

# JIUTIAN CHEMICAL GROUP LIMITED

(Company Registration Number: 200415416H)

## Unaudited Financial Statement Announcement for the Full Year Ended 31 December 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 Twelve months ended 31-Dec-18 RMB'000	Audited Group Twelve months ended 31-Dec-17 RMB'000	Increase/ (Decrease) %	Unaudited Group Three months ended 31-Dec-18 RMB'000	Unaudited Group Three months ended 31-Dec-17 RMB'000	Increase/ (Decrease) %
Revenue	1,308,273	1,124,439	16	341,325	371,461	(8)
Cost of sales	(1,175,628)	(976,241)	20	(311,909)	(311,285)	0
Gross profit	132,645	148,198	(10)	29,416	60,176	(51)
Other income	4,636	3,293	41	1,091	1,383	(21)
Distribution costs	(20,904)	(19,577)	7	(2,253)	(4,669)	(52)
Administrative expenses	(27,350)	(27,699)	(1)	(5,023)	(7,001)	(28)
Other expenses	(36)	(1,703)	(98)	(23)	(1,593)	(99)
Finance costs	(5,398)	(5,381)	0	(596)	(1,470)	(59)
Share of result of associated companies	(48,383)	(6,716)	620	(15,569)	(6,236)	150
Profit before tax	35,210	90,415	(61)	7,043	40,590	(83)
Tax expense	(14,259)	(20,340)	(30)	1,107	(12,741)	(109)
Profit and total comprehensive income for the period	20,951	70,075	(70)	8,150	27,849	(71)
Profit and total comprehensive income for the period attributable to:						
Equity holders of the Company	22,079	70,817		7,135	28,104	
Non-controlling interest	(1,128)	(742)		1,015	(255)	
	20,951	70,075		8,150	27,849	

**(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 Twelve months ended 31-Dec-18 RMB'000	Unaudited Group Twelve months ended 31-Dec-17 RMB'000	Increase/ (Decrease) %	Unaudited Group Three months ended 31-Dec-18 RMB'000	Unaudited Group Three months ended 31-Dec-17 RMB'000	Increase/ (Decrease) %
Profit before tax is arrived at after charging/(crediting):						
Amortisation of deferred income	(65)	(65)	-	(16)	(16)	-
Amortisation of land use rights	721	933	(23)	161	233	(31)
Depreciation of property, plant and equipment	28,359	30,417	(7)	6,708	8,416	(20)
Interest expenses	5,477	5,381	2	675	1,470	(54)
Interest income	(1,640)	(332)	394	(148)	(84)	76
Net (gain)/ loss on disposal of property, plant and equipment	(845)	800	n/m	(550)	800	n/m
Net loss/(gain) on foreign exchange	36	97	(63)	23	(5)	(560)
Property, plant and equipment written off	-	781	n/m	-	773	n/m

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-Dec-18 <u>RMB'000</u>	Audited Group 31-Dec-17 <u>RMB'000</u>	Unaudited Company 31-Dec-18 <u>RMB'000</u>	Audited Company 31-Dec-17 <u>RMB'000</u>
<b>ASSETS</b>				
<b><u>Current assets</u></b>				
Cash and cash equivalents	230,437	148,713	1,825	2,346
Trade and other receivables	580,943	648,268	117	66
Inventories	42,512	36,568	-	-
<b>Total current assets</b>	<b>853,892</b>	<b>833,549</b>	<b>1,942</b>	<b>2,412</b>
<b><u>Non-current assets</u></b>				
Land use rights	4,624	5,345	-	-
Property, plant and equipment	289,073	305,320	-	-
Investment in subsidiary companies	-	-	218,023	203,023
Investment in associated companies	297,213	345,596	339,709	339,709
Deferred tax assets	12,264	12,157	-	-
<b>Total non-current assets</b>	<b>603,174</b>	<b>668,418</b>	<b>557,732</b>	<b>542,732</b>
<b>Total assets</b>	<b>1,457,066</b>	<b>1,501,967</b>	<b>559,674</b>	<b>545,144</b>
<b>LIABILITIES AND EQUITY</b>				
<b><u>Current liabilities</u></b>				
Bank borrowings	110,000	110,000	-	-
Trade and other payables	758,270	824,478	11,659	11,658
Income tax payables	6,830	11,909	-	-
<b>Total current liabilities</b>	<b>875,100</b>	<b>946,387</b>	<b>11,659</b>	<b>11,658</b>
<b><u>Non-current liabilities</u></b>				
Deferred income	2,129	194	-	-
<b>Total non-current liabilities</b>	<b>2,129</b>	<b>194</b>	<b>-</b>	<b>-</b>
<b><u>Capital and reserves</u></b>				
Share capital	661,153	661,153	661,153	661,153
Accumulated losses	(110,505)	(132,584)	(113,138)	(127,667)
<b>Equity attributable to equity holders of the Company</b>	<b>550,648</b>	<b>528,569</b>	<b>548,015</b>	<b>533,486</b>
Non-controlling interests	29,189	26,817	-	-
<b>Total equity</b>	<b>579,837</b>	<b>555,386</b>	<b>548,015</b>	<b>533,486</b>
<b>Total liabilities and equity</b>	<b>1,457,066</b>	<b>1,501,967</b>	<b>559,674</b>	<b>545,144</b>

