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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 SINOCHEM FERTILIZER FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2018

This announcement is made by Sinofer Holdings Limited (the “**Company**”) 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 nine months ended 30 September 2018, 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.

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 October 2018

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) and Mr. Yang Lin; 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

Consolidated Balance Sheet

30 September 2018

RMB Yuan

Item	30 September 2018	31 December 2017
Current Assets		
Cash and bank balances	2,290,323,641.03	261,724,627.21
Notes receivable	1,076,730,683.17	190,637,930.88
Accounts receivable	177,425,727.37	37,560,005.22
Prepayments	1,538,453,259.10	1,427,546,698.70
Interest receivable	22,764,838.75	1,125,972.28
Other receivables	577,740,244.98	102,070,824.67
Inventories	4,515,646,817.55	4,999,795,934.46
Assets held for sale	-	8,017,384,700.93
Other current assets	1,055,810,620.41	1,052,295,700.54
Total Current Assets	11,254,895,832.36	16,090,142,394.89
Non-Current Assets		
Available-for-sale Financial assets	307,519,200.13	307,519,200.13
Long-term equity investments	897,596,543.44	891,862,276.45
Fixed assets	2,029,864,856.37	2,114,489,856.28
Construction in progress	390,858,979.63	311,997,964.48
Intangible assets	1,071,141,620.77	1,106,192,693.90
Goodwill	531,073,744.64	531,073,744.64
Long-term deferred and prepaid expenses	51,802,847.14	20,345,116.25
Deferred tax assets	17,560,092.75	17,210,511.11
Other non-current assets	116,420,000.00	-
Total Non-Current Assets	5,413,837,884.87	5,300,691,363.24
TOTAL ASSETS	16,668,733,717.23	21,390,833,758.13

Sinochem Fertilizer Company Limited
Consolidated Balance Sheet (continued)
30 September 2018
RMB Yuan

Item	30 September 2018	31 December 2017
Current Liabilities		
Short-term borrowings	63,000,000.00	541,798,500.00
Notes payable	1,154,081,970.83	1,996,824,985.23
Accounts payable	3,041,528,575.02	2,136,711,270.77
Receipts in advance	2,246,495,208.31	5,900,653,297.72
Employee benefits payable	77,620,630.15	119,850,153.86
Taxes and surcharges payable	91,778,775.11	72,382,558.75
Interests payable	113,137,803.11	34,636,359.19
Dividends payable	31,855,373.27	26,405,312.00
Other payables	833,542,389.75	458,471,624.79
Other current Liabilities	150,000.00	-
Total Current Liabilities	7,653,190,725.55	11,287,734,062.31
Non-Current Liabilities		
Long-term loans	-	1,500,000,000.00
Bonds payable	3,456,172,499.33	3,495,534,999.36
Long-term employee benefits payable	49,590,830.06	49,590,830.06
Estimated liabilities	48,931,672.79	48,931,672.79
Deferred tax liabilities	198,360,150.06	207,912,050.38
Deferred income	141,255,519.43	34,626,324.87
Total Non-Current Liabilities	3,894,310,671.67	5,336,595,877.46
TOTAL LIABILITIES	11,547,501,397.22	16,624,329,939.77
Owners' Equity		
Paid-in capital	10,600,000,000.00	10,600,000,000.00
Capital reserves	1,003,040,024.15	1,059,409,802.06
Special reserves	15,183,169.82	9,819,965.62
Surplus reserves	487,741,563.06	487,741,563.04
Retained profits	(6,875,497,328.94)	(7,180,362,216.93)
Total equity attributable to owners of the Company	5,230,467,428.09	4,976,609,113.79
Minority interests	(109,235,108.08)	(210,105,295.43)
TOTAL OWNERS' EQUITY	5,121,232,320.01	4,766,503,818.36
TOTAL LIABILITIES AND OWNERS' EQUITY	16,668,733,717.23	21,390,833,758.13

Sinochem Fertilizer Company Limited

Consolidated Income Statement

The Third Quarter of 2018

RMB Yuan

Item	Q3 2018	Q3 2017
Operating income	18,477,719,169.70	14,087,984,388.10
Less: Operating costs	17,051,720,159.54	13,020,070,843.70
Taxes and levies	28,508,005.17	29,032,565.54
Selling expenses	644,122,744.96	563,176,795.15
Administrative expenses	386,675,885.98	423,679,107.98
Finance expenses	137,954,345.60	272,703,865.62
Impairment loss of assets	828,620.85	-
Investment income	79,570,152.30	(168,731,386.89)
Gains from asset disposals	4,868,649.64	-
Other income	6,461,774.33	-
Operating profit / (loss)	318,809,983.87	(389,410,176.78)
Plus: Non-operating income	15,292,346.20	45,730,361.04
Less: Non-operating expenses	1,652,705.75	6,471,680.17
The total amount of profit/(loss)	332,449,624.32	(350,151,495.91)
Less: Income tax expenses	1,919,640.64	1,892,007.84
Net profit/(loss)	330,529,983.68	(352,043,503.75)
Net profit (loss) attributable to owners of the Company	310,228,092.19	(343,670,137.21)
Profit or loss attributable to minority interests	20,301,891.49	(8,373,366.54)
Other comprehensive income	-	-
Total comprehensive income	330,529,983.68	(352,043,503.75)
Total comprehensive income attributable to owners of the Company	310,228,092.19	(343,670,137.21)
Total comprehensive income attributable to minority interests	20,301,891.49	(8,373,366.54)

