

JIUTIAN CHEMICAL GROUP LIMITED

(Company Registration Number: 200415416H)

Unaudited Financial Statement Announcement for the Quarter Ended 31 March 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 31-Mar-17 RMB'000	Unaudited Group Three months ended 31-Mar-16 RMB'000	Increase/ (Decrease) %
Revenue	270,629	149,220	81
Cost of sales	(251,116)	(138,318)	82
Gross profit	19,513	10,902	79
Other income	470	1,069	(56)
Distribution costs	(6,384)	(2,086)	206
Administrative expenses	(6,621)	(5,882)	13
Other expenses	(96)	(480)	(80)
Finance costs	(1,369)	(1,338)	2
Share of result of associated companies	326	(917)	n/m
Profit before tax	5,839	1,268	360
Tax expense	(98)	-	n/m
Profit and total comprehensive income for the period	5,741	1,268	353
Profit/ (loss) and total comprehensive income/ (loss) for the period attributable to:			
Equity holders of the Company	6,231	1,379	
Non-controlling interest	(490)	(111)	
	5,741	1,268	

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 31-Mar-17 RMB'000	Unaudited Group Three months ended 31-Mar-16 RMB'000	<i>Increase/ (Decrease)</i> %
Profit before tax is arrived at after charging/(crediting):			
Amortisation of deferred income	(16)	(17)	(6)
Amortisation of land use rights	233	234	(0)
Depreciation of property, plant and equipment	7,242	6,843	6
Interest expenses	1,369	1,338	2
Interest income	(172)	(28)	514
Net loss on disposal of property, plant and equipment	-	321	n/m
Net loss on foreign exchange	88	159	(45)
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 31-Mar-17 RMB'000	Audited Group 31-Dec-16 RMB'000	Unaudited Company 31-Mar-17 RMB'000	Audited Company 31-Dec-16 RMB'000
ASSETS				
<u>Current assets</u>				
Cash and cash equivalents	20,757	29,608	876	2,288
Trade and other receivables	588,190	498,323	67	81
Inventories	18,913	21,628	-	-
Total current assets	627,860	549,559	943	2,369
<u>Non-current assets</u>				
Land use rights	6,045	6,278	-	-
Property, plant and equipment	303,867	307,988	-	-
Investment in subsidiary companies	-	-	87,027	87,027
Investment in associated companies	352,638	352,312	339,709	339,709
Deferred tax assets	13,498	13,596	-	-
Total non-current assets	676,048	680,174	426,736	426,736
Total assets	1,303,908	1,229,733	427,679	429,105
LIABILITIES AND EQUITY				
<u>Current liabilities</u>				
Bank borrowings	30,000	70,000	-	-
Trade and other payables	732,344	623,894	11,060	10,897
Income tax payables	269	269	-	-
Total current liabilities	762,613	694,163	11,060	10,897
<u>Non-current liabilities</u>				
Bank borrowings	50,000	50,000	-	-
Deferred income	243	259	-	-
Total non-current liabilities	50,243	50,259	-	-
<u>Capital and reserves</u>				
Share capital	661,153	661,153	661,153	661,153
Accumulated losses	(197,170)	(203,401)	(244,534)	(242,945)
Equity attributable to equity holders of the Company	463,983	457,752	416,619	418,208
Non-controlling interests	27,069	27,559	-	-
Total equity	491,052	485,311	416,619	418,208
Total liabilities and equity	1,303,908	1,229,733	427,679	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 31 March 2017</u>		<u>(Audited)</u> <u>As at 31 December 2016</u>	
	<u>Secured</u>	<u>Unsecured</u>	<u>Secured</u>	<u>Unsecured</u>
	RMB'000	RMB'000	RMB'000	RMB'000
Bank borrowings	30,000	-	70,000	-

Amount repayable after one year

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

As at 31 March 2017 and 31 December 2016, RMB 30 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 million and a security deposit of RMB 3 million were pledged to HNEC for the aforementioned corporate guarantee provided.

As at 31 March 2017 and 31 December 2016, non-current borrowings amounted to RMB 50 million was guaranteed by one of the Group's related party, Anhua.

Bills payable to banks

As at 31 March 2017, there were RMB 14 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 bank deposits amounting of RMB 14 million.

