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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)

ADOPTION OF EXISTING SHARE INCENTIVE SCHEME

In order to recognise and reward the contribution of certain Eligible Participants to the growth and development of the Group and to retain and attract talents, the board of directors (the “**Board**”) of China XLX Fertiliser Ltd. (the “**Company**”) announces that on 26 October 2026, the Board resolved to adopt a share incentive scheme (the “**Scheme**”).

The Scheme constitutes a share scheme funded by existing shares under Chapter 17 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and is subject to the disclosure requirements applicable under Rule 17.12 of the Listing Rules. The Scheme does not involve the issuance of new shares of the Company or the transfer of treasury shares of the Company, and the adoption of the Scheme itself does not require Shareholders’ approval under Chapter 17 of the Listing Rules.

The principal terms of the Scheme are set out below:

1. PURPOSE AND OBJECTIVE

The Scheme aims to, through share awards: (a) strengthen the long-term alignment of interests between the core participants and the Group, deepen the recognition on the Group’s strategic layout and corporate culture, and unite the efforts to build a century-long foundation that supports the Group’s long-term and sustainable operations; (b) recognise and reward the contribution of certain Eligible Participants to the growth and development of the Group and provide incentives in order to retain them for the continual operation and development of the Group; and (c) attract suitable talents for further development of the Group.

2. ADMINISTRATION

The implementation, alteration, amendment and termination of the Scheme shall be subject to the approval of the Board.

** for identification purpose only*

The Board may authorise the Scheme administrator to administer the Scheme in accordance with the Scheme and the Trust Deed, including the selection of Eligible Participants, determination of the number and price of grants, establishment and review of vesting conditions, as well as the cancellation of Awards, sale of shares and trust arrangements, subject to the applicable approval requirements.

The Scheme administrator will enter into a trust deed and appoint a suitable third party who is not a connected person of the Company to act as the trustee. The Trustee shall administer the relevant trust in accordance with the Scheme, the trust deed and the instructions of the Scheme administrator.

3. TYPE OF INCENTIVE SHARES

The incentive shares under the Scheme will principally take the form of restricted stocks.

4. VALIDITY PERIOD

The Scheme shall be valid for a term of ten years commencing from the adoption date, subject to early termination as resolved by the Board. Upon the expiration or early termination of the Scheme, no further incentive shares shall be granted.

5. SOURCE OF INCENTIVE SHARES

The source of shares under the Scheme is limited to the transfer of the economic interests in certain existing shares of the Company by the Donors of Incentive Shares.

The incentive shares under the Scheme will not be obtained through the issuance of new Shares, utilisation of treasury shares by the Company in any form, or the purchase of shares on the securities market by the Company utilising its own funds and financial resources.

6. NUMBER OF SHARES

The total number of incentive shares shall not exceed 120,000,000 shares and shall not exceed 10% of the total number of issued shares of the Company; the number of incentive shares to be granted to any single Eligible Participant shall not exceed 1,200,000 shares, and shall not exceed 0.1% of the total number of issued shares of the Company.

7. ELIGIBLE PARTICIPANTS

Eligible Participants are directors and senior management of the Group who play a vital role in the medium to long-term development of the Company, and the core staff and employees of the Group who have made long-term contributions to the Group. Each of the Selected Participants shall enter into an employment contract or engagement contract with the Group during the evaluation period.

8. GRANT PRICE AND ACCEPTANCE

The grant price of each awarded share granted to the Selected Participant shall not be less than the higher of: (i) 50% of the price of the shares on the trading day immediately preceding the grant date; and (ii) 50% of the average price of shares for the ten or twenty trading days preceding the grant date. The specific grant price shall comply with the above pricing principle and will be specified in the grant agreement entered into between the Company and the Eligible Participant.

The Board shall issue a written award notice to the trustee and the Selected Participant. The Selected Participant shall irrevocably accept the award within ten Business Days after receipt of such notice, failing which the award shall be deemed to have been declined.

