SINOFERT HOLDINGS LIMITED
中化化肥控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 297)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2026

FINANCIAL HIGHLIGHTS

- The Group's revenue was RMB16,281 million for the current period, increased by 10.64% year-on-year
- Profit attributable to owners of the Company for the current period was RMB1,178 million, increased by 6.7% year-on-year
- Basic earnings per share for the current period was RMB0.1677, increased by 6.7% year-on-year
- The Board did not recommend the declaration of interim dividend for the six months ended 30 June 2026

MANAGEMENT REVIEW AND PROSPECT FOR THE FIRST HALF OF 2026

The review of business operations of Sinofert Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") for the six months ended 30 June 2026 is presented below:

BUSINESS ENVIRONMENT

In the first half of 2026, international geopolitical conflicts continued to disrupt the global trade flow of fertilizer raw materials, with insufficient supply chain stability and continuously escalating security risks. International fertilizer prices reached their highest level in nearly four years, placing considerable pressure on domestic enterprises in terms of raw material supply and cost control. At the same time, frequent extreme weather events such as alternating droughts and floods, and high-temperature heatwaves occurred across many regions in the first half, compounded by declining agricultural product prices. Farmers' planting income came under pressure and their willingness to invest in agricultural inputs weakened. The release of demand for fertilizer stocking and top-dressing overall fell short of expectations. Driven by policy orientations such as arable land protection, saline-alkali land improvement, and green and low-carbon agricultural upgrading, the market demand for new-type green agricultural inputs such as bio-fertilizers and fertilizers with soil conditioning functions steadily expanded, promoting the upgrading of industry product structures. Under the overall guidance of the Central Document No. 1 which establishes food security as the bottom line, relevant departments successively introduced a full-chain regulatory system covering raw material supply, stable production operations, timely reserve release, export regulation, and market supervision. This effectively smoothed market volatility and stabilized agricultural-input supply.

In the first half of the year, backed by the national policies on supply assurance, price stabilization and export quota controls, the nitrogen fertilizer sector saw ample market supply and moderate price fluctuations, with its average price edging down year-on-year and overall performance remaining stable. In the phosphate fertilizer sector, driven by extreme surges in sulphur prices, cost pressures became fully evident. In June, the Yangtze River port price exceeded RMB10,000/ton, reaching a historical high, representing a 122% increase from the end of February and a significant year-on-year increase of 294%. This drove the price of phosphate fertilizer products continuously upward, significantly compressing industry profit margins. In the potash fertilizer sector, due to the tight global supply pattern, prices showed strong resilience. In the first half of the year, the average domestic market price of potassium chloride increased year-on-year, generally exhibiting a trend of range-bound fluctuations with limited volatility. Compound fertilizers followed the upward price movements of upstream phosphate and potash raw materials, raising the cost, with average market prices in the first half of the year increasing slightly year-on-year.

FINANCIAL PERFORMANCE

For the six months ended 30 June 2026, the Group recorded revenue of RMB16,281 million, and profit attributable to owners of the Company of RMB1,178 million, representing a year-on-year increase of 6.7%.

RESEARCH AND DEVELOPMENT

In the first half of 2026, the Group continued to deepen its "Bio+" R&D efforts, focusing on the three major directions of "nutrient efficiency, biological formulations, and soil health". Leveraging national and provincial-level R&D platforms such as the "National Engineering Research Center for Cultivated Land Protection", the Group prioritized the construction of the "Bio+" R&D platform and the commercialization of product innovation. In terms of R&D platform development, the "Semi-field (半田間)" biological testing platform has been completed and put into operation, and the construction of an advanced biological manufacturing flexible platform is steadily progressing. In terms of key technology breakthroughs, 10 key technologies were tackled, of which two technologies, namely synthetic biology technology (CW2) and Root-phosphorus-microbe integrated technology for PUE, reached the applied research stage. In terms of product development and transformation, 17 new product developments/upgrades were initiated, with R&D completed for four products, of which two products, namely Lanlin (藍麟) Upgrade (root-inducing agent) and Kedefeng (科得豐) Upgrade (rice fertilizer), have been launched in the market. In the first half of 2026, the transformation volume of R&D achievements reached 1.07 million tons.

BASIC BUSINESS SEGMENT

The Group's Basic Business Segment is primarily responsible for the domestic distribution business of strategically procured potash fertilizers, phosphate fertilizers and sulphur, as well as export trading business, fulfilling its social responsibilities as a key player in agriculture and playing a positive role in ensuring domestic agricultural input supply.

In terms of potash fertilizer operations, in the first half of 2026, the Group closely monitored market changes, accelerated the execution of potash import contracts, and enhanced supply capacity. The Group also carried out joint supply assurance with leading domestic potash producers, accelerated the distribution of goods to the grassroots level, and increased supply to key markets such as Northeast China during the critical spring ploughing period to meet domestic agricultural production needs. The Group participated in the IFA conference, continuously expanded its potash supplier cooperation network, and developed new partnerships with several important domestic and international potash suppliers. By overcoming multiple difficulties including turbulent conditions in the Middle East and shipping disruptions, the Group successfully completed the import and arrival of key potash fertilizer sources, effectively supplemented domestic sources, hedged against overseas supply disruptions, and made every effort to ensure stable supply of potash fertilizer for domestic spring ploughing. By continuously upgrading core customer service capabilities, strengthening cooperation with key compound fertilizer producers, refining the dual-core agricultural potash channel marketing system centred on "Fenghexiang (楓禾祥)" and "Weidefeng (威得豐)", the Group achieved bio-potash fertilizer sales volume of 39,000 tons, representing a year-on-year increase of 34%, creating new growth engines for potash fertilizer performance.

In terms of phosphate fertilizer operations, leveraging its full-industry-chain operational advantages, the Group proactively responded to challenges arising from significant sulphur price increases, effectively hedged a range of operational risks, navigated industry cycle, and delivered steady growth. With strong strategic procurement capabilities as a cornerstone, the Group deepened strategic cooperation with leading industry enterprises, established a strategic supply system with comprehensive cost advantages, and successfully ensured the market supply of phosphate fertilizer. Moreover, the Group continued to expand overseas markets, strengthen resource acquisition capabilities, and reshape its customer system, as well as coordinated the value deployment of phosphate fertilizer operations, focused on upstream and downstream pain points to create integrated comprehensive solutions, and effectively reduced farmers' fertilization costs. At the same time, it accelerated innovation-driven transformation and upgrading. The "Meilinmei (美麟美)" bio-phosphate fertilizer series achieved steady sales volume growth in the first half of the year, with a year-on-year increase of 18%. The Group continued to explore the extension of the phosphate fertilizer industry chain, with market share steadily increasing in niche areas such as agricultural drip irrigation and new energy, driving business innovation and expansion.

