SINOFERT HOLDINGS LIMITED

中化化肥控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 297)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2012

FINANCIAL HIGHLIGHTS

- The Group's turnover was RMB41,190 million, increased by 12.28% year on year
- Profit for the year attributable to owners of the Company was RMB878 million, increased by 29.56% year on year
- Basic earnings per share for the year was RMB0.1250, increased by 29.40% year on year
- The Board recommended the payment of a final dividend of HK$0.0232 per share, equivalent to approximately RMB0.0187 per share (2011: HK$0.0166 per share, equivalent to approximately RMB0.0135 per share)

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the Board of Directors, I report the annual performance of Sinofert Holdings Limited (the "**Company**") and its subsidiaries (collectively referred to as the "**Group**") for the year ended 31 December 2012 to all the shareholders.

In 2012, world economy was still in the period of deep transformation and adjustment due to the continuous impact of the global financial crisis; China's economic growth slowed down though the overall environment in China was recognized with structure optimization, stable commodity price and improvement of people's livelihood. Meanwhile, global food price went into the period of adjustment in the second half after it rose sharply in the first half, and the era of high food price has come into being. As for domestic fertilizer market, the price of all fertilizers increased steadily in the first half, which brought a better external market environment to the Group; however, fertilizer market was in concession in the second half of the year, which brought great pressure on the Group. In general, competition in fertilizer market was still fierce, and contradiction of oversupply was still prominent for nitrogen and phosphate with strengthening pressure in energy saving and emission reduction.

Confronted with such external environment, the Group actively promoted the established strategic issues and achieved a breakthrough in strategic transformation with the principle of making progress while maintaining stability. First of all, substantial progress has been achieved in resource acquisition strategy. 300 million tons of high-quality phosphate resource was acquired through the acquisition of Xundian Lomon Phosphorus Chemical Co., Ltd., investment income was realized during the acquisition period. Secondly, the industrial segments have been optimized. And the Group introduced a strategic investor into Sinochem Pingyuan Chemical Co., Ltd., a former subsidiary of the Group, which could guarantee its coal resource and long-term profitability; the extension project of urea production line in Sinochem Jilin Changshan Chemical Co., Ltd. commenced during the year, which could bring 300,000 tons of new urea production capacity and gradually support it to become a nitrogen industrial base of the Group in northeastern China. Thirdly, more efforts have been made in marketing and service enhancement. The operating network became thoroughly self-managed; marketing and service channels were explored in regional market, as well as to transform the distribution network from a distributor into an enterprise recognized by its knowledge, wisdom, technology and service; and enhance the integrated operation ability of the Group.

In 2012, the Group seized the opportunities actively while controlled the risks strictly. During the year, sales volume amounted to 17.14 million tons, increased by 4.13% over last year, which further enhanced our role as the biggest fertilizer distributor in China; turnover of the year amounted to RMB41,190 million, increased by 12.28% over last year; and profit attributable to owners of the Company amounted to RMB878 million, increased by 29.56% over last year.

The Board of Directors consistently aim to maximize the shareholders' value in the Group, thus we continuously improved corporate governance and optimized the corporate governance mechanism. In compliance with the Corporate Governance Code as required by the Stock Exchange of Hong Kong Limited, the Company held four regular board meetings in 2012 to review and approve certain resolutions regarding to the annual report, interim report, corporate development strategy and major investment projects etc.. The Board of Directors also reviewed material investment, connected transactions and other matters through irregular meetings. The Audit Committee, the Remuneration Committee, the Nomination Committee and the Corporate Governance Committee under the Board held their rights and obligations assigned by the Board in terms of the improvement on the Company's internal control, optimization of remuneration policy and improvement of governance structure.

The Group foresees both opportunities and challenges in 2013. The world economy is always complicated and unstable, and expected to enter into a stage of further transformation and restructuring; the domestic economy is expected to enter into a growth period at "medium speed" from the previous rapid development. With the release of production capacity in the fertilizer industry, the oversupply situation will sharpen and exist for a long period; the significant price fluctuations on the fertilizer market will become more common, the traditional peak season in consumer market will no longer be obvious, competition in the market is expected to be even fierce. Besides, the Chinese government will stabilize and improve its policies aiming at "strengthening agriculture, benefiting farmers, and enriching rural areas", quicken the development of modern agriculture and carry out favourable adjustment in its national fertilizer export policies.

Facing the challenges and opportunities, the Group will continue to stick to the philosophy "creating value and pursuing excellence", actively promote the seven strategies, namely, improving the customer-oriented marketing and service capability, realizing industrial development based on advanced manufacturing, acquiring resources from a global perspective, quickening scientific and technological innovation with focus on serving the industry, providing information guarantee for transformation, building the human resource engine for the promotion of sustainable development of the Company and promoting the HSE strategy to guarantee our role as China's biggest fertilizer supplier and distributor, continue the construction of a comprehensive industry chain which includes resource, R&D, manufacture, distribution and services. We target to enhance our core competitive edge and sustainable profitability, fulfill our business goals for the year 2013, and be committed to create value for the shareholders, wealth for society and development for employees.

Last but not the least, on behalf of the Board of Directors, I would like to take this opportunity to extend our appreciations to the shareholders, customers, the management and employees of the Group. We hope to have your continuous support in 2013, and expect the management and employees bear in mind our mission, consolidate the fruits of reforms, break the bottleneck, enhance our core competitiveness and strive to create a new prospect for the strategic transformation of the Company.

Liu De Shu
Chairman of the Board

Hong Kong, 28 March 2013

MANAGEMENT REVIEW AND PROSPECT

Business Environment

In 2012, the international political and economic environment was rather complicated and unstable, the global economy saw a slow recovery, and China took the initiative to slow down its economic development. The Chinese government implemented a general principle of making progress while ensuring stability, persisted in dealing with the relationship among maintaining a steady and rapid economic growth, adjusting the economic structure and managing the inflation expectation in a right way, implemented positive fiscal policy and prudent monetary policy, attached more importance to steady growth, and promoted the steady and rapid economic growth.

In 2012, the world population continued to grow steadily, the grain supply and demand was still in tight balance, and uncertain factors such as the frequent severe weather and natural disasters kept appearing, which resulted in an even higher global grain price. China's grain production increased for the 9th time in a row, but there is still a big pressure on guaranteeing China's grain safety. To promote the building of a modern agriculture and improve grain productivity is the fundamental way out and the fertilizer industry will play a very important role in the process of agricultural modernization. Besides, the Chinese government attached high importance to problems related to agriculture. The No.1 Central Document in 2012 continually focus on agriculture, give priority to agricultural science and technology, and specify that various effective measures must be taken to increase the agricultural production and the income of farmers as well as push forward the transformation of the growth pattern of agriculture, which brought opportunities for the development of fertilizer industry.

In 2012, the competition in the fertilizer industry was even fiercer. The growth of world fertilizer demand slowed down, the production capacity rapidly increased and thus the situation of global fertilizer oversupply was even more prominent. As the largest fertilizer producer and consumer in the world, China suffered from oversupply in nitrogen and phosphate, except potash. Meanwhile, against the background of oversupply, favourable policies for the fertilizer industry were constantly tightened, constraints from environmental protection and resources strengthened, which led to bigger cost pressure and larger difficulty in operation for enterprises.

Confronted with the complex market environment, the Group aimed at enhancing its core competitiveness and focused on the implementation of seven strategies under the leadership of the Board. The Group made breakthrough in resources and industries, and realized sustainable development of the Group against the unfavourable background of a declining market.

Financial Highlights

For the year ended 31 December 2012, the Group's turnover amounted to RMB41,190 million, increased by 12.28% over last year; and profit for the year attributable to owners of the Company amounted to RMB878 million, increased by 29.56% over last year.

Resource Guarantee

In 2012, the Group acquired 100% of the equity interest of Xundian Lomon Phosphorus Chemical Co., Ltd. in Xundian, Yunnan, and renamed it as Sinochem Yunlong Co., Ltd. ("Sinochem Yunlong") and achieved substantial breakthrough in its resource strategy. Sinochem Yunlong is a large production enterprise integrating phosphate mine exploitation, beneficiation, phosphate production and sale with 300 million tons of high-quality phosphate mine resources, 600,000 tons of annual phosphate mine exploitation capacity and 300,000 tons of annual high-end monocalcium/monodicalcium phosphate production capacity.

After the acquisition, all the key performance indicators of Sinochem Yunlong exceeded the expectations set in the approved feasibility report. 495,000 tons of phosphate rock was produced in 2012, the production capacity of monocalcium/monodicalcium phosphate reached the full capacity for the first time and the production quantity amounted to 210,000 tons, a historical record. At the same time, the product cost was significantly reduced and the product quality reached the international leading standard. After one-year operation, the benefit of this strategic acquisition started to appear which laid a foundation for the Group to link up the industrial chains of phosphate fertilizer and phosphorous chemicals and accumulated experience and reference for the continuous promotion of the resource acquisition strategy.

Production and Manufacturing

In 2012, annual fertilizer production capacity of the Group exceeded 10 million tons. At the same time, we constantly enhanced the management, pursued science and technology innovation, and promoted cost saving strategy, thus increased both production and supply capacity.

