

**News release**

**Jiutian's net loss of RMB228.69 million in FY2019**

Jiutian Chemical Group Limited (“Jiutian”) reported a net loss of RMB 228.69 million for the financial year ended 31 December 2019 (“FY2019”), reversing from a RMB 20.95 million net profit in last year.

88% of the losses are related to material impairment for the Group's associated company, Anyang Jiujiu Chemical Technology Co., Ltd's Sodium Hydrosulfite plant (the “Plant”), arising from the periodic assessment of the recoverable amounts based on expected future cash flows of the Plant. The performance of the Plant has been impacted by a combination of economic and industry factors including China-US trade war causing a general slowdown in China’s economy, resulting in weaker demand for Sodium Hydrosulfite; and strict industry-wide environmental control policies causing unplanned stoppages, resulting in low production volume and higher production cost.

Jiutian’s Chairman, Han Lianguo, said, “We were disappointed to report a significant loss in FY2019, after reporting 3 years of continuous profit from FY2016. The Sodium Hydrosulfite Plant continued to register significant losses for reasons mentioned above, and we have taken 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 in the past two years. Management has also started exploring the possibility of modifying part of the facilities to produce other more profitable products with the permission of regulatory authorities. The 2019 Novel Coronavirus (COVID-19) epidemic has slowed down our effort to modify part of the Plant, resulting in uncertainties in the future performance of the Plant.

In view of the above, the Board decided to provide impairment for the Plant. We have taken a prudent approach in preparing the expected cash flows of the Plant, resulting in a significant impairment recorded in FY2019. ”

*This press release has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor") in accordance with Rules 226(2)(b) and 753(2) of the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalist.*

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