

JIUTIAN CHEMICAL GROUP LIMITED

(Company Registration Number: 200415416H)

Unaudited Financial Statement Announcement for the Quarter Ended 30 June 2017.

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-Jun-17 RMB'000	Unaudited Group Three months ended 30-Jun-16 RMB'000	Increase/ (Decrease) %	Unaudited Group Six months ended 30-Jun-17 RMB'000	Unaudited Group Six months ended 30-Jun-16 RMB'000	Increase/ (Decrease) %
Revenue	249,078	164,123	52	519,707	313,343	66
Cost of sales	(197,609)	(151,209)	31	(448,725)	(289,527)	55
Gross profit	51,469	12,914	299	70,982	23,816	198
Other income	835	1,408	(41)	1,305	2,477	(47)
Distribution costs	(12,176)	(4,340)	181	(18,560)	(6,426)	189
Administrative expenses	(7,475)	(6,800)	10	(14,096)	(12,682)	11
Other expenses	(21)	(86)	(76)	(117)	(566)	(79)
Finance costs	(1,367)	(1,488)	(8)	(2,736)	(2,826)	(3)
Share of result of associated companies	79	2,982	(97)	405	2,065	(80)
Profit before tax	31,344	4,590	583	37,183	5,858	535
Tax expense	(7,001)	-	n/m	(7,099)	-	n/m
Profit and total comprehensive income for the period	24,343	4,590	430	30,084	5,858	414
Profit/ (loss) and total comprehensive income/ (loss) for the period attributable to:						
Equity holders of the Company	24,340	4,514		30,571	5,893	
Non-controlling interest	3	76		(487)	(35)	
	24,343	4,590		30,084	5,858	

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-Jun-17 RMB'000	Unaudited Group Three months ended 30-Jun-16 RMB'000	Increase/ (Decrease) %	Unaudited Group Six months ended 30-Jun-17 RMB'000	Unaudited Group Six months ended 30-Jun-16 RMB'000	Increase/ (Decrease) %
Profit before tax is arrived at after charging/(crediting):						
Amortisation of deferred income	(17)	(16)	6	(33)	(33)	-
Amortisation of land use rights	234	233	0	467	467	-
Depreciation of property, plant and equipment	7,104	6,871	3	14,346	13,714	5
Interest expenses	1,367	1,488	(8)	2,736	2,826	(3)
Interest income	(43)	(520)	(92)	(215)	(548)	(61)
Net loss on disposal of property, plant and equipment	-	-	n/m	-	321	n/m
Net loss on foreign exchange	21	85	(75)	109	244	(55)
Property, plant and equipment written off	-	-	n/m	8	-	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 30-Jun-17 RMB'000	(Audited) Group 31-Dec-16 RMB'000	(Unaudited) Company 30-Jun-17 RMB'000	(Audited) Company 31-Dec-16 RMB'000
ASSETS				
<u>Current assets</u>				
Cash and cash equivalents	39,948	29,608	5,173	2,288
Trade and other receivables	448,455	498,323	155	81
Inventories	44,867	21,628	-	-
Total current assets	533,270	549,559	5,328	2,369
<u>Non-current assets</u>				
Land use rights	5,811	6,278	-	-
Property, plant and equipment	305,889	307,988	-	-
Investment in subsidiary companies	-	-	87,027	87,027
Investment in associated companies	352,717	352,312	339,709	339,709
Deferred tax assets	13,498	13,596	-	-
Total non-current assets	677,915	680,174	426,736	426,736
Total assets	1,211,185	1,229,733	432,064	429,105
LIABILITIES AND EQUITY				
<u>Current liabilities</u>				
Bank borrowings	30,000	70,000	-	-
Trade and other payables	612,804	623,894	11,080	10,897
Income tax payables	2,760	269	-	-
Total current liabilities	645,564	694,163	11,080	10,897
<u>Non-current liabilities</u>				
Bank borrowings	50,000	50,000	-	-
Deferred income	226	259	-	-
Total non-current liabilities	50,226	50,259	-	-
<u>Capital and reserves</u>				
Share capital	661,153	661,153	661,153	661,153
Accumulated losses	(172,830)	(203,401)	(240,169)	(242,945)
Equity attributable to equity holders of the Company	488,323	457,752	420,984	418,208
Non-controlling interests	27,072	27,559	-	-
Total equity	515,395	485,311	420,984	418,208
Total liabilities and equity	1,211,185	1,229,733	432,064	429,105

