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

我們所有的成績與突破，都歸功於誠信為本、

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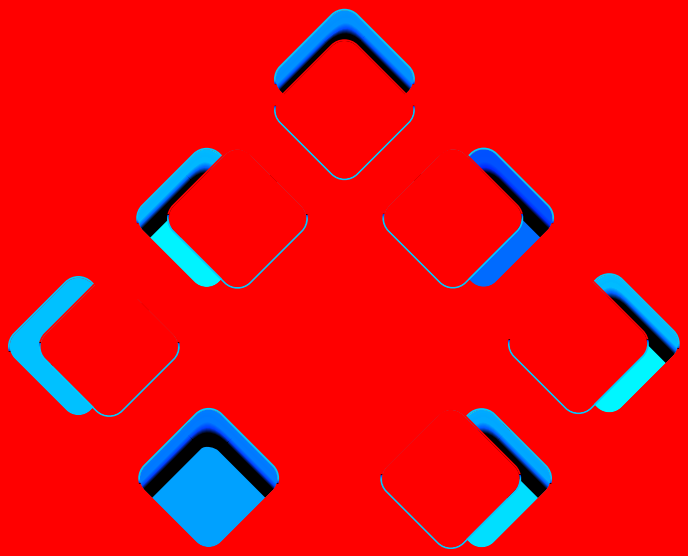
Company rofile
公司概況

- Chinese high-efficiency fertilizer advocator
- State-level green factory
- Awarded "**Standard Enterprise for Synthetic Ammonia Efficiency Leaders**" by the China Petroleum and Chemical Industry Federation for nine consecutive years
- New/High Tech Enterprise in the PRC (enjoying preferential income tax rate of 15%)
- First



China XLX was incorporated with limited liability on 17 July 2006 in Singapore under the Companies Act, with the Group's registered office at 80 Robinson Road, #02-00, Singapore 068898. The Group's headquarters and principal place of business is located in Xinxiang Economic Development Zone, Henan Province, Taxihe Industrial Park, Baojiadian Town, Manas County, Changji Prefecture, Xinjiang Province, and Jishan Industrial Zone, Jiujiang City, Jiangxi Province in the People's Republic of China (the "**PRC**"). 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. At present, the Group owns 4 urea production lines and 18 compound fertiliser production lines, the production capacities of each product are at the top of the list in the industry. China XLX has been listed on the Main Board of the SEHK since 8 December 2009 with stock code "**1866**".

中國心連心是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之有限公司，本集團的註冊辦事處位於80 Robinson Road, #02-00, Singapore 068898。本集團總部和主要營業地點位於中華人民共和國(「**中國**

CHIEF EXECUTIVE OFFICER

MA Tongsheng

CHIEF FINANCIAL OFFICER

WONG Wing Wang Paul

AUTHORISED REPRESENTATIVES UNDER LISTING RULES

YAN Yunhua
LEUNG Kwan Wai

JOINT COMPANY SECRETARIES

LEUNG Kwan Wai
CHEOK Hui Yee

AUDITOR

Ernst & Young LLP
One Raffles Quay
North Tower, Level 18
Singapore, 048583
Partner-in-charge: LEE Lai Hiang

LEGAL ADVISORS

Herbert Smith Freehills (Hong Kong)
Hiways Law Firm (China)
Shook Lin & Bok LLP (Singapore)

PRINCIPAL BANKERS

The Export-Import Bank of China
China Construction Bank
Bank of China
Industrial & Commercial Bank of China
Bank of Communications
China Minsheng Bank
HSBC

REGISTERED OFFICE

Corporate Information
公司資料

HEADQUARTERS AND RINCI AL LACE OF BUSINESS IN RC

Xinxiang Economic Development Zone
Henan Province
PRC 453731

STOCK CODE

Hong Kong Stock Code: 1866

COR ORATE WEBSITE

www.chinaxlx.com.hk

總辦事處暨中國主要營業地點

中國河南省
新鄉經濟開發區
郵編：453731

股票代碼

香港股份代號：1866

公司網址

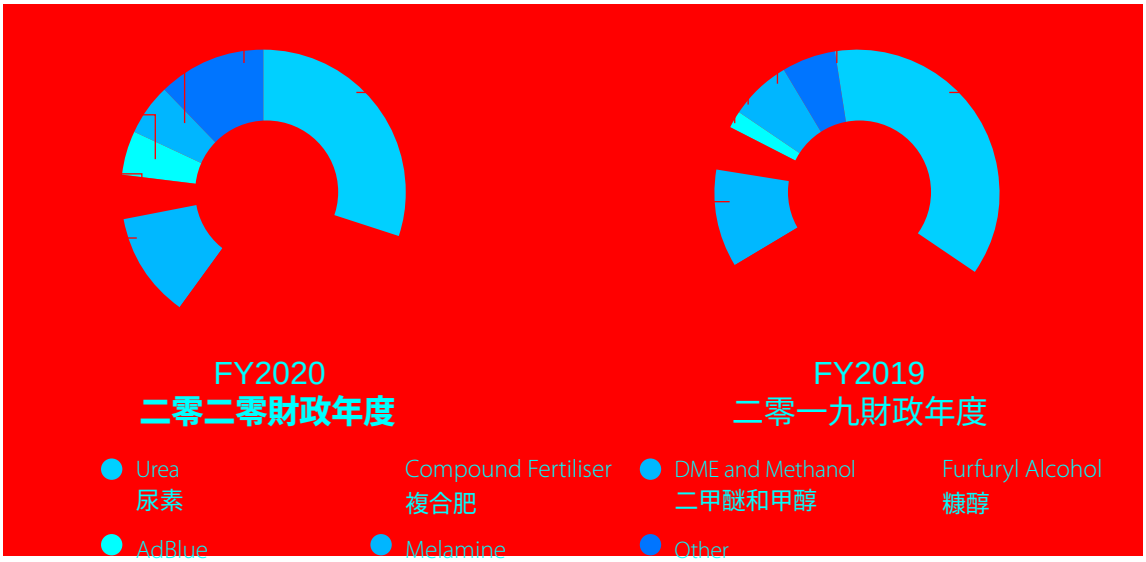
www.chinaxlx.com.hk

Financial Highlights
財務概要

RESULTS ERFORMANCE 業績表現

(RMB million)	（人民幣百萬元）	2019 二零一九年度	2020 二零二零年度	Change (%) 同比變幅 (%)
Revenue	收入	8,928	10,445	17
Cost of sales	銷售成本	(6,987)	8,230	17.8
Gross profit	毛利	1,941	2,215	14
Profit before tax	除稅前盈利	526	631	20
Income tax expense	所得稅開支	(112)	107	4
Net profit	純利	414	524	27
Basic and diluted earnings per share (RMB cents)	每股基本及攤薄盈利（人民幣分）	27.01	29.67	10
Dividend per share (RMB cents)	每股派息（人民幣分）	8	10	25

分類產品收入



Major Events in 2020
二零二零年度大事記

1

2

3

1月 JANUARY

China XLX donated money and supplies to help prevent and control the pandemic

心連心捐款捐物助力疫情防控 1

4月 APRIL

China XLX's first melamine container train headed to Moscow

心連心三聚氰胺集裝箱班列首發莫斯科

5月 MAY

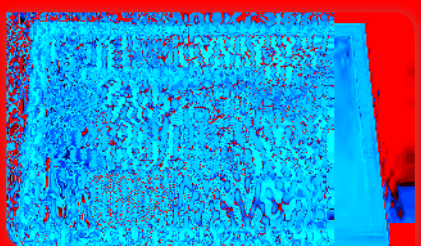
Qingli Energy's dimethyl furan project (Phase I) (production capacity of 3,000 tons/year) was put into operation

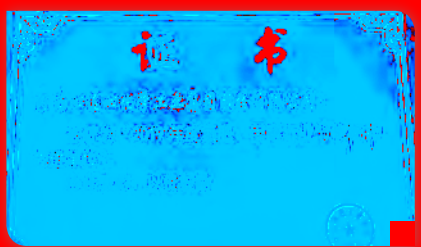
氫力能源 2- 甲基呋喃項目一期（產能 3000 噸／年）建成投產 5

6月 JUNE

China XLX was honored as "Xinxiang Five-star Industrial Enterprise in 2019"

河南心連心榮膺「新鄉市 2019





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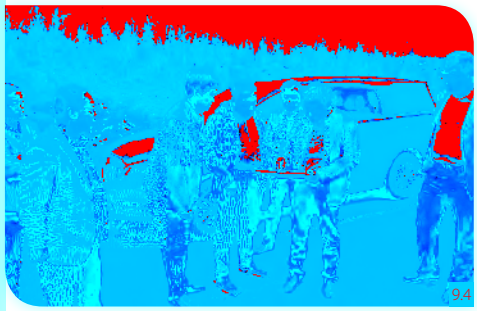

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Chairman's Statement
主席報告

In 2020, the Group continued to promote transformation and development, and according to the strategic guiding idea of "low-cost and differentiation" as base, the Group eliminated obsolete production capacity and achieved technology upgrading. With Jiujiang Project being put into operation, forming a strategic layout of "strong presence across the nation with our three major production bases", the Group's scale, strengths and influence in the industry have therefore further enhanced.

The Group continued to optimize its capital structure and received strategic investment of approximately RMB200 million from Central SOEs Industrial Investment Fund for Poverty Alleviation Co., Ltd.,

二零二零年，本集團繼續推進轉型發展，按照「低成本差異化」的戰略指導思想，淘汰落後產能，實現技術升級。九江大項目建成投產，形成「三大基地輻射全國」的戰略佈局，進一步提升本集團的規模、實力和行業話語權。

本集團繼續優化資本結構，獲中央企業貧困地區產業投資基金股份有限公司戰略性投資約人民幣2億元，進一步優化公司財務結構，支撐公司快速發展。同時本集團在精細化工領域實現了糠醛、糠醇、生物質發電及醫藥中間體的一體化循環經濟發展模式，成為公司新的業績增長點。

Dear Shareholders,

RESULT HIGHLIGHTS

- Realized revenue of approximately RMB10,445 million, an increase of 17% year-on-year.
- Net profit of the Group was approximately RMB524 million, representing an increase of 27% year-on-year.
- Overall gross profit margin decreased by 1 percentage point year-on-year to approximately 21%, mainly due to the falling prices of chemical products such as methanol, melamine and DME.
- The Board of Directors recommended a final dividend of RMB10 cents per share and a total dividend of RMB10 cents per share for the year.

