

JIUTIAN CHEMICAL GROUP LIMITED

(Company Registration Number: 200415416H)

Full Year Unaudited Financial Statement Announcement for the Financial Year Ended 31 December 2015.

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 31-Dec-15 RMB'000	Unaudited Group Three months ended 31-Dec-14 RMB'000	Increase/ (Decrease) %	Unaudited Group Twelve months ended 31-Dec-15 RMB'000	Unaudited Group Twelve months ended 31-Dec-14 RMB'000	Increase/ (Decrease) %
Revenue	155,196	255,948	-39	677,982	937,062	-28
Cost of sales	(159,574)	(241,734)	-34	(663,886)	(876,749)	-24
Gross (loss)/ profit	(4,378)	14,214	n/m	14,096	60,313	-77
Other income	179	(98)	n/m	6,882	4,819	43
Distribution costs	(2,990)	(4,584)	-35	(12,063)	(16,052)	-25
Administrative expenses	(7,544)	(7,447)	1	(26,547)	(23,846)	11
Other expenses	(820)	(3,270)	-75	(859)	(3,364)	-74
Finance costs	(1,626)	-	n/m	(1,955)	-	n/m
Share of results of associated companies	(873)	2,291	n/m	11,237	5,986	88
(Loss)/ profit before tax	(18,052)	1,106	n/m	(9,209)	27,856	n/m
Tax expense	(60)	(4,979)	n/m	778	(844)	n/m
(Loss)/ profit and total comprehensive (loss)/ income for the period	(18,112)	(3,873)	n/m	(8,431)	27,012	n/m
(Loss)/ profit and total comprehensive (loss)/ income for the period attributable to:						
Equity holders of the Company	(18,123)	(3,873)		(8,717)	27,012	
Non-controlling interest	11	*		286	*	
	(18,112)	(3,873)		(8,431)	27,012	

n/m – not meaningful

*amount below RMB1,000

(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 31-Dec-15 RMB'000	Unaudited Group Three months ended 31-Dec-14 RMB'000	Increase/ (Decrease) %	Unaudited Group Twelve months ended 31-Dec-15 RMB'000	Unaudited Group Twelve months ended 31-Dec-14 RMB'000	Increase/ (Decrease) %
(Loss) / profit before tax is arrived at after charging/(crediting):						
- Amortisation of deferred income	(16)	(16)	0%	(64)	(65)	-2%
- Amortisation of land use rights	233	234	0%	933	935	0%
- Depreciation of property, plant and equipment	7,871	7,687	0%	28,159	30,459	-8%
- (Gain)/ loss on disposal of property, plant and equipment	(984)	36	n/m	(984)	(245)	n/m
- Interest expense	906	-	n/m	1,235	-	n/m
- Interest income	(593)	(124)	n/m	(2,090)	(1,084)	93%
- Net loss on foreign exchange	73	173	-58%	112	201	-44%
- Overprovision of tax for prior year	-	-	n/m	(1,047)	-	n/m
- Property, plant and equipment written off	747	967	-23%	747	967	-23%
- (Reversal of) / allowances for doubtful receivables	(104)	431	n/m	(104)	2,023	n/m

n/m – not meaningful

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Unaudited Group 31-Dec-15 RMB'000	Group 31-Dec-14 RMB'000	Unaudited Company 31-Dec-15 RMB'000	Company 31-Dec-14 RMB'000
ASSETS				
<u>Current assets</u>				
Cash and cash equivalents	52,841	40,484	2,539	3,575
Trade and other receivables	366,035	525,892	62	63
Inventories	25,164	29,054	-	-
Total current assets	444,040	595,430	2,601	3,638
<u>Non-current assets</u>				
Land use rights	7,212	8,145	-	-
Property, plant and equipment	276,969	280,699	-	-
Investment in subsidiary companies	-	-	87,027	87,027
Investment in associated companies	353,448	342,211	339,709	339,709
Deferred tax assets	13,498	13,498	-	-
Total non-current assets	651,127	644,553	426,736	426,736
Total assets	1,095,167	1,239,983	429,337	430,374
LIABILITIES AND EQUITY				
<u>Current liabilities</u>				
Bank borrowings	15,000	-	-	-
Trade and other payables	544,602	746,069	5,974	1,212
Income tax payables	289	143	-	-
Total current liabilities	559,891	746,212	5,974	1,212
<u>Non-current liabilities</u>				
Bank borrowings	50,000	-	-	-
Deferred income	324	388	-	-
Total non-current liabilities	50,324	388	-	-
<u>Capital and reserves</u>				
Share capital	661,153	661,153	661,153	661,153
Accumulated losses	(203,987)	(195,270)	(237,790)	(231,991)
Equity attributable to equity holders of the Company	457,166	465,883	423,363	429,162
Non-controlling interests	27,786	27,500	-	-
Total equity	484,952	493,383	423,363	429,162
Total liabilities and equity	1,095,167	1,239,983	429,337	430,374

