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**中国石化**  
**SINOPEC**

**中国石油化工股份有限公司**

**CHINA PETROLEUM & CHEMICAL CORPORATION**

*(a joint stock limited company incorporated in the People's Republic of China with limited liability)*

*(Stock Code: 00386)*

## **Connected Transaction**

### **Capital Increase in Sinopec Capital**

The Board is pleased to announce that on 28 April 2025, the Company, Sinopec Group and Sinopec Capital entered into the Capital Increase Agreement. The capital increase in Sinopec Capital will be contributed by the Company and Sinopec Group with an aggregate amount of RMB1,990 million, of which, the Company will contribute RMB975.1 million in cash, and Sinopec Group will contribute RMB1,014.9 million in cash. The registered capital of Sinopec Capital will be increased from RMB10,000 million to RMB11,990 million. Upon completion of the Capital Increase, the respective equity interests held by the Company and Sinopec Group in Sinopec Capital will remain unchanged, being 49% and 51%.

As of the date of this announcement, Sinopec Group is the controlling shareholder of the Company, thus constitutes a connected person of the Company. As certain applicable percentage ratio of the Capital Increase is more than 0.1% but less than 5%, thus, the Capital Increase is subject to the reporting and announcement requirements, but exempt from independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

#### **I. INTRODUCTION**

The Board is pleased to announce that on 28 April 2025, the Company, Sinopec Group and Sinopec Capital entered into the Capital Increase Agreement. The capital increase in Sinopec Capital will be contributed by the Company and Sinopec Group with an aggregate amount of RMB1,990 million, of which, the Company will contribute RMB975.1 million in cash, and Sinopec Group will contribute RMB1,014.9 million in cash. The registered

capital of Sinopec Capital will be increased from RMB10,000 million to RMB11,990 million. Upon completion of the Capital Increase, the respective equity interests held by the Company and Sinopec Group in Sinopec Capital will remain unchanged, being 49% and 51%.

## **II. PRINCIPAL TERMS OF THE CAPITAL INCREASE AGREEMENT**

**Parties:** 1) the Company;

2) Sinopec Group; and

3) Sinopec Capital

### **The Capital Increase**

The registered capital of Sinopec Capital will be increased from RMB10,000 million to RMB11,990 million, among which the Company and Sinopec Group will subscribe for an additional registered capital of RMB975.1 million and RMB1,014.9 million with their self-owned funds, respectively. The cash capital contribution shall be paid to Sinopec Capital before 31 December 2025.

Upon completion of the Capital Increase, the equity interest of Sinopec Capital held by the Company and Sinopec Group will remain unchanged. All parties agree to make corresponding amendments to the original articles of association of Sinopec Capital and handle the corresponding change in industrial and commercial registration procedures in accordance with the applicable laws.

### **Effectiveness of the Capital Increase Agreement**

The Capital Increase Agreement shall take effect upon being duly signed by the legal representatives or their authorized representatives of all parties with their official seals or contract-specific seals affixed.

## **III. THE CONSIDERATION BASIS FOR THE CAPITAL INCREASE**

The amount of the Capital Increase is determined through arm's-length negotiation after taking into account the existing registered capital, the investment expenditure requirements, future business development and the equity interest of each shareholder of Sinopec Capital. According to the 2025 investment plan of Sinopec Capital, it is expected to invest approximately RMB2,235 million into the hydrogen energy fund and the Central Enterprises Strategic Emerging Industries Development Fund. Considering its current capital conditions, Sinopec Capital needs a capital increase of RMB1,990 million from its shareholders in total. Based on the equity interests of 49% and 51% held by the Company and Sinopec Group, the Company and Sinopec Group will subscribe for an additional

registered capital of RMB975.1 million and RMB1,014.9 million respectively. The price of the Capital Increase is RMB 1 per RMB 1 of registered capital. The price and the consideration basis are fair and reasonable.

#### IV. REASONS FOR AND BENEFITS OF THE CAPITAL INCREASE

In 2025, Sinopec Capital proposes to initiate and establish the hydrogen energy fund, invest in the Central Enterprises Strategic Emerging Industries Development Fund, and invest in fields such as charging and swapping of electric vehicles and energy storage, which will have better synergy with the Company's industrial chain. By increasing the registered capital of Sinopec Capital on a pro-rata basis, the Company will further indirectly enhance its layout in the fields such as new energy, new materials and high-end intelligent manufacturing, supporting the transformation and upgrading of the Company's industrial chain.

#### V. INFORMATION ON SINOPEC CAPITAL

Sinopec Capital is a limited liability company incorporated in 2018 in the PRC. As at the date of this announcement, the registered capital of Sinopec Capital is RMB10,000 million, of which the Company contributed RMB4,900 million and held 49% equity interest; and Sinopec Group contributed RMB5,100 million and held 51% equity interest. Sinopec Capital's principal businesses include project investment, equity investment, entrusted management of equity investment funds, investment management and investment consulting (except for securities and futures investment consulting), management of self-owned equity and financial consulting. Sinopec Capital is a non-wholly owned subsidiary of Sinopec Group.

