

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

SINOFERT HOLDINGS LIMITED

中化化肥控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 297)

ANNOUNCEMENT

CONNECTED TRANSACTION UNDER THE EPC GENERAL CONTRACTING AGREEMENT FOR THE PHOSPHATE ROCK FLOTATION TECHNICAL UPGRADE PROJECT

To further enhance the utilisation efficiency of phosphate rock resources, recover valuable phosphate minerals remaining in tailings and improve the overall benefits of the project, Sinochem Fuling, an indirect non-wholly-owned subsidiary of the Company, plans to undertake the phosphate rock flotation technical upgrade project. Sinochem Fuling conducted a public tender process in accordance with the relevant requirements and confirmed CBLE and Zhejiang Tuohai as the Joint Successful Bidders.

The Board announces that on 12 October 2026, Sinochem Fuling, CBLE and Zhejiang Tuohai entered into the EPC General Contracting Agreement, pursuant to which Sinochem Fuling has engaged CBLE and Zhejiang Tuohai to undertake the construction drawing design, procurement of equipment and materials, engineering construction and related works for the phosphate rock flotation technical upgrade project for a total consideration of RMB7,055,000.01.

LISTING RULES IMPLICATIONS

Sinochem Holdings is the ultimate controlling shareholder of the Company, indirectly holding approximately 52.65% of the total number of issued shares of the Company, and is a connected person of the Company. CBLE is an indirect subsidiary of Sinochem Holdings, and is also a connected person of the Company. As such, the transaction under the EPC General Contracting Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.81 of the Listing Rules, a series of connected transactions will be aggregated and treated as if they were one transaction if they were all entered into or completed within a 12-month period or are otherwise related. Having taken into account transactions of a similar nature previously conducted between the Group and Sinochem Holdings and its associates during the past 12 months, the highest applicable percentage ratio in respect of the transaction under the EPC General Contracting Agreement, calculated on both a standalone basis and an aggregated basis, exceeds 0.1% but all applicable percentage ratios are less than 5%. Accordingly, the transaction under the EPC General Contracting Agreement is subject to the reporting and announcement requirements but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

BACKGROUND

To further enhance the utilisation efficiency of phosphate rock resources, recover valuable phosphate minerals remaining in tailings and improve the overall benefits of the project, Sinochem Fuling, an indirect non-wholly-owned subsidiary of the Company, plans to undertake the phosphate rock flotation technical upgrade project. Sinochem Fuling conducted a public tender process in accordance with the relevant requirements and confirmed CBLE and Zhejiang Tuohai as the Joint Successful Bidders.

The Board announces that on 12 October 2026, Sinochem Fuling, CBLE and Zhejiang Tuohai entered into the EPC General Contracting Agreement, pursuant to which Sinochem Fuling has engaged CBLE and Zhejiang Tuohai to undertake the construction drawing design, procurement of equipment and materials, engineering construction and related works for the phosphate rock flotation technical upgrade project for a total consideration of RMB7,055,000.01.

PRINCIPAL TERMS OF THE EPC GENERAL CONTRACTING AGREEMENT

Date

12 October 2026

Parties

- (a) Sinochem Fuling
- (b) CBLE and Zhejiang Tuohai

Scope of services

Under the EPC General Contracting Agreement, CBLE and Zhejiang Tuohai shall provide Sinochem Fuling with services including construction drawing design, procurement of equipment and materials, construction works, installation works (excluding automatic control works and the wiring and configuration within the existing beneficiation control cabinets), renovation works (including but not limited to modifications to match the existing equipment, pipelines, buildings and structures), anti-

corrosion works, inspection and testing, self-inspection of construction, standalone commissioning, final acceptance and final settlement, and shall assist and guide Sinochem Fuling in carrying out integrated commissioning, trial operation with feedstock, performance assessment and project handover.

The project mainly includes the construction of an additional steel-structure flotation operation platform (with grid dimensions of approximately 46.5 metres by 9 metres) to the northwest of the existing flotation plant, installation of a 5-tonne electric single-girder crane for maintenance, and installation of eight 40-cubic-metre flotation machines together with supporting pipelines, fans, electrical and instrumentation facilities. CBLE and Zhejiang Tuohai will also optimise the flotation process of the existing flotation plant so that, without changing the flotation capacity, the P2O5 grade in the tailings will be reduced to below 5%.

