

Announcement of Unaudited Condensed Financial Statements for The Six Months And Full Year Ended 31 December 2023

Table of contents

A.	Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income	2
B.	Condensed Statements of Financial Position	3
C.	Condensed Statements of Changes in Equity	4
D.	Condensed Consolidated Statement of Cash Flows	6
E.	Notes to Condensed Consolidated Financial Statements	8
F.	Other information required by Listing Rule Appendix 7C	15

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

	Note	Unaudited	Unaudited	Group		Audited	+ / (-) %
		6 months ended 31 Dec 2023	6 months ended 31 Dec 2022	+ / (-) %	Unaudited 12 months ended 31 Dec 2023	12 months ended 31 Dec 2022	
		RMB'000	RMB'000		RMB'000	RMB'000	
Revenue	4	205,436	1,005,024	(80)	598,563	2,434,843	(75)
Cost of sales		(318,415)	(826,675)	(61)	(858,741)	(1,726,430)	(50)
Gross (loss)/profit		(112,979)	178,349	N.M.	(260,178)	708,413	N.M.
Other income		9,652	12,019	(20)	24,243	22,354	8
Distribution costs		(4,103)	(8,971)	(54)	(11,526)	(18,747)	(39)
Administrative expenses		(19,544)	(24,627)	(21)	(37,559)	(44,012)	(15)
Other expenses		(6,951)	(106)	6458	(6,951)	(1,560)	546
Impairment loss on financial assets		(25,839)	(5,097)	407	(25,839)	(5,097)	407
Finance costs		(918)	(1,191)	(23)	(2,615)	(2,496)	5
Share of results of associated companies		(32,481)	(1,900)	1610	(26,499)	13,139	N.M.
(Loss)/profit before tax	6	(193,163)	148,476	N.M.	(346,924)	671,994	N.M.
Tax income/(expense)	7	8,808	(43,615)	N.M.	195	(181,621)	N.M.
(Loss)/profit and total comprehensive (loss)/income for the period/year		(184,355)	104,861	N.M.	(346,729)	490,373	N.M.
(Loss)/profit and total comprehensive (loss)/income for the period/year attributable to:							
Equity holders of the Company		(182,333)	104,914		(344,643)	490,497	
Non-controlling interest		(2,022)	(53)		(2,086)	(124)	
		(184,355)	104,861		(346,729)	490,373	
(Loss)/earnings per share for (loss)/profit for the financial period/year attributable to equity holders of the Company (in RMB cents per share)							
Basic and diluted	8	(9.17)	5.28		(17.33)	24.67	

N.M.: not meaningful

B. Condensed Statements of Financial Position

	Note	Group		Company	
		Unaudited 31 Dec 2023	Audited 31 Dec 2022	Unaudited 31 Dec 2023	Audited 31 Dec 2022
		RMB'000	RMB'000	RMB'000	RMB'000
ASSETS					
Current assets					
Cash and cash equivalents	11	684,026	1,172,325	70,495	55,495
Trade and other receivables		207,382	483,065	301	315
Inventories		31,775	42,787	-	-
Total current assets		923,183	1,698,177	70,796	55,810
Non-current assets					
Property, plant and equipment	12	315,576	183,233	-	34
Land use rights		1,405	2,049	-	-
Investment in subsidiary companies		-	-	257,570	257,736
Investment in associated companies		48,898	75,397	48,898	75,397
Other receivables		-	25,640	-	-
Deferred tax assets		-	1,100	-	-
Total non-current assets		365,879	287,419	306,468	333,167
Total assets		1,289,062	1,985,596	377,264	388,977
LIABILITIES AND EQUITY					
Current liabilities					
Bank borrowings	13	199,874	84,702	-	-
Trade and other payables		245,242	511,560	1,481	1,812
Contract liabilities		12,099	22,207	-	-
Income tax payables		-	87,488	-	-
Total current liabilities		457,215	705,957	1,481	1,812
Non-current liabilities					
Bank borrowings	13	66,010	49,940	-	-
Deferred income		-	2,000	-	-
Deferred tax liabilities		-	6,750	-	-
Total non-current liabilities		66,010	58,690	-	-
Total liabilities		523,225	764,647	1,481	1,812
Capital and reserves					
Share capital	14	709,977	709,977	709,977	709,977
(Accumulated losses)/retained earnings		(54,846)	401,655	(334,194)	(322,812)
Statutory reserve fund		110,706	110,706	-	-
Equity attributable to equity holders of the Company		765,837	1,222,338	375,783	387,165
Non-controlling interests		-	(1,389)	-	-
Total equity		765,837	1,220,949	375,783	387,165
Total liabilities and equity		1,289,062	1,985,596	377,264	388,977

