THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Sinopec Kantons Holdings Limited (the "**Company**"), you should at once hand this circular together with the accompanying form of proxy to the purchaser or other transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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中国石化
SINOPEC

SINOPEC KANTONS HOLDINGS LIMITED
(中石化冠德控股有限公司) *

(incorporated in Bermuda with limited liability)

(Stock Code: 934)

PROPOSALS FOR
(1) RENEWAL OF NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS IN RELATION TO (I) THE NEW CRUDE OIL JETTY AND STORAGE SERVICES FRAMEWORK MASTER AGREEMENT; AND (II) THE NEW SINOPEC FUEL OIL SALES COMPANY LIMITED FRAMEWORK MASTER AGREEMENT
(2) RENEWAL OF DISCLOSEABLE TRANSACTIONS AND NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS IN RELATION TO (I) THE NEW SINOPEC FINANCE FINANCIAL SERVICES FRAMEWORK MASTER AGREEMENT; AND (II) THE NEW CENTURY BRIGHT FINANCIAL SERVICES FRAMEWORK MASTER AGREEMENT
AND
NOTICE OF SPECIAL GENERAL MEETING

Independent financial adviser to the Independent Board Committee and the Independent Shareholders

邁時資本
MAXA CAPITAL

Capitalised terms used in this cover page shall have the same meanings as those defined in the section headed "Definitions" in this circular.

A letter from the Board is set out on pages 7 to 48 of this circular.

A letter from the Independent Board Committee containing its recommendation to the Shareholders is set out on pages 49 to 50 of this circular. A letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Shareholders is set out on pages 51 to 81 of this circular.

A notice convening the SGM to be held at Salon Rooms II-III, 5/F., Harbour Grand Hong Kong, 23 Oil Street, North Point, Hong Kong at 11:00 a.m. on 27 November 2025, Thursday is set out on pages 87 to 90 of this circular.

Whether or not you are able to attend the SGM or any adjournment thereof (as the case may be) in person, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return the completed form to the office of the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, as soon as practicable, and in any event not later than forty-eight (48) hours before the time appointed for the holding of the SGM (or any adjournment thereof). Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM (or any adjourned meeting thereof) should you so desire.

31 October 2025

* *For identification purpose only*

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

"2022 Announcement"	the announcement of the Company dated 26 October 2022 in relation to, among others, the Existing Framework Master Agreements and the transactions contemplated thereunder
"2022 Circular"	the circular of the Company dated 14 November 2022 in relation to, among others, the Existing Framework Master Agreements and the transactions contemplated thereunder
"Auditor"	the auditor of the Company
"Board"	the board of Directors
"Century Bright"	Sinopec Century Bright Capital Investment Limited (中國石化盛駿國際投資有限公司), a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of Sinopec Group Company
"Century Bright Group"	Century Bright and its subsidiaries
"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
"Director(s)"	the director(s) of the Company
"Existing Century Bright Financial Services Framework Master Agreement"	the agreement dated 26 October 2022 entered into between the Company and Century Bright, details of which are disclosed in the 2022 Announcement and the 2022 Circular
"Existing Crude Oil Jetty and Storage Services Framework Master Agreement"	the agreement dated 26 October 2022 entered into between Huade Petrochemical, Sinopec Guangzhou Branch, Sinopec Petroleum Reserve Company and Sinopec Pipeline Storage and Transportation Branch Company, details of which are disclosed in the 2022 Announcement and the 2022 Circular
"Existing Framework Master Agreements"	collectively, the Existing Crude Oil Jetty and Storage Services Framework Master Agreement, the Existing Sinopec Fuel Oil Sales Company Limited Framework Master Agreement, the Existing Sinopec Finance Financial Services Framework Master Agreement, and the Existing Century Bright Financial Services Framework Master Agreement

"Existing Sinopec Finance Financial Services Framework Master Agreement"	the agreement dated 26 October 2022 entered into between Huade Petrochemical and Sinopec Finance, details of which are disclosed in the 2022 Announcement and the 2022 Circular
"Existing Sinopec Fuel Oil Sales Company Limited Framework Master Agreement"	the agreement dated 26 October 2022 entered into between Huade Petrochemical and Sinopec Fuel Oil, details of which are disclosed in the 2022 Announcement and the 2022 Circular
"Group"	the Company and its subsidiaries
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Huade Petrochemical"	惠州市大亞灣華德石化有限公司 (Huizhou Daya Bay Huade Petrochemical Company Limited*), a company incorporated under the laws of the PRC with limited liability, and a wholly-owned subsidiary of the Company
"Independent Board Committee"	the independent board committee of the Board, comprising all independent non-executive Directors, namely Mr. Fong Chung, Mark, Dr. Wong Yau Kar, David, Ms. Wong Pui Sze, Priscilla and Mr. Ye, James Zheng, established for the purpose of considering and advising the Independent Shareholders on the New Non-exempt Framework Master Agreements and the transactions contemplated thereunder
"Independent Financial Adviser"	Maxa Capital Limited, a corporation licensed to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Cap 571 of the laws of Hong Kong), being the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the New Non-exempt Framework Master Agreements and the transactions contemplated thereunder
"Independent Shareholders"	Shareholders other than SKI and, if any, any other Shareholder(s) who has a material interest and is required to abstain from voting on the relevant resolution(s) at the SGM pursuant to the Listing Rules
"Independent Third Party(ies)"	independent third party(ies) who is/are not connected person(s) of the Company and is/are independent of and not connected with the Company and Directors, chief executives, controlling Shareholders and substantial Shareholders of the Company or any of its subsidiaries or their respective associates

"Latest Practicable Date"	30 October 2025, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"New Century Bright Financial Services Framework Master Agreement"	the agreement dated 29 September 2025 entered into between the Company and Century Bright, details of which are disclosed in the paragraph headed "II. RENEWAL OF NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS AND DISCLOSEABLE TRANSACTIONS – B. NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS AND DISCLOSEABLE TRANSACTIONS – 2. The New Century Bright Financial Services Framework Master Agreement" in this circular
"New Crude Oil Jetty and Storage Services Framework Master Agreement"	the agreement dated 29 September 2025 entered into between Huade Petrochemical and Sinopec Guangzhou Branch, Sinopec Petroleum Reserve Company and Sinopec Petroleum Marketing Company, details of which are disclosed in the paragraph headed "II. RENEWAL OF NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS AND DISCLOSEABLE TRANSACTIONS – A. NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS – 1. The New Crude Oil Jetty and Storage Services Framework Master Agreement" in this circular
"New Non-exempt Framework Master Agreements"	collectively, the New Crude Oil Jetty and Storage Services Framework Master Agreement, the New Sinopec Fuel Oil Sales Company Limited Framework Master Agreement, the New Sinopec Finance Financial Services Framework Master Agreement, and the New Century Bright Financial Services Framework Master Agreement
"New Sinopec Finance Financial Services Framework Master Agreement"	the agreement dated 29 September 2025 entered into between Huade Petrochemical and Sinopec Finance Guangzhou Branch, details of which are disclosed in the paragraph headed "II. RENEWAL OF NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS AND DISCLOSEABLE TRANSACTIONS – B. NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS AND DISCLOSEABLE TRANSACTIONS – 1. The New Sinopec Finance Financial Services Framework Master Agreement" in this circular

"New Sinopec Fuel Oil Sales Company Limited Framework Master Agreement"	the agreement dated 29 September 2025 entered into between Huade Petrochemical and Sinopec Fuel Oil, details of which are disclosed in the paragraph headed "II. RENEWAL OF NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS AND DISCLOSEABLE TRANSACTIONS – A. NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS – 2. The New Sinopec Fuel Oil Sales Company Limited Framework Master Agreement" in this circular
"NFRA"	National Financial Regulatory Administration (國家金融監督管理總局)
"Original CBIRC"	originally China Banking and Insurance Regulatory Commission (中國銀行保險監督管理委員會), currently known as National Financial Regulatory Administration
"PBOC"	People's Bank of China (中國人民銀行)
"PRC"	the People' s Republic of China, which for the purposes of this circular and for geographical reference purposes (unless otherwise indicated) excludes Taiwan, the Macau Special Administrative Region and Hong Kong
"RMB"	Renminbi, the lawful currency of the PRC
"SGM"	the special general meeting to be convened for the purpose of considering, and if thought fit, passing ordinary resolutions regarding the entering into of the New Non-exempt Framework Master Agreements
"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 Exchange and the stock exchange of Shanghai, the indirect controlling Shareholder holding approximately 60.33% of the issued share capital of the Company
"Sinopec Finance"	中國石化財務有限責任公司 (Sinopec Finance Company Limited*), a company incorporated under the laws of the PRC with limited liability and is owned as to 51% by Sinopec Group Company and 49% by Sinopec Corp.

"Sinopec Finance Guangzhou Branch"	中國石化財務有限責任公司廣州分公司 (Sinopec Finance Company Limited Guangzhou Branch*), a branch company of Sinopec Finance
"Sinopec Fuel Oil"	中國石化燃料油銷售有限公司 (Sinopec Fuel Oil Sales Company Limited*), a company incorporated under the laws of the PRC with limited liability and a non wholly-owned subsidiary of Sinopec Corp.
"Sinopec Fuel Oil Group"	Sinopec Fuel Oil and its subsidiaries
"Sinopec Group"	Sinopec Group Company, its subsidiaries and its associated companies and affiliates, and "member of the Sinopec Group" shall mean any one of them (including the Company) unless otherwise stated in this circular
"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
"Sinopec Guangzhou Branch"	中國石油化工股份有限公司廣州分公司 (China Petroleum & Chemical Corporation Guangzhou Branch*), a branch company of Sinopec Corp. incorporated under the laws of the PRC
"Sinopec Marketing"	中國石化銷售股份有限公司 (Sinopec Marketing Co., Ltd.*), a company incorporated under the laws of the PRC and a non wholly-owned subsidiary of Sinopec Corp.
"Sinopec Petroleum Marketing Company"	中石化石油銷售有限責任公司 (Sinopec Petroleum Marketing Company Limited*), a company incorporated under the laws of the PRC and a wholly-owned subsidiary of Sinopec Corp.
"Sinopec Petroleum Reserve Company"	中國石化集團石油商業儲備有限公司 (Sinopec Petroleum Reserve Company Limited*), a company incorporated under the laws of the PRC with limited liability and a wholly-owned subsidiary of Sinopec Group 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
"%"	per cent

In this circular, unless the context otherwise requires, the terms "associate(s)", "connected person(s)", "continuing connected transaction(s)", "controlling shareholder(s)" and "subsidiary(ies)" shall have the meanings given to such terms in the Listing Rules, as modified by the Stock Exchange from time to time.

Translation of RMB into HK$ is based on the approximate exchange rate of RMB1.000 to HK$1.093 for information purposes only. Such translation should not be construed as representations that the relevant amounts have been, could have been, or could be converted at that rate or any other rate or at all.

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



中国石化
SINOPEC

SINOPEC KANTONS HOLDINGS LIMITED
(中石化冠德控股有限公司) *

(incorporated in Bermuda with limited liability)

(Stock Code: 934)

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

Non-executive Director:
Mr. Tu Yikai

Independent Non-executive Directors:
Mr. Fong Chung, Mark
Dr. Wong Yau Kar, David
Ms. Wong Pui Sze, Priscilla
Mr. Ye, James Zheng

Registered office:
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Principal place of business in Hong Kong:
34/F, Citicorp Centre
18 Whitfield Road
Causeway Bay
Hong Kong

31 October 2025

To the Shareholders

Dear Sir or Madam,

PROPOSALS FOR
(1) RENEWAL OF NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS IN RELATION TO
(I) THE NEW CRUDE OIL JETTY AND STORAGE SERVICES FRAMEWORK MASTER AGREEMENT; AND
(II) THE NEW SINOPEC FUEL OIL SALES COMPANY LIMITED FRAMEWORK MASTER AGREEMENT
(2) RENEWAL OF DISCLOSEABLE TRANSACTIONS AND NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS IN RELATION TO
(I) THE NEW SINOPEC FINANCE FINANCIAL SERVICES FRAMEWORK MASTER AGREEMENT; AND
(II) THE NEW CENTURY BRIGHT FINANCIAL SERVICES FRAMEWORK MASTER AGREEMENT

* *For identification purpose only*

I. INTRODUCTION

References are made to the announcement of the Company dated 29 September 2025, in relation to, among others, the entering into of the New Non-exempt Framework Master Agreements on 29 September 2025.

The purposes of this circular include:

(i) to provide the Shareholders with further information regarding the details of the New Non-exempt Framework Master Agreements;

(ii) to set out the recommendation of the Independent Board Committee to the Shareholders and the advice of the Independent Financial Adviser to the Independent Board Committee and the Shareholders in relation to the New Non-exempt Framework Master Agreements; and

(iii) to give the Shareholders other information in accordance with the requirements of the Listing Rules.

II. RENEWAL OF NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS AND DISCLOSEABLE TRANSACTIONS

A. NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

1. The New Crude Oil Jetty and Storage Services Framework Master Agreement

Date

29 September 2025

Parties

(a) Huade Petrochemical, a wholly-owned subsidiary of the Company;

(b) Sinopec Guangzhou Branch;

(c) Sinopec Petroleum Reserve Company; and

(d) Sinopec Petroleum Marketing Company.

Sinopec Guangzhou Branch is a branch company of Sinopec Corp., Sinopec Petroleum Marketing Company is a wholly-owned subsidiary of Sinopec Corp., and Sinopec Petroleum Reserve Company is a wholly-owned subsidiary of Sinopec Group Company. As Sinopec Group Company is the holding company of Sinopec Corp., which indirectly owns SKI, the controlling Shareholder, each of Sinopec Guangzhou Branch, Sinopec

Petroleum Reserve Company and Sinopec Petroleum Marketing Company is an associate of SKI and a connected person of the Company under Chapter 14A of the Listing Rules.

Term

Subject to the approval of the Independent Shareholders at the SGM, the agreement is for a term of three years commencing on 1 January 2026 and ending on 31 December 2028.

Nature of the transactions

Pursuant to the New Crude Oil Jetty and Storage Services Framework Master Agreement, Huade Petrochemical shall provide the following services and facilities to Sinopec Guangzhou Branch, Sinopec Petroleum Reserve Company and Sinopec Petroleum Marketing Company, and/or their respective subsidiaries:

(i) unloading crude oil for oil tankers berthed at the terminal of Huade Petrochemical, oil tanker berthing and docking, and related services;

(ii) Huade Petrochemical shall provide crude oil storage tanks for the purpose of storing crude oil and related services; and

(iii) Huade Petrochemical shall provide oil pipeline transmission services and related services for facilities along the route.

Huade Petrochemical shall from time to time enter into definitive agreements with Sinopec Guangzhou Branch, Sinopec Petroleum Reserve Company and/or Sinopec Petroleum Marketing Company and/or their respective subsidiaries with respect to the above services, for which the parties shall negotiate with reference to, among other factors, laws and regulations, market conditions, normal commercial terms, trade customs and the principle of fairness.

Pricing basis

Pursuant to the New Crude Oil Jetty and Storage Services Framework Master Agreement, the service fees payable by Sinopec Guangzhou Branch, Sinopec Petroleum Reserve Company and Sinopec Petroleum Marketing Company and/or their respective subsidiaries to Huade Petrochemical shall be determined on the following basis:

(i) if the services are governed by the State-prescribed prices of the PRC, the services fees shall be charged on the basis of State-prescribed prices. The service fees in respect of crude oil pipeline transmission are subject to state-prescribed prices

originally issued by the former State Planning Commission under the Notice on the Pricing of Crude Oil Pipeline Transportation (Jijiage [2001] No. 377) (《關於調整原油管道運輸價格的通知》(計價格[2001] 377號), which sets out a distance-based tariff schedule for crude oil pipeline transportation applicable nationwide. The implementation and subsequent administration of such state-prescribed prices are currently overseen by the National Development and Reform Commission ("**NDRC**") as the successor authority. In addition, port-related charges are subject to state-prescribed prices jointly issued by the NDRC and the Ministry of Transport under the Administrative Measures for Port Charges (Jiaoshuigui [2019] No. 2) (《港口收費計費辦法》(交水規[2019] 2號), as subsequently extended by the Announcement on the Continued Implementation of the Administrative Measures for Port Charges (Jiaoshuigui [2024] No. 4) (《關於延續實施〈港口收費計費辦法〉的公告》(交水規[2024] 4號)). The relevant pricing standards are publicly released through official notices and updated from time to time by the competent authorities in line with national pricing policies;

(ii) if the services are governed by government-approved prices of the PRC, Huade Petrochemical may, after negotiation among the relevant parties and having considered the factors and basis in item (iii) below, apply to the competent government departments for approval to adjust the service fees, and Sinopec Guangzhou Branch, Sinopec Petroleum Reserve Company and Sinopec Petroleum Marketing Company shall provide (and shall procure their subsidiaries to provide) such assistance as may be required by Huade Petrochemical. The unloading crude oil is subject to government-approved prices issued by the Guangdong Pricing Bureau (the predecessor of the Guangdong Provincial Development and Reform Commission) under the Reply on Reducing the Tariffs on Huade's Crude Oil Transit Services (《關於降低華德公司中轉原油有關收費標準的批覆》(粵價 [2006] 252號)). Such government-approved prices were determined by the Guangdong Pricing Bureau after taking into account factors such as cost structure, market conditions and relevant regulatory guidelines. The Guangdong Provincial Development and Reform Commission, as the successor authority, remains responsible for the ongoing administration and adjustment of such government-approved prices in accordance with the applicable pricing policies;

(iii) if the service fees were previously charged on the basis of the State-prescribed prices or government-approved prices, but subsequently, (I) there are no applicable State-prescribed prices or government-approved prices; or (II) such State-prescribed prices or government-approved prices are abolished or declared invalid, the service fees shall be based on:

a. the market price determined in accordance with item (iv) below; or

b. if no market price is available, the service fees shall be based on the State-prescribed prices or government-approved prices at which Huade Petrochemical provided services in the preceding year, plus a margin not exceeding the product of the rate of increase of the price index for the most recent year as announced by the relevant PRC authority and the State-prescribed prices or government-approved prices for the preceding year. For the avoidance of doubt, the above margin represents a pre-determined ceiling which may be applied only if there are no longer applicable State-prescribed or government-approved prices and no reliable market price is available. The margin, if applied, would be calculated based on the last effective State-prescribed or government-approved prices multiplied by the year-on-year growth rate of the national consumer price index ("**CPI**") as published by the National Bureau of Statistics of the PRC for the immediately preceding calendar year. In practice, such CPI-based adjustment mechanism has not been triggered to date, as the service fees under this agreement have continued to be determined based on applicable State-prescribed or government-approved prices;

(iv) the service fees shall be determined by the parties after arm's length negotiations based on the market price. When setting the market price, the primary factors and pricing basis that all parties should take into account are:

a. the actual and direct costs incurred by Huade Petrochemical in providing the crude oil terminal services;

b. the prevailing market price charged by any third party providing the same or similar services in the vicinity; and

c. the fees charged by Huade Petrochemical for providing the same services to any third party, or (if not available) the fees charged by Huade Petrochemical for providing similar services to any third party.

In any case, the final market price determined shall be (A) no less than the actual and direct costs incurred by Huade Petrochemical in providing the crude oil terminal services; and (B) no less than the prevailing market price charged by any third party providing the same or similar services in the vicinity, or, if applicable, no less than the fees charged by Huade Petrochemical for providing the same or similar services to any third party.

For the New Crude Oil Jetty and Storage Services Framework Master Agreement, given the highly regulated and capital-intensive nature of the crude oil terminal and storage business, the number of independent third-party customers in this segment is limited. Huade Petrochemical currently has one independent third-party customer for the provision of crude oil unloading, port, pipeline transmission and storage services.

The pricing of such services, including crude oil unloading, port and oil pipeline transmission, is governed by the State-prescribed or government-approved prices issued by the competent PRC authorities, and therefore the same pricing standards apply to both independent customers and connected persons. As the pricing is determined in accordance with such mandatory regulatory standards, separate benchmarking against other third-party transactions is not applicable.

For the crude oil storage services where there are no applicable State-prescribed or government-approved prices, the service fees are determined after arm's length negotiations with reference to the actual and direct costs incurred by Huade Petrochemical in providing such services, plus an appropriate gross profit margin. In determining the appropriate gross profit margin, Huade Petrochemical takes into account (i) the gross profit margins publicly disclosed by comparable listed companies engaged in similar businesses in the market over the past three years; and (ii) the average gross profit margin levels of its own crude oil storage business for the same period, to ensure that the resulting rate reflects prevailing industry norms and remains on normal commercial terms. The average gross profit margin of Huade Petrochemical's crude oil storage business for 2024 and the first half of 2025 was approximately 45%, which is broadly consistent with the overall gross profit margins of the Group (approximately 42.36% in 2023 and 48.53% in 2024). The prices charged by Huade Petrochemical to its connected persons are not less favourable than those charged to its independent third-party customer for similar services.

Historical transaction amounts

The following table sets out the transaction amounts received by Huade Petrochemical under the Existing Crude Oil Jetty and Storage Services Framework Master Agreement for each of the two years ended 31 December 2023 and 31 December 2024 and the six months ended 30 June 2025, based on unaudited management accounts:

	For the year ended		For the six months ended 30 June
	31 December 2023	31 December 2024	2025
	(approx. RMB (approx. HK$))		
Transaction amounts received by Huade Petrochemical	RMB446,180,000 (HK$487,674,740)	RMB489,200,000 (HK$534,695,600)	RMB241,900,000 (HK$264,396,700)

None of these transaction amounts has exceeded the relevant annual caps for the corresponding financial years.

