

Announcement of Unaudited Condensed Interim Financial Statement for The Three Months Ended 31 March 2023

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

		Unaudited 3 months ended (1Q2023)	Unaudited 3 months ended (1Q2022)	Changes
	Note	31 Mar 2023	31 Mar 2022	%
		RMB'000	RMB'000	
Revenue	4	231,520	651,994 ⁽¹⁾	(64)
Cost of sales		(325,722)	(381,101) ⁽¹⁾	(15)
Gross (loss)/ profit		(94,202)	270,893	NM
Other income		5,435	3,055 ⁽¹⁾	78
Distribution costs		(4,136)	(4,331)	(5)
Administrative expenses		(9,683)	(9,577)	1
Other expenses		(4,665)	(1,529)	205
Finance costs		(620)	(692)	(10)
Share of result of associated companies		5,290	8,356	(37)
(Loss)/ profit before tax	6	(102,581)	266,175	NM
Tax expense	7	(8,613)	(65,135)	(87)
(Loss)/ profit and total comprehensive income for the period		(111,194)	201,040	NM
(Loss)/ profit and total comprehensive income for the period attributable to:				
Equity holders of the Company		(111,148)	201,099	NM
Non-controlling interest		(46)	(59)	NM
		(111,194)	201,040	NM
(Loss)/ earnings per share for profit for the financial period attributable to equity holders of the Company (in RMB cents per share)				
Basic and diluted	8	(5.59)	10.11	NM

NM: Not meaningful

Footnote:

(1) These amounts were different from 1Q2022 result announcement as revenue and cost of sales related to the sales of chemical products were reclassified to other income as the Group was acting as a distribution agent in the transactions and the net amount should be recognised in other income instead as such transactions do not form part of the Group's main source of trading income.

B. Condensed Interim Statements of Financial Position

	Note	Group		Company	
		Unaudited	Audited	Unaudited	Audited
		31 Mar 2023	31 Dec 2022	31 Mar 2023	31 Dec 2022
		RMB'000	RMB'000	RMB'000	RMB'000
ASSETS					
Current assets					
Cash and cash equivalents	10	1,116,097	1,172,325	52,171	55,495
Trade and other receivables		312,597	483,065	128,485	315
Inventories		52,821	42,787	-	-
Total current assets		1,481,515	1,698,177	180,656	55,810
Non-current assets					
Property, plant and equipment	11	188,321	183,233	-	34
Land use rights		1,888	2,049	-	-
Investment in subsidiary companies		-	-	257,736	257,736
Investment in associated companies		80,687	75,397	75,397	75,397
Other receivables		25,651	25,640	-	-
Deferred tax assets		1,100	1,100	-	-
Total non-current assets		297,647	287,419	333,133	333,167
Total assets		1,779,162	1,985,596	513,789	388,977
LIABILITIES AND EQUITY					
Current liabilities					
Bank borrowings	12	104,043	84,702	-	-
Trade and other payables		383,475	511,560	651	1,812
Contract liabilities		16,880	22,207	-	-
Income tax payables		74,319	87,488	-	-
Total current liabilities		578,717	705,957	651	1,812
Non-current liabilities					
Bank borrowings	12	81,940	49,940	-	-
Deferred income		2,000	2,000	-	-
Deferred tax liabilities		6,750	6,750	-	-
Total non-current liabilities		90,690	58,690	-	-
Total liabilities		669,407	1,078,085	651	1,812
Capital and reserves					
Share capital	13	709,977	709,977	709,977	709,977
Retained profit/ (accumulated losses)		290,507	401,655	(196,839)	(322,812)
Statutory reserve fund		110,706	110,706	-	-
Equity attributable to equity holders of the Company		1,111,190	1,222,338	513,138	387,165
Non-controlling interests		(1,435)	(1,389)	-	-
Total equity		1,109,755	1,220,949	513,138	387,165
Total liabilities and equity		1,779,162	1,985,596	513,789	388,977

