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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

POTENTIAL CONTINUING CONNECTED TRANSACTIONS UNDER THE NEW FINANCIAL SERVICES FRAMEWORK AGREEMENT

References are made to the announcements of the Company dated 23 January 2020 and 31 March 2021 in relation to the Strategic Restructuring between ChemChina, the indirect controlling shareholder of the Company, and Sinochem Group. Upon completion of the Strategic Restructuring, ChemChina and Sinochem Group will be consolidated into a new holding company established by SASAC. ChemChina and SASAC will remain as the indirect controlling shareholder and the de facto controller of the Company, respectively, and Sinochem Group will become an associate of ChemChina upon completion of the Strategic Restructuring. As at the date of this announcement, the Strategic Restructuring has not been completed.

Reference is also made to the announcement of the Company dated 11 December 2020 in relation to a discloseable transaction under the Existing Financial Services Framework Agreement entered into between the Company and Sinochem Finance. The Existing Financial Services Framework Agreement will expire on 31 December 2021. On 24 August 2021, the Company entered into the New Financial Services Framework Agreement with Sinochem Finance, pursuant to which the Group will continue to utilize the financial services available from Sinochem Finance as it deems necessary for a term up to 31 December 2023.

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. Upon completion of the Strategic Restructuring, ChemChina and Sinochem Group will be wholly owned by a new holding company established by SASAC, and Sinochem Group will therefore become an associate of ChemChina. Sinochem Finance is a subsidiary of Sinochem Corporation, which is in turn a subsidiary of Sinochem Group. As such, each of Sinochem Group, Sinochem Corporation and Sinochem Finance will become a connected person of the Company upon completion of the Strategic Restructuring. Pursuant to Chapter 14A of the Listing Rules, the transactions contemplated under the New Financial Services Framework Agreement will constitute continuing connected transactions of the Company.

Given that the applicable percentage ratios in respect of the maximum daily outstanding balance of the Deposit Services under the New Financial Services Framework Agreement are more than 5%, the Deposit Services are subject to the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. In addition, given that

the applicable percentage ratios in respect of the maximum daily outstanding balance of the Deposit Services under the New Financial Services Framework Agreement are more than 5% but less than 25%, the Deposit Services also constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules and are subject to the reporting and announcement requirements.

Pursuant to Rule 14A.90 of the Listing Rules, the Loan Services (excluding entrustment loans) provided by Sinochem Finance to the Group are exempt from the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules, as the Loan Services constitute financial assistance provided by a connected person for the benefit of the Group on normal commercial terms where no security over the assets of the Group is granted in respect of the financial assistance.

Given that the applicable percentage ratios in respect of the annual caps of the Other Financial Services are more than 0.1% but less than 5%, the Other Financial Services are subject to the reporting, announcement and annual review requirements but are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

The Company will convene a SGM to seek approval from the Independent Shareholders in respect of the Deposit Services (including the maximum daily outstanding balance) under the New Financial Services Framework Agreement. An Independent Board Committee of the Company has been formed to advise the Independent Shareholders in respect of the Deposit Services (including the maximum daily outstanding balance) under the New Financial Services Framework Agreement. 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 New Financial Services 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 14 September 2021.

BACKGROUND

References are made to the announcements of the Company dated 23 January 2020 and 31 March 2021 in relation to the Strategic Restructuring between ChemChina, the indirect controlling shareholder of the Company, and Sinochem Group. Upon completion of the Strategic Restructuring, ChemChina and Sinochem Group will be consolidated into a new holding company established by SASAC. ChemChina and SASAC will remain as the indirect controlling shareholder and the de facto controller of the Company, respectively, and Sinochem Group will become an associate of ChemChina upon completion of the Strategic Restructuring. As at the date of this announcement, the Strategic Restructuring has not been completed.

Reference is also made to the announcement of the Company dated 11 December 2020 in relation to a discloseable transaction under the Existing Financial Services Framework Agreement entered into between the Company and Sinochem Finance. The Existing Financial Services Framework Agreement will expire on 31 December 2021. On 24 August 2021, the Company entered into the New Financial Services Framework Agreement with Sinochem Finance, pursuant to which the

Group will continue to utilize the financial services available from Sinochem Finance as it deems necessary for a term up to 31 December 2023.

