

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**心连心**

**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)**

**VOLUNTARY ANNOUNCEMENT**

**SUCCESSFUL COMMISSIONING OF PHASE I 100,000 TONS DMF PROJECT**

The board of directors (the “**Board**”) of China XLX Fertiliser Ltd. (the “**Company**”) is pleased to announce that, on 30 August 2022, the Phase I DMF Project with annual output of 100,000 tons of the Company’s subsidiary, Jiangxi Xinlianxin Chemical Industry Co., Ltd., (the “**Jiangxi Base**”) was put into operation successfully. At the same time, the annual output of by-products could be 20,000 tons of DMAC, 10,000 tons of NMF, and 10,000 tons of AMF. A total of three DMF projects are planned for the Jiangxi Base, among which Phase I, Phase II and Phase III are with the annual outputs of 100,000 tons of DMF, and Phase II and Phase III are under preparation.

DMF (N,N – Dimethylformamide) is manufactured with raw materials of methanol, liquid ammonia and carbon monoxide through chemical manufacturing process. The product is mainly used as a solvent to produce PU (poly urethane) paste; It can also be used in the pharmaceutical intermediates, electronic copper clad laminates, food additives and other fields.

The Jiangxi Base’s DMF project has the advantages in respect of parks, raw materials, technology, costs, and services, which are in line with the Company’s planning direction and are conducive to the industrial chain of the Jiangxi Base in giving full play to its advantages. The project is based upon the methanol, liquid ammonia, CO and a large amount of steam produced by the Jiangxi Base Chemical Park. On the basis of effectively reducing the production cost of the synthetic ammonia system and ensuring that the product quality reaches the industry-leading level, the project will further extend the Company’s industrial chain and enhance the added value of the products. At the same time, the Jiangxi Base enjoys an obvious geographical advantage, where it is located near the core shopping area.

Based on the Company's development strategy of "Fertilizer as the foundation, fertilizer and chemical side by side" and the planning and positioning of a "Modernized chemical demonstration park along the river" of the Jiangxi Base, the successful commissioning of Phase I 100,000 tons DMF project further brings the advantages of "multi-tail" flexible co-production in chemical industry park and the location advantage of Jiangxi Base into full play, seizes the opportunities arising from industry development and adjustment, uses methanol and liquid ammonia to plan and extend its development of downstream DMF and related products, satisfies the consumption demands on organic solvents from the downstream leather and fine chemicals industry in Jiangsu and Zhejiang regions, and enriches the Company's product structure, thus further increasing the Company's continuous profitability. Also, it is of great importance to the Company in achieving transformation and upgrading of traditional coal chemical industry as well as effectively responding to the market competition in the industry.

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

Hong Kong, 31 August 2022

*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 independent non-executive directors of the Company are Mr. Ong Kian Guan, Mr. Li Shengxiao, Mr. Ong Wei Jin and Mr. Li Hongxing.*

*\* For identification purpose only*