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SINOFERT HOLDINGS LIMITED

中化化肥控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 297)

ANNOUNCEMENT

CONTINUING CONNECTED TRANSACTIONS UNDER THE AGRICULTURAL PRODUCTS PURCHASE AND SALE FRAMEWORK AGREEMENT AND THE FERTILIZER IMPORT FRAMEWORK AGREEMENT

- (A) Reference is made to (i) the announcement of the Company dated 22 November 2021 in relation to the 2021 Agricultural Products Purchase and Sale Framework Agreement entered into between Sinochem Fertilizer, an indirect wholly-owned subsidiary of the Company, and Sinochem Holdings, the ultimate controlling shareholder of the Company, which will expire on 31 December 2024; and (ii) the announcement of the Company dated 31 July 2023 in relation to the revision of annual caps for the two years ending 31 December 2024 in respect of the purchase of agricultural products by Sinochem Fertilizer from subsidiaries of Sinochem Holdings under the 2021 Agricultural Products Purchase and Sale Framework Agreement. On 2 December 2024, Sinochem Fertilizer entered into the Agricultural Products Purchase and Sale Framework Agreement with Sinochem Holdings, pursuant to which Sinochem Fertilizer Group will continue to purchase from and/or sell to subsidiaries of Sinochem Holdings certain agricultural products (including fertilizers, agrichemicals and seeds) within the PRC during the period from 1 January 2025 to 31 December 2027 (both days inclusive).
- (B) Reference is made to the announcement of the Company dated 22 November 2021 in relation to the 2021 Fertilizer Import Framework Agreement entered into among the Company, Sinochem Fertilizer and Sinochem Group, which will expire on 31 December 2024. On 2 December 2024, the Company and Sinochem Fertilizer entered into the Fertilizer Import Framework Agreement with Sinochem Group, pursuant to which the overseas subsidiaries of the Company will sell fertilizer and other fertilizer raw materials to Sinochem Group and Sinochem Fertilizer (or other domestic subsidiaries of the Company) will purchase all the aforementioned imported fertilizer and other fertilizer raw materials from Sinochem Group during the period from 1 January 2025 to 31 December 2027 (both days inclusive).

Implications of the Listing Rules

Sinochem Holdings is the ultimate controlling shareholder of the Company, indirectly holding approximately 52.65% of the total number of issued shares of the Company, and is therefore a connected person of the Company. As Sinochem Group is wholly owned by Sinochem Holdings, Sinochem Group is an associate of Sinochem Holdings and also a connected person of the Company. Pursuant to Chapter 14A of the Listing Rules, the transactions contemplated under each of the Agricultural Products Purchase and Sale Framework Agreement and the Fertilizer Import Framework Agreement constitute continuing connected transactions of the Company. Given that the

applicable percentage ratios in respect of the annual caps for continuing connected transactions contemplated under each of the Agricultural Products Purchase and Sale Framework Agreement and the Fertilizer Import Framework Agreement are more than 5%, such transactions are subject to the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Company will convene a SGM to seek approval from the Independent Shareholders in respect of the Agricultural Products Purchase and Sale Framework Agreement and the Fertilizer Import Framework Agreement, the transactions contemplated thereunder and the proposed annual caps. An Independent Board Committee of the Company has been formed to advise the Independent Shareholders in respect of the Agricultural Products Purchase and Sale Framework Agreement and the Fertilizer Import Framework Agreement, the transactions contemplated thereunder and the proposed annual caps. Somerley Capital Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

A circular containing, among other things, details of the Agricultural Products Purchase and Sale Framework Agreement and the Fertilizer Import Framework Agreement, a letter from the Independent Board Committee, a letter from the Independent Financial Adviser, and a notice to convene the SGM will be dispatched to the Shareholders of the Company about or before 31 December 2024.

