SINOFERT HOLDINGS LIMITED
中化化肥控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 297)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2025

FINANCIAL HIGHLIGHTS

- The Group's revenue for the year was RMB23,263 million (2024: RMB21,265 million), increased by 9.40% year on year
- Profit for the year attributable to owners of the Company was RMB1,259 million (2024: RMB1,061 million), increased by 18.66% year on year
- Basic earnings per share for the year was RMB0.1793 (2024: RMB0.1511), increased by 18.66% year on year
- The Board recommended the payment of a final dividend of HK$0.0693 per share (equivalent to approximately RMB0.0627 per share) (2024: HK$0.0571, equivalent to approximately RMB0.0529, per share) for the year ended 31 December 2025 to the shareholders, increased by 21.37% per share in HKD year on year

CHAIRMAN'S STATEMENT

To shareholders,

On behalf of the Board of Directors of Sinofert Holdings Limited (the "Company"), I hereby present to the shareholders the annual results report of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2025.

In 2025, global geopolitical competition became increasingly complex, coupled with escalated trade friction, with the world economic recovery lacking sufficient momentum and progressing slowly. The Chinese government has strengthened counter-cyclical regulation of macroeconomic policies, with its Gross Domestic Product (GDP) growing by 5.0% year on year. Amid profound global supply chain restructuring, critical agricultural inputs, including phosphate and potash fertilizers as well as sulfur, have experienced significant price volatility. Meanwhile, Central Document No. 1 (中央一號文件) established scientific and technological innovation as the primary engine for agricultural modernization, prioritizing the "continuous strengthening of supply security for grain and other essential agricultural products". The Document introduced a national initiative to increase grain production capacity by 100 billion jin, scaled up programs to enhance per-unit yields, and implemented comprehensive measures to fortify the foundations of national food security. In the face of a complex and changing internal and external environment, the Group proactively analyzed market conditions to seize opportunities and mitigate risks, remained committed to its development philosophy of "empowering cultivation with technology for a sustainable and prosperous agriculture", closely following the main theme of its "Bio+" strategic transformation, thereby achieving steady progress in operating results and continuous improvement in development quality.

Fulfilling the responsibilities and mission as a Central SOE, serving the nation's overarching interests

The Group actively fulfilled its responsibilities and mission as a Central SOE, ensuring the supply of agricultural inputs. Firstly, as a major force in domestic potash imports, the Group actively participated in negotiations for major seaborne potash import contracts, signing memoranda of understanding with key suppliers to secure stable supply sources and reasonable prices. It made every effort to guarantee potash supply during critical farming seasons such as spring planting and autumn sowing, consistently playing a vital role in ensuring the supply of agricultural inputs. Secondly, leveraging its global resource acquisition and integrated production-supply-marketing layout, the Group coordinated fertilizer resources including potash, phosphate and compound fertilizers, unblocked key links in the supply chain, optimized channel layout, ensured products reached end markets directly, effectively maintained price stability in the domestic fertilizer market, thereby boosting crop yields and farmers' income.

Benefiting from efficient strategy execution, maintaining stable development

The Group firmly advanced its "Bio+" strategy. Firstly, focusing on R&D capacity building, through breakthroughs in core biotechnology, product development and upgrades, the Group continuously enriched its diversified product portfolio covering high-value cash crops and field crops. The influence of its biological fertilizers, such as "Meilinmei (美麟美)", "Lanlin (藍麟)", "Weidefeng (威得豐)", "Youliangmei (優靚美)", "Songtian (頌甜)" and "Huanfeng (煥豐)", steadily increased, with biological fertilizer sales reaching 1.54 million tons in 2025, representing a year-on-year increase of 14%. Secondly, innovating marketing service models, the Group implemented the integrated concept of "Product + Service + Technology", effectively serving end-growers and steadily progressing on the path towards high-quality agricultural development. It received multiple honors, including being named "Top 50 Most Influential Bio-fertilizer Enterprises in China 2025 (2025中國生物肥料企業影響力 Top50榜首)" and "Farmers' Favorite Brand (農民心目中的好品牌)", achieving a simultaneous leap in brand influence and reputation. As of 31 December 2025, the Group's total assets maintained steady growth, achieving revenue of RMB23,263 million, representing a year-on-year increase of 9.4%; profit attributable to owners of the Company amounted to RMB1,259 million, representing a year-on-year increase of 18.66%, with continuous improvement in profitability and key indicators remaining healthy and stable.

Committed to industrial green transformation, consolidating the development foundation

The Group planned ahead and acted proactively, making green, low-carbon transition and operational excellence as the core management requirements for survival and development. In 2025, the Group achieved an AA rating in ESG. Firstly, remarkable achievements were made in energy conservation, consumption reduction and green initiatives. Sinochem Yunlong Co., Ltd. ("Sinochem Yunlong") was successfully rated as a "Waste-free Factory" in Kunming; the Mozushao Phosphate Mine in Xundian County was selected as a national-level green mine; Sinochem Linyi Crop Nutrition Co., Ltd. was awarded the title of "Green Factory" in Linyi City. Sinochem Jilin Changshan Chemical Co., Ltd. ("Sinochem Changshan"), Sinochem Shandong Fertilizer Co., Ltd., and Sinochem Agricultural Ecological Technology (Hubei) Co., Ltd. continuously increased the proportion of photovoltaic power application, with cumulative annual purchases of green electricity and photovoltaic power reaching 28.00 million kWh, further increasing the share of green power usage. Secondly, the Group promoted the resource utilization of solid waste and green transformation. Sinochem Chongqing Fuling Industry Co., Ltd. ("Sinochem Fuling") consumed 1.112 million tons of phosphogypsum throughout the year, achieving a comprehensive utilization rate of 67.85% and meeting its consumption target; Sinochem Yunlong disposed of a total of 1.34 million tons of phosphogypsum during the year, achieving full production and sales of phosphogypsum, effectively clearing stock, and completing the construction and operational launch of a solid waste environmental management system. Thirdly, the Group continuously upgraded the level of mechanization and automation across production facilities, with widespread deployment of automated systems for palletizing, material conveying, depalletizing, and truck loading.

Committed to pragmatic action and responsibility in rural revitalization, together writing a glorious chapter for a stronger agricultural sector

2026 marks the beginning of the "15th Five-Year Plan" period. Favorable factors supporting the steady recovery of the national economy are gathering momentum, and agriculture will continue to serve as a cornerstone. The 2026 Central Document No. 1 establishes agricultural and rural modernization as its anchor and outlines strategic and directional requirements for the current period and the "15th Five-Year Plan" period.

In the short term, the fertilizer industry is at a critical stage of transformation and structural restructuring, with technological innovation and green development becoming the two core themes for high-quality enterprise development. The Group will unwaveringly adhere to its "Bio+" strategy, focus on strengthening R&D capacity building and the stable development of upstream and downstream industrial chains, and drive the Group towards higher-quality transformation. In the long term, as China deepens its national food security strategy and advances agricultural modernization, the Group will adhere to the guidance of the Central Document No. 1 and focus on its long-term vision of becoming a leader in crop nutrition health with "Ethos of Sinochem Holdings for the New Era" (精氣神). Leveraging continuously enhanced "Bio+" technological capabilities and industrial layout, the Group will strengthen its domestic market position and solidify its foundation for sustainable growth. Concurrently, building on its global cooperation footprint, the Group will steadily expand into international markets, optimize global procurement and sales networks, and further deepen strategic partnerships with international collaborators to enhance the Group's global influence.

Uniting hearts and minds to cultivate a land of plenty, we urge our steeds forward to gallop with renewed energy (凝心聚力繪豐沃，策馬揚鞭再奮蹄). The Group is in a critical period of transformational development. All employees will maintain their entrepreneurial passion, consistently focusing on enhancing shareholder value as a core objective. The Group will continuously improve the its competitiveness and operational quality, making greater contributions on the new journey of ensuring food security, promoting increased production and income for farmers, and advancing comprehensive rural revitalization. The Group will comprehensively assist in steering China's agriculture towards high-quality and sustainable development, creating long-term, stable and sustainable investment returns for all shareholders.

On behalf of the Board of Directors, I would like to express my most sincere gratitude to all shareholders, and to governments at all levels, partners, and friends from all walks of life who have consistently cared about and supported the Company's growth!

MANAGEMENT REVIEW AND PROSPECT

Business Environment

In 2025, geopolitical conflicts continued to ferment. Due to the impact of trade protectionism, global production and supply chains accelerated restructuring, and the world economic recovery process was difficult and tortuous with insufficient growth momentum. Amid complex external conditions and the challenge of insufficient domestic demand, the Chinese government achieved its expected GDP growth target of 5% year-on-year through optimized macro policies and precise efforts.

The Chinese government continued to prioritize food security, further strengthening policy guidance and macroeconomic regulation over the agricultural sector to comprehensively reinforce the foundation of national food security. To ensure sufficient and stable fertilizer supply for spring plowing and throughout the year at reasonable prices, the government constructed a multi-faceted regulatory system focusing on nitrogen, phosphate, potash and upstream raw materials. This system utilized export management, price guidance, and precise allocation of state reserve resources to safeguard agricultural production.

Regarding market conditions, influenced by global trade disruptions and a combination of production, supply and demand factors, price trends for domestic fertilizer varieties diverged. Phosphate and potash fertilizers remained stable with slight increases, while nitrogen fertilizer prices declined and fluctuated at low levels throughout the year. Domestic compound fertilizer prices experienced two downturns and two upturns during the year, impacted by continued capacity growth and fluctuating raw material costs. In 2025, domestic agricultural cultivation showed structural divergence: the overall prices of the three major staple grains were stable to slightly weak, with clear divergence among varieties; prices of fruits, vegetables, certain oil crops and cash crops remained persistently low; frequent extreme weather events, such as spring drought in the north and autumn floods in the Huang-Huai region, coupled with declining returns for some crops, dampened investment enthusiasm in certain regions and among cash crop growers.

Business Review

2025 marked the 20th anniversary of the Group's listing in Hong Kong. The Group, consistently guided by its core "Bio+" strategy, diligently advanced its integrated research-production-marketing operating system. All business segments deeply implemented key initiatives such as market development, channel transformation, operational excellence and brand building, strengthened compliance awareness, and maintained safety bottom lines, achieving improvements in both operating performance and efficiency.