C. Condensed Statements of Changes in Equity

		Retained earnings/ (Accumulated loss)	Statutory reserve fund	Equity attributable to equity holders of the Company	Non-controlling interests	Total equity
	Share capital					
	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 loss for the financial year	-	(344,643)	-	(344,643)	(2,086)	(346,729)
Liquidation of subsidiaries	-	-	-	-	3,475	3,475
Dividends paid	9	(111,858)	-	(111,858)	-	(111,858)
Balance at 31 December 2023 (Unaudited)	709,977	(54,846)	110,706	765,837	-	765,837
Balance at 1 January 2022 (Audited)	709,977	58,089	48,142	816,208	(2,265)	813,943
Profit and total comprehensive income for the financial year	-	490,497	-	490,497	(124)	490,373
Capital injected by non-controlling interests	-	-	-	-	1,000	1,000
Dividend paid	-	(84,367)	-	(84,367)	-	(84,367)
Transfer to statutory reserve fund	-	(62,564)	62,564	-	-	-
Balance at 31 December 2022 (Audited)	709,977	401,655	110,706	1,222,338	(1,389)	1,220,949

C. Condensed Statements of Changes in Equity

	<u>Note</u>	Share capital RMB'000	Accumulated losses RMB'000	Total equity RMB'000
Company				
Balance at 1 January 2023 (Audited)		709,977	(322,812)	387,165
Profit and total comprehensive income for the financial year		-	100,476	100,476
Dividends paid	9	-	(111,858)	(111,858)
Balance at 31 December 2023 (Unaudited)		709,977	(334,194)	375,783
Balance at 1 January 2022 (Audited)		709,977	(340,101)	369,876
Profit and total comprehensive income for the financial year		-	101,656	101,656
Dividends paid		-	(84,367)	(84,367)
Balance at 31 December 2022 (Audited)		709,977	(322,812)	387,165

D. Condensed Consolidated Statement of Cash Flows

	Group	
	Unaudited	Audited
	12 months ended 31 Dec 2023	12 months ended 31 Dec 2022
Note	RMB'000	RMB'000
Cash flows from operating activities		
(Loss)/profit before tax	(346,924)	671,994
Adjustments for:		
Amortisation of land use rights	644	643
Financing bank charges	632	197
Depreciation of property, plant and equipment	22,536	21,669
Loss on disposal of property, plant and equipment	3,380	1,451
Impairment loss on financial assets	25,839	5,097
Interest expense	1,983	2,299
Interest income	(15,362)	(15,025)
Share of results of associated companies	26,499	(13,139)
Gain on liquidation of subsidiaries	15 (796)	-
Unrealised gain on foreign exchange	(2,473)	(5,269)
Operating cash flows before movement in working capital	(284,042)	669,917
Inventories	11,012	18,334
Receivables	254,602	131,356
Payables and contract liabilities	(229,122)	(175,622)
Cash (used in)/generated from operations	(247,550)	643,985
Interest received	15,362	15,025
Income tax paid	(92,943)	(225,004)
Net cash (used in)/generated from operating activities	(325,131)	434,006
Cash flows from investing activities		
Advances to associated company, net	(200)	(177)
Net cash outflow on liquidation of subsidiaries	(318)	-
Proceeds from disposal of property, plant and equipment	394	285
Purchase of property, plant and equipment	A (187,341)	(9,961)
Net cash used in investing activities	(187,465)	(9,853)

