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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 29 October 2020 in relation to the existing agricultural products purchase and sale framework agreement entered into between Sinochem Fertilizer, an indirect wholly-owned subsidiary of the Company, and ChemChina, and (ii) the announcement of the Company dated 24 August 2021 in relation to the existing fertilizer purchase and sale framework agreement entered into between Sinochem Fertilizer and Sinochem Group. Such existing agreements will expire on 31 December 2021. On 22 November 2021, Sinochem Fertilizer entered into the Agricultural Products Purchase and Sale Framework Agreement with Sinochem Holdings, the holding company of ChemChina and Sinochem Group, pursuant to which Sinochem Fertilizer will continue to purchase from and/or sell to subsidiaries of Sinochem Holdings (including ChemChina and Sinochem Group and their respective subsidiaries) certain agricultural products (including all types of products under the above existing agreements) within the PRC during the period from 1 January 2022 to 31 December 2024 (both days inclusive).
- (B) Reference is made to the announcement of the Company dated 24 August 2021 in relation to the existing fertilizer import framework agreement entered into among the Company, Sinochem Fertilizer and Sinochem Group, which will expire on 31 December 2021. On 22 November 2021, the Company and Sinochem Fertilizer entered into the Fertilizer Import Framework Agreement with Sinochem Group, pursuant to which Sinochem Group will continue to import fertilizer and other fertilizer raw materials sourced by overseas subsidiaries of the Company and sell them to Sinochem Fertilizer (or other domestic subsidiaries of the Company) during the period from 1 January 2022 to 31 December 2024 (both days inclusive).

Implications of the Listing Rules

ChemChina is the indirect controlling shareholder of the Company, holding an effective interest of approximately 52.65% of the Company, and is therefore a connected person of the Company. As ChemChina and Sinochem Group are wholly owned by Sinochem Holdings, each of Sinochem Holdings and Sinochem Group is an associate of ChemChina 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 on or about 13 December 2021.

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

Reference is made to (i) the announcement of the Company dated 29 October 2020 in relation to the existing agricultural products purchase and sale framework agreement entered into between Sinochem Fertilizer, an indirect wholly-owned subsidiary of the Company, and ChemChina, and (ii) the announcement of the Company dated 24 August 2021 in relation to the existing fertilizer purchase and sale framework agreement entered into between Sinochem Fertilizer and Sinochem Group. Such existing agreements will expire on 31 December 2021.

On 22 November 2021, Sinochem Fertilizer entered into the Agricultural Products Purchase and Sale Framework Agreement with Sinochem Holdings, the holding company of ChemChina and Sinochem Group, pursuant to which Sinochem Fertilizer will continue to purchase from and/or sell to subsidiaries of Sinochem Holdings (including ChemChina and Sinochem Group and their respective subsidiaries) certain agricultural products (including all types of products under the above existing agreements) within the PRC during the period from 1 January 2022 to 31 December 2024 (both days inclusive).

PRINCIPAL TERMS OF THE AGRICULTURAL PRODUCTS PURCHASE AND SALE FRAMEWORK AGREEMENT

Date

22 November 2021

Parties

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

Nature of transactions

Pursuant to the Agricultural Products Purchase and Sale Framework Agreement, Sinochem Fertilizer 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.

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 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.

With respect to the purchase of agricultural products, the Group will obtain reference prices from three or more suppliers before placing a purchase order with the relevant subsidiary of Sinochem Holdings. The Group will also take into account the demand of its downstream customers when determining the prices of the transactions. With respect to the sale of agricultural products, the Group will take into account the purchase prices from its upstream suppliers, and the terms (including the prices) of the sale of agricultural products by Sinochem Fertilizer to the relevant subsidiary of Sinochem Holdings will be no less favourable to the Group than those entered into by the Group with independent third parties. 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.

The Group also makes reference to the reports published by certain 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. In addition, with respect to agrichemicals, the Group also refers to the China Pesticide Information Network (中國農藥信息網, www.icama.org.cn), the website of the Institute for the Control of Agrochemicals, the Ministry of Agriculture of the PRC, for the regulatory updates and latest news of the agrichemical industry.

