

**CIRCULAR DATED 12 OCTOBER 2016**

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.**

**If you are in any doubt as to the action that you should take, you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.**

If you have sold or transferred all your shares in the capital of Jiutian Chemical Group Limited (the “**Company**”) held through The Central Depository (Pte) Limited (the “**CDP**”), you need not forward this Circular with the Notice of Extraordinary General Meeting and the attached Proxy Form to the purchaser or transferee as arrangements will be made by CDP for a separate Circular to be sent to the purchaser or transferee.

The Singapore Exchange Securities Trading Limited (“**SGX-ST**”) assumes no responsibility for the contents of this Circular, including the correctness of any of the statements made, reports contained or opinions expressed in this Circular. The approval of the SGX-ST shall not be taken as an indication of the merits of the Proposed Transfer (as defined herein) and the New Share Issue Mandate (as defined herein).



## **CIRCULAR TO SHAREHOLDERS**

### **IN RELATION TO**

- (1) THE PROPOSED TRANSFER FROM THE MAINBOARD TO THE CATALIST OF THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED; AND**
- (2) THE PROPOSED ADOPTION OF THE NEW SHARE ISSUE MANDATE.**

#### **IMPORTANT DATES AND TIMES:**

Last date and time for lodgement of Proxy Form	:	8 November 2016 at 2.30 pm
Date and time of Extraordinary General Meeting	:	10 November 2016 at 2.30 pm
Place of Extraordinary General Meeting	:	M Hotel Singapore, J Collyer, Level 9, 81 Anson Road, Singapore 079908

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## DEFINITIONS

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In this Circular, the following definitions apply throughout unless the context otherwise requires or otherwise stated:

<b>“AGM”</b>	:	Annual general meeting
<b>“Act”</b>	:	The Companies Act, Chapter 50, of Singapore, as amended or modified from time to time
<b>“AIP”</b>	:	The approval in-principle received from the SGX-ST on 21 September 2016 in relation to the Company’s application for the Proposed Transfer
<b>“Anhua”</b>	:	Anyang Chemical Industry Group Co., Ltd., a subsidiary of HNEC
<b>“Anhua Group”</b>	:	HNEC, Anhua and their respective subsidiaries and associates.
<b>“Anyang Jiulong”</b>	:	Anyang Jiulong Chemical Co., Ltd., a subsidiary of Anhua and an associated company of Jiutian
<b>“Anyang Jiutian”</b>	:	Anyang Jiutian Fine Chemical Co., Ltd., a wholly-owned subsidiary of Jiutian
<b>“Anyang Longyu”</b>	:	Anyang Longyu (HK) Development Co., Ltd, a wholly owned subsidiary of Anhua
<b>“Board”</b>	:	The board of Directors of the Company, as at the date of this Circular
<b>“Catalist”</b>	:	The Sponsor-supervised Catalist board of the SGX-ST
<b>“Catalist Rules”</b>	:	The rules of the Listing Manual applicable to issuers listed on the Catalist, as set out in Section B: Rules of Catalist of the SGX-ST, as amended or modified from time to time
<b>“CDP”</b>	:	The Central Depository (Pte) Limited
<b>“CPF”</b>	:	The Central Provident Fund
<b>“CPFIS”</b>	:	The Central Provident Fund Investment Scheme
<b>“Circular”</b>	:	This circular to Shareholders dated 12 October 2016
<b>“Company” or “Jiutian”</b>	:	Jiutian Chemical Group Limited
<b>“Controlling Shareholder”</b>	:	A person who:- <ul style="list-style-type: none"> <li>a) holds directly or indirectly 15.0% or more of the nominal amount of voting shares in the Company (the SGX-ST may determine that a person who satisfies the above is not a Controlling Shareholder); or</li> <li>b) in fact exercises control over the Company</li> </ul>
<b>“Director”</b>	:	A director of the Company, as at the date of this Circular
<b>“EGM”</b>	:	The extraordinary general meeting of the Company, to be convened for the purposes of considering and, if thought fit, passing with or without modifications, the Proposed Resolutions set out in the Notice of EGM on pages 15 to 17 of this Circular