PRINCIPAL TERMS OF THE NEW FINANCIAL SERVICES FRAMEWORK AGREEMENT

Date

24 August 2021

Parties

- (a) The Company
- (b) Sinochem Finance

Provision of financial services by Sinochem Finance to the Group

The Group will, from time to time, utilize the financial services available from Sinochem Finance as it deems necessary. Such services include:

- (i) Deposit Services, including but not limited to demand deposits, call deposits and term deposits;
- (ii) provision of the Loan Services (excluding entrustment loans) to members of the Group on normal commercial terms, where no mortgage, pledge or other security over the assets or interests of members of the Group will be granted;
- (iii) arrangement of entrustment loans for members of the Group whereby Sinochem Finance serves as a financial agency through which funds of one member of the Group may be channeled for use by another member of the Group. Such funds deposited by members of the Group will be applied for the purposes of providing entrustment loans to members of the Group only;
- (iv) commercial bills of exchange services which include the provision to members of the Group on normal commercial terms of services relating to the issuance, acceptance, custody, collection (when due) and discount of commercial bills of exchange, where no mortgage, pledge or other security over the assets or interests of members of the Group will be granted;
- (v) buyer financing services which include the provision to the customers of members of the Group on normal commercial terms of financing services, including but not limited to the extension of loans and the granting of credit for the purposes of purchasing goods or services from members of the Group only;
- (vi) settlement services which include settlement of transactions between members of the Group, and of transactions between members of the Group and third parties, the utilization by Sinochem Finance of the electronic payment and settlement systems it has set up with a number of banks to settle payments from distribution customers to members of the Group, and the utilization by Sinochem Finance of the settlement systems it has set up with banks to audit the settlement business of members of the Group;

- (vii) provision of guarantees at the request of members of the Group for financing, lease financing, bidding activities or the fulfillment of contracts to third parties, where no counter-guarantee by members of the Group is required;
- (viii) internet banking services; and
- (ix) any other financial services as approved by the CBIRC.

The Group utilizes the services of Sinochem Finance on a voluntary, non-exclusive basis and is not obliged to engage Sinochem Finance for any particular service, or at all.

Interests, fees and charges

Interests, fees and charges payable to and from Sinochem Finance under the New Financial Services Framework Agreement are determined on the following basis:

- (i) Deposit Services: interest rates shall not be lower than the benchmark interest rates for deposits of the same tenure and type as promulgated by the PBOC from time to time, or the interest rates for deposits of the same tenure and type as offered by independent commercial banks in the PRC (whichever is higher);
- (ii) Loan Services: interest rates shall not be higher than the interest rates for loans of the same tenure and type as offered by the independent commercial banks with which the Group maintains cooperation in the PRC;
- (iii) entrustment loan services: the annual service fee payable by the Group shall not exceed the service fee payable on entrustment loans of the same tenure and under the same terms obtainable from independent commercial banks;
- (iv) commercial bills of exchange services: the service fee and discount interest payable by the Group shall not exceed the service fee and discount interest payable on such services under the same terms obtainable from independent commercial banks;
- (v) buyer financing services: the service fee and interest payable by the Group shall not exceed the service fee and interest payable on such services under the same terms obtainable from independent commercial banks;
- (vi) settlement services: no service fee is payable by the Group; and
- (vii) provision of guarantees, internet banking services and other financial services as approved by the CBIRC: the service fees charged for these services shall not be higher than the prevailing market rates or standard rates promulgated by the PBOC from time to time (if applicable).

