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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

FINANCIAL DATA OF SINOCEM FERTILIZER FOR THE SIX MONTHS ENDED 30 JUNE 2018

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 Rules 13.09(2)(a) and 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Reference is made to the announcements of the Company dated 19 July 2016 and 25 July 2016 in relation to the issue of the first tranche of the medium-term notes for the year of 2016 in an amount of RMB1 billion by Sinochem Fertilizer Company Limited (“**Sinochem Fertilizer**”), an indirect wholly-owned subsidiary of the Company.

According to the relevant PRC regulations, Sinochem Fertilizer is required to publish its financial data on a quarterly basis on the website of Shanghai Clearing House at www.shclearing.com and the website of China Money at www.chinamoney.com.cn during the term of the above debts. Set out below are the unaudited financial data of Sinochem Fertilizer and its subsidiaries on a consolidated basis and the unaudited financial data of Sinochem Fertilizer for the six months ended 30 June 2018, which are prepared in accordance with the China Accounting Standards for Business Enterprises, and have no material difference from those prepared in accordance with the Hong Kong Financial Reporting Standards. The financial data contained herein have been consolidated into the financial statements of the Group for the six months ended 30 June 2018 published by the Company on 30 August 2018.

Shareholders of the Company and potential investors are advised to exercise caution in 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, 31 August 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*

Sinochem Fertilizer Company Limited

Balance Sheet

30 June 2018

RMB Yuan

Item	30 June 2018	31 December 2017
Current Assets		
Cash and bank balances	1,109,194,265.32	194,037,660.27
Notes receivable	943,950,939.53	203,723,157.84
Accounts receivable	833,780,687.73	169,855,007.14
Prepayments	7,316,393,071.30	1,766,687,690.88
Dividend receivable	36,000,000.00	36,000,000.00
Interest receivable	14,571,722.69	7,129,097.34
Other receivables	537,740,380.77	135,530,776.56
Inventories	3,526,958,159.31	3,986,643,157.67
Assets held for sale	-	8,017,384,700.93
Other current assets	4,884,799,262.49	4,068,899,277.81
Total Current Assets	19,203,388,489.14	18,585,890,526.44
Non-Current Assets		
Available-for-sale financial assets	303,519,200.13	303,519,200.13
Long-term equity investments	3,607,841,807.75	3,573,490,357.57
Fixed assets	115,553,689.43	98,189,123.51
Intangible assets	15,339,980.14	16,125,477.25
Long-term deferred and prepaid expenses	25,166,888.31	645,706.86
Deferred tax assets	5,653,047.72	5,653,047.72
Other non-current assets	383,783,785.61	777,133,825.24
Total Non-Current Assets	4,456,858,399.09	4,774,756,738.28
TOTAL ASSETS	23,660,246,888.23	23,360,647,264.72

Sinochem Fertilizer Company Limited

Balance Sheet (continued)

30 June 2018

RMB Yuan

Item	30 June 2018	31 December 2017
Current Liabilities		
Short-term borrowings	314,300,000.00	837,598,500.00
Notes payable	921,025,327.60	1,978,327,158.32
Accounts payable	8,782,556,662.85	1,646,585,935.08
Receipts in advance	1,904,967,330.58	5,952,292,646.96
Employee benefits payable	14,410,888.10	7,247,901.17
Taxes and surcharges payable	53,025,102.89	63,570,267.02
Interests payable	114,415,267.91	35,153,481.99
Other payables	198,721,425.94	267,208,523.00
Total Current Liabilities	12,303,422,005.87	10,787,984,413.54
Non-Current Liabilities		
Long-term borrowings	-	1,500,000,000.00
Bonds payable	3,496,709,999.34	3,495,534,999.36
Deferred income	2,733,500.00	2,733,500.00
Total Non-Current Liabilities	3,499,443,499.34	4,998,268,499.36
TOTAL LIABILITIES	15,802,865,505.20	15,786,252,912.90
Owners' Equity		
Paid-in capital	10,600,000,000.00	10,600,000,000.00
Capital reserves	1,085,775,208.41	1,055,021,317.21
Surplus reserves	498,894,604.32	498,894,604.32
Retained profits	(4,327,288,429.71)	(4,579,521,569.71)
TOTAL OWNERS' EQUITY	7,857,381,383.02	7,574,394,351.82
TOTAL LIABILITIES AND OWNERS' EQUITY	23,660,246,888.23	23,360,647,264.72

