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China XLX Culture
中國心連心文化

We attribute our achievements and breakthroughs to our dedicated team at China XLX. The team is committed to uphold the vision with integrity, discipline, devotion, perspectiveness and cheers.

我們所有的成績與突破，都歸功於誠信為本、紀律嚴明、專注投入、放眼未來和充滿快樂的中國心連心團隊。

Management Discussion and Analysis
管理層討論與分析

The board of Directors (the "Board") of China XLX Fertiliser Ltd. (the "Company" and, together with its subsidiaries, the "Group") is pleased to present this interim report for the six months ended 30 June 2021 ("1H2021").

(I) BUSINESS REVIEW

With the pandemic gradually easing and the continuously improved economy, the recovery of the domestic fertilisers and chemical products market has accelerated. With the Group's third production

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(V) DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SHARES

(V)

As at 30 June 2021, the interests of the directors and chief executive of the Company in shares of the Company, as recorded in the register required to be kept by the Company pursuant to Section 164 of the Companies Act (Chapter 50) of Singapore (the "Companies Act") and Section 352 of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO"), or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "SEHK") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Rules Governing the Listing of Securities on the SEHK (the "Listing Rules"), were as follows:

LONG POSITIONS

Mr. Liu Xingxu 劉興旭先生	600,000	413,007,999 (Note 附註(a))	413,607,999	35.30%
Ms. Yan Yunhua 閆蘊華女士	300,000	276,465,000 (Note 附註(b))	276,765,000	23.62%
Mr. Ong Kian Guan 王建源先生	100,000	–	100,000	0.01%
Mr. Ma Tongsheng 馬通生先生	8,000	–	8,000	0.00%

The percentage represents the number of issued ordinary shares interested divided by the number of the Company's issued shares as at 30 June 2021.

(VII) GEARING RISK

The Group monitors its capital ratios in order to support its business and maximise shareholders' value. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. In order to maintain or adjust the capital structure, the Group may raise new debt or issue new shares. No changes were made in the objectives, policies or processes for managing capital in 2020 and 2019. The gearing ratio of the Group as at 30 June 2021 (calculated as net debt divided by the sum of total capital plus net debt) was 74.66%, representing a decrease of 0.3 percentage points as compared to 31 December 2020.

2. CONTINGENT LIABILITIES

As at 30 June 2021, the Group had no material contingent liabilities (2020: Nil).

3. MATERIAL LITIGATION AND ARBITRATION

As at 30 June 2021, the Group was not involved in any material litigation or arbitration (2020: Nil).

4. CHARGE ON THE GROUP'S ASSETS

As of 30 June 2021, save as disclosed in this report, the Group had no other charges.

11. COMPLIANCE WITH THE WRITTEN GUIDELINES FOR SECURITIES TRANSACTIONS BY RELEVANT EMPLOYEES OF THE COMPANY

The Company has established written guidelines on no less exacting terms than the Model Code (the "Employees Written Guidelines"), governing securities transactions by the relevant employees who are likely to possess inside information of the Company and/or its securities. No incident of non-compliance of the Employees Written Guidelines by relevant employees was noted by the Company during the six months ended 30 June 2021.

12. PURCHASE, SALES OR REDEMPTION OF THE COMPANY'S SECURITIES

For the six months ended 30 June 2021, neither the Company nor any of its subsidiaries have purchased, sold or redeemed any of the listed securities of the Company.

13. CHANGE IN DIRECTORS' INFORMATION UNDER RULE 13.51B(1) OF THE LISTING RULES

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes in information of the Directors since the Company's last published 2020 annual report are set out below:

t .S -J4IFOHYJBPBT CFFOBQQPJOUFE BTBO independent director of Kuaijishan Shaoxing Rice Wine Co., Ltd (since May 2021), a company listed on Shanghai Stock Exchange.

