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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)

MAJOR TRANSACTION

- (1) RAISING OF UP TO RMB 1 BILLION BY HENAN XLX;
(2) DEEMED DISPOSAL OF EQUITY INTEREST IN HENAN XLX**

THE INVESTMENT AGREEMENTS

The Board is pleased to announce that on 11 June 2019, the Company and its subsidiary, Henan XLX, entered into the Investment Agreements with each of the 10 Investors and the MOU with CCB which, if proceeded with to completion, could raise RMB1 billion for Henan XLX.

As at the date of this announcement (and prior to completion of the Investment Agreements and the MOU), Henan XLX is held as to 87.86% by the Company and the remaining 12.14% is held by five other shareholders, all of whom are Independent Third Parties. Following completion of the Investment Agreements and the MOU, the Company's shareholding interest in Henan XLX will be diluted to 76.27%. If the Investment Agreements proceed to completion but the MOU does not, the Company's shareholding interest will be diluted to 78.34%.

As the Investment Agreements may or may not complete and no definitive agreement has been signed with CCB as at the date of this announcement, shareholders of and potential investors in the Company should exercise caution when dealing in the shares of the Company.

LISTING RULES IMPLICATIONS

The dilution of the Company's shareholding interest from 87.86% to, possibly, as low as 76.27% will constitute a deemed disposal by the Company pursuant to Rule 14.29 of the Listing Rules. As the highest percentage ratio (assuming completion of the Investment Agreements and the MOU) exceeds 25% but is below 75%, this deemed disposal pursuant to the Investment Agreements and the MOU constitutes a major transaction for the Company subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

Some of the ultimate equity owners of some of the Investors include directors of the Company (namely, Mr. Liu, Ms. Yan and Mr. Zhang) and others who are directors of the Company's subsidiaries. None of such directors individually controls 30% or more of the relevant investment vehicles who participate as Investors and therefore, such Investors are not close associates of any of the connected persons of the Company. As a result, given such interests of Mr. Liu, Ms. Yan and Mr. Zhang and so as to avoid a perception of a conflict of interest, each of them has agreed to voluntarily abstain and shall procure their respective close associates (including Pioneer Top and Go Power) not to vote at the EGM in respect of resolutions to approve the relevant Investment Agreements where they have an equity interest. As at the date of this announcement, the number of shares of the Company which will not vote at the EGM is 690,372,999 shares which comprises approximately 58.92% of the total shares of the Company.

The Independent Board Committee, comprising all independent non-executive Directors, has been established to advise the Independent Shareholders on the Investments.

An independent financial adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders in relation to the Investments.

A circular containing, among other things, further details about the Investments, will be dispatched to the Shareholders in accordance with the requirements of the Listing Rules. As more time is required to prepare the circular, it is currently expected that the circular is to be dispatched to the Shareholders on or before 31 July 2019.

INTRODUCTION

The Board is pleased to announce that on 11 June 2019, the Company and its subsidiary, Henan XLX, entered into the following Investment Agreements, principal terms of which are set out below:

THE INVESTMENT AGREEMENTS

Date: 11 June 2019

Parties: The Company and Henan XLX with each of: (i) Ningbo Yuannian, (ii) Tonglingshi Lingtong, (iii) Xiamen Baodarun, (iv) Shanghai Jinpu Town Development, (v) Shanghai Jinpu Guotiao, (vi) Shanghai Xinchu, (vii) Shanghai Xinyuan, (viii) Shanghai Xinzhen, (ix) Shanghai Xinzhu, and (x) Zhuhai Hengqin.

Consideration: Pursuant to the Investment Agreement with:

- a. Ningbo Yuannian, Ningbo Yuannian agreed to subscribe for 18,380,000 shares in Henan XLX at a total consideration of RMB73,520,000 (approximately HK\$83,077,600).
- b. Tonglingshi Lingtong, Tonglingshi Lingtong agreed to subscribe for 40,000,000 shares in Henan XLX at a total consideration of RMB160,000,000 (approximately HK\$180,800,000).
- c. Xiamen Baodarun, Xiamen Baodarun agreed to subscribe for 25,000,000 shares in Henan XLX at a total consideration of RMB100,000,000 (approximately HK\$113,435,000).
- d. Shanghai Jinpu Town Development, Shanghai Jinpu Town Development agreed to subscribe for 50,000,000 shares in Henan XLX at a total consideration of RMB200,000,000 (approximately HK\$226,000,000).