## DEFINITIONS

<b>“Existing Share Issue Mandate”</b>	:	The existing share issue mandate of the Company which was approved by Shareholders at the AGM held on 22 April 2016
<b>“FY”</b>	:	Financial year ended or ending on 31 December
<b>“Group”</b>	:	The Company and its subsidiaries, collectively
<b>“HNEC”</b>	:	Henan Energy and Chemical Industry Group Co., Ltd.
<b>“Latest Practicable Date”</b>	:	3 October 2016, being the latest practicable date prior to the printing of this Circular
<b>“Listing Manual”</b>	:	Catalist Rules or Mainboard Rules (as the case may be), as amended or modified from time to time
<b>“Mainboard”</b>	:	The Mainboard of the SGX-ST
<b>“Mainboard Rules”</b>	:	The rules of the Listing Manual applicable to issuers of listed on the Mainboard, as amended or modified from time to time
<b>“Market Day”</b>	:	A day on which the SGX-ST is open for trading in securities
<b>“MTP”</b>	:	Has the meaning as ascribed to it in paragraph 2.2.1 of this Circular
<b>“MTP Watch-List”</b>	:	The watch-list by the SGX-ST if an issuer is unable to record a six (6) month volume weighted average price of S\$0.20 or above on 1 March 2016 or at any of the subsequent quarterly review dates
<b>“New Share Issue Mandate”</b>	:	Has the meaning as ascribed to it in paragraph 3 of this Circular
<b>“Notice of EGM”</b>	:	The notice of EGM which is on pages 15 to 17 of this Circular
<b>“Ordinary Resolution”</b>	:	The ordinary resolution in relation to the Proposed Adoption of the New Share Issue Mandate as set out in the Notice of EGM on pages 15 to 17 of this Circular
<b>“PRC”</b>	:	People’s Republic of China
<b>“Proposed Resolutions”</b>	:	The Special Resolution and Ordinary Resolution, collectively
<b>“Proposed Sponsor”</b>	:	PrimePartners Corporate Finance Pte. Ltd.
<b>“Proposed Transfer”</b>	:	The proposed transfer of the quotation and listing of the Shares from the Mainboard to the Catalist of the SGX-ST and the admission of the Company to the Catalist
<b>“Proposed Transfer Date”</b>	:	The date of the transfer of the quotation and listing of the Shares from the Mainboard to the Catalist of the SGX-ST and the admission of the Company to the Catalist, to be effected no later than one (1) month after obtaining Shareholders approval at an EGM
<b>“Proposed Adoption of the New Share Issue Mandate”</b>	:	The proposed adoption of the New Share Issue Mandate of the Company to replace the Existing Share Issue Mandate
<b>“RMB”</b>	:	PRC Renminbi

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## DEFINITIONS

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“SFA”	:	Securities and Futures Act, Chapter 289 of Singapore, as amended or modified from time to time
“SGX-ST” or “Exchange”	:	Singapore Exchange Securities Trading Limited
“Shareholders”	:	The registered holders of Shares in the Register of Members of the Company, except where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares and where the context so admits, mean the Depositors whose Securities Accounts are credited with those Shares
“Shares”	:	Ordinary shares in the capital of the Company
“Special Resolution”	:	The special resolution in relation to the Proposed Transfer as set out in the Notice of EGM on pages 15 to 17 of this Circular
“Substantial Shareholder”	:	A person who has an interest, directly or indirectly, in five per cent. (5%) or more of the total number of Shares
“VWAP”	:	Volume weighted average price
“S\$” and “cents”	:	Singapore dollars and cents, respectively, the lawful currency of the Republic of Singapore
“%” or “per cent.”	:	Per centum or percentage

The terms “**Depositor**”, “**Depository**”, “**Depository Agent**” and “**Depository Register**” shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act.

The term “**associate**”, “**associated company**” and “**subsidiary**” shall have the meanings ascribed to them respectively in the Fourth Schedule of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 and the Act.

The terms “**subsidiaries**” and “**related corporations**” shall have the meanings ascribed to them respectively in the Act.

Any reference to a time of day in this Circular shall be a reference to Singapore time, unless otherwise stated.

Any reference in this Circular to any enactment is a reference to that enactment for the time being amended or re-enacted. Any term defined under the Act, the SFA, the Listing Manual or such statutory modification thereof and used in this Circular shall, where applicable, have the meaning ascribed to it under the Act, the SFA, the Listing Manual or such statutory modification thereof, as the case may be, unless otherwise provided.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall, where applicable, include corporations.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

Any discrepancies in figures included in this Circular between the amounts and totals thereof are due to rounding. Accordingly, figures shown as totals in certain tables in this Circular may not be an arithmetic aggregation of the figures that precede them.

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## LETTER TO SHAREHOLDERS

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### JIUTIAN CHEMICAL GROUP LIMITED

(Company Registration Number: 200415416H)  
(Incorporated in the Republic of Singapore)

#### Board of Directors:

Gao Heng (*Non-Executive and Non-Independent Chairman*)  
Sun Zhiqiang (*Acting Chief Executive Officer*)  
Lee Chee Seng (*Executive Director*)  
Wu Yu Liang (*Non-Executive and Lead Independent Director*)  
Chan Kam Loon (*Non-Executive and Independent Director*)  
Foo Meng Kee (*Non-Executive and Independent Director*)  
Gao Guoan (*Non-Executive and Independent Director*)  
Su Jing (*Non-Executive and Non-Independent Director*)  
Huo Xiaofan (*Non-Executive and Non-Independent Director*)

#### Registered Office:

80 Robinson Road #02-00  
Singapore 068898

12 October 2016

To: The Shareholders of Jiutian Chemical Group Limited

Dear Sir/Madam,

- (1) **THE PROPOSED TRANSFER FROM THE MAINBOARD TO THE CATALIST OF THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED ; AND**
  - (2) **THE PROPOSED ADOPTION OF THE NEW SHARE ISSUE MANDATE.**
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#### 1. INTRODUCTION

##### 1.1 Overview

The Directors are convening an Extraordinary General Meeting to seek Shareholders' approval for the following:

- (a) the proposed transfer of the listing of the Company from Mainboard to the Catalist of the SGX-ST; and
- (b) in conjunction with the Proposed Transfer, the Proposed Adoption of the New Share Issue Mandate to comply with the requirements under Rule 806(2) of the Catalist Rules.

