CHINA XLX FERTILISER LTD.
中國心連心化肥有限公司 *

(Incorporated in Singapore with limited liability)
(Hong Kong Stock Code: 1866)

ANNOUNCEMENT OF UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

The Board of Directors (the "**Board**") of China XLX Fertiliser Ltd. (the "**Company**") is pleased to announce its unaudited consolidated interim results of the Company and its subsidiaries (collectively the "**Group**") for the six months ended 30 June 2025 ("**1H2025**" or the "**Period**") together with the comparative figures for the corresponding period of the previous year as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2025

	Notes	Six months ended 30 June 2025 (Unaudited) RMB'000	2024 (Unaudited) RMB'000
REVENUE	4	**12,665,749**	12,060,957
Cost of sales		**(10,625,565)**	(9,705,237)
Gross profit		**2,040,184**	2,355,720
Other income, net	4	**200,104**	112,462
Selling and distribution expenses		**(391,594)**	(377,726)
General and administrative expenses		**(700,460)**	(701,849)
Finance costs	5	**(229,716)**	(265,997)
PROFIT BEFORE TAX	6	**918,518**	1,122,610
Income tax expense	7	**(161,402)**	(184,124)
PROFIT FOR THE PERIOD		**757,116**	938,486
Non-recurring items:			
Restricted share incentive scheme		**35,000**	–
Profit for the period after deducting non-recurring items		**792,116**	938,486
Profit attributable to:			
Owners of the parent		**599,295**	686,996
Non-controlling interests		**157,821**	251,490
		757,116	938,486
Profit attributable to after deducting non-recurring items:			
Owners of the parent		**627,365**	686,996
Non-controlling interests		**164,751**	251,490
		792,116	938,486
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY			
Basic *(RMB cents per share)*	9	**51.50**	56.4
Diluted *(RMB cents per share)*	9	**50.93**	56.3

Details of the dividend paid for the Period are disclosed in note 8 to the financial statements.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2025

	Notes	30 June 2025 (Unaudited) *RMB'000*	31 December 2024 (Audited) *RMB'000*
NON-CURRENT ASSETS			
Property, plant and equipment	*16*	**25,192,472**	22,981,051
Goodwill		**74,753**	74,753
Pledged time deposits	*11*	**26,584**	26,584
Equity investment at fair value through profit or loss	*10*	**6,708**	6,708
Deferred tax assets		**176,643**	165,020
Prepayments for purchases of plant and equipment	*12*	**677,730**	880,221
Intangible assets		**171,508**	91,254
Right-of-use-assets		**1,832,568**	1,892,449
Amounts due from related companies		**–**	26
Other assets		**35,710**	43,846
Investments in associates		**61,582**	55,608
Total non-current assets		**28,256,258**	26,217,520
CURRENT ASSETS			
Equity investments at fair value through profit or loss	*10*	**9,654**	7,830
Amounts due from related companies		**1,540**	1,540
Inventories	*13*	**1,889,737**	1,710,320
Derivative financial instruments		**3,043**	7,056
Trade and bills receivables	*14*	**1,425,684**	974,669
Prepayments	*12*	**787,193**	773,613
Deposits and other receivables		**900,564**	1,254,654
Pledged time deposits		**319,668**	602,031
Contract assets		**85,097**	52,625
Other assets		**4,939**	29,160
Cash and cash equivalents	*11*	**2,357,938**	887,226
Total current assets		**7,785,057**	6,300,724
Total assets		**36,041,315**	32,518,244

	Notes	**30 June 2025 (Unaudited)** ***RMB'000***	31 December 2024 (Audited) *RMB'000*
CURRENT LIABILITIES			
Amounts due to related companies		**25,367**	36,591
Trade payables	*15*	**1,883,340**	1,581,482
Bills payable		**473,667**	806,179
Contract liabilities		**1,237,013**	1,228,535
Accruals and other payables		**2,563,005**	2,405,626
Deferred grants		**12,770**	12,770
Interest-bearing bank and other borrowings	*17*	**4,858,594**	5,267,226
Lease liabilities		**6,192**	6,192
Income tax payables		**66,907**	23,360
Total current liabilities		**11,126,855**	11,367,961
NET CURRENT LIABILITIES		**(3,341,798)**	(5,067,237)
TOTAL ASSETS LESS CURRENT LIABILITIES		**24,914,460**	21,150,283
NON-CURRENT LIABILITIES			
Loan from a non-controlling interest		**128,200**	128,200
Interest-bearing bank and other borrowings	*17*	**10,673,109**	7,588,086
Deferred grants		**263,474**	233,900
Deferred tax liabilities		**204,111**	194,685
Accruals and other payables		**422,795**	404,182
Lease liabilities		**80,645**	79,442
Total non-current liabilities		**11,772,334**	8,628,495
Total liabilities		**22,899,189**	19,996,456
NET ASSETS		**13,142,126**	12,521,788
EQUITY			
Equity attributable to owners of the parent			
Share capital		**1,532,781**	1,532,781
Statutory reserve fund		**1,104,253**	1,104,253
Special reserve		**387**	387
Other reserve		**2,065,185**	2,115,646
Retained profits		**4,905,828**	4,306,533
Treasury shares		**(54,266)**	(98,433)
		9,554,168	8,961,167
Non-controlling interests		**3,587,958**	3,560,621
Total equity		**13,142,126**	12,521,788

