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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)**

**ANNOUNCEMENT**

**PROVISION FOR IMPAIRMENT OF THE GROUP'S INTEREST  
IN A JOINT VENTURE**

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

**THE PROVISION FOR IMPAIRMENT OF THE GROUP'S INTEREST IN VESTA**

**Background**

In October 2012, the Group entered into an acquisition agreement to acquire 50% of the equity interest in Vesta Terminals B.V. (“**Vesta**”) for a total consideration of approximately €128.6 million, which is principally engaged in the services of transit, transshipment and storage of petrochemical products, oil shale derived products, and other cargo and provision of associated services.

Vesta has three storage areas located in the Netherlands, Belgium and Estonia in Europe respectively. In recent years, as European countries actively respond to global warming and accelerate the promotion of application of renewable green energy, the traditional petrochemical storage market in Europe has been undergoing gradual changes. Especially with the recent changes in the geopolitical situation, the business operation, results and prospects of Vesta are negatively affected, hence giving rise to signs of impairment of the Group's interest in Vesta.

## Details of the Provision for Impairment

To give a true and fair view of the consolidated financial position and consolidated financial performance of the Group, the Group performed an impairment assessment on the Group's interest in Vesta as at 31 December 2021 in accordance with the relevant requirements under the Hong Kong Financial Reporting Standards and the accounting policies of the Group. According to the result of the impairment assessment, the board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company and the potential investors that a provision of not more than €20 million (the “**Provision for Impairment**”) is expected to be made for the Group's interest in Vesta for the year ended 31 December 2021. The Provision for Impairment is the result of the preliminary assessment made by the Group based on the unaudited account for the year ended 31 December 2021, and is subject to audit by the Company's auditors.

The Board wishes to emphasise that the Provision for Impairment is a non-cash accounting related treatment subject to audit by the Company's auditors while the Group's interest in Vesta is held for the long term. As such and with the Group continuing to maintain a healthy net cash balance, the Provision for Impairment is not expected to have any material impact on the Group's current and future cash flow and daily operations.

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

By order of the Board  
**Sinopec Kantons Holdings Limited**  
**Chen Yaohuan**  
*Chairman*

Hong Kong, 21 January 2022

As at the date of this announcement, the Board comprises the following:

***Executive directors:***

Mr. Chen Yaohuan (*Chairman*)  
Mr. Zhong Fuliang  
Mr. Mo Zhenglin  
Mr. Yang Yanfei  
Mr. Zou Wenzhi  
Mr. Ren Jiajun  
Mr. Sang Jinghua (*General Manager*)

***Independent non-executive directors:***

Ms. Tam Wai Chu, Maria  
Mr. Fong Chung, Mark  
Dr. Wong Yau Kar, David  
Ms. Wong Pui Sze, Priscilla

\* *For identification purpose only*