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PIONEER TOP HOLDINGS LIMITED

(Incorporated in the British Virgin Islands)

(Company Registration No. 1029581)

(“Offeror”)



CHINA XLX FERTILISER LTD.

中國心連心化肥有限公司*

(Incorporated in Singapore on 17 July 2006)

(Company Registration No. 200610384G)

Hong Kong Stock Code: 1866

Singapore Stock Code: B9R

(“Company”)

** For identification purpose only.*

JOINT ANNOUNCEMENT IN RELATION TO:

- (1) THE PROPOSED CONDITIONAL CASH EXIT OFFER BY THE JOINT FINANCIAL ADVISERS (AS DEFINED HEREIN) FOR AND ON BEHALF OF THE OFFEROR TO ACQUIRE ALL THE ISSUED ORDINARY SHARES IN THE CAPITAL OF THE COMPANY OTHER THAN (I) THOSE ALREADY OWNED, CONTROLLED OR AGREED TO BE ACQUIRED BY THE OFFEROR CONCERT GROUP (AS DEFINED HEREIN); (II) THE UNDERTAKING SHARES (AS DEFINED HEREIN) AND (III) THE UNDERTAKING BONDS (AS DEFINED HEREIN); AND**
- (2) THE PROPOSED VOLUNTARY DELISTING OF THE SHARES OF THE COMPANY FROM THE OFFICIAL LIST OF THE SGX-ST**

Joint Financial Advisers to the Offeror



**CITIC SECURITIES CORPORATE
FINANCE (HK) LIMITED**

*(Incorporated in the Hong Kong Special Administrative
Region of the People’s Republic of China)*



A CITIC Securities Co.

CLSA SINGAPORE PTE LTD

(Incorporated in Singapore)

SUMMARY

Introduction

On 31 March 2014, the Offeror presented to the Board the Delisting Proposal to seek the voluntary delisting of the Company from the Official List of the SGX-ST pursuant to Rules 1307 and 1309 of the SGX-ST Listing Manual.

Under the Delisting Proposal, the Joint Financial Advisers, for and on behalf of the Offeror, will make the Exit Offer to acquire all the issued Shares (other than (i) those Shares already owned, controlled or agreed to be acquired by the Offeror Concert Group, (ii) the Undertaking Shares and (iii) the Undertaking Bonds).

The Exit Offer and the Delisting

As at the Announcement Date, the Shares are primarily listed and quoted on the Official List of the SGX-ST and on the Main Board of the SEHK. The Delisting is **not** a privatisation exercise and following the completion of the Delisting, the Company will continue to maintain primary listing of the Shares on the Main Board of the SEHK.

Shareholders who currently trade their Shares on the SGX-ST and who do not accept the Exit Offer will be able to continue trading their Shares on the Main Board of the SEHK subsequent to the completion of the Delisting as their Shares will be automatically transferred, at the Company's cost, from the Singapore Register to the HK Branch Register. The Company will issue new share certificates in respect of such Shareholders' Shares registered on the HK Branch Register and the Hong Kong Branch Share Registrar will mail the new share certificates by ordinary post to the mailing addresses of the Shareholders as they appear in the Address Notification Form submitted to the Company, at such Shareholders' own risk. Shareholders who do not submit the Address Notification Form to the Company will have their new share certificates delivered by ordinary post at their own risk to their registered addresses as set out in the records of the Company and/or CDP. Shareholders will thereafter be able to trade their Shares freely on the Main Board of the SEHK upon setting up investor participant stock accounts in CCASS with the HKSCC or stock accounts with designated CCASS participants, through brokerage firms in Hong Kong or Singapore which offer such services, and depositing their Shares into CCASS for credit to their investor participant stock accounts or their designated CCASS participant stock accounts thereafter. Further details will be set out in the Circular.

The Exit Offer will be made at S\$0.40 in cash for each Offer Share.

In respect of valid acceptances of the Exit Offer by Shareholders whose Shares are registered on the HK Branch Register, while the consideration payable for valid acceptances will be determined based on the Exit Offer Price in Singapore dollars, the actual payment for valid acceptances by such Shareholders will be made in Hong Kong dollars using the prevailing exchange rate of Hong Kong dollars at the time of payment, as may be determined by the Offeror's processing agent for the Exit Offer in Hong Kong (further details of which will be contained in the Exit Offer Letter).

Condition of the Exit Offer and the Delisting

The Exit Offer and the Delisting are subject to the satisfaction of the Condition (as described in Section 3.2 of this Announcement) by the Long-Stop Date of 31 August 2014, such Condition being the approval of the Delisting Resolution by the Shareholders at the EGM, whereby (i) the Delisting Resolution is approved by a majority of at least 75% of the total number of issued Shares (excluding treasury Shares) held by Shareholders present and voting, on a poll, either in person or by proxy at the EGM, and (ii) the Delisting Resolution is not voted against by 10% or more of the total number of issued Shares (excluding treasury Shares) held by Shareholders present and voting, on a poll, either in person or by proxy at the EGM.

If the Condition has not been satisfied by the Long-Stop Date, the Exit Offer will lapse and the Delisting will not proceed.

Shares Undertakings

As at the Announcement Date, the Undertaking Shareholders holding in aggregate 385,809,000 Shares, representing approximately 38.58% of the total issued Shares, have provided irrevocable undertakings to the Offeror, whereby each Undertaking Shareholder has irrevocably undertaken, amongst other things: (a) to exercise or procure the exercise of the voting rights attached to their Shares to vote in favour of the Delisting Resolution at the EGM; and (b) not to accept the Exit Offer in respect of all or any of their Shares.

Bonds Undertaking

As at the Announcement Date, the Bondholder who holds the Bonds has provided an irrevocable undertaking to the Offeror, whereby the Bondholder has irrevocably undertaken, amongst other things: (a) to irrevocably waive its rights to receive any offer for the Bonds under the Singapore Takeover Code and the HK Takeover Code from the Offeror arising from the Exit Offer and the Delisting; and (b) not to exercise the right of conversion nor redemption attached to the Bonds prior to the close or withdrawal of the Exit Offer.

Confirmation of Financial Resources

CITIC Securities, as the Offeror's Hong Kong financial adviser, confirms in accordance with the HK Takeover Code that, after taking into account the Undertakings, sufficient financial resources are available to the Offeror to satisfy in full all acceptances of the Exit Offer.

CLSA Singapore, as the Offeror's Singapore financial adviser, confirms in accordance with the Singapore Takeover Code that, after taking into account the Undertakings, sufficient financial resources are available to the Offeror to satisfy in full all acceptances of the Exit Offer.

Independent Board Committee

Pursuant to the HK Takeover Code, an Independent Board Committee, which comprises all the non-executive Directors, has been established to advise and make its recommendation on the Exit Offer and the Delisting to the Independent Shareholders. The Directors who constitute the Independent Board Committee are the same Directors who are considered independent under the Singapore Takeover Code for the purposes of making a recommendation to Independent Shareholders in respect of the Exit Offer and the Delisting. As such, the Independent Board Committee's recommendation on the Exit Offer and the Delisting will be made pursuant to both the HK Takeover Code and the Singapore Takeover Code.

Appointment of IFA

The Board has appointed ING Bank N.V. as the IFA to advise the Independent Board Committee for the purposes of making a recommendation in connection with the Exit Offer and the Delisting. The appointment of ING Bank N.V. as IFA has been approved by the Independent Board Committee. The recommendation of the Independent Board Committee will be set out in the Circular.

Placing Agreement

Pursuant to the Placing Agreement, CITIC Securities has been appointed by the Offeror as sole placing agent to purchase or to procure purchasers to purchase all Shares that may be acquired by the Offeror pursuant to the Exit Offer, subject to certain customary conditions for placings. The price at which the Shares will be placed pursuant to the Placing Agreement will be set at a HK\$ amount per Share equal to the average HK\$ acquisition price per Share under the Exit Offer, less any amount of Distribution per Share, the Record Date for which falls on or after the date of this Announcement but before the closing date of the placing.

Upon satisfaction of the conditions, the placing will occur on a date to be agreed between the Offeror and CITIC Securities which falls within the period starting from the closing date of the Exit Offer until the later of the dates which fall (a) one month after such closing date; and (b) 21 days after the date upon which any Shares acquired by the Offeror pursuant to the Exit Offer have been deposited in CCASS (or such later date as the Offeror and CITIC Securities may agree in writing).