Annual caps

The following table sets out the existing annual caps of the transaction amounts estimated to be received by Huade Petrochemical under the Existing Crude Oil Jetty and Storage Services Framework Master Agreement for each of the two years ended 31 December 2023 and 31 December 2024 and the year ending 31 December 2025:

	For the year ended		For the year ending 31 December
	31 December 2023	31 December 2024	2025
	(approx. RMB (approx. HK$))		
Existing annual caps	RMB550,000,000 (HK$601,150,000)	RMB550,000,000 (HK$601,150,000)	RMB550,000,000 (HK$601,150,000)

The following table sets out the annual caps of the transaction amounts estimated to be received by Huade Petrochemical under the New Crude Oil Jetty and Storage Services Framework Master Agreement for each of the three years ending 31 December 2026, 31 December 2027 and 31 December 2028:

	For the year ending		
	31 December 2026	31 December 2027	31 December 2028
	(approx. RMB (approx. HK$))		
Annual caps	RMB550,000,000 (HK$601,150,000)	RMB550,000,000 (HK$601,150,000)	RMB550,000,000 (HK$601,150,000)

In arriving at the aforesaid annual caps, the following factors were taken into account: (i) the historical transaction amounts; (ii) the State-prescribed prices and the government-approved prices for these services; (iii) in light of the demand for petroleum products in the PRC market, Sinopec Guangzhou Branch, Sinopec Petroleum Reserve Company

and Sinopec Petroleum Marketing Company and their respective subsidiaries are expected to import a stable quantity of crude oil and therefore will consume and require a stable amount of crude oil jetty services and facilities; and (iv) given the nature of mutual reliance on the supply and consumption of the services and facilities by Sinopec Guangzhou Branch, Sinopec Petroleum Reserve Company and/or Sinopec Petroleum Marketing Company and their respective subsidiaries, demand for such volume and quantity of services and facilities of the Group will remain stable.

The payment terms of these transactions will be determined by the parties on a transaction-by-transaction basis, in accordance with market norms and on normal commercial terms, and with reference to prescriptions by and approvals of the PRC government.

Reasons and benefits of the transactions

As the existing jetty and crude oil storage facilities of Huade Petrochemical are close to Sinopec Guangzhou Branch with a crude oil pipeline connected between Huade Petrochemical and Sinopec Guangzhou Branch, and the business operations of Sinopec Petroleum Reserve Company, Sinopec Petroleum Marketing Company and Sinopec Guangzhou Branch are from time to time conducted closely and simultaneously. As a result, Huade Petrochemical has been regularly providing crude oil jetty unloading, transshipment and pipeline transmission services to Sinopec Guangzhou Branch, Sinopec Petroleum Reserve Company and Sinopec Petroleum Marketing Company and/ or their respective subsidiaries, with Sinopec Guangzhou Branch being a major customer of Huade Petrochemical for crude oil jetty unloading, transshipment and pipeline transmission.

Currently, the business income of Huade Petrochemical is primarily derived from Sinopec Guangzhou Branch. The provision of crude oil jetty unloading, transshipment and pipeline transmission services to Sinopec Guangzhou Branch, Sinopec Petroleum Reserve Company and/or Sinopec Petroleum Marketing Company can enable Huade Petrochemical to continue capturing the business opportunities and utilise the business value of its crude oil jetty and facilities, and create economic benefits for Huade Petrochemical, and therefore is in the interests of the Company and the Shareholders as a whole.

Internal control measures for the transactions

(i) **Effective connected transaction management system:** The Company has formulated and strictly implemented policies such as the Listing Affairs Management System of Sinopec Kantons Holdings Limited and the Management Measures of Connected Transactions of Sinopec Kantons Holdings Limited to make regular assessment on connected transactions and the effectiveness of the related internal control systems, thereby ensuring that the connected transactions are conducted

on a regulated basis under fair and reasonable pricing principles and transaction methods and in the interests of the Company and the Shareholders as a whole, and therefore the connected transactions entered into by the Company will be conducted under effective control and regulation via the Company's connected transaction management systems.

(ii) **Daily management of connected transactions:** The risk control department and finance department of the Company conduct monthly inspection in relation to types of connected transactions and transaction amount to assure the consistency of the types and transaction data of the connected transactions with what actually occurred, and by setting up a transaction cap warning alert, which is usually set at 80% of the annual cap set for connected transactions, the risk of exceeding the annual cap on connected transactions is effectively avoided.

(iii) **Review on risk management and internal control by the management and the audit committee of the Board:** The relevant personnel of the Company report regularly to the audit committee of the Board on the execution of connected transactions. The risk control department of the Company includes connected transactions in its scope of annual internal control assessment and includes connected transactions in its regularly prepared risk management and internal control reports to the audit committee, which also conducts an annual review of the Company's risk management and internal control systems.

(iv) **Annual review by independent non-executive Directors:** The independent non-executive Directors of the Company conduct an annual review of the continuing connected transaction agreements and the transactions thereunder and confirm that the agreements and transactions are (a) in the ordinary course of the Group's business; (b) on normal or better commercial terms; and (c) that the terms of the agreements governing the transactions are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

(v) **Annual review and confirmation by the Auditor:** The Auditor of the Company will review the continuing connected transactions of the Company annually and confirm to the Board that nothing has come to its attention that causes it to believe that such transactions (a) have not been approved by the Board; (b) were not, in all material respects, in accordance with the pricing policies provided in the transactions involving the provision or receipt of goods or services by the Group; (c) were not carried out, in all material respects, in accordance with the relevant agreements governing such transactions; and (d) have exceeded the respective applicable annual caps.

2. The New Sinopec Fuel Oil Sales Company Limited Framework Master Agreement

Date

29 September 2025

Parties

(a) Huade Petrochemical, a wholly-owned subsidiary of the Company; and

(b) Sinopec Fuel Oil.

Sinopec Fuel Oil is a wholly-owned subsidiary of Sinopec Marketing, which is held as to approximately 70.42% by Sinopec Corp. and approximately 29.58% by a group of investors who are all Independent Third Parties each holding less than 3%. Accordingly, Sinopec Fuel Oil is a non wholly-owned subsidiary of Sinopec Corp., which indirectly wholly owns SKI, the controlling Shareholder. Sinopec Fuel Oil is therefore an associate of SKI and hence a connected person of the Company under Chapter 14A of the Listing Rules.

Term

Subject to the approval of the Independent Shareholders at the SGM, the agreement is for a term of three years commencing on 1 January 2026 and ending on 31 December 2028.

Nature of the transactions

Pursuant to the New Sinopec Fuel Oil Sales Company Limited Framework Master Agreement, Huade Petrochemical shall provide the following services and facilities to the Sinopec Fuel Oil Group:

(i) unloading fuel oil for oil tankers berthed at the terminal of Huade Petrochemical, oil tanker berthing and docking, and related services; and

(ii) provision of storage tanks for fuel oil storage purpose and the provision of blending and heating services and related services.

Huade Petrochemical shall from time to time enter into definitive agreements with the Sinopec Fuel Oil Group with respect to the above services, for which the parties shall negotiate with reference to, among other factors, laws and regulations, market conditions, normal commercial terms, trade customs and the principle of fairness.

Pricing basis

Pursuant to the New Sinopec Fuel Oil Sales Company Limited Framework Master Agreement, the service fees payable by the Sinopec Fuel Oil Group to Huade Petrochemical shall be determined on the following basis:

(i) if the services are governed by the State-prescribed prices of the PRC, the services fees shall be charged on the basis of State-prescribed prices;

(ii) if the services are governed by government-approved prices of the PRC, upon negotiations between both parties and taking into account the factors and basis in item (iii) below, Huade Petrochemical may apply to the competent government authorities for approval to adjust the service fees, and the Sinopec Fuel Oil Group shall provide (and shall procure their subsidiaries to provide) such assistance as may be required by Huade Petrochemical;

(iii) if the service fees were previously charged on the basis of the State-prescribed prices or government-approved prices, but subsequently, (I) there are no applicable State-prescribed prices or government-approved prices; or (II) such State-prescribed prices or government-approved prices are abolished or declared invalid, the service fees shall be based on:

a. the market price determined in accordance with item (iv) below; or

b. if no market price is available, the service fees shall be based on the State-prescribed prices or government-approved prices at which Huade Petrochemical provided services in the preceding year, plus a margin not exceeding the product of the rate of increase of the price index for the most recent year as announced by the relevant PRC authority and the State-prescribed prices or government-approved prices for the preceding year. For the avoidance of doubt, the above margin constitutes a pre-determined ceiling applicable only where there are no relevant State-prescribed or government-approved prices and no available market comparables. The margin, if applied, would be calculated by reference to the last effective State-prescribed or government-approved prices multiplied by the year-on-year growth rate of the CPI for the immediately preceding calendar year as published by the National Bureau of Statistics of the PRC. In practice, such CPI-based adjustment

mechanism has not been triggered to date, as the service fees under this agreement have continued to be determined with reference to prevailing market prices;

(iv) the service fees shall be determined by the parties after arm's length negotiations based on the market price. When setting the market price, the primary factors and pricing basis that both the parties should take into account:

a. the actual and direct costs incurred by Huade Petrochemical in providing the fuel oil terminal services;

b. the prevailing market price charged by any third party providing the same or similar services in the vicinity; and

c. the fees charged by Huade Petrochemical for providing the same services to any third party, or (if not available) the fees charged by Huade Petrochemical for providing similar services to any third party.

In any case, the final market price determined shall be (A) no less than the actual and direct costs incurred by Huade Petrochemical in providing the fuel oil terminal services; and (B) no less than the prevailing market price charged by any third party providing the same or similar services in the vicinity, or, if applicable, no less than the fees charged by Huade Petrochemical for providing the same or similar services to any third party. For the New Sinopec Fuel Oil Sales Company Limited Framework Master Agreement, Huade Petrochemical currently does not have independent third-party customers for comparable fuel oil storage services. The service fees are determined based on the estimated cost for the provision all-in storage services plus an appropriate gross profit margin, and are negotiated annually between Huade Petrochemical and Sinopec Fuel Oil to ensure the pricing remains fair, reasonable and on normal commercial terms. In determining the appropriate gross profit margin, Huade Petrochemical takes into account (i) the gross profit margins publicly disclosed by comparable listed companies engaged in similar businesses in the market over the past three years; and (ii) the average gross profit margin levels of the Group for the same period, to ensure that the resulting rate reflects prevailing industry norms and remains on normal commercial terms. The gross profit margins of transactions under the Existing Sinopec Fuel Oil Sales Company Limited Framework Master Agreement were approximately 44%-47% for 2023 and 2024, which are broadly consistent with the overall gross profit margins of the Group of 42.36% in 2023 and 48.53% in 2024.

Historical transaction amounts

The following table sets out the transaction amounts received by Huade Petrochemical under the Existing Sinopec Fuel Oil Sales Company Limited Framework Master Agreement for each of the two years ended 31 December 2023 and 31 December 2024 and the six months ended 30 June 2025, based on unaudited management accounts:

	For the year ended		**For the six months ended 30 June**
	31 December 2023	**31 December 2024**	**2025**
	(approx. RMB (approx. HK$))		
Transaction amounts received by Huade Petrochemical	RMB44,510,000 (HK$48,649,430)	RMB47,990,000 (HK$52,453,070)	RMB23,430,000 (HK$25,608,990)

None of these transaction amounts has exceeded the relevant annual caps for the corresponding financial years.

Annual caps

The following table sets out the existing annual caps of the transaction amounts estimated to be received by Huade Petrochemical under the Existing Sinopec Fuel Oil Sales Company Limited Framework Master Agreement for each of the two years ended 31 December 2023 and 31 December 2024 and the year ending 31 December 2025:

	For the year ended		**For the year ending 31 December**
	31 December 2023	**31 December 2024**	**2025**
	(RMB (approx. HK$))		
Existing annual caps	RMB80,000,000 (HK$87,440,000)	RMB80,000,000 (HK$87,440,000)	RMB80,000,000 (HK$87,440,000)

The following table sets out the annual caps of the transaction amounts estimated to be received by Huade Petrochemical under the New Sinopec Fuel Oil Sales Company Limited Framework Master Agreement for each of the three years ending 31 December 2026, 31 December 2027 and 31 December 2028:

	For the year ending		
	31 December 2026	**31 December 2027**	**31 December 2028**
	(RMB (approx. HK$))		
Annual caps	RMB70,000,000 (HK$76,510,000)	RMB70,000,000 (HK$76,510,000)	RMB70,000,000 (HK$76,510,000)

In arriving at the aforesaid annual caps, the following factors were taken into account: (i) the historical transaction amounts: Huade Petrochemical recorded transaction amounts of approximately RMB44.51 million and RMB47.99 million for 2023 and 2024, respectively, representing a year-on-year increase of about 7.8%. For the six months ended 30 June 2025, it recorded approximately RMB23.43 million; (ii) the expected increase in the actual and direct costs of providing the relevant: the operating costs incurred by Huade Petrochemical for providing the relevant services increased from approximately RMB22.35 million in 2020 to approximately RMB27.03 million in 2024, representing a compound annual growth rate of about 4.9% after the last adjustment of the per-unit service fee in 2019. Taking into account the continued rise in manpower, utilities and maintenance expenses, the general inflationary environment in the PRC and the expected gradual increase in repair costs as the facilities age, the Group anticipates that Huade Petrochemical's cost base will continue to increase over the next three years. In assessing the proposed annual caps, the management has also made reference to gross profit margin of the business with reference to overall the gross profit margin of the Group to ensure commercial reasonableness; (iii) in view of the demand for petroleum products in the PRC market, Sinopec Fuel Oil is expected to import a greater volume of fuel oil, and will thus require more fuel oil terminals and storage services and facilities; and (iv) the per-unit service fees may be raised during 2026-2028 after arm's length negotiations between Huade Petrochemical and Sinopec Fuel Oil based on the recent development of the Group's fuel oil terminal and storage business.

The payment terms of these transactions will be determined by the parties on a transaction-by-transaction basis, in accordance with market norms and on normal commercial terms, and with reference to prescriptions by and approvals of the PRC government.

Reasons and benefits of the transactions

Aiming to expand the storage and logistics business and increase the service income as well as enhance the economic benefits and profitability, Huade Petrochemical had invested in the construction of its new fuel oil terminal in Huizhou and the terminal had been put into operation in 2021.

The Sinopec Fuel Oil Group is specialised in fuel oil trading, which has a huge demand for fuel oil storage services. The provision of fuel oil storage services to the Sinopec Fuel Oil Group by Huade Petrochemical is conducive to capturing business opportunities and bringing in operating income, which creates economic benefits for Huade Petrochemical, and is therefore in the interests of the Company and the Shareholders as a whole.

Internal control measures for the transactions

(i) **Effective connected transaction management system:** The Company has formulated and strictly implemented policies such as the Listing Affairs Management System of Sinopec Kantons Holdings Limited and the Management Measures of Connected Transactions of Sinopec Kantons Holdings Limited to make regular assessment on connected transactions and the effectiveness of the related internal control systems, thereby ensuring that the connected transactions are conducted on a regulated basis under fair and reasonable pricing principles and transaction methods and in the interests of the Company and the Shareholders as a whole, and therefore the connected transactions entered into by the Company will be conducted under effective control and regulation via the Company's connected transaction management systems.

(ii) **Daily management of connected transactions:** The risk control department and finance department of the Company conduct monthly inspection in relation to types of connected transactions and transaction amount to assure the consistency of the types and transaction data of the connected transactions with what actually occurred, and by setting up a transaction cap warning alert, which is usually set at 80% of the annual cap set for connected transactions, the risk of exceeding the annual cap on connected transactions is effectively avoided.

(iii) **Review on risk management and internal control by the management and the audit committee of the Board:** The relevant personnel of the Company report regularly to the audit committee of the Board on the execution of connected transactions. The risk control department of the Company includes connected transactions in its scope of annual internal control assessment and includes connected transactions in its regularly prepared risk management and internal control reports to the audit committee, which also conducts an annual review of the Company's risk management and internal control systems.

(iv) **Annual review by independent non-executive Directors:** The independent non-executive Directors of the Company conduct an annual review of the continuing connected transaction agreements and the transactions thereunder and confirm that the agreements and transactions are (a) in the ordinary course of the Group's business; (b) on normal or better commercial terms; and (c) that the terms of the agreements governing the transactions are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

(v) **Annual review and confirmation by the Auditor:** The Auditor of the Company will review the continuing connected transactions of the Company annually and confirm to the Board that nothing has come to its attention that causes it to believe that such transactions (a) have not

been approved by the Board; (b) were not, in all material respects, in accordance with the pricing policies provided in the transactions involving the provision or receipt of goods or services by the Group; (c) were not carried out, in all material respects, in accordance with the relevant agreements governing such transactions; and (d) have exceeded the respective applicable annual caps.

3. Assessment of Reliance on Major Customers

Huade Petrochemical, a principal subsidiary of the Group, has been providing crude oil and fuel oil jetty and storage services to Sinopec Petroleum Reserve Company, Sinopec Petroleum Marketing Company, Sinopec Guangzhou Branch and Sinopec Fuel Oil Group for more than ten years. In 2024, these customers collectively contributed approximately 89% of the Group's total revenue, of which Sinopec Guangzhou Branch, Sinopec Petroleum Reserve Company, Sinopec Petroleum Marketing Company and Sinopec Fuel Oil Group accounted for approximately 81%, nil, nil and 8%, respectively.

The Board notes that Sinopec Petroleum Reserve Company, Sinopec Petroleum Marketing Company and Sinopec Fuel Oil Group contributed relatively small proportions to the Group's total revenue in 2024, and therefore their transactions under the New Crude Oil Jetty and Storage Services Framework Master Agreement and the New Sinopec Fuel Oil Sales Company Limited Framework Master Agreement are not considered significant to the Group's overall operations.

With respect to Sinopec Guangzhou Branch, the Board understands that (i) the majority of crude oil procured by Sinopec Guangzhou Branch is sourced through maritime imports; and (ii) Huade Petrochemical owns a 174-kilometre crude oil pipeline connecting its crude oil jetty and the production facilities of Sinopec Guangzhou Branch, which serves as the sole direct transportation channel for crude oil delivery between the parties. The Board is of the view that, while Huade Petrochemical relies on the stable demand from Sinopec Guangzhou Branch as one of its principal customers, Sinopec Guangzhou Branch in turn depends on Huade Petrochemical's unique infrastructure, technical expertise and regulatory qualifications to ensure the continuous and safe supply of crude oil to its refinery operations. Given that Huade Petrochemical's crude oil terminal and pipeline facilities are among the few of such scale and capability in the region, and that alternative suppliers are limited, the Board believes that the likelihood of any material adverse change to or termination of the relationship between the Group and Sinopec Guangzhou Branch is low. Accordingly, there exists a mutual and operationally integrated relationship between the Group and Sinopec Guangzhou Branch, which is long-standing, commercially stable and unlikely to materially adversely change or terminate in the foreseeable future.

Notwithstanding the above, the Group has proactively implemented a series of measures to diversify its customer base and reduce potential reliance on Sinopec Guangzhou Branch. In particular, Huade Petrochemical has actively

introduced new independent third-party customers and expanded into new service areas. In September 2025, Huade Petrochemical entered into a supplemental agreement with an existing independent third-party customer in connection with the construction of the customer's new production facilities, thereby strengthening cooperation and increasing revenue contribution from this customer. In addition, Huade Petrochemical has commenced cooperation with a new independent third-party customer in the naphtha unloading business, which started trial operation and completed the unloading of approximately 284,400 tonnes of naphtha for that new independent customer in the first half of 2025.

The proportion of revenue derived from independent third-party customers in the Group's crude oil jetty unloading services increased from approximately 2% in the first half of 2023 to approximately 16% in the first half of 2025, reflecting the Group's continuous efforts in diversifying its customer base. The Board is of the view that the measures implemented by the Group are effective and sufficient to mitigate potential reliance on Sinopec Guangzhou Branch, and that, as the Group continues to broaden its customer portfolio and develop new business lines, the relative contribution of Sinopec Guangzhou Branch to the Group's revenue is expected to further decrease over time.

B. NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS AND DISCLOSEABLE TRANSACTIONS

1. The New Sinopec Finance Financial Services Framework Master Agreement

Date

29 September 2025

Parties

(a) Huade Petrochemical, a wholly-owned subsidiary of the Company; and

(b) Sinopec Finance Guangzhou Branch.

Sinopec Finance Guangzhou Branch is a branch company of Sinopec Finance, which is owned as to 51% by Sinopec Group Company and 49% by Sinopec Corp. As Sinopec Group Company is the holding company of Sinopec Corp., which indirectly wholly owns SKI, the controlling Shareholder, Sinopec Finance Guangzhou Branch is therefore an associate of SKI and a hence connected person of the Company under Chapter 14A of the Listing Rules.

Term

Subject to obtaining the approval by the Independent Shareholders at the SGM, the agreement is for a term of three years commencing on 1 January 2026 and ending on 31 December 2028.

Nature of the transactions

Pursuant to the New Sinopec Finance Financial Services Framework Master Agreement, Sinopec Finance Guangzhou Branch shall provide financial services to Huade Petrochemical, including loan services, deposit services, entrusted loan services, bill acceptance and discount services, and transfer settlement and relevant settlement services, and other financial services as requested or instructed by Huade Petrochemical, provided that the provision of the relevant services by Sinopec Finance Guangzhou Branch has been approved by the NFRA and is within the business scope of Sinopec Finance Guangzhou Branch as registered with relevant Administration for Market Regulation.