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

Group

	Share capital *RMB'000*	Treasury shares *RMB'000*	Statutory reserve fund *RMB'000*	Other reserve *RMB'000*	Special reserve *RMB'000*	Retained profits *RMB'000*	Total *RMB'000*	Non-controlling interests *RMB'000*	Total equity *RMB'000*
(Unaudited)									
As at 1 January 2025	**1,532,781**	**(98,433)**	**1,104,253**	**2,115,646**	**387**	**4,306,533**	**8,961,167**	**3,560,621**	**12,521,788**
Profit for the period	**–**	**–**	**–**	**–**	**–**	**599,295**	**599,295**	**157,821**	**757,116**
Dividends paid to non-controlling shareholders	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(122,078)**	**(122,078)**
Acquisition of equity interests from non-controlling shareholders	**–**		**–**	**(1,452)**	**–**	**–**	**(1,452)**	**(8,406)**	**(9,858)**
Repurchase of Shares	**–**	**(4,842)**	**–**	**–**	**–**	**–**	**(4,842)**	**–**	**(4,842)**
Equity-settled shareholders' remuneration	**–**	**49,009**	**–**	**–**	**–**	**–**	**49,009**	**–**	**49,009**
Capital contribution from non-controlling shareholders of subsidiaries	**–**	**–**	**–**	**(49,009)**	**–**	**–**	**(49,009)**	**–**	**(49,009)**
As at 30 June 2025	**1,532,781**	**(54,266)**	**1,104,253**	**2,065,185**	**387**	**4,905,828**	**9,554,168**	**3,587,958**	**13,142,126**

For the six months ended 30 June 2024

	Share capital *RMB'000*	Statutory reserve fund *RMB'000*	Other reserve *RMB'000*	Special reserve *RMB'000*	Retained profits *RMB'000*	Total *RMB'000*	Non-controlling interests *RMB'000*	Total equity *RMB'000*
(Unaudited)								
As at 1 January 2024	1,457,380	863,518	1,984,035	4,127	3,378,490	7,687,550	2,823,448	10,510,998
Profit for the period	–	–	–	–	686,996	686,996	251,490	938,486
Capital contribution from non-controlling shareholders of subsidiaries	–	–	84,885	–	–	84,885	446,763	531,648
Payment of final 2023 dividend	–	–	–	–	(292,503)	(292,503)	–	(292,503)
Dividends paid to non-controlling shareholders	–	–	–	–	–	–	(127,353)	(127,353)
Business combination	–	–	–	–	–	–	131,082	131,082
Repurchase of Shares	(16,104)	–	–	–	–	(16,104)	–	(16,104)
As at 30 June 2024	1,441,276	863,518	2,068,920	4,127	3,774,432	8,152,273	3,523,981	11,676,254

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

30 June 2025

1. CORPORATE INFORMATION

China XLX Fertiliser Ltd. is a limited liability company incorporated in Singapore on 17 July 2006 under the Singapore Companies Act and its shares are listed on the main board of The Stock Exchange of Hong Kong Limited (the "**SEHK**"). The registered office of the Company is located at 36 Robinson Road, #20-01, City House, Singapore 068877. The Group's headquarters, principal places of business are located in Xinxiang Economic Development Zone, Henan Province; Taxihe Industrial Park, Baojiadian Town, Manas County, Changji Prefecture, Xinjiang Province; Jishan Industrial Zone, Jiujiang City, Jiangxi Province; and Guiping New Materials Industrial Park, Guigang City, Guangxi Zhuang Autonomous Region in the People's Republic of China (the "**PRC**"). The principal activity of the Company is investment holding. The principal activities of the Company's subsidiaries are mainly the development, manufacturing, and trading of related differentiated products such as urea, compound fertiliser, methanol, liquid ammonia, melamine and DMF.

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) ("**SFRS(I)s**") and International Financial Reporting Standards ("**IFRSs**"). For the purpose of SFRS(I)s, financial statements that have been prepared in accordance and complied with IFRSs are deemed to have also complied with SFRS(I)s. SFRS(I)s comprise standards and interpretations that are equivalent to IFRSs.

These financial statements have been prepared on a historical cost basis, except for equity investments at fair value through profit or loss, which have been measured at fair value. These financial statements are presented in Renminbi ("**RMB**") and all values in the tables are rounded to the nearest thousand ("**RMB'000**") except when otherwise indicated.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in this interim report are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of the following International Financial Reporting Standards ("**IFRSs**") for the first time for the current period's financial information.

Description	**Effective for annual periods beginning on or after**
Amendments to IFRS 9 and IFRS 7: *Amendments to the Classification and Measurement of Financial Instruments*	1 January 2026
Annual Improvement to IFRS Volume 11	1 January 2026
IFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19 Subsidiaries without Public Accountability: *Disclosures*	1 January 2027
Amendments to IFRS 10 and IAS 28: *Sales or Contribution of Assets between an Investor and its Associate or Joint Venture*	Date to be determined

The directors of the Company expect that the adoption of the other standards and interpretation above will have no material impact on the financial statements in the period of initial application.

3. PRODUCT PERFORMANCE CONTRIBUTION

For management purposes, the Group organises its into fertiliser segment, chemical segment, medical intermediate segment, gas segment and equipment segment based on its business segments, among which:

(I) The fertiliser segment has reportable product lines as follows:
1. Manufacturing and sale of urea
2. Manufacturing and sale of compound fertiliser

(II) The chemical segment has reportable product lines as follows:
1. Manufacturing and sale of methanol
2. Manufacturing and sale of liquid ammonia
3. Manufacturing and sale of melamine
4. Manufacturing and sale of DMF

Allocation basis

Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly other income, other expenses, selling and distribution expenses, general and administrative expenses, finance costs and income tax expense.

