# SINOFERT HOLDINGS LIMITED
# 中化化肥控股有限公司

*(Incorporated in Bermuda with limited liability)*
**(Stock Code: 297)**

## ANNOUNCEMENT
## CONNECTED TRANSACTION
## IN RELATION TO THE FORMAMIDE PROJECT CONTRACT

To better facilitate the transformation and upgrading of production operations, accelerate the development of carbon-one chemical products, fully leverage the synergistic integration of resource advantages and downstream high-value-added products, explore new growth drivers, and extend the carbon-one chemical industry chain, Sinochem Changshan, the Company's indirect subsidiary, proposes to construct a formamide production facility with an annual production of 10,000 tons within its existing plant premises. Following a public tender conducted in compliance with relevant requirements, Sinochem Changshan has confirmed Luxi Industrial as the successful bidder.

The Board hereby announces that on 10 June 2025, Sinochem Changshan entered into a Formamide Project Contract with Luxi Industrial, pursuant to which Luxi Industrial is engaged to carry out installation and construction of equipment, pipelines, electrical systems and instruments of the formamide project of Sinochem Changshan with an annual production of 10,000 tons. The preliminary total consideration is RMB9,785,108, which will be adjusted according to the actual construction volume during the project implementation and calculated based on the bidding price of each sub-item under the Formamide Project Contract. The final total consideration of the Formamide Project Contract after acceptance shall not exceed RMB15,000,000.

**LISTING RULES IMPLICATIONS**

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 a connected person of the Company. Luxi Industrial is an indirectly non-wholly owned subsidiary of Sinochem Holdings and also constitutes a connected person of the Company. Accordingly, pursuant to Chapter 14A of the Listing Rules, the transactions contemplated under the Formamide Project Contract constitute connected transactions of the Company. With respect to the transactions under the Formamide Project Contract alone, as the highest applicable percentage ratio calculated based on the total consideration of no more than RMB15,000,000 exceeds 0.1% but is less than 5%, the transactions under the Formamide Project Contract are subject to the reporting and announcement requirements but are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

In accordance with Rule 14A.81 of the Listing Rules, if a series of connected transactions are all entered into or completed within any 12-month period or the transactions are otherwise related, such transactions shall be aggregated and treated as if they were one transaction. After taking into account transactions of a similar nature previously conducted between the Group and Sinochem Holdings and its associates during the preceding 12-month period, where the highest applicable percentage ratio calculated on an aggregated basis exceeds 0.1% but remains below 5%, the transactions under the Formamide Project Contract are therefore still only subject to the reporting and announcement requirements but remain exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

## BACKGROUND

To better facilitate the transformation and upgrading of production operations, accelerate the development of carbon-one chemical products, fully leverage the synergistic integration of resource advantages and downstream high-value-added products, explore new growth drivers, and extend the carbon-one chemical industry chain, Sinochem Changshan, the Company's indirect subsidiary, proposes to construct a formamide production facility with an annual production of 10,000 tons within its existing plant premises. Following a public tender conducted in compliance with relevant requirements, Sinochem Changshan has confirmed Luxi Industrial as the successful bidder.

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## PRINCIPAL TERMS OF THE FORMAMIDE PROJECT CONTRACT

***Date***

10 June 2025

***Parties***

(a) Sinochem Changshan

(b) Luxi Industrial

***Scope of services***

Under the Formamide Project Contract, Luxi Industrial will carry out the installation and construction of equipment, pipelines, electrical systems and instruments of the formamide project of Sinochem Changshan with an annual production of 10,000 tons.

***Construction period***

(a) Commencement date: 11 June 2025

(b) Completion date: 10 August 2025

(c) Warranty period: 2 years from the date of satisfactory inspection and acceptance

***Consideration and payment***

The preliminary total consideration is RMB9,785,108, which will be adjusted according to the actual construction volume during the project implementation and calculated based on the bidding price of each sub-item under the Formamide Project Contract. The final total consideration of the Formamide Project Contract after acceptance shall not exceed RMB15,000,000. The pricing benchmark is determined with reference to the scope of services and estimated workload to be provided by Luxi Industrial to Sinochem Changshan, and was established through the public tender process.

The total consideration of the Formamide Project Contract shall be paid in accordance with the following payment terms:

(a) Monthly progress payments shall be made based on 80% of the completed construction volume each month. Payment shall be made together after settlement process on construction works is completed.

(b) Upon satisfactory completion and acceptance of the project by Sinochem Changshan, Luxi Industrial shall submit complete project archives, technical documentation, and a settlement report. Both parties shall then perform the project costs settlement process. Upon confirmation by Sinochem Changshan on the settlement amount, payment shall be made for up to 97% of the settlement amount.