Huade Petrochemical shall from time to time enter into definitive agreements with Sinopec Finance Guangzhou Branch with respect to the above services, for which the parties shall negotiate with reference to, among other factors, laws and regulations, market conditions, normal commercial terms, trade customs and the principle of fairness.

Pricing basis

Sinopec Finance Guangzhou Branch shall comply with the following principles when providing the aforementioned financial services to Huade Petrochemical:

(i) loan services: Sinopec Finance Guangzhou Branch shall provide loan services to Huade Petrochemical, and the interest rates for loans shall be referenced to the relevant lending rate standards uniformly promulgated by the PBOC at the time; and in compliance with the relevant laws and regulations, the lending rates may be adjusted downward by a certain percentage, but shall not be higher than the interest rates applicable to the same type of loan services offered by independent commercial banks to other members of the Sinopec Group. In determining the specific percentage of any downward adjustment to the applicable benchmark lending rate promulgated by the PBOC, Sinopec Finance Guangzhou Branch will take into account a number of commercial factors, including, among others, the loan amount, term and nature of the facility, and the prevailing market interest rate environment at the time of the loan. The finance department of the Company will, prior to Huade Petrochemical accepting any loan offer from Sinopec Finance Guangzhou Branch, review the

proposed lending rate against contemporaneous quotes from at least two independent commercial banks for similar facilities to ensure that the rate offered is fair and reasonable and not higher than the rate applicable to loans of a similar nature and term offered by such independent banks to other members of the Sinopec Group.

(ii) deposit services: when Sinopec Finance Guangzhou Branch provides deposit services to Huade Petrochemical, the deposit interest rate shall be referenced to the relevant deposit interest rate standards uniformly promulgated by the PBOC at the time, but shall not be lower than the interest rates applicable to the same type of deposit services offered by independent commercial banks to other members of the Sinopec Group.

The Board has considered the deposit services under the New Sinopec Finance Financial Services Framework Master Agreement and is of the view that the deposit rates to be offered by Sinopec Finance Guangzhou Branch will be no less favourable than those offered by independent commercial banks to the Group. In forming this view, the Board has taken into account that the deposit rates offered by Sinopec Finance Guangzhou Branch to Huade Petrochemical are determined with reference to the PBOC benchmark deposit rates and prevailing market deposit rates offered by independent commercial banks of comparable size and tenor. The finance department of the Company conducts regular market comparisons by obtaining contemporaneous quotations from at least two independent commercial banks for deposits of similar nature, amount and term. The Board considers that such benchmarking mechanism ensures that the deposit rates offered by Sinopec Finance Guangzhou Branch are consistent with market practice and will not be lower than those offered by independent commercial banks. In addition, the Board notes that Sinopec Finance Guangzhou Branch, being subject to the prudential and fair dealing requirements under the Measures for the Administration of Finance Companies of Enterprise Groups（《企業集團財務公司管理辦法》）(the "**Measures**"), is required to maintain sound operational and risk management standards comparable to those of licensed commercial banks, which provides further assurance that the deposit services provided to Huade Petrochemical are conducted on normal commercial terms and the interest rates offered will be no less favourable than those available from independent financial institutions.

(iii) entrusted loan services: when Sinopec Finance Guangzhou Branch provides entrusted loan services to Huade Petrochemical, it shall charge an annual entrusted loan handling fee calculated based on the outstanding principal balance of the loan, which shall not be

higher than the fees applicable to the same type of services offered by independent commercial banks to other members of the Sinopec Group.

(iv) bill acceptance and discount services: when Sinopec Finance Guangzhou Branch provides acceptance and discount of acceptance bills and bank acceptance bill discount services to Huade Petrochemical, the discount rates shall be determined based on the rediscount rate prescribed by the PBOC with a spread determined according to market conditions, but shall not be higher than the interest rates applicable to the same type of loan services offered by independent commercial banks to other members of the Sinopec Group.

(v) transfer settlement and relevant settlement services: Sinopec Finance Guangzhou Branch shall handle the accounts opened by Huade Petrochemical at Sinopec Finance Guangzhou Branch and the settlement business conducted with the members of the Sinopec Group, without charging Huade Petrochemical any fees. Nevertheless, if independent commercial banks charge Sinopec Finance Guangzhou Branch service fees for transfer and settlement services and corresponding settlement in the future, Sinopec Finance Guangzhou Branch may charge Huade Petrochemical the same amount of service fees for such services.

For each type of financial service under the New Sinopec Finance Financial Services Framework Master Agreement, prior to entering into the relevant transaction, the finance department of the Company will obtain contemporaneous quotations or comparable transaction information from at least two independent commercial banks in the PRC for facilities or services of a similar nature, amount and term.

Historical transaction amounts – Deposit services

The following table sets out the maximum outstanding balance at any time (including any interest accrued therefrom) for the deposits placed by Huade Petrochemical with Sinopec Finance Guangzhou Branch under the Existing Sinopec Finance Financial Services Framework Master Agreement for each of the two years ended 31 December 2023 and 31 December 2024 and the six months ended 30 June 2025 based on unaudited management accounts:

	For the year ended		For the six months ended 30 June
	31 December 2023	31 December 2024	2025
	(approx. RMB (approx. HK$))		
Maximum outstanding balance (including any interest accrued therefrom)	RMB398,210,000 (HK$435,243,530)	RMB356,530,000 (HK$389,687,290)	RMB381,677,000 (HK$417,172,961)

None of the above amounts exceeded the relevant annual caps for the corresponding financial years.

Annual caps – Deposit services

The following table sets out the existing annual caps in respect of the maximum outstanding balance at any time (including any interest accrued therefrom) for the deposits estimated to be placed by Huade Petrochemical with Sinopec Finance Guangzhou Branch under the Existing Sinopec Finance Financial Services Framework Master Agreement for each of the two years ended 31 December 2023 and 31 December 2024 and the year ending 31 December 2025:

	For the year ended		For the year ending 31 December
	31 December 2023	31 December 2024	2025
	(RMB (approx. HK$))		
Existing annual caps	RMB400,000,000 (HK$437,200,000)	RMB400,000,000 (HK$437,200,000)	RMB400,000,000 (HK$437,200,000)

The following table sets out the annual caps in respect of the maximum outstanding balance at any time (including any interest accrued therefrom) for the deposits estimated to be placed by Huade Petrochemical with Sinopec Finance Guangzhou Branch under the New Sinopec Finance Financial Services Framework Master Agreement for each of the three years ending 31 December 2026, 31 December 2027 and 31 December 2028:

	For the year ending		
	31 December 2026	31 December 2027	31 December 2028
		(RMB (approx. HK$))	
Annual caps	RMB400,000,000 (HK$437,200,000)	RMB400,000,000 (HK$437,200,000)	RMB400,000,000 (HK$437,200,000)

In arriving at the aforesaid annual caps, the future business expansion plans, the expected increase of business volume, the expected increase of cash flow movement of Huade Petrochemical and the following factors have been considered by Huade Petrochemical:

(i) For each of the two years ended 31 December 2023 and 31 December 2024 and for the six months ended 30 June 2025, the maximum outstanding balance at any time (including any interest accrued therefrom) for the deposits placed by Huade Petrochemical with Sinopec Finance Guangzhou Branch under the Existing Sinopec Finance Financial Services Framework Master Agreement was RMB398,210,000, RMB356,530,000 and RMB381,677,000, respectively, representing 99.55%, 89.13% and 95.42% of the existing annual caps in respect of the estimated maximum balance (including any interest accrued therefrom) under the Existing Sinopec Finance Financial Services Framework Master Agreement.

Given the PRC government's control over the remittance of funds out of Chinese Mainland, it may take some time for Huade Petrochemical to obtain approval from relevant departments for distribution of dividends to the Company. Therefore, it is expected that the deposits placed by Huade Petrochemical with Sinopec Finance Guangzhou Branch will remain at the current level for the three financial years ending 31 December 2028.

(ii) In order to strengthen the centralised management of funds and monitor the use of funds, the Sinopec Group (including the Group) will utilise the "funding pool" platform with the assistance of Sinopec Finance Guangzhou Branch. Such platform amasses the funds of the Sinopec Group (including the Group) and enables loans to be granted within the Sinopec Group (including the Group) by capitalising on the leeway arising from the difference in the time for receipt and payment of funds of members of the Sinopec Group (including the Group), with an aim to support the development of the Sinopec Group and the Group.

(iii) Sinopec Finance and Sinopec Finance Guangzhou Branch are under the supervision of the NFRA and have been maintaining satisfactory operating results and financial positions with good risk control and well-regulated management in the past three years. The safety standards of their settlement system reach the standards of domestic commercial banks. The collaboration between Huade Petrochemical and Sinopec Finance Guangzhou Branch reduces finance costs, increases interest income of deposits, lowers settlement costs and controls risks.

(iv) There will be interest income from the deposits of Huade Petrochemical with Sinopec Finance Guangzhou Branch at a rate no less favourable than those offered by other independent commercial banks in the PRC.

(v) In respect of Huade Petrochemical's funds settlement business at Sinopec Finance Guangzhou Branch, settlement expenses will be undertaken by Sinopec Finance Guangzhou Branch while Huade Petrochemical has no obligations to pay for the settlement expenses to Sinopec Finance Guangzhou Branch, provided that other independent commercial banks charge Sinopec Finance Guangzhou Branch for such fees, Sinopec Finance Guangzhou Branch will charge Huade Petrochemical the same accordingly.

Loan services and bill acceptance and discount services

In view that the loan services and bill acceptance and discount services to be provided by Sinopec Finance Guangzhou Branch to Huade Petrochemical will be on normal commercial terms or better than those offered by Independent Third Parties for comparable services in the PRC, and will not be secured by assets of Huade Petrochemical, such services which also constitute financial assistance received by the Group are fully exempt under Rule 14A.90 of the Listing Rules from all reporting, annual review, announcement and Independent Shareholders' approval requirements. As such, no annual caps have been set for such services.

Entrustment loans and other services

The entrustment loans and other financial services which may be provided by Sinopec Finance Guangzhou Branch to Huade Petrochemical will be on normal commercial terms and on terms similar to or even better than those offered by Independent Third Parties for comparable services in the PRC. As all of the relevant percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the total fees to be paid by Huade Petrochemical to Sinopec Finance Guangzhou Branch for the entrustment loans and other financial services on an annual basis will fall below the de minimis threshold of 0.1% as stipulated under Rule 14A.76(1)(a) of the Listing Rules, such transactions are fully exempt from all reporting, annual review, announcement and Independent Shareholders' approval requirements. The Company will comply with the relevant requirements of the Listing Rules if and when such relevant percentage ratios (as defined under Rule 14.07 of the Listing Rules) exceed the relevant threshold.

Reasons and benefits of the transactions

The New Sinopec Finance Financial Services Framework Master Agreement was entered into on the following basis:

(i) the interest rates on loans and deposits to be offered by Sinopec Finance Guangzhou Branch to Huade Petrochemical will be no less favourable than those offered by other independent commercial banks in the PRC;

(ii) Sinopec Finance and Sinopec Finance Guangzhou Branch are regulated by the PBOC and the NFRA and Sinopec Finance Guangzhou Branch will provide its services in accordance with the rules and operational requirements of these regulatory authorities;

(iii) Sinopec Finance Guangzhou Branch fully understands and is familiar with the business nature and needs of Huade Petrochemical. As Sinopec Finance Guangzhou Branch and Huade Petrochemical are both members of the Sinopec Group, Sinopec Finance Guangzhou Branch can better foresee the funding needs of Huade Petrochemical and can offer flexible and cost-effective services to Huade Petrochemical;

(iv) it is beneficial for the settlement operations for members of the Sinopec Group (including the Group) and strengthening Huade Petrochemical's capital management and control in order to mitigate and avert operational risks;

(v) it will reduce the time of capital in transit for Huade Petrochemical. It will also accelerate the turnover of cash flow and reduce transaction costs and expenses, thereby further enhancing the quality and efficiency of capital utilisation;

(vi) Sinopec Finance Guangzhou Branch will also provide diversified financial services for Huade Petrochemical, which is in line with the interests of the Company and the Shareholders as a whole. The financial services provided by Sinopec Finance Guangzhou Branch are in line with market norms and are on normal commercial terms, with reference to arrangements with other independent commercial banks in the PRC;

(vii) pursuant to the relevant regulations of the PBOC and the NFRA, the customers of Sinopec Finance Guangzhou Branch are limited to entities within the Sinopec Group and its subsidiaries, including the Group, thereby reducing the risks that Sinopec Finance Guangzhou Branch may otherwise be exposed to if its customers include other entities unrelated to the Sinopec Group (including the Group); and

(viii) Sinopec Finance Guangzhou Branch undertakes to repay deposits (including the interest income) and grant loans or entrustment loans to Huade Petrochemical upon Huade Petrochemical's requests in a timely manner.

The Group and Sinopec Finance Guangzhou Branch have been implementing the following internal control measures to control the risks involved in depositing funds with Sinopec Finance Guangzhou Branch:

Internal control measures for the transactions – Sinopec Finance Guangzhou Branch

(i) in accordance with the PRC laws and regulations, Sinopec Finance Guangzhou Branch will ensure the safe and stable operation of its fund management information system, which has undergone the security test in respect of connections to online commercial banking platforms and has reached the national security standards for commercial banks;

(ii) Sinopec Finance and Sinopec Finance Guangzhou Branch will ensure their compliance with the risk monitoring indicators for financial institutions issued by the NFRA and in accordance with the PRC laws and regulations. In particular, Sinopec Finance Guangzhou Branch is required to comply with the Measures for the Administration of Finance Companies of Enterprise Groups (《企業集團財務公司管理辦法》) (the "**Measures**") promulgated by the Original CBIRC to regulate the activities of group finance companies. Pursuant to the Measures, Sinopec Finance Guangzhou Branch shall comply with (i) certain compliance and risk control requirements/ measures relating to the operation of group finance companies such as maintaining certain financial ratios; and (ii) the statutory deposit reserve in accordance with the provisions of the PBOC. Sinopec Finance Guangzhou Branch operates under the supervision of the NFRA and the PBOC and is required to maintain sound corporate governance, stringent internal control and liquidity management systems, and to prepare periodic financial statements and prudential reports in accordance with applicable regulatory requirements;

(iii) Sinopec Group Company has also made a commitment to the NFRA for increasing the share capital of Sinopec Finance in the event of an emergency situation where Sinopec Finance has payment difficulties. Sinopec Group Company, being the controlling shareholder of Sinopec Finance and a state-owned enterprise with substantial financial strength, is expected to have sufficient financial resources to fulfil such capital support commitment if required;

(iv) in accordance with the PRC laws and regulations, Sinopec Finance Guangzhou Branch will allow Huade Petrochemical to check the status of its deposits with Sinopec Finance Guangzhou Branch to enable

Huade Petrochemical to monitor and ensure that the maximum outstanding balance at any time (including any interest accrued therefrom) for Huade Petrochemical's deposits with Sinopec Finance Guangzhou Branch does not exceed the relevant cap;

(v) if there is a breach of laws or regulations, Sinopec Finance Guangzhou Branch will inform Huade Petrochemical immediately and ascertain the procedures and plans to rectify and mitigate the situation; and

(vi) Sinopec Finance Guangzhou Branch only provides financial services to the Sinopec Group and it has no record of default in payments to the Group in the past.

Internal control measures for the transactions – the Group

(i) **Credit risk assessment prior to entering into deposit services:** Given that Sinopec Finance Guangzhou Branch is not a public licensed bank, the Group has conducted, and will continue to conduct, structured credit risk assessments prior to placing any deposits with Sinopec Finance Guangzhou Branch. In particular, the Group has regularly obtained and reviewed the annual reports and other publicly available financial information of Sinopec Finance to understand its financial position, capital adequacy and liquidity levels, and has reviewed and taken into account the Measures promulgated by the Original CBIRC to assess its compliance with the relevant prudential and risk control requirements.

(ii) **Ongoing monitoring of credit risks:** The Group has adopted its Fund Management Policy under which the finance department of the Company is responsible for daily treasury management. Pursuant to such policy, the finance department monitors in real time and analyses the performance and risk profile of all deposit products to ensure the safety of funds and enhance the efficiency of fund utilisation. The finance department also conducts periodic reviews of the creditworthiness of Sinopec Finance Guangzhou Branch, taking into account the latest financial statements and regulatory disclosures. In addition, Sinopec Finance has undertaken to repay all deposits (including interest income) to Huade Petrochemical upon request in a timely manner, which enables Huade Petrochemical to monitor its exposure and liquidity position on an ongoing basis.

(iii) **Financial capacity of Sinopec Group Company:** The Group has also considered the financial resources and standing of Sinopec Group Company, being the wholly-owned controlling shareholder of Sinopec Finance, and is satisfied that it possesses sufficient financial capacity to perform its commitment to the NFRA and to provide support to Sinopec Finance in the event of any liquidity stress.

(iv) **Exposure management:** As at 30 June 2025, the Group's cash and cash equivalents and time deposits with original maturity of more than three months (the "**total cash balance**") aggregated approximately HK$7,460.4 million, while the annual cap for deposits with Sinopec Finance Guangzhou Branch is RMB400 million, representing less than 10% of the Group's total cash balance, indicating a manageable level of concentration risk.

(v) **Effective connected transaction management system:** The Company has formulated and strictly implemented policies such as the Listing Affairs Management System of Sinopec Kantons Holdings Limited and the Management Measures of Connected Transactions of Sinopec Kantons Holdings Limited to make regular assessment on connected transactions and the effectiveness of the related internal control systems, thereby ensuring that the connected transactions are conducted on a regulated basis under fair and reasonable pricing principles and transaction methods and in the interests of the Company and the Shareholders as a whole, and therefore the connected transactions entered into by the Company will be conducted under effective control and regulation via the Company's connected transaction management systems.

(vi) **Daily management of connected transactions:** The risk control department and finance department of the Company conduct monthly inspection in relation to types of connected transactions and transaction amount to assure the consistency of the types and transaction data of the connected transactions with what actually occurred, and by setting up a transaction cap warning alert, which is usually set at 80% of the annual cap set for connected transactions, the risk of exceeding the annual cap on connected transactions is effectively avoided.

(vii) Huade Petrochemical is not precluded from using the services of other financial institutions pursuant to the New Sinopec Finance Financial Services Framework Master Agreement.

(viii) **Review on risk management and internal control by the management and the audit committee of the Board:** The relevant personnel of the Company report regularly to the audit committee of the Board on the execution of connected transactions. The risk control department of the Company includes connected transactions in its scope of annual internal control assessment and includes connected transactions in its regularly prepared risk management and internal control reports to the audit committee, which also conducts an annual review of the Company's risk management and internal control systems.

(ix) **Annual review by independent non-executive Directors:** The independent non-executive Directors of the Company conduct an annual review of the continuing connected transaction agreements and the

transactions thereunder and confirm that the agreements and transactions are (a) in the ordinary course of the Group's business; (b) on normal or better commercial terms; and (c) that the terms of the agreements governing the transactions are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

(x) **Annual review and confirmation by the Auditor:** The Auditor of the Company will review the continuing connected transactions of the Company annually and confirm to the Board that nothing has come to its attention that causes it to believe that such transactions (a) have not been approved by the Board; (b) were not, in all material respects, in accordance with the pricing policies provided in the transactions involving the provision or receipt of goods or services by the Group; (c) were not carried out, in all material respects, in accordance with the relevant agreements governing such transactions; and (d) have exceeded the respective applicable annual caps.

The Directors consider that the above internal control measures are adequate to cover the risks involved in depositing funds with Sinopec Finance Guangzhou Branch.

Taking into account the credit risk assessment and the ongoing monitoring procedures described above, the Board is of the view that the credit and default risks associated with placing deposits with Sinopec Finance Guangzhou Branch are appropriately managed and controlled and are, in substance, comparable to those of placing deposits with independent licensed commercial banks in the PRC. In arriving at this view, the Board has carefully assessed the regulatory environment, financial capacity and operational record of Sinopec Finance Guangzhou Branch and considered that its overall risk profile falls within the Group's acceptable treasury risk parameters.

In particular, the Board notes that Sinopec Finance Guangzhou Branch operates under the direct supervision of the NFRA and the PBOC and is required to comply with the prudential requirements and risk control indicators applicable to group finance companies under the Measures. Such regulatory regime, in the Board's assessment, subjects Sinopec Finance Guangzhou Branch to capital adequacy, liquidity and reserve ratio standards which are substantially aligned with those imposed on licensed financial institutions in the PRC, thereby ensuring prudent operation and regulatory oversight comparable to commercial banks.

The Board further recognises that Sinopec Group Company, being the wholly-owned controlling shareholder of Sinopec Finance, has undertaken to provide capital support by increasing the share capital of Sinopec Finance in the event of any liquidity stress. The Board considers that this undertaking,

coupled with Sinopec Group Company's strong financial standing as a state-owned enterprise, provides an additional safeguard against potential default risk.

In addition, the Board observes that Sinopec Finance Guangzhou Branch has maintained a consistent compliance record with no default or delay in settlement of any deposits placed by the Group, reflecting its reliability and operational prudence. The Board also notes that the Group's deposit exposure to Sinopec Finance Guangzhou Branch represented less than 10% of its total cash balance as at 30 June 2025, which demonstrates prudent exposure management, and that the Group is not restricted under the New Sinopec Finance Financial Services Framework Master Agreement from placing deposits with other independent financial institutions, allowing flexibility and diversification of counterparty risk.

