

# Announcement of Unaudited Condensed Interim Financial Statement for The Three Months Ended 31 March 2022

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

	Note	Unaudited 3 months ended 31 Mar 2022 ("1Q2022") RMB'000	Unaudited 3 months ended 31 Mar 2021 ("1Q2021") RMB'000
<b>Revenue</b>	4	<b>772,250</b>	439,254
Cost of sales		<u>(501,756)</u>	(301,105)
<b>Gross profit</b>		<b>270,494</b>	138,149
Other income		<b>3,454</b>	730
Distribution costs		<b>(4,331)</b>	(4,252)
Administrative expenses		<b>(9,577)</b>	(9,696)
Other expenses		<b>(1,529)</b>	(1,427)
Finance costs		<b>(692)</b>	(1,810)
Share of result of associated companies		<u><b>8,356</b></u>	(328)
<b>Profit before tax</b>	6	<b>266,175</b>	121,366
Tax expense	7	<u><b>(65,135)</b></u>	(31,166)
<b>Profit and total comprehensive income for the period</b>		<u><b>201,040</b></u>	90,200
<b>Profit and total comprehensive income for the period attributable to:</b>			
Equity holders of the Company		<b>201,099</b>	90,313
Non-controlling interest		<u><b>(59)</b></u>	(113)
		<u><b>201,040</b></u>	90,200
<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	<u><b>10.11</b></u>	4.54

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

	Note	Group		Company	
		Unaudited	Audited	Unaudited	Audited
		31 Mar 2022	31 Dec 2021	31 Mar 2022	31 Dec 2021
		RMB'000	RMB'000	RMB'000	RMB'000
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents	10	1,020,413	922,134	49,119	51,550
Trade and other receivables		506,769	614,489	90,463	280
Inventories		135,340	61,121	-	-
<b>Total current assets</b>		<b>1,662,522</b>	<b>1,597,744</b>	<b>139,582</b>	<b>51,830</b>
<b>Non-current assets</b>					
Property, plant and equipment	11	194,567	197,641	137	172
Land use rights		2,532	2,692	-	-
Investment in subsidiary companies		-	-	257,736	257,736
Investment in associated companies		70,614	62,258	62,258	62,258
Other receivables		30,463	30,463	-	-
Deferred tax assets		1,230	1,230	-	-
<b>Total non-current assets</b>		<b>299,406</b>	<b>294,284</b>	<b>320,131</b>	<b>320,166</b>
<b>Total assets</b>		<b>1,961,928</b>	<b>1,892,028</b>	<b>459,713</b>	<b>371,996</b>
<b>LIABILITIES AND EQUITY</b>					
<b>Current liabilities</b>					
Bank borrowings	12	252,281	178,241	-	-
Trade and other payables		453,802	668,319	900	2,120
Contract liabilities		36,009	41,834	-	-
Income tax payables		146,163	131,001	-	-
<b>Total current liabilities</b>		<b>888,255</b>	<b>1,019,395</b>	<b>900</b>	<b>2,120</b>
<b>Non-current liabilities</b>					
Bank borrowings	12	49,940	49,940	-	-
Deferred income		2,000	2,000	-	-
Deferred tax liabilities		6,750	6,750	-	-
<b>Total non-current liabilities</b>		<b>58,690</b>	<b>58,690</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>		<b>946,945</b>	<b>1,078,085</b>	<b>900</b>	<b>2,120</b>
<b>Capital and reserves</b>					
Share capital	13	709,977	709,977	709,977	709,977
Retained profit/ (accumulated losses)		245,917	58,089	(251,164)	(340,101)
Statutory reserve fund		61,413	48,142	-	-
<b>Equity attributable to equity holders of the Company</b>		<b>1,017,307</b>	<b>816,208</b>	<b>458,813</b>	<b>369,876</b>
Non-controlling interests		(2,324)	(2,265)	-	-
<b>Total equity</b>		<b>1,014,983</b>	<b>813,943</b>	<b>458,813</b>	<b>369,876</b>
<b>Total liabilities and equity</b>		<b>1,961,928</b>	<b>1,892,028</b>	<b>459,713</b>	<b>371,996</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
Note	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Group</b>						
<b>Balance at 1 January 2022 (audited)</b>	709,977	58,089	48,142	816,208	(2,265)	813,943
Profit and total comprehensive income for the financial period	-	201,099	-	201,099	(59)	201,040
Transfer to statutory reserve fund	-	(13,271)	13,271	-	-	-
<b>Balance at 31 March 2022 (unaudited)</b>	<b>709,977</b>	<b>245,917</b>	<b>61,413</b>	<b>1,017,307</b>	<b>(2,324)</b>	<b>1,014,983</b>
<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 period	-	90,313	-	90,313	(113)	90,200
Transfer to statutory reserve	-	(9,031)	9,031	-	-	-
<b>Balance at 31 March 2021 (Unaudited)</b>	<b>709,977</b>	<b>(117,689)</b>	<b>22,764</b>	<b>615,052</b>	<b>(1,965)</b>	<b>613,087</b>

