SINOFERT HOLDINGS LIMITED
中化化肥控股有限公司

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

ANNOUNCEMENT
MAJOR AND CONTINUING CONNECTED TRANSACTIONS UNDER THE FINANCIAL SERVICES FRAMEWORK AGREEMENT

MAJOR AND CONTINUING CONNECTED TRANSACTIONS UNDER THE FINANCIAL SERVICES FRAMEWORK AGREEMENT

References are made to the announcements of the Company dated 24 August 2021, 5 August 2022 and 11 October 2023 in relation to the Existing Financial Services Framework Agreement entered into between the Company and Sinochem Finance. Pursuant to the Existing Financial Services Framework Agreement, the Group may utilize the financial services available from Sinochem Finance as it deems necessary for a term up to 31 December 2026.

On 27 October 2025, the Company and Sinochem Finance entered into the Financial Services Framework Agreement to increase the maximum daily outstanding balance of deposits placed by the Group with Sinochem Finance and to extend its term for a further period of three years, which shall take effect from the date immediately following the approval by the Independent Shareholders at the SGM. Upon the Financial Services Framework Agreement becoming effective, the Existing Financial Services Framework Agreement will cease to have effect.

IMPLICATIONS OF THE LISTING RULES

Sinochem Holdings is the ultimate controlling shareholder of the Company, indirectly holding approximately 52.65% of the total issued shares of the Company, and is therefore a connected person of the Company. As Sinochem Finance is owned as to 37% by Sinochem Holdings and as to 63% in aggregate by Sinochem Corporation (an indirect subsidiary of Sinochem Holdings) and its subsidiary, Sinochem Finance is a connected person of the Company. As such, the transactions contemplated under the Financial Services Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Given that the applicable percentage ratios in respect of the maximum daily outstanding balance of the Deposit Services under the 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.

As the Deposit Services are regarded as the Group providing financial assistance under the Listing Rules, the Company has aggregated the Deposit Services under the Financial Services Framework Agreement and the transactions under the Sinochem Agriculture Agreement and the CNSG Agreement to assess the classification of the transactions under Chapter 14 of the Listing Rules. Given that the applicable percentage ratios in respect of the maximum daily outstanding balance of the Deposit Services under the Financial Services Framework Agreement , both on a standalone basis and when aggregated with the maximum amount of the funds provided under the Sinochem Agriculture Agreement and the CNSG Agreement, are more than 25% but less than 100%, such transactions constitute a major transaction of the Company under Chapter 14 of the Listing Rules and are subject to the reporting, announcement and shareholders' approval requirements.

Pursuant to Rule 14A.90 of the Listing Rules, the Loan Services (excluding entrustment loans) provided by Sinochem Finance to the Group under the Financial Services Framework Agreement 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 expected transaction amounts of the Other Financial Services during the term of the Financial Services Framework Agreement are less than 0.1%, the Other Financial Services are exempt from the reporting, announcement, annual review and independent shareholders' approval requirements 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 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 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 as defined 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 others, the details of the 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 by the Company to its shareholders. As the Company requires additional time to prepare and finalize certain information for inclusion in the circular, it will dispatch the circular to its shareholders on or before 5 December 2025.

MAJOR AND CONTINUING CONNECTED TRANSACTIONS UNDER THE FINANCIAL SERVICES FRAMEWORK AGREEMENT

References are made to the announcements of the Company dated 24 August 2021, 5 August 2022 and 11 October 2023 in relation to the Existing Financial Services Framework Agreement entered into between the Company and Sinochem Finance. Pursuant to the Existing Financial Services Framework Agreement, the Group may utilize the financial services available from Sinochem Finance as it deems necessary for a term up to 31 December 2026.

On 27 October 2025, the Company and Sinochem Finance entered into the Financial Services Framework Agreement to increase the maximum daily outstanding balance of deposits placed by the Group with Sinochem Finance and to extend its term for a further period of three years, which shall take effect from the date immediately following the approval by the Independent Shareholders at the SGM. Upon the Financial Services Framework Agreement becoming effective, the Existing Financial Services Framework Agreement will cease to have effect.

Principal Terms of the Financial Services Framework Agreement

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. Such funds deposited by members of the Group will be applied for the purposes of providing entrustment loans 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 credit 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 non-financing guarantees at the request of members of the Group for 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 other financial services provided by Sinochem Finance as approved by the NFRA; and

(ix) risk assessment and risk control services provided by Sinochem Finance through compliance with regulatory requirements and internal rules as well as the conduct of credit reviews.