Having regard to the above factors, and after due and careful consideration of the regulatory safeguards, the financial strength of Sinopec Group Company and the Group's internal control measures, the Board believes that the deposit arrangements under the New Sinopec Finance Financial Services Framework Master Agreement are conducted on normal commercial terms, in the ordinary and usual course of business of the Group, and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

2. The New Century Bright Financial Services Framework Master Agreement

Date

29 September 2025

Parties

(a) the Company; and

(b) Century Bright.

Century Bright is a wholly-owned subsidiary of Sinopec Group Company, the holding company of Sinopec Corp., which indirectly wholly owns SKI, the controlling Shareholder. Century Bright is therefore an associate of SKI and hence a connected person of the Company under Chapter 14A of the Listing Rules.

Term

Subject to obtaining the approval by the Independent Shareholders at the SGM, the agreement is for a term of three years commencing on 1 January 2026 and ending on 31 December 2028.

Nature of the transactions

Pursuant to the New Century Bright Financial Services Framework Master Agreement, the Century Bright Group shall provide deposit services, credit facility services and settlement and similar financial services to the Group outside the PRC.

Pricing basis

(i) Deposit services: When the Group deposits funds with the Century Bright Group, the interest payable by the Century Bright Group to the Group on such deposits shall be referenced to the most favourable interest rate generally published by commercial banks in Hong Kong for similar deposits from time to time, or a more favourable interest rate. Accordingly, the deposit interest rate provided by the Century Bright Group shall be the higher of: (a) the interest rate equal to or higher than the interest rate paid by the Century Bright Group to the Sinopec Group and its subsidiaries or any third party (if any) for similar deposits; or (b) the interest rate equal to or higher than the most favourable interest rate generally published by other independent commercial banks in Hong Kong for similar deposits from time to time.

The Board has considered the deposit services under the New Century Bright Financial Services Framework Master Agreement and is of the view that the deposit rates to be offered by the Century Bright Group will be no less favourable than those offered by independent licensed banks in Hong Kong. In forming this view, the Board has taken into account that the deposit rates offered by the Century Bright Group are determined with reference to the most favourable market deposit rates generally published by commercial banks in Hong Kong for deposits of similar amount and tenor, and that the finance department of the Company will, prior to placing any deposits with the Century Bright Group, obtain contemporaneous quotations from at least two independent licensed banks for deposits of a similar nature and term. Such comparison mechanism enables the Company to assess whether the rates offered by the Century Bright Group are at least as favourable as, or more favourable than, those available from independent financial institutions. The Board also notes that the Century Bright Group, being regulated under the Money Lenders Ordinance (Cap. 163) and wholly owned and controlled by Sinopec Group Company, its controlling shareholder, benefits from the financial strength and credit standing of Sinopec Group Company and has the commercial incentive to offer competitive deposit rates to members of the Sinopec Group. Accordingly, the Board believes that the deposit arrangements under the New Century Bright Financial Services Framework Master Agreement are conducted on normal commercial terms and that the deposit rates offered by the Century Bright Group will be no less favourable than those offered by independent licensed banks.

(ii) Credit facility services: The loan services to be provided by the Century Bright Group to the Group will be on normal commercial terms or better, and the interest rates will be referenced to the interest rates generally charged by commercial banks in Hong Kong for similar loans, or a more favourable interest rate. Accordingly, the lending interest rate offered by the Century Bright Group shall be the lower of: (a) the interest rate equal to or lower than the interest rate charged by the Century Bright Group to the Sinopec Group and its subsidiaries or any third party (if any) for similar loans; or (b) the interest rate equal to or lower than the interest rate generally charged by other independent commercial banks in Hong Kong for similar loans from time to time. Such loans will not be secured by assets of the Group.

(iii) Settlement and similar services: The settlement fees payable by the Group to the Century Bright Group for settlement and similar services shall be referenced to the most favourable fees generally published by commercial banks in Hong Kong for similar services from time to time, or more favourable fees. Accordingly, the fees charged by the Century Bright Group for settlement and similar financial services shall be the lower of: (a) the fees equal to or not higher than the fees for settlement and similar financial services charged by the Century Bright Group for

similar services to the Sinopec Group and its subsidiaries or any third parties (if any); or (b) the fees equal to or not higher than the most favourable fees generally published by other independent commercial banks in Hong Kong for similar services from time to time.

For each type of financial service under the New Century Bright Financial Services Framework Master Agreement, prior to entering into the relevant transaction, the finance department of the Company will obtain contemporaneous quotations or comparable transaction information from at least two independent licensed banks in Hong Kong for facilities or services of a similar nature, amount and term.

Historical transaction amounts – Deposit services

The following table sets out the maximum outstanding balance at any time (including any interest accrued therefrom) for the deposits placed by the Group with the Century Bright Group under the Existing Century Bright Financial Services Framework Master Agreement for each of the two years ended 31 December 2023 and 31 December 2024 and the six months ended 30 June 2025, based on unaudited management accounts:

	For the year ended		For the six months ended 30 June
	31 December 2023	**31 December 2024**	**2025**
Maximum outstanding balance (including any interest accrued therefrom)	HK$899,610,000	HK$899,910,000	HK$884,661,000

None of the above amounts exceeded the relevant annual caps for the corresponding financial years.

The following table sets out the existing annual caps in respect of the maximum outstanding balance at any time (including any interest accrued therefrom) for the deposits estimated to be placed by the Group with the Century Bright Group under the Existing Century Bright Financial Services Framework Master Agreement for each of the two years ended 31 December 2023 and 31 December 2024 and the year ending 31 December 2025:

	For the year ended		For the year ending 31 December
	31 December 2023	**31 December 2024**	**2025**
Existing annual caps	HK$900,000,000	HK$900,000,000	HK$900,000,000

The following table sets out the annual caps in respect of the maximum outstanding balance at any time (including any interest accrued therefrom) for the deposits estimated to be placed by the Group with the Century Bright Group under the New Century Bright Financial Services Framework Master Agreement for each of the three years ending 31 December 2026, 31 December 2027 and 31 December 2028:

	For the year ending		
	31 December 2026	**31 December 2027**	**31 December 2028**
Annual caps	HK$900,000,000	HK$900,000,000	HK$900,000,000

In arriving at the aforesaid annual caps, the historical figures of the transactions, the level of the Group's cash and cash equivalents and time deposits with original maturity of more than three months over the past three years, the Group's anticipated cash flow movements, anticipated business volume and financial control and treasury management, and the requirement to settle accounts receivables from members of the Sinopec Group or any Independent Third Party through the deposit accounts of the Group with the Century Bright Group have been considered by the Group.

Credit facility services

In view that the loan services to be provided by the Century Bright Group to the Group will be on normal commercial terms or better than those offered by Independent Third Parties for comparable services outside the PRC, and will not be secured by assets of the Group, such services which also constitute financial assistance received by the Group are fully exempt under Rule 14A.90 of the Listing Rules from all reporting, annual review, announcement and Independent Shareholders' approval requirements. As such, no annual caps have been set for such services.

Settlement and similar services

The settlement and similar services which may be provided by the Century Bright Group to the Group will be on normal commercial terms and on terms similar to or even better than those offered by Independent Third Parties for comparable services outside the PRC. As all of the relevant percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the total fees estimated to be paid by the Group to the Century Bright Group for such settlement and similar services on an annual basis will fall below the de minimis threshold of 0.1% as stipulated under Rule 14A.76(1)(a) of the Listing Rules, such transactions are fully exempt from all reporting, annual review, announcement and Independent Shareholders' approval requirements. The Company will comply with the relevant requirements of the Listing Rules if and when such relevant percentage ratios (as defined under Rule 14.07 of the Listing Rules) exceed the relevant threshold.

Reasons for and benefits of the transactions

The New Century Bright Financial Services Framework Master Agreement was entered into on the following basis:

(i) the deposit interest rates to be offered by the Century Bright Group to the Group will be no less favourable than those offered by commercial banks in Hong Kong;

(ii) it will reduce the time of capital transit for the Group, and will accelerate the turnover of cash flow and reduce transaction costs and expenses, thereby further enhancing the quality and efficiency of capital utilisation;

(iii) the interest rate of the credit facility to be offered by the Century Bright Group to the Group will be no less favourable than those offered by the Independent Third Parties in Hong Kong and the credit facility will not be secured by assets of the Group; and

(iv) the Century Bright Group will provide diversified financial services for the Group, which is in line with the interests of the Company and the Shareholders as a whole.

Internal control measures for the transactions

(i) **Effective connected transaction management system:** The Company has formulated and strictly implemented policies such as the Listing Affairs Management System of Sinopec Kantons Holdings Limited and the Management Measures of Connected Transactions of Sinopec Kantons Holdings Limited to make regular assessment on connected transactions and the effectiveness of the related internal control systems, thereby ensuring that the connected transactions are conducted on a regulated basis under fair and reasonable pricing principles and transaction methods and in the interests of the Company and the Shareholders as a whole, and therefore the connected transactions entered into by the Company will be conducted under effective control and regulation via the Company's connected transaction management systems.

(ii) **Daily management of connected transactions:** The risk control department and finance department of the Company conduct monthly inspection in relation to types of connected transactions and transaction amount to assure the consistency of the types and transaction data of the connected transactions with what actually occurred, and by setting up a transaction cap warning alert, which is usually set at 80% of the annual cap set for connected transactions, the risk of exceeding the annual cap on connected transactions is effectively avoided. In addition, prior to the Company accepting any financial services from Century

Bright, the Company will obtain quotations for similar services with the same term from independent financial institutions, compare such quotations with those offered by Century Bright, and determine whether to accept the services offered by Century Bright accordingly.

(iii) **Credit risk assessment prior to entering into deposit services:** Given that Century Bright is not a public licensed bank, the Group has conducted, and will continue to conduct, credit risk assessments before placing any deposits with the Century Bright Group to ensure that such arrangements are fair and reasonable and on normal commercial terms. In particular: (a) the Group has regularly obtained and reviewed the annual reports and other publicly available financial information of Century Bright to understand their financial positions, capital adequacy and liquidity levels; (b) the Group has continuously monitored the credit ratings of Century Bright, which are currently rated A by Standard & Poor's and A2 by Moody's, and has taken into account any changes to such ratings when evaluating the relevant counterparty exposure; (c) Century Bright holds a Hong Kong money lender's licence and is regulated under the licensing regime of the Money Lenders Ordinance (Cap. 163) by the Hong Kong Companies Registry and the Commissioner of Police in Hong Kong; (d) Sinopec Group Company, being the wholly-owned controlling shareholder of Century Bright, has entered into a keepwell deed with Century Bright under which it undertakes to ensure the payment of Century Bright's debts through various means in the event that Century Bright experiences payment difficulties; the Group has considered the financial resources and standing of Sinopec Group Company and is satisfied that it possesses sufficient financial capacity to fulfil its obligations under the keepwell deed; (e) Century Bright only provides financial services to members of the Sinopec Group (including its subsidiaries and joint ventures) and, to the best knowledge of the Directors after due enquiry, has no record of default in any payment obligations to the Group in the past; and (f) as at 30 June 2025, the Group's total cash balance aggregated approximately HK$7,460.4 million, while the annual caps for deposits with Sinopec Finance and Century Bright are RMB400 million and HK$900 million, respectively, representing in aggregate less than 20% of the Group's total cash balance, indicating a manageable level of concentration risk.

(iv) **Ongoing monitoring of credit risks:** The Company has adopted its Fund Management Policy and the finance department of the Company is responsible for daily treasury management. Pursuant to such policy, the finance department monitors in real time and analyses the performance and risk profile of all deposit products to ensure the safety of funds and enhance the efficiency of fund utilisation. The finance department also conducts periodic reviews of the creditworthiness of Century Bright taking into account the latest audited financial statements and credit rating updates. In addition, Century Bright has

undertaken to repay all deposits (including interest income) to the Company upon request in a timely manner, which allows the Group to monitor its exposure and liquidity position on an ongoing basis.

(v) The Group is not precluded from using the services of other financial institutions pursuant to the New Century Bright Financial Services Framework Master Agreement.

(vi) **Review on risk management and internal control by the management and the audit committee of the Board:** The relevant personnel of the Company report regularly to the audit committee of the Board on the execution of connected transactions. The risk control department of the Company includes connected transactions in its scope of annual internal control assessment and includes connected transactions in its regularly prepared risk management and internal control reports to the audit committee, which also conducts an annual review of the Company's risk management and internal control systems.

(vii) **Annual review by independent non-executive Directors:** The independent non-executive Directors of the Company conduct an annual review of the continuing connected transaction agreements and the transactions thereunder and confirm that the agreements and transactions are (a) in the ordinary course of the Group's business; (b) on normal or better commercial terms; and (c) that the terms of the agreements governing the transactions are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

(viii) **Annual review and confirmation by the Auditor:** The Auditor of the Company will review the continuing connected transactions of the Company annually and confirm to the Board that nothing has come to its attention that causes it to believe that such transactions (a) have not been approved by the Board; (b) were not, in all material respects, in accordance with the pricing policies provided in the transactions involving the provision or receipt of goods or services by the Group; (c) were not carried out, in all material respects, in accordance with the relevant agreements governing such transactions; and (d) have exceeded the respective applicable annual caps.

Taking into account the results of the credit risk assessment and the ongoing monitoring procedures described above, the Board is of the view that the credit and default risks associated with placing deposits with Century Bright are appropriately managed and controlled and are comparable to those of placing deposits with independent licensed financial institutions in Hong Kong. In forming this view, the Board has taken into consideration that (i) Century Bright holds a valid Hong Kong money lender's licence under the Money Lenders Ordinance (Cap. 163) and is subject to the supervision of the Hong Kong Companies Registry and the Commissioner of Police, which ensures that its operations are conducted under a regulated

environment and in compliance with statutory financial and reporting obligations; (ii) Century Bright has been assigned investment-grade credit ratings of A (Standard & Poor's) and A2 (Moody's), which, in the Board's assessment, reflect a strong financial capacity and creditworthiness comparable to those of reputable licensed banks in Hong Kong; (iii) Sinopec Group Company, being the wholly-owned controlling shareholder of Century Bright, has entered into a binding keepwell deed in favour of Century Bright, under which Sinopec Group Company undertakes to ensure the payment of Century Bright's debts in the event of payment difficulties, thereby providing an additional layer of credit support and materially mitigating potential default risk; and (iv) Century Bright has maintained a sound compliance record with no default in any payment obligations to the Group, which, in the Board's view, demonstrates a consistent track record of operational prudence and reliability.

The Board has further noted that the Group's deposits with Century Bright represent less than 20% of the Group's total cash balance as at 30 June 2025, thereby limiting the Group's concentration risk exposure, and that the Group is not restricted under the New Century Bright Financial Services Framework Master Agreement from placing deposits or using the services of other independent financial institutions, which provides additional flexibility and risk diversification.

In light of the above factors and having considered the regulated status, credit standing, and additional keepwell protection of Century Bright, the Board is satisfied that the overall counterparty risk profile of Century Bright is within an acceptable range for the Group's treasury management purposes and that the financial services arrangements under the New Century Bright Financial Services Framework Master Agreement are conducted on normal commercial terms, in the ordinary and usual course of business of the Group, and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

C. LISTING RULES IMPLICATIONS

As at the Latest Practicable Date, Sinopec Group Company is a controlling shareholder of Sinopec Corp., which indirectly held the entire issued share capital of SKI. Sinopec Group Company is therefore an indirect controlling Shareholder of the Company and holds approximately 60.33% of the issued share capital of the Company.

As each of Sinopec Guangzhou Branch, Sinopec Petroleum Reserve Company, Sinopec Petroleum Marketing Company, Sinopec Finance Guangzhou Branch, Century Bright and Sinopec Fuel Oil is either a branch company or a subsidiary (as the case may be) of Sinopec Group Company or Sinopec Corp. (as the case may be), it is an associate of SKI and is therefore a connected person of the Company under Chapter 14A of the Listing Rules.

Accordingly, the transactions contemplated under each of the New Non-exempt Framework Master Agreements constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the annual caps for the transactions contemplated under each of the New Non-exempt Framework Master Agreements exceed 5%, such agreements are subject to the reporting, annual review, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. The Company will also disclose the relevant details in its next published annual report in accordance with the relevant requirements as set out in Rule 14A.49 of the Listing Rules.

In respect of the New Sinopec Finance Financial Services Framework Master Agreement and the New Century Bright Financial Services Framework Master Agreement:

(i) the provision of deposit services to the Group by the Sinopec Finance Guangzhou Branch and the Century Bright Group (as the case may be) thereunder also constitute financial assistance to be provided by the Group to the Sinopec Finance Guangzhou Branch and the Century Bright Group (as the case may be) under Rule 14.04(1)(e) of the Listing Rules. As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the aggregate transaction amounts for such transactions on an annual basis under such agreements exceed 5% but all of which are below 25%, such transactions also constitute discloseable transactions of the Company, and are therefore subject to the reporting and announcement requirements but exempt from the Shareholders' approval requirement under Chapter 14 of the Listing Rules;

(ii) in view that (a) the loan services and bill acceptance and discount services to be provided by Sinopec Finance Guangzhou Branch to Huade Petrochemical and (b) the credit limit services to be provided by the Century Bright Group to the Group will be on normal commercial terms or better than those offered by Independent Third Parties for comparable services in the PRC and outside the PRC (as the case may be), and will not be secured by assets of Huade Petrochemical and the Group (as the case may be), such services which also constitute financial assistance received by the Group are fully exempt under Rule 14A.90 of the Listing Rules from reporting, annual review, announcement and Independent Shareholders' approval requirements. As such, no annual caps have been set for such services; and

(iii) in view that (a) the entrustment loans and other financial services to be provided by Sinopec Finance Guangzhou Branch to Huade Petrochemical and (b) the settlement and similar services to be provided by the Century Bright Group to the Group will be on normal commercial terms and on terms similar to or even better than those offered by Independent Third Parties for comparable services in the PRC and outside the PRC (as the case may be),

and that all of the relevant percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the total fees estimated to be paid by Huade Petrochemical to Sinopec Finance Guangzhou Branch and by the Group to the Century Bright Group (as the case may be) for such services on an annual basis fall within the de minimis threshold of 0.1% as stipulated under Rule 14A.76(1)(a) of the Listing Rules, such transactions are fully exempt from all reporting, annual review, announcement and Independent Shareholders' approval requirements. The Company will comply with the relevant requirements of the Listing Rules if and when such relevant percentage ratios (as defined under Rule 14.07 of the Listing Rules) exceed the relevant threshold.

In addition, as certain executive Directors, including Mr. Zhong Fuliang, Mr. Yang Yanfei, Mr. Ren Jiajun, Mr. Zou Wenzhi and Mr. Mo Zhenglin, are considered to have a material interest in the transactions contemplated under the New Non-exempt Framework Master Agreements due to their other executive posts within the Sinopec Group, they have abstained from voting on the board resolutions to approve such agreements.

D. INFORMATION OF PARTIES TO THE NEW NON-EXEMPT FRAMEWORK MASTER AGREEMENTS

The Group

The Company, a non wholly-owned subsidiary of Sinopec Corp., was an exempted company incorporated in Bermuda with limited liability and the Shares are listed on the Stock Exchange. The principal activities of the Group are, 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.

Huade Petrochemical, a wholly-owned subsidiary of the Company, was incorporated under the laws of the PRC with limited liability. It is principally engaged in the provision of crude oil transportation, unloading, storage and other jetty services for oil tankers.

Other parties

Sinopec Guangzhou Branch is a branch company of Sinopec Corp. incorporated under the laws of the PRC, which is principally engaged in the business of oil refining and petrochemical productions. Its marketing distribution network covers the whole South China area with some of the products exported to Southeast Asian countries.

Sinopec Petroleum Reserve Company is a company incorporated under the laws of the PRC with limited liability and a wholly-owned subsidiary of Sinopec Group Company, which is principally engaged in the sale and storage of crude oil, the import and export of petrochemical products and the construction of oil reserve facilities.

Sinopec Petroleum Marketing Company is a company incorporated under the laws of the PRC with limited liability and a wholly-owned subsidiary of Sinopec Corp., which is principally engaged in the wholesale of crude oil and the storage and distribution of crude oil, petroleum, natural gas and other oil products.

Sinopec Finance Guangzhou Branch is a branch company of Sinopec Finance. Sinopec Finance Guangzhou Branch and Sinopec Finance were established in the PRC as non-banking financial institutions and are regulated by the PBOC and the NFRA. Sinopec Finance Guangzhou Branch is principally engaged in the provision of financial services, including but not limited to deposit services, loan services, entrusted loan services and entrusted investment services, in accordance with the rules and operational requirements of the relevant regulatory authorities.

Century Bright is a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of Sinopec Group Company, which is principally engaged in providing settlement and similar services and taking deposits from members of the Sinopec Group outside the PRC, and conducting intra group loan transactions. It is a money lender registered under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong).

Sinopec Fuel Oil is a company incorporated under the laws of the PRC with limited liability and a wholly-owned subsidiary of Sinopec Marketing, which is held as to approximately 70.42% by Sinopec Corp., and approximately 29.58% by a group of investors who are all Independent Third Parties each holding less than 3%. Sinopec Fuel Oil is principally engaged in the marketing and distribution of refined petroleum products. It also optimises markets and resources domestically and internationally, which broadens resource channels, and promotes fuel oil purchase and distribution. Its extensive marketing network includes branch companies in coastal provinces and municipalities of Tianjin, Shandong, Shanghai, Jiangsu, Zhejiang, Fujian and Guangdong in the PRC as well as regional companies and sales subsidiaries.

