

# CHANGJIANG FERTILIZER HOLDINGS LIMITED



(Incorporated in Singapore on 30 July 2007)

(Registration Number: 200713878D)

## UNAUDITED FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE FIRST QUARTER ENDED 31 MARCH 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.**

		1 <sup>st</sup> Quarter Ended		
	Note	31/03/2017	31/03/2016	Increase
		RMB'000	RMB'000	(Decrease)
		Unaudited	Unaudited	%
<b>Continuing operations</b>				
Revenue	1	-	-	N.M
Cost of sales		-	-	N.M
Gross profit		-	-	N.M
Selling and distribution expenses		-	-	N.M.
General and administrative expenses		(782)	(572)	36.7
Loss before income tax	2	(782)	(572)	36.7
Income tax expense		-	-	N.M
Net loss from continuing operations		(782)	(572)	36.7
Net loss from discontinued operations <sup>(1)</sup>		-	(4,519)	N.M.
Total loss		(782)	(5,091)	84.6
Attributable to:				
Equity holders of the Company		(782)	(5,091)	84.6

**Note:**

- Operations in Miluo, Xiangyin and Hanshou plants remain halted for the financial year ended 31 December 2016. The Miluo and Xiangyin plants have received notifications from the government to cease their operations in the existing factories which are located in urban areas of the cities for the purposes of the re-development of these cities. As part of the Company's proposed restructuring plans, management has plans to dispose of the three subsidiaries over the next twelve months. The financial results of the subsidiaries of these 3 plants were classified under "Discontinued operations".

Under 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 cessation of business at the PRC plants has met the criteria under FRS 105.

Hence, the financial statements for the financial year ended 31 December 2016 and 31 December 2015 are prepared in accordance with presentation and disclosure prescribed under FRS 105.

**Consolidated statement of comprehensive income for the first quarter ended 31 March 2016**

	1 <sup>st</sup> Quarter ended		
	31/03/2016 RMB'000 Unaudited	31/03/2015 RMB'000 Unaudited	Increase / (Decrease) %
Loss for the period, net of tax	(782)	(5,091)	N.M.
<b>Items that may be reclassified subsequently to profit or loss</b>			
Currency translation differences arising from consolidation	(581)	(594)	(2.2)
<b>Total comprehensive loss attributable to equity holders of the Company</b>	<b>(1,363)</b>	<b>(5,685)</b>	(76.0)

**1(a)(ii) Notes to the income statements**

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

	1 <sup>st</sup> quarter ended 31/03/2017			1st quarter ended 31/03/2016			
(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	-	-	-	-	(45)	(45)	N.M.
General & administrative expenses	(782)	-	(782)	(572)	(4,474)	(5,046)	N.M.
Loss before income tax	(782)	-	(782)	(572)	(4,519)	(5,091)	N.M.
Income tax	-	-	-	-	-	-	N.M.
Net loss	(782)	-	(782)	(572)	(4,519)	(5,091)	N.M.

**(1) Revenue**

There was no revenue generated for the 1<sup>st</sup> quarter ended 31 March 2017 and 31 March 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:

	1 <sup>st</sup> Quarter ended						Increase (Decrease) %
	Continuing operations		Discontinued operations		Total	Total	
	31/03/2017	31/03/2016	31/03/2017	31/03/2016	31/03/2017	31/03/2016	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	
Electricity	-	-	-	-	-	-	N.M.
Exchange difference	-	-	-	-	-	-	N.M.
Staff costs	441	267	-	4,519	441	4,786	N.M.

**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.**

	<b>Group</b>		<b>Company</b>	
	<b>31/03/2017</b>	<b>31/12/2016</b>	<b>31/03/2017</b>	<b>31/12/2016</b>
	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>
	<b>Unaudited</b>	<b>Audited</b>	<b>Unaudited</b>	<b>Audited</b>
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and bank balances	2	3	2	3
	2	3	2	3
Assets of disposal group classified as held for sale	28,469	28,469	-	-
<b>Total Assets</b>	<b>28,471</b>	<b>28,472</b>	<b>2</b>	<b>3</b>
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Other payables	23,124	21,762	23,124	21,762
Current income tax liabilities	-	-	-	-
	23,124	21,762	23,124	21,762
Liabilities directly associated with disposal group classified as held for sale	83,132	83,132	-	-
<b>Total liabilities</b>	<b>106,256</b>	<b>104,894</b>	<b>23,124</b>	<b>21,762</b>
<b>NET LIABILITIES</b>	<b>(77,785)</b>	<b>(76,422)</b>	<b>(23,122)</b>	<b>(21,759)</b>
<b>EQUITY</b>				
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	(819)	(238)	(554)	27
Accumulated losses	(262,816)	(262,034)	(239,248)	(238,466)
<b>TOTAL EQUITY</b>	<b>(77,785)</b>	<b>(76,422)</b>	<b>(23,122)</b>	<b>(21,759)</b>

**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 31 March 2017		As at 31 December 2016	
Secured	Unsecured	Secured	Unsecured
-	-	-	-

The Group does not have any bank borrowings as at 31 March 2017 and 31 December 2016.