3. **PRODUCT PERFORMANCE CONTRIBUTION** *(Continued)*

Allocation basis *(Continued)*

An analysis by principal activity of contribution to the results is as follows:

For the six months ended 30 June 2025

Revenue	Urea (unaudited) *RMB'000*	Compound Fertiliser (unaudited) *RMB'000*	Methanol (unaudited) *RMB'000*	Liquid Ammonia (unaudited) *RMB'000*	Melamine (unaudited) *RMB'000*	DMF (unaudited) *RMB'000*	Others* (unaudited) *RMB'000*	Total (unaudited) *RMB'000*
Sales to external customers	**3,225,357**	**3,566,305**	**1,641,974**	**533,249**	**377,812**	**587,071**	**2,733,981**	**12,665,749**
Total revenue	**3,225,357**	**3,566,305**	**1,641,974**	**533,249**	**377,812**	**587,071**	**2,733,981**	**12,665,749**
Segment profit	**662,636**	**563,356**	**138,724**	**69,437**	**116,775**	**108,294**	**380,962**	**2,040,184**
Interest income								**6,913**
Unallocated expenses								**(898,863)**
Finance costs								**(229,716)**
Profit before tax								**918,518**
Income tax expense								**(161,402)**
Profit for the period								**757,116**

* Other products include other chemical products, medical intermediate segment, equipment segment and gas segment. Among the chemical products, sales revenue of methylamine, furfural and furfuryl alcohol, polyformaldehyde and humic acid amounted to RMB285 million, RMB233 million, RMB230 million and RMB217 million, respectively; sales revenue of the medical intermediate segment amounted to RMB227 million and sales revenue of the equipment segment amounted to RMB161 million.

3. PRODUCT PERFORMANCE CONTRIBUTION *(Continued)*

Allocation basis *(Continued)*

For the six months ended 30 June 2024

Revenue	Urea (unaudited) *RMB'000*	Urea Solution for Vehicle (unaudited) *RMB'000*	Compound Fertiliser (unaudited) *RMB'000*	Methanol (unaudited) *RMB'000*	Melamine (unaudited) *RMB'000*	DMF (unaudited) *RMB'000*	Medical Intermediate (unaudited) *RMB'000*	Others* (unaudited) *RMB'000*	Total (unaudited) *RMB'000*
Sales to external customers	3,834,000	166,095	3,410,034	1,291,472	397,466	595,295	234,089	2,132,506	12,060,957
Total revenue	3,834,000	166,095	3,410,034	1,291,472	397,466	595,295	234,089	2,132,506	12,060,957
Segment profit	1,181,231	30,017	604,853	102,136	119,114	76,639	(1,441)	243,171	2,355,720
Interest income									13,714
Unallocated expenses									(980,827)
Finance costs									(265,997)
Profit before tax									1,122,610
Income tax expense									(184,124)
Profit for the period									938,486

* Other products include chemical products such as liquid ammonia, methylamine, humic acid and furfuryl alcohol, with sales revenue of RMB668 million, RMB275 million, RMB201 million, and RMB163 million respectively.

4. REVENUE AND OTHER INCOME/(EXPENSES), NET

Revenue, which is also the Group's turnover, represents the net invoiced value of goods sold, after deduction of relevant taxes and allowances for returns and trade discounts.

An analysis of the Group's revenue, other income and other expenses is as follows:

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Revenue		
Sale of goods	**12,665,749**	12,060,957

4. REVENUE AND OTHER INCOME/(EXPENSES), NET *(Continued)*

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Other income		
Bank interest income	**6,913**	13,714
Net profit from sales of by-products	**82,334**	47,937
Service fee income	**4,910**	5,802
Penalty income	**5,147**	1,325
Subsidy income	**93,841**	49,214
Investment income	**1,328**	1,517
Amortisation of deferred grants	**8,335**	5,714
Others	**4,130**	14,216
	206,938	139,439
Other expenses		
Loss on disposal of items of property, plant and equipment	**(3,397)**	(10,287)
Gain/(loss) on fair value change of equity investment	**1,824**	(163)
Donation	**(5,024)**	(2,951)
Gain/(loss) on fair value change of derivative financial instruments	**1,449**	(1,089)
Others	**(1,686)**	(12,487)
	(6,834)	(26,977)
Other income, net	**200,104**	112,462

5. FINANCE COSTS

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Interest on bank loans, bank overdrafts and other loans, wholly repayable within five years	**229,716**	265,997

6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging:

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Cost of inventories sold	**10,625,565**	9,705,237
Depreciation of property, plant and equipment	**882,851**	787,913
Depreciation of right-of-use assets	**24,275**	21,660
Amortization of intangible assets	**6,650**	8,112
Employee benefit expenses (including directors' remuneration)		
Salaries and bonuses	**1,054,145**	1,043,181
Contributions to defined contribution plans	**151,724**	123,645
Benefits in kind	**61,022**	54,546
	1,266,891	1,221,372

7. INCOME TAX EXPENSE

The Company is incorporated in Singapore and is subject to an income tax rate of 17% for the six months ended 30 June 2025 (six months ended 30 June 2024: 17%).

Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates.

The Company's subsidiaries in Mainland China are subject to income tax rate of 25% (2024: 25%). For the six months ended 30 June 2025, seventeen subsidiaries were given the New/High Technology Enterprise Award and this award brought these subsidiaries a tax concession of a lower income tax rate of 15%.

The major components of income tax expense for the six months ended 30 June 2025 and 2024 are:

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Current – PRC		
Charge for the period	**161,402**	184,124
Total tax charge for the period	**161,402**	184,124

8. DIVIDEND

Final dividend of RMB333,643,000 for the year ended 31 December 2024 (year ended 31 December 2023: RMB292,503,000) was proposed and declared during the six months ended 30 June 2025.

The Company did not recommend or declare any interim dividend for the six months ended 30 June 2025 (six months ended 30 June 2024: Nil).

9. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

Earnings per share is calculated by dividing the Group's profit for the Period attributable to ordinary equity holders of the Company by the weighted average number of 1,218,233,000 (six months ended 30 June 2024: 1,218,040,000) ordinary shares (inclusive of mandatorily convertible instruments issued) outstanding during the Period.