(c) The remaining 3% shall serve as a warranty deposit. This amount shall be paid after two years from the date of satisfactory completion and acceptance, provided that no quality issues arise during the warranty period or all quality issues have been resolved in accordance with the contract (no interest shall accrue).

**REASONS FOR AND BENEFITS OF ENTERING INTO THE FORMAMIDE PROJECT CONTRACT**

The Formamide Project Contract aims to better facilitate the transformation and upgrading of production operations, accelerate the development of carbon-one chemical products, fully leverage the synergistic integration of resource advantages and downstream high-value-added products, explore new growth drivers, and extend the carbon-one chemical industry chain. Luxi Industrial possesses the relevant qualifications and expertise to provide services to Sinochem Changshan under the Formamide Project Contract.

The Directors (including the independent non-executive directors) are of the view that the transactions under the Formamide Project Contract are entered into by the Group in its ordinary and usual course of business, on normal commercial terms, is fair and reasonable and in the interests of the Company and its shareholders as a whole. As none of the Directors is regarded as having a material interest in the Formamide Project Contract or the transactions contemplated thereunder, and therefore no Director is required to abstain from voting on the Board resolution approving the Formamide Project Contract and the transactions thereunder.

**LISTING RULES IMPLICATIONS**

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 a connected person of the Company. Luxi Industrial is an indirectly non-wholly owned subsidiary of Sinochem Holdings and also constitutes a connected person of the Company. Accordingly, pursuant to Chapter 14A of the Listing Rules, the transactions contemplated under the Formamide Project Contract constitute connected transactions of the Company. With respect to the transactions under the Formamide Project Contract alone, as the highest applicable percentage ratio calculated based on the total consideration of no more than RMB15,000,000 exceeds 0.1% but is less than 5%, the transactions under the Formamide Project Contract are subject to the reporting and announcement requirements but are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

In accordance with Rule 14A.81 of the Listing Rules, if a series of connected transactions are all entered into or completed within any 12-month period or the transactions are otherwise related, such transactions shall be aggregated and treated as if they were one transaction. After taking into account transactions of a similar nature previously conducted between the Group and Sinochem Holdings and its associates during the preceding 12-month period, where the highest applicable percentage ratio calculated on an aggregated basis exceeds 0.1% but remains below 5%, the transactions under the Formamide Project Contract are therefore still only subject to the reporting and announcement requirements but remain exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

**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.

Sinochem Changshan is an indirect subsidiary of the Company, primarily engaged in the production of compound fertilizers, synthetic ammonia and urea.

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 State-owned Assets Supervision and Administration Commission of the State Council.

Luxi Industrial is an indirectly non-wholly owned subsidiary of Sinochem Holdings, primarily engaged in the manufacturing of special equipment; construction engineering; design of special equipment; installation, maintenance and testing of power transmission, power supply and power receiving facilities; and installation, modification and repair of special equipment, etc.

## DEFINITIONS

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

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| "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(s)" | has the same meaning ascribed to it under the Listing Rules |
| "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 |
| "Formamide Project Contract" | the contract entered into between Sinochem Changshan and Luxi Industrial on 10 June 2025 for the installation and construction of equipment, pipelines, electrical systems and instruments of the formamide project of Sinochem Changshan with an annual production of 10,000 tons |
| "Group" | the Company and its subsidiaries |
| "Hong Kong" | the Hong Kong Special Administrative Region of the PRC |
| "Listing Rules" | the Rules Governing the Listing of Securities on the Stock Exchange |
| "Luxi Industrial" | 中化魯西工程有限公司(Luxi Industrial Equipment Co., Ltd.), a limited liability company incorporated in the PRC and an indirect non-wholly owned subsidiary of Sinochem Holdings |
| "PRC" | the People's Republic of China, which for the purposes of this announcement only, excludes Hong Kong, Macao Special Administration Region and Taiwan |
| "RMB" | Renminbi, the lawful currency of the PRC |

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| "Sinochem Changshan" | 中化吉林長山化工有限公司 (Sinochem Jilin Changshan Chemical Co., Ltd.), a company incorporated in the PRC with limited liability, and an indirect subsidiary of the Company |
| "Sinochem Holdings" | 中國中化控股有限責任公司 (Sinochem Holdings Corporation Ltd.), a state-owned enterprise incorporated in the PRC, and 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 |
| "%" | percent |

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

Hong Kong, 10 June 2025

*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.*