

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



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)

INSIDE INFORMATION

LIQUIDATION OF A JOINT VENTURE AND DISPOSAL OF ASSETS

This announcement is made by Sinopec Kantons Holdings Limited (the “**Company**”, together with its subsidiaries, collectively the “**Group**”) pursuant to the inside information provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the Company’s announcement dated 13 October 2025. Rizhao Shihua Crude Oil Terminal Co., Ltd. (“**Rizhao Shihua**”) (日照實華原油碼頭有限公司), a 50% owned joint venture of the Company, is principally engaged in the businesses related to crude oil jetty and its ancillary facilities. The investment return generated by Rizhao Shihua for the Group accounted for approximately 12% of the Group’s profit before income tax for the financial year 2024.

The board of directors of the Company (the “**Board**”) hereby announces that Rizhao Shihua has commenced liquidation proceedings. As part of the liquidation arrangements, the liquidation group of Rizhao Shihua will complete the signing of the asset transfer agreements for the disposal of certain operating assets and its ancillary facilities (the “**Relevant Assets**”) held by Rizhao Shihua. Under such arrangement, the Relevant Assets will be sold to independent third-party transferees (collectively, the “**Transferees**”) for a total transaction price of approximately RMB2.41 billion (the “**Disposal**”). The above transaction price was determined with reference to the asset valuation outcome issued by an independent asset valuer and the transaction details will be duly filed in accordance with applicable regulations relating to supervision and administration of state-owned assets. To the best of the directors’ knowledge, information and belief, each of the Transferee and its ultimate beneficial owner is a third party independent of the Company and its connected persons.

* For identification purposes only

Given the uncertainties surrounding Rizhao Shihua's relevant business operations, the Board believes that proceeding with the liquidation and asset disposal in accordance with the applicable laws would help safeguard the interests of the Company and its shareholders as a whole. Based on preliminary assessments, following the liquidation of Rizhao Shihua, the Group expects to recover cash amounts broadly equivalent to the carrying value of its investment in Rizhao Shihua under the equity method. However, in accordance with the requirements of the applicable accounting standards, the cumulative foreign currency translation differences (representing approximately a loss of HK\$132 million) recognized in other comprehensive income during the period in which the Group held investment in Rizhao Shihua shall be reclassified to profit or loss following Rizhao Shihua's liquidation. Consequently, the Group expects to recognize a loss of approximately HK\$127 million (unaudited) in 2026 as a result of the liquidation of Rizhao Shihua. The above financial impact is only based on preliminary assessment. The actual amount to be recognized is subject to the completion of the final settlement and relevant accounting treatment.

As of the date of this announcement, Rizhao Shihua is not a subsidiary of the Company. Pursuant to Chapters 14 and 14A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the Disposal does not constitute a transaction or connected transaction for the Company.

The liquidation process of Rizhao Shihua and the Disposal of the Relevant Assets will proceed in accordance with applicable laws, regulations, and liquidation arrangements. Upon completion of the Disposal of the Relevant Assets and confirmation of the accounting treatment and related financial impact of the Disposal, Rizhao Shihua will complete its liquidation and deregistration procedures in accordance with the law.

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

By order of the Board
Sinopec Kantons Holdings Limited
Company Secretary
Huang He

Hong Kong, 27 February 2026

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

Executive Directors:

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

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