Chairman's Statement
主席報告

BUSINESS REVIEW

The Group adhered to the strategic guiding idea of "fertiliser as base, fertiliser and chemical side by side", implemented the management transformation of "customer-centric", and promoted group management and control under the idea of "centralized group management on overall operation". Moreover, the Group promoted safe and independent management, consolidated the foundation for steady development, achieved upgrading of new coal gasification technology and cost advantages, strengthened the chemical fertiliser industry, and extended to the downstream of high value-added fine chemical products. Thus, the industry chain advantages were further enhanced, the product structure was enriched, and the Group's profitability and the ability to withstand risks have been significantly increased.

CORPORATE GOVERNANCE

With its mission to serve the best interests of the Shareholders, the Board has consistently strived to enhance the standard of corporate governance and to develop a standardised, highly effective and scientific corporate governance mechanism. The Group held 6 Board meetings in the year 2020 to review and approve matters including the quarterly results, interim report, annual report, dividend payout ratio, connected

ROSPECTS

Increasing investments will continue to be put in safety and environmental protection and industry transformation and upgrading will accelerate,

Chairman's Statement
主席報告

A RECIATION

Looking back, we have achieved outstanding results; looking to the future, we shoulder a heavy responsibility and are ready to sail with a fair tide and wind. We always adhere to our original intentions of utilizing the least resources to create the greatest value for society. We not only welcome challenges but also seize opportunities, and we take the transformation and upgrading of the industry as a valuable chance to enhance our capabilities and to build our own core competitiveness, with an aim to become the practitioner and leader of industry transformation and development.

Lastly, on behalf of the Board, I would like to take this opportunity to extend my heartfelt gratitude to all Shareholders, the Company's management team, all the staff, customers and friends who have been caring for and supporting us. In 2021, the Group's management and staff will continue working cohesively and work together under the leadership of the Board to endeavour to achieve better performance and investment returns for the Shareholders, and the future of XLX will be more brilliant!

LIU Xingxu
Chairman of the Board
19 March 2021

致謝

潮平兩岸闊，風正一帆懸。回顧過去，成績斐然；展望未來，任重道遠。我們始終堅持用最少的資源為社會創造最大價值的

(I) BUSINESS REVIEW

COAL AND ELECTRICITY CONSUMPTION

Fixed bed technology coal consumption (tons)	固定床技術煤消耗（噸）	2020 二零二零年 Urea per ton 每噸尿素	2019 二零一九年 Urea per ton 每噸尿素
Raw coal	原料煤	0.603	0.605
Fuel coal	燃料煤	0.175	0.156
Total coal consumption	總煤耗量	0.778	0.761

Coal water slurry technology coal consumption (tons)	水煤漿技術煤消耗（噸）	2020 二零二零年 Urea per ton 每噸尿素	2019 二零一九年 Urea per ton 每噸尿素
Raw coal	原料煤	0.768	0.774
Fuel coal	燃料煤	0.174	0.180
Total coal consumption	總煤耗量	0.942	0.954

Electricity consumption (KWh)	電耗量（千瓦時）	2020 二零二零年 KWh per ton 每噸千瓦時	2019 二零一九年 KWh per s3038 -381ton0 3C

REVENUE

Revenue increased by RMB1,517 million or approximately 17% from RMB8,928 million in the financial year ended 31 December 2019 ("FY2019") to RMB10,445 million in the financial year ended 31 December 2020 ("FY2020"). The increase of revenue was mainly due to increased sales in compound fertiliser, urea solution for vehicle, methanol, furfuryl alcohol and medical intermediate, while such increases were partially offset by the decrease in sales in urea, dimethyl ether (DME) and melamine.

UREA

Finished urea

The Group adheres to the idea of market-oriented, adjusted its product structure to strengthen product flexibility adjustment and converted part of the production capacity of finished urea products capacity into urea solution for vehicle, which has a larger market. Affected by the adjustment of our products structure and the impact of market environment, revenue derived from the sales of urea decreased by RMB233 million or approximately 7% year on year ("YoY") to approximately RMB3,080 million in FY2020 from RMB3,313 million in FY2019, and the average selling price of urea decreased by approximately 9% due to the impact of market environment. The decrease was partially offset by the increase of urea sales volume by approximately 2% YoY to approximately 1,947,000 tons.

UREA SOLUTION FOR VEHICLE

Revenue derived from the sales of urea solution for vehicle increased by RMB403 million or approximately 236% YoY to approximately RMB574 million in FY2020 from RMB171 million in FY2019.

收入

收入由截至二零一九年十二月三十一日止年度(「二零一九財政年度」)的人民幣8,928,000,000元增加約人民幣1,517,000,000元或約17%至截至二零二零年十二月三十一日止年度(「二零二零財政年度」)的約人民幣10,445,000,000元。收入增加主要是由於複合肥、車用尿素溶液、甲醇、糠醇及醫藥中間體的銷售額增加所致，而該升幅部分被尿素、二甲醚(DME)及三聚氰胺銷售額下降所抵銷。

尿素

成品尿素

本集團堅持以市場為導向，調整產品結構，加強產品柔性調節，將部分成品尿素產能轉化為市場空間大的車用尿素溶液。由於受到產品結構調整及市場影響，使得尿素的銷售收入由二零一九財政年度的約人民幣3,313,000,000元同比減少約人民幣233,000,000元或約7%至二零二零財政年度的約人民幣3,080,000,000元，主要由於市場環境影響，尿素平均售價下降約9%。跌幅部分被尿素銷量同比增加約2%至約1,947,000噸所抵銷。

車用尿素溶液

車用尿素溶液的銷售收入由二零一九財政年度的人民幣171,000,000元同比增加人民幣403,000,000元或約236%至二零二零財政年度的約人民幣574,000,000元。

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The sales volume of urea solution for vehicle was approximately 415,000 tons, representing an increase of approximately 230% YoY. This is mainly due to the country's increasing emphasis on environmental protection. In May 2020, the Announcement on Relevant Requirements for Adjustments to the Implementation of the China VI Emission Standard for Light-duty Vehicles was issued, which raised the emission standard for motor vehicles and required strict control limits. Leveraging on this favorable national policy, the Group expanded its marketing network and developed distribution channels, which resulted in a significant increase in sales of urea solution for vehicle.

車用尿素溶液的銷量約415,000噸，同比增加約230%。主要康濾燔炉竈韙韙椓袈蓼麆

COMPO▮ND FERTILISER

Revenue derived from the sales of compound fertilisers increased by RMB306 million or approximately 11% YoY to approximately RMB3,158 million in FY2020 from RMB2,852 million in FY2019, due mainly to the increase in sales volume by approximately 17% due to expansion of sales network. The sales volume of compound fertilisers increased to 1,610,000 tons for FY2020. The increase in sales volume was partially offset by a decrease in average selling price of compound fertilisers of approximately 6%.

METHANOL

Revenue derived from the sales of methanol increased by RMB440 million or approximately 595% YoY to approximately RMB514 million in FY2020 from RMB74 million in FY2019. The increase in sales of methanol mainly derived from the new capacity from Xinjiang Production Base after upgrade and transformation of the production system, and newly-developed methanol trading business.

DIMETHYL ETHER (DME)

Revenue derived from the sales of DME decreased by approximately RMB170 million or approximately 19% from approximately RMB918 million in FY2019 to RMB748 million in FY2020. The decrease was mainly due to the continued weak international energy prices, causing the average selling price and sales volume of DME to drop by 15% and 4% YoY respectively, which in turn affected the sales revenue of DME.

MELAMINE

Revenue derived from the sales of melamine decreased by approximately RMB36 million or 5% from approximately RMB657 million in FY2019 to RMB621 million in FY2020. The decrease was due mainly to a drop in the average selling price of melamine by 11% YoY which was largely the result of the weakened demand in domestic chemical products and the negative impact from the outbreak of COVID-19. The decrease of the average selling price of melamine was partially offset by the increase in sales volume by 6% YoY. Due to the impact of the epidemic, consolidation in the melamine industry has accelerated, and also with cost advantage of Xinjiang base, the Group managed to further increase its market share.

F■RF■RYL ALCOHOL

Revenue derived from the sales of furfuryl alcohol increased by approximately RMB117 million or 29% from approximately RMB407 million in FY2019 to RMB524 million in FY2020. The increase was mainly due to the increase in sales volume of approximately 32% YoY to 55,900oY t t.
mainly due to the i(.19h16cr)11ease was)15()Tj 0.011 Tc6

MEDICAL INTERMEDIATE

Revenue derived from the sales of medical intermediate was approximately RMB232 million in the 2nd half of 2020.

PROFITABILITY

UREA

Gross profit margin of urea of the Group decreased to approximately 27.3% in FY2020 from approximately 28.1% in FY2019. The decrease was due to a combination of a 9% decrease in the average selling price and an 8% decrease in the sale cost due to the impact of the market environment.

UREA SOLUTION FOR VEHICLE

Gross profit margin of urea solution for vehicle increased from approximately 25.8% in FY2019 to 32.8% in FY2020. This was due mainly to a combination of an increase in the average selling price by 1% YoY and a reduction in the average production cost by 8% YoY. The increase in the average selling price was due to an increase in the demand as a result of stricter emission regulations, while the reduction in the average production cost was the result of market impact from the pandemic.

COMPOUND FERTILISER

Gross profit margin of compound fertilisers of the Group increased by 1.3% to approximately 17.1% in FY2020 from approximately 15.8% in FY2019. The increase was mainly due to the decrease in average cost of raw material, such as phosphate fertilizer and potash fertilizer, by approximately 4% and 12% respectively, and the increase in the sales of high-efficiency fertilisers which enjoyed a higher gross profit margin.

醫藥中間體

醫藥中間體於二零二零年下半年的銷售收入為約人民幣232,000,000元。

盈利能力

尿素

本集團的尿素毛利率由二零一九財政年度的約28.1%下跌至二零二零財政年度的約27.3%。該下跌乃由於市場環境影響導致平均售價下跌9%加上銷售成本減少8%所致。

車用尿素溶液

車用尿素溶液的毛利率由二零一九財政年度的約25.8%增加至二零二零財政年度的32.8%。該增加主要是由於平均售價同比上升1%以及平均生產成本同比下降8%所致。平均售價上升是由於更嚴格的排放規定導致需求增加，而平均生產成本的下降是由於疫情造成的市場影響所致。

複合肥

本集團的複合肥毛利率由二零一九財政年度的約15.8%上升1.3%至二零二零財政年度的約17.1%。該上升主要是由於磷肥、鉀肥等原材料的平均成本分別下降約4%及12%，以及高效肥（具有更高毛利率）的銷售額增加所致。

METHANOL

Gross profit margin of methanol of the Group increased to approximately 2.5% in FY2020 from approximately -0.1% in FY2019. Due to the weakened international energy prices, the average selling price and the average production cost (purchase price of coal) of methanol dropped by approximately 22% and 24% YoY respectively. After considering market factors, the Group reduced the production of methanol and profit margin has been therefore affected. Instead, the Group has developed profitable methanol trading business to reduce the negative impacts from the market downturn.