D. Condensed Consolidated Statement of Cash Flows (cont'd)

	Note	Group	
		Unaudited	Audited
		12 months ended	12 months ended
		31 Dec 2023	31 Dec 2022
		RMB'000	RMB'000
Cash flows from financing activities			
Dividends paid	9	(111,858)	(84,367)
Drawdown of bank borrowings		66,010	10,000
Repayment of bank borrowings		(10,000)	(10,000)
Capital injected by non-controlling interests		-	1,000
(Increase)/decrease in pledged fixed deposits		(21,258)	83,882
Increase/(decrease) in bill payables to bank		75,232	(93,539)
Refund of deposit paid to secure bank borrowings		5,000	-
Interest paid		(1,983)	(2,299)
Financing bank charges paid		(632)	(197)
Net cash generated from/(used in) financing activities		511	(95,520)
Net (decrease)/increase in cash and cash equivalents			
		(512,085)	328,633
Cash and cash equivalents at beginning of period		1,107,623	773,550
Effect of exchange rate changes on cash and cash equivalents		2,528	5,440
Cash and cash equivalents at end of period	11	598,066	1,107,623
Note A:			
<u>Purchases of property, plant and equipment ("PPE")</u>			
Aggregate cost of PPE acquired		187,303	8,997
Add: Outstanding payables at 1 January		29,415	30,379
Less: Outstanding payables related to liquidation of subsidiaries		(27,289)	-
Less: Outstanding payables at 31 December		(2,088)	(29,415)
Net cash outflow for purchases of PPE		187,341	9,961

E. Notes to the Condensed 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 consolidated financial statements as at and for the six months and full year ended 31 December 2023 comprise the Company and its subsidiaries (Collectively, the “**Group**”).

The principal activity of the Company is that of investment holding. The principal activity of the subsidiary company is production, sale and service of industrial methanol, methylamine, Dimethylformamide (“**DMF**”) and gas.

2. Basis of preparation

The condensed financial statements for the six months and full year ended 31 December 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 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 Chinese Renminbi (“RMB”), which is the functional currency of the Company, its subsidiary companies and associated companies. All financial information presented in RMB have been rounded to the nearest thousand (RMB’000), unless otherwise stated.

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 Consolidated Financial Statements

2. Basis of preparation (cont'd)

2.2. Use of judgements and estimates

In preparing the condensed 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 People's Republic of China ("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			
	2H2023 RMB'000	2H2022 RMB'000	FY2023 RMB'000	FY2022 RMB'000
Methylamine	128,884	645,076	380,440	1,430,176
DMF	69,585	354,858	206,568	993,311
Others	6,967	5,090	11,555	11,356
	205,436	1,005,024	598,563	2,434,843

E. Notes to the Condensed 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 December 2023 and 31 December 2022:

	Group		Company	
	31 Dec 2023 RMB'000	31 Dec 2022 RMB'000	31 Dec 2023 RMB'000	31 Dec 2022 RMB'000
<i>Financial assets</i>				
At amortised cost	819,997	1,674,781	70,735	55,731
<i>Financial liabilities</i>				
Amortised cost	509,362	643,644	1,481	1,812

6. (Loss)/profit before taxation

6.1 Significant items

	Group			
	2H2023 RMB'000	2H2022 RMB'000	FY2023 RMB'000	FY2022 RMB'000
(Loss)/profit before tax is arrived at after charging/(crediting):				
Amortisation of land use rights	322	322	644	643
Depreciation of property, plant and equipment	12,771	10,752	22,536	21,669
Loss on disposal of property, plant and equipment	3,380	-	3,380	1,451
Impairment loss on financial assets	25,839	5,097	25,839	5,097
Interest expenses	528	1,134	1,983	2,299
Interest income	(6,619)	(7,164)	(15,362)	(15,025)
Gain on liquidation of subsidiaries	(796)	-	(796)	-
Net gain on foreign exchange	(509)	(3,918)	(5,550)	(5,083)

