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SINOPEC KANTONS HOLDINGS LIMITED

(中石化冠德控股有限公司) *

(incorporated in Bermuda with limited liability)

(Stock Code: 934)

PROPOSED CHANGE OF AUDITORS

This announcement is made by Sinopec Kantons Holdings Limited (the “**Company**”) pursuant to Rule 13.51(4) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The board of directors of the Company (the “**Board**”) announces that resolutions will be proposed at the annual general meeting of the Company to be held on 10 June 2013 (the “**Annual General Meeting**”) to approve, inter alia, the proposed change of auditors of the Company.

PROPOSED CHANGE OF AUDITORS

According to the relevant regulations issued by the Ministry of Finance of the People’s Republic of China and the State-owned Assets Supervision and Administration Commission of the State Council (the “**SASAC**”), there are restrictions in respect of the number of years of audit services that an accounting firm can continuously provide to a state-owned enterprise and its subsidiaries. KPMG will retire as the international auditor of China Petroleum & Chemical Corporation (“**Sinopec Corp.**”), the controlling shareholder of the Company and a subsidiary of China Petrochemical Corporation (a state-owned enterprise under the control of SASAC) with effect from the close of the forthcoming annual general meeting of Sinopec Corp. and will not offer themselves for re-appointment due to the relevant requirement. The board of directors of Sinopec Corp. resolved to appoint PricewaterhouseCoopers as its international auditor for the year 2013.

As the Company is the subsidiary of Sinopec Corp. and PricewaterhouseCoopers is proposed to be appointed as the international auditor for Sinopec Corp. for the year 2013, the Board considers that it would be more efficient and cost effective for PricewaterhouseCoopers to be appointed as the auditor of the Company. Accordingly, the Board, with the recommendation of the audit committee of the Company (the “**Audit Committee**”), has resolved to appoint PricewaterhouseCoopers as the auditor of the Company for the year 2013 (the “**Proposal**”) in place of KPMG, which is subject to the approval by the shareholders of the Company at the AGM.

KPMG confirmed that there were no matters or circumstances connected with the Proposal that should be brought to the attention to the Board and the Audit Committee. The Board also confirmed that there were no relevant matter regarding the Proposal that should be brought to the attention to the shareholders of the Company. The Board and the Audit Committee further confirmed that there were no disagreements or unresolved matters between the Company and KPMG regarding the Proposal.

The Board would like to express its appreciation for the services of KPMG provided to the Company in the past years.

GENERAL

A circular containing, among other matters, the proposed change of auditors and a notice of the Annual General Meeting together with the related proxy form will be despatched to the shareholders of the Company as soon as practicable.

By order of the Board
Sinopec Kantons Holdings Limited
Dai Zhao Ming
Chairman

Hong Kong, 24 March 2013

As at the date of this announcement, the Board comprises six executive Directors: Mr. Dai Zhao Ming, Mr. Zhu Zeng Qing, Mr. Zhu Jian Min, Mr. Tan Ke Fei, Mr. Zhou Feng, Mr. Ye Zhi Jun and three independent non-executive Directors: Mr. Wong Po Yan, Ms. Tam Wai Chu, Maria and Mr. Fong Chung, Mark.

* *For identification purposes only*