Sinochem Fertilizer Company Limited

Income Statement

The first Half of 2018

RMB Yuan

Item	H1 2018	H1 2017
Operating income	12,350,906,274.01	9,775,354,518.92
Less: Operating costs	11,738,699,953.77	9,238,943,465.82
Taxes and levies	4,522,601.97	4,184,721.20
Selling expenses	287,389,633.42	243,543,196.78
Administrative expenses	119,564,164.85	104,394,615.48
Finance expenses	111,081,121.15	141,141,291.42
Impairment loss of assets	3,143,641.26	5,330,177.22
Investment income	164,671,505.65	(52,867,027.98)
Operating profit /(loss)	251,176,663.24	(15,049,976.98)
Plus: Non-operating income	1,199,595.53	21,444,197.34
Less: Non-operating expenses	143,118.78	51,248.74
Total amount of profit/(loss)	252,233,139.99	6,342,971.62
Less: Income tax expenses	-	-
Net profit/(loss)	252,233,139.99	6,342,971.62
Other comprehensive income	-	-
Total comprehensive income	252,233,139.99	6,342,971.62

Sinochem Fertilizer Company Limited

Cash Flow Statement

The first Half of 2018

RMB Yuan

Item	H1 2018	H1 2017
1. Cash flows from operating activities		
Cash receipts from the sales of goods and the rendering of services	12,470,044,374.73	9,964,398,806.61
Other cash receipts relating to operating activities	13,205,187.14	60,921,401.03
Sub-total of cash inflows from operating activities	12,483,249,561.87	10,025,320,207.64
Cash payments for goods purchased and services received	13,753,885,503.23	10,349,788,107.65
Cash payments to and on behalf of employees	184,224,599.00	149,118,706.46
Payments of various types of taxes	19,238,100.70	21,533,894.30
Other cash payments relating to operating activities	733,974,479.92	264,569,478.72
Sub-total of cash outflows from operating activities	14,691,322,682.85	10,785,010,187.13
Net cash flows from operating activities	(2,208,073,120.98)	(759,689,979.49)
2. Cash flows from investing activities		
Cash receipts from returns on investments	122,877,430.12	105,142,538.41
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets	5,629,525,589.96	1,889,697.13
Sub-total of cash inflows from investing activities	5,752,403,020.08	107,032,235.54
Cash payments to acquire and construct fixed assets, intangible assets and other long-term assets	22,457,707.80	42,223,312.38
Cash payments to acquire investments	547,960,997.21	543,325,104.76
Sub-total of cash outflows from investing activities	570,418,705.01	585,548,417.14
Net cash flows from investing activities	5,181,984,315.07	(478,516,181.60)
3. Cash flows from financing activities		
Cash receipts from borrowings	1,971,000,000.00	7,478,640,000.00
Sub-total of cash inflows from financing activities	1,971,000,000.00	7,478,640,000.00
Cash repayments of borrowings	3,994,298,500.00	6,130,000,000.00
Cash payments for distribution of dividends or profits or settlement of interest expenses	35,460,517.69	112,205,091.85
Sub-total of cash outflows from financing activities	4,029,759,017.69	6,242,205,091.85
Net cash flows from financing activities	(2,058,759,017.69)	1,236,434,908.15
4. Effect on exchange rate change on cash and cash equivalents	4,428.65	(454.92)
5. Net increase in cash and cash equivalents	915,156,605.04	(1,771,707.86)
Plus: Cash and bank balances at 1 January	194,037,660.27	402,966,022.76
6. Cash and bank balances at 31 March	1,109,194,265.32	401,194,314.90