For the year ended 31 December 2025, the Group's revenue amounted to RMB23,263 million, representing a year-on-year increase of 9.4%. Profit attributable to owners of the Company amounted to RMB1,259 million, representing a year-on-year increase of 18.66%.

Research and Development

In 2025, the Group continued to advance its "Bio+" strategy, relying on national and provincial-level R&D platforms such as the "National Engineering Research Center for Arable Land Protection" to accelerate the construction of "Bio+" R&D capabilities, biotechnology research breakthroughs, and "Bio+" product development. In terms of "Bio+" R&D capability building, three new biotechnology R&D models, including targeted saline-alkali resistance, were established, continuously accumulating data and optimizing the nine existing R&D models, completing the construction of the "semi-field" biological testing platform, improving the stability and predictability of products from R&D to application. In terms of key technology breakthroughs, ten key technologies, including biological nitrogen fixation, were tackled, of which three technologies reached the applied research stage. In terms of product development and transformation, 20 new or upgraded products were developed, of which four "Bio+" products achieved trial production and sales/industrial transformation. In 2025, the transformation volume of scientific research achievements reached 1.36 million tons, of which the transformation volume of high-end new products increased by 44% year on year.

Basic Business Segment

The Basic Business Segment of the Group is mainly responsible for the domestic distribution business and the export trading business of strategically and centrally procured potash fertilizers, phosphate fertilizers and sulphur, practicing its social responsibilities as a key player in agriculture, and playing a positive role in the stabilization of supplies and prices of agricultural inputs in the domestic market.

In terms of potash fertilizer operations, in 2025, the international and domestic potash fertilizer markets performed strongly with robust demand and upward price trends. The Group actively promoted the conclusion of the 2025 potash fertilizer import negotiations, continuously building a diversified supply system, signing memoranda of cooperation with multiple important international suppliers to ensure medium and long-term supply sources, strengthening cooperation with domestic potash fertilizer producers, expanding the scope of cooperation and conducting joint supply guarantees. During the critical period of spring planting, reserve releases were carried out, enterprises in the industry were united to maintain market stability, and potash fertilizer supply efforts were increased. The Group improved the agricultural potash channel marketing model centered on "Fenghexiang (楓禾祥)", enriched the agricultural potash product system, and the sales volume of biological potash fertilizer "Weidefeng (威得豐)" increased, leading innovation in potash fertilizer business and high-quality development.

In terms of phosphate fertilizer operations, the Group relied on the full industry chain operation model to ensure supply sources and effectively respond to various challenges and risks. With strategic procurement capabilities as the core, the Group established deep cooperation with industry leading enterprises, building a strategic supply system with comprehensive cost leadership, effectively implementing the requirements of ensuring stable supply and prices of phosphate fertilizer. The Group actively explored overseas markets, enhanced resource acquisition capabilities such as sulfur, and reshaped the supply system. Moreover, the Group optimized value allocation across its phosphate fertilizer operations, providing comprehensive solutions around upstream and downstream demand pain points to reduce farmers' fertilizer costs. The Group created the bio-phosphate fertilizer single core products represented by "Meilinmei". As a leading brand in sales volume in the efficiency-enhancing phosphate fertilizer field, this product covers more than 30 crop types, and won the SASAC of the State Council's designation for the second batch of leading, iconic and representative brand creation achievements in the central enterprise brand leadership action. Since its launch in 2018, "Meilinmei" has achieved a cumulative service area exceeding 30.00 million mu, with continuing growth in sales, and cumulative sales volume exceeding 1.20 million tons as at the end of 2025.

Growth Business Segment

The Growth Business Segment of the Group is primarily responsible for the integrated operation business for research, production and marketing of bio-compound fertilizers and special fertilizers, and the domestic distribution business of crop protection products and seeds through internal synergy with Syngenta Group Co., Ltd ("Syngenta Group").

The biological compound fertilizer business operations closely revolve around the "Bio+" strategic deployment, focusing on sustained high-speed growth in the medium and long-term, deepening product structure adjustment, concentrating on building single core products under the biological compound fertilizers such as "Lanlin (藍麟)", "Yaxin (雅欣)", "Kedefeng (科得豐)", "Huanfeng (煥豐)", and "Zhiyang (智養)", thus further enhancing the vitality of high-end "Bio+" products, with sales of high-end products reaching a new high, representing a year-on-year increase of 42.5%. First, adhering to the concept of green emission reduction and innovative growth, the Group deeply explored the organic integration of crop pain points, market demand and farmers' income increase, focusing on five core priorities: product iteration and innovation, product supply, market layout, channel customer development, and marketing promotion, continuously deepening product system construction and product structure adjustment, with the launch of single core products under the bio-compound fertilizers such as "Huanfeng" and "Zhiyang". Second, focusing on deep touchpoints throughout the user purchase journey, penetrating dealers, retailers and growers, continuously innovating and refining technical marketing promotion models, with continuously improving end-user market influence.

Specialty fertilizer operations continuously focused on core products and core technologies, continuously building high-quality channel networks, while continuously enriching the self-developed and self-produced product system, newly launching the seaweed polymer phosphorus-potassium biostimulant product "Songtian (頌甜)", receiving good market feedback. In 2025, the two "You" product lines, namely "Youliangmei (優靚美)" and "Youcuilu (優翠露)", high-end biological agent barrel fertilizers, high-concentration bacterial agents and "Moli+ (摩力+)" series products all achieved year-on-year growth in revenue and gross profit.

In 2025, the crop protection products and seeds synergy business developed steadily. Through measures such as enriching customized product introductions, breakthroughs in core single product crop application scenarios, and upstream and downstream linkage with synergy partners, the crop protection synergy business was promoted to develop steadily, achieving revenue from crop protection synergy business of RMB408 million. In terms of the seed synergy business, leveraging the Group's coverage and customer scale advantages in the corn, wheat and rice markets, the Group achieved rapid growth in seed business through variety screening with seed partners, conducting demonstration trials, and jointly holding core customer meetings, achieving revenue from synergy businesses of RMB51.77 million.

Production Business Segment

The Production Business Segment of the Group mainly includes the production and sales business of Sinochem Yunlong (agricultural MCP/DCP), Sinochem Fuling (refined phosphates, etc.) and Sinochem Changshan (synthetic ammonia and urea, etc.).

Facing adverse factors such as surging sulfur and sulfuric acid prices, Sinochem Yunlong took proactive actions, adjusted its product production structure in a timely manner based on market orientation, strictly controlled internal management, continuously innovated processes, developed MCP23 high-phosphorus feed calcium products, and continuously improved product value. In 2025, feed calcium production and sales volume was 350,000 tons, achieving net profit of RMB408 million, representing an increase of RMB102 million year on year. Sinochem Yunlong accelerated the preliminary preparation work for key projects, and achieved 100% comprehensive utilization of phosphogypsum. The "Feed-grade Granular Dicalcium Phosphate Automatic Sampler (《飼料級粒狀磷酸氫鈣自動取樣器》)" and "Feed-grade Powdered Monocalcium Phosphate Automatic Sampler (《飼料級粉狀磷酸二氫鈣自動取樣器》)" developed by Sinochem Yunlong were granted utility model patent certificates by the China National Intellectual Property Administration. Sinochem Yunlong was awarded the honorary title of Innovative Small and Medium-sized Enterprise of Yunnan Province, achieving new breakthroughs in high-quality development.

Sinochem Fuling, facing multiple difficulties such as high phosphate ore prices, surging sulfur prices, and the arduous task of phosphogypsum consumption, focused on phosphogypsum breakthroughs, promoted business quality and efficiency improvement, conducted in-depth market research, used the "dynamic pre-calculation winning" mechanism for precise decision-making, guided product structure adjustment, and effectively completed current business targets. Annual production of fertilizer and finished acid was 1,110,200 tons, representing an increase of 114,100 tons as compared with the corresponding period of the previous year, with a net profit of RMB54 million, basically flat year-on-year. Sinochem Fuling's "Fine Phosphate 5G Factory" project was successfully selected for the Ministry of Industry and Information Technology's "2025 5G Factory Catalogue", marking further progress in intelligent manufacturing and digital transformation.

Affected by continued declines in synthetic ammonia and urea prices, Sinochem Changshan recorded a year-on-year decrease of RMB417 per ton in ammonia prices and a net loss of RMB113 million, representing a year-on-year decrease of RMB127 million in profits. Sinochem Changshan adhered to operational excellence for internal potential tapping and industrial transformation and upgrading, solidly promoting carbon reduction measures such as new energy electricity application and carbon dioxide recycling and utilization, carrying out the high-tower compound fertilizer project renovation, continuously consolidating the industrial foundation of the Northeast fertilizer production base.

Digital Service Innovation

The Group deeply implemented the requirements of the 2025 Central No. 1 Document, promoted the implementation of the large-scale grain and oil crop yield improvement action plan, with more than 1,200 technical service personnel going deep into the grassroots for a long time, carrying out technical training, soil testing and fertilizer recommendation, field guidance and other work to ensure farmers' planting production safety, practicing the mission of the national rural revitalization strategy. According to different variety characteristics, differentiated full-process crop solutions were formulated to achieve grain crop yield improvement. The Group vigorously carried out green agricultural planting technology research, actively promoting technical achievements such as side-deep fertilization, integrated water and fertilizer management, microbial compounding, bacteria-fertilizer coupling, bio-activation, and soil improvement to facilitate arable land quality improvement. Combining different soil conditions, crop types and planting environments, the Group transformed demonstration results into simple, user-friendly and practical technologies for farmers to use, cumulatively forming comprehensive technical solutions for multiple crops.

In 2025, using integrated marketing service platforms such as Nongxiaohui (農小惠), Nongdaquan (農達圈), technology-benefiting-agriculture new media content platforms, and 400 customer service platforms, the Group provided growers with digital agricultural-benefiting activities, complete crop packages, fresh technical information and immediate technical services. By accelerating user acquisition through integrated online and offline channels and building a segmented private-domain user base, the cumulative number of Nongxiaohui online retail stores exceeded 18,000, achieving an overall coverage rate of over 90% in agricultural counties; digital marketing activities benefited more than 3.20 million farmers, and besides, the Group cumulatively published more than 5,000 pieces of graphic, short video and live streaming content, with online reach exceeding 30.00 million visits, effectively enhancing the quality and efficiency of services for end users.

