
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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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
GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES
AND
RE-ELECTION OF DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the AGM (as defined herein) to be held at Salon Rooms II-III, 5/F., Harbour Grand Hong Kong, 23 Oil Street, North Point, Hong Kong on 12 June 2019 (Wednesday) at 10:00 a.m. (or any adjournment thereof) is set out on pages 14 to 18 of this Circular.

Whether or not you intend to attend the AGM, 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 Secretaries Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, 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 AGM (or any adjournment thereof). Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM (or any adjourned meeting thereof) should you so desire.

* *For identification purpose only*

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DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be held at Salon Rooms II-III, 5/F., Harbour Grand Hong Kong, 23 Oil Street, North Point, Hong Kong on 12 June 2019 (Wednesday) at 10:00 a.m. (or any adjournment thereof);
“AGM Notice”	the notice convening the AGM as set out on pages 14 to 18 of this Circular;
“Board”	the board of Directors;
“Bye-Laws”	the Bye-Laws of the Company (as amended from time to time);
“Circular”	this circular;
“close associate(s)”	has the meaning ascribed to this term under Rule 1.01 of the Listing Rules;
“Companies Act”	the Companies Act 1981 of Bermuda (as amended from time to time);
“Company”	Sinopec Kantons Holdings Limited (and for identification purpose only 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;
“controlling shareholder”	has the meaning ascribed to this term under Rule 1.01 of the Listing Rules;
“core connected person(s)”	has the meaning ascribed to this term under Rule 1.01 of the Listing Rules;
“Director(s)”	the director(s) of the Company, including the non-executive directors of the Company;
“General Mandates”	the Repurchase Mandate and the Issue Mandate;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;

DEFINITIONS

“Issue Mandate”	a general and unconditional mandate proposed to be granted to the Directors at the AGM to allot, issue or otherwise deal with Shares not exceeding 20% of the total number of issued shares as at the date of passing of the relevant ordinary resolution to grant such mandate;
“Latest Practicable Date”	28 March 2019, being the latest practicable date for ascertaining certain information for inclusion in this Circular;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Nomination Committee”	the nomination committee of the Company
“PRC”	the People’s Republic of China and for the purpose of this Circular, excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan;
“Repurchase Mandate”	a general and unconditional mandate proposed to be granted to the Directors at the AGM to repurchase the Shares not exceeding 10% of the total number of issued shares as at the date of passing of the relevant ordinary resolution to grant such mandate;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Share(s)”	the ordinary share(s) of HK\$0.10 each in the share capital of the Company;
“Shareholder(s)”	the holder(s) of the Share(s);
“Sinopec Corp.”	China Petroleum & Chemical Corporation (中國石油化工有限公司) (stock code: 386), a joint stock limited liability company incorporated in the PRC, the shares of which are listed on the stock exchanges of Hong Kong, Shanghai, New York and London, the indirect controlling shareholder of the Company holding approximately 60.33% of the issued share capital of the Company as at the Latest Practicable Date;

DEFINITIONS

“Sinopec Group Company”	China Petrochemical Corporation (中國石油化工集團公司, formerly known as 中國石油化工總公司), an enterprise established under the laws of the PRC, the ultimate controlling shareholder of the Company indirectly holding approximately 60.33% issued share capital of the Company as at the Latest Practicable Date;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“substantial shareholder(s)”	has the meaning ascribed to this term under Rule 1.01 of the Listing Rules;
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs; and
“%”	per cent.

LETTER FROM THE BOARD



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. Chen Bo (*Chairman*)
Mr. Xiang Xiwen (*Deputy Chairman*)
Mr. Dai Liqi
Mr. Li Jianxin
Mr. Wang Guotao
Mr. Ye Zhijun (*Managing Director*)

Independent Non-Executive Directors:

Ms. Tam Wai Chu, Maria
Mr. Fong Chung, Mark
Dr. Wong Yau Kar, David
Ms. Wong Pui Sze, Priscilla

Registered office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

*Principle place of business
in Hong Kong:*

34/F, Citicorp Centre
18 Whitfield Road
Causeway Bay
Hong Kong

4 April 2019

To the Shareholders:

Dear Sir or Madam,

**PROPOSALS FOR
GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES
AND
RE-ELECTION OF DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

1. INTRODUCTION

The purpose of this Circular is to present the proposals for and provide the Shareholders with the AGM Notice at which the necessary resolutions will be proposed to consider and, if thought fit, approve, among other things, the granting of the General Mandates and the extension of the Issue Mandate to the Board by the addition of the number of Shares repurchased pursuant to the Repurchase Mandate, and the re-election of Directors.

