

# Announcement of Unaudited Condensed Interim Financial Statement for The Six Months And Full Year Ended 31 December 2021

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

	Note	Group			
		Unaudited 6 months ended 31 Dec 2021 RMB'000	Unaudited 6 months ended 31 Dec 2020 RMB'000	Unaudited 12 months ended 31 Dec 2021 RMB'000	Audited 12 months ended 31 Dec 2020 RMB'000
<b>Revenue</b>	4	<b>1,286,129</b>	670,519	<b>2,173,310</b>	1,146,253
Cost of sales		<b>(867,924)</b>	(462,931)	<b>(1,497,689)</b>	(871,483)
<b>Gross profit</b>		<b>418,205</b>	207,588	<b>675,621</b>	274,770
Other income		<b>3,995</b>	5,597	<b>6,152</b>	7,505
Distribution costs		<b>(8,824)</b>	(8,421)	<b>(17,758)</b>	(14,016)
Administrative expenses		<b>(22,419)</b>	(10,771)	<b>(41,128)</b>	(21,573)
Other (expenses)/ income		<b>(3,818)</b>	18,288	<b>(6,504)</b>	17,261
Impairment loss on financial assets		<b>(126,155)</b>	(4,577)	<b>(126,155)</b>	(4,577)
Finance costs		<b>(2,152)</b>	(3,398)	<b>(5,082)</b>	(7,447)
Share of result of associated companies		<b>(6,364)</b>	(7,646)	<b>(14,559)</b>	(9,491)
<b>Profit before tax</b>	6	<b>252,468</b>	196,660	<b>470,587</b>	242,432
Tax expense	7	<b>(102,877)</b>	(58,924)	<b>(160,658)</b>	(69,314)
<b>Profit and total comprehensive income for the period</b>		<b>149,591</b>	137,736	<b>309,929</b>	173,118
<b>Profit and total comprehensive income for the period attributable to:</b>					
Equity holders of the Company		<b>149,802</b>	138,116	<b>310,342</b>	173,685
Non-controlling interest		<b>(211)</b>	(380)	<b>(413)</b>	(567)
		<b>149,591</b>	137,736	<b>309,929</b>	173,118
<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>7.53</b>	7.35	<b>15.61</b>	9.39

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

	Note	Group		Company	
		Unaudited	Audited	Unaudited	Audited
		31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
		RMB'000	RMB'000	RMB'000	RMB'000
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents	11	922,134	454,053	51,550	48,889
Trade and other receivables		644,952	665,146	280	288
Inventories		61,121	38,937	-	-
<b>Total current assets</b>		<b>1,628,207</b>	<b>1,158,136</b>	<b>51,830</b>	<b>49,177</b>
<b>Non-current assets</b>					
Property, plant and equipment	12	197,641	209,481	172	308
Land use rights		2,692	3,337	-	-
Investment in subsidiary companies		-	-	257,736	257,736
Investment in associated companies		47,699	62,258	62,258	62,258
Deferred tax assets		1,230	1,608	-	-
<b>Total non-current assets</b>		<b>249,262</b>	<b>276,684</b>	<b>320,166</b>	<b>320,302</b>
<b>Total assets</b>		<b>1,877,469</b>	<b>1,434,820</b>	<b>371,996</b>	<b>369,479</b>
<b>LIABILITIES AND EQUITY</b>					
<b>Current liabilities</b>					
Bank borrowings	13	178,241	344,299	-	-
Trade and other payables		668,319	502,645	2,120	544
Contract liabilities		41,834	22,549	-	-
Income tax payables		131,001	37,350	-	-
<b>Total current liabilities</b>		<b>1,019,395</b>	<b>906,843</b>	<b>2,120</b>	<b>544</b>
<b>Non-current liabilities</b>					
Amount owing to subsidiary		-	-	-	11,374
Bank borrowings	13	49,940	-	-	-
Deferred income		2,000	2,000	-	-
Deferred tax liabilities		6,750	3,090	-	-
<b>Total non-current liabilities</b>		<b>58,690</b>	<b>5,090</b>	<b>-</b>	<b>11,374</b>
<b>Total liabilities</b>		<b>1,078,085</b>	<b>911,933</b>	<b>2,120</b>	<b>11,918</b>
<b>Capital and reserves</b>					
Share capital	14	709,977	709,977	709,977	709,977
Retained profit/ (accumulated losses)		43,530	(198,971)	(340,101)	(352,416)
Statutory reserve fund		48,142	13,733	-	-
<b>Equity attributable to equity holders of the Company</b>		<b>801,649</b>	<b>524,739</b>	<b>369,876</b>	<b>357,561</b>
Non-controlling interests		(2,265)	(1,852)	-	-
<b>Total equity</b>		<b>799,384</b>	<b>522,887</b>	<b>369,876</b>	<b>357,561</b>
<b>Total liabilities and equity</b>		<b>1,877,469</b>	<b>1,434,820</b>	<b>371,996</b>	<b>369,479</b>

