

# **JIUTIAN CHEMICAL GROUP LIMITED**

(“Jiutian” or the “Company”)  
(Company Registration No. 200415416H)  
(Incorporated in the Republic of Singapore)

Minutes of the 14th Annual General Meeting (“AGM” or the “Meeting”) of the Company held at M Hotel Singapore, J Collyer, Level 9, 81 Anson Road, Singapore 079908 on Thursday, 25 April 2019 at 9.30 a.m.

## **PRESENT**

### **Board of Directors**

1. Mr. Han Lianguo – Non-Executive Non-Independent Chairman
2. Mr. Lee Chee Seng – Executive Director
3. Mr. Wu Yu Liang – Non-Executive and Lead Independent Director
4. Mr. Chan Kam Loon – Non-Executive and Independent Director
5. Mr. Gao Guoan – Non-Executive and Independent Director
6. Mr. Zhang Hongtao – Non-Executive and Non-Independent Director
7. Mr. Wang Gang – Non-Executive and Non-Independent Director
8. Mr. Chen Mingjin – Non-Executive and Independent Director
9. Mr. Koh Eng Kheng Victor – Non-Executive and Independent Director

### **Company Secretary**

1. Ms. Lee Pay Lee
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## **CHAIRMAN**

The Executive Director, Mr. Lee Chee Seng (“Mr. Lee”) welcomed all shareholders to this AGM.

Mr. Lee informed the Meeting that the Non-Executive Non-Independent Chairman, Mr. Han Lianguo had requested him to conduct the Meeting.

Mr. Lee introduced all the Directors present to the shareholders.

Mr. Lee further informed the Meeting that as the Chairman of the Meeting, he had also been appointed as proxy by shareholders and he would vote in accordance with the shareholders’ instructions.

## **QUORUM**

The Secretary confirmed that a quorum was present. The Chairman then called the meeting to order at 9.30 a.m.

## **NOTICE**

The Notice convening the Meeting, having been in the hand of the shareholders for the requisite statutory period was, with the concurrence of the shareholders, taken as read.

As the Chairman of the Meeting, Mr. Lee directed that all the resolutions of the AGM will be voted by poll.

Shareholders were invited to raise any queries, if any. The queries raised were summarized in the Records of the Questions and Answers Session which were annexed hereto.

Mr. Wei Hongguang (“Acting CEO”) gave a presentation on the Company’s key financial highlights and business updates for the financial year ended 2018 (“FY2018”).

**ORDINARY BUSINESS**

**1. RESOLUTION 1 - DIRECTORS' STATEMENT AND AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018**

The Meeting proceeded to receive and consider the Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2018 ("FY2018") and the Auditors' Report thereon.

The motion was proposed by the Chairman of the Meeting and seconded by the shareholder.

There being no question raised by shareholders, the Chairman of the Meeting put the motion to vote by poll.

**2. RESOLUTION 2 - DIRECTORS' FEE FOR FINANCIAL YEAR ENDING 31 DECEMBER 2019**

The Directors had recommended the directors' fee of S\$190,000.00 for the financial year ending 31 December 2019. Upon approval by shareholders, the directors' fee will be payable quarterly in arrears.

The motion was proposed by the Chairman of the Meeting and seconded by the shareholder.

There being no question raised by shareholders, the Chairman of the Meeting put the motion to vote by poll.

**3. RESOLUTION 3 - RE-ELECTION OF MR. LEE CHEE SENG AS A DIRECTOR**

Mr. Lee retired pursuant to Article 91 of the Company's Constitution. Being eligible, he had offered himself for re-election.

Upon re-election, Mr. Lee would remain as an Executive Director.

The motion was proposed and seconded by the shareholders.

There being no question raised by shareholders, the Chairman of the Meeting put the motion to vote by poll.

**4. RESOLUTION 4 - RE-ELECTION OF MR. WU YU LIANG AS A DIRECTOR**

Mr. Wu Yu Liang ("Mr. Wu") retired pursuant to Article 91 of the Company's Constitution. Being eligible, he had offered himself for re-election.