* For identification purpose only

LETTER FROM THE BOARD

2. GENERAL MANDATES

At the annual general meeting of the Company held on 27 June 2018, resolutions were passed by the Shareholders giving general unconditional mandates to the Directors to allot, issue or otherwise deal with the Shares not exceeding 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of the relevant ordinary resolution and to repurchase the Shares not exceeding 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of the relevant ordinary resolution in accordance with the Listing Rules. These general mandates will lapse at the conclusion of the AGM. It is therefore proposed to renew the General Mandates at the AGM and ordinary resolutions will be proposed to seek the Shareholders' approval for the granting of the General Mandates to the Directors and to extend the Issue Mandate by an amount representing the aggregate nominal amount of the Shares repurchased by the Company pursuant to and in accordance with the Repurchase Mandate. Accordingly, assuming that the share capital of the Company in issue remains unchanged on the date of the AGM, the Company would be allowed under the Issue Mandate to allot a maximum of 497,232,000 Shares and under the Repurchase Mandate to purchase a maximum of 248,616,000 Shares.

The Ordinary Resolution number 6 as set out in the AGM Notice would grant a general mandate to the Directors to allot, issue or otherwise deal with the Shares not exceeding 20% of the total number of issued shares as at the date of passing of such resolution (i.e. not exceeding 497,232,000 Shares based on the issued share capital of the Company of 2,486,160,000 Shares as at the Latest Practicable Date). Furthermore, the Ordinary Resolution number 8 as set out in the AGM Notice would enable the Directors to issue, under the general mandate contained in Ordinary Resolution number 6, an additional number of Shares representing the number of Shares repurchased under the Repurchase Mandate. In accordance with the Listing Rules, the authority conferred on the Directors by Ordinary Resolution number 6 would continue in force until the conclusion of the next annual general meeting of the Company or any earlier date as referred to in paragraph (D) of such resolution.

The Ordinary Resolution number 7 as set out in the AGM Notice would grant a general mandate to the Directors to exercise the powers of the Company to repurchase, on the Stock Exchange, the Shares not exceeding 10% of the total number of issued shares as at the date of passing of such resolution (i.e. not exceeding 248,616,000 Shares based on the issued share capital of the Company of 2,486,160,000 Shares as at the Latest Practicable Date). In accordance with the Listing Rules, the authority conferred on the Directors by Ordinary Resolution number 7 would continue in force until the conclusion of the next annual general meeting of the Company or any earlier date as referred to in paragraph (C) of such resolution.

In accordance with the requirements of the Listing Rules, the Company is required to send to the Shareholders an explanatory statement containing all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the granting of the Repurchase Mandate. An explanatory statement as required by the Listing Rules in connection with the Repurchase Mandate is set out in the Appendix to this Circular.

LETTER FROM THE BOARD

3. DETAILS OF DIRECTORS PROPOSED TO BE RE-ELECTED AT THE ANNUAL GENERAL MEETING

Pursuant to the Listing Rules, and according to Bye-Law 111 of the Bye-Laws, every Director should be subject to retirement by rotation at least once every three years. The details of the Directors who will retire from office at the AGM and, being eligible, proposed to be re-elected at the AGM are as follows:

(i) Mr. Li Jianxin (“Mr. Li”), executive Director

Mr. Li Jianxin, aged 51, is an Executive Director of the Company. Mr. Li graduated from Hangzhou University in 1990 majoring in finance with a Bachelor of Economics and graduated from International Business College of Nanjing University in August 1996 with a Master of Business Administration. He also holds a professional qualification of professor economist. Mr. Li joined Sinopec Yangzi Petrochemical Company Ltd. (“**Yangzi Petrochemical Company**”) in August 1990; from August 1996 to July 2000, he was Officer, Deputy Section Chief and Section Chief of Finance Department of Yangzi Petrochemical Company; from July 2000 to April 2002, he was Deputy Head of Finance Department of Guangdong Oil Products Branch Company of Sinopec Corp.; from April 2002 to September 2005, he was Deputy Chief Accountant and Chief Accountant of Shenzhen Oil Products Branch Company of Sinopec Corp.; from September 2005 to June 2007, he was Chief Accountant of Guizhou Oil Products Branch Company of Sinopec Corp.; from June 2007 to March 2015, he was the Chief Financial Officer, Director and General Manager of Sinopec (Hong Kong) Limited and also Director of both Sinopec Century Bright Capital Investment Limited and Sinopec Insurance Limited; from March 2015 to November 2018, he was the Chief Accountant of Guangzhou Branch Company of Sinopec Corp.; and he has been the Chief Accountant of Capital and Finance Department of Sinopec Group Company since November 2018. Mr. Li has been an Executive Director of the Company since December 2015.

Mr. Li entered into a service contract with the Company for an initial term of one (1) year commencing from 14 December 2015 (which is renewable automatically upon expiry for successive terms of one (1) year) unless terminated by not less than three (3) months’ notice in writing served by either party. Mr. Li’s remuneration as stated in his director service contract shall be HK\$1.00 symbolically. Such amount of emoluments is consistent with the emoluments of all the executive Directors of the Company.

Save as disclosed above, as at the Latest Practicable Date, (i) Mr. Li did not hold other positions with the Company and other members of the Group; (ii) Mr. Li did not hold any directorships in any other listed public companies in the last three years preceding the Latest Practicable Date; (iii) Mr. Li did not have any relationship with the Directors, senior management or substantial shareholders or controlling shareholder of the Company; (iv) Mr. Li did not have any interests in the Shares within the meaning of Part XV of the SFO; and (v) there is no information relating to Mr. Li that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules and there are no other matters that need to be brought to the attention of the Shareholders.

LETTER FROM THE BOARD

(ii) Mr. Wang Guotao (“Mr. Wang”), executive Director

Mr. Wang Guotao, aged 53, is an Executive Director of the Company. Mr. Wang graduated from Huazhong University of Science and Technology in July 1988 majoring in applied chemistry and holds a master degree in oil and natural gas engineering. He also holds a professional qualification of senior engineer. From July 1988 to July 1995, he was a technician of Huangdao Oil Tanks of Shengli Oil Transmission Company of Pipeline Bureau; from July 1995 to June 1998, he was Deputy Station Head and Station Head of Shouguang Station of Shengli Oil Transmission Company of Pipeline Bureau; from June 1998 to June 2001, he was Station Head of Shouguang Station of Shengli Oil Transmission Company and Station Head of Shouguang Station of Weifang Pipeline Division of Pipeline Storage & Transportation Company; from June 2001 to August 2001, he was Deputy Head of Weifang Pipeline Division and Head of Huangdao Oil Tanks of Pipeline Storage & Transportation Company; from August 2001 to December 2004, he was Deputy Head of Huangdao Oil Tanks of Pipeline Storage & Transportation Branch Company; from December 2004 to May 2012, he was Head of Huangdao Oil Tanks of Pipeline Storage & Transportation Branch Company and Deputy Secretary to the Communist Party Committee (from April 2008 to May 2012, he was also Head of Qingdao Management Office of Pipeline Storage & Transportation Company); from May 2012 to September 2014, he was Deputy General Manager of Pipeline Storage & Transportation Branch Company and the Standing Committee Member of Communist Party Committee; from September 2014 to July 2017, he was Deputy General Manager and the Standing Committee Member of the Communist Party Committee of Sinopec Pipeline Storage & Transportation Company; since July 2017, he has been General Manager and Deputy Secretary to the Communist Party Committee of Sinopec Pipeline Storage and Transportation Company; since October 2017, he has been General Manager of Sinopec Pipeline Storage and Transportation Asset Management Company. Mr. Wang has been an Executive Director of the Company since December 2015.

Mr. Wang entered into a service contract with the Company for an initial term of one (1) year commencing from 14 December 2015 (which is renewable automatically upon expiry for successive terms of one (1) year) unless terminated by not less than three (3) months’ notice in writing served by either party. Mr. Wang’s remuneration as stated in his director service contract shall be HK\$1.00 symbolically. Such amount of emoluments is consistent with the emoluments of all the executive Directors of the Company.