Internal Control and Management

The Group's internal control and risk management system was established based on the "Internal Control – Integrated Framework" published by the Committee of Sponsoring Organizations of the Treadway Commission in the United States, the "Risk Management Guidelines" published by the International Organization for Standardization and the "Internal Control and Risk Management – A Basic Framework" issued by the Hong Kong Institute of Certified Public Accountants, and following the "Central Enterprises Comprehensive Risk Management Guidelines", the "Basic Rules of Corporate Internal Control" and its referencing guidelines, and the "Measures for Central Enterprises Compliance Management" of China as well as in compliance with the national requirements on strengthening internal control system establishment and supervision in recent years. Adopting a risk management-oriented approach, the Group paid attention to establishing internal control in line with strategic development and integrated with business management. Through risk identification, assessment and response measures, the Group implemented whole-process risk management, alert and response measures for material risks to serve the steady development and value creation of the Group.

In 2025, the Group continuously and fully implemented the requirements of the State-owned Assets Supervision and Administration Commission for the construction and supervision of the internal control system of state-owned enterprises. The Group effectively fulfilled the Board's responsibilities of supervision on internal control throughout the entire chain, enhanced the quality of state-owned listed companies, strengthened organizational leadership, attempted to establish an internal control system adapted to the needs of look-through supervision, and strengthened multi-faceted supervision. The Group continued its promotion of the "Optimization and Enhancement Project on System", which entered the consolidation stage this year. The Group further supervised each subsidiary to thoroughly review the deficiencies of the internal control system and improve the Group's overall corporate governance level. This fully completed the addition and revision of system processes and the manuals on rights and responsibilities, and continuously strengthened the establishment of the internal control system. The Group improved and published important business rules and regulations such as those for production and operation, procurement management and audit management. As at the end of the year, a total of 124 systems were published, and the 2025 version of the manual on rights and responsibilities with 98 working authorities in total was published, achieving complete basic systems and rights and responsibilities systems. The Group continued to carry out various forms of publicity on the culture of compliance, including presentation activities on risks by department heads of the operations and middle and back office as well as meetings on special topics, so as to continuously promote managers at all levels to firmly establish a scientific concept of business safety and create a benign and compliant internal control atmosphere of "steady operation and healthy development". The Group continued to carry out the work on risk identification, monitored major risks, comprehensively investigated incidents regarding operational risks, and focused on the establishment of long-term mechanisms.

In 2025, the internal control and risk management system of the Group satisfactorily met the requirements of domestic and foreign regulatory agencies. The internal control and management function aligned with the strategic transformation of the Group, and proactively enabled, supported and assured its business development, which effectively protected the interests of shareholders of the Group, asset safety and the improvement of operation quality.

Social Responsibility

The Group deeply implemented the national strategic deployment on ensuring food security and stable supply of important agricultural products, closely focusing on the core requirements of the Central No. 1 Document of "stabilizing grain and increasing oil, improving yield per unit area, and protecting arable land", giving full play to the key supporting role of the technical marketing system, empowering all links of the industry chain through technical marketing, continuously making efforts in ensuring stable supply of agricultural materials, promoting stable market prices, and serving crop quality and efficiency improvement, delivering a "combination of measures (組合拳)" of service innovation, smoothing the "last mile (最後一公里)" of helping farmers and benefiting farmers, providing technical support, addressing practical challenges and supporting farmers' income growth, delivering warm services to the fields, consolidating the foundation of agricultural production with practical actions, serving the overall situation of rural revitalization, and comprehensively implementing the national food security strategy.

During critical periods such as spring planting, the Group timely organized potash fertilizer reserve releases, uniting with industry enterprises to jointly maintain market order. The Group maintained high operating rates at production factories, accelerated the development and promotion of biotechnology and products for fertilizer reduction and efficiency improvement, strengthened terminal agricultural chemical services and training, carried out supply guarantee and price stability publicity, and ensured domestic market fertilizer supply.

The Group focused on the yield bottlenecks of major grain and oil crops and planting cost optimization, organizing experts and technical and business personnel to go deep into the front line throughout the year, testing and promoting more than 200 technology integration solutions centered on quality improvement and efficiency increase. The Group established deep cooperation with large-scale growers nationwide, building more than 3,000 demonstration and promotion fields in key agricultural production areas. Through the "technical resident + full-process tracking" model, demonstration fields were built into "field demonstration plots" that can be observed, learned from and replicated, systematically displaying comprehensive solutions for quality improvement and yield increase, radiating and driving regional production level improvement. In response to natural disasters, the Group formulated disaster prevention and production protection plans for different disaster types and crop growth stages, carrying out more than 1,000 soil testing and fertilizer recommendations, field diagnoses and disaster prevention guidance throughout the year, helping farmers prevent in advance and minimize crop yield losses to the greatest extent, avoiding impact on market supply and prices due to regional yield reductions, maintaining stability of agricultural product supply chains, and providing technical support for promoting stable crop yield and efficiency increase, continuous farmer income growth, and healthy and stable operation of the agricultural materials market.

To implement the strategy of sustainable farmland use, the Group took the lead in launching the "HOPE Soil Health" service platform. The HOPE platform focuses on three core services: "soil problem diagnosis – soil health improvement – sustainable soil health management", relying on technological innovation and business model innovation to provide users with targeted "soil health + efficient nutrition + green pest control + regenerative agriculture" four-in-one comprehensive solutions. The Group has cumulatively formed 25 sets of soil health indicator systems applicable to different scenarios, as well as multiple sets of comprehensive solutions, achieving successful practices in multiple fields such as characteristic economic crop soil health improvement, demonstrating strong market vitality. The Group successfully held three sessions of soil health and regenerative agriculture forums, won multiple social honors, leading to high-quality development of the agricultural industry and helping to realize rural revitalization in a comprehensive manner.

The Group actively promoted consumption-based poverty alleviation, love-assisted education, public welfare donations and other work, solidly fulfilling assistance and support responsibilities, focusing on characteristic industries in assisted areas, broadening sales channels for agricultural products and driving income increase, purchasing assistance products totaling RMB633,900 throughout the year. The Group donated 100 sets of mattresses and wardrobe cabinets to relevant primary schools in Chifeng, Inner Mongolia, assisting special groups in remote areas and supporting local education and public welfare undertakings. The Group donated phosphate fertilizer, compound fertilizer and other agricultural materials to empower agricultural production recovery, effectively alleviating difficulties for assisted people, with cumulative donations of RMB539,100 throughout the year, helping regional agricultural development.

Outlook

In 2026, amid ongoing geopolitical conflicts, the rapid increase in bulk raw material costs is expected to pose significant challenges to global fertilizer supply and industry development. Major domestic fertilizer products will likely face continued pressure from capacity, supply and demand factors, and industry consolidation is expected to accelerate. The newly issued Central Document No. 1 set the target of "stabilizing grain output at around 1.4 trillion jin", promoting a new round of initiatives to enhance grain production capacity by 100 billion jin. It focused on increasing per-unit yields, protecting arable land, and constructing high-standard farmland, while strengthening policy subsidies and benefit compensation mechanisms to safeguard farmers' grain-growing enthusiasm. Grain prices are expected to remain generally stable with an upward trend, allowing high-quality varieties to achieve "premium prices for superior quality".

The Group will steadfastly advance its "Bio+" strategy and build a tightly integrated research-production-marketing system. By strengthening the industrial foundation, upgrading operational excellence, and pursuing green and low-carbon development, it will cultivate and expand single core biological fertilizer products, enhance its crop full-cycle nutrition service capabilities, persist in reducing carbon emissions, actively promote agricultural green transformation, contribute to increasing grain production and farmers' income, continuously consolidate the foundation for high-quality development, and strive tirelessly to realize its development vision: "To become a leader in crop nutrition health, working hand in hand with millions of farmers to create a fertile and abundant land", and create value for shareholders.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the year ended 31 December 2025, the Group's sales volume was 7.31 million tons, representing a slight increase of 1.39% compared to the sales volume for the year ended 31 December 2024. Revenue amounted to RMB23,263 million, an increase of 9.4% over the year ended 31 December 2024. Gross profit amounted to RMB2,893 million, up by 13.72% over the year ended 31 December 2024. Profit attributable to owners of the Company was RMB1,259 million, an increase of 18.66% over the year ended 31 December 2024.

I. OPERATION SCALE

(I) Sales volume

In 2025, the Group firmly advanced the implementation of the "Bio+" strategy, persistently driving innovation as the core engine, and continuously enriched and refined the "Bio+" product portfolio. Simultaneously, focusing on the Group's main brand revitalization, through brand communication and promotion, the Group continuously enhanced market recognition as the "Crop Nutrition Health Leader", comprehensively building the Group's core competitiveness. For the year ended 31 December 2025, the Group's sales volume was 7.31 million tons, a slight increase of 1.39% compared to the year ended 31 December 2024; biofertilizer sales volume was 1.54 million tons, an increase of 14% compared to the year ended 31 December 2024.

(II) Revenue

For the year ended 31 December 2025, the Group recorded revenue of RMB23,263 million, representing an increase of RMB1,998 million or 9.4% compared with the year ended 31 December 2024, mainly resulting from an increase in average selling price.

Table 1:

	For the year ended 31 December			
	2025		2024	
	Revenue *RMB'000*	**As percentage of total revenue**	Revenue *RMB'000*	As percentage of total revenue
Phosphate fertilizers	**7,511,687**	**32%**	6,659,719	31%
Compound fertilizers	**7,482,843**	**32%**	6,747,830	32%
Potash fertilizers	**4,194,687**	**18%**	3,939,159	19%
Monocalcium/Dicalcium phosphate (MCP/DCP)	**1,571,438**	**7%**	1,322,387	6%
Special fertilizers	**434,044**	**2%**	677,705	3%
Others	**2,068,406**	**9%**	1,918,054	9%
Total	**23,263,105**	**100%**	21,264,854	100%

(III) Segment revenue and segment results

The Group's business divisions are set up on the basis of supporting the "Bio+" strategy and are divided into three segments, namely Basic Business Segment, Growth Business Segment and Production Business Segment. The Basic Business Segment is mainly responsible for the domestic distribution business and the exports trading business of strategically and centrally procured potash fertilizers, phosphate fertilizers and sulphur, thereby playing a positive role in the stabilization of supplies and prices of agricultural inputs in the domestic market; the Growth Business Segment is primarily responsible for the integrated operation business of research, production and marketing of bio-compound fertilizers and special fertilizers, and domestic distribution business of crop protection products and seeds through internal synergy with Syngenta Group; the Production Business Segment mainly includes production and sales business of Sinochem Yunlong (agricultural MCP/DCP), Sinochem Fuling (refined phosphates, etc.) and Sinochem Changshan (synthetic ammonia and urea, etc.).

