

News release

Jiutian's net loss of RMB24.9 million in 3Q2018

Jiutian Chemical Group Limited (“Jiutian”) reported a net loss of RMB 24.9 million for the three months period ended 30 September 2018 (“3Q2018”), reversing from a RMB 12.1 million net profit in the same period last year, despite a 24% revenue growth.

The losses were mainly due to decline in profit margins which resulted from a substantial increase in cost of raw materials, coupled with the low production level of the sodium hydrosulfite facility arising from strict industry-wide environmental controls and lower product prices.

Jiutian CEO, Zhou Hong Xuan, said, “We were disappointed to report a net loss in 3Q2018, after reporting 6 quarters of profit since 1Q2017. While our main products of DMF and methylamine started to face margin squeeze arising mainly from a substantial increase in cost of raw materials, the main challenge we faced this year has been the irregular production volumes and product prices of sodium hydrosulfite caused mainly by the unscheduled and increasingly frequent industry-wide stoppages imposed by environmental authorities. On a macro front, concerns continued to mount about the ongoing global trade frictions as well as the near-term impact of strict environmental policies. The escalating trade frictions between China and the United States have brought significant uncertainties to prospects for China's economy. Management will stay vigilant and monitor the market conditions closely, adapting its business strategies as and when appropriate.”

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 Mr Lance Tan, Director, Continuing Sponsorship (Mailing Address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318 and E-mail: sponsorship@ppcf.com.sg)