III. THE SGM

The SGM will be held at Salon Rooms II-III, 5/F., Harbour Grand Hong Kong, 23 Oil Street, North Point, Hong Kong at 11:00 a.m. on 27 November 2025, Thursday, to consider, and if thought fit, approve the New Non-exempt Framework Master Agreements and the proposed annual caps thereunder. The resolutions proposed at the SGM will be voted on by way of poll at the SGM. An announcement on the poll results will be made by the Company after the SGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

A notice convening the SGM is set out on pages 87 to 90 of this circular. Whether or not you are able to attend the SGM, you are requested to complete the accompanying proxy form in accordance with the instructions printed thereon and return the same to the Company's branch share registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding of the SGM or any adjournment thereof (as the case may be). Completion and return of a proxy form will not preclude you from attending and voting at the SGM or any adjournment thereof if you so wish.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, save for SKI (which held 1,500,000,000 Shares in aggregate, representing approximately 60.33% of the total number of issued Shares as at the Latest Practicable Date), which is considered to have a material interest in the transactions contemplated under the New Non-exempt Framework Master Agreements and will abstain from voting on the resolution(s) in respect of the New Non-exempt Framework Master Agreements and the transactions contemplated thereunder (including the annual caps) at the SGM, none of the other Shareholders will be required to abstain from voting on the resolutions to be proposed at the SGM.

IV. CLOSURE OF REGISTER OF MEMBERS AND THE RECORD DATE

The register of members of the Company will be closed from 21 November 2025, Friday to 27 November 2025, Thursday (both days inclusive) during which period no transfer of Shares will be registered. In order to qualify for attending the SGM and casting votes at the meeting, all Share transfers, accompanied by the relevant share certificates, must be lodged with Tricor Investor Services Limited, the branch share registrar of the Company, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:00 p.m. on 20 November 2025, Thursday. Shareholders whose names are recorded in the register of members of the Company as of 27 November 2025 shall be entitled to attend the SGM.

V. RECOMMENDATION

The Directors (other than the Directors who have abstained from voting and including the independent non-executive Directors, whose opinion, after taking into account the advice of the Independent Financial Adviser, is included in the section headed "Letter from the Independent Board Committee" in this circular) are of the view that the New Non-exempt Framework Master Agreements are on normal commercial terms and are 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 circular.

Accordingly, the Directors (other than the Directors who have abstained from voting and including the independent non-executive Directors) recommend the Shareholders to vote in favour of the resolution(s) to be proposed at the SGM to approve the New Non-exempt Framework Master Agreements. Your attention is drawn to the recommendation of the Independent Board Committee as set out on pages 49 to 50 of this circular and the letter from the Independent Financial Adviser as set out on pages 51 to 81 of this circular.

VI. ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendix to this circular.

Yours faithfully,
For and on behalf of the Board of
Sinopec Kantons Holdings Limited
Zhong Fuliang
Chairman

The following is the full text of the letter from the Independent Board Committee to the Independent Shareholders, which has been prepared for the purpose of inclusion in this circular, setting out its recommendation to the Independent Shareholders in respect of the New Non-exempt Framework Master Agreements and the transactions as contemplated thereunder.

中国石化
SINOPEC

SINOPEC KANTONS HOLDINGS LIMITED
(中石化冠德控股有限公司) *

(incorporated in Bermuda with limited liability)
(Stock Code: 934)

31 October 2025

To the Shareholders

Dear Sir or Madam,

PROPOSALS FOR
(1) RENEWAL OF NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS IN RELATION TO
(I) THE NEW CRUDE OIL JETTY AND STORAGE SERVICES FRAMEWORK MASTER AGREEMENT; AND
(II) THE NEW SINOPEC FUEL OIL SALES COMPANY LIMITED FRAMEWORK MASTER AGREEMENT
(2) RENEWAL OF DISCLOSEABLE TRANSACTIONS AND NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS IN RELATION TO
(I) THE NEW SINOPEC FINANCE FINANCIAL SERVICES FRAMEWORK MASTER AGREEMENT; AND
(II) THE NEW CENTURY BRIGHT FINANCIAL SERVICES FRAMEWORK MASTER AGREEMENT

We refer to the circular of the Company dated 31 October 2025 (the "**Circular**") of which this letter forms a part. Terms defined in the Circular shall bear the same meanings herein unless the context otherwise requires.

We have been appointed by the Board as the members of the Independent Board Committee to advise the Independent Shareholders in respect of the New Non-exempt Framework Master Agreements and the transactions contemplated thereunder. Maxa Capital Limited has been appointed as the Independent Financial Adviser to advise us and the Independent Shareholders in these regards.

* *For identification purpose only*

Having taken into account the advice of the Independent Financial Adviser, we are of the opinion that the New Non-exempt Framework Master Agreements and the transactions contemplated thereunder are entered into in the ordinary and usual course of business of the Group and are on normal commercial terms, and are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the SGM to approve the New Non-exempt Framework Master Agreements and the transactions contemplated thereunder.

We also draw the attention of the Independent Shareholders to (i) the letter from the Board, (ii) the letter from the Independent Financial Adviser, and (iii) the additional information set out in the appendix to the Circular.

Yours faithfully,
For and on behalf of the
Independent Board Committee

Mr. Fong Chung, Mark	**Dr. Wong Yau Kar, David**	**Ms. Wong Pui Sze, Priscilla**	**Mr. Ye, James Zheng**
Independent non-executive Director	*Independent non-executive Director*	*Independent non-executive Director*	*Independent non-executive Director*

The following is the letter of advice from Maxa Capital Limited, the Independent Financial Adviser, to the Independent Board Committee and the Independent Shareholders, which has been prepared for the purpose of inclusion in this circular.

邁時資本
MAXA CAPITAL

Unit 2602, 26/F, Golden Centre
188 Des Voeux Road Central
Sheung Wan
Hong Kong

31 October 2025

To the Independent Board Committee and the Independent Shareholders

Dear Sirs or Mesdames,

(1) RENEWAL OF NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS IN RELATION TO (I) THE NEW CRUDE OIL JETTY AND STORAGE SERVICES FRAMEWORK MASTER AGREEMENT; (II) THE NEW SINOPEC FUEL OIL SALES COMPANY LIMITED FRAMEWORK MASTER AGREEMENT; AND (2) RENEWAL OF DISCLOSEABLE TRANSACTIONS AND NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS IN RELATION TO (I) THE NEW SINOPEC FINANCE FINANCIAL SERVICES FRAMEWORK MASTER AGREEMENT; AND (II) THE NEW CENTURY BRIGHT FINANCIAL SERVICES FRAMEWORK MASTER AGREEMENT

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the continuing connected transactions in relation to (i) crude oil jetty and storage services under the New Crude Oil Jetty and Storage Services Framework Master Agreement; (ii) fuel oil jetty and storage services under the New Sinopec Fuel Oil Sales Company Limited Framework Master Agreement; (iii) the deposit services under the New Sinopec Finance Financial Services Framework Master Agreement; and (iv) the deposit services under the New Century Bright Financial Services Framework Master Agreement (the "**Non-Exempt Transactions**") and the proposed annual caps for each of the Non-exempt Transactions for each of the three years ending 31 December 2028 (the "**Proposed Annual Caps**"), details of which are set out in the letter from the Board (the "**Letter from the Board**") contained in the circular dated 31 October 2025 issued by the Company (the "**Circular**") of which this letter forms part. Terms used in this letter shall have the same meanings as those defined in the Circular unless the context requires otherwise.

As the Existing Framework Master Agreements and the annual caps thereunder will expire on 31 December 2025, and the Group will continue to carry out the transactions contemplated thereunder after 31 December 2025, the Group entered into the New Non-exempt Framework Master Agreements on 29 September 2025.

As at the Latest Practicable Date, Sinopec Group Company is a controlling shareholder of Sinopec Corp., which indirectly held the entire issued share capital of SKI. Sinopec Group Company is therefore an indirect controlling Shareholder of the Company and holds approximately 60.33% of the issued share capital of the Company.

As each of Sinopec Guangzhou Branch, Sinopec Petroleum Reserve Company, Sinopec Petroleum Marketing Company, Sinopec Finance Guangzhou Branch, Century Bright and Sinopec Fuel Oil is either a branch company or a subsidiary (as the case may be) of Sinopec Group Company or Sinopec Corp. (as the case may be), it is an associate of SKI and is therefore a connected person of the Company under Chapter 14A of the Listing Rules.

Accordingly, the transactions contemplated under each of the New Non-exempt Framework Master Agreements constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules) in respect of each of the annual caps for the Non-exempt Transactions exceeds 5%, such transactions are subject to the reporting, annual review, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Company will convene the SGM to seek Independent Shareholders' approval for the New Non-exempt Framework Master Agreements and the transactions contemplated thereunder. Since SKI is considered to have a material interest in the transactions contemplated under the New Non-exempt Framework Master Agreements, it will abstain from voting on the resolutions to approve such agreements at the SGM. The Independent Board Committee has been established to advise the Independent Shareholders the New Non-exempt Framework Master Agreements and the transactions contemplated thereunder (including the annual caps thereunder). We, Maxa Capital Limited, have been appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in this regard.

OUR INDEPENDENCE

As at the Latest Practicable Date, we did not have any relationship with or interest in the Company, its subsidiaries and any other parties that could reasonably be regarded as relevant to our independence in accordance with Rule 13.84 of the Listing Rules, and accordingly, are eligible to give independent advice and recommendations on the terms of the Non-exempt Transactions and the Proposed Annual Caps. Save for this appointment, there was no other engagement between the Company and us in last two years. Apart from normal professional fees payable to us in connection with this appointment, no arrangement exists whereby we will receive any fees or benefits from the Company, its subsidiaries, its associates or their respective substantial shareholders or associates.

BASIS OF OUR OPINION

In formulating our advice and recommendations, we have reviewed, among others, (i) the New Non-exempt Framework Master Agreements; (ii) the annual reports of the Company for the two years ended 31 December 2023 (the "**2023 AR**") and 31 December 2024 (the "**2024 AR**"), and the interim report of the Company for the six months ended 30 June 2025 (the "**2025 IR**"); (iii) the basis of calculation of the Proposed Annual Caps; and (iv) the Company's internal control procedures and records in relation to continuing connected transactions.

We consider that we have reviewed sufficient and relevant information and documents and have taken reasonable steps as required under Rule 13.80 of the Listing Rules to reach an informed view and to provide a reasonable basis for our recommendation. We have relied on the statements, information, opinions and representations contained or referred to in the Circular and the information and representations as provided to us by the Directors and the Company, for which they are solely and wholly responsible, are true and accurate at the time when they were made and continue to be so as at the date of this letter. We have also assumed that all statements of belief, opinion, expectation, and intention made by the Directors in the Circular were reasonably made after due enquiry and careful consideration. Our opinion is based on the Directors' representation and confirmation that no material facts have been omitted from the information provided and referred to in the Circular.

The Company confirmed that it has, at our request, provided us with all currently available information and documents which are available under present circumstances to enable us to reach an informed view and we have relied on the accuracy of the information contained in the Circular so as to provide a reasonable basis for our opinion. We have no reason to suspect that any material facts or information, which is known to the Company, have been omitted or withheld from the information supplied or opinions expressed in the Circular nor do doubt the truth and accuracy of the information and facts, or the reasonableness of the opinions expressed by the Company and the Directors which have been provided to us. We have not, however, conducted any independent verification on the information provided to us by the Directors, nor have we conducted any form of independent in-depth investigation into the business and affairs of the Company, Sinopec Guangzhou Branch, Sinopec Petroleum Reserve Company, Sinopec Petroleum Marketing Company, Sinopec Finance Guangzhou Branch, Century Bright and Sinopec Fuel Oil and each of their respective subsidiaries or associates.

PRINCIPAL FACTORS AND REASONS CONSIDERED

1. Background of and reasons for the New Non-exempt Framework Master Agreements

1.1 Information of the Group

The Company, a non wholly-owned subsidiary of Sinopec Corp., was an exempted company incorporated in Bermuda with limited liability and the Shares are listed on the Stock Exchange. The principal activities of the Group are, 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.

Set out below is the summarised financial information of the Group for the three years ended 31 December 2022, 2023 and 2024 ("**FY2022**", "**FY2023**" and "**FY2024**", respectively), and the six months ended 30 June 2024 and 2025 ("**1H2024**" and "**1H2025**", respectively) as extracted from the financial statements prepared in accordance with the Hong Kong Financial Reporting Standards in the 2023 AR, 2024 AR and 2025 IR:

	For the year ended 31 December			For the six months ended 30 June	
	2022	**2023**	**2024**	**2024**	**2025**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	(restated)	(audited)	(audited)	(unaudited)	(unaudited)
Total revenue	616,064	609,872	667,091	331,236	307,475
Profit attributable to equity holders of the Company	434,907	1,298,612	1,177,396	685,367	563,366

The total revenue of the Group was approximately HK$609.9 million for FY2023, representing a decrease of approximately HK$6.2 million or 1.0% as compared to approximately HK$616.1 million for FY2022, whereas the profit attributable to equity holders of the Company was approximately HK$1,298.6 million for FY2023, representing an increase of approximately HK$863.7 million or 198.6% as compared to approximately HK$434.9 million for FY2022. The decrease in the revenue was primarily attributable to the decrease in revenue from provision of crude oil jetty services. The increase in profit attributable to equity holders of the Company was mainly due to the recognition of impairment provision on the non-current assets of PT. West Point Terminal and the Group's share of loss for Vesta Terminals B.V. as a result of Russia-Ukraine conflict in 2022.

The total revenue of the Group was approximately HK$667.1 million for FY2024, representing an increase of approximately HK$57.2 million or 9.4% as compared to approximately HK$609.9 million for FY2023, whereas the profit attributable to equity holders of the Company was approximately HK$1,177.4 million for FY2024, representing a decrease of approximately HK$121.2 million or 9.3% as compared to approximately HK$1,298.6 million for FY2023. The increase in the revenue was primarily attributable to the increase in throughput quantity from the customers in 2024, including a third party customer, making better use of Huade Petrochemical's existing surplus terminal capacity. The decrease in profit attributable to equity holders of the Company was mainly due to a year-on-year decrease in investment returns from the domestic jetty companies attributable to the Group, as well as a year-on-year increase in net exchange losses.

The total revenue of the Group was approximately HK$307.5 million for 1H2025, representing a decrease of approximately HK$23.8 million or 7.2% as compared to approximately HK$331.2 million for 1H2024, whereas the profit attributable to equity holders of the Company was approximately HK$563.4 million for 1H2025, representing a decrease of approximately HK$122.0 million or 17.8% as compared to approximately HK$685.4 million for FY2024. The decrease in the revenue was primarily attributable to the decline in business volume as a result of the downward adjustment of crude oil import plans of Sinopec Guangzhou Branch. The decrease in profit attributable to equity holders of the Company was mainly due to a year-on-year decline in an investment return resulting from a year-on-year decline in the throughput of domestic crude oil jetty companies.

	As at 31 December			As at 30 June
	2022	**2023**	**2024**	**2025**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
	(restated)	(audited)	(audited)	(unaudited)
Total assets	15,359,867	16,027,223	16,298,947	17,017,920
Total liabilities	493,336	510,492	379,742	760,534
Net assets	14,866,531	15,516,731	15,919,205	16,257,386
Time deposits with original maturity of more than three months	3,000,000	3,987,998	6,355,558	6,505,531
Cash and cash equivalents	2,490,097	1,837,352	587,573	954,889

The Group's total assets increased gradually from approximately HK$15.4 billion as at 31 December 2022 to approximately HK$17.0 billion as at 30 June 2025. The Group's total liabilities increased from approximately HK$493.3 million as at 31 December 2022 to approximately HK$510.5 million as at 31 December 2023, and decreased to HK$379.7 million as at 31 December 2024, and then increased to approximately HK$760.5 million as at 30 June 2025. The Group's net assets have been increasing gradually from approximately HK$14.9 billion as at 31 December 2022 to approximately HK$16.3 billion as at 30 June 2025. The Group's time deposits with original maturity of more than three months have been increasing substantially from approximately HK$3.0 billion as at 31 December 2022 to approximately HK$6.5 billion as at 30 June 2025. The Group's cash and cash equivalents decreased from approximately HK$2.5 billion as at 31 December 2022 to approximately HK$587.6 million as at 31 December 2024, and then increased to approximately HK$954.9 million as at 30 June 2025.

Huade Petrochemical, a wholly-owned subsidiary of the Company, was incorporated under the laws of the PRC with limited liability. It is principally engaged in the provision of crude oil transportation, unloading, storage and other jetty services for oil tankers.

1.2 Information of Sinopec Guangzhou Branch

Sinopec Guangzhou Branch is a branch company of Sinopec Corp. incorporated under the law of the PRC, which is principally engaged in the business of oil refining and petrochemical productions. Its marketing distribution network covers the whole South China area with some of the products exported to Southeast Asian countries.

1.3 Information of Sinopec Petroleum Reserve Company

Sinopec Petroleum Reserve Company is a company incorporated under the laws of the PRC with limited liability and a wholly-owned subsidiary of Sinopec Group Company, which is principally engaged in the sale and storage of crude oil, the import and export of petrochemical products and the construction of oil reserve facilities.

1.4 Information of Sinopec Petroleum Marketing Company

Sinopec Petroleum Marketing Company is a company incorporated under the laws of the PRC with limited liability and a wholly-owned subsidiary of Sinopec Corp., which is principally engaged in the wholesale of crude oil and the storage and distribution of crude oil, petroleum, natural gas and other oil products.

1.5 Information of Sinopec Finance Guangzhou Branch

Sinopec Finance Guangzhou Branch is a branch company of Sinopec Finance. Sinopec Finance Guangzhou Branch and Sinopec Finance were established in the PRC as non-banking financial institutions and are regulated by PBOC and the NFRA. Sinopec Finance Guangzhou Branch is principally engaged in the provision of financial services, including but not limited to deposit services, loan services, entrusted loan services and entrusted investment services, in accordance with the rules and operational requirements of the relevant regulatory authorities.

1.6 Information of Century Bright

Century Bright is a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of Sinopec Group Company, which is principally engaged in providing settlement and similar services and taking deposits from members of the Sinopec Group outside the PRC, and conducting intra group loan transactions. It is a money lender registered under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong).

1.7 Information of Sinopec Fuel Oil

Sinopec Fuel Oil is a company incorporated under the laws of the PRC with limited liability and a wholly-owned subsidiary of Sinopec Marketing, which is held as to approximately 70.42% by Sinopec Corp., and approximately 29.58% by a group of investors who are all independent third parties each holding less than 3%. Sinopec Fuel Oil is principally engaged in the marketing and distribution of refined petroleum products. It also optimises markets and resources domestically and internationally,

which broadens resource channels, and promotes fuel oil purchase and distribution. Its extensive marketing network includes branch companies in coastal provinces and municipalities of Tianjin, Shandong, Shanghai, Jiangsu, Zhejiang, Fujian and Guangdong in the PRC as well as regional companies and sales subsidiaries.

2. Principal terms of the New Non-exempt Framework Master Agreements

We have reviewed the New Non-exempt Framework Master Agreements and noted that the terms and conditions of such agreements are substantially the same as those of the Existing Framework Master Agreements. Parties of the New Non-exempt Framework Master Agreements will enter into definite agreements which will set out the specific terms and conditions according to the principles provided in the New Non-exempt Framework Master Agreements.

2.1 Scope of services

The scope of services under the New Non-exempt Framework Master Agreements are set out below:

(i) Pursuant to the New Crude Oil Jetty and Storage Services Framework Master Agreement, Huade Petrochemical shall provide the following services and facilities to Sinopec Guangzhou Branch, Sinopec Petroleum Reserve Company and Sinopec Petroleum Marketing Company, and/or their respective subsidiaries: (a) unloading crude oil for oil tankers berthed at the terminal of Huade Petrochemical, oil tanker berthing and docking, and related services; (b) Huade Petrochemical shall provide crude oil storage tanks for the purpose of storing crude oil and related services; and (c) Huade Petrochemical shall provide oil pipeline transmission services and related services for facilities along the route;

(ii) Pursuant to the New Sinopec Fuel Oil Sales Company Limited Framework Master Agreement, Huade Petrochemical shall provide the following services and facilities to the Sinopec Fuel Oil Group: (a) unloading fuel oil for oil tankers berthed at the terminal of Huade Petrochemical, oil tanker berthing and docking, and related services; and (b) provision of storage tanks for fuel oil storage purpose and the provision of blending and heating services and related services;

(iii) Pursuant to the New Sinopec Finance Financial Services Framework Master Agreement, Sinopec Finance Guangzhou Branch shall provide financial services to Huade Petrochemical including deposit services as requested or instructed by Huade Petrochemical, provided that the provision of the relevant services by Sinopec Finance Guangzhou Branch has been approved by the NFRA and is within the business scope of Sinopec Finance Guangzhou Branch as registered with relevant Municipal Administration for Market Regulation; and

(iv) Pursuant to the New Century Bright Financial Services Framework Master Agreement, the Century Bright Group shall provide deposit services to the Group outside the PRC.

