



# **Announcement of Unaudited Condensed Financial Statement for The Six Months And Full Year Ended 31 December 2022**

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

	Note	Unaudited	Unaudited	Group	Unaudited	Audited	Change %
		6 months ended 31 Dec 2022	6 months ended 31 Dec 2021	Change %	12 months ended 31 Dec 2022	12 months ended 31 Dec 2021	
		RMB'000	RMB'000		RMB'000	RMB'000	
<b>Revenue</b>	4	<b>1,005,024</b>	1,286,129	(22)	<b>2,434,843</b>	2,173,310	12
Cost of sales		<b>(826,675)</b>	(867,924)	(5)	<b>(1,726,430)</b>	(1,497,689)	15
<b>Gross profit</b>		<b>178,349</b>	418,205	(57)	<b>708,413</b>	675,621	5
Other income		<b>12,019</b>	3,995	201	<b>22,354</b>	6,152	263
Distribution costs		<b>(8,971)</b>	(8,824)	2	<b>(18,747)</b>	(17,758)	6
Administrative expenses		<b>(24,627)</b>	(22,419)	10	<b>(44,012)</b>	(41,128)	7
Other (expenses)/ income		<b>(106)</b>	10,741	N/A	<b>(1,560)</b>	8,055	N/A
Impairment loss on financial assets		<b>(5,097)</b>	(126,155)	(96)	<b>(5,097)</b>	(126,155)	(96)
Finance costs		<b>(1,191)</b>	(2,152)	(44)	<b>(2,496)</b>	(5,082)	(51)
Share of result of associated companies		<b>(1,900)</b>	(6,364)	(70)	<b>13,139</b>	(14,559)	N/A
<b>Profit before tax</b>	6	<b>148,476</b>	267,027	(44)	<b>671,994</b>	485,146	39
Tax expense	7	<b>(43,615)</b>	(102,877)	(58)	<b>(181,621)</b>	(160,658)	13
<b>Profit and total comprehensive income for the period</b>		<b>104,861</b>	164,150	(36)	<b>490,373</b>	324,488	51
<b>Profit and total comprehensive income for the period attributable to:</b>							
Equity holders of the Company		<b>104,914</b>	164,530		<b>490,497</b>	324,901	
Non-controlling interest		<b>(53)</b>	(380)		<b>(124)</b>	(413)	
		<b>104,861</b>	164,150		<b>490,373</b>	324,488	
<b>Earnings per share for profit for the financial period attributable to equity holders of the Company (in RMB cents per share)</b>							
Basic and diluted	8	<b>5.28</b>	8.27		<b>24.67</b>	16.34	

N/A: not applicable

**B. Condensed Statements of Financial Position**

	Note	Group		Company	
		Unaudited 31 Dec 2022	Audited 31 Dec 2021	Unaudited 31 Dec 2022	Audited 31 Dec 2021
		RMB'000	RMB'000	RMB'000	RMB'000
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents	11	1,172,325	922,134	55,495	51,550
Trade and other receivables		483,065	614,489	315	280
Inventories		42,787	61,121	-	-
<b>Total current assets</b>		<b>1,698,177</b>	<b>1,597,744</b>	<b>55,810</b>	<b>51,830</b>
<b>Non-current assets</b>					
Property, plant and equipment	12	183,233	197,641	34	172
Land use rights		2,049	2,692	-	-
Investment in subsidiary companies		-	-	257,736	257,736
Investment in associated companies		75,397	62,258	62,258	62,258
Other receivables		25,640	30,463	-	-
Deferred tax assets		1,100	1,230	-	-
<b>Total non-current assets</b>		<b>287,419</b>	<b>294,284</b>	<b>320,028</b>	<b>320,166</b>
<b>Total assets</b>		<b>1,985,596</b>	<b>1,892,028</b>	<b>375,838</b>	<b>371,996</b>
<b>LIABILITIES AND EQUITY</b>					
<b>Current liabilities</b>					
Bank borrowings	13	84,702	178,241	-	-
Trade and other payables		515,759	668,319	1,812	2,120
Contract liabilities		18,008	41,834	-	-
Income tax payables		87,488	131,001	-	-
<b>Total current liabilities</b>		<b>705,957</b>	<b>1,019,395</b>	<b>1,812</b>	<b>2,120</b>
<b>Non-current liabilities</b>					
Bank borrowings	13	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>764,647</b>	<b>1,078,085</b>	<b>1,812</b>	<b>2,120</b>
<b>Capital and reserves</b>					
Share capital	14	709,977	709,977	709,977	709,977
Retained profit/ (accumulated losses)		401,655	58,089	(335,951)	(340,101)
Statutory reserve fund		110,706	48,142	-	-
<b>Equity attributable to equity holders of the Company</b>		<b>1,222,338</b>	<b>816,208</b>	<b>374,026</b>	<b>369,876</b>
Non-controlling interests		(1,389)	(2,265)	-	-
<b>Total equity</b>		<b>1,220,949</b>	<b>813,943</b>	<b>374,026</b>	<b>369,876</b>
<b>Total liabilities and equity</b>		<b>1,985,596</b>	<b>1,892,028</b>	<b>375,838</b>	<b>371,996</b>

