

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 2016

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		
		30/6/2016 RMB'000 Unaudited	30/6/2015 RMB'000 Unaudited	Increase / (Decrease) %	30/6/2016 RMB'000 Unaudited	30/6/2015 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		-	(34)	(100.0)	-	(69)	(100.0)
General and administrative expenses		(1,077)	(2,585)	(58.4)	(1,648)	(5,976)	(72.4)
Loss before income tax	2	(1,077)	(2,619)	(58.9)	(1,648)	(6,045)	(72.7)
Income tax expense		-	-	N.M	-	-	N.M
Net loss from continuing operations		(1,077)	(2,619)	(58.9)	(1,648)	(6,045)	(72.7)
Net loss from discontinued operations⁽¹⁾		(4,565)	(3,290)	38.8	(9,085)	(6,547)	38.8
Total loss		(5,642)	(5,909)	(4.5)	(10,733)	(12,592)	(14.8)

Attributable to:

Equity holder of
the Company

	(5,642)	(5,909)	(4.5)	(10,733)	(12,592)	(14.8)
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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 2016.

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 2016.

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 2016 and 30 June 2015 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. (cont'd)

Consolidated statement of comprehensive income for the second quarter and half year ended 30 June 2016

	2 nd quarter ended			1 st half ended		
	30/6/2016 RMB'000 Unaudited	30/6/2015 RMB'000 Unaudited	Increase (Decrease) %	30/6/2016 RMB'000 Unaudited	30/6/2015 RMB'000 Unaudited	Increase (Decrease) %
Loss for the period, net of tax	(5,642)	(5,909)	(4.5)	(10,733)	(12,592)	(14.8)
Other comprehensive (loss)/income that may be reclassified subsequently to profit or loss						
Currency translation differences arising from consolidation	(475)	(287)	65.5	(1,069)	950	N.M
Total comprehensive loss attributable to equity holders of the Company	(6,117)	(6,196)	(1.3)	(11,802)	(11,642)	1.4

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:

	2nd quarter ended 30/06/2016			2nd quarter ended 30/06/2015			
(In RMB'000)	Continuing operations	Discontinued operations	Total Group	Continuing operations	Discontinued operations	Total Group	% Increase/ (Decrease)
Revenue	-	-	-	-	-	-	N.M
Cost of sales	-	-	-	-	-	-	N.M
Gross profit	-	-	-	-	-	-	N.M
Selling & distribution expenses	-	(46)	(46)	(34)	(11)	(45)	2.2
General & administrative expenses	(1,077)	(4,519)	(5,596)	(2,585)	(3,279)	(5,864)	(4.6)
Loss before income tax	(1,077)	(4,565)	(5,642)	(2,619)	(3,290)	(5,909)	(4.5)
Income tax	-	-	-	-	-	-	-
Net loss	(1,077)	(4,565)	(5,642)	(2,619)	(3,290)	(5,909)	(4.5)

	1st Half ended 30/06/2016			1st Half ended 30/06/2015			
(In RMB'000)	Continuing operations	Discontinued operations	Total Group	Continuing operations	Discontinued operations	Total Group	% Increase/ (Decrease)
Revenue	-	-	-	-	-	-	N.M
Cost of sales	-	-	-	-	-	-	N.M
Gross profit	-	-	-	-	-	-	N.M
Selling & distribution expenses	-	(91)	(91)	(69)	(22)	(91)	-
General & administrative expenses	(1,648)	(8,994)	(10,642)	(5,976)	(6,525)	(12,501)	(14.9)
Loss before income tax	(1,648)	(9,085)	(10,733)	(6,045)	(6,547)	(12,592)	(14.8)
Income tax	-	-	-	-	-	-	N.M
Net loss	(1,648)	(9,085)	(10,733)	(6,045)	(6,547)	(12,592)	(14.8)

