

CHANGJIANG FERTILIZER HOLDINGS LIMITED



(Incorporated in Singapore on 30 July 2007)
(Registration Number: 200713878D)

UNAUDITED FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 2017

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY, HALF-YEAR AND FULL YEAR RESULTS

1(a)(i) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Note	2 nd quarter ended			1 st half ended		
		30/6/2017 RMB'000 Unaudited	30/6/2016 RMB'000 Unaudited	Increase / (Decrease) %	30/6/2017 RMB'000 Unaudited	30/6/2016 RMB'000 Unaudited	Increase / (Decrease) %
Continuing operations							
Revenue	1	-	-	N.M.	-	-	N.M.
Cost of sales		-	-	N.M.	-	-	N.M.
Gross profit		-	-	N.M.	-	-	N.M.
Selling and distribution expenses		-	-	-	-	-	-
General and administrative expenses		(1,099)	(1,077)	2.0	(1,880)	(1,648)	14.1
Loss before income tax	2	(1,099)	(1,077)	2.0	(1,880)	(1,648)	14.1
Income tax expense		-	-	N.M.	-	-	N.M.
Net loss from continuing operations		(1,099)	(1,077)	2.0	(1,880)	(1,648)	14.1
Net loss from discontinued operations⁽¹⁾		-	(4,565)	N.M.	-	(9,085)	N.M.
Total loss		(1,099)	(5,642)	(80.5)	(1,880)	(10,733)	(82.5)
Attributable to:							
Equity holder of the Company		(1,099)	(5,642)	(80.5)	(1,880)	(10,733)	(82.5)

Note:

1. The Group's Miluo and Xiangyin plants have received notifications from the government to cease their operations in the existing factories. As such, production in these 2 plants have been halted and the financial results of the subsidiaries of these 2 plants are classified under "Discontinued operations" in the 1st half ended 30 June 2017.

Management has plans to dispose of the Group's PRC subsidiaries within the next twelve months. The financial results of the subsidiaries of these 3 plants are classified under "Discontinued operations" in the 1st half ended 30 June 2017.

Pursuant to FRS105, Non-current Assets Held for Sale and Discontinued Operations, a discontinued operation is a component of an entity that either has been disposed of or is classified as held for sale and represents a separate major line of business or geographical area. Management has assessed and is satisfied that the PRC subsidiaries have met the criteria under FRS 105.

Hence, the financial statements for the first half ended 31 June 2017 and 30 June 2016 are prepared in accordance with the requisite presentation and disclosure prescribed under FRS 105.

1(a)(i) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year. (continued)

Consolidated statement of comprehensive income for the second quarter and half year ended 30 June 2017

	2 nd quarter ended			1 st half ended		
	30/6/2017 RMB'000 Unaudited	30/6/2016 RMB'000 Unaudited	Increase (Decrease) %	30/6/2017 RMB'000 Unaudited	30/6/2016 RMB'000 Unaudited	Increase (Decrease) %
Loss for the period, net of tax	(1,099)	(5,642)	(80.5)	(1,880)	(10,733)	(82.5)
Other comprehensive (loss)/income that may be reclassified subsequently to profit or loss						
Currency translation differences arising from consolidation	47	(475)	N.M.	(535)	(1,069)	(50.0)
Total comprehensive loss attributable to equity holders of the Company	(1,052)	(6,117)	(82.8)	(2,415)	(11,802)	(79.5)

Note:

"N.M": denotes not meaningful.

a)(ii) Notes to the income statements

The breakdown of the Group's income statement under continuing and discontinued operations are shown as follows:

(In RMB'000)	2 nd quarter ended 30/06/2017			2 nd quarter ended 30/06/2016			% Increase/ (Decrease)
	Continuing operations	Discontinued operations	Total Group	Continuing operations	Discontinued operations	Total Group	
Revenue	-	-	-	-	-	-	N.M
Cost of sales	-	-	-	-	-	-	N.M
Gross profit	-	-	-	-	-	-	N.M
Selling & distribution expenses	-	-	-	-	(46)	(46)	N.M.
General & administrative expenses	(1,099)	-	(1,099)	(1,077)	(4,519)	(5,596)	(80.4)
Loss before income tax	(1,099)	-	(1,099)	(1,077)	(4,565)	(5,642)	(80.5)
Income tax	-	-	-	-	-	-	-
Net loss	(1,099)	-	(1,099)	(1,077)	(4,565)	(5,642)	(80.5)