Construction period

180 calendar days in total

Consideration and payment

The EPC General Contracting Agreement is a fixed lump-sum contract with a total consideration (inclusive of tax) of RMB7,055,000.01, comprising a design fee of RMB200,000.00, equipment procurement costs of RMB3,276,265.40, construction and installation costs of RMB3,526,342.54 (including safety and civilised construction fees of RMB169,683.91), technical service fees of RMB12,000.00 and other costs of RMB40,392.07. Save for adjustments arising from variations and other additions or deductions in accordance with the EPC General Contracting Agreement, the contract price shall not be adjusted.

The total consideration under the EPC General Contracting Agreement shall be paid in accordance with the following schedule:

- (i) The advance payment shall be 10% of the contract amount (including the advance payment for safety and civilised construction fees) and shall be paid within no more than fifteen working days after the EPC General Contracting Agreement becomes effective. After the cumulative amount of work completed by the contractors reaches 40% of the contract sum, the advance payment shall be recouped in two equal instalments in accordance with the contract.
- (ii) Design progress payments: (a) after the construction drawing design and review have been completed in accordance with the requirements of Sinochem Fuling, 80% of the design fee under the successful tender shall be paid within twenty-eight days after the construction drawings have passed the review; and (b) the remaining design fee shall be paid in one lump sum within twenty-eight days after the project has passed final acceptance.
- (iii) Equipment procurement progress payments: upon delivery of the equipment to the site and provision of the relevant documents (including but not limited to quality certification documents, operation manuals, delivery lists and spare parts), 80% of the relevant equipment amount shall be paid after acceptance by Sinochem Fuling.

- (iv) Construction progress payments: before commencement of the works, 50% of the safety and civilised construction fee included in the contract sum shall be paid for on-site safety and civilised construction, with the remaining safety and civilised construction fee to be paid according to the construction progress. Construction progress payments shall be made at 80% of the amount corresponding to the works actually completed for the relevant period and approved by the supervising engineer, the project audit unit (if any) and Sinochem Fuling.
- (v) Intermediate handover and performance assessment: within twenty-eight days after obtaining the certificate of intermediate handover, the cumulative amount paid shall reach 80% of the total contract price; within twenty-eight days after the project facilities have undergone trial operation with feedstock and passed the 72-hour performance test and a performance assessment report has been obtained, payment shall be made up to 85% of the total contract price.
- (vi) Final acceptance: within twenty-eight days after the project has passed final acceptance and the settlement review has been completed, payment shall be made up to 97% of the final settlement amount; the defects liability period shall be 24 months commencing from the date on which the project passes final acceptance, and the remaining amount shall be paid within twenty-eight days after expiry of the defects liability period.

The aforesaid payments shall be made only to the bank account designated by CBLE. CBLE shall allocate the corresponding amounts to Zhejiang Tuohai in a timely and reasonable manner in accordance with the consortium agreement entered into between CBLE and Zhejiang Tuohai.

REASONS FOR AND BENEFITS OF ENTERING INTO THE EPC GENERAL CONTRACTING AGREEMENT

The existing beneficiation facilities of Sinochem Fuling are generally capable of meeting the basic production needs for beneficiation. However, with phosphate rock resources becoming increasingly scarce, the existing process has issues including relatively low resource utilisation efficiency and potential loss of economic value. In order to further unlock resource potential, improve the overall benefits of the project and implement the concept of green development, Sinochem Fuling intends to further recover valuable phosphate minerals remaining in tailings through the phosphate rock flotation technical upgrade, thereby achieving efficient resource utilisation and improving the quality and efficiency of the project. Sinochem Fuling has conducted a public tender process in accordance with the relevant requirements and confirmed CBLE and Zhejiang Tuohai as the Joint Successful Bidders. Both CBLE and Zhejiang Tuohai possess the requisite qualifications and expertise and are capable of providing Sinochem Fuling with the services under the EPC General Contracting Agreement.

The Directors (including the independent non-executive Directors) are of the view that the transaction under the EPC General Contracting Agreement is entered into by the Group in its ordinary and usual course of business and on normal commercial terms, is fair and reasonable and in the interests of the Company and its shareholders as a whole. As none of the Directors is regarded as having a material interest in the EPC General Contracting Agreement or the transaction contemplated thereunder, no Director is required to abstain from voting on the resolution of the Board approving the EPC General Contracting Agreement and the transaction contemplated thereunder.

