

CHANGJIANG FERTILIZER HOLDINGS LIMITED

(Incorporated in Singapore on 30 July 2007)

(Company Registration No. 200713878D)

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- (I) **PROPOSED PLACEMENT OF 17,995,000 NEW ORDINARY SHARES IN THE SHARE CAPITAL OF CHANGJIANG FERTILIZER HOLDINGS LIMITED (THE “COMPANY”) AT THE ISSUE PRICE OF S\$0.02 FOR EACH NEW SHARE**
- (II) **PROPOSED UNSECURED INTEREST-FREE CONVERTIBLE LOAN OF PRINCIPAL AMOUNT OF S\$359,900 CONVERTIBLE INTO NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY AT A CONVERSION PRICE OF S\$0.02**
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1. INTRODUCTION

The Board of Directors of Changjiang Fertilizer Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that it has on 27 March 2015 entered into a placement agreement (the “**Placement Agreement**”) with the placees as set out in Section 2 below (collectively, the “**Placees**”) pursuant to which the Company has agreed to allot and issue to the Placees, an aggregate of 17,995,000 new ordinary shares in the share capital of the Company (the “**New Shares**” and each a “**New Share**”) or such number of New Shares in the proportion as set out against their names in Section 2 below, at S\$0.02 (the “**Issue Price**”) for each New Share or for an aggregate consideration of S\$359,900 (the “**Proposed Placement**”).

The Company has also on 27 March 2015 entered into a convertible loan agreement (the “**Convertible Loan Agreement**”) with Mr Fong Kim Chit (the “**Lender**”), pursuant to which the Lender shall grant an unsecured interest-free convertible loan (the “**Convertible Loan**”) of a principal amount of S\$359,900, convertible into 17,995,000 new ordinary shares in the capital of the Company (the “**Conversion Shares**”) at a conversion price (the “**Conversion Price**”) of S\$0.02 (the “**Proposed Convertible Loan**”, and together with the Proposed Placement, the “**Proposed Transactions**”).

2. INFORMATION ON THE PLACEES AND THE LENDER

Details of the Placees and the Lender, the number of New Shares to be subscribed by each Placee and the Lender with the respective and the consideration to be paid by each Placee and the Lender are set out below:

Name of Placees	Number of New Shares Subscribed	Consideration (S\$)
Zhu Qiu Ping	2,999,167	59,983.34
Huang Xiao Wen	2,999,167	59,983.34
Zheng Xin Jian	2,999,166	59,983.32
Luo Qing Feng	8,997,500	179,950.00

Name of Lender	Number of Conversion Shares	Consideration (S\$)
Fong Kim Chit	17,995,000	359,900.00

A brief overview on the details of each Placee and the Lender is provided as follows:

- (a) Zhu Qiu Ping is a hotelier in Hunan Province, People of Republic of China.

- (b) Huang Xiao Wen is in hotelier in Hunan Province, People of Republic of China.
- (c) Zheng Xin Jian is involved in the renewable energy business in Hunan Province, People of Republic of China.
- (d) Luo Qing Feng is a current shareholder of the Company.
- (e) Fong Kim Chit is a businessman and a private investor.

The Placees and Lender were introduced to the Company through business contacts of the Company's Directors and management and no introduction fees will be paid for such introductions.

In addition, the New Shares and the Conversion Shares will not be issued to any of the persons set forth in Rule 812(1) of the SGX-ST Listing Manual.

3. KEY TERMS OF THE PROPOSED TRANSACTIONS

The New Shares and the Conversion Shares represent approximately 5% and 5% respectively of the existing issued and paid-up share capital (excluding treasury shares) of the Company as at the date of this Announcement and approximately 4.76% and 9.09% respectively of the enlarged issued and paid-up share capital (excluding treasury shares) of the Company after the Proposed Transactions (assuming that the Convertible Loan is fully converted into Conversion Shares). Pursuant to the issue and allotment of the New Shares and the Conversion Shares, the Company's issued and paid-up share capital (excluding treasury shares) will increase from 359,900,000 Shares, as at the date of this Announcement, to 377,895,000 Shares after the Proposed Placement, and to 395,890,000 Shares (assuming that the Convertible Loan is fully converted into Conversion Shares).