(In RMB'000)	1 st Half ended 30/06/2017			1 st Half ended 30/06/2016			% Increase/ (Decrease)
	Continuing operations	Discontinued operations	Total Group	Continuing operations	Discontinued operations	Total Group	
Revenue	-	-	-	-	-	-	N.M
Cost of sales	-	-	-	-	-	-	N.M
Gross profit	-	-	-	-	-	-	N.M
Selling & distribution expenses	-	-	-	-	(91)	(91)	N.M.
General & administrative expenses	(1,880)	-	(1,880)	(1,648)	(8,994)	(10,642)	(82.3)
Loss before income tax	(1,880)	-	(1,880)	(1,648)	(9,085)	(10,733)	(82.5)
Income tax	-	-	-	-	-	-	N.M
Net loss	(1,880)	-	(1,880)	(1,648)	(9,085)	(10,733)	(82.5)

(1) Revenue

There was no revenue generated for the 2st quarter and half year ended 30 June 2017 and 30 June 2016 as the production activities in all of our three plants continued to halt since FY2013.

(2) Loss before tax

The Group's loss before tax is determined after charging/(crediting) the following:

	2 nd Quarter ended		2 nd Quarter ended		Total	Total	Increase (Decrease)
	Continuing operations	Discontinued operations	Continuing operations	Discontinued operations			
	30/06/2017	30/06/2016	30/06/2017	30/06/2016	30/06/2017	30/06/2016	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	
Exchange difference	-	-	-	-	-	-	N.M.
Electricity	-	-	-	-	-	-	N.M.
Staff costs	440	457	-	4,565	440	5,022	(91.2)
							%

	1 st half ended				Total	Total	Increase (Decrease) %
	Continuing operations		Discontinued operations				
	30/06/2017	30/06/2016	30/06/2017	30/06/2016	30/06/2017	30/06/2016	
	RMB'000 Unaudited	RMB'000 Unaudited	RMB'000 Unaudited	RMB'000 Unaudited	RMB'000 Unaudited	RMB'000 Unaudited	
Exchange difference			-	-	-	-	N.M.
Electricity	-	-	-	-	-	-	N.M.
Staff costs	881	724	-	9,084	881	9,808	(91.0)

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	30/06/2017	31/12/2016	30/06/2017	31/12/2016
	RMB'000	RMB'000	RMB'000	RMB'000
	Unaudited	Audited	Unaudited	Audited
ASSETS				
Current Assets				
Cash and bank balances	3	3	3	3
	3	3	3	3
Assets of disposal group classified as held for sale	28,469	28,469	-	-
Total Assets	28,471	28,472	3	3
LIABILITIES				
Current Liabilities				
Other payables	24,175	21,762	24,175	21,762
Current income tax liabilities	-	-	-	-
	24,175	21,762	24,175	21,762
Liabilities directly associated with disposal group classified as held for sale	83,132	83,132	-	-
Total liabilities	107,307	104,894	24,175	21,762
NET LIABILITIES	(78,837)	(76,422)	(24,172)	(21,759)
EQUITY				
Share capital	216,788	216,788	216,788	216,788
Treasury shares	(108)	(108)	(108)	(108)
Statutory reserves	71,998	71,998	-	-
Restructuring reserve	(102,828)	(102,828)	-	-
Currency translation reserve	(772)	(238)	(506)	27
Accumulated losses	(263,915)	(262,034)	(240,346)	(238,466)
TOTAL EQUITY	(78,837)	(76,422)	(24,172)	(21,759)

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

(RMB'000)

As at 30 June 2017		As at 31 December 2016	
Secured	Unsecured	Secured	Unsecured
-	-	-	-

The Group does not have any bank borrowings as at 30 June 2016 and 31 December 2015.

Details of any collateral

Nil.