As at 31 December 2016, there were RMB 15.5 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 bank deposits amounting of 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 31-Mar-17 RMB'000	(Unaudited) Group Three months ended 31-Mar-16 RMB'000
Cash flows from operating activities		
Profit before tax	5,839	1,268
Adjustments for:		
Amortisation of deferred income	(16)	(17)
Amortisation of land use rights	233	234
Depreciation of property, plant and equipment	7,242	6,843
Interest expense	1,369	1,338
Interest income	(172)	(28)
Net loss on disposal of plant and equipment	-	321
Property, plant and equipment written off	8	-
Share of result of associated companies	(326)	917
Operating cash flows before movement in working capital	<u>14,177</u>	10,876
Inventories	2,715	5,156
Receivables	(86,498)	8,683
Payables	<u>109,919</u>	(30,299)
Cash generated from /(used in) operations	40,313	(5,584)
Interest received	172	28
Net cash generated from/(used in) operating activities	<u>40,485</u>	(5,556)
Cash flows from investing activities		
Advances to associated company	(3,369)	(46,123)
Purchase of property, plant and equipment (Note 1)	(3,129)	(2,508)
Proceed from disposal of property, plant and equipment	-	21
Repayment of advances to related parties	-	1,000
Net cash used in investing activities	<u>(6,498)</u>	(47,610)
Cash flows from financing activities		
(Decrease)/ increase in bank borrowings	(40,000)	40,000
Decrease/(increase) in pledged bank deposits	1,469	(16,000)
(Decrease)/ increase in bill payables to bank	(1,469)	16,000
Interest paid	(1,369)	(1,338)
Net cash (used in)/ generated from financing activities	<u>(41,369)</u>	38,662
Net decrease in cash and cash equivalents	(7,382)	(14,504)
Cash and cash equivalents at beginning of period	<u>14,108</u>	30,541
Cash and cash equivalents at end of period	<u>6,726</u>	16,037
Cash and bank balances at end of period	20,757	54,337
Less: Pledged bank deposit	<u>(14,031)</u>	(38,300)
	<u>6,726</u>	16,037
Note 1:Purchase of property, plant and equipment		
Aggregate cost of property, plant and equipment acquired	3,129	1,188
Add: outstanding payables at the beginning of the period	19,316	7,443
Less: outstanding payables at the end of the period	(19,316)	(7,443)
Add: advance payments at the end of the period	-	8,645
Less: advance payments at the beginning of the period	-	(7,325)
	<u>3,129</u>	2,508

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 2017 (Audited)	661,153	(203,401)	457,752	27,559	485,311
Profit/(loss) and total comprehensive income/(loss) for the financial period	-	6,231	6,231	(490)	5,741
Balance at 31 March 2017 (Unaudited)	<u>661,153</u>	<u>(197,170)</u>	<u>463,983</u>	<u>27,069</u>	<u>491,052</u>
Balance at 1 January 2016 (Audited)	661,153	(203,987)	457,166	27,786	484,952
Profit/(loss) and total comprehensive income/(loss) for the financial period	-	1,379	1,379	(111)	1,268
Balance at 31 March 2016 (unaudited)	<u>661,153</u>	<u>(202,608)</u>	<u>458,545</u>	<u>27,675</u>	<u>486,220</u>

	Share capital	Accumulated losses	Total equity
	RMB'000	RMB'000	RMB'000
<u>Company</u>			
Balance at 1 January 2017 (Audited)	661,153	(242,945)	418,208
Loss and total comprehensive loss for the financial period	-	(1,589)	(1,589)
Balance at 31 March 2017 (Unaudited)	<u>661,153</u>	<u>(244,534)</u>	<u>416,619</u>
Balance at 1 January 2016 (Audited)	661,153	(237,790)	423,363
Loss and total comprehensive loss for the financial period	-	(1,346)	(1,346)
Balance at 31 March 2016 (unaudited)	<u>661,153</u>	<u>(239,136)</u>	<u>422,017</u>

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	Issued and paid-up share capital
		RMB
As at 31 December 2016	1,818,444,000	661,152,648
As at 31 March 2017	1,818,444,000	661,152,648

There were no outstanding options, convertibles and treasury shares as at 31 March 2017 and 31 March 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 31 March 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 31 March 2017	1,818,444,000	661,152,648

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

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

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 31 March 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 31-Mar-17	(Unaudited) Group Three months ended 31-Mar-16
(a) Basic / Diluted earnings per share (Rmb fen)	0.34	0.08
(a) Based on the weighted average number of shares	1,818,444,000	1,818,444,000

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 diluted EPS and basic EPS are the same as there were no potentially dilutive securities outstanding as at 31 March 2017 and 31 March 2016.