E. Notes to the Condensed Consolidated Financial Statements

6. (Loss)/profit before taxation (cont'd)

6.2 Related party transactions

Group	FY2023 RMB'000	FY2022 RMB'000
<i>With associated companies (subsidiary companies of HNEC)</i>		
Sales of goods	62,479	108,672
Purchases of goods	274,775	498,893
Rental expense	1,220	694
Impairment loss on financial assets	25,840	5,000
Advances given to, net	200	177
<i>With other subsidiary companies of HNEC</i>		
Sales of goods	10,352	13,797
Purchases of goods	44,586	185,777
Rental income	882	829
Rental expense	4,798	4,315
Exchange of bills for cash	-	77,141
Exchange of cash for bills	6,700	55,794

7. Tax (income)/expense

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

	Group			
	2H2023 RMB'000	2H2022 RMB'000	FY2023 RMB'000	FY2022 RMB'000
Current income tax expense	(3,158)	43,485	(1,295)	176,741
Withholding tax expense	-	-	6,750	4,750
Deferred income tax	(5,650)	130	(5,650)	130
	(8,808)	43,615	(195)	181,621

E. Notes to the Condensed Consolidated Financial Statements

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			
	2H2023	2H2022	FY2023	FY2022
(Loss)/profit for the financial period/year attributable to equity holders of the Company (RMB'000)	(182,333)	104,914	(344,643)	490,497
Weighted average number of ordinary shares ('000)	1,988,444	1,988,444	1,988,444	1,988,444
Earnings per share (RMB cents)	(9.17)	5.28	(17.33)	24.67

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 and Company	
	FY2023 RMB'000	FY2022 RMB'000
Ordinary dividends paid:		
Interim tax-exempt dividends paid in respect of the current financial year of SGD 0.0090 (2022: SGD 0.0075) per share	95,877	72,748
Final tax-exempt dividends paid in respect of the previous financial year of SGD 0.0015 (2022: SGD 0.0012) per share	15,981	11,619
	111,858	84,367

10. Net Asset Value

	Group		Company	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Net asset value per ordinary share (RMB cents)	38.51	61.40	18.90	19.47

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

E. Notes to the Condensed Consolidated Financial Statements
11. Cash and cash equivalents

	Group		Company	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	RMB'000	RMB'000	RMB'000	RMB'000
Cash on hand and at bank	529,620	1,107,623	2,049	55,495
Fixed deposits	154,406	64,702	68,446	-
	684,026	1,172,325	70,495	55,495
Pledged fixed deposits	(85,960)	(64,702)	-	-
Cash and cash equivalents in the consolidated statement of cash flows	598,066	1,107,623	70,495	55,495

12. Property, plant and equipment

During the full year ended 31 December 2023, the Group acquired property, plant and equipment amounting to RMB 187,303,000 (31 December 2022: RMB 8,997,000) in relation to the construction of new 100,000 tons methylamine production plant, and disposed of property, plant and equipment amounting to RMB 3,774,000 (31 December 2022: RMB 1,734,000). Arising from the liquidation of subsidiaries, the Group derecognised property, plant and equipment of RMB 28,650,000.

13. Bank borrowings

	Group	
	31 Dec 2023	31 Dec 2022
	RMB'000	RMB'000
<u>Amount repayable within one year or on demand</u>		
Bank borrowings	49,940	10,000
Bills payable to banks	149,934	74,702
	199,874	84,702
<u>Amount repayable after one year</u>		
Bank borrowings	66,010	49,940

Security for bank borrowings

As at 31 December 2022, there were RMB 10 million short-term borrowings that were unsecured. The borrowings were fully repaid during FY2023.

