

JIUTIAN CHEMICAL GROUP LIMITED

(Company Registration Number: 200415416H)

Unaudited Financial Statement Announcement for the Quarter Ended 30 September 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-Sep-17 RMB'000	Unaudited Group Three months ended 30-Sep-16 RMB'000	Increase/ (Decrease) %	Unaudited Group Nine months ended 30-Sep-17 RMB'000	Unaudited Group Nine months ended 30-Sep-16 RMB'000	Increase/ (Decrease) %
Revenue	233,271	145,180	61	752,978	458,523	64
Cost of sales	(207,237)	(136,429)	52	(665,011)	(425,956)	56
Gross profit	26,034	8,751	197	87,967	32,567	170
Other income	605	1,453	(58)	1,910	3,930	(51)
Distribution costs	(5,403)	(4,362)	24	(14,914)	(10,788)	38
Administrative expenses	(6,541)	(5,892)	11	(20,637)	(18,574)	11
Other expenses	7	(41)	(117)	(110)	(607)	(82)
Finance costs	(1,175)	(1,091)	8	(3,911)	(3,917)	-
Share of result of associated companies	(885)	1,684	(153)	(480)	3,750	(113)
Profit before tax	12,642	502	2,418	49,825	6,361	683
Tax expense	(500)	-	n/m	(7,599)	-	n/m
Profit and total comprehensive income for the period	12,142	502	2,319	42,226	6,361	564
Profit/ (loss) and total comprehensive income/ (loss) for the period attributable to:						
Equity holders of the Company	12,142	541		42,713	6,434	
Non-controlling interest	-	(39)		(487)	(73)	
	12,142	502		42,226	6,361	

n/m - not meaningful

(ii) The following items (with appropriate breakdowns and explanations), if significant, must either be included in the income statement or in the notes to the income statement for the current financial period reported on and the corresponding period of the immediately preceding financial year:-

	Unaudited Group Three months ended 30-Sep-17 RMB'000	Unaudited Group Three months ended 30-Sep-16 RMB'000	Increase/ (Decrease) %	Unaudited Group Nine months ended 30-Sep-17 RMB'000	Unaudited Group Nine months ended 30-Sep-16 RMB'000	Increase/ (Decrease) %
Profit before tax is arrived at after charging/(crediting):						
Amortisation of deferred income	(16)	(16)	-	(49)	(49)	-
Amortisation of land use rights	233	234	-	700	701	-
Depreciation of property, plant and equipment	7,655	7,326	4	22,001	21,040	5
Interest expenses	1,175	1,091	8	3,911	3,917	-
Interest income	(33)	(282)	(88)	(248)	(830)	(70)
Net loss on disposal of property, plant and equipment	-	39	n/m	-	360	n/m
Net (gain)/ loss on foreign exchange	(7)	3	(333)	102	247	(59)
Property, plant and equipment written off	-	-	-	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-Sep-17 RMB'000	Audited Group 31-Dec-16 RMB'000	Unaudited Company 30-Sep-17 RMB'000	Audited Company 31-Dec-16 RMB'000
ASSETS				
<u>Current assets</u>				
Cash and cash equivalents	109,554	29,608	3,836	2,288
Trade and other receivables	511,875	498,323	119	81
Inventories	22,212	21,628	-	-
Total current assets	643,641	549,559	3,955	2,369
<u>Non-current assets</u>				
Land use rights	5,578	6,278	-	-
Property, plant and equipment	311,243	307,988	-	-
Investment in subsidiary companies	-	-	87,027	87,027
Investment in associated companies	351,832	352,312	339,709	339,709
Deferred tax assets	9,998	13,596	-	-
Total non-current assets	678,651	680,174	426,736	426,736
Total assets	1,322,292	1,229,733	430,691	429,105
LIABILITIES AND EQUITY				
<u>Current liabilities</u>				
Bank borrowings	60,000	70,000	-	-
Trade and other payables	684,276	623,894	11,285	10,897
Income tax payables	269	269	-	-
Total current liabilities	744,545	694,163	11,285	10,897
<u>Non-current liabilities</u>				
Bank borrowings	50,000	50,000	-	-
Deferred income	210	259	-	-
Total non-current liabilities	50,210	50,259	-	-
<u>Capital and reserves</u>				
Share capital	661,153	661,153	661,153	661,153
Accumulated losses	(160,687)	(203,401)	(241,747)	(242,945)
Equity attributable to equity holders of the Company	500,466	457,752	419,406	418,208
Non-controlling interests	27,071	27,559	-	-
Total equity	527,537	485,311	419,406	418,208
Total liabilities and equity	1,322,292	1,229,733	430,691	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 September 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	60,000	-	70,000	-