(A) CONTINUING CONNECTED TRANSACTIONS UNDER THE AGRICULTURAL PRODUCTS PURCHASE AND SALE FRAMEWORK AGREEMENT

Reference is made to (i) the announcement of the Company dated 22 November 2021 in relation to the 2021 Agricultural Products Purchase and Sale Framework Agreement entered into between Sinochem Fertilizer, an indirect wholly-owned subsidiary of the Company, and Sinochem Holdings, the ultimate controlling shareholder of the Company, which will expire on 31 December 2024; and (ii) the announcement of the Company dated 31 July 2023 in relation to the revision of annual caps for the two years ending 31 December 2024 in respect of the purchase of agricultural products by Sinochem Fertilizer from subsidiaries of Sinochem Holdings under the 2021 Agricultural Products Purchase and Sale Framework Agreement.

On 2 December 2024, Sinochem Fertilizer entered into the Agricultural Products Purchase and Sale Framework Agreement with Sinochem Holdings, pursuant to which Sinochem Fertilizer Group will continue to purchase from and/or sell to subsidiaries of Sinochem Holdings certain agricultural products (including fertilizers, agrichemicals and seeds) within the PRC during the period from 1 January 2025 to 31 December 2027 (both days inclusive)

PRINCIPAL TERMS OF THE AGRICULTURAL PRODUCTS PURCHASE AND SALE FRAMEWORK AGREEMENT

Date

2 December 2024

Parties

- (a) Sinochem Fertilizer
- (b) Sinochem Holdings

Nature of transactions

Pursuant to the Agricultural Products Purchase and Sale Framework Agreement, Sinochem Fertilizer Group will purchase from and/or sell to subsidiaries of Sinochem Holdings certain agricultural products, including fertilizers (such as nitrogen fertilizer, phosphate fertilizer, potash fertilizer and compound fertilizer), agrichemicals (such as pesticide, fungicide and herbicide) and seeds within the PRC.

Based on Sinochem Fertilizer Group's purchase and sale plans, it is expected that Sinochem Fertilizer Group may source agricultural products (including fertilizers, agrichemicals and seeds) from certain subsidiaries of Sinochem Holdings ("**Sinochem Suppliers**"), and sell the agricultural products to the Group's customers in the area where Sinochem Suppliers operate for the purpose of saving logistic costs, while a small amount of agricultural products will be sold to other subsidiaries of Sinochem Holdings ("**Sinochem Customers**") that operate in different regions of Sinochem Suppliers because the sales and logistics network of Sinochem Suppliers may not cover the regions where Sinochem Customers operate their business, and Sinochem Customers intend to purchase through Sinochem Fertilizer Group who has the strategic centralized procurement capability and extensive service network to supply agricultural products.

Pricing

Pursuant to the Agricultural Products Purchase and Sale Framework Agreement, prices of agricultural products shall be determined with reference to the fair market prices of the products within the PRC at the time when Sinochem Fertilizer Group or the relevant subsidiary of Sinochem Holdings submits its purchase plan for the relevant products.

In determining the fair market price of agricultural products, the Group mainly makes reference to the prices provided by key suppliers and the ex-factory prices of large factories at the places of origin of the relevant products. The Group maintains regular contacts with producers, distributors and traders of agricultural products, keeping abreast of the latest prices of agricultural products.

The Group also makes reference to the reports published by certain independent commodity information providers (the "**Independent Commodity Information Providers**") such as Baiinfo (百川盈孚, www.baiinfo.com) and OilChem China (隆眾資訊, www.oilchem.net). Such reports, usually updated on a regular basis and available to the Group by subscription, provide up to date information on market trend and prevailing market prices.

Purchase of agricultural products

With respect to the purchase of agricultural products, the Group will compare three or more reference prices and take into account the demand of its downstream customers when determining the prices of the transactions.

Before placing a purchase order with the relevant subsidiary of Sinochem Holdings for fertilizer products, the Group will compare (i) its historical prices for the purchase of relevant fertilizer

products, (ii) the prices offered by independent third parties and subsidiaries of Sinochem Holdings, and (iii) the latest market prices published by the Independent Commodity Information Providers. The Group will only place purchase order with the relevant subsidiary of Sinochem Holdings when the terms are no less favourable to the Group than those offered by independent third parties for the provision of a comparable quantity of the relevant fertilizer products.

