities	145	194	-	-
<u>Capital and reserves</u>				
Share capital	661,153	661,153	661,153	661,153
Accumulated losses	(117,640)	(132,584)	(127,572)	(127,667)
Equity attributable to equity holders of the Company	543,513	528,569	533,581	533,486
Non-controlling interests	28,174	26,817	-	-
Total equity	571,687	555,386	533,581	533,486
Total liabilities and equity	1,451,161	1,501,967	546,026	545,144

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 30 September 2018		<u>(Audited)</u> As at 31 December 2017	
	<u>Secured</u>	<u>Unsecured</u>	<u>Secured</u>	<u>Unsecured</u>
	RMB'000	RMB'000	RMB'000	RMB'000
Bank borrowings	60,000	-	110,000	-

Amount repayable after one year

	<u>(Unaudited)</u> As at 30 September 2018		<u>(Audited)</u> As at 31 December 2017	
	<u>Secured</u>	<u>Unsecured</u>	<u>Secured</u>	<u>Unsecured</u>
	RMB'000	RMB'000	RMB'000	RMB'000
Bank borrowings	-	-	-	-

Details of any collaterals

As at 30 September 2018, there were RMB 30 million (31 December 2017: RMB 80 million) short-term borrowings guaranteed by one of the Group's related party, Anyang Chemical Industry Group Co., Ltd. ("Anhua").

As at 30 September 2018 and 31 December 2017, RMB 30 million of the short-term borrowings was guaranteed by a related party of the Group, Henan Energy and Chemical Co., Ltd ("HNEC"). In addition, property, plant and equipment with carrying value of RMB 60 million and 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 2018, there were RMB 223.0 million (31 December 2017: RMB 85.0 million) in bills payable to banks, under trade and other payables. 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 193.0 million (31 December 2017: RMB 85.0 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-18 RMB'000	(Unaudited) Group Three months ended 30-Sep-17 RMB'000	(Unaudited) Group Nine months ended 30-Sep-18 RMB'000	(Unaudited) Group Nine months ended 30-Sep-17 RMB'000
Cash flows from operating activities				
(Loss)/ profit before tax	(29,364)	12,642	28,167	49,825
Adjustments for:				
Amortisation of deferred income	(16)	(16)	(49)	(49)
Amortisation of land use rights	161	233	560	700
Depreciation of property, plant and equipment	7,345	7,655	21,651	22,001
Interest expense	1,721	1,175	4,802	3,911
Interest income	(1,126)	(33)	(1,492)	(248)
Net gain on disposal of plant and equipment	-	-	(295)	-
Property, plant and equipment written off	-	-	-	8
Share of result of associated companies	10,873	885	32,814	480
Operating cash flows before movement in working capital	(10,406)	22,541	86,158	76,628
Inventories	5,756	22,655	2,698	(584)
Receivables	132,194	(49,400)	138,100	(28,514)
Payables	(151,768)	2,503	(150,980)	(23,118)
Cash (used in)/ generated from operations	(24,224)	(1,701)	75,976	24,412
Interest received	1,126	33	1,492	248
Income tax paid	(3,922)	-	(19,444)	-
Net cash (used in)/ generated from operating activities	(27,020)	(1,668)	58,024	24,660
Cash flows from investing activities				
Advances to associated company	57,796	(13,511)	(39,841)	9,557
Purchase of property, plant and equipment (Note 1)	(1,919)	(13,009)	(2,548)	(25,264)
Proceed from disposal of property, plant and equipment	-	-	367	-
Repayment of advances from related parties	-	-	-	1,404
Net cash generated from/ (used in) investing activities	55,877	(26,520)	(42,022)	(14,303)
Cash flows from financing activities				
Bank borrowings	(50,000)	30,000	(50,000)	(10,000)
Increase in pledged bank deposits	(106,500)	(68,969)	(108,000)	(83,500)
Increase in bill payables to bank	136,500	68,969	138,000	83,500
Interest paid	(1,721)	(1,175)	(4,802)	(3,911)
Proceeds from issuance of ordinary shares to non-controlling interests	2,500	-	3,500	-
Net cash (used in)/ generated from financing activities	(19,221)	28,825	(21,302)	(13,911)
Net increase/ (decrease) in cash and cash equivalents	9,636	637	(5,300)	(3,554)
Cash and cash equivalents at beginning of period	48,777	9,917	63,713	14,108
Cash and cash equivalents at end of period	58,413	10,554	58,413	10,554
Cash and bank balances at end of period	251,413	109,554	251,413	109,554
Less: Pledged bank deposit	(193,000)	(99,000)	(193,000)	(99,000)
	58,413	10,554	58,413	10,554
Note 1:Purchase of property, plant and equipment				
Aggregate cost of property, plant and equipment acquired	1,919	3,129	2,548	25,264
Add: outstanding payables at the beginning of the period	24,456	19,316	24,456	19,316
Less: outstanding payables at the end of the period	(24,456)	(19,316)	(24,456)	(19,316)
	1,919	3,129	2,548	25,264