- e. Shanghai Jinpu Guotiao, Shanghai Jinpu Guotiao agreed to subscribe for 25,000,000 shares in Henan XLX at a total consideration of RMB100,000,000 (approximately HK\$113,435,000).
- f. Shanghai Xinchu, Shanghai Xinchu agreed to subscribe for 7,910,000 shares in Henan XLX at a total consideration of RMB31,640,000 (approximately HK\$35,753,200).
- g. Shanghai Xinyuan, Shanghai Xinyuan agreed to subscribe for 5,410,000 shares in Henan XLX at a total consideration of RMB21,640,000 (approximately HK\$24,453,200).
- h. Shanghai Xinzhen, Shanghai Xinzhen agreed to subscribe for 16,300,000 shares in Henan XLX at a total consideration of RMB65,200,000 (approximately HK\$73,676,000).
- i. Shanghai Xinzhu, Shanghai Xinzhu agreed to subscribe for 9,500,000 shares in Henan XLX at a total consideration of RMB38,000,000 (approximately HK\$42,940,000).
- j. Zhuhai Hengqin, Zhuhai Hengqin agreed to subscribe for 2,500,000 shares in Henan XLX at a total consideration of RMB10,000,000 (approximately HK\$11,344,000).

As at the date of this announcement (and prior to completion of the Investment Agreements and the MOU), the share capital of and the number of shares in Henan XLX is RMB1,646,355,000 (approximately HK\$1,860,381,150 and 1,646,355,000 shares, respectively, and its shareholding structure is as follows:

Shareholder	Shareholding in Henan XLX
The Company	87.86%
The other five shareholders of Henan XLX (<i>Note</i>)	12.14%
Total	<u>100%</u>

Note: including Ningbo Yuannian which holds approximately 2.46% in Henan XLX

Upon completion of the Investment Agreements, Henan XLX will raise up to RMB800 million and its share capital of and number of shares will increase to RMB1,846,355,000 (approximately HK\$2,086,381,150 and 1,846,355,000 shares, respectively). Immediately after completion of the Investment Agreements, the shareholding structure is expected to be as follows:

Shareholder	Shareholding in Henan XLX
The Company	78.34%
Ningbo Yuannian	3.19%
Tonglingshi Lingtong	2.17%
Xiamen Baodarun	1.35%
Shanghai Jinpu Town Development	2.71%
Shanghai Jinpu Guotiao	1.35%
Shanghai Xinchí	0.43%
Shanghai Xinyuan	0.29%
Shanghai Xinzheng	0.88%
Shanghai Xinzú	0.50%
Zhuhai Hengqin	0.14%
The existing shareholders of Henan XLX (other than the Company and Ningbo Yuannian)	8.64%
Total	100%

Henan XLX will continue to be a subsidiary of the Company upon completion of the Investments.

**Conditions of the
Investments:**

Each of the Investors other than Shanghai Xinchí, Shanghai Xinyuan, Shanghai Xinzheng and Shanghai Xinzú are required to pay their respective consideration within 10 business days after all of the conditions as set out below are satisfied or waived by the respective Investor (as the case may be), and in the case of Shanghai Xinchí, Shanghai Xinyuan, Shanghai Xinzheng and Shanghai Xinzú, each of them are required to pay their respective consideration within 10 business days after condition (1) below is satisfied or waived by the respective Investor (as the case may be):

- (1) the Board and the shareholders of the Company and Henan XLX having respectively passed resolutions approving the Investment Agreements and transactions contemplated thereunder;

- (2) there being no material adverse change to Henan XLX in the commercial, technological, legal and financial aspects; and all representations and warranties made by Henan XLX and the Company (as the holding company of Henan XLX) remaining true and effective in all material respects; and
- (3) the directors, senior management team and core staff of Henan XLX having entered into (i) employment agreements with a term of not less than 5 years; and (ii) non-competition agreements (including confidentiality agreements or competition restriction agreements restricting such personnel from competing with Henan XLX or its subsidiaries within two years after termination of employment) with Henan XLX or its subsidiaries.

Completion:

Completion will take place upon payment by the relevant Investor of their respective consideration under the Investment Agreement within 10 business days after all conditions precedent are satisfied or waived by such Investor.

The completion of any one Investment Agreement is not conditional on the completion of the other Investment Agreements but it is contemplated that completion of such Investment Agreements may take place around the same time.