Below sets forth an analysis of the Group's revenue and profit by the above-said segment for the year ended 31 December 2025 and the year ended 31 December 2024:

Table 2:

	For the year ended 31 December 2025				
	Basic Business	**Growth Business**	**Production Business**	**Elimination**	**Total**
	RMB'000	***RMB'000***	***RMB'000***	***RMB'000***	***RMB'000***
Revenue					
External revenue	**12,393,752**	**8,451,647**	**2,417,706**	**–**	**23,263,105**
Internal revenue	**4,327,441**	**2,878,349**	**3,547,059**	**(10,752,849)**	**–**
Segment revenue	**16,721,193**	**11,329,996**	**5,964,765**	**(10,752,849)**	**23,263,105**
Segment profit	**874,069**	**349,016**	**404,457**	**–**	**1,627,542**

	For the year ended 31 December 2024				
	Basic Business	Growth Business	Production Business	Elimination	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Revenue					
External revenue	10,867,780	8,019,861	2,377,213	–	21,264,854
Internal revenue	3,178,870	2,834,735	2,915,474	(8,929,079)	–
Segment revenue	14,046,650	10,854,596	5,292,687	(8,929,079)	21,264,854
Segment profit	644,843	346,823	387,441	–	1,379,107

Segment profit represents the profit earned by each segment without taking into account unallocated share of results of associates and joint ventures, unallocated expense/income and finance costs in relation to unallocated bank loans and other borrowings. This is the measure reported to the Group's chief operating decision-maker for the purposes of resource allocation and segment performance assessment.

For the year ended 31 December 2025, the segment profit was RMB1,628 million, which increased by RMB249 million as compared to that of the corresponding period last year. The Basic Business Segment, under the global fertilizer supply-demand tight balance situation, continuously enhanced its strategic centralized procurement capabilities, consolidated long-term strategic partnerships with traditional core suppliers, and actively built a diversified domestic resource supply system to ensure stable supply of goods in the domestic market. In 2025, the segment achieved a profit of RMB874 million, representing an increase of 35.5% compared to the corresponding period last year. The Growth Business Segment, facing the dual pressures of high raw material costs and weak fertilizer market demand due to low crop prices, focused on the core concepts of "differentiation, segmentation, high-end, and branding". By innovating products, optimizing market layout, implementing refined customer classification management, and conducting regular marketing promotions, the Growth Business Segment strived to build a stable and high-quality development model and continuously promoted the implementation of the "Bio+" strategy. In 2025, the segment achieved a profit of RMB349 million, representing a slight increase of 0.58% compared to the corresponding period last year. The Production Business Segment, rooted in safe and stable production, driven by operational excellence, optimized and upgraded product structure, focused on improving quality and efficiency, increasing production and reducing consumption, and adhered to green and sustainable development. In 2025, the segment achieved a profit of RMB404 million, representing an increase of 4.39% compared to the corresponding period last year.

II. PROFIT

(I) Share of results of joint ventures and associates

Share of results of joint ventures: For the year ended 31 December 2025, the Group's share of results of joint ventures was a profit of RMB101 million, representing a decrease of RMB86 million or 45.99% compared to a profit of RMB187 million for the year ended 31 December 2024. This was mainly attributable to the share of results of joint venture, Yunnan Three Circles-Sinochem Fertilizer Co., Ltd. ("Three Circles-Sinochem"), amounting to a profit of RMB98 million for the year, a decrease of RMB89 million compared to the same period last year.

Share of results of associates: For the year ended 31 December 2025, the Group's share of results of associates was a loss of RMB5 million, representing a decrease of RMB41 million compared to a profit of RMB36 million for the year ended 31 December 2024. The main reasons were that the share of results of Guizhou Xinxin Industrial Holdings Group Co., Ltd. and Guizhou Xinxin Coal Chemical Co., Ltd. amounted to a profit of RMB5 million in 2025, a decrease of RMB34 million compared to the same period last year, and the share of results of Yitong Digital Technology Co., Ltd. ("Yitong Digital Technology") was a loss of RMB9 million, a decrease of RMB7 million compared to the same period last year.

(II) Income tax

For the year ended 31 December 2025, the Group's income tax expense was RMB275 million, of which current tax was RMB283 million and deferred tax was negative RMB7.4 million. In 2025, current tax increased by RMB113 million as compared with the corresponding period of the previous year, mainly due to that the Group's profit from operations increased by RMB440 million as compared with the corresponding period of the previous year.

The subsidiaries of the Group are mainly registered in Mainland China, Macao and Hong Kong, respectively, where income tax rates vary. Among them, the income tax rate of Mainland China is 25%, while the income tax rate of Macao and Hong Kong is 12% and 16.5% respectively. The Group strictly complies with the taxation laws of the respective jurisdictions and pays taxes accordingly.

(III) Profit attributable to owners of the Company and net profit margin

For the year ended 31 December 2025, profit attributable to owners of the Company was RMB1,259 million, an increase of RMB198 million or 18.66% compared with a profit of RMB1,061 million for the year ended 31 December 2024. The Group firmly advanced the "Bio+" strategy, continuously enhanced the technological content of products, strengthened product quality control and refined cost management. By consolidating diversified supply sources and improving the quality and efficiency of marketing channel services, the Group promoted quality and efficiency improvement throughout the procurement and sales process, leading to an increase in gross profit compared with the same period last year.

For the year ended 31 December 2025, the net profit margin of the Group calculated as profit attributable to owners of the Company divided by revenue, was 5.41%, representing an increase of 0.42 percentage points over the corresponding period of last year.

III. EXPENSES

For the year ended 31 December 2025, the three categories of expenses in aggregate amounted to RMB1,450 million, representing an increase of RMB28 million or 1.97% from RMB1,422 million for the year ended 31 December 2024. Of which:

Selling and distribution expenses: For the year ended 31 December 2025, selling and distribution expenses amounted to RMB621 million, representing an increase of RMB13 million or 2.14% from RMB608 million for the year ended 31 December 2024. This was mainly attributable to the Group's deepening of its digital marketing transformation, continuous iteration of its digital marketing platform system, and comprehensive enhancement of terminal promotion and store conversion efficiency through forms such as new media publicity and traffic guidance, brand benefit farmers' QR code marketing activities, and local group-buying store traffic guidance. The sales volume of biofertilizers increased by 14% year on year, resulting in a year-on-year increase in marketing expenses.

Administrative expenses: For the year ended 31 December 2025, administrative expenses amounted to RMB784 million, representing an increase of RMB27 million or 3.57% from RMB757 million for the year ended 31 December 2024. This was mainly attributable to the Group deepening its QHSE (Quality, Health, Safety and Environment) management, upgrading safety facilities, consolidating achievements in safe production rectification and ecological environmental protection, and continuously building the foundation for green and sustainable development. Safety production expenses increased by RMB15 million year-on-year.

Finance costs: For the year ended 31 December 2025, finance costs amounted to RMB45 million, representing a decrease of RMB12 million or 21.05% from RMB57 million for the year ended 31 December 2024. This was mainly due to the fact that, by leveraging the moderately loose domestic monetary policy environment, the Group actively broadened and optimized financing channels, continuously reduced financing scale, with interest-bearing liabilities decreased by RMB363 million year on year, thus effectively lowering comprehensive financing costs.

IV. OTHER INCOME AND GAINS

For the year ended 31 December 2025, the Group's other income and gains amounted to RMB214 million, representing a decrease of RMB23 million from RMB237 million for the year ended 31 December 2024. Other income and gains mainly consist of interest income, government grants, and foreign exchange gains, etc. The year-on-year change was mainly due to asset disposals. In 2025, the Group had no significant gains from asset disposals. In 2024, the asset disposal income primarily came from the disposal of the related assets of the nitrogen fertilizer business unit by Sinochem Fertilizer Company Limited ("Sinochem Fertilizer") to Yitong Digital Technology, with a consideration of RMB42 million.

V. OTHER EXPENSES AND LOSSES

For the year ended 31 December 2025, the Group's other expenses and losses amounted to RMB205 million, representing a decrease of RMB152 million from RMB357 million for the year ended 31 December 2024. Other expenses and losses mainly consist of losses on sales of semi-finished products, raw materials and scrapped materials, and impairment losses of assets. The year-on-year change is mainly due to the provision of expected credit losses on the loan to Yangmei Pingyuan Chemical Co., Ltd. ("Yangmei Pingyuan") in 2024. In December 2023, Yangmei Pingyuan received a mandatory shutdown notice from the People's Government of Pingyuan County, Shandong Province, resulting in the cessation of operations of Yangmei Pingyuan. In January 2024, in order to resettle employees in a proactive and orderly manner, Yangmei Pingyuan borrowed funds from its shareholders, and Sinochem Fertilizer provided a two-year loan of RMB168 million to Yangmei Pingyuan according to its shareholding ratio. Taking into account the insolvency of Yangmei Pingyuan and its bankruptcy and liquidation proceedings in January 2025, based on prudent considerations, the Group made an impairment provision of RMB168 million for the amount lent to Yangmei Pingyuan in 2024. On 16 December 2025, the Pingyuan County Court ruled to approve the bankruptcy reorganization of Yangmei Pingyuan. The deadline for the appointment of the bankruptcy administrator was 31 December 2025. As at 31 December 2025, as the bankruptcy reorganization plan for Yangmei Pingyuan was not provided, there was no sufficient evidence as to whether the bankruptcy reorganization plan could proceed smoothly, and the recoverable amount of the Group's loans could not be estimated.

VI. INVENTORIES

As at 31 December 2025, the inventories balance of the Group amounted to RMB5,830 million, up by RMB605 million or 11.58% compared with RMB5,225 million as at 31 December 2024. In order to cope with the risk of high price fluctuations of fertilizer products, the Group prudently optimized its inventory structure and reasonably controlled inventory exposure risk while ensuring normal reserves during the winter storage season. Inventory turnover days were 99 days, 8 days faster as compared with the corresponding period of the previous year.

Note: Calculated on the basis of average inventory balance as at the end of the reporting period divided by cost of sales, and multiplied by 360 days.

