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)

CONTINUING CONNECTED TRANSACTIONS (1) TERMINATION OF THE ORIGINAL INFORMATION TECHNOLOGY PROJECT FRAMEWORK MASTER AGREEMENT AND ENTERING INTO OF THE DIGITAL INTELLIGENT INFORMATION SYSTEM SERVICES FRAMEWORK AGREEMENT (2) ENTERING INTO OF THE EQUIPMENT MAINTENANCE AND OPERATION SERVICES FRAMEWORK AGREEMENT

Termination of the Original Information Technology Project Framework Master Agreement and Entering into of the Digital Intelligent Information System Services Framework Agreement

Reference is made to the Company's announcement dated 21 August 2025 in relation to the entering into of the Original Information Technology Project Framework Master Agreement. On 17 August 2026, the Board announced that, following arm's length negotiations, the Company and PCITC terminated the Original Information Technology Project Framework Master Agreement, with effect from the date on which the Digital Intelligent Information System Services Framework Agreement came into effect. For the avoidance of doubt, prior to the date on which the Digital Intelligent Information System Services Framework Agreement comes into effect, the Original Information Technology Project Framework Master Agreement shall remain valid and in full effect. The rights and obligations under the Original Information Technology Project Framework Master Agreement that have arisen but have not yet been fully performed (including but not limited to, amounts that have arisen but remain unpaid, retention money, and acceptance and warranty obligations) shall continue to be performed by the parties to the Original Information Technology Project Framework Master Agreement (i.e. the Company and PCITC), and shall not be affected by the coming into effect of the Digital Intelligent Information System Services Framework Agreement.

The Board announced that on 17 August 2026, the Company entered into the Digital Intelligent Information System Services Framework Agreement with PCITC and Shared Services Company.

* *For identification purposes only*

As at the date of this announcement, SKI holds approximately 60.33% of the issued share capital of the Company, while Sinopec Corp. indirectly holds the entire issued share capital of SKI. On the same day, PCITC is a non-wholly owned subsidiary of Sinopec Corp., a controlling shareholder of the Company. Shared Services Company is a wholly-owned subsidiary of Sinopec Group Company, whilst Sinopec Corp. is a subsidiary of Sinopec Group Company; Sinopec Corp. is the controlling shareholder of SKI and PCITC. Thus, PCITC and Shared Services Company are connected persons of the Company under Chapter 14A of the Listing Rules. Therefore, pursuant to Rule 14A.07 of the Listing Rules, the entering into of the Digital Intelligent Information System Services Framework Agreement constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the transactions contemplated under the Digital Intelligent Information System Services Framework Agreement exceed(s) 0.1% but all are less than 5%, the transactions contemplated thereunder are subject to the reporting, announcement and annual review requirements but are exempt from the independent Shareholders' approval and circular requirements under Chapter 14A of the Listing Rules.

Entering into of the Equipment Maintenance and Operation Services Framework Agreement

The Board announces that on 17 August 2026, Huade Petrochemical, a wholly-owned subsidiary of the Company, has entered into the Equipment Maintenance and Operation Services Framework Agreement with Sinopec Guangzhou Branch, pursuant to which Sinopec Guangzhou Branch agreed to provide daily equipment and instrument maintenance services to Huade Petrochemical.

As at the date of this announcement, Huade Petrochemical is an indirect wholly-owned subsidiary of the Company. The Company is non-wholly owned by SKI, which holds approximately 60.33% of the issued share capital of the Company. On the same day, Sinopec Guangzhou Branch is a branch company of Sinopec Corp., as Sinopec Group Company is the holding company of Sinopec Corp., which indirectly wholly owns SKI. Accordingly, Sinopec Guangzhou Branch is an associate of SKI and a connected person of the Company pursuant to Rule 14A.07 of the Listing Rules, and the transactions contemplated under the Equipment Maintenance and Operation Services Framework Agreement therefore constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Equipment Maintenance and Operation Services Framework Agreement exceed(s) 0.1% but all are less than 5%, the Equipment Maintenance and Operation Services Framework Agreement and the transactions contemplated thereunder are subject to the reporting, announcement and annual review requirements but are exempt from the independent Shareholders' approval and circular requirements under Chapter 14A of the Listing Rules.

