



# **Announcement of Unaudited Condensed Interim Financial Statement for The Six Months Ended 30 June 2021**

## **Table of contents**

A.	Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income	2
B.	Condensed Interim Statements of Financial Position	3
C.	Condensed Interim Statements of Changes in Equity	4
D.	Condensed Interim Consolidated Statement of Cash Flows	5
E.	Notes to Condensed interim Consolidated Financial Statements	6
F.	Other information required by Listing Rule Appendix 7C	11

**A. Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income**

	Note	Group	
		6 months ended	6 months ended
		30 Jun 2021	30 Jun 2020
		RMB'000	RMB'000
<b>Revenue</b>	4	<b>887,181</b>	475,734
Cost of sales		<b>(629,765)</b>	(408,552)
<b>Gross profit</b>		<b>257,416</b>	67,182
Other income		<b>2,157</b>	1,908
Distribution costs		<b>(8,934)</b>	(5,595)
Administrative expenses		<b>(18,709)</b>	(10,802)
Other expenses		<b>(2,686)</b>	(1,027)
Finance costs		<b>(2,930)</b>	(4,049)
Share of result of associated companies		<b>(8,195)</b>	(1,845)
<b>Profit before tax</b>	6	<b>218,119</b>	45,772
Tax expense	7	<b>(57,781)</b>	(10,390)
<b>Profit and total comprehensive income for the period</b>		<b>160,338</b>	35,382
<b>Profit and total comprehensive income for the period attributable to:</b>			
Equity holders of the Company		<b>160,540</b>	35,569
Non-controlling interest		<b>(202)</b>	(187)
		<b>160,338</b>	35,382
<b>Earnings per share for profit for the financial period attributable to equity holders of the Company (in RMB cents per share)</b>			
Basic and diluted	8	<b>8.07</b>	1.96

**B. Condensed Interim Statements of Financial Position**

	Note	Group		Company	
		30 Jun 2021	31 Dec 2020	30 Jun 2021	31 Dec 2020
		RMB'000	RMB'000	RMB'000	RMB'000
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents	11	432,009	454,053	55,813	48,889
Trade and other receivables		806,440	665,146	218	288
Inventories		36,452	38,937	-	-
<b>Total current assets</b>		<b>1,274,901</b>	<b>1,158,136</b>	<b>56,031</b>	<b>49,177</b>
<b>Non-current assets</b>					
Property, plant and equipment	12	200,907	209,481	240	308
Land use rights		3,014	3,337	-	-
Investment in subsidiary companies		-	-	257,736	257,736
Investment in associated companies		54,063	62,258	62,258	62,258
Deferred tax assets		1,608	1,608	-	-
<b>Total non-current assets</b>		<b>259,592</b>	<b>276,684</b>	<b>320,234</b>	<b>320,302</b>
<b>Total assets</b>		<b>1,534,493</b>	<b>1,434,820</b>	<b>376,265</b>	<b>369,479</b>
<b>LIABILITIES AND EQUITY</b>					
<b>Current liabilities</b>					
Bank borrowings	13	248,201	344,299	-	-
Trade and other payables		554,252	502,645	813	544
Contract liabilities		22,470	22,549	-	-
Income tax payables		57,777	37,350	-	-
<b>Total current liabilities</b>		<b>882,700</b>	<b>906,843</b>	<b>813</b>	<b>544</b>
<b>Non-current liabilities</b>					
Amount owing to subsidiary		-	-	-	11,374
Deferred income		2,000	2,000	-	-
Deferred tax liabilities		-	3,090	-	-
<b>Total non-current liabilities</b>		<b>2,000</b>	<b>5,090</b>	<b>-</b>	<b>11,374</b>
<b>Total liabilities</b>		<b>884,700</b>	<b>911,933</b>	<b>813</b>	<b>11,918</b>
<b>Capital and reserves</b>					
Share capital	14	709,977	709,977	709,977	709,977
Accumulated losses		(89,385)	(198,971)	(334,525)	(352,416)
Statutory reserve fund		31,255	13,733	-	-
<b>Equity attributable to equity holders of the Company</b>		<b>651,847</b>	<b>524,739</b>	<b>375,452</b>	<b>357,561</b>
Non-controlling interests		(2,054)	(1,852)	-	-
<b>Total equity</b>		<b>649,793</b>	<b>522,887</b>	<b>375,452</b>	<b>357,561</b>
<b>Total liabilities and equity</b>		<b>1,534,493</b>	<b>1,434,820</b>	<b>376,265</b>	<b>369,479</b>