**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 December 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	110,000	-	110,000	-

**Amount repayable after one year**

	<u>(Unaudited)</u> As at 31 December 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 31 December 2018, there were RMB 80 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 31 December 2018, there were RMB 30 million (31 December 2017: RMB 30 million) short-term borrowings guaranteed by a related party of the Group, Henan Energy and Chemical Co., Ltd ("HNEC"). 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 31 December 2018, there were bills payable to banks of RMB 197.15 million (31 December 2017: RMB 85 million), which was categorised 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 167.15 million (31 December 2017: RMB 85 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 Twelve months ended 31-Dec-18 RMB'000	(Audited) Group Twelve months ended 31-Dec-17 RMB'000	(Unaudited) Group Three months ended 31-Dec-18 RMB'000	(Unaudited) Group Three months ended 31-Dec-17 RMB'000
<b>Cash flows from operating activities</b>				
Profit before tax	35,210	90,415	7,043	40,590
Adjustments for:				
Amortisation of deferred income	(65)	(65)	(16)	(16)
Amortisation of land use rights	721	933	161	233
Depreciation of property, plant and equipment	28,359	30,417	6,708	8,416
Interest expense	5,477	5,381	675	1,470
Interest income	(1,640)	(332)	(148)	(84)
Net (gain)/ loss on disposal of plant and equipment	(845)	800	(550)	800
Property, plant and equipment written off	-	781	-	773
Share of result of associated companies	48,383	6,716	15,569	6,236
Unrealised exchange loss	75	(51)	75	(51)
Operating cash flows before movement in working capital	<b>115,675</b>	134,995	<b>29,517</b>	58,367
Inventories	(5,944)	(14,940)	(8,642)	(14,356)
Receivables	107,163	(148,998)	(30,937)	(120,484)
Payables	(181,855)	125,920	(30,875)	149,038
Cash (used in)/ generated from operations	<b>35,039</b>	96,977	<b>(40,937)</b>	72,565
Interest received	1,640	332	148	84
Income tax paid	(19,445)	(2,751)	(1)	(2,751)
Net cash generated from / (used in) operating activities	<b>17,234</b>	94,558	<b>(40,790)</b>	69,898
<b>Cash flows from investing activities</b>				
Advances to associated company	(39,841)	(7,192)	-	(16,749)
Purchase of property, plant and equipment (Note 1)	(6,994)	(24,712)	(4,446)	552
Proceed from disposal of property, plant and equipment	1,212	522	845	522
Repayment of advances from related parties	-	1,734	-	330
Net cash used in investing activities	<b>(45,623)</b>	(29,648)	<b>(3,601)</b>	(15,345)
<b>Cash flows from financing activities</b>				
Drawdown of bank borrowings	110,000	60,000	50,000	-
Repayment of bank borrowings	(110,000)	(70,000)	-	-
(Increase) / decrease in pledged bank deposits	(82,150)	(69,500)	25,850	14,000
Increase / (decrease) in bill payables to bank	112,150	69,500	(25,850)	(14,000)
Interest paid	(5,477)	(5,271)	(675)	(1,360)
Proceeds from issuance of ordinary shares to non-controlling interests	3,500	-	-	-
Net cash (used in)/ generated from financing activities	<b>28,023</b>	(15,271)	<b>49,325</b>	(1,360)
Net increase/ (decrease) in cash and cash equivalents	(366)	49,639	4,934	53,193
Cash and cash equivalents at beginning of period	63,713	14,108	58,413	10,554
Effect of exchange rate changes on cash and cash equivalents	(60)	(34)	(60)	(34)
Cash and cash equivalents at end of period	<b>63,287</b>	63,713	<b>63,287</b>	63,713
Cash and bank balances at end of period	230,437	148,713	230,437	148,713
Less: Pledged bank deposit	(167,150)	(85,000)	(167,150)	(85,000)
	<b>63,287</b>	63,713	<b>63,287</b>	63,713
<b>Note 1:Purchase of property, plant and equipment</b>				
Aggregate cost of property, plant and equipment acquired	12,479	29,852	9,931	4,588
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	(29,941)	(24,456)	(29,941)	(24,456)
	<b>6,994</b>	24,712	<b>4,446</b>	(552)



