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SINOFERT HOLDINGS LIMITED

中化化肥控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 297)

ANNOUNCEMENT
CONNECTED TRANSACTION UNDER
THE EPC GENERAL CONTRACTING AGREEMENT FOR THE ELECTRICAL AND INSTRUMENTATION INTRINSIC SAFETY RECTIFICATION PROJECT

In order to enhance the safety and reliability of the electrical and instrumentation systems of the relevant production facilities, Sinochem Yunlong, an indirect wholly-owned subsidiary of the Company, proposed to carry out the Electrical and Instrumentation Intrinsic Safety Rectification Project (the "**Project**") and conducted an open tender in accordance with the relevant requirements, pursuant to which CBLE and Kunzhou Construction were selected as the Joint Successful Bidders.

The Board announces that on 19 November 2026, Sinochem Yunlong entered into the EPC General Contracting Agreement with CBLE and Kunzhou Construction, pursuant to which Sinochem Yunlong has engaged CBLE and Kunzhou Construction to undertake the design, procurement, construction, installation, commissioning and related works for the Project, with a contract cap of RMB38,300,000.

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

In order to enhance the safety and reliability of the electrical and instrumentation systems of the relevant production facilities, Sinochem Yunlong, an indirect wholly-owned subsidiary of the Company, proposed to carry out the Electrical and Instrumentation Intrinsic Safety Rectification Project and conducted an open tender in accordance with the relevant requirements, pursuant to which CBLE and Kunzhou Construction were selected as the Joint Successful Bidders.

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PRINCIPAL TERMS OF THE EPC GENERAL CONTRACTING AGREEMENT

Date

19 November 2026

Parties

(a) Sinochem Yunlong

(b) CBLE and Kunzhou Construction

Scope of Works

Under the EPC General Contracting Agreement, CBLE and Kunzhou Construction shall undertake the design, procurement, construction, installation and commissioning works for the Project. The electrical upgrade and renovation works include: (1) replacement of the 10kV incoming cables in the flotation power distribution room and the ball-milling power distribution room; (2) replacement of the transformer in the flotation power distribution room; (3) renewal of the low-voltage distribution cabinets and renovation of the relevant grounding systems in the power distribution rooms for the flotation, calcium ore, ball-milling and MDCP production and packaging sections; (4) installation of additional low-voltage distribution cabinets in the MDCP power distribution room; (5) replacement of the 10kV motor cables in the calcium ore, ball-milling and MDCP sections; (6) renewal and renovation of the on-site operation boxes, maintenance power supply boxes, cable trays, cables and other facilities in the flotation, calcium ore, ball-milling and MDCP production and packaging sections (including clarification tanks and charging piles); (7) renovation to centralise the installation of low-voltage variable-frequency drives in the power distribution rooms for the flotation, calcium ore, ball-milling and MDCP production and packaging sections; and (8) dismantling of the transformers, low-voltage distribution cabinets, on-site operation boxes, maintenance power supply boxes, cable trays, cables and other facilities to be replaced.

The instrumentation upgrade and renovation works include the renewal of the on-site instrumentation cables and cable trays for the electrical intrinsic safety rectification project in the flotation, calcium ore, ball-milling and MDCP sections; dismantling of the existing cables and cable trays; and renewal and renovation of the DCS control systems in the MDCP production and packaging, flotation and calcium ore sections.

Construction Period

Project commencement: within one week after receipt of the notice from Sinochem Yunlong;

Design completion: the final version of the construction drawing design documents shall be submitted within 10 working days after the contract is signed and becomes effective;

Installation works completion deadline: on or before 15 December 2026 (inclusive).

Contract Cap and Payment

The EPC General Contracting Agreement adopts a contract model featuring capped design and capped construction, with a discount applied to the comprehensive rates. The contract cap is RMB38,300,000. The design fee is calculated based on the construction and installation costs with reference to the Administrative Measures for Fees for Engineering Survey and Design (Ji Jiage [2002] No. 10) promulgated by the State Planning Commission and the Ministry of Construction, and is reduced by 3.2%; the construction and installation costs are calculated based on the as-built drawings, design variations, on-site measurement records, pricing approval sheets for materials and equipment jointly confirmed by the parties, and the applicable pricing standards and quotas of Yunnan Province, and are reduced by 1.75% (excluding major materials and equipment, safety and civilised construction fees and taxes). The prices of major materials and equipment shall be determined with reference to the Kunming City Engineering Construction Materials Price Guide and Yunnan Province price information for the month in which the commencement order is issued. The final settlement amount shall not exceed the contract cap. Any amount exceeding the contract cap as a result of design, procurement, construction or variations shall be borne by the Contractors themselves.