The Selected Participant shall remit the purchase monies for the Awarded Shares to the account designated by the Board within the period prescribed by the Board, and any default in payment will be deemed as a waiver of the purchase of the Awarded Shares granted. No fee is required to be prepaid upon application for or acceptance of an Award.

9. VESTING ARRANGEMENTS AND CONDITIONS

The restricted stocks will vest in two tranches, each involving 50% of the relevant shares granted. The assessment conditions and the earliest vesting arrangements on the Company level are as follows:

Vesting period and proportion	Assessment conditions on the Company level	Vesting time
First tranche (50%)	Based on the results for the year 2026, the audited financial statements for the year 2027 shall record a growth rate in operating revenue of not less than 5%, or net profit of not less than RMB1.8 billion.	2028; at least 12 months from the date of grant of the restricted shares.
Second tranche (50%)	Based on the results for the year 2026, the audited financial statements for the year 2028 shall record a growth rate in operating revenue of not less than 15%, or net profit of not less than RMB2 billion.	2029; at least 24 months from the date of grant of the restricted shares.

During the relevant vesting period, the Selected Participant shall maintain his/her employment with the Group, pass the assessment and obtain approval from the Board in the preceding year prior to the vesting date; the Selected Participant shall not commit any serious violations of the management system, engaged in any behaviour that give rise to material economic loss or a severely negative impact on the Company which has been notified and penalised; the Selected Participant shall not have had his/her employment contract terminated by the Company due to personal reasons; and shall not have become ineligible due to violations of applicable laws and regulations of the Company and the capital market.

If the vesting conditions are not satisfied, the Scheme administrator or a designated entity entrusted by it may decide whether to defer vesting to the next vesting period or otherwise prescribe or waive the vesting conditions.

Upon the grant of share incentives, an Eligible Participant will hold and be entitled to the relevant interests in the capacity of a trust beneficiary.

10. RIGHTS AND DIVIDENDS BEFORE AND AFTER VESTING

Prior to the vesting of the restricted shares, a participant shall not be entitled to the shareholder rights corresponding to such shares. If the Company makes any form of profit distribution prior to vesting, the dividends of the Company corresponding to the restricted shares shall not be distributed to the participant, and the participant shall not be entitled to any interests in such dividends or any derived rights. Such dividends shall be attributable to the trust platform and utilised by the trust platform in accordance with the instructions of the Scheme administrator.

The entitlement to the economic beneficial rights corresponding to the share incentives (including dividend rights) of an Eligible Participant is conditional upon the vesting, but such Eligible Participant shall not be entitled to other corporate rights such as shareholder management rights and voting rights. For an Eligible Participant who holds incentive shares by trust or other means, the other rights corresponding to his/her incentive shares (including but not limited to management rights and voting rights) shall be entitled by the person(s) stipulated by the Scheme administrator in the trust deed.

11. TRANSFER AND DISPOSAL RESTRICTIONS

Prior to vesting, a Selected Participant shall not sell, transfer, mortgage, charge, encumber or otherwise dispose of an award, nor create any security or adverse interest over an award in favour of a third party, or enter into or propose to enter into any agreement to carry out any of the foregoing. In the event of a breach of such restrictions, the Company reserve the right to cancel the relevant award.

12. TERMINATION OF THE SCHEME AND CANCELLATION OF AWARDS

For any ungranted awards upon the expiration of the Scheme, awards that were granted but not yet vested upon early termination of the Scheme, default events committed by the participant or other circumstances determined by the Scheme administrator, the corresponding rights of the Eligible Participant to participate in the Scheme shall be revoked unless otherwise resolved by the Scheme administrator. The incentive shares corresponding to such rights shall be returned to the trust institution and then sold back by the trust institution to the Donors of Incentive Shares at the original subscription price.