The Offeror will use the net proceeds of the placing towards repayment of the Exit Offer Facility and related fees and expenses. Assuming completion of the placing, the shareholdings of the Offeror and parties acting in concert with it will be restored to their pre-offer shareholding levels of approximately 64.94% of the total number of issued Shares, and the public float will be not less than 25% of the total issued Shares. Purchasers under the placing will not be subject to any lock-up and will be free to trade the placed Shares at any price.

If the conditions to the placing are not satisfied or waived by 31 December 2014, the placing will not proceed and any breach of the minimum public float requirements as a result of the Exit Offer may not be remedied until the Offeror or the Company takes other appropriate steps to restore the minimum public float.

Despatch of the Exit Offer Letter and the Circular

Pursuant to Rule 8.2 of the HK Takeover Code, the Exit Offer Letter setting out, amongst other things, details of the Exit Offer (including the expected timetable and terms of the Exit Offer), together with the relevant form(s) of acceptance, must be despatched to the Shareholders by the Offeror within 21 days of the Announcement Date or such later date as the Executive may approve. It is intended that the Circular setting out, amongst other things, (i) details of the Exit Offer (including the expected timetable and terms of the Exit Offer), (ii) further information on the Delisting, (iii) a letter of advice from the IFA to the Independent Board Committee in relation to the Exit Offer and the Delisting, (iv) the recommendation from the Independent Board Committee in relation to the Exit Offer and (v) the notice of the EGM, will be despatched to the Shareholders on the same day as the Exit Offer Letter or such later date as the Executive may approve.

WARNING

Shareholders and potential investors should be aware that the Exit Offer is subject to the Condition being satisfied and thus the Exit Offer may or may not become or be capable of being declared unconditional in all respects and the Delisting may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares or other rights in respect of them, and to refrain from taking any action which may be prejudicial to their interests. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor, accountant or other professional advisers.

This Announcement does not constitute an offer for or an invitation to purchase any securities. The Exit Offer will be made solely by the Exit Offer Letter and the relevant form(s) of acceptance accompanying the Exit Offer Letter, which will contain the full terms and conditions of the Exit Offer including details of how to elect to participate in it.

Notice to US holders of Shares:

The Exit Offer will be made for the securities of a Singaporean company and is subject to Hong Kong and Singapore disclosure requirements, which are different from those of the United States. The financial information included in this document has been prepared in accordance with Singapore Financial Reporting Standards and thus may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States. The Exit Offer will be made in the United States pursuant to the applicable US tender offer rules and otherwise in accordance with the requirements of the SGX-ST Listing Manual, the Singapore Takeover Code and the HK Takeover Code. Accordingly, the Exit Offer will be subject to disclosure and other procedural requirements, including with respect to withdrawal rights, offer timetable, settlement procedures and timing of payments, that are different from those applicable under US domestic tender offer procedures and law.

The receipt of cash pursuant to the Exit Offer by a US holder of the Shares may be a taxable transaction for US federal income tax purposes and under applicable state and local, as well as foreign and other tax laws. Each holder of the Shares is urged to consult his independent professional advisor immediately regarding the tax consequences of acceptance of the Exit Offer.

It may be difficult for US holders of the Shares to enforce their rights and claims arising out of the US federal securities laws, since the Offeror and the Company are located in countries other than the United States, and some or all of their officers and directors may be residents of a country other than the United States. US holders of the Shares may not be able to sue a non-US company or its officers or directors in a non-US court for violations of the US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgment.

This document contains forward-looking statements, which may be identified by words such as "believe", "expect", "anticipate", "intend", "plan", "seek", "estimate", "will", "would" or words of similar meaning, that involve risks and uncertainties, as well as assumptions, that, if they were to materialise or prove incorrect, could cause the results of the Company and its consolidated subsidiaries to differ materially from those express or implied by such forward-looking statements. All statements other than statements of historical fact are statements that could be deemed forward-looking statements. The Company assumes no obligation and does not intend to update these forward-looking statements, except as required pursuant to applicable law.

1. INTRODUCTION

1.1 Delisting Proposal

Reference is made to the announcements jointly made by the Offeror and the Company dated 11 December 2013, 10 January 2014, 10 February 2014 and 10 March 2014 in relation to the possible Exit Offer and the possible Delisting.

On 31 March 2014, the Offeror presented to the Board the Delisting Proposal to seek the voluntary delisting of the Company from the Official List of the SGX-ST pursuant to Rules 1307 and 1309 of the SGX-ST Listing Manual.

As at the Announcement Date, the Shares are primarily listed and quoted on the Official List of the SGX-ST and on the Main Board of the SEHK. The Delisting is not a privatisation exercise and following the completion of the Delisting, the primary listing status of the Company on the Main Board of the SEHK will be preserved.

CITIC Securities and CLSA Singapore are the Hong Kong financial adviser to the Offeror and the Singapore financial adviser to the Offeror, respectively.

1.2 Exit Offer

Under the Delisting Proposal, the Joint Financial Advisers, for and on behalf of the Offeror, will make the Exit Offer to acquire all the issued Shares (other than (i) those Shares already owned, controlled or agreed to be acquired by the Offeror Concert Group, (ii) the Undertaking Shares and (iii) the Undertaking Bonds).

1.3 Extraordinary General Meeting

The Directors, having reviewed the Delisting Proposal, have resolved that an application be made to the SGX-ST for the Delisting and an EGM be convened in due course to seek the approval of Shareholders for the Delisting.

2. SGX-ST LISTING MANUAL PROVISIONS PERTAINING TO THE EXIT OFFER AND THE DELISTING

2.1 Rule 1307 of the SGX-ST Listing Manual

Under Rule 1307 of the SGX-ST Listing Manual, the SGX-ST may agree to an application by the Company to delist from the Official List of the SGX-ST, provided that:

2.1.1 the Company convenes an EGM to obtain approval from the Shareholders of the Delisting Resolution;

2.1.2 the Delisting Resolution is approved by a majority of at least 75% of the total number of issued Shares (excluding treasury Shares) held by Shareholders present and voting, on a poll, either in person or by proxy at the EGM; and

2.1.3 the Delisting Resolution is not voted against by 10% or more of the total number of issued Shares (excluding treasury Shares) held by Shareholders present and voting, on a poll, either in person or by proxy at the EGM.

Under Rule 1307 of the SGX-ST Listing Manual, the Directors and Controlling Shareholders are not required to abstain from voting on the Delisting Resolution.

2.2 Rule 1309 of the SGX-ST Listing Manual

In addition, if the Company is seeking to delist from the Official List of the SGX-ST, Rule 1309 of the SGX-ST Listing Manual requires that:

2.2.1 a reasonable exit alternative, which should normally be in cash, should be offered to the Shareholders; and

2.2.2 the Company should normally appoint an independent financial adviser to advise on the Exit Offer.

3. THE EXIT OFFER

3.1 Terms of the Exit Offer

Subject to the satisfaction of the Condition, the Joint Financial Advisers, for and on behalf of the Offeror, will make the Exit Offer in cash for all the Offer Shares.

3.1.1 The Exit Offer will be made on the following basis:

The Exit Offer Price will be S\$0.40 in cash for each Offer Share.

The Exit Offer Price shall be applicable to any number of Offer Shares that are validly tendered in acceptance of the Exit Offer.

For the avoidance of doubt, in respect of valid acceptances of the Exit Offer by Shareholders whose Shares are registered on the HK Branch Register, while the consideration payable for valid acceptances will be determined based on the Exit Offer Price in Singapore dollars, the actual payment for valid acceptances by such Shareholders will be made in Hong Kong dollars using the prevailing exchange rate of Hong Kong dollars at the time of payment as may be determined by the Offeror's processing agent for the Exit Offer in Hong Kong. Further details will be set out in the Exit Offer Letter.

3.1.2 The Offer Shares will be acquired fully paid and free from all Encumbrances and together with all rights, benefits, entitlements and advantages attached thereto as at the Announcement Date and hereafter attaching thereto, including the right to all Distributions (if any), available as at the Record Date which falls on or after the Announcement Date.