The Issue Price or the Conversion Price of S\$0.02 represents a premium of approximately 11.1% to the volume weighted average price of S\$0.018 for trades done on the shares of the Company (the "**Shares**") on the SGX-ST on 25 March 2015, being the latest full market day preceding the execution of the Placement Agreement and the Convertible Loan Agreement.

The Proposed Placement

Completion of the Proposed Placement is conditional upon, *inter alia*, receipt of approval in principle from the SGX-ST for the listing of and quotation of the New Shares on the official list of the SGX-ST and such approval being in full force and effect. The Company has given an undertaking to the Placees that (i) the proceeds from the Proposed Placement shall be utilized for corporate head office expenses (including any such outstanding liabilities) and investment in any new businesses or assets outside of the People's Republic of China (the "**PRC**"), but shall not be used for general working capital for operation of the Company's fertilizer business; and (ii) such proceeds shall not be repatriated to the PRC.

The Proposed Convertible Loan

Completion of the Proposed Convertible Loan is conditional upon, *inter alia*, the approval in principle for the listing and quotation of the Conversion Shares on the main board of the SGX-ST being obtained from the SGX-ST and not having been revoked or amended, and where such approval is subject to conditions, such conditions to be so fulfilled in all material respects.

Unless there is any acquisition of any Singapore-based income generating assets (an "**Acquisition Event**"), or the Loan is fully converted into Conversion Shares, the full principal amount of the Loan shall be repaid by the Borrower to the Lender free of interest on 31 July 2015 or such other date as the parties may agree in writing (the "**Repayment Date**"). Upon the occurrence of an Acquisition Event before the Repayment Date, the full principal amount of the Proposed Convertible Loan shall be converted into the Conversion Shares at the Conversion Price.

Unless an Acquisition Event occurs, at any time following the disbursement of the Loan and up to and including the Repayment Date, the Lender may, by notice to the Borrower convert the full principal amount of the Loan into the Conversion Shares at the Conversion Price.

Approvals

The shareholders of the Company (the “**Shareholders**”) had, at the annual general meeting of the Company held on 25 April 2014, approved a general share issue mandate by way of an ordinary resolution (the “**Share Issue Mandate**”). The New Shares and the Conversion Shares will be issued pursuant to the Share Issue Mandate.

The Company will apply to the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) for the admission of the New Shares and the Conversion Shares to the official list of the SGX-ST and for the listing and quotation of the New Shares and the Conversion Shares on the SGX-ST.

The New Shares and the Conversion Shares, when issued and delivered, shall rank *pari passu* with and shall carry all rights similar to the existing Shares except that they will not rank for any dividend, right, allotment or other distributions, the record date for which falls on or before the completion of the Proposed Placement or the Proposed Convertible Loan respectively.

4. RATIONALE OF THE PROPOSED TRANSACTIONS AND USE OF PROCEEDS

The Board is of the view that the Proposed Transactions are beneficial to the Group as they will allow the Group to strengthen its cash and allows the Group to be less reliant on external sources of funding.

After deducting the expenses from the gross proceeds pertaining to the Proposed Placement, the net proceeds from the Proposed Placement of approximately S\$344,900 will be used by the Company in the estimated proportions set out below:

Use of proceeds	Percentage of allocation (%)
Corporate head office expenses (including any such outstanding liabilities)	80 - 100
Investment in any new businesses or assets outside of the PRC	0 - 20

After deducting the expenses from the gross proceeds pertaining to the Proposed Convertible Loan, 100% of the net proceeds from the Proposed Convertible Loan of S\$344,900 will be used by the Company only for the purpose of acquiring Singapore-based income generating assets and/or for the payment of the Company's corporate expenses in Singapore.

Pending the deployment of the proceeds for the purposes mentioned above, such proceeds may be deposited with banks and/or financial institutions, invested in short-term money markets and/or marketable securities, or used for any other purpose on a short-term basis, as the Directors may, in their absolute discretion, deem appropriate in the interests of the Group.