The purpose of this Circular is to provide Shareholders with the relevant information relating to, and the rationale for the above proposals, and to seek Shareholders' approval in relation thereto at the EGM, notice of which is set out on pages 15 to 17 of this Circular.

**Shareholders should note that the Ordinary Resolution approving the Proposed Adoption of the New Share Issue Mandate is conditional upon the passing of the Special Resolution approving the Proposed Transfer but not *vice versa*. In the event that the resolution relating to the Proposed Transfer is not approved, the resolution relating to the Proposed Adoption of the New Share Issue Mandate would not be duly passed.**

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## LETTER TO SHAREHOLDERS

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### 2. THE PROPOSED TRANSFER

#### 2.1 Introduction

On 21 September 2016, the Board announced that the Company had obtained the AIP from the SGX-ST, which is subject to, *inter alia*:

- (a) compliance with the SGX-ST's listing requirements;
- (b) an immediate announcement via SGXNET of the Proposed Transfer;
- (c) Shareholders' approval being obtained for the Proposed Transfer via a special resolution under Rule 410(4) of the Catalist Rules; and
- (d) submission of:
  - (i) a written undertaking from the Company in the format set out in Appendix 4E of the Listing Manual of the SGX-ST to comply with all of the SGX-ST's requirements and policies applicable to the issuers listed on Catalist;
  - (ii) a written undertaking by the Company that it is not aware of any material information which has not been previously announced via SGXNET which will affect the Company's suitability for the transfer to Catalist;
  - (iii) a written confirmation from the Company that it is in compliance with all applicable SGX Mainboard Rules.

The AIP from the SGX-ST is not to be taken as an indication of the merits of the Proposed Transfer, the Company, its subsidiaries or their securities.

#### 2.2 Rationale for the Proposed Transfer

##### 2.2.1 Minimum Trading Price Requirement

The SGX-ST introduced a minimum trading price of S\$0.20 per share ("MTP") as a continuing listing requirement for all issuers listed on the SGX Mainboard with effect from 2 March 2015. Issuers have a twelve (12) month transition period from 2 March 2015 to comply with the MTP requirement.

Pursuant to the new MTP requirement, issuers which are unable to record a six (6) month VWAP of S\$0.20 or above on 1 March 2016 or at any of the subsequent quarterly review dates will be placed on the MTP Watch-List. Such issuers will be afforded up a cure period of thirty-six (36) months to take remedial actions. Affected issuers which fail to take remedial actions during the cure period may be delisted from the Mainboard.

Based on the total value of Shares traded for the 6 months between 4 April 2016 to 3 October 2016, divided by the total volume traded for the same period, the six (6) month VWAP of the Shares was S\$0.0189. As such, the Company is unable to meet the MTP requirement.

**Based on the foregoing, in the event that Shareholders' approval is not obtained and the Company remains listed on the Mainboard, the Company would have to meet the MTP requirements set out by SGX-ST and/or carry out substantive corporate actions (including, without limitation, share consolidation, restructuring and business acquisitions) to raise its Share price to meet the MTP requirement.**

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## LETTER TO SHAREHOLDERS

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### 2.2.2 Company's Position of Continued Listing on SGX-ST

The Company believes that a continued listing in Singapore provides the Group with a robust platform to access the capital markets. As MTP requirement does not apply to companies listed on the Catalist, the Proposed Transfer will be beneficial to the Company, and that in the event the Company continues trading on Catalist, the Company would be able to create long-term shareholders' value. The Board is of the opinion that the size of its current business, market capitalisation and growth prospects of the Company better resemble that of other companies listed on Catalist. Further, the Board also believes that the Proposed Transfer will provide the Company with a more conducive and supportive listing platform via a Catalist sponsor.

### 2.3 **Requirements for the Proposed Transfer**

A transfer from the Mainboard to the Catalist is governed by Rule 410 of the Catalist Rules.

As set out below, the Company has met the requirements for a transfer of the listing to the Catalist, save for the requirement for Shareholders' approval, which is the subject of this Circular.

#### 2.3.1 Rule 410(1) – Compliance with Rules 406(1), (2)(b), (3), (4), and 407(2) and (3)

Based on the shareholding statistics available to the Company as at the Latest Practicable Date, approximately 63.45% of the Shares shall be considered as public shareholdings and the number of public shareholders is 5,305 Shareholders. The distribution of shareholders by size of shareholdings is as follows:

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 99	–	–	–	–
100 – 1,000	65	1.23	62,495	0.00
1,001 – 10,000	1,389	26.18	11,135,800	0.61
10,001 – 1,000,000	3,750	70.69	387,498,999	21.31
1,000,001 and above	101	1.90	1,419,746,706	78.08

The overall distribution of shareholdings should be expected to provide an orderly secondary market in the securities when trading commences, and be unlikely to lead to a corner situation in the securities. Accordingly, Rule 406(1) of the Catalist Rules has been complied with.

Pursuant to Rule 406(2)(b), save for the requirements under the AIP as set out in section 2.1 of this Circular, the SGX-ST has not published specific additional or other quantitative criteria for the Proposed Transfer as at the Latest Practicable Date.