DIMETHYL ETHER (DME)

Gross profit margin of DME of the Group increased to approximately 5.8% in FY2020 from approximately 5.1% in FY2019. This was mainly due to the weakened international energy prices, the average selling price and the average production cost DME dropped by approximately 15% and 16% YoY respectively.

MELAMINE

Gross profit margin of melamine decreased from approximately 35.6% in FY2019 to 32.4% in FY2020. This was due mainly to a 11% YoY decrease in the average selling price resulting from the weakened demand in domestic chemical products. Under the context that the melamine producers in the PRC have generally recorded losses in FY2020, the Group leveraged on its technology and cost advantages and managed to maintain the group profit margin of melamine products above 30%.

FURFURYL ALCOHOL

Gross profit margin of furfuryl alcohol decreased from approximately 15.3% in FY2019 to 13.9% in FY2020. This was due mainly to decline

MEDICAL INTERMEDIATE

Gross profit margin of medical intermediate was approximately 17.0% in the 2nd half of 2020.

OTHER INCOME AND GAINS

Other income and gains increased by approximately RMB39 million from approximately RMB160 million in FY2019 to approximately RMB199 million in FY2020. The increase was mainly due to (1) loss on fair value change of financial instruments through profit and loss of RMB16 million in FY2019; (2) an increase of net profit from sales of by-products, water, electricity and steam by RMB15 million; (3) an exchange gain of RMB16 million; and (4) an increase in subsidy income by 13 million. The increase was partially offset by the one-time gain of RMB6 million from on disposal of right-of-use assets and RMB5 million gain on bargain purchases in FY2019.

SELLING AND DISTRIBUTION EXPENSES

Selling and distribution expenses increased by approximately RMB105 million from RMB516 million in FY2019 to RMB621 million in FY2020. Such increase was mainly due to the increased proportion of operations during the epidemic, and the adjustment of settlement methods of transportation expenses has also increased transportation costs by approximately RMB36 million. The addition of new sales staff resulting from our active expanding in export trade has also increased sales staff salaries by approximately RMB54 million.

醫藥中間體

醫藥中間體於二零二零年下半年的毛利率為約17.0%。

其他收入及收益

其他收入及收益由二零一九財政年度的約人民幣160,000,000元增加約人民幣39,000,000元至二零二零財政年度的約人民幣199,000,000元。該增加主要是由於(1)二零一九財政年度計入損益的金融工具的公允價值變動虧損人民幣16,000,000元；(2)銷售副產品、水電及蒸氣的純利增加人民幣15,000,000元；(3)匯兌收益為人民幣16,000,000元；及(4)補助金收入增加人民幣13,000,000元所致。該增加部分被於二零一九財政年度出售使用權資產所得一次性收益人民幣6,000,000元及議價購買收益人民幣5,000,000元所抵銷。

銷售及分銷開支

銷售及分銷開支由二零一九財政年度的約人民幣516,000,000元增加約人民幣105,000,000元至二零二零財政年度的約人民幣621,000,000元。該增加主要是由於在疫情期間，加大營運比例，運費結算方式的調整使運輸成本增加約人民幣36,000,000元，以及積極擴大出口貿易，新增銷售人員，使銷售額增加約人民幣54,000,000。

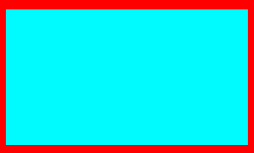
The increase in the Group's net profit in FY2020 was mainly due to:

(1) the YoY growth of the sales volume of compound fertilisers, methanol and furfur

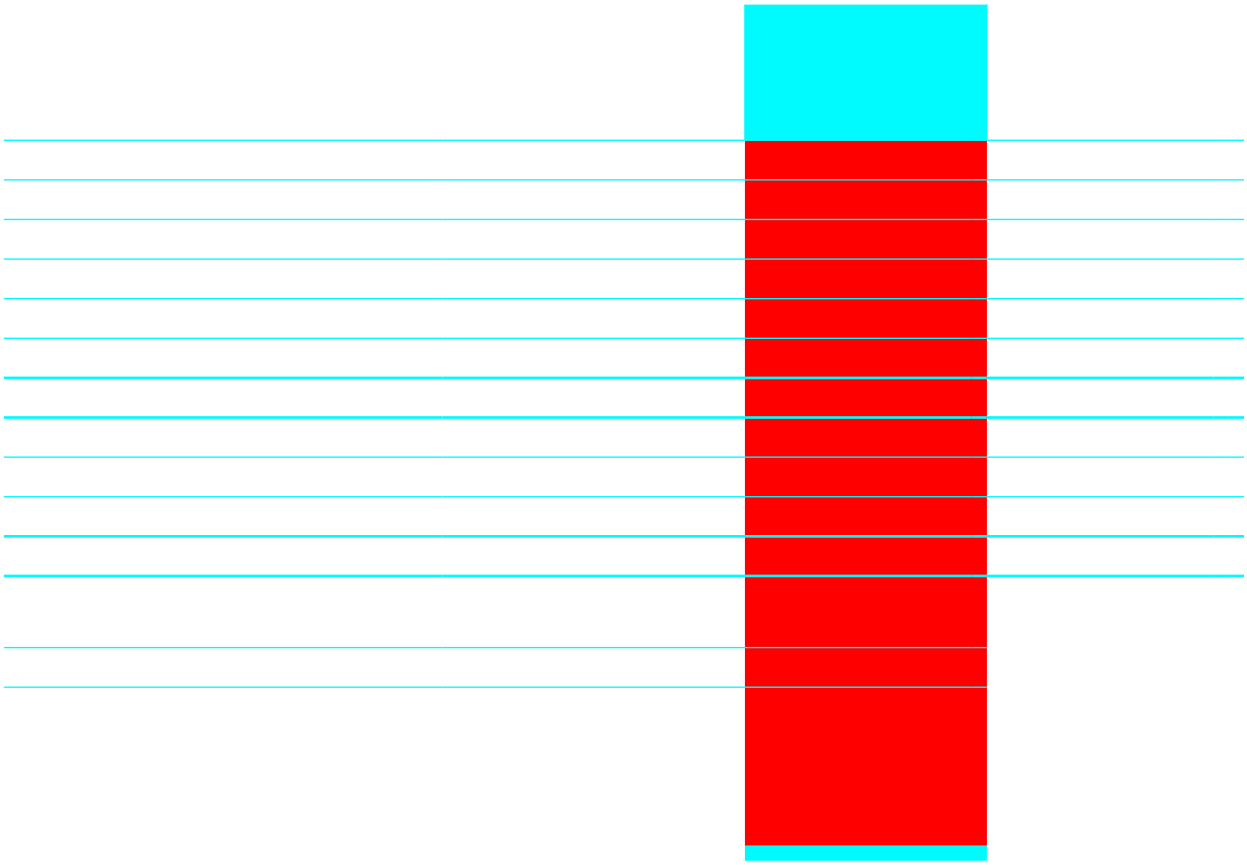
(II) FINANCIAL REVIEW

GEARING

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



LOANS



(III) R●S ECTS

Since the outbreak of the novel coronavirus in 2020, various countries have limited exports of food products, causing food prices to rise globally, and food prices also rose in tandem domestically. Concurrently, in terms of agriculture, collectivized development of land has been gathering pace in the PRC, this bode well for the Group's promotion in product differentiation, which further drives the prices and sales volume of the Group's fertiliser products.

Following further tightening of the environment protection policies in China, the prices of urea and other chemical products will continue to rise. Furthermore, increasing export quantities led to the increase in demand of fertilizers, overall urea products markets will see continued growth in the PRC.

In order to meet market demand, increase fertiliser's sales coverage and market share, the Group has steadfastly implemented low cost and product differentiation strategy, further expanding geographical coverage, forming Central, Northwest and Southeast three strategic production bases in the PRC. Third production base in Jiangxi Jiujiang has been successfully commissioned in February 2021. After the commissioning of the Jiujiang base, the Group will fully utilize its advantages in water transportation, technology and product quality, and strengthen the markets for fertiliser and chemical products in the southern regions of the Yangtze River, while actively expanding the export trade of urea solution for vehicle, and further raising the Group's status in the industry.

(IV) R● ●SED FINAL DIVIDEND

The Board recommended the payment of a final dividend of RMB10 cents per share for the year ended 31 December 2020 (the "Proposed Final Dividend") (2019: RMB8 cents per

Amount in RMB will be translated into HKD and the payment of the Proposed Final Dividend will be made in HKD, at the rate of approximately RMB1.00 = HKD1.1882, which is the official exchange rate of HKD against RMB as quoted on 19 March 2021 by The Hongkong and Shanghai Banking Corporation Limited. Therefore, based on the above translation of the exchange rate, the Final Dividend to be paid in HKD will be HKD0.0842 per ordinary share.

將人民幣兌換為港元，以港元支付建議末期股息，乃按人民幣1.00元兌1.1882港元的匯率計算，這是港元兌人民幣的官方匯率，為二零二一年三月十九日香港上海滙豐銀行有限公司的報價。因此，根據上述匯率換算，以港元支付的末期股息將為每股普通股0.0842港元。

(V) SUPPLEMENTARY INFORMATION

1. OPERATIONAL AND FINANCIAL RISKS

(I) MARKET RISK

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) COMMODITY PRICE RISK

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

(III) INTEREST RATE RISK

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) FOREIGN EXCHANGE RISK

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) 補充資料

1. 營運及財務風險

(I) 市場風險

本集團的主要市場風險包括主要產品平均售價變動、原材料(主要為煤)的成本變動及利率和匯率的波動。

(II) 商品價格風險

本集團亦面臨因產品售價及原材料成本波動而產生的商品價格風險。

(III) 利率風險

本集團承擔的主要市場利率風險包括本集團受浮動利率影響的長期債務承擔。

(IV) 外匯風險

本集團的收入及成本主要以人民幣計值。部分成本可能以港元、美元或新加坡元

(V) INFLATION AND CURRENCY RISK

According to the data released by the National Bureau of Statistics of China, the Consumer Price Index of the PRC increased by approximately 2.5% in the year ended 31 December 2020 as compared with an increase of approximately 2.9% in 2019. Such inflation in the PRC did not have a significant effect on the Group's operating results.