GROWTH BUSINESS SEGMENT

The Group's Growth Business Segment primarily includes the integrated R&D, production and marketing operations of compound fertilizers and special fertilizers, as well as the domestic distribution business of crop protection products and seeds.

The compound fertilizer business, guided by market demand, continuously strengthened the integrated synergy of R&D, production and marketing, and deeply focused on product iteration and innovation, product supply, market layout, channel customer development, and marketing promotion, striving to build a growth pole for "Bio+" high-end products in terms of both volume and profit. Embracing the concept of innovative growth, the Group deeply explored crop pain points, closely integrated market demand with farmers' income growth, and concentrated efforts on building core single bio-compound fertilizer products with volume and profit scale hitting a new historical high. In the first half of 2026, sales volume of "Bio+" high-end products increased by 28% year-on-year.

Special fertilizer operations seized the window of opportunity for agricultural green and low-carbon transformation, and vigorously advanced the Group's business model and strategy transformation. In the first half of 2026, by focusing on core product operations, the Group steadily improved its operational quality and efficiency. The combined sales volume of the core foliar spray product portfolio Liang You Yi Tian (兩優一甜) ("Youliangmei (優靚美)", "Youcuilu (優翠露)", "Songtian (頌甜)" and key products such as Moli and microbial inoculants totaled 53,000 tons, representing a year-on-year increase of 26%. The special fertilizer business accelerated the launch of new products, with the priming carbon technology patented product "Jirun (激潤)" newly launched and showcased at the Global Special Fertilizer Conference, striving to create a benchmark single product that improves problematic soils, enhances nutrient utilization efficiency, and is suitable for both grain and cash crops. The special fertilizer business has gradually built a mature operating system of "sustained product innovation + internal efficient synergy", which will become an important pillar for the Group's stable profit growth.

The crop protection business focused on core regions, carrying out differentiated and precise operations. Leveraging digital tools to achieve end-to-end product traceability, it strengthened high-quality channel and inventory management, maintaining steady business development. The seed business strengthened cooperation with the Syngenta Group China seed segment, and under the premise of strictly controlling operational risks, selectively conducted targeted business in key crop areas such as rice and maize in combination with terminal demand.

PRODUCTION BUSINESS SEGMENT

The Group's Production Business Segment primarily includes the production and sales operations of Sinochem Yunlong Co., Ltd. ("Sinochem Yunlong") (agricultural MCP/DCP), Sinochem Chongqing Fuling Industry Co., Ltd. ("Sinochem Fuling") (refined phosphates, etc.), and Sinochem Jilin Changshan Chemical Co., Ltd. ("Sinochem Changshan") (synthetic ammonia and urea, etc.).

Sinochem Yunlong continued to build its HSE core competitiveness, with stable and safe operations at its factory and mine, and stable production and sales. By actively responding to changes in the external environment, adhering to an integrated "dual-market" sales strategy covering both domestic and international markets, it enhanced its premium pricing capability, and achieved good prices for high-quality products. Balancing purchased electricity prices, self-generated power costs, and downstream production steam consumption, Sinochem Yunlong finely adjusted boiler steam parameters and power generation loads, increased the output of the B6 generating unit, and achieved secondary utilization of back-pressure steam. In the first half of 2026, cumulative electricity costs decreased year-on-year. In the first half of 2026, feed-grade calcium phosphate (MCP/DCP) production reached 194,400 tons and sales volume reached 191,500 tons, achieving profit before taxation of RMB365 million, representing a year-on-year increase of 18%. Key projects such as the 2.20 million tons per annum integrated mining and processing project at the Mozushao Phosphate Mine progressed steadily. Phosphogypsum maintained a dynamic balance between production and consumption, thus Sinochem Yunlong continued to achieve high-quality development.

Faced with a complex operating environment characterized by surging sulphur prices, persistently high phosphate rock prices, and restrictions on fertilizer exports, Sinochem Fuling prioritized excellence in operations and quality and efficiency enhancement. It timely adjusted to market conditions, used the "dynamic pre-calculation" mechanism for precise decision-making, and made every effort to ensure domestic fertilizer supply while continuously adjusting product structure. Through measures such as optimizing ore blending schemes and leveraging the 5G factory to enhance intelligence levels, it reduced losses and improved efficiency. In the first half of 2026, it produced 454,000 tons of fertilizer and finished acid, and recorded a loss before taxation of RMB54 million. In the first half of 2026, approximately 510,000 tons of phosphogypsum were comprehensively utilized, achieving a comprehensive utilization rate of 78.11%.

Facing the persistent downturn in synthetic ammonia and urea market prices, Sinochem Changshan overcame challenges through internal and external coordination and a two-pronged approach. It deepened lean management as a key driver, and implemented precise measures. On one hand, it secured annual coal supply contracts to lock in per-tonne cost reductions, while simultaneously negotiating tiered procurement discounts to lower raw material coal procurement costs. On the other hand, it implemented process improvements to reduce material consumption, and utilized photovoltaic power generation, among other measures, to achieve cost reduction and efficiency enhancement, recording a slight profit before taxation of RMB0.65 million in the first half of 2026. The high-tower compound fertilizer project was successfully commissioned and reached production capacity of 1,000 tons/day in April, filling the production gap for such products in the Songyuan region. In the first half of 2026, it produced 229,800 tons of various fertilizers including urea, compound fertilizer, BB fertilizer, and water-soluble fertilizer, representing a year-on-year production increase of 60,600 tons and a growth rate of 35.8%.

DIGITAL SERVICE INNOVATION

Leveraging a diversified new media matrix, the Group broke through the time and space constraints of traditional offline promotion. In the first half of 2026, it focused on product promotion, planting techniques, solutions, and user follow-up topics, conducting expert live streaming lectures and short video dissemination. It accumulated over 200 live-streaming sessions and published more than 1,200 short videos, reaching over 300,000 community users, with total reach exceeding 10.00 million. Using digital platforms such as "Nongxiaohui (農小惠)" and "Nongdaquan (農達圈)" as key tools, it connected online services with offline marketing scenarios. It planned and executed themed campaigns including "Fengwo Huinong Ji (豐沃惠農季)", "Fengwo Xile Xing (豐沃喜樂行)", and "Fengwo Zhixing (豐沃之星)", effectively activating channel vitality and assisting in terminal sales, and held 5,993 marketing campaigns, covering over 500,000 participants. At the same time, through channels including the 400 customer service platforms, new media, community groups, and mini-programs, the Group implemented full lifecycle management of marketing activities and lead follow-up, driving "data-driven business" and continuously enhancing marketing quality and operational efficiency.