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 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 2022 to 31 December 2024 (both days inclusive).

ANNUAL CAPS

The Company estimates that the annual caps for the three years ending 31 December 2024 in respect of the purchase of agricultural products by Sinochem Fertilizer from subsidiaries of Sinochem Holdings will be RMB410,000,000, RMB520,000,000 and RMB630,000,000, respectively, and the annual caps for the three years ending 31 December 2024 in respect of the sale of agricultural products by Sinochem Fertilizer to subsidiaries of Sinochem Holdings will be RMB2,260,000,000, RMB3,430,000,000 and RMB4,480,000,000, respectively. The parties have determined such annual caps based on Sinochem Fertilizer'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 2020 and the ten months ended 31 October 2021, the historical amounts of the purchase of agricultural products by Sinochem Fertilizer from the relevant entities were approximately RMB54,305,700, RMB274,705,800 and RMB287,796,600, respectively. For the two years ended 31 December 2020 and the ten months ended 31 October 2021, the historical amounts of the sale of agricultural products by Sinochem Fertilizer to the relevant entities were approximately RMB455,285,600, RMB514,902,400 and RMB621,048,600, respectively.

In determining the annual caps, the Company has considered the increasing trend of the historical amounts, in particular, both of the purchase amount and sales amount for the ten months ended 31 October 2021 have exceeded their respective full year amount for the year ended 31 December 2020. As Sinochem Fertilizer intends to expand its procurement channel, increase its purchase of agricultural products and optimize its product structure with particular focus on products with high profit margin, it is expected that the amount of the purchase of agricultural products by Sinochem Fertilizer from subsidiaries of Sinochem Holdings will continue to increase during the term of the Agricultural Products Purchase and Sale Framework Agreement. In addition, to the knowledge of the Company, certain subsidiaries of Sinochem Holdings have experienced rapid business growth in recent years and continued to expand their customer base and service network. The Company has assumed that their business growth will continue during the term of the Agricultural Products Purchase and Sale Framework Agreement, and relied on their purchase plans for the next three years submitted to Sinochem Fertilizer. On such basis, it is expected that the amount of the sale of agricultural products by Sinochem Fertilizer to subsidiaries of Sinochem Holdings will increase significantly as compared to the historical amounts. Taking into account the purchase and sale plans of agricultural products as mentioned above, the Directors are of the view that the annual caps for the three years ending 31 December 2024 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 24 August 2021 in relation to the existing fertilizer import framework agreement entered into among the Company, Sinochem Fertilizer and Sinochem Group, which will expire on 31 December 2021.

On 22 November 2021, the Company and Sinochem Fertilizer entered into the Fertilizer Import Framework Agreement with Sinochem Group, pursuant to which Sinochem Group will continue to import fertilizer and other fertilizer raw materials sourced by overseas subsidiaries of the Company and sell them to Sinochem Fertilizer (or other domestic subsidiaries of the Company) during the period from 1 January 2022 to 31 December 2024 (both days inclusive).

PRINCIPAL TERMS OF THE FERTILIZER IMPORT FRAMEWORK AGREEMENT

Date

22 November 2021

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 sell all such products to Sinochem Fertilizer (or other domestic subsidiaries of the Company).

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) sold by Sinochem Group to Sinochem Fertilizer (or other domestic subsidiaries of the Company) 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 sold by Sinochem Group to Sinochem Fertilizer (or other domestic subsidiaries of the Company) 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 the product inspection costs, customs clearing charges, import customs duty, bank charges and other fees payable to third parties (in aggregate representing approximately 1.2% 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 2022 to 31 December 2024 (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 2024 in respect of the purchase of fertilizer and other fertilizer raw materials by Sinochem Group from overseas subsidiaries of the Company will be US\$2,000,000,000, US\$2,168,000,000 and US\$2,345,000,000, respectively. Such annual caps have been estimated based on the projected quantity of purchase by Sinochem Group for Sinochem Fertilizer (or other domestic subsidiaries of the Company) through the arrangement with overseas subsidiaries of the Company and the projected average price per tonne of products.