## C. Condensed Statements of Changes in Equity

	Note	Share capital	Retained earnings	Statutory reserve fund	Equity attributable to equity holders of the Company	Non-controlling interests	Total equity
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>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 year		-	490,497	-	490,497	(124)	490,373
Capital injected by non-controlling interests		-	-	-	-	1,000	1,000
Dividend paid	9	-	(84,367)	-	(84,367)	-	(84,367)
Transfer to statutory reserve fund		-	(62,564)	62,564	-	-	-
<b>Balance at 31 December 2022 (Unaudited)</b>		<b>709,977</b>	<b>401,655</b>	<b>110,706</b>	<b>1,222,338</b>	<b>(1,389)</b>	<b>1,220,949</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 year		-	324,901	-	324,901	(413)	324,488
Dividend paid		-	(33,432)	-	(33,432)	-	(33,432)
Transfer to statutory reserve fund		-	(34,409)	34,409	-	-	-
<b>Balance at 31 December 2021 (Audited)</b>		<b>709,977</b>	<b>58,089</b>	<b>48,142</b>	<b>816,208</b>	<b>(2,265)</b>	<b>813,943</b>

### C. Condensed Statements of Changes in Equity

<u>Company</u>	<u>Note</u>	Share capital	Accumulated	Total equity
		RMB'000	(losses)/ profits RMB'000	RMB'000
<b>Balance at 1 January 2022 (Audited)</b>		709,977	(340,101)	369,876
Profit and total comprehensive income for the financial period		-	88,517	88,517
Dividend paid	9	-	(84,367)	(84,367)
<b>Balance at 31 December 2022 (Unaudited)</b>		<b>709,977</b>	<b>(335,951)</b>	<b>374,026</b>
<b>Balance at 1 January 2021 (Audited)</b>		709,977	(352,416)	357,561
Profit and total comprehensive income for the financial period		-	45,747	45,747
Dividend paid		-	(33,432)	(33,432)
<b>Balance at 31 December 2021 (Audited)</b>		<b>709,977</b>	<b>(340,101)</b>	<b>369,876</b>

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

	Group	
	Unaudited	Audited
	12 months ended 31 Dec 2022	12 months ended 31 Dec 2021
Note	RMB'000	RMB'000
<b>Cash flows from operating activities</b>		
Profit before tax	671,994	485,146
Adjustments for:		
Amortisation of land use rights	643	645
Bank charges	197	1,416
Depreciation of property, plant and equipment	21,669	28,334
Loss/ (gain) on disposal of property, plant and equipment	1,451	(48)
Impairment loss on financial asset	5,097	126,155
Interest expense	2,299	3,666
Interest income	(15,025)	(5,098)
Property, plant and equipment written off	-	3,259
Share of result of associated companies	(13,139)	14,559
Reversal of impairment loss on investment in associated companies	-	(14,559)
Unrealised (gain)/ loss on foreign exchange	(5,269)	3,136
Operating cash flows before movement in working capital	669,917	646,611
Inventories	18,334	(22,184)
Receivables	131,357	(98,516)
Payables and contract liabilities	(176,587)	187,774
Cash generated from operations	643,021	713,685
Interest received	15,025	5,098
Income tax paid	(225,004)	(62,969)
<b>Net cash generated from operating activities</b>	<b>433,042</b>	<b>655,814</b>
<b>Cash flows from investing activities</b>		
Advances to associated company, net	(177)	(5,463)
Proceed from disposal of property, plant and equipment	285	60
Purchase of property, plant and equipment	(8,997)	(22,272)
<b>Net cash used in investing activities</b>	<b>(8,889)</b>	<b>(27,675)</b>

