

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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 OF ONE-OFF COMPENSATION

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 in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that due to adjustment to the planning layout of the Daya Bay Petrochemical Park in Huizhou, Huade Petrochemical Co., Ltd. (“**Huade Petrochemical**”) in Huizhou Daya Bay, a wholly-owned subsidiary of the Company, entered into an agreement with an independent third party to dismantle and replace its crude oil pipeline located between Huizhou Mabianzhou to Huade Petrochemical oil depot in the petrochemical zone (the “**Old Submarine Pipeline**”) with a new crude oil pipeline located between Huizhou Mabianzhou and Nanbianzao depot (the “**New Submarine Pipeline**”). The dismantling of the Old Submarine Pipeline, the acceptance of the completed construction and valuation of the construction work of the New Submarine Pipeline, and the exchange of ownerships of the two pipelines were completed in 2022. Huade Petrochemical recognised a one-off gain (after tax) of approximately HK\$187 million as a result of the above transaction.

In addition, for the year ended 31 December 2022, as disclosed in 1) the announcement dated 28 July 2022 and the interim results announcement dated 26 August 2022, the Group incurred an attributable loss of approximately HK\$261 million in respect of its interest in Vesta Terminals B.V., a joint venture of the Group in Europe; and 2) the announcement dated 23 December 2022, the Group made a provision of approximately HK\$630 million for interest in PT. West Point Terminal.

As a result of the above, based on the preliminary assessment of the information currently available to the Board, the Board expects that the above three non-recurring items will reduce the Group's net profit for the year ended 31 December 2022 for approximately HK\$704 million. Excluding the financial impact of the aforementioned non-recurring items, the Group's overall operating performance for the year ended 31 December 2022 remained largely stable.

The information contained in this announcement is based on the Company's preliminary assessment with reference to information currently available, which has not been reviewed or audited by the Company's auditors and is subject to possible adjustments. The actual results or performance of the Group may differ from the information disclosed in this announcement. Details of the Group's financial information and performance will be disclosed in the annual results announcement of the Company, which is expected to be published by end of March 2023.

Shareholders of the Company and 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, 24 February 2023

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*