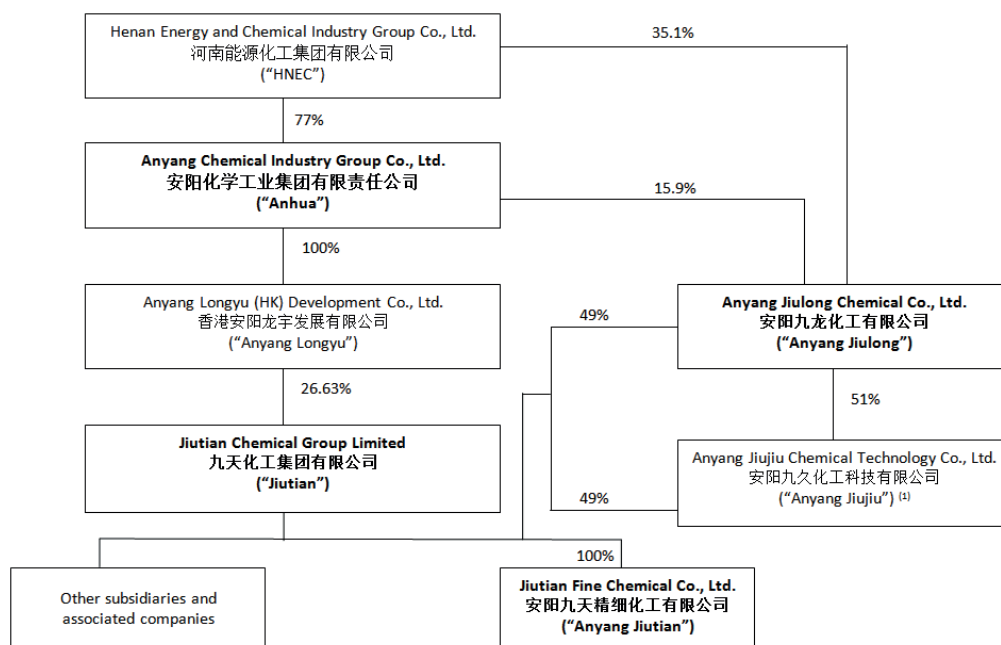
The Company has complied with Rule 406(3) of the Catalist Rules as:

- (a) the Directors and executive officer of the Group have the appropriate experience and expertise to manage the Group's business;
- (b) nothing materially adverse has come to the attention of the Proposed Sponsor to suggest that the Directors, executive officer and Controlling Shareholders of the Group do not have the character and integrity expected of a listed issuer; and
- (c) the Group has at least two non-executive directors who are independent and free of any material business or financial connection with the Group.

The Board notes that current liabilities of the Group as at 30 June 2016 exceeded its current assets by RMB104.28 million attributable to the continuing losses in prior years. Despite the negative working capital, the Group believes that it will be able to repay its current liabilities

## LETTER TO SHAREHOLDERS

as and when it falls due. As a substantial 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 RMB211.49 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. Please refer to the below structure for, *inter alia*, an overview of the shareholding interests between Anhua, Anyang Jiulong, Anyang Jiutian and Jiutian:



Based on continued financial support from Anhua and Anyang Jiulong, the Group's existing business and barring unforeseen circumstances, and in the reasonable opinion of the Board, the working capital available to the Group is sufficient for its present requirements and for at least 12 months after the Proposed Transfer Date.

Having considered the bases contemplated by the Board, in the reasonable opinion of PrimePartners Corporate Finance Pte. Ltd., the working capital available to the Group is sufficient for its present requirements and for at least 12 months after the Proposed Transfer Date.

Accordingly, Rule 410(1) of the Catalyst Rules has been complied with.

### 2.3.2 Rule 410(2) – The Company is sponsored and the sponsor provides the SGX-ST with a completed Appendix 4D (Transfer Confirmation by Sponsor) of the Catalyst Rules

The Board proposes to appoint PrimePartners Corporate Finance Pte. Ltd. as the Company's continuing sponsor, subject to the Proposed Transfer taking effect. The Proposed Sponsor had on 1 September 2016 provided the SGX-ST with a completed Appendix 4D (Transfer Confirmation by Sponsor) of the Catalyst Rules.

### 2.3.3 Rule 410(3) – The Company provides the SGX-ST with a completed Appendix 4E (Applicant's Listing Agreement) of the Catalyst Rules

The Company had on 1 September 2016, provided the SGX-ST with a completed Appendix 4E (Applicant's Listing Agreement) of the Catalyst Rules) agreeing to comply with the SGX-ST's requirements and policies applicable to issuers listed on the Catalyst.

Accordingly, Rule 410(3) of the Catalyst Rules has been complied with.

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## LETTER TO SHAREHOLDERS

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### 2.3.4 Rule 410(4) – The Company’s Shareholders have approved the Proposed Transfer by special resolution

The Proposed Transfer is subject to the approval of the Shareholders by way of a special resolution (Resolution 1) at the EGM, notice of which is set out on pages 15 to 17 of this Circular.

Accordingly, subject to the approval of the Shareholders for the Proposed Transfer at the EGM, Rule 410(4) of the Catalist Rules will be complied with.

**Shareholders should note that if Shareholders’ approval for the Proposed Transfer is not granted, the Company shall remain listed on the Mainboard and accordingly, continue to be subjected to compliance with the continuing listing obligations under the Mainboard Rules.**

### 2.3.5 Rule 410(5) – The Company is in compliance with all applicable Mainboard Rules

The Board has confirmed that the Company is in compliance with all applicable Mainboard Rules.