INTERNAL CONTROL AND MANAGEMENT

The Group's internal control and risk management system was established according to 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 "Guidelines on Comprehensive Risk Management for Central Enterprises", the "Basic Standards of Corporate Internal Control" and its referencing guidelines, and the "Measures for Compliance Management of Central Enterprises" of China as well as in compliance with the national requirements on strengthening internal control system establishment and supervision in recent years. With risk management orientation, the Group focused on alignment of internal control establishment with strategic development, setting up a risk and internal control and management system integrated with business management, and formulating management and control processes. Through risk identification, assessment and response measures, the Group provided risk management alerts and responses to major risks throughout the entire process to safeguard corporate value.

In the first half of 2026, the Group fully implemented the SASAC's requirements for strengthening internal control construction and supervision in central enterprises. It actively explored the deep integration of intelligent technologies with supervisory needs, driving the transformation of supervision from "human prevention" to "technical prevention" and "intelligent prevention". It improved the internal control management system and mechanism, implemented the Board's management responsibilities over the internal control system, and, with the core objective of building a "strong operation and control-oriented" headquarters, systematically promoted the optimization and upgrading of the headquarters organizational structure. This comprehensively enhanced the level of professional management and refined operations, and improved the quality and efficiency of the listed company's management and control. It improved system development, revised and issued over 50 regulations, and issued a new version of the "Responsibility Manual" to further enhance the Group's governance and optimize approval processes for major matters, ensuring smooth and orderly business operations. The Group continued to empower, support, and safeguard the "Bio+" strategic transformation and business expansion. It continued to conduct various forms of compliance culture promotion, including professional departmental training, monthly financial and risk responsible persons' thematic meetings, and daily WeChat dissemination of compliance and internal control management practices. This promoted managers at all levels to firmly establish a scientific business safety mindset and actively foster a benign compliance and internal control culture of "prudent operations and healthy development". It accelerated the advancement of informatization construction, conducted research on ERP system upgrades and the financial shared services platform construction, reinforced the primary risk responsibility of business units, optimized business processes, and embedded compliance and risk internal control management requirements into business processes. It strengthened risk supervision to achieve a comprehensive leap in management capabilities.

In the first half of 2026, the Group's internal control and management met the compliance requirements of both domestic and foreign regulators, ensuring compliant business operations and steady development. Internal control and management work actively adapted to changes in the market and operating environment, empowering, supporting, and safeguarding business development, assisting the Group's strategic transformation, and providing effective protection for the interests of shareholders, asset security, and the advancement of strategy and improvement of operational quality.

SOCIAL RESPONSIBILITY

The Group deeply implemented the national strategic deployment for food security, closely aligning with the core work requirements of the 2026 Central Document No. 1: enhancing comprehensive agricultural production capacity and improving quality and efficiency. It adhered to the principle of simultaneously focusing on both production capacity and ecological aspects, upgrading from the existing "fertilizer quantity control and efficiency enhancement" to "quality improvement and efficiency enhancement". The Group earnestly shouldered its social responsibility for ensuring agricultural input supply. Leveraging its full-industry-chain advantages in import, R&D, production, marketing, and technical services, it ensured sufficient market supply, excellent product quality, stable and orderly prices, and efficient logistics distribution. Through professional and dedicated measures, it strengthened the foundation of agricultural production, served comprehensive rural revitalization, and fortified the national food security defence line.

The Group timely adjusted its operating strategies during the spring ploughing period of 2026. It expanded the scale of potash import procurement, actively released potash supplies, and intensified supply to key agricultural regions. At the same time, it maintained high operating rates at production plants, and united with industry enterprises to jointly maintain market order, effectively ensuring domestic market supply.

In the first half of 2026, the Group closely followed the overarching goal of the Central Document No. 1, which "anchors agricultural and rural modernization and steadily promotes all-around rural revitalization". Seizing the opportunity of the inaugural year of the "15th Five-Year Plan", it deeply implemented the core requirements of "intensifying the implementation of the new round of 100 billion jin grain production capacity enhancement action and promoting large-scale per-unit yield improvement for grain and oil crops". It adhered to the principle of simultaneously focusing on production capacity and ecology, and increasing both production and income. It built over 2,500 demonstration and trial fields, focused on integrating the efficiency enhancement of fertile farmland, improved seeds, advanced machinery, and refined cultivation methods, and developed more than 40 technical integration solutions for large-scale per-unit yield improvement of grain and oil crops. Centering on key crop growth stages and implementing the deployment requirements of "strengthening cultivated land protection and quality improvement", the Group focused on cultivated land protection and soil quality enhancement, conducting over 5,000 online and offline technical training sessions to precisely solve farmers' planting difficulties. The Group actively responded to complex climate and market changes by promoting the technical marketing capability enhancement system. Technical and business personnel went to the front line, organized field technical service activities, and served over 500,000 farmers both online and offline on a cumulative basis. It transformed technological advantages into tangible benefits for farmers, providing technical support for agricultural efficiency enhancement, farmers' income growth and industrial upgrading.

In the first half of 2026, the Group was awarded the title of National "Quality Month" Quality Integrity Enterprise, and "Huanfeng (煥豐)" organic-inorganic fully water-soluble fertilizer was selected as a "2025 Annual Case Study of Quality Improvement and Brand Building in the Petroleum and Chemical Industry (2025年度石油和化工行業質量提升與品牌建設典型案例)".

OUTLOOK

Under the combined impact of multiple factors including geopolitical conflicts and energy shocks, the fertilizer industry is expected to enter a more complex and uncertain phase, with market trends continuing to diverge. Meanwhile, with the implementation of the new round of domestic grain production capacity enhancement policies, coupled with a bumper summer harvest and stable autumn grain planting areas, domestic fertilizer demand is expected to be positively impacted.

In the second half of 2026, the Group will firmly drive the Company's strategy, coordinate and deploy key work across R&D, production and marketing, and make concerted efforts. It will intensify technological innovation and product upgrading, optimize market layout and channel service systems, seize structural development opportunities in the industry, prudently address complex market challenges, continuously consolidate core competitive advantages, and with steady and solid operating performance and pragmatic and powerful development measures, make every effort to promote the Group's high-quality development.

MANAGEMENT DISCUSSION AND ANALYSIS

For the six months ended 30 June 2026, the Group recorded sales volume of 4.58 million tons, representing a slight decrease of 3.38% compared with the sales volume for the six months ended 30 June 2025. Revenue amounted to RMB16,281 million, representing an increase of 10.64% over the six months ended 30 June 2025. Gross profit amounted to RMB2,035 million, which was basically flat compared with the six months ended 30 June 2025. Profit attributable to owners of the Company was RMB1,178 million, representing an increase of 6.7% compared with the six months ended 30 June 2025.

I. OPERATION SCALE

(I) Sales volume

In the first half of 2026, confronted with a severe operating environment characterized by complex and volatile industry conditions and continuously rising operating costs, the Group focused on its strategic core development tasks, comprehensively implemented the operational excellence philosophy, united in purpose and forged ahead with innovation, and continued to strengthen the foundations of safe production and lean management, effectively offset external operating pressures, and ensured the stable and orderly development of the Group's overall business. For the six months ended 30 June 2026, the Group's sales volume was 4.58 million tons, representing a slight decrease of 3.38% compared with the sales volume for the six months ended 30 June 2025; biological fertilizer sales volume was 1.172 million tons, representing an increase of 11% compared with the sales volume for the six months ended 30 June 2025.