**C. Condensed Interim Statements of Changes in Equity**

	Share capital	Accumulated profit/ (losses)	Statutory reserve fund	Equity attributable to equity holders of the Company	Non-controlling interests	Total equity
<u>Note</u>	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Group</b>						
<b>Balance at 1 January 2021</b>	709,977	(198,971)	13,733	524,739	(1,852)	522,887
Profit and total comprehensive income for the financial period	-	160,540	-	160,540	(202)	160,338
Dividend paid	-	(33,432)	-	(33,432)	-	(33,432)
Transfer to statutory reserve fund	-	(17,522)	17,522	-	-	-
<b>Balance at 30 June 2021</b>	<b>709,977</b>	<b>(89,385)</b>	<b>31,255</b>	<b>651,847</b>	<b>(2,054)</b>	<b>649,793</b>
<b>Balance at 1 January 2020</b>	661,153	(358,923)	-	302,230	(1,285)	300,945
Profit and total comprehensive income for the financial period	-	35,569	-	35,569	(187)	35,382
<b>Balance at 30 June 2020</b>	<b>661,153</b>	<b>(323,354)</b>	<b>-</b>	<b>337,799</b>	<b>(1,472)</b>	<b>336,327</b>

	Share capital	Accumulated profit/ (losses)	Total equity
	RMB'000	RMB'000	RMB'000
<b>Company</b>			
<b>Balance at 1 January 2021</b>	709,977	(352,416)	357,561
Profit and total comprehensive income for the financial period	-	51,323	51,323
Dividend paid	-	(33,432)	(33,432)
<b>Balance at 30 June 2021</b>	<b>709,977</b>	<b>(334,525)</b>	<b>375,452</b>
<b>Balance at 1 January 2020</b>	661,153	(341,731)	319,422
Profit and total comprehensive income for the financial period	-	1,109	1,109
<b>Balance at 30 June 2020</b>	<b>661,153</b>	<b>(340,622)</b>	<b>320,531</b>

**D. Condensed Interim Consolidated Statement of Cash flows**

	Group	
	6 months ended	6 months ended
	30 Jun 2021	30 Jun 2020
Note	RMB'000	RMB'000
<b>Cash flows from operating activities</b>		
Profit before tax	218,119	45,772
Adjustments for:		
Amortisation of deferred income	-	(32)
Amortisation of land use rights	323	322
Bank charges	507	1,096
Depreciation of property, plant and equipment	15,201	12,943
Gain on disposal of property, plant and equipment	(48)	-
Interest expense	2,423	2,953
Interest income	(1,888)	(1,604)
Property, plant and equipment written off	939	1,030
Share of result of associated companies	8,195	1,845
Operating cash flows before movement in working capital	243,771	64,325
Inventories	2,484	(1,632)
Receivables	(139,742)	(60,093)
Payables and contract liabilities	51,528	(34,003)
Cash generated from/ (used in) operations	158,041	(31,403)
Interest received	1,888	1,604
Income tax paid	(40,444)	(5,824)
<b>Net cash generated from/ (used in) operating activities</b>	<b>119,485</b>	<b>(35,623)</b>
<b>Cash flows from investing activities</b>		
Advances to associated company	(1,552)	(1,221)
Proceed from disposal of property, plant and equipment	160	-
Purchase of property, plant and equipment	(7,678)	(1,354)
<b>Net cash used in investing activities</b>	<b>(9,070)</b>	<b>(2,575)</b>
<b>Cash flows from financing activities</b>		
Dividend paid	9 (33,432)	-
Drawdown of bank borrowings	-	10,000
Repayment of bank borrowings	(50,000)	(10,000)
Decrease in pledged bank deposits	9,182	22,593
Decrease in bill payables to bank	(46,097)	(25,158)
Interest paid	(2,423)	(2,953)
Bank charges paid	(507)	(1,096)
<b>Net cash used in financing activities</b>	<b>(123,277)</b>	<b>(6,614)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(12,862)</b>	<b>(44,812)</b>
Cash and cash equivalents at beginning of period	256,727	136,727
<b>Cash and cash equivalents at end of period</b>	<b>243,865</b>	<b>91,915</b>

## E. Notes to the Condensed Interim Consolidated Financial Statements

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### 1 Corporate information

Jiutian Chemical Group Limited (the “**Company**”) is incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited (“**SGX-ST**”). These condensed interim consolidated financial statements as at and for the six months ended 30 June 2021 comprise the Company and its subsidiaries (Collectively, the “**Group**”).