(V) 通脹及貨幣風險

根據中國國家統計局公布的居民消費價格指數，於截至二零二零年十二月三十一日止年度上漲約2.5%，而二零一九年則上漲約2.9%。中國的通脹對本集團的經營業績並無重大影響。

(VI) LIQUIDITY RISK

The Group monitors its risk exposure to shortage of funds. The Group regularly reviews the maturity of both its financial investments and financial assets (e.g., trade receivables and other financial assets) and projects cash flows from operations. The Group's objective is to maintain a balance between the continuity and flexibility of funding through the use of bank overdrafts and bank loans. As at 31 December 2020, approximately RMB4,138 million (31 December 2019: RMB2,774 million), or approximately 44.26% (31 December 2019: 42.59%) 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.

(VI) 流動資金風險

本集團監控其資金短缺的風險。本集團定期檢討其財務投資及金融資產（例如貿易應收款項及其他金融資產）的到期情況及經營業務的預測現金流量。本集團的目標是通過使用銀行透支及銀行貸款，維持資金在持續性與靈活性之間的平衡。於二零二零年十二月三十一日，根據於財務報表內所反映的借款的賬面值，本集團債務中約人民幣4,138,000,000元（二零一九年十二月三十一日：人民幣2,774,000,000元）或約44.26%（二零一九年十二月三十一日：42.59%）將於一年內到期。

(VII) GEARING RISK

The Group monitors its debt 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. 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 during the years ended 31 December 2020 and 2019. The gearing ratio of the Group (calculated as net debt divided by the aggregate of total capital and net debt) increased from approximately 69.23% as at 31 December 2019 to approximately 74.92% as at 31 December 2020.

2. CONTINGENT LIABILITI

4. SCOPE OF WORK OF ERNST & YOUNG

The figures in respect of preliminary announcement of group's results for the year ended 31 December 2020 have been agreed by the Group's auditor, Ernst & Young LLP, to the amount set out in the Group's consolidated financial statements for the year. The work performed by Ernst & Young LLP in this respect did not constitute an assurance engagement in accordance with International standards on Auditing, International Standards on Review Engagements or International Standards on Assurance Engagements issued by International Accounting Standards Board and consequently no assurance has been expressed by Ernst & Young LLP on the preliminary announcement.

4. 安永會計師事務所的工作範圍

本集團的核數師安永會計師事務所已同意，就截至二零二零年十二月三十一日止年度的本集團業績作出初步公佈的數字與本集團年內的綜合財務報表所載金額一致。安永會計師事務所在這方面所執行的工作並不構成根據國際審計準則、國際審閱準則或國際會計準則委員會頒佈的國際保證業務準則而進行的保證業務，因此安永會計師事務所並無對初步公佈發出任何保證。

5. AUDIT COMMITTEE

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 results for the year ended 31 December 2020 have been reviewed by the Audit Committee.

6. COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company devotes to best practice on corporate governance, and has complied with all the code provisions of the Corporate Governance Code as set out in Appendix 14 to the Rules Governing the Listing of Securities on the SEHK (the "Listing Rules") during the year ended 31 December 2020.

7. COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUER

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 transactions by the directors of the Company. The Board confirms that, having made specific enquiries with all directors of the Company, all directors have complied with the required standards of the Model Code during the year ended 31 December 2020.

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

For the year ended 31 December 2020, neither the Company nor its subsidiaries has purchased, sold or redeemed any of the securities of the Company.

9. EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2020, there were 8,267 (2019: 7,036) employ

Directors, Senior Management and Company Secretaries
董事、高級管理層及公司秘書

BOARD

EXECUTIVE DIRECTORS

MR. LIU XINGXU CHAIRMAN

MS. YAN

INDEPENDENT NON-EXECUTIVE DIRECTORS

MR. ONG KIAN GUAN

Aged 53, has been appointed as an independent non-executive Director since 11 May 2007. He is also the chairman of the AC and a member of both the RC and the NC. He is a practising member and a fellow of the Institute of Singapore Chartered Accountants, and also a partner of Baker Tilly TFW LLP. He has more than 20 years of professional experience in financial audits of multinational corporations and public listed companies from diverse industries. He is currently an independent non-executive director of RMH Holdings Limited and IAG Holdings Limited (both companies are listed on the GEM of SEHK) since 22 September 2017 and 19 December 2017 respectively. He is also an independent non-executive director of Omnibridge Holdings Limited (a company listed on the Main Board of SEHK) since 15 December 2020. Mr. Ong resigned as an independent director of Alliance Mineral Assets Limited (a company listed on SGX-ST) with effect from 17 December 2019. He graduated from the Nanyang Technological University in Singapore with a Bachelor of Accountancy degree in May 1992.

MR. LI SHENGXIAO

Aged 58, has been appointed as an independent non-executive Director since 11 May 2007. He is also the chairman of the NC and a member of both the AC and the RC. Mr. Li has been a professor in Shaoxing University since 2004, and is currently the Head of Regional Development Research Centre in Shaoxing University. He has been the instructor of establishment of small and medium enterprises in Zhejiang Province, Small and Medium Enterprises Bureau in Zhejiang Province since 2006. Mr. Li has been appointed as an independent director of Bank of Shaoxing Co., Ltd. since November 2013. Mr. Li is also an independent director of Zhejiang China Light & Textile Industrial City Group Co., Ltd (a company listed on the Shanghai Stock Exchange). He was as an independent director of Anhui Jiangnan Chemical Industry Co, Ltd. (a company listed on the Shenzhen Stock Exchange) between 2012 and 2018. Mr. Li graduated from Hangzhou University (currently known as Zhejiang University) in July 1987 with a graduation certificate in politics. He then obtained a master's degree in law from Hangzhou University in July 1990. He was awarded the "high school outstanding youth teacher of Zhejiang Province" in September 1991.

獨立非執行董事

王建源先生

53歲，自二零零七年五月十一日起獲委任為獨立非執行董事。彼亦為審核委員會主席以及薪酬委員會和提名委員會的成員。彼為新加坡特許會計師協會執業會計師及資深會員，並為Baker Tilly TFW LLP的合夥人。彼在從事不同行業的跨國公司及公眾上市公司的財務審核有逾20年的專業經驗。同時，彼分別自二零一七年九月二十二日及二零一七年十二月十九日起擔任德斯控股有限公司及迎宏控股有限公司的獨立非執行董事(該兩家公司均於聯交所GEM上市)。彼亦自二零二零年十二月十五日起擔任中安控股集團有限公司(一家於聯交所主板上市的公司)的獨立非執行董事。王先生已辭任Alliance Mineral Assets Limited(一家於新交所上市的公司)的獨立董事，自二零一九年十二月十七日起生效。彼於一九九二年五月畢業於新加坡南洋理工大學，取得會計學學士學位。

李生校先生

58歲，自二零零七年五月十一日起獲委任為獨立非執行董事。彼亦為提名委員會主席以及審核委員會和薪酬委員會的成員。李先生自二零零四年起出任紹興文理學院教授，及目前為紹興文理學院區域發展研究中心主任。彼自二零零六年起出任浙江省中小企業局浙江省中小企業創業指導師。李先生自二零一三年十一月起擔任紹興銀行股份有限公司的獨立董事。李先生亦為浙江中國輕紡城集團股份有限公司(一家於上海證券交易所上市的公司)的獨立董事。李先生自二零一二年至二零一八年擔任安徽江南化工股份有限公司(一家於深圳證券交易所上市的公司)的獨立董事，自二零一八年四月十二日起生效。李先生於一九八七年七月畢業於杭州大學(現稱浙江大學)政治專業。彼其後於一九九零年七月取得杭州大學法學碩士學位。彼於一九九一年九月獲頒授「浙江省高校傑出青年教師」的殊榮。

Directors, Senior Management and Company Secretaries
董事、高級管理層及公司秘書

MR. ONG WEI JIN

Aged 54, has been appointed as an independent non-executive Director since 11 May 2007. He is also the chairman of the RC and a member of both the AC and the NC. He is a partner in Harry Elias Partnership LLP (a Singapore law firm). He is currently an independent director of CFM Holdings Limited and Camsing Healthcare Limited (formerly known as Jacks International Limited), both companies are listed on the SGX-ST. Mr. Ong resigned as an independent director of Luzhou Bio-chem Technology Limited (a company listed on SGX-ST) with effect from 8 December 2020. He obtained a Bachelor of Laws degree from the National University of Singapore in 1990, a Master of Business Administration degree from University of Hull in 1993, and a Master of Laws degree from the National University of Singapore in 1995.

王為仁先生

54歲，自二零零七年五月十一日起獲委任為獨立非執行董事。彼亦為薪酬委員會主席以及審核委員會和提名委員會的成員。彼為Harry Elias Partnership LLP（一家新加坡律師事務所）的合夥人。彼現為CFM Holdings Limited及Camsing Healthcare Limited（前稱Jacks International Limited）的獨立董事，該兩家公司均於新交所上市。王先生已辭任魯洲生物科技有限公司（一家於新交所上市的公司）的獨立董事，自二零二零年十二月八日起生效。彼於一九九零年獲新加坡國立大學頒授法學士學位，於一九九三年獲University of Hull頒授工商管理碩士學位，並於一九九五年獲新加坡國立大學頒授法學碩士學位。

MR. LI HONGXING

Aged 45, has been appointed as an independent non-executive Director since 16 May 2018. Mr. Li has been the Managing Director of CDG International Company Limited since 2016. Mr. Li served as the head of energy, mining and equipment (corporate finance) in CITIC CLSA Securities from 2010 to 2016; and an equity analyst of HSBC with a focus on Asian oil and chemicals from 2007 to 2010. Before that, Mr. Li had worked in BP Group, Dongguan Nokia Mobile Phones Co., Ltd. and PricewaterhouseCoopers China. Mr. Li received a Master of Business Administration from Australian Graduate School of Management in 2011 and a Bachelor of Arts in International Business from the Guangdong University of Foreign Studies in 1997.