3.1.3 Without prejudice to the generality of the foregoing, the Exit Offer Price has been determined on the basis that the Offer Shares will be acquired together with the right to receive any Distributions (if any), available as at the Record Date which falls on or after the Announcement Date. In the event that the Record Date in respect of a Distribution falls on or after the Announcement Date, the Exit Offer Price payable to a Shareholder who validly accepts the Exit Offer shall be subject to the following adjustment mechanism, depending on when the Offer Settlement Date falls:

- (a) if the Offer Settlement Date falls on or before the Record Date, the Offeror will pay the relevant accepting Shareholders the unadjusted Exit Offer Price of S\$0.40 in cash for each Offer Share, as the Offeror will receive the Distribution in respect of such Offer Shares from the Company; and

- (b) if the Offer Settlement Date falls after the Record Date, the Exit Offer Price payable for such Offer Shares tendered in acceptance of the Exit Offer shall be reduced by an amount which is equal to the Distribution in respect of such Offer Shares, as the Offeror will not receive such Distribution from the Company.

3.2 Condition of the Exit Offer and the Delisting

The Exit Offer and the Delisting are subject to satisfaction of the following Condition by no later than the Long-Stop Date:

- (a) the Delisting Resolution being approved by a majority of at least 75% of the total number of issued Shares (excluding treasury Shares) held by Shareholders present and voting, on a poll, either in person or by proxy at the EGM; and
- (b) the Delisting Resolution not being voted against by 10% or more of the total number of issued Shares (excluding treasury Shares) held by Shareholders present and voting, on a poll, either in person or by proxy at the EGM.

The Exit Offer will **not** be conditional upon a minimum number of acceptances being received by the Offeror for the Exit Offer to become or be capable of being declared unconditional as to acceptances. If the Condition has not been satisfied by the Long-Stop Date, the Exit Offer will lapse and the Delisting will not proceed.

3.3 Acceptances

Shareholders may choose to accept the Exit Offer in respect of all or part of their holdings of the Offer Shares.

Shareholders may choose to accept the Exit Offer before the EGM. However, such acceptances will be conditional upon satisfaction of the Condition. If the Condition has not been satisfied by the Long-Stop Date, the Exit Offer will lapse and all acceptances of the Exit Offer will be returned and the Delisting will not proceed.

3.4 Commencement and Duration of the Exit Offer

The Exit Offer, when made, will commence on the date of despatch of the Exit Offer Letter to Shareholders. It is proposed that the Circular be despatched to the Shareholders on the same day as the Exit Offer Letter.

The Exit Offer will be open for acceptance by Shareholders on the date of despatch of the Exit Offer Letter and is required to remain open for acceptance for a period of at least 21 days pursuant to Rule 15.1 of the HK Takeover Code. The Exit Offer will remain open for acceptance for a period of at least 14 days after the date of announcement of the satisfaction of the Condition.

Although no extension of the Exit Offer is currently contemplated, if the Exit Offer is extended, an announcement will be made in respect of such extension, and the Exit Offer will remain open for acceptance for such period as may be announced thereof.

3.5 Settlement of consideration

Settlement of consideration in respect of acceptances of the Exit Offer will be made as soon as possible but in any event within (i) seven (7) Business Days or (ii) ten (10) calendar days (whichever is the earlier), of the date on which:

- (a) a complete and valid acceptance in respect of the Exit Offer is received; or
- (b) the Condition has been satisfied,

whichever is later.

3.6 No comparable offer for the Bonds

The Offeror has applied to the SIC for an exemption from having to make a comparable offer for the Bonds under Rule 19 of the Singapore Takeover Code and as set out in Section 4(d) of this Announcement, the SIC has ruled, amongst other things, that in view of the Bonds Undertaking, there is no requirement for the Offeror to make any equivalent Exit Offer for the Bonds under the Singapore Takeover Code.

4. RULINGS FROM THE SECURITIES INDUSTRY COUNCIL OF SINGAPORE

Pursuant to an application made by the Offeror to the SIC, the SIC has ruled as follows:

- (a) the Exit Offer is exempted from compliance with the following provisions of the Singapore Takeover Code:
 - (i) Rule 20.1 on keeping the Exit Offer open for 14 days after it has been revised;
 - (ii) Rule 22 on the offer timetable;
 - (iii) Rule 28 on acceptances; and
 - (iv) Rule 29 on the right of acceptors to withdraw their acceptances,

subject to the following conditions:

- (A) disclosure in the Circular of:
 - (I) the Consolidated Group NTA per Share; and
 - (II) particulars of all known material changes as of the latest practicable date which may affect the Consolidated Group NTA per Share or a statement that there are no such known material changes; and
- (B) the Exit Offer being kept open for at least:
 - (I) 21 days after despatch of the Exit Offer Letter by the Offeror if the Exit Offer Letter is despatched after Shareholders' approval of the Delisting Resolution; or
 - (II) 14 days after the announcement of Shareholders' approval of the Delisting Resolution if the Exit Offer Letter is despatched together with the Circular;
- (b) the Undertaking Shareholders are not regarded as parties acting in concert with the Offeror Concert Group for the purposes of the Exit Offer solely by virtue of the Shares Undertakings executed by them;
- (c) the Bondholder is not regarded as a party acting in concert with the Offeror Concert Group for the purposes of the Exit Offer solely by virtue of the Bonds Undertaking executed by the Bondholder;
- (d) in view of the Bonds Undertaking, there is no requirement for the Offeror to make any equivalent Exit Offer for the Bonds under the Singapore Takeover Code;
- (e) the financial confirmation to be given by the financial adviser to the Offeror pursuant to Rule 3.5 of the Singapore Takeover Code that sufficient resources are available to the Offeror to satisfy acceptances of the Exit Offer may exclude (a) the Shares held by the Offeror Concert Group and the Undertaking Shareholders, (b) the Shares that may be issued pursuant to a conversion of all the Bonds; and
- (f) Mr. Liu, Mr. Li and Ms. Yan are exempted from the requirement to make a recommendation on the Exit Offer to Shareholders as they face irreconcilable conflicts of interest in doing so, being concert parties of the Offeror. Mr. Liu, Mr. Li and Ms. Yan must, nonetheless, still assume responsibility for the accuracy of facts stated or opinions expressed in documents and advertisements issued by, or on behalf of, the Company in connection with the Exit Offer.

5. INFORMATION ON THE OFFEROR CONCERT GROUP

5.1 Information on the Offeror

5.1.1 The Offeror is a company incorporated in the BVI on 23 May 2006. Its registered office is at P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, BVI. The principal activities of the Offeror are those of an investment holding company. As at the Announcement Date, the Offeror has an issued share capital of US\$1.00 comprising 1 ordinary share. The sole director of the Offeror is Mr. Liu, who is also the Chairman, Chief Executive Officer and executive Director of the Company. As at the Announcement Date, the Offeror owns an aggregate of 350,794,000 Shares, representing approximately 35.08% of the total issued Shares and Mr. Liu owns 600,000 Shares, representing approximately 0.06% of the total issued Shares.

5.1.2 As at the Announcement Date, the Offeror is owned as to 42% by Mr. Liu and the remaining 58% is held by Mr. Liu on trust for seven beneficiaries, namely:

- (a) Mr. Li Buwen, the Company's executive director, who owns 16% of the equity interest in the Offeror;
- (b) Mr. Li Yushun, a senior management of the Company, who owns 7% of the equity interest in the Offeror;
- (c) Mr. Ru Zhengtao, a senior management of the Company, who owns 7% of the equity interest in the Offeror;
- (d) Mr. Wang Nairen, a senior management of the Company, who owns 7% of the equity interest in the Offeror;
- (e) Mr. Zhang Qingjin, a senior management of the Company, who owns 7% of the equity interest in the Offeror;
- (f) Mr. Zhu Xingye, an ex-employee of the Company, who owns 7% of the equity interest in the Offeror; and
- (g) Mr. Shang Dewei, an employee of the Company, who owns 7% of the equity interest in the Offeror.

Pursuant to a trust agreement, Mr. Liu has the absolute discretion to exercise the voting rights held by the Offeror in the Company.

5.1.3 As at the Announcement Date, save as disclosed in Section 5.1.1 above, each of the Offeror and Mr. Liu does not own and has not entered into any agreement to acquire any Shares or convertible securities issued by the Company.

5.2 Information on Go Power

5.2.1 Go Power is a company incorporated in the BVI on 18 May 2006. Its registered office is at P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, BVI. The principal activities of Go Power are those of an investment holding company. As at the Announcement Date, Go Power has an issued share capital of US\$1.00 comprising 1 ordinary share. The sole director of Go Power is Ms. Yan, who is also the Chief Financial Officer and executive Director of the Company. As at the Announcement Date, Go Power owns an aggregate of 297,734,000 Shares, representing approximately 29.77% of the total issued Shares and Ms. Yan owns 300,000 Shares, representing approximately 0.03% of the total issued Shares.

