

# 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 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	2 <sup>nd</sup> quarter ended			1 <sup>st</sup> half ended		
		30/6/2015 RMB'000 Unaudited	30/6/2014 RMB'000 Unaudited	Increase / (Decrease) %	30/6/2015 RMB'000 Unaudited	30/6/2014 RMB'000 Unaudited	Increase / (Decrease) %
<b>Continuing operations</b>							
<b>Revenue</b>	1	-	-	N.M	-	-	N.M
Cost of sales		-	-	N.M	-	-	N.M
<b>Gross profit</b>		-	-	N.M	-	-	N.M
Other income	2	-	88	(100.0)	-	176	(100.0)
Selling and distribution expenses		34	47	(27.7)	69	94	(26.6)
General and administrative expenses		2,585	3,765	(31.3)	5,976	7,949	(24.8)
Finance expenses		-	-	N.M	-	-	N.M
<b>Loss before income tax</b>	3	(2,619)	(3,724)	(29.7)	(6,045)	(7,867)	(23.1)
Income tax expense		-	-	N.M	-	-	N.M
<b>Net loss from continuing operations</b>		(2,619)	(3,724)	(29.7)	(6,045)	(7,867)	(23.1)

<b>Net loss from discontinued operations<sup>(1)</sup></b>	(3,290)	(1,838)	79.0	(6,547)	(7,518)	(12.9)
<b>Total loss</b>	<u>(5,909)</u>	<u>(5,562)</u>	6.2	<u>(12,592)</u>	<u>(15,385)</u>	(18.2)
Attributable to:						
Equity holder of the Company	<u>(5,909)</u>	<u>(5,562)</u>	6.2	<u>(12,592)</u>	<u>(15,385)</u>	(18.2)

**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 second quarter and half year ended 30 June 2015 and 30 June 2014 are prepared in accordance with 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 2015**

	2 <sup>nd</sup> quarter ended			1 <sup>st</sup> half ended		
	30/6/2015	30/6/2014	Increase	30/6/2015	30/6/2014	Increase
	RMB'000	RMB'000	(Decrease)	RMB'000	RMB'000	(Decrease)
	Unaudited	Unaudited	%	Unaudited	Unaudited	%
<b>Loss for the period, net of tax</b>	<b>(5,909)</b>	<b>(5,562)</b>	<b>6.2</b>	<b>(12,592)</b>	<b>(15,385)</b>	<b>(18.2)</b>
<b>Other comprehensive (loss)/income that may be reclassified subsequently to profit or loss</b>						
Currency translation differences arising from consolidation	(287)	(165)	73.9	950	(620)	N.M
<b>Total comprehensive loss attributable to equity holders of the Company</b>	<b>(6,196)</b>	<b>(5,727)</b>	<b>8.2</b>	<b>(11,642)</b>	<b>(16,005)</b>	<b>(27.3)</b>

**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:

	<b>2<sup>nd</sup> quarter ended 30/06/2015</b>			<b>2<sup>nd</sup> quarter ended 30/06/2014</b>			
(In RMB'000)	<b>Continuing operations</b>	<b>Discontinued operations</b>	<b>Total Group</b>	<b>Continuing operations</b>	<b>Discontinued operations</b>	<b>Total Group</b>	<b>% Increase/ (Decrease)</b>
Revenue	-	-	-	-	-	-	N.M
Cost of sales	-	-	-	-	-	-	N.M
Gross profit	-	-	-	-	-	-	N.M
Other income	-	-	-	88	101	189	(100.0)
Selling & distribution expenses	34	11	45	47	11	58	(22.4)
General & administrative expenses	2,585	3,279	5,864	3,765	1,318	5,083	15.3
Finance expenses	-	-	-	-	-	-	N.M
Loss before income tax	(2,619)	(3,290)	(5,909)	(3,724)	(1,228)	(4,952)	19.3
Income tax	-	-	-	-	(610)	(610)	(100.0)
Net loss	(2,619)	(3,290)	(5,909)	(3,724)	(1,838)	(5,562)	6.2

	<b>1<sup>st</sup> Half ended 30/06/2015</b>			<b>1<sup>st</sup> Half ended 30/06/2014</b>			
(In RMB'000)	<b>Continuing operations</b>	<b>Discontinued operations</b>	<b>Total Group</b>	<b>Continuing operations</b>	<b>Discontinued operations</b>	<b>Total Group</b>	<b>% Increase/ (Decrease)</b>
Revenue	-	-	-	-	-	-	N.M
Cost of sales	-	-	-	-	-	-	N.M
Gross profit	-	-	-	-	-	-	N.M
Other income	-	-	-	176	210	386	(100.0)
Selling & distribution expenses	69	22	91	94	22	116	(21.6)
General & administrative expenses	5,976	6,525	12,501	7,949	6,485	14,434	(13.4)
Finance expenses	-	-	-	-	-	-	N.M
Loss before income tax	(6,045)	(6,547)	(12,592)	(7,867)	(6,297)	(14,164)	(11.1)
Income tax	-	-	-	-	(1,221)	(1,221)	(100.0)
Net loss	(6,045)	(6,547)	(12,592)	(7,867)	(7,518)	(15,385)	(18.2)

**(1) Revenue**

There was no revenue generated for the 2<sup>st</sup> quarter and half year ended 30 June 2015 and 30 June 2014 as the production activities in all of our three plants continued to halt since the previous financial year.