Sinochem Fertilizer Company Limited

Consolidated Balance Sheet

30 June 2018

RMB Yuan

Item	30 June 2018	31 December 2017
Current Assets		
Cash and bank balances	1,161,900,802.69	261,724,627.21
Notes receivable	1,049,981,225.48	190,637,930.88
Accounts receivable	396,108,513.55	37,560,005.22
Prepayments	1,066,647,389.16	1,427,546,698.70
Interest receivable	9,179,511.27	1,125,972.28
Other receivables	543,817,835.95	102,070,824.67
Inventories	4,255,673,423.68	4,999,795,934.46
Assets held for sale	-	8,017,384,700.93
Other current assets	1,476,484,556.41	1,052,295,700.54
Total Current Assets	9,959,793,258.46	16,090,142,394.89
Non-Current Assets		
Available-for-sale Financial assets	307,519,200.13	307,519,200.13
Long-term equity investments	888,411,703.43	891,862,276.45
Fixed assets	2,073,311,665.47	2,114,489,856.28
Construction in progress	319,227,024.98	311,997,964.48
Intangible assets	1,082,151,828.94	1,106,192,693.90
Goodwill	531,073,744.64	531,073,744.64
Long-term deferred and prepaid expenses	20,665,028.21	20,345,116.25
Deferred tax assets	17,801,798.23	17,210,511.11
Other non-current assets	116,420,000.00	-
Total Non-Current Assets	5,356,581,994.02	5,300,691,363.24
TOTAL ASSETS	15,316,375,252.22	21,390,833,758.13

Sinochem Fertilizer Company Limited
Consolidated Balance Sheet (continued)
30 June 2018
RMB Yuan

Item	30 June 2018	31 December 2017
Current Liabilities		
Short-term borrowings	68,000,000.00	541,798,500.00
Notes payable	915,401,814.85	1,996,824,985.23
Accounts payable	3,129,453,260.06	2,136,711,270.77
Receipts in advance	1,542,303,646.56	5,900,653,297.72
Employee benefits payable	77,327,118.40	119,850,153.86
Taxes and surcharges payable	70,268,900.13	72,382,558.75
Interests payable	113,377,188.82	34,636,359.19
Dividends payable	31,855,373.27	26,405,312.00
Other payables	386,939,023.10	458,471,624.79
Other current Liabilities	150,000.00	-
Total Current Liabilities	6,335,076,325.19	11,287,734,062.31
Non-Current Liabilities		
Long-term loans	-	1,500,000,000.00
Bonds payable	3,496,709,999.34	3,495,534,999.36
Long-term employee benefits payable	49,590,830.06	49,590,830.06
Estimated liabilities	48,931,672.79	48,931,672.79
Deferred tax liabilities	201,544,116.83	207,912,050.38
Deferred income	155,460,260.25	34,626,324.87
Total Non-Current Liabilities	3,952,236,879.27	5,336,595,877.46
TOTAL LIABILITIES	10,287,313,204.46	16,624,329,939.77
Owners' Equity		
Paid-in capital	10,600,000,000.00	10,600,000,000.00
Capital reserves	1,090,163,693.25	1,059,409,802.06
Special reserves	13,405,170.95	9,819,965.62
Surplus reserves	487,741,563.06	487,741,563.04
Retained profits	(6,955,798,235.24)	(7,180,362,216.93)
Total equity attributable to owners of the Company	5,235,512,192.02	4,976,609,113.79
Minority interests	(206,450,144.26)	(210,105,295.43)
TOTAL OWNERS' EQUITY	5,029,062,047.76	4,766,503,818.36
TOTAL LIABILITIES AND OWNERS' EQUITY	15,316,375,252.22	21,390,833,758.13

Sinochem Fertilizer Company Limited
Consolidated Income Statement
The first Half of 2018
RMB Yuan