In respect of agrichemicals (such as pesticide, fungicide and herbicide) and seeds, as prices of agrichemicals and seeds vary largely among types and specifications, reference prices from independent third parties may not be available or comparable. In order to ensure that the pricing terms are no less favourable to the Group, the Group will look into the prices of relevant agrichemicals and seeds quoted from subsidiaries of Sinochem Holdings, and (i) compare such prices against the Group's historical purchase prices of relevant agrichemicals and seeds, and (ii) evaluate the estimated gross profit margin based on such quoted prices and overhead costs of the relevant agrichemicals and seeds and compare against the Group's historical gross profit margin from the same or similar type of product.

Sale of agricultural products

With respect to the sale of agricultural products, in order to ensure that the terms (including the prices) of the sales of agricultural products by Sinochem Fertilizer Group to the relevant subsidiary of Sinochem Holdings are no less favourable to the Group than those entered into by the Group with independent third parties, the Group will take into account the then purchase prices from its upstream suppliers and make comparison of selling prices of similar type of agricultural products to independent third parties. The Group will also make reference to the latest data and price trend published by the Independent Commodity Information Providers to ensure that the selling prices to subsidiaries of Sinochem Holdings are in line with the latest market prices of the relevant products.

Internal approval process

The purchase and sale prices will be reported to the manager of the relevant department, and then submitted to the person in charge of the business for approval.

As the purchase and sale process involves reference to industry reports as well as up to date market prices as mentioned above, the Company considers that the methods and procedures adopted above can ensure that the transactions will be conducted on normal commercial terms and not prejudicial to the interests of the Company and its minority Shareholders.

Payment

Sinochem Fertilizer Group shall enter into specific agreements with the relevant subsidiary of Sinochem Holdings pursuant to the Agricultural Products Purchase and Sale Framework Agreement in relation to the type, quantity, price and delivery schedule of the agricultural products. Payments for agricultural products shall mainly be settled by way of payment on delivery or advance payment.

Term

Subject to obtaining the approval from the Independent Shareholders at the SGM, the Agricultural Products Purchase and Sale Framework Agreement will have a term from 1 January 2025 to 31 December 2027 (both days inclusive).

ANNUAL CAPS

The Company estimates that the annual caps for the three years ending 31 December 2027 in respect of the purchase of agricultural products by Sinochem Fertilizer Group from subsidiaries of Sinochem Holdings will be RMB965,000,000, RMB1,113,000,000 and RMB1,307,000,000, respectively, and the annual caps for the three years ending 31 December 2027 in respect of the sale of agricultural products by Sinochem Fertilizer Group to subsidiaries of Sinochem Holdings will be RMB1,119,000,000, RMB1,244,000,000 and RMB1,328,000,000, respectively. The parties have determined such annual caps based on Sinochem Fertilizer Group's purchase and sale plans, and the projected prices and quantities of purchase and sale of agricultural products.

For the two years ended 31 December 2023 and the ten months ended 31 October 2024, the historical amounts of the purchase of agricultural products under 2021 Agricultural Products Purchase and Sale Framework Agreement were approximately RMB336,705,000, RMB741,695,000 and RMB675,773,000, respectively. For the two years ended 31 December 2023 and the ten months ended 31 October 2024, the historical amounts of the sale of agricultural products under 2021 Agricultural Products Purchase and Sale Framework Agreement were approximately RMB1,414,826,000, RMB1,074,040,000 and RMB984,333,000, respectively.

In determining the annual caps in respect of the purchase of agricultural products, the Company has considered (i) the increasing trend of the historical amounts, in particular the significant increase in purchase amount by approximately 120.3% from 2022 to 2023, and the continuation of such increasing trend for the ten months ended 31 October 2024, leading to the expectation that purchase volumes for the next three years will continue to grow, and (ii) the increasing trend of the market demand of agricultural products, especially agrichemical products and seeds which are the specialty products of the subsidiaries of Sinochem Holdings, whereas the Company expects such business growth will continue during the term of the Agricultural Products Purchase and Sale Framework Agreement.

In determining the annual caps in respect of the sale of agricultural products, the Company has considered (i) the historical sales amounts and the demand adjustments of the customers of the subsidiaries of Sinochem Holdings, resulting in a reduction of the amounts in the purchase plan of the subsidiaries of Sinochem Holdings relating to those customers that did not meet previous demand expectations, and (ii) the additional sales expectations of fertilizer products arising from the increasing purchase needs from both the existing and newly established demonstration fields of the subsidiaries of Sinochem Holdings.

