Fertilisers in China

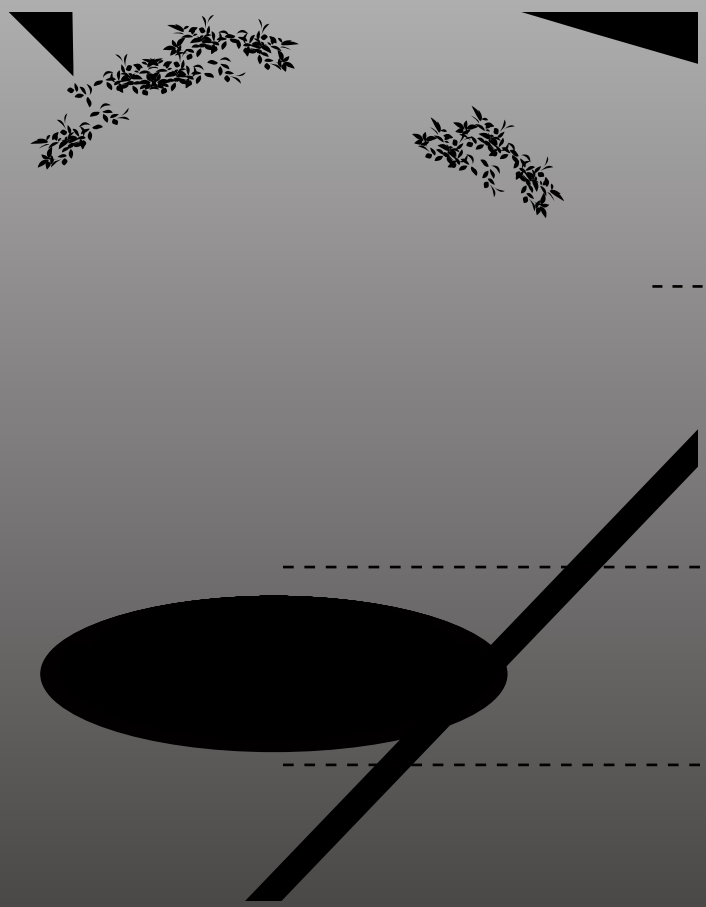
中國高效肥

INTERIM REPORT 2022 **中期報告**

China XLX Culture
中國心連心文化

We adhere to the culture of integrity and the corporate spirit of "working hard to fulfil the needs of our customers" and we are committed to creating the greatest value to the society with the least resources.

我們堅持誠信文化和「自己艱苦奮鬥滿足別人需求」的企業之魂，
致力於用最少的資源為社會創造最大的價值。



CHINA XLX DEVELOPMENT STRATEGY:

Adhere to the enhance development direction of cleaner chemical process of coal, and maintain the privileges and leading status in the chemical fertiliser industry. Meanwhile appropriately develop new energy and new chemical material, establishing the 'Fertiliser as foundation, fertiliser and chemical side by side' development plan.

Our strategic development direction will be: To maximize the value of syngas; to reinforce our industry leading advantages in the chemical fertiliser industry.

Our core missions: First, strengthen and improve our major production bases so as to continuously increase profitability; Second, strengthen our brand ;Third, consolidate basic management so as to improve R&D capabilities.

中國心連心發展戰略：

堅持聚焦清潔煤化工升級發展方向，確保化肥主業的優勢和行業領先地位。同時適度發展新能源、新材料化工品，總體形成「以肥為基，肥化並舉」的產業發展格局。

我們的戰略發展導向是：把合成氣價值利用最大化，突出化肥主業的行業領先優勢。

核心任務：一是做強、做優大基地，提升持續盈利能力；二是做強品牌；三是夯實基礎管理，提升研發能力。

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CHIEF EXECUTIVE OFFICER

MA Tongsheng

CHIEF FINANCIAL OFFICER

WONG Wing Wang Paul

AUTHORISED REPRESENTATIVES UNDER LISTING RULES

Corporate Information
公司資料

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN PRC

Xinxiang Economic Development Zone
Henan Province
PRC 453731

STOCK CODE

Hong Kong Stock Code: 1866

CORPORATE WEBSITE

www.chinaxlx.com.hk

總辦事處暨中國主要營業地點

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新鄉經濟開發區
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股票代碼

香港股份代號：1866

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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 2022 ("1H2022").

中國心連心化肥有限公司(「**本公司**」,連同其附屬公司統稱「**本集團**」)董事會(「**董事會**」)欣然呈列截至二零二二年六月三十日止六個月(「**二零二二年上半年**」)的本中期報告。

(I) BUSINESS REVIEW

Affected by the pandemic, the Russian-Ukrainian war and tight supply of international fertilisers, the prices of global basic energy and food have been rising, which resulted in a strong demand for chemical fertilisers. Coupled with the increase in the price of raw materials, global fertiliser prices have been remained elevated.

During the first half of 2022, with the successful commissioning of the third production base in Jiangxi Jiujiang, the Fixed-bed Renovation and Upgrading Project of the Group's second and third plant in henan Xinxiang and various relevant diversified industrial chain projects, the Group's production capacity reached a new milestone.

The unaudited consolidated revenue of the Group increased by approximately RMB4,641 million or 61% from approximately RMB7,573 million for the half year ended 30 June 2021 ("1H2021") to approximately RMB12,214 million for 1H2022. The unaudited consolidated net profit of the Group increased by approximately RMB415 million or 47% from approximately RMB889 million for 1H2021 to approximately RMB1,304 million for 1H2022. The unaudited total comprehensive income attributable to the owners of the parent increased by approximately RMB314 million or 49% from approximately RMB646 million for 1H2021 to approximately RMB960 million for 1H2022.