Sinochem Chongqing Fuling Chemical Fertilizer Co., Ltd. ("Sinochem Fuling"), a subsidiary of the Group, with a fertilizer production capacity of 1.8 million tons, produced 1.567 million tons phosphate and compound fertilizers and 0.56 million tons of other compound fertilizer during the year. With the price of raw materials remaining high, Sinochem Fuling maintained cost saving strategy and its efforts in scientific and technological innovation, applied for 20 patents in 2012 and 42 cumulative patents applications in total. In June 2012, Sinochem Fuling was awarded "Model Enterprise in Leading Energy Efficiency of 2011" by the Ministry of Industry and Information Technology of the PRC and China Petroleum and Chemical Industry Federation; and was also granted "Innovative Enterprise of 2011" by the municipal government of Chongqing. The "Tengsheng Brand" of Sinochem Fuling was honoured as Well-known Brand in China by the State Administration for Industry and Commerce of the PRC.

With an annual fertilizer production capacity of 300,000 tons, Sinochem Jilin Changshan Chemical Co., Ltd. ("Sinochem Changshan"), a subsidiary of the Group, produced 311,000 tons urea in 2012. By cooperating with scientific institutes, Sinochem Changshan successfully launched 6 new products including polypeptide urea, slow release urea and granular urea, etc. The "Changshan Brand" was honoured as Well-known Trademark in China by the State Administration for Industry and Commerce, serving as a solid foundation for Sinochem Changshan to implement the brand strategy, form core competitiveness and build the top urea brand in the northeastern China. In terms of technical renovation, projects such as granular urea technical renovation and brick making with fly ash came into successful operation; the 2-year rebuilding and extension project of energy saving and consumption reduction for urea production facilities in Sinochem Changshan officially commerced, with a total investment of RMB1,198 million. After the project is completed, the annual synthetic ammonia and urea production capacity in Sinochem Changshan would increase to 360,000 tons and 600,000 tons, respectively.

With a fertilizer production capacity of 1 million tons, Sinochem Pingyuan Chemical Co., Ltd. ("Sinochem Pingyuan"), a former subsidiary of the Group, reactivated its idle equipment, explored the potential of its equipment, carried out technical renovation and took measures to save energy and reduce consumption and annual urea production achieved 1.048 million tons, reaching the best historical level. Besides, the Group introduced Yangmei Chemical Investment Co., Ltd. ("Yangmei Chemical") as strategic investor to Sinochem Pingyuan, which further guaranteed coal resources and improved its cost competitiveness. After the capital injection, Sinochem Pingyuan was renamed as Yangmei Pingyuan Chemical Co., Ltd. ("Yangmei Pingyuan") and the shares held by the Group in Yangmei Pingyuan decreased from 75% to 36.75%.

The production and operation of afiliates of the Group such as Yunnan Three Circles-Sinochem Fertilizer Co., Ltd. and Gansu Wengfu Chemical Co., Ltd. continued high performance and produced a total of 576,000 tons of phosphate fertilizers (based on the share of equity interest).

Marketing Strategies

The Group resolutely carried out the established operation strategies, continuously intensified the construction of marketing service ability and the development of basic-level customers. During the year, sales volume achieved 17.14 million tons, increased by 4.13% over last year, which further consolidated the status as the biggest fertilizer distributor in China.

Potash Operations: Sales volume of potash fertilizer amounted to 3.18 million tons in 2012. The Group maintained its leading status in domestic potash market by seizing the customers' demand, maintaining good cooperation with over 500 core customers in China, increasing the value of differentiated service and actively improving operation quality. The Group successfully finalized the joint negotiations for the first half of 2013 on potash import at a competitive price, achieved further solid cooperation with international core suppliers, ensured that China's potash import price was preferable enough to build a good foundation for the potash business operation in 2013.

Nitrogen Operations: In 2012, the overall scale of the nitrogen operations was stable and the Group was among the top enterprises in terms of market share of nitrogen in China with sales volume amounted to 7.63 million tons. Breakthrough was made in the building of the core supplier system and a group of 28 core suppliers was identified; the operation of new nitrogen products expanded rapidly and sales volume increased to 206,000 tons, new nitrogen products were introduced including UAN and alginates which were high-efficient, energy-saving and environmental-friendly, and the technical content of the products was gradually increased; the Group co-hosted the 2012 China International Nitrogen Fertilizer & Methanol Conference, fully played the role of director of Market Trade Committee of China Nitrogen Fertilizer Industry Association and a core member of China Soda Industry Association and largely enhanced its impact on the industry.

Phosphate and Compound Fertilizer Operations: Sales volume of phosphate fertilizer amounted to 3.57 million tons, increased by 17.14% over last year; and sales volume of compound fertilizers amounted to 2.18 million tons, decreased by 10.39% from last year. The Group strengthened strategic procurement concept for domestic phosphate fertilizer, achieved breakthrough in the building of the supplier system and reduced the procurement cost while enhancing the industrial status. Combination of Various Fertilizer Products and Combination of Fertilizers and Mines were promoted among phosphate and compound fertilizer products, synergy among phosphate and compound fertilizer products was strengthened and a solid step was taken towards linking up the industrial chain of phosphate and compound fertilizer products. Leading by customer-oriented strategy in domestic compound fertilizer, the Group continued to promote integrated strategic transformation and enhanced the marketing capability of the distribution network while maintaining relatively high capacity utilization in our manufacturing subsidiaries.

Monocalcium (MCP)/Monodicalcium phosphate (MDCP) operations: Sales volume of monocalcium/monodicalcium phosphate in 2012 amounted to 150,000 tons. By relaying on the quality advantage of having stable production from its own phosphate mine and comprehensive cost advantage as well as the transportation advantage of being close to the near-sea market, MDCP was mainly sold on the near-sea market and ocean-going market. By making use of the quality and technology advantage of Sinochem Yunlong, MCP focused on domestic major customers and met the demand of domestic customers quite well.

In 2012, the Group continued to optimize the existing network layout to improve the profitability of the distribution network. 112 distribution centers were upgraded and renovated over the year and the number of the distribution centers was maintained at over 2,000; customer population amounted to around 26,000 in 2012, including 17,000 customers at the township level with a total procurement volume of 10.84 million tons. The Group continued to explore new business models. For example, Hainan branch cooperated with the Hainan Science and Technology Bureau to carry out integration and promotion of the microelement fertilizer application technology, Shandong branch carried out direct sales of pesticides, Jilin branch cooperated with rural agents to carry out direct sales to end-users and Guangxi branch cooperated with the Postal Savings Bank of China. At the same time, logistics and storage capacity was constantly improved and logistics projects were built in key areas such as Linyi and Shijiazhuang. Besides, the Group actively enhanced the human resource in the network in order to build up a team with high recognition of the corporate culture, high professional competence, high learning ability, teamwork spirit and innovative concept.

Internal Control and Management

The Group attached great importance to internal control and risk management. Besides the special committees of the Board, the Group also set up seven special management committees including risk and internal control management committee, and vigorously promoted the internal control and risk management system of "risk management oriented, by internal control prioritized" within the scope authorized by the Board.

The Group's internal control and risk management system was built according to the "Internal Control-Integrated Framework" published by the Committee of Sponsoring Organizations of the Treadway Commission (hereinafter referred to as "COSO") in the United States and the "Internal Control and Risk Management-A Basic Framework" issued by the Hong Kong Institute of Certified Public Accountants, and was in reference to the "Basic Rules of the Enterprise Internal Control" and its referencing guidelines issued by five ministries and commissions of China central government. The Group conducted annual assessment on comprehensive risk management, with full participation from the headquarter, distribution network, subsidiaries and overseas institutions, and reviewed the internal control factors and key risks and control points. The Group's internal control and risk management system provided effective support to cope with the changing domestic and international environment, served the Group's strategic transformation, ensured shareholders' interests, assets safety and strategic implementation, and also met the compliance requirements from the overseas regulatory organizations.

Corporate Social Responsibility

The Group actively brought into play its influence and leading status in the industry, consolidated its leading position in the market and strove to become a resource-saving and environmental-friendly model enterprise with advanced technology in the industry and also an important pillar supporting the national agricultural safety.

The Group continued to promote the agrochemical service system mainly featuring "agrochemical knowledge spreading system, on-site service providing system and soil-testing and scientific fertilization service system", promoted the scientific application of agricultural inputs and helped famers increase their grain production and income. In 2012, the Group was certified by China Petroleum and Chemical Industry Federation as "National Agronomic Service Center".

The Group upgraded the 800 Free Hotlines in 2012 and was the first enterprise in the domestic agricultural inputs industry to adopt 400 Service System. By the end of 2012, a total of 230,000 person-times phone call were received through from the above service. The Group also cooperated with China National Radio and launched the charity program, Sinochem Agri-Plaza, to spread knowledge on scientific fertilization and disease and pests resistance, which became a "classroom on the air" to provide direct service for farmers, with 1.6 billion cumulative audience-times in total. Over 1,000 promotional activities was carried out by cooperating with professional media such as TV channels, broadcasting stations and newspapers related to the rural areas in various provinces, which directly and indirectly benefited ten million more farmers.