VII. TRADE AND BILLS RECEIVABLES

As at 31 December 2025, the Group's balance of trade and bills receivables amounted to RMB380 million, representing an increase of RMB87 million or 29.69% from RMB293 million as at 31 December 2024. This was mainly attributable to outstanding long-term letters of credit that had not yet matured, for which the related accounts receivable had not been recovered. The Group proactively prevented credit risk, and this batch of letter of credit receivables was fully recovered upon maturity in February 2026. The turnover days of trade and bills receivables of the Group in 2025 were 5 days, representing 1 day less than the turnover days in 2024.

Note: Calculated on the basis of average trade and bills receivables balance as at the end of the reporting period divided by turnover, and multiplied by 360 days.

VIII. LOANS TO FELLOW SUBSIDIARIES

As at 31 December 2025, the Group's loans to fellow subsidiaries amounted to RMB200 million, all of which were for the provision of funds to China National Seed Group Co., Ltd., bearing an interest rate of 2.35%.

IX. GOODWILL

As at 31 December 2025, the goodwill balance of the Group decreased by RMB7 million to RMB854 million from RMB861 million as at 31 December 2024, which was mainly due to foreign exchange adjustments. For the purposes of impairment testing, the goodwill has been allocated to the cash-generating units ("CGUs") of the related segments as follows:

Table 3:

	At 31 December	
	2025	2024
	RMB'000	*RMB'000*
Basic business	**195,236**	199,703
Growth business	**91,876**	93,977
Production business		
– Sinochem Yunlong	**531,074**	531,074
– Others	**35,487**	36,299
	853,673	861,053

Table 4:

The key assumptions used in the value in use calculation for related CGUs include:

2025	**Basic Business**	**Growth Business**	**Production Business**
Annual revenue growth rate during and beyond the forecast period	**1.8%**	**1.8%**	**1.8%**
Gross profit margin	**8.6%**	**10.5%**	**38.9%**
Pre-tax discount rate	**11.9%**	**11.9%**	**13.0%**

2024	Basic Business	Growth Business	Production Business
Annual revenue growth rate during and beyond the forecast period	1.8%	1.8%	1.8%
Gross profit margin	6.4%	7.7%	41.1%
Pre-tax discount rate	10.9%	10.9%	12.7%

X. INTERESTS IN JOINT VENTURES AND ASSOCIATES

As at 31 December 2025, the balance of the Group's interests in joint ventures and associates amounted to RMB1,079 million, down by RMB79 million or 6.82% compared with RMB1,158 million as at 31 December 2024. This was mainly due to the Group's share of investment gains of joint ventures and associates totaling RMB96 million in 2025 calculated using the equity method, and the receipt of dividends totaling RMB174 million distributed by joint ventures and associates, of which Three Circles-Sinochem distributed a dividend of RMB172 million in the current period, and Gansu Wengfu Chemical Co., Ltd. ("Gansu Wengfu") distributed a dividend of RMB2 million in the current period.

During the period, the Group did not conduct any significant acquisitions or disposals of joint ventures and associates.

XI. OTHER EQUITY SECURITIES

As at 31 December 2025, the Group's balance of other equity securities amounted to RMB196 million, representing an increase of RMB108 million from RMB88 million as at 31 December 2024, which was mainly due to the increase in the fair value of equity in Guizhou Kailin Holdings (Group) Co., Ltd. held by the Group.

As at 31 December 2025, the Group did not hold any significant investments accounting for 5% or more of the Group's total assets.

XII. INTEREST-BEARING LIABILITIES

As at 31 December 2025, the Group's total interest-bearing liabilities amounted to RMB1,507 million, representing a decrease of RMB363 million or 19.41% from RMB1,870 million as at 31 December 2024, which was mainly due to a decrease in bank financing during the period. For details of the interest-bearing liabilities, please refer to the section headed "XVI. LIQUIDITY AND FINANCIAL RESOURCES".

XIII. TRADE AND BILLS PAYABLES

As at 31 December 2025, the Group's balance of trade and bills payables amounted to RMB4,420 million, representing an increase by RMB1,133 million or 34.47% compared with RMB3,287 million as at 31 December 2024, which was mainly due to a year-on-year increase of RMB1,005 million in bills payable. The Group continued to optimize fund management, continuously improving fund utilization efficiency. By increasing the settlement scale of acceptance bills, the Group effectively extended the payment cycle and reduced the occupation of its own funds, further improving cash flow.

XIV. OTHER PAYABLES AND PROVISION

As at 31 December 2025, the balance of the Group's other payables and provision amounted to RMB1,337 million, representing an increase by RMB218 million or 19.48% compared with RMB1,119 million as at 31 December 2024, which was mainly due to the increase in output VAT collected from customers, which will be paid upon completion of sales.

XV. OTHER FINANCIAL INDICATORS

The Group uses earnings per share and return on equity (ROE) to evaluate its profitability. Current ratio and debt-to-equity ratio are used to assess solvency. And the Group evaluates its operating capacity in terms of turnover days of trade and bills receivables and inventories (see the sections of inventories and trade and bills receivables contained in the section of "Management's Discussion and Analysis"). Through the analysis of financial indicators such as profitability, solvency and operating capacity, the Group's financial position and operating results can be fully summarized and evaluated, so that the performance of the management in corporate governance and the objective accomplishment of maximizing the interests of shareholders can be effectively assessed.

For the year ended 31 December 2025, the Group's earnings per share was RMB0.1793 and return on equity (ROE) was 11.64%, representing an increase of 1.09 percentage points over the year ended 31 December 2024.

Table 5:

	For the year ended 31 December	
	2025	2024
Profitability		
Earnings per share (RMB) *(Note 1)*	**0.1793**	0.1511
Return on equity *(Note 2)*	**11.64%**	10.55%

Note 1: Calculated based on profit attributable to owners of the Company for the period divided by the weighted average number of shares for the period.

Note 2: Calculated based on profit attributable to owners of the Company for the period divided by the average equity attributable to owners of the Company as at the beginning and the end of the period.

As at 31 December 2025, the Group's current ratio was 1.24, and its debt-to-equity ratio was 13.16%, representing a strengthened solvency. The Group enjoyed relatively high banking facilities and smooth financing channels, as well as diverse funding methods.

Table 6:

	As at 31 December 2025	As at 31 December 2024
Solvency		
Current ratio *(Note 1)*	**1.24**	1.29
Debt-to-equity ratio *(Note 2)*	**13.16%**	17.59%

Note 1: Calculated based on current assets divided by current liabilities as at the end of the period.

Note 2: Calculated based on total interest-bearing liabilities divided by total equity as at the end of the period.

XVI. LIQUIDITY AND FINANCIAL RESOURCES

The Group's principal financial resources include cash from operations and proceeds from bank borrowings. All the financial resources are primarily used for the marketing, production, operation, repayment of debts at maturity and relevant capital expenditures.

As at 31 December 2025, the Group's cash and cash equivalents amounted to RMB2,928 million, which was mainly held in RMB and US dollar.

The Group's interest-bearing liabilities are as follows:

Table 7:

	As at 31 December 2025 *RMB'000*	As at 31 December 2024 *RMB'000*
Bank loans and other borrowings	**1,482,989**	1,816,546
Lease liabilities	**24,290**	53,670
Total	**1,507,279**	1,870,216

Table 8:

	As at 31 December 2025 *RMB'000*	As at 31 December 2024 *RMB'000*
Carrying amount of interest-bearing liabilities due		
Within one year	**849,349**	899,238
More than one year	**657,930**	970,978
Total	**1,507,279**	1,870,216

Table 9:

	As at 31 December 2025	As at 31 December 2024
	RMB'000	*RMB'000*
Fixed-rate interest-bearing liabilities	**378,240**	672,165
Floating-rate interest-bearing liabilities	**1,129,039**	1,198,051
Total	**1,507,279**	1,870,216

As at 31 December 2025, the Group had banking facilities equivalent to RMB17,633 million, including US$821 million and RMB11,859 million. The unutilized banking facilities amounted to RMB13,424 million, including US$714 million and RMB8,399 million.

The Group planned to repay the above loans with its internal resources.

Regarding the above bank loans and other borrowings, there were no breaches of loan agreements during the period, and the agreements did not contain conditions requiring the Company's controlling shareholders to fulfill specific responsibilities.

XVII. OPERATIONAL AND FINANCIAL RISKS

The Group's major operational risks include the following: internationally speaking, geopolitical conflicts disturbed the stability of global supply chains, and price fluctuations of international energy and core fertilizer raw materials such as phosphate rock and sulphur intensified. In addition, the security of Red Sea shipping routes was threatened, as evidenced by shipping companies raising prices, taking alternative shipping routes or suspending services, coupled with increased freight and insurance premiums and prolonged transit times, leading to increased pressure on the Group's procurement costs. Domestically speaking, planting returns for some agricultural products were poor, impacting the demand for fertilizers; simultaneously, the domestic planting model was accelerating its transformation towards scale, digitalization, and greening, and the iteration and upgrade of new-type fertilizer technologies were accelerating. Significant changes in the domestic and international environments have prompted the Group to proactively take measures to respond promptly to market dynamics and industry trends, and effectively prevent and mitigate operational risks. Under the guidance of the "Bio+" strategy, on one hand, the Basic Business strengthened its strategic centralized procurement capabilities, continuously enhanced and deepened strategic partnerships with global partners, deepened industrial channels, and expanded agricultural channels to further consolidate the foundation for the Group's sustainable development. On the other hand, the Growth Business focused on high-end "Bio+" products, enhanced the synergy efficiency of research, production and marketing, developed market segment maps, refined its product system, strengthened customer service capabilities, and fully explored new growth drivers for the Group's operating results, supporting and guaranteeing the Group's high-quality development.

In addition, environmental and social risks, cyber risk and security, and risks associated with data fraud or theft are also the operational risks of the Group.

Environmental and social risks

With the increasingly stringent requirements on environmental protection management and gradually intensive efforts in pollution control from the government, enterprises have been required to attach great importance to ecological civilization and environmental protection. The subsidiaries of the Group engaged in resource exploitation and fertilizer production strictly comply with laws and regulations such as the Environmental Protection Law of the People's Republic of China, the Air Pollution Prevention and Control Law of the People's Republic of China as well as the Water Pollution Prevention and Control Law of the People's Republic of China. Through stringent investigation and management on sources of corporate environmental risks, the subsidiaries of the Group implement measures to prevent and control pollution of air, surface water, groundwater and soil. In addition, they formulate emergency plans for sudden environmental pollution incidents, equip themselves with necessary emergency disposal materials, seriously perform emergency response exercises, and promptly launch emergency plans to limit production during heavily polluted weather. In 2025, no major environmental pollution incidents occurred in the Company.