(I) 業務回顧

疫情、俄烏戰爭及國際肥料供應偏緊等影響,全球基礎能源及糧食價格持續升高,提升化肥需求,加上原材料價格的上漲,使全球化肥價格持續走高。

於二零二二年上半年,隨著江西省九江市的第三生產基地、本集團於河南新鄉的第二及第三廠的固定床改造升級項目及各相關多元化產業鏈項目的成功投產,本集團的產能達致新里程碑。

本集團的未經審核綜合收入由截至二零二一年六月三十日止上半年度(「**二零二一年上半年**」)約人民幣7,573,000,000元增加約人民幣4,641,000,000元或61%至二零二二年上半年約12,214,000,000元。本集團的未經審核綜合純利由二零二一年上半年約人民幣889,000,000元增加約人民幣415,000,000元或47%至二零二二年上半年約人民幣1,304,000,000元。歸屬於母公司擁有人的未經審核全面收益總額由二零二一年上半年約人民幣646,000,000元增加約人民幣314,000,000元或49%至二零二二年上半年的約人民幣960,000,000元。

Revenue derived from the sales of urea increased by approximately

Gross profit margin of compound fertilizers of the Group increased by approximately 3 percentage points to approximately 18% in 1H2022 from approximately 15% in 1H2021. The increase was mainly due to the increase in average selling price of compound fertilisers.

Revenue derived from the sales of methanol increased by approximately RMB428 million or 58% from approximately RMB733 million for 1H2021 to approximately RMB1,161 million for 1H2022. The increased sales of methanol were a result of the increase in average selling price and sales volume of methanol of the Group by 20% and 32% YoY, respectively. The increased sales volume was mainly contributed by the additional production capacity of the third production base in Jiujiang and the expansion of the business channels by launching the methanol trading.

Gro02 Tc 0 05 Tofit mar95.4 gp of methanol of the Groupdec reased b oximately 75.4 percentage points from approximately 79.%d for

Gross profit margin of medical intermediate products decreased by approximately 3.8 percentage point from approximately 21.6% for

Finance costs increased by approximately RMB53 million or 19% from approximately RMB282 million in 1H2021 to approximately RMB335 million in 1H2022, which was mainly due to the increase in amount and the average interest rate of the Group's interest-bearing borrowings.

Income tax expense increased by approximately RMB111 million or 58% from approximately RMB191 million in 1H2021 to RMB302 million in 1H2022 due to higher profits.

The profit for the period increased by approximately RMB415 million or 47% from approximately RMB889 million in 1H2021 to approximately RMB1,304 million in 1H2022. This was mainly due to the increase in gross profit and other income of approximately RMB942 million and RMB27 million, respectively. The increase in profit for the period was partially offset by the increase in selling and distribution expenses of RMB128 million; increase in general and administrative expenses of RMB262 million; increase in finance cost of RMB53 million, increase in income tax expense of RMB111 million.

財務成本

財務成本由二零二一年上半年的約人民幣282,000,000元增加約人民幣53,000,000元或19%至二零二二年上半年的約人民幣335,000,000元，主要是由於本集團的計息借款金額及平均利率增加。

所得稅開支

所得稅開支由二零二一年上半年的約人民幣191,000,000元增加約人民幣111,000,000元或58%至二零二二年上半年的人民幣302,000,000元，原因是溢利增加。

期內溢利

期內溢利由二零二一年上半年的約人民幣889,000,000元增加約人民幣415,000,000元或47%至二零二二年上半年的約人民幣1,304,000,000元。這主要是由於毛利及其他收入分別增加約人民幣942,000,000元及人民幣27,000,000元。期內溢利增幅被銷售及分銷開支約增加人民幣128,000,000元、一般及行政開支增加人民幣262,000,000元、財務成本增加人民幣53,000,000元及所得稅開支增加人民幣111,000,000元所部分抵銷。

(II) FINANCIAL REVIEW

The Group monitors capital using a gearing ratio, which is net debt divided by the sum of total capital plus net debt. The Group's policy is to keep the gearing ratio below 90%.

		30 June 2022 **二零二二年 六月三十日** RMB'000 **人民幣千元**	31 December 2021 二零二一年 十二月三十一日 RMB'000 人民幣千元
Trade payables	貿易應付款項	841,664	774,423
Bills payable	應付票據	458,640	850,474
Contract liabilities	合約負債	1,002,461	1,079,227
Accruals and other payables	應計費用及其他應付款項	2,848,724	2,365,180
	1,002,461eA8		

(III) MATERIAL ACQUISITION AND DISPOSAL

As at the end of the reporting period, the Group did not have any material acquisition and disposal.

(IV) PROSPECTS

In 1H 2022, the international situation has been tense, and food security policies have been implemented by various countries again, which was driving strong demand for chemical fertilizers globally. Furthermore, the impacts of the conflicts between Russia and Ukraine and the pandemic resulted in a tense demand and supply

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

As at 30 June 2022, 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 O15.03613 (es)(") an93c)-1(ompanie(pand chief)E2waie(whe diHong K (ept b)ong S)10 (AND)1j /T110 1 Tf 0.017 -Tc -0.3wES)FO") a

Notes:

(a) These shares were held by Pioneer Top Holdings Limited ("Pioneer Top"), an investment holding company established in the British Virgin Islands (the "BVI"). Mr. Liu Xingxu beneficially owned 42% of the equity interest in Pioneer Top and held the remaining 58% of the equity interest in Pioneer Top in trust for 7 beneficiaries (including Mr. Zhang Qingjin) under a trust agreement dated 26 July 2016. Pursuant to the trust agreement, Mr. Liu Xingxu is irrevocably granted the absolute discretion to exercise the voting rights and the rights to the day-to-day management of Pioneer Top.

