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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)

CONNECTED TRANSACTION IN RELATION TO INFORMATION TECHNOLOGY PROJECTS

The Board announces that on 21 August 2025, the Company entered into the Information Technology Project Framework Master Agreement with PCITC to set out a framework for the provision of the relevant services in relation to the Information Technology Projects by PCITC Group to the Group.

As at the date of this announcement, SKI holds approximately 60.33% of the issued share capital of the Company, while Sinopec Corp. indirectly holds the entire issued share capital of SKI. On the same day, PCITC is a non-wholly owned subsidiary of Sinopec Corp., a controlling shareholder of the Company. Thus, PCITC is an associate of SKI and therefore a connected person of the Company under Chapter 14A of the Listing Rules. Therefore, pursuant to Rule 14A.07 of the Listing Rules, the entering into of the Information Technology Project Framework Master Agreement constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the transactions contemplated under the Information Technology Project Framework Master Agreement exceeds 0.1% but all are less than 5%, the transactions contemplated under the Information Technology Project Framework Master Agreement are subject to the reporting and announcement requirements but are exempt from the independent Shareholders' approval and circular requirements under Chapter 14A of the Listing Rules.

INTRODUCTION

The Board announces that on 21 August 2025, the Company entered into the Information Technology Project Framework Master Agreement with PCITC, the principal terms of which are set out below.

Information Technology Project Framework Master Agreement

Date

21 August 2025

Parties

(i) the Company (as the entrusting party); and

(ii) PCITC (as the entrusted party).

Services to be provided

Pursuant to the Information Technology Project Framework Master Agreement, PCITC has agreed that PCITC Group will undertake the Information Technology Projects for the Group, including 1) the integrated comprehensive management platform development and cybersecurity project and 2) the intelligent storage tank project. The specific scope of work includes:

Integrated comprehensive management platform development and cybersecurity project	1. An integrated comprehensive management platform (including but not limited to financial systems) for PC and mobile devices will be developed by using the information technology development model of "data + platform + application" to achieve centralized management of portal websites and mobile office applications; 2. On-site engineer(s) will be dispatched by PCITC Group, with its project team(s) to provide support services, including cybersecurity operations and maintenance, as well as service upgrades; 3. An access control management system and management platform will be established for the production and office areas, and relevant equipment and materials will be deployed; 4. A corporate documentary management system will be developed and migration of historical data will be completed; and 5. Cybersecurity equipment will be procured for the upgrade and renovation of core data center infrastructure.
Intelligent storage tank project	1. An Internet of Things (IoT) platform will be developed for storage tanks, which covers industrial control system data collection, establishment of real-time operational database systems and networks, and automated generation of various reports, as well as the development of operational monitoring applications, including but not limited to mobile devices.

Term

Pursuant to the Information Technology Project Framework Master Agreement, PCITC has agreed to complete the Information Technology Projects on or before 31 December 2028 (or such other date as agreed upon by the parties).

Service fees for the Agreement

The maximum total service fees for the transactions contemplated under the Information Technology Project Framework Master Agreement payable by the Group is expected to be RMB15,000,000, which will be financed by the internal resources of the Group and classified as follows:

Integrated comprehensive management platform development and cybersecurity project	
Procurement of equipment	RMB3,350,000
Development of systems and maintenance services	RMB8,550,000
Intelligent storage tank project	
Development of systems and maintenance services	RMB3,100,000
Total	**RMB15,000,000**

Payment Terms

The service fees shall be settled in the following ways (or such other ways as agreed upon by the parties):

Integrated comprehensive management platform development and cybersecurity project	Procurement of equipment (1) 97% of the procurement fee for the equipment shall be paid upon delivery of the equipment and its passing of the inspection and testing. (2) The remaining procurement fee of 3% shall be retained as a quality assurance deposit, and shall be paid one year following the commencement of equipment operation. Development of systems and maintenance services (1) Upon execution of the agreement, the Group shall pay not more than 30% of the corresponding service fees to PCITC. (2) Upon completion of the development of the project and passing of relevant inspections, the Group shall pay not more than 65% of the corresponding service fees to PCITC. (3) The remaining balance of the corresponding service fees shall be retained as a quality assurance deposit and paid to PCITC upon the expiration of the warranty period.