Accordingly, Rule 410(5) of the Catalist Rules has been complied with.

## 2.4 **Key Differences between Issuers listed on the Mainboard and Issuers listed on Catalist**

The table below summarises some key differences between issuers listed on the Mainboard and issuers listed on Catalist:

	<b>Mainboard</b>	<b>Catalist</b>
<b>Supervision</b>	The SGX-ST supervises the compliance of issuers with their continuing listing obligations under the Mainboard Rules.	Sponsors supervise the compliance of issuers with their continuing listing obligations under the Catalist Rules.
<b>Changes in capital</b>	An issuer can obtain the mandate of shareholders to issue up to 50% of the issuer’s share capital excluding treasury shares (of which shares issued on a non pro-rata basis must not exceed 20%).	An issuer can obtain the mandate of shareholders to issue up to 100% of the issuer’s share capital excluding treasury shares (of which shares issued on a non pro-rata basis must not exceed 50%). If shareholders approve such mandate by special resolution, the 50% limit can be increased to 100%.
<b>Acquisitions and Realisations</b>	Acquisitions or disposals of assets of more than 20% but less than 100% of the relevant bases set out in the Mainboard Rules (i.e. group’s net assets, profits, market capitalisation or equity securities issued, as the case may be) will require the approval of shareholders.	Acquisitions of assets of more than 75% but less than 100% of the relevant bases set out in the Catalist Rules (i.e. group’s net assets, profits, market capitalisation or equity securities issued, as the case may be) will require the approval of shareholders.  Disposals of assets of more than 50% of the relevant bases set out in the Catalist Rules (i.e. group’s net assets, profits, market capitalisation or equity securities issued, as the case may be) will require the approval of shareholders.

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## LETTER TO SHAREHOLDERS

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	Mainboard	Catalist
<b>Minimum Trading Price</b>	There is a minimum trading price of S\$0.20.	There is no minimum trading price.
<b>Financial Watch-list</b>	<p>The SGX-ST will place an issuer on the financial watch-list, if it records:</p> <p>(a) pre-tax losses for the three (3) most recently completed consecutive financial years (based on the latest announced full year consolidated accounts, excluding exceptional or non-recurrent income and extraordinary items); and</p> <p>(b) an average daily market capitalisation of less than S\$40 million over the last one hundred and twenty (120) market days on which trading was not suspended or halted.</p>	There is no financial watch-list.

### 2.5 Use of Savings under the CPFIS

Shareholders should note that CPF savings cannot be used to purchase shares of companies that are listed on the Catalist of the SGX-ST, except for companies that were migrated from the Stock Exchange of Singapore Dealing and Automated Quotation (SESDAQ) to the Catalist.

**Accordingly, with the transfer of the Company to Catalist after obtaining Shareholders' approval for the Proposed Transfer, CPF savings can no longer be used to purchase the Shares.**

**Shareholders who have previously bought Shares under the CPFIS prior to the Proposed Transfer being effective can choose to hold or sell their Shares or participate in corporate actions, subject to the applicable CPFIS rules and limits for the Shares.**

### 3. THE PROPOSED ADOPTION OF THE NEW SHARE ISSUE MANDATE

As mentioned in paragraph 2.4 of this Circular, one of the key differences between issuers listed on the Mainboard and the Catalist is in respect of the general share issue mandate which may be given to directors of an issuer to issue new shares in the capital of an issuer.

At the AGM of the Company held on 22 April 2016, Shareholders approved a general share issue mandate which authorised the Directors to allot and issue new Shares in accordance with, and subject to, the provisions of Section 161 of the Act and Rule 806 of the Mainboard Rules (the **"Existing Share Issue Mandate"**).

Upon the transfer of the Company from the Mainboard to Catalist becoming effective, the general share issue mandate of the Company would have to comply with the provisions of Rule 806 of the Catalist Rules as part of the Company's continuing listing obligations as an issuer listed on the Catalist.

Therefore, the Company will be seeking Shareholders' approval at the EGM for the Proposed Adoption of the New Share Issue Mandate to authorise the Directors to issue new Shares and convertible securities of the Company of up to 100% of the Company's issued share capital as at the date of the EGM with an aggregate sub-limit of 50% of the Company's issued share capital as at the date of the EGM for any issue of new Shares and convertible securities of the Company, not made on a pro-rata basis to Shareholders in accordance with Rule 806 of the Catalist Rules (**"New Share Issue Mandate"**).

## LETTER TO SHAREHOLDERS

The New Share Issue Mandate, if its adoption is approved by Shareholders, will supersede and replace the Existing Share Issue Mandate and shall take force and effect from the effective date of the transfer of the listing of the Company from the Mainboard to the Catalist and the Existing Share Issue Mandate shall correspondingly be deemed revoked with effect from the same date. The New Share Issue Mandate shall continue to be in force until the next annual general meeting of the Company or the date by which the next annual general meeting is required by law to be held, whichever is earlier, unless prior thereto, the New Share Issue Mandate is carried out to the full extent mandated or the New Share Issue Mandate is revoked or varied by the Company in general meeting.