The Group cooperated with the Department of Science and Education of the Ministry of Agriculture as well as the provincial agricultural committees to delivery science and technology to households and to build up science and technology demonstration counties, demonstration villages and field schools for farmers and to promote on-site guidance services. By the end of 2012, over 200 agronomic experts were invited throughout China to carry out guidance service activities for more than 5,000 times in one area and one bureau in the three provinces in northeastern China by coordinating with the "Double-growth 200" corn activity initiated by the Ministry of Agriculture. At the same time, 50,000 copies of "Booklets for Corn Planting in Northern Areas of China" and 100,000 corn high-yield technology posters were published, which was highly recognized and appreciated by the farmers.

The soil testing and fertilization service system was established and improved to provide professional support for scientific fertilization and reasonable application of fertilizers by the farmers. In 2012, by coordinating with the Ministry of Agriculture, the Group carried out the project of linking up farmers and enterprises in terms of formula fertilizer and the project of "one hundred counties, one thousand townships and ten thousand villages", set up soil testing and fertilizer service stations in Wen County of Henan Province, Baoding City of Hebei Province and Dashiqiao City of Liaoning Province and initially formed the technological service and operation management model of the fertilization station.

The Group elevated HSE management to the same high level as Company's strategies for the first time and combined it with production operation and the sustainable development of the Group. Substantial progress was achieved in the energy saving and emission reduction effort and the four obligatory indicators were all substantially reduced. In particular, the total energy consumption was reduced by 9.4%, the energy consumption per RMB10,000 output value by 22.5%, SO_2 by 5.4% and COD by 24%.

Sinochem Fuling, a subsidiary of the Group, was awarded as “Model Enterprise in Leading Energy Efficiency” by the Ministry of Industry and Information Technology of the PRC and China Petroleum and Chemical Industry Federation. Sinochem Changshan was granted subsidies from the Ministry of Industry and Information Technology of the PRC and the Ministry of Finance. Considerable progress have been made to build a green economy, recyle economy and low-carbon-emission economy.

Outlook

In 2013, the world economic recovery is confronted with unstable factors and uncertainties and China’s economic and social development is still at an important strategic stage full of opportunities. The Chinese government will focus on improving the economic growth quality and efficiency, deepening reform, implementing the innovation-oriented strategy, seeking progress while ensuring stability, making exploration and innovation and strengthening a solid foundation so as to realize the continued and sound development of the economy as well as the harmony and stability of the society.

The 18th National Congress of the Communist Party of China specified that China persisted in taking a new roadmap of industrialization, informatization, urbanization and agricultural modernization with Chinese characteristics and promoted the synchronous development of “industrialization, informatization, urbanization and agricultural modernization”. In 2013, China central government will continue to strengthen favourable policies aiming to benefit and support “agriculture, rural areas and farmers”. On 31 January, the No.1 Document was released, highlighting innovation in the agricultural production operation mechanism and continuing to strengthen support for agriculture. The China central government has been making continuous additional input in agriculture, renovating the agricultural production operation mechanism and building new agricultural production operation system, which will speed up the modernization process of agriculture in China and promote the steady development of agriculture and constant increase of farmers’ income, and thus there is a rosy prospect for the agricultural modernization. The positive agricultural development environment lays a solid foundation for the fertilizer industry’s recovery and its constant and fast development. With the nationwide grain production capacity expansion program being carried out, domestic fertilizer market will regain stable and long term growth momentum.

In recent years, with production capacity increasing dramatically, domestic fertilizer market suffered more apparently from excessive oversupply, and the trend of industrial recombination and integration became more obvious in both production and distribution sectors. As a leading enterprise in China’s fertilizer industry, the Group will center on the seven strategies, namely, marketing, resources, industry, science and technology, human resources, information technology and HSE, further promote the integration of mine and fertilizer, the integration of fertilizer and chemicals, the integration of production and marketing and the integration of product and service, in order to build a sustainable commercial model and operation model, strive to become a global leading provider of agricultural inputs and agrochemical services, realize sustainable development of the Group, create value for shareholders, and make greater contribution for national food security and agricultural development.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the twelve months ended 31 December 2012, sales volume of the Group was 17.14 million tons, and turnover amounted to RMB41,190 million, increased by 4.13% and 12.28%, respectively, over the corresponding period of 2011.

For the twelve months ended 31 December 2012, gross profit of the Group amounted to RMB2,378 million, increased by RMB288 million over the corresponding period of 2011. The profit for the year attributable to owners of the Company amounted to RMB878 million, increased by RMB200 million or 29.56% over the corresponding period of 2011.

I. Operation Scale

1. Sales Volume

For the twelve months ended 31 December 2012, sales volume of the Group was 17.14 million tons, increased by 4.13% over the corresponding period of 2011. In 2012, the fertilizer market price experienced the process of rising first and then falling, and the price of major fertilizers dropped continuously in the second half of the year. Confronted with this market condition in 2012, sales volume of imported fertilizers increased by 5.51% to 3.64 million tons and sales volume of domestic fertilizers increased by 1.58% to 12.85 million tons benefited from the Group's integration operations of comprehensive industrial chain.

In terms of product composition, the Group acquired competitive potash continuously and steadily through strengthening strategic partnership with core domestic and overseas suppliers, and meanwhile enhanced marketing ability to keep competitive in the circumstance of self sufficiency ratio of domestic potash increasing constantly. Sales volume of potash was 3.18 million tons in 2012, without significant fluctuation from last year. By relying on stable and low-cost supply from upstream manufacturing subsidiaries of the Group, sales volume of nitrogen increased by 2.43% despite market fluctuations. By strengthening the supply alliance with both domestic and overseas suppliers, and meanwhile enhancing optimization of channels, consolidating industrial and agricultural clients, and improving customer loyalty, sales volume of phosphate increased by 17.14% over last year. Due to the continuous consession of compound fertilizer market and price inversion in some districts, sales volume of compound fertilizer decreased by 10.39% from last year.

2. *Turnover*

For the twelve months ended 31 December 2012, turnover of the Group amounted to RMB41,190 million, increased by RMB4,505 million, or 12.28% over 2011. The growth rate of turnover was higher than the growth rate of sales volume (4.13%), which was mainly attributable to the increasing prices in 2012. The Group's average selling price increased by 7.82% over the year 2011.

Table 1:

	For the twelve months ended 31 December			
	2012		2011	
	Turnover *RMB'000*	**As percentage of total turnover**	Turnover *RMB'000*	As percentage of total turnover
Potash fertilizers	**9,732,212**	**23.63%**	9,164,189	24.98%
Nitrogen fertilizers	**14,148,804**	**34.35%**	12,446,459	33.93%
Compound fertilizers	**6,187,857**	**15.02%**	6,401,861	17.45%
Phosphate fertilizers	**9,383,220**	**22.78%**	7,438,971	20.28%
MCP/MDCP	**542,238**	**1.32%**	–	–
Others	**1,195,806**	**2.90%**	1,233,483	3.36%
Total	**41,190,137**	**100.00%**	36,684,963	100.00%

3. *Turnover and Result by Segment*

The operating segments of the Group consist of distribution of fertilizers and agricultural related products ("Marketing Segment") and production and sales of fertilizers ("Production Segment").

The following is an analysis of the Group's turnover and profit by operating segment for the twelve months ended 31 December 2012 and the corresponding period of 2011:

Table 2:

2012

	Marketing *RMB'000*	**Production** *RMB'000*	**Eliminations** *RMB'000*	**Total** *RMB'000*
Turnover				
External sales	**34,855,772**	**6,334,365**	**–**	**41,190,137**
Inter-segment sales	**372,475**	**2,111,168**	**(2,483,643)**	**–**
Total	**35,228,247**	**8,445,533**	**(2,483,643)**	**41,190,137**
Segment gross profit	**1,397,061**	**980,741**	**–**	**2,377,802**
Segment profit	**531,148**	**438,802**	**–**	**969,950**

2011

	Marketing *RMB'000*	Production *RMB'000*	Eliminations *RMB'000*	Total *RMB'000*
Turnover				
External sales	30,724,278	5,960,685	–	36,684,963
Inter-segment sales	212,907	2,719,977	(2,932,884)	–
Total	30,937,185	8,680,662	(2,932,884)	36,684,963
Segment gross profit	1,351,498	738,191	–	2,089,689
Segment profit	684,061	105,000	–	789,061

Segment profit represents the profit earned by each segment without deducting unallocated expenses and incomes, share of profit in associates and joint ventures, changes of fair value in derivative financial instruments and finance costs. Information reported to the Group's chief operating decision maker for the purposes of resource allocation and performance assessment.

The Group's results for the twelve months ended 31 December 2012 increased by RMB181 million or 22.93% to RMB970 million over the corresponding period of 2011, which was mainly attributable to that the Group fully understood the market situation, seized the market opportunities and fully utilized the comprehensive industrial chain to maintain a sustainable growth in 2012 despite the downward market. The profit of Marketing Segment decreased by RMB153 million over last year, which was mainly attributable to downward market price in the second half of the year; while the profit of Production Segment increased by RMB334 million over last year, which is mainly attributable to continuous implementation of technological innovation, cost reduction, production efficiency improvement, high and stable yields achievement, and meanwhile further promotion of low cost strategy in production subsidiaries.