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-Mar-17 RMB fen	(Audited) Group 31-Dec-16 RMB fen	(Unaudited) Company 31-Mar-17 RMB fen	(Audited) Company 31-Dec-16 RMB fen
Net asset value per ordinary share	25.52	25.17	22.91	23.00

Net asset value per ordinary share for 31 March 2017 and 31 December 2016 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

1Q2017

Revenues for 1Q2017 was RMB 270.63 million, a 81% increase from 1Q2016 of RMB 149.22 million, mainly due to increases in both sales volume and selling price of DMF and Methylamine. The sales volume of DMF and Methylamine in 1Q2017 were 60% and 21% higher than that of 1Q2016 respectively. Average selling price of DMF in 1Q2017 at RMB 5,470 per tonne was 39% higher than 1Q2016. Average selling price of methylamine in 1Q2017 at RMB 6,659 per tonne was 32% higher than 1Q2016.

Capacity utilisation at the Anyang Jiutian DMF plant increased from 41% in 1Q2016 to 70% in 1Q2017, while capacity utilisation at the Anyang Jiutian methylamine plant increased from 80% in 1Q2016 to full capacity in 1Q2017.

Gross profit increased from RMB 10.90 million in 1Q2016 to RMB 19.51 million in 1Q2017 in line with the increase in revenue, while gross profit margins remained relatively stable at 7.2% for 1Q2017.

Other income mainly consists of interest income, management fees and rental income. Other income decreased by 56% from RMB 1.07 million in 1Q2016 to RMB 0.47 million in 1Q2017 mainly due to an absence of a reversal of overprovision for interest income from a related party of RMB 0.31 million present in FY2016 and lower management fees received during the financial period.

Distribution costs increased by 206% to RMB 6.39 million in 1Q2017, 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 mainly consist of rental expense, administrative staff cost, depreciation charges, audit fees, secretarial fees, listing fees, annual report printing fees, office expenses, travelling fees and property tax. Administrative expenses increased by 13% to RMB 6.62 million in 1Q2017 mainly due to higher staff cost incurred for Henan Herunsheng Isotope Technology Co., Ltd which commenced its trial production in December 2016.

Other expenses for 1Q2017 mainly consists of foreign exchange gains amounting to RMB 0.09 million arising from the revaluation of certain monetary assets and liabilities denominated in Singapore dollars and plant and equipment written off of RMB 0.08 million.

Finance costs mainly arose from bank borrowings and remained relatively stable despite a decrease in bank borrowings due to the timing of the drawdown of borrowings in 1Q2016 and its repayment in 1Q2017. Barring any changes, finance costs are expected to decrease in 2Q2017.

Share of results of associated companies mainly pertains to the share of results from Anyang Jiulong which generated revenue from the production and sales of industrial steam and electricity. Loss sharing from associated companies in 1Q2016 was mainly due to a temporary operations shutdown of a boiler for repair and maintenance.

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)

1Q2017

Tax expense in 1Q2017 mainly arose on the deferred tax assets reversal on temporary differences. There was no tax expense in 1Q2016 mainly due to the Group having unutilised tax losses arose from tax losses incurred in FY2015.

As a result, the Group registered a net profit attributable to equity holders of the Company of RMB 6.23 million in 1Q2017 against RMB 1.38 million in 1Q2016.