(1) TERMINATION OF THE ORIGINAL INFORMATION TECHNOLOGY PROJECT FRAMEWORK MASTER AGREEMENT AND ENTERING INTO OF THE DIGITAL INTELLIGENT INFORMATION SYSTEM SERVICES FRAMEWORK AGREEMENT

Termination of the Original Information Technology Project Framework Master Agreement

Reference is made to the Company's announcement dated 21 August 2025 (the "**Announcement**") in relation to the entering into of Original Information Technology Project Framework Master Agreement. On 17 August 2026, the Board announced that, following arm's length negotiations, the Company and PCITC terminated the Original Information Technology Project Framework Master Agreement, with effect from the date on which the Digital Intelligent Information System Services Framework Agreement came into effect. For the avoidance of doubt, prior to the date on which the Digital Intelligent Information System Services Framework Agreement comes into effect, the Original Information Technology Project Framework Master Agreement shall remain valid and in full effect. The rights and obligations under the Original Information Technology Project Framework Master Agreement that have arisen but have not yet been fully performed (including but not limited to, amounts that have arisen but remain unpaid, retention money, and acceptance and warranty obligations) shall continue to be performed by the parties to the Original Information Technology Project Framework Master Agreement (i.e. the Company and PCITC), and shall not be affected by the coming into effect of the Digital Intelligent Information System Services Framework Agreement.

Entering into of the Digital Intelligent Information System Services Framework Agreement

The Board announced that on 17 August 2026, the Company entered into the Digital Intelligent Information System Services Framework Agreement with PCITC and Shared Services Company. Principal terms of the Digital Intelligent Information System Services Framework Agreement are set out below:

Date	17 August 2026
Parties	(i) the Company (as the entrusting party); (ii) PCITC (as the entrusted party); and (iii) Shared Services Company (as the entrusted party)
Scope of services	Pursuant to the Digital Intelligent Information System Services Framework Agreement, PCITC has agreed that PCITC Group will provide the Group with the Digital Intelligent Information System services (the "**Digital Intelligent Information System Services**"), including (i) generic applications and system operation and maintenance services, including day-to-day operation and maintenance, software and software licensing services; (ii) specialised implementation services, including the development and implementation of centralised development of corporate websites and application systems services; (iii) IT infrastructure, including cloud platforms and traditional resource pools, as well as software, hardware and technical support services for information technology; and (iv) other services, including information security, industrial Internet, software localization, and the collection of license fees for externally applicable software, etc.

	Pursuant to the Digital Intelligent Information System Services Framework Agreement, Shared Services Group shall provide the Group with shared services (the "**Shared Services**"), including finance, human resources, business travel and information technology shared services, as well as other related or similar services; information systems such as application software; and the necessary support and services associated therewith.
Term of service	From the date of signing of this Agreement to 31 December 2028
Pricing policy and pricing basis	The parties shall, following arm's length negotiations on normal commercial terms and with reference to prevailing market prices, agree on pricing and payment arrangements for each specific project.

(i) Digital Intelligent Information System services (primarily provided by PCITC Group): With regard to the procurement of information technology equipment, the Group either (a) adopts tender and bidding procedures, with pricing based on the price finally determined in the tender and bidding procedures; or (b) conducts market price enquiries, obtaining quotations of the same or similar products, techniques or services provided by independent third parties during the ordinary course of business on normal commercial terms. With regard to the construction of information technology platform systems, system maintenance and information security maintenance, leveraging the expertise of PCITC, in particular its many years' experience in providing information technology services to the Sinopec Group, to help accelerate the Group's information technology project development and improve operational efficiency, the Group and PCITC intend to agree on prices based on cost plus a reasonable profit margin.

In determining whether the consideration factors are in line with the prevailing market prices, the Group will refer to the bid prices quoted by at least two independent third parties providing services for projects of comparable scale where such services were provided under normal trading conditions. If, due to the proprietary nature of the project technology and security requirements, it is not possible to obtain quotations from independent third parties, the Group will, upon receipt of quotations, consider multiple factors such as the quoted prices, quality of the products and services, special requirements of the project, technical advantages of the service providers, ability to meet the delivery schedules and to continuously provide the services as well as qualifications and relevant experiences of the service providers. The prices and terms of the quotes will then be compared and negotiated on an arm's length basis to determine the service provider.

(ii) The Shared Services (primarily provided by Shared Services Group): The prices agreed (determined on the basis of reasonable costs plus a reasonable profit margin) shall apply. Reasonable costs shall be determined on the basis of FTEs (full-time employment equivalents); at this stage, prices for the Shared Services shall be determined on the basis of costs and taxes, with the profit margin capped at 6%.