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 Financial Services Framework Agreement are determined on the following basis:

(i) Deposit Services: interest rates shall not be lower than the interest rates for deposits of the same tenure and type as offered by the main independent commercial banks with which the Group maintains cooperation in the PRC, provided that it complies with regulatory requirements;

(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 in the PRC with which the Group maintains cooperation;

(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 in the PRC;

(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 in the PRC;

(v) buyer credit 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 in the PRC;

(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 NFRA: the service fees charged for these services shall not be higher than the prevailing market rates or standard rates promulgated by the NFRA from time to time (if applicable).

Term

The Financial Services Framework Agreement shall take effect from the date immediately following its approval by the Independent Shareholders at the SGM and shall remain in force for a term of three years, upon which the Existing Financial Services Framework Agreement shall cease to have effect.

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 Financial Services Framework Agreement.

In the event that the Deposit Services under the Financial Services Framework Agreement are not approved by the Independent Shareholders at the SGM, the Company will ensure that the maximum daily outstanding balance of the deposits placed by the Group with Sinochem Finance will not exceed the original cap amount of the deposit services under the Existing Financial Services Framework Agreement up to its original expiry date of 31 December 2026.

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 shall 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 NFRA 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 NFRA.

Sinochem Finance has also undertaken that at all times the sum of the outstanding amount of the loans it provides to its customers (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 Financial Services Framework Agreement, Sinochem Finance shall compensate the Group for the full amount of the loss suffered. Sinochem Corporation (as a holding company of Sinochem Finance) will issue an undertaking in favour of the Company, pursuant to which Sinochem Corporation will procure Sinochem Finance to perform its obligations under the Financial Services Framework Agreement.

Annual Caps

Deposit Services

The Company intends to revise the maximum daily outstanding balance of the deposits placed by the Group with Sinochem Finance from RMB3,000,000,000 to RMB5,000,000,000 for the period from the effective date of the Financial Services Framework Agreement up to 31 December 2026, and to set the maximum daily outstanding balance of the deposits placed by the Group with Sinochem Finance for the year ending 31 December 2027 and for the period from 1 January 2028 up to the expiry of the Financial Services Framework Agreement (being three years from the date of its effectiveness) as RMB5,000,000,000. Such maximum daily outstanding balance has been determined after taking into account several factors, including:

(i) The Group has been utilizing the financial services provided by Sinochem Finance for more than fifteen years. In recent years, with the initial results of the Group's "Bio+" strategy and further business expansion, the demand for settlement with subsidiaries of Sinochem Holdings and members of the Group through accounts with Sinochem Finance has continued to grow. In the first half of 2025, the Group's turnover increased by approximately 7.56% compared with the corresponding period in 2024 and by approximately 12.08% compared with the corresponding period in 2023 (being the year of the last amendment to the Existing Financial Services Framework Agreement). The profitability and cash flow position of the Group have continued to improve. For the year ended 31 December 2024, the Group recorded a net profit of approximately RMB1,075 million and net cash inflow from operating activities of approximately RMB1,042 million, and cash and bank balances of approximately RMB5,073 million as at 31 December 2024. For the six months ended 30 June 2025, the Group recorded a net profit of approximately RMB1,108 million and net cash inflow from operating activities of approximately RMB39 million, and cash and bank balances of approximately RMB5,302 million as at 30 June 2025. The average balance of cash and bank deposits of the Group in the first half of 2025 was approximately RMB5,257 million, with a maximum balance of approximately RMB6,155 million during the period, representing an increase of approximately RMB800 million compared with the corresponding period in 2024 and approximately RMB1,200 million compared with the corresponding period in 2023;

(ii) According to the announcement of the Company dated 2 December 2024, the annual caps for the transactions in respect of the sale of fertilizer and other fertilizer raw materials procured from the overseas subsidiaries of the Company to Sinochem Group shall be US$1,297,000,000, US$1,410,000,000 and US$1,511,000,000 for the three years ending 31 December 2025, 2026 and 2027, respectively; and the annual caps for the transactions in respect of the purchase of fertilizer and other fertilizer raw materials by Sinochem Fertilizer (or other domestic subsidiaries of the Company) from Sinochem Group shall be RMB9,744,000,000, RMB10,579,000,000 and RMB11,335,000,000 for the three years ending 31 December 2025, 2026 and 2027, respectively. With the expansion of the scale of purchase and sales between the Group and subsidiaries of Sinochem Group, the demand for settlement with subsidiaries of Sinochem Holdings and members of the Group through accounts with Sinochem Finance is expected to further increase. In particular, the historical maximum daily outstanding balance of deposits placed by the Group with Sinochem Finance for the year ended 31 December 2024 reached approximately 95% of the original daily cap under the Existing Financial Services Framework Agreement, and further reached 100% of such cap during the six months period ended 30 June 2025. Increasing the cap will therefore allow the Group to fully utilize the convenient and free-of-charge settlement services offered by Sinochem Finance;

