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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)

(1) PLACING OF EXISTING SHARES

AND

SUBSCRIPTION OF NEW SHARES

UNDER GENERAL MANDATE

AND

(2) SELL-DOWN SALE OF EXISTING SHARES

Placing Agents



CITIC SECURITIES



安信國際
ESSENCE INTERNATIONAL

THE PLACING AND SUBSCRIPTION

On 19 April 2022 (after trading hours), the Company, the Seller and the Placing Agents entered into the Placing and Subscription Agreement, pursuant to which (i) the Seller (being a substantial shareholder of the Company beneficially interested in 276,465,000 Shares, which represent approximately 23.60% of the existing issued share capital of the Company as at the date of this announcement) has agreed to place, through the Placing Agents, on a several (and not joint nor joint and several) and best-effort basis up to 56,500,000 Top-Up Sale Shares and 22,000,000 Sell-down Sale Shares, at the Purchase Price of HK\$6.50 per Sale Share; and (ii) the Seller has agreed to subscribe for 56,500,000 Subscription Shares at the Purchase Price of HK\$6.50 per Subscription Share.

The total number of 78,500,000 Sale Shares held by the Seller represents (i) approximately 6.70% of the existing issued share capital of the Company as at the date of this announcement and (ii) approximately 6.39% of the issued share capital of the Company as enlarged by the allotment and issuance of the Subscription Shares (assuming that there is no change in the issued share capital of the Company from the date of this announcement to the completion of the Subscription save for the issuance of the Subscription Shares).

The Purchase Price of HK\$6.50 per Sale Share represents:

- (i) a discount of approximately 12.52% to the closing price of HK\$7.43 per Share as quoted on the Stock Exchange on the date of the Placing and Subscription Agreement;
- (ii) a discount of approximately 15.14% to the average closing price of HK\$7.66 per Share as quoted on the Stock Exchange for the last five (5) trading days up to and including the Last Trading Day; and
- (iii) a discount of approximately 17.93% to the average closing price of HK\$7.92 per Share as quoted on the Stock Exchange for the last ten (10) trading days up to and including the Last Trading Day.

The Company was authorised to allot and issue up to a total of 234,324,200 Shares under the General Mandate granted by the Shareholders at the 2021 AGM. As at the date of this announcement, the General Mandate has not yet been utilised. Accordingly, the Company may allot and issue up to 234,324,200 Shares under the General Mandate and it is intended that the Subscription Shares will be allotted and issued thereunder. Therefore, no Shareholders' approval is required for the issuance of the Subscription Shares.

Assuming that the total number of 56,500,000 Top-Up Sale Shares is placed to the Placers in full and 56,500,000 Subscription Shares are subscribed for by the Seller under the Subscription, the total gross proceeds and estimated net proceeds (after deducting the commission payable to the Placing Agents, professional fee and other related costs and expenses in relation to the Placing and Subscription) from the Subscription are approximately HK\$367.25 million and approximately HK\$359.11 million respectively. On such basis, the net price of each Subscription Share is approximately HK\$6.36.

The Company intends to use the net proceeds from the Subscription for:

- (1) strengthening the financial positions of the Group by deleveraging and modifying the debt structure of the Group; and
- (2) supporting the Group's development strategy in the long run (including but not limited to any potential mergers and acquisitions).

An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

Completion of the Placing and Subscription are subject to the fulfilment of the conditions as set out in the Placing and Subscription Agreement. As the Placing and Subscription may or may not proceed, Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the Shares and other securities of the Company.

The Board is pleased to announce that on 19 April 2022 (after trading hours), the Company, the Seller and the Placing Agents entered into the Placing and Subscription Agreement, pursuant to which (i) the Seller (being a substantial shareholder of the Company beneficially interested in 276,465,000 Shares, which represent approximately 23.60% of the existing issued share capital of the Company as at the date of this announcement) has agreed to place, through the Placing Agents, on a several (and not joint nor joint and several) and best-effort basis up to 56,500,000 Top-Up Sale Shares and 22,000,000 Sell-down Sale Shares, at the Purchase Price of HK\$6.50 per Sale Share; and (ii) the Seller has agreed to subscribe for 56,500,000 Subscription Shares at the Purchase Price of HK\$6.50 per Subscription Share.