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 2018 (Unaudited)	661,153	(93,139)	568,014	26,093	594,107
Capital injection by non-controlling interest	-	-	-	2,500	2,500
Loss and total comprehensive loss for the financial period	-	(24,501)	(24,501)	(419)	(24,920)
Balance at 30 September 2018 (Unaudited)	661,153	(117,640)	543,513	28,174	571,687
Balance at 1 July 2017 (Unaudited)	661,153	(172,830)	488,323	27,072	515,395
Profit and total comprehensive income for the financial period	-	12,142	12,142	-	12,142
Balance at 30 September 2017 (Unaudited)	661,153	(160,688)	500,465	27,072	527,537

	Share capital	Accumulated losses	Total equity
	RMB'000	RMB'000	RMB'000
<u>Company</u>			
Balance at 1 July 2018 (Unaudited)	661,153	(125,630)	535,523
Loss and total comprehensive loss for the financial period	-	(1,942)	(1,942)
Balance at 30 September 2018 (Unaudited)	661,153	(127,572)	533,581
Balance at 1 July 2017 (Unaudited)	661,153	(240,169)	420,984
Loss and total comprehensive loss for the financial period	-	(1,578)	(1,578)
Balance at 30 September 2017 (Unaudited)	661,153	(241,747)	419,406

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.

	Number of shares	Issued and paid-up share capital
		RMB
As at 30 June 2018 and 30 September 2018	1,818,444,000	661,152,648

There were no outstanding options, convertibles, treasury shares and subsidiary holdings as at 30 September 2018 and 30 September 2017.

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 2018 and 31 December 2017. The total number of issued shares of the Company are:

	Number of shares	Issued and paid-up share capital
		RMB
As at 31 December 2017 and 30 September 2018	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.

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 Group's financial statements for the financial year ending 31 December 2018 is prepared in accordance with the Singapore Financial Reporting Standards (International) ("SFRS(I)") issued by the Accounting Standards Council ("ASC") and International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB").

Other than the adoption of the new framework and the new SFRS(I)s, amendments and interpretations of SFRS(I)s which took effect from the current financial year, there were no changes in accounting policies and methods of computation adopted in the financial statements for the current reporting period as compared to the most recent audited annual financial statements as at 31 December 2017.

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.

In adopting the new SFRS(I) framework with effect from 1 January 2018, the Group is required to apply the specific transition requirements in SFRS(I) 1 First-time Adoption of International Financial Reporting Standards.

In addition, during the current financial year, the Group and the Company have adopted the following new SFRS(I)s, amendments and interpretations of SFRS(I)s which took effect from financial year beginning 1 January 2018:

- SFRS(I) 9 *Financial Instruments*
- SFRS(I) 15 *Revenue from Contracts with Customers and Amendments to SFRS(I) Clarifications to SFRS(I) 15*
- Amendments to SFRS(I) 1-28 *Measuring an Associate or Joint Venture at Fair Value*
- Amendments to SFRS(I) 1-40 *Transfers of Investment Property*
- Amendments to SFRS(I) 1 *Deletion of short-term exemptions for first-time adopters*

The Group has performed a detailed analysis of the transition options and other requirements of SFRS(I) and has determined that there are no changes to the Group's current accounting policies under the Financial Reporting Standards in Singapore or material adjustments on the initial transition to the new framework.