李紅星先生

45歲，自二零一八年五月十六日起獲委任為獨立非執行董事。李先生自二零一六年起 於CDG International Company Limited擔任董事總經理。李先生自二零一零年至二零一六年於中信裡昂證券有限公司擔任能源、礦業及裝備行業（企業融資）負責人；以及自二零零七至二零一零年於香港上海滙豐銀行擔任證券分析師專責亞洲石油及化工證券。在此之前，李先生曾於BP集團、東莞諾基亞移動電話有限公司及普華永道中國工作。李先生於二零一一年獲得澳大利亞管理研究所工商管理碩士學位及於一九九七年獲得廣東外語外貿大學國際商務文學士學位。

SENIOR MANAGEMENT

MR. MA TONGSHENG

Aged 51, is the Chief Executive Officer of the Company since 18 March 2019. Mr. Ma has over 26 years of experience in the fertiliser industry in China. Mr. Ma was the supervisor and assistant manager of Xinxiang Fertiliser Factory* (新鄉化肥總廠), a state-owned enterprise, from July 1992 to July 2000. He joined the Group in August 2000, and successively served the following positions in the Group: the production manager of compound fertiliser of Henan XLX from August 2000 to October 2005; the deputy head of Production Plant II from November 2005 to January 2010; the head

MR. LI YUSHUN

Aged 60, is the deputy general manager in charge of the research and development department of Henan XLX since 31 July 2006. Mr. Li has more than 30 years of experience in the chemical fertiliser industry. He joined Xinxiang Fertiliser Factory in August 1982 and was appointed as the deputy factory head of Xinxiang Fertiliser Factory in 1993. Mr. Li was the deputy general manager of XLX Chem from August 2003 to July 2006. Mr. Li graduated from Zhengzhou Engineering College (currently known as Zhengzhou University) in July 1982 with a major in chemical technology. In 2004, he was awarded the "First in Third Prize for Adopting the Improved Water Solution Full Circulation Method Urea Technology to Expand Production and Reduce Wastage" by the People's Government of Xinxiang. In November 2006, he was awarded the "Second Prize in Integrated Treatment and Environmental Protection Project for Zero Discharge of Waste Water Produced in the Production of Nitrogen Fertiliser" by China Nitrogen Fertiliser Industry Association. He was recognised as a "Model Worker of Hehan Province" in April 2014. He retired in April 2020.

MR. WANG NAIREN

Aged 57, is the deputy general manager in charge of the sales and purchasing of Henan XLX since 31 July 2006. He has more than 20 years of experience in the chemical fertiliser industry. He held va6 Tc 0m [illegible]5uTJ 0.1[illegible]j EMC in the chemical f)15(er)-26(tiliser i)1(6e)35(W)28(al f6(tilXi

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Directors, Senior Management and Company Secretaries
董事、高級管理層及公司秘書

MR. REN RONGK■I

Aged 52, he was appointed as the Deputy General Manager of Henan XLX on 18 March 2019. Mr. Ren graduated from Henan Normal University in June 1992 and obtained a master's degree in business administration from Xi'an Jiaotong University in January 2017. He was qualified as a safety engineer. From June 1992 to January 1997, he served as a workshop staff member of Xinxiang Fertilizer Factory. From January 1997 to July 2000, he served as director of the Instrument Workshop of Xinxiang Fertilizer Factory. From July 2000 to July 2005, he served as manager of the agrochemical center of Henan Xinxin Fertilizer Co., Ltd., and served as deputy director of Factory I, Henan XLX Fertilizer Co., Ltd. from January to July 2007. He served as director of Factory I, Henan XLX Fertilizer Co., Ltd. from July 2007 to August 2008, and manager of Branch II, Henan XLX Fertilizer Co., Ltd. from August 2008 to October 2010, and served as the assistant of general manager of Henan XLX Fertilizer Co., Ltd. from October 2010 to July 2017.

任榮魁先生

52歲，二零一九年三月十八日起出任河南心連心副總經理，任先生於一九九二年六月畢業於河南師範大學計算機專業，於二零一七年一月獲得西安交通大學工商管理碩士學位，並考取了安全工程師資質，一九九二年六月至一九九七年一月任新鄉化肥總廠車間科員，一九九七年一月至二零零零年七月任新鄉化肥總廠儀表車間主任，二零零零年七月至二零零五年七月任河南新新化肥股份有限公司農化中心經理，二零零七年一月至七月任河南心連心化肥有限公司一分廠副廠長，二零零七年七月至二零零八年八月任河南心連心化肥有限公司一分廠廠長，二零零八年八月至二零一零年十月任河南心連心化肥有限公司二分公司經理，二零一零年十月至二零一七年七月任河南心連心化肥有限公司總經理助理。

MS. S■N HONG

Aged 52, she was appointed as the deputy general manager of Henan XLX on 18 March 2019. Ms. Sun graduated from Henan Normal University in July 1991 with major in chemistry, and obtained a master's degree in applied chemistry from Dalian University of Technology in July 1994. She obtained a Ph.D. in Business Administration from Huazhong University of Science and Technology in June 2011. From August 1994 to February 2004, she worked in Henan Xinfei Electric Appliance Co., Ltd., as a technician, the deputy director of the manufacturing department, director, manager of the advertising department, and deputy manager of the marketing department, etc. From March 2004 to October 2012, she served as the head of quality department, deputy general manager of quality department and general manager of quality department in Henan Xinfei Electric Appliance Co., Ltd. In November 2012, she served as assistant to general manager of Henan XLX Fertilizer Co., Ltd. and manager of enterprise management department.

孫洪女士

52歲，二零一九年三月十八日起出任河南心連心副總經理，孫女士於一九九一年七月畢業於河南師範大學化學專業，於一九九四年七月獲得大連理工大學應用化學碩士學位，二零一一年六月獲得華中科技大學企業管理學博士學位，一九九四年八月至二零零四年二月在河南新飛電器有限公司歷任技術員、製造部技術副廠長、廠長、廣告部部長、市場部副部長等職位，二零零四年三月至二零一二年十月在河南新飛電器有限公司歷任質量部部長、質量副總經理、質量總經理，二零一二年十一月任河南心連心化肥有限公司總經理助理兼企業管理部經理。

MR. JIA XINCHAO

Aged 47, is the deputy general manager in charge of the department of sales for Xinxiang compound fertilisers division of Henan XLX since 2 November 2020. Mr. Jia held various positions in the Group: the corporate management officer of Xinxiang Fertilizer Factory from August 1996 to August 2003; the director of supply of Henan XLX Chemicals Co., Ltd. from August 2003 to October 2005; the manager of the purchasing department of from October 2005 to July 2011 Henan XLX Fertilizer Co., Ltd.; the executive deputy general manager of Compound Fertilizer Branch, Henan XLX Fertilizer Co., Ltd. from July 2011 to August 2012; the general manager of Compound Fertilizer Branch, Henan XLX Fertilizer Co., Ltd. from August 2012 to September 2015; the general manager of marketing centre of Henan XLX Fertilizer Co., Ltd. from September 2015 to April 2016; the assistant of general manager and general manager of marketing centre of Henan XLX Fertilizer Co., Ltd. from April 2016 to July 2017; and the assistant of general manager of Henan Xinlianxin Chemicals Group Co., Ltd. since July 2017. Mr. Jia obtained a EMBA Master from Zhengzhou University in April 2013;

MR. WANG QI

Aged 39, is principally in charge of "furfural & furfuryl alcohol" business financial development. He has served as the financial manager of the "furfural & furfuryl alcohol" business of China XLX Fertiliser Ltd. since 24 June 2019. Mr. Wang obtained bachelor's degree from Henan Normal University in 2020 and he has more than 15 years of experience in financial work. Mr. Wang served as the financial manager of a subsidiary of Henan Xinkelong Electric Co., Ltd.* (河南新科隆電器有限公司) from July 2006 to September 2009; the financial manager of Henan Kelong New Energy Co., Ltd.* (河南科隆新能源有限公司) from October 2009 to March 2013; the business financial supervisor of Henan XLX Fertilizer Co., Ltd. from April 2013 to March 2015; the financial supervisor of furfuryl alcohol division of Henan XLX Fertilizer Co., Ltd. from April 2015 to October 2018; the financial manager of Henan Hydrogenpower Energy Co., Ltd.* (河南氫力能源有限公司) from November 2018 to December 2019; and the financial manager

Investor Relations
投資者關係

During 2020, despite the impacts brought by the pandemic, the Company actively maintain investor relations, and capital market recommendation and media promotion became the main focus for work promotion, so as to truly serve as a bridge for effective communication between the Company and the capital market. The Company also listens attentively to various

Investor Relations
投資者關系

Due to the successive introduction of preventive measures against pandemics by various regions in 2020, only a few investors had onsite visits to the headquarter of the Group. However, according to the needs and styles of analysts and different investors, the Group flexibly and proactively arranged corporate senior management to participate in numerous online investor relations activities. During 2020, the Company's senior management including the Chairman of the Board and the Chief Financial Officer participated in plenty of investor activities to fully communicate with the capital market, which realised multi-channelled communications. Besides holding press conferences after interim and annual results announcements, the Company also attended various investor forums organised by a number of investment banks and funds, conducted one-on-one meetings and conference calls regularly, and made interactive communication with around 200 investors and analysts throughout the year, so as to further give investors and analysts a better idea of the business and operations of the Group.

二零二零年由於各地先後出臺疫情防控措施，僅有少部分投資者實地考察本集團本部，但本集團根據分析師和不同類型投資者的需求和特點，靈活、主動地安排了企業管理層參與了眾多線上投資者關係活動。二零二零年，本公司董事會主席及首席財務官等高管參與了大量的各類型投資者活動，充分與資本市場進行交流，實現了多渠道的溝通。除半年度、年度業績公告後均舉辦業績發佈會外，積極參加了多家投行和基金舉辦的投資者論壇，再加上日常的一對一會議和電話會議，全年與近二百人次投資者和分析師進行了互動交流，進一步加深了投資者、分析師對本集團發展規劃和經營狀況的瞭解。

STEADY AND CONTINUOUS SHAREHOLDER RETURNS

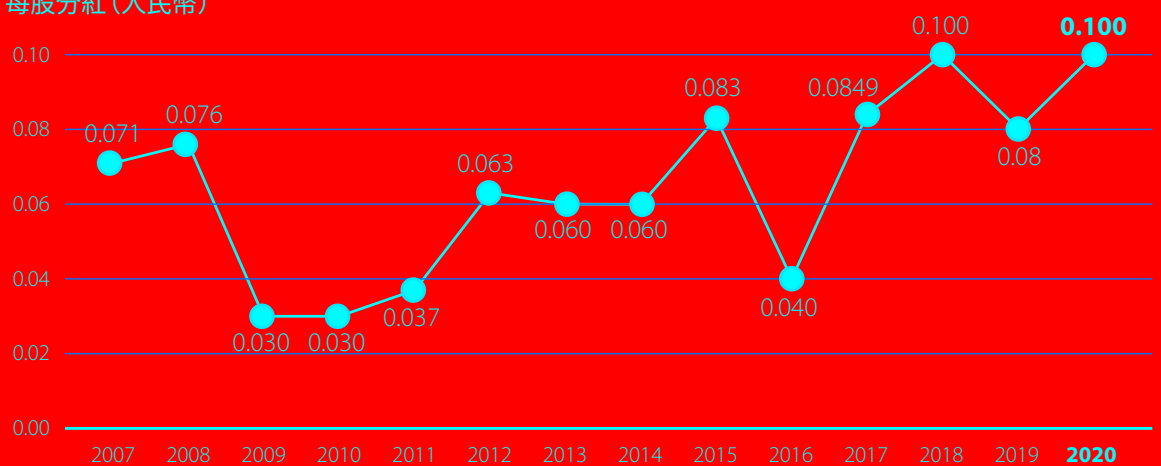
The Company attaches great importance to the Shareholders' views on its dividend payout. The Company determines its dividend payout every year with reference to the Company's financial status, long-term development needs and potential investment opportunities. When the Company was listed on the SGX-ST in 2007, we promised to the Shareholders that our dividend payout ratio for each of the 3 years from 2007 to 2009 would not be less than 20% of our net profit after tax, and we have kept our promises. In 2020, the Group proposed dividend of RMB0.1 per Share and a dividend payout ratio of 33.7% net profit attributable to owners of the parent.