Termination:

The Investment Agreement may be terminated (i) by parties thereto; or (ii) by the relevant Investor if any of the conditions precedent is not satisfied or waived within 90 days after the date of the Investment Agreement.

The consideration to be paid by each of the Investor represents a price of RMB4.00 for each share in Henan XLX to be subscribed for by the Investors, is arrived at after arm's length negotiations between parties to the Investment Agreements and took into account, among other things, an agreed price to earnings multiple of approximately 11.3 times with reference to the net profit attributable to the owners of Henan XLX in 2018. By reference to the closing price of the shares in the Company for the trading day immediately prior to the date of the Investment Agreements, the Company is trading at a price to earnings multiple of approximately 3.7 times with reference to the net profit attributable to its owners in 2018. For ease of reference, this price per share in Henan XLX is also at a premium to the price of RMB3.00 for each share in Henan XLX subscribed for by the investors in the Previous Investment.

Under the terms of the Investment Agreements, the Company has undertaken to six of the Investors (namely those Investors whose ultimate owners do not include management or employees of the Group) that:

- (a) for each financial year ending after the completion of such Investment Agreements, unless otherwise unanimously agreed by all shareholders of Henan XLX, Henan XLX agrees to declare no less than 10% of its distributable profits as cash dividend;
- (b) within five years from the completion of the such Investment Agreements, unless with the written prior consent of the respective Investor, the Company shall not: (i) transfer its shares or interest in Henan XLX; (ii) use such shares or interest to guarantee external party; (iii) pledge such shares or interest to any third parties; or (iv) create any other rights over such shares or interest for any third parties;
- (c) within five years from the completion of the such Investment Agreements, unless with the written prior consent of the respective Investor, the Company shall not: (i) pledge any equity interest directly or indirectly held by it in its other subsidiaries to any third parties; or (ii) create any rights over such equity interest;
- (d) after completion of such Investment Agreements, unless with the written prior consent of the respective Investor, Henan XLX shall not transfer any equity interest held by it in its subsidiaries to any third parties.

Financial effect of the deemed disposal on the Group and the application of the fund from the Investments

No gain or loss is expected to be accrued to the Group as a result of the transactions under the Investment Agreements.

Henan XLX intends to utilize the proceeds from the Investments for repayment of debt, capital investment in its production facility and the improvement of its production lines and as general working capital.

Financial information on Henan XLX and its subsidiaries

The following are the unaudited financial information on Henan XLX and its subsidiaries for the two years ended 31 December 2017 and 2018:

	For the year ended 31 December	
	2017 (RMB'000)	2018 (RMB'000)
Net profit before tax	504,529 (note 1) (approximately HK\$570,118,000)	806,279 (note 2) (approximately HK\$911,095,000)
Net profit after tax	434,209 (note 1) (approximately HK\$490,656,000)	709,837 (note 2) (approximately HK\$802,116,000)
Net assets value	4,158,026 (approximately HK\$4,698,569,000)	4,784,951 (approximately HK\$5,406,995,000)

Notes:

1. this includes the non-operating gain of approximately RMB8,674,000 (approximately HK\$9,802,000).
2. this includes the non-operating gain of approximately RMB712,000 (approximately HK\$808,000).

INFORMATION ON THE GROUP AND THE INVESTORS

The Group is principally engaged in development, manufacturing and selling of urea, compound fertiliser, methanol, dimethyl ether, melamine, furfuryl alcohol and other related products. The Group is also one of the largest coal-based urea producers in the PRC. Henan XLX is a 87.86% owned subsidiary of the Company as at the date of this announcement and is principally engaged in research and development, manufacturing, sales and trading of urea, compound fertilisers, methanol, dimethyl ether, melamine and related differentiated products.

Of the 10 Investors, the ultimate owners of six Investors, namely Ningbo Yuannian, Tonglingshi Lingtong, Xiamen Baodarun, Shanghai Jinpu Town Development, Shanghai Jinpu Guotiao and Zhuhai Hengqin, do not include members of management or employees of the Group. Each of such Investors are principally engaged in, among other things, equity investment, and are Independent Third Parties. The remaining four Investors are Shanghai Xinzhu, Shanghai Xinchu, Shanghai Xinyuan and Shanghai Xinzheng, all of whom are relatively new partnerships set up in connection with the Investments. The ultimate equity owners of these four Investors as at the date of this announcement include directors and other employees of the Group, and in the case of Shanghai Xinzhu, including Mr. Liu, Ms. Yan and Mr. Zhang, all of whom are directors of the Company. Save for Mr Liu who holds 600,000 shares in the Company directly and 413,007,999 shares through Pioneer Top and Ms. Yan who holds 300,000 shares in the Company directly and 276,465,000 shares through Go Power, as at the date of this announcement, none of the equity owners of these four Investors (i) individually hold 30% or more of such Investors; or (i) hold any shares in the Company directly or through their respective close associates.

