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CHINA XLX FERTILISER LTD.

中國心連心化肥有限公司*

(Incorporated in Singapore with limited liability)

(Hong Kong Stock Code: 1866)

ANNOUNCEMENT OF UNAUDITED BUSINESS UPDATE FOR THE THIRD QUARTER OF 2014

The board of directors (the “**Board**”) of China XLX Fertiliser Ltd. (the “**Company**”) is pleased to announce the unaudited third quarterly business update of the Company and its subsidiaries (the “**Group**”) for the three months ended 30 September 2014 (“**3Q 2014**”).

The unaudited consolidated revenue of the Group increased by approximately 32% from approximately RMB1,057 million for the three months ended 30 September 2013 (“**3Q 2013**”) to approximately RMB1,395 million for 3Q 2014. The unaudited consolidated net profit of the Group increased by approximately 148% for 3Q 2014 as compared against 3Q 2013.

The increase in revenue was mainly due to the increase in sales volume of urea, compound fertiliser and methanol.

Revenue derived from the sales of urea increased by approximately 49% Year on Year (“**YoY**”) to approximately RMB745 million for 3Q 2014. The increase was mainly due to the increase in sales volume as a result of the commencement of production of Plant IV. The sales volume of urea increased by approximately 68% YoY to approximately 506,000 tons for 3Q 2014.

Revenue derived from the sales of compound fertiliser increased by approximately 2% YoY to approximately RMB419 million for 3Q 2014. The increase was mainly due to the increase in sales volume from the expansion of the sales network of the Group. The sales volume of compound fertiliser increased by approximately 6% YoY to approximately 211,000 tons for 3Q 2014.

Revenue derived from the sales of methanol increased by approximately 42% YoY to approximately RMB204 million for 3Q 2014. The increase was mainly due to the increase in sales volume by approximately 55% for 3Q 2014 as compared against 3Q 2013. The Group has adjusted the production plan between urea and methanol to produce more methanol in order to gain better profits. The sales volume of methanol increased to approximately 105,000 tons for 3Q 2014.

The unaudited consolidated net profit of the Group increased by approximately 148% for 3Q 2014 as compared against 3Q 2013. This was mainly due to: first, the outstanding performance of Plant IV which not only increased the production volume and revenue of urea but further improved the cost efficiency of the Group; secondly, the increase in sales of high-efficiency fertilisers improved the profitability of the Group; thirdly, the rigid demand for fertilisers in China market resulted in the recovery of urea industry in 3Q 2014.

The Group has adopted one of the most advanced coal gasification technologies in the industry which will further improve cost efficiency and strengthen the Group's leading position in urea industry of China. In light of the product differentiation strategy, the Group has increased the sales of high-efficiency fertilisers to achieve higher margins which is also in line with the development of scientific and environmentally friendly fertilization, which is highly encouraged by the government.

By Order of the Board

Liu Xingxu

Chairman & Chief Executive Officer

13 November 2014

As at the date of this announcement, the executive directors of the Company are Mr. Liu Xingxu, Ms. Yan Yunhua and Mr. Li Buwen; the independent non-executive directors of the Company are Mr. Ong Kian Guan, Mr. Li Shengxiao and Mr. Ong Wei Jin; and the non-executive director of the Company is Mr. Lian Jie.

* *for identification purpose only*