2.2 Pricing Policies

2.2.1 Pricing Policies under the New Crude Oil Jetty and Storage Services Framework Master Agreement

Pursuant to the New Crude Oil Jetty and Storage Services Framework Master Agreement, the service fees payable by Sinopec Guangzhou Branch, Sinopec Petroleum Reserve Company and Sinopec Petroleum Marketing Company and/or their respective subsidiaries to Huade Petrochemical shall be determined on the following basis:

(i) if the services are governed by the State-prescribed prices of the PRC, the services fees shall be charged on the basis of State-prescribed prices. The service fees in respect of crude oil pipeline transmission are subject to state-prescribed prices originally issued by the former State Planning Commission under the Notice on the Pricing of Crude Oil Pipeline Transportation (Jijiage [2001] No. 377) (《關於調整原油管道運輸價格的通知》(計價格[2001] 377號), which sets out a distance-based tariff schedule for crude oil pipeline transportation applicable nationwide. The implementation and subsequent administration of such state-prescribed prices are currently overseen by the National Development and Reform Commission ("**NDRC**") as the successor authority. In addition, port-related charges are subject to state-prescribed prices jointly issued by the NDRC and the Ministry of Transport under the Administrative Measures for Port Charges (Jiaoshuigui [2019] No. 2) (《港口收費計費辦法》(交水規[2019] 2號), as subsequently extended by the Announcement on the Continued Implementation of the Administrative Measures for Port Charges (Jiaoshuigui [2024] No. 4) (《關於延續實施港口收費計費辦法的公告》(交水規[2024] 4號)). The relevant pricing standards are publicly released through official notices and updated from time to time by the competent authorities in line with national pricing policies;

(ii) if the services are governed by government-approved prices of the PRC, Huade Petrochemical may, after negotiation among the relevant parties and having considered the factors and basis in item (iii) below, apply to the competent government departments for approval to adjust the service fees, and Sinopec Guangzhou Branch, Sinopec Petroleum Reserve Company and Sinopec Petroleum Marketing Company shall provide (and shall procure their subsidiaries to provide) such assistance as may be required by Huade Petrochemical. The unloading crude oil is subject to government-approved prices issued by the Guangdong Pricing Bureau (the predecessor of the Guangdong Provincial Development and Reform Commission) under the Reply on Reducing the Tariffs on Huade's Crude Oil Transit Services(《關於降低華德公司中轉原油有關收費標準的批覆》 (粵價 [2006] 252號)). Such government-approved prices were determined by the Guangdong Pricing Bureau after taking into account factors such as cost structure, market

conditions and relevant regulatory guidelines. The Guangdong Provincial Development and Reform Commission, as the successor authority, remains responsible for the ongoing administration and adjustment of such government-approved prices in accordance with the applicable pricing policies;

(iii) if the service fees were previously charged on the basis of the State-prescribed prices or government-approved prices, but subsequently, (I) there are no applicable State-prescribed prices or government-approved prices; or (II) such State-prescribed prices or government approved prices are abolished or declared invalid, the service fees shall be based on:

(a) the market price determined in accordance with item (iv) below; or

(b) if no market price is available, the service fees shall be based on the State-prescribed prices or government-approved prices at which Huade Petrochemical provided services in the preceding year, plus a margin not exceeding the product of the rate of increase of the price index for the most recent year as announced by the relevant PRC authority and the State-prescribed prices or government-approved prices for the preceding year. For the avoidance of doubt, the above margin represents a pre-determined ceiling which may be applied only if there are no longer applicable State-prescribed or government-approved prices and no reliable market price is available. The margin, if applied, would be calculated based on the last effective State-prescribed or government-approved prices multiplied by the year-on-year growth rate of the national consumer price index ("**CPI**") as published by the National Bureau of Statistics of the PRC for the immediately preceding calendar year. In practice, such CPI-based adjustment mechanism has not been triggered to date, as the service fees under this agreement have continued to be determined based on applicable State-prescribed or government-approved prices;

(iv) the service fees shall be determined by the parties after arm's length negotiations based on the market price. When setting the market price, the primary factors and pricing basis that all parties should take into account are:

(a) the actual and direct costs incurred by Huade Petrochemical in providing the crude oil terminal services;

(b) the prevailing market price charged by any third party providing the same or similar services in the vicinity; and

(c) the fees charged by Huade Petrochemical for providing the same services to any third party, or (if not available) the fees charged by Huade Petrochemical for providing similar services to any third party.

In any case, the final market price determined shall be (i) no less than the actual and direct costs incurred by Huade Petrochemical in providing the crude oil terminal services; and (ii) no less than the prevailing market price charged by any third party providing the same or similar services in the vicinity, or, if applicable, no less than the fees charged by Huade Petrochemical for providing the same or similar services to any third party.

For the New Crude Oil Jetty and Storage Services Framework Master Agreement, given the highly regulated and capital-intensive nature of the crude oil terminal and storage business, the number of independent third-party customers in this segment is limited. Huade Petrochemical currently has one independent third-party customer for the provision of crude oil unloading, port, pipeline transmission and storage services.

The pricing of such services, including crude oil unloading, port and oil pipeline transmission, is governed by the State-prescribed or government-approved prices issued by the competent PRC authorities, and therefore the same pricing standards apply to both independent customers and connected persons. As the pricing is determined in accordance with such mandatory regulatory standards, separate benchmarking against other third-party transactions is not applicable.

For the crude oil storage services where there are no applicable State-prescribed or government-approved prices, the service fees are determined after arm's length negotiations with reference to the actual and direct costs incurred by Huade Petrochemical in providing such services, plus an appropriate gross profit margin. In determining the appropriate gross profit margin, Huade Petrochemical takes into account (i) the gross profit margins publicly disclosed by comparable listed companies engaged in similar businesses in the market over the past three years; and (ii) the average gross profit margin levels of its own crude oil storage business for the same period, to ensure that the resulting rate reflects prevailing industry norms and remains on normal commercial terms. The average gross profit margin of Huade Petrochemical's crude oil storage business for 2024 and the first half of 2025 was approximately 45%, which is broadly consistent with the overall gross profit margins of the Group (approximately 42.36% in 2023 and 48.53% in 2024). The prices charged by Huade Petrochemical to its connected persons are not less favourable than those charged to its independent third-party customer for similar services.

We have obtained and reviewed three contracts and three invoices between Huade Petrochemical and Sinopec Guangzhou Branch and Independent Third Parties, details of which are set out in the section headed "5. Internal Control" below. After discussing with the management of the Company (the "**Management**"), we understand that (i) the crude oil unloading, oil tanker berthing and docking and oil pipeline transmission services are governed by State-prescribed prices or the government-approved prices; (ii) the crude oil transit services is determined after arm's length negotiations with reference to the actual and direct costs incurred by Huade Petrochemical in providing the crude oil terminal services without any applicable valid or invalid State-prescribed prices or government-approved prices, and included an appropriate gross profit margin; and (iii) the price charged by Huade Petrochemical from Sinopec Guangzhou Branch is not less favourable than the price charged by Huade Petrochemical from Independent Third Parties. As (i) the pricing of the crude oil jetty and storage services to be provided by Huade Petrochemical to Sinopec Guangzhou Branch, Sinopec Petroleum Reserve Company and Sinopec Petroleum Marketing Company and/or their respective subsidiaries are mainly determined with reference to State-prescribed prices or the government-approved prices, which are transparent prices released by relevant government departments; (ii) the pricing of certain crude oil jetty and storage services without available State-prescribed prices or the government-approved prices is determined with reference to the actual and direct costs for providing such service, and included an appropriate gross profit margin; and (iii) the prices of crude oil jetty and storage services to be charged by Huade Petrochemical from Sinopec Guangzhou Branch, Sinopec Petroleum Reserve Company and Sinopec Petroleum Marketing Company and/or their respective subsidiaries are not less favourable than the prices charged by Huade Petrochemical from Independent Third Parties, we consider that the abovementioned pricing policies are historically complied with and fair and reasonable to the Company and its Shareholders as a whole.

2.2.2 Pricing Policies under the New Sinopec Fuel Oil Sales Company Limited Framework Master Agreement

Pursuant to the New Sinopec Fuel Oil Sales Company Limited Framework Master Agreement, the service fees payable by Sinopec Fuel Oil Group to Huade Petrochemical shall be determined on the following basis:

(i) if the services are governed by the State-prescribed prices of the PRC, the services fees shall be charged on the basis of State-prescribed prices;

(ii) if the services are governed by government-approved prices of the PRC, upon negotiations between both parties and taking into account the factors and basis in item (iii) below, Huade Petrochemical may

apply to the competent government authorities for approval to adjust the service fees, and the Sinopec Fuel Oil Group shall provide (and shall procure their subsidiaries to provide) such assistance as may be required by Huade Petrochemical;

(iii) if the service fees were previously charged on the basis of the State-prescribed prices or government-approved prices, but subsequently, (I) there are no applicable State-prescribed prices or government-approved prices; or (II) such State-prescribed prices or government-approved prices are abolished or declared invalid, the service fees shall be based on:

(a) the market price determined in accordance with item (iv) below; or

(b) if no market price is available, the service fees shall be based on the State-prescribed prices or government-approved prices at which Huade Petrochemical provided services in the preceding year, plus a margin not exceeding the product of the rate of increase of the price index for the most recent year as announced by the relevant PRC authority and the State-prescribed prices or government-approved prices for the preceding year. For the avoidance of doubt, the above margin constitutes a pre-determined ceiling applicable only where there are no relevant State-prescribed or government-approved prices and no available market comparables. The margin, if applied, would be calculated by reference to the last effective State-prescribed or government-approved prices multiplied by the year-on-year growth rate of the CPI for the immediately preceding calendar year as published by the National Bureau of Statistics of the PRC. In practice, such CPI-based adjustment mechanism has not been triggered to date, as the service fees under this agreement have continued to be determined with reference to prevailing market prices;

(iv) the service fees shall be determined by the parties after arm's length negotiations based on the market price. When setting the market price, the primary factors and pricing basis that both the parties should take into account are:

(a) the actual and direct costs incurred by Huade Petrochemical in providing the fuel oil terminal services;

(b) the prevailing market price charged by any third party providing the same or similar services in the vicinity; and

(c) the fees charged by Huade Petrochemical for providing the same services to any third party, or (if not available) the fees charged by Huade Petrochemical for providing similar services to any third party.

In any case, the final market price determined shall be (i) no less than the actual and direct costs incurred by Huade Petrochemical in providing the fuel oil terminal services; and (ii) no less than the prevailing market price charged by any third party providing the same or similar services in the vicinity, or, if applicable, no less than the fees charged by Huade Petrochemical for providing the same or similar services to any third party. For the New Sinopec Fuel Oil Sales Company Limited Framework Master Agreement, Huade Petrochemical currently does not have independent third-party customers for comparable fuel oil storage services. The service fees are determined based on the estimated cost for the provision all-in storage services plus an appropriate gross profit margin, and are negotiated annually between Huade Petrochemical and Sinopec Fuel Oil to ensure the pricing remains fair, reasonable and on normal commercial terms. In determining the appropriate gross profit margin, Huade Petrochemical takes into account (i) the gross profit margins publicly disclosed by comparable listed companies engaged in similar businesses in the market over the past three years; and (ii) the average gross profit margin levels of the Group for the same period, to ensure that the resulting rate reflects prevailing industry norms and remains on normal commercial terms. The gross profit margins of transactions under the Existing Sinopec Fuel Oil Sales Company Limited Framework Master Agreement were approximately 44%-47% for 2023 and 2024, which are broadly consistent with the overall gross profit margins of the Group of 42.36% in 2023 and 48.53% in 2024.

We have discussed with the Management and understand that (i) the price of the fuel oil jetty and storage services to be provided by Huade Petrochemical to Sinopec Fuel Oil Group is not governed by any available State-prescribed prices or the government-approved prices currently or previously; and (ii) Huade Petrochemical has not provided such services to Independent Third Parties during the past three years. We have also obtained and reviewed one historical contract and three invoices between Sinopec Fuel Oil Group and Huade Petrochemical, details of which are set out in the section headed "5. Internal Control" below. We noted that the price charged by Huade Petrochemical from Sinopec Fuel Oil Group is determined after arm's length negotiation with reference to the estimated cost for the provision all-in storage services plus an appropriate gross profit margin. As the gross profit margin markup is derived from, among others, the profit margin of comparable listed companies, we have selected companies listed on Hong Kong and Chinese Mainland stock markets that mainly engage in (more than 50% of revenue) oil jetty and storage services in the

database of Wind, and identified two comparable companies, which forms an exhaustive list. The gross profit margin of such comparable companies for 2023, 2024 and 1H2025 ranges from 38.9%-57.6%, and are listed below:

		Gross Profit Margin		
Name	**Stock Code**	**1H2025**	**2024**	**2023**
Guangdong Great River Smarter Logistics Co., Ltd.	002930.SZ	38.9%	49.6%	57.6%
Zhuhai Winbase International Chemical Tank Terminal Co., Ltd.	002492.SZ	42.9%	45.4%	46.8%

Source: Wind

We understood from the Management that the average historical gross profit margin of the Group's fuel oil jetty and storage services is approximately 47% for 2023, 2024 and 1H2025, which is within the aforementioned range, hence we consider the gross profit margin in the pricing of crude oil jetty and storage services fair and reasonable.

As (i) the pricing of fuel oil jetty and storage services without available State-prescribed prices or the government-approved prices is determined with reference to the actual and direct costs for providing such service, and included an appropriate gross profit margin; and (ii) in the event that Huade Petrochemical would provide the fuel oil jetty and storage services to Independent Third Parties in the following three years, such price charged by Huade Petrochemical from the Independent Third Parties will not be lower than the price charged by Huade Petrochemical from Sinopec Fuel Oil Group, we consider that the abovementioned pricing policies are fair and reasonable to the Company and its Shareholders as a whole.

2.2.3 Pricing policies for deposit services under the New Sinopec Finance Financial Services Framework Master Agreement

When Sinopec Finance Guangzhou Branch provides deposit services to Huade Petrochemical, the deposit interest rate shall be referenced to the relevant deposit interest rate standards uniformly promulgated by the PBOC at the time, but shall not be lower than the interest rates applicable to the same type of deposit services offered by independent commercial banks to other members of the Sinopec Group.

The Board has considered the deposit services under the New Sinopec Finance Financial Services Framework Master Agreement and is of the view that the deposit rates to be offered by Sinopec Finance Guangzhou Branch will be no less favourable than those offered by independent commercial banks to the Group. In forming this view, the Board has taken into account that the deposit rates offered by Sinopec Finance Guangzhou Branch to Huade Petrochemical are determined with reference to the PBOC benchmark deposit rates and prevailing market deposit rates offered by independent commercial banks of comparable size and tenor. The finance department of the Company conducts regular market comparisons by obtaining contemporaneous quotations from at least two independent commercial banks for deposits of similar nature, amount and term. The Board considers that such benchmarking mechanism ensures that the deposit rates offered by Sinopec Finance Guangzhou Branch are consistent with market practice and will not be lower than those offered by independent commercial banks. In addition, the Board notes that Sinopec Finance Guangzhou Branch, being subject to the prudential and fair dealing requirements under the Measures, is required to maintain sound operational and risk management standards comparable to those of licensed commercial banks, which provides further assurance that the deposit services provided to Huade Petrochemical are conducted on normal commercial terms and the interest rates offered will be no less favourable than those available from independent financial institutions.

2.2.4 Pricing policies for deposit services under the New Century Bright Financial Services Framework Master Agreement

When the Group deposits funds with the Century Bright Group, the interest payable by the Century Bright Group to the Group on such deposits shall be referenced to the most favourable interest rate generally published by commercial banks in Hong Kong for similar deposits from time to time, or a more favourable interest rate. Accordingly, the deposit interest rate provided by the Century Bright Group shall be the higher of: (a) the interest rate equal to or higher than the interest rate paid by the Century Bright Group to the Sinopec Group and its subsidiaries or any third party (if any) for similar deposits; or (b) the interest rate equal to or higher than the most favourable interest rate generally published by other independent commercial banks in Hong Kong for similar deposits from time to time.

The Board has considered the deposit services under the New Century Bright Financial Services Framework Master Agreement and is of the view that the deposit rates to be offered by the Century Bright Group will be no less favourable than those offered by independent licensed banks in Hong Kong. In forming this view, the Board has taken into account that the deposit rates offered by the Century Bright Group are determined with reference to the most favourable market deposit rates generally published by commercial banks in Hong Kong for deposits of similar amount and tenor, and that the finance department of the Company will, prior to placing any deposits with the Century Bright Group, obtain contemporaneous quotations from at least two independent licensed banks for deposits of a similar nature and term. Such comparison mechanism enables the

Company to assess whether the rates offered by the Century Bright Group are at least as favourable as, or more favourable than, those available from independent financial institutions. The Board also notes that the Century Bright Group, being regulated under the Money Lenders Ordinance (Cap. 163) and wholly owned and controlled by Sinopec Group Company, its controlling shareholder, benefits from the financial strength and credit standing of Sinopec Group Company and has the commercial incentive to offer competitive deposit rates to members of the Sinopec Group. Accordingly, the Board believes that the deposit arrangements under the New Century Bright Financial Services Framework Master Agreement are conducted on normal commercial terms and that the deposit rates offered by the Century Bright Group will be no less favourable than those offered by independent licensed banks.

Given that the Company could earn interest income from the Sinopec Finance Guangzhou Branch and Century Bright Group at interest rates which are no less favourable than the deposit interest rates published by the PBOC or independent commercial banks or interest rates offered by Sinopec Finance Guangzhou Branch and Century Bright Group to other members of Sinopec Group for deposits of a similar type for the same period, we consider that the abovementioned pricing policies are fair and reasonable to the Company and its Shareholders as a whole.

3. Reasons for and benefits of the transactions contemplated under the New Non-exempt Framework Master Agreements

3.1 New Crude Oil Jetty and Storage Services Framework Master Agreement and New Sinopec Fuel Oil Sales Company Limited Framework Master Agreement

As stated in the Letter from the Board, the reasons for and possible benefits of entering into the New Crude Oil Jetty and Storage Services Framework Master Agreement and New Sinopec Fuel Oil Sales Company Limited Framework Master Agreement are as follows:

As the existing jetty and crude oil storage facilities of Huade Petrochemical are close to Sinopec Guangzhou Branch with a crude oil pipeline connected between Huade Petrochemical and Sinopec Guangzhou Branch, and the business operations of Sinopec Petroleum Reserve Company, Sinopec Petroleum Marketing Company and Sinopec Guangzhou Branch are from time to time conducted closely and simultaneously. As a result, Huade Petrochemical has been regularly providing crude oil jetty and storage services to Sinopec Guangzhou Branch, Sinopec Petroleum Reserve Company and Sinopec Petroleum Marketing Company and/or their respective subsidiaries, with Sinopec Guangzhou Branch being a major customer of Huade Petrochemical for crude oil unloading and pipeline transmission.

Currently, the business income of Huade Petrochemical is primarily derived from Sinopec Guangzhou Branch. The provision of crude oil jetty unloading and storage services to Sinopec Guangzhou Branch, Sinopec Petroleum Reserve Company and/or Sinopec Petroleum Marketing Company can enable Huade Petrochemical to continue

capturing the business opportunities and utilise the business value of its crude oil jetty and facilities, and create economic benefits for Huade Petrochemical, and therefore is in the interests of the Company and the Shareholders as a whole.

Aiming to expand the storage and logistics business and increase the service income as well as enhance the economic benefits and profitability, Huade Petrochemical had invested in the construction of its new fuel oil terminals in Huizhou and the terminals had been put into operation in 2021.

The Sinopec Fuel Oil Group is specialised in fuel oil trading, which has a huge demand for fuel oil storage services. The provision of fuel oil storage services to the Sinopec Fuel Oil Group by Huade Petrochemical is conducive to capturing business opportunities and bringing in operating income, which create economic benefits for Huade Petrochemical, and therefore is in the interests of the Company and the Shareholders as a whole.

We have discussed with and are advised by the Management that the provision of crude oil and fuel oil jetty and storage services is the Group's principal business, which is carried out by Huade Petrochemical, one of its major subsidiaries. Huade Petrochemical has been providing crude oil and fuel oil jetty and storage services to the Sinopec Petroleum Reserve Company, Sinopec Petroleum Marketing Company, Sinopec Guangzhou Branch and Sinopec Fuel Oil Group for more than 10 years, which are Huade Petrochemical's major customers and contributed approximately nil, nil, 81%, and 8% of the Group's revenue in 2024, respectively. Sinopec Petroleum Reserve Company, Sinopec Petroleum Marketing Company, and Sinopec Fuel Oil Group have relatively small contribution to the Group's revenue. In evaluating the Company's relationship with Sinopec Guangzhou Branch, we understood from the Management that (i) the majority of crude oil procured by Sinopec Guangzhou Branch is sourced through maritime imports; and (ii) Huade Petrochemical owns a 174-kilometer crude oil pipeline between its crude oil jetty and Sinopec Guangzhou Branch's production facilities, which is the sole direct pipeline for Sinopec Guangzhou Branch to reach any crude oil jetty. Therefore, Sinopec Guangzhou Branch has reliance on the crude oil jetty service provided by the Company. Taking into account that (i) Sinopec Guangzhou Branch relies on maritime oil import; and (ii) the possibility of replacing Huade Petrochemical with other crude oil terminal and pipeline facilities suppliers in the region is low, we consider the Company and Sinopec Guangzhou Branch have mutual reliance and such a long term established relationship is unlikely to materially adversely change or terminate due to the existing facility as entry barriers. As advised by the Management, the Company has plans and taken measures to gradually increase the revenue from Independent Third Parties to reduce the potential reliance on Sinopec Guangzhou Branch, by way of including but not limited to introducing more independent customers. We also understood from the Management that (i) the Group entered into a supplemental agreement with an existing Independent Third Party customer in September 2025, due to the construction of the customer's new production facilities, thereby enhancing collaboration with and increasing revenue contribution from this customer, and (ii) the Group is proactively collaborating with Independent Third Party customers to open up new markets such as naphtha unloading, which started trial operation and completed the unloading of approximately 284,400 tonnes of

naphtha for a new Independent Third Party customer in 1H2025. We have obtained and reviewed the revenue spread of the Company's crude oil jetty unloading services since 2023 and noted that new independent customers have been introduced while the revenue from Independent Third Parties increased from approximately 2% for the first half of 2023 to approximately 16% for 1H2025. Therefore, we consider effective and sufficient measures have been taken by the Company to diversify its customer base and to prevent the potential material reliance on Sinopec Guangzhou Branch, and as the Group diversifies its revenue sources, Sinopec Guangzhou Branch's contribution to the Group's revenue may further decline in the future.