**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.**

	<b>1<sup>st</sup> Quarter ended</b>	
	<b>31/03/2017</b>	<b>31/03/2016</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>Unaudited</b>	<b>Unaudited</b>
<b>Cash flows from operating activities</b>		
Net loss	(782)	(5,091)
Adjustments for:		
Unrealised currency translation differences	(581)	(594)
	<u>(1,363)</u>	<u>(5,685)</u>
Changes in working capital		
Trade and other receivables	-	-
Trade and other payables	1,362	5,686
<b>Net cash from /(used in) operating activities</b>	<u>(1)</u>	<u>1</u>
Net increase/(decrease) in cash and bank balances	(1)	1
Cash and bank balances at beginning of financial period/year	8	6
Effect of currency translation on cash and bank balances	-	-
<b>Cash and bank balances at end of financial period</b>	<u><u>7</u></u>	<u><u>7</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	Treasury Shares	Statutory Reserve	Restructuring Reserve	Currency Translation Reserve	Accumulated Losses	Total Equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Group</b>							
<b>2017</b>							
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	<u>216,788</u>	<u>(108)</u>	<u>71,998</u>	<u>(102,828)</u>	<u>(819)</u>	<u>(262,816)</u>	<u>(77,785)</u>
<b>2016</b>							
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	<u>216,788</u>	<u>(108)</u>	<u>71,998</u>	<u>(102,828)</u>	<u>399</u>	<u>(241,229)</u>	<u>(54,980)</u>

	Share Capital RMB'000	Treasury Shares RMB'000	Currency Translation Reserve RMB'000	Accumulated Losses RMB'000	Total Equity RMB'000
<b>Company</b>					
<b>2017</b>					
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	<u>216,788</u>	<u>(108)</u>	<u>(554)</u>	<u>(239,248)</u>	<u>(23,122)</u>
<b>2016</b>					
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	<u>216,788</u>	<u>(108)</u>	<u>70</u>	<u>(231,913)</u>	<u>(15,163)</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.**

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

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.**

	<b>As at 31 March 2017</b>	<b>As at 31 December 2016</b>
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 31 March 2017.

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

The figures have neither 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.

	1 <sup>st</sup> quarter ended	
	31/03/2017	31/03/2016
	Unaudited	Unaudited
Net loss attributable to equity holders of the Company (RMB'000)		
-continuing operations	(782)	(572)
-discontinued operations	-	(4,519)
	(782)	(5,091)
Loss per share for		
– Basic (RMB cents) and on a fully dilutive basis <sup>(1)</sup>		
-continuing operations	(0.22)	(0.15)
-discontinued operations	-	(1.26)
	(0.22)	(1.41)

**Notes:**

- (1) Loss per share of the Group for the 1<sup>st</sup> quarter ended 31 March 2017 is calculated by dividing the Group's net loss attributable to shareholders of approximately RMB789,000 (1Q2016: RMB5,091,000) by the weighted average number of ordinary shares outstanding during the period of 359,900,000 (1Q2016: 359,900,000).

For the 1<sup>st</sup> quarter ended 31 March 2017 and 2016, the basic and diluted loss per share of the Group were the same as there were no potential dilutive ordinary shares outstanding as at 31 March 2017 and 31 March 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	
	31/3/2017	31/12/2016	31/3/2017	31/12/2016
NAV per ordinary share <sup>(1)</sup> (RMB cents)	(21.61)	(16.86)	(6.42)	(4.21)

**Note:**

- (1) NAV per ordinary share as at 31 March 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 31 March 2017, the number of ordinary shares (excluding treasury shares) was 359,900,000. (As at 31/12/2016: 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 first Quarter ended 31 March 2017 ("1Q2017") compared to the first Quarter ended 31 March 2016 ("1Q2016") 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 1Q2017 and 1Q2016.

**Cost of sales, gross profit**

As explained above, there were no production activities in all of our three plants during 1Q2017 and 1Q2016. 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 1Q2017 and 1Q2016, there were no selling and distribution expenses

**General and administrative expenses**

For 1Q2017 as compared to 1Q2016, our general and administrative expenses increased by RMB0.21 million or 36.7%. The increase was mainly due to the professional expenses associated with the preparation of the proposed acquisitions as previously announced.

Loss from discontinued operation reduced by RMB4.52 million in 1Q2016 to nil for 1Q2017 due the discontinuance of accruals for workers' compensation in our PRC subsidiaries.

**Loss before income tax**

Our loss before income tax decreased by RMB4.30 million or 84.6% for 1Q2017 compared to 1Q2016. The decrease was due mainly to the discontinuance of accruals for workers' compensation as explained above.

**Income tax expense**

No income tax expense was recorded for 1Q2017 and 1Q2016. This was due mainly to nil tax provision for our three subsidiaries in 1Q2017 and 1Q2016 as there was no production and revenue generated.

## **Review of financial position of the Group as at 31 March 2017**

### **Current assets**

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

As at 31 March 2017, other payables amounted to RMB23.1 million. The increase in other payables of RMB1.3 million or 6.0% from RMB21.8 million as at 31 December 2016 was mainly due to the accrual of staff costs and professional expenses under the Company.

### **Total shareholders' equity**

Total shareholders' equity as at 31 March 2017 amounted to deficit of RMB77.8 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 RMB262.8 million and currency translation reserve of RMB0.8 million.

## **Review of cash flow statement for 1Q2017**

For 1Q2017, the Group has a net cash outflow of RMB1,000 due to net cash used in operating activities of RMB1,000.

- 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 first quarter ended 31 March 2017.

**13. Interested person transactions**

There were no interested person transactions entered for 1Q2017 and 1Q2016. 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 1<sup>ST</sup> Quarter ended 31 March 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