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press release

(For immediate release)

China XLX Issues Positive Profit Alert

Net Profit for 1H 2022 Expected to Increase 40%-50% Y-o-Y

(7 July 2022, Hong Kong) **China XLX Fertiliser Ltd.** (“China XLX” or the “Company”, together with its subsidiaries known as the “Group”) (HKSE: 1866.HK) is pleased to announce that the net profit of the Group for the six months ended 30 June 2022 is expected to increase by the range between RMB356 million and RMB445 million to the range between RMB1,245 million and RMB1,334 million as compared to the same period of last year, representing a year-on-year increase ranging from 40% to 50%.

The increase in the net profit of the Group was mainly because:

1. the transformation and upgrade of industry chain has commenced after the Group’s multi-functional tower project for compound fertiliser in Xinxiang, noble gas refining project and Tianxin coal mine transformation and expansion project were put into operation, which promoted the development of product diversification and strengthened the Groups’ strategy of “flexible adjustment between products”, thereby maximised the profitability;
2. leveraging the advantages of our geographical reach, the Group integrated high-quality resources, optimized product portfolio, advertised high-efficiency fertilisers and promoted R&D on new technology, which enhanced our core competitiveness, further expanded our advantages of low cost and product differentiation, resulting in a significant increase in our profit margins;
3. global energy shortage, limited production capacity, tight balance between supply and demand together with the rising prices of food drove up the sales volume and prices of fertilisers and chemicals, thereby benefiting the main products of the Group, including urea, compound fertiliser and methanol.

Profit alert information contained above is based on a preliminary assessment by the Board with reference to the information currently available (including the management accounts of the Group) to the Company’s management, which has not been reviewed or audited by the Company’s



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auditors and is subject to possible adjustments arising from further review. As such, the above data is provided for the shareholders' and potential investors' reference only.

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About China XLX Fertiliser Ltd.

China XLX Fertiliser Ltd., one of the largest and most cost efficient coal-based urea producers in China, the Group is principally engaged in developing, manufacturing, and selling of related differentiated products such as urea, compound fertiliser, methanol, dimethyl ether, melamine, furfuryl alcohol, furfural, 2-methylfuran and pharmaceutical intermediates. The Company's shares are traded on the main board of the Stock Exchange of Hong Kong Limited (stock code: 01866.HK).

Investor and Media Enquiries

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