

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 2015

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	1 st Quarter Ended		Increase (Decrease) %
		31/03/2015 RMB'000 Unaudited	31/03/2014 RMB'000 Unaudited	
Continuing operations				
Revenue	1	-	-	N.M
Cost of sales		-	-	N.M
Gross profit		-	-	N.M
Other income	2	-	88	(100.0)
Selling and distribution expenses		(35)	(47)	(25.5)
General and administrative expenses		(3,391)	(4,184)	(19.0)
Loss before income tax	3	(3,426)	(4,143)	(17.3)
Income tax expense		-	-	N.M
Net loss from continuing operations		(3,426)	(4,143)	(17.3)
Net loss from discontinued operations⁽¹⁾		(3,257)	(5,679)	(42.6)
Total loss		<u>(6,683)</u>	<u>(9,822)</u>	(32.0)
Attributable to:				
Equity holders of the Company		<u>(6,683)</u>	<u>(9,822)</u>	(32.0)

Note:

1. 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 the cities. 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”.

Under FRS105, Non-current Assets Held for Sale and Discontinued Operations, 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 satisfied that the cessation of business has met the criteria under FRS 105.

Hence, the financial statements for the first quarter ended 31 March 2015 and 31 March 2014 are prepared in accordance with presentation and disclosure prescribed under FRS 105.

Consolidated statement of comprehensive income for the first quarter ended 31 March 2015

	1st Quarter ended		
	31/03/2015	31/03/2014	Increase /
	RMB'000	RMB'000	(Decrease)
	Unaudited	Unaudited	%
Loss for the period, net of tax	(6,683)	(9,822)	(32.0)
Items that may be reclassified subsequently to profit or loss			
Currency translation differences arising from consolidation	1,237	(455)	371.9
Total comprehensive loss attributable to equity holders of the Company	(5,446)	(10,277)	(47.0)

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:

	1st quarter ended 31/03/2015			1st quarter ended 31/03/2014			
(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
Other income	-	-	-	88	109	197	(100.0)
Selling & distribution expenses	(35)	(11)	(46)	(47)	(12)	(59)	(22.0)
General & administrative expenses	(3,391)	(3,246)	(6,637)	(4,184)	(5,166)	(9,350)	(29.0)
Loss before income tax	(3,426)	(3,257)	(6,683)	(4,143)	(5,069)	(9,212)	(27.5)
Income tax	-	-	-	-	(610)	(610)	(100.0)
Net loss	(3,426)	(3,257)	(6,683)	(4,143)	(5,679)	(9,822)	(32.0)

(1) Revenue

There was no revenue generated for the 1st quarter ended 31 March 2015 and 31 March 2014 as the production activities in all of our three plants continued to halt since the previous financial year.

(2) Other Income

1 st Quarter ended		
	31/03/2015	31/03/2014
	RMB'000	RMB'000
	Unaudited	Unaudited
		Increase /
		(Decrease)
		%
Others	-	88
	-	88

(3) Loss before tax

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

1 st Quarter ended						
	Continuing operations		Discontinued operations		Total	Total
	31/03/2015	31/03/2014	31/03/2015	31/03/2014	31/03/2015	31/03/2014
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
						Increase
						(Decrease)
						%
Amortisation and depreciation	-	945	-	2,011	-	2,956
Changes in inventories	-	-	-	110	-	110
Electricity	96	138	-	-	96	138
Staff costs	2,099	2,909	3,118	2,789	5,217	5,698

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	
	31/03/2015	31/12/2014	31/03/2015	31/12/2014
	RMB'000	RMB'000	RMB'000	RMB'000
	Unaudited	Audited	Unaudited	Audited
ASSETS				
Current Assets				
Cash and bank balances	51	85	46	73
Other receivables	125	187	78	43
	176	272	124	116
Assets of disposal group classified as held for sale	39,364	39,364	-	-
	39,540	39,636	124	116
Non-current Assets				
Investment in subsidiaries	-	-	22,983	22,983
Property, plant and equipment	5,255	5,255	-	-
Intangible assets	14,120	14,120	-	-
	19,375	19,375	22,983	22,983
Total Assets	58,915	59,011	23,107	23,099
LIABILITIES				
Current Liabilities				
Other payables	18,986	16,887	30,841	30,231
Current income tax liabilities	12,762	12,762	-	-
	31,748	29,649	30,841	30,231
Liabilities directly associated with disposal group classified as held for sale	30,992	27,741	-	-
Total liabilities	62,740	57,390	30,841	30,231
NET (LIABILITIES)/ASSETS	(3,825)	1,621	(7,734)	(7,132)
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	1,617	380	1,882	645
Accumulated losses	(191,292)	(184,609)	(226,296)	(224,457)
TOTAL EQUITY	(3,825)	1,621	(7,734)	(7,132)

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 2015		As at 31 December 2014	
Secured	Unsecured	Secured	Unsecured
-	-	-	-

The Group does not have any bank borrowings as at 31 March 2015 and 31 December 2014.

