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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)

POSITIVE PROFIT ALERT

This announcement is made by Sinofert 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 notable improvement in the operating results of the Group for the year ended 31 December 2018 as compared with those for the year ended 31 December 2017. The Company expects that the profit attributable to owners of the Company for the year ended 31 December 2018 will range between RMB400 million and RMB500 million, which represents a significant improvement as compared with the loss attributable to owners of the Company for the year ended 31 December 2017 of RMB380 million (excluding major non-recurring losses and expenses).

The improvement of the Group’s operating results is mainly attributable to the following reasons: (i) amid a modest recovery of the fertilizer market, the Group adhered to its strategic development direction, constantly optimized its incentive mechanism, and proceeded with professional and lean operations. The basic fertilizer segment expanded its strategic procurement to secure the source of supply of quality goods, and strengthened its cooperation with core industrial customers to expand the proportion of its direct sales, thereby increasing its gross profit margin; the distribution segment continued to promote in-depth channel building, intensified the comprehensive marketing services for downstream customers, and stepped up its efforts on innovation and sales of differentiated products. As a result, the Group achieved the continued growth in terms of quantity and profit, and its business structure was significantly optimized; and (ii) the major production units of the Group operated in a “safe, stable, long-term, full and high-quality” manner. In particular, Sinochem Jilin Changshan Chemical Co., Ltd., a subsidiary of the Company, has gradually achieved

steady operation for its production facilities with a significant decrease in its costs and expenses, which resulted in a significant growth of gross profit margin from last year.

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 of 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 2019.

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, 23 January 2019

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 director of the Company is 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*