The following table sets forth the audited key financial data of the Capital Company for the two years ended 31 December 2024, prepared in accordance with PRC Accounting Standards for Business Enterprises:

|                           |  | <i>Unit: RMB0'000</i>                  |
|---------------------------|--|--|
|                           | As at 31 December 2023                 | As at 31 December 2024                 |
| Total assets              | 1,557,257.62                           | 1,812,118.32                           |
| Net assets                | 1,417,466.04                           | 1,529,050.26                           |
|                           | For the year ended 31<br>December 2023 | For the year ended 31<br>December 2024 |
| Revenue                   | 130,750.35                             | 75,382.56                              |
| Profit before<br>taxation | 116,036.95                             | 60,761.87                              |
| Net profit                | 88,768.23                              | 48,977.54                              |

## **VI. THE LISTING RULES IMPLICATIONS**

As of the date of this announcement, Sinopec Group is the controlling shareholder of the Company and constitutes a connected person of the Company. As certain applicable percentage ratio of the Capital Increase is more than 0.1% but less than 5%, thus, the Capital Increase is subject to the reporting and announcement requirements, but exempt from independent shareholders' approval requirement under Chapter 14A of the Listing Rules. The Capital Increase does not reach the threshold of disclosure under the Rules Governing the Listing of Stocks on Shanghai Stock Exchange.

## **VII. DIRECTORS' OPINIONS**

As at the date of this announcement, Ma Yongsheng, Zhao Dong, Zhong Ren, Li Yonglin, Lv Lianggong, Niu Shuanwen, Wan Tao, Yu Baocai, are connected directors and therefore abstained from voting on the resolution in relation to the Capital Increase at the Board meeting. The directors of the Company (including all INEDs) are of the view that (i) the Capital Increase is on normal commercial terms; (ii) the terms and conditions of the Capital Increase Agreement are fair and reasonable; and (iii) the Capital Increase is in the interests of the Company and the shareholders as a whole.

## **VIII. INFORMATION ON THE PARTIES TO THE AGREEMENT**

### **The Company**

Sinopec Corp. is one of the largest integrated energy and chemical companies in China. Its principal operations include the exploration and production, pipeline transportation and sale of petroleum and natural gas; the production, sale, storage and transportation of refinery products, petrochemical products, coal chemical products, synthetic fibre, and other chemical products; the import and export, including an import and export agency business, of petroleum, natural gas, petroleum products, petrochemical and chemical products, and other commodities and technologies; research, development and application of technologies and information; hydrogen energy business and related services such as hydrogen production, storage, transportation and sales; battery charging and swapping, solar energy, wind energy and other new energy business and related services.

### **Sinopec Group**

Sinopec Group is a limited liability company established under the laws of the PRC, and is a state-authorised investment organisation and a state-owned enterprise. Its principal businesses include exploration, production, storage and transportation (including pipeline transportation), sales and comprehensive utilisation of oil and natural gas; oil refining; wholesale and retail of oil products; production, sales, storage and transportation of petrochemical, natural gas chemical, coal chemical and other chemical products; industrial investment and investment management; production, sales, storage and transportation of energy products such as new energy and geothermal energy; exploration, consultation,

design and installation of petroleum and petrochemical engineering; repairing and maintenance of petroleum and petrochemical equipment; R&D, manufacture and sales of mechanical and electrical equipment; manufacture and sales of electricity, steam, water supplies and industrial gas; technology, electronic commerce and information, research and development, application and consultation services of alternative energy products; self-operating and acting as agent for import and export of relevant products and technology; project contracting, procurement and tendering, labour export; international storage and logistics business etc.

## IX. DEFINITIONS

In this announcement, unless the context requires otherwise, the following terms shall have the meanings set out below:

|                              |   |
|------------------------------|---|
| “Board”                      | the board of directors of the Company   |
| “Capital Increase”           | the capital increase of RMB1,990 million in Sinopec Capital by the Company and Sinopec Group in accordance with the terms and conditions of Capital Increase Agreement, and upon the completion of which, the Company and Sinopec Group will hold 49% and 51% of equity interest in Sinopec Capital, respectively |
| “Capital Increase Agreement” | the agreement to be entered into among the Company, Sinopec Group and Sinopec Capital in relation to the Capital Increase, which was considered and approved by the Board   |
| “Company” or “Sinopec Corp.” | China Petroleum & Chemical Corporation  |
| “connected person”           | has the meaning ascribed thereto under the Listing Rules  |
| “INED(s)”                    | the independent non-executive directors of the Company  |
| “Listing Rules”              | the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited  |
| “PRC”                        | the People’s Republic of China  |
| “RMB”                        | Renminbi, the lawful currency of the PRC  |
| “Sinopec Capital”            | Sinopec Capital Co., Ltd. (中國石化集團資  |

“Sinopec Group”

本有限公司)

China Petrochemical Corporation (中國石油  
化工集團有限公司), an institution approved  
to carry out state-authorised investments and  
a state-controlling company

“%”

Percent

By Order of the Board

**China Petroleum & Chemical Corporation**

**Huang Wensheng**

*Vice President and Secretary to the Board of Director*

*s*

Beijing, the PRC

28 April 2025

*As of the date of this announcement, directors of the Company are: Ma Yongsheng\*, Zhao Dong#, Zhong Ren\*, Li Yonglin#, Lv Lianggong#, Niu Shuanwen#, Wan Tao#, Yu Baocai#, Xu Lin+, Zhang Liying+, Liu Tsz Bun Bennett+ and Zhang Xiliang+.*

*# Executive Director*

*\* Non-executive Director*

*+ Independent Non-executive Director*