The principal activity of the Company is that of investment holding. The principal activities of the subsidiary companies are:

- a) Production, sale and service of industrial methanol, methylamine, Dimethylformamide (“**DMF**”) and gas;
- b) Sale of methylamine, DMF, polyurethane and downstream products; and
- c) Research and development of isotope technology and, manufacturing and trading of Oxygen 18 and deuterium depleted water.

### 2. Basis of preparation

The condensed interim financial statements for the six months ended 30 June 2021 have been prepared in accordance with Singapore Financial Reporting Standards (International) (“**SFRS(I)**”) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2020.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The financial statements of the Group and the Company are presented in Renminbi, which is the functional currency of the Company, its subsidiary companies and associated companies.

#### 2.1. New and amended standards adopted by the Group

There has been no change in the accounting policies and methods of computation adopted by the Group for the current reporting period compared with the audited financial statements for the year ended 31 December 2020, except for the adoption of new or revised SFRS(I) and Interpretations of SFRS(I) (“**INT SFRS(I)**”) that are mandatory for the financial year beginning on or after 1 January 2021. The adoption of these SFRS(I) and INT SFRS(I) has no significant impact on the Group.

#### 2.2. Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2020. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

## E. Notes to the Condensed Interim Consolidated Financial Statements

### 3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

### 4. Segment and revenue information

The Group is principally engaged in manufacturing and selling of chemical-based products, i.e., methylamine and DMF. All provisions are of a similar nature and subject to similar risks and returns. Accordingly, the Group's operating activities are mainly attributable to a single reportable operating segment.

#### *Geographical information*

The Group's revenue, expenses, results, assets and liabilities and capital expenditures are predominantly attributable to a single geographical region, the PRC, which is the Group's principal place of business and operations. Therefore, no analysis by geographical region is presented.

#### *Revenue information*

Revenue represents the amount received or receivable from sales of goods, net of sales related taxes.

### Disaggregation of Revenue

The following table provides a disaggregation disclosure of the Group's revenue by major product of the Group.

	Group	
	1H2021 RMB'000	1H2020 RMB'000
Methylamine	429,331	283,016
DMF	450,738	167,367
Others	7,112	25,351
	<u>887,181</u>	<u>475,734</u>

### 5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 June 2021 and 31 December 2020:

	Group		Company	
	30 Jun 2021 RMB'000	31 Dec 2020 RMB'000	30 Jun 2021 RMB'000	31 Dec 2020 RMB'000
<i>Financial Assets</i>				
At amortised cost	<u>768,625</u>	670,161	<u>56,031</u>	49,113
<i>Financial liabilities</i>				
Amortised cost	<u>381,357</u>	475,132	<u>813</u>	544

## E. Notes to the Condensed Interim Consolidated Financial Statements

### 6. Profit before taxation

#### 6.1 Significant items

	Group	
	1H2021 RMB'000	1H2020 RMB'000
Profit before tax is arrived at after charging/(crediting):		
Amortisation of deferred income	-	(32)
Amortisation of land use rights	323	322
Depreciation of property, plant and equipment	15,201	12,943
Gain on disposal of property, plant and equipment	(48)	-
Interest expenses	2,423	2,953
Interest income	(1,888)	1,604
Property, plant and equipment written off	939	1,030
Net loss/ (gain) on foreign exchange	1,747	(3)

#### 6.2 Related party transactions

The material related party transactions are disclosure under Part F Note 9 Interested person transactions.

### 7. Taxation

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	Group	
	1H2021 RMB'000	1H2021 RMB'000
Current income tax expense	60,871	10,390
Deferred income tax	(3,090)	-
	57,781	10,390

### 8. Earnings per share

The calculation of the basic and diluted earnings per share attributable to the ordinary equity holders of the Company is based on the following:

	Group	
	1H2021	1H2021
Profit for the financial year attributable to equity holders of the Company (RMB'000)	160,540	35,569
Weighted average number of ordinary shares ('000)	1,988,444	1,818,444
Earnings per share (RMB cents)	8.07	1.96

The basic and diluted EPS are the same as there were no potentially dilutive ordinary shares outstanding during the respective financial periods.