Save as disclosed above, to the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, each of the Investors, and their respective ultimate beneficial owners, general partners, limited partners and fund managers (as applicable) are Independent Third Parties.

REASONS FOR AND BENEFITS OF ENTERING INTO THE INVESTMENT AGREEMENTS

Following completion of the Previous Investment in November 2018, the Group has started to construct the Phase II production line in the Jiujiang Base which has a designed annual production capacity of 600,000 tons of synthetic ammonia, 520,000 tons of urea and 400,000 tons of dimethyl ether and with a total estimated investment of approximately RMB4,200,000,000. As at the date of this announcement, the proceeds from the Previous Investment were used up by the Group. In addition, as disclosed in the 2018 interim report of the Company, the Group plans to establish a new advanced coal gasification production line for the production of urea in its chemical park in Henan after the closure of its obsolete urea production line in the end of 2018.

The Directors believe that the Investments can bring additional capital into the Group which may be deployed to further develop and strengthen the existing business of the Group. In addition, the Investments provide good opportunities for the Group to broaden its capital raising channels by introducing new investors into the Group as strategic investors.

In view of the above, the Directors believe that the terms of the Investment Agreements are fair and reasonable and the Investments are in the interests of the Company and its Shareholders as a whole.

MOU WITH CCB

On 11 June 2019, the Company and CCB also entered into the MOU, pursuant to which CCB intends to subscribe for 50,000,000 shares in Henan XLX at a consideration of RMB200,000,000 (approximately HK\$226,000,000) representing approximately 3.04% and 2.64% of the total number of issued shares of Henan XLX as at the date of this announcement and immediately following completion of the Investment Agreements and the transaction contemplated under the MOU, respectively. This translates to a price of RMB4.00 per share in Henan XLX, consistent with that to be paid by the Investors under the Investment Agreements. Completion of the MOU is not conditional on the completion of any of the Investment Agreements.

The Board wishes to emphasise that the MOU is not legally binding and as at the date of this announcement, no definitive investment agreement has been signed. As such, the Proposed Investment may or may not proceed.

Assuming the transactions contemplated under the MOU and the Investment Agreements proceed to completion, the share capital of and the number of shares in Henan XLX will increase to RMB1,896,355,000 (approximately HK\$2,142,881,000) and 1,896,355,000 shares, respectively, and its shareholding structure is expected to be as follows:

Shareholder	Shareholding in Henan XLX
The Company	76.27%
Ningbo Yuannian	3.10%
Tonglingshi Lingtong	2.11%
Shamen Baodarun	1.32%
Shanghai Jinpu Town Development	2.64%
Shanghai Jinpu Guotiao	1.32%
Shanghai Xinch	0.42%
Shanghai Xinyuan	0.28%
Shanghai Xinzheng	0.86%
Shanghai Xinzhu	0.50%
Zhuhai Hengqin	0.13%
CCB	2.64%
The existing shareholders of Henan XLX (other than the Company and Ningbo Yuannian)	8.41%
Total	<u>100%</u>

Shareholders of and potential investors in the Company should exercise caution when dealing in the shares of the Company.

LISTING RULES IMPLICATIONS

The dilution of the Company's shareholding interest from 87.86% to, possibly, as low as 76.27% will constitute a deemed disposal by the Company pursuant to Rule 14.29 of the Listing Rules. As the highest percentage ratio (assuming completion of the Investment Agreements and the MOU) exceeds 25% but is below 75%, this deemed disposal pursuant to the Investment Agreements and the MOU constitutes a major transaction for the Company subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

Some of the ultimate equity owners of some of the Investors include directors of the Company (namely, Mr. Liu, Ms. Yan and Mr. Zhang) and others who are directors of the Company's subsidiaries. None of such directors individually controls 30% or more of the relevant investment vehicles who participate as Investors and therefore, such Investors are not close associates of any of the connected persons of the Company. As a result, given such interests of Mr. Liu, Ms. Yan and Mr. Zhang and so as to avoid a perception of a conflict of interest, each of them has agreed to voluntarily abstain and shall procure their respective close associates (including Pioneer Top and Go Power) not to vote at the EGM in respect of resolutions to approve the relevant Investment Agreements where they have an equity interest. As at the date of this announcement, the number of shares of the Company which will not vote at the EGM is 690,372,999 shares which comprises approximately 58.92% of the total shares of the Company.