持續穩定的股東回報

本公司高度重視股東對股息方面的意見，亦就本公司的實際財務狀況，長遠發展需要和投資機遇等因素來厘定每年的派息。本公司會於二零零七年在新交所上市時向股東承諾，二零零七年至二零零九年三年內每年的派息比例不低於每年稅後純利的20%，本公司均兌現有關承諾。二零二零年，本集團計劃每股股份派息人民幣0.1元，派息比例佔歸屬母公司擁有人淨利潤的33.7%。

The situation of the Company's dividend payment since listing
上市以來本公司分紅情況

Dividends per share (RMB)
每股分紅（人民幣）



The Board has established an internal framework to ensure that the type of material transactions which required Board's approval is consistently applied throughout the Group. Matters requiring Board's approval include:

i. Overall Group business and budget strategy

ii. Capital expenditures, investments or divestments exceeding certain material limits

iii. All capital-related matters including capital issuance and redemption

iv. Significant policies governing the operations of the Company

v. Corporate strategic development and restructuring

vi. Risk management strategy

vii. Any major corporate activities involving changes in Shareholders' rights and risk profile

Regular meetings of the Board are held to deliberate the strategic policies of the Company including significant acquisitions and disposals, review and approve annual budgets, review the performance of the business and approve the publicly issued periodic financial results.

All Directors from time to time obtain information concerning the Company to enable them to be

Senior management members are available to provide explanatory information in the form of briefings to the Directors or formal presentations at Board meetings, or by external consultants engaged on specific projects.

高級管理層會以簡報形式向董事報告或在董事會會議上作正式演示，以提供說明資料，又或由參與特別項目的外部顧問提供說明資料。

The Board has formed specialised committees namely the AC, the RC and the NC (collectively the "**Committees**") to assist in carrying out and discharging its duties and responsibilities efficiently and effectively. The Committees function within clearly defined terms of references and operating procedures, which are reviewed on a regular basis. The effectiveness of each of the Committees is also constantly reviewed by the Board.

董事會已組成多個專責委員會，即審核委員會、薪酬委員會和提名委員會(統稱「**委員會**」)，以協助董事會以有成效且高效的方式執行和履行其職責和責任。委員會是按照已清楚界定並會定期予以檢討的職權範圍和運作流程履行工作。董事會亦會定期檢討各委員會的成效。

The company secretary(ies) of the Company (the "**Company Secretary(ies)**") and/or his/her representative(s) attend(s) all Board meetings and meetings of the Committees to ensure that Board procedures are followed and applicable rules and regulations are complied with. Draft minutes of meetings of the Board and the Committees are circulated to Directors and the Committees members, as the case may be, for comments within a reasonable time after each meeting and the final version of minutes are available for Directors' inspection.

本公司的公司秘書(「**公司秘書**」)及／或其代表會出席所有董事會會議和各委員會的會議，確保該等會議遵循董事會程序和遵守適用的規則和法規。董事會及各委員會會議的會議記錄初稿均須供各董事及各委員會委員(視乎情況而定)傳閱，以供彼等在每一次會議後的合理時間內提供意見，而會議記錄最後定稿可供各董事查閱。

A2. BOARD COMPOSITION

A2. 董事會構成

As at 31 December 2020, the composition of the Board is as follows:

截至二零二零年十二月三十一日止年度，董事會的組成如下：

Executive Directors:

Mr. Liu Xingxu (*Chairman of the Board and member of the NC*)

Mr. Zhang Qingjin

Ms. Yan Yunhua

執行董事：

劉興旭先生 (*董事會主席及提名委員會成員*)

張慶金先生

閆蘊華女士

Independent Non-executive Directors:

Mr. Ong Kian Guan (C a r q , - , AC, M , r , - , RC q , NC)

Mr. Li Shengxiao (C a r q , - , NC, M , r , - , AC q , RC)

Mr. Ong Wei Jin (C a r q , - , RC, M , r , - , AC q , NC)

Mr. Li Hongxing (M , r , - , AC, , RC q , NC)

During the year ended 31 December 2020, the Board has met the requirements of Listing Rules 3.10 and 3.10A of having at least three independent non-executive Directors (representing at least one-third of the Board) with one of them possessing appropriate professional qualifications, accounting and related financial management expertise.

The Board has maintained the necessary balance of skills and experience appropriate for the business requirements and objectives of the Group and for the exercise of independent judgement. The independent non-executive Directors bring different business and financial expertise, experiences and independent judgement to the Board and they are invited to serve on the Committees. Through participation in Board meetings, taking the lead in managing issues involving potential conflicts of interests and/or serving on the Committees, the independent non-executive Directors have made contributions to the effective direction of the Company and provided adequate checks and balances to safeguard the interests of both the Group and the Shareholders.

A5. INDUCTION AND CONTINUING DEVELOPMENT FOR DIRECTORS

Each newly appointed Director receives induction on the first occasion of his/her appointment, so as to ensure that he/she has appropriate understanding of the business and operations of the Group and that he/she is sufficiently aware of his/her responsibilities and obligations under the Listing Rules and relevant regulatory requirements.

The existing Directors are continually updated with legal and regulatory developments, and the business and market changes to refresh their knowledge and to facilitate the discharge of their responsibilities. Continuing briefings and professional development to Directors are arranged whenever necessary. In addition, reading materials on new or changes to salient laws and regulations applicable to the Group are provided to Directors from time to time for their studying and reference.

During the year ended 31 December 2020, the Directors have participated training as follows:

- All Directors (being Mr. Liu Xingxu, Mr. Zhang Qingjin, Ms. Yan Yunhua, Mr. Ong Kian Guan, Mr. Li Shengxiao, Mr. Ong Wei Jin and Mr. Li Hongxing) received regular briefings and updates from the Company Secretaries/Company's management on the Group's business, operations and corporate governance matters.
- Mr. Liu Xingxu, Mr. Zhang Qingjin and Ms. Yan Yunhua attended relevant seminars organised by professional firms/institutions.
- All Directors read technical bulletins, periodicals and other publications on subjects relevant to the Group and on their responsibilities and obligations under the Listing Rules and relevant regulatory requirements.

A5. 董事就任須知及持續發展

每位新委任董事於首次接受委任時均會獲得就任須知，以確保該董事對本集團的業務及運作均有適當理解，以及充分理解其本人按上市規則及有關監管規定所應負責任及義務。

現任董事持續獲得最新法律及法規發展以及業務及市場變動資訊，以更新彼等的知識及協助履行彼等的職責。本公司將於有需要時為董事提供持續簡介及專業發展。此外，本公司不時提供適用於本集團的主要法律及法規的新例或其變動的閱讀材料予董事研究及參考。

截至二零二零年十二月三十一日止年度，董事已參加下列培訓：

- 全體董事(即劉興旭先生、張慶金先生、閆蘊華女士、王建源先生、李生校先生、王為仁先生及李紅星先生)定期自公司秘書／公司管理層收取有關本集團業務、經營及企業管治事宜的簡介及更新。
- 劉興旭先生、張慶金先生及閆蘊華女士出席由專業公司／機構組織的相關研討會。
- 全體董事就與本集團相關的主題以及上市規則及相關監管規定項下彼等的職責及責任細閱技術性公佈、期刊及其他出版刊物。

A6. DIRECTORS' ATTENDANCE RECORDS

The attendance records of each Director at the meetings of the Board and the Committees and the annual general meeting of the Company held during the year ended 31 December 2020 are set out below:

A6. 董事出席記錄

		Attendance of Meetings 會議出席次數				
		Board 董事會	Audit Committee 審核委員會	Remuneration Committee 薪酬委員會	Nomination Committee 提名委員會	Annual General Meeting 股東週年大會
	No. of Meetings held 會議次數	6	4	2	2	1
Name of Director 董事姓名						
E[illegible] D[illegible]:	*執行董事：*					
Mr. Liu Xingxu	劉興旭先生	6	–	–	2	1
Mr. Zhang Qingjin	張慶金先生	6	–	–	–	1
Ms. Yan Yunhua	閆蘊華女士	6	–	–	–	1
I[illegible] D[illegible]:	*獨立非執行董事：*					
Mr. Ong Kian Guan	王建源先生	5	4	2	2	1
Mr. Li Shengxiao	李生校先生	6	4	2	2	1
Mr. Ong Wei Jin	王為仁先生	6	4	2	2	1
Mr. Li Hongxing	李紅星先生	6	4	2	2	1

A8.

The main duties of the AC are reviewing the financial information and reports of the Group and considering any significant or unusual items raised by the financial officers of the Group or the external auditor before submission to the Board; reviewing the relationship with and the terms of appointment of the external auditor and making the relevant recommendation to the Board; and reviewing the Company's financial reporting system, risk management and internal control systems and internal audit function.

審核委員會的主要職責為審閱本集團的財務資料及報告，並於向董事會提呈之前考慮本集團財務負責人或外部核數師所提出的任何重大或不尋常事項；檢討與外部核數師的關係及外部核數師的任期並向董事會提出相關推薦建議；及檢討本公司財務報告系統、風險管理及內部監控系統以及內部審核職能。

The Company has in place a whistle-blowing policy for employees of the Group to raise concerns about possible improprieties in financial reporting, internal control or other matters. The AC constantly receives updates from the external auditor pertaining to the latest changes to the accounting standards and issues which have a direct impact on financial statements.