Cyber risk and security

Network security is the core guarantee of enterprise operation. With the continuous deepening of digital intelligence, the network security protection system is becoming more complicated, and the difficulty of protection continues to increase. The Group has always placed cybersecurity at a strategic level, established a leading group for cybersecurity work, and made efforts to build a system that meets both the Group's standards and the characteristics of the industry through systematic inventory and understanding of the base of network assets. On this basis, around the whole life cycle of "planning-construction-operation and maintenance-offline" of information systems, the Group formulate safety management strategies covering all links; simultaneously promote the whole process protection specification of "collection-transmission-storage-use-destruction" of data, and strengthen data security governance capabilities. By continuously improving the in-depth and collaborative technical defense system, the Group comprehensively enhanced the risk monitoring, threat warning and emergency response capabilities, effectively built a strong network security barrier to prevent the occurrence of network security incidents, and provided a solid security guarantee for the high-quality development of the Group.

Risks associated with data fraud or theft

In order to keep state secrets and protect trade secrets, the Group has established a relatively complete confidentiality management system, including the Administrative Measures on Confidentiality and the Catalog of Trade Secrets.

The Group takes various promotional and educational measures annually to enhance the employees' awareness of information confidentiality and to urge the employees to be alert. The Group selects certain subsidiaries and assesses their information confidentiality work every year. Through interviews with subsidiaries' employees having duty of confidentiality, examination on relevant systems and record documents, reviews on previous confidential documents and on-site observation, the Group conducts investigations into the arrangement of institutions and personnel, the establishment of an information confidentiality system, secret classification management and information system management, and requires the units under investigation to submit rectification reports within a time limit.

The Group's major financial risks include market risk, credit risk and liquidity risk.

Market risk

Market risk includes currency risk, interest rate risk and other price risk. Currency risk represents the risk of change in exchange rates that may have an impact on the Group's financial results and cash flows. Interest rate risk represents the risk of change in the fair value of interest rates of the Group's fixed-rate borrowings and other deposits. Other price risk represents the risk related to the price of the Group's equity investments, which is mainly derived from investments in equity securities.

The majority of the Group's assets, borrowings and transactions are denominated in RMB, US dollars and HK dollars. Due to the presence of a certain scale of import and export business of the Group, exchange rate fluctuations have an impact on the import costs and export prices. The management of the Group has adopted prudent foreign exchange forward arrangements to hedge exchange rate risk, and continues to monitor and control the above-mentioned risks so as to mitigate the potential adverse impact on the Group's financial performance.

Credit risk

The maximum credit risk of the Group is that the counterparties may fail to carry out their obligations with regard to the book value of all types of financial assets recognized and recorded in the consolidated statement of financial position as at 31 December 2025. If there is a lack of credit risk management, bad debt losses of the Company, as a result of unrecoverable accounts receivable and unavailable inventory after advance payment for procurement, may affect its normal operation.

The Group has adequate management procedures, response mechanisms and supervision measures in respect of granting credit lines and credit periods, collection of overdue accounts and other related aspects.

Through credit evaluation, transaction management, process monitoring and disposal of overdue accounts for credit customers, the Group develops risk management strategies and measures to prevent and control the risk, allocates more credit resources to strategic and high-quality core customers/suppliers, and transfers bad debt risks by proper utilization of various risk protection measures, so as to ensure the follow-up and protection of the credit business. Meanwhile, the Group examines the recovery of its major trade receivables on the settlement date every month to ensure adequate provisions are made for bad debts which are unrecoverable.

Liquidity risk

Liquidity risk may lead to inadequate capital for the Group to meet the demand of daily operations in a timely manner and repayment of debts at maturity. In this regard, the management of the Group takes the following measures:

Regarding the management of liquidity risk, the Group strengthens position management of daily working capital, forecasts and strictly executes the fund plan to monitor and keep enough cash and cash equivalents. The Group increases the scale of advance receipts during the sales season to maintain a better operating cash flow, reasonably allocates long-term and short-term capital requirements, and optimizes the capital structure to meet the Company's working capital and repayment of maturing debts.

XVIII. CONTINGENT LIABILITIES

As at 31 December 2025, the Group had no contingent liabilities.

XIX. CAPITAL COMMITMENT

Table 10:

	As at 31 December 2025 *RMB'000*	As at 31 December 2024 *RMB'000*
Contracted but not provided for		
– Purchase of property, plant and equipment	**93,976**	36,127

The Group plans to finance the above capital expenditure by internal and external resources, and has no plan for other material investments or capital expenditures.

XX. HUMAN RESOURCES

The key components of the Group's remuneration package include basic salary, and where applicable, other allowances, annual performance bonus and other rewards, mandatory provident funds and state-managed retirement benefits scheme. Through reasonable design on remuneration structure and mechanism on performance evaluation, the Group aims to associate the interests of key employees with the performance of the Group and the interests of shareholders, as well as to achieve a balance of short-term and long-term benefits. Meanwhile, the Group also aims at maintaining the competitiveness of the overall compensation. The level of cash compensation to employees offered by the Group varies with the importance of duties and results on performance evaluation. The higher the importance of duties, the higher the ratio of incentive bonus and rewards to total remuneration. This can help the Group to recruit, retain and motivate high-calibre employees required for the development of the Group and to avoid offering excess reward.

The emoluments payable to Directors are determined with reference to the responsibilities, qualifications, experience and performance of the Directors. They include performance bonus determined based on the overall operating results and strategic advancement of the Group and other rewards granted based on specific circumstances. The Remuneration Committee performs regular review on the emoluments of the Directors. No Director, or any of his/her associates and executives, is involved in deciding his/her own emoluments.

The Group reviews its remuneration policy annually and engages professional consultant, if necessary, to ensure the competitiveness of the remuneration policy which, in turn, would support the business growth of the Group. As at 31 December 2025, the Group had about 4,407 full-time employees (including those employed by the Group's subsidiaries), and their remuneration is determined with reference to market rates. No individual employee shall have the right to determine his/her own remuneration.

In addition to the basic remuneration, the Group also values the importance of training and career development of employees. In 2025, the Group provided around 14,813 person-times or 119,781 hours of training (any training organized by the subsidiaries has not been included in these numbers) to employees. The training courses covered areas such as strategy implementation, leadership enhancement, marketing management, safe production, compliance risks, general working skills and practical cases. Such training will further improve the management skills and professional standards of the management of the Group and enhance the overall quality of the employees to cater to the Group's rapid developments, and improve the competitiveness of the Group.

Other than those mentioned above, the Company had also arranged directors and officers' liability insurance which provides comprehensive protection for the Company's Directors and senior management against potential losses arising from investigations and claims in connection with the Group's business.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

	Note	2025 RMB'000	2024 RMB'000
Revenue	3(a)	**23,263,105**	21,264,854
Cost of sales		**(20,369,787)**	(18,721,016)
Gross profit		**2,893,318**	2,543,838
Other income and gains		**214,333**	236,762
Selling and distribution expenses		**(620,644)**	(608,101)
Administrative expenses		**(783,843)**	(757,104)
Other expenses and losses	4(a)	**(205,139)**	(357,452)
Profit from operations		**1,498,025**	1,057,943
Share of results of associates		**(5,211)**	36,346
Share of results of joint ventures		**101,016**	187,100
Finance costs	4(b)	**(45,083)**	(57,379)
Profit before taxation	4	**1,548,747**	1,224,010
Income tax	5	**(275,443)**	(149,019)
Profit for the year		**1,273,304**	1,074,991
Profit for the year attributable to:			
– Owners of the Company		**1,259,377**	1,061,480
– Non-controlling interests		**13,927**	13,511
		1,273,304	1,074,991

	Note	2025 RMB'000	2024 RMB'000
Profit for the year		**1,273,304**	1,074,991
Other comprehensive income			
Item that will not be reclassified to profit or loss:			
Equity investments at fair value through other comprehensive income – net movement in fair value reserve (non-recycling)		**81,212**	(57,636)
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of financial statements of overseas operations		**(10,598)**	16,770
Other comprehensive income for the year		**70,614**	(40,866)
Total comprehensive income for the year		**1,343,918**	1,034,125
Total comprehensive income attributable to:			
– Owners of the Company		**1,329,991**	1,020,614
– Non-controlling interests		**13,927**	13,511
		1,343,918	1,034,125
Earnings per share			
Basic and diluted (RMB)	*7*	**0.1793**	0.1511

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2025

		As at 31 December	
		2025	2024
	Note	***RMB'000***	*RMB'000*
Non-current assets			
Property, plant and equipment		**4,446,527**	4,531,219
Right-of-use assets		**675,720**	698,789
Mining rights		**238,144**	265,276
Intangible assets		**26,977**	34,942
Goodwill		**853,673**	861,053
Interests in associates		**354,479**	359,690
Interests in joint ventures		**724,659**	797,889
Other equity securities		**195,805**	87,522
Prepayments for acquisition of property, plant and equipment		**15,401**	12,103
Time deposits		**1,972,330**	1,262,193
Deferred tax assets		**57,982**	86,763
Other long-term assets		**35,629**	28,858
		9,597,326	9,026,297
Current assets			
Inventories		**5,830,131**	5,225,191
Trade and bills receivables	*8*	**380,097**	292,574
Other receivables and prepayments		**2,390,653**	1,803,090
Other current assets		**942,991**	929,541
Loans to fellow subsidiaries		**200,000**	300,000
Restricted bank deposits		**22,156**	30,155
Time deposits		**1,296,701**	706,831
Cash and cash equivalents		**2,928,295**	3,103,537
		13,991,024	12,390,919
Current liabilities			
Trade and bills payables	*9*	**4,419,506**	3,287,471
Contract liabilities		**4,654,382**	4,229,800
Other payables and provision		**1,337,392**	1,119,432
Bank and other borrowings		**830,866**	872,681
Lease liabilities		**18,483**	26,557
Tax liabilities		**41,813**	77,044
		11,302,442	9,612,985

	Note	As at 31 December 2025 RMB'000	2024 RMB'000
Net current assets		**2,688,582**	2,777,934
Total assets less current liabilities		**12,285,908**	11,804,231
Non-current liabilities			
Bank and other borrowings		**652,123**	943,865
Lease liabilities		**5,807**	27,113
Deferred income		**53,834**	67,208
Deferred tax liabilities		**101,231**	110,339
Other long-term liabilities		**18,446**	20,588
		831,441	1,169,113
NET ASSETS		**11,454,467**	10,635,118
CAPITAL AND RESERVES			
Issued equity		**5,887,384**	5,887,384
Reserves		**5,336,191**	4,529,882
Total equity attributable to owners of the Company		**11,223,575**	10,417,266
Non-controlling interests		**230,892**	217,852
TOTAL EQUITY		**11,454,467**	10,635,118

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

1. GENERAL

These financial statements have been prepared in accordance with all applicable HKFRS Accounting Standards, which collective term includes all applicable individual Hong Kong Financial Reporting Standards ("HKFRSs"), Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

2. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements for the year ended 31 December 2025 comprise the Group and the Group's interest in associates and joint ventures.

