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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 OF INTERIM RESULTS

The board of directors (the “**Directors**”) (the “**Board**”) of Sinopec Kantons Holdings Limited (the “**Company**”) is pleased to announce the unaudited interim results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 June 2024 (the “**Reporting Period**”). Financial data in this announcement, together with the comparative figures for the corresponding period in 2023, were extracted from the 2024 unaudited interim financial report, which have been reviewed by KPMG and the audit committee of the Company (the “**Audit Committee**”).

* *For identification purposes only*

CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2024

		Six months ended 30 June	
	Note	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Revenue	4,5	331,236	308,729
Cost of providing services	6	<u>(153,626)</u>	<u>(155,841)</u>
Gross profit		177,610	152,888
Other income and other (losses)/gains, net	6	(3,668)	49,324
Distribution costs		(5,366)	(6,242)
Administrative expenses	6	<u>(49,730)</u>	<u>(51,407)</u>
Operating profit		118,846	144,563
Finance income		128,820	127,235
Finance costs		(886)	(419)
Share of results of:			
– Joint ventures		408,655	438,209
– Associates		<u>97,375</u>	<u>96,124</u>
Profit before income tax		752,810	805,712
Income tax expenses	7	<u>(67,448)</u>	<u>(61,528)</u>
Profit for the period		<u>685,362</u>	<u>744,184</u>
Profit/(loss) attributable to:			
Equity holders of the Company		685,367	744,189
Non-controlling interests		<u>(5)</u>	<u>(5)</u>
		<u>685,362</u>	<u>744,184</u>
Earnings per share for profit attributable to equity holders of the Company (expressed in HK cents)	9		
Basic		27.57	29.93
Diluted		<u>27.57</u>	<u>29.93</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2024

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Profit for the period	685,362	744,184
Other comprehensive income for the period:		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences on currency translation		
– Subsidiaries	(12,201)	(71,050)
– Joint ventures	(56,111)	(119,066)
– Associates	(7,582)	(34,112)
	(75,894)	(224,228)
Cash flow hedges		
– Joint ventures	47,692	15,880
– An associate	4,843	2,116
	52,535	17,996
Other comprehensive income for the period, net of nil tax	(23,359)	(206,232)
Total comprehensive income for the period	662,003	537,952
Total comprehensive income attributable to:		
Equity holders of the Company	662,008	537,957
Non-controlling interests	(5)	(5)
	662,003	537,952

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

		As at 30 June 2024	As at 31 December 2023
	<i>Note</i>	<i>HK\$'000</i> (Unaudited)	<i>HK\$'000</i> (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment		1,336,163	1,396,683
Right-of-use assets		68,668	74,527
Investment properties		15,481	16,100
Intangible assets		1,151	1,337
Interests in joint ventures		6,848,843	6,712,373
Interests in associates		1,167,868	1,075,260
Total non-current assets		9,438,174	9,276,280
Current assets			
Inventories		3,636	3,475
Trade and other receivables	10	299,257	922,118
Time deposits with original maturity of more than three months		5,170,291	3,987,998
Cash and cash equivalents		1,266,428	1,837,352
Total current assets		6,739,612	6,750,943
Total assets		16,177,786	16,027,223
EQUITY			
Equity attributable to equity holders of the Company			
Share capital		248,616	248,616
Reserves		15,555,256	15,266,172
Equity attributable to equity holders of the Company		15,803,872	15,514,788
Non-controlling interests		1,938	1,943
Total equity		15,805,810	15,516,731

		As at 30 June 2024 <i>HK\$'000</i> (Unaudited)	As at 31 December 2023 <i>HK\$'000</i> (Audited)
LIABILITIES			
Non-current liabilities			
Deferred income tax liabilities		137,950	195,248
Government grants		47,747	49,707
Lease liabilities		31,505	36,869
		<hr/>	<hr/>
Total non-current liabilities		217,202	281,824
		<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
Current liabilities			
Trade and other payables	<i>11</i>	115,771	181,442
Income tax payable		31,399	40,006
Lease liabilities		7,604	7,220
		<hr/>	<hr/>
Total current liabilities		154,774	228,668
		<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
Total liabilities		371,976	510,492
		<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
Total equity and liabilities		16,177,786	16,027,223
		<hr/>	<hr/>
Net current assets		6,584,838	6,522,275
		<hr/>	<hr/>
Total assets less current liabilities		16,023,012	15,798,555
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NOTES TO THE UNAUDITED INTERIM FINANCIAL INFORMATION

1 GENERAL INFORMATION

Sinopec Kantons Holdings Limited (the “**Company**”) is a company incorporated in Bermuda with limited liability and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited. The addresses of its registered office and principal place of business are Clarendon House, 2 Church Street, Hamilton HM11, Bermuda and 34/F, Citicorp Centre, 18 Whitfield Road, Causeway Bay, Hong Kong respectively.

The Company and its subsidiaries (together, the “**Group**”) are principally engaged in the provision of crude oil jetty and storage services. The principal activities of the associates and joint ventures of the Group are principally engaged in operation of crude oil and oil product terminals and ancillary facilities, provision of logistics services including storage, transportation and terminal services.

The interim financial report presented in Hong Kong dollars (“**HK\$**”), unless otherwise stated. It was approved by the board of directors on 20 August 2024.

2 BASIS OF PREPARATION

The unaudited interim financial information set out in this announcement does not constitute the unaudited interim financial report of the Group for the six months ended 30 June 2024 but is extracted from that financial report which has been prepared in accordance with applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with Hong Kong Accounting Standard (“**HKAS**”) 34, *Interim Financial Reporting*, issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). The interim financial report does not include all of the information required for a full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) and should be read in conjunction with the annual financial statements for the year ended 31 December 2023, which have been prepared in accordance with HKFRSs.