Having considered that the Group's long-term relationship with Sinopec Petroleum Reserve Company, Sinopec Petroleum Marketing Company, Sinopec Guangzhou Branch and Sinopec Fuel Oil Group and entering into the New Crude Oil Jetty and Storage Services Framework Master Agreement and the New Sinopec Fuel Oil Sales Company Limited Framework Master Agreement is to ensure the Group's business operation continuity, we concur with the view of the Management that the entering into of the New Crude Oil Jetty and Storage Services Framework Master Agreement and the New Sinopec Fuel Oil Sales Company Limited Framework Master Agreement is in the ordinary and usual course of business of the Group and in the interests of the Company and its shareholders as a whole.

3.2 New Sinopec Finance Financial Services Framework Master Agreement and New Century Bright Financial Services Framework Master Agreement

The New Sinopec Finance Financial Services Framework Master Agreement was entered into on the following basis:

(i) the interest rates on loans and deposits to be offered by Sinopec Finance Guangzhou Branch to Huade Petrochemical will be no less favourable than those offered by other independent commercial banks in the PRC;

(ii) Sinopec Finance and Sinopec Finance Guangzhou Branch are regulated by the NFRA and the PBOC and Sinopec Finance Guangzhou Branch will provide its services in accordance with the rules and operational requirements of these regulatory authorities;

(iii) Sinopec Finance Guangzhou Branch fully understands and is familiar with the business nature and needs of Huade Petrochemical. As Sinopec Finance Guangzhou Branch and Huade Petrochemical are both members of the Sinopec Group, Sinopec Finance Guangzhou Branch can better foresee the funding needs of Huade Petrochemical and can offer flexible and cost-effective services to Huade Petrochemical;

(iv) it is beneficial for the settlement operations for members of the Sinopec Group (including the Group) and strengthening Huade Petrochemical's capital management and control in order to mitigate and avert operational risks;

(v) it will reduce the time of capital in transit for Huade Petrochemical. It will also accelerate the turnover of cash flow and reduce transaction costs and expenses, thereby further enhancing the quality and efficiency of capital utilisation;

(vi) Sinopec Finance Guangzhou Branch will also provide diversified financial services for Huade Petrochemical, which is in line with the interests of the Company and the Shareholders as a whole. The financial services provided by Sinopec Finance Guangzhou Branch are in line with market norms and are on normal commercial terms, with reference to arrangements with other independent commercial banks in the PRC;

(vii) pursuant to the relevant regulations of the PBOC and the NFRA, the customers of Sinopec Finance Guangzhou Branch are limited to entities within the Sinopec Group and its subsidiaries, including the Group, thereby reducing the risks that Sinopec Finance Guangzhou Branch may otherwise be exposed to if its customers include other entities unrelated to the Sinopec Group (including the Group); and

(viii) Sinopec Finance Guangzhou Branch undertakes to repay deposits (including the interest income) and grant loans or entrustment loans to Huade Petrochemical upon Huade Petrochemical's requests in a timely manner.

The New Century Bright Financial Services Framework Master Agreement was entered into on the following basis:

(i) the deposit interest rates to be offered by the Century Bright Group to the Group will be no less favourable than those offered by commercial banks in Hong Kong;

(ii) it will reduce the time of capital transit for the Group, and will accelerate the turnover of cash flow and reduce transaction costs and expenses, thereby further enhancing the quality and efficiency of capital utilisation;

(iii) the interest rate of the credit facility to be offered by the Century Bright Group to the Group will be no less favourable than those offered by the Independent Third Parties in Hong Kong and the credit facility will not be secured by assets of the Group; and

(iv) the Century Bright Group will provide diversified financial services for the Group, which is in line with the interests of the Company and the Shareholders as a whole.

We have reviewed the licenses of Sinopec Finance Guangzhou Branch and Century Bright and have been advised by the Company that to their best knowledge, up to the Latest Practicable Date, there is no record of non-compliance with relevant laws, rules and regulations of the PRC and Hong Kong on the Sinopec Finance Guangzhou Branch and the Century Bright. Century Bright has obtained an A rating from Standard

& Poor in October 2024 and an A2 rating from Moody's in May 2025. Century Bright and Sinopec Finance only provide financial services to Sinopec Group (including the Group). We have reviewed the keepwell deed entered into between Sinopec Group Company and Century Bright, pursuant to which Sinopec Group Company undertook to ensure the payment of Century Bright's debts through various means in the event of an emergency situation where Century Bright has payment difficulties. We are advised by the Management that Sinopec Finance Guangzhou Branch is required to operate in compliance with the Administrative Measures for the Group Finance Companies*(《企業集團財務公司管理辦法》) (the "**Measures**") promulgated by the original CBIRC to standardise the activities of group finance companies, to prevent financial risk, and to facilitate the stable and sound operation and healthy development of group finance companies. We noted that the Measures set out certain compliance and risk control requirements/measures relating to the operation of group finance companies, including but not limited to maintaining certain financial ratios. Furthermore, pursuant to the Measures, Sinopec Finance (including Sinopec Finance Guangzhou Branch) is required to comply with PBOC's deposit reserve requirements by placing certain amounts of deposit reserve with PBOC in proportion to the deposit balances, which the Management considers and we concur such requirement is a measure to safeguard the safety of its deposits in Sinopec Finance Guangzhou Branch. We have also obtained and reviewed the documents in relation to the parent undertaking made Sinopec Group Company towards Sinopec Finance as its controlling shareholder (the "**Parent Undertaking**") so that if, in an emergency, Sinopec Finance faces difficulties in meeting its payment obligations, Sinopec Group Company will increase the capital of Sinopec Finance as required to solve such payment difficulties. According to its website (http://www.sinopecgroup.com/group/en/000/000/067/67881.shtml), Sinopec Group Company is China's largest supplier of refined oil and petrochemical products, the world's largest refining company, and the second-largest chemical company, and has consistently ranked among the top companies in the Fortune Global 500 list in recent years. Sinopec Corp., the principal subsidiary of Sinopec Group Company, together with its subsidiaries had total assets of RMB2,084,771 million and cash at bank and on hand of RMB146,799 million as at 31 December 2024. In addition, Sinopec Group Company has obtained an A+ rating from Standard & Poor in October 2024 and an A1 rating from Moody's in May 2025. Based on the above, it is believed that Sinopec Group Company will have sufficient financial resources to fulfill its obligations under the abovementioned commitment and keepwell deed. Furthermore, as confirmed by the Management, there was no default of payment by Sinopec Finance Guangzhou Branch and Century Bright Group to the Group in the past.

Having considered that (i) there is no restriction under the current and new agreements on Huade Petrochemical and the Group for selecting their service provider(s) for the provision of deposit services; (ii) the renewal offers Huade Petrochemical the right but not the obligation of selecting Sinopec Finance Guangzhou Branch and the Group the right but not the obligation of selecting the Century Bright Group as its service providers; (iii) the deposit rates to be offered to Huade Petrochemical by Sinopec Finance Guangzhou Branch and the Group by the Century Bright Group pursuant to the New Sinopec Finance Financial Services Framework Master Agreement and the New Century Bright Financial Services Framework Master Agreement shall be no less favourable than those offered by independent banks in the PRC and Hong Kong (as the case may be); (iv) Sinopec Finance Guangzhou Branch is regulated by NFRA and PBOC in the PRC and Century Bright is a licensed money lender in Hong Kong; (v) Sinopec Group Company is obliged to support Sinopec Finance Guangzhou Branch and Century Bright and has sufficient finance resources to fulfill its obligations under its commitment made to NFRA, the Parent Undertaking and the keepwell deed; and (vi) there was no default of payment by Sinopec Finance Guangzhou Branch and Century Bright to the Group in the past, we concur with the view of the Directors that the renewal of deposit services with Sinopec Finance Guangzhou Branch and the Century Bright Group is in the interests of the Company and its shareholders as a whole.

4. Proposed Annual Caps

In assessing the fairness and reasonableness of the Proposed Annual Caps, we have discussed with the Company about the basis and underlying assumptions used in the determination of the Proposed Annual Caps.

4.1 Historical Amount, Existing and Proposed Annual Caps

The following table sets forth (i) the historical amounts for the two years ended 31 December 2024 and for the six months ended 30 June 2025; (ii) the existing annual caps for each of the two years ended 31 December 2024 and for the year ending 31 December 2025; and (iii) the Proposed Annual Caps for each of the three years ending 31 December 2028.

RMB million, unless otherwise specified		**Existing Annual Caps for the years ended/ending 31 December**			**Proposed Annual Caps for the years ending 31 December**		
		2023	**2024**	**2025**	**2026**	**2027**	**2028**
New Crude Oil Jetty and Storage Services Framework Master Agreement							
Transaction amounts received by Huade Petrochemical	Annual caps	550.00	550.00	550.00	550.00	550.00	550.00
	Actual amounts	446.18	489.20	241.90[1]			
	Utilisation rates	81.12%	88.95%	43.98%[2]			

RMB million, unless otherwise specified		Existing Annual Caps for the years ended/ending 31 December			Proposed Annual Caps for the years ending 31 December		
		2023	**2024**	**2025**	**2026**	**2027**	**2028**
New Sinopec Fuel Oil Sales Company Limited Framework Master Agreement							
Transaction amounts received by Huade Petrochemical	Annual caps	80.00	80.00	80.00	70.00	70.00	70.00
	Actual amounts	44.51	47.99	23.43[1]			
	Utilisation rates	55.64%	59.99%	29.29%[2]			
New Sinopec Finance Financial Services Framework Master Agreement							
Maximum outstanding balance (including any interest accrued therefrom)	Annual Caps	400.00	400.00	400.00	400.00	400.00	400.00
	Actual amounts	398.21	356.53	381.68[1]			
	Utilisation rates	99.55%	89.13%	95.42%[2]			
New Century Bright Financial Services Framework Master Agreement							
Maximum outstanding balance (including any interest accrued therefrom)	Annual Caps (HK$ million)	900.00	900.00	900.00	900.00	900.00	900.00
	Actual amounts (HK$ million)	899.61	899.91	884.66[1]			
	Utilisation rates	99.96%	99.99%	98.30%[2]			

1. Historical amount for the six months ended 30 June 2025.

2. The utilisation rates for the year ending 31 December 2025 are computed based on the actual amounts up to 30 June 2025.

4.2 Proposed Annual Caps under the New Crude Oil Jetty and Storage Services Framework Master Agreement

4.2.1 Basis of determining the Proposed Annual Caps

In determining the Proposed Annual Caps under the New Crude Oil Jetty and Storage Services Framework Master Agreement for each of the three years ending 31 December 2028, the Company has mainly considered:

(i) the historical transaction amounts;

(ii) the State-prescribed prices and the government-approved prices for these services;

(iii) in light of the demand for petroleum products in the PRC market, Sinopec Guangzhou Branch, Sinopec Petroleum Reserve Company and Sinopec Petroleum Marketing Company and their respective

subsidiaries are expected to import a stable quantity of crude oil and therefore will consume and require a stable amount of crude oil jetty services and facilities; and

(iv) given the nature of mutual reliance on the supply and consumption of the services and facilities by Sinopec Guangzhou Branch, Sinopec Petroleum Reserve Company and/or Sinopec Petroleum Marketing Company and their respective subsidiaries, demand for such volume and quantity of services and facilities of the Group will remain stable.

4.2.2 Assessment to the Proposed Annual Caps

In assessing the fairness and reasonableness of the Proposed Annual Caps for the crude oil jetty and storage services provided by the Group to Sinopec Guangzhou Branch, Sinopec Petroleum Reserve Company and Sinopec Petroleum Marketing Company and their respective subsidiaries, we have reviewed the historical amounts of the relevant crude oil jetty and storage services for the two years ended 31 December 2024 and for the six months ended 30 June 2025, which represent the utilisation rates of approximately 81.12%, 88.95% and 43.98% for the corresponding periods.

We have also reviewed and discussed the forecast model for determining the Proposed Annual Caps for the crude oil jetty and storage services provided by the Group to Sinopec Guangzhou Branch, Sinopec Petroleum Reserve Company and Sinopec Petroleum Marketing Company and their respective subsidiaries with the Company and understood that the Proposed Annual Caps are estimated with reference to the crude oil processing capacity of Sinopec Guangzhou Branch, Sinopec Petroleum Reserve Company and Sinopec Petroleum Marketing Company and their respective subsidiaries and the unit services fee charged by the Group for providing relevant supporting services and facilities. As advised by the Management, the majority of crude oil that Sinopec Guangzhou processed is sourced through maritime imports and utilizes Huade Petrochemical's crude oil jetty services. We noted that the expected transaction amount for the crude oil jetty and storage services is derived from the product of (i) the existing crude oil processing capacity of Sinopec Guangzhou of approximately 12.75 million tonnes per year, as disclosed in its website (http://gzsh.sinopec.com/gzsh/); and (ii) the historical unit price of Huade Petrochemical's crude oil jetty services provided to Sinopec Guangzhou of RMB41.8 per tonne. Based on the above factors, the Company determined to keep the Proposed Annual Caps for the crude oil jetty and storage services provided by the Group to Sinopec Guangzhou Branch, Sinopec Petroleum Reserve Company and Sinopec Petroleum Marketing Company and their respective subsidiaries the same as the existing annual caps.

Having considered (i) the historical amounts and the historical utilisation rates remained stable and high for FY2023 and FY2024; (ii) the crude oil processing capacity and unit services fee considered in the forecast model are in line with the historical figures; and (iii) the Proposed Annual Caps for the crude oil jetty and storage services provided by the Group to Sinopec Group are the

same as the existing annual caps for the two years ended 31 December 2024 and for year ending 31 December 2025, which were approved by the independent shareholders in 2022, we concur with the Directors that the Proposed Annual Caps for the crude oil jetty and storage services are fair and reasonable.

4.3 Proposed Annual Caps under the New Sinopec Fuel Oil Sales Company Limited Framework Master Agreement

4.3.1 Basis of determining the Proposed Annual Caps

In determining the Proposed Annual Caps under the New Sinopec Fuel Oil Sales Company Limited Framework Master Agreement for each of the three years ending 31 December 2028, the Company has mainly considered:

(i) the historical transaction amounts: Huade Petrochemical recorded transaction amounts of approximately RMB44.51 million and RMB47.99 million for 2023 and 2024, respectively, representing a year-on-year increase of about 7.8%. For the six months ended 30 June 2025, it recorded approximately RMB23.43 million;

(ii) the expected increase in the actual and direct costs of providing the relevant: the operating costs incurred by Huade Petrochemical for providing the relevant services increased from approximately RMB22.35 million in 2020 to approximately RMB27.03 million in 2024, representing a compound annual growth rate of about 4.9% after the last adjustment of the per-unit service fee in 2019. Taking into account the continued rise in manpower, utilities and maintenance expenses, the general inflationary environment in the PRC and the expected gradual increase in repair costs as the facilities age, the Group anticipates that Huade Petrochemical's cost base will continue to increase over the next three years. In assessing the Proposed Annual Caps, the Management has also made reference to gross profit margin of the business with reference to overall the gross profit margin of the Group to ensure commercial reasonableness;

(iii) in view of the demand for petroleum products in the PRC market, Sinopec Fuel Oil is expected to import a greater volume of fuel oil, and will thus require more fuel oil terminals and storage services and facilities; and

(iv) the per-unit service fees may be raised during 2026-2028 after arm's length negotiations between Huade Petrochemical and Sinopec Fuel Oil based on the recent development of the Group's fuel oil terminal and storage business.

4.3.2 Assessment to the Proposed Annual Caps

In assessing the fairness and reasonableness of the Proposed Annual Caps for the fuel oil jetty and storage services provided by the Group to Sinopec Fuel Oil Group, we have reviewed the historical amounts of the relevant fuel oil jetty and storage services for the two years ended 31 December 2024 and for the six months ended 30 June 2025, which represent the utilisation rates of approximately 55.64%, 59.99% and 29.29% for the corresponding periods.

We have also reviewed and discussed the forecast model for determining the Proposed Annual Caps for the fuel oil jetty and storage services provided by the Group to Sinopec Fuel Oil Group with the Company and understood that the Proposed Annual Caps are estimated with reference to the storage capacity of Huade Petrochemical's fuel oil terminals and the expected per-unit service fee charged by the Group for providing relevant services. We have obtained and reviewed the only one historical contract entered into by the Group and Sinopec Fuel Oil Group in each of 2023, 2024 and 2025 and noted that the storage capacity of Huade Petrochemical's fuel oil terminals used in the forecast model is in line with the oil tanks capacity stated in the historical contracts. As advised by the Management, Huade Petrochemical and the Sinopec Fuel Oil Group would review and negotiate the fee rate for the fuel oil jetty and storage services annually and the last adjustment of the per-unit service fee was in 2019. The Management would negotiate with the Sinopec Fuel Oil Group for an increase in fee rate for next three years and therefore the per-unit service fee for the fuel oil jetty and storage services provided by the Group to Sinopec Fuel Oil Group may increase from RMB18 per cubic metre per month to RMB25 per cubic metre per month during 2026-2028 in the forecast model. Since the last adjustment of the per-unit service fee in 2019, the operating cost of fuel oil jetty and storage services has risen from approximately RMB22.35 million in 2020 to approximately RMB 27.03 million in 2024, which represents an approximate annual growth rate of 4.88%. We have also discussed with the Management and understood that Huade Petrochemical has been shifting to the "integration of two warehouse functions"（兩倉功能疊加）model in the fuel oil storage business since mid-2025 as encouraged by China customs authorities, adding bonded warehouse function to the existing storage facilities, and thus may be able to charge higher storage fee from clients for such expanded service offerings. As advised by the Management, Huade Petrochemical is also in the process of applying for qualifications in the biofuel oil storage business, which may also be able to further raise the storage fee. We noted that the expected transaction amount for the fuel oil jetty and storage services is derived from the product of (i) the existing storage capacity of Huade Petrochemical's fuel oil terminals of approximately 230,000 cubic metres; and (ii) the target unit price of fuel oil jetty and storage services during 2026-2028 of RMB25 per cubic metre per month.

Taking into account that (i) the historical amounts and the historical utilisation rates remained stable for FY2023 and FY2024; (ii) the Proposed Annual Caps for fuel oil jetty and storage services represent a decrease as compared to the existing annual caps; (iii) the fuel oil storage capacity of Huade Petrochemical's terminal used in the calculation model is in line with the historical figure and the per-unit service fee may increase during 2026-2028; (iv) increased operating cost in fuel oil jetty and storage business from 2020 to 2024; and (v) the potential fee hike based on the recent development of the Group's fuel oil storage business, we concur with the Directors that the Proposed Annual Caps for the fuel oil jetty and storage services are fair and reasonable.

4.4 Proposed Annual Caps for deposit services under the New Sinopec Finance Financial Services Framework Master Agreement

4.4.1 Basis of determining the Proposed Annual Caps

In determining the Proposed Annual Caps for deposit services under the New Sinopec Finance Financial Services Framework Master Agreement for each of the three years ending 31 December 2028, the future business expansion plans, the expected increase of business volume, the expected increase of cash flow movement of Huade Petrochemical and the following factors have been considered by Huade Petrochemical:

(i) Given the PRC government's control over the remittance of funds out of Chinese Mainland, it may take some time for Huade Petrochemical to obtain approval from relevant departments for distribution of dividends to the Company. Therefore, it is expected that the deposits placed by Huade Petrochemical with Sinopec Finance Guangzhou Branch will remain at the current level for the three financial years ending 31 December 2028;

(ii) in order to strengthen the centralised management of funds and monitor the use of funds, the Sinopec Group (including the Group) will utilise the "funding pool" platform with the assistance of Sinopec Finance Guangzhou Branch. Such platform amasses the funds of the Sinopec Group (including the Group) and enables loans to be granted within the Sinopec Group (including the Group) by capitalising on the leeway arising from the difference in the time for receipt and payment of funds of members of the Sinopec Group (including the Group), with an aim to support the development of the Sinopec Group and the Group;

(iii) Sinopec Finance and Sinopec Finance Guangzhou Branch are under the supervision of NFRA and have been maintaining satisfactory operating results and financial positions with good risk control and well-regulated management in the past three years. The safety standards of their settlement system reach the

standards of domestic commercial banks. The collaboration between Huade Petrochemical and Sinopec Finance Guangzhou Branch reduces finance costs, increases interest income of deposits, lowers settlement costs and controls risks;

(iv) there will be interest income from the deposits of Huade Petrochemical with Sinopec Finance Guangzhou Branch at a rate no less favourable than those offered by other independent commercial banks in the PRC;

(v) in respect of Huade Petrochemical's funds settlement business at Sinopec Finance Guangzhou Branch, settlement expenses will be undertaken by Sinopec Finance Guangzhou Branch while Huade Petrochemical has no obligations to pay for the settlement expenses to Sinopec Finance Guangzhou Branch, provided that other independent commercial banks charge Sinopec Finance Guangzhou Branch for such fees, Sinopec Finance Guangzhou Branch will charge Huade Petrochemical the same accordingly.