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

	<u>As at 31 December 2015</u>		<u>As at 31 December 2014</u>	
	<u>Secured</u>	<u>Unsecured</u>	<u>Secured</u>	<u>Unsecured</u>
	RMB'000	RMB'000	RMB'000	RMB'000
Bank borrowings	15,000	-	-	-

Amount repayable after one year

	<u>As at 31 December 2015</u>		<u>As at 31 December 2014</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	-	-	-

Details of any collaterals

As at 31 December 2015, RMB 15.00 million of the short-term borrowings was guaranteed by one of the Group's related party, Henan Energy and Chemical Co., Ltd ("HNEC"). In addition, property, plant and equipment with carrying value of RMB 60.00 million and a security deposit of RMB 3.00 million are pledged to HNEC for the corporate guarantee provided.

As at 31 December 2015, non-current borrowings amounted to RMB 50.00 million was guaranteed by one of the Group's related party, Anyang Chemical Industry Group Co., Ltd. ("Anhua").

Bills payable to banks

As at 31 December 2015, there are RMB 37.30 million in bills payable to banks. Bills payable to banks have an average 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 of bank deposits amounting of RMB 22.30 million.

As at 31 December 2014, there are RMB 8.40 million in bills payable to banks. Bills payable to banks have an average 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 of bank deposits amounting of RMB 8.81 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 31-Dec-15 RMB'000	(Unaudited) Group Three months ended 31-Dec-14 RMB'000	(Unaudited) Group Twelve Months ended 31-Dec-15 RMB'000	Group Twelve Months ended 31-Dec-14 RMB'000
Cash flows from operating activities				
(Loss)/ profit before tax	(18,052)	1,106	(9,209)	27,856
Adjustments for:				
Amortisation of deferred income	(16)	(16)	(64)	(65)
Amortisation of land use rights	233	234	933	935
Depreciation of property, plant and equipment	7,871	7,687	28,159	30,459
Gain/ (loss) on disposal of plant and equipment	(984)	36	(984)	(245)
Interest expense	906	-	1,235	-
Interest income	(593)	(124)	(2,090)	(1,084)
Property, plant and equipment written off	747	967	747	967
Share of results of associated companies	873	(2,291)	(11,237)	(5,986)
Unrealised exchange (gain)/ loss	(145)	178	(145)	178
Operating cash flows before movement in working capital	(9,160)	7,777	7,345	53,015
Inventories	7,188	14,675	3,891	14,918
Receivables	202,966	65,517	280,518	27,458
Payables	(224,605)	147,919	(347,109)	147,698
Cash (used in)/ generated from operations	(23,611)	235,888	(55,355)	243,089
Interest received	353	124	1,013	1,084
Income tax paid	20	(1,492)	(3,586)	(3,557)
Net cash (used in)/ generated from operating activities	(23,238)	234,520	(57,928)	240,616
Cash flows from investing activities				
Advances to asociated company	(5,489)	(42,307)	(5,489)	(42,307)
Purchase of property, plant and equipment (Note 1)	(6,140)	(20,434)	(16,451)	(42,125)
Proceed from disposal of property, plant and equipment	-	(36)	-	668
Repayment of/ (advances to) related parties	-	(20,162)	2,500	(20,162)
Net cash used in investing activities	(11,629)	(82,939)	(19,440)	(103,926)
Cash flows from financing activities				
Drawdown of bank borrowings	-	-	65,000	-
Decrease/(increase) in pledged bank deposits	27,213	5,000	(13,490)	34,190
Increase/(decrease) in bill payable to banks	(23,604)	(4,995)	28,905	(34,605)
Proceeds from issuance of ordinary shares in subsidiary company to non- controlling interests	-	27,500	-	27,500
Deposit paid to secured bank borrowings	(3,000)	-	(3,000)	-
Repayment to related parties	-	(159,746)	-	(159,746)
Interest paid	(906)	-	(1,235)	-
Net cash generated from/ (used in) financing activities	(297)	(132,241)	76,180	(132,661)
Net (decrease)/ increase in cash and cash equivalents	(35,164)	19,340	(1,188)	4,029
Cash and cash equivalents at beginning of period	65,650	12,577	31,674	27,888
Effect of exchange rate changes on cash and cash equivalents	55	(243)	55	(243)
Cash and cash equivalents at end of period	30,541	31,674	30,541	31,674
Cash and bank balances at end of period	52,841	40,484	52,841	40,484
Less: Pledged bank deposit	(22,300)	(8,810)	(22,300)	(8,810)
	30,541	31,674	30,541	31,674
Note 1:Purchase of property, plant and equipment				
Aggregate cost of property, plant and equipment acquired	6,390	6,566	25,357	15,257
Add: outstanding payables at the beginning of the period	5,538	5,080	5,552	18,080
Less: outstanding payables at the end of the period	(7,443)	(5,552)	(7,443)	(5,552)
Add: advance payments at the end of the period	7,325	14,340	7,325	14,340
Less: advance payments at the beginning of the period	(5,670)	-	(14,340)	-
	6,140	20,434	16,451	42,125