II. Profit

1. Gross profit

For the twelve months ended 31 December 2012, gross profit of the Group amounted to RMB2,378 million, increased by RMB288 million over the corresponding period of 2011.

The Group adopted different strategies for different products. In 2012, gross profit of potash increased by 9% due to advantageous potash supply; gross profit of nitrogen increased significantly due to fully taking advantage of comprehensive industrial chain and meanwhile grasping the market opportunities; gross profit of phosphate kept stable with last year despite the concession in market, certain measures was implemented to consolidate existing customers and develop new customers; gross profit of compound fertilizer declined due to the decrease in volume affected by the market.

In summary, except for compound fertilizer business, profitability of the Group's other types of fertilizers maintained a steady improvement.

2. Share of results of jointly controlled entities and associates

Share of results of jointly controlled entities: For the twelve months ended 31 December 2012, the share of results of jointly controlled entities of the Group amounted to RMB68 million, decreased by RMB7 million compared with RMB75 million for the corresponding period of 2011. This was mainly attributable to that Guiyang Sinochem Kailin Fertilizer Co., Ltd. ("Sinochem Kailin"), one of our jointly controlled entities, received a capital injection from the other party in 2012, which diluted the equity interest of the Group to 13.41% in Sinochem Kailin. Therefore, Sinochem Kailin was reclassified as available-for-sale investment, thus resulted in a decrease of RMB11 million of the share of results of jointly controlled entities over last year.

Share of results of associates: For the year ended 31 December 2012, the share of results of associates of the Group amounted to RMB236 million, increased by RMB35 million over the corresponding period of 2011. This was mainly attributable to that the share of results of associates increased by RMB26 million from Guizhou Xinxin Industrial and Agricultural Trading Co., Ltd., one of the associates of the Group, with the increase of selling price of phosphate rock; and the share of results of associates increased RMB5 million form Qinghai Salt Lake Co., Ltd. ("Qinghai Salt Lake").

3. *Income tax expenses*

For the twelve months ended 31 December 2012, income tax expense of the Group was RMB99 million, decreased by RMB52 million from the corresponding period of 2011. This was mainly attributable to the decrease of taxable profit of Sinochem Fertilizer Co., Ltd., a subsidiary of the Group, as a result of the weak compound fertilizer market.

The subsidiaries of the Group were mainly registered in PRC mainland, Macao and Hong Kong, respectively, where profit tax rates vary. Among them, the tax rate of PRC mainland is 25%, the Group's profit derived from Macao is exempted from profits tax, while Hong Kong profits tax rate is 16.5%. The Group strictly complies with the taxation laws of the respective jurisdictions and pays taxes accordingly.

4. *Profit attributable to owners of the Company*

For the twelve months ended 31 December 2012, profit attributable to owners of the Company was RMB878 million, increased by RMB200 million over the corresponding period of 2011. This was mainly attributed to the fact that the Group actively took operational measures, gave full play to the advantage of the comprehensive industrial chain, strived to increase sales volume and improved the profit level.

For the twelve months ended 31 December 2012, the net profit margin was 2.13%, which is calculated based on profit attributable to owners of the Company divided by turnover multiplied by 100%.

III. Expenditures

Selling and distribution expenses: For the twelve months ended 31 December 2012, selling and distribution expenses amounted to RMB804 million, increased by RMB89 million or 12.45% from RMB715 million for the corresponding period of 2011. The increase was mainly attributable to the rising logistics cost for the expansion of the Group's business scale and the increase of domestic logistics cost over last year.

Administrative expenses: For the twelve months ended 31 December 2012, administrative expenses amounted to RMB630 million, increased by RMB84 million or 15.38% from RMB546 million for the corresponding period of 2011. This was mainly attributable to the consolidation of RMB75 million in administrative expenses in 2012 after the Group's acquisition of Sinochem Yunlong.

Finance costs: For the twelve months ended 31 December 2012, finance costs amounted to RMB367 million, increased by RMB25 million or 7.31% from RMB342 million for the corresponding period of 2011. This was mainly attributable to the relative higher loan interest rate under the tight monetary policy in the first half of 2012, which led to the increase of finance costs correspondingly.

IV. Other Income and Gains

For the twelve months ended 31 December 2012, the Group's other income and gains amounted to RMB190 million, increased by RMB21 million or 12.43% from RMB169 million for the corresponding period of 2011. Other income and gains of the Group mainly included:

1. Interest income of RMB53 million from other deposits.

2. Waived outstanding payables of 28 million.

3. Income of RMB17 million through selling waste materials and raw materials.

4. Government subsidies of RMB15 million received during the year.

5. Compensation received during the year amounted to RMB14 million.

6. Other miscellaneous items amounted to RMB63 million, besides the above 5 items.

V. Other Expenses and Losses

For the twelve months ended 31 December 2012, the Group's other expenses and losses amounted to RMB141 million, decreased by RMB77 million or 35.32% from RMB218 million for the corresponding period of 2011. Other expenses and losses of the Group mainly included:

1. Provision for inventory, amounted to RMB86 million.

2. Exchange loss of RMB23 million due to fluctuations of exchange rate of RMB against US dollar during the year.

3. Real estate management cost of RMB12 million during the year.

4. Other miscellaneous items amounted to RMB20 million, besides the above 3 items.

VI. Impairment Loss on Goodwill

There was no impairment loss on goodwill in 2012 while impairment loss on goodwill amounted to RMB265 million for the year 2011. This was mainly attributable to the fact that the production cost of nitrogen business in Sinochem Pingyuan remained high due to the rising price of raw material whereas the selling price was stable, thus led to decrease in profitability. Based on the cash flow forecast and the estimated discount rate of 10.4% for the first 3 years, recoverable amount was lower than the goodwill and book value of long-term assets. Therefore, impairment loss on goodwill was made by the end of 2011. Sinochem Pingyuan had become an associate instead of a subsidiary of the Group since 31 October 2012.

VII. Gains on Deemed Dilution of Interest in an Associate

For the twelve months ended 31 December 2011, gains in the deemed dilution of an associate of the Group was RMB341 million. This was attributable to the fact that in the first half of 2011, an associate of the Group, Qinghai Salt Lake Potash Co., Ltd. ("Qinghai Salt Lake") merged with Qinghai Salt Lake Industry Group Co., Ltd ("Salt Lake Group"). Qinghai Salt Lake acquired the businesses of Salt Lake Group by issuance of new shares to the existing shareholders of Salt Lake Group in exchange of all the outstanding shares of Salt Lake Group (the "Merger") and changed its name to Qinghai Salt Lake Industry Co., Ltd. ("Salt Lake Industry"). Upon completion of the Merger, the equity interest held by the Group in Salt Lake Industry decreased from 18.49% to 8.94%. The Group accounted for the reduction of equity interest in Salt Lake Industry as a result of the Merger, deemed dilution in investment and gains were recognized accordingly.

VIII. Gains on Deemed Disposal of Interest in a Subsidiary

For the twelve months ended 31 December 2012, gains in the deemed disposal of a subsidiary of the Group was RMB92 million. This was attributable to the fact that Yangmei Pingyuan (formerly known as "Sinochem Pingyuan"), a former subsidiary of the Group, accepted Yangmei Chemical as a strategic investor by capital injection, in order to secure its raw material supply. After the capital injection, the Group reduced its equity interest in Yangmei Pingyuan from 75% to 36.75%, and recognized a gain in the deemed disposal.

IX. Inventory

The inventory balance of the Group as at 31 December 2012 amounted to RMB5,376 million, decreased by RMB2,088 million or 27.97% from RMB7,464 million as at 31 December 2011. This was mainly attributable to the fact that the Group strictly controlled the inventory scale to mitigate inventory risks since the price of all fertilizers decreased near by the end of 2012. Meanwhile, the potash fertilizer price negotiation was not finalized in the second half of 2012, which led to the decrease of approximately RMB2,000 million in inventory as at 31 December 2012 compared with 31 December 2011. Inventory turnover days (Note) decreased from 66 days in 2011 to 60 days in 2012 as the Group adhered to operation strategy of "quick-buy-and-quick-sell".

Note: Calculated on the basis of average inventory balance as at the end of the reporting period divided by cost of goods sold, and multiplied by 360 days.

X. Trade and Bills Receivables

The balance of the Group's trade and bills receivables as at 31 December 2012 amounted to RMB1,159 million, decreased by RMB550 million or 32.18% from RMB1,709 million as at 31 December 2011. This was mainly because that the Group increased payment collection in cash and reduced payment collection in bills, thus reduced the balance of bills receivables as at 31 December 2012 significantly over that as at 31 December 2011.

Affected by both the 12.28% increase in turnover year on year and the decrease of the balance of trade and bills receivables, trade and bills receivables turnover day (Note) decreased from 23 days in 2011 to 12 days in 2012.