11. **遵守本公司有關僱員進行證券交易的書面指引**

本公司已就監管有關僱員(彼等可能擁有關於本公司及／或其證券的內幕消息)進行證券交易制訂一套書面指引(「**僱員書面指引**」),其條款並不比標準守則所載條文寬鬆。於二零二一年六月三十日止六個月,本公司並無發現有關僱員有任何不遵守僱員書面指引的事件。

12. **購買、出售或贖回本公司證券**

於二零二一年六月三十日止六個月,本公司或其任何附屬公司概無購買、出售或贖回本公司任何已上市證券。

13. **根據聯交所上市規則第13.51B(1)條之董事資料變更**

根據聯交所上市規則第13.51B(1)條,自本公司上一次刊發二零二零年度報告以來董事資料變動如下:

; 李生校先生擔任會稽山紹興酒股份有限公司(自二零二一年五月起)的獨立董事,一家於上海證券交易所上市的公司。

Shareholders may request for a printed copy of the Company's corporate communications or change their choice of language and means of receipt of the Company's corporate communications by sending reasonable prior

簡明綜合財務狀況表 *30 June 2021 二零二一年六月三十日*

		Notes 附註	[redacted]	31 December 2020 二零二零年 十二月三十一日 (Audited) (經審核) RMB'000 人民幣千元
NON-CURRENT ASSETS	**非流動資產**			
Property, plant and equipment	物業、廠房及設備	10		15,000,465
Goodwill	商譽			63,022
Coal mining rights	煤礦開採權	10		84,643
Equity investment at fair value through profit or loss	按公平值計入損益的股權投資	12		6,708
Deferred tax assets	遞延稅項資產			100,430
Prepayments for purchases of plant and equipment	捺뻪ㄷ [Y]벳껖礦開採權矜荸蒌椹蚹			瞿炷潸擺麦菇椸莛鞤鞚袪熅鞤鞚袪籪

Condensed Consolidated Statement of Cash Flows
簡明綜合現金流量表 *For the six months ended 30 June 2021 截至二零二一年六月三十日止六個月*

		Notes 附註	2020 二零二零年 (Unaudited) (未經審核) RMB'000 人民幣千元
Cash flows generated from operations	**經營活動產生的現金流量**		634,032
Government grants received	已收取政府補貼		2,977
Interest received	已收利息		4,964
Tax paid	已付稅項		(58,033)
Net cash flows generated from operating activities	**經營活動產生現金流量淨額**		583,940
Cash flows from investing activities	**投資活動現金流量**		
Proceeds from disposal of items of property, plant and equipment	出售物業、廠房及設備項目所得款項		16,348
Proceeds from disposal of items land use	出售項目土地使用權所得款項		–
Purchases of items of property, plant and equipment	購置物業、廠房及設備項目		(1,878,743)
Purchases of items of other intangible assets	購置其他無形資產項目		–
Cash paid for purchasing subsidiaries	收購附屬公司所付現金		(157,525)
Purchase of financial instruments through profits and loss	購買計入損益的金融工具		–
Proceeds from disposal of financial instruments through profits and loss	出售計入損益的金融工具所得款項		–
Net cash flows used in investing activities	**投資活動所用現金流量淨額**		(2,019,920)
Cash flows from financing activities	**融資活動現金流量**		
Dividend paid on non-controlling shares	已付非控股股份股息		(62,699)
Injection of non-controlling interests	非控股權益注資		200,000
Interest paid	已付利息		(201,949)
(Increase)/decrease in pledged deposits	已抵押按金(增加)／減少		(50,000)
Proceeds from loans and borrowings	貸款及借款所得款項		4,381,178
Repayments of loans and borrowings	償還貸款及借款		(2,524,105)
Net cash flows from financing activities	**融資活動產生現金淨額**		1,742,425

Notes to the Condensed Consolidated Interim Financial Information
簡明綜合中期財務資料附註 *30 June 2021 二零二一年六月三十日*

1. CORPORATE INFORMATION

China XLX Fertiliser Ltd. is a limited liability company incorporated in Singapore on 17 July 2006 under the Singapore Companies Act and its shares are primary-listed on The Stock Exchange of Hong Kong Limited (the "SEHK"). The registered office of the Company is located at 80 Robinson Road, #02-00, Singapore 068898. The principal place of business of the Group is located at Xinxiang Economic Development Zone, Xinxiang County, Henan Province, Taxihe Industrial Park, Baojiadian Town, Manas County, Xinjiang Changji Prefecture, and Jishan Industrial Zone, Jiujiang City, Jiangxi Province in the People's Republic of China (the "PRC"). The principal activity of the Company is investment holding. The principal activities of the Company's subsidiaries are mainly manufacturing and trading of related differentiated products such as urea, compound fertiliser, methanol, melamine, dimethyl ether, furfuryl alcohol, furfural, 2-methylfuran and pharmaceutical intermediates.