Save as disclosed above, as at the Latest Practicable Date, (i) Mr. Wang did not hold other positions with the Company and other members of the Group; (ii) Mr. Wang did not hold any directorships in any other listed public companies in the last three years preceding the Latest Practicable Date; (iii) Mr. Wang did not have any relationship with the Directors, senior management or substantial shareholders or controlling shareholder of the Company; (iv) Mr. Wang did not have any interests in the Shares within the meaning of Part XV of the SFO; and (v) there is no information relating to Mr. Wang that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules and there are no other matters that need to be brought to the attention of the Shareholders.

LETTER FROM THE BOARD

(iii) Mr. Fong Chung, Mark (“Mr. Fong”), independent non-executive Director

Mr. Fong Chung, Mark, aged 67, is an Independent Non-Executive Director of the Company. Mr. Fong was the President of the Hong Kong Institute of Certified Public Accountants, and has over 40 years of experience in the accounting profession. He was a Council Member of the Institute of Chartered Accountants in England and Wales from June 2016 to June 2018 and has been the Chairman of Audit Committee of the Hong Kong Institute of Certified Public Accountants since February 2016. Mr. Fong was an Independent Non-Executive Director of New China Life Insurance Co., Ltd., a company listed on the Stock Exchange, from September 2011 to 2 September 2017. Mr. Fong is currently an Independent Non-Executive Director of Macau Legend Development Limited and China Oilfield Services Limited, all of which are listed companies on the Stock Exchange. He is also a Non-Executive Director of Worldsec Limited, a company listed on the London Stock Exchange. Mr. Fong has been an Independent Non-Executive Director of the Company since September 2004.

Mr. Fong was appointed as an independent non-executive Director for a term of three (3) years. Mr. Fong is entitled to receive a director’s fee of HK\$360,000 for each financial year. Such amount of emoluments has been reviewed by the remuneration committee of the Company and was determined with reference to Mr. Fong’s qualifications and experience, his duties and responsibilities in the Company as well as the Company’s remuneration policy.

Save as disclosed above, as at the Latest Practicable Date, (i) Mr. Fong did not hold other positions with the Company and other members of the Group; (ii) Mr. Fong did not hold any directorships in any other listed public companies in the last three years preceding the Latest Practicable Date; (iii) Mr. Fong did not have any relationship with the Directors, senior management or substantial shareholders or controlling shareholder of the Company; (iv) Mr. Fong did not have any interests in the Shares within the meaning of Part XV of the SFO; and (v) there is no information relating to Mr. Fong that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules and there are no other matters that need to be brought to the attention of the Shareholders.

Pursuant to Code Provision A.4.3 of the Corporate Governance Code as set out in Appendix 14 of the Listing Rules, any further appointment of an independent non-executive director who has served for more than nine years should be subject to a separate resolution to be approved by shareholders. Notwithstanding that Mr. Fong has served as an independent non-executive Director for more than nine years, the Board and the Nomination Committee have assessed and reviewed the annual confirmation of Mr. Fong’s independence based on the criteria set out in Rule 3.13 of the Listing Rules, in particular given that Mr. Fong is neither interested in the securities in or business of the Company nor connected with any Directors, chief executive or substantial shareholder of the Company. As such, the Board considers that Mr. Fong remains independent of management and free of any relationship which could materially interfere with the exercise of his independent judgment. Further, taking into account of the nomination policy and the board diversity policy of the Company, the Nomination Committee considered and is of the view that Mr. Fong’s cultural

LETTER FROM THE BOARD

background, educational background, and work experience can continue to bring further contributions to the Board's diversity for the reason that the Group is principally engaged in the niche industry of, among others, provision of natural gas pipeline transmission services and operation of crude oil and oil product terminals, and Mr. Fong is familiar with the operation and business of both the Group and this specialised industry. In view of the aforesaid factors and the experience and knowledge of Mr. Fong, the Board would recommend Mr. Fong for re-election at the AGM.

4. AGM

The AGM Notice convening the AGM to be held at Salon Rooms II-III, 5/F., Harbour Grand Hong Kong, 23 Oil Street, North Point, Hong Kong on 12 June 2019 (Wednesday) at 10:00 a.m. (or any adjournment thereof) is set out on pages 14 to 18 of this Circular at which resolutions will be proposed to approve (i) the granting of the General Mandates to the Board; (ii) the extension of the Issue Mandate to the Board by the addition of the number of Shares repurchased pursuant to the Repurchase Mandate; and (iii) the re-election of Directors.