The interim financial report is unaudited, but has been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the HKICPA.

3 ACCOUNTING POLICIES

The interim financial report has been prepared under the historical cost convention.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

A number of new or amended standards became applicable for the current reporting period. These standards did not have any impact on the Group’s accounting policies and did not require retrospective adjustments.

4 SEGMENT REPORTING

The Group manages its businesses by divisions, which are organised by its business lines (products and services). In a manner consistent with the way in which information is reported internally to the Group's chief operating decision-maker ("CODM") for the purposes of resource allocation and performance assessment, the Group has identified two reportable segments, namely, crude oil jetty and storage services and vessel chartering and logistics services. All operating segments which fulfil the aggregation criteria under HKFRS 8, *Operating segments* have been identified by the Group's CODM and aggregated in arriving at the reportable segments of the Group.

- Crude oil jetty and storage services: this segment provides crude oil transportation, unloading, storage and other jetty services for oil tankers. Currently, the Group's activities in this regard, including those carried out through its joint ventures and associate, are carried out in the People's Republic of China (the "PRC"), Europe and the Middle East.
- Vessel chartering and logistics services: this segment provides vessel chartering services for liquefied natural gas transportation. Currently, the Group's activities in this regard are mainly carried out through its joint venture and associate in PRC, Australia and Papua New Guinea.

For the purposes of assessing segment performance and allocating resources between segments, the Group's CODM monitors the results, assets and liabilities attributable to each reporting segment on the following basis:

Segment assets include all assets, except for cash and cash equivalents, time deposits with original maturity of more than three months, investment properties, dividend receivables from joint ventures, right-of-use assets, unallocated other receivables and property, plant and equipment. Segment liabilities exclude unallocated other payables, lease liabilities and deferred income tax liabilities. The Group's CODM has determined to present segment assets, liabilities and results of associates and joint ventures under respective segments.

Revenue and expenses are allocated to the reportable segments with reference to revenue generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation of assets or amortisation of assets attributable to those segments. The measure used for reporting segment profit is "segment results". Segment results include the operating profit generated by the segment and finance costs directly attributable to the segment. Items that are not specifically attributed to individual segments, such as unallocated other income, unallocated other finance income, unallocated depreciation and other corporate costs or income are excluded from segment results.

In addition to receiving segment information concerning segment results, CODM is also provided with segment information concerning interest income, depreciation and additions to non-current segment assets of each segment.

Information regarding the Group's reportable segments as provided to the Group's CODM for the purposes of resource allocation and assessment of segment performance is set out as follows:

(a) Segment results, assets and liabilities

(i) As at and for the six months ended 30 June 2024:

For the six months ended 30 June 2024

	Crude oil jetty and storage services <i>HK\$'000</i> (Unaudited)	Vessel chartering and logistics services <i>HK\$'000</i> (Unaudited)	Total <i>HK\$'000</i> (Unaudited)
Segment revenue			
– Segment revenue	<u>331,236</u>	<u>–</u>	<u>331,236</u>
Revenue from external customers	<u><u>331,236</u></u>	<u><u>–</u></u>	<u><u>331,236</u></u>
Segment results			
– A subsidiary	<u>161,261</u>	<u>–</u>	<u>161,261</u>
– Joint ventures	<u>357,935</u>	<u>50,720</u>	<u>408,655</u>
– Associates	<u>88,677</u>	<u>8,698</u>	<u>97,375</u>
	<u>607,873</u>	<u>59,418</u>	<u>667,291</u>
Unallocated other corporate net income			<u>85,519</u>
Profit before income tax			<u>752,810</u>
Income tax expenses			<u>(67,448)</u>
Profit for the period			<u><u>685,362</u></u>
Other segment items			
Interest income	<u>3,334</u>	<u>–</u>	<u>3,334</u>
Depreciation	<u>(65,742)</u>	<u>–</u>	<u>(65,742)</u>
Additions to non-current segment assets	<u>17,746</u>	<u>–</u>	<u>17,746</u>

As at 30 June 2024

	Crude oil jetty and storage services HK\$'000 (Unaudited)	Vessel chartering and logistics services HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
Segment assets			
– A subsidiary	1,589,186	–	1,589,186
– Joint ventures	5,355,163	1,493,680	6,848,843
– Associates	1,080,945	86,923	1,167,868
	<u>8,025,294</u>	<u>1,580,603</u>	<u>9,605,897</u>
Unallocated assets			
– Cash and cash equivalents			1,266,428
– Time deposits with original maturity of more than three months			5,170,291
– Other receivables			66,068
– Investment properties			15,481
– Right-of-use assets			
• properties in Hong Kong			11,639
– Dividend receivable from a joint venture			39,875
– Property, plant and equipment			956
– Intangible asset			1,151
			<u>6,571,889</u>
Total assets			<u><u>16,177,786</u></u>
Segment liabilities	<u>146,631</u>	–	<u>146,631</u>
Unallocated liabilities			
– Other payables			44,463
– Income tax payables			31,399
– Lease liabilities			11,533
– Deferred income tax liabilities			137,950
			<u>225,345</u>
Total liabilities			<u><u>371,976</u></u>

(ii) As at 31 December 2023 and for the six months ended 30 June 2023:

For the six months ended 30 June 2023

	Crude oil jetty and storage services <i>HK\$'000</i> (Unaudited)	Vessel chartering and logistics services <i>HK\$'000</i> (Unaudited)	Total <i>HK\$'000</i> (Unaudited)
Segment revenue			
– Segment revenue	<u>308,729</u>	<u>–</u>	<u>308,729</u>
Revenue from external customers	<u><u>308,729</u></u>	<u><u>–</u></u>	<u><u>308,729</u></u>
Segment results			
– A subsidiary	137,513	–	137,513
– Joint ventures	380,422	57,787	438,209
– Associates	<u>89,259</u>	<u>6,865</u>	<u>96,124</u>
	607,194	64,652	671,846
Unallocated other corporate net income			<u>133,866</u>
Profit before income tax			805,712
Income tax expenses			<u>(61,528)</u>
Profit for the period			<u><u>744,184</u></u>
Other segment items			
Interest income	1,227	–	1,227
Depreciation	(68,773)	–	(68,773)
Additions to non-current segment assets	<u>–</u>	<u>–</u>	<u>–</u>

As at 31 December 2023

	Crude oil jetty and storage services <i>HK\$'000</i> (Audited)	Vessel chartering and logistics services <i>HK\$'000</i> (Audited)	Total <i>HK\$'000</i> (Audited)
Segment assets			
– A subsidiary	1,558,196	–	1,558,196
– Joint ventures	5,290,711	1,421,662	6,712,373
– Associates	999,813	75,447	1,075,260
	<u>7,848,720</u>	<u>1,497,109</u>	<u>9,345,829</u>
Unallocated assets			
– Cash and cash equivalents			1,837,352
– Time deposit with original maturity of more than three months			3,987,998
– Other receivables			114,483
– Investment properties			16,100
– Right-of-use assets			
• properties in Hong Kong			14,023
– Dividend receivable from a joint venture			709,055
– Property, plant and equipment			1,046
– Intangible assets			1,337
			<u>6,681,394</u>
Total assets			<u><u>16,027,223</u></u>
Segment liabilities	<u>215,181</u>	<u>–</u>	<u>215,181</u>
Unallocated liabilities			
– Other payables			85,317
– Income tax payable			723
– Lease liabilities			14,023
– Deferred income tax liabilities			195,248
			<u>295,311</u>
Total liabilities			<u><u>510,492</u></u>

(b) **Analysis of information by geographical regions**

During the six months ended 30 June 2024 and 2023, all of the Group's revenue was generated from the customers located in the PRC.

The following tables set out information about the geographical information of the Group's non-current assets and total assets which are based on the geographical location of the assets.

	As at 30 June 2024 <i>HK\$'000</i> (Unaudited)	As at 31 December 2023 <i>HK\$'000</i> (Audited)
Non-current assets		
– The PRC	6,343,491	6,284,352
– Europe	849,395	860,990
– Hong Kong	1,609,363	1,529,123
– United Arab Emirates	635,461	601,322
– Other regions	464	493
	<u>9,438,174</u>	<u>9,276,280</u>
	As at 30 June 2024 <i>HK\$'000</i> (Unaudited)	As at 31 December 2023 <i>HK\$'000</i> (Audited)
Total assets		
– The PRC	6,732,882	7,331,996
– Hong Kong	7,954,076	7,226,016
– Europe	849,395	860,990
– Indonesia	5,508	6,406
– United Arab Emirates	635,461	601,322
– Other regions	464	493
	<u>16,177,786</u>	<u>16,027,223</u>

(c) **Major customers**

For the purpose of disclosure under segment reporting for the six months ended 30 June 2024, several customers, being the branches and subsidiaries of China Petrochemical Corporation (“**Sinopec Group**”), including China Petroleum & Chemical Corporation Guangzhou Branch and Sinopec Fuel Oil Sales Corporation Limited, from crude oil jetty services have transactions that exceeded 92% (2023: 93%) of the Group's revenue, amounting to approximately HK\$305,698,000 (2023: HK\$286,527,000). These customers mainly operate in the PRC.

5 REVENUE

Disaggregation of revenue from contracts with customers by major service lines is as follows:

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Revenue from contracts with customers within the scope of HKFRS 15		
– Provision of crude oil jetty services (<i>Note</i>)	252,078	238,067
Revenue from other sources		
Rental revenue from operating leases with customers		
– Lease payments that are fixed or depend on an index or a rate	23,456	34,513
– Variable lease payments that do not depend on an index or a rate	55,702	36,149
	<u>79,158</u>	<u>70,662</u>
	<u>331,236</u>	<u>308,729</u>

Note: Revenue from provision of crude oil jetty services is recognised at a point in time.

6 EXPENSES BY NATURE

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Net foreign exchange losses/(gains)	33,709	(15,110)
Depreciation		
– Property, plant and equipment	62,882	65,984
– Investment properties	619	619
– Right-of-use assets	5,336	5,412
	<u>5,336</u>	<u>5,412</u>

7 INCOME TAX EXPENSES

	Note	Six months ended 30 June	
		2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Current income tax:			
– Hong Kong profits tax	(b)	2,847	3,446
– PRC corporate income tax	(c)	<u>120,770</u>	<u>44,573</u>
		123,617	48,019
Deferred income tax charged/(credited)	(d)	<u>(56,169)</u>	<u>13,509</u>
		<u>67,448</u>	<u>61,528</u>

Notes:

- (a) The Company was incorporated in Bermuda as an exempted company with limited liability under the Companies Law of the Bermuda and, accordingly, is exempted from payment of the Bermuda income tax.
- (b) Hong Kong profits tax has been provided at the rate of 16.5% (2023: 16.5%) on the estimated assessable profit for the six months ended 30 June 2024 and 2023.
- (c) Except for withholding tax on dividend as explained in Note (d), the provision for PRC corporate income tax is based on statutory income tax rate of 25% of the assessable income of the Group as determined in accordance with the relevant income tax rules and regulations of the PRC (2023: 25%).
- (d) Dividend distribution out of profit of foreign-invested enterprises earned in the PRC subsequent to 1 January 2008 is subject to withholding tax at a tax rate of 5% or 10%. During the six months ended 30 June 2024, withholding tax was provided for the portion of the relevant undistributed profits of the Group's subsidiary, joint ventures and associates established in the PRC at a tax rate of 5% (2023: 5%).