**For the avoidance of doubt, the Ordinary Resolution approving the Proposed Adoption of the New Share Issue Mandate is conditional upon the passing of the Special Resolution approving the Proposed Transfer but not *vice versa*. In the event that the Proposed Transfer is not approved, the Proposed Adoption of the New Share Issue Mandate would not be duly passed.**

#### 4. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, the direct and indirect interests of each of the Directors in the Shares of the Company are as follows:

	Direct Interest		Deemed Interest		Total Interest	
	Number of Shares	% <sup>(1)</sup>	Number of Shares	% <sup>(1)</sup>	Number of Shares	% <sup>(1)</sup>
<b>Directors</b>						
Gao Heng	–	–	–	–	–	–
Sun Zhiqiang	–	–	–	–	–	–
Lee Chee Seng	10,250,000	0.56	44,419,000 <sup>(2)</sup>	2.44	54,669,000	3.01
Wu Yu Liang	300,000	0.02	–	–	300,000	0.02
Chan Kam Loon	–	–	–	–	–	–
Foo Meng Kee	–	–	–	–	–	–
Gao Guoan	–	–	–	–	–	–
Su Jing	–	–	–	–	–	–
Huo Xiaofan	–	–	–	–	–	–
<b>Substantial Shareholders</b>						
Anyang Longyu (HK) Development Co., Ltd	–	–	502,429,900 <sup>(3)</sup>	27.63	502,429,900	27.63
Sanjeev Gupta	77,299,800	4.25	30,000,000	1.65	107,229,800	5.90

**Notes:**

- (1) Based on the issued share capital of 1,818,444,000 Shares as at the Latest Practicable Date.
- (2) Lee Chee Seng holds 100% of the issued share capital of Woolston Park Limited. Accordingly he is deemed to have an interest in the shares held by Woolston Park Limited.
- (3) Anyang Longyu is deemed interested in 502,429,900 Shares held through its nominee, RHB Securities Singapore Pte. Ltd., formerly known as DMG & Partners Securities Pte. Ltd..
- (4) Sanjeev Gupta holds 30,000,000 Shares through its nominee.

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## LETTER TO SHAREHOLDERS

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### 5. DIRECTORS' RECOMMENDATIONS

#### 5.1 The Proposed Transfer

The Directors, having considered, *inter alia*, the rationale for the Proposed Transfer, are of the opinion that the Proposed Transfer is in the best interests of the Company and accordingly, recommend that Shareholders vote in favour of the Special Resolution (Resolution 1) relating to the Proposed Transfer, as set out in the attached Notice of EGM.

#### 5.2 The Proposed Adoption of the New Share Issue Mandate

The Directors, having considered, *inter alia*, the rationale for the Proposed Adoption of the New Share Issue Mandate, are of the opinion that the Proposed Adoption of the New Share Issue Mandate is in the best interests of the Company and accordingly, recommend that Shareholders vote in favour of the Ordinary Resolution (Resolution 2) relating to the Proposed Adoption of the New Share Issue Mandate, as set out in the attached Notice of EGM.

### 6. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages 15 to 17 of this Circular, will be held at M Hotel Singapore, J Collyer, Level 9, 81 Anson Road, Singapore 079908 on 10 November 2016 at 2.30 pm (or any adjournment thereof) for the purpose of considering and, if thought fit, passing (with or without any modification) the resolutions set out in the Notice of EGM.

### 7. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the EGM and who wish to appoint a proxy to attend on their behalf are requested to complete, sign and return the proxy form attached to this Circular in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the registered office of the Company at 80 Robinson Road #02-00 Singapore 068898 or the share registrar at 80 Robinson Road #11-02 Singapore 068898 not less than forty-eight (48) hours before the time appointed for the EGM. The completion and lodgment of the proxy form by a Shareholder will not preclude him/her from attending and voting in person at the EGM in place of his/her proxy if he/she so wishes. However, any appointment of a proxy or proxies by such Shareholder shall be deemed to be revoked if the Shareholder attends the EGM in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy, to the EGM.

A Depositor shall not be regarded as a member of the Company entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register at least seventy-two (72) hours before the EGM.

### 8. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular, and confirm after making all reasonable enquires that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Transfer, the Proposed Adoption of the New Share Issue Mandate, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from these sources and/or reproduced in this Circular in its proper form and context.

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## LETTER TO SHAREHOLDERS

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### 9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at 80 Robinson Road #02-00 Singapore 068898 during normal business hours from the date of this Circular up to and including the time and date of the EGM.

- (a) the annual reports of the Company for FY2015; and
- (b) the Constitution of the Company.