The principal terms of the Placing and Subscription Agreement are summarised below.

THE PLACING AND SUBSCRIPTION AGREEMENT

Date

19 April 2022 (after trading hours)

Parties

- (1) the Company;
- (2) the Seller, as the seller of the Sale Shares and the subscriber of the Subscription Shares; and
- (3) CLSA Limited and Essence International Securities (Hong Kong) Limited as the Placing Agents.

The Seller is an investment holding company established in the British Virgin Islands. Ms. Yan Yunhua, an executive Director, beneficially owned 12.74% of the equity interest in the Seller and held the remaining 87.26% of the equity interest in the Seller on trust for more than 1,000 beneficiaries under a trust agreement dated 26 July 2016.

To the best of knowledge, information and belief of the Directors, having made all reasonable enquiries, each of the Placing Agents is an Independent Third Party.

The Sale

Pursuant to the Placing and Subscription Agreement, the Placing Agents have severally (but not jointly nor jointly and severally) agreed to act as the agents to procure purchasers on a best-effort basis to purchase for an aggregate of 78,500,000 Sale Shares, comprising 56,500,000 Top-Up Sale Shares and 22,000,000 Sell-down Sale Shares, at the Purchase Price subject to the terms and conditions set out in the Placing and Subscription Agreement.

Number of Sale Shares

The Top-Up Sale Shares and the Sell-down Sale Shares held by the Seller represent (i) approximately 4.82% and 1.88%, respectively, of the existing issued share capital of the Company as at the date of this announcement and (ii) approximately 4.60% and 1.79%, respectively, of the issued share capital of the Company as enlarged by the allotment and issuance of the Subscription Shares (assuming that there is no change in the issued share capital of the Company from the date of this announcement to the completion of the Subscription save for the issuance of the Subscription Shares).

The total number of 78,500,000 Sale Shares held by the Seller represents (i) approximately 6.70% of the existing issued share capital of the Company as at the date of this announcement and (ii) approximately 6.39% of the issued share capital of the Company as enlarged by the allotment and issuance of the Subscription Shares (assuming that there is no change in the issued share capital of the Company from the date of this announcement to the completion of the Subscription save for the issuance of the Subscription Shares).

The Placees

The Placing Agents will, on a best-effort basis, place the Sale Shares to no less than six Placees, who will be professional, institutional or other investors. The choice of the Placees for the Sale Shares shall be determined by the relevant Placing Agent subject to the requirements of the Listing Rules and in particular, each Placing Agent shall use its reasonable endeavours to ensure that each Placee procured by such Placing Agent is an Independent Third Party. It is expected that none of the individual Placees will become a substantial shareholder (as defined in the Listing Rules) of the Company immediately after the completion of the Sale.

Purchase Price of Sale Shares

The Purchase Price of HK\$6.50 per Sale Share represents:

- (i) a discount of approximately 12.52% to the closing price of HK\$7.43 per Share as quoted on the Stock Exchange on the date of the Placing and Subscription Agreement;
- (ii) a discount of approximately 15.14% to the average closing price of HK\$7.66 per Share as quoted on the Stock Exchange for the last five (5) trading days up to and including the Last Trading Day; and
- (iii) a discount of approximately 17.93% to the average closing price of HK\$7.92 per Share as quoted on the Stock Exchange for the last ten (10) trading days up to and including the Last Trading Day.

The price of the Sale Shares is the same as the price of the Subscription Shares.

The Purchase Price of the Sale Shares was determined after arm's length negotiation between the Seller, the Company and the Placing Agents taking into account recent market price of the Shares and the current market conditions.