8 DIVIDENDS

(a)

	Six months ended 30 June	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Interim dividend, declared	<u>248,616</u>	<u>248,616</u>

On 20 August 2024, the board of directors has resolved to declare an interim dividend of HK10.0 cents per ordinary share (2023: HK10.0 cents per ordinary share). This interim dividend has not been recognised as a liability in the interim financial report.

(b) The final dividend of approximately HK\$372,924,000 that relates to the year ended 31 December 2023 was approved in Annual General Meeting on 6 June 2024 and was paid on 28 June 2024 (2023: HK\$298,339,000).

9 EARNINGS PER SHARE

The calculation of basis earnings per share are based on the following data:

	Six months ended 30 June	
	2024 (Unaudited)	2023 (Unaudited)
Earnings (in HK\$'000)		
Profit attributable to equity holders of the Company	<u>685,367</u>	<u>744,189</u>
Number of shares		
Weighted average number of ordinary shares in issue (in thousand)	<u>2,486,160</u>	<u>2,486,160</u>
Basic earnings per share (HK cents per share)	<u><u>27.57</u></u>	<u><u>29.93</u></u>

Diluted earnings per share is the same as the basic earnings per share as there were no dilutive potential ordinary shares in the current and prior periods.

10 TRADE AND OTHER RECEIVABLES

	As at	As at
	30 June	31 December
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Audited)
Trade receivables from:		
– An intermediate holding company	156,661	88,326
– Others	<u>6,124</u>	<u>5,550</u>
	<u>162,785</u>	<u>93,876</u>
Other receivables		
– Dividend receivables from joint ventures	39,875	709,055
– Interest receivables	62,868	111,262
– Others	<u>33,729</u>	<u>7,925</u>
	<u>136,472</u>	<u>828,242</u>
	<u><u>299,257</u></u>	<u><u>922,118</u></u>

The Group grants credit periods of 30 to 90 days or one year from the invoice date to its customers.

The trade receivables from an intermediate holding company is unsecured, interest free and repayable on demand.

The aging analysis of trade receivables and bills receivables based on invoice date was as follows:

	As at 30 June 2024 HK\$'000 (Unaudited)	As at 31 December 2023 HK\$'000 (Audited)
Within 1 month	109,852	52,356
1 to 2 months	928	15,199
2 to 3 months	52,005	26,321
Over 3 months	—	—
	<u>162,785</u>	<u>93,876</u>

11 TRADE AND OTHER PAYABLES

	As at 30 June 2024 HK\$'000 (Unaudited)	As at 31 December 2023 HK\$'000 (Audited)
Trade payables from:		
– Related parties	738	573
– Others	10,512	44,843
	<u>11,250</u>	<u>45,416</u>
Other payables		
– Amounts due to the immediate holding company, an intermediate holding company and other related parties	11,503	2,968
– Accrued charges	93,018	133,058
	<u>104,521</u>	<u>136,026</u>
	<u>115,771</u>	<u>181,442</u>

Trade payable balances are repayable within one year.

The amounts due to the immediate holding company, an intermediate holding company and other related parties are unsecured, interest free and repayable on demand.

The aging analysis of trade payables based on invoice date was as follows:

	As at 30 June 2024 HK\$'000 (Unaudited)	As at 31 December 2023 HK\$'000 (Audited)
Within 1 month	1,398	18,001
1 to 3 months	345	197
3 to 12 months	1,372	514
Over 12 months	<u>8,135</u>	<u>26,704</u>
	<u>11,250</u>	<u>45,416</u>

INTERIM DIVIDEND

The Board declared the payment of an interim dividend of HK10 cents per share in cash for the year 2024 to shareholders whose names appear on the register of members of the Company on 10 September 2024 (Tuesday).

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed, for the purpose of determining shareholders' entitlement to the interim dividend, from 6 September 2024 (Friday) to 10 September 2024 (Tuesday) (both days inclusive) during which period no transfer of shares can be registered. In order to qualify for the interim dividend, all share transfers, accompanied by relevant share certificates, must be lodged with Tricor Secretaries Limited, the branch share registrar of the Company, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:00 p.m. on 5 September 2024 (Thursday). The cheques for dividend payment will be sent on or around 27 September 2024 (Friday).