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

Group	Note	Share capital	Accumulated profit/ (losses)	Statutory reserve fund	Equity attributable to equity holders of the Company	Non-controlling interests	Total equity
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Balance at 1 January 2021 (audited)</b>		709,977	(198,971)	13,733	524,739	(1,852)	522,887
Profit and total comprehensive income for the financial year		-	310,342	-	310,342	(413)	309,929
Dividend paid	9	-	(33,432)	-	(33,432)	-	(33,432)
Transfer to statutory reserve fund		-	(34,409)	34,409	-	-	-
<b>Balance at 31 December 2021 (unaudited)</b>		<b>709,977</b>	<b>43,530</b>	<b>48,142</b>	<b>801,649</b>	<b>(2,265)</b>	<b>799,384</b>
<b>Balance at 1 January 2020 (audited)</b>		661,153	(358,923)	-	302,230	(1,285)	300,945
Issue of shares		49,002	-	-	49,002	-	49,002
Share issue expenses		(178)	-	-	(178)	-	(178)
Profit and total comprehensive income for the financial year		-	173,685	-	173,685	(567)	173,118
Transfer to statutory reserve		-	(13,733)	13,733	-	-	-
<b>Balance at 31 December 2020 (audited)</b>		<b>709,977</b>	<b>(198,971)</b>	<b>13,733</b>	<b>524,739</b>	<b>(1,852)</b>	<b>522,887</b>

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

	Share capital	Accumulated profit/ (losses)	Total equity
Note	RMB'000	RMB'000	RMB'000
<b>Company</b>			
<b>Balance at 1 January 2021 (audited)</b>	709,977	(352,416)	357,561
Profit and total comprehensive income for the financial period	-	45,747	45,747
Dividend paid	9	(33,432)	(33,432)
<b>Balance at 31 December 2021 (unaudited)</b>	<b>709,977</b>	<b>(340,101)</b>	<b>369,876</b>
<b>Balance at 1 January 2020 (audited)</b>	661,153	(341,731)	319,422
Issue of shares	49,002	-	49,002
Share issue expenses	(178)	-	(178)
Loss and total comprehensive loss for the financial year	-	(10,685)	(10,685)
<b>Balance at 31 December 2020 (audited)</b>	<b>709,977</b>	<b>(352,416)</b>	<b>357,561</b>