Sinochem Fertilizer Company Limited

Consolidated Cash Flow Statement

The Third Quarter of 2018

RMB Yuan

Item	Q3 2018	Q3 2017
1. Cash flows from operating activities		
Cash receipts from the sales of goods and the rendering of services	20,317,779,405.89	15,267,859,661.78
Other cash receipts relating to operating activities	132,293,431.88	146,438,195.83
Sub-total of cash inflows from operating activities	20,450,072,837.77	15,414,297,857.61
Cash payments for goods purchased and services received	20,200,456,547.02	14,762,092,575.61
Cash payments to and on behalf of employees	460,790,221.02	498,670,571.99
Payments of various types of taxes	83,922,504.14	87,974,076.08
Other cash payments relating to operating activities	763,061,270.27	748,425,821.80
Sub-total of cash outflows from operating activities	21,508,230,542.45	16,097,163,045.48
Net cash flows from operating activities	(1,058,157,704.68)	(682,865,187.87)
2. Cash flows from investing activities		
Cash receipts from returns on investments	52,197,151.77	35,347,463.54
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets	5,656,468,534.13	11,650,494.37
Sub-total of cash inflows from investing activities	5,708,665,685.90	46,997,957.91
Cash payments to acquire and construct fixed assets, intangible assets and other long-term assets	228,876,732.28	183,271,503.38
Cash payments to acquire investments	296,420,000.00	183,500,000.00
Sub-total of cash outflows from investing activities	525,296,732.28	366,771,503.38
Net cash flows from investing activities	5,183,368,953.62	(319,773,545.47)
3. Cash flows from financing activities		
Cash receipts from borrowings	2,020,500,000.00	3,470,000,000.00
Sub-total of cash inflows from financing activities	2,020,500,000.00	3,470,000,000.00
Cash repayments of borrowings	4,039,298,500.00	2,350,000,000.00
Cash payments for distribution of dividends or profits or settlement of interest expenses	78,034,713.11	232,598,786.38
Sub-total of cash outflows from financing activities	4,117,333,213.11	2,582,598,786.38
Net cash flows from financing activities	(2,096,833,213.11)	887,401,213.62
4. Effect on exchange rate change on cash and cash equivalents	220,977.99	(3,834,781.90)
5. Net increase in cash and cash equivalents	2,028,599,013.82	(119,072,301.62)
Plus: Cash and bank balances at 1 January	261,724,627.21	440,554,996.91
6. Cash and bank balances at 30 September	2,290,323,641.03	321,482,695.29

Sinochem Fertilizer Company Limited

Balance Sheet

30 September 2018

RMB Yuan

Item	30 September 2018	31 December 2017
Current Assets		
Cash and bank balances	2,104,988,069.55	194,037,660.27
Notes receivable	835,298,787.86	203,723,157.84
Accounts receivable	697,877,208.39	169,855,007.14
Prepayments	7,978,463,744.21	1,766,687,690.88
Dividend receivable	36,000,000.00	36,000,000.00
Interest receivable	25,486,879.29	7,129,097.34
Other receivables	211,191,043.19	135,530,776.56
Inventories	3,415,004,032.18	3,986,643,157.67
Assets held for sale	-	8,017,384,700.93
Other current assets	2,722,416,746.41	4,068,899,277.81
Total Current Assets	18,026,726,511.08	18,585,890,526.44
Non-Current Assets		
Available-for-sale financial assets	303,519,200.13	303,519,200.13
Long-term equity investments	5,463,553,677.75	3,573,490,357.57
Fixed assets	114,310,623.38	98,189,123.51
Intangible assets	14,947,231.60	16,125,477.25
Long-term deferred and prepaid expenses	25,086,471.38	645,706.86
Deferred tax assets	5,653,047.72	5,653,047.72
Other non-current assets	383,783,785.61	777,133,825.24
Total Non-Current Assets	6,310,854,037.57	4,774,756,738.28
TOTAL ASSETS	24,337,580,548.65	23,360,647,264.72

Sinochem Fertilizer Company Limited

Balance Sheet (continued)