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review and Prospects

In the first half of 2024, with the global economic recovery under persistent pressure, spillover effect of geopolitical risks and sharp fluctuations of international oil prices at high levels, the conflicts between supply and demand in the market remained prominent. Under the ongoing impact of China's macroeconomic policies and the recovery of external demand, the overall economic situation showed a stable and progressive development trend. Focusing on customer base and market expansion in line with the annual targets, the Group continued to promote quality and efficiency, and maintained basically stable production and operation. The Board insisted on scientific decision making and dynamic optimization on development planning, strengthened the implementation of sustainable development and effectively improved the quality as a listed company. In the first half of 2024, the Group recorded a revenue of approximately HK\$331 million, representing a year-on-year increase of approximately 7.29% compared with the first half of 2023. As a result of the increase in the Group's net foreign exchange loss and the decrease in investment returns from domestic oil terminal companies, profit for the Reporting Period amounted to approximately HK\$685 million, representing a year-on-year decrease of approximately 7.90%, translating into profit attributable to equity holders of the Company of approximately HK27.57 cents per share. Taking the cash flow and the needs of future development of the Group into consideration, the Board declared an interim cash dividend for 2024 of HK10 cents per share, which is consistent with the same period in 2023.

In the first half of 2024, Huade Petrochemical Co., Ltd. (“**Huade Petrochemical**”) in Huizhou Daya Bay, a wholly-owned subsidiary of the Company, strived to develop its customer base and enhance revenue levels while maintaining the stability of existing business. With strict control on safety and environmental protection, it optimised crude oil tanker docking and unloading, and further reduced costs and increased efficiency. In the first half of 2024, Huade Petrochemical coped with the rainy season and other adverse factors, so that the naphtha unloading upgrade and transformation project relating to Mabianzhou jetty facilities progressed smoothly according to the schedule, and it is anticipated that it will further enhance the revenue scale of Huade Petrochemical upon completion. In the first half of 2024, Huade Petrochemical unloaded approximately 7.39 million tonnes of crude oil from 57 tankers, representing a year-on-year increase of approximately 23.58%, and transmitted approximately 5.99 million tonnes of crude oil, representing a year-on-year increase of approximately 3.45%. Huade Petrochemical has recorded a segment revenue of approximately HK\$331 million, representing a year-on-year increase of approximately 7.29%, and the segment results from Huade Petrochemical amounted to approximately HK\$161 million, representing a year-on-year increase of approximately 17.27%.

In the first half of 2024, the operating entities of the Company, namely Zhan Jiang Port Petrochemical Jetty Co., Ltd. (“**Zhan Jiang Port Petrochemical**”), Qingdao Shihua Crude Oil Terminal Co., Ltd. (“**Qingdao Shihua**”), Ningbo Shihua Crude Oil Terminal Co., Ltd. (“**Ningbo Shihua**”), Rizhao Shihua Crude Oil Terminal Co., Ltd. (“**Rizhao Shihua**”), Tianjin Port Shihua Crude Oil Terminal Co., Ltd. (“**Tianjin Port Shihua**”) and Tangshan Caofeidian Shihua Crude Oil Terminal Co., Ltd. (“**Caofeidian Shihua**”) (collectively, the “**Six Domestic Terminal Companies**”), faced difficulties including slowdown in domestic demand, decline in total crude oil imports, etc., and actively competed for source of demand in excess of plan to ensure sustained sound operation. In the first half of 2024, the aggregate throughput of the Six Domestic Terminal Companies amounted to approximately 100 million tonnes, representing a year-on-year decrease of approximately 4.76%. Coupled with the impact of the depreciation of Renminbi against HKD, this generated a total investment return of approximately HK\$363 million for the Company, representing a year-on-year decrease of approximately 11.46%.

In the first half of 2024, Fujairah Oil Terminal FZC (“**FOT**”), a joint venture of the Company in the Middle East, has strengthened its market analysis, and made every effort to identify tenants in the market, achieving satisfactory operating results. It continued to push up the level of rental rates on the basis of ensuring 100% occupancy. Meanwhile, the construction of FOT’s pipeline network connecting the storage area to the very large crude carrier (“**VLCC**”) terminal at the port is close to completion, upon which will enhance the speed of tank turnover and operational flexibility, and can provide value-added services to customers, thus further improving profitability. In the first half of 2024, FOT has contributed an investment return of approximately HK\$67.05 million for the Company, representing a year-on-year increase of approximately 34.67%. In the first half of 2024, Vesta Terminals B.V. (“**Vesta**”), a joint venture of the Company in Europe, has steadily operated the existing storage business. On one hand, it actively promoted the project connecting Vesta Terminal Antwerp (“**VTA**”), a wholly-owned subsidiary of Vesta in Belgium, with the new terminal at the port of Antwerp in order to increase the berth capacity of VTA and thereby enhancing the overall competitiveness of Vesta. On the other hand, in view of its green energy transformation, Vesta actively promoted green ammonia unloading and storage project with potential customers to facilitate business transformation and asset enhancement. As Vesta disposed of Vesta Terminal Tallinn (“**VTT**”), a company held by Vesta in Estonia prior to

its disposal, which reduced the loss incurred in relation to Vesta during the Reporting Period, Vesta contributed an investment return of approximately HK\$16.17 million for the Company in the first half of 2024, representing a year-on-year increase of 60.10%.

In the first half of 2024, the Group's liquefied natural gas (“LNG”) vessel logistics business maintained steady operations, and a LNG vessel with equipment failure at the end of 2023 has been repaired and resumed normal operation by June 2024. In the first half of 2024, the Group's eight LNG vessels had completed a total of 49 voyages. Due to the off-hire loss and higher repair costs, total investment return of approximately HK\$59.42 million was generated from the Group's LNG vessel logistics business in the first half of 2024, representing a year-on-year decrease of approximately 8.10%.

Looking ahead to the second half of 2024, the persistent pressure on the global economic growth momentum may add uncertainties on the external environment, while the domestic economy is expected to improve after the gradual implementation of multiple policies. By earnest implementation of the concept of high-quality development and with the joint efforts of the management and all employees, the Board will actively address various types of risks, endeavour to expand its core business, explore business transformation, and strive to develop into a world-class international petrochemical storage and logistics company and create sustainable value for the shareholders of the Company.