Note: Calculated on the basis of average trade and bills receivables balance excluding bills discounted to banks as at the end of the reporting period divided by turnover, and multiplied by 360 days. (The trade and bill receivable balance excluded the bills discounted to the banks)

XI. Interests in Jointly Controlled Entities

As at 31 December 2012, the balance of the Group's interests in jointly controlled entities amounted to RMB586 million, decreased by RMB133 million or 18.50% from RMB719 million as at 31 December 2011. The main reason was that Sinochem Kailin, one of jointly controlled entities of the Group, was reclassified as an available-for-sale investment after its equity interest held by the Group was diluted. Thus, the interests in jointly controlled entities were decreased by RMB195 million. Meanwhile, as all the jointly controlled entities realized profit due to the recovery of fertilizer market, the interests in jointly controlled entities increased by RMB62 million according to equity accounting method.

XII. Interests in Associates

The balance of the Group's interests in associates as at 31 December 2012 amounted to RMB8,178 million, increased by RMB424 million or 5.47% from RMB7,754 million as at 31 December 2011, including:

1. Share of results of associates for the year 2012 amounted to RMB236 million, which increased interests in associates.

2. In October 2012, Yangmei Pingyuan (formerly known as "Sinochem Pingyuan"), a former subsidiary of the Group, accepted Yangmei Chemical as the strategic investor by capital injection. After the capital injection, the Group reduced its equity interest in Yangmei Pingyuan from 75% to 36.75%, and remained significant influence on Yangmei Pingyuan according to its regulations of articles of incorporation. Therefore, the investment in Yangmei Pingyuan was reclassified as an interest in associates, which led to an increase of RMB210 million in the interests in associates.

XIII. Available-for-sale Investments

As at 31 December 2012, the balance of the Group's available-for-sale investments amounted to RMB372 million, increased by RMB199 million or 115.03% from RMB173 million for the corresponding year of 2011. This was mainly attributable to the fact that the equity interest in Sinochem Kailin (one of the Group's joint controlled entities) was diluted, and the Group lost its rights to jointly control Sinochem Kailin. Therefore the investment was reclassified as available-for-sale investment.

XIV. Borrowings

As at 31 December 2012, the balance of the Group's borrowings amounted to RMB4,463 million, decreased by RMB958 million or 17.67% from RMB5,421 million as at 31 December 2011. This was mainly because the Group repaid certain borrowings after the good operating cash inflows were taken into consideration.

XV. Trade and Bills Payables

As at 31 December 2012, the balance of the Group's trade and bills payables amounted to RMB3,565 million, decreased by RMB1,967 million or 35.56% from RMB5,532 million as at 31 December 2011. This was mainly attributable to the fact that the Group downsized the inventory scale and decreased the procurement to prevent the inventory risk which resulted in the bills and accounts payable decreased by RMB1,967 million.

XVI. Other Financial Indicators

Basic earnings per share for the twelve months ended 31 December 2012 amounted to RMB0.1250, increased by RMB0.0284 from RMB0.0966 for the same period of 2011. Return on equity (ROE) for the twelve months ended 31 December 2012 was 6.36%, increased by 1.16 percentage points from 5.20% for the same period of 2011. This was mainly due to the increasing profit of the Group.

Table 3:

	2012	2011
Profitability		
Earnings per share (RMB) *(Note 1)*	**0.1250**	0.0966
ROE *(Note 2)*	**6.36%**	5.20%

Note 1: Calculated based on profit attributable to equity shareholders of the Company for the reporting period divided by weighted average number of shares for the reporting period.

Note 2: Calculated based on profit attributable to equity shareholders of the Company for the reporting period divided by equity attributable to the shareholders of the Company as at the end of the reporting period.

As at 31 December 2012, the Group's current ratio was 1.26, and the debt-to-equity ratio was 31.10%. The Group achieved a more stable financial structure.

Table 4:

	2012	2011
Liquidity and Capital adequacy		
Current ratio *(Note 1)*	**1.26**	1.15
Debt-to-Equity ratio *(Note 2)*	**31.10%**	40.55%

Note 1: Calculated based on current assets divided by current liabilities as at the reporting date.

Note 2: Calculated based on interest-bearing debt divided by total equity as at the end of the reporting period (interest-bearing debt does not include discounted and not yet matured bills receivables).

XVII. Liquidity and Financial Resources

The Group's principal sources of financing included cash, bank borrowings and proceeds from the issue of new shares and loans. All the financial resources were primarily used for the Group's trading and distribution, production, repayment of liabilities and for related capital expenditures.

As at 31 December 2012, cash and cash equivalents of the Group amounted to RMB335 million, which was mainly denominated in RMB and US dollar.

Below is an analysis of borrowings of the Group:

Table 5:

	As at 31 December	
	2012	2011
	RMB'000	*RMB'000*
Bank borrowings, secured	**69,998**	–
Bank borrowings, unsecured	**1,909,026**	2,939,931
Bonds		
Principal amount	**2,500,000**	2,500,000
Less: amortized transaction costs	**(16,215)**	(18,565)
Total	**4,462,809**	5,421,366

Table 6:

	As at 31 December	
	2012	2011
	RMB'000	*RMB'000*
Carrying amount repayable		
Within one year	**1,577,724**	2,349,358
More than two years, but within five years	**401,300**	583,300
More than five years	**2,483,785**	2,488,708
Total	**4,462,809**	5,421,366

Table 7:

	As at 31 December	
	2012	2011
	RMB'000	*RMB'000*
Fixed-rate borrowings	**3,358,032**	3,275,343
Variable-rate borrowings	**1,104,777**	2,146,023
Total	**4,462,809**	5,421,366

As at 31 December 2012, the Group had banking facilities equal to RMB34,265 million, including US$1,705 million and RMB23,812 million, respectively. The amount of utilized banking facilities amounted to US$102 million and RMB1,829 million, and unutilized banking facilities amounted to US$1,603 million and RMB21,983 million, respectively.

As at 31 December 2012, certain land use right, property, plant and equipment with carrying values of RMB37 million were pledged to secure banking facilities and borrowings granted to the Group. As at 31 December 2012, RMB30 million of such banking facilities was utilized.

As at 31 December 2012, the Group's notes receivable with book value of RMB70 million were discounted from bank.

The Group planned to repay the above loan liability with internal resource.

XVIII. Operation and Financial Risks

The Group's major operation risks include: the recovery of the world economy was still with great uncertainty; fertilizer price was quite volatile in the domestic market due to overproduction and fertilizer industry restructuring and market competition would get increasingly intense as market-oriented reforms deepened.

The Group's major financial risks include: market risk, credit risk and liquidity risk.

Market risk

Market risk includes currency risk, interest rate risk and other price risk. Currency risk represents unfavourable change in exchange rate that may have an impact on the Group's financial results and represents cash flow; interest rate risk represents the unfavourable change in interest rate that may lead to changes in the fair value of fixed rate borrowings; and other price risk represents the Group's risk relating to value of equity investments, which mainly derived from investments in equity securities and financial derivatives.

Majority of the Group's assets, liabilities and transactions are denominated in RMB, US dollar and Hong Kong dollar. The amount of the Group's foreign currency assets and liabilities are immaterial. The fluctuations of exchange rates did not have a significant impact on the performance of the Group. In addition, the management continued to monitor and control the above risks so as to mitigate potential negative impact on the Group's financial performance.

Credit risk

The majority of the Group's credit risk was attributable to the financial assets, which the counterparties might fail to carry out their obligations. The Group has adequate monitoring procedures in respect of granting credit, credit approval and other related aspects so as to ensure the timely follow-up of overdue debt to mitigate the credit risk.

Liquidity risk

Management is responsible for our Group's overall cash management and the raising of borrowings to cover expected cash demands, as well as mitigating the liquidity risks. Management continuously monitors the usage of borrowings and the compliance with bank loan terms.

XIX. Contingent Liabilities

As at 31 December 2012, the Group had no material contingent liabilities.

XX. Capital Commitment

Table 8:

	As at 31 December	
	2012	2011
	RMB'000	*RMB'000*
Capital expenditure in respect of acquisition project, property, plant and equipment		
Contracted but not provided for	**150,996**	19,085
Authorized but not contracted for	**1,801,626**	2,095,810
Total	**1,952,622**	2,114,895

The Group plans to finance the above capital expenditure by internal resources, and has no plans for other material investment or capital expenditures.

XXI. Material Investments

The Group acquired Sinochem Yunlong in March 2012, with the total consideration of RMB1,380 million.

XXII. Material Disposal

After the capital injection on 31 October, 2012, the Group's equity interest in Yangmei Pingyuan (formerly known as "Sinochem Pingyuan") was diluted from 75% to 36.75% and the Group lost its controlling right, thus Yangmei Pingyuan was reclassified as an associate of the Group.

XXIII. Human Resources Capital

The key components of the Group's remuneration package include basic salary, and where appropriate, other allowances, incentive bonus, mandatory provident funds, state-managed retirement benefits scheme and share options granted under the share option schemes of the Company. The objective of the Group is to associate the interests of key employees with the performance of the Group and the interests of shareholders, as well as achieving a balance of short-term and long-term benefits through a reasonable system. Meanwhile, the Group also aims at maintaining the competitiveness of the overall compensation. The level of cash compensation to employees offered by the Group varies with importance of duties. The higher the importance of duties, the higher will be the ratio of incentive bonus to total remuneration. This can ensure that the Group can recruit, retain and motivate high-caliber employees required for the development of the Group and to avoid offering excess reward.

