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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)

CONNECTED TRANSACTION DISPOSAL OF EQUITY INTERESTS IN TIANJIN BEIHAI

The Board wishes to announce that on 6 March 2015, Dohigh Trading and Sinochem Fertilizer, two indirect wholly-owned subsidiaries of the Company, together with Sinochem Intertrans (each as a seller), entered into the Equity Transfer Contract with Tianjin Xintailai (as a purchaser), pursuant to which Dohigh Trading, Sinochem Fertilizer and Sinochem Intertrans have agreed to transfer their respective equity interests in Tianjin Beihai to Tianjin Xintailai.

Each of Dohigh Trading and Sinochem Fertilizer is an indirect wholly-owned subsidiary of the Company. Sinochem Intertrans is an indirect non-wholly owned subsidiary of Sinochem Group, which is the ultimate controlling shareholder of the Company holding an effective interest of approximately 52.65% in the Company. Sinochem Intertrans is therefore a connected person of the Company. Pursuant to Chapter 14A of the Listing Rules, the Transaction constitutes a connected transaction of the Company. Given that one or more of the applicable percentage ratios in respect of the Transaction are more than 0.1% but less than 5%, the Transaction 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

The Board wishes to announce that on 6 March 2015, Dohigh Trading and Sinochem Fertilizer, two indirect wholly-owned subsidiaries of the Company, together with Sinochem Intertrans (each as a seller), entered into the Equity Transfer Contract with Tianjin Xintailai (as a purchaser), pursuant to which Dohigh Trading, Sinochem Fertilizer and Sinochem Intertrans have agreed to transfer their respective equity interests in Tianjin Beihai to Tianjin Xintailai.

* *For identification purposes only*

THE EQUITY TRANSFER CONTRACT

Date

6 March 2015

Parties

Sellers: Dohigh Trading, Sinochem Fertilizer and Sinochem Intertrans

Purchaser: Tianjin Xintailai

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Tianjin Xintailai and its ultimate beneficial owner are third parties independent of the Company and its connected persons.

Interests to be disposed of

Pursuant to the Equity Transfer Contract, Dohigh Trading, Sinochem Fertilizer and Sinochem Intertrans have agreed to transfer their 25%, 5.9034% and 14.5269% equity interests in Tianjin Beihai to Tianjin Xintailai, respectively. Upon completion of the Transaction, each of Dohigh Trading, Sinochem Fertilizer and Sinochem Intertrans will cease to hold any equity interest in Tianjin Beihai.

Consideration and payment

The aggregate consideration payable by Tianjin Xintailai to Dohigh Trading, Sinochem Fertilizer and Sinochem Intertrans is RMB18,853,030, which was determined during the listing-for-sale process organized by China Beijing Equity Exchange with reference to the value of approximately RMB18,853,030, representing the valuation of 45.4303% equity interests (i.e. the aggregate equity interests held by Dohigh Trading, Sinochem Fertilizer and Sinochem Intertrans) in Tianjin Beihai as at 31 March 2014 performed by an independent valuer using asset-based method. Based on the shareholding percentage of Dohigh Trading, Sinochem Fertilizer and Sinochem Intertrans in Tianjin Beihai, the consideration payable by Tianjin Xintailai to Dohigh Trading, Sinochem Fertilizer and Sinochem Intertrans is approximately RMB10,374,701, RMB2,449,840 and approximately RMB6,028,489, respectively.

Tianjin Xintailai shall pay the consideration in a lump sum to the bank account designated by China Beijing Equity Exchange within 5 working days following the execution of the Equity Transfer Contract.

Completion

Within 30 working days following the issuance of an equity transfer certificate by China Beijing Equity Exchange, Dohigh Trading, Sinochem Fertilizer and Sinochem Intertrans shall call a shareholders' meeting to amend the articles of association of Tianjin Beihai, and shall procure Tianjin Beihai to complete the equity transfer registration with the relevant authorities.

Completion of the Transaction shall take place on the date when the equity transfer registration is completed.

INFORMATION ON TIANJIN BEIHAI

Tianjin Beihai, established in 1999, is located at Tanggu District, Tianjin. Tianjin Beihai has a registered capital of RMB35,000,000 and its primary business is packing, transportation and warehousing of bulk cargos such as imported bulk fertilizer.

Based on the financial statements of Tianjian Beihai prepared in accordance with Chinese Accounting Standards for Business Enterprises, the audited net asset value of Tianjin Beihai as at 31 March 2014 was approximately RMB40,542,000, and the unaudited net asset value of Tianjin Beihai as at 31 December 2014 was approximately RMB41,746,000; and the profits of Tianjin Beihai for the years ended 31 December 2013 and 31 December 2014 were as follows:

	For the year ended 31 December 2013 (Audited) (Approx. RMB)	For the year ended 31 December 2014 (Unaudited) (Approx. RMB)
Profit before taxation	3,298,000	3,543,000
Profit after taxation	2,446,000	2,549,000

FINANCIAL EFFECT

The Group's total equity interests in Tianjin Beihai before the Transaction is 30.9034%, including 25% owned by Dohigh Trading and 5.9034% owned by Sinochem Fertilizer. Upon completion of the Transaction, the Group is expected to recognize a gain ranging from RMB3 million to RMB8 million from its disposal of the 30.9034% equity interests in Tianjin Beihai, estimated based on the consideration receivable by Dohigh Trading and Sinochem Fertilizer and the estimated carrying value of their disposed interests in Tianjin Beihai as shown in the accounts of Dohigh Trading and Sinochem Fertilizer. The amount of the actual gain will be determined based on the carrying value of the disposed interests in Tianjin Beihai as shown in the accounts of Dohigh Trading and Sinochem Fertilizer as at the date of completion of the Transaction.