Upon re-election, Mr. Wu would remain as a Non-Executive and Lead Independent Director, the Chairman of the Remuneration Committee and a member of the Audit Committee. The Board considers Mr. Wu to be independent for the purpose of Rule 704(7) of the Catalist Rules.

The motion was proposed by the Chairman of the Meeting and seconded by the shareholder.

There being no question raised by shareholders, the Chairman of the Meeting put the motion to vote by poll.

**5. RESOLUTION 5 - RE-ELECTION OF MR. WANG GANG AS A DIRECTOR**

Mr. Wang Gang ("Mr. Wang") retired pursuant to Article 91 of the Company's Constitution. Being eligible, he had offered himself for re-election.

Upon re-election, Mr. Wang Gang would remain as the Non-Executive and Non-Independent Director.

The motion was proposed by the Chairman of the Meeting and seconded by the shareholder.

There being no question raised by shareholders, the Chairman of the Meeting put the motion to vote by poll.

**6. RESOLUTION 6 - RE-ELECTION OF MR. HAN LIANGUO AS A DIRECTOR**

Mr. Han Lianguo ("Mr. Han") retired pursuant to Article 97 of the Company's Constitution. Being eligible, he had offered himself for re-election.

Upon re-election, Mr. Han would remain as the Non-Executive and Non-Independent Chairman and a member of the Nominating Committee.

The motion was proposed by the Chairman of the Meeting and seconded by the shareholder.

There being no question raised by shareholders, the Chairman of the Meeting put the motion to vote by poll.

**7. RESOLUTION 7 - RE-APPOINTMENT OF AUDITORS**

Messrs Baker Tilly TFW LLP, had expressed their willingness to accept re-appointment as auditors.

The motion was proposed by the Chairman of the Meeting and seconded by the shareholder.

There being no question raised by shareholders, the Chairman of the Meeting put the motion to vote by poll.

**8. ANY OTHER BUSINESS**

The Secretary confirmed that no notice was received for transacting of any other business at this meeting.

After dealing with questions from the shareholder, the notes of which are annexed hereto, the Chairman moved on with the Special Business to be transacted at the Meeting.

**SPECIAL BUSINESS**

**9. RESOLUTION 8 - AUTHORITY TO ALLOT AND ISSUE SHARES**

This resolution was to seek shareholders' approval for granting authority to the Directors to allot and issue shares in the capital of the Company pursuant to the provisions of Section 161 of the Companies Act, Cap 50 and the listing rules of SGX-ST.

The motion was proposed by the Chairman of the Meeting and seconded by the shareholder.

There being no question raised by shareholders, the Chairman of the Meeting put the motion to vote by poll.

**10. RESOLUTION 9 - RENEWAL OF SHAREHOLDERS' GENERAL MANDATE FOR INTERESTED PERSON TRANSACTIONS**

This resolution was to seek shareholders' approval for the proposed renewal of shareholders' general mandate for Interested Person Transactions.

The motion was proposed by the Chairman of the Meeting and seconded by the shareholder.

There being no question raised by shareholders, the Chairman of the Meeting put the motion to vote by poll.

**11. RESOLUTION 10 - PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE**

This resolution was to seek shareholders' approval for the proposed renewal of the share buyback mandate.

The motion was proposed by the Chairman of the Meeting and seconded by the shareholder.

There being no question raised by shareholders, the Chairman of the Meeting put the motion to vote by poll.

**POLL VOTING**

As there are no further questions, the Chairman proceeded with the formalities of conducting a poll. The Chairman explained the voting procedures. Tricor Evatthouse Corporate Services was appointed as the Poll Counting Agent while Entrust Advisory Pte. Ltd. was appointed as the Independent Scrutineers.

