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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)

(Singapore Stock Code: B9R)

POSITIVE PROFIT ALERT

This announcement is made by China XLX Fertiliser Ltd. (the “**Company**”) pursuant to Rule 13.09 (1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The board (the “**Board**”) of directors of the Company wish to inform the shareholders of the Company and potential investors that, based on a preliminary review of the unaudited consolidated management accounts of the Company and its subsidiaries (the “**Group**”), the Group is expected to record a significantly higher net profit for the six months ended 30 June 2012 as compared to the corresponding period in 30 June 2011. Based on the information currently available to the Company, the Board considers that such increase is primarily attributable to a significant increase in urea’s average selling price in 1H2012 comparing to the same period in 2011. Meanwhile the cost of coal has reduced significantly since the beginning of 2012. Coal cost usually accounts for approximately 60% of the total production cost and therefore materially impacts the total cost of sales of the Group.

The Company is still in the process of finalizing its interim results for the six months ended 30 June 2012. The information contained in this announcement is only based on the Company’s preliminary review of the unaudited consolidated management accounts of the Group with reference to the information currently available to the Company. The unaudited consolidated management accounts of the Group which have not been reviewed or confirmed by the Company’s auditors or audit committee may be different from what is disclosed herein.

Shareholders and Investors are advised to read carefully the interim results announcement of the Company for the six months ended 30 June 2012 which is expected to be issued on 30 July 2012.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

On behalf of the Board
Liu Xingxu
CEO and Chairman

25 July 2012

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

* for identification purpose only