(II) Revenue

For the six months ended 30 June 2026, the Group recorded revenue of RMB16,281 million, representing an increase of RMB1,566 million or 10.64% compared with the six months ended 30 June 2025, mainly resulting from an increase in average selling price.

Table 1:

	For the six months ended 30 June			
	2026		2025	
	Revenue *RMB'000*	**As percentage of total revenue**	Revenue *RMB'000*	As percentage of total revenue
Compound fertilizers	**5,603,697**	**34.42%**	5,166,550	35.11%
Phosphate fertilizers	**4,921,517**	**30.23%**	4,361,849	29.64%
Potash fertilizers	**3,067,927**	**18.84%**	2,988,443	20.31%
Monocalcium/Dicalcium phosphate (MCP/DCP)	**1,053,910**	**6.47%**	841,710	5.72%
Special fertilizers	**305,583**	**1.88%**	312,531	2.12%
Others	**1,328,332**	**8.16%**	1,043,730	7.10%
Total	**16,280,966**	**100.00%**	14,714,813	100.00%

(III) Revenue and results by segment

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 of strategically and centrally procured potash fertilizers, phosphate fertilizers and sulphur and the export trading business, thereby playing a positive role in the supply in the domestic market; the Growth Business Segment is primarily responsible for the integrated operation business of research, production and marketing of compound fertilizers and special fertilizers and the domestic distribution business of crop protection products and seeds; 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.).

Set out below is an analysis of the Group's revenue and profit by the above segment for the six months ended 30 June 2026 and the six months ended 30 June 2025:

Table 2:

	For the six months ended 30 June 2026				
	Basic Business	**Growth Business**	**Production Business**	**Elimination**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Revenue					
External revenue	**8,510,606**	**6,252,024**	**1,518,336**	**–**	**16,280,966**
Internal revenue	**3,731,994**	**2,076,780**	**1,659,077**	**(7,467,851)**	**–**
Segment revenue	**12,242,600**	**8,328,804**	**3,177,413**	**(7,467,851)**	**16,280,966**
Segment profit	**716,845**	**476,269**	**301,874**	**–**	**1,494,988**

	For the six months ended 30 June 2025				
	Basic Business	Growth Business	Production Business	Elimination	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Revenue					
External revenue	7,556,950	5,857,437	1,300,426	–	14,714,813
Internal revenue	2,549,867	1,895,120	1,901,726	(6,346,713)	–
Segment revenue	10,106,817	7,752,557	3,202,152	(6,346,713)	14,714,813
Segment profit	718,656	419,715	301,125	–	1,439,496

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 the unallocated bank borrowings 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 six months ended 30 June 2026, the segment profit of the Group was RMB1,495 million, which increased by RMB56 million year-on-year. Among which: the Basic Business Segment overcame challenges including surging sulphur prices, firmly fulfilled its social responsibility to ensure stable supply of fertilizers, increased external resource acquisition, deepened internal synergies, accelerated business transformation, and made every effort to guarantee market supply. In the first half of 2026, the segment achieved a profit of RMB717 million, which was basically flat compared to the corresponding period last year. The Growth Business Segment continuously promoted the implementation of the "Bio+" strategy, adhered to a market-oriented approach, established a streamlined, efficient and agile production-sales synergy mechanism, coordinated the development of high-end, specialized and general-purpose products, and strengthened the tracking and control of core customer plan execution. In the first half of 2026, the segment achieved a profit of RMB476 million, representing an increase of 13.33% compared to the corresponding period last year. The Production Business Segment focused on the "operational goals of safe, stable, enduring, full and excellent production (安穩長滿優)", anchored on the annual budget targets and challenge targets, and took multiple measures to improve quality and efficiency in key business areas such as production and supply chain. In the first half of 2026, the segment achieved a profit of RMB302 million, which was basically flat 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 six months ended 30 June 2026, the Group's share of results of joint ventures was a loss of RMB45 million, representing a decrease of RMB72 million compared to a profit of RMB27 million for the six months ended 30 June 2025. This was mainly attributable to the fact that surging sulphur prices drove up phosphate fertilizer costs during the first half of 2026, causing phosphate fertilizer enterprises to generally suffer losses. The share of results of the joint venture, Yunnan Three Circles-Sinochem Fertilizer Co., Ltd., amounted to a loss of RMB36 million, representing a decrease of RMB70 million compared to the same period last year.

Share of results of associates: For the six months ended 30 June 2026, the Group's share of results of associates was a profit of RMB7 million, representing an increase of RMB5 million compared to a profit of RMB2 million for the six months ended 30 June 2025. The main reason was 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 RMB8 million, an increase of RMB3 million compared to the same period last year.

(II) Income tax

For the six months ended 30 June 2026, the Group's income tax expense was RMB339 million, representing an increase of RMB85 million compared with RMB254 million for the six months ended 30 June 2025. In the first half of 2026, income tax expense increased year-on-year, with current tax of RMB336 million and deferred tax of RMB3 million, mainly due to the Group's year-on-year increase in taxable operating profit, resulting in a year-on-year increase in current tax calculated based on estimated taxable profits in accordance with the PRC income tax regulations.

The subsidiaries of the Group are mainly registered in Chinese Mainland, Macao and Hong Kong, respectively, where income tax rates vary. Among them, the income tax rate of Chinese Mainland, Macao and Hong Kong is 25%, 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 six months ended 30 June 2026, profit attributable to owners of the Company was RMB1,178 million, representing an increase of RMB74 million or 6.7% compared with a profit of RMB1,104 million for the six months ended 30 June 2025. The Group firmly advanced the "Bio+" strategy, driven by technological innovation and operational excellence as dual engines, continuously optimized product structure, strengthened cost control, and offset the adverse impact of rising costs.

For the six months ended 30 June 2026, the net profit margin calculated as profit attributable to owners of the Company divided by revenue, was 7.24%, representing a decrease of 0.26 percentage points over the corresponding period of last year.

III. EXPENSES

For the six months ended 30 June 2026, the total of three categories of expenses amounted to RMB682 million, representing a decrease of RMB68 million or 9.07% compared with RMB750 million for the six months ended 30 June 2025, of which:

Selling and distribution expenses: For the six months ended 30 June 2026, selling and distribution expenses amounted to RMB329 million, representing a decrease of RMB44 million or 11.80% compared with RMB373 million for the six months ended 30 June 2025. This was mainly attributable to the Group's strict implementation of the comprehensive budget management requirements, focusing on "expanding markets to increase revenue and achieving ultimate cost reduction (拓市增收、極致降本)", implementing precision marketing and promotion strategies, with reasonable control and reduction of marketing expenses and labour costs.