(b) These shares were held by Go Power Investments Limited ("Go Power") an investment holding company established in the BVI. Ms. Yan Yunhua beneficially owned 12.74% of the equity interest in Go Power and held the remaining 87.26% of the equity interest in Go Power in trust for more than 1,000 beneficiaries under a trust agreement dated 26 July 2016. Pursuant to the trust agreement, Ms. Yan Yunhua is irrevocably granted the absolute discretion to exercise the voting rights and the rights to the day-to-day management of Go Power.

Save as disclosed above, as at 30 June 2022, none of the directors and chief executive of the Company nor their associates had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which has been recorded in the register maintained by the Company pursuant to Section 164 of the Companies Act and Section 352 of the SFO, or which has been notified to the Company and the SEHK pursuant to the Model Code.

附註：

(a) 該等股份由Pioneer Top Holdings Limited(「**Pioneer Top**」)(一間於英屬處女群島(「**英屬處女群島**」)成立之投資控股公司)持有。劉興旭先生實益擁有Pioneer Top 42%股權，並根據日期為二零一六年七月二十六日的信託協議為7名受益人(包括張慶金先生)信託持有Pioneer Top餘下58%股權。根據該信託協議，劉興旭先生獲不可撤回地授予權利，全權酌情行使Pioneer Top的投票權及其日常管理權。

(b) 該等股份由Go Power Investments Limited(「**Go Power**」)(一間於英屬處女群島成立之投資控股公司)持有。閆蘊華女士實益擁有Go Power 12.74%
二零一六年七月二十六日的信託協議為逾1,000名受益人信託持有Go Power餘下87.26%。根據該信託協議閆蘊華女士獲不可撤回地授予權利全權酌情行使Go Power的投票權及其日常管理權。

除上述所披露者外
六月三十日
政人員或彼等的聯繫人士概無於本公司或其任何相聯法團(定義見證券及期貨條例第XV)的股份相關股份或債券中擁有或被視為擁有記載於按公司法第164條及證券及期貨條例第352條須由本公司存置的登記冊內的權益或淡倉
標準守則須知會本公司及聯交所的權益或淡倉。

(VI) SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES

As at 30 June 2022, the following parties had interests of 5% or more in the issued shares of the Company according to the register of interests required to be kept by the Company pursuant to Section 88 of the Companies Act and Section 336 of the SFO, or as the Company is aware:

(VI) 主要股東於股份的權益

於二零二二年六月三十日，按本公司根據公司法第88條及證券及期貨條例第336條須存置的權益登記冊，或據本公司所知，以下各方於本公司已發行股份擁有5%

Name of substantial shareholders **主要股東名稱**	Capacity **身份**	Number of issued ordinary shares interested **持有權益的已發行普通股數目**	Approximate percentage [#] of the Company's issued share capital **約佔本公司已發行股本百分比[#]**
Pioneer Top (Note 附註(a))	Beneficial owner 實益擁有人	413,007,999	33.63%
Go Power (Note 附註(b))	Beneficial owner 實益擁有人	254,465,000	20.72%

[#] The percentage represents the number of issued ordinary shares interested divided by the number of the Company's issued shares as at 30 June 2022.

Notes:

(a) Pioneer Top is an investment holding company established in the BVI. Mr. Liu Xingxu beneficially owned 42% of the equity interest in Pioneer Top and held the remaining 58% of the equity interest in Pioneer Top in trust for 7 beneficiaries under a trust agreement dated 26 July 2016, including 7% for Mr. Zhang Qingjin, 7% for Mr. Shang Dewei, the company's employee; 7% for Mr. Zhu Xingye (retired), 16% for Mr. Li Buwen (retired), 7% for Mr. Li Yushun (retired), 7% for Mr. Wang Nairen (retired) and 7% for Mr. Ru Zhengtao (retired). Mr. Liu Xingxu has the absolute discretion to exercise the voting rights held by Pioneer Top in the Company in accordance with the trust agreement. Such interest held by Pioneer Top has also been disclosed as the interest of Mr. Liu Xingxu in the above section headed "Directors' and Chief Executive's Interests in Shares".

(b) Go Power is an investment holding company established in the BVI. Ms. Yan Yunhua beneficially owned 12.74% of the equity interest in Go Power and held the remaining 87.26% of the equity interest in Go Power in trust for more than 1,000 beneficiaries under a trust agreement dated 26 July 2016. Ms. Yan Yunhua has the absolute discretion to exercise the voting rights held by Go Power in the Company in accordance with the trust agreement. Such interest held by Go Power has also been disclosed as the interest of Ms. Yan Yunhua in the above section headed "Directors' and Chief Executive's Interests in Shares".

Save as disclosed above, as at 30 June 2022, no person, other than the directors and chief executive of the Company whose interests are set out in the section headed "Directors' and Chief Executive's Interests in Shares" above, had an interest or a short position in the shares, underlying shares or debentures of the Company that was required to be recorded in the register maintained by the Company pursuant to Section 88 of the Companies Act and Section 336 of the SFO.