Intelligent storage tank project	Development of systems and maintenance services (1) Upon execution of the agreement, the Group shall pay 20% of the corresponding service fees to PCITC. (2) Upon completion of the development of the project and in stable operation, the Group shall pay 62% of the corresponding service fees to PCITC. (3) The Group shall conduct inspections of the systems developed and services provided by PCITC Group. After the passing of all inspections, the Group shall pay 15% of the corresponding service fees to PCITC. (4) 3% of the remaining balance shall be retained as a quality assurance deposit and paid upon the expiration of the 3-year warranty period.

Pricing Basis

Pursuant to the Information Technology Project Framework Master Agreement, the pricing of the services to be provided by PCITC Group is determined after arm's length basis negotiations between the parties based on the following bases:

(i) For the procurement of information technology equipment, the Group shall (a) adopt the tendering and bidding methods and set prices based on the final prices determined by the tendering and bidding methods; or (b) make inquiries about and compare market prices, with independent third parties providing price quotations for the provision of the same or similar products, technologies or services in the course of ordinary business on normal commercial terms; and

(ii) For the development of information technology platforms relating to the upgrade and renovation of cybersecurity operations as well as intelligent storage tank project, given that PCITC, with its expertise, especially its many years of experience in providing information technology services to Sinopec Group, can help accelerate the development of the Group's Information Technology Projects, which will enhance its business efficiency, the Group and PCITC shall agree on the prices based on the work scope of the tasks to be undertaken and the costs and expenses expected to be incurred after arm's length negotiations with reference to prevailing market prices.

In determining whether the agreed service fees is in line with prevailing market prices, the Group will refer to the bid prices or quotations offered by at least two independent third parties providing services for projects of a similar scale under normal transaction conditions. If, due to the proprietary nature and security requirements of the project technology, it is not possible to obtain quotations from independent service providers, the Group will, upon receiving the quotations, review the prices and terms of the quotations based on the principle of fairness and determine service providers by considering various factors, including the prices quoted, the quality of products and services, the specific requirements of the project, technical advantages of the service providers, the capabilities of the service providers in meeting delivery schedules and continuously providing the services as well as and the qualifications and relevant experiences of the service providers.

If PCITC intends to provide services other than those stipulated under the Information Technology Project Framework Master Agreement to the Group, the parties shall negotiate the prices for such services separately based on the principles of fairness, reasonableness, equality and mutual benefit and the principle that the transaction being conducted shall be on normal commercial terms.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

Given that PCITC has many years of experience in serving the petrochemical industry and has the expertise and professional personnel for doing so, its participation in the Group's Information Technology Projects will help ensure the timely implementation and delivery of the projects and help guarantee their quality.

The Board believes that entering into the Information Technology Project Framework Master Agreement with PCITC will help enhance the overall informatization level, comprehensive office capabilities and cybersecurity of the Group, and advance the intelligent storage tank project of its subsidiary, Huade Petrochemical, which will further improve the business efficiency of the Group. Therefore, it is beneficial to the Company and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As at the date of this announcement, SKI holds approximately 60.33% of the issued share capital of the Company, while Sinopec Corp. indirectly holds the entire issued share capital of SKI. On the same day, PCITC is a non-wholly owned subsidiary of Sinopec Corp., a controlling shareholder of the Company. Thus, PCITC is an associate of SKI and therefore a connected person of the Company under Chapter 14A of the Listing Rules. Therefore, pursuant to Rule 14A.07 of the Listing Rules, the entering into of the Information Technology Project Framework Master Agreement constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the transactions contemplated under the Information Technology Project Framework Master Agreement exceeds 0.1% but all are less than 5%, the transactions contemplated under the Information Technology Project Framework Master Agreement are subject to the reporting and announcement requirements but are exempt from the independent Shareholders' approval and circular requirements under Chapter 14A of the Listing Rules.

Mr. Zhong Fuliang, Mr. Yang Yanfei, Mr. Ren Jiajun, Mr. Zou Wenzhi and Mr. Mo Zhenglin, each being an executive Director, hold executive positions in Sinopec Group as well as in the Group and are thus deemed to have a material interest in the transactions contemplated under the Information Technology Project Framework Master Agreement. To avoid any potential conflict of interest, they have abstained from voting on the Board resolutions for approving the Information Technology Project Framework Master Agreement and the transactions contemplated thereunder.