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	2 nd quarter ended		1 st half ended	
	30/6/2017	30/6/2016	30/6/2017	30/6/2016
	RMB'000	RMB'000	RMB'000	RMB'000
	Unaudited	Unaudited	Unaudited	Unaudited
Cash flows from operating activities				
Net loss	(1,099)	(5,642)	(1,880)	(10,732)
Adjustments for:				
Unrealised currency translation differences	47	(475)	(535)	(1,070)
	(1,052)	(6,117)	(2,415)	(11,802)
Changes in working capital				
Trade and other receivables	-	-	-	-
Trade and other payables	1,052	6,121	2,414	11,807
Net cash generated /(used in) operations	<u>0</u>	<u>4</u>	<u>(1)</u>	<u>5</u>
Net decrease in cash and bank balances	7	4	(1)	5
Cash and bank balances at beginning of financial period	<u>7</u>	<u>7</u>	<u>8</u>	<u>6</u>
Cash and bank balances at end of financial period	<u><u>7</u></u>	<u><u>11</u></u>	<u><u>7</u></u>	<u><u>11</u></u>

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Share Capital RMB'000	Treasury Share RMB'000	Statutory Reserve RMB'000	Restructuring Reserve RMB'000	Currency Translation Reserve RMB'000	Accumulated Losses RMB'000	Total Equity RMB'000
Group							
2017							
As at 1 January 2017	216,788	(108)	71,998	(102,828)	(238)	(262,034)	(76,422)
Total comprehensive loss for the period from 1/1/2017 – 31/3/2017	-	-	-	-	(581)	(782)	(1,363)
As at 31 March 2017	216,788	(108)	71,998	(102,828)	(819)	(262,816)	(77,785)
Total comprehensive loss for the period from 1/4/2017 – 30/6/2017	-	-	-	-	47	(1,099)	(1,052)
As at 30 June 2016	<u>216,788</u>	<u>(108)</u>	<u>71,998</u>	<u>(102,828)</u>	<u>(772)</u>	<u>(263,915)</u>	<u>(78,837)</u>
2016							
As at 1 January 2016	216,788	(108)	71,998	(102,828)	399	(241,229)	(54,980)
Total comprehensive loss for the period from 1/1/2016 – 31/3/2016	-	-	-	-	(594)	(5,091)	(5,685)
As at 31 March 2016	216,788	(108)	71,998	(102,828)	(195)	(246,320)	(60,665)
Total comprehensive loss for the period from 1/4/2016 – 30/6/2016	-	-	-	-	(475)	(5,642)	(6,117)
As at 30 June 2016	<u>216,788</u>	<u>(108)</u>	<u>71,998</u>	<u>(102,828)</u>	<u>(670)</u>	<u>(251,962)</u>	<u>(66,782)</u>

	Share Capital	Treasury Shares	Currency Translation Reserve	Accumulated Losses	Total Equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Company					
2017					
As at 1 January 2017	216,788	(108)	27	(238,466)	(21,759)
Total comprehensive loss for the period 1/1/2017 - 31/3/2017	-	-	(581)	(782)	(1,363)
As at 31 March 2017	216,788	(108)	(554)	(239,248)	(23,122)
Total comprehensive loss for the period 1/4/2017– 30/6/2017	-	-	48	(1,098)	(1,050)
As at 30 June 2017	<u>216,788</u>	<u>(108)</u>	<u>(506)</u>	<u>(240,346)</u>	<u>(24,172)</u>
2016					
As at 1 January 2016	216,788	(108)	664	(231,341)	(13,997)
Total comprehensive loss for the period 1/1/2016 - 31/3/2016	-	-	(594)	(572)	(1,166)
As at 31 March 2016	216,788	(108)	70	(231,913)	(15,163)
Total comprehensive loss for the period 1/4/2016– 30/6/2016	-	-	(475)	(1,077)	(1,552)
As at 30 June 2016	<u>216,788</u>	<u>(108)</u>	<u>(405)</u>	<u>(232,990)</u>	<u>(16,715)</u>

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

	Number of Shares	Issued and paid-up share capital S\$
Total issued share capital as at 31 March 2010	360,000,000	44,371,772
Treasury shares arising from share buyback in 2Q2010	(100,000)	(22,500)
Total issued share capital excluding treasury shares as at 30 June 2017 and 31 December 2016	359,900,000	44,349,272

Save as disclosed above, the Company has no outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	As at 30 June 2017	As at 31 December 2016
Total number of issued shares excluding treasury shares	359,900,000	359,900,000

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

There are no sales, transfers, disposal, cancellation and/or use of treasury shares as at end of 30 June 2017.