Rights and Ranking of the Sale Shares

The Sale Shares will be sold free from all pledges, liens, and all other encumbrances, and together with all rights attaching thereto as at the Closing Date, including the right to receive all dividends, distributions and other rights declared, distributed or received in respect of the Sale Shares for which a record date occurs on or after the date of the Placing and Subscription Agreement. The Sale Shares rank *pari passu* in all respects with the other existing Shares.

Conditions Precedent of the Sale

Completion of the Sale is conditional upon the fulfilment of the following conditions:

- (i) before the Closing Date, there shall not have occurred:
 - (A) any material adverse change, or any development reasonably likely to involve a material adverse change, in the condition, financial or otherwise, or in the earnings, assets, business, operations or prospects of the Company, or the Company and its subsidiaries taken as a whole; or
 - (B) any suspension or limitation of trading (a) in any of the Company's securities by the Stock Exchange (save and except for any trading halt in relation to the Sale and Subscription) or any other exchange or over-the-counter market on which the Company's securities are admitted or listed for trading, or (b) generally on the Stock Exchange, the Shanghai Stock Exchange, the Shenzhen Stock Exchange, the Tokyo Stock Exchange, the London Stock Exchange, the Singapore Stock Exchange, the New York Stock Exchange or the Nasdaq Stock Market; or
 - (C) any event, or a series of events beyond the control of the Placing Agents, outbreak, epidemic or pandemic of virus or infectious diseases, outbreak or escalation of hostilities, act of terrorism, riot, the declaration by any Relevant Jurisdiction or the Placing of a national emergency or war or other calamity or crisis; or
 - (D) any material disruption in commercial banking or securities settlement or clearance services in any Relevant Jurisdiction and/or a general moratorium on commercial banking activities having been declared by the relevant authorities in any Relevant Jurisdiction; or

- (E) any material adverse change or development involving a prospective material adverse change in or affecting the financial markets in any Relevant Jurisdiction or in international financial, political or economic conditions, currency exchange rates, exchange controls or taxation,

that, in the sole judgment of the Placing Agents, would make the placement of the Sale Shares or the enforcement of contracts to purchase the Sale Shares impracticable or inadvisable, or would materially prejudice trading of the Sale Shares in the secondary market;

- (ii) the representations and warranties made by any of the Company and the Seller pursuant to the Placing and Subscription Agreement being true and accurate and not misleading as of the date of the Placing and Subscription Agreement and the Closing Date;
- (iii) each of the Company and the Seller having complied with all of the agreements and undertakings and satisfied all of the conditions on its part to be complied with or satisfied under the Placing and Subscription Agreement on or before the Closing Date; and
- (iv) the Placing Agents having received on the Closing Date such legal opinions in form and substance reasonably satisfactory to the Placing Agents pursuant to the Placing and Subscription Agreement.

The Company and the Seller shall use their respective reasonable endeavours to procure the fulfilment of the above conditions (other than the condition relating to the legal opinion to be issued to the Placing Agents by their U.S. legal counsel) on or before the Closing Date. The Placing Agents may in their sole discretion waive any of the above conditions, in whole or in part and with or without conditions, by notice to the Company and the Seller. In the event that (i) any of the events set out above occurs at any time between the date of the Placing and Subscription Agreement and the Closing Date, or (ii) the Seller does not deliver the Sale Shares on the Closing Date, or (iii) any of conditions set out in (ii) to (iv) above (other than the condition relating to the legal opinion to be issued to the Placing Agents by their U.S. legal counsel) has not been satisfied or waived in writing on the dates specified therein, the Placing Agents may elect, in their sole discretion, to terminate the Placing and Subscription Agreement forthwith and provided that if the Seller shall have delivered some but not all of the Sale Shares on the Closing Date, the Placing Agents shall have the option to effect the Sale with respect to such Sale Shares as have been delivered, but such partial Sale shall not relieve the Seller from liability for its default with respect to the Sale Shares not delivered.

Completion of the Sale

Completion of the Sale is expected to take place on 22 April 2022, or at such other time and/or date as may be agreed by the Seller and the Placing Agents.