Yours faithfully

For and on behalf of the Board of Directors of  
**JIUTIAN CHEMICAL GROUP LIMITED**

**Sun Zhiqiang**

Acting Chief Executive Officer

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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### JIUTIAN CHEMICAL GROUP LIMITED

(Company Registration Number: 200415416H)  
(Incorporated in the Republic of Singapore)

**NOTICE IS HEREBY GIVEN** that an Extraordinary General Meeting (the “**EGM**”) of Jiutian Chemical Group Limited (the “**Company**”) will be held at M Hotel Singapore, J Collyer, Level 9, 81 Anson Road, Singapore 079908 on 10 November 2016 at 2.30 pm for the purpose of considering and, if thought fit, passing with or without modifications, the following resolutions:

*All capitalised terms in this Notice which are not defined herein shall have the meanings ascribed to them in the circular to shareholders of the Company dated 12 October 2016 (the “**Circular**”).*

#### **RESOLUTION 1: SPECIAL RESOLUTION**

##### **THE PROPOSED TRANSFER FROM THE MAINBOARD TO THE CATALIST OF SINGAPORE EXCHANGE SECURITIES TRADING LIMITED**

###### **THAT:**

- (a) approval be and is hereby given for the Company to be transferred from the Mainboard to the Catalist of Singapore Exchange Securities Trading Limited; and
- (b) the Directors and each of them be and are hereby authorised to complete and do all acts and things (including executing all such documents as may be required in connection with the Proposed Transfer) and exercise such discretion as the Director(s) may in their or his absolute discretion deem fit, advisable or necessary to give full effect to this Resolution and the Proposed Transfer, and where the Company seal is required to be affixed to any agreement, undertaking, document and/or deed in connection therewith, the same shall be signed and the Company seal shall (where applicable) be affixed thereon in accordance with the Constitution of the Company.

#### **RESOLUTION 2: ORDINARY RESOLUTION**

##### **THE PROPOSED ADOPTION OF THE NEW SHARE ISSUE MANDATE**

**THAT**, contingent upon passing of the above Resolution 1 as Special Resolution, pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore and Rule 806 of the Catalist Rules, authority be and is hereby given to the Directors to:

- (a)
  - (i) allot and issue shares in the capital of the Company (“**Shares**”) (whether by way of rights, bonus or otherwise);
  - (ii) make or grant offers, agreements or options (collectively, “**Instruments**”) that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares, at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and
- (b) notwithstanding that the authority conferred by this Resolution may have ceased to be in force, issue Shares in pursuance of any Instruments made or granted by the Directors while this Resolution was in force, provided that:-
  - (1) the aggregate number of Shares (including Shares to be issued in pursuance of the Instruments made or granted pursuant to this Resolution) to be issued pursuant to this Resolution does not exceed one hundred per cent (100%) of the total number of issued Shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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to be issued other than on a pro-rata basis to existing shareholders of the Company (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed fifty per cent (50%) of the total number of issued Shares (excluding treasury shares) (as calculated in accordance with sub-paragraph (2) below);

- (2) (subject to such manner of calculations as may be prescribed by the SGX-ST), for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the percentage of issued Shares (excluding treasury shares) shall be based on the total number of issued Shares (excluding treasury shares) at the time this Resolution is passed after adjusting for:-
- (i) new Shares arising from the conversion or exercise of the Instruments or any convertible securities;
  - (ii) new Shares arising from exercising of share options or vesting of share awards outstanding and/or subsisting at the time of the passing of this Resolution, provided that the share options or share awards (as the case may be) were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and
  - (iii) any subsequent bonus issue, consolidation or sub-division of Shares.
- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST), and all applicable legal requirements under the Act and the Constitution for the time being of the Company; and
- (4) unless revoked or varied by the Company in general meeting, the authority conferred by this Resolution shall commence upon the transfer of the Company from the Mainboard to the Catalist becoming effective and shall continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier.  
[See Explanatory Note (i)]

**BY ORDER OF THE BOARD**  
**JIUTIAN CHEMICAL GROUP LIMITED**

Teo Meng Keong  
Lee Wei Hsiung  
Company Secretaries

12 October 2016  
Singapore

**Explanatory Note:**

- (i) Resolution 2, if passed, will empower the Directors from the date on which the transfer of the Company from the Mainboard to the Catalist becomes effective until the conclusion of the next annual general meeting, to allot and issue Shares and convertible securities in the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earliest. The aggregate number of Shares, which the Directors may allot and issue under this Resolution shall not exceed one hundred per cent (100%) of the total number of issued Shares (excluding treasury shares) at the time of passing this Resolution. For allotment and issue of Shares other than on a pro-rata basis to all shareholders of the Company, the aggregate number of Shares and convertible securities to be allotted and issued shall not exceed fifty per cent (50%) of the total number of issued Shares (excluding treasury shares). This authority will, unless previously revoked or varied at a general meeting, expire at the conclusion of the next annual general meeting.

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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### Notes:

1. A member (other than a Relevant Intermediary\*) entitled to attend and vote at the EGM is entitled to appoint not more than two (2) proxies to attend and vote in his behalf and such proxy/proxies need not be a member of the Company.
2. Where a member (other than a Relevant Intermediary\*) appoints two (2) proxies, he shall specify the proportion of his shareholding to be represented by each proxy in the instrument appointing the proxies.
3. A Relevant Intermediary may appoint more than two (2) proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him/her/it (which number and class of shares shall be specified).
4. A corporation which is a member may, by resolution of its directors or other governing body, appoint such person as it thinks fit to act as its representative at the EGM, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.
5. The instrument appointing a proxy or proxies must be deposited together with the power of attorney (if any) under which it is signed or a notarially certified or office copy thereof at the office of the Share Registrar, Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte. Ltd.) either by hand to 80 Robinson Road #11-02, Singapore 068898 or by post to 80 Robinson Road #02-00, Singapore 068898 not less than forty-eight (48) hours before the time for holding the EGM.
6. The instrument appointing a proxy or proxies must be under the hand of the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of an officer or attorney duly authorised.
7. A Depositor's name must appear in the Depository Register maintained by the Central Depository (Pte) Limited at least seventy-two (72) hours before the time fixed for the holding of the EGM or any postponement or adjournment thereof, in order for the Depositor to attend and vote at the EGM.