1. Consolidated Results

Revenue, Gross Profit and Operating Profit

In the first half of 2024, the revenue of the Group amounted to approximately HK\$331,236,000 (first half of 2023: HK\$308,729,000), representing a year-on-year increase of approximately 7.29%; the gross profit amounted to approximately HK\$177,610,000 (first half of 2023: HK\$152,888,000), representing a year-on-year increase of 16.17%. The increases in the revenue and gross profit of the Group were mainly attributable to the year-on-year increase in revenue related to the provision of unloading service to third party customers by Huade Petrochemical in the first half of 2024 to make better use of its existing surplus terminal capacity. The operating profit amounted to approximately HK\$118,846,000 (first half of 2023: HK\$144,563,000), representing a year-on-year decrease of approximately 17.79%, which was mainly attributable to the increase in net exchange losses as a result of the Group's conversion of Renminbi dividends from domestic operating entities to HKD/USD in the first half of 2024.

Other Income and Other (Losses)/Gains, Net

In the first half of 2024, the Group's other income and other (losses)/gains, net, was in the net loss amount of approximately HK\$3,668,000 (in the first half of 2023: net gain amount of HK\$49,324,000), which was mainly due to the increase in the Group's net exchange losses arising from the conversion of Renminbi dividends from domestic operating entities to HKD/USD in the first half of 2024.

Share of Results of Joint Ventures

In the first half of 2024, the Group's share of results of joint ventures was approximately HK\$408,655,000 (first half of 2023: HK\$438,209,000), representing a year-on-year decrease of approximately 6.74%, which was mainly due to the decrease in investment return from domestic joint jetty companies as a result of the impact of decrease of crude oil imports from local refineries and the depreciation of Renminbi against HKD.

Profit Before Income Tax and Profit for the Period

In the first half of 2024, the Group's profit before income tax amounted to approximately HK\$752,810,000 (first half of 2023: HK\$805,712,000), representing a year-on-year decrease of approximately 6.57%; and the Group's profit for the Period amounted to HK\$685,362,000 (first half of 2023: HK\$744,184,000), representing a year-on-year decrease of approximately 7.90%. The decreases in each of the profit before income tax and profit for the Period were mainly due to 1) the increase in net exchange losses and 2) the decrease in investment return from Six Domestic Terminal Companies.

Income Tax Expenses

In the first half of 2024, the Group's income tax expenses amounted to approximately HK\$67,448,000 (first half of 2023: HK\$61,528,000), representing a year-on-year increase of approximately 9.62%, which was mainly attributable to the higher taxable profit of Huade Petrochemical as compared with the same period of last year.

2. Segmental Information

In the first half of 2024, revenue from the Group's crude oil jetty and storage business were approximately HK\$331,236,000 (first half of 2023: HK\$308,729,000), representing a year-on-year increase of approximately 7.29%; results from the crude oil jetty and storage segment were approximately HK\$607,873,000 (first half of 2023: HK\$607,194,000), largely remaining at the same level for the corresponding period of 2023. In the first half of 2024, as for the crude oil jetty and storage segment, affected by the year-on-year decline in aggregate terminal throughput of the Six Domestic Terminal Companies in the first half of the year and the depreciation of Renminbi against HKD, the Group's operating entities actively competed for source of demand in excess of plan, reduced costs and increased efficiency, and the performance of the crude oil jetty and storage segment was generally stable.

In the first half of 2024, the segment results of the Group's vessel chartering and logistics business were approximately HK\$59,418,000 (first half of 2023: HK\$64,652,000), representing a year-on-year decrease of approximately 8.10%. As for the vessel chartering and logistics segment, the Group's LNG vessel logistics business maintained stable operation, and a LNG vessel with equipment failure at the end of 2023 has been repaired and resumed normal operation by June 2024. Due to the off-hire loss and higher repair costs, the segment results of the vessel chartering and logistics business in the first half of 2024 were affected to a certain extent.

3. Financial Position

Trade and Other Receivables

As at 30 June 2024, the Group's trade and other receivables amounted to approximately HK\$299,257,000 (as at 31 December 2023: HK\$922,118,000), representing a decrease of approximately 67.55% as compared with the end of 2023. The decrease was mainly attributable to the settlement of the Group's dividend receivable at the end of 2023 from a joint venture in January 2024.

Liquidity and Source of Finance

As at 30 June 2024, the Group's cash and cash equivalents and time deposits with original maturity of more than three months aggregately amounted to approximately HK\$6,436,719,000 (as at 31 December 2023: HK\$5,825,350,000), representing an increase of approximately 10.49% as compared with the end of 2023, which was mainly attributable to the dividends received by the Group from some of its operating entities and interest on deposits. As at 30 June 2024, the Group had no bank loans and other borrowings.

Deferred Income Tax Liabilities

As at 30 June 2024, the Group's deferred income tax liabilities amounted to approximately HK\$137,950,000 (as at 31 December 2023: HK\$195,248,000), representing a decrease of approximately 29.35% as compared with the end of 2023. The decrease in deferred income tax liabilities was mainly due to the dividends received from some of the operating entities in the first half of 2024 and payment of the related dividend income tax.

Lease Liabilities

As at 30 June 2024, the Group's lease liabilities amounted to approximately HK\$39,109,000 (as at 31 December 2023: HK\$44,089,000), representing a decrease of approximately 11.30% as compared with the end of 2023. The decrease in lease liabilities was mainly due to rental payments made by the Group during the Reporting Period in accordance with the relevant payment schedule.

