
MATERIAL VARIANCES BETWEEN UNAUDITED AND AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

The Board of Directors of Jiutian Chemical Group Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the Company’s unaudited full year financial results announcements for the financial year ended 31 December 2022 (“**FY2022**”) released via the SGXNet on 28 February 2023 (the “**Unaudited Financial Statements**”). Further reference is made to the audited financial statements of the Company for FY2022 (the “**Audited Financial Statements**”) and the report thereon by the Company’s independent auditor included in the Company’s annual report for FY2022 which will be released on the SGXNet in due course.

Pursuant to Rule 704(5) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited, the Board wishes to announce that subsequent to the release of the Unaudited Financial Statements, certain adjustments and reclassifications were made to the Unaudited Financial Statements following the finalisation of the audit by the Company’s external auditor. The Board would like to announce and clarify the material variances between the Unaudited Financial Statements and the Audited Financial Statements of the Group and Company level, with the explanations thereon are set out as follows:

	Company		Variance	
	Audited Financial Statements RMB’000	Unaudited Financial Statements RMB’000	RMB’000	%
Consolidated statement of Financial Position				
<u>NON-CURRENT ASSETS</u>				
Investment in associated companies	75,397	62,258	13,139	21
<u>CAPITAL AND RESERVES</u>				
Accumulated losses	(322,812)	(335,951)	-13,139	-4
Statement of Changes in Equity				
Profit and total comprehensive income for the financial year	101,656	88,517	13,139	15

Following the finalisation of management’s assessment of the carrying amount of the Company’s investment in its associated company, Anyang Jiulong Chemical Co., Ltd. (“**Anyang Jiulong**”) vis-à-vis the recoverable amount (based on the expected future cash flows derived from Anyang Jiulong) as at 31 December 2022, the Company reversed the impairment loss on investment in its associated companies amounting to RMB 13,139,000.

As a result of this reversal, the Company level’s profit and total comprehensive income and the carrying value of the Company’s investment in associated companies increased by RMB 13,139,000 while the accumulated losses decreased by RMB 13,139,000 accordingly. This reversal of impairment does not have any impact on the Group’s consolidated financial statements.

	Group		Variance		Note
	Audited Financial Statements RMB'000	Unaudited Financial Statements RMB'000	RMB'000	%	
Consolidated statement of Financial Position					
<u>CURRENT LIABILITIES</u>					
Trade and other payables	511,560	515,759	(4,199)	-1	1
Contract liabilities	22,207	18,008	4,199	23	1
Consolidated statement of Cash Flows					
<u>Cash flows from operating activities</u>					
Changes in operating assets and liabilities:					
Payables and contract liabilities	(175,622)	(176,587)	-965	-1	2
<u>Cash flows from investing activities</u>					
Purchases of property, plant and equipment	(9,961)	(8,997)	964	11	2

Notes:

- (1) Reclassification of contract liabilities from trade and other payables to contract liabilities.
- (2) Reclassification of purchase of property, plant and equipment from payables and contract liabilities under cashflows from operating activities to purchases of property, plant and equipment under cashflows from investing activities.

By Order of the Board,

Han Lianguo
Non-Executive and Non-Independent Chairman
10 April 2023

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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