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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

FINANCIAL DATA OF SINOCHEN FERTILIZER FOR THE SIX MONTHS ENDED 30 JUNE 2017

This announcement is made by Sinofer Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to the inside information provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rules 13.09(2)(a) and 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Reference is made to the announcements of the Company dated 19 July 2016 and 25 July 2016 in relation to the issue of the first tranche of the medium-term notes for the year of 2016 in an amount of RMB1 billion by Sinochem Fertilizer Company Limited (“**Sinochem Fertilizer**”), an indirect wholly-owned subsidiary of the Company.

According to the relevant PRC regulations, Sinochem Fertilizer is required to publish its financial data on a quarterly basis on the website of Shanghai Clearing House at www.shclearing.com and the website of China Money at www.chinamoney.com.cn during the term of the above debts. Set out below are the unaudited financial data of Sinochem Fertilizer and its subsidiaries on a consolidated basis and the unaudited financial data of Sinochem Fertilizer for the six months ended 30 June 2017, which are prepared in accordance with the China Accounting Standards for Business Enterprises, and have no material difference from those prepared in accordance with the Hong Kong Financial Reporting Standards. The financial data contained herein have been consolidated into the financial statements of the Group for the six months ended 30 June 2017 published by the Company on 24 August 2017.

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

For and on behalf of the Board
SINOFERT HOLDINGS LIMITED
Qin Hengde
Executive Director and Chief Executive Officer

Hong Kong, 30 August 2017

As at the date of this announcement, the executive directors of the Company are Mr. Qin Hengde (Chief Executive Officer) and Mr. Harry Yang; the non-executive directors of the Company are Mr. Zhang Wei (Chairman), Mr. Yang Lin, Dr. Stephen Francis Dowdle and Ms. Xiang Dandan; and the independent non-executive directors of the Company are Mr. Ko Ming Tung, Edward, Mr. Lu Xin and Mr. Tse Hau Yin, Aloysius.

** For identification purposes only*

Sinochem Fertilizer Company Limited

Balance Sheet

30 June 2017

RMB Yuan

Item	30 June 2017	31 December 2016
Current Assets		
Cash and bank balances	401,194,314.90	402,966,022.76
Notes receivable	134,148,619.07	84,790,061.35
Accounts receivable	294,093,848.94	202,890,847.44
Prepayments	844,685,880.13	1,354,632,628.80
Dividend receivable	36,000,000.00	36,000,000.00
Interest receivable	6,770,316.52	5,792,363.46
Other receivables	137,517,029.49	137,841,431.94
Inventories	2,911,708,664.65	2,918,800,127.48
Other current assets	4,655,930,166.00	3,820,587,061.52
Total Current Assets	9,422,048,839.70	8,964,300,544.75
Non-Current Assets		
Available-for-sale financial assets	384,186,900.13	384,186,900.13
Long-term equity investments	11,604,046,134.60	11,763,033,654.06
Fixed assets	99,249,930.53	62,794,988.99
Intangible assets	15,225,429.29	15,380,908.48
Long-term deferred and prepaid expenses	755,066.98	804,667.00
Deferred tax assets	5,653,047.72	5,653,047.72
Other non-current assets	-	577,957,628.54
Total Non-Current Assets	12,109,116,509.25	12,809,811,794.92
TOTAL ASSETS	21,531,165,348.95	21,774,112,339.67

Sinochem Fertilizer Company Limited

Balance Sheet (continued)

