

News release

Jiutian recorded strong 1H2022 results

- **1H2022 net profit came in at 385 million, a 140% increase over 1H2021;**
- **Revenue for 1H2022 increased by 61% to RMB 1.43 billion from 887 million in 1H2021;**
- **Strong cash and cash equivalents position of RMB 1.07 billion as at 30 June 2022, after 2 dividend payments totally RMB 84 million in May and June 2022.**

The Board of Directors of Jiutian Chemical Group Limited (“Jiutian”) is pleased to announce a strong set of financial results for 1H2022. Net profit came in at RMB 385 million, a remarkable 140% increase over the same period last year, notwithstanding several challenges in 1H2022. These included:

- 1) 15 days of lower production volume for Anyang Jiutian’s plant in January 2022 due to Covid-19 related restriction in Anyang and surrounding regions affecting logistics.
- 2) Our major downstream customers located in Jiangsu, Zhejiang and Shandong regions have, to different extent, experienced Covid related measures, resulting in shutdowns or production restrictions, which affected demand and product prices.
- 3) The two-month lockdown in Shanghai and sporadic Covid related restrictions in other parts of China severely affected China’s economic growth in 2Q2022, affecting demand of our products.

Jiutian’s Chairman, Han Lianguo, said, “We are pleased to announce a strong financial performance of the Group in 1H2022, driven largely by the strong demand for our main products, despite the challenges mentioned above. After a strong start in early 2022, the largest COVID-19 wave in two years that started in March 2022 slowed China’s growth sharply in 2Q2022.

In the near term, China will continue to persist with its zero-covid policy which is expected to dampen economic growth. However, China has started to carry out the

counter-cycle monetary policies by lowering the loan prime rate and increasing infrastructure spending to revive economy.

On a macro economic front, challenges such as trade tensions, geopolitical conflict and other uncertainties remain as peripheral concerns. In view of the above, the business environment will remain challenging for the rest of the financial year. We will carefully monitor these developments and take the most optimal action in the best interest of our stakeholders.

Barring any significant worsening of Covid-19 resurgence in China, we anticipate the production operations of the Group to be smooth for the rest of the financial year.”

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.

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