Administrative expenses: For the six months ended 30 June 2026, administrative expenses amounted to RMB332 million, representing a decrease of RMB22 million or 6.21% compared with RMB354 million for the six months ended 30 June 2025. This was mainly attributable to the Group's continued adherence to the principle of "strict cost discipline (過緊日子)", focusing on improving labour productivity, strengthening lean management of labour costs, and steadily improving labour cost efficiency.

Finance costs: For the six months ended 30 June 2026, finance costs amounted to RMB21 million, representing a decrease of RMB2 million or 8.70% compared with RMB23 million for the six months ended 30 June 2025. This was mainly due to the Group's further optimization of financing channels and financing structure, and multiple measures to reduce comprehensive financing costs.

IV. OTHER INCOME AND GAINS

For the six months ended 30 June 2026, the Group's other income and gains amounted to RMB103 million, representing a decrease of RMB19 million from RMB122 million for the six months ended 30 June 2025. Other income and gains mainly consist of interest income, government grants, and gains on disposal of scrapped assets, etc.

V. OTHER EXPENSES AND LOSSES

For the six months ended 30 June 2026, the Group's other expenses and losses amounted to RMB62 million, which was basically flat compared with RMB63 million for the six months ended 30 June 2025. Other expenses and losses mainly consist of losses on sales of semi-finished products, raw materials and scrapped materials, and foreign exchange losses, etc.

VI. REVERSAL OF IMPAIRMENT LOSSES ON FINANCIAL ASSETS

For the six months ended 30 June 2026, the Group's reversal of impairment losses on financial assets amounted to RMB149 million, mainly attributable to the recovery of loans extended by Sinochem Fertilizer Company Limited ("Sinochem Fertilizer") to its associate Yangmei Pingyuan Chemical Co., Ltd. ("Yangmei Pingyuan") and the repayment of receivables from other companies outstanding from prior years.

In February 2026, the People's Court of Pingyuan County, Shandong Province, adjudicated to approve the bankruptcy reorganization plan of Yangmei Pingyuan. After receiving the funds from the claim for employee resettlement borrowings under the bankruptcy reorganization in April 2026, Sinochem Fertilizer transferred its 36.75% equity interest in Yangmei Pingyuan to the restructuring investor in accordance with the bankruptcy reorganization plan in May 2026.

VII. INVENTORIES

As at 30 June 2026, the inventories balance of the Group amounted to RMB6,405 million, up by RMB575 million or 9.86% compared with RMB5,830 million as at 31 December 2025. Inventory turnover days were 78 days, an increase of 10 days as compared with the corresponding period of the previous year. The increase in inventory and slower turnover were mainly due to the Group's appropriate stocking of raw materials and finished products to cope with the risk of high price fluctuations of raw materials and fertilizer products, and to ensure supply for summer top-dressing and autumn sowing. As at 30 June 2026, the average unit cost of the Group's finished goods inventory increased by approximately 10% compared with the beginning of the year and the same period last year.

Note: Calculated on the basis of average inventory balance as at the end of the reporting period divided by cost of goods sold, and multiplied by 180 days.

VIII. TRADE AND BILLS RECEIVABLES

As at 30 June 2026, the Group's balance of trade and bills receivables amounted to RMB563 million, representing an increase of RMB183 million or 48.16% from RMB380 million as at 31 December 2025. This was mainly attributable to an increase in the scale of bill settlement during the peak sales season. The turnover days of trade and bills receivables of the Group in the first half of 2026 were 5 days, consistent with the turnover days in the first half of 2025.

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 180 days.

IX. INTERESTS IN JOINT VENTURES AND ASSOCIATES

As at 30 June 2026, the balance of the Group's interests in joint ventures and associates amounted to RMB1,041 million, down by RMB38 million or 3.52% compared with RMB1,079 million as at 31 December 2025. This was mainly due to the Group's share of results of joint ventures and associates, which amounted to a total loss of RMB38 million in the first half of 2026 calculated using the equity method.

During the current period, the Group has not entered into material acquisitions or disposals of subsidiaries, joint ventures and associates.

X. OTHER EQUITY SECURITIES

As at 30 June 2026, the Group's balance of other equity securities amounted to RMB208 million, representing an increase of RMB12 million from RMB196 million as at 31 December 2025, 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 30 June 2026, the Group did not hold any significant investments accounting for 5% or more of the Group's total assets.

XI. INTEREST-BEARING LIABILITIES

As at 30 June 2026, the Group's total interest-bearing liabilities amounted to RMB1,899 million, representing an increase of RMB392 million or 26.01% from RMB1,507 million as at 31 December 2025, which was mainly due to an increase in bank financing during the period. For details of the interest-bearing liabilities, please refer to the section headed "XV. LIQUIDITY AND FINANCIAL RESOURCES".

XII. TRADE AND BILLS PAYABLES

As at 30 June 2026, the Group's balance of trade and bills payables amounted to RMB3,835 million, representing a decrease of RMB585 million or 13.24% compared with RMB4,420 million as at 31 December 2025, which was mainly due to the settlement of bills payable upon maturity, with a decrease of RMB750 million compared with 31 December 2025.

XIII. OTHER PAYABLES

As at 30 June 2026, the balance of the Group's other payables amounted to RMB1,655 million, representing an increase of RMB318 million or 23.78% compared with RMB1,337 million as at 31 December 2025, which was mainly due to the approval by the Company's shareholders of the 2025 final dividend of RMB423 million.

XIV. 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 "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 can be effectively assessed, and the ultimate goal of maximizing the interests of shareholders can be achieved.

For the six months ended 30 June 2026, the Group's basic earnings per share was RMB0.1677 and return on equity (ROE) was 10.16%, representing a decrease of 0.11 percentage points over the six months ended 30 June 2025.

Table 3:

	For the six months ended 30 June	
	2026	2025
Profitability		
Earnings per share (RMB) *(Note 1)*	**0.1677**	0.1572
ROE *(Note 2)*	**10.16%**	10.27%

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

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

As at 30 June 2026, the Group's current ratio was 1.39, and its debt-to-equity ratio was 15.57%, representing a strengthened solvency. The Group enjoyed relatively high banking facilities and smooth financing channels, as well as diverse funding methods.

Table 4:

	As at 30 June 2026	As at 31 December 2025
Solvency		
Current ratio *(Note 1)*	**1.39**	1.24
Debt-to-equity ratio *(Note 2)*	**15.57%**	13.16%

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

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

XV. LIQUIDITY AND FINANCIAL RESOURCES

The Group's principal resources of financing included cash from operations and bank loans. All the financial resources were primarily used for the marketing, production and operation, repayment of debts at maturity and relevant capital expenditures.