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
Group						
Balance at 1 January 2023 (audited)	709,977	401,655	110,706	1,222,338	(1,389)	1,220,949
Loss and total comprehensive income for the financial period	-	(111,148)	-	(111,148)	(46)	(111,194)
Balance at 31 March 2023 (unaudited)	709,977	290,507	110,706	1,111,190	(1,435)	1,109,755
Balance at 1 January 2022 (audited)	709,977	58,089	48,142	816,208	(2,565)	813,943
Profit and total comprehensive income for the financial period	-	201,099	-	201,099	(59)	201,040
Transfer to statutory reserve	-	(13,271)	13,271	-	-	-
Balance at 31 March 2022 (unaudited)	709,977	245,917	61,413	1,017,307	(2,324)	1,014,983

C. Condensed Interim Statements of Changes in Equity

	Share capital	Accumulated profit/ (losses)	Total equity
Note	RMB'000	RMB'000	RMB'000
Company			
Balance at 1 January 2023 (audited)	709,977	(352,416)	357,561
Profit and total comprehensive income for the financial period	-	125,973	125,973
Balance at 31 March 2023 (unaudited)	709,977	(226,443)	483,534
Balance at 1 January 2022 (audited)	709,977	(340,101)	369,876
Profit and total comprehensive income for the financial period	-	88,937	88,937
Balance at 31 March 2022 (unaudited)	709,977	(251,164)	458,813

D. Condensed Interim Consolidated Statement of Cash flows

	Group	
	Unaudited 3 months ended	Unaudited 3 months ended
	31 Mar 23	31 Mar 22
Note	RMB'000	RMB'000
Cash flows from operating activities		
(Loss)/ profit before tax	(102,581)	266,175
Adjustments for:		
Amortisation of land use rights	161	160
Bank charges	32	115
Depreciation of property, plant and equipment	5,126	5,566
Interest expense	570	577
Interest income	(4,975)	(3,230)
Property, plant and equipment written off	4,525	1,622
Share of result of associated companies	(5,290)	(8,356)
Operating cash flows before movement in working capital	(102,432)	262,629
Inventories	(10,034)	(74,219)
Receivables	170,468	108,109
Payables and contract liabilities	(133,412)	(220,342)
Cash (used in)/ generated from operations	(75,410)	76,177
Interest received	4,975	3,230
Income tax paid	(21,782)	(49,973)
Net cash (used in)/ generated from operating activities	(92,217)	29,434
Cash flows from investing activities		
Advances to associated company, net	(11)	(389)
Purchase of property, plant and equipment	(14,739)	(4,114)
Net cash used in investing activities	(14,750)	(4,503)
Cash flows from financing activities		
Drawdown of bank borrowings	32,000	-
Increase in pledged bank deposits	(19,401)	(37,079)
Increase in bill payables to bank	19,341	74,040
Interest paid	(570)	(577)
Bank charges paid	(32)	(115)
Net cash generated from financing activities	31,338	36,269
Net (decrease)/ increase in cash and cash equivalents	(75,629)	61,200
Cash and cash equivalents at beginning of period	1,107,623	773,550
Cash and cash equivalents at end of period	1,031,994	834,750

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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 Catalist board of Singapore Exchange Securities Trading Limited (“**SGX-ST**”). These condensed interim consolidated financial statements as at and for the three months ended 31 March 2023 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 2023 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 2022.

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 2022, 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 2023. 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 2022.

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.

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 products of the Group.

	Group	
	(Unaudited) 1Q2023 RMB'000	(Unaudited) 1Q2022 RMB'000
Methylamine	143,519	369,546
DMF	85,487	279,244
Others	2,514	3,204
	231,520	651,994

E. Notes to the Condensed Interim Consolidated Financial Statements

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 2023 and 31 December 2022:

	Group		Company	
	(Unaudited) 31 Mar 2023 RMB'000	(Audited) 31 Dec 2022 RMB'000	(Unaudited) 31 Mar 2023 RMB'000	(Audited) 31 Dec 2022 RMB'000
<i>Financial Assets</i>				
At amortised cost	1,454,345	1,674,781	180,656	55,731
<i>Financial liabilities</i>				
Amortised cost	569,458	643,644	652	1,812