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited nor reviewed.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group had consistently applied the same accounting policies and methods of computation in the Group's financial statement for the current financial period as those applied for the most recently audited consolidated financial statements for the financial year ended 31 December 2016.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Not applicable.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	2 nd quarter ended		1 st half ended	
	30/06/2017	30/06/2016	30/06/2017	30/06/2016
	Unaudited	Unaudited	Unaudited	Unaudited
Net loss attributable to equity holders of the Company (RMB'000)				
-continuing operations	(1,099)	(1,077)	(1,880)	(1,648)
-discontinued operations	-	(4,565)	-	(9,085)
	(1,099)	(5,642)	(1,880)	(10,733)
Loss per share for				
- Basic (RMB cents) and on a fully dilutive basis ⁽¹⁾ ⁽¹⁾				
-continuing operations	(0.31)	(0.30)	(0.52)	(0.46)
-discontinued operations	-	(1.27)	-	(2.52)
	(0.31)	(1.57)	(0.52)	(2.98)

Notes:

- (1) Loss per share of the Group for the half year ended 30 June 2017 is calculated by dividing the Group's net loss attributable to shareholders of approximately RMB1,800,000 (1H2016: RMB10,733,000) by the weighted average number of ordinary shares outstanding during the period of 359,900,000 (1H2016: 359,900,000).

For the half year ended 30 June 2017 and 2016, the basic and diluted loss per share of the Group were the same as there were no potential diluting ordinary shares outstanding as at 30 June 2017 and 30 June 2016.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-

- (a) current financial period reported on; and
(b) immediately preceding financial year.

Net asset value ("NAV")

	Group		Company	
	30/6/2017	31/12/2016	30/6/2017	31/12/2016
NAV per ordinary share ⁽¹⁾ (RMB cents)	(21.91)	(16.86)	(6.72)	(4.21)

Note:

- (1) NAV per ordinary share as at 30 June 2017 and 31 December 2016 was calculated based on the number of ordinary shares excluding treasury shares as at the end of the financial period/year. As at 30 June 2016, the number of ordinary shares (excluding treasury shares) was 359,900,000. (As at 31/12/2015: 359,900,000).

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-
- any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

- any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Review of income statement of the Group for the half year ended 30 June 2017 (“1H2017”) as compared to the half year ended 30 June 2016 (“1H2016”) on total group (continuing and discontinued operations) basis

Revenue

The Group had been inactive since April 2013. There were no production activities and no revenue was generated in the Group's 3 PRC plants for 1H2017 and 1H2016.

Cost of sales, gross profit

As explained above, there was no production activities in all of our three plants during 1H2017. As such, there was no cost of sales and gross profit.

Selling and distribution expenses

Similarly, since there were no production or sales activities in all our three plants during 1H2017 and 1H2016, there were no selling and distribution expenses

General and administrative expenses

For 1H2017 as compared to 1H2016, our general and administrative expenses decreased by RMB8.9 million or 82.5%. The decrease was mainly due to the discontinuance of accruals for PRC's workers' salaries in 1H2017, which were provided in 1H2016.

For 2Q2017 as compared to 2Q2016, our general and administrative expenses decreased by RMB3.8 million or 80.5%. The decrease was mainly due to the discontinuance of accruals for PRC's workers' salaries in 2Q2017, which were provided in 2Q2016.

Loss before income tax

Our loss before income tax decreased by RMB8.9 million or 82.5% for 1H2017 compared to 1H2016. The decrease was due mainly to the lower general and administrative expenses in 1H2017 as explained above.

Our loss before income tax increased by RMB3.8 million or 80.5% for 2Q2017 compared to 2Q2016. The increase was due mainly to the lower general and administrative expenses in 2Q2017 as explained above.

Income tax expense

No income tax expense was recorded for 1H2017 and 1H2016. This was due mainly to nil tax provision for our three subsidiaries in 1H2017 and 1H2016 as there was no production and revenue generated.

