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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 CONNECTED TRANSACTION UNDER THE EPC GENERAL CONTRACTING AGREEMENT FOR THE REDUCTION OF PARTICULATE MATTER IN THE EXHAUST GAS EMISSIONS FROM THE MCP PRODUCTION PROCESS

The MCP washing equipment, chimneys and other environmental protection facilities of Sinochem Yunlong, an indirect wholly-owned subsidiary of the Company, have been in operation for a prolonged period, resulting in declining performance and reduced reliability. In order to ensure safe operation, Sinochem Yunlong plans to undertake an environmental protection project for the reduction of particulate matter in the exhaust gas emissions from the MCP production process. Sinochem Yunlong has proceeded with the public tender process in accordance with the relevant requirements and confirmed CBLE and Sinochem Environment as the Joint Successful Bidders.

The Board announces that on 11 July 2025, Sinochem Yunlong, and CBLE and Sinochem Environment entered into the EPC General Contracting Agreement, pursuant to which, Sinochem Yunlong has engaged CBLE and Sinochem Environment to carry out works including survey, design, procurement and construction of the environmental protection project for the reduction of particulate matter in the exhaust gas emissions from the MCP production process for a consideration of RMB9,286,875.82.

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. Each of CBLE and Sinochem Environment is an indirect subsidiary of Sinochem Holdings, and is therefore a connected person of the Company. As such, the transactions under the EPC General Contracting Agreement constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.81 of the Listing Rules, a series of connected transactions will be aggregated and treated as if they were one transaction if they were all entered into or completed within a 12-month period or are otherwise related. Having taken into account the transactions of the similar nature previously conducted between the Group with Sinochem Holdings and its associates during the past 12 months, the highest applicable percentage ratio in respect of the transaction under the EPC General Contracting Contract, calculated on both

a standalone basis and an aggregated basis, exceeds 0.1% but all applicable percentage ratios are less than 5%. Accordingly, the transaction under the EPC General Contracting Agreement is subject to the reporting and announcement requirements but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

BACKGROUND

The MCP (monocalcium phosphate) washing equipment, chimneys and other environmental protection facilities of Sinochem Yunlong, an indirect wholly-owned subsidiary of the Company, have been in operation for a prolonged period, resulting in declining performance and reduced reliability. In order to ensure safe operation, Sinochem Yunlong plans to undertake an environmental protection project for the reduction of particulate matter in the exhaust gas emissions from the MCP production process. Sinochem Yunlong has proceeded with the public tender process in accordance with the relevant requirements and confirmed CBLE and Sinochem Environment as the Joint Successful Bidders.

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PRINCIPAL TERMS OF THE EPC GENERAL CONTRACTING AGREEMENT

Date

11 July 2025

Parties

- (a) Sinochem Yunlong
- (b) CBLE and Sinochem Environment

Scope of services

Under the EPC General Contracting Agreement, CBLE and Sinochem Environment shall provide Sinochem Yunlong with services including survey, design, procurement, and construction works. The main scope of work includes, but is not limited to, the optimization of the existing washing system pipelines and spray layers of the scrubbing tower, and the addition of supporting facilities and equipment such as pipelines, nozzles, and fans. On the west side of the water treatment station, new facilities will be constructed including a wet electrostatic precipitator, steam heater and exhaust stack with a total height of approximately 40 metres, together with supporting equipment and installations such as process pipelines, transfer pumps, water tanks and electrical instrumentation, as well as auxiliary works including civil engineering, geotechnical investigations, surveying, steel structures, pipe racks and supports, cables and cable trays.

Construction period

- (a) Commencement date: subject to Sinochem Yunlong's written notice
- (b) Completion dates: the mechanical completion shall be achieved by 15 November 2025, followed by interim handover on 31 December 2025 and final acceptance on 31 January 2026
- (c) Warranty period: two years, commencing from the date of successful final acceptance

Consideration and payment

The total contract price under the EPC General Contracting Agreement is RMB9,286,875.82 (inclusive of tax), comprising the fixed total engineering design fee of RMB278,000, the fixed total construction and installation fee of RMB3,172,905.06 and the equipment costs of RMB5,835,970.76. The aforementioned consideration was determined through a public tender process and by reference to the scope and estimated workload of the services to be provided by CBLE and Sinochem Environment to Sinochem Yunlong.

The total consideration for the EPC General Contracting Agreement shall be paid in accordance with the following payment schedule:

- (a) The engineering design fee shall be paid based on physical construction progress milestones, with the specific milestones and payment ratios as follows:
 - (i) 50% of the engineering design fee shall be paid upon submission of the initial version of the construction drawings;
 - (ii) 40% of the engineering design fee shall be paid after approval of the construction drawings.
- (b) Construction and installation works shall be settled monthly, with 80% of the value of the completed works for the month payable as progress payment.
- (c) Payment for procurement of major equipment and materials shall be arranged as follows:
 - (i) After the contract becomes effective, upon receipt by Sinochem Yunlong of the purchase orders (contract copies) and financial receipts issued by CBLE and Sinochem Environment for the procurement of equipment and materials, 20% of the relevant portion of the contract sum shall be paid within 15 days;
 - (ii) Upon delivery of the goods to the designated delivery location and successful acceptance by Sinochem Yunlong, and upon receipt of VAT special invoices issued by CBLE and Sinochem Environment for the full amount, 60% of the relevant portion of the contract sum shall be paid.
- (d) Upon successful final acceptance of the project, payment shall be made for the unpaid portion of up to 97% of the settlement amount confirmed by Sinochem Yunlong.

