

MATERIAL VARIANCES BETWEEN UNAUDITED AND AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

The Board of Directors of Jiutian Chemical Group Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the Group’s unaudited full year financial results announcements for the financial year ended 31 December 2023 (“**FY2023**”) released via the SGXNet on 28 February 2024 (the “**Unaudited Financial Statements**”). Further reference is made to the audited financial statements of the Group for FY2023 (the “**Audited Financial Statements**”) and the report thereon by the Company’s independent auditor included in the Company’s annual report for FY2023 which will be released on the SGXNet in due course.

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

	Group		Variance		Note
	Audited Financial Statements RMB’000	Unaudited Financial Statements RMB’000	RMB’000	%	
Consolidated Statement of Cash Flows					
<u>Cash flows from operating activities</u>					
Adjustments for:					
Inventories written down	9,686	–	9,686	N.M.	1
Changes in operating assets and liabilities:					
Inventories	1,326	11,012	(9,686)	-88	1
Payables and contract liabilities	(289,642)	(229,122)	60,520	26	2
<u>Cash flows from investing activities</u>					
Purchases of property, plant and equipment	(125,578)	(187,341)	(61,763)	-33	2,3
<u>Cash flows from financing activities</u>					
Drawdown of bills payables to banks	301,397	–	301,397	N.M.	4
Repayment of bills payables to banks	(226,165)	–	(226,165)	N.M.	4
Increase in bills payables to banks	–	75,232	(75,232)	-100	4
Interest expenses on bank borrowings paid	(3,226)	(1,983)	1,243	63	3

N.M.: not meaningful

Notes:

- (1) Change made for inventories written down under changes in operating assets and liabilities.
- (2) Change made for unpaid consideration for purchases of property, plant and equipment under cash flows from investing activities to payables and contract liabilities under cash flows from operating activities.
- (3) Change made for capitalised borrowing costs from purchases of property, plant and equipment under cash flows from investing activities to interest expenses on bank borrowings paid under cash flows from financing activities.
- (4) Change made for presentation of drawdown and repayment of bills payables to banks from net increase in bills payables to banks under cash flows from financing activities.

By Order of the Board,

Xu Aijun
Non-Executive and Non-Independent Chairman
5 April 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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