Amount repayable after one year

	<u>(Unaudited)</u> <u>As at 30 September 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 September 2017, there were RMB 30 million (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 September 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 September 2017 and 31 December 2016, non-current borrowings amounting to RMB 50 million was guaranteed by Anhua.

Bills payable to banks

As at 30 September 2017, there were RMB 99.0 million (31 December 2016: RMB 15.5 million) in bills payable to banks, under trade and other payables. Bills payable to banks have an average maturity period of 60 to 120 days and are interest-free as repayments will be made within the credit period. The bills payable to banks are secured by pledged bank deposits amounting of RMB 99.0 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-Sep-17 RMB'000	(Unaudited) Group Three months ended 30-Sep-16 RMB'000	(Unaudited) Group Nine months ended 30-Sep-17 RMB'000	(Unaudited) Group Nine months ended 30-Sep-16 RMB'000
Cash flows from operating activities				
Profit before tax	12,642	502	49,825	6,361
Adjustments for:				
Amortisation of deferred income	(16)	(16)	(49)	(49)
Amortisation of land use rights	233	234	700	701
Depreciation of property, plant and equipment	7,655	7,326	22,001	21,040
Interest expense	1,175	1,091	3,911	3,917
Interest income	(33)	(282)	(248)	(830)
Net loss on disposal of plant and equipment	-	39	-	360
Property, plant and equipment written off	-	-	8	-
Share of result of associated companies	885	(1,684)	480	(3,750)
Operating cash flows before movement in working capital	22,541	7,210	76,628	27,750
Inventories	22,655	(3,775)	(584)	194
Receivables	(49,400)	3,086	(28,514)	(5,343)
Payables	2,503	16,048	(23,118)	12,297
Cash (used in)/ generated from operations	(1,701)	22,569	24,412	34,898
Interest received	33	133	248	249
Net cash (used in)/ generated from operating activities	(1,668)	22,702	24,660	35,147
Cash flows from investing activities				
Advances to associated company	(13,511)	(11,149)	9,557	(68,812)
Purchase of property, plant and equipment (Note 1)	(13,009)	(16,110)	(25,264)	(29,161)
Proceed from disposal of property, plant and equipment	-	18	-	39
Repayment of advances to related parties	-	-	1,404	6,000
Net cash used in investing activities	(26,520)	(27,241)	(14,303)	(91,934)
Cash flows from financing activities				
Bank borrowings	30,000	-	(10,000)	55,000
(Increase)/ decrease in pledged bank deposits	(68,969)	5,000	(83,500)	(11,700)
Increase/ (decrease) in bill payables to bank	68,969	(5,000)	83,500	(3,300)
Interest paid	(1,175)	(1,091)	(3,911)	(3,917)
Net cash generated from/ (used in) financing activities	28,825	(1,091)	(13,911)	36,083
Net increase/ (decrease) in cash and cash equivalents	637	(5,630)	(3,554)	(20,704)
Cash and cash equivalents at beginning of period	9,917	15,467	14,108	30,541
Cash and cash equivalents at end of period	10,554	9,837	10,554	9,837
Cash and bank balances at end of period	109,554	43,837	109,554	43,837
Less: Pledged bank deposit	(99,000)	(34,000)	(99,000)	(34,000)
	10,554	9,837	10,554	9,837
<u>Note 1: Purchase of property, plant and equipment</u>				
Aggregate cost of property, plant and equipment acquired	13,009	10,348	25,264	17,061
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	-	19,425	-	19,425
Less: advance payments at the beginning of the period	-	(13,663)	-	(7,325)
	13,009	16,110	25,264	29,161

