

## RESPONSES TO SHAREHOLDER'S QUERIES

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*Unless otherwise defined or the context otherwise requires, all capitalised terms shall bear the same meanings as ascribed to them in the Company's half yearly results announcement dated 12 August 2020.*

The Board of Directors (the "**Board**") of Jiutian Chemical Group Limited (the "**Company**", together with its subsidiaries, the "**Group**") would like to respond to the following queries raised by a shareholder on 19 August 2020 in relation to the Group operations ("**Queries**") as follows:-

### **Query 1:**

1) Given the high profit margin of DMF at the moment, why is the company unable to produce at 100% capacity? Page 9 of latest Q2 financial statements stated "capacity utilisation of the Anyang Jiutian DMF plant decreased from 75% to 56% "

#### **Company's response:**

The 56% capacity utilisation rate refers to the average over the 3 months in 2Q2020 and that was in line with the demand situation at the beginning of the re-opening of the economic activities in China from the depth of COVID-19 pandemic. The utilisation rate has since been raised in response to the current demand of our products.

### **Query 2:**

2) I read from an article "安阳九天 12万吨装置8.20停车检修，持续约20-25天." Is this true? If so, why would the company pick such a profitable time to be doing maintenance?

#### **Company's response:**

This is related to annual maintenance at our wholly-owned subsidiary, Anyang Jiutian Fine Chemical Co., Ltd's plant (the "**Plant**"). The purpose of annual maintenance is to ensure that the Plant can continue operating safely and efficiently. The timing of the annual maintenance for 2020 originally scheduled for 3Q2020 is still under consideration, and will be decided in due course taking into consideration market conditions, plant efficiency and safety. Hence, the date of 20 August 2020 referred to in the article for our annual maintenance is not accurate.

## **BY ORDER OF THE BOARD**

Name: Han Lianguo  
Designation: Non-executive and Non-independent Chairman  
Date: 20 August 2020

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 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](mailto:sponsorship@ppcf.com.sg)).