**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 September 2018	1,818,444,000	661,152,648
As at 31 December 2018	1,818,444,000	661,152,648

There were no outstanding options, convertibles, treasury shares and subsidiary holdings as at 31 December 2018 and 31 December 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 31 December 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 31 December 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 year 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 or 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 Twelve months ended 31 Dec 2018	(Audited) Group Twelve months ended 31 Dec 2017	(Unaudited) Group Three months ended 31 Dec 2018	(Unaudited) Group Three months ended 31 Dec 2017
Basic/ Diluted earnings per share (RMB fen)	1.21	3.89	0.39	1.55

EPS/ LPS 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 31 Dec 2018	(Audited) Group 31 Dec 2017	(Unaudited) Company 31 Dec 2018	(Audited) Company 30 Dec 2017
Net asset value per ordinary share (RMB fen)	30.28	29.07	30.14	29.34

Net asset value per ordinary share as at 31 December 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**  
**FY2018**

Revenue in FY2018 increased by 16% from RMB 1,124.44 million in FY2017 to RMB 1,308.27 million, mainly due to increases in both sales volume and selling price of DMF and Methylamine (collectively, the "Products"). Sales volumes of DMF and Methylamine in FY2018 were 9% and 5% higher than that of FY2017 respectively. For FY2018, average selling prices per tonne of DMF and Methylamine were RMB 5,558 and RMB 8,530 respectively, which were 13% and 1% higher than that of FY2017. The increase in average selling prices was mainly due to a tighter industry supply arising from production stoppages and cuts by other producers for environmental reasons.

Between FY2017 to FY2018, capacity utilisation at the Anyang Jiutian Fine Chemical Co., Ltd's (a 100% owned subsidiary of the Company) ("Anyang Jiutian") Dimethylformamide ("DMF") plant increased from 65% to 70%, whilst capacity utilisation at the Anyang Jiutian Methylamine plant remained at 100%.

Gross profit decreased from RMB 148.20 million in FY2017 to RMB 132.65 million in FY2018 while gross profit margins decreased from 13% in FY2017 to 10% in FY2018 mainly as a result of an increase in the cost of raw materials affected by suppliers' facilities overhaul during the financial year.

Other income increased by RMB 1.34 million to RMB 4.64 million in FY2018 mainly due to higher interest income received during the financial year.

Distribution costs increased by RMB 1.33 million to RMB 20.90 million in FY2018, mainly due to an increase of transportation costs under Anyang Jiutian in line with a higher sales volume during the financial year.

Other expenses decreased by RMB 1.57 million to RMB 0.02 million in FY2018 mainly due to an absence of net loss on disposal of property, plant and equipment of RMB 0.8 million and property, plant and equipment of RMB 0.78 million present in FY2017.

Share of results of associated companies in FY2018 mainly pertains to the (i) share of profit of RMB 0.86 million (FY2017: share of loss of RMB 5.75 million) from the Company's 49% associated company, Anyang Jiulong Chemical Co., Ltd ("**Anyang Jiulong**"); and (ii) share of loss of RMB 49.24 million (FY2017: share of loss of RMB 0.97 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 Dimethylacetamide ("**DMAC**") to third parties, industrial steam and electricity to Anyang Jiutian and Anyang Chemical Industry Group Co., Ltd. ("**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 FY2018 due to the 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 31 December 2018 was RMB 853.89 million, an increase of RMB 20.34 million from RMB 833.55 million as at 31 December 2017. The net increase was largely attributed to:

- a. An increase in cash and cash equivalents of RMB 81.72 million mainly due to increased in pledged bank deposits ;
- b. An increase in advances of RMB 39.84 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 107.16 million as a result of higher collection.

The Group's non-current assets decreased by RMB 65.19 million due largely to:

- a. Share of loss from associated companies of RMB 48.38 million (share of profit of RMB 0.86 million from Anyang Jiulong and share of loss of RMB 49.24 million from Anyang Jiujiu) for FY2018 as explained in the preceding paragraphs; and
- b. The decrease in property, plant and equipment of RMB 16.25 million comprising mainly of depreciation charges of RMB 28.36 million, partially offset by additions of property, plant and equipment of RMB 12.48 million.

The Group's current liabilities as at 31 December 2018 was RMB 875.10 million, a decrease of RMB 71.29 million from RMB 946.39 million as at 31 December 2017, largely attributed to:

- a. An overall decrease in trade and other payables of RMB 183.86 million due to higher repayment during the financial year and partially offset by an increase in trade bills payables to banks of RMB 112.15 million as more suppliers opted for trade bills as a form of repayment; and
- b. A decrease in tax payables of RMB 5.08 million due to profit generated during the financial year.