**(2) Other Income**

	2 <sup>nd</sup> quarter ended			1 <sup>st</sup> half ended		
	30/6/2015 RMB'000 Unaudited	30/6/2014 RMB'000 Unaudited	Increase / (Decrease) %	30/6/2015 RMB'000 Unaudited	30/6/2014 RMB'000 Unaudited	Increase / (Decrease) %
Others	-	88	(100.0)	-	176	(100.0)
	-	88	(100.0)	-	176	(100.0)

**(3) Loss before tax**

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

	2 <sup>nd</sup> Quarter ended						Increase (Decrease) %
	Continuing operations 30/06/2015 RMB'000 Unaudited	Continuing operations 30/06/2014 RMB'000 Unaudited	Discontinued operations 30/06/2015 RMB'000 Unaudited	Discontinued operations 30/06/2014 RMB'000 Unaudited	Total 30/06/2015 RMB'000 Unaudited	Total 30/06/2014 RMB'000 Unaudited	
Amortisation and depreciation	-	933	-	(2,011) <sup>1</sup>	-	(1,078)	N.M
Changes in inventories	-	-	-	-	-	-	N.M
Electricity	73	135	-	-	73	135	(45.9)
Staff costs	1,992	2,144	3,163	3,134	5,155	5,278	(2.3)

**Notes:**

1. The negative amortisation and depreciation expense in 2Q2014 was due to reversal of amortisation and depreciation expenses overprovided in 1Q2014.
2. "N.M": denotes not meaningful.

	1 <sup>st</sup> half ended						Increase (Decrease) %
	Continuing operations 30/06/2015 RMB'000 Unaudited	Continuing operations 30/06/2014 RMB'000 Unaudited	Discontinued operations 30/06/2015 RMB'000 Unaudited	Discontinued operations 30/06/2014 RMB'000 Unaudited	Total 30/06/2015 RMB'000 Unaudited	Total 30/06/2014 RMB'000 Unaudited	
Amortisation and depreciation	-	1,878	-	-	-	1,878	(100.0)
Changes in inventories	-	-	-	110	-	110	(100.0)
Electricity	169	273	-	-	169	273	(38.1)
Staff costs	4,091	5,053	6,281	5,923	10,372	10,976	(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.**

	<b>Group</b>		<b>Company</b>	
	<b>30/06/2015</b>	<b>31/12/2014</b>	<b>30/06/2015</b>	<b>31/12/2014</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	6	85	-	73
Other receivables	1	187	-	43
	<u>7</u>	<u>272</u>	<u>-</u>	<u>116</u>
Assets of disposal group classified as held for sale	39,364	39,364	-	-
	<u>39,371</u>	<u>39,636</u>	<u>-</u>	<u>116</u>
<b>Non-current Assets</b>				
Investment in subsidiaries	-	-	22,983	22,983
Property, plant and equipment	5,255	5,255	-	-
Intangible assets	14,120	14,120	-	-
	<u>19,375</u>	<u>19,375</u>	<u>22,983</u>	<u>22,983</u>
<b>Total Assets</b>	<u>58,746</u>	<u>59,011</u>	<u>22,983</u>	<u>23,099</u>
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Other payables	21,723	16,887	32,059	30,231
Current income tax liabilities	12,762	12,762	-	-
	<u>34,485</u>	<u>29,649</u>	<u>32,059</u>	<u>30,231</u>
Liabilities directly associated with disposal group classified as held for sale	34,282	27,741	-	-
<b>Total liabilities</b>	<u>68,767</u>	<u>57,390</u>	<u>32,059</u>	<u>30,231</u>
<b>NET (LIABILITIES)/ASSETS</b>	<u>(10,021)</u>	<u>1,621</u>	<u>(9,076)</u>	<u>(7,132)</u>
<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	1,330	380	1,596	645
Accumulated losses	(197,201)	(184,609)	(227,352)	(224,457)
<b>TOTAL EQUITY</b>	<u>(10,021)</u>	<u>1,621</u>	<u>(9,076)</u>	<u>(7,132)</u>

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

The Group does not have any bank borrowings as at 30 June 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.**