Item	H1 2018	H1 2017
Operating income	13,052,879,687.05	10,479,968,243.90
Less: Operating costs	12,016,030,570.05	9,666,635,046.61
Taxes and levies	19,663,883.13	20,015,736.38
Selling expenses	465,321,179.87	388,366,897.69
Administrative expenses	267,156,225.75	258,652,302.84
Finance expenses	112,391,727.81	139,901,319.78
Impairment loss of assets	3,102,354.99	5,330,177.22
Investment income	57,517,594.88	(130,932,896.12)
Gains from asset disposals	4,854,461.81	-
Other income	4,448,834.68	-
Operating profit / (loss)	236,034,636.82	(129,866,132.74)
Plus: Non-operating income	3,115,860.43	37,290,527.07
Less: Non-operating expenses	1,144,280.01	3,614,759.09
The total amount of profit/(loss)	238,006,217.24	(96,190,364.76)
Less: Income tax expenses	(353,494.20)	4,071,446.50
Net profit/(loss)	238,359,711.44	(100,261,811.26)
Net profit (loss) attributable to owners of the Company	228,149,187.02	(95,725,378.45)
Profit or loss attributable to minority interests	10,210,524.42	(4,536,432.81)
Other comprehensive income	-	-
Total comprehensive income	238,359,711.44	(100,261,811.26)
Total comprehensive income attributable to owners of the Company	228,149,187.02	(95,725,378.45)
Total comprehensive income attributable to minority interests	10,210,524.42	(4,536,432.81)

Sinochem Fertilizer Company Limited

Consolidated Cash Flow Statement

The first Half of 2018

RMB Yuan

Item	H1 2018	H1 2017
1. Cash flows from operating activities		
Cash receipts from the sales of goods and the rendering of services	13,095,371,370.87	10,654,595,148.17
Other cash receipts relating to operating activities	68,716,402.01	153,093,847.27
Sub-total of cash inflows from operating activities	13,164,087,772.88	10,807,688,995.44
Cash payments for goods purchased and services received	13,812,078,893.35	10,737,906,459.74
Cash payments to and on behalf of employees	329,076,244.79	332,925,047.51
Payments of various types of taxes	49,692,451.31	69,647,470.22
Other cash payments relating to operating activities	953,402,158.19	616,982,451.93
Sub-total of cash outflows from operating activities	15,144,249,747.64	11,757,461,429.40
Net cash flows from operating activities	(1,980,161,974.76)	(949,772,433.96)
2. Cash flows from investing activities		
Cash receipts from returns on investments	52,914,628.90	26,040,535.33
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets	5,666,450,398.69	2,081,279.80
Sub-total of cash inflows from investing activities	5,719,365,027.59	28,121,815.13
Cash payments to acquire and construct fixed assets, intangible assets and other long-term assets	130,540,699.93	144,367,489.22
Cash payments to acquire investments	696,420,000.00	211,437,000.00
Sub-total of cash outflows from investing activities	826,960,699.93	355,804,489.22
Net cash flows from investing activities	4,892,404,327.66	(327,682,674.09)
3. Cash flows from financing activities		
Cash receipts from borrowings	2,020,500,000.00	7,550,000,000.00
Sub-total of cash inflows from financing activities	2,020,500,000.00	7,550,000,000.00
Cash repayments of borrowings	3,994,148,500.00	6,130,000,000.00
Cash payments for distribution of dividends or profits or settlement of interest expenses	33,730,600.80	109,170,633.86
Sub-total of cash outflows from financing activities	4,027,879,100.80	6,239,170,633.86
Net cash flows from financing activities	(2,007,379,100.80)	1,310,829,366.14
4. Effect on exchange rate change on cash and cash equivalents	(4,687,076.62)	571,354.20
5. Net increase in cash and cash equivalents	900,176,175.48	33,945,612.29
Plus: Cash and bank balances at 1 January	261,724,627.21	440,554,996.91
6. Cash and bank balances at 31 March	1,161,900,802.69	474,500,609.20