## D. Condensed Interim Consolidated Statement of Cash flows

	Group	
	Unaudited	Audited
	12 months ended 31 Dec 2021	12 months ended 31 Dec 2020
Note	RMB'000	RMB'000
<b>Cash flows from operating activities</b>		
Profit before tax	470,587	242,432
Adjustments for:		
Amortisation of deferred income	-	(64)
Amortisation of land use rights	645	643
Bank charges	1,416	1,694
Depreciation of property, plant and equipment	28,334	25,830
Gain on disposal of property, plant and equipment	(48)	-
Impairment loss on financial asset	126,155	4,577
Interest expense	3,666	5,753
Interest income	(5,098)	(3,614)
Property, plant and equipment written off	3,259	4,799
Share of result of associated companies	14,559	9,491
Reversal of impairment loss on property, plant and equipment	-	(23,000)
Unrealised loss on foreign exchange	3,136	670
Operating cash flows before movement in working capital	646,611	269,211
Inventories	(22,184)	(14,962)
Receivables	(98,516)	(189,707)
Payables and contract liabilities	187,774	84,342
Cash generated from operations	713,685	148,884
Interest received	5,098	3,614
Income tax paid	(62,969)	(23,478)
<b>Net cash generated from operating activities</b>	<b>655,814</b>	<b>129,020</b>
<b>Cash flows from investing activities</b>		
Advances to associated company, net	(5,463)	(4,577)
Proceed from disposal of property, plant and equipment	60	-
Purchase of property, plant and equipment	(22,272)	(6,325)
<b>Net cash used in investing activities</b>	<b>(27,675)</b>	<b>(10,902)</b>

**D. Condensed Interim Consolidated Statement of Cash flows (cont'd)**

	Note	Group	
		Unaudited	Audited
		12 months ended	12 months ended
		31 Dec 2021	31 Dec 2020
		RMB'000	RMB'000
<b>Cash flows from financing activities</b>			
Dividend paid	9	(33,432)	-
Drawdown of bank borrowings		59,940	110,000
Repayment of bank borrowings		(110,000)	(120,000)
Repayment of amount due to related party		-	(5,697)
Decrease in pledged bank deposits		45,742	69,789
Decrease in bill payables to bank		(66,058)	(89,799)
Deposit paid to secured bank borrowings		(2,000)	-
Proceeds from issuance of ordinary shares		-	49,002
Share issue expenses		-	(178)
Interest paid		(3,666)	(5,753)
Bank charges paid		(1,416)	(1,694)
<b>Net cash (used in)/ generated from financing activities</b>		<b>(110,890)</b>	<b>5,670</b>
<b>Net increase in cash and cash equivalents</b>			
Cash and cash equivalents at beginning of period		517,249	123,788
Effect of exchange rate changes on cash and cash equivalents		259,727	136,727
		(3,426)	(788)
<b>Cash and cash equivalents at end of period</b>	11	<b>773,550</b>	<b>259,727</b>
Note A:			
<u>Purchases of property, plant and equipment ("PPE")</u>			
Aggregate cost of PPE acquired		19,765	8,677
Add: outstanding payables at 1 January		32,886	30,534
Less: outstanding payables at 31 December		(30,379)	(32,886)
<b>Net cash outflow for purchases of PPE</b>		<b>22,272</b>	<b>6,325</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 Catalist board of Singapore Exchange Securities Trading Limited (“**SGX-ST**”). These condensed interim consolidated financial statements as at and for the six months and full year ended 31 December 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 and full year ended 31 December 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 interim financial statements for the period ended 30 June 2021.

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.



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

### 2. Basis of preparation (cont'd)

#### 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.

### 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.

#### *Information about major customer*

Revenue derived from 2 external customers who individually contributed 5% or more of the Group's revenue are detailed below:

	<b>Group</b>	
	<b>FY2021</b>	<b>FY2020</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Customer A	194,595	114,291
Customer B	139,019	135,100
	333,614	249,391

#### *Revenue information*

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

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

### 4. Segment and revenue information (cont'd)

#### Disaggregation of Revenue

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

	Group			
	2H2021 RMB'000	2H2020 RMB'000	FY2021 RMB'000	FY2020 RMB'000
Methylamine	696,586	373,689	1,125,917	656,705
DMF	548,184	275,965	998,922	443,332
Others	41,359	20,865	48,471	46,216
	<b>1,286,129</b>	<b>670,519</b>	<b>2,173,310</b>	<b>1,146,253</b>