	2 <sup>nd</sup> quarter ended		1 <sup>st</sup> half ended	
	30/6/2015	30/6/2014	30/6/2015	30/6/2014
	RMB'000	RMB'000	RMB'000	RMB'000
	Unaudited	Unaudited	Unaudited	Unaudited
<b>Cash flows from operating activities</b>				
Net loss	(5,909)	(5,562)	(12,592)	(15,385)
Adjustments for:				
Amortisation and depreciation	-	(1,079)	-	1,878
Unrealised currency translation differences	(286)	(163)	951	(620)
Interest income	-	(12)	-	(31)
Income tax expense	-	610	-	1,221
	(6,195)	(6,206)	(11,641)	(12,937)
Changes in working capital				
Trade and other receivables	124	1,410	186	3,920
Inventories	-	-	-	110
Trade and other payables	6,026	1,087	11,376	3,055
<b>Cash generated used in operations</b>	(45)	(3,709)	(79)	(5,852)
Interest received	-	12	-	31
<b>Net cash used in operating activities</b>	(45)	(3,697)	(79)	(5,821)
Net decrease in cash and bank balances	(45)	(3,697)	(79)	(5,821)
Cash and bank balances at beginning of financial period	51	14,549	85	16,670
Effect of currency translation on cash and bank balances	-	(1)	-	2
<b>Cash and bank balances at end of financial period</b>	6	10,851	6	10,851

**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	Retained Profits/ (Accumulat- ed losses) RMB'000	Total Equity RMB'000
<b>Group</b>							
<b>2015</b>							
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>
<b>2014</b>							
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	216,788	(108)	71,998	(102,828)	(1,194)	26,456	211,112
Total comprehensive loss for the period from 1/4/2014 – 30/6/2014	-	-	-	-	(165)	(5,562)	(5,727)
As at 30 June 2014	<u>216,788</u>	<u>(108)</u>	<u>71,998</u>	<u>(102,828)</u>	<u>(1,359)</u>	<u>20,894</u>	<u>205,385</u>



	Share Capital	Treasury Shares	Currency Translation Reserve	Accumulated Losses	Total Equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Company</b>					
<b>2015</b>					
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 1/4/2014– 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>
<b>2014</b>					
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	216,788	(108)	(928)	(35,598)	180,154
Total comprehensive loss for the period 1/4/2014– 30/6/2014	-	-	(165)	(1,050)	(1,215)
As at 30 June 2014	<u>216,788</u>	<u>(108)</u>	<u>(1,093)</u>	<u>(36,648)</u>	<u>178,939</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 30 June 2015 and 31 December 2014	<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 30 June 2015</b>	<b>As at 31 December 2014</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 30 June 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.**

	2 <sup>nd</sup> quarter ended		1 <sup>st</sup> half ended	
	30/06/2015	30/06/2014	30/06/2015	30/06/2014
	Unaudited	Unaudited	Unaudited	Unaudited
Net loss attributable to equity holders of the Company (RMB'000)				
-continuing operations	(2,619)	(3,724)	(6,045)	(7,867)
-discontinued operations	(3,290)	(1,838)	(6,547)	(7,518)
	(5,909)	(5,562)	(12,592)	(15,385)
Loss per share for				
- Basic (RMB cents) and on a fully dilutive basis <sup>(1)</sup> <sup>(1)</sup>				
-continuing operations	(0.73)	(1.03)	(1.68)	(2.18)
-discontinued operations	(0.91)	(0.51)	(1.82)	(2.09)
	(1.64)	(1.54)	(3.50)	(4.27)

**Notes:**

(1) Loss per share of the Group for the half year ended 30 June 2015 is calculated by dividing the Group's net loss attributable to shareholders of approximately RMB12,592,000(1H2014: RMB15,385,000) by the weighted average number of ordinary shares outstanding during the period of 359,900,000 (1H2014: 359,900,000).

For the half year ended 30 June 2015 and 2014, 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 2015 and 30 June 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	
	30/6/2015	31/12/2014	30/6/2015	31/12/2014
NAV per ordinary share <sup>(1)</sup> (RMB cents)	(2.78)	0.45	(2.52)	(1.98)

**Note:**

(1) NAV per ordinary share as at 30 June 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 30 June 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 half year ended 30 June 2015 ("1H2015") as compared to the half year ended 30 June 2014 ("1H2014") on total group (continuing and discontinued operations) basis**

**Revenue**

There was no production and thus no revenue generated in all of our 3 plants for 1H2015.

**Cost of sales, gross profit**

As explained above, there was no production activities in all of our three plants during 1H2015. As such, there was no cost of sales and gross profit.

**Other income**

The decrease in other income for 1H2015 as compared to 1H2014 by RMB0.4 million was mainly due to the RMB0.4 million miscellaneous income in 1H2014.