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

	Share capital	Accumulated profit/ (losses)	Total equity
	RMB'000	RMB'000	RMB'000
<b>Company</b>	<u>Note</u>		
<b>Balance at 1 January 2022 (audited)</b>	709,977	(340,101)	369,876
Profit and total comprehensive income for the financial period	-	88,937	88,937
<b>Balance at 31 March 2022 (unaudited)</b>	<b>709,977</b>	<b>(251,164)</b>	<b>458,813</b>
<b>Balance at 1 January 2021 (audited)</b>	709,977	(352,416)	357,561
Profit and total comprehensive income for the financial period	-	54,234	54,234
<b>Balance at 31 March 2021 (unaudited)</b>	<b>709,977</b>	<b>(298,182)</b>	<b>411,795</b>

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

	Group	
	3 months ended	3 months ended
	31 Mar 2022	31 Mar 2021
Note	RMB'000	RMB'000
<b>Cash flows from operating activities</b>		
Profit before tax	266,175	121,366
Adjustments for:		
Amortisation of land use rights	160	162
Bank charges	115	468
Depreciation of property, plant and equipment	5,566	8,080
Interest expense	577	1,342
Interest income	(3,230)	(601)
Property, plant and equipment written off	1,622	939
Share of result of associated companies	(8,356)	328
Operating cash flows before movement in working capital	262,629	132,084
Inventories	(74,219)	419
Receivables	108,109	(13,178)
Payables and contract liabilities	(220,342)	(165,062)
Cash generated from/ (used in) operations	76,177	(45,737)
Interest received	3,230	601
Income tax paid	(49,973)	(28,069)
<b>Net cash generated from/ (used in) operating activities</b>	<b>29,434</b>	<b>(73,205)</b>
<b>Cash flows from investing activities</b>		
Advances to associated company	(389)	(1,076)
Purchase of property, plant and equipment	(4,114)	(3,645)
<b>Net cash used in investing activities</b>	<b>(4,503)</b>	<b>(4,721)</b>
<b>Cash flows from financing activities</b>		
(increase)/ decrease in pledged bank deposits	(37,079)	9,175
Increase/ (decrease) in bill payables to bank	74,040	(6,158)
Interest paid	(577)	(1,342)
Bank charges paid	(115)	(468)
<b>Net cash generated from financing activities</b>	<b>36,269</b>	<b>1,207</b>
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>61,200</b>	<b>(76,719)</b>
Cash and cash equivalents at beginning of period	773,550	256,727
<b>Cash and cash equivalents at end of period</b>	<b>834,750</b>	<b>180,008</b>

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

### 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 three months ended 31 March 2022 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 three months ended 31 March 2022 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 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 2021, 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 2022. 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 2021. 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	
	1Q2022	1Q2021
	RMB'000	RMB'000
Methylamine	369,546	213,966
DMF	279,244	217,486
Others	123,460	7,802
	<b>772,250</b>	<b>439,254</b>

Others represent trading of chemical products by the Group during 1Q2022.