6. Profit before taxation

6.1 Significant items

	Group	
	(Unaudited) 1Q2023 RMB'000	(Unaudited) 1Q2022 RMB'000
Profit before tax is arrived at after charging/(crediting):		
Amortisation of land use rights	161	160
Depreciation of property, plant and equipment	5,126	5,566
Interest expenses	570	577
Interest income	(4,975)	(3,230)
Property, plant and equipment written off	4,525	1,622
Net loss/ (gain) on foreign exchange	140	(93)

6.2 Related party transactions

Group	(Unaudited)	(Unaudited)
	1Q2023 RMB'000	1Q2022 RMB'000
<i>With associated companies (subsidiary companies of HNEC)</i>		
Sales of goods	30,944	35,596
Purchases of goods and industrial steam	121,379	122,807
Rental expense	173	174
Advances given to, net of repayment	11	389
<i>With other subsidiary companies of HNEC</i>		
Sales of goods	1,980	3,022
Purchases of goods and industrial steam	11,865	32,569
Purchase of plant and equipment	1,774	-
Rental income	138	69
Rental expense	1,236	742

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:

	Group	
	(Unaudited) 1Q2023 RMB'000	(Unaudited) 1Q2022 RMB'000
Current income tax expense	1,863	60,385
Withholding tax expense	6,750	4,750
	8,613	65,135

8. (Loss)/ 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	
	(Unaudited) 1Q2023	(Unaudited) 1Q2022
(Loss)/ profit for the financial year attributable to equity holders of the Company (RMB'000)	(111,148)	201,099
Weighted average number of ordinary shares ('000)	1,988,444	1,988,444
(Loss)/ earnings per share (RMB cents)	(5.59)	10.11

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

9. Net Asset Value

	Group		Company	
	(Unaudited) 31 Mar 2023	(Audited) 31 Dec 2022	(Unaudited) 31 Mar 2023	(Audited) 31 Dec 2022
Net asset value per ordinary share (RMB fen)	55.81	61.40	25.81	19.47

Net asset value per ordinary share as at 31 March 2023 and 31 December 2022 have been computed based on total issued shares of 1,988,444,000.

10. Cash and cash equivalents

	Group		Company	
	(Unaudited) 31 Mar 2023 RMB'000	(Audited) 31 Dec 2022 RMB'000	(Unaudited) 31 Mar 2023 RMB'000	(Audited) 31 Dec 2022 RMB'000
Cash on hand and at bank	982,872	1,107,623	3,048	55,495
Fixed deposits	133,225	64,702	49,123	-
	1,116,097	1,172,325	52,171	55,495
Pledged fixed deposits	(84,103)	(64,702)	-	-
Cash and cash equivalents in the consolidated statement of cash flows	1,031,994	1,107,623	52,070	55,495

E. Notes to the Condensed Interim Consolidated Financial Statements

11. Property plant and equipment

During the three months ended 31 March 2023, the Group acquired property, plant and equipment amounting to RMB 14,739,000 (31 March 2022: RMB 4,114,000) and written off property, plant and equipment amounting to RMB 4,525,000 (31 March 2022: RMB 1,622,000).

12. Bank borrowings

	Group	
	(Unaudited) 31 Mar 2023 RMB'000	(Audited) 31 Dec 2022 RMB'000
<u>Amount repayable within one year or on demand</u>		
Bank borrowings	10,000	10,000
Bills payable to banks	94,043	74,702
	104,043	84,702
<u>Amount repayable after one year</u>		
Bank borrowings	81,940	49,940
	81,940	49,940

Security for bank borrowings

As at 31 March 2023, there were RMB 10 million (31 December 2022: RMB 10 million) short-term borrowings were unsecured, bear interest rate 3.7% and payable in FY2023.

