

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

*Neither this announcement nor any copy thereof may be released into or distributed directly or indirectly in the United States or any other jurisdiction where such release or distribution might be unlawful.*

*This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities of the Company.*

*This announcement does not constitute or form a part of any offer or solicitation to purchase or subscribe for or sell securities in the United States. The securities mentioned herein have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”) and may only be offered, sold, pledged or transferred outside the United States in accordance with Regulation S of U.S. Securities Act. The Company has no intention to register under the U.S. Securities Act any of the securities referred to herein or to conduct a public offering of securities in the United States. No public offering of the securities referred to herein will be made in the United States or in any other jurisdiction where such an offering is restricted or prohibited. No money, securities or other consideration is being solicited by this announcement or the information contained herein and, if sent in response to this announcement or the information contained herein, will not be accepted.*



**心连心**

**CHINA XLX FERTILISER LTD.**

**中國心連心化肥有限公司\***

*(Incorporated in Singapore with limited liability)*

**(Hong Kong Stock Code: 1866)**

**COMPLETION OF  
(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 Board is pleased to announce that completions of the Placing and Subscription took place on 22 April 2022 and 28 April 2022, respectively.

Reference is made to the announcement of China XLX Fertiliser Ltd. (the “**Company**”) dated 20 April 2022 in respect of the Placing and Subscription (the “**Announcement**”). Unless otherwise stated, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

## **COMPLETION OF THE PLACING AND SUBSCRIPTION**

The Board is pleased to announce that completions of the Placing and Subscription took place on 22 April 2022 and 28 April 2022, respectively.

All the conditions to the Sale have been fulfilled and completion of the Sale took place on 22 April 2022. A total of 78,500,000 Sale Shares, comprising 56,500,000 Top-Up Sale Shares and 22,000,000 Sell-down Sale Shares, have been placed by the Placing Agents at the Purchase Price of HK\$6.50 per Sale Share to not less than six Placees, who are professional, institutional or other investors and who are independent of and not connected with the Company or its connected persons. None of the individual Placees becomes a substantial shareholder (as defined in the Listing Rules) of the Company as a result of the Sale.

All the conditions to the Subscription have been fulfilled and completion of the Subscription took place on 28 April 2022. A total of 56,500,000 Subscription Shares were subscribed by the Seller at the Purchase Price of HK\$6.50 per Subscription Share. The net share price for the Subscription after deducting the commission payable to the Placing Agents, professional fee and other related costs and expenses in relation to the Placing and Subscription, in connection with the Subscription is approximately HK\$6.36 per Subscription Share. The Subscription Shares represent approximately 4.60% of the issued share capital of the Company as enlarged by the Subscription Shares.

## **PURCHASE PRICE**

The Board would like to supplement that the average closing price in the five trading days immediately prior to the date of the Placing and Subscription Agreement (the “**5-day Average Price**”) is HK\$7.83 per Share, and the Purchase Price of HK\$6.50 represents a discount of 17.0% to the 5-day Average Price.

## INTENDED USE OF NET PROCEEDS

The 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 is approximately HK\$359.11 million.

The Board wishes to provide further information on the intended use of the net proceeds of HK\$359.11 million from the Subscription:

| <b>Intended use of proceeds</b>  | <b>Allocation of net proceeds</b>  | <b>Intended timetable for use of the net proceeds</b> |
|--|--|---|
| 1. Repaying bank loans of the Group to strengthen the financial positions of the Group by deleveraging and modifying the debt structure of the Group | Approximately HK\$144 million (equivalent to approximately RMB118 million) | By end of the first half of 2022                      |
| 2. Supporting the Group's development strategy in the long run, including:   |  |   |
| • construction of the Group's production base in Jinchang of Gansu Province, the PRC   | Approximately HK\$98 million (equivalent to approximately RMB80 million)   | By end of 2022  |
| • construction of the Group's production base in Jiujiang of Jiangxi Province, the PRC   | Approximately HK\$117 million (equivalent to approximately RMB96 million)  | By end of 2022  |

In respect of the approximately HK\$215 million (equivalent to approximately RMB176 million) net proceeds to be used for supporting the Group's development strategy in the long run, the Group may also consider applying part of such net proceeds for any potential mergers and acquisitions in case it has identified suitable targets. As at the date of this announcement, the Company has not identified any specific target for any acquisitions. The Company will closely monitor the business of the Group and the market conditions in the industry and will make announcement(s) in respect of any such investment(s) or acquisition(s) in compliance with the requirements of the Listing Rules where appropriate.

## EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structure of the Company immediately before and immediately after the Placing and Subscription are set out as follows:

| <i>Shareholders</i>              | <b>Immediately before the<br/>Placing and Subscription</b> |                          | <b>Immediately after the<br/>completion of the Placing<br/>but before the completion of<br/>the Subscription</b> |                          | <b>Immediately after the<br/>completion of the Placing<br/>and the completion of the<br/>Subscription</b> |                          |
|----------------------------------|--|--------------------------|--|--------------------------|---|--------------------------|
|                                  | <i>Number of<br/>Shares</i>                                | <i>Approximate<br/>%</i> | <i>Number of<br/>Shares</i>  | <i>Approximate<br/>%</i> | <i>Number of<br/>Shares</i>   | <i>Approximate<br/>%</i> |
|                                  | Pioneer Top <sup>(1)</sup>                                 | 413,007,999              | 35.25  | 413,007,999              | 35.25   | 413,007,999              |
| The Seller <sup>(2)</sup>        | 276,465,000  | 23.60                    | 197,965,000  | 16.90                    | 254,465,000   | 20.72                    |
| Mr. Liu Xingxu <sup>(3)</sup>    | 600,000  | 0.05                     | 600,000  | 0.05                     | 600,000   | 0.05                     |
| Ms. Yan Yunhua <sup>(4)</sup>    | 300,000  | 0.02                     | 300,000  | 0.02                     | 300,000   | 0.02                     |
| Mr. Ong Kian Guan <sup>(5)</sup> | 100,000  | 0.01                     | 100,000  | 0.01                     | 100,000   | 0.01                     |
| Mr. Ma Tongsheng <sup>(6)</sup>  | 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                    |
| <b>Total</b>                     | <b>1,171,621,000</b>                                       | <b>100</b>               | <b>1,171,621,000</b>   | <b>100</b>               | <b>1,228,121,000</b>  | <b>100</b>               |

*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.

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

Hong Kong, 28 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*