本公司為本集團員工設有申訴政策，可對財務報告、內部控制或其他事宜任何可能違規之處提出質疑。審核委員會一直收取外部核數師有關於對財務報表有直接影響的會計準則及問題的最新變動的最新資料。

During the year ended 31 December 2020, the AC has held 4 meetings. Details of individual attendance of each member at the meetings are set out in section A6 above. The AC has performed the following major works during the year ended 31 December 2020:

於截至二零二零年十二月三十一日止年度，審核委員會已舉行4次會議。各委員的個別出席會議詳情載列於上文A6節。於截至二零二零年十二月三十一日止年度，審核委員會已進行下列主要工作：

- Review and discussion of the annual financial statements, results announcement and report for the year ended 31 December 2019 together with the Environmental, Social and Governance Report, and the related accounting principles and practices adopted by the Group;

- 審閱及討論截至二零一九年十二月三十一日止年度的年度財務報表、業績公佈及報告連同環境、社會及管治報告以及本集團採納的相關會計原則及慣例；

- Review and discussion of the interim financial statements, results announcement and report for the six months ended 30 June 2020, and the related accounting principles and practices adopted by the Group;

- 審閱及討論截至二零二零年六月三十日止六個月的中期財務報表、業績公佈及報告以及本集團採納的相關會計原則及慣例；

- Review and discussion of the financial results for the first quarter ended 31 March 2020 and the third quarter ended 30 September 2020 respectively;
- 審閱及討論分別截至二零二零年三月三十一日止第一季度及截至二零二零年九月三十日止第三季度的財務業績；
- Consideration and discussion of the major audit findings (including Key Audit Matters) for the year ended 31 December 2019 from the external auditor;
- 考慮及討論外部核數師的截至二零一九年十二月三十一日止年度之主要審核結果(包括主要審核事宜)；
- Consideration and discussion of the major internal audit issues for the year ended 31 December 2019 and the six months ended 30 June 2020 respectively;
- 考慮及討論分別截至二零一九年十二月三十一日止年度及截至二零二零年六月三十日止六個月之主要內部審核事宜；
- Review of the independence of the external auditor and recommendation of its re-appointment for the year ended 31 December 2020;
- 審閱外部核數師的獨立性並建議於截至二零二零年十二月三十一日止年度續聘外部核數師；
- Review and discussion of the continuing connected transactions for the year ended 31 December 2020;
- 審閱及討論截至二零二零年十二月三十一日止年度的持續關連交易；
- Review and discussion of the effectiveness of the financial reporting system, the risk management and internal control systems and the internal audit function;
- 審閱及討論財務報告系統、風險管理及內部監控系統以及內部審核功能的有效性；
- Review of the arrangement of whistle-blowing policy; and
- 審閱申訴政策的安排；及
- Review and discussion of Ernst & Young LLP's audit plan for the year ended 31 December 2020.
- 審閱及討論安永會計師事務所截至二零二零年十二月三十一日止年度的審核計劃。

During the year ended 31 December 2020, the external auditor has met the AC twice and discussed with the AC on issues arising from the audit and financial reporting matters.

The AC, having reviewed all non-audit services provided by the external auditor of the Company, was satisfied that the nature and extent of such services would not affect the independence and objectivity of the external auditor. The AC recommended that Ernst & Young LLP be nominated for re-appointment as the Company's external auditor at the 2021 AGM. There is no disagreement between the Board and the AC regarding the selection, appointment, resignation or dismissal of external auditor.

截至二零二零年十二月三十一日止年度，外部核數師已與審核委員會會面兩次並與審核委員會討論審核及財務報告事宜所產生的問題。

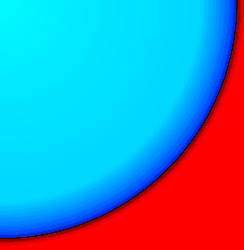
審核委員會已審閱本公司外部核數師提供的所有非審核服務，信納該等服務的性質及範疇將不會影響外部核數師的獨立性及客觀性。審核委員會建議在二零二一年股東週年大會上提名安永會計師事務所再次獲委任為本公司的外部核數師。董事會與審核委員會之間在外部核數師的揀選、委任、辭任或免職上並無意見不合。

B2. REMUNERATION COMMITTEE

The RC currently comprises a total of four members, being the four existing independent non-executive Directors, namely Mr. Ong Kian Guan, Mr. Li Shengxiao, Mr. Ong Wei Jin and Mr. Li Hongxing. The chairman of the RC is Mr. Ong Wei Jin. All aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses and benefits in kind, will be covered by the RC. Each RC member will abstain from voting on any resolution in respect of his own remuneration package.

B2. 薪酬委員會

薪酬委員會由合共四名成員組成，即四名現有獨立非執行董事王建源先生、李生校先生、王為仁先生及李紅星先生。薪酬委員會主席為王為仁先生。有關薪酬的所有事宜，包括但不限於董事袍金、薪金、津貼、花紅和實物利益，將會由薪酬委員會負責。各薪酬委員會成員將就有關其本身的薪酬組合的任何決議案放棄投票。



The NC has established and implemented processes including taking into consideration the attendance records at the meetings of the Board and the Committees for monitoring and evaluating the performance of the Board as a whole and effectiveness and contribution of individual Directors.

The Directors shall disclose to the Company details of other significant offices held by them. Where a Director has multiple directorships, the NC will evaluate whether or not the Director is able to carry out and has been adequately carrying out his/her duties as a Director. For the year ended 31 December 2020, the Board is satisfied that each Director has allocated sufficient time and resources to the affairs of the Company.

The Company has also adopted the Director Nomination Policy. Such policy, devising the criteria and process of selection and performance evaluation, provides guidance to the Board on nomination and appointment of directors of the Company. The Board believes that the defined selection process is good for corporate governance in ensuring the Board continuity and appropriate leadership at Board level, and enhancing better Board effectiveness and diversity as well as in compliance with relevant applicable rules.

The Company also recognises and embraces the benefits of having a diverse Board and sees increasing diversity at the Board level as an essential element in maintaining the Company's competitive advantage. The Company believes that greater diversity of directors is good for corporate governance and is committed to attract and retain candidate(s) for Board with a combination of competencies from the widest possible pool of available talents, and assesses regularly the diversity profile of the Board and the senior management prepared for Board positions under the succession planning of the Company and the progress on achieving diversity objectives, if any. A Board diversity policy was adopted by the Company, pursuant to which the Board and the NC is responsible for reviewing and assessing the Board composition under diversified perspectives (including but not limited to gender, age, cultural and educational background, or professional experience) and for ensuring that changes to the Board's composition can be managed without undue disruption. The NC shall report its findings and make recommendation to the Board, if any. Such policy and objectives, if any, will be reviewed from time to time to ensure their appropriateness in determining the optimum composition of the Board that are aligning with the Company's strategy and objectives.

The NC considered an appropriate balance of diversity perspectives of the Board is maintained and has not set any measurable objective for implementing the Board diversity policy.

本公司亦認可並深信董事會成員多元化裨益良多，且將董事會層面的多元化視為維持本公司競爭優勢的重要因素。本公司認為，董事更多元有利企業管治，並致力吸引及留住董事會候選人，以盡可能擁有廣泛的人才資源，以及定期評估董事會多元化情況及按本公司的董事繼任計劃聘任相關的將可獲委任為董事的高級管理層，從而實現多元化目標進程(如有)。本公司採納董事會多元化政策，據此，董事會及提

During the year ended 31 December 2020, the NC has held 2 meetings. Details of individual attendance of each member at the meeting are set out in section A6 above. At the said meetings, the NC: (i) reviewed the structure, size and composition of the Board to ensure that it has a balance of expertise, skills and experience appropriate to the requirements for the business of the Group; (ii) assessed the independence of all the independent non-executive Directors; (iii) recommended the re-election of the retiring Directors at the 2020 AGM; (iv) reviewed, confirmed and ratified the renewal of service contracts and/or letters of appointment of the Directors with recommendations to the Board for approval and ratification.

C. DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORTING IN RESPECT OF THE FINANCIAL STATEMENTS

The Board is accountable to the Shareholders and is mindful of its obligations to furnish timely information and to ensure full discl4pf5ensure f1 10(2-l f)156r)-7(mation)166 the Shar)11(holders anin compliance)-2

D. RISK MANAGEMENT AND INTERNAL CONTROLS

The Group's risk management and internal control systems have a key role in the identification and management of risks that are significant to the achievement of the Group's business objectives. The process of business risk management has been integrated throughout the Group into business planning and monitoring processes. The Company's management continuously assesses the likelihood of risk occurrence, provides treatment plans, monitors the risk management progress, and reports to the AC and the Board on all findings. The management would also report to the AC and

Based on the reports submitted by the external and internal auditors and the various management controls put in place, the Board has conducted a review of the effectiveness of the Group's risk management and internal control systems for the year ended 31 December 2020. With the concurrence of the AC, the Board considered that the Group's risk management and internal control systems maintained by the management are effective and adequate to address the financial, operational and compliance controls and risk management of the Group throughout the year ended 31 December 2020.

基於外部及內部核數師所提交的報告以及已實施的各類管理控制措施，董事會已就本集團截至二零二零年十二月三十一日止年度的風險管理及內部監控系統的有效性進行檢討。經審核委員會同意，董事會認為管理層所維持的本集團風險管理及內部監控系統於截至二零二零年十二月三十一日止年度足以有效及充分應對本集團的財務、營運和合規監控及風險管理。

During the year ended 31 December 2020, the Board has also received assurance from the Chief Executive Officer and Chief Financial Officer of the Company that (i) the financial records have been properly maintained and the financial statements give a true and fair view of the Company/Group's operation and finances; (ii) the Company/Group have put in place and will continue to maintain reliable, comprehensive and sound systems of risk management, internal control and corporate governance that will withstand the scrutiny of any audit and review by the external auditor.

截至二零二零年十二月三十一日止年度，董事會亦已收到本公司首席執行官及首席財務官的保證，彼等確保(i)財務記錄已妥為保管及財務報表真實及公平地反映本公司／本集團的經營及財務情況；(ii)本公司／本集團已妥善設立並將繼續保持卉祷

The Company has implemented control procedures throughout the year ended 31 December 2020 to ensure that unauthorised access and use of inside information are strictly prohibited.