The proceeds from the Transaction will be used to replenish the working capital of the Group.

REASONS FOR AND BENEFITS OF THE TRANSACTION

Tianjin Port used to be an essential port in the PRC for importation of diammonium phosphate. However, due to the change of policies of the PRC on diammonium phosphate importation, Tianjin Beihai's import volume of bulk fertilizer declined significantly in recent years. At present, fertilizer importation in the PRC focuses on potash, and the main arrival ports are Qingdao Port, Lianyungang Port, Yingkou Port and Yantai Port. Based on the business

development needs of the Group, it is expected that the Group will not conduct high-volume fertilizer importation business through Tianjin Port in the near future. Therefore, the Group proposed to dispose of its equity interests in Tianjin Beihai.

The Directors (including the independent non-executive Directors) are of the view that the Transaction is conducted by the Company 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. Mr. Liu De Shu and Mr. Yang Lin, being employees of Sinochem Group, have abstained from voting on the relevant Board resolution passed to approve the Transaction.

LISTING RULES IMPLICATIONS

Each of Dohigh Trading and Sinochem Fertilizer is an indirect wholly-owned subsidiary of the Company. Sinochem Intertrans is an indirect non-wholly owned subsidiary of Sinochem Group, which is the ultimate controlling shareholder of the Company holding an effective interest of approximately 52.65% in the Company. Sinochem Intertrans is therefore a connected person of the Company. Pursuant to Chapter 14A of the Listing Rules, the Transaction constitutes a connected transaction of the Company. Given that one or more of the applicable percentage ratios in respect of the Transaction are more than 0.1% but less than 5%, the Transaction 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 production, procurement and sale of fertilizers and related products in the PRC. The main business comprises research and development, production, procurement and distribution of fertilizers and forms a vertically integrated business model combining upstream and downstream businesses. The Company aims to serve the agricultural industry in the PRC by introducing quality resources from overseas and to ensure food security in the PRC.

Dohigh Trading is principally engaged in the trading of fertilizers and other agrichemical products.

Sinochem Fertilizer is engaged in the production, import, export, distribution, wholesale and retail of fertilizer raw materials and products, as well as research and development and services in the field of fertilizer-related business and products.

Sinochem Intertrans is principally engaged in the sea, road and air freight forwarding services for import and export goods, including canvassing, packaging, storage, consolidation and de-consolidation of containers, short-distance transportation for goods delivery, application for inspection, customs declaration, shipment booking, transshipment; issuance of bills of lading; preparation of various bills and certificates, and international multimodal transport business; as well as warehousing services.

Tianjin Xintailai is principally engaged in the international freight forwarding (sea, air and road transportation) and related business consulting services; as well as warehousing services.

DEFINITIONS

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

“Board”	the board of Directors of the Company
“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”	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
“Dohigh Trading”	敦尚貿易有限公司 (Dohigh Trading Limited), a limited liability company incorporated in Hong Kong and an indirect wholly-owned subsidiary of the Company
“Equity Transfer Contract”	the equity transfer contract dated 6 March 2015 entered into among Dohigh Trading, Sinochem Fertilizer and Sinochem Intertrans (each as a seller) and Tianjin Xintailai (as a purchaser) in relation to the Transaction
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China, which for the purposes of this announcement only, excludes Hong Kong, Macao Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC

“shareholder(s)”	registered holder(s) of ordinary share(s) of HK\$0.10 each in the capital of the Company
“Sinochem Fertilizer”	中化化肥有限公司 (Sinochem Fertilizer Company Limited), a limited liability company incorporated in the PRC and an indirect wholly-owned subsidiary of the Company
“Sinochem Group”	中國中化集團公司 (Sinochem Group), a state-owned enterprise incorporated in the PRC and the ultimate controlling shareholder of the Company
“Sinochem Intertrans”	中化國際倉儲運輸有限公司 (Sinochem Intertrans Co., Ltd.), a limited liability company incorporated in the PRC and an indirect non-wholly owned subsidiary of Sinochem Group
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the same meaning ascribed to it under the Listing Rules
“Tianjin Beihai”	天津北海實業有限公司 (Tianjin Beihai Industrial Co., Ltd.), a limited liability company incorporated in the PRC
“Tianjin Xintailai”	天津鑫泰來物流有限公司 (Tianjin Xintailai Logistics Co., Ltd.), a limited liability company incorporated in the PRC
“Transaction”	the disposal of equity interests in Tianjin Beihai by Dohigh Trading, Sinochem Fertilizer and Sinochem Intertrans to Tianjin Xintailai pursuant to the Equity Transfer Contract
“%”	Percent

For and on behalf of the Board
SINOFERT HOLDINGS LIMITED
Wang Hong Jun
Executive Director and Chief Executive Officer

Hong Kong, 6 March 2015

As at the date of this announcement, the executive directors of the Company are Mr. Wang Hong Jun (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, Mr. Lu Xin and Mr. Tse Hau Yin, Aloysius.