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the following assets are stated at their fair value as explained in the accounting policies set out below:

– financial instruments classified as other equity securities;

– derivative financial instruments; and

– bills receivable.

The Group has applied amendments to HKAS 21, *The effects of changes in foreign exchange rates – Lack of exchangeability* issued by the HKICPA to these financial statements for the current accounting period. The amendments do not have a material impact on these financial statements as the Group has not entered into any foreign currency transactions in which the foreign currency is not exchangeable into another currency.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3. REVENUE AND SEGMENT REPORTING

(a) Revenue

Revenue represents the sales value of fertilizers and related products. Disaggregation of revenue from contracts with customers by major products is as follows:

	2025	2024
	RMB'000	*RMB'000*
Revenue from contracts with customers within the scope of HKFRS 15 recognized at point in time		
Disaggregated by major products		
– Sales of potash fertilizer	**4,194,687**	3,939,159
– Sales of compound fertilizer	**7,482,843**	6,747,830
– Sales of phosphate fertilizer	**7,511,687**	6,659,719
– Sales of monocalcium/dicalcium phosphate ("MCP/DCP")	**1,571,438**	1,322,387
– Sales of special fertilizer	**434,044**	677,705
– Others	**2,068,406**	1,918,054
	23,263,105	21,264,854

No revenue from a single external customer accounted for 10% or more of the Group's revenue during both years.

The Group takes advantage of the practical expedient in paragraph 121 of HKFRS 15 and does not disclose the remaining performance obligation as all of the Group's sales contracts have an original expected duration of less than one year.

(b) Segment reporting

The Group's operating segments based on information reported to the chief operating decision maker ("CODM") for the purpose of resource allocation and performance assessment are as follows:

- Basic business: sales of strategically procured potash fertilizers, phosphate fertilizers and sulphur;
- Growth business: research, production and marketing of bio-compound fertilizers and special fertilizers, and sales of crop protection products and seeds through internal collaboration with Syngenta Group; and
- Production business: production and sales business of Sinochem Yunlong, Sinochem Fuling and Sinochem Changshan.

(i) Segment results

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment profit represents the profit earned made by each segment without taking into account unallocated share of results of associates and joint ventures, unallocated expenses/income and finance costs in relation to the unallocated bank and other borrowings. This is the measure reported to the Group's CODM for the purposes of resource allocation and performance assessment.

Inter-segment sales are charged at market prices between group entities.

Given the production and trading of fertilizers are closely linked, the CODM considered segment assets and liabilities information was not relevant in assessing performance of and resources allocation to the operating segments. Such information was not reviewed by the CODM. As such, no segment assets and liabilities are presented.

2025	Basic business *RMB'000*	Growth business *RMB'000*	Production business *RMB'000*	Elimination *RMB'000*	Total *RMB'000*
Revenue					
External revenue	12,393,752	8,451,647	2,417,706	–	23,263,105
Internal revenue	4,327,441	2,878,349	3,547,059	(10,752,849)	–
Segment revenue	16,721,193	11,329,996	5,964,765	(10,752,849)	23,263,105
Share of results of associates	–	–	4,650	–	4,650
Segment profit	874,069	349,016	404,457	–	1,627,542
Unallocated share of results of associates					(9,861)
Unallocated share of results of joint ventures					101,016
Unallocated expenses					(282,256)
Unallocated income					112,306
Profit before taxation					1,548,747

2024	Basic business *RMB'000*	Growth business *RMB'000*	Production business *RMB'000*	Elimination *RMB'000*	Total *RMB'000*
Revenue					
External revenue	10,867,780	8,019,861	2,377,213	–	21,264,854
Internal revenue	3,178,870	2,834,735	2,915,474	(8,929,079)	–
Segment revenue	14,046,650	10,854,596	5,292,687	(8,929,079)	21,264,854
Share of results of associates	–	–	38,907	–	38,907
Segment profit	644,843	346,823	387,441	–	1,379,107
Unallocated share of results of associates					(2,561)
Unallocated share of results of joint ventures					187,100
Unallocated expenses					(487,286)
Unallocated income					147,650
Profit before taxation					1,224,010

(ii) Other segment information

2025	**Basic business** ***RMB'000***	**Growth business** ***RMB'000***	**Production business** ***RMB'000***	**Unallocated** ***RMB'000***	**Total** ***RMB'000***
Amounts included in the measures of segment profit:					
Reversal/(write-down) of inventories and impairment losses recognized in the consolidated statement of profit or loss and other comprehensive income, net	**127**	**(3,507)**	**(39,315)**	**–**	**(42,695)**
Depreciation and amortization	**(36,560)**	**(85,183)**	**(379,055)**	**(200)**	**(500,998)**
Net gain/(loss) on disposal of property, plant and equipment and others	**176**	**(1,338)**	**(896)**	**(1)**	**(2,059)**
Gain on disposal of subsidiaries	**–**	**–**	**(37)**	**103**	**66**

2024	Basic business RMB'000	Growth business RMB'000	Production business RMB'000	Unallocated RMB'000	Total RMB'000
Amounts included in the measures of segment profit:					
Provision of expected credit losses on loan to an associate	–	–	–	(167,667)	(167,667)
Reversal of credit losses on financial guarantees issued	–	–	–	6,169	6,169
Write-down of inventories and impairment losses recognized in the consolidated statement of profit or loss and other comprehensive income, net	(681)	(27,382)	(36,144)	(4,826)	(69,033)
Depreciation and amortization	(36,135)	(87,775)	(348,027)	(190)	(472,127)
Net gain/(loss) on disposal of property, plant and equipment and others	41,616	(1,152)	20,400	–	60,864
Gain on disposal of a subsidiary	–	–	1,397	–	1,397

(iii) Geographical information

The Group's operations are mainly located in Mainland China and Macao SAR.

Information about the Group's revenue from its operations from external customers is presented based on the customers' location of incorporation/establishment. Information about the Group's non-current assets other than other equity securities and deferred tax assets is presented based on the geographical location of the assets.

	Revenue from external customers		**Non-current assets As at 31 December**	
	2025	2024	**2025**	2024
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
Mainland China	**21,664,334**	20,171,632	**9,342,015**	8,851,688
Others	**1,598,771**	1,093,222	**372**	324
	23,263,105	21,264,854	**9,342,387**	8,852,012

4. PROFIT BEFORE TAXATION

(a) Other expenses and losses

	2025	2024
	RMB'000	*RMB'000*
Impairment of property, plant and equipment	**23,957**	949
Reversal of impairment of trade and bills receivables	**(350)**	(89)
Provision of expected credit losses on loan to an associate	**–**	167,667
Reversal of credit losses on financial guarantees issued	**–**	(6,169)
(Reversal of impairment)/impairment of other receivables	**(449)**	4,779
Write-down of inventories	**19,537**	43,894
Impairment of other current assets	**–**	19,500
Fair value changes of forward foreign exchange contracts	**–**	47,327
Net loss on disposal of property, plante and equipment	**2,059**	–
Loss on sales of semi-product, raw materials and scrapped materials	**147,899**	47,079
Others	**12,486**	32,515
	205,139	357,452

(b) Financial costs

	2025	2024
	RMB'000	*RMB'000*
Interest on borrowings	**43,216**	54,503
Interest on lease liabilities	**1,867**	2,876
	45,083	57,379

(c) Other items

Profit before taxation is arrived at after charging/(crediting):

	2025	2024
	RMB'000	*RMB'000*
Depreciation charge		
– owned property, plant and equipment	**391,792**	360,459
– right-of-use assets	**52,312**	52,535
Amortization of mining rights	**27,132**	27,251
Amortization of other long-term assets	**21,604**	26,681
Amortization of intangible assets	**8,158**	5,201
Rental income	**(5,471)**	(9,262)
Interest income from fellow subsidiaries	**(2,673)**	(10,572)
Interest income from time deposits	**(58,981)**	(28,402)
Other interest income	**(72,984)**	(71,292)
Government grants	**(26,750)**	(7,657)
Release of deferred income	**(13,864)**	(9,857)
Insurance claims received	**(2,775)**	(3,104)
Write-back of payables	**(6,623)**	(3,388)
Net gain on disposal of property, plant and equipment and others	**–**	(60,864)
Gain on disposal of subsidiaries	**(66)**	(1,397)
Foreign exchange income	**(9,582)**	(6,907)

5. INCOME TAX

(a) Taxation in the consolidated statement of profit or loss represents:

	2025	2024
	RMB'000	*RMB'000*
Provision for the year	**(282,841)**	(170,167)
Deferred tax		
Origination and reversal of temporary differences	**7,398**	21,148
	(275,443)	(149,019)

(i) Pursuant to the income tax rules and regulations of Bermuda and the British Virgin Islands ("BVI"), the Group is not subject to income tax in Bermuda and the BVI.

(ii) The provision for Hong Kong Profits Tax for 2025 is calculated at 16.5% (2024: 16.5%) of the estimated assessable profits for the year.

(iii) The provision for the PRC Enterprise Income Tax is based on the statutory rate of 25% on the estimated taxable profits determined in accordance with the relevant income tax rules and regulations of the PRC for the year, except for certain subsidiaries of the Group which enjoy a preferential tax rate according to related tax policies.

(iv) The provision for Macao SAR Profits Tax for 2025 is calculated at 12% of the estimated assessable profits for the year (2024:12%).