5.2.2 As at the Announcement Date, Go Power is owned as to 12.74% by Ms. Yan and the remaining 87.26% is held by Ms. Yan on trust for 1,463 beneficiaries. Pursuant to a trust agreement, Ms. Yan has the absolute discretion to exercise the voting rights held by Go Power in the Company.

5.2.3 As at the Announcement Date, save as disclosed in Section 5.2.1 above, each of Go Power and Ms. Yan does not own and has not entered into any agreement to acquire any Shares or convertible securities issued by the Company.

5.3 Aggregate holdings of the Offeror Concert Group

As at the Announcement Date, the Offeror Concert Group has an aggregate interest in 649,428,000 Shares, representing approximately 64.94% of the total number of issued Shares. Please refer to Section 13 below for details of the Company Securities owned or controlled by the Offeror Concert Group.

6. INFORMATION ON THE COMPANY

6.1 The Company is incorporated in Singapore and is dual primary listed on the Official List of the SGX-ST and on the Main Board of the SEHK.

6.2 The Group is mainly engaged in the manufacturing and sale of urea, compound fertiliser and methanol in the PRC. The Group is currently one of the largest and most cost-efficient manufacturers of coal-based urea and compound fertilisers in the PRC and is strategically located in Henan, which is one of the largest agricultural provinces in the PRC.

6.3 The following information is extracted from the audited consolidated income statements of the Company for the financial year ended 31 December 2012 and the audited

consolidated income statement of the Company for the financial year ended 31 December 2013:

	For the financial year ended 31 December 2012 <i>RMB'000</i> (audited)	For the financial year ended 31 December 2013 <i>RMB'000</i> (audited)
Revenue	3,945,584	3,968,946
Profit before income tax	372,021	311,623
Profit for the year attributable to Shareholders	311,001	259,393

6.4 As at the Announcement Date:

6.4.1 the Company has an issued and paid-up share capital of 1,000,000,000 Shares and save for the Bonds, does not have any other outstanding options, rights, warrants or other instruments convertible into, exercisable for or redeemable with, any Shares;

6.4.2 the Company does not have any treasury Shares; and

6.4.3 the Directors are Messrs Liu Xingxu (chairman, chief executive officer and executive Director), Yan Yunhua (chief financial officer and executive Director), Li Bu Wen (executive Director), Li Shengxiao (independent non-executive Director), Lian Jie (non-executive Director), Ong Wei Jin (independent non-executive Director) and Ong Kian Guan (lead independent non-executive Director).

7. UNDERTAKINGS

7.1 Shares Undertakings

7.1.1 As at the Announcement Date, the Undertaking Shareholders (whose particulars are set out in **Appendix 1** to this Announcement) have provided irrevocable undertakings to the Offeror whereby each Undertaking Shareholder has irrevocably undertaken, amongst other things:

- (a) to exercise or procure the exercise of the voting rights attached to their Shares to vote in favour of the Delisting Resolution at the EGM;
- (b) not to accept the Exit Offer in respect of all or any of their Shares;

- (c) not to, prior to the close or withdrawal of the Exit Offer, directly or indirectly (and whether beneficially, legally or otherwise), (i) offer, sell, give, transfer, pledge, encumber, charge, or grant any option or other right over or otherwise dispose of or deal with any of their Shares or any interest therein; (ii) enter into any swap or other arrangement that transfers to another party in whole or in part any of the legal, beneficial or economic consequences of ownership of, any of their Shares or any interest therein; (iii) subject any of their Shares to any Encumbrance; or (iv) enter into any agreement with a view to effecting any of the foregoing.

7.1.2 The Shares Undertakings will expire and cease to have any effect at the earlier of:

- (a) the Delisting Resolution not being passed by Shareholders at the EGM;
- (b) the Exit Offer having been withdrawn, lapsed or closed; or
- (c) six (6) months from the date of the Shares Undertakings.

7.2 Bonds Undertaking

7.2.1 As at the Announcement Date, the Bondholder (whose particulars are set out in **Appendix 1** to this Announcement) has provided an irrevocable undertaking to the Offeror whereby the Bondholder has irrevocably undertaken, amongst other things:

- (a) to irrevocably waive its rights to receive any offer for the Bonds under the Singapore Takeover Code and the HK Takeover Code from the Offeror arising from the Exit Offer and the Delisting;
- (b) not to exercise the right of conversion or right of redemption attached to the Bonds prior to the close or withdrawal of the Exit Offer;
- (c) not to, prior to the close or withdrawal of the Exit Offer, directly or indirectly (and whether beneficially, legally or otherwise), (i) offer, sell, give, transfer, pledge, encumber, charge, or grant any option or other right over or otherwise dispose of or deal with any of the Bonds or any interest therein; (ii) enter into any swap or other arrangement that transfers to another party in whole or in part any of the legal, beneficial or economic consequences of ownership of, any of the Bonds or any interest therein; (iii) subject any of the Bonds to any Encumbrance; or (iv) enter into any agreement with a view to effecting any of the foregoing.

7.2.2 The Bonds Undertaking will expire and cease to have any effect at the earlier of:

- (a) the Delisting Resolution not being passed by Shareholders at the EGM;
- (b) the Exit Offer having been withdrawn, lapsed or closed; or
- (c) six (6) months from the date of the Bonds Undertaking.

8. RATIONALE FOR THE DELISTING

The Delisting is proposed by the Offeror and the Company for the following reasons:

- (a) there is currently limited liquidity in the trading of the Shares and having a single listing will consolidate the trading of Shares and is expected to lead to improved liquidity and enhanced Shareholder value;
- (b) the SEHK is geographically of closer proximity to the principal place of business of the Group's operations which are mainly undertaken in the PRC. As such, the Offeror and the Company regard the SEHK as the preferred platform for future fund raising activities (if any) as investors on the SEHK are likely to have greater familiarity with the business of the Group; and
- (c) there will be a reduction in (i) the compliance costs and complexity involved in the Company having to comply with the listing rules and regulations of two stock exchanges, (ii) management resources incurred, and (iii) constraints in operational flexibility.

The Exit Offer is not made by the Offeror with an intention to consolidate control in or to privatise the Company. The Exit Offer is made in connection with the Delisting pursuant to Rules 1307 and 1309 of the SGX-ST Listing Manual. The Offeror intends to preserve the listing status of the Company on the Main Board of the SEHK following the completion of the Delisting.

9. OFFEROR'S INTENTIONS FOR THE COMPANY

The Offeror has no intention to (a) propose or introduce any major changes to the businesses of the Group, (b) re-deploy the fixed assets of the Group, or (c) discontinue the employment of the employees of the Group, in each case, other than in the ordinary course of business.

The Offeror intends to preserve the listing status of the Company on the Main Board of the SEHK following the completion of the Delisting. Shareholders should note that the Delisting is **not** a privatisation exercise and following the completion of the Delisting, the Shares will continue to be listed on the Main Board of the SEHK. The Delisting will not result in the exercise of any right of compulsory acquisition by the Offeror to compulsorily acquire or squeeze-out any minority Shareholders.

Under the HK Listing Rules, in the event that at the close of the Exit Offer, (i) less than the minimum prescribed shareholding percentage applicable to the Company (being 25% of the total issued Shares) is held by the public, (ii) the SEHK believes that a false market exists or may exist in the trading of the Shares, or (iii) that there are insufficient Shares in public hands to maintain an orderly market, the SEHK has the discretion to require suspension of dealings in the Shares.

Placing Agreement

Pursuant to the Placing Agreement, CITIC Securities has been appointed by the Offeror as sole placing agent to purchase or to procure purchasers to purchase all Shares that may be acquired by the Offeror pursuant to the Exit Offer, subject to certain customary conditions for placings. Whilst the Exit Offer Price is set at S\$0.40, the actual price per Share in HK\$ will fluctuate in accordance with movements in the HK\$:S\$ exchange rate. Accordingly, in order to ensure that Shares sold under the placing are sold at the same price and the gross proceeds of placing will be approximately equal to the total consideration paid by the Offeror for the Shares acquired under the Exit Offer, the price at which the Shares will be placed pursuant to the Placing Agreement will be set at a HK\$ amount per Share equal to the average HK\$ acquisition price per Share under the Exit Offer.

