

News release

- **Jiutian recorded first quarterly loss in 1Q2023, after reporting 12 continuous quarters of profits from 1Q2020**
- **Notwithstanding, the Company is proposing an interim dividend of SGD 0.009 per ordinary share, an increase of 20% over the corresponding interim dividend of FY2022**

The Board of Directors of Jiutian Chemical Group Limited (“**Jiutian**”) wishes to announce that after 3 years of profits from FY2020, the Group has recorded a loss of RMB 111 million in 1Q2023. The sharp turn in financial performance was mainly due to a significant downward correction of product prices across all main products of the Group. The average selling prices of Dimethylformamide (“**DMF**”) and Methylamine were 11% and 46% lower than preceding quarter, 4Q2022, and were 66% and 65% lower than the corresponding quarter, 1Q2022. The drop in prices, which started in 4Q2022, were mainly due to the twin impact of industry wide softening of demand and addition of new capacity by our new main competitor, Jiangxi Xinlianxin Chemical Industry Co., Ltd., which has a total DMF capacity of 200,000 tons per year as compared to Jiutian’s total production capacity of 150,000 tons per year.

Jiutian’s Chairman, Han Lianguo, said, “We regret to announce our first quarterly loss in 1Q2023 after 3 years of continuous profits from FY2020. This was despite our efforts to contain the losses, against a very difficult market of industry wide softening demand and increased supply. Going forward, we will monitor the market dynamics very carefully and will adjust production volume when necessary to achieve optimal financial performance, while continuing supply to long term customers and protect the market share.

Notwithstanding the challenging year ahead, the Board has decided to continue rewarding our shareholders where possible. I am therefore pleased to announce that we are proposing an interim dividend of SGD 0.009 per ordinary share for FY2023, an increase of 20% over corresponding interim dividend in FY2022. This is consistent with the Board’s intention to maintain the stability and sustainability of dividend distribution, taking into consideration both the long-term needs of the Company and the interest of all shareholders.”

This announcement has been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte.Ltd. (the "Sponsor"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "Exchange") and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.

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