

**RESPONSES TO SHAREHOLDERS' QUESTIONS RELATED TO 20<sup>th</sup> ANNUAL GENERAL MEETING TO BE HELD ON 25 APRIL 2025**

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The Board of Directors (the “**Board**”) of Jiutian Chemical Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) would like to thank shareholders for submitting their questions in advance of the Company’s Annual General Meeting to be held at Voco Orchard Singapore, Panorama 2, Level 24, 581 Orchard Road, Singapore 238883 on Friday, 25 April 2025 at 10.00 a.m.

The Company would like to inform shareholders that the responses to all questions which have been submitted by shareholders prior to the deadline are published in this announcement.

Please refer to the Appendix I of this announcement for details.

**BY ORDER OF THE BOARD**

Xu Aijun

Non-executive and Non-independent Chairman

17 April 2025

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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 announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Ms Lim Hui Ling, 16 Collyer Quay, #10-00 Collyer Quay Centre, Singapore 049318, sponsorship@ppcf.com.sg.

### Appendix I – Question From Shareholders

- 1) Please explain whether there is any impact to Jiutian with the imposition of high tariffs by the U.S. on China.

#### Q1 Response:

The Board of Directors wishes to clarify that the Group's wholly owned and primary operating subsidiary, Anyang Jiutian Fine Chemical Co., Ltd. ("**Anyang Jiutian**"), is a coal-based fine chemical producer based in China, focused on the manufacture of dimethylformamide ("**DMF**") and methylamine for the domestic Chinese market.

Anyang Jiutian does not engage in export activities to the United States or other overseas markets. As such, the recently announced U.S. tariff measures on Chinese goods **have no direct impact** on Anyang Jiutian's sales or operations.

While the Group's sales are domestic, it is noted that certain downstream customers may rely on export markets for their end products. Accordingly, the Group remains mindful of potential indirect impacts stemming from broader global trade developments.

### Appendix I – Question From Shareholders

- 2) Please update the status of the construction of the Synthetic Ammonia Production Facility and lease of the Urea Production Facility.

#### Q2 Response:

The Group has made meaningful progress in advancing the preparatory aspects of the project. The following milestones have been achieved:

- I. Completion of all regulatory and administrative approvals, including project filing, environmental impact assessment, and safety evaluation.
- II. Basic design work has undergone internal review and is presently under expert evaluation;
- III. Finalisation of site leveling design and associated tender documentation;
- IV. Ongoing refinement of tender documents for ancillary and supporting works; and
- V. Completion of preliminary technical groundwork, including site surveys, geological assessments, and related investigations.

The Group would like to emphasise that at the Extraordinary General Meeting held on 20 March 2024, approval for the project was granted with a key safeguard in place: construction may only proceed once sufficient bank financing has been successfully secured.

Despite proactive efforts and multiple rounds of negotiations with major commercial and policy banks in China, Anyang Jiutian has not, to date, received a formal financing commitment. This has directly constrained the ability to advance to the construction phase.

The primary factors contributing to the current financing impasse include:

- i. A generally cautious stance adopted by commercial and policy banks toward traditional industrial projects;
- ii. Heightened scrutiny on projected cash flow adequacy and repayment capability;
- iii. More stringent collateral and guarantee requirements compared to prior periods; and
- iv. Extended credit approval processes across the banking sector.

In response to these challenges, the management has developed and is actively implementing a comprehensive strategy to address the current financing constraints.

The key initiatives under this strategy include:

- i. Expanding engagement with financial institutions to diversify and strengthen funding sources;
- ii. Enhancing project proposals to elevate technological sophistication and overall feasibility;
- iii. Actively pursuing support from relevant local government authorities to facilitate project advancement; and
- iv. Exploring alternative and innovative financing mechanisms to supplement traditional funding channels.

In addition to financing-related challenges, the Group is currently in negotiations with the substantial shareholders, Anyang Chemical Industry Group Co., Ltd. (“**Anhua**”) and Henan Energy and Chemical Industry Group Co., Ltd. (“**HNEC**”), regarding the transfer of land use rights for the Synthetic Ammonia Project. The project’s land use right is presently held under the name of the substantial shareholders, and necessary steps are

## **Appendix I – Question From Shareholders**

### **Q2 Response (cont'd):**

underway to transfer the land use rights to the Group. As disclosed in the circular to shareholders dated 5 March 2024, Anyang Jiutian will bear the cost for acquiring and leasing the project land. While initial discussions were held with the local government of Long'an District, Anyang City, negotiations have since shifted to the substantial shareholders. The final amount is still under discussion and may be subject to shareholders' approval pursuant to the Catalist Rules. This matter is material to the progress of the project and is being pursued in parallel with financing efforts.

As for the lease of the Urea Production Facility, it will commence only upon the completion and commencement of commercial production of the Synthetic Ammonia Project.

The Group reiterates that obtaining the necessary land use right approvals with Anhua assisting in all required steps and applications is a key condition precedent. Anyang Jiutian must secure these approvals in compliance with applicable laws before assuming control and proceeding with the project.

The Company will make the relevant update announcements in compliance with the Catalist Rules to inform Shareholders of material updates or developments in relation to the Synthetic Ammonia project and the lease of Urea Production Facility, if any.

- 3) When is the new 100,000-tonne Methylamine Plant going operational?

### **Q3 Response:**

The construction of the new 100,000-ton methylamine plant has been substantially completed. Trial production began in April 2025, and the plant is expected to be ready for commercial production in the third quarter of 2025. However, the actual commencement of commercial operations will depend on prevailing market conditions.