Taking into account the above factors, the Directors are of the view that the annual caps for the three years ending 31 December 2027 are fair and reasonable despite the difference between the historical amounts and the annual caps.

(B) CONTINUING CONNECTED TRANSACTIONS UNDER THE FERTILIZER IMPORT FRAMEWORK AGREEMENT

Reference is made to the announcement of the Company dated 22 November 2021 in relation to the 2021 Fertilizer Import Framework Agreement entered into among the Company, Sinochem Fertilizer and Sinochem Group, which will expire on 31 December 2024.

On 2 December 2024, the Company and Sinochem Fertilizer entered into the Fertilizer Import Framework Agreement with Sinochem Group, pursuant to which the overseas subsidiaries of the Company will sell fertilizer and other fertilizer raw materials to Sinochem Group and Sinochem

Fertilizer (or other domestic subsidiaries of the Company) will purchase all the aforementioned imported fertilizer and other fertilizer raw materials from Sinochem Group during the period from 1 January 2025 to 31 December 2027 (both days inclusive)

PRINCIPAL TERMS OF THE FERTILIZER IMPORT FRAMEWORK AGREEMENT

Date

2 December 2024

Parties

- (a) The Company
- (b) Sinochem Fertilizer
- (c) Sinochem Group

Nature of transactions

Pursuant to the Fertilizer Import Framework Agreement, fertilizer and other fertilizer raw materials sourced by overseas subsidiaries of the Company for Sinochem Fertilizer (or other domestic subsidiaries of the Company) will first be sold to Sinochem Group. Sinochem Group, as an approved importer of fertilizer and other fertilizer raw materials in the PRC, will import the products sourced by overseas subsidiaries of the Company and Sinochem Fertilizer (or other domestic subsidiaries of the Company) will purchase all such products from Sinochem Group.

Pricing

Under the Fertilizer Import Framework Agreement, the pricing principles for the sale and purchase of fertilizer and other fertilizer raw materials between the parties are as follows:

- (i) the price to be paid by Sinochem Group to overseas subsidiaries of the Company for fertilizer and other fertilizer raw materials sold by overseas subsidiaries of the Company to Sinochem Group shall be determined in accordance with the prevailing international market price;
- (ii) the price to be paid by Sinochem Fertilizer (or other domestic subsidiaries of the Company) to Sinochem Group for fertilizer and other fertilizer raw materials (excluding sulphur, the pricing basis of which is set out in (iii) below) purchased by Sinochem Fertilizer (or other domestic subsidiaries of the Company) from Sinochem Group shall be determined in accordance with the purchase price paid by Sinochem Group plus the import costs incurred by Sinochem Group; and
- (iii) the price to be paid by Sinochem Fertilizer (or other domestic subsidiaries of the Company) to Sinochem Group for sulphur purchased by Sinochem Fertilizer (or other domestic subsidiaries of the Company) from Sinochem Group shall be determined in accordance with the prevailing domestic price at port.

In determining the prevailing international market price and the domestic price at port, the Group generally makes reference to the reports published by certain Independent Commodity Information Providers such as Argus Media (www.argusmedia.com) and Baiinfo (百川盈孚, www.baiinfo.com).

Such reports, usually updated on a regular basis and available to the Group by subscription, provide up to date information on market trend and prevailing market prices.

In assessing the import costs incurred by Sinochem Group, the Group generally takes into account actual fees paid to third parties, which are mainly customs duty, which account for approximately 1% of the import price, as well as the reasonable administrative costs. Such administrative costs mainly include labor costs, office supplies and rents, and staff travel expenses, all of which are the costs to be incurred by Sinochem Group. The administrative costs are expected to account for approximately 0.2% of the total transaction value.

In addition, the Group maintains regular contacts with domestic and overseas producers, distributors and traders, keeping abreast of the latest international bidding price and spot price and the latest domestic port price and factory price. The Group also takes into account the demand of its downstream customers when determining the prices of the transactions. Such prices will be reported to the manager of the relevant department, and then submitted to the person in charge of the business for approval.

