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CHINA XLX FERTILISER LTD.

中國心連心化肥有限公司 *

(Incorporated in Singapore with limited liability)

(Hong Kong Stock Code: 1866)

**ANNOUNCEMENT ON ESTIMATED DECREASE IN THE RESULTS
FOR THE SIX MONTHS ENDED 30 JUNE 2023**

This announcement is made by China XLX Fertiliser Ltd. (the “**Company**”, and its subsidiaries, collectively the “**Group**”) pursuant to the requirements under Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) wishes to inform shareholders of the Company and potential investors that the net profit of the Group for the six months ended 30 June 2023 is expected to range from approximately RMB730 million to RMB835 million, representing a year-on-year decrease ranging from 36% to 44%. The net profit attributable to the parent is expected to range from approximately RMB518 million to RMB586 million, representing a year-on-year decrease ranging from 39% to 46%.

The decline in the net profit and the net profit attributable to the parent of the Group were mainly attributable to the followings:

- (1) As the coal price has returned to a reasonable range, coupled with weakening supply and demand conditions, the prices of coal chemical-related products lacked support and declined resulting in a year-on-year decline in the Group’s urea, methanol, and melamine prices;
- (2) In order to accelerate the high-quality corporate development, the Group has continued to strengthen its Research and Development (“**R&D**”) efforts, bolster technological innovation, increase the proportion of product differentiation, transform and upgrade to digital management as well as increase the investment in R&D of high-efficiency fertilisers, resulting in a year-on-year increase in the Group’s R&D costs;
- (3) The continued downturn in the chemical products market and weak downstream demand, resulted in a significant decline in the performance of the Group's wholly-owned subsidiaries, which is also the reason that the decrease in net profit attributable to the parent was greater than the decrease in the net profit.

Profit estimate for the results contained above is based on a preliminary assessment by the Board with reference to the information currently available (including the management accounts of the Group) to the Company's management, which has not been reviewed or audited by the Company's auditors and is subject to possible adjustments arising from further review. As such, the above data is provided for the shareholders' and potential investors' reference only.

Shareholders of the Company and potential investors should exercise caution when dealing in the shares of the Company.

By Order of the Board
China XLX Fertiliser Ltd.
Liu Xingxu
Chairman of the Board

Hong Kong, 7 July 2023

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

* *For identification purpose only*