30 June 2017

RMB Yuan

Item	30 June 2017	31 December 2016
Current Liabilities		
Short-term borrowings	4,190,140,000.00	620,500,000.00
Notes payable	1,698,776,800.10	1,102,178,078.28
Accounts payable	3,043,165,459.00	2,893,180,137.45
Receipts in advance	802,053,412.04	2,903,648,710.38
Employee benefits payable	5,359,748.24	5,504,071.41
Taxes and surcharges payable	20,475,152.27	32,464,542.20
Interests payable	155,323,113.23	94,319,503.34
Other payables	185,415,740.42	478,379,344.56
Other current Liabilities	-	2,201,000,000.00
Total Current Liabilities	10,100,709,425.30	10,331,174,387.62
Non-Current Liabilities		
Long-term borrowings	-	20,000,000.00
Bonds payable	3,494,359,999.38	3,493,184,999.40
Deferred income	2,883,500.00	2,883,500.00
Total Non-Current Liabilities	3,497,243,499.38	3,516,068,499.40
TOTAL LIABILITIES	13,597,952,924.68	13,847,242,887.02
Owners' Equity		
Paid-in capital	10,600,000,000.00	10,600,000,000.00
Capital reserves	374,214,141.79	374,214,141.79
Surplus reserves	498,894,604.32	498,894,604.32
Retained profits	(3,539,896,321.84)	(3,546,239,293.46)
TOTAL OWNERS' EQUITY	7,933,212,424.27	7,926,869,452.65
TOTAL LIABILITIES AND OWNERS' EQUITY	21,531,165,348.95	21,774,112,339.67

Sinochem Fertilizer Company Limited

Income Statement

The first Half of 2017

RMB Yuan

Item	1H 2017	1H 2016
Operating income	9,775,354,518.92	8,566,172,427.30
Less: Operating costs	9,238,943,465.82	8,387,386,495.67
Taxes and levies	4,184,721.20	10,688,321.35
Selling expenses	243,543,196.78	214,971,489.29
Administrative expenses	104,394,615.48	96,395,146.55
Finance expenses	141,141,291.42	145,249,694.35
Impairment loss of assets	5,330,177.22	89,876,782.14
Plus: Investment income	(52,867,027.98)	114,006,825.50
Operating loss	(15,049,976.98)	(264,388,676.55)
Plus: Non-operating income	21,444,197.34	21,728,310.30
Less: Non-operating expenses	51,248.74	1,398,928.49
Total amount of profit/loss	6,342,971.62	(244,059,294.74)
Less: Income tax expenses	-	7,813,774.69
Net profit/(loss)	6,342,971.62	(251,873,069.43)
Other comprehensive income	-	-
Total comprehensive income	6,342,971.62	(251,873,069.43)

Sinochem Fertilizer Company Limited

Cash Flow Statement

The first Half of 2017

RMB Yuan

Item	1H 2017	1H 2016
1. Cash flows from operating activities		
Cash receipts from the sales of goods and the rendering of services	9,964,398,806.61	9,535,498,417.91
Other cash receipts relating to operating activities	60,921,401.03	66,721,960.57
Sub-total of cash inflows from operating activities	10,025,320,207.64	9,602,220,378.48
Cash payments for goods purchased and services received	10,349,788,107.65	10,235,620,272.80
Cash payments to and on behalf of employees	149,118,706.46	158,374,915.84
Payments of various types of taxes	21,533,894.30	48,468,469.81
Other cash payments relating to operating activities	264,569,478.72	205,573,389.35
Sub-total of cash outflows from operating activities	10,785,010,187.13	10,648,037,047.80
Net cash flows from operating activities	(759,689,979.49)	(1,045,816,669.32)
2. Cash flows from investing activities		
Cash receipts from disposals and withdraw on investment	-	1,200,000.00
Cash receipts from returns on investments	105,142,538.41	97,435,775.95
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets	1,889,697.13	4,384,994.85
Sub-total of cash inflows from investing activities	107,032,235.54	103,020,770.80
Cash payments to acquire and construct fixed assets, intangible assets and other long-term assets	42,223,312.38	4,890,607.22
Cash payments to acquire investments	543,325,104.76	38,330,454.41
Sub-total of cash outflows from investing activities	585,548,417.14	43,221,061.63
Net cash flows from investing activities	(478,516,181.60)	59,799,709.17
3. Cash flows from financing activities		
Cash receipts from borrowings	7,478,640,000.00	5,961,763,681.21
Sub-total of cash inflows from financing activities	7,478,640,000.00	5,961,763,681.21
Cash repayments of borrowings	6,130,000,000.00	4,911,448,564.04
Cash payments for distribution of dividends or profits or settlement of interest expenses	112,205,091.85	61,616,317.54
Sub-total of cash outflows from financing activities	6,242,205,091.85	4,973,064,881.58
Net cash flows from financing activities	1,236,434,908.15	988,698,799.63
4. Effect on exchange rate change on cash and cash equivalents	(454.92)	(1,033,352.02)
5. Net increase in cash and cash equivalents	(1,771,707.86)	1,648,487.46
Plus: Cash and bank balances at 1 January	402,966,022.76	105,627,513.40
6. Cash and bank balances at 30 June	401,194,314.90	107,276,000.86

