

Announcement of Unaudited Condensed Interim Financial Statement for First Half Ended 30 June 2022

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

		6 months ended	6 months ended
	Note	30 Jun 2022	30 Jun 2021
		RMB'000	RMB'000
Revenue	4	1,429,819	887,181
Cost of sales		<u>(899,755)</u>	(629,765)
Gross profit		530,064	257,416
Other income		10,335	2,157
Distribution costs		(9,776)	(8,934)
Administrative expenses		(19,385)	(18,709)
Other expenses		(1,454)	(2,686)
Finance costs		(1,305)	(2,930)
Share of result of associated companies		<u>15,039</u>	(8,195)
Profit before tax	6	523,518	218,119
Tax expense	7	<u>(138,006)</u>	(57,781)
Profit and total comprehensive income for the period		<u>385,512</u>	160,338
Profit and total comprehensive income for the period attributable to:			
Equity holders of the Company		385,583	160,540
Non-controlling interest		<u>(71)</u>	(202)
		<u>385,512</u>	160,338
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	<u>19.39</u>	8.07

B. Condensed Interim Statements of Financial Position

	Note	Group		Company	
		30 Jun 2022	31 Dec 2021	30 Jun 2022	31 Dec 2021
		RMB'000	RMB'000	RMB'000	RMB'000
ASSETS					
Current assets					
Cash and cash equivalents	11	1,066,564	922,134	54,504	51,550
Trade and other receivables		753,053	614,489	219	280
Inventories		35,177	61,121	-	-
Total current assets		1,854,794	1,597,744	54,723	51,830
Non-current assets					
Property, plant and equipment	12	188,998	197,641	103	172
Land use rights		2,371	2,692	-	-
Investment in subsidiary companies		-	-	257,736	257,736
Investment in associated companies		77,297	62,258	62,258	62,258
Other receivables		30,611	30,463	-	-
Deferred tax assets		1,230	1,230	-	-
Total non-current assets		300,507	294,284	320,097	320,166
Total assets		2,155,301	1,892,028	374,820	371,996
LIABILITIES AND EQUITY					
Current liabilities					
Bank borrowings	13	224,947	178,241	-	-
Trade and other payables		606,771	668,319	1,024	2,120
Contract liabilities		25,718	41,834	-	-
Income tax payables		124,087	131,001	-	-
Total current liabilities		981,523	1,019,395	1,024	2,120
Non-current liabilities					
Bank borrowings	13	49,940	49,940	-	-
Deferred income		2,000	2,000	-	-
Deferred tax liabilities		6,750	6,750	-	-
Total non-current liabilities		58,690	58,690	-	-
Total liabilities		1,040,213	1,078,085	1,024	2,120
Capital and reserves					
Share capital	14	709,977	709,977	709,977	709,977
Retained profit/ (accumulated losses)		319,564	58,089	(336,181)	(340,101)
Statutory reserve fund		87,883	48,142	-	-
Equity attributable to equity holders of the Company		1,117,424	816,208	373,796	369,876
Non-controlling interests		(2,336)	(2,265)	-	-
Total equity		1,115,088	813,943	373,796	369,876
Total liabilities and equity		2,155,301	1,892,028	374,820	371,996

C. Condensed Interim Statements of Changes in Equity

	Note	Share capital	Accumulated profit/ (losses)	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
Group							
Balance at 1 January 2022		709,977	58,089	48,142	816,208	(2,265)	813,943
Profit and total comprehensive income for the financial period		-	385,583	-	385,583	(71)	385,512
Dividend paid	9	-	(84,367)	-	(84,367)	-	(84,367)
Transfer to statutory reserve fund		-	(39,741)	39,741	-	-	-
Balance at 30 June 2022		709,977	319,564	87,883	1,117,424	(2,336)	1,115,088
Balance at 1 January 2021		709,977	(198,971)	13,733	524,739	(1,852)	522,887
Profit and total comprehensive income for the financial period		-	160,540	-	160,540	(202)	160,338
Dividend paid	9	-	(33,432)	-	(33,432)	-	(33,432)
Transfer to statutory reserve		-	(17,522)	17,522	-	-	-
Balance at 30 June 2021		709,977	(89,385)	31,255	651,847	(2,054)	649,793