- (e) The remaining 3% shall be retained as warranty money, and shall be paid (without interest) upon the expiry of two years from the date of successful final acceptance, subject to review and confirmation by professional engineers from Sinochem Yunlong.

The aforesaid payment shall be made only to the leading party of the Joint Successful Bidders (i.e. CBLE), and CBLE shall ensure timely and full payment to Sinochem Environment in accordance with the terms of their joint bidding agreement for the corresponding portion of the works.

REASONS FOR AND BENEFITS OF ENTERING INTO THE EPC GENERAL CONTRACTING AGREEMENT

The MCP washing equipment, chimneys and other environmental protection facilities of Sinochem Yunlong have been in operation for a prolonged period, resulting in declining performance and reduced reliability. In order to ensure safe operation, Sinochem Yunlong plans to undertake an environmental protection project for the reduction of particulate matter in the exhaust gas emissions from the MCP production process, and proceeded with the public tender process in accordance with the relevant requirements. Both CBLE and Sinochem Environment possess the requisite qualifications and expertise to provide services under the EPC General Contracting Agreement to Sinochem Yunlong.

The Directors (including the independent non-executive Directors), are of the view that the transaction under the EPC General Contracting Agreement is 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 EPC General Contracting Agreement or the transactions contemplated thereunder, no Director has abstained from voting on the resolution of the Board approving the EPC General Contracting Agreement and the transactions contemplated 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. Each of CBLE and Sinochem Environment is an indirect subsidiary of Sinochem Holdings, and is therefore a connected person of the Company. As such, the transactions under the EPC General Contracting Agreement constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.81 of the Listing Rules, a series of connected transactions will be aggregated and treated as if they were one transaction if they were all entered into or completed within a 12-month period or are otherwise related. Having taken into account the transactions of the similar nature previously conducted between the Group with Sinochem Holdings and its associates during the past 12 months, the highest applicable percentage ratio in respect of the transaction under the EPC General Contracting Contract, calculated on both a standalone basis and an aggregated basis, exceeds 0.1% but all applicable percentage ratios are less than 5%. Accordingly, the transaction under the EPC General Contracting Agreement is subject to the reporting and announcement requirements but is 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, and provision of technological research and development and services relating to crop nutrition business and products.

Sinochem Yunlong, an indirect wholly-owned subsidiary of the Company, is principally engaged in the mining, beneficiation, and production and sale of DCP.

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.

CBLE, an indirect subsidiary of Sinochem Holdings, is principally engaged in scientific research and development, design and consultancy, project general contracting and survey. Its business scope covers chemical mine engineering, environmental engineering, chemical engineering, construction engineering and municipal engineering.

Sinochem Environment, an indirect subsidiary of Sinochem Holdings, is principally engaged in the design, consultancy, equipment supply, installation, commissioning and other comprehensive integrated services for air pollution control and energy-saving renovation projects. Main products and services comprise VOCs (treatment of volatile organic compounds), desulphurisation and denitrification, water treatment, waste liquid incineration and solid waste management.

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
“CBLE”	中藍連海設計研究院有限公司 (China Bluestar Lehigh Engineering Corporation), a company incorporated in the PRC with limited liability, and a non-wholly owned subsidiary of Sinochem Holdings
“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
“EPC General Contracting Agreement”	the EPC General Contracting Agreement dated 11 July 2025 entered into between Sinochem Yunlong, and CBLE and Sinochem Environment in respect of the environmental protection project for the reduction of particulate matter in the exhaust gas emissions from the MCP production process
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Joint Successful Bidders”	CBLE and Sinochem Environment, the joint successful bidders for the EPC General Contracting Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“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
“Sinochem Environment”	中化環境大氣治理股份有限公司(Sinochem Environment Air Pollution Control Co., Ltd.), a company incorporated in the PRC with limited liability, and a non-wholly owned subsidiary of Sinochem Holdings
“Sinochem Holdings”	中國中化控股有限責任公司 (Sinochem Holdings Corporation Ltd.), a state-owned enterprise incorporated in the PRC, and the ultimate controlling shareholder of the Company
“Sinochem Yunlong”	中化雲龍有限公司 (Sinochem Yunlong Co., Ltd.), a company incorporated in the PRC with limited liability, and an indirect wholly-owned subsidiary 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

“0%”

percent

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

Hong Kong, 11 July 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.