As at 30 June 2026, the Group's cash and cash equivalents amounted to RMB2,722 million, which was mainly held in RMB and US dollar.

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

Table 5:

	As at 30 June 2026	As at 31 December 2025
	RMB'000	*RMB'000*
Bank borrowings and other borrowings	**1,866,311**	1,482,989
Lease liabilities	**32,744**	24,290
Total	**1,899,055**	1,507,279

Table 6:

	As at 30 June 2026	As at 31 December 2025
	RMB'000	*RMB'000*
Carrying amount of interest-bearing liabilities repayable		
Within one year	**1,307,654**	849,349
More than one year	**591,401**	657,930
Total	**1,899,055**	1,507,279

Table 7:

	As at 30 June 2026	As at 31 December 2025
	RMB'000	*RMB'000*
Fixed-rate interest-bearing liabilities	**833,269**	378,240
Floating-rate interest-bearing liabilities	**1,065,786**	1,129,039
Total	**1,899,055**	1,507,279

As at 30 June 2026, the Group had banking facilities equivalent to RMB18,823 million, including US$705 million and RMB14,018 million. The unutilized banking facilities amounted to RMB14,891 million, including US$597 million and RMB10,823 million.

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

In respect of the bank borrowings and other borrowings above, no breaches of the borrowing agreements occurred during the current period, and those agreements did not include covenants relating to specific performance of the controlling shareholders of the Company.

XVI. OPERATIONAL AND FINANCIAL RISKS

The Group faces multiple operational risks, primarily including industry market risks, environmental and social risks, cyber risks and security risks, as well as data fraud and theft risks.

Industry market risk

The fertilizer industry is affected by the Middle East geopolitical conflicts and shipping route disruptions, causing significant surges in prices of raw materials such as sulphur. At the same time, affected by the narrowing of export space, domestic market competition has intensified. The Group activates internal driving forces through technological innovation, builds a solid foundation for lean management through operational excellence, and deeply explores cost reduction and value creation through industrial chain synergy, effectively and proactively responding to various operational risks.

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 business including resource exploitation and fertilizer production strictly comply with laws and regulations such as the Environmental Protection Law of the People's Republic of China (《中華人民共和國環境保護法》), the Air Pollution Prevention and Control Law of the People's Republic of China (《中華人民共和國大氣污染防治法》) as well as the Water Pollution Prevention and Control Law of the People's Republic of China (《中華人民共和國水污染防治法》). 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 the first half of 2026, no major environmental pollution incidents occurred in the Group.

Cyber risk and security risks

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 formulates safety management strategies covering all links; simultaneously promotes the whole process protection specification of "collection-transmission-storage-use-destruction" of data, and strengthens data security governance capabilities. By continuously improving the in-depth and collaborative technical defence system, the Group comprehensively enhances the risk monitoring, threat warning and emergency response capabilities, effectively build a strong network security barrier to prevent the occurrence of network security incidents, and provides 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 Administrative Measures on Confidentiality and 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 related with confidentiality, examination on relevant systems and record documents, reviews on previous confidential documents and on-site observation, the Group conducts investigation on the arrangement of institutions and personnel, establishment of 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.

Financial market risk

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

The majority of the Group's assets, liabilities and transactions are denominated in RMB, US dollar and HK dollar. Due to the presence of a certain scale of import and export business of the Group, the exchange rate fluctuations have an impact on the import costs and export prices. The management of the Group has always taken prudent measures like foreign exchange forward 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.

Financial credit risk

The biggest 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 30 June 2026. 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 influence its normal operation.

The Group has adequate management procedures, response mechanisms and supervision measures in respect of granting credit line and credit period, 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 and suppliers, and transfers bad debt risks by proper utilization of various risk protection measures, to ensure that the credit business is well monitored and guaranteed. The Group examines the recovery of its major trade receivables on the settlement date every month to ensure adequate bad debt provisions are made on unrecoverable accounts receivable.

Financial liquidity risk

Liquidity risk may cause the Group to face the inadequate capital 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 funding plan in advance 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.

XVII. CONTINGENT LIABILITIES

As at 30 June 2026, the Group had no contingent liabilities.

XVIII. CAPITAL COMMITMENT

Table 8:

	As at 30 June 2026 *RMB'000*	As at 31 December 2025 *RMB'000*
Contracted but not provided for		
– Purchase of property, plant and equipment	**63,834**	93,976

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.

XIX. 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, results on performance evaluation, skills and experience. The higher the importance of duties, the higher the ratio of incentive bonus and rewards to direct 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 the Directors are determined with reference to their responsibilities, qualifications, experience and performance. These include performance bonus determined based on the 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 if necessary, engages professional consultant to ensure the competitiveness of the remuneration policy which, in turn, would support the business growth of the Group. As at 30 June 2026, the Group had about 4,271 full-time employees (including employees engaged by the Group's subsidiaries), and their remuneration is determined with reference to market rates. No individual employee shall be permitted to participate in determining his/her own remuneration.

In addition to the basic remuneration, the Group also values the importance of training and career development of employees. In the first half of 2026, the Group provided training to approximately 6,150 attendances, with total training hours amounting to approximately 24,839 hours (any training organized by the subsidiaries has not been included in these numbers) to employees. The training courses covered areas such as the operational excellence system, leadership, general competencies, and AI tool applications. These training programs 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 development, and improve the competitiveness of the Group.

Other than those mentioned above, the Company has also arranged directors and officers' liability insurance which provides comprehensive protection for the Group's business by covering losses in relation to investigations or claims against the Company's Directors and senior management.

The board of directors (the "Board") of the Company announces the unaudited interim results of the Group for the six months ended 30 June 2026 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the six months ended 30 June 2026 – unaudited

		Six months ended 30 June	
	Note	**2026**	2025
		RMB'000	*RMB'000*
Revenue	*3*	**16,280,966**	14,714,813
Cost of sales		**(14,246,347)**	(12,690,092)
Gross profit		**2,034,619**	2,024,721
Other income and gains		**102,687**	122,153
Selling and distribution expenses		**(328,533)**	(373,394)
Administrative expenses		**(331,980)**	(354,391)
Reversal of impairment loss on financial assets		**148,651**	–
Other expenses and losses		**(62,263)**	(62,856)
Profit from operations		**1,563,181**	1,356,233
Share of results of associates		**6,509**	2,243
Share of results of joint ventures		**(44,996)**	26,539
Finance costs	*4(a)*	**(20,620)**	(23,079)
Profit before taxation	*4*	**1,504,074**	1,361,936
Income tax	*5*	**(339,277)**	(254,279)
Profit for the period		**1,164,797**	1,107,657
Profit for the period attributable to:			
– Owners of the Company		**1,178,130**	1,104,114
– Non-controlling interests		**(13,333)**	3,543
		1,164,797	1,107,657