C. Condensed Interim Statements of Changes in Equity

	Note	Share capital	Accumulated profit/ (losses)	Total equity
		RMB'000	RMB'000	RMB'000
Company				
Balance at 1 January 2022		709,977	(340,101)	369,876
Profit and total comprehensive income for the financial period		-	88,287	88,287
Dividend paid	9	-	(84,367)	(84,367)
Balance at 30 June 2022		709,977	(336,181)	373,796
Balance at 1 January 2021				
		709,977	(352,416)	357,561
Profit and total comprehensive income for the financial period		-	51,323	51,323
Dividend paid	9	-	(33,432)	(33,432)
Balance at 30 June 2021		709,977	(334,525)	375,452

D. Condensed Interim Consolidated Statement of Cash flows

	Group	
	6 months ended	6 months ended
	30 Jun 2022	30 Jun 2021
Note	RMB'000	RMB'000
Cash flows from operating activities		
Profit before tax	523,518	218,119
Adjustments for:		
Amortisation of land use rights	321	323
Bank charges	139	507
Depreciation of property, plant and equipment	10,891	15,201
Loss/ (gain) on disposal of property, plant and equipment	1,454	(48)
Interest expense	1,165	2,423
Interest income	(7,861)	(1,888)
Property, plant and equipment written off	-	939
Share of result of associated companies	(15,039)	8,195
Operating cash flows before movement in working capital	514,588	243,771
Inventories	25,944	2,484
Receivables	(138,564)	(139,742)
Payables and contract liabilities	(77,663)	51,528
Cash generated from operations	324,305	158,041
Interest received	7,861	1,888
Income tax paid	(144,920)	(40,444)
Net cash generated from operating activities	187,246	119,485
Cash flows from investing activities		
Advances to associated company	(148)	(1,552)
Proceed from disposal of property, plant and equipment	278	160
Purchase of property, plant and equipment	(3,980)	(7,678)
Net cash used in investing activities	(3,850)	(9,070)
Cash flows from financing activities		
Dividend paid	9 (84,367)	(33,432)
Drawdown of bank borrowings	10,000	-
Repayment of bank borrowings	(10,000)	(50,000)
(Increase)/ decrease in pledged bank deposits	(7,488)	9,182
Increase/ (decrease) in bill payables to bank	46,706	(46,097)
Interest paid	(1,165)	(2,423)
Bank charges paid	(139)	(507)
Net cash used in financing activities	(46,453)	(123,277)
Net increase/ (decrease) in cash and cash equivalents	136,943	(12,862)
Cash and cash equivalents at beginning of period	773,550	256,727
Cash and cash equivalents at end of period	910,493	243,865

E. Notes to the Condensed Interim Consolidated Financial Statements

1 Corporate information

Jiutian Chemical Group Limited (the “**Company**”) is incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited (“**SGX-ST**”). These condensed interim consolidated financial statements as at and for the six months ended 30 June 2022 (“1H2022”) 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 six months ended 30 June 2022 have been prepared in accordance with Singapore Financial Reporting Standards (International) (“**SFRS(I)**”) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2021.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The financial statements of the Group and the Company are presented in Renminbi, which is the functional currency of the Company, its subsidiary companies and associated companies.

2.1. New and amended standards adopted by the Group

There has been no change in the accounting policies and methods of computation adopted by the Group for the current reporting period compared with the audited financial statements for the year ended 31 December 2021, except for the adoption of new or revised SFRS(I) and Interpretations of SFRS(I) (“**INT SFRS(I)**”) that are mandatory for the financial year beginning on or after 1 January 2022. The adoption of these SFRS(I) and INT SFRS(I) has no significant impact on the Group.

2.2. Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2021. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

E. Notes to the Condensed Interim Consolidated Financial Statements

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4. Segment and revenue information

The Group is principally engaged in manufacturing and selling of chemical-based products, i.e., methylamine and DMF. All provisions are of a similar nature and subject to similar risks and returns. Accordingly, the Group's operating activities are mainly attributable to a single reportable operating segment.