As at 31 December 2023, there were RMB 49.94 million short-term borrowings (31 December 2022: RMB 49.94 million long-term borrowings) guaranteed by the Group's related parties, Anyang Chemical Industry Group Co., Ltd. ("**Anhua**") and its associated company, Anyang Jiulong Chemical Co., Ltd ("**Anyang Jiulong**"). The borrowings are payable in FY2024.

As at 31 December 2023, there were RMB 66.01 million (31 December 2022: Nil) long-term borrowings that were unsecured. The borrowings are 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 85.96 million (31 December 2022: RMB 64.70 million).

E. Notes to the Condensed Consolidated Financial Statements

14. Share capital

	Group and Company	
	31 Dec 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.

15. Liquidation of subsidiaries

On 20 October 2023, liquidator was appointed for the purpose of winding up Henan Herunsheng Isotope Technology Co., Ltd ("**Herunsheng**"), a 45% indirect owned subsidiary of the Company. Consequently, control over Herunsheng has been transferred to the liquidators and consolidation of Herunsheng ceased with effect from that day.

On 16 November 2023, bankruptcy administrator was appointed for the purpose of winding up Changzhou Jiutian Xiean Chemical Co., Ltd. ("**Changzhou Jiutian**"), a 80% direct owned subsidiary of the Company. Consequently, control over Changzhou Jiutian has been transferred to the bankruptcy administrator and consolidation of Changzhou Jiutian ceased with effect from that day.

At the date of deconsolidation, the assets and liabilities of the liquidation subsidiaries comprised the following:

	Herunsheng	Changzhou Jiutian	Total
	RMB'000	RMB'000	RMB'000
<u>Assets</u>			
Property, plant and equipment	27,522	1,128	28,650
Trade and other receivables	657	-	657
Cash and cash equivalents	318	-	318
	28,497	1,128	29,625
<u>Liabilities</u>			
Trade and other payables	31,997	15,336	47,333
Deferred income	2,000	-	2,000
	33,997	15,336	49,333

The impact of the liquidation of subsidiaries to the Group's financial statements for the financial year ended 31 December 2023 is summarised as follows:

Proceeds from liquidation	-	-	-
Net liabilities derecognised	(5,500)	(14,208)	(19,708)
Non-controlling interest derecognised	3,475	-	3,475
Impairment loss for amount owing by liquidated subsidiaries to the Group	466	14,971	15,437
(Gain)/loss on liquidation	(1,559)	763	(796)

16. Subsequent events

There are no known subsequent events which have led to adjustments to this set of 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 2023 and 30 June 2023	1,988,444,000	709,976,678

There were no outstanding options, convertibles, treasury shares and subsidiary holdings as at 31 December 2023 and 31 December 2022.

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 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 2023 and 31 December 2022	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 2023 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 financial year ended 31 December 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 2H2023 and FY2023 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 2022 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

FY2023 vs FY2022

Compared to FY2022, revenue decreased mainly due to decrease in both sales volume and average selling prices of our main products, Dimethylformamide ("DMF") and Methylamine. For FY2023, average selling prices of DMF and Methylamine were RMB 5,153 per tonne and RMB 6,497 per tonne respectively, which were 54% and 58% lower than that for FY2022. The sales volume of DMF and Methylamine in FY2023 were 55% and 36% lower than that for FY2022 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. since 4Q2022.

Year on year, the capacity utilisation of our DMF plant decreased from 67% to 32% whilst capacity utilisation rate of our Methylamine plant decreased from full capacity to 64%. The lower utilisation rate was primarily due to management's adjust production volume and balancing of the production mix to minimize the losses from low selling prices of the products.

F. Other Information Required by Listing Rule Appendix 7C

Commentaries on performance (cont'd)

FY2023 vs FY2022

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

Other income increased mainly due to gain on liquidation of subsidiaries arising for the liquidation of Herunsheng, a 45% indirect owned subsidiary of the Company and partially offset with loss on liquidation of Changzhou Jiutian, a 80% direct owned subsidiary of the Company with effect from 4Q2023.

