

RESPONSES TO SHAREHOLDERS' QUESTIONS RELATED TO 17th ANNUAL GENERAL MEETING ON 28 APRIL 2022

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 Thursday, 28 April 2022 at 10.30 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 Appendices of this announcement for details.

BY ORDER OF THE BOARD

Name: Han Lianguo
Designation: Non-executive and Non-independent Chairman
Date: 21 April 2022

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.

Appendix I – Question from Shareholders

- 1. On pg 9 of the AR2021, it was stated that the new 100,000-ton Methylamine plant is now at the approval stage with the relevant authorities. What the main factors involved for the delay in the approval of this new plant? What is the estimated capex for this new plant?**

The Ministry of Environmental Protection of China has strengthened the environmental protection management control requirements, resulting in local authorities tightening the approval for high-energy-consumption and high-emission related projects. We are in the process of finalising an expansion plan, details of the expansion plan including capex will be announced in due course.

- 2. On pg 12 of AR2021, it was stated that there was impairment loss arising from the company's associate company, Anyang Jiulong. How does the company mitigate future risks of such events happening to its other associate companies or subsidiaries?**

We are constantly working to improve the financial performance of loss making associates and subsidiaries including modifying the under-utilised facilities to produce similar products with new technology partners.

- 3. Other than the company share buy-back program, can the company consider other measures to enhance shareholder value?**

The Company will continue with and improve on dividend distribution where possible. The Company is also constantly exploring synergistic investment opportunities for profit enhancement.

- 4. Would there be any impact to the profitability and the operations if the US imposes sanctions on China for indirect support of Russia?**

If such sanctions are imposed, which we view as unlikely, the Company's profitability and operations will be negatively impacted as most of our downstream customers rely on the export market for their end products.

- 5. With a high profitability and earnings per share in FY2021, why did the Company only declare a small dividend payout?**

According to Section 403 in the Companies Act, it is stipulated that no dividend shall be payable to the shareholders of any company except out of profits. In other words, dividends must be payable only out of profits. The principal activity of the Company is investment holding. The main income of the Company is the dividends from its subsidiaries or associates.

In FY2021, the high profitability is mainly generated from our wholly owned subsidiary, Anyang Jiutian Fine Chemical Co., Ltd. ("Anyang Jiutian"). Whilst at Company level, the profit is mainly arising from the dividend received from Anyang Jiutian from its profit generated in FY2020.

In FY2021, we paid an interim tax-exempt dividend of SGD 0.0035 per share and the Board proposes a final tax-exempt dividend of SGD 0.0012 per share. This takes the total dividend for FY2021 to SGD 0.0047 per share, representing 98% of the Company's profit for FY2021, generated from dividend received from its main subsidiary, Anyang Jiutian from its profit generated in FY2020 as explained above.

Appendix I – Question from Shareholders

6. Did the Company buy back shares in FY2021? If yes, what is the number of shares and amount paid?

The Company did not perform any share buyback in FY2021.

7. Can the future dividend be distributed 1/2 yearly?

The Company does not have a specific dividend policy. Nonetheless, the Management after reviewing the performance of the Company in the relevant financial year will make appropriate recommendation to the Board. In FY2021, we paid an interim tax-exempt dividend in June 2021 and the Board proposed in February 2022 a final tax-exempt dividend, which will be paid in May 2022 if approved at the upcoming AGM. Going forward, we target to maintain 2 distributions a year where possible.

8. Any plan for share buyback?

Share buyback will be considered taking into account, inter alia, the following:

- (i) Cash flow generation prospects of the operation;
- (ii) Need for cash for expansion and investments; and
- (iii) General market conditions.

Share Buyback would be made only as and when the Directors consider it to be in the best interest of the Company and/or Shareholders and in circumstances which they believe will not result in any material adverse effect to the financial position of the Company or the Group.