Review of financial position of the Group as at 30 June 2017

Current assets

As at 30 June 2017 and 31 December 2016, our total current assets consisted of cash and bank balances and assets of disposal group classified as held-for-sale. Assets of disposal group classified as held-for-sale remained unchanged at RMB28.7 million. Assets of disposal group held for sale arose from the classification of cash and bank balances, property, plant and equipment and intangible assets held by the Group in Miluo, Xiangyin and Hanshou plants. Miluo and Xiangyin plants have received notifications from the government to cease their operations in the existing

factories. In addition, the Group has plans to dispose of its 3 PRC subsidiaries through a public auction. Accordingly, the assets related to the above-mentioned three plants are classified as assets of disposal group classified as held-for-sale on the balance sheet.

Current liabilities

Our current liabilities comprise other payables and liabilities directly associated with disposal group classified as held-for-sale. As mentioned above, due to notifications received by the Miluo and Xiangyin plants to cease their operations and the Company's plan to dispose of the 3 PRC subsidiaries operating the 3 plants, all liabilities related to the above-mentioned three plants are classified as liabilities directly associated with disposal group classified as held-for-sale on the balance sheet.

As at 30 June 2017, liabilities directly associated with disposal group classified as held-for-sale amounted to RMB83.1 million, which was the same as at 31 December 2016.

As at 30 June 2017, other payables amounted to RMB24.2 million. The increase in other payables of RMB2.4 million or 11.1% from RMB21.8 million as at 31 December 2016 to RMB24.2 million as at 30 June 2017 was mainly due to the accrual of staff costs and professional expenses under the Company.

Total shareholders' equity

Total shareholders' equity as at 30 June 2017 amounted to deficit of RMB78.8 million and comprised mainly share capital of RMB216.8 million and statutory reserve of RMB72.0 million, offset by restructuring reserve of RMB102.8 million and accumulated losses of RMB264.0 million and currency translation reserve of RMB0.8 million.

Review of cash flow statement for 2Q2017 and 1H2017

For 1H2017 and 2Q2017, the Group has a net cash outflow of RMB1,000 and zero respectively due to net cash from operating activities.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

With effect from 14 April 2015, the Company has been classified as a cash company pursuant to Rule 1018 of the listing manual of the SGX-ST and trading in the Company's securities has been suspended pending the Company being able to complete the acquisition of a new business which is able to satisfy the SGX-ST's requirements for a new listing.

To meet the SGX-ST's requirements, the management and directors intend to revive the Company through a reverse take-over ("RTO") of a real estate development and investment business. To this end, the Company has entered into sale and purchase agreements for the proposed acquisitions of WBH Investments Pte Ltd, Cowealth Investments Pte Ltd and a 50% interest in Chiu Teng 8 Pte Ltd (the "Acquisitions"). The Acquisitions represent a very substantial transaction amounting to an RTO and the Company is currently in the process of securing the necessary regulatory approvals for this proposed transaction.

The Company will make further announcements to update shareholders as and when appropriate.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? No

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

No.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared/recommendeded, a statement to that effect.

No dividend has been declared or recommended for the second quarter ended 30 June 2017.

13. Interested person transactions

There were no interested person transactions entered for the half year ended 30 June 2017 and for the half year ended 30 June 2016. The Group is not required to have a general mandate from shareholders for IPTs under Rule 920(1)(a)(ii).

14. Confirmation that the issuer has procured undertakings from all its directors and executive officers pursuant to Rule 720(1) of the SGX Listing Manual.

The Company confirms that it has procured undertakings from all its Directors and Executive Officers (in the format set out in Appendix 7.7) pursuant to Rule 720 (1) of the SGX Listing Manual.

BY ORDER OF THE BOARD

Ng Joo Khin
Company Secretary

7 July 2017

CONFIRMATION BY THE BOARD

We, Cai Jian Hua and Zhu Xue Cheng, being two Directors of Changjiang Fertilizer Holdings Limited (“the Company”), do hereby confirm on behalf of the Directors of the Company that, to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the half year ended 30 June 2017 to be false or misleading in any material respect.

On behalf of the Board of Directors

CAI JIAN HUA
Executive Chairman and Executive Director

ZHU XUE CHENG
Executive Director

7 July 2017