(v) The Group operates in multiple jurisdictions, which will enact tax laws to implement the Pillar Two model rules published by the OECD in forthcoming years. So far the Pillar Two model didn't have a significant impact on the consolidated financial statements and no Pillar Two income tax was recognized during the year ended 31 December 2025.

(b) Reconciliation between tax expense and accounting profit at applicable tax rates:

	2025	2024
	RMB'000	*RMB'000*
Profit before taxation	**1,548,747**	1,224,010
Tax calculated at the applicable tax rate of 25%	**(387,187)**	(306,003)
Effect of different income tax rates	**96,408**	110,911
Tax effect of non-deductible expenses	**(2,924)**	(2,991)
Tax effect of non-taxable income	**678**	2,159
Tax effect of share of results of associates	**(1,303)**	9,535
Tax effect of share of results of joint ventures	**25,254**	46,775
Tax effect of utilization of prior years' tax losses and deductible temporary differences previously not recognized	**29,597**	38,301
Effect of tax losses and deductible temporary difference not recognized	**(35,966)**	(47,706)
Income tax expense for the year	**(275,443)**	(149,019)

6. DIVIDENDS

(a) Dividends payable to equity shareholders of the Group attributable to the year

	2025	2024
	RMB'000	*RMB'000*
Proposed final dividend of HK$0.0693, equivalent to approximately RMB0.0627 per share (2024: HK$0.0571, equivalent to approximately RMB0.0529 per share)	**440,501**	371,255

The final dividend proposed after the end of the reporting period has not been recognized as a liability at the end of the reporting period.

(b) Dividends payable to equity shareholders of the Group attributable to the previous financial year, approved and paid during the year

	Year ended 31 December	
	2025	2024
	RMB'000	*RMB'000*
Final dividend in respect of the previous financial year of HK$0.0571, equivalent to approximately RMB0.0521 per share (2024: HK$0.0491, equivalent to approximately RMB0.0448 per share).	**366,000**	314,791
Special dividend in respect of the previous financial year of HK$0.0246, equivalent to approximately RMB0.0224 per share (2024: Nil).	**157,682**	–
	523,682	314,791

7. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share is based on the following data:

	2025	2024
	RMB'000	*RMB'000*
Earnings attributable to owners of the Company		
Earnings for the purpose of basic/diluted earnings per share	**1,259,377**	1,061,480

	2025	2024
	'000 shares	*'000 shares*
Number of shares		
Weighted average number of ordinary shares for the purpose of basic/diluted earnings per share	**7,024,456**	7,024,456

The Group has no dilutive ordinary shares outstanding during the years ended 31 December 2025 and 2024. Therefore, there was no difference between basic and diluted earnings per share.

8. TRADE AND BILLS RECEIVABLES

	As at 31 December	
	2025	2024
	RMB'000	*RMB'000*
Trade receivables	**181,660**	73,870
Less: loss allowance *(note (b))*	**(2,739)**	(2,889)
	178,921	70,981
Bills receivable	**207,276**	227,893
Less: loss allowance *(note (b))*	**(6,100)**	(6,300)
	201,176	221,593
Total trade and bills receivables, net of loss allowance	**380,097**	292,574

As at 31 December 2025, the bills receivable that the Group has endorsed or discounted and de-recognized but not yet matured amounted to RMB156,318,000 (2024: RMB128,536,000).

(a) Aging analysis of trade and bills receivables

The Group allows a credit period of 0 – 90 days to its trade customers. As at the end of the reporting period, the aging analysis of trade and bills receivables net of allowance for doubtful debts presented based on the invoice date is as follows:

	As at 31 December	
	2025	2024
	RMB'000	*RMB'000*
Within 3 months	**281,280**	203,910
More than 3 months but within 6 months	**96,358**	86,944
More than 6 months but within 12 months	**2,459**	1,720
	380,097	292,574

Before accepting any new customer, the Group assesses the potential customer's credit quality and sets a credit limit for each customer. Credit limit is reviewed regularly.

(b) Loss allowance of trade and bills receivables

The movements in the loss allowance in respect of trade and bills receivables during the year are as follows:

	2025	2024
	RMB'000	*RMB'000*
Balance at 1 January	**9,189**	9,278
Reversal of impairment recognized	**(350)**	(89)
Balance at 31 December	**8,839**	9,189

9. TRADE AND BILLS PAYABLES

	As at 31 December	
	2025	2024
	RMB'000	*RMB'000*
Trade payables	**2,762,424**	2,635,838
Bills payable	**1,657,082**	651,633
Trade and bills payables	**4,419,506**	3,287,471

As at the end of the reporting period, the aging analysis of trade and bills payables presented based on the invoice date is as follows:

	As at 31 December	
	2025	2024
	RMB'000	*RMB'000*
Within 3 months	**2,704,763**	2,511,492
More than 3 months but within 6 months	**1,679,243**	671,879
More than 6 months but within 12 months	**6,407**	63,693
Over 12 months	**29,093**	40,407
	4,419,506	3,287,471

10. NON-ADJUSTING EVENT AFTER THE REPORTING PERIOD

On 30 January 2024, Sinochem Fertilizer, an indirect wholly-owned subsidiary of the Company, has provided a loan of RMB167,667,000 to Yangmei Pingyuan, an associate of the Company, for its resettlement of employees (the "Employee Loans"). The directors of the Company have assessed the recoverability of the loan taking into account the operating status and future cashflow forecast of Yangmei Pingyuan, and recognized expected credit losses in full amount for the year ended 31 December 2024.

On 5 February 2026, the People's Court of Pingyuan County, Shandong Province, approved the bankruptcy reorganization plan of Yangmei Pingyuan. Pursuant to the reorganization plan, the Employee Loans will be repaid in cash at a ratio of 66.137%. The board of directors of the Company estimates that the expected recoverable amount of the Employee Loans will be approximately RMB110,890,000 based on the aforesaid repayment ratio. As at the date of this report, the aforesaid amount has not yet been received.

FINAL DIVIDEND

The Board recommended the payment of a final dividend of HK$0.0693 (equivalent to RMB0.0627) per share for the year ended 31 December 2025 (2024: HK$0.0571, equivalent to RMB0.0529) to the shareholders, estimated to be HK$486,795,000 (equivalent to approximately RMB440,501,000) out of the retained earnings of the Company. It is expected that the relevant dividend will be paid on or before 24 July 2026 to those entitled, subject to shareholders' approval at the forthcoming annual general meeting.

Further announcement will be made in respect of the date of closure of the register of members and the date of the forthcoming annual general meeting.

AUDIT COMMITTEE

The audit committee of the Company (the "Audit Committee") comprises four members, including Mr. Sun Po Yuen as Chairman, Mr. Ko Ming Tung, Edward, Mr. Lu Xin and Ms. Zhang Guangyan as members. The Audit Committee currently comprises three independent non-executive directors and one non-executive director of the Company.

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, financial control, internal controls system, risk management and financial reporting matters including the review of the consolidated financial statements of the Company for the year ended 31 December 2025.

SCOPE OF WORK OF KPMG ON THIS ANNUAL RESULTS ANNOUNCEMENT

The figures in respect of the Group's consolidated statement of financial position and consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2025 as set out in the preliminary announcement have been agreed by the Group's auditor, KPMG, Certified Public Accountants, to the amounts set out in the Group's consolidated financial statements for the year. The work performed by KPMG in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by KPMG on the preliminary announcement.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including treasury shares) during the year. During the year ended 31 December 2025 and as at the date of this announcement, the Company did not hold any treasury shares (including any treasury shares held or deposited in Central Clearing and Settlement System).

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix C3 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and its amendments from time to time as its own code of conduct regarding securities transaction by directors. Having made specific enquiries with all directors of the Company, all directors confirmed through a confirmation that they had complied with the required standards set out in the Model Code throughout the year ended 31 December 2025.

The Company has also adopted written guidelines on no less exacting terms than the Model Code for relevant employees. No incident of non-compliance of the employees' written guidelines by relevant employees was noted by the Company during the year.

CORPORATE GOVERNANCE STANDARDS

The Corporate Governance Code contained in Appendix C1 to the Listing Rules in effect for the year ended 31 December 2025 includes the mandatory requirements for disclosure in the corporate governance report for listed companies, and sets out the principles of good corporate governance, the code provisions on a "comply or explain" basis and certain recommended best practices. For the year ended 31 December 2025, the Company has complied with the applicable code provisions set out in the Corporate Governance Code, except for the deviations from the code provisions C.6.2 and F.2.2 as described below.

The code provision C.6.2 stipulates that, a board meeting should be held to discuss the appointment of the company secretary, and the matter should be dealt with by a physical board meeting rather than a written resolution. The appointment of a company secretary of the Company (the "Company Secretary") in November 2025 was dealt with by a written resolution. The Board considers that, prior to the execution of the written resolution to appoint the Company Secretary, all Directors were individually consulted on the matter without any dissenting opinion and the matter does not need to be approved by a physical board meeting instead of a written resolution.

The code provision F.2.2 provides that, among others, the chairman of the board should attend the annual general meeting of the listed issuer. In the annual general meeting of the Company held on 10 June 2025 (the "2025 AGM"), Mr. Su Fu, the Chairman of the Board, did not chair the meeting due to other essential business engagements. In order to ensure smooth holding of the 2025 AGM, Mr. Su authorized and the Directors attending the meeting elected Mr. Ko Ming Tung, Edward, the Independent Non-executive Director of the Company, to chair the meeting. Respective chairmen or representatives of the audit, remuneration, nomination and corporate governance committee of the Company were present at the 2025 AGM and were available to answer relevant questions, which was in compliance with other part of code provision F.2.2.

Save as disclosed above, please refer to the "Corporate Governance Report" contained in the Company's 2025 annual report for more information about the corporate governance practices of the Company to be published soon.

BOARD OF DIRECTORS

As at the date of this announcement, the executive directors of the Company are Mr. Zhang Xuegong (Chairman), Mr. Wang Tielin, Ms. Chen Shengnan and Ms. Wang Ling; the non-executive director of the Company is Ms. Zhang Guangyan; and the independent non-executive directors of the Company are Mr. Ko Ming Tung, Edward, Mr. Lu Xin and Mr. Sun Po Yuen.

For and on behalf of the Board of
SINOFERT HOLDINGS LIMITED
Zhang Xuegong
Chairman for the Board

Hong Kong, 26 March 2026