	Note	Six months ended 30 June	
		2026	2025
		RMB'000	*RMB'000*
Profit for the period		**1,164,797**	1,107,657
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)		**9,217**	88,963
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of financial statements of overseas subsidiaries		**(9,693)**	(9,626)
Other comprehensive income for the period		**(476)**	79,337
Total comprehensive income for the period		**1,164,321**	1,186,994
Total comprehensive income attributable to:			
– Owners of the Company		**1,177,654**	1,183,451
– Non-controlling interests		**(13,333)**	3,543
		1,164,321	1,186,994
Earnings per share	*6*		
Basic and diluted (RMB)		**0.1677**	0.1572

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2026 – unaudited

	Note	**At 30 June 2026** *RMB'000*	At 31 December 2025 *RMB'000*
Non-current assets			
Property, plant and equipment		**4,390,242**	4,446,527
Right-of-use assets		**677,105**	675,720
Mining rights		**224,520**	238,144
Intangible assets		**25,982**	26,977
Goodwill		**841,017**	853,673
Interests in associates		**360,988**	354,479
Interests in joint ventures		**679,663**	724,659
Other equity securities		**208,094**	195,805
Prepayments for acquisition of property, plant and equipment		**28,314**	15,401
Time deposits		**1,721,413**	1,972,330
Deferred tax assets		**47,424**	57,982
Other long-term assets		**31,923**	35,629
		9,236,685	9,597,326
Current assets			
Inventories		**6,404,996**	5,830,131
Trade and bills receivables	*8*	**563,079**	380,097
Other receivables and prepayments		**1,314,547**	2,390,653
Other current assets		**942,991**	942,991
Loans to a fellow subsidiary		**–**	200,000
Time deposits		**1,251,285**	1,296,701
Restricted bank deposits		**33,757**	22,156
Cash and cash equivalents		**2,722,418**	2,928,295
		13,233,073	13,991,024

	Note	**At 30 June 2026** *RMB'000*	At 31 December 2025 *RMB'000*
Current liabilities			
Trade and bills payables	*9*	**3,834,736**	4,419,506
Contract liabilities		**2,613,449**	4,654,382
Other payables		**1,655,141**	1,337,392
Bank and other borrowings		**1,295,461**	830,866
Lease liabilities		**12,193**	18,483
Tax liabilities		**109,921**	41,813
		9,520,901	11,302,442
Net current assets		**3,712,172**	2,688,582
Total assets less current liabilities		**12,948,857**	12,285,908
Non-current liabilities			
Bank and other borrowings		**570,850**	652,123
Lease liabilities		**20,551**	5,807
Deferred income		**46,822**	53,834
Deferred tax liabilities		**96,678**	101,231
Other long-term liabilities		**18,387**	18,446
		753,288	831,441
NET ASSETS		**12,195,569**	11,454,467
CAPITAL AND RESERVES			
Issued equity		**5,887,384**	5,887,384
Reserves		**6,090,626**	5,336,191
Total equity attributable to owners of the Company		**11,978,010**	11,223,575
Non-controlling interests		**217,559**	230,892
TOTAL EQUITY		**12,195,569**	11,454,467

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2026

1. Basis of preparation

The unaudited condensed consolidated financial information of the Group have been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with Hong Kong Accounting Standard ("HKAS") 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). It was authorized for issue on 25 August 2026.

The unaudited condensed consolidated financial information have been prepared in accordance with the same accounting policies adopted in the 2025 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2026 annual financial statements. Details of any changes in accounting policies are set out in Note 2.

The preparation of the unaudited condensed consolidated financial information in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year-to-date basis. Actual results may differ from these estimates.

2. Changes in accounting policies

The HKICPA has issued a number of amendments to HKFRS Accounting Standards that are first effective for the current accounting period. None of these developments have had a material effect on these financial statements. 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) Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major products or service lines and geographical location of customers is as follows:

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Revenue from contracts with customers within the scope of HKFRS 15		
Disaggregated by major products of service lines		
– Sales of compound fertilizer	**5,603,697**	5,166,550
– Sales of phosphate fertilizer	**4,921,517**	4,361,849
– Sales of potash fertilizer	**3,067,927**	2,988,443
– Sales of monocalcium/dicalcium phosphate ("MCP/DCP")	**1,053,910**	841,710
– Sales of special fertilizer	**305,583**	312,531
– Sales of other products	**1,328,332**	1,043,730
	16,280,966	14,714,813
Disaggregated by geographical location of customers		
– Mainland China	**15,548,907**	14,132,405
– Others	**732,059**	582,408
	16,280,966	14,714,813

All revenue from contracts with customers is recognized at point in time.

(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 as follows:

- Basic business: sales of strategically procured potash fertilizers, phosphate fertilizers and sulphur;
- Growth business: research, production and marketing of compound fertilizers and special fertilizers, and sales of crop protection (products) and seeds;
- Production business: production and sales business of Sinochem Yunlong, Sinochem Fuling and Sinochem Changshan.

	For the six months ended 30 June 2026				
	Basic business *RMB'000*	**Growth business** *RMB'000*	**Production business** *RMB'000*	**Elimination** *RMB'000*	**Total** *RMB'000*
External revenue	**8,510,606**	**6,252,024**	**1,518,336**	**–**	**16,280,966**
Internal revenue	**3,731,994**	**2,076,780**	**1,659,077**	**(7,467,851)**	**–**
Reportable segment revenue	**12,242,600**	**8,328,804**	**3,177,413**	**(7,467,851)**	**16,280,966**
Share of results of associates	**–**	**–**	**8,071**	**–**	**8,071**
Segment profit	**716,845**	**476,269**	**301,874**	**–**	**1,494,988**
Unallocated share of results of associates					**(1,562)**
Unallocated share of results of joint ventures					**(44,996)**
Unallocated expenses					**(173,010)**
Unallocated income					**228,654**
Profit before taxation					**1,504,074**

	For the six months ended 30 June 2025				
	Basic business	Growth business	Production business	Elimination	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
External revenue	7,556,950	5,857,437	1,300,426	–	14,714,813
Internal revenue	2,549,867	1,895,120	1,901,726	(6,346,713)	–
Reportable segment revenue	10,106,817	7,752,557	3,202,152	(6,346,713)	14,714,813
Share of results of associates	–	–	4,603	–	4,603
Segment profit	718,656	419,715	301,125	–	1,439,496
Unallocated share of results of associates					(2,360)
Unallocated share of results of joint ventures					26,539
Unallocated expenses					(163,791)
Unallocated income					62,052
Profit before taxation					1,361,936

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment profit represents the profit earned by each segment without taking into account of 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.

