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Xingfa Group plans RMB 4 billion phosphate mining joint venture with Wanhua-backed firm

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The proposed venture will strengthen phosphate resource development in China, with Xingfa holding a 51 per cent stake and targeting greater raw material security for its phosphorus chemical and agrochemical businesses.



China's Xingfa Group has announced plans to establish a RMB 4 billion phosphate mining joint venture with Tongling Wanqiao Mining, a company backed by Wanhua Chemical, to strengthen its upstream resource base and expand into downstream phosphorus chemical products. The proposed company, tentatively named Yuan'an Xinghuahui Mining Co., Ltd., will focus on acquiring and developing phosphate rock mining rights and exploring opportunities in phosphoric acid and other phosphorus-based chemicals.

Under the proposed ownership structure, Xingfa Group will subscribe RMB 2.04 billion in capital for a 51 per cent stake, while Tongling Wanqiao will contribute RMB 1.96 billion for the remaining 49 per cent. The investment proposal was approved by Xingfa Group's board of directors on 18 November 2026.

Strengthening phosphate resource security

The joint venture forms part of Xingfa's strategy to secure long-term access to phosphate rock, an important raw material for fertilisers, glyphosate manufacturing and other phosphorus-based chemical products. Xingfa operates an integrated production chain covering phosphate rock, yellow phosphorus and downstream chemical manufacturing, including glyphosate.

The company expects stronger access to upstream resources to improve supply security and support the competitiveness of its phosphorus chemical operations. According to its regulatory announcement, the planned joint venture will combine the partners' resource development, technology and market capabilities to support phosphate mining and downstream processing.

The company also intends to explore opportunities to extend its operations into higher-value phosphorus chemical products.

Wanhua partnership supports downstream diversification

Tongling Wanqiao Mining is controlled by Wanhua Chemical (Yantai) Battery Industry Co., Ltd., which holds a 50.5 per cent stake in the company. Its participation will connect Xingfa's phosphate resource development activities with Wanhua Chemical's downstream operations, particularly its demand for phosphorus-based materials used in new-energy batteries.

The collaboration could provide additional markets for phosphate-derived products while helping Xingfa diversify beyond conventional agrochemicals and fertilisers. The two industrial groups have previously collaborated on phosphate resource development and phosphorus-based chemical projects. The latest proposed joint venture represents a further expansion of their cooperation in securing and processing phosphate resources.

Capital contributions to follow project development

Xingfa said capital contributions will be made in stages according to progress in securing mining rights and implementing downstream projects. Under the joint venture agreement, the shareholders are required to complete their subscribed contributions by 31 October 2031.

The proposed investment has received the necessary board approval and passed China's merger-control review. However, the joint venture has not yet completed corporate registration. The company cautioned that obtaining phosphate mining rights and developing the resources could take considerable time.

The pace of downstream project development will also depend on regulatory approvals, resource availability and market conditions. Xingfa expects the venture to make a limited contribution to revenue or profit in the near term. It also identified commodity price fluctuations, environmental and safety requirements, and changes in supply and demand as potential risks. If successfully implemented, the joint venture could strengthen Xingfa's upstream integration and support its longer-term position in China's phosphorus chemical and agricultural input supply chains.