	Six months ended 30 June	
	2025	2024
	Number of shares	*Number of shares*
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculation	**1,218,233,000**	1,218,040,000
Effect of dilution – weighted average number of ordinary shares:		
– the Restricted Share Incentive Scheme	**13,589,000**	–
Total	**1,231,822,000**	1,218,040,000

	Number of ordinary shares	
	30 June 2025	31 December 2024
	(Unaudited)	(Audited)
Issued and fully paid-up	**1,283,241,000**	1,283,241,000

10. EQUITY INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 June 2025 (Unaudited) *RMB'000*	31 December 2024 (Audited) *RMB'000*
NON-CURRENT		
Unquoted equity investment, at fair value:		
PRC	**6,708**	6,708
	6,708	6,708
CURRENT		
Listed equity investments, at fair value:		
Singapore	**4,129**	3,408
Hong Kong	**5,525**	4,422
	9,654	7,830

The above investment in equity securities have no fixed maturity or coupon rate.

11. CASH AND CASH EQUIVALENTS AND PLEDGED TIME DEPOSITS

	30 June 2025 (Unaudited) *RMB'000*	31 December 2024 (Audited) *RMB'000*
Fixed deposits	**346,252**	628,615
Less: Pledged time deposits	**(346,252)**	(628,615)
Cash and bank balances	**2,357,938**	887,226
Cash and cash equivalents	**2,357,938**	887,226

As at 30 June 2025, the cash and bank balances of the Group denominated in RMB amounted to RMB2,357,938,000 (31 December 2024: RMB887,226,000). The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term time deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short-term time deposit rates. The bank balances and pledged deposits are deposited with credit-worthy banks with no recent history of default.

12. PREPAYMENTS

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
	RMB'000	*RMB'000*
NON-CURRENT		
Prepayments:		
Prepayments for purchases of property, plant and equipment	**677,730**	880,221
CURRENT		
Prepayments:		
Advanced deposits to suppliers	**787,193**	773,613
	787,193	773,613

13. INVENTORIES

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
	RMB'000	*RMB'000*
Raw materials	**630,566**	759,279
Parts and spares	**398,906**	152,589
Work-in-progress	**35,531**	76,401
Finished goods	**843,014**	738,403
Allowance of inventory obsolescence	**(18,280)**	(16,352)
	1,889,737	1,710,320

14. TRADE AND BILLS RECEIVABLES

	30 June 2025 (Unaudited) ***RMB'000***	31 December 2024 (Audited) *RMB'000*
Trade receivables	**908,431**	531,011
Bills receivable	**517,253**	443,658
	1,425,684	974,669

Trade receivables are non-interest-bearing and are normally settled on terms of 30 to 180 days. They are recognised at their original invoice amounts which represent their fair values on initial recognition. The Group's bills receivable are non-interest-bearing and are normally settled on terms of 90 to 180 days. Trade and bills receivables are denominated in RMB.

The Group's trading terms with its customers are mainly payment in advance or on credit for certain customers. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over these balances.

An aging analysis of the trade receivables as at the end of the reporting period, based on the invoice due date and net of provisions, is as follows:

	30 June 2025 (Unaudited) ***RMB'000***	31 December 2024 (Audited) *RMB'000*
Within 1 month	**434,595**	304,676
1 to 3 months	**316,189**	121,367
3 to 6 months	**93,289**	52,588
6 to 12 months	**64,358**	52,380
	908,431	531,011

15. TRADE PAYABLES

An aging analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	30 June 2025	31 December 2024
	(Unaudited)	(Audited)
	RMB'000	*RMB'000*
Within 1 month	**591,352**	1,224,101
1 to 3 months	**1,081,705**	164,892
3 to 6 months	**66,378**	72,259
6 to 12 months	**73,800**	66,046
Over 12 months	**70,105**	54,182
	1,883,340	1,581,482

The trade payables are non-interest-bearing and are normally settled on terms of 30 to 90 days. Trade payables are denominated in RMB.

16. PROPERTY, PLANT, EQUIPMENT AND LAND USE RIGHTS

During the Period, payments for purchases of items of property, plant, equipment and land use rights and proceeds from disposal of items of property, plant and equipment of the Group amounted to approximately RMB2,556,108,000 and RMB5,686,000 (six months ended 30 June 2024: RMB1,894,882,000 and RMB5,205,000), respectively.

17. INTEREST-BEARING BANK AND OTHER BORROWINGS

	30 June 2025			31 December 2024		
	Contractual Interest rate	**Maturity**	***RMB'000*** **(Unaudited)**	Contractual Interest rate	Maturity	*RMB'000* (Audited)
Group						
Current						
Bank loans						
– secured*	**3.80%**	**2026**	**589,166**	2.55%-6.00%	2025	775,698
– unsecured	**2.11%-3.50%**	**2026**	**4,246,631**	2.43%-6.20%	2025	4,351,580
Loan from leasing company/ finance lease payables	**4.75%**	**2026**	**22,797**	4.2%	2025	139,948
			4,858,594			5,267,226
Non-current						
Bank loans						
– secured*	**3.30%-4.25%**	**2027 to 2035**	**1,913,076**	2.55%-6.00%	2026 to 2029	1,172,640
– unsecured	**2.50%-5.00%**	**2027 to 2029**	**8,760,033**	2.70%-5.64%	2026 to 2032	6,395,380
Loan from leasing company/ finance lease payables	**–**	**–**	**–**	4.20%	2026	20,066
			10,673,109			7,588,086
			15,531,703			12,855,312

17. INTEREST-BEARING BANK AND OTHER BORROWINGS *(Continued)*

	30 June 2025 (Unaudited) ***RMB'000***	31 December 2024 (Audited) *RMB'000*
Analysed into:		
Bank loans repayable:		
Within one year or on demand**	**4,835,797**	5,127,278
In the second year	**5,319,050**	4,041,291
In the third to fifth years, inclusive	**5,043,678**	3,176,034
Beyond five years	**310,381**	350,695
	15,508,906	12,695,298
Finance lease payables:		
Within one year or on demand	**22,797**	139,948
In the second year	**–**	18,258
In the third to fifth years, inclusive	**–**	1,808
	22,797	160,014
	15,531,703	12,855,312

Note:

* The secured bank loans amounting to RMB2,502 million are secured by certain of the Group's items of property, plant and equipment.

