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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 ON THE RECEIPT OF DECISION OF ADMINISTRATIVE PENALTY FROM THE STATE ADMINISTRATION FOR MARKET REGULATION

Sinochem Fertilizer Company Limited (“**Sinochem Fertilizer**”), an indirect wholly-owned subsidiary of Sinofert Holdings Limited (the “**Company**”), has recently received a decision of administrative penalty (Guo Shi Jian Chu Fa [2021] No. 72) (the “**Decision**”) from the State Administration for Market Regulation (the “**SAMR**”).

In the Decision, the SAMR found that in the first half of 2021, Sinochem Fertilizer increased the selling price of potassium chloride substantially when the price for import of the same remained intact, which drove up excessive price hikes for potassium chloride in the domestic market and thus violated the requirement under Article 14(3) of the *Price Law of the People’s Republic of China* prohibiting business operators from forcing up prices. In accordance with the requirements under Article 40 of the *Price Law of the People’s Republic of China* and Article 6 of the *Provisions on Administrative Penalties Against Price-related Illegal Activities*, the SAMR ordered Sinochem Fertilizer to make rectification for its illegal activity, and imposed on it a penalty of RMB2.6 million in respect thereof.

The Company has paid great attention to the issues identified in the Decision, and will take more measures (such as further increasing strategic procurement and keeping track of the flow of goods) to ensure the stability of the supply and price of fertilizers (in particular potash) in the domestic market, so as to better fulfill its corporate social responsibility.

The administrative penalty specified in the Decision will have no material impact on the business operation and financial position of the Company.

For and on behalf of the Board
SINOFERT HOLDINGS LIMITED

Qin Hengde

Executive Director and Chief Executive Officer

Hong Kong, 24 September 2021

As at the date of this announcement, the executive directors of the Company are Mr. Qin Hengde (Chief Executive Officer), Mr. Feng Mingwei and Mr. Harry Yang; the non-executive director of the Company is Mr. J. Erik Fyrwald (Chairman); and the independent non-executive directors of the Company are Mr. Ko Ming Tung, Edward, Mr. Lu Xin and Mr. Tse Hau Yin, Aloysius.