(VII) SUPPLEMENTARY INFORMATION

1.

(I)

The major market risks of the Group include changes in the average selling prices of key products, changes in the costs of raw materials (mainly coal) and fluctuations in interest and exchange rates.

(II)

The Group is also exposed to commodity price risk arising from fluctuations in product sale prices and costs of raw materials.

(III)

The major market interest rate risk that the Group is exposed to includes the Group's long-term debt obligations which are subject to floating interest rates.

(IV)

The Group's revenue and costs are primarily denominated in RMB. Some costs may be denominated in Hong Kong dollars, United States dollars or Singapore dollars.

(V)

According to the data released by the National Bureau of Statistics of China, the consumer price index of the PRC increased by 1.7% in the six months ended 30 June 2022 as compared to an increase of 1.1% in the same period in 2021. Such inflation in the PRC did not have a significant impact on the Group's operating results.

(VII) 補充資料

1. 營運及財務風險

(I)

The Group monitors its risk exposure to shortage of funds. The Group considers the maturity of both its financial investments and financial assets (e.g. trade receivables and other financial assets) and projected cash flows from operations. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and bank loans. As at 30 June 2022, approximately RMB7,572 million (31 December 2021: RMB6,402 million), or 56.52% (31 December 2021: 56.31%) of the Group's debts will mature in less than one year based on the carrying value of the borrowings reflected in the financial statements. Currently, the Group is adjusting the cembgybru (eflec)-1u T*[r)1stments and obo maedTm [s

(VII) Gearing ratio 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 2021 and 2020. The gearing ratio of the Group as at 30 June 2022 (calculated as net debt divided by the sum of total capital plus net debt) was 70.98%, representing a decrease of 4.03 percentage points as compared to 31 December 2021.

(VII) 資產負債比率風險

本集團監控其資本比率，以支持其業務及最大化股東價值。本集團根據經濟狀況變動管理資本結構及就此作出調整。本集團可以透過籌集新債或發行新股以保持或調整資本結構。於二零二一年及二零二零年，管理資本的目標、政策或程序概無任何變動。於二零二二年六月三十日，本集團的資產負債比率（負債淨額除以總資本加負債淨額的總和）為70.98%，較二零二一年十二月三十一日下降4.03個百分點。

2. Contingent liabilities

As at 30 June 2022, the Group had no material contingent liabilities (2021: Nil).

2. 或然負債

於二零二二年六月三十日，本集團並無任何重大或然負債（二零二一年：無）。

3. Material litigation and arbitration

As at 30 June 2022, the Group was not involved in any material litigation or arbitration (2021: Nil).

3. 重大訴訟及仲裁

於二零二二年六月三十日，本集團並未牽涉任何重大訴訟或仲裁（二零二一年：無）。

4. Charges on the Group's assets

As of 30 June 2022, save as disclosed in this report, the Group had no other charges.

4. 有關本集團資產的抵押

於二零二二年六月三十日，除本報告披露外，概無其他任何抵押。

5. Significant investment

The Group had no significant investment during the six months ended 30 June 2022.

5. 重大投資

本集團於二零二二年六月三十日止六個月並無作出重大投資。

6.

The Group did not have any other plans for material investments and capital assets as at 30 June 2022.

6. **有關重大投資或股本資產的未來計劃**

本集團於二零二二年六月三十日並無有關重大投資或股本資產的任何其他計劃。

7.

The Group has no share option scheme.

7. **購股權**

本集團並無購股權計劃。

8.

The audit committee of the Company (the "Audit Committee") has reviewed the accounting principles and standards adopted by the Group, and has discussed and reviewed the internal control and reporting matters. The interim results for the six months ended 30 June 2022 have been reviewed by the Audit Committee.

8. **審核委員會**

本公司的審核委員會(「**審核委員會**」)已檢討本集團採納的會計原則及準則,並討論及檢討內部監控及申報事宜。審核委員會已審閱截至二零二二年六月三十日止六個月的中期業績。

9.

The Company devotes to maintaining good practice of corporate governance, and has complied with all the code provisions of the Corporate Governance Code as set out in Appendix 14 to the Listing Rules for the six months ended 30 June 2022.

9. **遵守企業管治常規守則**

本公司致力奉行良好企業管治常規,並已於二零二二年六月三十日止六個月遵守上市規則附錄十四所載的企業管治守則的所有守則條文。

10.

The Board has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules and its amendments from time to time as its own code of conduct regarding securities transaction by the directors of the Company. The Board confirms that, having made specific enquiries with all directors of the Company, during the six months ended 30 June 2022, all directors have complied with the required standards of the Model Code.

10. **遵守上市發行人董事進行證券交易的標準守則**

董事會已採納上市規則附錄十所載的上市發行人董事進行證券交易的標準守則(「**標準守則**」)及其不時的修訂本,作為其本身有關本公司董事進行證券交易的行為準則。董事會確認,經向本公司全體董事作出指定查詢後,於二零二二年六月三十日止六個月內,全體董事均已遵守標準守則規定的準則。