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Share capital	Accumulated losses	Equity attributable to equity holders of the Company	Non-controlling interests	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<u>Group</u>					
Balance at 1 July 2017 (Unaudited)	661,153	(172,829)	488,324	27,071	515,395
Profit and total comprehensive income for the financial period	-	12,142	12,142	-	12,142
Balance at 30 September 2017 (Unaudited)	661,153	(160,687)	500,466	27,071	527,537
Balance at 1 July 2016 (Unaudited)	661,153	(198,094)	463,059	27,752	490,811
Profit/(loss) and total comprehensive income/(loss) for the financial period	-	541	541	(39)	502
Balance at 30 September 2016 (Unaudited)	661,153	(197,553)	463,600	27,713	491,313

	Share capital	Accumulated losses	Total equity
	RMB'000	RMB'000	RMB'000
<u>Company</u>			
Balance at 1 July 2017 (Unaudited)	661,153	(240,169)	420,984
Loss and total comprehensive loss for the financial period	-	(1,578)	(1,578)
Balance at 30 September 2017 (Unaudited)	661,153	(241,747)	419,406
Balance at 1 July 2016 (Unaudited)	661,153	(240,778)	420,375
Loss and total comprehensive loss for the financial period	-	(971)	(971)
Balance at 30 September 2016 (Unaudited)	661,153	(241,749)	419,404

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

	Number of shares	Issued and paid-up share capital
		RMB
As at 30 June 2017	1,818,444,000	661,152,648
As at 30 September 2017	1,818,444,000	661,152,648

There were no outstanding options, convertibles, treasury shares and subsidiary holdings as at 30 September 2017 and 30 September 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 September 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 September 2017	1,818,444,000	661,152,648

1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable. The Company did not have any treasury shares during and as at the end of the financial period reported on.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable. The Company did not have any subsidiary holdings during and as at the end of the financial 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 September 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 Sep 2017	(Unaudited) Group Three months ended 30 Sep 2016	(Unaudited) Group Nine months ended 30 Sep 2017	(Unaudited) Group Nine months ended 30 Sep 2016
Basic/ Diluted earnings per share (RMB fen)	0.67	0.03	2.35	0.35

EPS for the respective financial periods are computed based on the net profit attributable to equity holders of the Company and the weighted average number of the shares of 1,818,444,000.

The basic and diluted EPS are the same as there were no potentially dilutive ordinary shares outstanding during the respective financial periods.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-

- (a) current financial period reported on; and
- (b) immediately preceding financial year.

	(Unaudited) Group 30 Sep 2017	(Audited) Group 31 Dec 2016	(Unaudited) Company 30 Sep 2017	(Audited) Company 30 Dec 2016
Net asset value per ordinary share (RMB fen)	27.52	25.17	23.06	23.00

Net asset value per ordinary share as at 30 September 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

3Q2017

Revenues for 3Q2017 was RMB 233.3 million, a 61% increase from RMB 145.2 million in 3Q2016, mainly due to increases in both sales volume and selling price of DMF and Methylamine. Sales volumes of DMF and Methylamine in 3Q2017 were 18% and 20% higher than that of 3Q2016 respectively. Average selling price of DMF in 3Q2017 at RMB 4,921 per tonne, 25% higher than that of 3Q2016. Average selling price of methylamine in 3Q2017 at RMB 7,149 per tonne was 51% higher than that of 3Q2016. 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 decreased from 55% in 3Q2016 to 45% in 3Q2017, whilst capacity utilisation at the Anyang Jiutian methylamine plant increased from 77% in 3Q2016 to 81% in 3Q2017. There was a scheduled major maintenance shutdown of 30 days for both plants during the financial period ("**Scheduled Maintenance**").

Gross profit increased from RMB 8.8 million in 3Q2016 to RMB 26.0 million in 3Q2017 correspondingly with the increase in revenue, while gross profit margins increased from 6% in 3Q2016 to 11% in 3Q2017 mainly due to a higher selling price during the financial period.

