



(the "Company")
(Company Registration Number: 200415416H)
(Incorporated in the Republic of Singapore)

PROPOSED DIVERSIFICATION (AS DEFINED BELOW) AND PROPOSED ENTRY INTO FRAMEWORK AGREEMENT (AS DEFINED BELOW) WITH ANHUA CHEMICAL INDUSTRY GROUP CO., LTD., A CONTROLLING SHAREHOLDER OF THE COMPANY, IN RESPECT OF THE PROPOSED INVESTMENT (AS DEFINED BELOW)

- APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER AND INDEPENDENT VALUER

Capitalised terms used herein shall, unless otherwise defined, have the meanings ascribed to them in the Announcement (as defined below).

1. BACKGROUND

The Board of Directors (the "**Board**") of the Company refers to the Company's announcement dated 13 January 2024 (the "**Announcement**") in which it was announced that subject to Shareholders' approval at an EGM to be convened, the Company intends to diversify into *inter alia*, the business of manufacturing, production and sale of synthetic ammonia and urea (the "**Proposed Diversification**"). In conjunction with the Proposed Diversification, the Company's wholly owned subsidiary, Anyang Jiutian Fine Chemical Co. Ltd. ("**Anyang Jiutian**") had, on 11 January 2024, entered into a framework agreement (the "**Framework Agreement**") with Anyang Chemical Industry Group Co., Ltd. ("**Anhua**"), a controlling shareholder of the Company, in respect of the Synthetic Ammonia Project and the lease of the Urea Production Facility (collectively, the "**Proposed Investment**").

2. UPDATES ON PROPOSED INVESTMENT

The Board wishes to inform and update Shareholders that:

- (a) In relation to the Synthetic Ammonia Project Land, based on the latest discussions amongst Anyang Jiutian, Anhua and the local government, it is presently envisaged that Anyang Jiutian will acquire from the local government part of the land and lease the remaining part from the local government. Accordingly, Anyang Jiutian's use of the Synthetic Ammonia Project Land will not constitute an interested person transaction. The key terms of the definitive agreements to be entered into by Anyang Jiutian in relation to the Synthetic Ammonia Project Land will be included in the Circular (as defined below).
- (b) Pursuant to Chapter 9 of the Catalist Rules, the Company has, on 1 February 2024 appointed ZICO Capital Pte. Ltd. as the independent financial adviser to provide an opinion letter (the "**IFA Opinion Letter**") as to whether the (i) payment of the Reimbursement Amount by Anyang Jiutian to Anhua for reimbursement of the costs that it had incurred in relation to the preliminary work done in relation to the Synthetic Ammonia Project, and (ii) lease of the Urea Production Facility from Anhua to Anyang Jiutian (collectively, the "**Proposed IPTs**") are on normal commercial terms and are not

prejudicial to the interests of the Company and its minority Shareholders. A copy of the IFA Opinion Letter will be included in the Circular.

- (c) The Company had, on 24 January 2024, appointed Tianyuan Asset Appraisal Co. Ltd. as the independent valuer to carry out a valuation of the Urea Production Facility. As for the Synthetic Ammonia Project Land, the consideration for the acquisition of part of the Synthetic Ammonia Project Land is based on the tender price and the consideration for the lease of part of the Synthetic Ammonia Project Land is based on the benchmark market rate of the type of land being leased. As such, the Company will not be commissioning a valuation of the Synthetic Ammonia Project Land. An announcement will be made by the Company on the value of the Urea Production Facility following the valuation. Such information will also be set out in the Circular.

3. CIRCULAR TO SHAREHOLDERS AND FURTHER UPDATES

A circular containing full details of *inter alia*, the Proposed Investment, including the Proposed IPTs, and enclosing a notice of the EGM in connection therewith (the "**Circular**") will be despatched to the Shareholders and the Company will be announcing the despatch of the Circular in due course.

The Company will also make the relevant update announcements in compliance with the Catalist Rules to inform Shareholders of any updates or developments in due course, if any.

4. CAUTIONARY STATEMENT

Shareholders and potential investors of the Company should exercise caution when trading in the Company's shares. In particular, Shareholders and potential investors of the Company should note that, notwithstanding the receipt of requisite Shareholders' approvals for the Proposed Diversification, Proposed Investment and Proposed IPTs, as the Proposed Investment is subject to, *inter alia*, the fulfilment or waiver (as the case may be) of the conditions precedent of the Framework Agreement, including Anyang Jiutian obtaining, amongst others, the requisite approvals and loan financing for the Proposed Investment, there is no certainty or assurance that the Proposed Investment or any business activities or transactions mentioned in this announcement will materialise or will be proceeded with. Persons who are in doubt as to the action they should take should consult their legal, financial, tax or other independent professional advisers.

By Order of the Board of Directors JIUTIAN CHEMICAL GROUP LIMITED

Han Lianguo
Non-executive and Non-independent Chairman

1 February 2024

*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 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. Lim Hui Ling, 16 Collyer Quay, #10-00 Collyer Quay Centre, Singapore 049318, sponsorship@ppcf.com.sg.*