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

Condensed Consolidated Statement of Comprehensive Income

簡明綜合全面收入表 *For the six months ended 30 June 2022 截至二零二二年六月三十日止六個月*

		Notes 附註	Six months ended 30 June 截至六月三十日止六個月 2022 二零二二年 (Unaudited) (未經審核) RMB'000 人民幣千元	2021 二零二一年 (Unaudited) (未經審核) RMB'000 人民幣千元
REVENUE	**收入**	4	12,213,886	7,573,047
Cost of sales	銷售成本		(9,153,788)	(5,455,087)
Gross profit	**毛利**		3,060,098	2,117,960
Other income, net	其他收入，淨額	4	60,965	34,455
Selling and distribution expenses	銷售及分銷開支		(510,938)	(383,218)
General and administrative expenses	一般及行政開支		(669,013)	(406,912)
Finance costs	財務成本	5	(334,817)	(281,902)
PROFIT BEFORE TAX	**除稅前溢利**	6	1,606,295	1,080,383
Income tax expense	所得稅開支	7	(301,836)	(190,952)
PROFIT FOR THE PERIOD	**期內溢利**		1,304,459	889,431
OTHER COMPREHENSIVE INCOME	**其他全面收入**			
Financial assets at fair value through other comprehensive income Change in fair value	按公平值計入其他全面收入的金融資產 公平值變動		–	–
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	**期內其他全面收入（扣除稅項）**		–	–
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**期內全面收入總額**		1,304,459	889,431
Profit attributable to:	**應佔溢利：**			
Owners of the parent	母公司擁有人		959,576	645,561
Non-controlling interests	非控股權益		344,883	243,870
			1,304,459	889,431
Total comprehensive income attributable to:	**應佔全面收入總額：**			
Owners of the parent	母公司擁有人		959,576	645,561
Non-controlling interests	非控股權益		344,883	243,870
			1,304,459	889,431
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	**本公司普通股權益擁有人應佔每股盈利**			
Basic and diluted (RMB cents per share)	基本及攤薄（每股人民幣分）	9	78.1	55.1

Details of the dividend paid for the period are disclosed in note 8 to the financial statements.

期內已付股息詳情披露於財務報表附註8。

Condensed Consolidated Statement of Financial Position

簡明綜合財務狀況表 *30 June 2022 二零二二年六月三十日*

		Notes 附註	30 June 2022 **二零二二年** **六月三十日** (Unaudited) **(未經審核)** RMB'000 **人民幣千元**	31 December 2021 二零二一年 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	19,132,450	18,056,011
Goodwill	商譽		63,022	63,022
Coal mining rights	煤礦開採權	10	242,236	236,961
Equity investment at fair value through profit or loss	按公平值計入損益的股權投資	12	13,708	6,708
Deferred tax assets	遞延稅項資產		102,523	102,523
Prepayments for purchases of plant and equipment	購置廠房及設備項目的預付款項		67,458	81,892
Intangible assets	無形資產		90,951	65,965
Pledged time deposits	已抵押定期存款		700	9,700
Right-of-use-assets	使用權資產		949,152	980,046
Other assets	其他資產		57,481	36,883
Investments in associates	於聯營公司投資		99,680	95,643
Total non-current assets	非流動資產總額		20,819,361	19,735,354
CURRENT ASSETS	**耶** RMB'000 人民幣千元			
	I4,2076nvestments in assocD94 fTw 18.2m w 18.26la0.01 Tw 3 companiTw 18.268 0 Td [illegible]			
	Other assen0.01 o.01 TwiTw 18.268 0 Td [illegible]			

Condensed Consolidated Statement of Financial Position

簡明綜合財務狀況表 *30 June 2022 二零二二年六月三十日*

		Notes 附註	30 June 2022 **二零二二年** **六月三十日** (Unaudited) **(未經審核)** RMB'000 **人民幣千元**	31 December 2021 二零二一年 十二月三十一日 (Audited) (經審核) RMB'000 人民幣千元
EQUITY	**權益**			
Equity attributable to owners of the parent	母公司擁有人應佔權益			
Share capital	股本		1,251,186	1,194,686
Statutory reserve fund	法定儲備金		510,920	510,920
Special reserve	特定儲備		4,183	4,127
Other reserve	其他儲備		2,466,186	2,202,942
Retained profits	保留溢利		2,740,451	1,780,875
			6,972,926	5,693,550
Non-controlling interests	非控股權益		2,563,431	2,267,832
Total equity	**總權益**		9,536,357	7,961,382

Condensed Consolidated Statement of Cash Flows

簡明綜合現金流量表

For the six months ended 30 June 2022 截至二零二二年六月三十日止六個月

		Notes 附註	Six months ended 30 June 截至六月三十日止六個月 2022 二零二二年 (Unaudited) (未經審核) RMB'000 人民幣千元	2021 二零二一年 (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		1,808,832	1,462,959
Government grants received	已收取政府補貼		19,932	11,345
Interest received	已收利息		8,093	9,671
Tax paid	已付稅項		(565,101)	(190,952)
Net cash flows generated from operating activities	經營活動產生現金流量淨額補貼			

3. OPERATING SEGMENT INFORMATION

3. OPERATING SEGMENT INFORMATION (CONTINUED)

An analysis by principal activity of contribution to the results is as follows:

For the six months ended 30 June 2022

3. 經營分部資料(續)

