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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)

VOLUNTARY ANNOUNCEMENT PERFORMANCE OF GUARANTEE OBLIGATIONS

This announcement is made by Sinofert Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis.

Reference is made to the announcements of the Company dated 25 October 2012, 31 October 2012 and 11 December 2012 in relation to the capital increase agreement entered into between Yangmei Pingyuan Chemical Company Limited (“**Yangmei Pingyuan**”, the then 75% owned indirect subsidiary of the Company) and its shareholders (including Sinochem Fertilizer Company Limited (“**Sinochem Fertilizer**”), an indirect wholly-owned subsidiary of the Company) on 24 October 2012 (“**Capital Increase Agreement**”). Pursuant to the Capital Increase Agreement, Yangmei Chemical Co., Ltd. (“**Yangmei Chemical**”, previously known as Yangmei Chemical Investment Co., Ltd.) agreed to increase its capital investment in Yangmei Pingyuan, following the completion of which, Yangmei Pingyuan ceased to be a subsidiary and became an associate of Sinochem Fertilizer (owned as to 36.75%). Since then, Yangmei Chemical and Sinochem Fertilizer have been providing financial support to Yangmei Pingyuan in accordance with the relevant ratio.

Reference is made to the announcement of the Company dated 7 June 2023 in relation to the entering into a total of ten pledge contracts (the “**Pledge Contracts**”) between Sinochem Fertilizer and Bank of Beijing Co., Ltd., Jinan Branch (“**BOB Jinan Branch**”) on 7 June 2023. Pursuant to the Pledge Contracts, Sinochem Fertilizer agreed to pledge its cash deposits in a total amount of RMB478,695,900 in favour of BOB Jinan Branch to guarantee the due performance of the repayment obligations of Yangmei Pingyuan to BOB Jinan Branch under the new loan contracts. The existing amount of guarantee provided by Sinochem Fertilizer is proportional to the shareholding ratio of Sinochem Fertilizer in Yangmei Pingyuan. On the same day, Sinochem Fertilizer and Yangmei Pingyuan entered into a guarantee fee agreement, pursuant to which Yangmei Pingyuan agreed to pay to Sinochem Fertilizer a guarantee fee with respect to the guarantee every quarter at a rate of 2.5% per year of the guarantee amount under the Pledge Contracts.

Information relating to Performance of Guarantee Obligations

Sinochem Fertilizer has received a notice dated 2 January 2024 from BOB Jinan Branch for the performance of guarantee obligations (the “**Notice**”) on 3 January 2024, informing that

Yangmei Pingyuan did not make timely repayment in respect of its loan in an amount of RMB89,674,410 when due on 1 January 2024, the amount of which was pledged by the deposit of RMB91,221,300 from Sinochem Fertilizer. As at the date of this announcement, Yangmei Pingyuan shall repay the principal and interest of the loan, as well as other amounts payable, in an aggregate amount of RMB89,771,569.42. BOB Jinan Branch has required Sinochem Fertilizer to perform the guarantee obligations and the guarantee repayment obligations under the Pledge Contracts by fully settling the principal and interest of the loan on behalf of Yangmei Pingyuan within one working day upon receipt of the Notice.

Other than the aforesaid guarantee, as at the date of this announcement, the guarantee provided by Sinochem Fertilizer in respect of Yangmei Pingyuan's other outstanding bank loans amounted to RMB236,673,700. The last repayment date of these bank loans shall be 7 November 2024. If Yangmei Pingyuan is not able to repay the abovementioned bank loans, Sinochem Fertilizer shall perform the relevant guarantee obligations in relation thereto.

Upon performance of its guarantee obligations and its guarantee repayment obligations with respect to the bank loans of Yangmei Pingyuan, Sinochem Fertilizer shall have the right to file claims for recovery against Yangmei Pingyuan, requiring the latter to indemnify it against any amount undertaken by it in relation to the guarantee obligations. The Company will perform an assessment in respect of the impacts on the Company, if any, of the performance of guarantee obligations by Sinochem Fertilizer in due course. Shareholders and potential investors should exercise caution when dealing in the shares of the Company.

For and on behalf of the Board
SINOFERT HOLDINGS LIMITED
Liu Hongsheng
Chairman

Hong Kong, 3 January 2024

As at the date of this announcement, the executive directors of the Company are Mr. Wang Jun and Ms. Wang Ling; the non-executive director of the Company is Mr. Liu Hongsheng (Chairman); and the independent non-executive directors of the Company are Mr. Ko Ming Tung, Edward, Mr. Lu Xin and Mr. Tse Hau Yin, Aloysius.