Commentaries on balance sheet and cash flow

Group's balance sheet:

The Group's current assets as at 31 March 2017 was RMB 627.86 million, an increase of RMB 78.30 million relative from RMB 549.56 million as at 31 December 2016. The net increase was largely attributed to:

- a. An increase in trade and other receivables of RMB 89.87 million mainly due to the increase of advances of RMB 3.37 million to Anyang Jiujiu Chemical Technology Co., Ltd ("Anyang Jiujiu") for the repayment of Anyang Jiujiu's payables to third parties relating to the construction of its plants and the increase in trade receivables of RMB 86.50 million in line with the increase in 1Q2017 revenue; and
- b. Partially offset by (i) a decrease in cash and cash equivalents of RMB 8.85 million from RMB 29.61 million as at 31 December 2016 to RMB 20.76 million as at 31 March 2017 due largely to cash used in investing and financing activities as presented in the cash flow statements; and (ii) a decrease in inventories of RMB 2.72 million due largely to higher sales volume in 1Q2017.

The Group's non-current assets decreased by RMB 4.13 million due largely to:

- a. The decrease in property, plant and equipment of RMB 4.12 million comprising mainly of depreciation charges of RMB 7.24 million, offset by purchase of property, plant and equipment of RMB 3.13 million; and
- b. Partially offset by share of profit from associated companies of RMB 0.33 million.

The Group's current liabilities as at 31 March 2017 was RMB 762.61 million, an increase of RMB 68.45 million compared to that as at 31 December 2016. The net increase was largely attributed to:

- a. Increase in gross trade and other payables of RMB 109.92 million in line with higher cost of sales in 1Q2017; and
- b. Partially offset by decrease in trade bills payables to banks of RMB 1.47 million as fewer suppliers opted for trade bills as repayment and repayment of bank borrowings of RMB 40.00 million.

Net asset value as at 31 March 2017 was RMB 491.05 million, an increase of RMB 5.74 million from net asset value of RMB 485.31 million as at 31 December 2016, largely attributed to the profit generated by the Group for 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 (cont'd)

Group's balance sheet:

Current liabilities of the Group as at 31 March 2017 exceeded current assets by RMB 134.75 million attributable to the losses incurred in prior years. Despite the negative working capital, the Group believes that it will be able to repay its current liabilities as and when it fall due. As a 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 199.92 million, the Group has obtained continued financial support from Anhua and Anyang Jiulong, which had agreed to defer payments of trade payables owing to them till Anyang Jiutian is able to settle its other liabilities.

With the continued financial support from Anhua Group and Anyang Jiulong, the Board believes that the Group will be able to operate as a going concern, despite the negative working capital.

Group's cash flow

Net cash generated from operating activities of RMB 40.48 million in 1Q2017 as compared to net cash used in operating activities of RMB 5.56 million in 1Q2016 was mainly due to (i) higher profit before changes in working capital recorded in 1Q2017; and (ii) increase in trade and other payables. This was partially offset by the increase in trade and other receivables in 1Q2017.

Net cash used in investing activities of RMB 6.50 million in 1Q2017 as compared to net cash used in investing activities of RMB 47.61 million in 1Q2016 was mainly due to lower of advances provided to the associated company, Anyang Jiujiu.

Net cash used in financing activities of RMB 41.37 million in 1Q2017 as compared to net cash generated from financing activities of RMB 38.66 million in 1Q2016 was mainly due to a repayment of bank borrowings of RMB 40.00 million in 1Q2017 as compared to a drawdown of bank borrowings of RMB 40.00 million in 1Q2016.

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.

Anyang Jiutian Fine Chemical Co., Ltd

The Company's performance continues to be affected by: (i) weak demand of chemical products in China including DMF and methylamines; and (ii) general slowdown in China's economy.

As the business environment will likely remain challenging, the Group needs to stay vigilant and monitor the market condition closely, adapting its business strategies as and when appropriate.

Anyang Jiujiu Chemical Technology Co., Ltd

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

Henan Herunsheng Isotope Technology Co., Ltd

The construction of the main production facilities for the manufacture of Oxygen 18 and deuterium depleted water have been substantially completed in December 2016. Trial production is currently in progress and barring any unforeseen circumstances, the facilities are expected to commence commercial production at the end of FY2017. The Company will update shareholders once the facilities commence commercial production.

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)
	1Q2017	1Q2017
Anyang Chemical Industry Group Co., Ltd	Nil	RMB 54.09 million
Anyang Jiulong Chemical Co., Ltd	Nil	RMB 40.67 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 first quarter ended 31 March 2017 to be false or misleading in any material respect.

19. 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: 27 April 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 Catalyst.

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 Thomas Lam, Associate Director, at 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, telephone (65) 6229 8088.