Upon completion of the poll counting, the Chairman received the poll results from the Scrutineer and presented the following poll results:

**RESULTS OF THE POLL**

<b><u>ORDINARY BUSINESS:</u></b>		<u>No. of Shares</u>	<u>Percentage</u>
RESOLUTION 1	FOR	597,272,400	99.88%
	AGAINST	700,000	0.12%
	TOTAL NO. OF VALID VOTES	<u>597,972,400</u>	<u>100.00%</u>
RESOLUTION 2	FOR	594,778,400	99.47%
	AGAINST	3,194,000	0.53%
	TOTAL NO. OF VALID VOTES	<u>597,972,400</u>	<u>100.00%</u>
RESOLUTION 3	FOR	596,772,400	99.80%
	AGAINST	1,200,000	0.20%
	TOTAL NO. OF VALID VOTES	<u>597,972,400</u>	<u>100.00%</u>
RESOLUTION 4	FOR	596,692,400	99.79%
	AGAINST	1,280,000	0.21%
	TOTAL NO. OF VALID VOTES	<u>597,972,400</u>	<u>100.00%</u>
RESOLUTION 5	FOR	596,692,400	99.79%
	AGAINST	1,280,000	0.21%
	TOTAL NO. OF VALID VOTES	<u>597,972,400</u>	<u>100.00%</u>
RESOLUTION 6	FOR	596,692,400	99.79%
	AGAINST	1,280,000	0.21%
	TOTAL NO. OF VALID VOTES	<u>597,972,400</u>	<u>100.00%</u>
RESOLUTION 7	FOR	597,142,400	99.86%
	AGAINST	830,000	0.14%
	TOTAL NO. OF VALID VOTES	<u>597,972,400</u>	<u>100.00%</u>
<b><u>SPECIAL BUSINESS:</u></b>			
RESOLUTION 8	FOR	596,672,400	99.78%
	AGAINST	1,300,000	0.22%
	TOTAL NO. OF VALID VOTES	<u>597,972,400</u>	<u>100.00%</u>

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		<u>No. of Shares</u>	<u>Percentage</u>
RESOLUTION 9	FOR	94,342,500	98.74%
	AGAINST	1,200,000	1.26%
	TOTAL NO. OF VALID VOTES	<u>95,542,500</u>	<u>100.00%</u>
RESOLUTION 10	FOR	94,242,500	98.64%
	AGAINST	1,300,000	1.36%
	TOTAL NO. OF VALID VOTES	<u>95,542,500</u>	<u>100.00%</u>

Based on the poll results, the Chairman of the Meeting declared that all the resolutions were carried.

**CONCLUSION**

The Chairman thanked the shareholders for their attendance and declared the Meeting closed at 10.23 a.m.

SIGNED AS TRUE RECORD OF PROCEEDINGS

MR. LEE CHEE SENG  
CHAIRMAN

**QUESTIONS AND ANSWERS AT FOURTEENTH ANNUAL GENERAL MEETING HELD ON 25 APRIL 2019**

**When does the Company expect to pay off its liabilities?**

Mr. Lee: The Company has been profitable for the past three years and is working towards paying off its liabilities. The current liabilities are within an acceptable level. With the revenue of RMB1.3 billion, the bank borrowings of RMB 110 million were considered low. The Company has also received the support from Anyang Chemical Industry Group Co., Ltd (“Anhua”) on raw materials supply since 2005. The amount owing to Anhua has been reduced significantly from more than RMB100.0 million to below that due to the improvement in the operations and profitability of the Company over the last two years. The Company currently has a negative working capital which results in emphasis of matter in the Auditors’ Report. Management is confident that the Company would have a normal set of audited financial statements within the next 1-2 years.

**When was the last dividend declared by the Company?**

Mr. Lee: The Company was listed in the Singapore Exchange Limited in 2006 and has declared dividend to the shareholders in the first three years of post-listing as there were good profits generated. Thereafter, the Company was hit with chemical cycle downturn from 2009 that resulted in accumulated losses. There was no dividend being declared mainly due to negative working capital position of the Company. Furthermore, all the Company’s operating subsidiaries are located in China. The subsidiaries are still in accumulated losses position from early years. As such, the subsidiaries are not allowed to pay any dividend to the Company given that there are no retained earnings in the subsidiaries. Consequently, no dividend was declared by the Company.

The subsidiaries’ accumulated losses currently stand at around RMB30.0 million. The subsidiaries can declare dividend to the Company once accumulated losses is cleared. In addition, the Company is still in debt to the Banks and Anhua. He assured the shareholders that the Management is working towards strengthening the balance sheet. Thereafter, the Company would consider declaring dividends to the shareholders if the market condition remains stable and the Company continues to be profitable.