Term

The Deposit Services under the New Financial Services Framework Agreement shall take effect upon obtaining the approval from the Independent Shareholders and shall expire on 31 December 2023. The terms governing the deposit services under the Existing Financial Services Framework Agreement shall remain in effect until the date when the approval from the Independent

Shareholders in respect of the Deposit Services under the New Financial Services Framework Agreement is obtained. The maximum daily outstanding balance of the deposits placed by the Group with Sinochem Finance under the Existing Financial Services Framework Agreement will be closely monitored to ensure that it falls within 5% of the applicable percentage ratios as defined in the Listing Rules, prior to obtaining the approval from the Independent Shareholders in respect of the Deposit Services under the New Financial Services Framework Agreement. In the event that the Deposit Services under the New Financial Services Framework Agreement are not approved by the Independent Shareholders, the Company will ensure that the maximum daily outstanding balance of the deposits placed by the Group with Sinochem Finance falls within 5% of the applicable percentage ratios as defined in the Listing Rules.

Other terms under the New Financial Services Framework Agreement, which do not require the approval from the Independent Shareholders, shall take effect on 24 August 2021 and shall expire on 31 December 2023.

Sinochem Finance and members of the Group shall enter into separate agreements which set out the specific scope of services and the terms and conditions of providing such services according to the principles laid down by the New Financial Services Framework Agreement.

Right of set-off

In the event that any member of the Group fails to recover any amount it deposits with Sinochem Finance, such member of the Group will have the right to offset against any outstanding amounts due to Sinochem Finance by any member of the Group. Sinochem Finance does not have such right of set-off.

Undertakings

Sinochem Finance has undertaken that it will apply all the monies deposited by the Group to such activities as approved by the CBIRC in accordance with the relevant laws and regulations of the PRC. If Sinochem Finance decides to deposit any of such monies, it has undertaken to deposit them only with the banking institutions approved by the CBIRC.

Sinochem Finance has also undertaken that at all times the sum of the outstanding amount of the loans it provides to members of Sinochem Group (excluding the Group) shall not exceed the sum of Sinochem Finance's share capital, surplus and reserves, and the deposits received from parties other than the Group.

Whenever the Group suffers any financial loss due to the non-performance or default by Sinochem Finance under the New Financial Services Framework Agreement, Sinochem Finance shall compensate the Group for the full amount of the loss suffered. Sinochem Corporation will issue an undertaking in favour of the Company, pursuant to which Sinochem Corporation will procure Sinochem Finance to perform its obligations under the New Financial Services Framework Agreement.

ANNUAL CAPS

Deposit Services

The Company estimates that the maximum daily outstanding balance of the deposits placed by the Group with Sinochem Finance for each of the three years ending 31 December 2023 will be RMB1,000,000,000. Such maximum daily outstanding balance has been determined after taking into account several factors, including:

- (i) The Group maintains sufficient bank balances and cash. During the peak season for the sale of fertilizer products in the past three years, its maximum bank balances and cash reached approximately RMB4,757,568,000;
- (ii) Comparing to other financial institutions, Sinochem Finance does not charge the Group any service fees in respect of the settlement services provided. The Group can deposit a large amount of its funds with Sinochem Finance to utilize the settlement services free of charge, especially during the peak season for the sale of fertilizer products when the funds of the Group are sufficient;
- (iii) For the purpose of utilizing the flexible and favourable services provided by Sinochem Finance and at the same time limiting the maximum risk exposure arising from the Deposit Services provided by Sinochem Finance, the Group will deposit its funds in different financial institutions (including Sinochem Finance) to spread risk, and monitor the status of its deposits with Sinochem Finance to ensure that the balance of its deposits with Sinochem Finance at the close of settlement system of Sinochem Finance on each day will not exceed 15% of the consolidated net assets of the Company as set out in its latest published consolidated financial statements. Based on the interim results announcement of the Company published on 24 August 2021, the consolidated net assets of the Company as at 30 June 2021 was approximately RMB8,817,739,000, the 15% of which amounted to approximately RMB1,322,661,000. The maximum daily outstanding balance is lower than such 15% threshold, which is considered to be prudent from a risk management perspective; and
- (iv) The Group will utilize the services of Sinochem Finance on a voluntary, non-exclusive basis and is not obliged to engage Sinochem Finance for any particular services, including the Deposit Services. The maximum daily outstanding balance only represents the highest daily amount of deposits that the Group may place with Sinochem Finance and there are no obligations for the Group to deposit such amounts with Sinochem Finance. Setting the maximum daily outstanding balance of the deposits placed by the Group with Sinochem Finance will enable the Group to have a greater flexibility in selecting deposit service providers and allocating its resources.