The Company will make periodic announcements on the utilisation of the proceeds from the Proposed Transactions, as the funds from the Proposed Transactions are materially disbursed and provide a status report on the utilization of the proceeds from the Proposed Transactions in the Company's annual report.

5. FINANCIAL EFFECTS OF THE PROPOSED TRANSACTIONS

The financial effects of the Proposed Transactions set out below and are strictly for illustrative purposes and do not necessarily reflect the actual future financial position and results of the Company following the Proposed Transactions. The table below sets out the financial effects of the Proposed Transactions based on the following bases and assumptions:-

- (a) the unaudited consolidated financial statements of the Group for the full year ended 31 December 2014;

- (b) the financial impact on the consolidated net tangible assets (“NTA”) per Share is computed based on the assumption that the Proposed Transactions were completed on 31 December 2014; and
- (c) the financial impact on the consolidated loss per Share is computed based on the assumption that the Proposed Transactions were completed on 1 January 2014 respectively.

	Before Proposed Transactions	After Proposed Transactions (assuming the convertible loan is not converted into shares)	After Proposed Transactions (assuming the convertible loan is converted into shares)
Share capital			
Issued and paid-up share capital (RMB)	216,788,334	218,427,103	220,065,871
Number of Shares	359,900,000	377,895,000	395,890,000
NTA (RMB)	1,621,000	3,123,167	4,761,935
NTA per share (RMB cents)	0.45	0.83	1.20
Basic and diluted loss per share⁽¹⁾ (RMB cents)	(61.37)	(58.49)	(55.83)
Gearing			
Total Borrowings (RMB)	-	1,638,769	-
Shareholders' Funds (RMB)	1,621,000	3,123,167	4,761,935
Gearing Ratio (times)	N.A.	0.52	N.A.

Note:

(1) Dilutive loss per share arises if the convertible loan is converted into shares.

6. CHANGE IN SHAREHOLDING INTEREST OF PLACEES AND THE LENDER

Pursuant to the completion of the Proposed Transactions (assuming the convertible loan has been converted into shares, the Company's issued and paid-up share capital will increase from 359,900,000 Shares to 395,890,000 Shares (the “**Enlarged Share Capital**”).

The New Shares and the Conversion Shares (as applicable) as a percentage of the Enlarged Share Capital is set out below:

Name	Number of New Shares/Conversion Shares	New Shares/Conversion Shares as a % of the Enlarged Share Capital
Zhu Qiu Ping	2,999,167 New Shares	1
Huang Xiao Wen	2,999,167 New Shares	1
Zheng Xin Jian	2,999,166 New Shares	1
Luo Qing Feng	8,997,500 New Shares	2

Fong Kim Chit	17,995,000 Conversion Shares	5
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There will be no change in control in the Company pursuant to the completion of the Proposed Transactions.

7. DOCUMENTS FOR INSPECTION

The Placement Agreement and the Convertible Loan Agreement may be inspected at the registered office of the Company during normal business hours at 30 Raffles Place Level 17 Chevron House Singapore 048622 for a period of 3 months from the date of this Announcement.

8. DIRECTORS AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

None of the Directors nor (in so far as the Directors are aware) any substantial Shareholder of the Company or their respective associates has any interest, whether direct or indirect, in the Proposed Transactions. None of the Directors nor (in so far as the Directors are aware) any substantial Shareholder of the Company or their respective associates have any connection (including business relationship) with any of the Placees or the Lender.

Shareholders and potential investors should exercise caution when trading in Shares of the Company, and where in doubt as to the action they should take, they should consult their financial, tax or other professional adviser immediately.

9. GENERAL

The Company will make the necessary announcements once the approval-in-principle for the listing and quotation of the New Shares and the Conversion Shares has been obtained from the SGX-ST.

BY ORDER OF THE BOARD

CHANGJIANG FERTILIZER HOLDINGS LIMITED

Zhu Xue Cheng
Acting Chairman and Executive Director
27 March 2015