### 5. Financial assets and financial liabilities

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

	Group		Company	
	31 Dec 2021 RMB'000	31 Dec 2020 RMB'000	31 Dec 2021 RMB'000	31 Dec 2020 RMB'000
<i>Financial Assets</i>				
At amortised cost	<b>988,653</b>	670,161	<b>51,763</b>	49,113
<i>Financial liabilities</i>				
Amortised cost	<b>361,387</b>	475,132	<b>2,120</b>	544

### 6. Profit before taxation

#### 6.1 Significant items

	Group			
	2H2021 RMB'000	2H2020 RMB'000	FY2021 RMB'000	FY2020 RMB'000
Profit before tax is arrived at after charging/(crediting):				
Amortisation of deferred income	-	(32)	-	(64)
Amortisation of land use rights	<b>322</b>	321	<b>645</b>	643
Depreciation of property, plant and equipment	<b>13,133</b>	12,887	<b>28,334</b>	25,830
Gain on disposal of property, plant and equipment	-	-	<b>(48)</b>	-
Impairment loss on financial assets	<b>126,155</b>	4,577	<b>126,155</b>	4,577
Interest expenses	<b>1,243</b>	2,800	<b>3,666</b>	5,753
Interest income	<b>(3,210)</b>	(2,010)	<b>(5,098)</b>	(3,614)
Property, plant and equipment written off	<b>2,320</b>	3,769	<b>3,259</b>	4,799
Reversal of impairment loss on property, plant and equipment	-	(23,000)	-	(23,000)
Net loss/ (gain) on foreign exchange	<b>1,367</b>	(202)	<b>3,114</b>	(205)

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

### 6. Profit before taxation (cont'd)

#### 6.2 Related party transactions

<b>Group</b>	<b>FY2021 RMB'000</b>	<b>FY2020 RMB'000</b>
<i>With associated companies (subsidiary companies of HNEC)</i>		
Sales of goods	84,942	39,359
Purchases of goods and industrial steam	316,276	50,812
Rental expense	694	694
Advances given to, net of repayment	5,463	9,080
<i>With other subsidiary companies of HNEC</i>		
Sales of goods	47,240	10,465
Purchases of goods and industrial steam	284,554	293,855
Rental income	482	-
Rental expense	200	6
<b>Company</b>		
<i>With subsidiary of the Company</i>		
Loan from	-	10,900
Interest expense	129	474
Management fee income	-	3,619

#### Outstanding balances:

<b>Group</b>	<b>FY2021 RMB'000</b>	<b>FY2020 RMB'000</b>
<i>With associated companies (subsidiary companies of HNEC)</i>		
Trade receivables	10,255	44,476
Loan and advances	30,463	145,000
Advances payment to suppliers	56,815	21,213
Trade bills payables	(750)	(17,744)
<i>With other subsidiary companies of HNEC</i>		
Trade receivables	5	6,318
Advances payment to suppliers	8	51,852
Trade payables	(4,195)	-
Trade bills payables	(4,950)	(83,289)

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

### 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:

	<b>Group</b>			
	<b>2H2021</b>	<b>2H2020</b>	<b>FY2021</b>	<b>FY2020</b>
	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>
Current income tax expense	<b>95,749</b>	48,455	153,620	58,845
Withholding tax expense	-	-	3,000	-
Deferred income tax	<b>7,128</b>	10,469	4,038	10,469
	<b>102,877</b>	58,924	160,658	69,314

The income tax expense on the results of the financial period differs from the amount of income tax determined by applying the domestic rates applicable to profit in the countries where the Group operates due to the following factors:

	<b>Group</b>			
	<b>2H2021</b>	<b>2H2020</b>	<b>FY2021</b>	<b>FY2020</b>
	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>
Profit before tax	<b>252,468</b>	196,660	<b>470,587</b>	242,432
Share of results of associated companies	<b>6,364</b>	7,646	<b>14,559</b>	9,491
Profit before tax excluded share of results of associated companies	<b>258,832</b>	204,306	<b>485,146</b>	251,923
Tax at the domestic rates applicable to profit in the countries where the Group operates	<b>64,708</b>	51,077	<b>122,306</b>	61,425
Expenses not deductible for tax purposes	<b>33,751</b>	4,537	<b>33,751</b>	4,537
Utilisation of previously unrecognised deferred tax assets	-	-	-	(475)
(Over)/ under provision of income tax expenses in prior year	<b>(2,062)</b>	356	<b>(2,062)</b>	356
Effect of withholding tax on the distributable profits of the Group's PRC subsidiaries	<b>6,750</b>	3,090	<b>3,660</b>	3,090
Withholding tax	-	-	<b>3,000</b>	-
Others	<b>270</b>	(136)	<b>3</b>	381
	<b>102,877</b>	58,924	<b>160,658</b>	69,314

**F. Notes to the Condensed Interim Consolidated Financial Statements**
**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			
	2H2021	2H2020	FY2021	FY2020
Profit for the financial year attributable to equity holders of the Company (RMB'000)	<b>149,802</b>	138,116	<b>310,342</b>	173,685
Weighted average number of ordinary shares ('000)	<b>1,988,444</b>	1,879,422	<b>1,988,444</b>	1,849,100
Earnings per share (RMB cents)	<b>7.53</b>	7.35	<b>15.61</b>	9.39

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

**9. Dividends**

	Group	
	FY2021 RMB'000	FY2020 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	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
Net asset value per ordinary share (RMB fen)	<b>40.20</b>	26.29	<b>18.60</b>	17.98

Net asset value per ordinary share as at 31 December 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	
	31 Dec 2021 RMB'000	31 Dec 2020 RMB'000	31 Dec 2021 RMB'000	31 Dec 2020 RMB'000
Cash on hand and at bank	<b>773,550</b>	259,727	<b>51,550</b>	48,889
Fixed deposits	<b>148,584</b>	194,326	-	-
	<b>922,134</b>	454,053	<b>51,550</b>	48,889
Pledged fixed deposits	<b>(148,584)</b>	(194,326)	-	-
Cash and cash equivalents in the consolidated statement of cash flows	<b>773,550</b>	259,727	<b>51,550</b>	48,889

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

### 12. Property plant and equipment

During the six months ended 31 December 2021, the Group acquired property, plant and equipment amounting to RMB 12,087,000 (31 December 2020: RMB 7,323,000) and written off property, plant and equipment amounting to RMB 2,320,000 (31 December 2020: RMB 3,769,000).

### 13. Bank borrowings

	Group	
	31 Dec 2021 RMB'000	31 Dec 2020 RMB'000
<u>Amount repayable within one year or on demand</u>		
Bank borrowings	10,000	110,000
Bills payable to banks	168,241	234,299
	<b>178,241</b>	<b>344,299</b>
<u>Amount repayable after one year</u>		
Bank borrowings	49,940	-

#### Security for bank borrowings

As at 31 December 2021, there were RMB 10 million (31 December 2020: RMB 90 million) short-term borrowings guaranteed by the Group's related parties, Anyang Chemical Industry Group Co., Ltd. ("**Anhua**") and Anyang Jiulong Chemical Co., Ltd.

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.

As at 31 December 2021, there were RMB 49.94 million (31 December 2020: Nil) long-term borrowings guaranteed by the Group's related parties, Anyang Chemical Industry Group Co., Ltd. ("**Anhua**") and Anyang Jiulong Chemical Co., Ltd.

#### 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 148.58 million (31 December 2020: RMB 194.33 million) and RMB 20 million is guaranteed by a related party of the Group, Henan Energy and Chemical Co., Ltd ("**HNEC**"). A security deposit of RMB 5 million were pledged to HNEC for the aforementioned corporate guarantee provided.