For the two years ended 31 December 2020 and the seven months ended 31 July 2021, the maximum daily outstanding balances of the deposits placed by the Group with Sinochem Finance were approximately RMB840,103,000, RMB930,159,000 and RMB901,014,000, respectively.

Other Financial Services

The Company estimates that the annual cap in respect of the Other Financial Services for each of the three years ending 31 December 2023 will be RMB10,000,000. Such annual cap has been

determined after taking into account several factors, including the capital management strategy of the Group, the business development and financial needs of the Group, and the historical transaction amounts of such services.

For the two years ended 31 December 2020 and the seven months ended 31 July 2021, the historical transaction amounts of such services in aggregate were approximately RMB3,032,000, RMB2,507,000 and RMB47,000, respectively.

INTERNAL CONTROL PROCEDURES AND CORPORATE GOVERNANCE MEASURES

In order to protect the interests of the shareholders, the Group will adopt the following internal control procedures and corporate governance measures in relation to its utilization of financial services provided by Sinochem Finance:

- Prior to placing term deposits with Sinochem Finance, the Group will compare at least three comparable interest rates of deposits of the same tenure and type from independent commercial banks and the deposit benchmark interest rates promulgated by the PBOC at the time of the transaction;
- For the purpose of facilitating settlement service through Sinochem Finance, the Group will also place demand deposits with Sinochem Finance. The Group will compare, on a quarterly basis and whenever there is a change in the deposit benchmark interest rate promulgated by the PBOC, at least three comparable interest rates on such deposits from independent commercial banks with which the Group maintains bank accounts and the deposit benchmark interest rates promulgated by the PBOC, and also take into account the service fee charged by the independent commercial banks for the settlement services and the free-of-charge settlement services offered by Sinochem Finance. The Group will determine whether it will continue to place demand deposits with Sinochem Finance for the next quarter based on the above assessment for the previous quarter;
- Before the Group enters into any loan or credit facilities agreements with Sinochem Finance in relation to its borrowings from Sinochem Finance, it will obtain at least three comparable offers from independent commercial banks or financial institutions for a loan of the same term or a credit facility of the same nature (as the case may be). The terms of such offers, together with the offer from Sinochem Finance, will forthwith be submitted to the chief financial officer of the Company for review. The chief financial officer of the Company will seek approval from the chief executive officer of the Company as appropriate on whether to accept Sinochem Finance's offer;
- All borrowings of the Group from Sinochem Finance (including drawdowns from credit facilities) will be conducted in accordance with the terms approved by the chief financial officer of the Company or the Board, as appropriate;
- Pursuant to the New Financial Services Framework Agreement, Sinochem Finance is required to (i) provide a report on any changes in its credit ratings to the Company every six months, (ii) provide the Company each month with its financial statements for the previous month, and (iii) deliver to the Company a monthly report on the status of the Group's deposits placed with Sinochem Finance on the third day of each month;

- The Company will monitor the status of the deposits placed with Sinochem Finance on a daily basis and the status of the loans and other transactions with Sinochem Finance on a monthly basis through the internet banking services provided by Sinochem Finance;
- The Company will monitor the status of its financial assistance to Sinochem Group and its associates (including its deposits with Sinochem Finance under the New Financial Services Framework Agreement) to ensure that the outstanding amount of its overall financial assistance to Sinochem Group and its associates on each day will not exceed 20% of the consolidated net assets of the Company as set out in its latest published consolidated financial statements, so as to limit the maximum risk exposure arising from its financial assistance to Sinochem Group and its associates (including the Deposit Services); and
- The internal control department of the Company will conduct an annual review of the above internal control measures and report the review results to the independent non-executive Directors.