Geographical information

The Group's revenue, expenses, results, assets and liabilities and capital expenditures are predominantly attributable to a single geographical region, the PRC, which is the Group's principal place of business and operations. Therefore, no analysis by geographical region is presented.

Revenue information

Revenue represents the amount received or receivable from sales of goods, net of sales related taxes.

Disaggregation of Revenue

The following table provides a disaggregation disclosure of the Group's revenue by major product of the Group.

	Group	
	1H2022 RMB'000	1H2021 RMB'000
Methylamine	785,100	429,331
DMF	638,453	450,738
Others	6,266	7,112
	1,429,819	887,181

5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 June 2022 and 31 December 2021:

	Group		Company	
	30 Jun 2022 RMB'000	31 Dec 2021 RMB'000	30 Jun 2022 RMB'000	31 Dec 2021 RMB'000
<i>Financial Assets</i>				
At amortised cost	1,796,906	1,505,013	54,723	51,763
<i>Financial liabilities</i>				
Amortised cost	850,253	883,051	1,024	2,120

E. Notes to the Condensed Interim Consolidated Financial Statements

6. Profit before taxation

6.1 Significant items

	Group	
	1H2022	1H2021
	RMB'000	RMB'000
Profit before tax is arrived at after charging/(crediting):		
Amortisation of land use rights	321	323
Depreciation of property, plant and equipment	10,891	15,201
Loss/ (gain) on disposal of property, plant and equipment	1,454	(48)
Interest expenses	1,165	2,423
Interest income	(7,861)	(1,888)
Property, plant and equipment written off	-	939
Net (gain)/ loss on foreign exchange	(1,165)	1,747

6.2 Related party transactions

Group	1H2022	1H2021
	RMB'000	RMB'000
<i>With associated companies (subsidiary companies of HNEC)</i>		
Sales of goods	62,958	49,347
Purchases of goods	247,225	75,706
Rental expense	347	347
Advances given to, net of repayment	148	1,552
<i>With other subsidiary companies of HNEC</i>		
Sales of goods	8,741	8,110
Purchases of goods	97,597	108,090
Rental income	138	69
Rental expense	111	82
Company		
<i>With subsidiary of the Company</i>		
Interest expense	-	129

7. Taxation

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

	Group	
	1H2022	1H2021
	RMB'000	RMB'000
Current income tax expense	138,006	60,871
Deferred income tax	-	(3,090)
	138,006	57,781

E. Notes to the Condensed Interim Consolidated Financial Statements

8. Earnings per share

The calculation of the basic and diluted earnings per share attributable to the ordinary equity holders of the Company is based on the following:

	Group	
	1H2022	1H2021
Profit for the financial year attributable to equity holders of the Company (RMB'000)	385,583	160,540
Weighted average number of ordinary shares ('000)	1,988,444	1,988,444
Earnings per share (RMB cents)	19.39	8.07

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

9. Dividends

	Group	
	1H2022 RMB'000	1H2021 RMB'000
Ordinary dividends paid:		
Final tax-exempt dividends paid in respect of the previous financial year of SGD 0.0012 (2021: nil) per share	11,619	-
Interim tax-exempt dividends paid in respect of the current financial year of SGD 0.0075 (2021: SGD 0.0035) per share	72,748	33,432
	84,367	33,432

10. Net Asset Value

	Group		Company	
	30 Jun 2022	31 Dec 2021	30 Jun 2022	31 Dec 2021
Net asset value per ordinary share (RMB cents)	56.08	40.93	18.80	18.60

Net asset value per ordinary share as at 30 June 2022 and 31 December 2021 have been computed based on total issued shares of 1,988,444,000.