The Group's non-current liabilities as at 31 December 2018 comprised deferred income of RMB 2.13 million, a increase of RMB 1.94 million from RMB 0.19 million as at 31 December 2017, largely attributed to the receipt of government grant of RMB2.00 million arising from the additions of property, plant and equipment in Henan Herunsheng Isotope Technology Co., Ltd. partially offset by the amortisation of deferred income of RMB 0.07 million during the financial year.

### **Working Capital**

As at 31 December 2018, current liabilities of the Group exceeded current assets by RMB 21.21 million. Part of the Group's current liabilities (trade and other payables) comprised amount owing to its principal supplier and major shareholder, Anhua, and its 49% associated company, Anyang Jiulong, of RMB 44.43 million. Anyang Jiutian had secured continuing financial support from Anhua and Anyang Jiulong, which Anhua and Anyang Jiulong had agreed to defer the payments of trade and other payables owing to them until Anyang Jiutian is able to settle its other liabilities. In addition, Anhua and Anyang Jiulong will extend credit period when Anyang Jiutian has cash flow problems and agreed to supply the raw materials to Anyang Jiutian during the financial years ending 31 December 2018 and 2019. The Group believes that it will be able to repay its current liabilities as and when it falls due. 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**

#### **FY2018**

Net cash generated from operating activities of RMB 17.23 million in FY2018 was mainly due to profit before tax and adjustment of depreciation of property, plant and equipment partially offset by outflow from working capital changes mainly due to decrease in trade payables and decrease in trade receivables.

Net cash used in investing activities of RMB 45.62 million in FY2018 was mainly due to advance provided to Anyang Jiujiu and purchase of property, plant and equipment.

Net cash generated from financing activities of RMB 28.02 million in FY2018 was mainly due to increase in bill payables to banks of RMB 112.15 million partially offset by an increase in pledged bank deposit of RMB 82.15 million and interest paid during the financial year.

**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.**

Our main products of DMF and Methylamine started to face margin squeeze arising from weaker demand for chemical products. The other main challenge we faced in FY2018 has been the irregular production volumes and product prices of sodium hydrosulfite caused mainly by the unscheduled and increasingly frequent industry-wide stoppages imposed by environmental authorities.

On a macro front, the escalating trade frictions between China and the United States have brought significant uncertainties to prospects for China's economy. The Caixin China General Manufacturing PMI fell to 48.3 in January 2019 from 49.7 in December 2018, indicating a slowdown in China's economy.

In view of the above, the business environment is getting more complex and unpredictable. 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 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 27 April 2018 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 FY2018.

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)
	FY2018	FY2018
Anyang Chemical Industry Group Co., Ltd ("Anhua")	Sales of Dimethylacetamide ("DMAC")  RMB 3.94 million	Sales of Repair Material, industrial steams and electricity  RMB 46.77 million
		Purchase of Raw Materials I and II (as defined in shareholders' mandate)  RMB 132.35 million
		Purchase of Repair Materials  RMB 12.01 million
		Rental of equipment  RMB 1.51 million
Anyang Jiulong Chemical Co., Ltd ("Anyang Jiulong")		Purchase of electricity and industrial steam  RMB 154.93 million
		Sale of Dimethylamine  RMB 35.61 million

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.

Anyang Jiulong is a joint venture between Jiutian Chemical Group Limited and Anhua pursuant to which Anhua holds 51% and Jiutian Chemical Group Limited holds 49% of the registered capital of Anyang Jiulong.

**PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT  
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)**

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

The Group has only one major reportable segment, which is manufacturing and selling of chemical-based products, i.e. Methylamine and DMF. All the Group's sales and major assets are in the People's Republic of China. Accordingly, no segment information is presented.

**15. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

See paragraph 14 above.

**16. A breakdown of sales**

The following table shows the breakdown of sales and net profit during the first and second halves of FY2018 and FY2017.

<b>Group</b>	<b>FY2018 RMB'000</b>	<b>FY2017 RMB'000</b>	<b>% increase / (decrease)</b>
a) Sales reported for first half year	677,294	519,707	30.32
b) Net profit attributable to the equity holders of the Company for the first half year	39,445	30,571	29.03
c) Sales reported for second half year	630,979	604,732	4.34
d) Net profit/ (loss) attributable to the equity holders of the Company for the second half year	(17,308)	40,246	n/m

n/m- not meaningful

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

Not applicable. There were no dividend paid for FY2018 and FY2017

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

The Board of Directors confirms that there is no person occupying managerial position in the Company or any of its principal subsidiaries who is a relative of a director, executive officer or substantial shareholder of the Company during the financial year and up to the date of this announcement.

**19. 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: WANG YIMING  
Designation: Non-Executive and Non-Independent Chairman  
Date: 26 February 2019

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