(1) Revenue

There was no revenue generated for the 2st quarter and half year ended 30 June 2016 and 30 June 2015 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							
	Continuing operations		Discontinued operations		Total	Total	Increase (Decrease) %
	30/06/2016	30/06/2015	30/06/2016	30/06/2015	30/06/2016	30/06/2015	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	
Exchange difference	-	-	-	(194)	-	(194)	(100.0)
Electricity	-	73	-	-	-	73	(100.0)
Staff costs	457	1,992	4,565	3,163	5,022	5,155	(2.6)
1 st half ended							
	Continuing operations		Discontinued operations		Total	Total	Increase (Decrease) %
	30/06/2016	30/06/2015	30/06/2016	30/06/2015	30/06/2016	30/06/2015	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	
Exchange difference	-	-	-	-	-	620	(100.0)
Electricity	-	169	-	-	-	169	(100.0)
Staff costs	724	4,091	9,084	6,281	9,808	10,372	(5.5)

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	
	30/06/2016	31/12/2015	30/06/2016	31/12/2015
	RMB'000	RMB'000	RMB'000	RMB'000
	Unaudited	Audited	Unaudited	Audited
ASSETS				
Current Assets				
Cash and bank balances	6	1	6	1
	6	1	6	1
Assets of disposal group classified as held for sale	28,469	28,469	-	-
Total Assets	28,475	28,470	6	1
LIABILITIES				
Current Liabilities				
Other payables	16,721	13,998	16,721	13,998
Current income tax liabilities	-	-	-	-
	16,721	13,998	16,721	13,998
Liabilities directly associated with disposal group classified as held for sale	78,536	69,452	-	-
Total liabilities	95,257	83,450	16,721	13,998
NET LIABILITIES	(66,782)	(54,980)	(16,715)	(13,997)
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	(670)	399	(405)	664
Accumulated losses	(251,962)	(241,229)	(232,990)	(231,341)
TOTAL EQUITY	(66,782)	(54,980)	(16,715)	(13,997)

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 2016		As at 31 December 2015	
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.

	2nd quarter ended		1st half ended	
	30/6/2016	30/6/2015	30/6/2016	30/6/2015
	RMB'000	RMB'000	RMB'000	RMB'000
	Unaudited	Unaudited	Unaudited	Unaudited
Cash flows from operating activities				
Net loss	(5,642)	(5,909)	(10,732)	(12,592)
Adjustments for:				
Unrealised currency translation differences	(475)	(286)	(1,070)	951
	(6,117)	(6,195)	(11,802)	(11,641)
Changes in working capital				
Trade and other receivables	-	124	-	186
Trade and other payables	6,121	6,026	11,807	11,376
Net cash generated /(used in) operations	4	(45)	5	(79)
Net increase/(decrease) in cash and bank balances	4	(45)	5	(79)
Cash and bank balances at beginning of financial period	7	51	6	85
Cash and bank balances at end of financial period	11	6	11	6

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							
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>
2015							
As at 1 January 2015	216,788	(108)	71,998	(102,828)	380	(184,609)	1,621
Total comprehensive loss for the period from 1/1/2015 – 31/3/2015	-	-	-	-	1,237	(6,683)	(5,446)
As at 31 March 2015	216,788	(108)	71,998	(102,828)	1,617	(191,292)	(3,825)
Total comprehensive loss for the period from 1/4/2015 – 30/6/2015	-	-	-	-	(287)	(5,909)	(6,196)
As at 30 June 2015	<u>216,788</u>	<u>(108)</u>	<u>71,998</u>	<u>(102,828)</u>	<u>1,330</u>	<u>(197,201)</u>	<u>(10,021)</u>

	Share Capital	Treasury Shares	Currency Translation Reserve	Accumulated Losses	Total Equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Company					
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>
2015					
As at 1 January 2015	216,788	(108)	645	(224,457)	(7,132)
Total comprehensive loss for the period 1/1/2015 - 31/3/2015	-	-	1,237	(1,839)	(602)
As at 31 March 2015	216,788	(108)	1,882	(226,296)	(7,734)
Total comprehensive loss for the period 1/4/2015– 30/6/2015	-	-	(286)	(1,056)	(1,342)
As at 30 June 2015	<u>216,788</u>	<u>(108)</u>	<u>1,596</u>	<u>(227,352)</u>	<u>(9,076)</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 2016 and 31 December 2015	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 2016	As at 31 December 2015
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 2016.

- 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 2015.