E. Notes to the Condensed Interim Consolidated Financial Statements

11. Cash and cash equivalents

	Group		Company	
	30 Jun 2022 RMB'000	31 Dec 2021 RMB'000	30 Jun 2022 RMB'000	31 Dec 2021 RMB'000
Cash on hand and at bank	910,492	773,550	54,504	51,550
Fixed deposits	156,072	148,584	-	-
	1,066,564	922,134	54,504	51,550
Pledged fixed deposits	(156,072)	(148,584)	-	-
Cash and cash equivalents in the consolidated statement of cash flows	910,492	259,727	54,504	51,550

12. Property plant and equipment

During the six months ended 30 June 2022, the Group acquired property, plant and equipment amounting to RMB 3,980,000 (30 June 2021: RMB 7,678,000), depreciation charges RMB 10,891,000 (30 June 2021: RMB 15,201,000) and disposal of property, plant and equipment amounting to RMB 1,732,000 (30 June 2021: RMB120,000).

13. Bank borrowings

	Group	
	30 Jun 2022 RMB'000	31 Dec 2021 RMB'000
<u>Amount repayable within one year or on demand</u>		
Bank borrowings	10,000	10,000
Bills payable to banks	214,947	168,241
	224,947	178,241
 <u>Amount repayable after one year</u>		
Bank borrowings	49,940	49,940

Security for bank borrowings

As at 30 June 2022, there were RMB 10 million short-term borrowings was unsecured loan, while as at 31 December 2021, RMB 10 million short-term borrowings guaranteed by the Group's related parties, Anyang Chemical Industry Group Co., Ltd. ("Anhua") and Anyang Jiulong.

As at 30 June 2022, there were RMB 49.94 million (31 December 2021: RMB 49.94 million) long-term borrowings guaranteed by the Group's related parties, Anhua and Anyang Jiulong Chemical Co., Ltd.

Security for bills payable to banks

Bills payable to banks have an average maturity period of 60 to 120 days and are interest-free as repayments will be made within the credit period. The bills payable to banks are secured by pledged bank deposits amounting of RMB 156.07 million (31 December 2021: RMB 148.58 million) and RMB 100 million is guaranteed by a related party of the Group, Henan Energy and Chemical Co., Ltd ("HNEC"). A security deposit of RMB 5 million (31 December 2021: RMB 5 million) were pledged to HNEC for the aforementioned corporate guarantee provided.

E. Notes to the Condensed Interim Consolidated Financial Statements

14. Share capital

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

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

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions.

The Company did not hold any treasury shares as at 30 June 2022 and 31 December 2021.

The Company's subsidiaries do not hold any shares in the Company as at 30 June 2022 and 31 December 2021.

15. Subsequent events

There are no known subsequent events which have led to adjustments to this set of interim financial statements.

F. Other Information Required by Listing Rule Appendix 7C

1(a)(i) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

	Number of shares	Issued and paid-up share capital
		RMB
As at 31 December 2021 and 30 June 2022	1,988,444,000	709,976,678

There were no outstanding options, convertibles, treasury shares and subsidiary holdings as at 30 June 2022 and 30 June 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 30 June 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 30 June 2022	1,988,444,000	709,976,678

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The condensed consolidated statement of financial position of Jiutian Chemical Group Limited and its subsidiaries as at 30 June 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 six-month period then ended and explanatory notes have not been audited or reviewed.

F. Other Information Required by Listing Rule Appendix 7C

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

Not applicable as the 1H2022 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

1H2022

Compared to 1H2021, revenue increased mainly due to increase in average selling prices of our main products, Dimethylformamide (“DMF”) and Methylamine. For 1H2022, average selling prices of DMF and Methylamine were RMB14,027 per tonne and RMB 18,073 per tonne respectively, which were 40% and 104% higher than that for 1H2021. The increase in average product prices was mainly due to the continuing recovery of China's economy from the depth of the COVID-19 crisis and surge in demand for our main products from downstream users (such as electric vehicles (EV) batteries, electronics, pharmaceutical and animal feeds), who in turn are experiencing strong growth in both local and export markets for their products. The sales volume of DMF and Methylamine in 1H2022 were 1% higher and 11% lower than that of 1H2021.

Year on year, the capacity utilisation of our DMF plant increased from 67% to 69% 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.

Resulting from a combination of the above factors, the Group's gross profit increased by 114% and gross profit margins increased from 29% in 1H2021 to 37% in 1H2022.