As the procurement and approval process involves reference to industry reports as well as up to date market prices as mentioned above, the Company considers that the methods and procedures adopted above can ensure that the transactions will be conducted on normal commercial terms and not prejudicial to the interests of the Company and its minority Shareholders.

Payment

Sinochem Fertilizer (or other domestic subsidiaries of the Company) and Sinochem Group shall enter into specific agreements in relation to the type, specification, quantity, packaging and price of the fertilizer and other fertilizer raw materials, and Sinochem Fertilizer (or other domestic subsidiaries of the Company) shall make the full payment to Sinochem Group by bank draft or other means for its purchase of the fertilizer and other fertilizer raw materials. Upon receipt of the payment made by Sinochem Fertilizer (or other domestic subsidiaries of the Company), Sinochem Group shall enter into specific agreements with overseas subsidiaries of the Company in relation to the import of fertilizer and other raw fertilizer materials.

The parties shall enter into specific agreements setting out detailed terms of the transactions including the payment terms. The payment terms, subject to further negotiation between the parties, will be in line with the market practices.

Term

Subject to obtaining the approval from the Independent Shareholders at the SGM, the Fertilizer Import Framework Agreement will have a term from 1 January 2025 to 31 December 2027 (both days inclusive).

Where a party to the Fertilizer Import Framework Agreement has breached any terms of the Fertilizer Import Framework Agreement and such breach is not remedied within 60 days of the date of written notice from the other party(ies) requesting remedy of the breach, the other party(ies) may terminate the Fertilizer Import Framework Agreement. In addition, during the term of the Fertilizer Import Framework Agreement, the Company and Sinochem Fertilizer are entitled to terminate the Fertilizer Import Framework Agreement by giving one month's notice to the other parties.

ANNUAL CAPS

Annual caps for continuing connected transactions between overseas subsidiaries of the Company and Sinochem Group

The Company estimates that the annual caps for the three years ending 31 December 2027 in respect of the sale of fertilizer and other fertilizer raw materials procured from the overseas subsidiaries of the Company to Sinochem Group will be US\$1,297,000,000, US\$1,410,000,000 and US\$1,511,000,000, respectively. Such annual caps have been estimated by the Company based on the projected quantity of purchase by Sinochem Fertilizer (or other domestic subsidiaries of the Company) through the arrangement between overseas subsidiaries of the Company and Sinochem Group and the projected average price per tonne of products.

The historical amounts of such transactions for the two years ended 31 December 2023 and the ten months ended 31 October 2024 were approximately US\$746,059,000, US\$770,666,000 and US\$484,813,000, respectively.

Annual caps for continuing connected transactions between Sinochem Fertilizer (or other domestic subsidiaries of the Company) and Sinochem Group

The Company estimates that the annual caps for the three years ending 31 December 2027 in respect of the purchase of fertilizer and other fertilizer raw materials by Sinochem Fertilizer (or other domestic subsidiaries of the Company) from Sinochem Group will be RMB9,744,000,000, RMB10,579,000,000 and RMB11,335,000,000, respectively. Such annual caps have been estimated by the Company based on the projected quantity of purchase by Sinochem Fertilizer (or other domestic subsidiaries of the Company) from Sinochem Group and the projected average price per tonne of products.

The historical amounts of such transactions for the two years ended 31 December 2023 and the ten months ended 31 October 2024 were approximately RMB5,146,906,000, RMB5,471,367,000 and RMB3,611,294,000, respectively.

When determining the annual caps, the Company has considered (i) the anticipated continuing market recovery of the fertilizer industry, (ii) the business plan of the Group including further promoting the strategic concentrated procurement of fertilizer products from overseas suppliers to ensure supply of fertilizer products in the PRC, and replenishing and adjusting the Group's inventory level of fertilizer products with reference to the anticipated increase in demand from downstream customers, and (iii) the expected adjustments of the market price of fertilizer products based on the changes in historical prices of different types of fertilizer products over the past three years. On such basis, the Directors are of the view that the annual caps for the three years ending 31 December 2027 are fair and reasonable despite the difference between the historical amounts and the annual caps.