### 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 March 2022 and 31 December 2021:

	Group		Company	
	31 Mar 2022	31 Dec 2021	31 Mar 2022	31 Dec 2021
	RMB'000	RMB'000	RMB'000	RMB'000
<i>Financial Assets</i>				
At amortised cost	<b>1,520,315</b>	1,505,013	<b>139,582</b>	51,763
<i>Financial liabilities</i>				
Amortised cost	<b>734,240</b>	877,745	<b>900</b>	2,120



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

### 6. Profit before taxation

#### 6.1 Significant items

	Group	
	1Q2022	1Q2021
	RMB'000	RMB'000
Profit before tax is arrived at after charging/(crediting):		
Amortisation of land use rights	160	162
Depreciation of property, plant and equipment	5,566	8,080
Interest expenses	577	1,342
Interest income	(3,230)	(601)
Property, plant and equipment written off	1,622	939
Net (gain)/ loss on foreign exchange	(93)	488

#### 6.2 Related party transactions

Group	1Q2022	1Q2021
	RMB'000	RMB'000
<i>With associated companies (subsidiary companies of HNEC)</i>		
Sales of goods	35,596	24,891
Purchases of goods	122,807	13,548
Rental expense	174	174
Advances given to, net of repayment	389	1076
<i>With other subsidiary companies of HNEC</i>		
Sales of goods	3,022	6,512
Purchases of goods	32,569	82,266
Rental income	69	-
Rental expense	742	35
<b>Company</b>		
<i>With subsidiary of the Company</i>		
Interest expense	-	129

### 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	
	1Q2022	1Q2021
	RMB'000	RMB'000
Current income tax expense	65,135	31,166

## E. 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	
	1Q2022	1Q2021
Profit for the financial year attributable to equity holders of the Company (RMB'000)	<b>201,099</b>	90,313
Weighted average number of ordinary shares ('000)	<b>1,988,444</b>	<b>1,988,444</b>
Earnings per share (RMB cents)	<b>10.11</b>	4.54

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

### 9. Net Asset Value

	Group		Company	
	31 Mar 2022	31 Dec 2021	31 Mar 2022	31 Dec 2021
Net asset value per ordinary share (RMB cents)	<b>51.04</b>	40.93	<b>23.12</b>	18.60

Net asset value per ordinary share as at 31 March 2022 and 31 December 2021 have been computed based on total issued shares of 1,988,444,000.

### 10. Cash and cash equivalents

	Group		Company	
	31 Mar 2022 RMB'000	31 Dec 2021 RMB'000	31 Mar 2022 RMB'000	31 Dec 2021 RMB'000
Cash on hand and at bank	834,750	<b>773,550</b>	49,119	51,550
Fixed deposits	185,663	<b>148,584</b>	-	-
	1,020,413	<b>922,134</b>	49,119	51,550
Pledged fixed deposits	(185,663)	<b>(148,584)</b>	-	-
Cash and cash equivalents in the consolidated statement of cash flows	834,750	<b>259,727</b>	49,119	51,550

### 11. Property plant and equipment

During the three months ended 31 March 2022, the Group acquired property, plant and equipment amounting to RMB 4,114,000 (31 March 2021: RMB 3,645,000), written off property, plant and equipment amounting to RMB 1,622,000 (31 March 2021: RMB939,000).

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

### 12. Bank borrowings

	Group	
	31 Mar 2022 RMB'000	31 Dec 2021 RMB'000
<u>Amount repayable within one year or on demand</u>		
Bank borrowings	10,000	10,000
Bills payable to banks	242,281	168,241
	<b>252,281</b>	<b>178,241</b>
<u>Amount repayable after one year</u>		
Bank borrowings	49,940	49,940
	<b>49,940</b>	<b>49,940</b>

#### Security for bank borrowings

As at 31 March 2022, there were RMB 10 million (31 December 2021: RMB 10 million) short-term borrowings guaranteed by the Group's related parties, Anyang Chemical Industry Group Co., Ltd. ("Anhua").

As at 31 March 2022, there were RMB 49.94 million (31 December 2021: RMB 49.94 million) long-term borrowings guaranteed by the Group's related parties, 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 185.66 million (31 December 2021: RMB 148.58 million) and RMB 96.96 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.