主要活動對本業績的貢獻之分析如下：

截至二零二二年六月三十日止六個月

		Urea 尿素 (unaudited) (未經審核) RMB'000 人民幣千元	Compound fertiliser 複合肥 (unaudited) (未經審核) RMB'000 人民幣千元	Methanol 甲醇 (unaudited) (未經審核) RMB'000 人民幣千元	Melamine 三聚氰胺 (unaudited) (未經審核) RMB'000 人民幣千元	Furfuryl alcohol 糠醇 (unaudited) (未經審核) RMB'000 人民幣千元	Dimethyl ether 二甲醚 (unaudited) (未經審核) RMB'000 人民幣千元	Urea solution for vehicle 車用尿素溶液 (unaudited) (未經審核) RMB'000 人民幣千元	Medical Intermediate 醫藥中間體 (unaudited) (未經審核) RMB'000 人民幣千元	Others 其他 (unaudited) (未經審核) RMB'000 人民幣千元	Total 總計 (unaudited) (未經審核) RMB'000 人民幣千元
REVENUE	收入										
Sales to external customers	銷售給外部客戶	3,437,907	3,763,393	1,160,672	586,855	401,258	773,639	290,094	222,297	1,577,771	12,213,886
Total revenue	總收入	3,437,907	3,763,393	1,160,672	586,855	401,258	773,639	290,094	222,297	1,577,771	12,213,806
Segment profit	分部溢利	1,204,106	666,992	26,640	363,146	33,761	53,114	100,294	39,631	572,414	3,060,098
Interest income	利息收入										8,093
Unallocated expenses	未分配開支										(1,127,079)
Finance costs	財務成本										(334,817)
Profit before tax	除稅前溢利										1,606,295
Income tax expense	所得稅開支										(301,836)
Profit for the period	期內溢利										1,304,459

3. OPERATING SEGMENT INFORMATION (CONTINUED)

For the six months ended 30 June 2021

		Urea 尿素 (unaudited) (未經審核) RMB'000 人民幣千元	Compound fertiliser 複合肥 (unaudited) (未經審核) RMB'000 人民幣千元	Methanol 甲醇 (unaudited) (未經審核) RMB'000 人民幣千元	Melamine 三聚氰胺 (unaudited) (未經審核) RMB'000 人民幣千元	Furfuryl alcohol 糠醇 (unaudited) (未經審核) RMB'000 人民幣千元	Dimethyl ether 二甲醚 (unaudited) (未經審核) RMB'000 人民幣千元	Urea solution for vehicle 車用尿素溶液 (unaudited) (未經審核) RMB'000 人民幣千元	Medical Intermediate 醫藥中間體 (unaudited) (未經審核) RMB'000 人民幣千元	Others 其他 (unaudited) (未經審核) RMB'000 人民幣千元	Total 總計 (unaudited) (未經審核) RMB'000 人民幣千元
REVENUE	**收入**										
Sales to external customers	銷售給外部客戶	2,074,145	1,981,427	733,016	535,472	335,303	618,177	236,026	267,479	792,002	7,573,047
Total revenue	總收入	2,074,145	1,981,427	733,016	535,472	335,303	618,177	236,026	267,479	792,002	7,573,047
Segment profit	分部溢利	734,642	296,880	144,084	332,747	44,997	143,526	84,419	61,545	275,120	2,117,960
Interest income	利息收入										9,671
Unallocated expenses	未分配開支										(765,346)
Finance costs	財務成本										(281,902)
Profit before tax	除稅前溢利										1,080,383
Income tax expense	所得稅開支										(190,952)
Profit for the period	期內溢利										889,431

4. REVENUE AND OTHER INCOME/(EXPENSES), NET

Revenue, which is also the Group's turnover, represents the net invoiced value of goods sold, after deduction of relevant taxes and allowances for returns and trade discounts.

An analysis of the Group's revenue, other income and other expenses is as follows:

		Six months ended 30 June 截至六月三十日止六個月	
		2022 **二零二二年** (Unaudited) **(未經審核)** RMB'000 **人民幣千元**	2021 二零二一年 (Unaudited) (未經審核) RMB'000 人民幣千元
Revenue	**收入**		
Sale of goods	銷售貨品	12,213,886	

5. FINANCE COSTS

5. 財務成本

		Six months ended 30 June 截至六月三十日止六個月	
		2022 二零二二年 (Unaudited) (未經審核) RMB'000 人民幣千元	2021 二零二一年 (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	334,817	281,902

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	
		2022 二零二二年 (Unaudited) (未經審核) RMB'000 人民幣千元	2021 二零二一年 (Unaudited) (未經審核) RMB'000 人民幣千元
Cost of inventories sold	銷售存貨成本	9,153,788	5,455,087
Depreciation of property, plant and equipment	物業、廠房及設備折舊	676,722	457,440
Depreciation of right-of-use assets	使用權資產折舊	3,630	18,743
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	912,746	484,708
Contributions to defined contribution plans	定期供款計劃的已供款部分	89,163	70,811
Benefits in kind	實物利益	41,628	37,904
		1,043,537	593,423

8. DIVIDEND (CONTINUED)

Considering factors including domestic and overseas economies, industry policies and the Company's future development plans, profit targets, investment and cash flow, capital requirements, the Group's annual dividend policy for 2022 to 2024 is updated, of which the details will be distributed with reference to the index range of audited debt-to-asset ratio (i.e. the total liabilities divided by total assets) for the year.

1. When the debt-to-asset ratio is less than or equal to 60%, the distribution ratio of net profit attributable to the parent for the year is greater than or equal to 25%;
2. When the debt-to-asset ratio ranges between 60%-70%, the distribution ratio of net profit attributable to the parent for the year ranges between 20%-25%;
3. When the debt-to-asset ratio is greater than or equal to 70%, the distribution ratio of net profit attributable to the parent for the year ranges between 15%-20% (including 20%);
4. If the net profit realised by the Group for the year is negative, no profit distribution will be made.
5. In the event of force majeure such as war or natural disaster, or changes in the external operating environment that have a significant impact on the production and operation of the Company, the Company may adjust its profit distribution policy.