** The Group actively adjusted its debt structure, continuously optimised the ratio of long-term and short-term borrowings, which were adjusted from 6:4 at the beginning of the reporting period to 7:3 at the end of the reporting period. Specifically, bank loans due within one year amounted to approximately RMB4,836 million, including:

1. the medium and long-term project loans amounted to approximately RMB2,364 million and are rolled over to a one-year period in accordance with the repayment schedule. The term of the loan matched the construction period of the project;

2. one-year working capital loans amounted to approximately RMB2,472 million, among which, the main sections of the three major bases accounted for RMB1,439 million, and the remaining RMB1,033 million was the loan of the Group's subsidiaries, which was intended for cost reduction and efficiency improvement. 91% of the working capital loans can be refinanced, which helps to reduce the financing costs as well as effectively relieves the pressure on short-term funding by applying for an extension of the fund transfer cycle.

The fair values of the Group's interest-bearing bank and other borrowings approximate to their carrying values.

18. DEBT-TO-ASSET RATIO

During the Period, the Group uses the debt-to-asset ratio (total liabilities divided by total assets) to reflect its debt repayment ability. As of the first half of 2025, the Group's debt-to-asset ratio was 63.5%, an increase of 2 percentage points from 61.5% as at 31 December 2024.

From the perspective of the change in the debt ratio, the reason for its increase is that the new loans have increased by approximately RMB2.67 billion compared to the beginning of the period. Although the loan amount has increased, the new portion is all medium and long-term loans, among which, project loans with a term of ten years, project loans with a term of five to eight years and medium and long-term loans with a term of tow to three years account for 7%, 21% and 72%, respectively. This loan arrangement, on the one hand, can fully meet the funding needs of the project construction, providing a stable financial guarantee for the smooth progress of the project; on the other hand, the medium and long-term loan terms not only match the project construction cycle but also effectively optimize the overall debt structure, reducing short-term debt repayment pressure, and making the debt structure more stable. At the same time, the working capital increased by approximately RMB1.7 billion, further enhancing the Group's capital utilization efficiency.

In addition, the Jiangxi Phase II project is progressing as scheduled and is expected to be put into operation in the third quarter. This project will actively support the cash flow in the second half of the year, effectively alleviate the capital expenditure pressure throughout the year, and ensure that the total amount of interest-bearing liabilities can be effectively controlled, maintaining the debt-to-asset ratio indicator within a reasonable and stable range.

MANAGEMENT DISCUSSION AND ANALYSIS

(I) BUSINESS REVIEW

Entering into 2025, the decline in product prices at the beginning of the year weighed on the overall price performance in the first half. However, as the downstream demand gradually released, product prices saw a significant quarter-on-quarter ("**QoQ**") rebound in the second quarter, with urea and melamine standing out for their notable recovery. Against this backdrop, the Group strengthened marketing efforts and ensured the orderly release of new production capacity, driving varying degrees of growth in sales volumes across its product portfolio and thereby supporting steady revenue growth. The Group's unaudited consolidated income was approximately RMB12,666 million, an increase of approximately RMB605 million or 5% compared with the same period last year.

In the first half of the year, despite a decline in raw material cost, the decline in selling price of product exceeded the decline in cost due to the factors such as the imbalance between supply and demand, resulting in a 13% YoY decline in overall gross profit. Among them, the gross profit of urea products lowered by nearly 44% YoY, mainly due to the decline in the selling price, which was the main reason for the decline in the overall gross profit of the Group. As a result, the Group's unaudited consolidated net profit and net profit attributable to the parent decreased by approximately RMB181 million and RMB88 million respectively, representing a decrease of 19% and 13%, respectively. After deducting the impact of non-recurring items, the net profit attributable to the parent decreased by 7% YoY.

From the perspective of the second quarter's single-quarter performance, the selling prices of all products showed a significant upward trend. Among them, urea and melamine performed particularly well, with their selling prices increasing by 10% and 11% respectively QoQ. In addition, thanks to the continuous expansion of the sales network, the sales volumes of compound fertilizers and melamine increased by 29% and 20% respectively QoQ. Driven by the dual improvement in selling prices and sales volumes, the gross profit in the second quarter increased by 44% QoQ, effectively driving the net profit of the Group in the second quarter to increase by approximately RMB259 million QoQ, representing a significant increase of 104%.

Fertiliser Segment

Urea

Revenue derived from the sales of urea for 1H2025 amounted to approximately RMB3,225 million, representing a YoY decrease of approximately RMB609 million or 16%. The decrease was primarily attributable to a 19% YoY decrease in the average selling price. Urea prices came under downward pressure at the beginning of the year due to factors such as supply and demand mismatch, export controls, and weakened cost support, dragging down the overall average selling price for the first half of the year. However, as export policies became clearer and downstream demand continued to release, urea prices gradually stabilized and rebounded, with a 10% QoQ increase. Meanwhile, the Group capitalized on the relaxation of export policies by actively developing overseas markets such as Australia and the Netherlands. This drove a YoY increase of 47,000 tonnes in export volume, supporting a 4% YoY growth in the urea sales volume of the Group.

Meanwhile, affected by the price decline, the gross profit margin of urea decreased by 10 percentage points from 31% in 1H2024 to 21% for 1H2025. In response, the Group proactively took measures: On one hand, it continued to optimize processes. The front-end coal gasification plant effectively reduced production costs by 1% through the application of dual-coal blending and co-firing technology. On the other hand, seizing the window of declining coal prices, it negotiated with coal suppliers for more room for price cuts, propelling a 20% YoY decline in coal prices and thereby ensuring a 7% YoY reduction in average production costs. These measures effectively offset the adverse impact of price fluctuations.