(iii) Sinochem Finance has set the interest rates of its various deposit products to the maximum limit stipulated in the regulation of the market interest rate pricing self-regulatory mechanism of the PBOC, so that the interest rates of its deposit products are the highest among the deposit products of the same type and with the same duration in the market. Meanwhile, Sinochem Finance is also able to provide flexible and convenient procedures for withdrawals to meet the funding requirement of the Group for its business development in a timely manner. Increasing the cap on the Deposit Services under the Financial Services Framework Agreement will allow the Group to fully enjoy the advantageous Deposit Services offered by Sinochem Finance, so as to create the greatest value for its shareholders; 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 2024 and the six months ended 30 June 2025, the maximum daily outstanding balances of the deposits placed by the Group with Sinochem Finance were approximately RMB1,973,525,000, RMB2,850,000,000 and RMB3,000,000,000, respectively.

As at the date of this announcement, the maximum daily outstanding balance of the deposit services under the Existing Financial Services Framework Agreement has not exceeded the original cap disclosed in the announcement of the Company dated 11 October 2023.

Other Financial Services

Having considered factors such as the Group's capital management strategy, business development needs and the historical transaction amounts of the relevant services, the Company expects that the transaction amounts of the Other Financial Services during the term of the Financial Services Framework Agreement will remain at a relatively low level. Based on the calculation, the applicable percentage ratios in respect of the Other Financial Services are all less than 0.1%. Accordingly, pursuant to Chapter 14A of the Listing Rules, such transactions are fully exempt from the reporting, announcement, annual review and independent shareholders' approval requirements.

For the two years ended 31 December 2024 and the six months ended 30 June 2025, the historical transaction amounts of the other financial services in aggregate were approximately RMB366,000, RMB381,000 and RMB58,750, respectively.

As at the date of this announcement, the transaction amounts of the other financial services under the Existing Financial Services Framework Agreement have not exceeded the original cap disclosed in the announcement of the Company dated 11 October 2023.

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:

(i) 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 as offered by the main independent commercial banks with which it maintains cooperation in the PRC, and ensure that, subject to regulatory requirements, the deposit interest rates offered by Sinochem Finance are no less than those offered by such banks;

(ii) 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, at least three comparable interest rates on such deposits quoted by independent commercial banks in the PRC with which the Group maintains bank accounts, and take into account the service fee charged by the independent commercial banks for the settlement services (the settlement services offered by Sinochem Finance are free of charge). 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;

(iii) 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 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, after taking into account a number of factors including interest rate being offered, and quality and flexibility of the services to be provided by Sinochem Finance and independent commercial banks or financial institutions based on previous experience;

(iv) 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;

(v) 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; (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; (iv) inform the Company within three business days in writing upon the occurrence of any of the following events: (a) any bank run, failure to repay any material debts when due, material overdue loans, material system failures, or any other material incidents such as robbery or fraud; (b) any material organizational changes, operational risks or other events which may affect or are likely to affect the normal operations of Sinochem Finance; or (c) any major circumstances where Sinochem Finance is ordered by the NFRA or other competent regulatory authorities to take rectifications; and (v) provide the Company with a risk assessment report on Sinochem Finance prepared by PRC certified public accountants on a semi-annual basis;

(vi) Sinochem Finance will provide regulatory ratios under regulatory requirements, including capital adequacy ratio, non-performing asset ratio, etc., to the Company on a quarterly basis;

(vii) 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;

(viii) In the case of any significant credit risk events involving Sinochem Finance and its significant shareholders and de facto controller (being Sinochem Holdings, Sinochem Group and Sinochem Corporation), including but not limited to its bonds issued in the open market being overdue for more than seven business days or its obligation to make repayment for any large amount of debts guaranteed by it being triggered, the Group will not continue to place additional deposits with Sinochem Finance and will arrange to withdraw its existing deposits;