Upon satisfaction of the conditions, the placing will occur on a date to be agreed between the Offeror and CITIC Securities which falls within the period starting from the closing date of the Exit Offer until the later of the dates which fall (a) one month after such closing date; and (b) 21 days after the date upon which any Shares acquired by the Offeror pursuant to the Exit Offer have been deposited in CCASS (or such later date as the Offeror and CITIC Securities may agree in writing).

The Offeror will use the net proceeds of the placing towards repayment of the Exit Offer Facility and related fees and expenses. Assuming completion of the placing, the shareholdings of the Offeror and parties acting in concert with it will be restored to their pre-offer shareholding levels of approximately 64.94% of the total number of issued Shares, and the public float will be at not less than 25% of the total issued Shares. Purchasers under the placing will not be subject to any lock-up and will be free to trade the placed Shares at any price.

If the conditions to the placing are not satisfied or waived by 31 December 2014, the placing will not proceed and any breach of the minimum public float requirements as a result of the Exit Offer may not be remedied until the Offeror or the Company takes other appropriate steps to restore the minimum public float.

Each of the Offeror and the Company will undertake to the SEHK to take such other steps as may be appropriate to ensure that sufficient public float exists in the Shares following the completion of the Exit Offer.

10. IMPLICATIONS OF THE DELISTING FOR SHAREHOLDERS WHO DO NOT ACCEPT THE EXIT OFFER

Shareholders who currently trade their Shares on the SGX-ST and who do not accept the Exit Offer will be able to continue trading their Shares on the Main Board of the SEHK subsequent to the completion of the Delisting as their Shares will be automatically transferred, at the Company's cost, from the Singapore Register to the HK Branch Register. The Company will issue new share certificates in respect of such Shareholders' Shares registered on the HK Branch Register and the Hong Kong Branch Share Registrar will mail the new share certificates by ordinary post to the mailing addresses of the Shareholders as they appear in the Address Notification Form submitted to the Company, at such Shareholders' own risk. Shareholders who do not submit the Address Notification Form to the Company will have their new share certificates delivered by ordinary post at their own risk to their registered addresses as set out in the records of the Company and/or CDP. Shareholders will thereafter be able to trade their Shares freely on the Main Board of the SEHK upon setting up investor participant stock accounts in CCASS with the HKSCC or stock accounts with designated CCASS participants, through brokerage firms in Hong Kong or Singapore which offer such services, and depositing their Shares into CCASS for credit to their investor participant stock accounts or their designated CCASS participant stock accounts thereafter. Further details will be set out in the Circular.

11. COMPULSORY ACQUISITION

11.1 Pursuant to Section 215(1) of the Singapore Companies Act, in the event that the Offeror receives valid acceptances pursuant to the Exit Offer (or otherwise acquires Shares during the period that the Exit Offer is open for acceptance) in respect of not less than 90% of the total number of issued Shares (other than those Shares already held by the Offeror, its related corporations or their respective nominees as at the date of the Exit Offer and excluding treasury Shares), the Offeror will be entitled to compulsorily acquire all the Offer Shares from Shareholders who have not accepted the Exit Offer on the same terms as those offered under the Exit Offer.

Pursuant to Rule 2.11 of the HK Takeover Code, except with the consent of the Executive, where any person seeks to acquire or privatise a company by means of an offer and the use of compulsory acquisition rights, such rights may only be exercised if, in addition to satisfying any requirements imposed by law, acceptances of the offer and purchases (in each case of the disinterested shares) made by the offeror and persons acting in concert with it during the period of four (4) months after the posting of the initial offer document total 90% of the disinterested shares.

As it is the intention of the Offeror to preserve the primary listing status of the Shares on the Main Board of the SEHK following the completion of the Delisting, the Offeror does not intend to exercise any rights of compulsory acquisition under Section 215(1) of the Singapore Companies Act and Rule 2.11 of the HK Takeover Code respectively.

11.2 In addition, Shareholders who do not accept the Exit Offer have the right under and subject to Section 215(3) of the Singapore Companies Act, to require the Offeror to acquire their Shares at the Exit Offer Price in the event that the Offeror, its related corporations or their respective nominees acquire, pursuant to the Exit Offer, such number of Shares which, together with the Shares held by the Offeror, its related corporations or their respective nominees, comprise 90% or more of the total number of issued Shares (excluding treasury Shares). Shareholders who wish to exercise such right are advised to seek their own independent legal advice.

12. FINANCIAL ASPECTS OF THE EXIT OFFER¹

12.1 The Exit Offer Price represents the following premia/discount over the historical market prices of the Shares on the SGX-ST and the SEHK over various periods:

Share Prices on the SGX-ST	Share Price	Premium/ Discount
Last transacted price of the Shares on the SGX-ST as at the Announcement Date	S\$0.42	-4.8%
Last transacted price of the Shares on the SGX-ST on 6 December 2013 (being the Last Traded Day)	S\$0.325	23.1%
VWAP on the SGX-ST for the one-month period up to and including the Last Traded Day	S\$0.311	28.6%
VWAP on the SGX-ST for the three-month period up to and including the Last Traded Day	S\$0.317	26.2%
VWAP on the SGX-ST for the six-month period up to and including the Last Traded Day	S\$0.326	22.7%
VWAP on the SGX-ST for the one-year period up to and including the Last Traded Day	S\$0.359	11.4%

¹ The historical market prices and the net asset value per Share of the Group are rounded to the nearest three (3) decimal places. The historical market prices and the corresponding premia are computed based on data extracted from Bloomberg L.P. (such data excluding off-market transactions).

Share Prices on the SEHK	Share Price	Premium/ Discount ²
Last transacted price of the Shares on the SEHK as at the Announcement Date	HK\$2.460	0.0%
Last transacted price of the Shares on the SEHK on 6 December 2013 (being the Last Traded Day)	HK\$2.060	19.4%
Average closing price on the SEHK for the one-month period up to and including the Last Traded Day	HK\$2.015	22.1%
Average closing price on the SEHK for the three-month period up to and including the Last Traded Day	HK\$2.064	19.2%
Average closing price on the SEHK for the six-month period up to and including the Last Traded Day	HK\$2.138	15.1%
Average closing price on the SEHK for the one-year period up to and including the Last Traded Day	HK\$2.340	5.2%

12.2 The Exit Offer Price represents a discount of approximately 23.1% to the audited consolidated net asset value per Share of S\$0.52 as at 31 December 2013 (assuming an exchange rate of S\$1.00: RMB4.796³).

13. DISCLOSURE OF HOLDINGS AND DEALINGS IN THE COMPANY

13.1 As at the Announcement Date, the Offeror Concert Group owns or has control or direction over an aggregate of 649,428,000 Shares, representing approximately 64.94% of the total number of issued Shares.

13.2 Save as disclosed in **Appendices 1 and 2** to this Announcement, none of the Relevant Persons (a) owns, controls, has direction over or has agreed to acquire any Company Securities as at the Announcement Date, or (b) has dealt for value in any Company Securities during the six-month period immediately preceding the Possible Offer Announcement Date and up to the Announcement Date.

13.3 Save as disclosed in Section 15 of this Announcement, as at the Announcement Date, none of the Relevant Persons has granted any security interest over any Company Securities to another person, whether through a charge, pledge or otherwise.

13.4 As at the Announcement Date:

- (a) save as disclosed in Sections 7 and 15 of this Announcement, there is no arrangement (whether by way of option, indemnity or otherwise) of any kind referred to in Note 8 to Rule 22 of the HK Takeover Code in relation to the shares of the Offeror or the Shares and which might be material to the Exit Offer;

² For ease of comparison, the Exit Offer Price has been converted into Hong Kong dollars based on the Latest Exchange Rate.

³ Based on information extracted from Bloomberg L.P..

- (b) save as disclosed in Section 3.2 of this Announcement, there is no agreement or arrangement to which any of the Relevant Persons, is a party which relates to circumstances in which it may or may not seek to invoke a pre-condition or a condition to the Exit Offer;
- (c) there is no outstanding derivative in respect of the Company Securities entered into by the Relevant Persons;
- (d) save as disclosed in Section 7 of this Announcement, none of the Relevant Persons has received any irrevocable undertaking from any party to accept or reject the Exit Offer, as at the Announcement Date; and
- (e) there are no relevant securities (as defined in Note 4 to Rule 22 of the HK Takeover Code) in the Company which any Relevant Person has borrowed or lent.