The Subscription

The Company has conditionally agreed to allot and issue and the Seller has conditionally agreed to subscribe for 56,500,000 Subscription Shares.

Number of the Subscription Shares

The number of Subscription Shares to be subscribed by the Seller pursuant to the Placing and Subscription Agreement is 56,500,000 Subscription Shares. The total number of 56,500,000 Subscription Shares represents (i) approximately 4.82% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 4.60% of the issued share capital of the Company as enlarged by the allotment and issuance of the Subscription Shares (assuming that there is no change in the issued share capital of the Company from the date of this announcement to the completion of the Subscription save for the issuance of the Subscription Shares). The Subscription Shares have no nominal value.

Purchase Price of Subscription Shares

The price of the Subscription Shares of HK\$6.50 is the same as the price of the Sale Shares, which equals the Purchase Price.

The price of the Subscription Shares was determined with reference to the price of the Sale Shares and was negotiated on an arm's length basis based on the price of the Sale Shares among the Company, the Seller and the Placing Agents.

The Directors (including the independent non-executive Directors) consider the price of the Subscription Shares to be fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Ranking of the Subscription Shares

The Subscription Shares shall, when fully paid, rank *pari passu* in all respects with the other Shares in issue or to be issued by the Company on or prior to the date of completion of the Subscription including the rights to all dividends and other distributions declared, made or paid on or after the date of allotment.

Conditions of the Subscription

Completion of the Subscription is conditional upon:

- (i) the Listing Committee granting the Listing Approval and such listing and permission not subsequently revoked prior to the delivery of definitive share certificate(s) representing the Subscription Shares; and
- (ii) closing of the Sale having occurred pursuant to the terms of the Placing and Subscription Agreement.

The Company and the Seller shall use their respective reasonable endeavours to procure the fulfilment of the above conditions as soon as is reasonably practicable. If the above conditions are not fulfilled within 14 days after the date of the Placing and Subscription Agreement, or such later date as may be agreed among the Company, the Seller and the Placing Agents, the obligations and liabilities of the Seller and the Company under the Subscription shall be null and void and neither the Company nor the Seller shall have any claim against the other for costs, damages, compensation or otherwise.

Application for Listing of the Subscription Shares

Application will be made by the Company to the Listing Committee for the listing of, and the permission to deal in, the Subscription Shares.

Completion of the Subscription

Completion of the Subscription shall take place on the third business day after the date upon which the last of the conditions to completion of the Subscription shall have been satisfied, provided that it shall take place on a date no later than 14 days after the date of the Placing and Subscription Agreement, i.e. 3 May 2022, or at such later time and/or date as the Company, the Seller and the Placing Agents may agree in writing and in compliance with the Listing Rules.

Lock-up undertakings

Pursuant to the Placing and Subscription Agreement,

- (i) the Seller shall not, and shall procure that none of its nominees, any person controlled by it, any trust associated with it or any person acting on its or their behalf shall, without the prior written consent of the Placing Agents, (i) offer, sell, lend, contract to sell, pledge, grant any option over, make any short sale or otherwise dispose of (or enter into any transaction which is designed to, or might reasonably be expected to, result in the disposition (whether by actual disposition or effective economic disposition due to cash settlement or otherwise) by the Seller or any Affiliate of the Seller or any person in privity with the Seller or any Affiliate of the Seller), directly or indirectly, any equity securities of the Company or any securities convertible into, or exercisable, or exchangeable for, equity securities of the Company, (ii) enter into any swap or similar agreement that transfers, in whole or in part, the economic risk of ownership of such Shares, whether any such transaction described in (i) or (ii) above is to be settled by delivery of Shares or such other securities, in cash or otherwise, or (iii) publicly announce an intention to effect any such transaction, for a period beginning on the date of the Placing and Subscription Agreement and ending on the date which is 90 days after the Closing Date. The foregoing shall not apply to the sale of the Shares under the Placing and Subscription Agreement; and