Sinochem Fertilizer Company Limited

Consolidated Balance Sheet

30 June 2017

RMB Yuan

Item	30 June 2017	31 December 2016
Current Assets		
Cash and bank balances	474,500,609.20	440,554,996.91
Notes receivable	151,868,829.21	100,337,605.35
Accounts receivable	359,465,706.78	270,447,098.87
Prepayments	605,282,043.35	1,043,807,166.94
Interest receivable	2,031,097.08	1,124,971.88
Other receivables	114,465,664.93	110,763,621.89
Inventories	3,553,065,351.42	3,803,131,103.09
Other current assets	976,052,367.18	1,058,236,948.50
Non-current assets due within one year	-	1,423,380.15
Total Current Assets	6,236,731,669.15	6,829,826,893.58
Non-Current Assets		
Available-for-sale Financial assets	388,186,900.13	388,186,900.13
Long-term equity investments	8,919,443,720.90	9,077,264,103.90
Fixed assets	3,136,534,948.16	3,047,885,118.70
Construction in progress	243,150,111.91	379,741,368.92
Intangible assets	1,128,644,045.23	1,152,140,836.73
Goodwill	531,073,744.64	531,073,744.64
Long-term deferred and prepaid expenses	18,811,848.61	19,086,636.74
Deferred tax assets	28,317,523.99	31,840,236.93
Total Non-Current Assets	14,394,162,843.57	14,627,218,946.69
TOTAL ASSETS	20,630,894,512.72	21,457,045,840.27

Sinochem Fertilizer Company Limited
Consolidated Balance Sheet (continued)
30 June 2017
RMB Yuan

Item	30 June 2017	31 December 2016
Current Liabilities		
Short-term borrowings	3,960,000,000.00	540,000,000.00
Notes payable	1,678,816,889.49	1,168,002,681.69
Accounts payable	3,233,491,759.36	3,483,505,934.82
Receipts in advance	953,836,696.95	3,109,888,673.64
Employee benefits payable	13,178,376.08	21,500,229.86
Taxes and surcharges payable	34,487,133.67	41,535,671.43
Interests payable	150,488,953.23	87,105,206.88
Dividends payable	28,696,120.61	28,696,120.61
Other payables	363,778,325.37	652,395,073.87
Other current Liabilities	0.00	2,000,000,000.00
Total Current Liabilities	10,416,774,254.76	11,132,629,592.80
Non-Current Liabilities		
Bonds payable	3,494,359,999.38	3,493,184,999.40
Estimated liabilities	47,127,937.64	47,127,937.64
Deferred tax liabilities	214,279,983.92	220,647,917.47
Deferred income	40,411,336.07	45,252,580.75
Total Non-Current Liabilities	3,796,179,257.01	3,806,213,435.26
TOTAL LIABILITIES	14,212,953,511.77	14,938,843,028.06
Owners' Equity		
Paid-in capital	10,600,000,000.00	10,600,000,000.00
Capital reserves	378,602,626.64	378,602,626.64
Special reserves	9,335,210.82	6,184,431.92
Surplus reserves	487,741,563.04	487,741,563.04
Retained profits	(4,916,475,553.63)	(4,817,599,396.28)
Total equity attributable to owners of the Company	6,559,203,846.87	6,654,929,225.32
Minority interests	(141,262,845.92)	(136,726,413.11)
TOTAL OWNERS' EQUITY	6,417,941,000.95	6,518,202,812.21
TOTAL LIABILITIES AND OWNERS' EQUITY	20,630,894,512.72	21,457,045,840.27