4. Profit before taxation

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

(a) Finance costs

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Interest on bank and other borrowings	**20,218**	22,292
Interest on lease liabilities	**402**	787
	20,620	23,079

(b) Other items

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Depreciation charge		
– owned property, plant and equipment	**200,458**	194,126
– right-of-use assets	**21,262**	17,618
Amortization of mining rights	**13,624**	13,738
Amortization of intangible assets	**1,898**	1,622
Amortization of other long-term assets	**11,783**	11,959
Release of deferred income	**(7,038)**	(7,463)
(Gain)/loss on disposals of property, plant and equipment and others	**(5,242)**	842
Reversal of impairment loss on financial assets	**148,651**	–
Reversal of write-down of inventories	**(258)**	(3,222)

5. Income tax

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Current taxation	**336,344**	251,210
Deferred taxation	**2,933**	3,069
	339,277	254,279

(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 is calculated by applying at 16.5% (2025: 16.5%) of the estimated assessable profits for the six months ended 30 June 2026.

(iii) The provision for the PRC Enterprise Income Tax is based on the statutory rate of 25% (2025: 25%) on the estimated taxable profits determined in accordance with the relevant income tax rules and regulations of the PRC, 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 is calculated by applying at 12% (2025: 12%) of the estimated assessable profits for the six months ended 30 June 2026.

(v) The Group is part of a multinational enterprise group which is subject to the Global Anti-Base Erosion Model Rules ("Pillar Two model rules") published by the Organization for Economic Co-operation and Development.

From 1 January 2025, the Group is liable to Pillar Two income taxes under the Hong Kong Inland Revenue (Amendment) (Minimum Tax for Multinational Enterprise Groups) Ordinance 2025 for its earnings in the Hong Kong SAR and certain other jurisdictions where a domestic minimum top-up tax has not been implemented, including the Chinese Mainland.

The Group has applied the temporary mandatory exception from deferred tax accounting for the top-up tax and accounted for the tax as current tax when incurred. No Pillar Two income tax was recognized during the six months ended 30 June 2026. The Group is in the process of making a continuous assessment of what the impact of Pillar Two model is expected to be on the income taxes.

6. Earnings per share

The calculation of basic earnings per share is as follows:

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Profit attributable to owners of the Company		
Profit for the purpose of basic earnings per share	**1,178,130**	1,104,114
	'000 shares	*'000 shares*
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**7,024,456**	7,024,456

The Group has no dilutive ordinary shares outstanding for the periods ended 30 June 2026 and 2025. Therefore, there was no difference between basic and diluted earnings per share.

7. Dividends

(a) Dividends payable to equity shareholders of the Company attributable to the interim period

The Board of Directors did not recommend the payment of an interim dividend for the six months ended 30 June 2026 (the corresponding period in 2025: Nil).

(b) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved during the interim period

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Final dividend in respect of the previous financial year of HK$0.0693 per share, equivalent to approximately RMB0.0602 per share (the corresponding period in 2025: HK$0.0571 per share, equivalent to approximately RMB0.0521 per share).	**423,219**	366,000
Special dividend in respect of the previous financial year: Nil (the corresponding period in 2025: HK$0.0246 per share, equivalent to approximately RMB0.0224 per share).	**–**	157,682
	423,219	523,682

8. Trade and bills receivables

	At 30 June 2026	At 31 December 2025
	RMB'000	*RMB'000*
Trade receivables	**213,968**	181,660
Less: loss allowance	**(2,739)**	(2,739)
	211,229	178,921
Bills receivable	**357,950**	207,276
Less: allowance for doubtful debts	**(6,100)**	(6,100)
	351,850	201,176
Total trade and bills receivables, net of loss allowance	**563,079**	380,097

The Group allows a credit period of approximate 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:

	At 30 June 2026	At 31 December 2025
	RMB'000	*RMB'000*
Within 3 months	**432,875**	281,280
Over 3 months but within 6 months	**129,971**	96,358
Over 6 months but within 12 months	**233**	2,459
Over 12 months	**–**	–
	563,079	380,097

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

9. Trade and bills payables

	At 30 June 2026	At 31 December 2025
	RMB'000	*RMB'000*
Trade payables	**2,927,297**	2,762,424
Bills payable	**907,439**	1,657,082
Trade and bills payables	**3,834,736**	4,419,506

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:

	At 30 June 2026	At 31 December 2025
	RMB'000	*RMB'000*
Within 3 months	**3,081,100**	2,704,763
Over 3 months but within 6 months	**710,919**	1,679,243
Over 6 months but within 12 months	**11,198**	6,407
Over 12 months	**31,519**	29,093
	3,834,736	4,419,506

INTERIM DIVIDEND

The Board of Directors of the Company did not recommend the declaration of interim dividend for the six months ended 30 June 2026.

AUDIT COMMITTEE

The Audit Committee ("Audit Committee") of the Company, comprises Mr. Sun Po Yuen (Chairman), Mr. Ko Ming Tung, Edward, Mr. Lu Xin and Ms. Zhang Guangyan. The Audit Committee has reviewed with the management and the external auditors the accounting principles and practices adopted by the Group and discussed audit and financial reporting matters, including the unaudited interim condensed consolidated financial statements of the Group for the six months ended 30 June 2026.

REVIEW OF INTERIM FINANCIAL INFORMATION

The financial information set out in the announcement represents an extract from the interim financial report for the six months ended 30 June 2026, which is unaudited, but has been reviewed by KPMG, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of interim financial information performed by the independent auditor of the entity", issued by the Hong Kong Institute of Certified Public Accountants, whose unmodified review report is included in the interim report to be sent to shareholders.

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 period. During the six months ended 30 June 2026 and up to the date of this announcement, the Company did not hold any treasury shares (including any treasury shares held or deposited in the 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") as 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. The Company has made specific enquiries with all Directors, and all Directors confirmed that they had complied with the required standards set out in the Model Code throughout the six months ended 30 June 2026.

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 period.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Board and the management of the Company are committed to establishing and maintaining sound standards of corporate governance, a robust internal control system and effective risk management mechanisms. They believe that good corporate governance is the cornerstone of the long-term stable development of the Company and can lay a solid foundation for efficient operational management, the cultivation of an excellent corporate culture, the high-quality development of business and the sustained enhancement of shareholder value. At the same time, the Board also actively enhances transparency and is accountable to all Shareholders.

The Company has complied with the applicable corporate governance standards contained in relevant code provisions as set out in the Corporate Governance Code contained in Appendix C1 to the Listing Rules as of the six months ended 30 June 2026.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (https://www.sinofert.com). The interim report of the Company for the six months ended 30 June 2026 containing all information required by the Listing Rules will be despatched to the Company's shareholders and available on the above websites in due course.

On behalf of the Board
SINOFERT HOLDINGS LIMITED
Zhang Xuegong
Chairman of the Board

Hong Kong, 25 August 2026

As at the date of this announcement, the executive directors of the Company are Mr. Zhang Xuegong (Chairman), Mr. Wang Tielin (Chief Executive Officer), 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.