Compound Fertilisers

Revenue derived from the sales of compound fertilisers for 1H2025 amounted to approximately RMB3,566 million, representing a YoY increase of approximately RMB156 million or 5%, mainly due to a 8% YoY increase in sales volume. With the successful commissioning of the Guangxi production base, the new production capacity has radiated the demand in the markets of Guangdong, Guangxi, and Hainan. As a major economic crop-producing region, South China has formed large-scale cultivation of major cash crops such as sugarcane and citrus. Their strong planting demand not only drove steady growth in sales volume but also effectively boosted the sales volume of high-efficiency fertilisers by 11% YoY, achieving efficient synergy between regional markets and base layout.

Gross profit margin of compound fertilisers decreased by 2 percentage points from 18% in 1H2024 to 16% in 1H2025. Since the beginning of this year, affected by the supply and demand mismatch, the prices of potassium fertiliser and phosphate fertiliser, the main raw materials for compound fertiliser, have continued to rise, with YoY increases of 24% and 6% respectively, driving a 1% YoY increase in the production cost of compound fertiliser.

(I) BUSINESS REVIEW *(Continued)*

Chemical Segment

Methanol

Revenue derived from the sales of methanol for 1H2025 reached approximately RMB1,642 million, representing a YoY increase of approximately RMB351 million or 27%. As the growth rate of industry production slows down and downstream facilities are put into operation, the methanol market has shown improvement. Under this market context, our Group signed strategic long-term agreements with upstream suppliers in advance, which has helped methanol sales of our Group to increase by 28% YoY by increasing our methanol foreign trade volume while stabilizing the selling price.

The gross profit margin of methanol in 1H2025 was 8%, remaining stable compared to the same period last year.

Liquid Ammonia

Revenue derived from the sales of liquid ammonia for 1H2025 amounted to a approximately RMB533 million, representing a YoY decrease of RMB135 million or 20%. This was mainly due to a 6% YoY decrease in the sales volume and a 15% YoY decrease in the selling price of liquid ammonia. In order to enhance the overall profitability, the Group has adopted a flexible adjustment strategy of "increasing alcohol production and reducing ammonia production" in the production mode of the Xinxiang base, by comparing the profit levels of various products in the ammonia alcohol downstream sector. As a result, the self-produced liquid ammonia volume decreased by 6% YoY, which in turn led to a decline in sales volume. However, the Group maintained strategic customers through liquid ammonia trading, which led to a 2% YoY increase in trading volume and partially compensated for the gap in external sales volume of self-produced liquid ammonia.

The gross profit margin of liquid ammonia increased by 2 percentage points from 11% in 1H2024 to 13% in 1H2025. This was mainly due to a 16% YoY decrease in average costs. Among which, the downward trend of raw coal prices affected the procurement cost, which decreased by 14% YoY. Additionally, the Group optimized the steam balance and improved the heat utilization rate of the system, effectively reducing the total ammonia steam consumption by 2% YoY.

(I) **BUSINESS REVIEW** *(Continued)*

Chemical Segment *(Continued)*

Melamine

Revenue derived from the sales of melamine for 1H2025 amounted to approximately RMB378 million, representing a YoY decrease of approximately RMB19 million or 5%. Affected by the decline in raw material prices, the average selling price of melamine dropped by 9% YoY, but this decline was partially offset by a 5% YoY increase in sales volume. Leveraging its advantage of enjoying preferential EU tariff policies, the Group actively adjusted the proportion of domestic and foreign trade marketing, vigorously explored overseas markets, with a particular focus on the EU market, and added new overseas markets such as Germany, Poland, and Spain, which helped to steadily boost sales volume.

The gross profit margin of melamine increased by 1 percentage point from 30% in 1H2024 to 31% in 1H2025. The melamine production line is located in the Xinjiang base. Relying on the advantage of abundant coal resources in the region and the application of multi-coal blending and co-firing technology, the Group effectively reduced production costs by 5%. At the same time, the Group continued to optimize the production process to ensure the long-term stable operation of production, which together promoted a 10% YoY decrease in the average cost of melamine.

DMF

The sales revenue of DMF in 1H2025 was approximately RMB587 million, a slight decrease of 1% compared with the same period last year. In recent years, new DMF production capacity has been put into operation intensively, while the demand of the downstream main pulp industry has remained weak, and the mismatch between market supply and demand has continued to intensify, leading to a 9% YoY decline in DMF selling prices. Against this background, the Group continued to strengthen the development of Domestic and foreign markets. Relying on the advantage of product quality, it not only reached strategic cooperation with leading downstream pesticide enterprises but also actively built a stable export channel and cooperation system, promoting a 9% YoY increase in sales volume, which effectively offset part of the adverse impact caused by the selling price decline.

The gross profit margin of DMF increased by 5 percentage points from 13% in 1H2024 to 18% in 1H2025, benefiting from a 15% YoY decrease in the average cost. On one hand, affected by the supply and demand mismatch of raw coal, its purchase price decreased by 15% YoY, driving down the raw material cost by 9%. On the other hand, the Group continued to increase technical transformation and innovation of the DMF production line, and the steam consumption per ton decreased by 25% YoY, which in turn promoted a 6% YoY reduction in production costs.

(I) BUSINESS REVIEW *(Continued)*

Chemical Segment *(Continued)*

Other income, net

Other income, net reached RMB200 million in 1H2025, an increase of approximately RMB88 million or 79% compared with the same period last year. This was mainly due to an increase of approximately RMB45 million YoY in government grants and RMB34 million YoY in net profit generated from the sale of by-products such as water, electricity, and steam, respectively, as well as approximately RMB7 million for the sale of fixed assets less losses.

Selling and distribution expenses

Selling and distribution expenses increased by approximately RMB14 million or approximately 4% from approximately RMB378 million in 1H2024 to approximately RMB392 million in 1H2025. With the promotion of the Group's new marketing model, terminal sales channels have been further expanded, and sales volumes of various products have increased significantly. Meanwhile, the Group has continuously strengthened its efforts in developing overseas markets, leading to an increase in export volume, which resulted in a YoY increase of approximately RMB14 million in service fees such as loading and unloading fees and cargo inspection fees.