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.

	1 st Quarter ended	
	31/03/2015	31/03/2014
	RMB'000	RMB'000
	Unaudited	Unaudited
Cash flows from operating activities		
Net loss	(6,683)	(9,822)
Adjustments for:		
Amortisation and depreciation	-	2,956
Unrealised currency translation differences	1,239	(459)
Interest income	-	(19)
Income tax expense	-	610
	<u>(5,444)</u>	<u>(6,734)</u>
Changes in working capita		
Trade and other receivables	62	2,510
Inventories	-	110
Trade and other payables	5,350	1,970
Cash used in operations	<u>(32)</u>	<u>(2,144)</u>
Interest received	-	19
Net cash used in operating activities	<u>(32)</u>	<u>(2,125)</u>
Net decrease in cash and bank balances	(32)	(2,125)
Cash and bank balances at beginning of financial period/year	85	16,670
Effect of currency translation on cash and bank balances	<u>(2)</u>	<u>4</u>
Cash and bank balances at end of financial period	<u><u>51</u></u>	<u><u>14,549</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	Retained Profits/ (Accumulated losses)	Total Equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Group							
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	<u>216,788</u>	<u>(108)</u>	<u>71,998</u>	<u>(102,828)</u>	<u>1,617</u>	<u>(191,292)</u>	<u>(3,825)</u>
2014							
As at 1 January 2014	216,788	(108)	71,998	(102,828)	(739)	36,278	221,389
Total comprehensive loss for the period from 1/1/2014 – 31/3/2014	-	-	-	-	(455)	(9,822)	(10,277)
As at 31 March 2014	<u>216,788</u>	<u>(108)</u>	<u>71,998</u>	<u>(102,828)</u>	<u>(1,194)</u>	<u>26,456</u>	<u>211,112</u>

	Share Capital RMB'000	Treasury Shares RMB'000	Currency Translation Reserve RMB'000	Accumulated Losses RMB'000	Total Equity RMB'000
Company					
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	<u>216,788</u>	<u>(108)</u>	<u>1,882</u>	<u>(226,296)</u>	<u>(7,734)</u>
2014					
As at 1 January 2014	216,788	(108)	(474)	(34,800)	181,406
Total comprehensive loss for the period 1/1/2014 - 31/3/2014	-	-	(454)	(798)	(1,252)
As at 31 March 2014	<u>216,788</u>	<u>(108)</u>	<u>(928)</u>	<u>(35,598)</u>	<u>180,154</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 31 March 2015 and 31 December 2014	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 31 March 2015	As at 31 December 2014
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 2015.

- 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 2014.

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 st quarter ended	
	31/03/2015	31/03/2014
	Unaudited	Unaudited
Net loss attributable to equity holders of the Company (RMB'000)		
-continuing operations	(3,426)	(4,143)
-discontinued operations	(3,257)	(5,679)
	(6,683)	(9,822)
Loss per share for		
– Basic (RMB cents) and on a fully dilutive basis ⁽¹⁾		
-continuing operations	(0.95)	(1.15)
-discontinued operations	(0.91)	(1.58)
	(1.86)	(2.73)

Notes:

- (1) Loss per share of the Group for the 1st quarter ended 31 March 2015 is calculated by dividing the Group's net loss attributable to shareholders of approximately RMB6,683,000 (1Q2014: RMB9,822,000) by the weighted average number of ordinary shares outstanding during the period of 359,900,000 (1Q2014: 359,900,000).

For the 1st quarter ended 31 March 2015 and 2014, 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 2015 and 31 March 2014.

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	
	31/3/2015	31/12/2014	31/3/2015	31/12/2014
NAV per ordinary share ⁽¹⁾ (RMB cents)				
每股普通股资产净值 ⁽¹⁾	(1.06)	0.45	(2.15)	(1.98)

Note:

- (1) NAV per ordinary share as at 31 March 2015 and 31 December 2014 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 2015, the number of ordinary shares (excluding treasury shares) was 359,900,000. (As at 31/12/2014: 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 2015 ("1Q2015") compared to the first Quarter ended 31 March 2014 ("1Q2014") on total group (continuing and discontinued operations) basis

Revenue

The demand for our Group's product continued to be persistently weak in 1Q2015. In addition, Miluo and Xiangyin plants have received notifications from the government to wind-down their operations. Therefore, the production activities in all of our three plants continued to cease during 1Q2015. As such there was no production and thus no revenue generated in all of our 3 plants for 1Q2015.

Cost of sales, gross profit

As explained above, there was no production activities in all of our three plants during 1Q2015. As such, there was no cost of sales and gross profit.

Other income

The decrease in other income for 1Q2015 as compared to 1Q2014 by RMB0.2 million was due mainly to the RMB0.2 million miscellaneous income in 1Q2014.

Selling and distribution expenses

For 1Q2015, our selling and distribution expenses decreased by approximately 20.7% as compared to 1Q2014. This was in line with no revenue generated.