In addition, the Group can also make profit distribution based on the actual distribution situation for the Year and on the basis of the above distribution proposal, in combination with other means of allotment.

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

Earnings per share is calculated by dividing the Group's profit for the period attributable to ordinary equity holders of the Company by the weighted average number of 1,228,121,000 (six months ended 30 June 2021: 1,171,621,000) ordinary shares (inclusive of mandatorily convertible instruments issued) outstanding during the period.

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

During the period, payments for purchases of items of property, plant and equipment, land use rights and coal mining rights and proceeds from

11. PREPAYMENTS

11. 預付款項

		30 June 2022 二零二二年六月三十日 (Unaudited) (未經審核) RMB'000 人民幣千元	31 December 2021 二零二一年十二月三十一日 (Audited) (經審核) RMB'000 人民幣千元
NON-CURRENT	**非即期**		
Prepayments:	預付款項：		
Prepayments for purchases of property, plant and equipment	購買物業、廠房及設備的預付款項	67,458	81,892
CURRENT	**即期**		
Prepayments:	預付款項：		
Advanced deposits to suppliers	預付供應商的按金	1,286,154	1,000,236
Other prepayments	其他預付款項	–	27,501
		1,286,154	1,027,737

12. EQUITY INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

12. 按公平值計入損益的股權投資

		30 June 2022 二零二二年六月三十日 (Unaudited) (未經審核) RMB'000 人民幣千元	31 December 2021 二零二一年十二月三十一日 (Audited) (經審核) RMB'000 人民幣千元
NON-CURRENT	**非即期**		
Unquoted equity investment at fair value:	非上市股權投資，按公允價值：		
PRC	中國	13,708	6,708
CURRENT	**即期**		
Listed equity investments, at fair value:	上市股權投資，按公允價值：		
Singapore	新加坡	2,549	2,127
Hong Kong	香港	11,044	10,949
		13,593	13,076

The above investment in equity securities have no fixed maturity or coupon rate.

以上於權益證券的投資無固定到期日或孳息率。

14. TRADE AND BILLS RECEIVABLES (CONTINUED)

An aged analysis of the trade receivables as at the end of the reporting period, based on the invoice due date and net of provisions, is as follows:

14. 貿易應收款項及應收票據(續)

貿易應收款項於申報期末的賬齡分析(根據發票到期日及已扣除撥備)如下：

		30 June 2022 **二零二二年六月三十日** (Unaudited) **(未經審核)** RMB'000 **人民幣千元**	31 December 2021 二零二一年十二月三十一日 (Audited) (經審核) RMB'000 人民幣千元
Within 1 month	1個月以內	332,224	155,707
1 to 3 months	1至3個月	321,629	106,227
3 to 6 months	3至6個月	53,895	39,066
6 to 12 months	6至12個月	62,130	40,551
Over 12 months	12個月以上	–	–
		769,878	341,551

15. CASH AND CASH EQUIVALENTS AND PLEDGED TIME DEPOSITS

15. 現金及現金等價物以及已抵押定期存款

		30 June 2022 **二零二二年六月三十日** (Unaudited) **(未經審核)** RMB'000 **人民幣千元**	31 December 2021 二零二一年十二月三十一日 (Audited) (經審核) RMB'000 人民幣千元
Fixed deposits	定期存款	1,720,954	743,845
Less: Pledged time deposits	減：已抵押定期存款	(1,720,954)	(743,845)
Cash at bank balances	銀行存款結餘	1,718,941	893,116
Cash and cash equivalents	現金及現金等價物	1,718,941	893,116

As at 30 June 2022, the cash and bank balances of the Group denominated in RMB amounted to RMB1,718,941,000 (31 December 2021: RMB893,116,000). The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

於二零二二年六月三十日，以人民幣計值的本集團現金及銀行結餘達人民幣1,718,941,000元(二零二一年十二月三十一日：人民幣893,116,000元)。人民幣並不可

15. CASH AND CASH EQUIVALENTS AND PLEDGED TIME DEPOSITS (CONTINUED)

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term time deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short-term time deposit rates. The bank balances and pledged deposits are deposited with creditworthy banks with no recent history of default.

15. 現金及現金等價物以及已抵押定期存款(續)

銀行存款按日常銀行存款利率的浮動利率賺取利息。短期定期存款介乎一日至三個月之間的可變期間，視乎本集團即時的現金需求而定，並按各自的短期定期存款利率賺取利息。銀行結餘及已抵押存款乃存放於信譽可靠兼無近期拖欠記錄的銀行。