Historical Transaction Amounts

The following table sets out the transaction amounts paid by the Group to PCITC Group and Shared Services Group for each of the two years ended 31 December 2024 and 31 December 2025, and for the seven months ended 31 July 2026:

	For the year ended 31 December 2024	**For the year ended 31 December 2025**	**For the seven months ended 31 July 2026**
		(approximately)	
Provision of services by PCITC Group to the Group (under the Original Information Technology Project Framework Master Agreement)	N/A	RMB7.05 million	RMB2.24 million
Provision of services by Shared Services Group to the Group	RMB2.86 million	RMB1.73 million	RMB0.78 million

Annual Caps

In determining the proposed annual caps as of 31 December 2026 and for the two years ending 31 December 2027 and 31 December 2028, respectively, under the Digital Intelligent Information System Services Framework Agreement, the Board has taken into account, among others, the historical transaction amounts and performance under the Original Information Technology Project Framework Master Agreement.

For the three years ending 31 December 2026, 31 December 2027 and 31 December 2028, the annual cap for transactions proposed to be carried out under the Digital Intelligent Information System Services Framework Agreement is RMB15 million.

To facilitate the Group's centralised management and monitoring of the relevant transactions for 2026 and to reflect the Group's relevant service requirements for the full financial year, in respect of the annual cap for the year ending 31 December 2026, such annual cap has taken into account the transaction amount of approximately RMB2.24 million incurred under the Original Information Technology Project Framework Master Agreement for the seven months ended 31 July 2026, transactions amounting to approximately RMB0.78 million between Shared Services Group and the Group, and the estimated amounts of transactions to be conducted under the Digital Intelligent Information System Services Framework Agreement during the remainder of 2026.

In determining the aforementioned annual caps, the Directors have taken into account, amongst other things, the following factors:

(i) the historical transaction amounts between PCITC Group and the Group under the Original Information Technology Project Framework Master Agreement and between Shared Services Group and the Group, including the aggregate transaction amounts for the year ended 31 December 2025 and for the seven months ended 31 July 2026;

(ii) following the consolidation of Caofeidian Shihua into the Group's financial statements, its information technology systems, cyber security, shared services and IT infrastructure development requirements will be incorporated into the Group's centralised management, which is expected to increase the Group's procurement requirements for Digital Intelligent Information System Services and Shared Services, with the estimated annual transaction amount being approximately RMB3 million;

(iii) the Group's projected requirements over the next three years in relation to the ongoing advancement of IT infrastructure development, digital transformation, system operation and maintenance, application system development and upgrades, cloud platforms, cybersecurity and shared services. Based on the Group's current business plans and budgets, the relevant requirements are expected to remain at approximately RMB4 million per annum during the period from 2026 to 2028; and

(iv) taking into account the potential additional demand for information technology services following the consolidation of Caofeidian Shihua into the Group, the Group's future business development and the progress of its digitalisation initiatives, the expansion of the scope of services, as well as possible fluctuations in the prices of information technology services and procurement requirements, the Board has incorporated a reasonable buffer of approximately 15% on top of the estimated transaction amounts referred to above when determining the annual cap to avoid a situation where the annual cap proves insufficient due to unexpected additional service requirements. The Board also expects that the overall demand for the above services will remain relatively stable during the period from 2026 to 2028 and has therefore adopted the same annual cap for each year.

Reasons for and Benefits of the Digital Intelligent Information System Services Framework Agreement

The Original Information Technology Project Framework Master Agreement was entered into primarily in relation to specific information technology projects undertaken by the Group, including the development of its integrated comprehensive management platform and cybersecurity projects as well as the intelligent storage tank project. As these projects have been progressively implemented, the Group's information technology requirements have expanded beyond the development of specific projects to include the day-to-day operation and maintenance of information systems, software and software licensing, the development and implementation of centrally built application systems, cloud platforms and other IT infrastructure, information security, and other ongoing information technology services. At the same time, in order to enhance the Group's operational efficiency and integrated management capabilities, the Group anticipates that it will continue to have requirements for the Shared Services such as finance, human resources, business travel and information technology.