General and administrative expenses

General and administrative expenses in 1H2025 was approximately RMB700 million, a slight decrease of 0.3% compared with the same period last year. Among them, the administrative expenses arising from equity incentives were approximately RMB35 million. Excluding this factor, the actual administrative expenses decreased by approximately RMB37 million or 5% YoY. The main reasons for the reduction are as follows:

1. The Group streamlined its organizational structure and management personnel allocation, promoted more management personnel to work at the frontlines of production, sales and services, and optimized personnel structure, thereby resulting in a reduction of approximately RMB27 million YoY in salary expenses for management personnel.

2. By implementing periodic equipment management, digital monitoring and preventive maintenance of key equipment, the frequency of abnormal shutdown and maintenance has been significantly reduced, and maintenance costs have decreased by approximately RMB6 million YoY;

(I) BUSINESS REVIEW *(Continued)*

Chemical Segment *(Continued)*

General and administrative expenses *(Continued)*

3. Our Group continues to optimize the testing process, streamline redundant links, and introduce intelligent detection systems, effectively reducing testing costs by approximately RMB4 million YoY.

Finance costs

Finance costs decreased by approximately RMB36 million or 14% from approximately RMB266 million in 1H2024 to approximately RMB230 million in 1H2025. The significant decrease in financial costs was attributed to the Group's continuous optimization of its debt structure, expansion of financing channels, active communication with financial institutions, full seizing of the window of interest rate reduction, promotion of the replacement of high-interest loans, and effective reduction of the Group's average loan interest rate by 0.8 percentage points. In addition, the Group strengthened internal capital operation to further improve the efficiency of capital use.

Income tax expenses

The income tax expense decreased by approximately RMB23 million or 13% from approximately RMB184 million for 1H2024 to approximately RMB161 million for 1H2025, which was mainly affected by the decline in profitability YoY.

Profit during the period

The profit for the period decreased by approximately RMB181 million or 19% from approximately RMB938 million for 1H2024 to approximately RMB757 million for 1H2025. The decrease was mainly due to the decrease in product prices, resulting in a decrease in gross profit of approximately RMB316 million YoY. The decrease was partially offset by an increase of approximately RMB88 million YoY in other income and decrease of approximately RMB24 million YoY in the three major expenses.

(II) PROSPECTS

Looking ahead to the second half of the year, the domestic nitrogen fertilizer market is expected to maintain stable urea prices, supported by relatively sufficient supply, steady demand, and well-regulated exports. However, recovering coal demand, combined with factors such as environmental inspections, has rebalanced supply and demand dynamics, potentially stabilizing and rebounding coal prices. This could drive periodic upward fluctuations in urea prices. Furthermore, there is an expectation of improvement in the supply and demand pattern of the chemical products industry, and the extent of industry prosperity is expected to show a steady and upward trend. Additionally, accelerating agricultural modernization is expanding crop cultivation areas, thereby increasing rigid demand for high-efficiency fertilizers among large-scale farmers.

As China's leading advocate for high-efficiency fertilizers, the Group is committed to researching and applying advanced technologies, including slow-release and controlled-release fertilizers, as well as water-fertilizer integration. These efforts promote cultivation models that conserve water and fertilizers while boosting yields and efficiency, addressing modern agricultural needs and enhancing our market competitiveness. Meanwhile, the Group remains focused on its core chemical fertilizer operations, guided by the strategy of "Fertilizer as the Foundation for High-Quality Development." Leveraging our strong position in synthetic ammonia production, we employ a large-scale, centralized model to achieve low-cost operations in coal gasification through efficient resource recycling.

Building on this foundation, the Group is cultivating differentiated competitiveness in products and services. With humic acid as our flagship product line, we tailor precision portfolios to regional cultivation characteristics. This is achieved through customer demand-driven approaches, from product design to production, while leveraging big data platforms for market assessment. Furthermore, we provide large-scale farmers with comprehensive, whole-chain services via professional teams, including soil testing and field inspections, technical training, intelligent fertilizer blending, nutrition solutions, agricultural financing, and logistics distribution. Through these initiatives, we deliver vital support for the high-quality development of modern agriculture.

Furthermore, the Group is advancing its strategic expansion in a steady, measured manner, while upholding national leadership in production scale and operational capabilities. Among them, the Phase II Project at the Jiangxi Base, slated for production in the third quarter of 2025, and the New Chemical Materials Project at the Xinxiang Base, targeted for the first quarter of 2026. Meanwhile, the new bases in Guangxi and Zhundong are progressing on schedule. By 2027, the Group's total capacity under construction is expected to be fully operational, with cash flows significantly exceeding capital expenditures to create a virtuous cycle of "investment, output, and growth."During this period, the Group will strengthen capital budget management to ensure financial stability, strictly executing investment plans based on the budget set at the beginning of the year and implementing projects in phases to guarantee on-schedule operations. Upon completion, these enhancements will amplify our scale and cost advantages, positioning us for a competitive edge in the industry's next development cycle and driving sustainable, substantial value growth.

(III) SUPPLEMENTARY INFORMATION

1. Operational and Financial Risks

- ***Market Risk***

  The major market risks of the Group include changes in the average selling prices of key products, changes in the costs of raw materials (mainly coal) and fluctuations in interest and exchange rates.

- ***Commodity Price Risk***

  The Group is also exposed to commodity price risk arising from fluctuations in product sale prices and costs of raw materials.

- ***Interest Rate Risk***

  The major market interest rate risk that the Group is exposed to the Group's long-term debt obligations which are subject to floating interest rates.