30 September 2018

RMB Yuan

Item	30 September 2018	31 December 2017
Current Liabilities		
Short-term borrowings	433,300,000.00	837,598,500.00
Notes payable	872,270,651.94	1,978,327,158.32
Accounts payable	8,548,778,747.31	1,646,585,935.08
Receipts in advance	2,597,691,223.15	5,952,292,646.96
Employee benefits payable	20,997,038.97	7,247,901.17
Taxes and surcharges payable	80,499,079.56	63,570,267.02
Interests payable	114,390,040.64	35,153,481.99
Other payables	245,948,950.48	267,208,523.00
Total Current Liabilities	12,913,875,732.05	10,787,984,413.54
Non-Current Liabilities		
Long-term borrowings	-	1,500,000,000.00
Bonds payable	3,496,172,499.33	3,495,534,999.36
Deferred income	2,733,500.00	2,733,500.00
Total Non-Current Liabilities	3,498,905,999.33	4,998,268,499.36
TOTAL LIABILITIES	16,412,781,731.38	15,786,252,912.90
Owners' Equity		
Paid-in capital	10,600,000,000.00	10,600,000,000.00
Capital reserves	1,085,775,208.41	1,055,021,317.21
Surplus reserves	498,894,604.32	498,894,604.32
Retained profits	(4,259,870,995.46)	(4,579,521,569.71)
TOTAL OWNERS' EQUITY	7,924,798,817.27	7,574,394,351.82
TOTAL LIABILITIES AND OWNERS' EQUITY	24,337,580,548.65	23,360,647,264.72

Sinochem Fertilizer Company Limited

Income Statement

The Third Quarter of 2018

RMB Yuan

Item	Q3 2018	Q3 2017
Operating income	17,423,158,747.16	13,036,736,003.00
Less: Operating costs	16,613,650,128.61	12,384,501,883.92
Taxes and levies	5,654,046.58	5,221,328.08
Selling expenses	412,177,691.49	355,763,986.08
Administrative expenses	177,312,922.32	161,640,656.76
Finance expenses	136,997,428.11	272,039,091.75
Impairment loss of assets	869,907.12	-
Investment income	232,257,325.57	(42,957,820.73)
Operating profit /(loss)	308,753,948.50	(185,388,764.32)
Plus: Non-operating income	11,065,144.55	28,425,215.93
Less: Non-operating expenses	168,518.80	323,858.71
Total amount of profit/(loss)	319,650,574.25	(157,287,407.10)
Less: Income tax expenses	-	-
Net profit/(loss)	319,650,574.25	(157,287,407.10)
Other comprehensive income	-	-
Total comprehensive income	319,650,574.25	(157,287,407.10)

Sinochem Fertilizer Company Limited

Cash Flow Statement

The Third Quarter of 2018

RMB Yuan

Item	Q3 2018	Q3 2017
1. Cash flows from operating activities		
Cash receipts from the sales of goods and the rendering of services	19,279,855,949.43	14,348,707,856.73
Other cash receipts relating to operating activities	39,760,157.74	30,151,437.96
Sub-total of cash inflows from operating activities	19,319,616,107.17	14,378,859,294.69
Cash payments for goods purchased and services received	20,231,894,452.46	14,367,085,340.38
Cash payments to and on behalf of employees	247,928,806.65	225,314,644.21
Payments of various types of taxes	38,994,452.89	26,431,637.98
Other cash payments relating to operating activities	460,749,129.98	351,722,281.14
Sub-total of cash outflows from operating activities	20,979,566,841.98	14,970,553,903.71
Net cash flows from operating activities	(1,659,950,734.81)	(591,694,609.02)
2. Cash flows from investing activities		
Cash receipts from returns on investments	143,836,223.44	160,393,900.00
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets	5,629,650,124.14	2,116,594.87
Sub-total of cash inflows from investing activities	5,773,486,347.58	162,510,494.87
Cash payments to acquire and construct fixed assets, intangible assets and other long-term assets	23,734,694.56	45,307,897.25
Cash payments to acquire investments	199,544,013.57	576,307,447.81
Sub-total of cash outflows from investing activities	223,278,708.13	621,615,345.06
Net cash flows from investing activities	5,550,207,639.45	(459,104,850.19)
3. Cash flows from financing activities		
Cash receipts from borrowings	2,090,000,000.00	3,422,140,000.00
Sub-total of cash inflows from financing activities	2,090,000,000.00	3,422,140,000.00
Cash repayments of borrowings	3,994,298,500.00	2,350,000,000.00
Cash payments for distribution of dividends or profits or settlement of interest expenses	79,402,976.24	234,323,459.96
Sub-total of cash outflows from financing activities	4,073,701,476.24	2,584,323,459.96
Net cash flows from financing activities	(1,983,701,476.24)	837,816,540.04
4. Effect on exchange rate change on cash and cash equivalents	4,394,980.88	(1,533,639.48)
5. Net increase in cash and cash equivalents	1,910,950,409.28	(214,516,558.65)
Plus: Cash and bank balances at 1 January	194,037,660.27	402,966,022.76
6. Cash and bank balances at 30 September	2,104,988,069.55	188,449,464.11