A form of proxy for the AGM is enclosed with this Circular. Shareholders 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 Secretaries Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, as soon as possible, and in any event not later than forty-eight (48) hours before the time appointed for holding of the AGM (or any adjournment thereof). Completion and return of the form of proxy will not preclude a Shareholder from attending and voting in person at the AGM (or any adjourned meeting thereof) should he so desire and in such event, such form of proxy shall be deemed to be revoked.

5. VOTING AT THE AGM

All the resolutions set out in the AGM Notice will be decided by poll pursuant to the Listing Rules. The chairman of the AGM will explain the detailed procedures for conducting a poll at the commencement of the meeting. On a poll, every Shareholder present in person (or, in the case of a Shareholder being a corporation, by its duly authorised representative) or by proxy shall have one vote for every fully paid Share held. A Shareholder present in person (or, in the case of a Shareholder being a corporation, by its duly authorised representative) or by proxy who is entitled to more than one vote needs not use all his votes or cast all his votes in the same way. After conclusion of the AGM, the poll results will be published on the websites of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and the Company at www.sinopec.com.hk.

LETTER FROM THE BOARD

6. RESPONSIBILITY STATEMENT

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

7. RECOMMENDATION

The Directors consider that (i) the granting of the General Mandates to the Board, (ii) the extension of the Issue Mandate to the Board by the addition of the number of Shares repurchased pursuant to the Repurchase Mandate, and (iii) the re-election of Directors are all in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend all Shareholders to vote in favour of all the relevant resolutions as set out in the AGM Notice to be proposed at the AGM.

8. ADDITIONAL INFORMATION

Your attention is drawn to the explanatory statement as set out in the Appendix to this Circular.

Yours faithfully,
For and on behalf of the Board of
Sinopec Kantons Holdings Limited
Chen Bo
Chairman

The Listing Rules permit companies whose primary listings are on the Stock Exchange to repurchase their own securities on the Stock Exchange subject to certain restrictions.

The following is the explanatory statement required to be sent to the Shareholders under the Listing Rules to enable them to make an informed decision on whether to vote for or against the ordinary resolution in relation to the granting of the Repurchase Mandate to be proposed at the AGM.

1. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 2,486,160,000 Shares.

Subject to the passing of the relevant ordinary resolution to approve the granting of the Repurchase Mandate and on the basis that there is no change in the issued share capital of the Company between the Latest Practicable Date and the date of the AGM, the Company would be allowed to purchase a maximum of 248,616,000 Shares under the Repurchase Mandate.

2. REASONS FOR REPURCHASES

The Directors believe that the granting of the Repurchase Mandate is in the best interests of the Company and the Shareholders as a whole as it will give the Company additional flexibility. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the value of the Company's Shares and/or its earnings per Share and will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders as a whole.

3. FUNDING OF REPURCHASES

In repurchasing the Shares, the Company may only apply funds legally available for such purpose in accordance with the Listing Rules, the Bye-Laws and the laws of Bermuda.

The Company is empowered by the Bye-Laws to repurchase its Shares.

There might be material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited financial statements contained in the annual report of the Company for the financial year ended 31 December 2018) in the event that the Repurchase Mandate was to be exercised in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse impact on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

4. DIRECTORS' UNDERTAKING

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make repurchases pursuant to the Repurchase Mandate in accordance with the Listing Rules, the Bye-Laws and the applicable laws of Bermuda.

5. CONNECTED PARTIES

No core connected person of the Company has notified the Company of a present intention to sell Shares to the Company and no such person has undertaken not to sell any Shares to the Company in the event that the Repurchase Mandate is approved by the Shareholders.

6. SHARE PRICES

The highest and lowest prices per Share at which the Shares were traded on the Stock Exchange in each of the previous twelve months were as follows:

	Price per Share	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2018		
March	4.93	3.70
April	3.87	3.46
May	4.49	3.62
June	4.22	3.54
July	3.68	3.31
August	3.62	3.06
September	3.74	3.28
October	3.53	3.00
November	3.38	3.12
December	3.56	3.23
2019		
January	3.60	3.24
February	3.89	3.56
March, up to the Latest Practicable Date	4.00	3.48

7. SHARE REPURCHASES MADE BY THE COMPANY

No purchase of Shares had been made by the Company in the six (6) months prior to the Latest Practicable Date.