As at 31 March 2023, there were RMB 49.94 million (31 December 2020: RMB 49.94 million) long-term borrowings guaranteed by the Group's related parties, Anyang Chemical Industry Group Co., Ltd. ("Anhua") and Anyang Jiulong Chemical Co., Ltd., bear interest rate 5.22% and payable in FY2024.

As at 31 March 2023, there were RMB 32 million (31 December 2022: Nil) long-term bank borrowings were unsecured, bear an interest rate of 4.30% and payable in FY2028.

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 84.10 million (31 December 2022: RMB 64.70 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.

13. Share capital

	Group and Company	
	31 Mar 2023 and 31 Dec 2022	
	Number of shares'000	RMB'000
Issued and paid-up capital:		
At beginning and end of the financial period	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.

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 2022 and 31 March 2023	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 2023.

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 2023 and 31 December 2022. The total number of issued shares of the Company are:

	Number of shares	Issued and paid-up share capital
		RMB
As at 31 December 2022 and 31 March 2023	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 (Cont'd)

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 2023 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 three-months period ended 31 March 2023 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 1Q2023 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 2022.

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

1Q2023

Compared to 1Q2022, revenue decreased mainly due to lower average selling prices of our main products, Dimethylformamide (“DMF”) and Methylamine. For 1Q2023, average selling prices of DMF and Methylamine were RMB5,472 per tonne and RMB 6,928 per tonne respectively, which were 66% and 65% lower than that for 1Q2022. The sales volume of DMF and Methylamine in 1Q2023 were 10% lower and 12% higher than that for 1Q2022 respectively. The decrease in average selling prices of our products was mainly due to the twin impact of industry wide softening of demand and new production capacity for DMF and Methylamine 200,000 tons per year added by our new main competitor, Jiangxi Xinlianxin Chemical Industry Co., Ltd.

Year on year, the capacity utilisation of our DMF plant decreased from 65% to 53% whilst capacity utilisation rate of our Methylamine plant remained at 97%. The lower utilisation rate of the DMF plant was primarily due to management's balancing of the production mix to minimize the losses contributed to lower selling price of the DMF product.

Despite the 64% decrease in revenue, the cost of sales (which mainly comprised raw material prices) had decreased only 15% and this decrease was not as significant as the decrease in the average selling prices of our main products.

F. Other Information Required by Listing Rule Appendix 7C (Cont'd)

Commentaries on performance (cont'd)

Resulting from a combination of the above factors, the Group's suffered a gross loss.

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

Other expenses consist of property, plant and equipment written off and net loss in foreign exchange arising from the revaluation of certain monetary assets and liabilities in holding company denominated in Singapore dollars. Other expenses has increased in 1Q2023 mainly due to increase in property, plant and equipment written off.

Share of profit from the Company's 49% associated company, Anyang Jiulong Chemical Co., Ltd ("**Anyang Jiulong**") decreased due to the challenging business environment.

As a result of the above, the Group recorded a net loss of RMB111.15 million attributable to the Shareholders for 1Q2023.

Commentaries on balance sheet

The Group's increase in non-current assets was mainly due to acquisition of property, plant and equipment related to the construction of the new 100,000 tons Methylamine plant and share of profit from associated companies as explained in the preceding paragraphs which is offset by the decrease in land use rights.

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

- a) a decrease in trade and other receivables, as lower revenue has generated during the financial period;
- b) a decrease in cash and cash equivalents was due to cash used in operating activities and investing activities as presented in the cash flow statements; and
- c) partially offset with an increase in inventories due to largely increase in finished goods as the Group reduced the despatch of finished goods at low product prices.

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

- a) a decrease in gross trade and other payables due to lesser repayment to suppliers for trade bills payables using trade bills received from customers with longer credit repayment period
- b) a decrease in income tax payables due to net loss during the financial period;
- c) a decrease in contract liabilities due to lower average selling prices for our products; and
- d) partially offset with an increase in bank borrowings due to increase in bill payables to banks as more bill payables to bank was issued as repayment to trade payables.

The Group's increase in non-current liabilities was largely attributed to a drawdown of RMB 32 million as long-term bank borrowings.