Default events include where an Eligible Participant seriously violates the rules and regulations or employment contract of the Company or its related companies through wilful misconduct or gross negligence, or engages in other serious misconduct that resulted in significant loss or damage; commits a criminal offence arising from improper conduct against the Company or its related companies; violates confidentiality obligations and discloses trade secrets of the Company or its related companies; violates anti-corruption and anti-commercial bribery policies; violates non-competition or non-solicitation obligations; engages in unfair competition during employment or the period of advisory service provision or after resignation or termination of service, intentionally denigrates the reputation of the Company, disseminates remarks adverse to the Company in public or through other public channels, or engages in other acts of defamation or libel against the Company; and other matters as determined by the Scheme administrator. Specific event shall be subject to the provisions of the grant agreement.

If an Eligible Participant commits a default event and causes significant losses to the Company, his/her restricted stocks not yet vested shall cease to vest. In respect of his/her awarded shares vested but not yet sold, the participant may continue to hold such shares, provided that the Scheme administrator shall have the right to require the participant to return the cash proceeds or other gains to a designated entity upon the disposal of their shareholdings. If the participant has sold the incentive shares and derived benefits therefrom, the Scheme administrator shall also have the right to require him/her to return the cash proceeds or other gains to a designated entity. The participant shall also bear any losses, compensation and expenses thereby caused to the Company or its related parties. The grant agreement or the Scheme administrator may devise alternative provisions or determinations regarding the foregoing matters.

Upon termination of the Scheme, restricted shares that have been granted but not yet vested shall be sold back in full to the Donors of Incentive Shares at the original subscription price within thirty business days from the date of termination (both days inclusive). In no event shall the Company repurchase or cancel such shares.

13. NON-DEFAULT RELATED EXITS AND LAPSE OF AWARDS

If an Eligible Participant exits due to voluntary resignation, negotiated termination of employment or service relationship, non-renewal of contract upon expiration, redundancy, retirement or other non-default related matters determined by the Scheme administrator, the restricted shares of the Eligible Participant that have not yet vested shall be deemed to have lapsed and ceased to vest. The lapsed share incentives shall be returned to the trust institution and then sold back by the trust institution to the Donors of Incentive Shares at the original subscription price. Restricted shares that have been vested but not yet sold shall remain held by the participant subject to the Scheme, the grant agreement and the trust deed. If the foregoing arrangements cannot be implemented temporarily due to legal requirements, both parties shall implement them within one month upon the end of the relevant period or when transfer is legally permitted.

14. RESTRICTIONS ON GRANTS

No awards shall be granted after the Board has become aware of the inside information of the Company until (and including) the trading day after the announcement of such information. In addition, no awards shall be granted during the period commencing one month preceding the earlier of the following two dates and ending on the date of the results announcement: (i) the date of the Board meeting for approving the annual, half-year, quarterly or other interim results (being the date of first notified to the Stock Exchange, whether or not required to be published under the Listing Rules); and (ii) the deadline for publishing such results under the Listing Rules. No awards shall be granted during any period of delay in the publication of a results announcement.

The Company shall comply with Chapter 17 of the Listing Rules and other applicable requirements in respect of the implementation of the Scheme and subsequent grants thereunder.

As of the date of this announcement, the Board has not granted any incentive shares under the Scheme.

DEFINITIONS

TERM	DEFINITION
“Company”	refers to China XLX Fertiliser Ltd., a company incorporated in Singapore with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1866).
“Group”	refers to the Company and its subsidiaries.
“Board”	refers to the board of directors of the Company.
“Adoption Date”	refers to the date on which the adoption of the Scheme was approved by the Board.
“Scheme”	refers to the share incentive scheme adopted by the Board on the Adoption Date.
“Donors of Incentive Shares” or “Donors of Restricted Shares”	refers to Mr. Liu Xingxu, companies beneficially wholly-owned by him, and Pioneer Top Holdings Limited.
“Eligible Participant(s)”	refers to the directors, senior management, core staff and employees of the Group selected under the Scheme.

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

Hong Kong, 26 October 2026

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 non-executive director of the Company is Mr. Tan Wei Shyan; and the independent non-executive directors of the Company are Mr. Ong Kian Guan, Mr. Li Shengxiao and Mr. Li Hongxing.