8. GENERAL

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their respective close associates has any present intention, in the event that the Repurchase Mandate is approved by the Shareholders, to sell any Shares to the Company.

9. EFFECT OF THE TAKEOVERS CODE

If, as a result of a repurchase of Shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code. Accordingly, a Shareholder, or a group of Shareholders acting in concert, depending on the level of increase of the Shareholder's interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code for all Shares not already owned by such Shareholder or group of Shareholders.

As at the Latest Practicable Date and to the best knowledge and belief of the Directors, Sinopec Kantons International Limited, which is ultimately held by Sinopec Corp., had an interest in 1,500,000,000 Shares, representing approximately 60.33% of the issued share capital of the Company. In the event that the Directors exercise in full the power to purchase or acquire Shares under the Repurchase Mandate and assuming that there is no other change in the issued share capital of the Company, the shareholding of Sinopec Kantons International Limited in the Company will be increased to approximately 67.04% of the issued share capital of the Company.

Save as aforesaid, the Directors are not aware of any consequence which may arise under the Takeovers Code as a result of any purchases or acquisitions of Shares made under the Repurchase Mandate.

The Directors do not have a present intention to exercise the power to purchase or acquire the Shares to the extent which will trigger off the mandatory offer requirement pursuant to the rules of the Takeovers Code.

The Listing Rules prohibit a company from making repurchase on the Stock Exchange if the result of the repurchase would be that less than 25% (or such other prescribed minimum percentage as determined by the Stock Exchange) of the issued share capital of that listed issuer would be in public hands. The Directors do not propose to repurchase Shares which would result in less than the prescribed minimum percentage of Shares in public hands.

NOTICE OF ANNUAL GENERAL MEETING



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 the annual general meeting 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 on 12 June 2019 (Wednesday) at 10:00 a.m. and at any adjournment thereof for the purposes of considering and, if thought fit, passing the following businesses:

ORDINARY BUSINESS

1. to receive, consider and adopt the audited consolidated financial statements and the reports of the directors (the “**Director(s)**”) and auditors of the Company for the year ended 31 December 2018;
2. to approve and declare a final dividend for the year ended 31 December 2018;
3. (A) to re-elect Mr. Li Jianxin as an executive Director;
(B) to re-elect Mr. Wang Guotao as an executive Director;
(C) to re-elect Mr. Fong Chung, Mark as an independent non-executive Director;
4. to authorise the board of Directors (the “**Board**”) to fix the Directors’ remuneration;
5. to re-appoint Messrs PricewaterhouseCoopers as auditors of the Company and authorise the Board to fix their remuneration.

SPECIAL BUSINESS

6. “**THAT:**
 - (A) subject to paragraph (C) below, pursuant to the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), the exercise by the Directors during the Relevant Period (as defined hereinafter) of all the powers of the Company to allot, issue and deal with unissued shares in the capital of the Company and

* For identification purpose only

NOTICE OF ANNUAL GENERAL MEETING

to make or grant offers, agreements and options which might require the exercise of such powers be and is hereby generally and unconditionally approved;

- (B) the approval in paragraph (A) above shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;
- (C) the total number of the shares allotted or agreed conditionally or unconditionally to be allotted or issued (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (A) above, otherwise than pursuant to:
 - (i) a Rights Issue (as defined hereinafter);
 - (ii) the exercise of any option(s) granted under the share option scheme(s) of the Company adopted from time to time in accordance with the Listing Rules; or
 - (iii) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares pursuant to the Bye-laws of the Company from time to time,

shall not exceed the aggregate of:

- (a) 20 per cent of the total number of issued shares of the Company, the date of the passing of this Resolution; and
- (b) (if the Directors are so authorised by a separate ordinary resolution of the shareholders of the Company) the total number of any shares of the Company purchased by the Company subsequent to the passing of this Resolution (up to a maximum equivalent to 10 per cent of the total number of the issued shares of the Company on the date of the passing of this Resolution),

and the authority pursuant to paragraph (A) of this Resolution shall be limited accordingly; and

- (D) for the purposes of this Resolution,

“**Relevant Period**” means the period from the date of the passing of this Resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;

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- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws of the Company, the Companies Act 1981 of Bermuda (as amended) or any other applicable law of Bermuda to be held; or
- (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this Resolution.

