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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 2013

This announcement is made pursuant to the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance and Rules 13.09 and 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Reference is made to the announcement made by Sinofert Holdings Limited (the “Company”) on 26 April 2013 in relation to the issue of the first tranche of the short-term commercial paper in 2013 by Sinochem Fertilizer Co., Ltd. (“Sinochem Fertilizer”), a wholly-owned subsidiary of the Company.

Set out below are the financial data of Sinochem Fertilizer and its subsidiaries on a consolidated basis and the financial data of Sinochem Fertilizer, which were prepared based on the management accounts reviewed by the management of the Company and in accordance with the China Accounting Standards for Business Enterprises. Such financial data have no difference from those prepared in accordance with the Hong Kong Accounting Standards.

The Company wishes to inform shareholders of the Company and potential investors that due to further deterioration of the domestic and overseas fertilizer markets when compared to the first half of 2013, the operating results of the Company and its subsidiaries (the “Group”) continue to exhibit a downward trend, and it is expected that there will be a significant deterioration in the operating results of the Group for the year 2013 as compared with those for the year 2012. The Company will closely monitor the operating performance of the Group and provide further update as and when appropriate.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.

CONSOLIDATED BALANCE SHEET

	As at 30 September 2013 RMB (Unaudited)	As at 31 December 2012 RMB (Audited)
Cash and bank balances	493,912,930.45	320,651,613.05
Bills receivables	669,444,281.73	665,677,022.58
Dividends receivable	16,000,000.00	–
Interest receivable	11,851,257.45	12,663,418.40
Trade receivables	505,333,155.16	486,015,790.15
Other receivables	150,979,991.92	145,203,982.45
Advance payments to suppliers	951,599,266.72	2,135,677,164.54
Inventories	5,141,073,999.71	5,227,905,094.18
Other current assets	2,104,996,679.40	2,145,200,000.00
Total Current Assets	10,045,191,562.54	11,138,994,085.35
Available-for-sale investments	85,000,000.00	85,000,000.00
Long-term equity investments	8,961,253,167.62	8,955,231,177.98
Investment properties	–	14,611,651.92
Fixed assets	2,788,915,221.33	2,948,209,667.60
Materials for construction of fixed assets	1,114,319.42	1,119,851.26
Construction in progress	306,521,541.57	213,230,393.11
Intangible assets	1,252,748,734.99	1,277,470,734.06
Goodwill	531,073,744.64	531,073,744.64
Long-term prepaid expenses	24,740,582.78	26,159,718.94
Deferred tax assets	674,414,938.21	674,865,210.29
Other non-current assets	–	3,962,878.79
Total Non-Current Assets	14,625,782,250.56	14,730,935,028.59
TOTAL ASSETS	24,670,973,813.10	25,869,929,113.94

	As at 30 September 2013 <i>RMB</i> (Unaudited)	As at 31 December 2012 <i>RMB</i> (Audited)
Short-term borrowings	188,250,000.00	879,247,748.52
Bills payables	631,417,247.99	242,454,110.00
Trade payables	7,377,947,419.93	7,384,952,069.89
Receipts in advance	1,569,501,455.09	2,730,946,338.27
Employee benefits payable	106,868,360.66	162,616,490.22
Dividends payable	24,000,000.00	12,000,000.00
Interest payable	121,014,304.86	14,166,089.47
Taxes and surcharges payable	31,761,722.49	44,594,411.94
Other payables	492,388,698.39	914,594,688.07
Non-current liabilities due within one year	–	141,000,000.00
Other current liabilities	1,000,000,000.00	–
Total Current Liabilities	11,543,149,209.41	12,526,571,946.38
Long-term borrowings	–	401,300,000.00
Bonds payable	2,485,547,499.53	2,483,784,999.56
Contingent liabilities	37,927,864.99	37,927,864.99
Deferred tax liabilities	262,425,617.84	271,944,719.74
Other non-current liabilities	133,963,576.32	140,390,984.83
Total Non-Current Liabilities	2,919,864,558.68	3,335,348,569.12
TOTAL LIABILITIES	14,463,013,768.09	15,861,920,515.50
Paid-in capital	7,600,000,000.00	7,600,000,000.00
Capital reserve	889,134,238.26	684,014,238.26
Surplus reserve	487,741,563.04	487,741,563.04
Special reserve	50,719,119.73	46,800,663.12
Retained profits	881,488,317.48	867,304,080.31
Total equity attributable to owners of the Company	9,909,083,238.51	9,685,860,544.73
Non-controlling interests	298,876,806.50	322,148,053.71
TOTAL LIABILITIES AND EQUITY	24,670,973,813.10	25,869,929,113.94