- (ii) the Company shall not, and the Seller shall procure that the Company will not, without the prior written consent of the Placing Agents, (i) effect or arrange or procure placement of, allot or issue or offer to allot or issue or grant any option, right or warrant to subscribe for, or enter into any transaction which is designed to, or might reasonably be expected to, result in any of the aforesaid (whether by actual disposition or effective economic disposition due to cash settlement or otherwise), directly or indirectly, any equity securities of the Company or any securities convertible into, or exercisable, or exchangeable for, equity securities of the Company, or (ii) enter into any swap or similar agreement that transfers, in whole or in part, the economic risk of ownership of such Shares, whether any such transaction described in (i) or (ii) above is to be settled by delivery of Shares or such other securities, in cash or otherwise, or (iii) publicly announce an intention to effect any such transaction, for a period beginning on the date of the Placing and Subscription Agreement and ending on the date which is 90 days after the Closing Date. The foregoing shall not apply to the issuance of the Subscription Shares under the Placing and Subscription Agreement.

GENERAL MANDATE

The Subscription Shares will be issued under the General Mandate granted by the Shareholders to the Directors pursuant to the resolution of the Shareholders passed at the 2021 AGM. Pursuant to such mandate, the Directors were granted authority to issue up to 234,324,200 new Shares, representing 20% of the number of issued Shares as at the date of the 2021 AGM.

Since the grant of the General Mandate and as at the date of this announcement, the Directors have not exercised their power to allot and issue any new Shares pursuant to such General Mandate. Accordingly, the issuance of the Subscription Shares will fall within the limit of the General Mandate and will not be subject to approval by the Shareholders.

EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately after the completion of the Placing but before the completion of the Subscription; and (iii) immediately after the completion of the Placing and the completion of the Subscription, on the assumption that (1) a total number of 78,500,000 Sale Shares have been placed by the Placing Agents under the Placing and the Seller shall subscribe for 56,500,000 Subscription Shares upon completion of the Subscription; and (2) there will be no other change to the share capital of the Company from the date of this announcement until the completion of the Subscription save for the issuance of the Subscription Shares:

Shareholders	As at the date of this announcement		Immediately after the completion of the Placing but before the completion of the Subscription		Immediately after the completion of the Placing and the completion of the Subscription	
	<i>Number of</i>	<i>Approximate</i>	<i>Number of</i>	<i>Approximate</i>	<i>Number of</i>	<i>Approximate</i>
	<i>Shares</i>	<i>%</i>	<i>Shares</i>	<i>%</i>	<i>Shares</i>	<i>%</i>
Pioneer Top ⁽¹⁾	413,007,999	35.25	413,007,999	35.25	413,007,999	33.63
The Seller ⁽²⁾	276,465,000	23.60	197,965,000	16.90	254,465,000	20.72
Mr. Liu Xingxu ⁽³⁾	600,000	0.05	600,000	0.05	600,000	0.05
Ms. Yan Yunhua ⁽⁴⁾	300,000	0.02	300,000	0.02	300,000	0.02
Mr. Ong Kian Guan ⁽⁵⁾	100,000	0.01	100,000	0.01	100,000	0.01
Mr. Ma Tongsheng ⁽⁶⁾	8,000	0.00	8,000	0.00	8,000	0.00
Placees	–	–	78,500,000	6.70	78,500,000	6.39
Other public Shareholders	481,140,001	41.07	481,140,001	41.07	481,140,001	39.18
Total	1,171,621,000	100	1,171,621,000	100	1,228,121,000	100

Notes:

- (1) *Pioneer Top is an investment holding company established in the British Virgin Islands. Mr. Liu Xingxu, an executive Director and the chairman of the Board, beneficially owned 42% of the equity interest in Pioneer Top and held the remaining 58% of the equity interest in Pioneer Top on trust for seven beneficiaries under a trust agreement dated 26 July 2016, including 7% for Mr. Zhang Qingjin, an executive Director; 7% for Mr. Ru Zhengtao and 7% for Mr. Shang Dewei, the Company's employees; 7% for Mr. Zhu Xingye (retired), 16% for Mr. Li Buwen (retired), 7% for Mr. Li Yunshun (retired) and 7% for Mr. Wang Nairen (retired). Mr. Liu Xingxu has the absolute discretion to exercise the voting rights held by Pioneer Top in the Company in accordance with the trust agreement.*
- (2) *The Seller is an investment holding company established in the British Virgin Islands. Ms. Yan Yunhua, an executive Director, beneficially owned 12.74% of the equity interest in the Seller and held the remaining 87.26% of the equity interest in the Seller on trust for more than 1,000 beneficiaries under a trust agreement dated 26 July 2016. Ms. Yan Yunhua has the absolute discretion to exercise the voting rights held by the Seller in the Company in accordance with the trust agreement.*
- (3) *Mr. Liu Xingxu is an executive Director and the chairman of the Board.*
- (4) *Ms. Yan Yunhua is an executive Director.*
- (5) *Mr. Ong Kian Guan is an independent non-executive Director.*
- (6) *Mr. Ma Tongsheng is the chief executive officer of the Company.*
- (7) *The percentage figures included in the shareholding structure have been subject to rounding adjustment.*

EQUITY FUND-RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has not conducted any fund-raising activity involving issuing equity securities during the twelve months immediately before the date of this announcement.

REASONS FOR THE PLACING AND SUBSCRIPTION AND USE OF PROCEEDS

The Company was incorporated in Singapore with limited liability. The principal activity of the Company is investment holding. The principal activities of the Company's subsidiaries are mainly manufacturing and trading of related differentiated products such as urea, compound fertiliser, methanol, melamine, dimethyl ether, furfuryl alcohol, furfural, 2-methylfuran, pharmaceutical intermediates and gas.

Assuming that the total number of 56,500,000 Top-Up Sale Shares is placed to the Placées in full and 56,500,000 Subscription Shares are subscribed for by the Seller under the Subscription, the total gross proceeds and estimated net proceeds (after deducting the commission payable to the Placing Agents, professional fee and other related costs and expenses in relation to the Placing and Subscription) from the Subscription are approximately HK\$367.25 million and approximately HK\$359.11 million respectively. On such basis, the net price of each Subscription Share is approximately HK\$ 6.36.

The Company intends to use the net proceeds from the Subscription for:

- (1) strengthening the financial positions of the Group by deleveraging and modifying the debt structure of the Group; and
- (2) supporting the Group's development strategy in the long run (including but not limited to any potential mergers and acquisitions).

The Directors are of the view that the Placing and Subscription will benefit the Group's long term development by providing a good opportunity to raise additional funds to strengthen the financial position and to broaden the Company's shareholder base and capital base to facilitate the future growth and development of its business as well as to increase the liquidity of the Shares.

The Directors (including the independent non-executive Directors) are of the view that the Placing and Subscription is in the interests of the Company and its Shareholders as a whole, and the terms of the Placing and Subscription Agreement, which were arrived at after arm's length negotiations between the Company, the Seller and the Placing Agents, are on normal commercial terms, are fair and reasonable and are in the interests of the Company and its Shareholders as a whole.

Completion of the Placing and Subscription are subject to fulfilment of the conditions as set out in the Placing and Subscription Agreement. As the Placing and Subscription may or may not proceed, Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the Shares and other securities of the Company.