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

	Note	Group	
		Unaudited	Audited
		12 months ended	12 months ended
		31 Dec 2022	31 Dec 2021
		RMB'000	RMB'000
<b>Cash flows from financing activities</b>			
Dividend paid	9	(84,367)	(33,432)
Drawdown of bank borrowings		10,000	59,940
Repayment of bank borrowings		(10,000)	(110,000)
Capital injected by non-controlling interests		1,000	-
Decrease in pledged bank deposits		83,882	45,742
Decrease in bill payables to bank		(93,539)	(66,058)
Deposit paid to secured bank borrowings		-	(2,000)
Interest paid		(2,299)	(3,666)
Bank charges paid		(197)	(1,416)
<b>Net cash used in financing activities</b>		<b>(95,520)</b>	<b>(110,890)</b>
<b>Net increase in cash and cash equivalents</b>			
Cash and cash equivalents at beginning of period		773,550	259,727
Effect of exchange rate changes on cash and cash equivalents		5,440	(3,426)
<b>Cash and cash equivalents at end of period</b>	11	<b>1,107,623</b>	<b>773,550</b>
Note A:			
<u>Purchases of property, plant and equipment ("PPE")</u>			
Aggregate cost of PPE acquired		8,997	19,765
Add: outstanding payables at 1 January		30,379	32,886
Less: outstanding payables at 31 December		(30,379)	(30,379)
<b>Net cash outflow for purchases of PPE</b>		<b>8,997</b>	<b>22,272</b>

## E. Notes to the Condensed Consolidated Financial Statements

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### 1 Corporate information

Jiutian Chemical Group Limited (the “**Company**”) is incorporated and domiciled in Singapore and is listed on the 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 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 financial statements for the six months and full year ended 31 December 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 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.



## 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 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.

### 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			
	2H2022 RMB'000	2H2021 RMB'000	FY2022 RMB'000	FY2021 RMB'000
Methylamine	645,076	696,586	1,430,176	1,125,917
DMF	354,858	548,184	993,311	998,922
Others	5,090	41,359	11,356	48,471
	1,005,024	1,286,129	2,434,843	2,173,310

## 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 2022 and 31 December 2021:

	Group		Company	
	31 Dec 2022 RMB'000	31 Dec 2021 RMB'000	31 Dec 2022 RMB'000	31 Dec 2021 RMB'000
<i>Financial assets</i>				
At amortised cost	<b>1,760,655</b>	1,505,013	<b>55,731</b>	51,763
<i>Financial liabilities</i>				
Amortised cost	<b>733,826</b>	877,745	<b>1,812</b>	2,120

### 6. Profit before taxation

#### 6.1 Significant items

	Group			
	2H2022 RMB'000	2H2021 RMB'000	FY2022 RMB'000	FY2021 RMB'000
Profit before tax is arrived at after charging/(crediting):				
Amortisation of land use rights	<b>322</b>	322	<b>643</b>	645
Depreciation of property, plant and equipment	<b>10,752</b>	13,133	<b>21,669</b>	28,334
Loss/(gain) on disposal of property, plant and equipment	-	-	<b>1,451</b>	(48)
Impairment loss on financial assets	<b>5,097</b>	126,155	<b>5,097</b>	126,155
Interest expenses	<b>1,134</b>	1,243	<b>2,299</b>	3,666
Interest income	<b>(7,164)</b>	(3,210)	<b>(15,025)</b>	(5,098)
Property, plant and equipment written off	-	2,320	-	3,259
Net loss/ (gain) on foreign exchange	<b>(3,918)</b>	1,367	<b>(5,083)</b>	3,114

**E. Notes to the Condensed Consolidated Financial Statements**
**6. Profit before taxation (cont'd)**
**6.2 Related party transactions**