The historical amounts of such transactions for the two years ended 31 December 2020 and the ten months ended 31 October 2021 were approximately US\$784,968,000, US\$595,603,000 and US\$325,825,000, 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 2024 in respect of the sale of fertilizer and other fertilizer raw materials by Sinochem Group to Sinochem Fertilizer (or other domestic subsidiaries of the Company) will be RMB13,135,000,000, RMB14,321,000,000 and RMB15,523,000,000, respectively. Such annual caps have been estimated based on the projected quantity of sale by Sinochem Group to Sinochem Fertilizer (or other domestic subsidiaries of the Company) and the projected average price per tonne of products.

The historical amounts of such transactions for the two years ended 31 December 2020 and the ten months ended 31 October 2021 were approximately RMB5,505,060,000, RMB4,184,540,000 and RMB2,135,735,000, respectively.

Following the recovery of fertilizer industry, the Group increased its efforts in the implementation of various business strategies and formulated its business plan for the next few years. In particular, the Group plans to further promote the strategic concentrated procurement to ensure the supply of fertilizer products in the PRC, continue to optimize its product structure with particular focus on fertilizer products with high profit margin, and replenish and adjust its inventory level of fertilizer products with reference to the anticipated increase in demand from downstream customers. In

determining the annual caps, the Company has made reference to its business plan, including its sales plan of fertilizer products, for the next three years, compared its historical sales plan with the historical actual sales, and taken into account the increasing trend of the market price of fertilizer products. On such basis, the Directors are of the view that the annual caps for the three years ending 31 December 2024 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 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, and the sale of agricultural products by Sinochem Fertilizer 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.

Mr. J. Erik Fyrwald, Mr. Qin Hengde and Mr. Feng Mingwei, being Directors of the Company and management members of subsidiaries of ChemChina, have abstained from voting on the Board resolution passed to approve the Agricultural Products Purchase and Sale Framework Agreement and the transactions contemplated thereunder. None of the Directors is regarded as having a material interest in the Fertilizer Import Framework Agreement and the transactions contemplated thereunder, and hence none of the Directors has abstained from voting on the Board resolution passed to approve the Fertilizer Import Framework Agreement and the transactions contemplated thereunder.

IMPLICATIONS OF THE LISTING RULES

ChemChina is the indirect controlling shareholder of the Company, holding an effective interest of approximately 52.65% of the Company, and is therefore a connected person of the Company. As ChemChina and Sinochem Group are wholly owned by Sinochem Holdings, each of Sinochem Holdings and Sinochem Group is an associate of ChemChina 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 on or about 13 December 2021.

GENERAL INFORMATION

The Company is principally engaged in the production, procurement and sale of fertilizers and related products in the PRC. The main business comprises research and development, production, procurement, distribution and provision of agricultural services of fertilizers and forms a vertically integrated business model combining upstream and downstream businesses.

Sinochem Fertilizer is engaged in the production, import, export, distribution, wholesale and retail of fertilizer raw materials and products, as well as research and development and services in the field of fertilizer-related 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 a large-scale chemical conglomerate. It operates 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:

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| “Agricultural Products Purchase and Sale Framework Agreement” | the framework agreement for the purchase and sale of agricultural products dated 22 November 2021 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 |
| “ChemChina” | 中國化工集團有限公司 (China National Chemical Corporation Limited), a state-owned enterprise incorporated in the PRC and the indirect controlling shareholder 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 22 November 2021 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 |

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| “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 ChemChina 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 Group” | 中國中化集團有限公司 (Sinochem Group Co., Ltd.), a state-owned enterprise incorporated in the PRC |
| “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 holding company of ChemChina and Sinochem Group |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |

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| “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
Qin Hengde
Executive Director and Chief Executive Officer

Hong Kong, 22 November 2021

As at the date of this announcement, the executive directors of the Company are Mr. Qin Hengde (Chief Executive Officer), Mr. Feng Mingwei and Mr. Harry Yang; the non-executive director of the Company is Mr. J. Erik Fyrwald (Chairman); and the independent non-executive directors of the Company are Mr. Ko Ming Tung, Edward, Mr. Lu Xin and Mr. Tse Hau Yin, Aloysius.