### 13. Share capital

	Group and Company			
	31 Mar 2022		31 Dec 2021	
	Number of shares '000	RMB'000	Number of shares '000	RMB'000
<b>Issued and paid-up capital:</b>				
At beginning and end of the financial period	1,988,444	709,977	1,988,444	709,977

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

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 March 2022 and 31 December 2021.

The Company's subsidiaries do not hold any shares in the Company as at 31 March 2022 and 31 December 2021.

### 14. 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 2021 and 31 March 2022	1,988,444,000	709,976,678

There were no outstanding options, convertibles, treasury shares and subsidiary holdings as at 31 March 2022 and 31 March 2021.

**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 March 2022 and 31 December 2021. The total number of issued shares of the Company are:

	Number of shares	Issued and paid-up share capital
	RMB	
As at 31 December 2021 and 31 March 2022	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 31 March 2022 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 three-month period then ended and explanatory notes have not been audited or reviewed.

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

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

Not applicable as the 1Q2022 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 audited financial statements as at 31 December 2021 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**

#### **1Q2022**

Compared to 1Q2021, revenue in 1Q2022 increased mainly due to increase in average selling prices of our main products, Dimethylformamide (“DMF”) and Methylamine. The Group also engaged in trading of chemical products in 1Q2022. For 1Q2022, average selling prices of DMF and Methylamine were RMB16,166 per tonne and RMB 20,055 per tonne respectively, which were 73% and 116% higher than that for 1Q2021. The increase in 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. The sales volume of DMF and Methylamine in 1Q2022 were 26% and 20% lower than that of 1Q2021.

Year on year, the capacity utilisation of our DMF plant decreased from 69% to 65% whilst capacity utilisation rate of our methylamine plant decreased from full capacity to 97%. The lower utilisation rate of the DMF plant compared to the utilisation rate for methylamine plant was primarily due to management's balancing of the production mix to maximise profit. The lower sales volume was due to downstream manufacturing customers' traditional closure during the Chinese New Year festive period and lower capacity utilisation rate due to the government-imposed lockdown measures in Anyang City due to COVID-19 outbreak that resulted in lower production at both our plants for about 15 days in January 2022.

Resulting from a combination of the above factors, the Group's gross profit increased by 96% and gross profit margins increased from 32% in 1Q2021 to 35% in 1Q2022.

Other income increased was mainly due to higher interest income during the financial period arising from higher bank balances.

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

Total operating expenses decreased RMB 8.72 million mainly due to share of profit from the Company's 49% associated company, Anyang Jiulong Chemical Co., Ltd ("**Anyang Jiulong**") instead of share of loss in 1Q2021, due mainly to the improvement in Anyang Jiulong's financial performance.

The decrease in finance cost compared to 1Q2021 was mainly due to lower bank borrowings during the financial period.

As a result of the above, the Group's net profit attributable to Shareholders for 1Q2022 increased from RMB 90.31 million to RMB 201.10 million.

### **Commentaries on balance sheet**

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

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

- a) an increase in cash and cash equivalents due to reasons as explained under cashflow analysis below.
- b) an increase in inventories due largely to higher finished goods balance as at 31 March 2022 arising from restrictions on internal movement in China due to COVID-19 outbreak; and
- c) partially offset with an decrease in trade receivables, as less customers opted to use trade bills as a form of repayment during 1Q2022 and this led to a shorter credit repayment period.

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

- a) a decrease in gross trade and other payables due to lesser trade bills received from customer with longer credit repayment period used to repay supplier as trade bills payables;
- b) partially offset by increased in income tax payables due to higher net profit for the financial period and increased in bank borrowings due to more suppliers opted to receive bills payables as payment form.

The Group is in a net current assets position as at 31 March 2022 of RMB 774.27 million.

### **Commentaries on cash flow**

Net cash generated from operating activities in 1Q2022 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 1Q2022 was mainly due to purchase of property, plant and equipment.

Net cash generated from financing activities in 1Q2022 was mainly due to increase in bill payables to bank.