<b>Group</b>	<b>FY2022</b>	<b>FY2021</b>
	<b>RMB'000</b>	<b>RMB'000</b>
<i>With associated companies (subsidiary company of HNEC)</i>		
Sales of goods	108,672	84,942
Purchases of goods	498,893	316,276
Rental expense	694	694
Impairment loss on financial assets	5,000	120,000
Advances given to, net	177	5,463
<i>With other subsidiary companies of HNEC</i>		
Sales of goods	13,797	11,469
Purchases of goods	185,777	149,339
Rental income	829	482
Rental expense	4,315	200
<b>Company</b>		
<i>With subsidiary of the Company</i>		
Interest expense	-	129

**7. Tax expense**

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 consolidated statement of profit or loss are:

	<b>Group</b>			
	<b>2H2022</b>	<b>2H2021</b>	<b>FY2022</b>	<b>FY2021</b>
	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>
Current income tax expense	<b>43,485</b>	95,749	<b>176,541</b>	153,620
Withholding tax expense	-	-	<b>4,950</b>	3,000
Deferred income tax	<b>130</b>	7,128	<b>130</b>	4,038
	<b>43,615</b>	102,877	<b>181,621</b>	160,658

**E. Notes to the Condensed 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			
	2H2022	2H2021	FY2022	FY2021
Profit for the financial year attributable to equity holders of the Company (RMB'000)	<b>104,914</b>	164,530	<b>490,497</b>	324,901
Weighted average number of ordinary shares ('000)	<b>1,988,444</b>	1,988,444	<b>1,988,444</b>	1,988,444
Earnings per share (RMB cents)	<b>5.28</b>	8.27	<b>24.67</b>	16.34

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	
	FY2022	FY2021
	RMB'000	RMB'000
Ordinary dividends paid:		
Interim tax-exempt dividends paid in respect of the current financial year of SGD 0.0075 (2021:SGD 0.0035) per share	<b>72,748</b>	<b>33,432</b>
Final tax-exempt dividends paid in respect of the previous financial year of SGD 0.0012 (2021: nil) per share	<b>11,619</b>	-
	<b>84,367</b>	<b>33,432</b>

**10. Net Asset Value**

	Group		Company	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
Net asset value per ordinary share (RMB cents)	<b>61.40</b>	40.93	<b>18.81</b>	18.60

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

**11. Cash and cash equivalents**

	Group		Company	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
	RMB'000	RMB'000	RMB'000	RMB'000
Cash on hand and at bank	<b>1,107,623</b>	773,550	<b>55,495</b>	51,550
Fixed deposits	<b>64,702</b>	148,584	-	-
	<b>1,172,325</b>	922,134	<b>55,495</b>	51,550
Pledged fixed deposits	<b>(64,702)</b>	(148,584)	-	-
Cash and cash equivalents in the consolidated statement of cash flows	<b>1,107,623</b>	773,550	<b>55,495</b>	51,550

## E. Notes to the Condensed Consolidated Financial Statements

### 12. Property plant and equipment

During the full year ended 31 December 2022, the Group acquired property, plant and equipment amounting to RMB 8,997,000 (31 December 2021: RMB 19,765,000), written off property, plant and equipment amounting to RMB nil (31 December 2021: RMB3,259,000) and disposed of assets amounting to RMB 1,734,000 (31 December 2021: RMB12,000).

### 13. Bank borrowings

	Group	
	31 Dec 2022	31 Dec 2021
	RMB'000	RMB'000
<u>Amount repayable within one year or on demand</u>		
Bank borrowings	10,000	10,000
Bills payable to banks	74,702	168,241
	<b>84,702</b>	178,241
 <u>Amount repayable after one year</u>		
Bank borrowings	<b>49,940</b>	49,940

#### Security for bank borrowings

As at 31 December 2022, there were RMB 10 million (31 December 2021: nil) short-term borrowings were unsecured.

As at 31 December 2021, there were RMB 10 million short-term borrowings guaranteed by the Group's related parties, Anyang Chemical Industry Group Co., Ltd. ("**Anhua**") and Anyang Jiulong Chemical Co., Ltd ("**Anyang Jiulong**"). This is fully paid during the financial year.

