



九天化工集团有限公司
JIUTIAN CHEMICAL GROUP LIMITED
(the "Company")
(Company Registration Number: 200415416H)
(Incorporated in the Republic of Singapore)

PROPOSED DIVERSIFICATION AND PROPOSED INVESTMENT

- WAIVER GRANTED BY THE SGX-ST FROM THE REQUIREMENT TO COMPLY WITH RULE 1015 OF THE CATALIST RULES IN RESPECT OF THE PROPOSED INVESTMENT

- CLARIFICATION OF ANNOUNCEMENTS DATED 13 JANUARY 2024 AND 1 FEBRUARY 2024 (THE "ANNOUNCEMENTS") IN RESPECT OF THE FULL NAME OF ANHUA (AS DEFINED BELOW)

Capitalised terms used herein shall, unless otherwise defined, have the meanings ascribed to them in the Announcements.

1. BACKGROUND

1.1 The Board of Directors (the "**Board**") of the Company refers to the Announcement dated 13 January 2024 in which it was announced that subject to approval of the Company's shareholders (the "**Shareholders**") at an extraordinary general meeting ("**EGM**") to be convened, the Company intends to diversify into *inter alia*, the business of manufacturing, production and sale of synthetic ammonia and/or urea (the "**Proposed Diversification**"). As mentioned in the Announcement dated 13 January 2024, 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, *inter alia*:

- (a) **Synthetic Ammonia Project**: an investment to construct new production facilities (the "**Synthetic Ammonia Production Facility**") to manufacture, produce and sell synthetic ammonia, which involves the acquisition and lease of such land parcels which comprise the land on which the Synthetic Ammonia Production Facility is intended to be constructed (the "**Synthetic Ammonia Project Land**") (the "**Synthetic Ammonia Project**"); and
- (b) **Urea Production Facility**: the lease of existing production facilities for the manufacturing and production of urea (inclusive of the lease of land and plant and machinery) (the "**Urea Production Facility**"),

(collectively, the "**Proposed Investment**").

1.2 The Proposed Investment involves the following interested person transactions:

- (a) payment of an agreed reimbursement amount by Anyang Jiutian to Anhua for reimbursement of the costs that it had incurred in relation to the preliminary work done in respect of the Synthetic Ammonia Project; and
- (b) lease of the Urea Production Facility from Anhua to Anyang Jiutian,

(collectively, the "**Proposed IPTs**").

- 1.3 The Company had submitted applications to the SGX-ST through the Sponsor (as defined below) to seek a waiver from compliance with Rule 1015 of the Catalist Rules in respect of the Proposed Investment and for it to be treated as a "major transaction" under Rule 1014 of the Catalist Rules (the "**Waiver**").
- 1.4 The Company had sought the Waiver from the SGX-ST for the following reasons:
 - (a) The requirements relating to "very substantial acquisition" under Rule 1015 of the Catalist Rules relate substantially to transactions resulting in a change in the core business of the issuer and involving the injection of assets or businesses into an existing listed issuer. Accordingly, Rule 1015 of the Catalist Rules stipulates the same standards applicable to a business or company seeking a listing via a very substantial acquisition or a reverse takeover. As elaborated upon below, such requirements would not be meaningful when applied to the Proposed Investment:
 - (i) in relation to Rule 1015(1)(a)(ii) of the Catalist Rules, given that the Company is not purchasing any securities, existing business or undertaking from any party, the requirements under Rule 1015(1)(a)(ii) for the latest two years of historical financial information (of the assets to be acquired) and one year of proforma financial information (of the enlarged group) to be announced, would not be applicable to the Proposed Investment because the Proposed Investment contemplates the expenditure on the part of Company in respect of (i) capital expenditure to be incurred in relation to the construction of the Synthetic Ammonia Production Facility, (ii) the acquisition and lease of such land parcels comprising the Synthetic Ammonia Project Land from the local government on which the Synthetic Ammonia Production Facility is intended to be constructed, and (iii) the lease of the Urea Production Facility. Accordingly, there is no historical financial information associated with the Synthetic Ammonia Production Facility given that it has not been constructed and as for the Urea Production Facility, there is neither historical financial information nor proforma financial information (of the enlarged group) available because it is not a business undertaking or an entity, being a production facility that will be leased by Anyang Jiutian. Further, it has not been in operation since 2019;
 - (ii) the Proposed Investment does not involve any issue of the Company's shares and would not result in a change of control of the Company; and
 - (iii) In addition, the requirements under Rule 1015(2) read with Rule 406(3) of the Catalist Rules pertaining to the experience and expertise of the directors and executive officers of the business are not applicable because there is no incoming business that is being acquired as part of the Proposed Investment.
 - (b) The appropriate safeguards will nonetheless be undertaken by the Company, in compliance with applicable Catalist Rules, as follows:
 - (i) Shareholders' approval for the Proposed Investment will be sought, as the Proposed Investment is proposed to be treated as a "major transaction" under Rule 1014 of the Catalist Rules, subject to the Waiver granted by SGX-ST.