The Independent Board Committee, comprising Mr. Ong Kian Guan, Mr. Li Shengxiao, Mr. Ong Wei Jin and Mr. Li Hongxing, all being independent non-executive Directors, has been established to advise the Independent Shareholders on the Investments. An independent financial adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders in relation to the Investments.

A circular containing, among other things, (i) further details about the Investments; (ii) the recommendations of the Independent Board Committee on the Investments; (iii) a letter of advice from the Independent Financial Advisor to the Independent Board Committee and the Independent Shareholders in relation to the Investments and the transactions contemplated thereunder; and (iv) the notice convening the EGM, will be dispatched to the Shareholders in accordance with the requirements of the Listing Rules. As more time is required to prepare the circular, it is currently expected that the circular is to be dispatched to the Shareholders on or before 31 July 2019.

DEFINITIONS

In this announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

“Board”	the board of Director(s)
“CCB”	CCB Financial Asset Investment Company Limited* (建信金融資產投資有限公司), a company incorporated in the PRC with limited liability
“close associate”	has the meaning ascribed to it under the Listing Rules
“Company”	China XLX Fertiliser Ltd., a company incorporated in Singapore with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 1866)
“connected person”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Go Power”	Go Power Investments Limited, an investment holding company established in the British Virgin Islands. Ms. Yan beneficially owned 12.74% of the equity interest in Go Power, and holds the remaining 87.26% of the equity interest in Go Power in trust for a total of 1,463 beneficiaries including members of the management and employees of the Group under a trust agreement dated 26 July 2016. Pursuant to the trust agreement, Ms. Yan is irrevocably granted the absolute discretion to exercise the voting rights and the rights to the day-to-day management of Go Power
“Henan XLX”	Henan Xinlianxin Chemicals Group Co., Ltd*. (河南心連心化學工業集團股份有限公司), a subsidiary of the Company incorporated in the PRC
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent committee of the Board (which comprises Mr. Ong Kian Guan, Mr. Li Shengxiao, Mr. Ong Wei Jin and Mr. Li Hongxing, all being the independent non-executive Directors) established to advise the Independent Shareholders with regard to the terms of the Investment Agreements and the transactions contemplated thereunder
“Independent Shareholders”	the Shareholders, other than Mr. Liu, Ms. Yan, Mr. Zhang and their respective close associates
“Independent Third Party”	To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, a person or a company which is a third party independent of the Company and its connected person(s)
“Investments”	comprising the proposed investments into Henan XLX by (i) Ningbo Yuannian as to RMB73,520,000; (ii) Tonglingshi Lingtong as to RMB160,000,000; (iii) Xiamen Baodarun as to RMB100,000,000; (iv) Shanghai Jinpu Town Development as to RMB200,000,000; (v) Shanghai Jinpu Guotiao as to RMB100,000,000; (vi) Shanghai Xinchu as to RMB31,640,000; (vii) Shanghai Xinyuan as to RMB21,640,000; (viii) Shanghai Xinzhen as to RMB65,200,000; (ix) Shanghai Xinzhu as to RMB38,000,000 and (x) Zhuhai Hengqin as to RMB10,000,000
“Investment Agreements”	collectively the agreements dated 11 June 2019 entered into by the Company and Henan XLX with each of Ningbo Yuannian, Tonglingshi Lingtong, Xiamen Baodaren, Shanghai Jinpu Town Development, Shanghai Jinpu Guotiao, Shanghai Xinchu, Shanghai Xinyuan, Shanghai Xinzhen, Shanghai Xinzhu and Zhuhai Hengqin, respectively, and each an “Investment Agreement”
“Investor(s)”	collectively Ningbo Yuannian, Tonglingshi Lingtong, Xiamen Baodarun, Shanghai Jinpu Town Development, Shanghai Jinpu Guotiao, Shanghai Xinchu, Shanghai Xinyuan, Shanghai Xinzhen, Shanghai Xinzhu, and Zhuhai Hengqin, and each an “Investor”

