

News release

Jiutian reported net loss of RMB6.56 million in 1Q2019

Jiutian Chemical Group Limited (“Jiutian”) reported a net loss of RMB 6.56 million for the financial period ended 31 March 2019 (“1Q2019”), reversing from a RMB 22.24 million net profit in the same period last year.

The losses are mainly due to decline in profit margins resulted from decrease in products prices, coupled with the share of losses of an associated company mainly due to low production level of the sodium hydrosulfite facility arising from strict industry-wide environmental controls and poor product prices.

Jiutian’s Chairman, Han Lianguo, said, “We are disappointed to report a net loss in 1Q2019, with our main products of DMF and methylamine starting to face margin squeeze arising from weaker demand for chemical products in general. The hydrosulfite project continued to register significant losses, and we are taking various measures including cost-cutting, working with other key producers to lobby the environmental authorities to reduce unplanned stoppage, widening customer base and exploring export opportunities, with a view to improving the project’s performance for the coming quarters. On a macro front, the trade frictions between China and the United States have not been resolved, resulting in significant uncertainties to China's economy. Management will monitor the market condition closely, adapting its business strategies as and when appropriate.”

This press release is to be read in conjunction with the Company’s first quarter results announcement released on SGXNET on 25 April 2019.

This press release 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 press release.

This press release has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this press release including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this press release .

The contact person for the Sponsor is Ms Gillian Goh, Director, Head of Continuing Sponsorship (Mailing Address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318 and E-mail: sponsorship@ppcf.com.sg).