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

### 14. Share capital

	Group and Company			
	31 Dec 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 31 December 2021.

The Company's subsidiaries do not hold any shares in the Company as at 31 December 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 30 June 2021 and 31 December 2021	1,988,444,000	709,976,678

There were no outstanding options, convertibles, treasury shares and subsidiary holdings as at 31 December 2021 and 31 December 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 31 December 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 31 December 2021	1,988,444,000	709,976,678

**1(a)(iii) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable. The Company did not have any treasury shares during and as at the end of the financial year reported on.

**1(a)(iv) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

Not applicable. The Company did not have any subsidiary holdings during and as at the end of the financial year reported on.



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

### **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 31 December 2021 and the related condensed consolidated profit or loss and other comprehensive income, condensed statement of changes in equity and condensed consolidated statement of cash flows for the financial year ended 31 December 2021 and explanatory notes have not been audited or reviewed.

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

Not applicable as the 2H2021 and FY2021 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 independent Auditor provided an unmodified audit opinion for the latest audited financial statements as at 31 December 2020 which included an emphasis of matter on amount due from an associated company.

### **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**

##### **FY2021**

Compared to FY2020, revenue increased mainly due to increase in both sales volume and average selling prices of our main products, Dimethylformamide (“DMF”) and Methylamine. For FY2021, average selling prices of DMF and Methylamine were RMB12,127 per tonne and RMB 11,837 per tonne respectively, which were 103% and 57% higher than that for FY2020. The sales volume of DMF and Methylamine in FY2021 were 11% and 9% higher than that FY2020.

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 electric vehicles (EV) batteries, electronics, pharmaceutical and animal feeds), who in turn are experiencing strong growth in both local and export markets for their products.

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

### **Commentaries on performance (cont'd)**

Year on year, the capacity utilisation of our DMF plant increased from 56% to 62% whilst capacity utilisation rate of our methylamine plant remained at full capacity. The lower utilisation rate of the DMF plant was primarily due to management's balancing of the production mix to maximise profit.

The soaring coal price had led to a significant increase in average cost of 3 key raw materials of methanol, liquid ammonia and industrial steam. These costs went up by approximately 48%, 43% and 93% respectively, resulting in higher cost of production for DMF and Methylamine.

Resulting from a combination of the above factors, the Group's gross profit increased by 146% and gross profit margins increased from 24% in FY2020 to 31% in FY2021.

Other income decreased RMB 1.35 million was mainly due to an absence of waiver of debts from creditors and lower government grant received by the Group.

Total operating expenses increased RMB 28.37 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 impairment on receivables and impairment of property, plant and equipment at Anyang Jiujiu;
- b) Distribution costs increased mainly due to increase of transportation cost under Anyang Jiutian Fine Chemical Co. Ltd. ("Anyang Jiutian") in line with higher sales volume during the financial year;
- c) Administrative expenses increased mainly due to higher performance related salary expenses and under provision of staff bonus related to FY2020;

Other expenses increased mainly due to:

- a) An absence of reversal of impairment loss on property plant and equipment occurred in FY2020; and
- b) An increase in loss on foreign exchange arising from the revaluation of certain monetary assets and liabilities in holding company denominated in Singapore dollars to RMB. This was due to RMB was strengthened against Singapore dollars during the financial year.

Impairment loss on financial assets mainly consists of a prudent loan impairment of RMB 120 million to relating to the sodium hydrosulfite project of the associated company, Anyang Jiujiu Chemical Technology Co., Ltd. The management performed an expected credit loss assessment and provided for the impairment loss required.

The decrease in finance cost compared to FY2020 was mainly due to repayments of bank borrowings and bills payable to banks during FY2021.

As a result of the above, the Group's net profit after tax for FY2021 increased from RMB 173.12 million to RMB 309.93 million. Excluding the loan impairment of RMB 120 million, the net profit after tax would have been approximately RMB 430 million and the Group also recorded the highest quarterly net profit (excluding the loan impairment of RMB 120 million) in the fourth quarter 2021.