As at 31 December 2022, there were RMB 49.94 million (31 December 2021: 49.94 million) long-term borrowings guaranteed by the Group's related parties, Anyang Chemical Industry Group Co., Ltd. ("**Anhua**") and Anyang Jiulong.

#### 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 64.70 million (31 December 2021: RMB 148.58 million) and guaranteed by a related party of the Group, Henan Energy and Chemical Co., Ltd ("**HNEC**"). A security deposit of RMB 5 million were pledged to HNEC for the aforementioned corporate guarantee provided.

## E. Notes to the Condensed Consolidated Financial Statements

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### 14. Share capital

	Group and Company 31 Dec 2022 and 31 Dec 2021	
	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

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. 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 2022 and 30 June 2022	1,988,444,000	709,976,678

There were no outstanding options, convertibles, treasury shares and subsidiary holdings as at 31 December 2022 and 31 December 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 December 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 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 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 financial year ended 31 December 2022 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 2H2022 and FY2022 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**

##### **FY2022 vs FY2021**

Compared to FY2021, revenue increased mainly due to increase in average selling prices of our main products Methylamine. For FY2022, average selling prices of DMF and Methylamine were RMB11,124 per tonne and RMB 15,532 per tonne respectively, which were 8% lower and 31% higher than that for FY2021. The sales volume of DMF and Methylamine in FY2022 were 8% higher and 3% lower than that FY2021.

Covid-19 outbreak in several areas of China resulting in government-imposed lockdown measures, which created challenges in the transportation of raw materials and products.

The Group's major downstream customers located in Jiangsu, Zhejiang and Shandong regions have, to a different extent, experienced blockade measures, resulting in temporary shutdowns or production restrictions and in turn affected the average selling prices of DMF and Methylamine.



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

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

#### **FY2022 vs FY2021**

Year on year, the capacity utilisation of our DMF plant increased from 62% to 67% whilst capacity utilisation rate of our methylamine plant remained at full capacity. The lower utilisation rate of the DMF plant was primarily due to management's balancing of the production mix to maximise profit.

Gross profit margins decreased from 31% in FY2021 to 29% in FY2022 mainly due to increase in the cost of raw material.

Other income increased mainly due to an increase of interest income arising from higher cash and bank balances and gain on foreign exchange arising from the revaluation of certain monetary assets and liabilities in holding company denominated in Singapore dollars.

Share of profit from the Company's 49% associated company, Anyang Jiulong instead of share of loss in FY2021.

Other expenses increased mainly due to an absence of reversal of impairment loss on investment in associated companies that occurred in FY2021.

Impairment loss on financial assets decreased in FY2022 mainly caused by a further provision of impairment loss for receivable from associated company, Anyang Jiujiu Chemical Technology Co., Ltd.

The decrease in finance cost compared to FY2021 was mainly due to repayments of bank borrowings and bills payable to banks during FY2022.

As a result of the above, the Group's net profit attributable to Shareholders for FY2022 increased from RMB 324.90 million to RMB 490.50 million.

### **Commentaries on balance sheet**

The Group's decrease in non-current assets was mainly due to depreciation charges of property, plant and equipment, land use rights and other receivables and offset by an increase in the investment in associated companies which was resulted from share of profit of associated company, Anyang Jiulong.

The Group's increase in current assets was largely attributed to an increase in cash and cash equivalents due largely to cash generated from operating activities as presented in the cash flow statements. The foregoing increase was offset by decrease in trade and other receivables mainly due to lower sales in 4Q2022 and decrease in inventories mainly due to lesser inventories kept as at 31 December 2022.

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

- a) a decrease in bank borrowings due to repayment of term loan and bills payables to banks;
- b) a decrease in contract liabilities mainly due to decrease in selling price in 4Q2022 and lesser sales order received for 1Q2023; and
- c) a decreased in income tax payables due to lower net profit for the 4<sup>th</sup> quarter 2022.

The Group is in a net current assets position as at 31 December 2022 of RMB 992.22 million.

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

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### **Commentaries on cash flow**

Net cash generated from operating activities in FY2022 was mainly due to operating cashflows partially offset by income tax paid.

Net cash used in investing activities in FY2022 was mainly due to purchase of property, plant and equipment.