**Selling and distribution expenses**

For both periods 1H2015 as compared to 1H2014 and 2Q2015 as compared to 2Q2014, our selling and distribution expenses decreased by 21.6% from a half year to half year and 22.4% on quarter to quarter basis. This was mainly due to no depreciation expenses charged to selling and distribution expenses for 1H2015 and 2Q2015.

**General and administrative expenses**

For 1H2015 as compared to 1H2014, our general and administrative expenses decreased by RMB1.9 million or 13.4%. The decrease was due mainly to the accrued lower work stoppage costs incurred in 1H2015, arising mainly from no depreciation provided in 1H2015 as compared to RMB1.9 depreciation expense provided in 1H2014. 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.

For 2Q2015 as compared to 2Q2014, our general and administrative expenses increased by RMB0.8 million or 15.3%. This was mainly to lower general and administrative expenses in 2Q2014, mainly due to the negative amortisation and depreciation expense of RMB1.1 million arising from the reversal of amortisation and depreciation expenses overprovided in 1Q2014.

## **Finance expenses**

As there was no borrowings, finance expenses was nil in 1H2015 and 1H2014.

## **Loss before income tax**

Our loss before income tax decreased by 1.6 million or 11.1% for 1H2015 compared to 1H2014. The decrease was due mainly to the lower general and administrative expenses as explained above.

Our loss before income tax increased by RMB1.0 million or 19.3% for 2Q2015 compared to 2Q2014. The increase was due mainly to the lower general and administrative expenses in 2Q2014 as explained above.

## **Income tax expense**

No income tax expense was recorded for 1H2015 and 2Q2015 as compared to RMB1.2 million provision in 1H2014 and RMB0.6 million provision in 2Q2014. This was due mainly to nil tax provision for our three subsidiaries in 1H2015 as there was no production and revenue generated.

## **Review of financial position of the Group as at 30 June 2015**

### **Current assets**

As at 30 June 2015, our total current assets were RMB39.4 million as compared to RMB39.6 million as at 31 December 2014. The decrease of RMB265,000 in current assets was due to the RMB79,000 decrease in cash and bank balances and RMB186,000 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 30 June 2015 and 31 December 2014 and property, plant and equipment with net book value of RMB5.2 million as at 30 June 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 1H2015.

As at 30 June 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 30 June 2015, total current liabilities were RMB68.8 million. The increase in current liabilities of 11.4 million or 19.8% from RMB57.4 million as at 31 December 2014 to RMB68.8 million as at 30 June 2015 was due to the increase in other payables arising mainly from the accrual of staff related 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 RMB34.2 million were reclassified from current liabilities to “liabilities directly associated with disposal group classified as held for sale”.

As at 30 June 2015, other payables comprised mainly accruals and other payables amounting to RMB14.8 million, and amount due to shareholders of RMB6.9 million. The increase was due to timing differences in payments made to the other creditors and advances from shareholders.

As at 30 June 2015 and 31 December 2014, provision for tax amounted to RMB12.8 million. There was no tax provision provided for 1H2015 as there was no production and no revenue generated.

## **Total shareholders' equity**

Total shareholders' equity as at 30 June 2015 amounted to approximately deficit of RMB10.0 million and comprised mainly share capital of RMB216.8 million and statutory reserve of RMB72.0 million and currency translation reserve of RMB1.3 million, offset by restructuring reserve of RMB102.8 million and accumulated losses of RMB197.2 million.

## **Review of cash flow statement for 1H2015**

For 1H2015, the Group has a net cash outflow of RMB79,000 due to net cash used in operating activities amounting to RMB79 ,000.

For 2Q2015, the Group has a net cash outflow of RMB45,000 due to net cash used in operating activities amounting to RMB45 ,000.

## **Net cash used in operating activities**

The decrease of RMB5.7 million in net cash used in operating activities for 1H2015 as compared to 1H2014 was due mainly to the increase of RMB11.4 million in other payables for 1H2015 as compared to the increase of RMB3.0 million in other payables for 1H2014.

The decrease of RMB3.7 million in net cash used in operating activities for 2Q2015 as compared to 2Q2014 was due mainly to the increase of RMB6.0 million in other payables for 2Q2015 as compared to the increase of RMB1.1 million in other payables for 2Q2014.

## **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. The Company will be removed from the Official List if it is unable to meet the requirements for a new listing within 12 months from the time it becomes a cash company, i.e 13 April 2016.

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/recommendeded, a statement to that effect.**

No dividend has been declared or recommended for the second quarter ended 30 June 2015.

**13. Interested person transactions**

There were no interested person transactions entered for the half year ended 30 June 2015 and for the half year ended 30 June 2014. 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

14 August 2015

## **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 2015 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

14 August 2015