LISTING RULES IMPLICATIONS

Sinochem Holdings is the ultimate controlling shareholder of the Company, indirectly holding approximately 52.65% of the total number of issued shares of the Company, and is a connected person of the Company. CBLE is an indirect subsidiary of Sinochem Holdings, and is also a connected person of the Company. As such, the transaction under the EPC General Contracting Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.81 of the Listing Rules, a series of connected transactions will be aggregated and treated as if they were one transaction if they were all entered into or completed within a 12-month period or are otherwise related. Having taken into account transactions of a similar nature previously conducted between the Group and Sinochem Holdings and its associates during the past 12 months, the highest applicable percentage ratio in respect of the transaction under the EPC General Contracting Agreement, calculated on both a standalone basis and an aggregated basis, exceeds 0.1% but all applicable percentage ratios are less than 5%. Accordingly, the transaction under the EPC General Contracting Agreement is subject to the reporting and announcement requirements but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

GENERAL INFORMATION

The Company is principally engaged, in the PRC, in the production, import and export, distribution and retail of raw materials and finished products of crop nutrition products, provision of technological research and development and services relating to crop nutrition business and products, exploitation and exploration of phosphate mines, and production of monocalcium/dicalcium phosphate (MCP/DCP).

Sinochem Fuling, an indirect non-wholly-owned subsidiary of the Company, is principally engaged in the production and sale of phosphate and compound fertilizer products.

Sinochem Holdings is the ultimate controlling shareholder of the Company. It is a large-scale chemical conglomerate operating in eight business sectors covering life science, materials science, basic chemicals, environmental science, rubber and tire, machinery and equipment, city operation, and industrial finance. The sole shareholder of Sinochem Holdings is the State-owned Assets Supervision and Administration Commission of the State Council.

CBLE, an indirect subsidiary of Sinochem Holdings, is principally engaged in scientific research and development, design and consultancy, project general contracting and survey. Its business scope covers chemical mine engineering, environmental engineering, chemical engineering, construction engineering and municipal engineering.

Zhejiang Tuohai is principally engaged in construction engineering, construction engineering design and disposal (clearance and transportation) of urban construction waste, as well as project management services and construction cost consultancy services. As at the date of this announcement, Zhejiang Tuohai is owned as to 51%, 30%, 10% and 9% by four individual shareholders, Huang Chaohui, Liao Qianyi, Lin Yunjing and Huang Yibao, respectively. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Zhejiang Tuohai and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

DEFINITIONS

In this announcement, the following expressions shall have the following meanings unless the context requires otherwise:

“associate(s)”	has the same meaning ascribed to it under the Listing Rules
“Board”	the board of Directors of the Company
“CBLE”	中藍連海設計研究院有限公司 (China Bluestar Lehigh Engineering Corporation), a company incorporated in the PRC with limited liability, and an indirect non-wholly-owned subsidiary of Sinochem Holdings
“Company”	Sinofert Holdings Limited, a company incorporated on 26 May 1994 in Bermuda with limited liability, the ordinary shares of which are listed on the Stock Exchange
“connected person(s)”	has the same meaning ascribed to it under the Listing Rules
“connected transaction(s)”	has the same meaning ascribed to it under the Listing Rules
“controlling shareholder”	has the same meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“EPC General Contracting Agreement”	the EPC general contracting agreement dated 12 October 2026 entered into among Sinochem Fuling, CBLE and Zhejiang Tuohai in respect of the phosphate rock flotation technical upgrade project, pursuant to which CBLE and Zhejiang Tuohai have been engaged to undertake the construction drawing design, procurement of equipment and materials, engineering construction and related works for a total consideration of RMB7,055,000.01
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Joint Successful Bidders”	CBLE and Zhejiang Tuohai, the joint successful bidders for the EPC General Contracting Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Sinochem Holdings”	中國中化控股有限責任公司 (Sinochem Holdings Corporation Ltd.), a state-owned enterprise incorporated in the PRC, and the ultimate controlling shareholder of the Company
“Sinochem Fuling”	中化重慶涪陵化工有限公司 (Sinochem Chongqing Fuling Industry Co., Ltd.), a company incorporated in the PRC with limited liability, and an indirect non-wholly-owned subsidiary of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the same meaning ascribed to it under the Listing Rules
“Zhejiang Tuohai”	浙江拓海建設有限公司 (Zhejiang Tuohai Construction Co., Ltd.), a company incorporated in the PRC with limited liability
“%”	percent

For and on behalf of the Board
SINOFERT HOLDINGS LIMITED
Zhang Xuegong
Chairman of the Board

Hong Kong, 12 October 2026

As at the date of this announcement, the executive directors of the Company are Mr. Zhang Xuegong (Chairman), Mr. Wang Tielin (Chief Executive Officer), Ms. Chen Shengnan and Ms. Wang Ling; the non-executive director of the Company is Ms. Zhang Guangyan; and the independent non-executive directors of the Company are Mr. Ko Ming Tung, Edward, Mr. Lu Xin and Mr. Sun Po Yuen.