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 2018	(Unaudited) Group Three months ended 30 Sep 2017	(Unaudited) Group Nine months ended 30 Sep 2018	(Unaudited) Group Nine months ended 30 Sep 2017	
Basic/ earnings fen)	Diluted per share	(loss)/ (RMB	(1.35)	0.67	0.82	2.35

EPS for the respective financial periods are computed based on the net profit 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 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 2018	(Audited) Group 31 Dec 2017	(Unaudited) Company 30 Sep 2018	(Audited) Company 31 Dec 2017
Net asset value per ordinary share (RMB fen)	29.89	29.07	29.34	29.34

Net asset value per ordinary share as at 30 September 2018 and 31 December 2017 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

3Q2018 vs 3Q2017

Revenues for 3Q2018 was RMB 289.7 million, a 24% increase from 3Q2017 of RMB 233.3 million, mainly due to increases in selling price of DMF and Methylamine. For 3Q2018, average selling prices of DMF and Methylamine was RMB 5,359 per tonne and RMB 7,971 per tonne respectively, which were 10% and 12% higher than that for 3Q2017. The increase in average selling prices of the products were mainly due to a tighter industry supply arising from production stoppage and cut by other producers for various environmental compliance reasons. Sales volume of DMF and Methylamine in 3Q2018 were 4% lower and 20% higher than that of 3Q2017 respectively.

Between 3Q2017 to 3Q2018, capacity utilisation of the Company's wholly-owned subsidiary, Anyang Jiutian Fine Chemical Co., Ltd. ("**Anyang Jiutian**"), DMF plant increased from 45% to 58%, whilst capacity utilisation of the Anyang Jiutian Methylamine plant increased from 81% in 3Q2017 to 97% in 3Q2018.

Cost of sales increased by 42% to RMB294.1 million in 3Q2018 mainly due to increase in sales volume of Methylamine and increase in cost of raw materials.

Gross profit decreased from RMB 26.0 million in 3Q2017 to gross loss of RMB 4.4 million in 3Q2018 and there was a reversal from a gross profit margin of 11% in 3Q2017 to a gross loss margin of 2% in 3Q2018, mainly as a result of a substantial increase in cost of raw materials affected by suppliers' facilities overhaul during the financial period.

Other income increased by RMB 0.4 million to RMB 1.1 million in 3Q2018 mainly due to higher interest income received during the financial period.

Distribution costs increased by RMB 0.8 million to RMB 6.2 million in 3Q2018, mainly due to an increase of transportation costs under Anyang Jiutian in line with higher sales volume of Methylamine during the financial period.

Administrative expenses increased by 10% to RMB 7.2 million in 3Q2018 mainly due to higher staff cost incurred.

Share of results of associated companies in 3Q2018 mainly pertains to the (i) share of profit of RMB 0.2 million (3Q2017: share of loss of RMB 0.8 million) from the Company's 49% associated

company, Anyang Jiulong Chemical Co., Ltd (“**Anyang Jiulong**”); and (ii) share of loss of RMB 11.1 million (3Q2017: share of loss of RMB 0.1 million) from Anyang Jiujiu Chemical Technology Co., Ltd (“**Anyang Jiujiu**”), an associated company in which the Group has an effective interest of 74%. Anyang Jiulong generated revenue from the production and sales of DMAC to third parties, industrial steam and electricity to Anyang Jiutian and Anhua, while Anyang Jiujiu generated revenue from sales of sodium hydrosulfite and its main feedstocks which are mainly, sodium metabisulfite and liquid sulphur dioxide. Anyang Jiujiu suffered a financial loss in 3Q2018 due to low production level of the sodium hydrosulfite facility arising from strict industry-wide environmental controls and lowered product prices as a result of decreased demand caused by ongoing global trade frictions.

Commentaries on balance sheet and cash flow

Group’s balance sheet:

The Group’s current assets as at 30 September 2018 was RMB 835.3 million, an increase of RMB 1.8 million from RMB 833.5 million as at 31 December 2017. The increase was largely attributed to:

- a. An increase in cash and cash equivalents of RMB 102.7 million due largely to cash generated from operating activities for the nine months ended 30 September 2018 as presented in the cash flow statements and increased in pledged bank deposits;
- b. An increase in advances of RMB 39.8 million to Anyang Jiujiu for the repayment of Anyang Jiujiu’s bank borrowings relating to the construction of its plants and working capital. The said advances were provided in proportion to the Group’s effective interest of 74% in Anyang Jiujiu; and
- c. Partially offset by a decrease in trade receivables of RMB 138.1 million as a result of higher collection and consistent with the decrease in revenue for 3Q2018 compared to 4Q2017.

