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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)

ANNOUNCEMENT
EXPECTED INVESTMENT LOSS IN RESPECT OF THE INTEREST OF
THE GROUP IN A JOINT VENTURE

This announcement is made by Sinopec Kantons Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcement of the Company dated 21 January 2022 and the annual report for the year ended 31 December 2021 in relation to the provision for impairment of the Group’s interest in Vesta Terminals B.V. (“**Vesta**”), a joint venture of the Company. The board of directors (the “**Board**”) of the Company hereby provides an update on the Group’s interest in Vesta by way of this announcement.

The Board wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that based on the preliminary assessment of the latest available unaudited consolidated management accounts of the Group for the six months ended 30 June 2022 and the information currently available to the Board, the Group expects to record a decline in profit attributable to the Shareholders of ranging from approximately 45%–50% to approximately HK\$337 million–HK\$371 million for the six months ended 30 June 2022 as compared to HK\$675 million for the same period of the previous year. The expected decline in profit attributable to the Shareholders was mainly due to the expected share of loss of approximately HK\$281 million from Vesta for the six months ended 30 June 2022, as certain non-current assets attributable to Vesta in Europe were assessed to be not recoverable due to the significant changes in geopolitical situations caused by the outbreak of Russia-Ukraine conflict on 24 February 2022 which further negatively affected the business operations of Vesta during the period and its prospect.

The Board wishes to emphasise that the expected recognition of loss relating to the Group's interest in Vesta is a non-cash item. The Group continues to maintain a healthy net cash balance, and the Board does not expect the expected recognition of loss to have any material impact on the Group's current and future cash flow and daily operations.

The information contained in this announcement is only a preliminary assessment by the Board based on the information currently available, which has not been reviewed by the Company's auditors. Details of the Group's financial information for the six months ended 30 June 2022 may be different from what is disclosed in this announcement, and the interim results announcement of the Group is expected to be published by the end of August 2022.

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

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

Hong Kong, 28 July 2022

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

Executive directors:

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

Independent non-executive directors:

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

* *For identification purpose only*