## **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

China's COVID-19 economic recovery remains strong and this translates to sustained and strong demand for our DMF and Methylamine products. Despite this strength, the pandemic remains a concern as new variants of the virus may trigger a resurgent spread, even with the rapid vaccination rollouts.

Such concerns have partially materialised as the recent Covid-19 outbreak in several area of China resulted in government-imposed lockdown measures, which have created challenges in the transportation of raw materials and products. Our major downstream customers located in Jiangsu, Zhejiang and Shandong regions have, to different extent, experienced blockade measures, resulting in shutdowns or production restrictions, which in turn had affected our products' prices.

Furthermore, macro challenges such as trade tensions, geopolitical conflict and other uncertainties remain as peripheral concerns. We will carefully monitor these developments and take the most optimal action in the best interest of our stakeholders. Barring any significant worsening of the Covid-19 resurgence 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

Yes.

#### 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	Interim Tax Exempt Dividend
Dividend type	Cash
Dividend Amount per Share (in SGD)	0.0075
Tax rate	Tax-exempt one-tier

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

SGD 0.0035 per Share

#### 7d The date the dividend is payable.

The Interim tax-exempt dividend will be paid on 17 June 2022



**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.**

NOTICE IS HEREBY GIVEN that the Share Transfer Books and Register of Members of Jiutian Chemical Group Limited (the "Company") will be closed at 5.00 p.m. on 3 June 2022 for the purpose of determining shareholders' entitlements to the proposed tax exempt (one-tier) interim dividend of S\$0.0075 per ordinary share ("Interim Dividend"). Shareholders (being depositors) whose securities accounts with The Central Depository (Pte) Limited are credited with shares of the Company ("Share") at 5.00 p.m. on the 3 June 2022 will be entitled to the Interim Dividend. Duly completed registrable transfers in respect of the Share received by the Company's Share Registrar, Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte. Ltd.) of 80 Robinson Road, #11-02, Singapore 068898, up to 5.00 p.m. on the 3 June 2022 will also be registered to determine shareholders' entitlements to the Interim Dividend.

**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 2022 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 1Q2022.

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)
	1Q2022	1Q2022
Anyang Chemical Industry Group Co., Ltd ("Anhua") <sup>(1)</sup>	Security and fire protection service fees RMB 0.93 million	Sales of Repair Material, industrial steams and electricity RMB 4.42 million
	Waste disposal fees RMB 0.25 million	Purchase of Raw Materials I and II RMB 33.02 million
		Purchase of Repair Materials RMB 0.95 million
		Rental income of equipment RMB 0.07 million
		Rental expense of equipment RMB 6.82 million
Anyang Jiujiu Chemical Technology Co., Ltd <sup>(2)</sup>	Advances given for working capital purposes RMB 0.39 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)
	1Q2022	1Q2022
Anyang Jiulong Chemical Co., Ltd <sup>(3)</sup>	Nil	Sale of Dimethylamine and electricity RMB 34.99 million
		Purchase of electricity and industrial steam RMB 122.74 million
		Rental of equipment RMB 0.17 million
		Sales of Repair Materials RMB 0.61 million
		Advance payment for purchase of electricity and industrial steam <sup>(4)</sup> RMB 37.33 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.

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 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 30 April 2022, Anyang Jiulong had delivered 100% of the raw materials against the advance payments.

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

### 10. Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7H) 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 Catalyst Rule 706A

During 1Q2022, 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.

### 12. 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		1,075	
- Directors' fee		369	
- Office rental		131	
- Professional fees		206	
- Other office expenses		110	
Total	<u>9,967</u>	<u>1,891</u>	<u>8,076</u>

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  
4 May 2022

### Confirmation by the Board pursuant to Rule 705(5) of the Listing Manual

The directors of the Company do hereby confirm, 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 quarter ended 31 March 2022 to be false or misleading in any material respect.

#### On behalf of the Board of Directors

Han Lianguo  
Non-executive and  
Non-independent Chairman

Wang Gang  
Non-executive and  
Non-independent Director

4 May 2022

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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.