Other income decreased by 58% from RMB 1.5 million in 3Q2016 to RMB 0.6 million in 3Q2017 mainly due to lower interest income, rental income and management fees received during the financial period.

Distribution costs increased by 24% to RMB 5.4 million in 3Q2017, 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 11% to RMB 6.5 million in 3Q2017 mainly due to higher staff and related cost incurred in subsidiary companies.

Share of results of associated companies mainly pertains to share of loss from Anyang Jiulong of RMB 0.8 million and from Anyang Jiujiu of RMB 0.1 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 metabisulfite and liquid sulphur dioxide. Anyang Jiulong suffered a financial loss mainly due to a significant increase in cost of raw material (dimethylamine and acetic acid) for DMAC. Loss from Anyang Jiujiu was mainly due to a scheduled maintenance shutdown of its plant of approximately 20 days during the financial period.

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 September 2017 was RMB 643.6 million, an increase of RMB 94.0 million from RMB 549.6 million as at 31 December 2016. The net increase was largely attributed to:

- a. An increase in cash and cash equivalents of RMB 79.9 million; and
- b. An increase in trade and other receivables of RMB 13.6 million mainly due to the increase in trade receivables of RMB 24.6 million as a result of lower collection, partially offset by a repayment of RMB 9.6 million from Anyang Jiujiu previously used for financing the project sodium hydrosulfite and repayment of RMB 1.4 million from a related party.

The Group's non-current assets decreased by RMB 1.5 million due largely to utilisation of deferred tax assets of RMB 3.6 million.

The Group's current liabilities as at 30 September 2017 was RMB 744.6 million, an increase of RMB 50.4 million from RMB 694.2 million as at 31 December 2016, largely attributed to:

- a. An increase in trade bills payables to banks of RMB 83.5 million as more suppliers opted for trade bills as a form of repayment; and
- b. Partially offset by (i) an overall decrease in trade payables of RMB 23.1 million in line with lower cost of sales in 3Q2017 as compared to 4Q2016 and repayment of bank borrowings of RMB 10.0 million.

Working Capital

As at 30 September 2017, current liabilities of the Group exceeds current assets by RMB 100.9 million attributable to the losses incurred in prior years. The Group believes that it will be able to repay its current liabilities as and when it falls due as a part of the Group's current liabilities are owing to its principal supplier and strategic partner, Anhua Group and to its associated company, Anyang Jiulong of RMB 114.5 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.

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)

Group's cash flow

Net cash used in operating activities of RMB 1.7 million in 3Q2017 was mainly due to lower collection of trade and other receivables during the financial period, partially offset by higher profit before changes in working capital recorded and a decrease in inventories during the financial period.

Net cash used in investing activities of RMB 26.5 million in 3Q2017 was mainly due to additions of plant and machinery during the Scheduled Maintenance and further advances given to the associated company, Anyang Jiujiu for working capital purposes.

Net cash generated from financing activities of RMB 28.8 million in 3Q2017 was mainly due to drawdown of bank borrowings during the financial period.

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.

After the scheduled maintenance shutdown of DMF and Methylamine facilities in August, we saw an improvement in our plants' efficiencies across the board. Barring any unforeseen circumstances and assuming a stable trend of product prices of DMF and Methylamine, the management expects the Group to remain profitable in 4Q2017.

Project updates

Anyang Jiujiu Chemical Technology Co., Ltd

Project sodium hydrosulfite (the "Project") is currently waiting for the approval of the production permit for the main product – sodium hydrosulfite. Barring unforeseen circumstances, the Group remains confident that commercial production of sodium hydrosulfite can start in 4Q2017, 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/recommended, a statement to that effect.

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

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transaction as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

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)
	9M2017	9M2017
Anyang Chemical Industry Group Co., Ltd	RMB 8.54 million	RMB 139.87 million
Anyang Jiulong Chemical Co., Ltd	Nil	RMB 115.66 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 third quarter ended 30 September 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: 13 November 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).