“**Rights Issue**” means an offer of shares in the Company, or an offer or issue of warrants, options or other securities giving rights to subscribe for shares open for a period fixed by the Directors to holders of shares in the Company on the register of members of the Company on a fixed record date in proportion to their then holdings of shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction outside Hong Kong or any recognised regulatory body or any stock exchange outside Hong Kong).”

7. “**THAT:**

- (A) subject to paragraph (B) below, the exercise by the Directors during the Relevant Period (as defined hereinafter) of all powers of the Company to purchase its shares on the Stock Exchange or any other stock exchange(s) on which the shares of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for such purpose, and otherwise in accordance with the rules and regulations of the Securities and Futures Commission of Hong Kong, the Stock Exchange, the Companies Act 1981 of Bermuda (as amended) and all other applicable laws in this regard, be and the same is hereby generally and unconditionally approved;
- (B) the total number of the shares which may be purchased or agreed to be purchased by the Company pursuant to the approval in paragraph (A) above during the Relevant Period shall not exceed 10 per cent of the total number of issued shares of the Company as at the date of the passing of this Resolution and the authority pursuant to paragraph (A) of this Resolution shall be limited accordingly;
- (C) for the purposes of this Resolution,

“**Relevant Period**” means the period from the date of the passing of this Resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;

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- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws of the Company, the Companies Act 1981 of Bermuda (as amended) or any other applicable law of Bermuda to be held; or
 - (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this Resolution.”
8. “**THAT** conditional on the passing of Resolutions numbers 6 and 7 above, the general mandate granted to the Directors pursuant to paragraph (A) of Resolution number 6 above be and is hereby extended by the addition of the number of the shares of the Company which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to or in accordance with such general mandate of an amount representing the aggregate nominal amount of the shares of the Company repurchased or agreed to be repurchased by the Company pursuant to or in accordance with the authority granted under paragraph (A) of Resolution number 7.”

By order of the Board of
Sinopec Kantons Holdings Limited
Chen Bo
Chairman

Hong Kong, 4 April 2019

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 need 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 Secretaries Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, 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. In relation to the proposed Resolutions numbers 6 and 8 above, approval is being sought from the Shareholders for the grant to the Directors of a general mandate to authorise the allotment and issue of shares under the Listing Rules. The Directors have no immediate plan to issue any new shares of the Company other than the shares which may fall to be issued under the share option scheme of the Company or any scrip dividend scheme which may be approved by Shareholders.
5. In relation to the proposed Resolution number 7 above, the Directors wish to state that they will exercise the powers conferred thereby to repurchase shares in circumstances which they deem appropriate for the benefit of the Company and the Shareholders as a whole. An explanatory statement containing the

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information necessary to enable the Shareholders to make an informed decision to vote on the proposed resolution as required by the Listing Rules is set out in the circular to be despatched to the Shareholders with the annual report for the year ended 31 December 2018.

6. For determining the entitlement to attend and vote at the meeting, the Register of Members of the Company will be closed from 6 June 2019 (Thursday) to 12 June 2019 (Wednesday) (both days inclusive), during which period no transfer of shares will be registered. In order to qualify to attend the meeting, all share transfer accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Secretaries Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:00 p.m. on 5 June 2019 (Wednesday).
7. For determining the entitlement to the proposed final dividend (subject to the approval by the Shareholders at the meeting), the Register of Members of the Company will be closed from 8 July 2019 (Monday) to 12 July 2019 (Friday) (both days inclusive), during which period no transfer of shares will be registered. In order to qualify for the proposed dividend, all share transfer accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Secretaries Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:00 p.m. on 5 July 2019 (Friday).

As at the date of this notice, the Board of Directors comprises the following:

Executive Directors:

Mr. Chen Bo (*Chairman*)
Mr. Xiang Xiwen (*Deputy Chairman*)
Mr. Dai Liqi
Mr. Li Jianxin
Mr. Wang Guotao
Mr. Ye Zhijun (*Managing Director*)

Independent Non-Executive Directors:

Ms. Tam Wai Chu, Maria
Mr. Fong Chung, Mark
Dr. Wong Yau Kar, David
Ms. Wong Pui Sze, Priscilla