(ix) Sinochem Finance will also provide the Group with quarterly information on its interbank deposits and asset structure, including interbank placements, readily disposable assets and assets requiring a longer period of time for disposal;

(x) The Company will closely monitor the operating conditions of Sinochem Finance. In the event of circumstances that may affect the security of the Group's deposits, including but not limited to non-compliance with regulatory ratios under the Measures for the Administration of Finance Companies of Enterprise Groups, bank runs, overdue debts, significant overdue loans, major system failures, regulatory rectification orders or other material incidents, the Company will take appropriate measures to mitigate the risks and safeguard its deposits;

(xi) The Company will monitor on a daily basis the status of its overall financial assistance to Sinochem Holdings and its associates (including, among others, its deposits with Sinochem Finance under the Financial Services Framework Agreement and the provision of funds to Sinochem Agriculture and CNSG under the relevant agreements) to ensure that the outstanding amount of such financial assistance will not exceed 50% of the consolidated net assets of the Company as set out in its latest published consolidated financial statements (being approximately RMB5,649 million as at the date of this announcement, for illustrative purpose only). Within this threshold, the Company will set a monitoring cap on the deposits placed with Sinochem Finance and require Sinochem Finance to implement system control based on such monitoring cap. If the deposits exceed the monitoring cap, the system will automatically transfer the excess deposits to the Company's pre-designated external commercial bank accounts; and

(xii) 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 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 fifteen 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. In addition, under the Financial Services Framework Agreement, Sinochem Finance will continue to provide payment services on a 24-hour, seven-day basis to the Company and its subsidiaries, and will waive certain fees, including (a) corporate-bank direct connection interface fees for 19 directly connected banks (excluding Swift and CIPS channels); (b) financial-enterprise direct connection interface and maintenance fees; (c) bank confirmation fees; and (d) online banking USB token production fees; 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 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 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 NFRA 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 NFRA (including its predecessor, the China Banking and Insurance Regulatory Commission) monitors Sinochem Finance's compliance with relevant regulatory authorities and conducts on-site visits from time to time. To the knowledge of the Company, the NFRA has not taken any disciplinary actions, or imposed penalties or fines on Sinochem Finance since its incorporation;

(iii) According to the relevant laws and regulations promulgated by the NFRA and as set out in the articles of association of Sinochem Finance, in the event that Sinochem Finance falls into financial difficulty, Sinochem Holdings, being the ultimate controlling shareholder of Sinochem Finance, has the obligation to take all required steps, including but not limited to additional capital contribution to Sinochem Finance based on its funding needs, to restore its financial position; and

(iv) Sinochem Corporation will also issue an undertaking in favour of the Company, pursuant to which it will procure Sinochem Finance to perform its obligations under the Financial Services Framework Agreement. Sinochem Corporation is a state-owned enterprise and a public market financing entity with publicly available financial information, which enhances transparency of its financial position. Based on its consolidated management accounts, as at 31 December 2024, Sinochem Corporation had registered and fully paid-up capital of approximately RMB46,550 million, total owners' equity of approximately RMB301,916 million, and bank balance and cash of approximately RMB27,114 million. For the year ended 31 December 2024, the net profit of Sinochem Corporation amounted to approximately RMB3,686 million. To the knowledge of the Company, Sinochem Corporation has not defaulted on any of its credit obligations in the past five years.

The Directors, other than the independent non-executive Directors who will express their opinion in a separate letter to be included in the circular, are of the view that the transactions contemplated under the 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 under the Financial Services Framework Agreement is fair and reasonable.

IMPLICATIONS OF THE LISTING RULES

Sinochem Holdings is the ultimate controlling shareholder of the Company, indirectly holding approximately 52.65% of the total issued shares of the Company, and is therefore a connected person of the Company. As Sinochem Finance is owned as to 37% by Sinochem Holdings and as to 63% in aggregate by Sinochem Corporation (an indirect subsidiary of Sinochem Holdings) and Sinochem Capital Co., Ltd. (a non wholly-owned subsidiary of Sinochem Corporation, Sinochem Finance is a connected person of the Company. As such, the transactions contemplated under the Financial Services Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Given that the applicable percentage ratios in respect of the maximum daily outstanding balance of the Deposit Services under the 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.