Share of result of associated companies was arising from the Company's 49% associated company, Anyang Jiulong Chemical Co., Ltd. and its subsidiary, Anyang Jiujiu Chemical Technology Co., Ltd. (together "Anyang Jiulong Group"). Share of losses in FY2023 mainly due to provision of impairment loss for Anyang Jiulong Group's property, plant and equipment.

Other expenses mainly consist of loss on disposal of property, plant and equipment and inventories written off.

Impairment loss on financial assets increased in FY2023 mainly caused by a further provision of impairment loss for receivable from associated company, Anyang Jiujiu Chemical Technology Co., Ltd. of RMB 25.84 million .

The increase in finance costs compared to FY2022 was mainly due to higher bank borrowings during FY2023.

As a result of the above, the Group recorded a net loss of RMB 344.64 million attributable to Shareholders for FY2023.

Commentaries on balance sheet

The Group's year on year increase in non-current assets as at 31 December 2023 was mainly due to:

- a) acquisition of property, plant and equipment related to the construction of the new 100,000 tons Methylamine plant
- b) partially offset with a decrease in investment in associated companies due to the share of loss from associated companies in FY2023
- c) partially offset with the further impairment on financial assets and hence reducing the other receivables

The Group's year on year decrease in current assets as at 31 December 2023 was largely attributed to:

- a) a decrease in cash and cash equivalents due largely to cash used in operating activities and investing activities as presented in the cash flow statements.
- b) a decrease in trade and other receivables, as lower revenue has generated during the financial year.
- c) a decrease in inventories mainly due to lesser inventories kept as at 31 December 2023.

F. Other Information Required by Listing Rule Appendix 7C

Commentaries on balance sheet

The Group's year on year decrease in current liabilities as at 31 December 2023 was largely attributed to:

- a) a decrease in gross trade and other payables due to lesser repayment to suppliers using trade bills received from customers with longer credit repayment period
- b) a decrease in contract liabilities mainly due to decrease in selling price in 4Q2023 and lesser sales order received for 1Q2024; and
- c) an absence of income tax payables due to net losses generated in the financial year.
- d) Partially offset with increase in bank borrowings due to increase in bill payables to banks as more bill payables to bank was issued as repayment to trade bill payables and a reclassification of bank borrowings of RMB 49.94 million from non-current liabilities to current liabilities.

The Group's increase in non-current liabilities was largely attributed to an increase in bank borrowings due to a drawdown of RMB 66.01 million in related to the construction of new 100,000 tons methylamine plant and partially offset by a reclassification of bank borrowings of RMB 49.94 million from non-current liabilities to current liabilities.

The Group is in a net current assets position as at 31 December 2023 of RMB 465.97 million.

Commentaries on cash flow

Net cash used in operating activities in FY2023 was mainly due to net losses generated in the financial year and partially offset by net cash inflows arising from net working capital changes.

Net cash used in investing activities in FY2023 was mainly due to purchase of property, plant and equipment related to the construction of the new 100,000 tons Methylamine plant.

Net cash generated from financing activities in FY2023 was mainly due to increase in bills payables, decrease in pledged fixed deposits and drawdown of bank borrowings partially offset with dividend paid.

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

The financial results of the Group for the financial year ended 31 December 2023 was principally in line with the commentary stated in paragraph 6 of the previous result announcement for first half ended 30 June 2023 of the Group dated 3 August 2023 and the Company's profit guidance announced on 15 February 2024.

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 stated in the 1H2023's commentary which was announced on 3 Aug 2023, the Group's financial performance continue affected by the significant downward correction of product prices across all main products of the Group, arising from the double effect of industry wide softening of demand and new production capacity added by the new main competitor in this industry. We expect to continue facing low product prices in FY2024. We will adjust our production volume so as to minimize the losses arising from low product prices in due course.