CONSOLIDATED INCOME STATEMENT

From January to September

	2013 <i>RMB</i> (Unaudited)	2012 <i>RMB</i> (Unaudited)
Operating income	27,943,124,628.96	31,493,650,611.59
Less: Operating costs	26,937,794,929.40	29,781,291,246.33
Business taxes and levies	15,588,222.33	71,925,097.71
Selling expenses	557,951,030.18	523,528,435.78
Administrative expenses	365,434,960.73	397,020,699.62
Financial expenses	181,927,238.20	269,793,362.17
Impairment loss of assets	101,644,585.25	78,571,036.88
Add: Investment income	137,723,346.09	249,732,578.79
Operating (loss)/profit	(79,492,991.04)	621,253,311.89
Add: Non-operating income	70,418,860.59	20,922,637.08
Less: Non-operating expenses	5,988,934.59	5,995,362.45
Total (loss)/profit	(15,063,065.04)	636,180,586.52
Less: Income tax expenses	7,295,721.79	82,383,562.16
Net (loss)/profit	(22,358,786.83)	553,797,024.36
Less: Net (loss)/profit for the period attributable to non-controlling interests	(52,461,480.61)	40,775,670.46
Net profit for the period attributable to owners of the Company	30,102,693.78	513,021,353.90

CONSOLIDATED CASH FLOWS STATEMENT

From January to September

	2013 RMB (Unaudited)	2012 RMB (Unaudited)
Cash flows from operating activities		
Cash receipts from the sales of goods and the rendering of services	26,773,297,473.57	30,579,358,116.33
Other cash receipts relating to operating activities	179,060,506.93	78,029,692.46
Sub-total of cash inflows	<u>26,952,357,980.50</u>	<u>30,657,387,808.79</u>
Cash payments for goods purchased and services received	24,951,660,436.44	28,487,304,920.98
Cash payments to and on behalf of employees	448,720,674.32	412,906,801.49
Payments of various types of taxes	114,486,748.96	210,837,977.80
Other cash payments relating to operating activities	729,198,520.06	689,649,878.80
Sub-total of cash outflows	<u>26,244,066,379.78</u>	<u>29,800,699,579.07</u>
Net cash flows from operating activities	<u>708,291,600.72</u>	<u>856,688,229.72</u>
Cash flows from investing activities		
Cash receipts from disposals and withdraw on investment	18,459,990,000.00	19,275,937,559.70
Cash receipts from returns on investments	126,775,054.85	35,755,105.06
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets	23,090,328.81	3,522,726.82
Sub-total of cash inflows	<u>18,609,855,383.66</u>	<u>19,315,215,391.58</u>
Cash payments to acquire and construct fixed assets, intangible assets and other long-term assets	286,104,694.54	203,039,987.50
Cash payments to acquire investments	18,786,590,000.00	19,182,500,000.00
Sub-total of cash outflows	<u>19,072,694,694.54</u>	<u>19,385,539,987.50</u>
Net cash flows from investing activities	<u>(462,839,310.88)</u>	<u>(70,324,595.92)</u>
Cash flows from financing activities		
Cash receipts from investors in making investment in the enterprise	229,400,000.00	—
Cash receipts from borrowings	1,274,435,612.67	547,649,990.75
Other cash receipts relating to financing activities	1,800,000.00	14,910,000.00
Sub-total of cash inflows	<u>1,505,635,612.67</u>	<u>562,559,990.75</u>
Cash repayments of borrowings	1,506,547,748.52	1,098,272,113.83
Cash payments for distribution of dividends or profits or settlement of interest expenses	71,276,914.85	186,688,686.98
Sub-total of cash outflows	<u>1,577,824,663.37</u>	<u>1,284,960,800.81</u>
Net cash flows from financing activities	<u>(72,189,050.70)</u>	<u>(722,400,810.06)</u>
Net change in cash and cash equivalents	<u>173,263,239.14</u>	<u>63,962,823.74</u>