### **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.

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

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### **Commentaries on balance sheet (cont'd)**

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

- a) an increase in trade receivables, as more customers opted to use trade bills as a form of repayment during FY2021 and this led to a longer credit repayment period. However, part of the trade bills received from customers during FY2021 were then used to repay the supplier as trade bills payables;
- b) an increase in inventories due largely to increase in goods in transit as at 31 December 2021;
- c) an increase in cash and cash equivalents due largely to cash generated from operating activities as presented in the cash flow statements; and
- d) partially offset with the increase in provision of impairment loss on financial assets as explained in the preceding paragraphs.

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

- a) 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;
- b) an increased in income tax payables due to higher net profit for the financial year;
- c) an increased in contract liabilities due to higher selling prices for our products; and
- d) partially offset with a decrease in bank borrowings due to repayment of term loan and bill payables to banks.

The Group's increase in non-current liabilities was largely attributed to:

- a) a drawdown of RMB 49 million loan term bank borrowings; and
- b) a provision of deferred withholding tax liabilities arising from undistributed profits of Anyang Jiutian. Pursuant to the People's Republic of China ("PRC") Corporate Income Tax Law, a withholding tax of 10% is levied on dividends declared to foreign investors from the foreign investment enterprises established in Mainland China. The requirement is effective from 1 January 2008. A lower withholding tax rate may be applied if there is a tax treaty between Mainland China and the jurisdiction of the foreign investors. For the Group, the applicable rate is 5%.

The Group is in a net current assets position as at 31 December 2021 of RMB 608.81 million.

### **Commentaries on cash flow**

Net cash generated from operating activities in FY2021 was mainly due to operating cashflows partially offset by income tax paid.

Net cash used in investing activities in FY2021 was mainly due to purchase of property, plant and equipment for additions of raw material storage tank and advance provided to Anyang Jiujiu for working capital purposes.

Net cash used in financing activities in FY2021 was mainly due to repayment of bank borrowings, decrease in bill payables to bank and FY2021 interim dividend paid.

### **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.

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

### 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.

For 1H2022, sales volume of the Group's main products is expected to be impacted by the following:

1. The government-imposed lockdown measures in Anyang City due to COVID-19 outbreak in January 2022 resulted in lower production at both our plants for about 15 days in January 2022; and
2. Our downstream manufacturing customers' traditional closure during the Chinese New Year festive period.

Barring any significant resurgence of COVID-19 in China, the Group is cautiously optimistic of its business prospects in FY2022.

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 Yes. The proposed dividends for the financial year ended 31 December 2021 are subject to shareholders' approval at the forthcoming annual general meeting of the Company to be held in April 2022.

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

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).

Name of Dividend	Final Tax Exempt Dividend
Dividend type	Cash
Dividend Amount per Share (in SGD)	0.0012
Tax rate	Tax-exempt one-tier

7c. (ii) previous corresponding period (cents)

Nil

7d The date the dividend is payable.

Subject to approval by the shareholders of the Company at the forthcoming Annual General Meeting and to be announced at a later date.

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.

Subject to approval by the shareholders of the Company at the forthcoming Annual General Meeting and to be announced at a later date.

**F. Other Information Required by Listing Rule Appendix 7C**
**8. If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.**

Not applicable.