## E. Notes to the Condensed Interim Consolidated Financial Statements

### 9. Dividends

	Group	
	1H2021 RMB'000	1H2021 RMB'000
Ordinary dividends paid:		
Interim tax-exempt 2021 dividend of SGD 0.0035 per share (2020: nil)	<b>33,432</b>	-

### 10. Net Asset Value

	Group		Company	
	30 Jun 2021	31 Dec 2020	30 Jun 2021	31 Dec 2020
Net asset value per ordinary share (RMB fen)	<b>32.78</b>	26.39	<b>18.88</b>	17.98

Net asset value per ordinary share as at 30 June 2021 and 31 December 2020 have been computed based on total issued shares of 1,988,444,000.

### 11. Cash and cash equivalents

	Group		Company	
	30 Jun 2021 RMB'000	31 Dec 2020 RMB'000	30 Jun 2021 RMB'000	31 Dec 2020 RMB'000
Cash on hand and at bank	243,865	<b>259,727</b>	55,813	48,889
Fixed deposits	188,144	<b>194,326</b>	-	-
	432,009	<b>454,053</b>	55,813	48,889
Pledged fixed deposits	(188,144)	<b>(194,326)</b>	-	-
Cash and cash equivalents in the consolidated statement of cash flows	<b>243,865</b>	<b>259,727</b>	55,813	48,889

### 12. Property plant and equipment

During the six months ended 30 June 2021, the Group acquired property, plant and equipment amounting to RMB 7,678,000 (30 June 2020: RMB 1,354,000), written off property, plant and equipment amounting to RMB 939,000 (30 June 2020: RMB1,030,000) and disposed of assets amounting to RMB 112,000 (30 June 2020: Nil).

## E. Notes to the Condensed Interim Consolidated Financial Statements

### 13. Bank borrowings

	Group	
	30 Jun 2021 RMB'000	31 Dec 2020 RMB'000
<u>Amount repayable within one year or on demand</u>		
Bank borrowings	60,000	110,000
Bills payable to banks	188,201	234,299
<b>Total</b>	<b>248,201</b>	<b>344,299</b>

#### Security for bank borrowings

As at 30 June 2021, there were RMB 60 million (31 December 2020: RMB 90 million) short-term borrowings guaranteed by one of the Group's related party, Anyang Chemical Industry Group Co., Ltd. ("Anhua").

As at 31 December 2020, there were RMB 20 million short-term borrowings guaranteed by a related party of the Group, Henan Energy and Chemical Co., Ltd ("HNEC"). A security deposit of RMB 3 million were pledged to HNEC for the aforementioned corporate guarantee provided.

#### Security for bills payable to banks

Bills payable to banks have an average maturity period of 60 to 120 days and are interest-free as repayments will be made within the credit period. The bills payable to banks are secured by pledged bank deposits amounting of RMB 188.14 million (31 December 2020: RMB 194.33 million).

### 14. Share capital

	Group and Company			
	30 Jun 2021		31 Dec 2020	
	Number of shares '000	RMB'000	Number of shares '000	RMB'000
<b>Issued and paid-up capital:</b>				
At beginning of the financial period	1,988,444	709,977	1,818,444	661,153
Share issue	-	-	170,000	49,002
Share issue expenses	-	-	-	(178)
At end of the financial period	<u>1,988,444</u>	<u>709,977</u>	<u>1,988,444</u>	<u>709,977</u>

All issued shares are fully paid ordinary shares with no par value.

The Company issued 170,000,000 ordinary shares of S\$0.0603 (equivalent to RMB0.29) per share on 27 October 2020, to provide funds for the Group's general working capital purposes.

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions.

The Company did not hold any treasury shares as at 30 June 2021 and 31 December 2020.

The Company's subsidiaries do not hold any shares in the Company as at 30 June 2021 and 31 December 2020.

### 15. Subsequent events

There are no known subsequent events which have led to adjustments to this set of interim financial statements.