Furthermore, as disclosed in the Company's announcement dated 12 February 2026, Caofeidian Shihua has been consolidated into the Group's financial statements. Caofeidian Shihua is an indirect, non-wholly-owned subsidiary of the Company, and its requirements in areas such as IT infrastructure development, information system operation and maintenance, cybersecurity and shared services will be incorporated into the Group's centralised management. Consequently, the Group anticipates that demand for Digital Intelligent Information System Services and Shared Services will increase further.

Given that the scope of services under the Digital Intelligent Information System Services Framework Agreement is broader than that of the Original Information Technology Project Framework Master Agreement, and that the relevant services are expected to be provided on an ongoing basis in the ordinary and usual course of business of the Group, the Board is of the view that continuing to rely on the Original Information Technology Project Framework Master Agreement, which was primarily entered into for specific information technology projects, is no longer sufficient to comprehensively cover the Group's current and future requirements for the Digital Intelligent Information System Services and Shared Services.

Consequently, in order to maintain the effective operation of the Group's overall information systems, enhance integrated office capabilities and cybersecurity standards, and to ensure the unified and standardised management of the Group's arrangements for procuring Digital Intelligent Information System Services from PCITC and Shared Services Company, the Company, PCITC and Shared Services Company have, following arm's length negotiations, entered into a new framework agreement; and the Company and PCITC have also agreed to terminate the Original Information Technology Project Framework Master Agreement with effect from the date on which the Digital Intelligent Information System Services Framework Agreement comes into effect.

The Directors are of the view that the termination of the Original Information Technology Project Framework Master Agreement and the entering into of the Digital Intelligent Information System Services Framework Agreement will enable the Group to procure relevant services flexibly in accordance with its actual business and operational needs, reduce the administrative costs arising from entering into separate framework arrangements for different service categories, and ensure that the relevant transactions are conducted in accordance with uniform pricing principles, annual caps and internal control measures, thereby enhancing the efficiency and compliance standards of connected transaction management, whilst allowing for greater flexibility in meeting future business development and IT infrastructure requirements of the Group (including Caofeidian Shihua), which is in the interests of the Company and its Shareholders as a whole.

Listing Rules Implications

As at the date of this announcement, SKI holds approximately 60.33% of the issued share capital of the Company, while Sinopec Corp. indirectly holds the entire issued share capital of SKI. On the same day, PCITC is a non-wholly owned subsidiary of Sinopec Corp., a controlling shareholder of the Company. Shared Services Company is a wholly-owned subsidiary of Sinopec Group Company, whilst Sinopec Corp. is a subsidiary of Sinopec Group Company; Sinopec Corp. is the controlling shareholder of SKI and PCITC. Thus, PCITC and Shared Services Company are connected persons of the Company under Chapter 14A of the Listing Rules. Therefore, pursuant to Rule 14A.07 of the Listing Rules, the entering into of the Digital Intelligent Information System Services Framework Agreement constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the transactions contemplated under the Digital Intelligent Information System Services Framework Agreement exceed(s) 0.1% but all are less than 5%, the transactions contemplated thereunder are subject to the reporting, announcement and annual review requirements but are exempt from the independent Shareholders' approval and circular requirements under Chapter 14A of the Listing Rules.

Mr. Zhong Fuliang, Mr. Yang Yanfei, Mr. Ren Jiajun, Mr. Zou Wenzhi and Mr. Mo Zhenglin, the executive Directors, are considered to have a material interest in the transactions contemplated under the Digital Intelligent Information System Services Framework Agreement due to their other executive posts within the Sinopec Group, they have abstained from voting on the board resolutions to approve such agreements.

The Directors' Views

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

(2) ENTERING INTO OF THE EQUIPMENT MAINTENANCE AND OPERATION SERVICES FRAMEWORK AGREEMENT

The Board announces that on 17 August 2026, Huade Petrochemical, a wholly-owned subsidiary of the Company, entered into the Equipment Maintenance and Operation Services Framework Agreement with Sinopec Guangzhou Branch, pursuant to which Sinopec Guangzhou Branch agreed to provide daily equipment and instrument maintenance services to Huade Petrochemical.