The Group’s non-current assets decreased by RMB 53.5 million due largely to:

- a. Share of loss from associated companies of RMB 32.8 million (share of profit of 3 million from Anyang Jiulong and share of loss of RMB 35.8 million from Anyang Jiujiu) for 9M2018 as explained in the preceding paragraphs; and
- b. The decrease in property, plant and equipment of RMB 19.2 million comprising mainly of depreciation charges of RMB 21.7 million, partially offset by purchase of property, plant and equipment of RMB 2.5 million.

The Group’s current liabilities as at 30 September 2018 was RMB 879.3 million, a decrease of RMB 67.1 million compared to that as at 31 December 2017. The increase was largely attributed to:

- a. Decrease in gross trade and other payables of RMB 150.9 million, partially offset by increase in trade bills payables to banks of RMB 138.0 million as more suppliers opted for trade bills as a form of repayment;
- b. Decrease in income tax payables of RMB 4.1 million attributable to losses incurred for the financial period; and
- c. Repayment of bank borrowings of RMB 50.0 million during the financial period.

Commentaries on balance sheet and cash flow (cont'd)

Group's negative working capital:

As at 30 September 2018, current liabilities of the Group exceeded current assets by RMB 44.0 million attributable to the losses incurred in prior years. The Group believes that it will be able to repay its current liabilities as and when it falls due as a part of the Group's current liabilities are owing to its principal supplier and substantial shareholder, Anhua Chemical Industry Group Co., Ltd. ("**Anhua**") and to its 49% associated company, Anyang Jiulong, of RMB 72.8 million. The Group has obtained continued financial support from Anhua and Anyang Jiulong, which had agreed to defer payments of trade payables owing to them (amounting to RMB 72.8 million) as at 30 September 2018 till Anyang Jiulong is able to settle its other liabilities.

With the continued financial support from Anhua and Anyang Jiulong, the Board believes that the Group will be able to operate as a going concern, despite the negative working capital.

Group's cash flow

Net cash used in operating activities of RMB 27.0 million in 3Q2018 was mainly due to loss before tax and higher repayment to suppliers.

Net cash generated investing activities of RMB 55.9 million in 3Q2018 was mainly due to receipt of repayment of advances provided to Anyang Jiulong.

Net cash used in financing activities of RMB 19.2 million in 3Q2018 was mainly due to repayment of bank borrowings of RMB 50 million during the financial period and increase in pledged bank deposit of RMB 106.5 million partially offset by increase in bill payables to banks of RMB 138 million.

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 has been previously disclosed to shareholders.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Our main products of DMF and Methylamine started to face margin squeeze arising mainly from a substantial increase in cost of raw materials. The main challenge we faced this year has been the irregular production volumes and product prices of sodium hydrosulfite which was caused mainly by the unscheduled and increasingly frequent industry-wide stoppages imposed by environmental authorities.

On a macro front, the Caixin China General Manufacturing PMI fell to a 16-month low of 50 in September of 2018 from 50.6 in the previous month and missing market consensus of 50.5. Concerns continued to mount about the ongoing global trade frictions as well as the near-term impact of strict environmental policies.

In view of the above, the business environment will likely remain challenging for the rest of the year. The Group needs to stay vigilant and monitor the market condition closely, adapting its business strategies as and when appropriate.

11. Dividend**(a) Current Financial Period Reported On**

Nil

(b) Corresponding Period of the Immediately Preceding Financial Year

Nil

(c) Date payable

NA.

(d) Books closure date

NA.

12. If no dividend has been declared/recommended, a statement to that effect.

No dividend has been recommended for the current financial period reported on.

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 27 April 2018 obtained shareholders' approval for the renewal of the general mandate for IPTs.

Save as disclosed below, there are no other IPTs above S\$100,000 in 9M2018.

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)
	9M2018	9M2018
Anyang Chemical Industry Group Co., Ltd	Sales of DMAC RMB 2.76 million	Sales of Repair Material, industrial steams and electricity RMB 30.87 million
		Purchase of Raw Materials I and II (as defined in shareholders' mandate) RMB 94.01 million
		Purchase of Repair Materials RMB 10.11 million
		Rental of equipment RMB 1.14 million
Anyang Jiulong Chemical Co., Ltd	Nil	Sale of Dimethylamine RMB 21.55 million
		Purchase of electricity and industrial steam RMB 113.69 million

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

We, Wang Yiming and Zhou Hongxuan, 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 2018 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: Zhou Hongxuan
Designation: Chief Executive Officer
Date: 14 November 2018

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 Mr Lance Tan, Director, Continuing Sponsorship (Mailing Address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318 and E-mail: sponsorship@ppcf.com.sg).