BALANCE SHEET

	As at 30 September 2013 RMB (Unaudited)	As at 31 December 2012 RMB (Audited)
Cash and bank balances	326,720,649.65	250,704,441.40
Bills receivables	518,957,913.38	352,771,782.69
Dividends receivable	52,000,000.00	18,000,000.00
Interest receivable	58,749,060.34	40,126,982.51
Trade receivables	334,981,673.36	203,319,603.38
Other receivables	137,657,062.23	142,852,750.09
Advance payments to suppliers	611,724,104.22	1,620,583,062.48
Inventories	3,686,572,428.68	3,666,216,429.47
Other current assets	5,205,720,000.00	4,502,500,000.00
Total Current Assets	10,933,082,891.86	10,797,075,052.02
Available-for-sale investments	85,000,000.00	85,000,000.00
Long-term equity investments	11,758,791,576.96	11,365,450,293.67
Investment properties	–	14,611,651.92
Fixed assets	40,272,717.47	40,821,386.43
Intangible assets	11,197,427.37	7,521,267.76
Long-term prepaid expenses	1,630,334.28	1,858,303.20
Deferred tax assets	635,626,534.57	646,228,338.79
Total Non-Current Assets	12,532,518,590.65	12,161,491,241.77
TOTAL ASSETS	23,465,601,482.51	22,958,566,293.79
Short-term borrowings	467,759,947.33	331,997,748.52
Bills payables	549,348,507.99	180,231,150.00
Trade payables	7,189,131,554.17	7,140,737,363.55
Receipts in advance	1,430,463,866.39	2,389,497,041.92
Employee benefits payable	15,951,540.34	62,838,641.09
Interest payable	128,426,258.79	14,530,955.91
Taxes and surcharges payable	17,468,567.99	41,121,885.56
Other payables	527,218,030.90	963,331,397.36
Other current liabilities	1,000,000,000.00	–
Total Current Liabilities	11,325,768,273.90	11,124,286,183.91
Bonds payable	2,485,547,499.53	2,483,784,999.56
Other non-current liabilities	1,500,000.00	1,500,000.00
Total Non-Current Liabilities	2,487,047,499.53	2,485,284,999.56
TOTAL LIABILITIES	13,812,815,773.43	13,609,571,183.47
Paid-in capital	7,600,000,000.00	7,600,000,000.00
Capital reserve	884,745,753.41	679,625,753.41
Surplus reserve	498,894,604.32	498,894,604.32
Retained profit	669,145,351.35	570,474,752.59
TOTAL EQUITY	9,652,785,709.08	9,348,995,110.32
TOTAL LIABILITIES AND EQUITY	23,465,601,482.51	22,958,566,293.79