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>As at 30 June 2017</u>		<u>(Audited)</u> <u>As at 31 December 2016</u>	
	<u>Secured</u>	<u>Unsecured</u>	<u>Secured</u>	<u>Unsecured</u>
	RMB'000	RMB'000	RMB'000	RMB'000
Bank borrowings	30,000	-	70,000	-

Amount repayable after one year

	<u>(Unaudited)</u> <u>As at 30 June 2017</u>		<u>(Audited)</u> <u>As at 31 December 2016</u>	
	<u>Secured</u>	<u>Unsecured</u>	<u>Secured</u>	<u>Unsecured</u>
	RMB'000	RMB'000	RMB'000	RMB'000
Bank borrowings	50,000	-	50,000	-

Details of any collaterals

As at 30 June 2017, there were *nil* (31 December 2016: RMB 40 million) short-term borrowings guaranteed by one of the Group's related party, Anyang Chemical Industry Group Co., Ltd. ("Anhua").

As at 30 June 2017 and 31 December 2016, 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.

As at 30 June 2017 and 31 December 2016, non-current borrowings amounting to RMB 50 million was guaranteed by Anhua.

Bills payable to banks

As at 30 June 2017, there were RMB 30.03 million (31 December 2016: RMB 15.5 million) in bills payable to banks. 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 30.03 million (31 December 2016: RMB 15.5 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-Jun-17 RMB'000	(Unaudited) Group Three months ended 30-Jun-16 RMB'000	(Unaudited) Group Six months ended 30-Jun-17 RMB'000	(Unaudited) Group Six months ended 30-Jun-16 RMB'000
Cash flows from operating activities				
Profit before tax	31,344	4,590	37,183	5,858
Adjustments for:				
Amortisation of deferred income	(17)	(16)	(33)	(33)
Amortisation of land use rights	234	233	467	467
Depreciation of property, plant and equipment	7,104	6,871	14,346	13,714
Interest expense	1,367	1,488	2,736	2,826
Interest income	(43)	(520)	(215)	(548)
Net loss on disposal of plant and equipment	-	-	-	321
Property, plant and equipment written off	-	-	8	-
Share of result of associated companies	(79)	(2,982)	(405)	(2,065)
Operating cash flows before movement in working capital	39,910	9,664	54,087	20,540
Inventories	(25,954)	(1,187)	(23,239)	3,969
Receivables	57,384	(17,112)	20,886	(8,429)
Payables	(85,540)	26,548	(25,621)	(3,751)
Cash (used in)/ generated from operations	(14,200)	17,913	26,113	12,329
Interest received	43	88	215	116
Net cash (used in)/generated from operating activities	(14,157)	18,001	26,328	12,445
Cash flows from investing activities				
Repayment from/(advances to) asociated company	26,437	(11,540)	23,068	(57,663)
Purchase of property, plant and equipment (Note 1)	(9,126)	(10,543)	(12,255)	(13,051)
Proceed from disposal of property, plant and equipment (note 2)	-	-	-	21
Repayment of advances from related parties	1,404	5,000	1,404	6,000
Net cash generated from/(used in) investing activities	18,715	(17,083)	12,217	(64,693)
Cash flows from financing activities				
Bank borrowings	-	15,000	(40,000)	55,000
Increase in pledged bank deposits	(16,000)	(700)	(14,531)	(16,700)
Increase/(decrease) in bill payables to bank	16,000	(14,300)	14,531	1,700
Interest paid	(1,367)	(1,488)	(2,736)	(2,826)
Net cash (used in)/generated from financing activities	(1,367)	(1,488)	(42,736)	37,174
Net increase/(decrease) in cash and cash equivalents	3,191	(570)	(4,191)	(15,074)
Cash and cash equivalents at beginning of period	6,726	16,037	14,108	30,541
Cash and cash equivalents at end of period	9,917	15,467	9,917	15,467
Cash and bank balances at end of period	39,948	54,467	39,948	54,467
Less: Pledged bank deposit	(30,031)	(39,000)	(30,031)	(39,000)
Cash and cash equivalents at end of period	9,917	15,467	9,917	15,467
Note 1:Purchase of property, plant and equipment				
Aggregate cost of property, plant and equipment acquired	9,126	5,525	12,255	6,713
Add: outstanding payables at the beginning of the period	19,316	7,443	19,316	7,443
Less: outstanding payables at the end of the period	(19,316)	(7,443)	(19,316)	(7,443)
Add: advance payments at the end of the period	-	13,663	-	13,663
Less: advance payments at the beginning of the period	-	(8,645)	-	(7,325)
	9,126	10,543	12,255	13,051