14. TOTAL CONSIDERATION PAYABLE UNDER THE EXIT OFFER

As at the Announcement Date, the Company has 1,000,000,000 Shares in issue. On the basis of the Exit Offer Price of S\$0.40 and 1,000,000,000 Shares in issue, the total consideration payable for the entire issued share capital of the Company is S\$400,000,000. Excluding the 385,809,000 Undertaking Shares (which includes Shares held by Go Power, Mr. Liu and Ms. Yan) and the 350,794,000 Shares held by the Offeror and on the basis that none of the outstanding Bonds will be converted or exercised into Shares prior to the close of the Exit Offer and the Exit Offer is accepted in full, 263,397,000 Shares will be subject to the Exit Offer and the maximum amount of cash consideration payable under the Exit Offer by the Offeror for such Shares based on the Exit Offer Price will be S\$105,358,800 in aggregate.

15. CONFIRMATION OF FINANCIAL RESOURCES

The maximum amount of cash consideration payable by the Offeror in connection with the Exit Offer is approximately S\$105,358,800 (approximately HK\$648,125,194 at the Latest Exchange Rate) in aggregate, which will be funded by the Offeror through existing HK\$ and S\$ cash resources of an aggregate approximate amount of HK\$34,588,254 at the Latest Exchange Rate (approximately S\$5,622,644 at the Latest Exchange Rate) and the Exit Offer Facility of an amount of up to HK\$670,000,000. The loans made under the Exit Offer Facility are to be secured by (a) a charge granted by the Offeror over 347,304,000 Shares, representing approximately 34.73% of the total number of issued Shares, in favour of CITIC Securities Brokerage (HK) Limited and (b) a charge granted by Go Power over 297,734,000 Shares, representing approximately 29.77% of the total number of issued Shares, in favour of CITIC Securities Brokerage (HK) Limited. Mr. Liu and Ms. Yan have entered into personal guarantees guaranteeing the obligations of the Offeror (as borrower) and Go Power respectively.

CITIC Securities, as the Offeror's Hong Kong financial adviser, confirms in accordance with the HK Takeover Code that, after taking into account the Undertakings, sufficient financial resources are available to the Offeror to satisfy in full all acceptances of the Exit Offer.

CLSA Singapore, as the Offeror's Singapore financial adviser, confirms in accordance with the Singapore Takeover Code that, after taking into account the Undertakings, sufficient financial resources are available to the Offeror to satisfy in full all acceptances of the Exit Offer.

16. INDEPENDENT BOARD COMMITTEE

Pursuant to the HK Takeover Code, an Independent Board Committee, which comprises all the non-executive Directors, has been established to advise and make its recommendation on the Exit Offer and the Delisting to the Independent Shareholders. The Directors who constitute the Independent Board Committee are the same Directors who are considered independent under the Singapore Takeover Code for the purposes of making a recommendation to Independent Shareholders in respect of the Exit Offer and the Delisting. As such, the Independent Board Committee's recommendation on the Exit Offer and the Delisting will be made pursuant to both the HK Takeover Code and the Singapore Takeover Code.

17. INDEPENDENT FINANCIAL ADVISER

The Board has appointed ING Bank N.V. as the IFA to advise the Independent Board Committee for the purpose of making a recommendation in connection with the Exit Offer and the Delisting. The appointment of ING Bank N.V. as IFA has been approved by the Independent Board Committee. The recommendation of the Independent Board Committee will be set out in the Circular.

18. CIRCULAR AND EXIT OFFER LETTER

Pursuant to Rule 8.2 of the HK Takeover Code, the Exit Offer Letter setting out, amongst other things, details of the Exit Offer (including the expected timetable and terms of the Exit Offer), together with the relevant form(s) of acceptance, must be despatched to the Shareholders by the Offeror within 21 days of the Announcement Date or such later date as the Executive may approve. It is intended that the Circular setting out, amongst other things, (i) details of the Exit Offer (including the expected timetable and terms of the Exit Offer), (ii) further information on the Delisting, (iii) a letter of advice from the IFA to the Independent Board Committee in relation to the Exit Offer and the Delisting, (iv) the recommendation from the Independent Board Committee in relation to the Exit Offer and (v) the notice of the EGM, will be despatched to the Shareholders on the same day as the Exit Offer Letter or such later date as the Executive may approve.

No immediate action is required of Shareholders in respect of the Exit Offer and the Delisting. Shareholders will be advised on the procedures for accepting the Exit Offer when the Circular and the Exit Offer Letter are despatched.

19. OVERSEAS SHAREHOLDERS

- 19.1 The Offeror intends to make the Exit Offer available to all Shareholders (other than (a) the Offeror Concert Group and (b) the Undertaking Persons), including those who are not resident in Hong Kong or Singapore. However, the availability of the Exit Offer to Overseas Shareholders may be affected by the laws of the relevant overseas jurisdictions. It is the responsibility of any Overseas Shareholders wishing to take any action in relation to the Exit Offer and the Delisting to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, or the compliance with other necessary formalities and the payment of any issue, transfer or other taxes due in such jurisdiction. Accordingly, Overseas Shareholders should inform themselves about and observe any applicable requirements and restrictions in the relevant overseas jurisdictions, and exercise caution in relation to the Exit Offer.
- 19.2 In the event that the receipt of the Exit Offer Letter and the relevant form(s) of acceptance by Overseas Shareholders is prohibited by any applicable laws or regulations or may only be effected upon compliance with the conditions or requirements of such overseas jurisdictions that would be unduly burdensome, the Exit Offer Letter and the relevant form(s) of acceptance, subject to the Executive's consent, will not be despatched to such Overseas Shareholders. The Offeror will apply for any waivers as may be required by the Executive pursuant to Note 3 to Rule 8 of the HK Takeover Code at the appropriate time. Nonetheless, the Overseas Shareholders will be provided with all material information contained in the Exit Offer Letter.
- 19.3 As at 26 March 2014, there were 60 Shareholders who are Overseas Shareholders, holding an aggregate of approximately 0.55% of the total issued Shares.
- 19.4 Further details in relation to the arrangement with respect to Overseas Shareholders will be contained in the Exit Offer Letter and the Circular where appropriate.

20. DEALINGS DISCLOSURE

- 20.1 Pursuant to the HK Takeover Code, the associates of the Offeror and the Company (as defined under the HK Takeover Code and including a person who owns or controls 5% or more of any class of relevant securities (as defined in Note 4 to Rule 22 of the HK Takeover Code) in the Company or the Offeror) are hereby reminded to disclose their dealings in the relevant securities of the Company under Rule 22 of the HK Takeover Code. In accordance with Rule 3.8 of the HK Takeover Code, reproduced below is the full text of Note 11 to Rule 22 of the HK Takeover Code:

“Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding

stamp duty and commission) in any relevant security undertaken for a client during any 7-day period is less than HK\$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that cooperation.”

20.2 Pursuant to the Singapore Takeover Code, the associates of the Offeror and the Company (as defined under the Singapore Takeover Code and including a person who holds 5% or more of the equity share capital of the Company) are hereby reminded to disclose their dealings in the relevant securities (as defined in Note 3 on Rule 12 of the Singapore Takeover Code) of the Company under Rule 12 of the Singapore Takeover Code. Reproduced below is the full text of Note 9 on Rule 12 of the Singapore Takeover Code:

“Stockbrokers, bankers and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons and that those clients are willing to comply with them. Dealers who deal directly with investors should, in appropriate cases, likewise draw their attention to the relevant Rules.

Intermediaries are expected to co-operate with the Council in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Council with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

WARNING: Shareholders and potential investors should be aware that the Exit Offer is subject to the Condition being satisfied and thus the Exit Offer may or may not become or be capable of being declared unconditional in all respects and the Delisting may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares or other rights in respect of them, and to refrain from taking any action which may be prejudicial to their interests. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor, accountant or other professional advisers.

21. RESPONSIBILITY STATEMENTS

21.1 Pursuant to the HK Takeover Code:

- (a) Mr. Liu Xingxu, being the sole director of the Offeror, accepts full responsibility for the accuracy of information contained in this Announcement (other than information relating to the Company) and confirms, having made all reasonable inquiries, that to the best of his knowledge, opinions expressed in this Announcement have been arrived at after due and careful consideration and there are no other facts not contained in this Announcement, the omission of which would make any statement in this Announcement misleading; and
- (b) all Directors jointly and severally accept full responsibility for the accuracy of information contained in this Announcement (other than information relating to the Offeror) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this Announcement have been arrived at after due and careful consideration and there are no other facts not contained in this Announcement, the omission of which would make any statement in this Announcement misleading.