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

F. Other Information Required by Listing Rule Appendix 7C

Total operating expenses decreased RMB 22.95 million mainly due to share of profit from the Company's 49% associated company, Anyang Jiulong Chemical Co., Ltd ("**Anyang Jiulong**") instead of share of loss in 1H2021, due mainly to the improvement in Anyang Jiulong's financial performance.

The decrease in finance cost compared to 1H2021 was mainly due to lower bank borrowings during the financial period.

As a result of the above, the Group's net profit attributable to Shareholders for 1H2022 increased from RMB 160.54 million to RMB 385.58 million.

Commentaries on balance sheet

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

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

- a) an increase in cash and cash equivalents due to reasons as explained under cashflow analysis below; and
- b) an increase in trade receivables, as more customers opted to use trade bills as a form of repayment during 1H2022 and this led to a longer credit repayment period.

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

- a) a decrease in gross trade and other payables due to more supplier opted to receive bills payables as payment form and this also resulted the increase in bank borrowings;
- b) a decrease in contract liabilities due to 3rd quarter is the traditional off-peak period for our downstream customers;

The Group is in a net current assets position as at 30 June 2022 of RMB 873.27 million.

Commentaries on cash flow

Net cash generated from operating activities in 1H2022 was mainly due to operating cashflows partially offset by the outflow from working capital changes and income tax paid.

Net cash used in investing activities in 1H2022 was mainly due to purchase of property, plant and equipment.

Net cash used in financing activities in 1H2022 was mainly due to dividend paid and partially offset by the increase in bill payables to bank.

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

The 1H2022 result is consistent with the Company's profit guidance announced on 1 August 2022.

F. Other Information Required by Listing Rule Appendix 7C

6. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next operating period and the next 12 months

China's economic growth has slowed sharply in 2Q2022, due to the outbreak of COVID-19 in Shanghai, and with many cities in China also reporting COVID-19 cases. Our major downstream customers located in Jiangsu, Zhejiang and Shandong regions have, to different extent, experienced Covid related measures, resulting in shutdowns or production restrictions, which in turn had affected our product prices in 1H2022.

The sales volume of the Group's main products is expected to be impacted in 2H2022, similar to all previous years, as Anyang Jiutian's DMF and methylamine production plants are expected to temporarily shut down for 20 days to undergo annual maintenance. The purpose of annual maintenance, which usually takes place in August or September, is to ensure that the plants can continue to operate safely and efficiently.

In the near term, China will continue to persist with its zero-covid policy which is expected to dampen economic growth. However, China has started to carry out the counter-cycle monetary policies by lowering the loan prime rate and increasing infrastructure spending to revive the economy.

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 rest of the financial year. We will carefully monitor these developments and take the most optimal action in the best interest of our stakeholders.

Barring any significant worsening of Covid-19 resurgence in China, we anticipate the production operations of the Group to be smooth for the rest of the financial year.

On our expansion plan comprising a new 100,000 ton methylamine plant adjacent to our current 120,000 ton methylamine/ DMF facility, we would like to update that the plan is still awaiting approval from the relevant authorities. The approval was delayed mainly due to local authorities tightening the approval for high-energy-consumption and high-emission related projects. Details of the proposed expansion plan once approved will be announced in due course.

7.Dividend information

7a. Whether an interim (final) ordinary dividend has been declared (recommended; and

Yes, an interim tax-exempt dividend of SGD 0.0075 per share had been declared in first quarter 2022 and had been paid on 17 June 2022.

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

An interim tax-exempt dividend of SGD 0.0075 per share had been declared in first quarter 2022 and had been paid on 17 June 2022.

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

An interim tax-exempt dividend of SGD 0.0035 per share had been declared in first quarter 2021 and had been paid on 18 June 2021.

F. Other Information Required by Listing Rule Appendix 7C

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).

An interim tax-exempt dividend of SGD 0.0075 per share had been declared in first quarter 2022 and had been paid on 17 June 2022.

7d The date the dividend is payable.

NA.

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.

NA.

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 0.0075 per share in first quarter 2022 and had been paid on 17 June 2022.