- (ii) The circular to be issued by the Company to the Shareholders in due course, for the purpose of seeking the approval of Shareholders in respect of *inter alia* the Proposed Diversification and the Proposed Investment (the "**Circular**"), will contain the information pertaining to the Proposed Investment, including information required under Rules 1010, 1011, 1012 and 1013 of the Catalist Rules (where applicable), to allow Shareholders to deliberate on, *inter alia*, the Proposed Investment.
- (iii) The Proposed Diversification is not conditional upon Shareholders' approval of the Proposed Investment and the Proposed IPTs. The Proposed Investment and Proposed IPTs are conditional upon Shareholders' approval of the Proposed Diversification, i.e. if the Proposed Diversification is not approved by Shareholders, neither the Proposed Investment nor the Proposed IPTs will be proceeded with. Further, the resolutions relating to the Proposed Investment and Proposed IPTs are inter-conditional, i.e. if Shareholders approve either of the Proposed Investment or the Proposed IPTs but not the other, neither the Proposed Investment nor the Proposed IPTs will be proceeded with. This is the case even if Shareholders approve the Proposed Diversification.
- (iv) In compliance with Rule 919 of the Catalist Rules, which provides that an interested person and its associates must abstain from voting on the resolution approving the interested person transactions involving itself and its associates and that such interested persons and their associates shall not act as proxies nor accept appointments as proxies in relation to such resolution unless specific voting instructions had been given by the Shareholders, Anhua and its associates will abstain from (A) deliberating and making any recommendation to the Board and the Shareholders in respect of the resolutions in connection with the Proposed Investment and the Proposed IPTs, and (B) voting on the Proposed Investment and the Proposed IPTs.

2. RECEIPT OF WAIVER FROM THE SGX-ST

The Board wishes to announce that on 23 February 2024, the Company received a letter from the SGX-ST indicating that it has no objection to the Waiver, subject to the following:

- (a) the Company announcing the Waiver granted, the reasons for seeking the Waiver, the conditions as required under Rule 106 of the Catalist Rules and if the Waiver conditions have been satisfied. If the Waiver conditions have not been met on the date of the announcement, the Company must make an update announcement when the conditions have all been met; and
- (b) The Company complying with Rule 1014 of the Catalist Rules, including that the Proposed Investment be approved by Shareholders at an EGM to be convened.

The conditions required under Rule 106 of the Catalist Rules are as follows:

- (i) The SGX-ST may waive or modify compliance with a listing rule (or part of a rule) either generally or to suit the circumstances of a particular case, unless the listing rule specifies that the SGX-ST will not waive it.
- (ii) The SGX-ST may grant a waiver subject to such conditions, as it considers appropriate. If the SGX-ST waives a listing rule (or part of a rule) subject to a condition, the condition must be satisfied for the waiver to be effective.

- (iii) Where a waiver is granted, the issuer must announce the waiver, the reasons for seeking the waiver and the conditions, if any, upon which the waiver is granted as soon as practicable.

Save for Shareholders' approval in respect of the Proposed Investment being obtained at an EGM, all other conditions of the Waiver have been satisfied. The Company will release an announcement to update Shareholders after Shareholders' approval in respect of the Proposed Investment has been obtained.

3. CLARIFICATION IN RESPECT OF THE ANNOUNCEMENTS

The Board refers to the titles of the Announcements and wishes to clarify that the full name of the counterparty under the Framework Agreement, Anhua, should be "Anyang Chemical Industry Group Co., Ltd.", as stated in paragraph 1.2 of the Announcement dated 13 January 2024, and not "Anhua Chemical Industry Group Co., Ltd.".

4. CIRCULAR TO SHAREHOLDERS

The Circular containing details of *inter alia*, the Proposed Diversification, Proposed Investment and Proposed IPTs, and enclosing a notice of the EGM in connection therewith will be despatched to the Shareholders and the Company will announce 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.

5. 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, the Proposed Investment and the 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 the 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

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