Sinochem Fertilizer Company Limited

Consolidated Income Statement

The first Half of 2017

RMB Yuan

Item	1H 2017	1H 2016
Operating income	10,479,968,243.90	9,144,781,873.64
Less: Operating costs	9,666,635,046.61	8,852,184,046.07
Taxes and levies	20,015,736.38	16,170,581.73
Selling expenses	388,366,897.69	361,700,128.74
Administrative expenses	258,652,302.84	307,558,210.84
Finance expenses	139,901,319.78	145,644,799.51
Impairment loss of assets	5,330,177.22	97,139,723.31
Plus: Investment income	(130,932,896.12)	43,195,136.54
Operating loss	(129,866,132.74)	(592,420,480.02)
Plus: Non-operating income	37,290,527.07	30,992,820.52
Less: Non-operating expenses	3,614,759.09	3,504,331.84
The total amount of loss	(96,190,364.76)	(564,931,991.34)
Less: Income tax expenses	4,071,446.50	9,719,268.82
Net loss	(100,261,811.26)	(574,651,260.16)
Net loss attributable to owners of the Company	(95,725,378.45)	(511,055,937.04)
Loss attributable to minority interests	(4,536,432.81)	(63,595,323.12)
Other comprehensive income	-	-
Total comprehensive income	(100,261,811.26)	(574,651,260.16)
Total comprehensive income attributable to owners of the Company	(95,725,378.45)	(511,055,937.04)
Total comprehensive income attributable to minority interests	(4,536,432.81)	(63,595,323.12)

Sinochem Fertilizer Company Limited

Consolidated Cash Flow Statement

The first Half of 2017

RMB Yuan

Item	1H 2017	1H 2016
1. Cash flows from operating activities		
Cash receipts from the sales of goods and the rendering of services	10,654,595,148.17	10,084,900,541.35
Other cash receipts relating to operating activities	153,093,847.27	95,297,158.30
Sub-total of cash inflows from operating activities	10,807,688,995.44	10,180,197,699.65
Cash payments for goods purchased and services received	10,737,906,459.74	9,986,651,522.77
Cash payments to and on behalf of employees	332,925,047.51	346,550,821.72
Payments of various types of taxes	69,647,470.22	78,292,135.08
Other cash payments relating to operating activities	616,982,451.93	482,427,056.24
Sub-total of cash outflows from operating activities	11,757,461,429.40	10,893,921,535.81
Net cash flows from operating activities	(949,772,433.96)	(713,723,836.16)
2. Cash flows from investing activities		
Cash receipts from disposals and withdraw on investment	-	1,200,000.00
Cash receipts from returns on investments	26,040,535.33	21,445,230.13
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets	2,081,279.80	5,845,776.29
Sub-total of cash inflows from investing activities	28,121,815.13	28,491,006.42
Cash payments to acquire and construct fixed assets, intangible assets and other long-term assets	144,367,489.22	153,534,406.37
Cash payments to acquire investments	211,437,000.00	-
Sub-total of cash outflows from investing activities	355,804,489.22	153,534,406.37
Net cash flows from investing activities	(327,682,674.09)	(125,043,399.95)
3. Cash flows from financing activities		
Cash receipts from borrowings	7,550,000,000.00	5,722,763,681.21
Sub-total of cash inflows from financing activities	7,550,000,000.00	5,722,763,681.21
Cash repayments of borrowings	6,130,000,000.00	4,853,448,564.04
Cash payments for distribution of dividends or profits or settlement of interest expenses	109,170,633.86	65,657,638.23
Sub-total of cash outflows from financing activities	6,239,170,633.86	4,919,106,202.27
Net cash flows from financing activities	1,310,829,366.14	803,657,478.94
4. Effect on exchange rate change on cash and cash equivalents	571,354.20	(544,169.82)
5. Net increase in cash and cash equivalents	33,945,612.29	(35,653,926.99)
Plus: Cash and bank balances at 1 January	440,554,996.91	181,960,718.55
6. Cash and bank balances at 30 June	474,500,609.20	146,306,791.56