F. Other Information Required by Listing Rule Appendix 7C

On a macro economic front, challenges such as trade tensions, geopolitical conflict and other uncertainties remain as peripheral concerns. In addition, burdened by the protracted property crisis, weak consumer and business confidence, mounting local government debts, and weak global growth, resulted the slower than expected recovery of the China's economy from post-COVID pandemic is dampening demand across the board. In view of the above, the business environment will remain challenging for the financial year. Going forward, the Group will continue to monitor the market condition closely and adapting its business strategies as and when appropriate.

Updates of the construction of the new 100,000-ton Methylamine plant

The Board wishes to provide an update to shareholders on the progress of the Group's expansion plan comprising a new 100,000-ton methylamine plant adjacent to our current 120,000-ton methylamine/DMF facility (the "New Plant"). The construction of the New Plant has been substantially completed. Commercial production of methylamine is expected in 1H2024.

7.Dividend information

7a. Whether an interim (final) ordinary dividend has been declared (recommended; and No final dividends have been declared for the financial year ended 31 December 2023.

7b. (i) Amount per share (cents)
Not applicable

7b. (ii) previous corresponding period (cents)
Final tax-exempt dividends of SGD 0.0015 per Share for the financial year ended 31 December 2022

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).
Not applicable

7d The date the dividend is payable.
Not applicable

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.
Not applicable

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

The Company had declared interim tax-exempt dividend of SGD 0.009 per share in first quarter 2023 and had been paid on 16 June 2023. The Board does not recommend any final dividend for FY2023 as the Group wishes to reserve adequate resources for Company's ongoing projects and respond to any adverse changes in the macroeconomic environment.

F. Other Information Required by Listing Rule Appendix 7C
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 FY2023.

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)
	FY2023	FY2023
Anyang Chemical Industry Group Co., Ltd ("Anhua") ⁽¹⁾	Security and fire protection service fees RMB 5.23 million	Sales of Repair Material, industrial steams and electricity RMB 14.47 million
	Project consultation fees RMB 3.50 million	Purchase of Raw Materials I and II RMB 24.93 million
	Purchase of Property, plant and equipment RMB 1.74 million	Purchase of Repair Materials RMB 12.09 million
	Transportation fees RMB 1.30 million	Rental income of equipment RMB 1.36 million
		Rental expense of equipment RMB 21.22 million
Anyang Jiujiu Chemical Technology Co., Ltd ("Anyang Jiujiu") ⁽²⁾	Advances given for working capital purposes RMB 0.47 million	Nil
Anyang Jiulong Chemical Co., Ltd ("Anyang Jiulong") ⁽³⁾	Nil	Sale of Dimethylamine, Repair Materials and electricity RMB 62.11 million
		Purchase of Raw Materials I and II RMB 274.61 million
		Rental of equipment RMB 1.22 million
Total	RMB 12.24 million	

F. Other Information Required by Listing Rule Appendix 7C

9. Interested person transactions (cont'd)

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 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.

- (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.

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 Catalist Rule 706A

Save as disclosed in note 15 to the condensed consolidated financial statements, 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 during FY2023. Additionally, please refer to the Company’s announcement dated on 1 November 2023 and 23 November 2023

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 FY2023 and FY2022.

Group	FY2023 RMB'000	FY2022 RMB'000	% increase / (decrease)
a) Sales reported for first half year	393,127	1,429,819	(72.51)
b) Operating (loss)/ profit after tax before deducting non-controlling interests reported for first half year	(162,374)	385,512	N.M.
c) Sales reported for second half year	205,436	1,005,024	(79.56)
d) Operating (loss)/ profit after tax before deducting non-controlling interests reported for second half year	(184,355)	104,861	N.M.

N.M.: not meaningful

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:

Purpose	Amount allocated (S\$'000)	Net proceeds utilised as at the date of announcement (S\$'000)	Balance unutilised (S\$'000)
<u>Working Capital</u>			
- Wages and staff related cost		2,545	
- Directors' fee		685	
- Office rental		273	
- Professional fees		714	
- Other office expenses		473	
Total	9,967	4,690	5,277

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
28 February 2024

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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