21.2 Pursuant to the Singapore Takeover Code:

- (a) Mr. Liu Xingxu, being the sole director of the Offeror has taken all reasonable care to ensure that the facts stated and the opinions expressed in this Announcement are fair and accurate and no material facts have been omitted from this Announcement, and he accepts responsibility accordingly. Where any information has been extracted from published or publicly available sources (including information relating to the Company), the sole responsibility of Mr. Liu Xingxu has been to ensure through reasonable enquiries, that such information is accurately extracted from such sources or, as the case may be, accurately reflected or reproduced in this Announcement; and
- (b) the Directors (including those who may have delegated detailed supervision of the preparation of this Announcement) have taken all reasonable care to ensure that the facts stated and the opinions expressed in this Announcement are fair and accurate and no material facts have been omitted from this Announcement, and they jointly and severally accept responsibility accordingly. Where any information has been extracted from published or publicly available sources (including information relating to the Offeror), the sole responsibility of the Directors has been to ensure that, through reasonable enquiries, such information is accurately extracted from such sources or, as the case may be, accurately reflected or reproduced in this Announcement.

22. DEFINITIONS

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

“Address Notification Form”	the form proposed to be sent to Shareholders who hold their Shares through CDP and Singapore Registered Shareholders together with the Circular for purposes of allowing Shareholders who hold their Shares through CDP and Singapore Registered Shareholders who do not accept the Exit Offer to provide, if they wish to do so, an address in Hong Kong for the delivery of their share certificates by ordinary post, at their own risk, in respect of their Shares transferred from the Singapore Register to the HK Branch Register following the completion of the Delisting
“Announcement”	this joint announcement by the Offeror and the Company dated 31 March 2014
“Announcement Date”	the date of this Announcement
“Board”	the board of Directors
“Bondholder”	Nitro Capital Limited
“Bonds”	the 4.5% convertible bonds due on 21 December 2016 and issued by the Company to the Bondholder on 21 December 2011 with an aggregate outstanding principal amount of RMB324,366,153.50, which are convertible into 176,000,000 Shares at the prevailing conversion price of approximately RMB1.84 per Share as at the Announcement Date
“Bonds Undertaking”	the irrevocable undertaking dated 31 March 2014 provided by the Bondholder to the Offeror, as described in Section 7.2 of this Announcement
“Business Day”	a day other than Saturday, Sunday or a public holiday on which commercial banks in Hong Kong and Singapore, the SEHK and the SGX-ST (as the case may be) are open for the transaction of business
“BVI”	the British Virgin Islands
“CCASS”	the Central Clearing and Settlement System established and operated by the HKSCC

“CDP”	The Central Depository (Pte) Limited of Singapore, which operates the Central Depository System for the holding and transfer of book-entry securities
“Circular”	the letter proposed to be issued by the Company to the Shareholders in connection with the Exit Offer and the Delisting, setting out, amongst other things: (i) a letter of advice from the IFA to the Independent Board Committee in relation to the Exit Offer and the Delisting; (ii) the recommendation from the Independent Board Committee to the Independent Shareholders in relation to the Exit Offer and the Delisting; and (iii) the notice of EGM
“CITIC Securities”	CITIC Securities Corporate Finance (HK) Limited, the Hong Kong financial adviser to the Offeror, is a licensed corporation under the SFO, licensed to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities
“CLSA Singapore”	CLSA Singapore Pte Ltd, the Singapore financial adviser to the Offeror, holds a Capital Markets Services Licence from the Monetary Authority of Singapore for certain regulated activities including, without limitation, Dealing in Securities and Advising on Corporate Finance
“Company”	China XLX Fertiliser Ltd., a company incorporated with limited liability as a private company under the laws of Singapore on 17 July 2006 and subsequently converted into a public company on 15 May 2007, and the Shares of which are listed on the Official List of the SGX-ST and the Main Board of the SEHK
“Company Securities”	Shares, securities which carry voting rights in the Company and convertible securities, warrants, options or derivatives in respect of, such Shares or securities of the Company
“Condition”	the condition in respect of the Exit Offer and the Delisting as set out in Section 3.2 of this Announcement
“Consolidated Group NTA per Share”	the consolidated net tangible assets per Share of the Group based on the latest published accounts prior to the date of the Circular
“Controlling Shareholders”	a Shareholder of the Company who (a) holds directly or indirectly 15% or more of the total number of issued Shares (excluding treasury Shares) (subject to the discretion of the SGX-ST which may nevertheless determine that such a person is not a Controlling Shareholder); or (b) in fact exercises control over the Company

“Delisting”	the proposed voluntary delisting of the Company from the Official List of the SGX-ST pursuant to Rules 1307 and 1309 of the SGX-ST Listing Manual
“Delisting Proposal”	the formal proposal dated 31 March 2014 presented by the Offeror to the Board to seek the Delisting
“Delisting Resolution”	the resolution to be approved by Shareholders at the EGM in relation to the Delisting
“Director(s)”	the director(s) of the Company
“Distributions”	dividends, rights and other distributions in respect of Shares
“EGM”	the extraordinary general meeting of the Company to be convened for Shareholders to approve the Delisting Resolution
“Encumbrances”	any claim, lien, equity, mortgage, charge, encumbrance, right of pre-emption and other third party right and interest of any nature whatsoever
“Executive”	the Executive Director of the Corporate Finance Division of the Securities and Futures Commission of Hong Kong or any delegate of the Executive Director
“Exit Offer”	the conditional cash exit offer to be made by the Joint Financial Advisers for and on behalf of the Offeror for the Offer Shares
“Exit Offer Facility”	the facility granted to the Offeror by CITIC Securities Brokerage (HK) Limited pursuant to the facility agreement dated 31 March 2014
“Exit Offer Letter”	the letter proposed to be issued by the Joint Financial Advisers, on behalf of the Offeror, to all the Shareholders in connection with the Exit Offer in accordance with the Singapore Takeover Code and the HK Takeover Code setting out, amongst other things, details of the Exit Offer (including the expected timetable and terms of the Exit Offer), together with the relevant form(s) of acceptance
“Exit Offer Price”	S\$0.40 for each Offer Share
“Go Power”	Go Power Investments Limited, a company incorporated in the BVI the beneficial interests in which are held by (i) Ms Yan; (ii) certain current and past employees; and (iii) certain past and present customers/suppliers of the Group, and which is controlled pursuant to trust arrangements by Ms. Yan

“Group”	the Company, its subsidiaries and associated companies
“HK Branch Register”	the register of members of the Company in Hong Kong
“HK Listing Rules”	the rules governing the listing of securities on the Main Board of the SEHK
“HK Takeover Code”	The Code on Takeovers and Mergers of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Branch Share Registrar”	Tricor Investor Services Limited, the Company’s branch share registrar in Hong Kong
“IFA”	ING Bank N.V., the independent financial adviser appointed by the Company to advise the Independent Board Committee in relation to, amongst others, the Exit Offer and the Delisting pursuant to the HK Takeover Code and Singapore Takeover Code
“Independent Board Committee”	the independent committee of the Board established pursuant to Rule 2.1 of the HK Takeover Code comprising all the non-executive Directors, namely, Messrs Li Shengxiao, Lian Jie, Ong Wei Jin and Ong Kian Guan, to advise and make its recommendation on the Exit Offer and the Delisting to the Independent Shareholders, whereby the above-mentioned Directors who constitute the Independent Board Committee are the same Directors who are considered independent under the Singapore Takeover Code for the purposes of making a recommendation to Independent Shareholders in respect of the Exit Offer and the Delisting
“Independent Shareholders”	all Shareholders other than the Relevant Persons and the Undertaking Shareholders
“Joint Financial Advisers”	CITIC Securities and CLSA Singapore
“Last Traded Day”	6 December 2013, being the last market day on which the Shares were traded on the SGX-ST and the SEHK prior to the Possible Offer Announcement Date
“Latest Exchange Rate”	the exchange rate of S\$1.00 to HK\$6.1516 as extracted from Bloomberg L.P., as at 2:00 p.m. (Hong Kong and Singapore time) on the Announcement Date