REASONS AND BENEFITS FOR THE CONTINUING CONNECTED TRANSACTIONS

(A) Agricultural Products Purchase and Sale Framework Agreement

Subsidiaries of Sinochem Holdings have a good reputation in the industry and can provide sufficient supply of agricultural products covering a wide range of categories with reasonable prices. The purchase of agricultural products by Sinochem Fertilizer Group from subsidiaries of Sinochem Holdings can diversify the product mix of the Group and enhance its capability of supplying products. Meanwhile, subsidiaries of Sinochem Holdings have extensive customer base which can serve as an

effective replenishment to the established markets of Sinochem Fertilizer Group, and the sale of agricultural products by Sinochem Fertilizer Group to subsidiaries of Sinochem Holdings can boost up the sale revenues of the Group.

(B) Fertilizer Import Framework Agreement

Under the PRC law, the Group is not allowed to import fertilizer and other fertilizer raw materials into the PRC (except for small amount trade in border areas (邊境小額貿易) as approved under the PRC law) and the right to import fertilizer and other fertilizer raw materials is only granted to Sinochem Group and several other importers. In addition, as a state-owned enterprise in the PRC, Sinochem Group enjoys domestic preferential policies issued by the PRC government from time to time, such as import-related preferential policies. As the Group needs to import fertilizer and other fertilizer raw materials through authorized importers, such as Sinochem Group, the Fertilizer Import Framework Agreement was therefore entered into between the parties.

The Directors, other than the independent non-executive Directors who will express their opinion in a separate letter to be included in the circular, are of the view that the continuing connected transactions contemplated under each of the Agricultural Products Purchase and Sale Framework Agreement and the Fertilizer Import Framework Agreement have been conducted on normal commercial terms, were entered into in the ordinary and usual course of business of the Group, are fair and reasonable and in the interests of the Company and its Shareholders as a whole, and that the annual caps for the continuing connected transactions contemplated under each of the Agricultural Products Purchase and Sale Framework Agreement and the Fertilizer Import Framework Agreement are fair and reasonable.

IMPLICATIONS OF THE LISTING RULES

Sinochem Holdings is the ultimate controlling shareholder of the Company, indirectly holding approximately 52.65% of the total number of issued shares of the Company, and is therefore a connected person of the Company. As Sinochem Group is wholly owned by Sinochem Holdings, Sinochem Group is an associate of Sinochem Holdings and also a connected person of the Company. Pursuant to Chapter 14A of the Listing Rules, the transactions contemplated under each of the Agricultural Products Purchase and Sale Framework Agreement and the Fertilizer Import Framework Agreement constitute continuing connected transactions of the Company. Given that the applicable percentage ratios in respect of the annual caps for continuing connected transactions contemplated under each of the Agricultural Products Purchase and Sale Framework Agreement and the Fertilizer Import Framework Agreement are more than 5%, such transactions are subject to the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Company will convene a SGM to seek approval from the Independent Shareholders in respect of the Agricultural Products Purchase and Sale Framework Agreement and the Fertilizer Import Framework Agreement, the transactions contemplated thereunder and the proposed annual caps. An Independent Board Committee of the Company has been formed to advise the Independent Shareholders in respect of the Agricultural Products Purchase and Sale Framework Agreement and the Fertilizer Import Framework Agreement, the transactions contemplated thereunder and the proposed annual caps. Somerley Capital Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

A circular containing, among other things, details of the Agricultural Products Purchase and Sale Framework Agreement and the Fertilizer Import Framework Agreement, a letter from the Independent Board Committee, a letter from the Independent Financial Adviser, and a notice to convene the SGM will be dispatched to the Shareholders of the Company about or before 31 December 2024.

GENERAL INFORMATION

The Company is principally engaged in the production, import and export, distribution and retail of raw materials and finished products of crop nutrition products, provision of technological research and development and services relating to crop nutrition business and products, exploration and exploitation of phosphate mine, and production of monocalcium/dicalcium phosphate (MCP/DCP).

Sinochem Fertilizer, an indirect wholly-owned subsidiary of the Company, is principally engaged in the production, import and export, distribution and retail of raw materials and finished products of crop nutrition products, as well as research and development and services relating to crop nutrition business and products.

Sinochem Group is a key state-controlled enterprise established in 1950. Sinochem Group's core businesses include: the businesses of energy, chemical, real estate and finance, etc. Sinochem Group is a wholly-owned subsidiary of Sinochem Holdings.