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 January 2015	661,153	(195,270)	465,883	27,500	493,383
(Loss)/ profit and total comprehensive (loss)/ income for the year	-	(8,717)	(8,717)	286	(8,431)
Balance at 31 December 2015	661,153	(203,987)	457,166	27,786	484,952
Balance at 1 January 2014	661,153	(222,282)	438,871	-	438,871
Profit and total comprehensive income for the year	-	27,012	27,012	-	27,012
Incorporation of new subsidiary company	-	-	-	27,500	27,500
Balance at 31 December 2014	661,153	(195,270)	465,883	27,500	493,383

	Share capital	Accumulated losses	Total equity
	RMB'000	RMB'000	RMB'000
<u>Company</u>			
Balance at 1 January 2015	661,153	(231,991)	429,162
Loss and total comprehensive loss for the year	-	(5,799)	(5,799)
Balance at 31 December 2015	661,153	(237,790)	423,363
Balance at 1 January 2014	661,153	(224,446)	436,707
Loss and total comprehensive loss for the year	-	(7,545)	(7,545)
Balance at 31 December 2014	661,153	(231,991)	429,162

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 also the number of shares that may be issued on conversion of all the outstanding convertibles as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares 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.

	Number of shares	Resultant issued and paid-up share capital S\$	Resultant issued and paid-up share capital RMB
As at 31 December 2014	1,818,444,000	133,854,092	661,152,648
As at 31 December 2015	1,818,444,000	133,854,092	661,152,648

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 31 December 2015 and 31 December 2014. The total number of issued shares of the Company are:

	Number of shares	Resultant issued and paid-up share capital S\$	Resultant issued and paid-up share capital RMB
As at 31 December 2014	1,818,444,000	133,854,092	661,152,648
As at 31 December 2015	1,818,444,000	133,854,092	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.

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 Note 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 2014.

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 2015, where applicable. The adoption of these standards has no material impact on the Group's financial statements.

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 31-Dec-15	Unaudited Group Three months ended 31-Dec-14	Unaudited Group Twelve months ended 31-Dec-15	Unaudited Group Twelve months ended 31-Dec-14
(Loss) / profit per ordinary share for the financial period based on consolidated (loss) / profit attributable to equity holders of the Company :				
(a) Basic / Diluted (Rmb fen)	(1.00)	(0.21)	(0.48)	1.49
(a) Based on the weighted average number of shares - Basic / Diluted	1,818,444,000	1,818,444,000	1,818,444,000	1,818,444,000

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

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

	Unaudited Group 31-Dec-15 RMB fen	Unaudited Group 31-Dec-14 RMB fen	Unaudited Company 31-Dec-15 RMB fen	Unaudited Company 31-Dec-14 RMB fen
Net asset value per share	25.14	25.62	23.28	23.60

Net asset value per share for 31 December 2015 and 31 December 2014 have been computed based on shareholder's equity as at this date and total issued ordinary share capital of 1,818,444,000 shares.

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

FY2015

Revenue in FY2015 decreased 28% from RMB 937.06 million in FY2014 to RMB 677.98 million. The decrease mainly due the challenging market condition which has impacted sales volume and average selling price. Capacity utilisation at the Anyang Jiutian DMF plant and methylamine plant with annual capacity of 150,000 tons decreased from 73% and 100% in FY2014 to 62% and 88% in FY2015 respectively.

The average selling price of DMF and methylamine for the period under review were RMB 3,489 and RMB 4,440 per tonne respectively (FY2014: RMB 4,266 and RMB 5,393 per tonne).