INCOME STATEMENT

	From January to September	
	2013	2012
	<i>RMB</i>	<i>RMB</i>
	(Unaudited)	(Unaudited)
Operating income	25,194,048,522.11	26,711,999,282.00
Less: Operating costs	24,645,803,473.35	25,868,513,193.22
Business taxes and levies	13,961,715.76	62,463,781.81
Selling expenses	315,668,066.71	343,020,002.48
Administrative expenses	159,457,672.77	202,981,563.52
Financial expenses	146,507,357.99	194,352,008.99
Impairment loss of assets	101,664,585.25	73,126,278.82
Add: Investment income	240,050,105.36	390,291,369.00
Operating profit	51,035,755.64	357,833,822.16
Add: Non-operating income	59,052,876.08	2,197,916.11
Less: Non-operating expenses	816,228.73	125,623.26
Total profit	109,272,402.99	359,906,115.01
Less: Income tax expenses	10,601,804.23	40,346,544.66
Net profit	98,670,598.76	319,559,570.35

CASH FLOWS STATEMENT

	From January to September 2013 RMB (Unaudited)	2012 RMB (Unaudited)
Cash flows from operating activities		
Cash receipts from the sales of goods and the rendering of services	23,879,001,820.51	25,843,295,536.87
Other cash receipts relating to operating activities	26,959,734.67	5,816,321.80
Sub-total of cash inflows	23,905,961,555.18	25,849,111,858.67
Cash payments for goods purchased and services received	23,294,598,782.57	25,282,330,614.61
Cash payments to and on behalf of employees	159,812,195.79	139,630,491.32
Payments of various types of taxes	79,514,256.24	116,502,400.34
Other cash payments relating to operating activities	388,554,581.29	397,067,902.99
Sub-total of cash outflows	23,922,479,815.89	25,935,531,409.26
Net cash flows from operating activities	(16,518,260.71)	(86,419,550.59)
Cash flows from investing activities		
Cash receipts from disposals and withdraw on investment	22,840,554,200.00	24,742,400,000.00
Cash receipts from returns on investments	187,521,658.92	179,581,549.99
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets	20,680,413.64	1,581,625.90
Sub-total of cash inflows	23,048,756,272.56	24,923,563,175.89
Cash payments to acquire and construct fixed assets, intangible assets and other long-term assets	10,844,665.29	14,267,032.27
Cash payments to acquire investments	24,309,542,598.42	24,705,500,000.00
Sub-total of cash outflows	24,320,387,263.71	24,719,767,032.27
Net cash flows from investing activities	(1,271,630,991.15)	203,796,143.62
Cash flows from financing activities		
Cash receipts from investors in making investment in the enterprise	200,000,000.00	-
Cash receipts from borrowings	1,343,621,412.67	142,649,990.75
Sub-total of cash inflows	1,543,621,412.67	142,649,990.75
Cash repayments of borrowings	137,861,465.34	80,649,990.75
Cash payments for distribution of dividends or profits, or cash payments for interest expenses	41,592,565.48	109,224,865.72
Sub-total of cash outflows	179,454,030.82	189,874,856.47
Net cash flows from financing activities	1,364,167,381.85	(47,224,865.72)
Net change in cash and cash equivalents	76,018,129.99	70,151,727.31

The board of directors of the Company wishes to remind shareholders of the Company and potential investors that the financial data of Sinochem Fertilizer for the nine months ended 30 September 2013 and the nine months ended 30 September 2012 were prepared based on the unaudited management accounts. Shareholders of the Company and potential investors are cautioned not to unduly rely on such data.

As at the date of this announcement, the executive directors of the Company are Mr. Feng Zhi Bin (Chief Executive Officer) and Mr. Harry Yang; the non-executive directors of the Company are Mr. Liu De Shu (Chairman), Mr. Yang Lin, Dr. Stephen Francis Dowdle and Ms. Xiang Dandan; and the independent non-executive directors of the Company are Mr. Ko Ming Tung, Edward, Dr. Tang Tin Sek and Mr. Tse Hau Yin, Aloysius.

For and on behalf of the Board
SINOFERT HOLDINGS LIMITED
Feng Zhi Bin
Executive Director and Chief Executive Officer

Hong Kong, 31 October 2013

* *For identification purposes only*