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 April 2017 (Unaudited)	661,153	(197,170)	463,983	27,069	491,052
Profit/(loss) and total comprehensive income/(loss) for the financial period	-	24,340	24,340	3	24,343
Balance at 30 June 2017 (Unaudited)	661,153	(172,830)	488,323	27,072	515,395
Balance at 1 April 2016 (Unaudited)	661,153	(202,608)	458,545	27,675	486,220
Profit/(loss) and total comprehensive income/(loss) for the financial period	-	4,514	4,514	76	4,590
Balance at 30 June 2016 (Unaudited)	661,153	(198,094)	463,059	27,751	490,810

	Share capital	Accumulated losses	Total equity
	RMB'000	RMB'000	RMB'000
<u>Company</u>			
Balance at 1 April 2017 (Unaudited)	661,153	(244,534)	416,619
Profit and total comprehensive income for the financial period	-	4,365	4,365
Balance at 30 June 2017 (Unaudited)	661,153	(240,169)	420,984
Balance at 1 April 2016 (Unaudited)	661,153	(239,136)	422,017
Loss and total comprehensive loss for the financial period	-	(1,642)	(1,642)
Balance at 30 June 2016 (Unaudited)	661,153	(240,778)	420,375

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 31 March 2017	1,818,444,000	661,152,648
As at 30 June 2017	1,818,444,000	661,152,648

There were no outstanding options, convertibles, treasury shares and subsidiary holdings as at 30 June 2017 and 30 June 2016.

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 are no treasury shares as at 30 June 2017 and 31 December 2016. 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 2016	1,818,444,000	661,152,648
As at 30 June 2017	1,818,444,000	661,152,648

1(d)(iv) A statement showing all sales, transfers, disposal, 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 period 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.

Except as disclosed in paragraph 5 below, there were no changes in accounting policies and methods of computation adopted in the financial statements for the current reporting period compared to the most recently audited financial statements for the financial year ended 31 December 2016.

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.

The Group has adopted all the new and revised Singapore Financial Reporting Standards ("FRSs") and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for annual periods beginning on or after 1 January 2017, where applicable. The adoption of these standards from the effective date did not result in substantial changes to the Group's accounting policies, and there is no material impact to the financial statements of the Group for the financial period ended 30 June 2017.

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 Jun 2017	(Unaudited) Group Three months ended 30 Jun 2016	(Unaudited) Group Six months ended 30 Jun 2017	(Unaudited) Group Six months ended 30 Jun 2016
Basic/ Diluted earnings per share (RMB fen)	1.34	0.25	1.68	0.32

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 Jun 2017	(Audited) Group 31 Dec 2016	(Unaudited) Company 30 Jun 2017	(Audited) Company 30 Dec 2016
Net asset value per ordinary share (RMB fen)	26.85	25.17	23.15	23.00

Net asset value per ordinary share as at 30 June 2017 and 31 December 2016 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

2Q2017

Revenues for 2Q2017 was RMB 249.1 million, a 52% increase from RMB 164.1 million in 2Q2016, mainly due to increases in both sales volume and selling price of DMF and Methylamine. Sales volumes of DMF and Methylamine in 2Q2017 were 3% and 7% higher than that of 2Q2016 respectively. Average selling price of DMF in 2Q2017 at RMB 5,589 per tonne, 40% higher than that of 2Q2016. Average selling price of methylamine in 1Q2017 at RMB 7,210 per tonne was 45% higher than that of 2Q2016. The increase in average selling price of the products were mainly due to a tighter industry supply arising from production stoppages and cuts by other producers for environmental reasons.

Capacity utilisation at the Anyang Jiutian DMF plant increased from 55% in 2Q2016 to 73% in 2Q2017, while capacity utilisation at the Anyang Jiutian methylamine plant increased from 91% in 2Q2016 to full capacity in 2Q2017.

Gross profit increased from RMB 12.9 million in 2Q2016 to RMB 51.5 million in 2Q2017 correspondingly with the increase in revenue, while gross profit margins increased from 7.9% in 2Q2016 to 20.7 % in 2Q2017 mainly due to a higher selling price during the financial period.

Distribution costs increased by 181% to RMB 12.2 million in 2Q2017, mainly due to the increase in sales volume of both DMF and methylamine and higher transportation costs, which resulted from more customers opting to purchase goods inclusive of transportation instead of ex-factory.

Administrative expenses increased by 10% to RMB 7.5 million in 2Q2017 mainly due to higher staff and related cost incurred in subsidiary companies.