1. 公司資料

中國心連心化肥有限公司是一家於二零零六年七月十七日根據新加坡公司法在新加坡註冊成立的有限公司，其股份於香港聯合交易所有限公司(「**聯交所**」)主板上市。本公司的註冊辦事處位於80 Robinson Road, #02-00, Singapore 068898。本集團的主要營業地點位於中華人民共和國(「**中國**」)河南省新鄉縣新鄉經濟開發區、新疆昌吉州瑪納斯縣包家店鎮塔西河工業園區、江西省九江市磯山工業園區。本公司的主要業務為投資控股。本公司附屬公司的主要業務是生產及銷售尿素、複合肥、甲醇、三聚氰胺、二甲醚、糠醛、糠醇、2-甲基呋喃、醫藥中間體等相關差異化產品。

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)s") and International Financial Reporting Standards ("IFRSs"). For the purpose of SFRS(I)s, financial statements that have been prepared in accordance and complied with IFRSs are deemed to have also complied with SFRS(I)s. SFRS(I)s comprise standards and interpretations that are equivalent to IFRSs.

These financial statements have been prepared on a historical cost basis, except for equity investments at fair value through profit or loss, which have been measured at fair value. These financial statements are presented in Renminbi ("RMB") and all values in the tables are rounded to the nearest thousand ("RMB'000") except when otherwise indicated.

2.1 編製基準

該等財務報表是根據新加坡財務報告準則(國際)(「**新加坡財務報告準則(國際)**」)及國際財務報告準則(「**國際財務報告準則**」)編制。就新加坡財務報告準則(國際)而言，已按照國際財務報告準則編制並符合國際財務報告準則的財務報表被視為已符合新加坡財務報告準則(國際)。新加坡財務報告準則(國際)包含與國際財務報告準則等效的準則及解釋。

該等財務報表乃根據歷史成本法編製，惟按公平值計入損益的股權投資則按公平值計量。該等財務報表以人民幣(「**人民幣**」)呈列，除另有指明外，表格中所有金額已約整至最接近的千位(「**人民幣千元**」)。

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on its products, and has eight reportable operating segments as follows:

- Manufacturing and sale of urea
- Manufacturing and sale of urea solution for vehicle
- Manufacturing and sale of compound fertiliser
- Manufacturing and sale of methanol
- Manufacturing and sale of melamine
- Manufacturing and sale of furfuryl alcohol
- Manufacturing and sale of dimethyl ether (DME)
- Manufacturing and sale of medical intermediate

ALLOCATION BASIS

Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items

3. OPERATING SEGMENT INFORMATION (CONTINUED)

ALLOCATION BASIS (CONTINUED)

For the six months ended 30 June 2020

5. FINANCE COSTS

5. 財務成本

		Six months ended 30 June 截至六月三十日止六個月 2020 二零二零年 (Unaudited) (未經審核) RMB'000 人民幣千元
Interest on bank loans, overdrafts and other loans, wholly repayable within five years	須於五年內悉數償還的銀行貸款、銀行透支及其他貸款的利息	201,949

6. PROFIT BEFORE TAX

6. 除稅前溢利

The Group's profit before tax is arrived at after charging:

本集團的除稅前溢利乃經扣除：

		Six months ended 30 June 截至六月三十日止六個月 2020 二零二零年 (Unaudited) (未經審核) RMB'000 人民幣千元
Cost of inventories sold	銷售存貨成本	3,877,460
Depreciation of property, plant and equipment	物業、廠房及設備折舊	365,229
Depreciation of right-of-use assets	使用權資產折舊	24,098
Employee benefit expenses (including directors' remuneration)	僱員福利開支（包括董事薪酬）	
Salaries and bonuses	薪金及花紅	335,250
Contributions to defined contribution plans	定期供款計劃的已供款部分	43,750
Benefits in kind	實物利益	26,610
		405,610

9. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

EarninU3 per share is calculated by dividinU the Group'3 profit for the period attributable to ordinary equity holders of the Company by the weighted average number of 1,171,621,000 (six months ended 30 June 2020: 1,171,621,000) ordinary shares (inclusive of mandatorily convertible instruments issued) outstandinU durinU the period.

There were no potentially dilutive ordinary shares in existence durinU the six months ended 30 June 2021 and 2020 and therefore the diluted earninU3 per share amounts for those periods were the same as the basic earninU3 per share amounts.

