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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 FIRST QUARTER OF 2015**

The board of directors (the “**Board**”) of China XLX Fertiliser Ltd. (the “**Company**”) is pleased to announce the unaudited first quarterly business update of the Company and its subsidiaries (the “**Group**”) for the three months ended 31 March 2015 (“**1Q2015**”).

The unaudited consolidated revenue of the Group increased by approximately 11% from approximately RMB1,270 million for the three months ended 31 March 2014 (“**1Q2014**”) to approximately RMB1,413 million for 1Q2015. The unaudited consolidated net profit of the Group increased by approximately 121% for 1Q2015 as compared against 1Q2014.

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

Revenue derived from the sales of urea increased by approximately 10% year on year (“**YoY**”) to approximately RMB870 million for 1Q2015. The increase was mainly due to the increase in sales volume of urea as a result of the improvement of production efficiency of Plant IV. The sales volume of urea increased by approximately 11% YoY to approximately 537,000 tons for 1Q2015.

Revenue derived from the sales of compound fertiliser increased by approximately 35% YoY to approximately RMB371 million for 1Q2015. The increase was mainly due to the increase in sales volume of compound fertiliser from the expansion of the sales network and the increase in average selling price. The sales volume of compound fertiliser increased by approximately 30% YoY to approximately 173,000 tons for 1Q2015.

The increase in unaudited consolidated revenue of the Group was partially offset by the decrease of revenue derived from the sales of methanol. Revenue derived from the sales of methanol decreased by approximately 33% YoY to approximately RMB135 million for 1Q2015. The decrease was mainly due to the decline in average selling price of methanol by approximately 34% YoY for 1Q2015. The sales volume of methanol remains constant at approximately 89,000 tons for 1Q2015.

The unaudited consolidated net profit of the Group increased by approximately 121% for 1Q2015 as compared against that for 1Q2014. The increased proportion of high-efficiency fertilisers enhanced the profitability and competitiveness of the Group’s fertiliser products. The outstanding performance of Plant IV and the improvement in the operation efficiency of Plants I, II and III not only increased the production volume but further improved the cost efficiency of the Group.

The Group's newly commenced Plant IV has adopted one of the most advanced coal gasification technologies in the industry. After a whole year of stable production in 2014, its operation efficiency has reached the top level amongst the Group's peers in the industry. With the implementation of product differentiation strategy, the sales proportion of high-efficiency fertilisers have been continuously increasing. The development and promotion of high-efficiency fertilisers will further improve the profitability and competitiveness of the Group's fertiliser products and help the Group to overcome the impact of cyclical changes in the industry. The promotion of high-efficiency fertilisers is also in line with the development of scientific fertilisation and environmentally friendly fertilization, which is highly encouraged by the Chinese government.

By Order of the Board
Liu Xingxu
Chairman & Chief Executive Officer

10 April 2015

As at the date of this announcement, the executive directors of the Company are Mr. Liu Xingxu, Ms. Yan Yunhua and Mr. Zhang Qingjin; 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*