The gross profit reduced from RMB 60.31 million in FY2014 to RMB 14.10 million in FY2015. The decrease in gross profit mainly due to:-

- i) Decrease in selling price; and
- ii) Decrease in sales volume.

Other income increased 43% or RMB 2.06 million in FY2015 due mainly to increase in gain on disposal of property, plant and equipment amounted to RMB 0.98 million and interest income generated from advances to related parties RMB 1.08 million.

Distribution costs decreased 25% to RMB 12.06 million in FY2015 was in line with the decrease of sales volume of DMF and methylamine. Compare to FY2014, the sales volume decreased by 18%. In additions, more customers prefer to use their own transportation which resulted the decrease in transportation cost.

Administrative expenses increased by 11% or RMB 2.70 million against FY2014 mainly due to:

- a) costs incurred by new subsidiaries (Henan Herunsheng Isotope Technology Co., Ltd. and Xinjiang Jiutian Energy Technology Co., Ltd.) which were incorporated in 4Q2014; and
- b) increase in administrative staff cost.

Other expenses mainly comprise of property, plant and equipment written off and foreign exchange loss. Decreased by 74% or RMB 2.51 million against FY2014 mainly due to no allowances for doubtful debts was recognised in FY2015.

Finance costs consist of interest expenses and other charges arose from bank borrowings.

Share of results of associated companies mainly pertains to share of results of Anyang Jiulong which revenue generated from producing and selling of industrial steam and electricity.

Tax credit of RMB 0.78 million mainly consists of overprovision of income tax expenses in FY2014 amounted to RMB 1.05 million in Anyang Jiutian offset with current year provision of RMB 0.27 million.

As a result, the Group registered a net loss attributable to equity holders of the Company of RMB 8.72 million against a net profit of RMB 27.01 million in FY2014.

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 (cont'd)

4Q2015

Revenue for 4Q2015 was RMB 155.19 million, 39% below 4Q2014 of RMB 255.95 million. Average selling price of DMF in 4Q2015 at RMB 3,354 per tonne was 26.75% lower than 4Q2014. Average selling price of methylamine in 4Q2015 at RMB 4,729 per tonne was 21.14% lower than 4Q2014.

At the gross profit level, the Group was suffering gross losses in 4Q2015 mainly attributable to the worsening market conditions in the 4Q2015 which impacted both sales volumes and average selling prices of our products.

Other income mainly consists of interest income and gain on disposal of plant and equipment.

Distribution costs decreased 35% to RMB 2.99 million in 4Q2015 which was in line with the decrease of sales volume of DMF. In additions, more customers prefer to use their own transportation which resulted the decrease in transportation cost.

There was no material changes on administrative expenses against 4Q2014.

Other expenses mainly consists of property, plant and equipment written off and foreign exchange loss arose from certain monetary assets in holding company denominated in Singapore Dollars for current period.

Finance costs consist of interest expenses and related charges arose from bank borrowings.

Share of results of associated companies mainly pertains to share of results of Anyang Jiulong which revenue generated from producing and selling of industrial steam and electricity. Share of Anyang Jiulong 4Q2015 result was lower than 4Q2014 due to lower utilisation of its industrial steam and electricity.

Tax expense of RMB 0.06 million mainly consists of income tax expense arose from interest income.

As a result, the Group registered a net loss attributable to equity holders of the Company of RMB 18.12 million against RMB 3.87 million in 4Q2014.

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:

Group's current assets as at 31 December 2015 was RMB 444.04 million, decreased of RMB 151.39 million relative to that as at 31 December 2014. The net decrease was largely attributed to:

- a. decrease of trade and other receivables by RMB 159.86 million, being decrease in trade receivables of RMB 105.32 million as reduction in revenue, receipt of repayment of RMB 2.50 million from advance to a related party and transfer of amount owing by Anyang Jiujiu to offset the trade payable to Anyang Jiulong amounted to RMB 51.66 million;
- b. the decrease being partially offset against increase in cash and cash equivalents by RMB 12.36 million from RMB 40.48 million as at 31 December 2014 to RMB 52.84 million due to net cash generated from financing activities; and
- c. Inventories decreased by RMB 3.89 million.

Group's non-current assets increased by RMB 6.58 million due largely to:

- a. share of current period results of associated companies, Anyang Jiulong and Anyang Jiujiu amounted to RMB 11.24 million; and
- b. Additions of property, plant and equipment amounted to RMB 25.36 million and partially offset against the current period depreciation and amortisation charges for property, plant and equipment and land use rights totaling RMB 29.09 million.