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 1H2022.

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)
	1H2022	1H2022
Anyang Chemical Industry Group Co., Ltd ("Anhua") ⁽¹⁾	Security and fire protection service fees RMB 2.16 million	Sales of Repair Material, industrial steams and electricity RMB 11.35 million
	Waste disposal fees RMB 0.58 million	Purchase of Raw Materials I and II RMB 85.60 million
	Project consulting fees RMB 0.99 million	Purchase of Repair Materials RMB 2.16 million
		Rental income of equipment RMB 0.46 million
		Rental expense of equipment RMB 12.46 million
Anyang Jiujiu Chemical Technology Co., Ltd ⁽²⁾	Advances given for working capital purposes RMB 0.15 million	Nil

F. Other Information Required by Listing Rule Appendix 7C
9. Interested person transactions (cont'd)

Name of interested person / Nature of relationship	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
	1H2022	1H2022
Anyang Jiulong Chemical Co., Ltd ⁽³⁾	Nil	Sale of Dimethylamine, electricity and repair materials RMB 62.95 million
		Purchase of electricity and industrial steam and repair material RMB 247.23 million
		Rental of equipment RMB 0.35 million
		Advance payment for purchase of electricity and industrial steam ⁽⁴⁾ RMB 33.69 million

Notes:

- (1) Anhua is the holding company of Anyang Longyu (HK) Development Co., Ltd. ("**Anyang Longyu**"), a controlling shareholder of the Company. Anyang Longyu holds approximately 25.27% of the issued share capital of the Company.
- (2) Anyang Jiujiu is a joint venture between Jiutian Chemical Group Limited and Anyang Jiulong pursuant to which Anyang Jiulong holds 51% and Jiutian Chemical Group Limited holds 49% of the registered capital of Anyang Jiujiu. The effective interest of the Group in Anyang Jiujiu is therefore approximately 74%. However, it was assessed and concluded that the Group has no control but only significant influence over Anyang Jiujiu as the majority voting rights and representative of the board of the directors in Anyang Jiujiu are held by Anyang Jiulong. As Anyang Jiulong is a subsidiary company of HNEC, the parent of Anhua who is in turn the holding company of the controlling shareholder, Anyang Longyu. HNEC would have control over Anyang Jiujiu through Anyang Jiulong.

The Advances were made for Anyang Jiujiu's working capital and were provided by the joint venture partners, namely the Company and Anyang Jiulong, in proportion to their respective equity interest in Anyang Jiujiu and on the same terms and conditions.

Pursuant to Rule 916(3) of the Singapore Exchange Securities Trading Limited Listing Manual Section B: Rules of 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.
- (4) The advanced payments to Anyang Jiulong for purchase of raw materials was to ensure no interruption to the continuous operation of Anyang Jiutian production plants. The Audit Committee had reviewed the transactions and concurred that these transactions were carried out on normal commercial terms and were not less favourable compared to third party suppliers and were conducted in accordance with the procedures of the IPT mandate. As at 31 July 2022, Anyang Jiulong had delivered 100% of the raw materials against the advance payments.

F. Other Information Required by Listing Rule Appendix 7C

10. Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1)

The Company confirms that it has procured undertakings from all its directors and executive officers in the required format.

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

During 1H2022, 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:

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		1,207	
- Directors' fee		423	
- Office rental		155	
- Professional fees		358	
- Other office expenses		166	
Total	9,967	2,309	7,658

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
11 August 2022

Negative confirmation by the Board pursuant to Rule 705(5) of the Listing Manual

We, Han Lianguo and Song Fudong, being two directors of Jiutian Chemical Group Limited (the “**Company**”), do hereby confirm on behalf of the Board of Directors of the Company that, 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 first half ended 30 June 2022 to be false or misleading in any material respect.

Han Lianguo
Non-executive and
Non-independent Chairman

Song Fudong
Non-executive and
Non-independent Director

11 August 2022

This announcement has been reviewed by the Company’s Sponsor, PrimePartners Corporate Finance Pte. Ltd. (the “**Sponsor**”). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the “**Exchange**”) and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.

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