16. TRADE PAYABLES

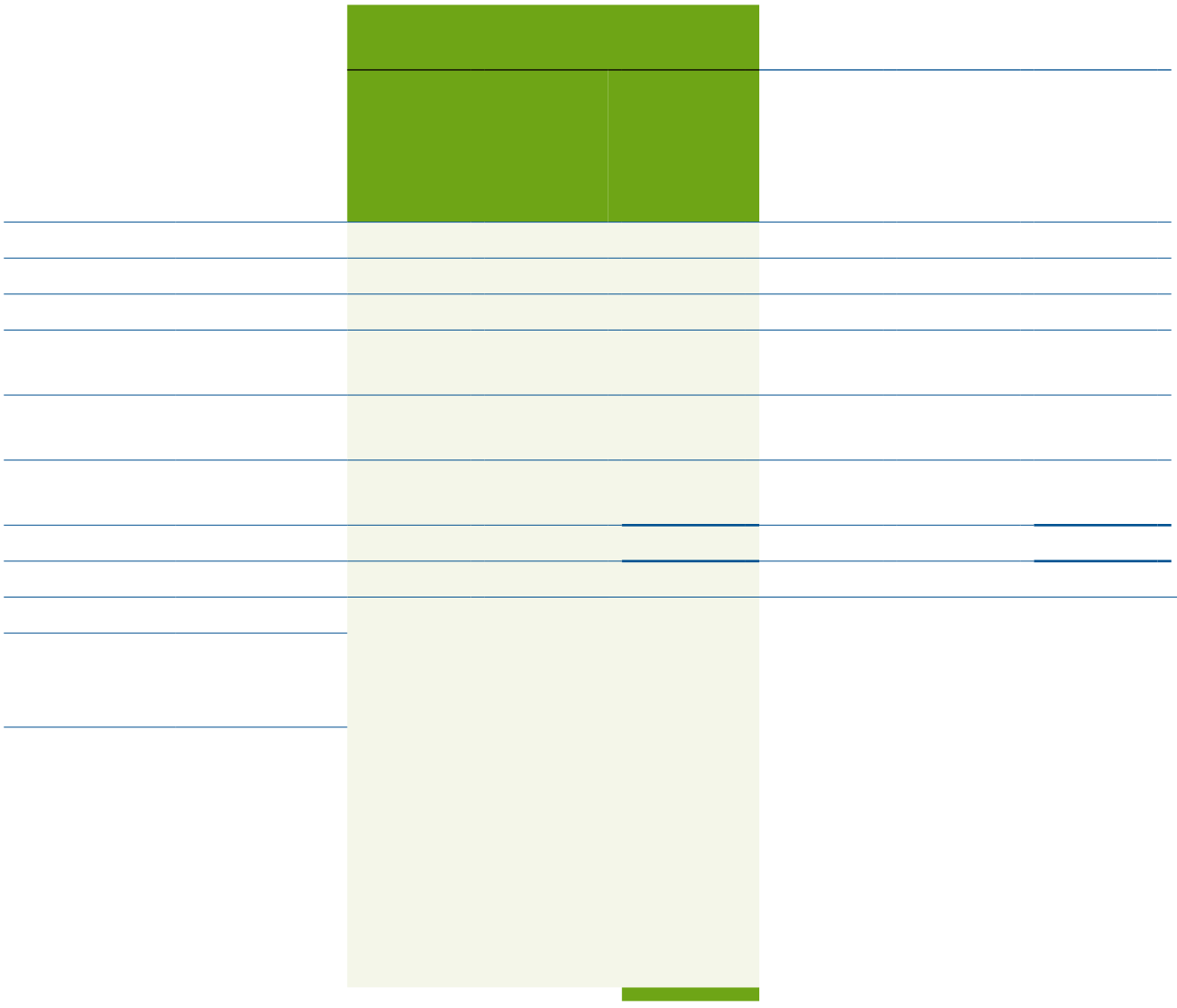
An aged analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

16. 貿易應付款項

		30 June 2022 **二零二二年六月三十日** (Unaudited) **(未經審核)** RMB'000 **人民幣千元**	31 December 2021 二零二一年十二月三十一日 (Audited) (經審核) RMB'000 人民幣千元
Within 1 month	1個月以內	219,510	498,667
1 to 3 months	1至3個月	527,563	179,668
3 to 6 months	3至6個月	34,810	48,715
6 to 12 months	6至12個月	23,850	19,789
Over 12 months	12個月以上	35,930	27,584
		841,664	774,423

The trade payables are non-interest-bearing and are normally settled on terms of 30 to 90 days. Trade payables are denominated in RMB.

17. INTEREST-BEARING BANK AND OTHER BORROWINGS



17. INTEREST-BEARING BANK AND OTHER BORROWINGS (CONTINUED)

	30 June 2022 **二零二二年** **六月三十日** (Unaudited) **(未經審核)** RMB'000 **人民幣千元**	31 December 2021 二零二一年 十二月三十一日 (Audited) (經審核) RMB'000 人民幣千元

19. CONTINGENT LIABILITIES

As at the end of the reporting period, the Group did not have any significant contingent liabilities.

19. 或然負債

於申報期末，本集團並無任何重大或然負債。

20. COMMITMENTS

20. 承擔

		30 June 2022 **二零二二年六月三十日** (Unaudited) **(未經審核)** RMB'000 **人民幣千元**	31 December 2021 二零二一年十二月三十一日 (Audited) (經審核) RMB'000 人民幣千元
Capital commitments	資本承擔		
Contracted, but not provided for:	已訂約但未撥備：		
Buildings	樓宇	425,580	351,694
Plant and machinery	廠房及機器	1,267,652	1,085,455
Coal mines	煤礦	40,646	165,610
		1,733,878	1,602,759
Other commitments	其他承擔		
Purchases of raw materials	購買原材料	1,994,373	550,618

21. RELATED PARTY TRANSACTIONS

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

		Six months ended 30 June 截至六月三十日止六個月	
		2022 **二零二二年** (Unaudited) **(未經審核)** RMB'000 **人民幣千元**	2021 二零二一年 (Unaudited) (未經審核) RMB'000 人民幣千元
Operating lease and other sales income from:	來自以下公司經營租賃及其他銷售收入：		
– Xinxiang Xinlianxin Chemical Equipment Co., Ltd.#	– 新鄉市心連心化工設備有限公司#	105	326
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#	–	P

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Design and Production: **i.Link Group Limited**