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	
	30/06/2016	30/06/2015	30/06/2016	30/06/2015
	Unaudited	Unaudited	Unaudited	Unaudited
Net loss attributable to equity holders of the Company (RMB'000)				
-continuing operations	(1,077)	(2,619)	(1,648)	(6,045)
-discontinued operations	(4,565)	(3,290)	(9,085)	(6,547)
	(5,642)	(5,909)	(10,733)	(12,592)
Loss per share for				
– Basic (RMB cents) and on a fully dilutive basis ⁽¹⁾ ⁽¹⁾				
-continuing operations	(0.30)	(0.73)	(0.46)	(1.68)
-discontinued operations	(1.27)	(0.91)	(2.52)	(1.82)
	(1.57)	(1.64)	(2.98)	(3.50)

Notes:

- (1) Loss per share of the Group for the half year ended 30 June 2016 is calculated by dividing the Group's net loss attributable to shareholders of approximately RMB10,733,000 (1H2015: RMB12,592,000) by the weighted average number of ordinary shares outstanding during the period of 359,900,000 (1H2015: 359,900,000).

For the half year ended 30 June 2016 and 2015, 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 2016 and 30 June 2015.

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	
	30/6/2016	31/12/2015	30/6/2016	31/12/2015
NAV per ordinary share ⁽¹⁾ (RMB cents)	(18.56)	(15.28)	(4.64)	(3.89)

Note:

- (1) NAV per ordinary share as at 30 June 2016 and 31 December 2015 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 2016 ("1H2016") as compared to the half year ended 30 June 2015 ("1H2015") 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 1H2016 and 1H2015.

Cost of sales, gross profit

As explained above, there were no production activities in all of our three plants during 1H2016. As such, there was no cost of sales and gross profit.

Selling and distribution expenses

Selling and distribution expenses was relatively flat at RMB91,000 for 1H2016 and 1H2015.

General and administrative expenses

For 1H2016 as compared to 1H2015, our general and administrative expenses decreased by RMB1.9 million or 14.9%. The decrease was mainly due to the lower general and administrative expense of RMB1.6 million under the Company in 1H2016 as compared to RMB2.9million in 1H2015. The higher general and administrative expense under the Company in 1H2015 was mainly due to the RMB0.6 million of exchange loss arising from the revaluation of amounts owing to subsidiaries as compared to nil in 1H2016. In addition, group staff costs was RMB0.6 million lower at RMB9.8 million for 1H2016 as compared to RMB10.4 million for 1H2015.

For 2Q2016 as compared to 2Q2015, our general and administrative expenses decreased by RMB0.3 million or 4.6%. This was mainly due to the decrease of RMB0.2 million in staff costs for 2Q2016 as compared to 2Q2015.

Loss before income tax

Our loss before income tax decreased by 1.9 million or 14.8% for 1H2016 compared to 1H2015. The decrease was due mainly to the lower general and administrative expenses in 1H2016 as explained above.

Our loss before income tax increased by RMB0.3 million or 4.5% for 2Q2016 compared to 2Q2015. The increase was due mainly to the lower general and administrative expenses in 2Q2016 as explained above.

Income tax expense

No income tax expense was recorded for 1H2016 and 1H2015. This was due mainly to nil tax provision for our three subsidiaries in 1H2016 and 1H2015 as there was no production and revenue generated.

Review of financial position of the Group as at 30 June 2016

Current assets

As at 30 June 2016 and 31 December 2015, 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 2016, liabilities directly associated with disposal group classified as held-for-sale amounted to RMB78.5 million, an increase of RMB9.0 million from RMB69.5 million as at 31 December 2015. The increase was due to the accrual of workers' salaries (comprising inter alia, allowances for living expenses etc) in the three plants as their labour contracts have yet to be terminated.

As at 30 June 2016, other payables amounted to RMB16.7 million. The increase in other payables of RMB2.7 million or 19.5% from RMB14.0 million as at 31 December 2015 to RMB16.7 million as at 30 June 2016 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 2016 amounted to deficit of RMB66.8 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 RMB251.9 million and currency translation reserve of RMB0.7 million.

Review of cash flow statement for 1Q2016

For 1H2016 and 2Q2016, the Group has a net cash inflow of RMB5,000 and RMB4,000 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 2016.

13. Interested person transactions

There were no interested person transactions entered for the half year ended 30 June 2016 and for the half year ended 30 June 2015. 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

23 July 2016

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 2016 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

23 July 2016