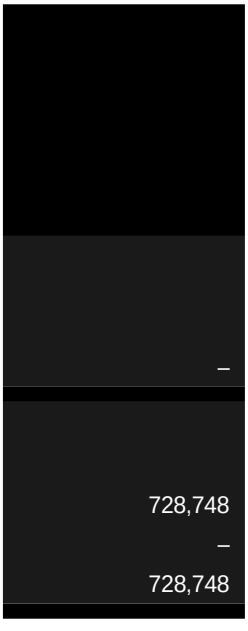
9. 本公司普通股權益擁有人應佔每股盈利

每股盈利乃根據本公司普通股權益持有人應佔期內本集團溢利，除以期內已發行普通股(包括已發行的強制性可轉換工具)加權平均數1,171,621,000股(截至二零二零年六月三十日止六個月：1,171,621,000股)計

10. PROPERTY, PLANT AND EQUIPMENT, PREPAID LAND LEASE PAYMENTS AND COAL MINING RIGHTS

DurinU the period, payments for purchases of items of property, plant and equipment, land use rights and coal mininU rights and proceeds from disposal of items of property, plant and equipment of the Group amounted to approximately RMB1,675,569,000 and RMB4,386,000 (six months ended 30 June 2020: RMB1,903,125,000 and RMB16,348,000) respectively.

11. PREPAYMENTS



14. TRADE AND BILLS RECEIVABLES

		31 December 2020 二零二零年 十二月三十一日 (Audited) (經審核) RMB'000 人民幣千元
Trade receivables	應收賬款	204,032
Bills receivable	應收票據	539,360
		743,392

Trade receivables are non-interest-bearing and are normally settled on terms of 30 to 90 days. They are recognised at their original invoice amounts which represent their fair values on initial recognition. The Group's bills receivable are non-interest-bearing and are normally settled on terms of 90 to 180 days. Trade and bills receivables are denominated in RMB.

The Group's trading terms with its customers are mainly payment in advance or on credit for certain customers. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the

gCU the Rtt for certain customers. EGomelnatd toa l ar9(g(e umb(er ofdi(v)7(esifi(ed)]TJ EMC /Span <</Lang (en-GB)/MCID 3208 >>DC 0.031 Tc 0.07

16. TRADE PAYABLES

An aged analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

		[redacted]	31 December 2020 二零二零年 十二月三十一日 (Audited) (經審核) RMB'000 人民幣千元
Within 1 month	1個月以內		169,569
1 to 3 months	1至3個月		109,120
3 to 6 months	3至6個月		65,384
6 to 12 months	6至12個月		121,958
Over 12 months	12個月以上		42,947
			508,978

The trade payables are non-interest-bearme narn ersrTrade payables aredenominaite in (RMB)11.

17. INTEREST-BEARING BANK AND OTHER

21. RELATED PARTY TRANSACTIONS

(A) In addition to the transactions detailed elsewhere in this interim financial information, the Group had the following transactions with related parties during the period:

21. 關連方交易

(A) 除本中期財務資料其他部分載述的交易外，本集團於期內與關連方進行下列交易：

		Six months ended 30 June 截至六月三十日止六個月	
		[redacted]	2020 二零二零年 (Unaudited) (未經審核) RMB'000 人民幣千元
Sales of electricity, water and steam to:	向以下公司銷售水電及蒸汽：		
– Xinxiang Xinlianxin Chemical Equipment Co., Ltd.#	– 新鄉市心連心化工設備有限公司#		688
Operating lease income from:	來自以下公司的經營租賃收入：		
– Xinxiang Xinlianxin Chemical Equipment Co., Ltd.#	– 新鄉市心連心化工設備有限公司#		84
Purchases of equipment and service fee expenses from:	向以下公司購買設備及服務費支出：		
– Xinxiang Xinlianxin Chemical Equipment Co., Ltd.#	– 新鄉市心連心化工設備有限公司#		32,218

These companies are subsidiaries of Henan Xinlianxin Chemicals Group Co., Ltd. ("Henan Chemicals"), which has certain common shareholders with the Company. The Company's executive directors and executive officers have certain equity interests in Henan Chemicals.

該等公司為河南心連心化工集團有限公司(「**河南化工**」)的附屬公司，河南化工的股東與本公司的股東有若干相同。本公司的執行董事及行政人員於河南化工擁有若干股權。

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