DEFINITIONS

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

“2021 AGM”	the annual general meeting of the Company held on 25 June 2021;
“Affiliate”	has the meanings specified in Rule 501(b) of Regulation D under the U.S. Securities Act;
“Board”	the board of Directors;
“Closing Date”	22 April 2022, being the closing date of the Sell-down Sale and the closing date of the Top-Up Sale (or at such other time and/or date as the Seller and the Placing Agents agree);
“Company”	China XLX Fertiliser Ltd., a company incorporated in Singapore with limited liability whose Shares 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;
“General Mandate”	the general mandate granted by the Shareholders to the Board at the 2021 AGM;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Independent Third Party(ies)”	third party(ies) independent of and not connected with or acting in concert with the Company and its connected persons and associates (as defined in the Listing Rules);

“Last Trading Day”	19 April 2022, being the last trading day prior to the signing of the Placing and Subscription Agreement;
“Listing Approval”	the Listing Committee granting listing of and permission to deal in the Subscription Shares;
“Listing Committee”	the Listing Committee of the Stock Exchange;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“Pioneer Top”	Pioneer Top Holdings Limited, an investment holding company incorporated in the British Virgin Islands, the entire share capital of which was directly held by Mr. Liu Xingxu, an executive Director. Pursuant to a trust agreement dated 26 July 2016, Mr. Liu Xingxu beneficially owned 42% of the equity interest in Pioneer Top and held the remaining 58% of the equity interest in Pioneer Top on trust for seven beneficiaries;
“Placee(s)”	any professional, institutional or other investor procured by or on behalf of any Placing Agents to subscribe for any of the Sale Shares pursuant to the Placing and Subscription Agreement;
“Placing” or “Sale”	the Top-Up Sale and the Sell-down Sale;
“Placing Agents”	CLSA Limited and Essence International Securities (Hong Kong) Limited;
“Placing and Subscription”	the Sale and Subscription;
“Placing and Subscription Agreement”	the placing and subscription agreement dated 19 April 2022 entered into between the Company, the Seller and the Placing Agents in relation to the Placing and Subscription;
“PRC”	the People’s Republic of China, excluding, for the purpose of this announcement, Hong Kong, Taiwan and Macau Special Administrative Region;

“Purchase Price”	the price of HK\$6.50 per Sale Share;
“Relevant Jurisdiction(s)”	Hong Kong, the British Virgin Islands, the PRC, Japan, Singapore, the United States, the United Kingdom or any other member of the European Economic Area or any other jurisdictions relevant to the Group or the Placing;
“Sale Share(s)”	the Top-Up Sale Shares and the Sell-down Sale Shares;
“Sell-down Sale”	the placing of the Sell-down Sale Shares held by the Seller pursuant to the terms and conditions of the Placing and Subscription Agreement;
“Sell-down Sale Share(s)”	an aggregate of 22,000,000 Shares held by the Seller and to be placed pursuant to the Placing and Subscription Agreement under the Sell-down Sale;
“Seller”	Go Power Investments Limited, an investment holding company incorporated in the British Virgin Islands, the entire share capital of which was directly held by Ms. Yan Yunhua, an executive Director. Ms. Yan Yunhua beneficially owned 12.74% of the equity interest in the Seller and held the remaining 87.26% of the equity interest in the Seller on trust for more than 1,000 beneficiaries under a trust agreement dated 26 July 2016;
“Share(s)”	ordinary share(s) in the share capital of the Company;
“Shareholder(s)”	the holder(s) of the shares of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscription”	the subscription of the Subscription Shares by the Seller pursuant to the terms and conditions of the Placing and Subscription Agreement;
“Subscription Share(s)”	an aggregate of 56,500,000 new Shares to be subscribed for by the Seller pursuant to the Placing and Subscription Agreement;
“subsidiaries”	has the meaning ascribed to it in the Listing Rules;

“substantial shareholder(s)”	has the meaning ascribed to it in the Listing Rules;
“Top-Up Sale”	the placing of the Top-Up Sale Shares held by the Seller pursuant to the terms and conditions of the Placing and Subscription Agreement;
“Top-Up Sale Share(s)”	an aggregate of 56,500,000 Shares held by the Seller and to be placed pursuant to the Placing and Subscription Agreement under the Top-Up Sale;
“United States”	United States of America;
“U.S. Securities Act”	United States Securities Act of 1933, as amended; and
“%”	per cent.

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

Hong Kong, 20 April 2022

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

** for identification purpose only*