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Press Release
(For immediate release)

China XLX's Revenue for 9M 2022 Increased by 49% YoY Commissioning of various production bases in different regions drives the Group's high-quality production development

Highlights of 2022 First Three Quarters Results:

- Revenue increased by 49% YoY to approximately RMB17,516 million.
- Net profit increased by 14% YoY to approximately RMB1,584 million.
- Total comprehensive income attributable to owners of the parent increased by 12% YoY to approximately RMB1,141 million.

Note: The gross profit margins of the Company's products for 2021 stated in the latest financial statements differ from those stated in the previous statements mainly because the Company has adopted New Accounting Standards for Revenue. After taking into account the opinions of the auditor to adjust "one-invoice settlement system", part of the operating cost was reclassified as cost of goods sold.

(21 November 2022, Hong Kong) **China XLX Fertiliser Ltd.** ("China XLX" or the "Company", together with its subsidiaries collectively known as the "Group") (HKSE: 01866.HK) is pleased to announce that the Group's unaudited consolidated revenue for the nine months ended 30 September 2022 (the "Period") amounted to RMB17,516 million, representing an increase of 49% YoY. Net profit increased by 14% YoY to approximately RMB1,584 million. Total comprehensive income attributable to owners of the parent increased by 12% YoY to approximately RMB1,141 million.

During the Period, affected by the continuing impact of geopolitics, environmental protection policies and the pandemic, the prices of fertilisers and coal-based chemical products spiraled upwards on rising global food prices. As the renovation and upgrading project of the Group's second and third plants in Xinxiang and the renovation and extension project of the Tianxin Coal Mine in Xinjiang Production Base were completed, they gradually resumed operation with enhanced production capacity. The transformation and upgrading of the Group's industrial chain thus accelerated, driving the diversification of coal-based chemical products and enhancing their market competitiveness.

During the Period, revenue from urea sales increased by 50% YoY to approximately RMB5,121 million, mainly due to the increase in the average selling price and sales volume of urea products by approximately 21% and 25% YoY, respectively. The commissioning of the green manufacturing project at the Group's Xinxiang Production Base and the release of high-quality production capacity resulted in an increase of urea sales volume to approximately 2,021,000 tonnes driven by flexible production. Revenue from the sales of automotive urea solution increased by 16% YoY to approximately RMB417 million, mainly due to the increase in average selling price and sales volume of automotive urea solution by approximately 8% and 7% YoY respectively. Revenue from the sales of compound fertilisers increased by 70% YoY to approximately RMB4,790 million, mainly due to the increase in the average selling price and sales volume of compound fertilisers by approximately 38%



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and 23% YoY respectively. Owing to continued release of compound fertiliser production capacity, accelerated expansion of marketing network and increased channel coverage, the sales volume of compound fertilisers increased to 1,519,000 tonnes.

Revenue from the sales of methanol increased by 42% YoY to approximately RMB1,736 million, mainly due to the increase in average selling price and sales volume of methanol by 12% and 26% YoY respectively. Revenue from the sales of dimethyl ether increased by 7% YoY to approximately RMB1,056 million, mainly due to a 14% YoY increase in the average selling price.

Affected by different factors such as export restrictions on Russia and recurrent epidemics, the revenues from melamine, furfuryl alcohol and medical intermediate products decreased from a year ago. Revenue from the sales of melamine decreased by 0.2% to approximately RMB805 million. Revenue from the sales of furfuryl alcohol decreased by 5.6% YoY to approximately RMB520 million. Revenue from the sales of medical intermediate products decreased by 14% YoY to approximately RMB321 million.

Looking ahead, **Mr. Liu Xingxu, Chairman of China XLX**, commented, “Given escalating international geopolitical tensions, the gradual pickup of domestic demand for coal storage in winter, and the increasingly stringent national gas restriction policies, a tight balance between energy supply and demand is expected to continue both domestically and overseas, and coal prices will remain high. Underpinned by raw material costs, the fertiliser prices will edge up steadily. Meanwhile, food security issue was stressed in the 20th National Congress of the CPC, and the government vowed to maintain adequate farmland. Demand for highly efficient and environmentally friendly fertilisers is expected to grow, which will help accelerate the transformation and upgrading of China’s fertiliser industry.”

Mr. Liu Xingxu said, “China XLX always insists on technological innovation and product upgrades. We will continuously strengthen R&D and promotion of high-efficiency fertilisers, thereby further sharpening our core competency through product differentiation. Meanwhile, with the commissioning of various production bases, the Group will leverage advanced production technology to consolidate core fertiliser operation. As our production capacity is further enhanced, the Group’s market competitiveness will be enhanced at a faster pace, thus reinforcing our leadership in the industry. As for the development of projects, the Gansu Jinchang compound fertilizer project in Xinjiang Production Base is progressing smoothly. It was completed and commenced operation. In addition, the green manufacturing urea project with an annual production capacity of 700,000 tonnes in Xinxiang Production Base is also progressing as planned. It will be completed and put into operation in the first half of next year, which will drive the high-quality production development of the Group.”

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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, is principally engaged in developing, manufacturing, and selling of urea, compound fertilisers, methanol, dimethyl ether, melamine, furfuryl alcohol, furfural, 2-methylfuran, gas, pharmaceutical intermediates and related differentiated products. The Company’s shares are traded on the main



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board of the Stock Exchange of Hong Kong Limited (stock code: 01866.HK).

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