**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 FY2021.

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)
	FY2021	FY2021
HNEC	Security Deposit RMB 5 million	-
Anyang Chemical Industry Group Co., Ltd ("Anhua") <sup>(1)</sup>	Security and fire protection service fees RMB 4.82 million	Sales of Repair Material, industrial steams and electricity RMB 38.37 million
	Waste disposal fees RMB 1.31 million	Purchase of Raw Materials I and II RMB 150.76 million
	Transportation fees RMB 2.93 million	Purchase of Repair Materials RMB 4.13 million
		Rental income of equipment RMB 1.12 million
		Rental expense of equipment RMB 12.80 million
Anyang Jiulong Chemical Co., Ltd <sup>(2)</sup>	Nil	Sale of Dimethylamine RMB 81.79 million
		Purchase of Raw Materials I and II RMB 317.01 million
		Rental of equipment RMB 0.69 million
		Sales of Repair Materials RMB 3.16 million
		Advance payment for purchase of electricity and industrial steam <sup>(3)</sup> RMB 56.82 million

## 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 Jiujiu Chemical Technology Co., Ltd <sup>(3)</sup>	Advances given for working capital purposes RMB 5.46 million	Nil
Total	RMB 19.52 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 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.

The advanced payments to 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 January 2022, Anyang Jiulong had delivered 76% respectively of the raw materials against the advance payments.

- (3) 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.

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

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

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

#### Disclosure in relation to Catalist Rule 905

Since FY2015, bank borrowings of Anyang Jiutian amounting to RMB 20 million was guaranteed by a HNEC and in return, a security deposit of RMB 3 million was pledged to HNEC for the aforementioned corporate guarantee provided.

During FY2021, upon the full repayment by Anyang Jiutian of the RMB20 million bank borrowings, HNEC continued to provide the corporate guarantee to secure Anyang Jiutian's bills payable facility within the same bank. In addition, the corporate guarantee provided by HNEC was up to the available credit limit of RMB 50 million for Anyang Jiutian's bills payables facility. In return for the higher amount of corporate guarantee granted by HNEC, Anyang Jiutian was required to top up the security deposit provided to HNEC by RMB 2 million. In aggregate, the RMB 5 million security deposit provided to HNEC will be fully refunded to Anyang Jiutian upon the cancellation of the bills payable facility and full repayment of all outstanding balances of the bills payable facility. For details, please refer to note 13 of the Condensed Interim Consolidated Financial Statements

During FY2021, the aggregate value of interested person transactions with HNEC and its associates, not conducted under shareholders' mandate pursuant to Rule 920, amounted to RMB19.52 million and exceeded 3% of the FY2020 Group's audited net tangible asset ("NTA") by 0.7%.

The Audit Committee has considered the changes to the terms of foregoing Anyang Jiutian's credit facility and noted the incremental amount at risk to the Company of RMB 2 million which constituted 0.4% of the FY2020 Group's audited NTA, and is of the view that the transaction are on normal commercial terms, and is not prejudicial to the interests of the Company and its minority shareholders.

### 10. Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7.H) under Rule 720(1)

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

### 11. Disclosures on Acquisition and Realisation of Shares pursuant to Catalist Rule 706A

During FY2021, 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.

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

### 12. A breakdown of sales

The following table shows the breakdown of sales and net profit during the first and second halves of FY2021 and FY2020.

Group	FY2021 RMB'000	FY2020 RMB'000	% increase
a) Sales reported for first half year	887,181	475,734	86.49
b) Operating profit after tax before deducting non-controlling interests reported for first half year	160,338	35,382	353.16
c) Sales reported for second half year	1,286,129	670,519	91.81
d) Operating profit after tax before deducting non-controlling interests reported for second half year	149,591	137,736	8.61

**13. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704 (10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

The Board of Directors confirms that there is no person occupying managerial position in the Company or any of its principal subsidiaries who is a relative of a director, executive officer or substantial shareholder of the Company during the financial year and up to the date of this announcement.



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

### 14. 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		988	
- Directors' fee		331	
- Office rental		117	
- Professional fees		159	
- Other office expenses		106	
<b>Total</b>	<b>9,967</b>	<b>1,701</b>	<b>8,266</b>

The use of proceeds is consistent with the Company's proposed use of funds as set out in the announcement dated 19 October 2020.

### BY ORDER OF THE BOARD

Han Lianguo  
Non-executive and  
Non-independent Chairman  
25 February 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.