\* A Relevant Intermediary is:

- a) a banking corporation licensed under the Banking Act, Chapter 19 of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or
- b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act, Chapter 289 of Singapore and who holds shares in that capacity; or
- c) the Central Provident Fund Board established by the Central Provident Fund Act, Chapter 36 of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

### PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

# JIUTIAN CHEMICAL GROUP LIMITED

(Company Registration Number: 200415416H)  
(Incorporated in the Republic of Singapore)

## IMPORTANT

1. For investors who have used their CPF monies to buy Jiutian Chemical Group Limited Shares, this Circular is sent to them at the request of their CPF Approved Nominees solely.

## FOR INFORMATION ONLY:

2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF investors who wish to vote should contact their CPF Approved Nominees.

## PROXY FORM

## EXTRAORDINARY GENERAL MEETING

I/We \_\_\_\_\_ (Name), \_\_\_\_\_ (NRIC / Passport No.)

of \_\_\_\_\_ (Address),

being a member/members\* of **Jiutian Chemical Group Limited** (the “Company”) hereby appoint:

Name	Address	NRIC/ Passport No	Proportion of Shareholdings	
			No. of Shares	%

and/or (delete as appropriate)

Name	Address	NRIC/ Passport No	Proportion of Shareholdings	
			No. of Shares	%

or falling the person or either both of the persons referred to above, the Chairman of the Extraordinary General Meeting of the Company (“**EGM**”), as my/our\* proxy/proxies\* to attend and to vote for me/us\* on my/our\* behalf at the EGM to be held at M Hotel Singapore, J Collyer, Level 9, 81 Anson Road, Singapore 079908 on 10 November 2016 at 2.30pm, and at any adjournment thereof.

I/We\* direct my/our\* proxy/proxies\* to vote for or against the resolutions to be proposed at the EGM as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies\* will vote or abstain from voting at his/their\* discretion, as he/they\* will on any other matters arising at the EGM.

The resolutions put to the vote of the EGM shall be decided by the way of poll. Please indicate the number of votes as appropriate.

*\*Delete as appropriate.*

Special Resolution	Number of votes FOR	Number of votes AGAINST
1. The Proposed Transfer from the Mainboard to the Catalist of Singapore Exchange Securities Trading Limited		
Ordinary Resolution		
2. To approve the Proposed Adoption of the New Share Issue Mandate		

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2016.

Total Number of shares held in:

CDP Register

Register of Members

\_\_\_\_\_  
Signature(s) of Member(s) or Common Seal

**IMPORTANT: PLEASE READ NOTES OVERLEAF.**



## NOTES:

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of Securities and Futures Act, Chapter 289 of Singapore), you should insert that number of shares. If you have shares registered in your name in the Register of Members of the Company, you should insert that number of shares. If you have shares entered against your name in the Depository Register and also registered in your name in the Register of Members, you should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by you.
2. A member (other than a Relevant Intermediary\*) entitled to attend and vote at a meeting of the Company is entitled to appoint not more than two proxies to attend and vote on his behalf. A proxy need not be a member of the Company.
3. A Relevant Intermediary may appoint more than two (2) proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him/her/it (which number and class of shares shall be specified).
4. Subject to note 11 below, completion and return of this instrument appointing a proxy or proxies shall not preclude a member from attending and voting at the meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy, to the meeting.
5. The instrument appointing a proxy or proxies must be deposited at the office of the Share Registrar, Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte. Ltd.) either by hand to 80 Robinson Road #11-02, Singapore 068898 or by post to 80 Robinson Road #02-00, Singapore 068898 not less than forty-eight (48) hours before the time set for the EGM.
6. Where a member (other than a Relevant Intermediary\*) appoints more than one proxy, he shall specify the proportion of his shareholding to be represented by each proxy and if no proportion is specified, the first-named proxy shall be deemed to represent all of the shareholding and the second-named proxy shall be deemed to be an alternate to the first-named.
7. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its attorney or a duly authorised officer.
8. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
9. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the EGM, in accordance with Section 179 of the Companies Act, Chapter 50.
10. The Company shall be entitled to reject an instrument appointing a proxy or proxies which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of a member whose shares are entered against his name in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the EGM, as certified by The Central Depository (Pte) Ltd to the Company.
11. An investor who holds shares under the Central Provident Fund Investment Scheme ("CPF Investor") and/or the Supplementary Retirement Scheme ("SRS Investors") (as may be applicable) may attend and cast his vote(s) at the EGM in person. CPF and SRS Investors who are unable to attend the EGM but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the EGM to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the EGM.

\* A Relevant Intermediary is:

- a) a banking corporation licensed under the Banking Act, Chapter 19 of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or
- b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act, Chapter 289 of Singapore and who holds shares in that capacity; or
- c) the Central Provident Fund Board established by the Central Provident Fund Act, Chapter 36 of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

## PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Extraordinary Meeting dated 12 October 2016.