- ***Foreign Exchange Risk***

  The Group's revenue and costs are primarily denominated in RMB. Some costs may be denominated in Hong Kong dollars, United States dollars or Singapore dollars. As the Group does not currently have significant foreign currency-denominated assets or liabilities, the foreign exchange risk exposure is limited. The Group does not currently engage in any hedging activities against exchange rate fluctuations, but it will continue to monitor currency movements closely and consider hedging instruments as appropriate should its foreign currency exposure increase.

- ***Inflation and Currency Risk***

  According to the data released by the National Bureau of Statistics of China, the consumer price index of the PRC increased by 1.8% YoY for the six months ended 30 June 2025. Such inflation in the PRC did not have a significant impact on the Group's operating results.

(III) SUPPLEMENTARY INFORMATION *(Continued)*

1. Operational and Financial Risks *(Continued)*

- ***Liquidity Risk***

The Group monitors its risk exposure to shortage of funds. The Group considers the maturity of both its financial investments and financial assets (e.g. trade receivables and other financial assets) and projected cash flows from operations. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and bank loans. As at 30 June 2025, approximately RMB4,859 million (31 December 2024: RMB5,267 million), or 31.28% (31 December 2024: 40.97%) of the Group's debts will mature in less than one year based on the carrying value of the borrowings reflected in the financial statements. Currently, the Group is adjusting the loan structures and obtained sufficient long term bank credit.

- ***Gearing Risk***

The Group monitors its debt to asset ratios in order to support its business and maximise shareholders' value. The Group manages its debt to asset structure and makes adjustments to it, in light of changes in economic conditions. In order to maintain or adjust the debt to asset structure, the Group may raise new debt or issue new shares. The gearing ratio of the Group as at 30 June 2025 (calculated as total debt divided by total assets) was 63.5%, representing an increase of 2 percentage points as compared to 31 December 2024.

2. Contingent Liabilities

As at 30 June 2025, the Group had no material contingent liabilities (2024: Nil).

3. Material Litigation and Arbitration

As at 30 June 2025, the Group was not involved in any material litigation or arbitration (2024: Nil).

4. Audit Committee

The audit committee of the Company (the "**Audit Committee**") has reviewed the accounting principles and standards adopted by the Group, and has discussed and reviewed the internal control and reporting matters. The interim results for the six months ended 30 June 2025 have been reviewed by the Audit Committee, but have not been reviewed or audited by the external auditors of the Company.

5. Compliance with the Code on Corporate Governance Practices

The Company devotes to maintaining good practice of corporate governance, and has complied with all the code provisions set out in the Part 2 of Appendix C1 to the Rules Governing the Listing of Securities on the SEHK (the "**Listing Rules**") for the six months ended 30 June 2025.

6. Compliance with the Model Code for Securities Transactions by Directors of Listed Issuers

The Board has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules and its amendments from time to time as its own code of conduct regarding securities transaction by the directors of the Company. The Board confirms that, having made specific enquiries with all directors of the Company, during the six months ended 30 June 2025, all directors have complied with the required standards of the Model Code.

7. Purchase, Sales or Redemption of the Company's Securities

For the six months ended 30 June 2025, the Company repurchased 1,006,000 issued shares of the Company in total through the spot market of the SEHK at a total consideration of approximately HK$5,318,362 (excluding transaction costs), with the consideration per share ranging from HK$5.19 to HK$5.44. The shares repurchased during such period represented approximately 0.36% of the issued shares as at 30 June 2025. The repurchase of shares is based on the Company's confidence on its long-term business prospects and potential growth. At the same time, the Company believes that actively optimizing the capital structure through share repurchase will improve the earnings per share, net assets per share and overall shareholder returns. Details of the share repurchase as follows:

7. Purchase, Sales or Redemption of the Company's Securities *(Continued)*

		For the six months ended 30 June 2025		
		Purchase consideration per share		
Month of repurchase	**Number of shares repurchased**	**Highest price paid**	**Lowest price paid**	**Total Consideration paid approximately**
		HK$	*HK$*	*HK$*
June	1,006,000	5.44	5.19	5,318,362
Total	**1,006,000**			**5,318,362**

Save as disclosed above, for the six months ended 30 June 2025, neither the Company nor any of its subsidiaries have purchased, sold or redeemed any other listed securities of the Company (including sale of treasury shares (as defined in the Listing Rules)).

As at 30 June 2025, the Company held 1,006,000 treasury shares. These treasury shares are intended to be used for the Company's employee share incentive schemes and other corporate purposes as permitted under the relevant laws and regulations.

8. Employees and Remuneration Policy

As at 30 June 2025, there were 11,945 (31 December 2024: 11,787) employees in the Group. Staff remuneration packages are determined in consideration of market conditions and the performance of the individuals concerned, and are subject to review from time to time. The Group also provides other staff benefits including medical and life insurance, and according to sales performance, commissions and bonuses are issued to marketing personnel. Due to the decline in performance this year, the performance commissions and bonus of marketing personnel has decreased. The Group provides training to all employees, including directors and senior management, and offers ongoing training from time to time during their employment. The nature of the training is determined based on the specific functions and job responsibilities of the employees, with the aim of enhancing their professional skills and job performance. In addition, the Group has implemented an employee incentive scheme to reward outstanding performance.

(III) SUPPLEMENTARY INFORMATION *(Continued)*

9. Significant Events after the Period

There were no significant events affecting the Group which have occurred since the end of the Period.

10. Disclosure on the Websites of the SEHK and the Company

This announcement is published on the website of the SEHK (http://www.hkexnews.hk) and on the website of the Company (http://www.chinaxlx.com.hk).

By Order of the Board
China XLX Fertiliser Ltd.
Yan Yunhua
Executive Director

Hong Kong, 8 August 2025

As at the date of this announcement, the executive directors of the Company are Mr. Liu Xingxu, Mr. Zhang Qingjin and Ms. Yan Yunhua; the independent non-executive directors of the Company are Mr. Ong Kian Guan, Mr. Li Shengxiao, Mr. Ong Wei Jin and Mr. Li Hongxing.

** for identification purpose only*