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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 2015**

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 nine months ended 30 September 2015 (“**9M2015**”) and three months ended 30 September 2015 (“**3Q2015**”).

The unaudited consolidated revenue of the Group increased by approximately 19% from approximately RMB3,827 million for the nine months ended 30 September 2014 (“**9M2014**”) to approximately RMB4,572 million for 9M2015. The unaudited consolidated revenue of the Group for 3Q2015 increased by approximately 21% to approximately RMB1,688 million from approximately RMB1,395 million in the three months ended 30 September 2014 (“**3Q2014**”).

The unaudited consolidated net profit of the Group increased by approximately 175% for 9M2015 to approximately RMB393 million as compared against 9M2014. The unaudited consolidated net profit of the Group increased by approximately 83% for 3Q2015 to approximately RMB149 million as compared against 3Q2014.

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

Revenue derived from the sales of urea increased by approximately 11% Year on Year (“**YoY**”) to approximately RMB2,420 million for 9M2015. The increase was mainly due to the increase in production and sales volume as a result of the improvement of production efficiency of Plant IV and the increase in average selling price of urea. The sales volume of urea increased by approximately 5% YoY to approximately 1,511,000 tons for 9M2015. The average selling price of urea increased by approximately 5% YoY.

Revenue derived from the sales of compound fertiliser increased by approximately 53% YoY to approximately RMB1,548 million for 9M2015. The increase was mainly due to the increase in sales volume from the expansion of the sales network and the increase in average selling price. The sales volume of compound fertiliser increased by approximately 42% YoY to approximately 709,000 tons for 9M2015. The average selling price of compound fertiliser increased by approximately 7% YoY.

The increase of 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 25% YoY to approximately RMB441 million for 9M2015. The decrease was mainly due to the decline in average selling price of methanol by approximately 17% YoY for 9M2015. The sales volume of methanol decreased by approximately 10% YoY to approximately 264,000 tons for 9M2015.

The unaudited consolidated net profit of the Group increased by approximately 175% and 83% for 9M2015 and 3Q2015 respectively YoY. The continuously increasing 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 also further improved the cost efficiency of the Group.

The Group's Plant IV has adopted one of the most advanced coal gasification technologies in the industry. After a whole year's stable production, 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 fertilisation, which is highly encouraged by the Chinese government.

By Order of the Board

Liu Xingxu

Chairman & Chief Executive Officer

26 October 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*