Sinochem Holdings is the ultimate controlling shareholder of the Company. It is a large-scale chemical conglomerate operating in eight business sectors covering life science, materials science, basic chemicals, environmental science, rubber and tire, machinery and equipment, city operation, and industrial finance. The sole shareholder of Sinochem Holdings is the SASAC.

DEFINITIONS

In this announcement, the following expressions shall have the following meanings unless the context requires otherwise:

“2021 Agricultural Products Purchase and Sale Framework Agreement”	the agricultural products purchase and sale framework agreement entered into between Sinochem Fertilizer and Sinochem Holdings on 22 November 2021
“2021 Fertilizer Import Framework Agreement”	the import and sale framework agreement for fertilizer and other fertilizer raw materials entered into among the Company, Sinochem Fertilizer and Sinochem Group on 22 November 2021
Agricultural Products Purchase and Sale Framework Agreement”	the framework agreement for the purchase and sale of agricultural products dated 2 December 2024 entered into between Sinochem Fertilizer and Sinochem Holdings
“associate(s)”	has the same meaning ascribed to it under the Listing Rules
“Board”	the board of Directors of the Company

“Company”	Sinofert Holdings Limited, a company incorporated on 26 May 1994 in Bermuda with limited liability, the ordinary shares of which are listed on the Stock Exchange
“connected person”	has the same meaning ascribed to it under the Listing Rules
“continuing connected transaction(s)”	has the same meaning ascribed to it under the Listing Rules
“controlling shareholder”	has the same meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Fertilizer Import Framework Agreement”	the import and sale framework agreement for fertilizer and other fertilizer raw materials dated 2 December 2024 entered into among the Company, Sinochem Fertilizer and Sinochem Group
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent board committee of the Company formed to consider the Agricultural Products Purchase and Sale Framework Agreement and the Fertilizer Import Framework Agreement, the transactions contemplated thereunder and the proposed annual caps
“Independent Financial Adviser”	Somerley Capital Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), which has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Agricultural Products Purchase and Sale Framework Agreement and the Fertilizer Import Framework Agreement, the transactions contemplated thereunder and the proposed annual caps
“Independent Shareholders”	shareholders other than Sinochem Holdings and its associates
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China, which for the purposes of this announcement only, excludes Hong Kong, Macao Special Administrative Region and Taiwan

“RMB”	Renminbi, the lawful currency of the PRC
“SASAC”	the State-owned Assets Supervision and Administration Commission of the State Council
“SGM”	a special general meeting of the Company to be convened to consider and approve the Agricultural Products Purchase and Sale Framework Agreement and the Fertilizer Import Framework Agreement, the transactions contemplated thereunder and the proposed annual caps
“Shareholder(s)”	registered holder(s) of ordinary share(s) of HK\$0.10 each in the capital of the Company
“Sinochem Fertilizer”	中化化肥有限公司 (Sinochem Fertilizer Company Limited), a limited liability company incorporated in the PRC and an indirect wholly-owned subsidiary of the Company
“Sinochem Fertilizer Group”	Sinochem Fertilizer and/or its subsidiaries
“Sinochem Group”	中國中化集團有限公司 (Sinochem Group Co., Ltd.), a state-owned enterprise incorporated in the PRC, a wholly-owned subsidiary of Sinochem Holdings
“Sinochem Holdings”	中國中化控股有限責任公司 (Sinochem Holdings Corporation Ltd.), a state-owned enterprise established in the PRC, which is wholly owned by SASAC and is the ultimate controlling shareholder of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the same meaning ascribed to it under the Listing Rules
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	Percent

For and on behalf of the Board
SINOFERT HOLDINGS LIMITED
Su Fu
Chairman of the Board

Hong Kong, 2 December 2024

As at the date of this announcement, the non-executive director of the Company is Mr. Su Fu (Chairman); the executive directors of the Company are Mr. Wang Tielin (Chief Executive Officer), Ms. Chen Shengnan and Ms. Wang Ling; and the independent non-executive directors of the Company are Mr. Ko Ming Tung, Edward, Mr. Lu Xin and Mr. Sun Po Yuen.