The payments under the EPC General Contracting Agreement shall be made in accordance with the following arrangements:

(i) Design fee: after the design deliverables submitted by CBLE and Kunzhou Construction have been reviewed and approved by Sinochem Yunlong, 80% of the design fee shall be paid.

(ii) Payments for construction and installation works: 80% of the value of the completed works for the relevant month, as confirmed by Sinochem Yunlong, the third-party supervising engineer and the Contractors based on the construction drawings, shall be paid; the Contractors shall issue special VAT invoices for 100% of the completed works.

(iii) Major equipment procurement payments: within 15 days after the EPC General Contracting Agreement becomes effective and Sinochem Yunlong has received the purchase order (copy of the contract) for the equipment to be procured by the Contractors and the relevant financial receipt voucher, 20% of the relevant equipment price shall be paid; after the goods have arrived at the delivery location and passed the arrival inspection, and Sinochem Yunlong has received a special VAT invoice for the full amount issued by the Contractors, 60% of the relevant equipment price shall be paid.

(iv) After the works have passed completion acceptance, Sinochem Yunlong shall pay up to 100% of the settlement amount approved by it. No quality retention money shall be withheld under the EPC General Contracting Agreement, but the Contractors shall, within seven days prior to payment of the final settlement amount, issue a quality guarantee equivalent to 3% of the settlement amount confirmed by the parties.

All the aforesaid payments shall be made only to the bank account designated by CBLE (as the lead member of the Joint Successful Bidders). CBLE shall, in accordance with the consortium agreement entered into between CBLE and Kunzhou Construction, allocate the corresponding amounts to Kunzhou Construction in a timely manner and in full.

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

The electrical equipment and facilities at the ball-milling, calcium ore, flotation and MDCP sections of Sinochem Yunlong have been in operation for a relatively long period of time. Ageing of the equipment, deterioration in insulation performance and corrosion have resulted in a relatively high equipment failure rate, and the on-site control cables can no longer meet the requirements of the existing continuous production operations. The Project is intended to renew and renovate the relevant electrical and instrumentation equipment so as to reduce the risks of unplanned shutdowns and production safety accidents caused by equipment failures. Sinochem Yunlong selected CBLE and Kunzhou Construction through a public tender and, after comparing the qualifications, overall prices and construction periods of the bidders, determined them as the Joint Successful Bidders.

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, 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 has abstained from voting on the resolution of the Board approving the EPC General Contracting Agreement and the transaction contemplated thereunder.

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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 for crop nutrition, 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 Yunlong, an indirect wholly-owned subsidiary of the Company, is principally engaged in the mining, beneficiation, and production and sale of dicalcium phosphate (DCP).

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.

Kunzhou Construction is principally engaged in construction works, construction engineering design, project management services, construction cost consultancy and related engineering technical services. As at the date of this announcement, Kunzhou Construction is owned as to 70%, 12%, 9% and 9% by Gao Yunquan, Bai Chunlan, Zhu Zhiyong and Bai Kaiquan, respectively. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Kunzhou Construction 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 19 November 2026 entered into between Sinochem Yunlong, CBLE and Kunzhou Construction in respect of the Project, pursuant to which CBLE and Kunzhou Construction have been engaged to undertake the design, procurement, construction, installation, commissioning and related works for the Project, with a contract cap of RMB38,300,000
"Group"	the Company and its subsidiaries
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Joint Successful Bidders" or "Contractors"	CBLE and Kunzhou Construction, the joint successful bidders for the EPC General Contracting Agreement
"Kunzhou Construction"	Kunzhou Construction Group Co., Ltd., a company incorporated in the PRC with limited liability
"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 Yunlong"	中化雲龍有限公司 (Sinochem Yunlong Co., Ltd.), a company incorporated in the PRC with limited liability, and an indirect 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
"%"	percent

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

Hong Kong, 19 November 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 Directors of the Company are Ms. Zhang Guangyan and Mr. Cai Yingqiang; and the independent non-executive Directors of the Company are Mr. Ko Ming Tung, Edward, Mr. Lu Xin and Mr. Sun Po Yuen.