General and administrative expenses

For 1Q2015 as compared to 1Q2014, our general and administrative expenses decreased by RMB2.7 million or 29.0%. The decrease was due mainly to the lower work stoppage costs incurred in 1Q2015, arising mainly from no depreciation provided in 1Q2015. Work stoppage costs which consisted of mainly depreciation and labour costs incurred by the plants during the plants' shut down was charged to general and administrative expenses.

Loss before income tax

Our loss before income tax decreased by RMB2.5 million or 27.5% for 1Q2015 compared to 1Q2014. The decrease was due mainly to the lower general and administrative expenses as explained above.

Income tax expense

Lower income tax expense was recorded for 1Q2015 as compared to 1Q2014. This was due mainly to nil tax provision for our three subsidiaries in 1Q2015 as there was no production and revenue generated.

Review of financial position of the Group as at 31 March 2015

Current assets

As at 31 March 2015 and 31 December 2014, our total current assets were relatively flat at RMB39.6 million. The slight decrease of RMB96,000 in current assets was due to the RMB34,000 decrease in cash and bank and RMB62,000 decrease in other receivables, which consisted of mainly prepayments and deposits. Assets held for sale remained unchanged at RMB39.4 million. Assets held for sale arose from the reclassification of property, plant and equipment and intangible assets held by the Group in Miluo and Xiangyin plants. 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 the cities. As such, the property, plant and equipment and intangible assets amounting to RMB39.4 million located in these two plants were reclassified from non-current assets to “Assets held for sale” under current assets.

Non-current assets

Non-current assets include land use rights with net book value of RMB14.1 million as at 31 March 2015 and 31 December 2014 and property, plant and equipment with net book value of RMB5.2 million as at 31 March 2015 and 31 December 2014. With the halt in production activities in all of our three plants and with the classification of property, plant and equipment in our Miluo and Xiangyin plants to “assets held for sale”, no depreciation expenses and amortisation expenses were recognized on our property, plant and equipment and land use rights in 1Q2015.

As at 31 March 2015, the subsidiary of the Group, Hanshou, has not obtained the title deed of the land use right with net book value of RMB14.1 million (2014: RMB14.1 million) as the management is still engaged in on-going negotiation with local authority to transfer the title deed of the land use right from previous owner to the Group.

Current liabilities

Our current liabilities comprised other payables and income tax payable. As at 31 March 2015, total current liabilities were RMB62.8 million. The increase in current liabilities of RMB5.3 million or 9.3% from RMB57.4 million as at 31 December 2014 to RMB62.8 million as at 31 March 2015 was due to the increase in other payables arising mainly from the accrual of staff costs.

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 the cities. As such, the liabilities of these two subsidiaries operating in the 2 plants amounting to RMB31.0 million were reclassified from current liabilities to “liabilities directly associated with disposal group classified as held for sale”.

As at 31 March 2015, other payables comprised mainly accrual and other payables amounting to RMB12.1 million, and amount due to shareholders of RMB6.8 million. The increase was due to timing differences in payments made to the other creditors and advances from shareholders.

As at 31 March 2015 and 31 December 2014, provision for tax amounted to RMB12.8 million. There was no tax provision provided for 1Q2015 as there was no production and no revenue generated.

Total shareholders' equity

Total shareholders' equity as at 31 March 2015 amounted to approximately deficit of RMB3.8 million and comprised mainly share capital of RMB216.8 million and statutory reserve of RMB72.0 million and currency translation reserve of RMB1.6 million, offset by restructuring reserve of RMB102.8 million and accumulated losses of RMB191.3million.

Review of cash flow statement for 1Q2015

For 1Q2015, the Group has a net cash outflow of RMB32,000 due to net cash used in operating activities amounting to RMB32,000.

Net cash used in operating activities

The decrease of RMB2.1 million in net cash used in operating activities for 1Q2015 as compared to 1Q2014 was due mainly to the increase of RMB5.4 million in other payables for 1Q2015 as compared to the increase of RMB2.0 million in other payables for 1Q2014.

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 the securities of the Company is suspended until the Company has a business which is able to satisfy the SGX-ST's requirements for a new listing.

To meet the SGX-ST's requirements, the Company is currently considering various options and will be actively pursuing the acquisition of new operating businesses and assets with proven track record and/or good growth potential.

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/recommended, a statement to that effect.

No dividend has been declared or recommended for the first quarter ended 31 March 2015.

13. Interested person transactions

There were no interested person transactions entered for 1Q2015 and 1Q2014. The Group is not required to have a general mandate from shareholders for IPTs under Rule 920(1)(a)(ii).

BY ORDER OF THE BOARD

Ng Joo Khin
Company Secretary

30 April 2015

CONFIRMATION BY THE BOARD

We, Zhu Xue Cheng and Teo Moh Gin, 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 1ST Quarter ended 31 March 2015 to be false or misleading in any material respect.

On behalf of the Board of Directors

ZHU XUE CHENG
Acting Chairman and Executive Director

TEO MOH GIN
Lead Independent Director

30 April 2015