The emoluments payable to Directors are determined with reference to the responsibilities, qualifications, experience and performance of the Directors. They include incentive bonus primarily determined based on the results of the Group and share options granted under the share option schemes of the Company. The Remuneration Committee performs regular review on the emoluments of the Directors. No Director, or any of his associates and executives, is involved in deciding his/her own emoluments.

The Group reviews its remuneration policy annually and engages professional consultant, if necessary, to ensure the competitiveness of the remuneration policy which, in turn, would support the business growth of the Group. As at 31 December 2012, the Group had about 8,061 full-time employees (including those employed by controlled entities), and their remuneration is determined with reference to market rates. No individual employee shall have the right to determine his/her own remuneration.

In addition to the basic remuneration, the Group also value the importance of training and development of employees. In 2012, the Group provided 23,552 hours of training in aggregate for about 2,568 person-times, any training organized by the subsidiaries have not been included in these numbers. The training courses covered areas such as industry development, leadership enhancement, marketing management, operation and management, laws and regulations, lean management, project management, finance, logistics, human resource management, information technology, safe production and general working skills. These training further improve the management skills and professional standard of the management of the Group and enhance the overall quality of the employees to cater to the Group's rapid developments; hence, improving the competitiveness of the Group.

The board of directors (the "**Board**") of Sinofert Holdings Limited (the "**Company**") announces the audited consolidated results of the Company and its subsidiaries (the "**Group**") for the year ended 31 December 2012, together with the comparative figures for prior year as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2012

	Note	**2012** *RMB'000*	2011 *RMB'000*
Turnover	*3(c)*	**41,190,137**	36,684,963
Cost of sales		**(38,812,335)**	(34,595,274)
Gross profit		**2,377,802**	2,089,689
Other income and gains	*4*	**189,819**	169,122
Selling and distribution expenses		**(804,163)**	(715,425)
Administrative expenses		**(629,873)**	(546,039)
Other expenses and losses		**(141,025)**	(217,895)
Share of results of associates		**235,920**	201,261
Share of results of jointly controlled entities		**68,437**	74,966
Finance costs	*5*	**(366,726)**	(341,773)
Changes in fair value of derivative financial instruments		**–**	46,923
Impairment loss on goodwill		**–**	(265,357)
Gain on deemed disposal of interest in a subsidiary		**92,174**	–
Gain on deemed dilution of interest in an associate		**–**	341,029
Profit before taxation	*6*	**1,022,365**	836,501
Income tax expense	*7*	**(98,711)**	(150,717)
Profit for the year		**923,654**	685,784
Other comprehensive expense			
Exchange differences on translation of financial statements of overseas subsidiaries		**(6,530)**	(198,135)
Changes in fair value of available-for-sale investments		**3,286**	(70,956)
Reclassification adjustment for the cumulative loss included in profit or loss upon disposal of available-for-sale investments		**–**	6,746
Reclassification adjustment for the cumulative loss included in profit or loss upon impairment of available-for-sale investments		**–**	69,073
Income tax relating to components of other comprehensive expense		**–**	(1,215)
Other comprehensive expense for the year, net of tax		**(3,244)**	(194,487)
Total comprehensive income for the year		**920,410**	491,297

	Note	2012 RMB'000	2011 RMB'000
Profit for the year attributable to:			
– Owners of the Company		**878,369**	677,968
– Non-controlling interests		**45,285**	7,816
		923,654	685,784
Total comprehensive income attributable to:			
– Owners of the Company		**875,125**	483,481
– Non-controlling interests		**45,285**	7,816
		920,410	491,297
Earnings per share			
Basic *(RMB)*	*9*	**0.1250**	0.0966
Diluted *(RMB)*	*9*	**0.1250**	0.0922

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2012

	Note	As at 31 December 2012 RMB'000	2011 RMB'000
Non-current assets			
Fixed assets			
– Property, plant and equipment		**3,162,737**	4,536,843
– Investment properties		**14,600**	14,600
		3,177,337	4,551,443
Prepaid lease payments		**520,229**	606,111
Mining rights		**734,458**	–
Goodwill		**820,162**	289,017
Other long-term assets		**11,299**	32,600
Interests in associates		**8,177,561**	7,754,435
Interests in jointly controlled entities		**586,429**	718,877
Available-for-sale investments		**372,051**	173,367
Advance payments for acquisition of property, plant and equipment		**23,725**	40,376
Deferred tax assets		**674,865**	756,462
		15,098,116	14,922,688
Current assets			
Inventories	*10*	**5,375,898**	7,464,114
Trade and bills receivables	*11*	**1,158,659**	1,708,761
Other receivables and advance payments		**2,274,986**	2,330,679
Loans to an associate		**1,297,284**	–
Prepaid lease payments		**11,977**	13,380
Other deposits		**858,200**	1,649,088
Pledged bank deposits		**2**	7,435
Bank balances and cash		**334,682**	302,345
		11,311,688	13,475,802
Current liabilities			
Trade and bills payables	*12*	**3,564,875**	5,531,629
Other payables and receipt in advance		**3,784,384**	3,858,148
Interest-bearing borrowings – due within one year		**1,577,724**	2,349,358
Tax liabilities		**24,839**	9,487
		8,951,822	11,748,622
Net current assets		**2,359,866**	1,727,180
Total assets less current liabilities		**17,457,982**	16,649,868

	As at 31 December	
	2012	2011
	RMB'000	*RMB'000*
Non-current liabilities		
Interest-bearing borrowings		
– due after one year	**2,885,085**	3,072,008
Deferred income	**140,391**	149,937
Deferred tax liabilities	**271,945**	59,040
Other long-term liabilities	**37,928**	–
	3,335,349	3,280,985
Net assets	**14,122,633**	13,368,883
Capital and reserves		
Issued equity	**8,267,384**	8,264,318
Reserves	**5,534,383**	4,769,483
Total equity attributable to owners of the Company	**13,801,767**	13,033,801
Non-controlling interests	**320,866**	335,082
Total equity	**14,122,633**	13,368,883

1. GENERAL

The consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. The consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

2. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared on the historical cost basis, except for investment properties and available-for-sale securities that are measured at fair values. Historical cost is generally based on the fair value of the consideration given in exchange for goods. Non-current assets and disposal groups held for sale are stated at the lower of carrying amount and fair value less costs to sell.

The accounting policies used in the consolidated financial statements are consistent with those followed in the preparation of the Group's consolidated financial statements for the year ended 31 December 2011 except for the application of the following new and revised HKFRSs issued by the HKICPA.

In the current year, the Group has applied the following new and revised HKFRSs issued by the HKICPA:

- Amendments to HKFRS 7, *Financial instruments: Disclosures – Transfers of financial assets*

- Amendments to HKAS 12, *Income taxes – Deferred tax: Recovery of underlying assets*

These new or amendments in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

3. SEGMENT REPORTING

The Group's operating segments based on information reported to the chief operating decision maker (the "CODM") for the purpose of resource allocation and performance assessment are as follows:

Marketing: sourcing and distribution of fertilizers and agricultural related products

Production: production and sales of fertilizers

(a) Segment revenue and results and segment assets and liabilities

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment profit represents the profit earned by each segment without taking into account of unallocated expenses/income, share of results of associates and jointly controlled entities, changes in fair value of derivative financial instruments and finance costs. This is the measure reported to the Group's CODM for the purposes of resource allocation and performance assessment. In addition, the CODM also regularly review the segment information in relation to the share of results of associates and the share of results of jointly controlled entities.

Inter-segment sales are charged at market prices between group entities.

For the purposes of monitoring segment performances and allocating resources between segments:

(1) All assets are allocated to operating segments other than interests in associates, interests in jointly controlled entities, available-for-sale investments, deferred tax assets and other unallocated assets; and

(2) All liabilities are allocated to operating segments other than borrowings, current and deferred tax liabilities and other unallocated liabilities.

2012

	Marketing *RMB'000*	Production *RMB'000*	Elimination *RMB'000*	Total *RMB'000*
Revenue				
External revenue	**34,855,772**	**6,334,365**	**–**	**41,190,137**
Internal revenue	**372,475**	**2,111,168**	**(2,483,643)**	**–**
Segment revenue	**35,228,247**	**8,445,533**	**(2,483,643)**	**41,190,137**
Segment gross profit	**1,397,061**	**980,741**	**–**	**2,377,802**
Segment profit	**531,148**	**438,802**	**–**	**969,950**
Share of results of associates	**103**	**235,817**	**–**	**235,920**
Share of results of jointly controlled entities	**284**	**68,153**	**–**	**68,437**
Unallocated expenses				**(133,967)**
Unallocated income				**248,751**
Finance costs				**(366,726)**
Profit before taxation				**1,022,365**
Assets				
Segment assets	**7,314,073**	**7,597,626**	**–**	**14,911,699**
Interests in associates	**16,433**	**8,161,128**	**–**	**8,177,561**
Interests in jointly controlled entities	**2,671**	**583,758**	**–**	**586,429**
Available-for-sale investments				**372,051**
Deferred tax assets				**674,865**
Other unallocated assets				**1,687,199**
Consolidated total assets				**26,409,804**
Liabilities				
Segment liabilities	**6,305,294**	**1,281,692**	**–**	**7,586,986**
Deferred tax liabilities				**271,945**
Other unallocated liabilities				**4,428,240**
Consolidated total liabilities				**12,287,171**