“Long-Stop Date”	31 August 2014, being the latest date for satisfaction of the Condition
“Mr. Liu”	Mr. Liu Xingxu, the Chairman and executive Director of the Company and is also the sole director of the Offeror
“Ms. Yan”	Ms. Yan Yunhua, the chief financial officer and executive Director of the Company
“Offer Settlement Date”	the date upon which the Offeror is registered as Shareholder of any Offer Shares tendered in acceptance of the Exit Offer by Shareholders
“Offer Shares”	Shares in respect of which the Exit Offer is made (excluding all new Shares which may be issued pursuant to the valid conversion of any Bonds prior to the close of the Exit Offer), other than (i) those Shares already owned, controlled or agreed to be acquired by the Offeror Concert Group and (ii) the Undertaking Shares
“Offeror”	Pioneer Top Holdings Limited, a company incorporated in the BVI, which is owned as to 42% by Mr. Liu and the remaining 58% is held by Mr. Liu on trust for seven individual beneficiaries
“Offeror Concert Group”	the Offeror, Mr. Liu, Ms. Yan and Go Power
“Overseas Shareholders”	the Shareholders whose addresses as shown in the Singapore Register, the records of CDP or the HK Branch Register are outside of Singapore and/or Hong Kong
“Placing Agreement”	the placing agreement dated 31 March 2014 entered into between the Offeror and CITIC Securities in respect of the placing by CITIC Securities of any Shares acquired by the Offeror pursuant to the Exit Offer (as further described in Section 9 of this Announcement)
“Possible Offer Announcement Date”	11 December 2013, being the date on which the Company and the Offeror jointly issued the announcement in relation to the possible Exit Offer and the possible Delisting
“PRC”	the People’s Republic of China, which, for the purposes of this Announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Record Date”	in relation to any Distributions, the date on which Shareholders must be registered with the Company, CCASS or with CDP, as the case may be, in order to be entitled to such Distributions

“Relevant Persons”	the Offeror and parties acting in concert with it
“SEHK”	The Stock Exchange of Hong Kong Limited
“SFO”	the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong)
“SGX-ST”	Singapore Exchange Securities Trading Limited
“SGX-ST Listing Manual”	the main board rules of the listing manual of the SGX-ST
“Shareholders”	the registered holders of the Shares
“Shares”	ordinary shares in the issued and paid-up capital of the Company
“Shares Undertakings”	the irrevocable undertakings dated 31 March 2014 provided by each Undertaking Shareholder to the Offeror, as more particularly described in Section 7.1 of this Announcement
“SIC”	the Securities Industry Council of Singapore
“Singapore Companies Act”	the Companies Act of Singapore (Cap. 50)
“Singapore Financial Reporting Standards”	Singapore Financial Reporting Standards (which include all Singapore Financial Reporting Standards and Singapore Financial Reporting Interpretations) issued by the Singapore Accounting Standards Council
“Singapore Register”	the register of members of the Company in Singapore
“Singapore Registered Shareholders”	Shareholders whose Shares are held under their own names on the Singapore Register
“Singapore Takeover Code”	The Singapore Code on Take-overs and Mergers
“Undertaking Bonds”	an aggregate principal amount of RMB324,366,153.50 of the outstanding Bonds held by the Bondholder which are convertible into 176,000,000 Shares based on the prevailing conversion price of approximately RMB1.84 per Share as at the Announcement Date
“Undertaking Persons”	the persons set out in Appendix 1 to this Announcement, comprising the Undertaking Shareholders and the Bondholder

“Undertaking Shareholders”	Certain Shareholders who have provided irrevocable undertakings to the Offeror in connection with the Exit Offer and the Delisting, whose particulars are set out in Appendix 1 to this Announcement
“Undertaking Shares”	an aggregate of 385,809,000 Shares held by the Undertaking Shareholders
“Undertakings”	the Shares Undertakings and the Bonds Undertaking
“US”	the United States of America
“VWAP”	the volume-weighted average price of the Shares on the SGX-ST
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“S\$”	Singapore dollars, the lawful currency of Singapore
“US\$”	US dollars, the lawful currency of US
“%”	per cent.

In this Announcement, any discrepancies between the amounts listed and the totals shown thereof are due to rounding. Accordingly, figures shown as totals in this Announcement may not be an arithmetic aggregation of the figures that precede them.

By Order of the board of the Offeror
PIONEER TOP HOLDINGS LIMITED
Liu Xingxu
Sole Director

By Order of the Board of
CHINA XLX FERTILISER LTD.
Yan Yunhua
Director

Singapore, 31 March 2014

As at the Announcement Date, the sole director of the Offeror is Mr. Liu Xingxu.

As at the Announcement Date, the executive Directors are Mr. Liu Xingxu, Ms. Yan Yunhua and Mr. Li Buwen; the non-executive Director is Mr. Lian Jie; and the independent non-executive Directors are Mr. Ong Kian Guan, Mr. Li Shengxiao and Mr. Ong Wei Jin.

Forward-Looking Statements

All statements other than statements of historical facts included in this Announcement are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as “seek”, “expect”, “anticipate”, “estimate”, “believe”, “intend”, “project”, “plan”, “strategy”, “forecast” and similar expressions or future or conditional verbs such as “will”, “would”, “should”, “could”, “may” and “might”. These statements reflect the current expectations, beliefs, hopes, intentions or strategies of the party making the statements regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results or outcomes may differ materially from those described in such forward-looking statements. Shareholders, the Bondholder and investors of the Company and/or any other person should not place undue reliance on such forward-looking statements, and none of the Offeror, the Joint Financial Advisers nor the Company undertakes any obligation to update publicly or revise any forward-looking statements, unless otherwise required in compliance with applicable laws and regulations.

Important Notice:

This Announcement does not constitute an offer to sell or the solicitation of an offer to subscribe for or buy any security, nor is it a solicitation of any vote or approval in any jurisdiction, nor shall there be any sale, issuance or transfer of the securities referred to in this Announcement in any jurisdiction in contravention of applicable laws and regulations. The release, publication or distribution of this Announcement in certain jurisdictions may be restricted by law and therefore persons in any such jurisdictions into which this Announcement is released, published or distributed should inform themselves about and observe such restrictions.

APPENDIX 1

PARTICULARS OF THE UNDERTAKING PERSONS

Shares

Name	Number of Shares comprised in the Undertakings	As a percentage of total issued Shares (%)⁽¹⁾
Go Power Investments Limited	297,734,000	29.77
Mr. Liu	600,000	0.06
Ms. Yan	300,000	0.03
Big Day Limited (wholly-owned subsidiary of Sinofert Holdings Limited)	49,900,000	4.99
Sunny Asia Holdings Limited)	35,500,000	3.55
Mr. Huang Zhongxin	375,000	0.04
Mr. Liu Dong	1,400,000	0.14
Total	<u>385,809,000</u>	<u>38.58</u>

Bonds

Name	Principal amount of Bonds comprised in the Undertakings (RMB)	As a percentage of the total outstanding principal amount of Bonds (%)	Number of Shares into which such Bonds may be converted
Nitro Capital Limited	324,366,153.50	100	176,000,000

Note:

(1) Based on 1,000,000,000 Shares in issue as at the Announcement Date.

APPENDIX 2

DISCLOSURES OF HOLDINGS AND DEALINGS

1. HOLDINGS OF SHARES OF THE RELEVANT PERSONS

The holdings of Shares of the Relevant Persons as at the Announcement Date are set out below:

	Direct Interest		Deemed Interest		Total Interest	
	Number of Shares	%⁽¹⁾	Number of Shares	%⁽¹⁾	Number of Shares	%⁽¹⁾
Offeror	350,794,000	35.08	–	–	350,794,000	35.08
Go Power	297,734,000	29.77	–	–	297,734,000	29.77
Mr. Liu	600,000	0.06	–	–	600,000	0.06
Ms. Yan ⁽²⁾	300,000	0.03	297,734,000	29.77	298,034,000	29.80

Notes:

- (1) Based on 1,000,000,000 Shares in issue as at the Announcement Date.
- (2) Ms. Yan is deemed interested in the 297,734,000 Shares held by Go Power as she has the absolute discretion to exercise the voting rights held by Go Power in the Company pursuant to a trust agreement.

2. DEALINGS IN SHARES BY THE RELEVANT PERSONS

There are no dealings in the Shares by the Relevant Persons during the six-month period immediately preceding the Possible Offer Announcement Date and up to the Announcement Date.