Group's current liabilities as at 31 December 2015 was RMB 559.89 million, a decrease of RMB 186.32 million relative to that as at 31 December 2014. The net decrease was largely attributed to:

- a. Decrease in trade payables of RMB 226.23 million relative to 31 December 2014.
- b. The decrease was partially offset against the increase of bill payable to banks of RMB 28.91 million and bank borrowings of RMB 15.00 million.

Group's non-current liabilities as at 31 December 2015 was RMB 50.32 million, a increase of RMB 49.93 million mainly due to obtained a long term bank borrowings of RMB 50.00 million.

Net asset value as at 31 December 2015 was RMB 484.95 million, RMB 8.43 million lower than the net asset value as at 31 December 2014 of RMB 493.38 million. This was largely attributed to the loss suffered for the 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 (cont'd)

Group's balance sheet (cont'd):

Current liabilities of the Group as at 31 December 2015 exceeded its current assets by RMB 115.85 million attributable to the continuing losses in current year and 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 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 RMB 231.02 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.

Company's balance sheet:

Company's current assets decreased by RMB 1.04 million during the financial period mainly due to the head office expenses incurred during the financial period and being partially offset against receipt of an advance from the major shareholder (Anyang Longyu (HK) Development Co., Ltd.) amounted to RMB 4.60 million (equivalent to SGD 1.00 million).

Company's current liabilities increased by RMB 4.76 million during the financial period mainly due to the advance from the major shareholder.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable

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.

The Group's performance for FY 2016 will continue to be affected by:

- i) Weaker demand for chemical products in China, including DMF and methylamine; and
- ii) General slowdown in China's economy

In view of the above, the business environment will likely remain challenging for the rest of the year. The Group will continue to focus on improving productivity and keeping costs under control.

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)
	4Q2015	4Q2015
Anyang Chemical Industry Group Co., Ltd	RMB 95.00 million ¹	RMB 47.77 million
Anyang Jiulong Chemical Co., Ltd	Nil	RMB 34.15 million
Anyang Guolong	RMB 95.00 million ¹	Nil

Note 1 – During the financial year, the Group received an interest-free advance with no terms of repayment from Anyang Guolong, a wholly owned subsidiary of Anyang Chemical Industry Group Co., Ltd, a controlling shareholder of the Group, amounting to RMB 95.00 million for working capital purposes. During the financial year, Anyang Chemical Industry Group Co., Ltd then repaid the RMB 95.00 million to Anyang Guolong on behalf of the Company. (collectively the “Anhua Advances”). The Anhua Advances were fully repaid during the financial year.

While the Anhua Advances were conducted outside of the general mandate, the Audit Committee notes that the Anhua Advances were conducted for the benefit of the Group and for use as general working capital. The Anhua Advances were interest free and there is no amount at risk to the Group.

The Board wishes to note that while the Anhua Advances were made within the financial year, the same were accidentally omitted and not disclosed in prior financial results within FY2015. The Audit Committee upon being notified of the Anhua Advances took immediate actions to include details of the Anhua Advances in this current announcement.

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

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

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

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

See paragraph 14 above.

16. A breakdown of sales

The following table shows the breakdown of sales and net profit during the first and second halves of FY2015 and FY2014.

Group	FY2015 RMB'000	FY2014 RMB'000	% increase / (decrease)
a) Sales reported for first half year	390,550	459,784	(15.06)
b) Net profit attributable to the Group for the first half year	12,424	25,234	(50.76)
c) Sales reported for second half year	287,432	477,278	(39.78)
d) Net (loss)/profit attributable to the Group for the second half year	(20,855)	1,778	n/m

n/m - not meaningful

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

Total Annual Dividend

	Latest Full Year	Previous Full Year
	\$'000	\$'000
Ordinary	NIL	NIL

18. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704 (13). If there are no such persons, the issuer must make an appropriate negative statement.

Pursuant to Listing Rule 704(13) of the Listing Manual, we confirm that there are no persons occupying managerial positions in the Company or any of its principal subsidiaries who is a relative of a director, chief executive officer or substantial shareholder of the Company.

19. Confirmation Pursuant to Rule 720(1) of the Listing Manual

Jiutian Chemical Group Limited confirms that undertakings under Rule 720(1) have been obtained from all its directors and executive officers in the format set out in Appendix 7.7.

BY ORDER OF THE BOARD

Name: Sun Zhiqiang
Designation: Acting Chief Executive Officer
Date: 23 February 2016