Principal Terms of the Equipment Maintenance and Operation Services Framework Agreement

Date	17 August 2026
Parties	(i) Huade Petrochemical (as the Purchaser); and (ii) Sinopec Guangzhou Branch (as the Service Provider).
Scope of services	Sinopec Guangzhou Branch agrees to assign a team to provide the following services: i. Regular check of the operational status of instrument and equipment, and cleaning of the areas surrounding the instrument(s), equipment and systems in accordance with the prescribed patrol inspection and spot-check route. ii. Weekly regular patrol inspections of all types of modules in the instrument system and keeping records thereof, and reporting any abnormalities to the supervising staff of Huade Petrochemical for handling. iii. Regular on-line inspection and calibration of instrument(s) and equipment according to established procedures, with regular check of zero point, span and accuracy. iv. In accordance with the contracted scope of maintenance and operational support, assigning an appropriate number of personnel who are capable of independently completing operation tasks to be responsible for shift duty at Huade Petrochemical's workstations, instrument repair and maintenance, submission of specialised repair project applications for instrument and equipment, tracking of repair quality, and collation of repair information. The specific number of personnel shall be determined by both parties in the respective specific service contract.

v. Removal of components from scrapped equipment and instrument(s).

vi. Being responsible for the control of electric valves, and maintenance and repair of the control and feedback signal systems of electric valves.

vii. Being responsible for the maintenance, repair and emergency breakdown repair of the crude oil terminal loading arm control system.

Term of service	From 17 August 2026 to 31 December 2028
Pricing policy and pricing basis	Service prices shall be determined through negotiation between both parties, according to the Quota Standard for Maintenance and Repair Expenses of Production Facilities in the Petrochemical Industry (Volume IV) promulgated by China Petrochemical Corporation in 2004, the quantity of equipment specified in the account list for automated control and instrument for production facilities in the operational area, and a comprehensive consideration of human resource costs, material costs and machinery costs in the operational area. The price is subject to a profit margin not exceeding 6% and the pricing shall be no less favourable to Huade Petrochemical than the price levels offered by independent third parties (if any) in the regions where the operations are carried out. Sinopec Guangzhou Branch will, based on the actual service needs, assign an appropriate number of employees (including management personnel) to be stationed permanently in the operational area to perform equipment maintenance services. The specific number of personnel shall be determined by both parties in the respective specific service contract.

Historical Transaction Amounts

The following table sets out the transaction amounts paid by Huade Petrochemical to Sinopec Guangzhou Branch for each of the two years ended 31 December 2024 and 31 December 2025, and for the seven months ended 31 July 2026:

	For the year ended 31 December 2024	31 December 2025 (approximately)	Payable for the seven months ended 31 July 2026
Transaction amount paid by Huade Petrochemical	RMB896,000	RMB2,900,000	RMB1,450,000

Annual Caps

The following table sets out the annual caps of the estimated transaction amounts paid by Huade Petrochemical under the Equipment Maintenance and Operation Services Framework Agreement for the three years ending 31 December 2026, 31 December 2027 and 31 December 2028, respectively:

	For the year ending 31 December 2026	31 December 2027	31 December 2028
Annual caps	RMB3,000,000[Note]	RMB3,100,000	RMB3,200,000

Note: To facilitate Huade Petrochemical's centralised management and monitoring of the relevant transactions for 2026, the annual cap for the year ending 31 December 2026 has taken into account the transaction amount of approximately RMB1.45 million payable by Huade Petrochemical to Sinopec Guangzhou Branch for the seven months ended 31 July 2026, as well as the estimated transaction amount to be incurred under the Equipment Maintenance and Operation Services Framework Agreement during the remainder of 2026.

In arriving at the above annual caps, the following factors have been taken into account: (i) the historical transaction amount for 2025 and the expected increases in the number of instruments and equipment and in labour and material costs during 2026 to 2028; and (ii) on a prudent basis to accommodate possible fluctuations in equipment maintenance requirements and related costs, a reasonable buffer of approximately 3% incorporated into the annual caps.

Reasons for and Benefits of the Transactions

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. As a result, Huade Petrochemical has been regularly providing crude oil jetty unloading, transshipment and pipeline transmission services to Sinopec Guangzhou Branch, with Sinopec Guangzhou Branch being a major customer of Huade Petrochemical for crude oil jetty unloading, transshipment and pipeline transmission.

Accordingly, Sinopec Guangzhou Branch is very familiar with the operational sites, production equipment, production processes, and other standard requirements of Huade Petrochemical. Coupled with the fact that Sinopec Guangzhou Branch possesses experienced and professional instrument maintenance and operation staff, and considering the specific nature of crude oil pipelines, Huade Petrochemical's engagement of Sinopec Guangzhou Branch to conduct on-site instrument inspections, which is conducive to ensuring the safety of Huade Petrochemical's daily operation, and the transactions are in the best interests of the Company and its Shareholders as a whole.