E. INTERNAL AUDIT

The primary functions of the Company's internal audit include assessing if adequate internal control system is in place to protect the funds and assets of the Group and to ensure compliance with the internal control procedures; assessing if operation of the business processes under review is conducted efficiently and effectively; and identifying and recommending improvements to the internal control procedures, where required.

The Board, with the concurrence of the AC, is satisfied with the adequacy of resources, staff qualifications and experience, training programmes and budget and effectiveness of the Group's accounting, internal audit and financial reporting functions.

F. COMPANY SECRETARIES

During the year ended 31 December 2020, Ms. Leung Kwan Wai of Tricor Services Limited and Ms. Cheok Hui Yee of Tricor Singapore Pte. Ltd., both of which companies being external service providers, have been engaged as the Company's Joint Company Secretaries.

The Company Secretaries' primary contact persons at the Company are Ms. Yan Yunhua, an executive Director, and Ms. Gui Lin, the Head of Securities Department of the Company.

During the year ended 31 December 2020, the Company Secretaries have taken not less than 15 hours of relevant professional training.

F. 公司秘書

截至二零二零年十二月三十一日止年度，卓佳專業商務有限公司的梁君慧女士及Tricor Singapore Pte. Ltd.的石慧儀女士（兩間公司均為外部服務供應商）獲委聘為本公司之聯席公司秘書。

公司秘書與本公司的主要聯絡人為本公司執行董事閆蘊華女士及本公司證券部經理桂琳女士。

於截至二零二零年十二月三十一日止年度，公司秘書已進行不少於15小時的相關專業培訓。

G. EXTERNAL AUDITOR AND AUDITOR'S REMUNERATION

The statement of the external auditor of the Company about their reporting responsibilities on the Company's financial statements for the year ended 31 December 2020 is set out in the section headed "Independent Auditor's Report" of this annual report.

The fees paid/payable to Ernst & Young LLP, the Company's external auditor, in respect of audit services and non-audit services for the year ended 31 December 2020 are analysed below:

G. 外部核數師及核數師酬金

本公司外部核數師就其對截至二零二零年十二月三十一日止年度本公司財務報表的申報責任作出的聲明載於本年報「獨立核數師報告」一節。

就截至二零二零年十二月三十一日止年度的審核服務及非審核服務而已付／應付予本公司外部核數師安永會計師事務所的費用分析如下：

Type of services provided by the external auditor 外部核數師提供的服務種類	Fees paid/payable 已付／應付費用 (S$'000) （千新加坡元）
Audit services **審核服務**	
– Audit fee for the year ended 31 December 2020 截至二零二零年十二月三十一日止年度的審核費用	186,773.85
Non-audit services **非審核服務**	
– Tax compliance service 稅項合規服務	24,272.95
TOTAL: 總計：	211,046.80

H. COMMUNICATIONS WITH SHAREHOLDERS AND INVESTORS

The Group recognises the importance of transparent and timely disclosure of corporate information, which enables Shareholders and investors to make the best investment decision. Price sensitive information will be publicly released before the Company's disclosure of any of such information to any investors or analysts. Financial results and reports will be announced or issued within the prescribed periods under the statutory or regulatory requirements.

In line with continuous obligations of the Company pursuant to the Listing Rules, the Board's policy is that all Shareholders be informed of all major developments that impact the Group. Information is disseminated to the Shareholders and investors on a timely basis through:

i. Announcements, financial reports, circulars and news releases published on the website of the SEHK;

ii. Financial reports prepared and issued to all Shareholders;

iii. Press releases on major developments of the Group;

iv. Notices of and explanatory memoranda for AGM and EGM; and

v. the Company's website at www.chinaxlx.com.hk at which the Shareholders can access information of the Group, roadshows and plant visits.

Shareholders are encouraged to attend general meetings to ensure high level of accountability and to stay apprised of the Group's strategy and goals. Notices of general meetings will be published on the websites of the SEHK and the Company. The chairmen of the Committees are normally available at general meetings to answer any question relating to the work of the Committees. The external auditor shall also be present at AGM to answer questions about the conduct of the audit, the preparation and content of the auditor's report, the accounting policies and auditor independence.

H. 與股東及投資者的溝通

本集團確認企業資料透明度及適時披露的重要性，其可使股東及投資者作出最佳投資決定。價格敏感資料將於本公司向任何投資者或分析員披露任何該等資料前向外公佈。財務業績和報告將於法定或監管規定項下訂明的期間內公佈或發出。

為配合本公司根據上市規則的持續責任，董事會的政策是讓全體股東得知影響本集團的所有重大發展。本公司通過以下方式適時向股東及投資者發佈資料：

i. 在聯交所網站刊登公佈、財務報告、通函和新聞發佈；

ii. 為全體股東編制並向他們發出財務報告；

iii. 有關本集團重大發展的新聞稿；

iv. 股東週年大會和股東特別大會的通告和說明備忘錄；及

v. 本公司的網站(www.chinaxlx.com.hk)，股東可於該網站瀏覽本集團的資料、路演以及廠房參觀活動。

本公司鼓勵股東出席股東大會，以確保高度的問責水準和得知本集團的策略和目標。股東大會通告將在聯交所和本公司網站內公佈。各委員會的主席一般都會出席股東大會，回答與各委員會工作有關的問題。外部核數師亦應出席股東週年大會，以回答有關進行審核、核數師報告的編製及內容、會計政策及核數師的獨立性的問題。

Besides, for putting forward any enquiries to the Board, Shareholders and investors may send written enquiries to the Company. The Company will not normally deal with verbal or anonymous

(b) The Board shall proceed to convene an EGM within 21 days of the deposit of such written requisition. Such EGM shall be held within 2 months after the deposit of such written requisition; and

(c) If the Directors do not within 21 days after the date of the deposit of the requisition proceed to convene an EGM, the Shareholders who deposited requisition, or any of them representing more than 50% of the total voting rights of all of them, may themselves, 9.5 0 0 9.5 316.4008 554.2032 Tm 04500420055j 9.5 0 0 804n proce

For the avoidance of doubt, the Shareholder must provide his/her full name, contact details and identification, in the originally signed written requisition, notice or statement (as the case may be), in order to give effect thereto. Information of the Shareholder may be disclosed as required by law.

During the year under review, the Company has not made any changes to the Constitution. An up-to-date version of the Constitution is available on the websites of the SEHK and the Company. Shareholders may refer to the Constitution for further details of the rights of Shareholders.

All resolutions put forward at general meetings shall be voted by poll pursuant to the Listing Rules, and poll results will be posted on the websites of the SEHK and the Company after each general meeting.

為免產生疑問，股東必須呈交已簽署的書面呈請、通知或聲明(視情況而定)的原件並於其上提供其全名、聯絡資料及身分證明，以令有關呈請、通知或聲明生效。股東資料或須根據法例規定予以披露。

於回顧年度，本公司並無對章程作出任何更改。章程的最新版本可於聯交所及本公司網站查閱。有關股東權利的進一步詳情，股東可參考章程。

股東大會上提呈的所有決議案將根據上市規則進行投票表決，且投票表決的結果將於各股東大會結束後在聯交所及本公司網站上刊載。

Directors' Statement
董事報告

The directors (the "Directors") of China XLX Fertiliser Ltd. (the "Company") are pleased to present their statement to the Shareholders together with the audited consolidated financial statements of China XLX Fertiliser Ltd. (the "Company") and its subsidiaries (collectively, the "Group") and the statement of financial position and statement of changes in equity of the Company for the financial year ended 31 December 2020.

In the opinion of the Directors,

(i) the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2020 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended 31 December 2020; and

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DIVIDEND ●LICY

The Company is committed to sharing its development and achievements with shareholders through stable and sustainable dividend payment whilst maintaining an optimal capital structure which allows the Company to take advantage of any investment and expansion opportunities that may arise from time to time.

The Board shall consider the following factors before declaring or recommending dividends, including without limitation to: (i) financial results; (ii) cash flow situation; (iii) availability of distributable profits; (iv) business conditions and strategies; (v) future operations and earnings; (vi) capital requirements and expenditure plans.

The payment of dividend is also subject to compliance with the Constitution and the applicable laws and regulations. The Board will review relevant dividend policy as appropriate from time to time and there can be no assurance that dividends will be paid in any particular amount for any given period.

RESULTS AND DIVIDENDS

The Group's profit for the year ended 31 December 2020 and the Group's financial position at that date are set out in the financial statements on pages 85 to 225 of this annual report.

No interim dividend was paid during the year. The Directors recommend the payment of a final dividend of RMB10 cents (2019: RMB8 cents) per ordinary share in respect of the year to the Shareholders whose names appear on the Register of Members on 6 July 2021. Subject to the approval of Shareholders at the 2021 AGM, the final dividend will be paid on 23 July 2021.

SUMMARY ●F FINANCIAL INF●RMATI●N

A summary of the consolidated results and assets and liabilities of the Group for the last five financial years, as extracted from the published audited financial statements, is set out on page 225 of this annual report.

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Details of the Company's share capital is set out in Note 35 to the financial statements.

股息政策

透過穩健及可持續的派息政策，本公司致力於與股東共同分享其發展及成就，同時維持最佳的資本架構以令本公司利用可能不時出現的任何投資及擴張機會。

董事會於宣派或建議派付股息前將考慮下列因素，包括但不限於：(i)財務業績；(ii)現金流量狀況；(iii)可供分派溢利的可行性；(iv)業務狀況及策略；(v)未來營運及盈利；(vi)資本要求及開支計劃。

股息派付亦須遵守章程及適用的法律及規例。董事會將於適當、不時審閱相關股息政策，而概不保證將於任何指定期間以任何特定金額派付股息。

業績及股息

本集團截至二零二零年十二月三十一日止年度的溢利及本集團於該日的財務狀況載於本年報第85至第225頁的財務報表。

本年度並無派付中期股息。董事建議就本年度向於二零二一年七月六日名庇該名庇享吠付派付撫

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RE-EM TIVE RIGHTS

There are no provisions for pre-emptive rights under the Constitution or the laws of Singapore, being the jurisdiction in which the Company was incorporated, which would oblige the Company to offer new shares on a pro rata basis to existing Shareholders.

URCHASE, SALE OR REDEM TION OF THE COM ANY'S LISTED SECURITIES

Save as disclosed above, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2020.

DISTRIBUTABLE RESERVES

At 31 December 2020, the Company's reserves available for distribution, calculated in accordance with the provisions of the Companies Act, amounted to approximately RMB481,293,000 of which RMB117,162,100 has been proposed as a final dividend for ng the yD8 463.4138 570.4300 1 Tf 11 0 0 11380n3805p-Tn0 0olders.