2011

	Marketing *RMB'000*	Production *RMB'000*	Elimination *RMB'000*	Total *RMB'000*
Revenue				
External revenue	30,724,278	5,960,685	–	36,684,963
Internal revenue	212,907	2,719,977	(2,932,884)	–
Segment revenue	30,937,185	8,680,662	(2,932,884)	36,684,963
Segment gross profit	1,351,498	738,191	–	2,089,689
Segment profit	684,061	105,000	–	789,061
Share of results of associates	173	201,088	–	201,261
Share of results of jointly controlled entities	78	74,888	–	74,966
Unallocated expenses				(102,670)
Unallocated income				168,733
Finance costs				(341,773)
Changes in fair value of derivative financial instruments				46,923
Profit before taxation				836,501
Assets				
Segment assets	7,906,052	9,126,982	–	17,033,034
Interests in associates	16,680	7,737,755	–	7,754,435
Interests in jointly controlled entities	2,387	716,490	–	718,877
Available-for-sale investments				173,367
Deferred tax assets				756,462
Other unallocated assets				1,962,315
Consolidated total assets				28,398,490
Liabilities				
Segment liabilities	7,993,287	1,535,122	–	9,528,409
Deferred tax liabilities				59,040
Other unallocated liabilities				5,442,158
Consolidated total liabilities				15,029,607

(b) Other segment information

2012

	Marketing *RMB'000*	**Production** *RMB'000*	**Unallocated** *RMB'000*	**Total** *RMB'000*
Amounts included in the measures of segment profit and segment assets:				
Additions to non-current assets	**16,975**	**1,780,568**	**23**	**1,797,566**
Write-down of other receivables	**–**	**(600)**	**–**	**(600)**
Depreciation and amortization	**(10,865)**	**(437,341)**	**(12)**	**(448,218)**
Release of prepaid lease payments	**(65)**	**(22,325)**	**–**	**(22,390)**
Write-down of inventories	**(64,752)**	**(21,709)**	**–**	**(86,461)**
Gain/(loss) on disposal of property, plant and equipment	**141**	**(1,616)**	**–**	**(1,475)**
Gain on deemed disposal of interest in a subsidiary	**–**	**92,174**	**–**	**92,174**
Write-off of payables	**2,434**	**25,410**	**–**	**27,844**

2011

	Marketing *RMB'000*	Production *RMB'000*	Unallocated *RMB'000*	Total *RMB'000*
Amounts included in the measures of segment profit and segment assets:				
Additions to non-current assets	25,137	377,343	6	402,486
Reversal of allowance provided on trade receivables	–	16,008	–	16,008
Reversal of other receivables	–	4,016	–	4,016
Impairment on property, plant and equipment	–	(81,323)	–	(81,323)
Depreciation and amortization	(13,077)	(398,505)	(11)	(411,593)
Release of prepaid lease payments	–	(22,987)	–	(22,987)
Write-down of inventories	(47,564)	(7,693)	–	(55,257)
Gain/(loss) on disposal of property, plant and equipment	126	(11,139)	–	(11,013)
Gain on deemed dilution of interest in an associate	–	341,029	–	341,029
Impairment loss on goodwill	–	(265,357)	–	(265,357)
Write-off of payables	1	128	–	129

(c) Revenue from major products

The following is an analysis of the Group's revenue from its major fertilizer products:

	2012	2011
	RMB'000	*RMB'000*
Potash fertilizers	**9,732,212**	9,164,189
Nitrogen fertilizers	**14,148,804**	12,446,459
Compound fertilizers	**6,187,857**	6,401,861
Phosphate fertilizers	**9,383,220**	7,438,971
MCP/MDCP	**542,238**	–
Others	**1,195,806**	1,233,483
	41,190,137	36,684,963

No revenue from a single external customer amounts to 10% or more of the Group's revenue during both years.

(d) Geographical information

The Group's operations are mainly located in the PRC mainland and Macao Special Administrative Region ("Macao SAR").

Information about the Group's revenue from its operations from external customers is presented based on the customers' location of incorporation/establishment. Information about the Group's non-current assets other than financial instruments and deferred tax assets is presented based on the geographical location of the assets.

	Revenue from external customers		**Non-current assets**	
	2012	2011	**2012**	2011
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
The PRC	**39,180,122**	35,578,648	**14,035,375**	13,976,899
Others	**2,010,015**	1,106,315	**15,825**	15,960
	41,190,137	36,684,963	**14,051,200**	13,992,859

4. OTHER INCOME AND GAINS

	Note	2012 RMB'000	2011 RMB'000
Rental income		**3,851**	3,148
Dividend income from available-for-sale investments	*a*	**1,797**	2,666
Interest income from bank deposits		**6,728**	6,911
Interest income from other deposits		**53,456**	92,524
Government grants	*b*	**14,810**	3,404
Exchange gain		**–**	6,271
Release of deferred income		**11,757**	9,198
Compensation received		**14,241**	9,878
Write-off of payables		**27,844**	129
Sales of scrapped materials and raw materials		**17,323**	18,684
CDM income	*c*	**9,914**	–
Others		**28,098**	16,309
		189,819	169,122

Note:

a. Amount represents dividend income from listed investments of RMB1,797,000 (2011: RMB1,488,000) and nil from unlisted investments (2011: RMB1,178,000).

b. Government grants mainly comprised of payments from the government to support development of the business of the Group entities in accordance with applicable regulations in the PRC.

c CDM income represents the Group sells carbon credits known as Certified Emission Reductions ("CERs") which have been registered as Clean Development Mechanism ("CDM") projects with CDM Executive Board of the United Nations under the Kyoto Protocol.

5. FINANCE COSTS

	2012 RMB'000	2011 RMB'000
Interest on borrowings		
– wholly repayable within five years	**240,390**	200,773
– not wholly repayable within five years	**127,350**	117,188
Less: interest expense capitalized *(Note)*	**(1,014)**	(1,913)
Interests on convertible loan notes	**–**	25,725
	366,726	341,773

Note: Borrowing costs capitalized during the year arose on the general borrowing pool and are calculated by applying a capitalization rate of 5.54% (2011: 5.47%) per annum to expenditure on qualifying assets.

6. PROFIT BEFORE TAXATION

	2012	2011
	RMB'000	*RMB'000*
Depreciation of property, plant and equipment	**410,116**	397,218
Impairment loss on property, plant and equipment	**–**	81,323
Release of prepaid lease payments	**22,390**	22,987
Amortization of mining rights	**22,801**	–
Amortization of other long-term assets	**15,301**	14,375
Reversal of allowance provided for trade receivables	**–**	(16,008)
Write-down/(reversal) of other receivables	**600**	(4,016)
Loss on disposal of property, plant and equipment	**1,475**	11,013
Impairment loss on goodwill	**–**	265,357
Impairment loss on available-for-sale investments	**–**	69,073
Cumulative loss recognized in profit or loss upon disposal of available-for-sale investments	**–**	6,746

7. INCOME TAX EXPENSE

(a) Taxation charged/(credited) to profit or loss:

	2012	2011
	RMB'000	*RMB'000*
Provision for the year		
Hong Kong Profits Tax	**(9,646)**	(10,420)
PRC Enterprise Income Tax	**(29,726)**	(24,088)
	(39,372)	(34,508)
Over-provision in respect of prior years		
PRC Enterprise Income Tax	**2,166**	–
Deferred tax		
Origination and reversal of temporary differences	**(61,505)**	(116,209)
	(98,711)	(150,717)

(i) The provision for Hong Kong Profits Tax for 2012 is calculated at 16.5% (2011: 16.5%) of the estimated assessable profits for the year.

(ii) The provision for the PRC Enterprise Income Tax is based on the statutory rate of 25% on the estimated taxable profits determined in accordance with the relevant income tax rules and regulations of the PRC for the year, except for certain subsidiaries of the Group which enjoy a preferential tax rate according to related tax policies.

(iii) A subsidiary of the Group incorporated in Macao SAR is exempted from income tax.

(b) **Reconciliation between tax expense charged to profit or loss and accounting profit at applicable tax rates:**

	2012	2011
	RMB'000	*RMB'000*
Profit before taxation	**1,022,365**	836,501
Tax calculated at the applicable tax rate of 25%	**(255,591)**	(209,125)
Effect of different income tax rates	**79,385**	31,956
Tax effect of non-deductible expenses	**(4,541)**	(31,910)
Tax effect of non-taxable income	**8,010**	1,846
Tax effect of share of results of associates	**58,980**	50,315
Tax effect of share of results of jointly controlled entities	**17,109**	18,742
Effect of prior year's tax losses and deductible temporary differences utilized during the year	**504**	6,727
Effect of tax losses and deductible temporary difference not recognized	**(27,777)**	(38,186)
Tax effect of impairment loss on goodwill	**–**	(66,339)
Tax effect of gain on deemed disposal of interest in a subsidiary	**23,044**	–
Tax effect of gain on deemed dilution of interest in an associate	**–**	85,257
Over-provision in prior years	**2,166**	–
Income tax expense for the year	**(98,711)**	(150,717)

8. DIVIDENDS

	2012	2011
	RMB'000	*RMB'000*
Final dividend in respect of the previous financial year, approved and paid during the year, of HK$0.0166, equivalent to approximately RMB0.0135 per share (2011: HK$0.0110, equivalent to approximately RMB0.0091 per share)	**94,544**	64,171
Final dividend proposed after the end of the reporting period of HK$0.0232, equivalent to approximately RMB0.0187 per share (2011: HK$0.0166, equivalent to approximately RMB0.0135 per share)	**131,650**	94,657

The final dividend of HK$0.0232, equivalent to approximately RMB0.0187 (2011: HK$0.0166, equivalent to approximately RMB0.0135) per share, total dividend of approximately RMB131,650,000 (2011: approximately RMB94,657,000) in respect of the year ended 31 December 2012 has been proposed by the directors and is subject to approval by the shareholders in the forthcoming annual general meeting.

9. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share is based on the following data:

	2012	2011
	RMB'000	*RMB'000*
Earnings		
Earnings for the purpose of basic earnings per share	**878,369**	677,968
Effect of dilutive potential ordinary shares:		
– Interest expense on convertible loan notes	**–**	25,725
– Changes in fair value of derivative financial instruments	**–**	(46,923)
Earnings for the purpose of diluted earnings per share	**878,369**	656,770

	2012	2011
	'000 shares	*'000 shares*
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**7,024,404**	7,021,808
Effect of dilutive potential ordinary shares from:		
– Share options	**18**	970
– convertible loan notes	**–**	99,591
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**7,024,422**	7,122,369

10. INVENTORIES

(a) Inventories in the consolidated statement of financial position comprise:

	As at 31 December	
	2012	2011
	RMB'000	*RMB'000*
Fertilizer merchandise and finished goods	**4,574,012**	6,469,871
Raw materials	**668,699**	921,859
Work in progress	**78,534**	43,930
Consumables	**54,653**	28,454
	5,375,898	7,464,114

(b) The analysis of the amount of inventories recognized as an expense and include in profit or loss is as follow:

	2012	2011
	RMB'000	*RMB'000*
Carrying amount of inventories sold	**38,699,197**	34,475,918
Write-down of inventories *(Note)*	**86,461**	55,257
	38,785,658	34,531,175

Note: During the year ended 31 December 2012, write-down of inventories amounting to approximately RMB86,461,000 (2011: RMB55,257,000) is recorded and recognized in other expenses and losses. Such write-down is related to inventories on hand as at the end of reporting period.

11. TRADE AND BILLS RECEIVABLES

	As at 31 December	
	2012	2011
	RMB'000	*RMB'000*
Trade receivables	**492,982**	344,493
Less: allowance for doubtful debts	**–**	(61)
	492,982	344,432
Bill receivables	**665,677**	1,364,329
Total trade and bill receivables	**1,158,659**	1,708,761

The Group allows a credit period of approximate 90 days to its trade customers. As at the end of the reporting period, the aging analysis of trade and bills receivables net of allowance for doubtful debts presented based on the invoice date is as follows:

	2012	2011
	RMB'000	*RMB'000*
Within 3 months	**989,123**	1,267,941
More than 3 months but within 6 months	**161,463**	438,766
More than 6 months but within 12 months	**4,121**	742
Over 12 months	**3,952**	1,312
	1,158,659	1,708,761

12. TRADE AND BILLS PAYABLES

	As at 31 December	
	2012	2011
	RMB'000	*RMB'000*
Trade payables	**3,322,420**	5,423,328
Bills payables	**242,455**	108,301
Trade and bills payables	**3,564,875**	5,531,629

As at 31 December 2012 and 2011, all trade and bills payables of the Group are repayable on demand except for bills payable which are repayable within 6 months. All trade and bills payable are expected to be settled within one year.

13. NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

After the end of the reporting period the directors proposed a final dividend. Further details are disclosed in note 8.

Pursuant to the Capital Contribution Agreement (the "Agreement") dated 24 January 2013, the Group, Sinochem Hebei Company Limited ("Sinochem Hebei"), a related party of the Group, and Shijiazhuang Bolong Agricultural Products Trading Company Limited ("Shijiazhuang Bolong") agreed to establish a joint venture, namely Sinochem Shijiazhuang Agricultural Materials and Logistics Company Limited ("Sinochem Shijiazhuang Logistics"), with a registered capital of RMB60,000,000. The details of the Agreement were included in the announcement of the Company dated 24 January 2013. According to the Agreement, upon completion of the transaction, the Group, Sinochem Hebei and Shijiazhuang Bolong will respectively own 51%, 19% and 30% of the registered capital of Sinochem Shijiazhuang Logistics, which will become a subsidiary of the Group. Up to the date of this announcement, Sinochem Shijiazhuang Logistics has received the capital of RMB40,000,000.

FINAL DIVIDEND

The Board recommended the payment of a final dividend of HK$0.0232 per share, equivalent to approximately RMB0.0187 per share for the year ended 31 December 2012 (2011: HK$0.0166 per share, equivalent to approximately RMB0.0135 per share) to the shareholders.

Further announcement will be made in respect of the date of closure of the register of members and the date of the forthcoming annual general meeting.

AUDIT COMMITTEE

The audit committee of the Company (the “Audit Committee”) comprises three members, including Mr. Tse Hau Yin, Aloysius as Chairman, Mr. Ko Ming Tung, Edward and Dr. Tang Tin Sek as members, all of whom are independent non-executive directors of the Company.

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal controls, and financial reporting matters including the review of the consolidated financial statements of the Company for the year ended 31 December 2012.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities during the year.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and its amendments from time to time as its own code of conduct regarding securities transaction by directors. Having made specific enquiries with all directors of the Company, all directors confirmed that they had complied with the required standards set out in the Model Code throughout the year ended 31 December 2012.

The Company has also adopted written guidelines on no less exacting terms than the Model Code for relevant employees. No incident of non-compliance of the employees’ written guidelines by relevant employees was noted by the Company during the year.

CORPORATE GOVERNANCE STANDARDS

Recognizing the importance of a publicly listed company’s responsibilities to enhance its transparency and accountability, the Company is committed to maintaining a high standard of corporate governance in the interests of its shareholders. The Company devotes to best practices on corporate governance.

The Code on Corporate Governance Practices contained in Appendix 14 to the Listing Rules set out the principles of, requirements and recommendations for good corporate governance. It was amended as Corporate Governance Code and Corporate Governance Report effective on 1 April 2012 (referred to "Corporate Governance Code" hereunder). For the year ended 31 December 2012 and up to the date of this announcement, the Company has complied with the applicable code provisions in the Code on Corporate Governance Practices and the Corporate Governance Code, except for the deviations from the code provisions A.1.7, A.6.7 and E.1.2 as described below.

The code provision A.1.7 stipulates that, a board meeting should be held if a substantial shareholder or a director has a conflict of interest in a matter to be considered by the board which the board has determined to be material. In addition, independent non-executive directors who, and whose associates, have no material interest in the transaction should be present at such board meeting. During the year and up to the date of this announcement, the Board approved several connected transactions by circulation of written resolutions in lieu of physical board meeting, for which certain Directors who are nominated by the ultimate controlling or substantial shareholders of the Company, were regarded as having material interests therein. As the Directors of the Company are living and working in different countries which are far apart, adoption of written resolutions in lieu of physical board meetings allows the Board to make a decision relatively quicker in response to the rapid change in the fertilizer markets. Before formal execution of the written resolutions, the Directors had discussed the matters via emails and made amendments to the transactions as appropriate.

The code provision A.6.7 stipulates that, among others, the non-executive directors should attend general meetings of the listed issuer. Mr. Liu De Shu, Mr. Yang Lin, Dr. Stephen Francis Dowdle and Ms. Xiang Dandan, the Non-executive Directors of the Company, were unable to attend the annual general meeting of the Company held on 14 June 2012 ("2012 AGM") due to other essential business engagements.

The code provision E.1.2 provides that, among others, the chairman of the board should attend the annual general meeting of the listed issuer. In the 2012 AGM, Mr. Liu De Shu, Chairman of the Board, did not chair the meeting due to other essential business engagements. In order to ensure smooth holding of the 2012 AGM, the Chairman of the Board authorized and the Directors attended the meeting elected Mr. Feng Zhi Bin, the Executive Director and Chief Executive Officer of the Company, to chair the meeting on behalf of the Chairman of the Board. Respective chairmen of the audit, remuneration and nomination committees of the Company were present at the 2012 AGM and were available to answer relevant questions, which was in compliance with other part of code provision E.1.2.

In addition, in order to promote the Company's continued commitment to high standards of corporate governance, the Board adopted a Board Diversity Policy on 28 March 2013 to comply with a new code provision on board diversity which will be effective from 1 September 2013 as included in the Corporate Governance Code.

Save as disclosed above, please refer to the "Corporate Governance Report" contained in the Company's 2012 annual report for more information about the corporate governance practices of the Company to be published soon.

BOARD OF DIRECTORS

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 of
SINOFERT HOLDINGS LIMITED
Feng Zhi Bin
Executive Director and Chief Executive Officer

Hong Kong, 28 March 2013

* *For identification purposes only*