The Group is in a net current assets position of RMB 902.80 million as at 31 March 2023.

Commentaries on cash flow

Net cash used in operating activities in 1Q2023 was mainly due to net losses generated in the financial period offset by net working capital changes.

F. Other Information Required by Listing Rule Appendix 7C (Cont'd)

Commentaries on cash flow (cont'd)

Net cash used in investing activities in 1Q2023 was mainly due to purchase of property, plant and equipment related to the construction of the new 100,000 tons Methylamine plant and it is offset by lower advances granted to the associated company.

Net cash generated from financing activities in 1Q2023 was mainly due to drawdown of RMB 32 million bank loan, which was offset by an increase in pledged bank deposits to act as a security for the increase in bill payables to bank as more suppliers opted for bill payables as repayment.

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

The 1Q2023 result is consistent with the Company's earnings guidance announced on 28 April 2023.

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

The Group's financial performance has been affected by the significant downward correction of product prices across all main products of the Group since 4Q2022, arising from the twin impact of industry wide softening of demand and new production capacity added by the new main competitor in this industry.

On a macro economic front, challenges such as trade tensions, geopolitical conflict and other uncertainties remain as peripheral concerns. In view of the above, the business environment will remain challenging for the financial year. Going forward, we will monitor the market dynamics very closely and will adjust production volume when necessary to achieve optimal financial performance without losing long term customers and market share.

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)	0.0090
Tax rate	Tax-exempt one-tier

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

SGD 0.0075 per Share

7d The date the dividend is payable.

The interim tax-exempt dividend will be paid on 16 June 2023.

F. Other Information Required by Listing Rule Appendix 7C (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 8 June 2023 for the purpose of determining shareholders’ entitlements to the proposed tax exempt (one-tier) interim dividend of S\$0.0090 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 8 June 2023 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 8 June 2023 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 26 April 2023 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 1Q2023.

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)
	1Q2023	1Q2023
Anyang Chemical Industry Group Co., Ltd (“Anhua”) ⁽¹⁾	Security and fire protection service fees RMB 0.93 million	Sales of Repair Material, industrial steams and electricity RMB 2.85 million
	Purchase of plant and equipment RMB 1.74 million	Purchase of Raw Materials I and II RMB 9.94 million
	Project consultation fees RMB 0.96 million	Purchase of Repair Materials RMB 0.45 million
		Rental income of equipment RMB 0.30 million
		Rental expense of equipment RMB 7.87million

F. Other Information Required by Listing Rule Appendix 7C (Cont'd)
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)
	1Q2023	1Q2023
Anyang Jiulong Chemical Co., Ltd ⁽²⁾	Nil	Sale of Dimethylamine, Repair materials and electricity RMB 30.94 million
		Purchase of Raw Materials I and II RMB 121.38 million
		Rental of equipment RMB 0.17 million
Anyang Jiujiu Chemical Technology Co., Ltd ⁽³⁾	Advances given for working capital purposes RMB 0.12 million	Nil
Total	RMB 3.75 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.
- (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 Catalist, 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 (Cont'd)

10. 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.

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

During 1Q2023, 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:

<u>Purpose</u>	<u>Amount allocated (S\$'000)</u>	<u>Net proceeds utilised as at the date of announcement (S\$'000)</u>	<u>Balance unutilised (S\$'000)</u>
<u>Working Capital</u>			
- Wages and staff related cost		1,982	
- Directors' fee		600	
- Office rental		223	
- Professional fees		505	
- Other office expenses		255	
Total	<u>9,967</u>	<u>3,565</u>	<u>6,402</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
12 May 2023

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 2023 to be false or misleading in any material respect.

On behalf of the Board of Directors

Han Lianguo
Non-executive and
Non-independent Chairman
12 May 2023

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.

The contact person for the Sponsor is Ms Lim Hui Ling, 16 Collyer Quay, #10-00 Collyer Quay Centre, Singapore 049318, sponsorship@ppcf.com.sg.