## F. Other Information Required by Listing Rule Appendix 7C

**1(a)(i) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

	Number of shares	Issued and paid-up share capital
	RMB	
As at 31 December 2020 and 30 June 2021	1,988,444,000	709,976,678

There were no outstanding options, convertibles, treasury shares and subsidiary holdings as at 30 June 2021 and 30 June 2020.

**1(a)(ii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

There were no treasury shares as at 30 June 2021 and 31 December 2020. The total number of issued shares of the Company are:

	Number of shares	Issued and paid-up share capital
	RMB	
As at 31 December 2020 and 30 June 2021	1,988,444,000	709,976,678

**2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The condensed consolidated statement of financial position of Jiutian Chemical Group Limited and its subsidiaries as at 30 June 2021 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and explanatory notes have not been audited or reviewed.

## F. Other Information Required by Listing Rule Appendix 7C

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### 3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable as the 1H2021 figures have not been audited or reviewed.

### 3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:—

- (a) Updates on the efforts taken to resolve each outstanding audit issue.
- (b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

This is not required for any audit issue that is a material uncertainty relating to going concern.

Not applicable. The latest financial statements as at 31 December 2020 have an unmodified opinion.

### 4.A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the financial period reported on.

#### Review of performance of the Group

##### Commentaries on performance

##### 1H2021

Compared to 1H2020, revenue increased mainly due to increase in both sales volume and average selling prices of our main products, Dimethylformamide (“DMF”) and Methylamine. For 1H2021, average selling prices of DMF and Methylamine were RMB9,987 per tonne and RMB 8,844 per tonne respectively, which were 117% and 28% higher than that for 1H2020. The sales volume of DMF and Methylamine in 1H2021 were 24% and 19% higher than that 1H2020. The increase in sales volume and average product prices was mainly due to the continuing recovery of China's economy from the depth of the COVID -19 crisis and surge in demand for our main products from downstream users (such as customers elaborated in note 6 below), who in turn are experiencing strong growth in both local and export markets for their products.

Year on year, the capacity utilisation of our DMF plant increased from 56% to 67% whilst capacity utilisation rate of our methylamine plant increased from 98% to full capacity. The lower utilisation rate of the DMF plant was primarily due to management's balancing of the production mix to maximise profit.

Gross profit increased by 283% mainly due to increase in average selling price of our products which led to the 86% increase in revenues and the increase in sales volume drove the 54% increase in cost of sales. As a result of the foregoing, gross profit margins increased from 14% in 1H2020 to 29% in 1H2021.

## **F. Other Information Required by Listing Rule Appendix 7C**

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Total operating expenses increased RMB 19.25 million mainly due to:

- a) Increase in share of loss from the Company's 49% associated company, Anyang Jiulong Chemical Co., Ltd ("**Anyang Jiulong**"), due mainly to the increase of cost of Anyang Jiulong's main raw material;
- b) Distribution costs increased mainly due to increase of transportation cost under Anyang Jiutian in line with higher sales volume of DMF during the financial period;
- c) Administrative expenses increased mainly due to higher performance related salary expenses and under provision of staff bonus related to FY2020; and
- d) Other expenses increased mainly due to increase in net loss on foreign exchange arising from the revaluation of certain monetary assets and liabilities in holding company denominated in Singapore dollars.

The decrease in finance cost compared to 1H2020 was mainly due to repayments of bank borrowings and bills payable to banks during 1H2021.

As a result of the above, the Group's net profit attributable to Shareholders for 1H2021 increased from RMB 35.38 million to RMB 160.34 million.

### **Commentaries on balance sheet**

The Group's decrease in non-current assets was mainly due to share of loss from associated companies as explained in the preceding paragraphs and depreciation charges of property, plant and equipment.

The Group's increase in current assets was largely attributed to:

- a. an increase in trade and other receivables, as more customers opted to use trade bills as a form of repayment during 1H2021 and this led to a longer credit repayment period. However, part of the trade bills received from customers during 1H2021 were then used to repay the supplier as trade bills payables; and
- b. partially offset by a decrease in cash and cash equivalents due largely to cash used in investing activities and financing activities as presented in the cash flow statements.

The Group's decrease in current liabilities was largely attributed to:

- a. a decrease in bank borrowings due to repayment of term loan and bill payables to banks; and
- b. Partially offset by an increase in gross trade and other payables due to trade bills received from customer with longer credit repayment period used to repay supplier as trade bills payables and increased in income tax payables due to higher net profit for the financial period.