4.4.2 Assessment to the Proposed Annual Caps

In assessing the fairness and reasonableness of the Proposed Annual Caps for the deposits services under the New Sinopec Finance Financial Services Framework Master Agreement, we have reviewed the historical maximum outstanding balance of deposit (including any interest accrued therefrom) placed by the Group with Sinopec Finance Guangzhou Branch for the two years ended 31 December 2024 and for the six months ended 30 June 2025, which represent the utilisation rates of approximately 99.55%, 89.13% and 95.42% for the corresponding periods.

We have also reviewed the 2025 IR and noted that the Group has cash and cash equivalents of approximately HK$954.9 million and time deposits with original maturity of more than three months of approximately HK$6,505.5 million as at 30 June 2025.

We noted that (i) the utilisation rates of the existing annual caps remain high for the corresponding periods; (ii) the Proposed Annual Caps for the deposits services under the New Sinopec Finance Financial Services Framework Master Agreement are the same as the existing annual caps for each of the two years ended 31 December 2024 and for the year ending 31 December 2025, which were approved by independent shareholders in 2022; and (iii) the Proposed Annual Caps for the deposits services under the New Sinopec Finance Financial Services Framework Master Agreement are significantly lower than the cash position of the Group as at 30 June 2025, and therefore we concur with the Directors that the Proposed Annual Caps for the deposits services under the New Sinopec Finance Financial Services Framework Master Agreement are fair and reasonable.

4.5 Proposed Annual Caps for deposit services under the New Century Bright Financial Services Framework Master Agreement

4.5.1 Basis of determining the Proposed Annual Caps

In determining the Proposed Annual Caps for deposit services under the New Century Bright Financial Services Framework Master Agreement for each of the three years ending 31 December 2028, the Company has mainly considered the historical figures of the transactions, the level of the Group's cash and cash equivalents and time deposits with original maturity of more than three months over the past three years, the Group's anticipated cash flow movements, anticipated business volume, financial control and treasury management, and the requirement to settle accounts receivables from members of the Sinopec Group or any Independent Third Party through the deposit accounts of the Group with the Century Bright Group.

4.5.2 Assessment to the Proposed Annual Caps

In assessing the fairness and reasonableness of the Proposed Annual Caps for the deposits services under the New Century Bright Financial Services Framework Master Agreement, we have reviewed the historical maximum outstanding balance of deposit (including any interest accrued therefrom) placed by the Group with Sinopec Finance Guangzhou Branch for the two years ended 31 December 2024 and for the six months ended 30 June 2025, which represent the utilisation rates of approximately 99.96%, 99.99% and 98.30% for the corresponding periods.

We have also reviewed the 2025 IR and noted that the Group has cash and cash equivalents of approximately HK$954.9 million and time deposits with original maturity of more than three months of approximately HK$6,505.5 million as at 30 June 2025. We also noted that the Group has trade and other receivables of approximately HK$633.9 million as at 30 June 2025.

We noted that (i) the utilisation rates of the existing annual caps remain high for the corresponding periods; (ii) the Proposed Annual Caps for the deposits services under the New Century Bright Financial Services Framework Master Agreement are the same as the existing annual caps for each of the two years ended 31 December 2024 and for the year ending 31 December 2025, which were approved by independent shareholders in 2022; and (iii) the Proposed Annual Caps for the deposits services under the New Century Bright Financial Services Framework Master Agreement are significantly lower than the cash position of the Group as at 30 June 2025, and therefore we concur with the Directors that the Proposed Annual Caps for the deposits services under the New Century Bright Financial Services Framework Master Agreement are fair and reasonable.

5. Internal Control

The Company has adopted certain internal control procedures and corporate governance measures in relation to the New Non-exempt Framework Master Agreements, details of which are included in the section headed "Internal control measures for the transactions" under each of the New Non-exempt Framework Master Agreements in the Letter from the Board.

For the crude oil jetty and storage services, we have obtained and reviewed (i) the only one effective agreement in 2025 between Sinopec Guangzhou Branch and Huade Petrochemical; (ii) the only one historical contract effective in 2025, and three relevant sample invoices in 2025 between the Group and Independent Third Parties regarding crude oil unloading services and port services, which were randomly selected per our request; (iii) the only one historical contract regarding crude oil pipeline transmission services and crude oil transit services effective in 2025 between the Group and Independent Third Parties; (iv) the relevant State-prescribed prices and government-approved prices for certain crude oil jetty and storage services; and (v) the actual and direct costs and gross profit margin for providing certain crude oil jetty and storage service without available State-prescribed prices, government-approved prices and prevailing market prices, i.e. crude oil transit services. As advised by the Management, there were no transaction between Huade Petrochemical and Sinopec Petroleum Reserve Company and Sinopec Petroleum Marketing Company in the last three years. As advised by the Management, among all types of crude oil jetty services, crude oil unloading services, crude oil pipeline transmission services, port services and crude oil transit services (collectively, "**Comparable Crude Oil Services**") were provided by Huade Petrochemical to Independent Third Parties from 2023 and up to the Latest Practicable Date, hence we consider the samples selected in (i) above are representative. We noted that (i) for Comparable Crude Oil Services, the service fee rates set in the sample contract between the Group and Sinopec Guangzhou Branch are no less favourable to the Company than the service fee rates presented on sample invoices between the Group and Independent Third Parties; (ii) for certain crude oil jetty and storage services which governed by State-prescribed prices and government-approved prices, the service fee rates set in the sample contract between the Group and Sinopec Guangzhou Branch are in line with the relevant State-prescribed prices and government-approved prices; (iii) for crude oil transit services, the service fee rates set out in the sample contract between the Group and Sinopec Guangzhou Branch are no less favourable to the Company than the service fee rates offered to Independent Third Parties, and the average gross profit margin for FY2024 and 1H2025 is generally in line with the Group's gross profit margin for the same period, which reflects the pricing policies under the New Crude Oil Jetty and Storage Services Framework Master Agreement that determined with reference to the actual and direct costs for providing such service; and (iv) the payment terms set out in the sample contract between the Group and Sinopec Guangzhou Branch are in line with the those offered to Independent Third Parties regarding Comparable Crude Oil Services. In light of the above, we consider the terms of crude oil jetty and storage services (including the pricing terms and payment terms) offered to Sinopec Guangzhou Branch are determined in accordance with the Company's internal control measures and are no less favourable than those terms offered to Independent Third Parties.

For the fuel oil jetty and storage services, we have obtained and reviewed (i) the only effective master agreement and three sets randomly selected relevant invoices between Sinopec Fuel Oil Group and Huade Petrochemical in 2025, which we consider are representative samples; and (ii) the actual and direct costs and gross profit margin for providing fuel oil jetty and storage services. As advised by the Management, there were no transactions between Huade Petrochemical and independent third parties and the service fee rate for providing fuel oil jetty and storage services is not governed by any State-prescribed prices and government-approved prices. We noted that the service fee rate for providing fuel oil jetty and storage services set in the historical contracts between Huade Petrochemical and Sinopec Fuel Oil Group is in line with the pricing policies under the New Sinopec Fuel Oil Sales Company Limited Framework Master Agreement that determined with reference to the actual and direct costs for providing such services, and the average gross profit margin of fuel oil jetty and storage services for FY2024 and 1H2025 is generally in line with the Group's gross profit margin for the same period. In light of the above, we consider the terms of fuel oil jetty and storage services (including the pricing terms and payment terms) offered to Sinopec Fuel Oil Group are determined in accordance with the Company's internal control measures.

For the deposit services, we have obtained and reviewed (i) the Company's Administration Methods of Connected Transactions (《關聯交易管理辦法》); (ii) seven sets of sample documents for the deposits or price quotes of the Group in 2025; (iii) the interest rates as announced by six major independent commercial banks in the PRC and Hong Kong on their official websites for the same types of deposit services for the same period as shown in the sample documents; and (iv) the interest rate as announced by the PBOC for the same types of deposit services for the same period as shown in the sample documents. As the samples selected in (ii) above include the Company's only two sample deposit documents at Century Bright at the same date in 2025, and the Company's sole deposit agreement with Sinopec Finance Guangzhou Branch effective in 2025, and each of them are compared with two comparable deposits or price quotes provided by independent banks to the Group, we consider such samples selected are representative. We have noted that the interest rates of the deposit services provided by the Sinopec Finance Guangzhou Branch and Century Bright to the Group are not less favourable than those provided by independent banks or announced by the PBOC for the same types of deposit services for the same period.

Pursuant to Rules 14A.55 and 14A.56 of the Listing Rules, the independent non-executive Directors and auditor of the Company will conduct annual review and issue confirmations regarding the continuing connected transactions of the Company each year. We have reviewed the 2023 AR and 2024 AR and noted that the independent non-executive Directors and the auditor of the Company have reviewed the non-exempt continuing connected transactions during such years and provided the relevant confirmations. As confirmed with the Company, the Company will continue to comply with the relevant annual review requirement under the Listing Rules on an on-going basis.

Based on the above, we concur with the Directors' view that the Group has effective internal control measures and policies in place to continue to monitor the continuing connected transactions under the New Non-exempt Framework Master Agreements and the Proposed Annual Caps, therefore the interests of the Company and its Shareholders would be safeguarded.

RECOMMENDATION

Having considered the above factors and reasons, we are of the opinion that (i) the Non-exempt Transactions are conducted in the ordinary and usual course of business of the Group and on normal commercial terms; and (ii) the terms of the Non-exempt Transactions and the Proposed Annual Caps are fair and reasonable and in the interests of the Company and its Shareholders as a whole. Accordingly, we advise the Independent Board Committee to recommend and we also recommend the Independent Shareholders to vote in favour of the resolutions in relation to the New Non-exempt Framework Master Agreements to be proposed at the SGM.

Yours faithfully,
For and on behalf of
Maxa Capital Limited
Dian Deng
Managing Director

Ms. Dian Deng is a licensed person registered with the Securities and Futures Commission of Hong Kong and a responsible officer of Maxa Capital Limited to carry out type 6 (advising on corporate finance) regulated activities under the SFO and has over 17 years of experience in corporate finance industry.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS OF DIRECTORS AND CHIEF EXECUTIVE

As at the Latest Practicable Date, none of the Directors and chief executive of the Company had any interests and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules, to be notified to the Company and the Stock Exchange.

Save as disclosed in paragraph 3 below, as at the Latest Practicable Date, none of the Directors were directors or employees of a company which had an interest or short position in the Shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

3. DISCLOSURE OF INTERESTS OF SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, so far as the Directors are aware, each of the following persons (other than a Director or chief executive of the Company or their respective associates) had an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO:

Long position in the Shares and in the underlying Shares

Name of shareholder	Capacity and nature of interest	Number of ordinary shares held	Approximate percentage of total issued shares
SKI *(Note 1)*	Beneficial owner	1,500,000,000(L)	60.33%
CITIC Group Corporation *(Note 2)*	Interest of controlled corporations	201,434,000(L)	8.10%
CITIC Limited *(Note 2)*	Interest of controlled corporations	201,434,000(L)	8.10%
CTI Capital Management Limited *(Note 2)*	Beneficial owner	201,434,000(L)	8.10%

(L) Long positions

Notes:

1. The entire issued share capital of SKI is held by China International United Petroleum & Chemicals Co., Ltd. ("**UNIPEC**"). The controlling interest in the registered capital of UNIPEC is ultimately held by Sinopec Group Company.

2. According to the disclosure of interests as set out on the website of the Stock Exchange, CTI Capital Management Limited was interested in 201,434,000 shares of the Company in long position.

   According to the disclosure of interests as set out on the website of the Stock Exchange, CITIC Group Corporation and CITIC Limited are deemed to be interested in the shares of the Company held by CTI Capital Management Limited under the SFO.

   Specifically, CITIC Group Corporation held 100% equity interest in CITIC Polaris Limited, which held 27.52% equity interest in CITIC Limited. CITIC Group Corporation also held 100% equity interest in CITIC Glory Limited, which held 25.60% equity interest in CITIC Limited. Thus, CITIC Group Corporation indirectly held 53.12% equity interest in CITIC Limited. CITIC Limited held 100% equity interest in CITIC Corporation Limited. CITIC Corporation Limited also held 100% equity interest in CITIC Financial Holdings Co., Ltd., which held 100% equity interest in CITIC Trust Co., Ltd. CITIC Trust Co., Ltd. held 100% equity interest in CTI Capital Management Limited.

Save as disclosed above, as at the Latest Practicable Date, the Directors were not aware of any other persons (not being a Director or chief executive of the Company) who had an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

As at the Latest Practicable Date, Mr. Zhong Fuliang, Mr. Yang Yanfei, Mr. Ren Jiajun, Mr. Zou Wenzhi, Mr. Mo Zhenglin and Mr. Sang Jinghua, being the executive Directors, are also directors of SKI.

4. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group which will not expire or be determinable by the relevant member of the Group within one (1) year without payment of compensation (other than statutory compensation).

5. DIRECTORS' COMPETING INTERESTS

As at the Latest Practicable Date, so far as the Directors were aware, none of the Directors or their respective close associates (as defined in the Listing Rules) had any interest in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

6. INTERESTS IN ASSETS AND/OR CONTRACTS AND OTHER INTERESTS

As at the Latest Practicable Date:

(a) there was no contract or arrangement subsisting in which any Director was materially interested and which was significant in relation to any business of the Group.

(b) none of the Directors had any interest, direct or indirect, in any assets which had been, since 31 December 2024, being the date to which the latest audited consolidated financial statements of the Company were made up, acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

7. EXPERT AND CONSENT

The following is the qualifications of the expert that has given opinions or advices, which are contained in this circular:

Name	Qualifications
Maxa Capital Limited	A licensed corporation under the SFO to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities for the purpose of the SFO

Maxa Capital Limited has given and has not withdrawn its written consent to the issue of this circular with the inclusion therein of its letter dated 31 October 2025 and references to its name in the form and context in which it appears.

As at the Latest Practicable Date, Maxa Capital Limited had no shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group, and had no interest, direct or indirect, in any assets which had been, since 31 December 2024, being the

date to which the latest audited consolidated financial statements of the Company were made up, acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

8. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors confirm that there had been no material adverse change in the financial or trading position of the Group since 31 December 2024, being the date to which the latest published audited consolidated financial statements of the Group were made up.

9. GENERAL

(I) The registered office of the Company is situated at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.

(II) The principal place of business of the Company in Hong Kong is at 34/F, Citicorp Centre, 18 Whitfield Road, Causeway Bay, Hong Kong.

(III) The Hong Kong share registrar and transfer office of the Company is Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.

(IV) The joint company secretaries of the Company are Mr. Wang Xiaoming, and Ms. Huang He, who is an associate member of both The Hong Kong Chartered Governance Institute (formerly known as The Hong Kong Institute of Chartered Secretaries) and The Chartered Governance Institute (formerly known as The Institute of Chartered Secretaries and Administrators) in the United Kingdom.

(V) The English text of this circular shall prevail over the Chinese text in case of any inconsistency.

10. DOCUMENTS FOR DISPLAY

Electronic copies of the following documents are published on the website of the Stock Exchange (http://www.hkexnews.hk) and the website of the Company (www.sinopec.com.hk) for a period of 14 days from the date of this circular (both days inclusive):

(a) the New Crude Oil Jetty and Storage Services Framework Master Agreement;

(b) the New Sinopec Fuel Oil Sales Company Limited Framework Master Agreement;

(c) the New Sinopec Finance Financial Services Framework Master Agreement;

(d) the New Century Bright Financial Services Framework Master Agreement;

(e) the letter from the Board dated 31 October 2025, the text of which is set out on pages 7 to 48 of this circular;

(f) the letter of recommendation from the Independent Board Committee dated 31 October 2025, the text of which is set out on pages 49 to 50 of this circular;

(g) the letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders dated 31 October 2025, the text of which is set out on pages 51 to 81 of this circular;

(h) the letter of consent from the Independent Financial Adviser referred to under the section headed "7. Expert and Consent" in this Appendix; and

(i) this circular.



中国石化
SINOPEC

SINOPEC KANTONS HOLDINGS LIMITED

(中石化冠德控股有限公司)*

(incorporated in Bermuda with limited liability)

(Stock Code: 934)

NOTICE IS HEREBY GIVEN that a special general meeting (the "**Meeting**") of the shareholders of Sinopec Kantons Holdings Limited (the "**Company**") will be held at Salon Rooms II-III, 5/F., Harbour Grand Hong Kong, 23 Oil Street, North Point, Hong Kong at 11:00 a.m. on 27 November 2025, Thursday and at any adjournment thereof for the following purposes:

ORDINARY RESOLUTIONS

To consider and, if thought fit, to pass (with or without modification) the following resolutions as ordinary resolutions of the Company:

1. **"THAT:**

   (i) the entering into of the New Crude Oil Jetty and Storage Services Framework Master Agreement be and is hereby approved;

   (ii) the proposed annual caps for the New Crude Oil Jetty and Storage Services Framework Master Agreement for the three financial years ending 31 December 2028 be and are hereby approved; and

   (iii) any one Director (or where execution under the common seal of the Company is required, any two Directors or any one Director and any one secretary of the Company) be and is/are hereby authorised to do further acts and things, enter into all transactions and arrangements, execute all other documents and/or deeds and/or take all such steps as he/she may consider necessary, desirable or expedient to carry out or give effect to or otherwise in connection with or in relation to the New Crude Oil Jetty and Storage Services Framework Master Agreement."

* *For identification purpose only*

2. **"THAT:**

(i) the entering into of the New Sinopec Fuel Oil Sales Company Limited Framework Master Agreement be and is hereby approved;

(ii) the proposed annual caps for the New Sinopec Fuel Oil Sales Company Limited Framework Master Agreement for the three financial years ending 31 December 2028 be and are hereby approved; and

(iii) any one Director (or where execution under the common seal of the Company is required, any two Directors or any one Director and any one secretary of the Company) be and is/are hereby authorised to do further acts and things, enter into all transactions and arrangements, execute all other documents and/or deeds and/or take all such steps as he/she may consider necessary, desirable or expedient to carry out or give effect to or otherwise in connection with or in relation to the New Sinopec Fuel Oil Sales Company Limited Framework Master Agreement."

3. **"THAT:**

(i) the entering into of the New Sinopec Finance Financial Services Framework Master Agreement be and is hereby approved;

(ii) the proposed annual caps for the New Sinopec Finance Financial Services Framework Master Agreement for the three financial years ending 31 December 2028 be and are hereby approved; and

(iii) any one Director (or where execution under the common seal of the Company is required, any two Directors or any one Director and any one secretary of the Company) be and is/are hereby authorised to do further acts and things, enter into all transactions and arrangements, execute all other documents and/or deeds and/or take all such steps as he/she may consider necessary, desirable or expedient to carry out or give effect to or otherwise in connection with or in relation to the New Sinopec Finance Financial Services Framework Master Agreement."

4. **"THAT:**

(i) the entering into of the New Century Bright Financial Services Framework Master Agreement be and is hereby approved;

(ii) the proposed annual caps for the New Century Bright Financial Services Framework Master Agreement for the three financial years ending 31 December 2028 be and are hereby approved; and

(iii) any one Director (or where execution under the common seal of the Company is required, any two Directors or any one Director and any one secretary of the Company) be and is/are hereby authorised to do further acts and things, enter into all transactions and arrangements, execute all other documents and/or deeds and/or take all such steps as he/she may consider necessary, desirable or expedient to carry out or give effect to or otherwise in connection with or in relation to the New Century Bright Financial Services Framework Master Agreement."

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

Hong Kong, 31 October 2025

Notes:

1. Any shareholder of the Company (the "**Shareholder**") entitled to attend and vote at the meeting (or at any adjournment thereof) convened by the above notice is entitled to appoint one or more proxy to attend and vote instead of him/her in accordance with the provisions of the bye-laws of the Company. A proxy needs not be a Shareholder.

2. In order to be valid, the form of proxy must be deposited together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, at the office of the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, as soon as possible, and in any event no later than forty-eight (48) hours before the time appointed for the holding of the meeting (or any adjourned meeting thereof). Delivery of the form of proxy will not preclude a Shareholder from attending and voting in person at the meeting (or at any adjournment thereof) and in such event, such form of proxy shall be deemed to be revoked.

3. The resolutions proposed will be voted by way of poll.

4. For determining the entitlement to attend and vote at the meeting, the Register of Members of the Company will be closed from 21 November 2025 (Friday) to 27 November 2025 (Thursday) (both days inclusive), during which period no transfer of shares will be registered. In order to qualify to attend the meeting, all share transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:00 p.m. on 20 November 2025 (Thursday). Shareholders whose names are recorded in the register of members of the Company as of 27 November 2025 shall be entitled to attend the SGM.

5. In case Typhoon Signal No. 8 or above is hoisted, or a Black Rainstorm Warning Signal or "extreme conditions caused by a super typhoon" announced by the Government is/are in force in Hong Kong on the date of the special general meeting, please refer to the Company's website (www.sinopec.com.hk) and the HKEXnews website (www.hkexnews.hk) for details of alternative meeting arrangements (if any).

As at the date of this notice, 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)

Non-executive Director:
Mr. Tu Yikai

Independent Non-executive Directors:
Mr. Fong Chung, Mark
Dr. Wong Yau Kar, David
Ms. Wong Pui Sze, Priscilla
Mr. Ye, James Zheng