As the Deposit Services are regarded as the Group providing financial assistance under the Listing Rules, the Company has aggregated the Deposit Services under the Financial Services Framework Agreement and the transactions under the Sinochem Agriculture Agreement and the CNSG Agreement to assess the classification of the transactions under Chapter 14 of the Listing Rules. Given that the applicable percentage ratios in respect of the maximum daily outstanding balance of the Deposit Services under the Financial Services Framework Agreement, both on a standalone basis and when aggregated with the maximum amount of the funds provided under the Sinochem Agriculture Agreement and the CNSG Agreement, are more than 25% but less than 100%, such transactions constitute a major transaction of the Company under Chapter 14 of the Listing Rules and are subject to the reporting, announcement and shareholders' approval requirements.

Pursuant to Rule 14A.90 of the Listing Rules, the Loan Services (excluding entrustment loans) provided by Sinochem Finance to the Group under the Financial Services Framework Agreement 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 expected transaction amounts of the Other Financial Services during the term of the Financial Services Framework Agreement are less than 0.1%, the Other Financial Services are exempt from the reporting, announcement, annual review and independent shareholders' approval requirements 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 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 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 as defined 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 others, the details of the 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 by the Company to its shareholders. As the Company requires additional time to prepare and finalize certain information for inclusion in the circular, it will dispatch the circular to its shareholders on or before 5 December 2025.

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 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 SASAC.

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 NFRA. 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, 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
"CNSG"	中國種子集團有限公司 (China National Seed Group Co., Ltd.), a company incorporated in the PRC with limited liability, and a wholly-owned subsidiary of Syngenta Group
"CNSG Agreement"	the agreement for the use of fund dated 11 October 2023 entered into between Sinochem Fertilizer, as the lender, and CNSG, as the borrower, details of which are set out in the announcement of the Company dated 11 October 2023 and the circular of the Company dated 6 December 2023
"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
"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 Financial Services Framework Agreement
"Director(s)"	the director(s) of the Company
"Existing Financial Services Framework Agreement"	the financial services framework agreement dated 24 August 2021 entered into between the Company and Sinochem Finance (as revised and renewed by the first supplemental agreement dated 5 August 2022, and the second supplemental agreement dated 11 October 2023, both entered into between the parties)
"Financial Services Framework Agreement"	the financial services framework agreement dated 27 October 2025 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 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 Financial Services Framework Agreement
"Independent Shareholders"	shareholders other than Sinochem Holdings 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 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
"NFRA"	National Financial Regulatory Administration, the predecessor of which is the China Banking and Insurance Regulatory Commission
"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 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 NFRA
"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 Financial Services Framework Agreement
"shareholder(s)"	registered holder(s) of ordinary share(s) of HK$0.10 each in the share capital of the Company
"Sinochem Agriculture"	中化現代農業有限公司 (Sinochem Agriculture Holdings Limited), a limited liability company incorporated in the PRC, and a wholly-owned subsidiary of Syngenta Group
"Sinochem Agriculture Agreement"	the agreement for the use of fund dated 11 October 2023 entered into between Sinochem Fertilizer, as the lender, and Sinochem Agriculture, as the borrower, details of which are set out in the announcement of the Company dated 11 October 2023 and the circular of the Company dated 6 December 2023
"Sinochem Corporation"	中國中化股份有限公司 (Sinochem Corporation), a limited liability company incorporated in the PRC, and a subsidiaryof Sinochem Group
"Sinochem Fertilizer"	中化化肥有限公司 (Sinochem Fertilizer Company Limited), a limited liability company incorporated in the PRC, and an indirect wholly-owned subsidiary of the Company
"Sinochem Finance"	中化集團財務有限責任公司 (Sinochem Group Finance Co., Ltd.), a limited liability company incorporated in the PRC, and a subsidiary of Sinochem Holdings
"Sinochem Group"	中國中化集團有限公司 (Sinochem Group Co., Ltd.), a limited liability company incorporated in the PRC, and a 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, which is wholly owned by the SASAC, and is 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

"Syngenta Group"	先正達集團股份有限公司 (Syngenta Group Co., Ltd.), a limited liability company incorporated in the PRC, an indirect wholly-owned subsidiary of Sinochem Holdings, and the indirect controlling shareholder of the Company
"US$"	United States dollars, the lawful currency of the United States of America
"%"	percent

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

Hong Kong, 27 October 2025

As at the date of this announcement, the non-executive directors of the Company are Mr. Su Fu (Chairman) and Ms. Zhang Guangyan; 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.