Share of results of associated companies mainly pertains to the share of loss from Anyang Jiulong of RMB 0.3 million and share of profit from Anyang Jiujiu of RMB 0.4 million. 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 the main feedstocks of sodium hydrosulfite which are mainly sodium matabisulfite and liquid sulphur dioxide. Anyang Jiulong suffered a financial loss in 2Q2016 mainly due to significant increase in cost of raw material (dimethylamine and acetic acid) for DMAC.

- 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 balance sheet and cash flow

Group's balance sheet:

The Group's current assets as at 30 June 2017 was RMB 533.3 million, an decrease of RMB 16.3 million from RMB 549.6 million as at 31 December 2016. The net decrease was largely attributed to:

- a. A decrease in trade and other receivables of RMB 49.9 million mainly due to the repayment of RMB 23.1 million from Anyang Jiujiu Chemical Technology Co., Ltd ("Anyang Jiujiu") which previously used for financing project sodium hydrosulfite and repayment of RMB 1.4 million from a related party and the decrease in trade receivables of RMB 20.9 million as a result of higher collection during the financial period; and
- b. Partially offset by (i) an increase in cash and cash equivalents of RMB 10.3 million; and (ii) an increase in inventories of RMB 23.2 million due largely to a scheduled production shutdown by Anyang Jiutian for 20 days in the upcoming 3Q2017 for upgrading, repair and maintenance. As such, there were higher finished goods kept as at 30 June 2017 to ensure minimal disruptions to the Company's operations in anticipation of the said shutdown.

The Group's non-current assets decreased by RMB 2.3 million due largely to:

- a. The decrease in property, plant and equipment and land use right of RMB 2.6 million comprising mainly of depreciation charges of RMB 14.4 million and amortisation of land use rights of RMB 0.5 million, partially offset by purchase of property, plant and equipment of RMB 12.3 million mainly incurred for the Company's Project Oxygen 18 and deuterium depleted water; and
- b. Partially offset by share of profit from associated companies of RMB 0.4 million.

The Group's current liabilities as at 30 June 2017 was RMB 645.6 million, a decrease of RMB 48.6 million from RMB 694.2 million as at 31 December 2016, largely attributed to:

- a. A decrease in gross trade and other payables of RMB 25.62 million in line with lower cost of sales in 2Q2017 as compared to 4Q2016 and repayment of bank borrowings of RMB 40.0 million; and
- b. Partially offset by increase in trade bills payables to banks of RMB 14.5 million as more suppliers opted for trade bills as a form of repayment and increase of RMB 2.5 million of income tax payables.

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 balance sheet and cash flow (cont'd)

Working Capital

Current liabilities of the Group as at 30 June 2017 exceeded current assets by RMB 112.3 million attributable to the losses incurred in prior years despite the negative working capital. The Group believes that it will be able to repay its current liabilities as and when it fall due as a part of the Group's current liabilities are owed to its principal supplier and strategic partner, Anhua Group and to its associated company, Anyang Jiulong of RMB 154.7 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 till Anyang Jiutian is able to settle its other liabilities.

With the continued financial support from Anhua Group 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 14.2 million in 2Q2017 was mainly due to higher repayment of trade and other payables and an increase in inventories. This was partially offset by higher profit before changes in working capital recorded and a higher collection of trade receivables during the financial period.

Net cash generated from investing activities of RMB 18.7 million in 2Q2017 was mainly due to repayment from the associated company, Anyang Jiujiu.

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.

Third quarter is the traditional off peak period for our products. The Company is taking this opportunity to temporarily shutdown Anyang Jiutian's 120,000 tonnes DMF and methylamine production plants for 20 days to undergo scheduled repairs and maintenance and to implement further technical upgrades with the aim to improving production efficiency. Production is expected to be resumed in late August 2017.

In view of the challenging business environment, the Group will stay vigilant and monitor the market condition closely, adapting its business strategies as and when appropriate.

Project updates

Anyang Jiujiu Chemical Technology Co., Ltd

On 1 April 2017, project sodium hydrosulfite (the "Project") started commercial production for the main feedstocks of sodium hydrosulfite, mainly sodium matabisulfite and liquid sulphur dioxide. Currently the Project is waiting for the approval of the production permit required for the main product - sodium hydrosulfite. Barring unforeseen circumstances, the Group remains confident that commercial production of sodium hydrosulfite can start in 2H2017, upon which an announcement will be made to update shareholders.

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/recommendeded, 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.

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)
	1H2017	1H2017
Anyang Chemical Industry Group Co., Ltd	RMB 4.82 million	RMB 95.95 million
Anyang Jiulong Chemical Co., Ltd	Nil	RMB 80.09 million

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

We, Gao Heng 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 second quarter ended 30 June 2017 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 August 2017

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)