The Group is in a net current assets position as at 30 June 2021 of RMB 392.20 million.

### **Commentaries on cash flow**

Net cash generated from operating activities in 1H2021 was mainly due to operating cashflows partially offset by the outflow from working capital changes and income tax paid.

Net cash used in investing activities in 1H2021 was mainly due to purchase of property, plant and equipment and advance provided to Anyang Jiujiu for working capital purposes.

Net cash used in financing activities in 1H2021 was mainly due to repayment of bank borrowings, decrease in bill payables to bank and dividend paid.

## F. Other Information Required by Listing Rule Appendix 7C

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### 5. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

Not applicable. No forecast or prospect statements have been previously disclosed to shareholders.

### 6. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next operating period and the next 12 months

As China's post Covid-19 economic recovery gathered momentum, we continued to experience strong demand for our main products of DMF and methylamine from the start of 2021. Customers from high growth sectors of electric vehicles (EV) batteries, electronics, pharmaceutical and animal feeds continued to benefit from strong growth in both domestic and export markets.

For 2H2021, sales volume of the Group's main products is expected to be impacted due to the following:

1. The severe flood that hit Henan Province resulted in low production at both our plants for about 10 days in July; and
2. Anyang Jiutian's DMF and methylamine production plants are expected to temporarily shut down for 20 days to undergo annual maintenance. The purpose of annual maintenance, which usually takes place in August or September, is to ensure that the plants can continue operating safely and efficiently.

Barring any significant resurgence of COVID-19 in China, we anticipate the production operations of the Group to be smooth and product prices to remain stable for the rest of the financial year.

On our expansion plan comprising a new 100,000 ton methylamine plant adjacent to our current 120,000 ton methylamine/ DMF facility, we would like to update that the plan is still awaiting approval from the relevant authorities. Details of the proposed expansion plan once approved will be announced in due course.

### 7. Dividend information

7a. Whether an interim (final) ordinary dividend has been declared (recommended; and Nil

7b. (i) Amount per share (cents)  
Nil

7b. (ii) previous corresponding period (cents)  
Nil

7c. Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).  
NA.

7d The date the dividend is payable.  
NA.

**F. Other Information Required by Listing Rule Appendix 7C**
**7.Dividend information (cont'd)**

7e The date on which Registrable Transfers received by the Company (up to 5.00pm) will be registered before entitlements to the dividend are determined.

NA.

**8.If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.**

The Company had declared and paid an interim tax-exempt dividend for FY2021 in the first quarter.

**9. Interested person transactions**

The Company had at its annual general meeting held on 28 April 2021 obtained shareholders' approval for the renewal of the general mandate for IPTs. Save as disclosed below, there are no other IPTs equal to or above S\$100,000 in 1H2021.

Name of interested person / Nature of relationship	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
	1H2021	1H2021
Anyang Chemical Industry Group Co., Ltd ("Anhua") <sup>(1)</sup>	Security and fire protection service fees RMB 2.16 million	Sales of Repair Material, industrial steams and electricity RMB 31.15 million
	Waste disposal fees RMB 0.60 million	Purchase of Raw Materials I and II RMB 111.57 million
	Transportation fees RMB 1.33 million	Purchase of Repair Materials RMB 0.92 million
		Rental income of equipment RMB 0.32million
		Rental expense of equipment RMB 5.55 million
		Advance payment for purchase of Raw Materials I and II <sup>(4)</sup> RMB 13.45 million
Anyang Jiujiu Chemical Technology Co., Ltd <sup>(2)</sup>	Advances given for working capital purposes RMB 1.55 million	Nil



## F. Other Information Required by Listing Rule Appendix 7C

### 9. Interested person transactions (cont'd)

Name of interested person / Nature of relationship	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
Anyang Jiulong Chemical Co., Ltd <sup>(3)</sup>	Nil	Sale of Dimethylamine RMB 47.90 million
		Purchase of electricity and industrial steam RMB 75.36 million
		Rental of equipment RMB 0.35 million
		Sales of Repair Materials RMB 1.45 million
		Advance payment for purchase of electricity and industrial steam <sup>(4)</sup> RMB 34.63 million

Notes:

- (1) Anhua is the holding company of Anyang Longyu (HK) Development Co., Ltd. ("**Anyang Longyu**"), a controlling shareholder of the Company. Anyang Longyu holds approximately 25.27% of the issued share capital of the Company.
- (2) Anyang Jiujiu is a joint venture between Jiutian Chemical Group Limited and Anyang Jiulong pursuant to which Anyang Jiulong holds 51% and Jiutian Chemical Group Limited holds 49% of the registered capital of Anyang Jiujiu. The effective interest of the Group in Anyang Jiujiu is therefore approximately 74%. However, it was assessed and concluded that the Group has no control but only significant influence over Anyang Jiujiu as the majority voting rights and representative of the board of the directors in Anyang Jiujiu are held by Anyang Jiulong. As Anyang Jiulong is a subsidiary company of HNEC, the parent of Anhua who is in turn the holding company of the controlling shareholder, Anyang Longyu. HNEC would have control over Anyang Jiujiu through Anyang Jiulong.

The Advances were made for Anyang Jiujiu's working capital and were provided by the joint venture partners, namely the Company and Anyang Jiulong, in proportion to their respective equity interest in Anyang Jiujiu and on the same terms and conditions. The Advances are interest-free, payable on demand and is guaranteed by a related party of the Group, Anhua.

Pursuant to Rule 916(3) of the Singapore Exchange Securities Trading Limited Listing Manual Section B: Rules of Catalyst, the Audit Committee of the Company, having considered the terms of the Advances and the joint venture, is of the view that (i) the provision of the Advances is not prejudicial to the interest of the Company and its minority shareholders, and (ii) the risk and rewards of the joint venture are in proportion to the equity of each joint venture partner and the terms of the joint venture are on normal commercial terms and are not prejudicial to the interest of the Company and its minority shareholders.

- (3) Anyang Jiulong is a joint venture between Jiutian Chemical Group Limited and Anhua and Henan Energy and Chemical Industry Group Co., Ltd. ("**HNEC**") pursuant to which Anhua holds 15.9% and HNEC holds 35.1% and Jiutian Chemical Group Limited holds 49% of the registered capital of Anyang Jiulong. HNEC is the parent of Anhua.
- (4) The advanced payments to Anhua and Anyang Jiulong for purchase of raw materials was to ensure no interruption to the continuous operation of Anyang Jiutian production plants. The Audit Committee had reviewed the transactions and concurred that these transactions were carried out on normal commercial terms and were not less favourable compared to third party suppliers and were conducted in accordance with the procedures of the IPT mandate. As at 31 July 2021, Anhua and Anyang Jiulong had delivered 50% and 60% respectively of the raw materials against the advance payments.



## F. Other Information Required by Listing Rule Appendix 7C

### 10. Negative confirmation by the Board pursuant to Rule 705(5) of the Listing Manual

We, Han Lianguo and Wang Gang, being two directors of Jiutian Chemical Group Limited (the “**Company**”), do hereby confirm on behalf of the Board of Directors of the Company that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited condensed interim financial statements of the Company and the Group for the half year ended 30 June 2021 to be false or misleading in any material respect.

### 11. Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)

The Company confirms that it has procured undertakings from all its directors and executive officers in the required format.

### 12. Disclosures on Acquisition and Realisation of Shares pursuant to Catalyst Rule 706A

During 1H2021, the Company did not acquire any shares resulting in any company becoming a subsidiary or associated company or increasing its shareholding percentage in any subsidiary. Additionally, the Company did not dispose any shares resulting in a company ceasing to be a subsidiary or associated company or decreasing its shareholding percentage in any subsidiary.

### 13. Use of Net Proceeds

The following relates to the net proceeds of S\$9.97 million raised from the Placement that was completed on 27 October 2020:

<b>Purpose</b>	<b>Amount allocated (S\$'000)</b>	<b>Net proceeds utilised as at the date of announcement (S\$'000)</b>	<b>Balance unutilised (S\$'000)</b>
<b><u>Working Capital</u></b>			
- Wages and staff related cost		468	
- Directors' fee		208	
- Office rental		71	
- Professional fees		76	
- Other office expenses		80	
Total	9,967	903	9,064

The use of proceeds is consistent with the Company's proposed use of funds as set out in the announcement dated 27 October 2020.

## BY ORDER OF THE BOARD

Han Lianguo  
Non-executive and  
Non-independent Chairman  
11 August 2021

Wang Gang  
Non-executive and  
Non-independent Director

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.

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