THE DIRECTORS' VIEWS

The Directors (including the independent non-executive Directors but excluding the Directors who have abstained from voting) are of the view that the Information Technology Project Framework Master Agreement is on normal commercial terms and has been entered into in the ordinary and usual course of business of the Group on arm's length basis, the terms of which are fair and reasonable and in the interests of the Company and the Shareholders as a whole, after taking into account the factors stated in this announcement.

GENERAL INFORMATION

Sinopec Corp. is one of the largest integrated energy and chemical companies in the PRC. 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; EV battery charging and swapping, solar energy, wind energy and other new energy power generation business and related services.

The Company, a non-wholly owned subsidiary of Sinopec Corp., is an exempted company incorporated in Bermuda with limited liability, with its Shares listed on the Stock Exchange. The principal activities of the Group include, among others, the operation of crude oil and oil products terminals and their ancillary facilities and the provision of logistics services including storage, logistics, transportation and terminal services on a global basis.

PCITC is principally engaged in the provision of full industrial chain information technology solutions and products for the energy and chemical industry, including but not limited to the complete information technology service value chain of consultation, design, research and development, implementation as well as operations and maintenance. As at the date of this announcement, PCITC is a non-wholly owned subsidiary of Sinopec Corp..

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

"associate(s)"	has the meaning ascribed to it in the Listing Rules
"Board"	the board of Directors

"Company"	Sinopec Kantons Holdings Limited (中石化冠德控股有限公司*), an exempted company incorporated in Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 934)
"connected person(s)"	has the meaning ascribed to it in the Listing Rules
"controlling shareholder(s)"	has the meaning ascribed to it in the Listing Rules
"Director(s)"	the director(s) of the Company
"Group"	the Company and its subsidiaries
"Hong Kong"	Hong Kong Special Administrative Region of the PRC
"Huade Petrochemical"	惠州市大亞灣華德石化有限公司 (Huade Petrochemical Co., Ltd.**) in Huizhou Daya Bay, a company incorporated under the laws of the PRC with limited liability, and a wholly-owned subsidiary of the Company
"Information Technology Projects"	the integrated comprehensive management platform development and cybersecurity project and the intelligent storage tank project contemplated under the Information Technology Project Framework Master Agreement
"Information Technology Project Framework Master Agreement"	the Information Technology Project Framework Master Agreement dated 21 August 2025 entered into between the Company and PCITC in relation to the Information Technology Projects
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
"PRC"	the People's Republic of China, but for the purposes of this announcement and for geographical reference purposes (unless otherwise indicated) excludes Taiwan, Macau and Hong Kong
"PCITC"	Petro-CyberWorks Information Technology Co., Ltd. (石化盈科信息技術有限責任公司), a company incorporated under the laws of the PRC with limited liability, and a non-wholly owned subsidiary of Sinopec Corp.
"PCITC Group"	PCITC and its subsidiaries
"RMB"	Renminbi, the lawful currency of the PRC

"Share(s)"	the ordinary share(s) of the Company with a nominal value of HK$0.10 each
"Shareholder(s)"	the holder(s) of the Share(s)
"Sinopec Corp."	China Petroleum & Chemical Corporation (中國石油化工股份有限公司) (stock code: 386), a joint stock limited liability company incorporated in the PRC, the shares of which are listed on the stock exchanges of Hong Kong and Shanghai, being the indirect controlling shareholder of the Company (and Huade Petrochemical) and holding approximately 60.33% of the issued share capital of the Company
"Sinopec Group"	Sinopec Group Company, its subsidiaries and its associated companies and affiliates, including the Group
"Sinopec Group Company"	China Petrochemical Corporation (中國石油化工集團有限公司, formerly known as 中國石油化工總公司), an enterprise established under the laws of the PRC, being the controlling shareholder of Sinopec Corp. and the ultimate controlling shareholder of the Company
"SKI"	Sinopec Kantons International Limited, a company incorporated with limited liability in the British Virgin Islands, being the controlling shareholder of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary(ies)"	has the meaning ascribed to it in the Listing Rules

*** The English translation of the names of companies incorporated or established in the PRC referred to in this announcement is for reference only. The official names of those companies are in Chinese.*

By order of the Board
Sinopec Kantons Holdings Limited
Zhong Fuliang
Chairman

Hong Kong, 21 August 2025

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

Executive Directors:
Mr. Zhong Fuliang *(Chairman)*
Mr. Yang Yanfei
Mr. Ren Jiajun
Mr. Zou Wenzhi
Mr. Mo Zhenglin
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 purposes only*