Trade and Other Payables

As at 30 June 2024, the Group's trade and other payables amounted to approximately HK\$115,771,000 (as at 31 December 2023: HK\$181,442,000), representing a decrease of approximately 36.19% as compared with the end of 2023, which was mainly due to the payment of the construction payable of the upgrading and transformation project of Mabianzhou jetty facilities of Huade Petrochemical according to the progress of such project.

Income Tax Payable

As at 30 June 2024, the income tax payable of the Group amounted to approximately HK\$31,399,000 (as at 31 December 2023: HK\$40,006,000), representing a decrease of approximately 21.51% as compared with the end of 2023, which was mainly due to the decrease in corporate income tax payable by Huade Petrochemical as compared with the end of 2023.

Current Ratio, Liabilities to Assets Ratio and Gearing Ratio

As at 30 June 2024, the Group's current ratio (current assets to current liabilities) was approximately 43.54 (as at 31 December 2023: 29.52), and its liabilities to assets ratio (total liabilities to total assets) was approximately 2.30% (as at 31 December 2023: 3.19%). The Group had no bank loans and other borrowings. Gearing ratio (total bank loans and other borrowings to total equity) was nil as at 30 June 2024 (as at 31 December 2023: nil).

4. Other Material Matters

Significant Investment, Acquisition and Disposal and Future Plans for Material Investments or Capital Assets

On 22 August 2023, the Board announced that Kantons International Investment Limited (“**Kantons Investment**”) and COSCO SHIPPING LNG Investment (Shanghai) Co., Ltd. (“**Shanghai COSCO SHIPPING LNG**”) intended to make further investments into China Energy Shipping Investment Co., Ltd. (“**CESI**”) on a pro rata basis by way of capital injection in accordance with the terms of the joint venture agreement. Kantons Investment agreed to make capital injection of approximately USD95,305,000 by internal resources of the Group, and Shanghai COSCO SHIPPING LNG agreed to inject capital in the amount of approximately USD99,195,000. Proceeds from the capital injection is intended to be used for the design, construction, purchase and operation of the three LNG vessels which will be leased to China Petroleum & Chemical Corporation on a long-term basis to fulfill its LNG transportation requirements. As at 30 June 2024, Kantons Investment has completed a cumulative investment of approximately USD69,525,000.

On 22 December 2023, Vesta signed a share sale and purchase agreement to sell all shares of VTT for a base consideration of approximately EUR4,250,000. As at 30 June 2024, the transaction has completed and VTT is no longer a subsidiary of Vesta.

Save as disclosed in this announcement, the Company did not have any material investments, acquisitions and disposals for the six months ended 30 June 2024. Save as disclosed in this announcement, as at 30 June 2024, the Board did not authorize the processing or addition of material investments or capital assets.

EXCHANGE RISK

The Company is engaged in petrochemical storage, jetty and logistics businesses in places including the PRC, Europe and United Arab Emirates through its subsidiaries, associates and joint ventures, which generate operating income in Renminbi, EUR and USD respectively. As the exchange rates of Renminbi, EUR and USD against HKD fluctuate, the Group faces exchange rate risk to a certain extent.

Save for the above, the Group was not exposed to any other significant exchange rate risk during the Reporting Period.

Contingent Liabilities and Assets Pledged by the Group

As at 30 June 2024 and the date of this announcement, details of the contingent liabilities and assets pledged by the Group were as follows:

Guarantor	Beneficiary	Name of agreement	Content of clause	Date of agreement	Guarantee or pledge period	Pledge provided or guarantee balance as at 30 June 2024
Sinomart KTS Development Limited (“Sinomart Development”)	FOT	Equity Pledge Agreement	Sinomart Development shall pledge its 50% equity interest in FOT to the banks which offered FOT a refinancing loan of USD280 million.	15 September 2021	Effective until full repayment of the loan	50% of equity interest held by Sinomart Development in FOT

Save for the above, the Group did not provide any other financial assistance or guarantee or pledge of shares for other companies as at 30 June 2024 and the date of this announcement.

ABOUT THE BATAM PROJECT

On 9 October 2012, the Company acquired 95% of the shares of PT. West Point Terminal (the “**PT. West Point**”) through Sinomart Development, its wholly-owned subsidiary, and proposed to invest in and construct the Batam Project in Indonesia via the Batam joint venture, PT. West Point. Due to reasons of the minority shareholder from Indonesia, the project has been stopped and arbitration commenced in October 2016, and the Group received arbitral awards in its favour in December 2019. In the second half of 2021, the Group has engaged two consulting agencies, to jointly prepare the updated feasibility study report, thereby providing basis for subsequent decisions on the project. According to the updated feasibility report, the Batam Project was economically impractical due to factors including (a) the long-term impact of energy transition on the traditional oil storage market; and (b) increasing competition in respect of oil storage from the Singaporean region. Accordingly, the Board has decided not to continue to proceed with the Batam Project. In December 2022, as decided by the Board, the Company made a full provision for impairment of the construction in progress of the Batam joint venture. The Company is actively participating in various feasible ways and means to maximize the success of the arbitration award in order to protect the legitimate rights and interests of the Company and its shareholders.

For details, please refer to the relevant announcements dated 25 April 2010, 9 October 2012, 15 November 2016, 21 March 2017, 6 December 2019 and 23 December 2022 published by the Company on the website of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the website of the Company.