The Board considers that the above internal control procedures and corporate governance measures adopted by the Company concerning the continuing connected transactions with Sinochem Finance are appropriate and sufficient, and that the procedures and measures give sufficient assurance that the continuing connected transactions will be appropriately monitored by the Company.

REASONS FOR AND BENEFITS OF THE TRANSACTION

The Company believes that the risk profile of Sinochem Finance, as a provider of financial services to the Group, is not greater than those of independent commercial banks in the PRC because:

- (i) Sinochem Finance is regulated by the PBOC and the CBIRC and it provides its services in compliance with the relevant rules and operational requirements promulgated by the above authorities, including capital risk guidelines and requisite capital adequacy ratio requirements;
- (ii) Sinochem Finance has not defaulted on any of its credit obligations or, to the knowledge of the Company, breached any rules or operational requirements of such regulatory authorities during the past three years. In particular, the CBIRC monitors Sinochem Finance's compliance with relevant regulatory authorities and conducts on-site visits from time to time. To the knowledge of the Company, other than the opinions on corrective measures issued by the CBIRC during its on-site visits, the CBIRC has not taken any disciplinary actions, or imposed penalties or fines on Sinochem Finance since its incorporation; and
- (iii) according to the relevant laws and regulations promulgated by the CBIRC and as set out in the articles of association of Sinochem Finance, in the event that Sinochem Finance falls into financial difficulty, Sinochem Corporation, being the holding company of Sinochem Finance, has the obligation to take all required steps, such as injecting additional capital into Sinochem Finance based on its funding needs, to restore its financial position.

The advantages of utilizing financial services provided by Sinochem Finance over utilizing similar services provided by independent commercial banks are as follows:

- (i) Sinochem Finance has served as a financial service provider of the Group for over ten years. It can provide more favourable deposit portfolio for the Group based on the condition of the

Group, which can increase capital returns while retaining the working capital flexibility of the Group;

- (ii) Comparing to other financial institutions, Sinochem Finance does not charge the Group any service fees in respect of the settlement services provided. The Group can deposit its funds with Sinochem Finance to utilize the settlement services free of charge (especially during the peak season for the sale of fertilizer products when the funds of the Group are sufficient), therefore reducing the transaction costs; and
- (iii) Sinochem Finance can offer reliable and stable finance resource and mid-term and long-term credit line for the Group, therefore optimizing the capital structure of the Group. The Company usually needs to make an appointment one week in advance or even longer to obtain loans from external banks while the loan drawdown procedure of Sinochem Finance is rather convenient and can be completed within one or two days, which can meet the capital demand of the Group's business in time.

However, if independent commercial banks or other financial institutions offer specific advantages which are more favourable to the Group in respect of any of the financial services set out in the New Financial Services Framework Agreement, the Group may discontinue its use of all or any of such services provided by Sinochem Finance without having to incur extra cost.

The Directors are of the view that the transactions contemplated under the New Financial Services 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 maximum daily outstanding balance of the Deposit Services and the annual caps of the Other Financial Services under the New Financial Services Framework Agreement are fair and reasonable.

None of the Directors is regarded as having a material interest in the New Financial Services Framework Agreement and the transactions contemplated thereunder, and hence none of the Directors has abstained from voting on the Board resolution to approve the New Financial Services 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. Upon completion of the Strategic Restructuring, ChemChina and Sinochem Group will be wholly owned by a new holding company established by SASAC, and Sinochem Group will therefore become an associate of ChemChina. Sinochem Finance is a subsidiary of Sinochem Corporation, which is in turn a subsidiary of Sinochem Group. As such, each of Sinochem Group, Sinochem Corporation and Sinochem Finance will become a connected person of the Company upon completion of the Strategic Restructuring. Pursuant to Chapter 14A of the Listing Rules, the transactions contemplated under the New Financial Services Framework Agreement will constitute continuing connected transactions of the Company.

Given that the applicable percentage ratios in respect of the maximum daily outstanding balance of the Deposit Services under the New Financial Services Framework Agreement are more than 5%, the Deposit Services are subject to the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. In addition, given that the applicable percentage ratios in respect of the maximum daily outstanding balance of the Deposit

Services under the New Financial Services Framework Agreement are more than 5% but less than 25%, the Deposit Services also constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules and are subject to the reporting and announcement requirements.