Listing Rules Implications

As at the date of this announcement, Huade Petrochemical is an indirect wholly-owned subsidiary of the Company. The Company is non-wholly owned by SKI, which holds approximately 60.33% of the issued share capital of the Company. On the same day, Sinopec Guangzhou Branch is a branch company of Sinopec Corp., as Sinopec Group Company is the holding company of Sinopec Corp., which indirectly wholly owns SKI. Accordingly, Sinopec Guangzhou Branch is an associate of SKI and a connected person of the Company pursuant to Rule 14A.07 of the Listing Rules, and the transactions contemplated under the Equipment Maintenance and Operation Services Framework Agreement therefore constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Equipment Maintenance and Operation Services Framework Agreement exceed(s) 0.1% but all are less than 5%, the Equipment Maintenance and Operation Services Framework Agreement and the transactions contemplated thereunder are subject to the reporting, announcement and annual review requirements but are exempt from the independent Shareholders' approval and circular requirements under Chapter 14A of the Listing Rules.

Mr. Zhong Fuliang, Mr. Yang Yanfei, Mr. Ren Jiajun, Mr. Zou Wenzhi and Mr. Mo Zhenglin, the executive Directors, are considered to have a material interest in the transactions contemplated under the Equipment Maintenance and Operation Services Framework Agreement due to their other executive posts within the Sinopec Group, they have abstained from voting on the board resolutions to approve such agreements.

The Directors' Views

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

INTERNAL CONTROL MEASURES

In order to ensure that the continuing connected transactions contemplated under the Digital Intelligent Information System Services Framework Agreement and the Equipment Maintenance and Operation Services Framework Agreement are conducted on normal commercial terms, in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole, the Company has adopted the following internal control measures:

(i) **Established connected transaction management system:** The Company has formulated and implemented internal policies and procedures governing connected transactions, including the Listing Affairs Management System of Sinopec Kantons Holdings Limited and the Management Measures of Connected Transactions of Sinopec Kantons Holdings Limited, and are subject to periodic review and update. Pursuant to which the Company conducts regular assessment of connected transactions and the effectiveness of the related internal control systems, so as to ensure that connected transactions are conducted on a regulated basis under fair and reasonable pricing principles and transaction methods.

(ii) **Ongoing monitoring of connected transactions:** Within the approved cap of the connected transaction, the Group, taking into account the business scale, transaction frequency and the quota of transactions in previous years of each subsidiary company, scientifically decomposed and allocated the total quota to each subsidiary company to ensure that the amount of transactions of the Group does not exceed the total approved cap. The risk control department and finance department of the Company conduct regular review, including monthly review, of the types and transaction amounts of connected transactions to ensure consistency between the actual transactions and the relevant agreements. A transaction cap alert mechanism, which is generally set at approximately 80% of the applicable annual cap, is implemented to mitigate the risk of exceeding the approved annual caps.

(iii) **Management and Audit Committee oversight:** Relevant personnel of the Company report regularly to the audit committee of the Board on the implementation of connected transactions. Connected transactions are included within the scope of the Company's annual internal control assessment conducted by the risk control department and are covered in the risk management and internal control reports submitted to the audit committee, which 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 whether such transactions have been conducted (a) in the ordinary and daily course of business of the Group; (b) on normal or better commercial terms; and (c) in accordance with the terms of the relevant agreements which are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

(v) **Annual review by the auditors:** The auditor of the Company will conduct an annual review of the continuing connected transactions in accordance with the requirements of the Listing Rules and will provide a letter to the Board confirming that nothing has come to their attention that causes them 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 set out in the relevant agreements; (c) were not carried out, in all material respects, in accordance with the terms of the relevant agreements; and (d) have exceeded the applicable annual caps.