Net cash used in financing activities in FY2022 was mainly due to decrease in bills payables and 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 2022 was principally in line with the commentary stated in paragraph 10 of the previous result announcement for year ended 30 June 2022 of the Group dated 11 August 2022."

### **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 reopening is seen as one of the most important economic events in 2023 and should boost domestic and global economy. In addition, China has started to carry out the monetary stimulus policies by lowering the loan prime rate to revive economy. We expect to see a sustained economic recovery in 2023 as a result of reopening and policy stimulus.

Furthermore, 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. We will carefully monitor these developments and take the most optimal action in the best interest of our stakeholders.

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 Group's wholly-owned subsidiary, Anyang Jiutian Fine Chemical Co., Ltd had obtained all relevant approval for the construction of the New Plant. The construction of the New Plant had been commenced in December 2022 and expected to take up to 12 months to complete. Commercial production of methylamine is expected in 1Q2024.

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

### 7.Dividend information

7a. Whether an interim (final) ordinary dividend has been declared (recommended; and Yes. The proposed dividends for the financial year ended 31 December 2022 are subject to shareholders' approval at the forthcoming annual general meeting of the Company to be held in April 2023.

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

7c. Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Name of Dividend	Final Tax Exempt Dividend
Dividend type	Cash
Dividend Amount per Share (in cents)	SGD 0.0015
Tax rate	Tax-exempt one-tier

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

Final tax-exempt dividends of SGD 0.0012 per Share for the financial year ended 31 December 2021

7d The date the dividend is payable.

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

7e The date on which Registrable Transfers received by the Company (up to 5.00pm) will be registered before entitlements to the dividend are determined.

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

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

Not applicable.

**F. Other Information Required by Listing Rule Appendix 7C**
**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 FY2022.

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)
	FY2022	FY2022
Anyang Chemical Industry Group Co., Ltd ("Anhua") <sup>(1)</sup>	Security and fire protection service fees RMB 4.63 million	Sales of Repair Material, industrial steams and electricity RMB 34.33 million
	Waste disposal fees RMB 1.09 million	Purchase of Raw Materials I and II RMB 179.69 million
	Consultancy fees RMB 2.90 million	Purchase of Repair Materials RMB 4.86 million
		Rental income of equipment RMB 1.46 million
		Rental expense of equipment RMB 29.23 million
Anyang Jiujiu Chemical Technology Co., Ltd <sup>(2)</sup>	Advances given for working capital purposes RMB 0.18 million	Nil
Anyang Jiulong Chemical Co., Ltd <sup>(3)</sup>	Nil	Sale of Dimethylamine, Repair Materials and electricity RMB 108.67 million
		Purchase of Raw Materials I and II RMB 498.87 million
		Rental of equipment RMB 0.69 million
<b>Total</b>	<b>RMB 8.80 million</b>	

## 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

Not applicable.

## 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 FY2022 and FY2021.

Group	FY2022 RMB'000	FY2021 RMB'000	% increase / (decrease)
a) Sales reported for first half year	1,429,819	887,181	61.16
b) Operating profit/(loss) after tax before deducting non-controlling interests reported for first half year	385,512	160,338	140.44
c) Sales reported for second half year	1,005,024	1,286,129	(21.86)
d) Operating profit/(loss) after tax before deducting non-controlling interests reported for second half year	104,861	164,150	(36.12)

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

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

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

### 14. Use of Net Proceeds

The following relates to the net proceeds of S\$9.97 million raised from the Placement that was completed on 27 October 2020:

<b>Purpose</b>	<b>Amount allocated (S\$'000)</b>	<b>Net proceeds utilised as at the date of announcement (S\$'000)</b>	<b>Balance unutilised (S\$'000)</b>
<b><u>Working Capital</u></b>			
- Wages and staff related cost		1,892	
- Directors' fee		541	
- Office rental		200	
- Professional fees		476	
- Other office expenses		242	
<b>Total</b>	<b>9,967</b>	<b>3,351</b>	<b>6,616</b>

The use of proceeds is consistent with the Company's proposed use of funds as set out in the announcement dated 28 February 2023.

### BY ORDER OF THE BOARD

Han Lianguo  
Non-executive and  
Non-independent Chairman  
28 February 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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