Pursuant to Rule 14A.90 of the Listing Rules, the Loan Services (excluding entrustment loans) provided by Sinochem Finance to the Group are exempt from the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules, as the Loan Services constitute financial assistance provided by a connected person for the benefit of the Group on normal commercial terms where no security over the assets of the Group is granted in respect of the financial assistance.

Given that the applicable percentage ratios in respect of the annual caps of the Other Financial Services are more than 0.1% but less than 5%, the Other Financial Services are subject to the reporting, announcement and annual review requirements but are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

The Company will convene a SGM to seek approval from the Independent Shareholders in respect of the Deposit Services (including the maximum daily outstanding balance) under the New Financial Services Framework Agreement. An Independent Board Committee of the Company has been formed to advise the Independent Shareholders in respect of the Deposit Services (including the maximum daily outstanding balance) under the New Financial Services Framework Agreement. 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 New Financial Services 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 14 September 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 agricultural services of fertilizers and forms a vertically integrated business model combining upstream and downstream businesses.

Sinochem Finance is a non-bank financial institution established in the PRC with the approval of the PBOC and subject to the supervision of the CBIRC. Sinochem Finance is principally engaged in the businesses of financial and financing advisory service, credit authentication and related consulting service and agency service; provision of guarantees; entrusted loan and investment; bill acceptance and discount; settlement service; deposit service; loan and finance lease, etc.

DEFINITIONS

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

“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
“CBIRC”	China Banking and Insurance Regulatory Commission
“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
“Deposit Services”	the deposit services provided by Sinochem Finance to the Group pursuant to the New Financial Services Framework Agreement
“Director(s)”	the director(s) of the Company
“Existing Financial Services Framework Agreement”	the financial services framework agreement dated 11 December 2020 entered into between the Company and Sinochem Finance
“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 Deposit Services (including the maximum daily outstanding balance) under the New Financial Services Framework Agreement
“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 Deposit

	Services (including the maximum daily outstanding balance) under the New Financial Services Framework Agreement
“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
“Loan Services”	the loan services (excluding entrustment loans) provided by Sinochem Finance to the Group pursuant to the New Financial Services Framework Agreement
“maximum daily outstanding balance”	the daily outstanding balance of the total deposits (including accrued interest) placed by the Group with Sinochem Finance, calculated at the close of business of Sinochem Finance on a daily basis
“New Financial Services Framework Agreement”	the financial services framework agreement dated 24 August 2021 entered into between the Company and Sinochem Finance
“Other Financial Services”	apart from the Deposit Services and the Loan Services, other financial services provided by Sinochem Finance to the Group pursuant to the New Financial Services Framework Agreement, including entrustment loan services, commercial bills of exchange services, buyer financing services, settlement services, guarantee services, internet banking services, and other financial services as approved by the CBIRC
“PBOC”	the People’s Bank of China, the central bank of the PRC
“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 Deposit Services (including the maximum daily outstanding balance) under the New Financial Services Framework Agreement
“shareholder(s)”	registered holder(s) of ordinary share(s) of HK\$0.10 each in the capital of the Company
“Sinochem Corporation”	中國中化股份有限公司 (Sinochem Corporation), a limited

	liability company established under the laws of the PRC, and a subsidiary of Sinochem Group
“Sinochem Finance”	中化集團財務有限責任公司 (Sinochem Group Finance Co., Ltd.), a limited liability company established under the laws of the PRC, and a subsidiary of Sinochem Corporation
“Sinochem Group”	中國中化集團有限公司 (Sinochem Group Co., Ltd.), a state-owned enterprise incorporated in the PRC
“Strategic Restructuring”	the strategic restructuring between ChemChina and Sinochem Group as described in the announcements of the Company dated 23 January 2020 and 31 March 2021
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the same meaning ascribed to it under the Listing Rules
“%”	percent

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

Hong Kong, 24 August 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.