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“MOU”	a memorandum of understanding entered into between the Company and CCB on 11 June 2019 with respect to the Proposed Investment
“Mr. Liu”	Mr. Liu Xingxu, the Chairman of the Board and an executive Director
“Ms. Yan”	Ms. Yan Yunhua, an executive Director
“Mr. Zhang”	Mr. Zhang Qingjin, an executive Director
“Ningbo Yuannian”	Ningbo Yuannian Hejin Investment Partnership* (寧波元年合金投資合夥企業), a partnership established in the PRC
“PRC”	the People’s Republic of China excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan for the purposes of this announcement
“Previous Investment”	the investment of an aggregate of RMB600,000,000 in Henan XLX by Ningbo Yuannian and the other four investors in November 2018, details of which are set out in the announcements of the Company dated 31 July 2018 and 30 November 2018
“Pioneer Top”	Pioneer Top Holdings Limited, an investment holding company established in the British Virgin Islands. Mr. Liu beneficially owned 42% of the equity interest in Pioneer Top, and holds the remaining 58% of the equity interest in Pioneer Top in trust for seven beneficiaries including senior management of the Group such as Mr. Zhang under a trust agreement dated 26 July 2016. Pursuant to the trust agreement, Mr. Liu is irrevocably granted the absolute discretion to exercise the voting rights and the rights to the day-to-day management of Pioneer Top
“Proposed Investment”	the proposed subscription by CCB for 50,000,000 shares in Henan XLX pursuant to the MOU
“RMB”	Renminbi, the lawful currency of the PRC

“Shanghai Jinpu Guotiao”	Shanghai Jinpu Guotiao Merger Share Investment Fund Partnership (Limited Partnership)* (上海金浦國調并購股權投資基金合夥企業(有限合夥)), a limited partnership established in the PRC
“Shanghai Jinpu Town Development”	Shanghai Jinpu Town Development Shares Investment Fund Management Company Limited* (上海金浦城市發展股權投資基金管理有限公司), a company incorporated in the PRC with limited liability
“Shanghai Xinchí”	Shanghai Xinchí Corporate Management Consultant Partnership (Limited Partnership)* (上海心熾企業管理諮詢合夥企業(有限合夥)), a limited partnership established in the PRC
“Shanghai Xinyuan”	Shanghai Xinyuan Corporate Management Consultant Partnership (Limited Partnership)* (上海心媛企業管理諮詢合夥企業(有限合夥)), a limited partnership established in the PRC
“Shanghai Xinzheng”	Shanghai Xinzheng Corporate Management Consultant Partnership (Limited Partnership)* (上海心箏企業管理諮詢合夥企業(有限合夥)), a limited partnership established in the PRC
“Shanghai Xinzú”	Shanghai Xinzú Corporate Management Consultant Partnership (Limited Partnership)* (上海心祖企業管理諮詢合夥企業(有限合夥)), a limited partnership established in the PRC
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tonglingshi Lingtong”	Tonglingshi Lingtong Trading Company Limited* (銅陵市靈通貿易有限責任公司), a company incorporated in the PRC with limited liability
“Xiamen Baodarun”	Xiamen Baodarun Investment Partnership (Limited Partnership)* (廈門寶達潤投資合夥企業(有限合夥)), a limited partnership established in the PRC

“Zhuhai Hengqin” Zhuhai Hengqin Renhe Tianji Share Investment Fund Partnership (Limited Partnership)* (珠海橫琴仁禾天璣股權投資基金合夥企業(有限合夥)), a limited partnership established in the PRC

“%” per cent

For illustration purposes only, the exchange rate of RMB1 = HK\$1.13 has been adopted for translating RMB into HK\$ in this announcement. No representation is made that any amounts can be or could have been converted at the relevant dates at the above rate or any other rates at all.

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

11 June 2019

As at the date of this announcement, the executive Directors are Mr. Liu Xingxu, Mr. Zhang Qingjin and Ms. Yan Yunhua; the independent non-executive Directors are Mr. Ong Kian Guan, Mr. Li Shengxiao, Mr. Ong Wei Jin and Mr. Li Hongxing; and the non-executive Director is Mr. Zheng Jiaqi.

** for identification purpose only*