EVENTS AFTER THE END OF THE REPORTING PERIOD

Save as disclosed in this announcement, there was no other significant event which has occurred after the end of the Reporting Period and up to the date of this announcement.

EMPLOYEES AND EMOLUMENT POLICIES

As at 30 June 2024, the Group had a total of 221 employees (as at 30 June 2023: 228). The Company adheres to the philosophy of diversity and equal opportunities in employee recruitment, striving to ensure that the number of employees of both genders satisfies the Company’s development needs. Remuneration packages of employees, including basic salaries, bonuses and benefits-in-kind, are structured with reference to market terms and trends of human resources costs in various regions as well as employees’ contributions based on performance appraisals. Subject to the profit of the Group and the performance of employees, the Group also provides discretionary bonuses to employees as an incentive for their greater contributions. In addition, the Group also makes contributions to the Mandatory Provident Fund Schemes in Hong Kong and the retirement benefit schemes in the PRC established for its Hong Kong local employees and PRC employees respectively in accordance with local laws and regulations.

OTHER INFORMATION

Directors' and Chief Executives' Interests or Short Positions in the Shares, Underlying Shares and Debentures

As at 30 June 2024, none of the Directors or chief executives of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (the “SFO”)), which is required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or which is required to be entered in the register kept under section 352 of the SFO or otherwise required to be notified by the Directors and the chief executives of the Company to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) set forth in Appendix C3 to the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”).

Interests and Short Positions of Substantial Shareholders in the Shares and Underlying Shares

Save as disclosed below, the Directors are not aware of any person (other than the Directors and chief executives of the Company) who, as at 30 June 2024, had interests or short positions in the shares or underlying shares of the Company which would have to be disclosed to the Company and the Stock Exchange under Divisions 2 and 3 of Part XV of the SFO or which were entered in the register required to be kept by the Company under section 336 of the SFO:

Name of shareholder	Capacity and nature of interest	Number of ordinary shares held	Approximate% of the issued share capital
Sinopec Kantons International Limited (“Kantons International”) ^(Note 1)	Beneficial owner	1,500,000,000(L) ^(Note 2)	60.33%(L)

Notes: (1) The entire issued share capital of Kantons International is held by China International United Petroleum & Chemicals Co., Ltd. (“UNIPEC”). The controlling interest in the registered capital of UNIPEC is ultimately held by China Petrochemical Corporation.

(2) The letter “L” denotes the long position in the shares of the Company.

Corporate Governance

The Company is committed to achieving a high standard of corporate governance and reviews its corporate governance practices from time to time to safeguard and endeavour to enhance the rights and interests of its shareholders.

During the six months ended 30 June 2024, the Company has complied with the applicable provisions of the Corporate Governance Code (the “Corporate Governance Code”) contained in Part 2 of Appendix C1 to the Listing Rules.

Code for Securities Transactions

The Company has adopted the Model Code as its own code of conduct regarding the Directors' securities transactions. Having made specific enquiry to all Directors, all Directors confirmed that they had complied with the required standards set out in the Model Code during the six months ended 30 June 2024.

Changes in Directors' Appointment and Biographical Details

The changes in director's appointment and biographical details disclosed pursuant to Rule 13.51B(1) of the Listing Rules are set out below:

Mr. Zhong Fuliang was appointed as the chairman of the Board and a member of each of the remuneration committee (the "**Remuneration Committee**") and nomination committee (the "**Nomination Committee**") of the Company on 19 July 2024.

Mr. Chen Yaohuan has resigned as chairman of the Board, executive Director and member of each of the Remuneration Committee and Nomination Committee of the Company on 19 July 2024.

Audit Committee

The Audit Committee comprises all four independent non-executive Directors, of which one of the independent non-executive Directors, Mr. Fong Chung, Mark, is the chairman of the Audit Committee. The Audit Committee is responsible for reviewing the accounting principles and practices, auditing, the internal control and risk management systems, internal audit and legal and regulatory compliance of the Group. Furthermore, the Audit Committee reviews the interim and annual results of the Group prior to recommending them to the Board to approval. The Audit Committee can meet to review financial reporting and risk management and internal control matters and has unrestricted access to the Company's auditors. The Audit Committee has reviewed the unaudited interim financial report of the Group for the six months ended 30 June 2024.

Remuneration Committee

The Remuneration Committee comprises four independent non-executive Directors and two executive Directors, of which one of the independent non-executive Directors, Ms. Tam Wai Chu, Maria, is the chairlady of the Remuneration Committee.

Nomination Committee

The Nomination Committee comprises four independent non-executive Directors and two executive Directors, of which one of the independent non-executive Directors, Dr. Wong Yau Kar, David, is the chairman of the Nomination Committee.

Purchase, Sale or Redemption of the Company's Listed Securities

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2024.

Share Option Scheme

For the six months ended 30 June 2024, the Company had not established and implemented any share option scheme.

Sufficiency of Public Float

According to the information publicly available to the Company and to the best knowledge of the Directors, the Company had maintained sufficient public float as required under the Listing Rules throughout the six months ended 30 June 2024 and as at the date of this announcement.

Corporate Sustainability

As a company specializing in petrochemical storage and logistics business, the Company adheres to the corporate mission of “satisfying customers, benefiting employees, bringing returns for shareholders, and contributing to the society”, and while creating value for our customers, the Company also attaches great importance to sustainable development. During the Reporting Period, the Group has set up the Biodiversity Policy, implemented the green electricity, and introduced the ISO 45001 certification which to be completed in September 2024.

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

Hong Kong, 20 August 2024

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*)

Independent Non-executive Directors

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