
RESPONSES TO SHAREHOLDERS' QUESTIONS RELATED TO 15th ANNUAL GENERAL MEETING ON 23 JUNE 2020

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 by electronic means on Tuesday, 23 June 2020 at 11.00 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 of 16 June 2020, 11.00 a.m. are published in this announcement. Please refer to Appendix of this announcement for details.

BY ORDER OF THE BOARD

Name: Han Lianguo
Designation: Non-executive and Non-independent Chairman
Date: 22 June 2020

This announcement 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 Catalyst.

This announcement has not been examined or approved by the SGX-ST. The SGX-ST 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 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).

Appendix

1. How is the company going to improve its marketing?

Our main products of DMF and methylamines are sold in the PRC market to end buyers and intermediaries. Over the years we have managed to maintain a core list of customers with good trade relationships by trying our best to always meet their demands. We have also made some efforts to sell to the export markets but without much success due to logistical issues, lack of price advantage and the relative strength of domestic markets. Going forward, we will continue with our strategy of maintaining our leadership position in the PRC market and being nimble when overseas markets become attractive.

2. Share price of the Company keeps dropping till now, what happens?

Share price is a reflection of many factors, including company prospects and general market conditions. In the past 2 years, the company's operational and financial performance have been impacted by the general slowdown in China's economy triggered by the China-US trade war. Prospects going forward are also uncertain due to the severe economic impact of the COVID 19 situation. At the Company level, we will continue to keep costs in check and operate at an optimal level in line with the market conditions.

3. Official website why take down?

The Company currently does not have a corporate website due to the cost involved. We will revisit the matter when the company is on a better financial footing. Currently, the Company updates its shareholders on its corporate developments through SGXNET. The Board is of view that such mediums are sufficient to keep shareholders updated. The Company will consider updating shareholders through a corporate website should the need arises in the future.

4. So many years of losses?

The Group has actually reported 3 years of continuous profit attributable to shareholders from FY2016 to FY2018. In FY2019, the performance of the Group was 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 our products; and strict industry-wide environmental control policies causing unplanned stoppages for our Sodium Hydrosulfite plant, resulting in low production volume and higher production cost and impairments to the Sodium Hydrosulfite plant.

5. I held the shares for 10 year, what next?

We are appreciative of your long term support as a shareholder. In view of the current COVID-19 pandemic which is expected to result in serious economic repercussions in the global markets, the business environment will remain very challenging for the year. The Group will continue to monitor the market condition closely, adapting its business strategies as and when appropriate. Meanwhile, we will keep costs in check and operate at an optimal level in line with the market conditions.