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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 PROFIT WARNING

This announcement is made by Sinofer Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to the inside information provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders of the Company and potential investors that based on a preliminary review of the unaudited consolidated management accounts of the Group, it is expected that there will be a significant decrease in the operating loss of the Group for the year ended 31 December 2017 as compared with that for the year ended 31 December 2016. The improvement of the Group’s operating results is mainly attributable to (i) the internal restructuring and compensation incentive reform undertaken by the Group, which enhanced the efficiency and initiatives of its business departments and personnel; (ii) the Group’s efforts in strengthening centralized strategic procurement and business coordination between operation units, as well as in strictly controlling the costs and expenses of its subsidiaries; and (iii) the increase in gross profit margin of the Group’s products due to a recovery of the domestic fertilizer market. However, since the Company will recognize the share of profit or loss of its associate, Qinghai Salt Lake Industry Co., Ltd. (“**Qinghai Salt Lake**”), in 2017, the loss resulting from the disposal of 20.52% equity interest in Qinghai Salt Lake, and the impairment provisions on certain fixed assets of the production subsidiaries of the Company in accordance with the applicable accounting principles, it is expected that the Group will continue to record a notable operating loss for the year ended 31 December 2017.

The information contained in this announcement is only a preliminary assessment made by the Board based on the consolidated management accounts of the Group and the information currently available to the Board, and such consolidated management accounts have not been audited by the Company’s auditors. Shareholders of the Company and potential investors are advised to read carefully the details on the financial information of the Group to be disclosed in the annual results announcement of the Company, which is expected to be published in March 2018.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.

For and on behalf of the Board
SINOFERT HOLDINGS LIMITED
Qin Hengde

Executive Director and Chief Executive Officer

Hong Kong, 19 January 2018

As at the date of this announcement, the executive directors of the Company are Mr. Qin Hengde (Chief Executive Officer) and Mr. Harry Yang; the non-executive directors of the Company are Mr. Zhang Wei (Chairman) and Mr. Yang Lin; and the independent non-executive directors of the Company are Mr. Ko Ming Tung, Edward, Mr. Lu Xin and Mr. Tse Hau Yin, Aloysius.

* *For identification purposes only*