GENERAL INFORMATION

Sinopec Group Company is a limited liability company established under the laws of the PRC, and is a state-authorised investment organisation and a state-owned enterprise, and its ultimate beneficial owner is the State-owned Assets Supervision and Administration Commission of the State Council. Its principal businesses include exploration, production, storage and transportation (including pipeline transportation), sales and comprehensive utilisation of petroleum and natural gas; petroleum refining; wholesale and retail of petroleum products; production, sales, storage, transportation of petrochemical, natural gas chemical, coal chemical and other chemical products; industrial investment and investment management; production, sales, storage, transportation of energy products such as new energy and geothermal energy; exploration, design, consultation, construction and installation of petroleum and petrochemical engineering; repairing and maintenance of petroleum and petrochemical equipment; development, manufacture and sales of mechanical and electrical equipment; manufacture and sales of electricity, steam, water supplies and industrial gas; technology, electronic commerce and information, research and development, application and consultation services of alternative energy products; self-operating and acting as agent for import and export of relevant products and technology; project contracting, procurement tendering, labour export; international storage and logistics business etc.

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

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

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

Shared Services Company is a corporate entity incorporated in the PRC and is currently owned by China Petrochemical Corporation. Its principal activities include the provision of technical services, technical development, technical consultancy, technical exchange, technology transfer and technology promotion; information consultancy services; information system integration services; information technology consultancy services; internet security services; network technology services; information system operation and maintenance services; and software development. As at the date of this announcement, Shared Services Company is a wholly-owned subsidiary of Sinopec Group Company.

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 for petroleum tankers and other jetty services.

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 production. Its marketing distribution network covers the whole South China area with some of the products exported to Southeast Asian countries.

DEFINITIONS

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

"associate(s)"	has the meaning ascribed to it in the Listing Rules
"Board"	the board of Directors
"Caofeidian Shihua"	唐山曹妃甸實華原油碼頭有限公司 (Tangshan Caofeidian Shihua Crude Oil Terminal Co., Ltd.*)
"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

"connected person"	has the meaning ascribed to it in the Listing Rules
"controlling shareholder(s)"	has the meaning ascribed to it in the Listing Rules
"Digital Intelligent Information System Services Framework Agreement"	the agreement entered into between the Company, PCITC and Shared Services Company on 17 August 2026 in relation to digital intelligent information system services, shared services, etc.
"Director"	the director(s) of the Company
"Equipment Maintenance and Operation Services Framework Agreement"	the Equipment Maintenance and Operation Services Framework Agreement entered into between Huade Petrochemical and Sinopec Guangzhou Branch on 17 August 2026, in relation to instrument maintenance and related services
"Group"	the Company and its subsidiaries
"Hong Kong"	Hong Kong Special Administrative Region of the PRC
"Huade Petrochemical"	惠州市大亞灣華德石化有限公司 (Huade Petrochemical Company Limited** in Huizhou Daya Bay), a company incorporated under the laws of the PRC with limited liability, and a wholly-owned subsidiary of the Company
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
"Original Information Technology Project Framework Master Agreement"	the agreement entered into between the Company and PCITC on 21 August 2025 in relation to the integrated comprehensive management platform development and cybersecurity project and the intelligent storage tank project
"PCITC"	Petro-CyberWorks Information Technology Co., Ltd. (石化盈科信息技術有限責任公司), a company incorporated under the laws of the PRC with limited liability, and a non-wholly owned subsidiary of Sinopec Corp.
"PCITC Group"	PCITC and its subsidiaries
"PRC"	the People's Republic of China, but for the purposes of this announcement and for geographical reference only (unless otherwise specified), this excludes Taiwan, Macao and Hong Kong
"RMB"	Renminbi, the lawful currency of the PRC

"Share(s)"	the ordinary share(s) of the Company with a nominal value of HK$0.10 each
"Shareholder(s)"	the holder(s) of the Share(s)
"Shared Services Company"	Sinopec Shared Services Co., Ltd.(中國石化集團共享服務有限公司), a company incorporated under the laws of the PRC with limited liability, and a wholly owned subsidiary of Sinopec Group Company
"Shared Services Group"	Shared Services Company and its subsidiaries
"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 Shanghai Stock Exchange, the indirect controlling shareholder holding approximately 60.33% of the issued share capital of the Company
"Sinopec Group"	Sinopec Group Company, its subsidiaries and its associated companies and affiliates, including the Group
"Sinopec Group Company"	China Petrochemical Corporation (中國石油化工集團有限公司, formerly known as 中國石油化工總公司), an enterprise established under the laws of the PRC, being the controlling shareholder of Sinopec Corp. and the ultimate controlling shareholder
"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
"SKI"	Sinopec Kantons International Limited, a company incorporated with limited liability in the British Virgin Islands, being the controlling shareholder of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary(ies)"	has the meaning ascribed to it in the Listing Rules

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

Hong Kong, 17 August 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