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)

ANNOUNCEMENT OF INTERIM RESULTS

The board (the "**Board**") of directors (the "**Directors**") 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 2026 (the "**first half**" or the "**Reporting Period**"). Financial data in this announcement, together with the comparative figures for the corresponding period in 2025, were extracted from the 2026 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 2026

	Note	Six months ended 30 June **2026** *HK$'000* (Unaudited)	2025 *HK$'000* (Unaudited)
Revenue	*4, 5*	**353,474**	307,475
Cost of providing services	*6*	**(186,515)**	(151,802)
Gross profit		**166,959**	155,673
Other income and other gains, net	*6*	**52,106**	71,863
Distribution costs		**(10,624)**	(8,132)
Administrative expenses	*6*	**(67,250)**	(51,308)
Operating profit		**141,191**	168,096
Finance income		**127,024**	132,192
Finance costs		**(620)**	(816)
Share of results of:			
– Joint ventures		**158,516**	288,106
– Associates		**30,250**	41,519
Profit before income tax		**456,361**	629,097
Income tax expenses	*7*	**(69,958)**	(65,770)
Profit for the period		**386,403**	563,327
Profit/(loss) attributable to:			
Equity holders of the Company		**386,487**	563,366
Non-controlling interests		**(84)**	(39)
		386,403	563,327
Earnings per share for profit attributable to equity holders of the Company (expressed in HK cents)	*9*		
Basic		**15.55**	22.66
Diluted		**15.55**	22.66

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2026

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Profit for the period	**386,403**	563,327
Other comprehensive income for the period:		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on currency translation		
– Subsidiaries	**91,597**	26,652
– Joint ventures	**123,197**	178,554
– Associates	**33,422**	13,809
	248,216	219,015
Cash flow hedges		
– Joint ventures	**34,685**	(65,482)
– An associate	**1,712**	(5,755)
	36,397	(71,237)
Release of exchange reserve upon step acquisition of a joint venture	**74,712**	–
Other comprehensive income for the period, net of nil tax	**359,325**	147,778
Total comprehensive income for the period	**745,728**	711,105
Total comprehensive income attributable to:		
Equity holders of the Company	**744,604**	711,144
Non-controlling interests	**1,124**	(39)
	745,728	711,105

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

	Note	**As at 30 June 2026 HK$'000 (Unaudited)**	As at 31 December 2025 HK$'000 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment		**1,502,346**	1,236,806
Right-of-use assets		**49,803**	53,756
Investment properties		**13,005**	13,625
Intangible assets		**19,064**	593
Interests in joint ventures		**5,697,186**	6,818,274
Interests in associates		**892,353**	902,399
Other receivable		**101,177**	33,524
Time deposits with original maturity of more than three months		**5,786,122**	3,951,658
Total non-current assets		**14,061,056**	13,010,635
Current assets			
Inventories		**2,620**	3,412
Trade and other receivables	*10*	**980,739**	139,478
Time deposits with original maturity of more than three months		**1,689,314**	3,282,306
Cash and cash equivalents		**564,718**	421,104
Total current assets		**3,237,391**	3,846,300
Total assets		**17,298,447**	16,856,935
EQUITY			
Equity attributable to equity holders of the Company			
Share capital		**248,616**	248,616
Reserves		**16,631,750**	16,260,070
Equity attributable to equity holders of the Company		**16,880,366**	16,508,686
Non-controlling interests		**57,036**	1,972
Total equity		**16,937,402**	16,510,658

	Note	As at 30 June 2026 HK$'000 (Unaudited)	As at 31 December 2025 HK$'000 (Audited)
LIABILITIES			
Non-current liabilities			
Deferred income tax liabilities		**163,890**	122,502
Government grants		**42,439**	42,414
Lease liabilities		**22,500**	25,058
Total non-current liabilities		**228,829**	189,974
Current liabilities			
Trade and other payables	*11*	**111,413**	133,469
Income tax payable		**15,697**	16,179
Lease liabilities		**5,106**	6,655
Total current liabilities		**132,216**	156,303
Total liabilities		**361,045**	346,277
Total equity and liabilities		**17,298,447**	16,856,935
Net current assets		**3,105,175**	3,689,997
Total assets less current liabilities		**17,166,231**	16,700,632

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 Richmond House, 12 Par-la-Ville Road, Hamilton HM 08, 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 is presented in Hong Kong dollars ("**HK$**"), unless otherwise stated. This interim financial report was approved by the board of directors on 17 August 2026.

2 BASIS OF PREPARATION

This interim financial report has been prepared in accordance with the 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 HKFRS Accounting Standards and should be read in conjunction with the annual financial statements for the year ended 31 December 2025, which have been prepared in accordance with HKFRS Accounting Standards.

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

This 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 amended standards became applicable for the current reporting period. These amendments did not have any impact on the Group's accounting policies and did not require retrospective adjustments.

HKFRS 18, *Presentation and disclosure in financial statements* will replace HKAS 1, *Presentation of financial statements*, and is first effective for annual reporting periods beginning on or after 1 January 2027.

HKFRS 18 introduces new requirements for presentation and disclosure in financial statements. Based on a preliminary assessment. It is expected that the initial application of HKFRS 18 would impact the presentation of the Group's consolidated income statement whereby, among other things, interest income and share of results of joint ventures and associates will be classified in the investing category. The Group is also required to assess the classification of foreign exchange differences in the same category as the income and expenses from the items that gave rise to the differences, unless doing so would involve undue cost or effort. HKFRS 18 also introduces specific disclosures about management-defined performance measures ("**MPM**"), which are subtotals of income and expenses used in public communications outside the financial statements that communicate management's view of an aspect of the financial performance of the entity as a whole to users. The Group is developing a process to identify its public communications and asses whether other measures reported in those communications meet the definition of an MPM.

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 the 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 and associates, intangible assets, properties in Hong Kong classified as right-of-use assets, unallocated other receivables and property, plant and equipment. Segment liabilities exclude unallocated other payables, income tax payable, lease liabilities and deferred income tax liabilities. The Group's CODM has determined to present segment assets, liabilities and results of joint ventures and associates 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 attributable to those segments. The measure used for reporting segment profit is "segment results". Segment results include the operating profit generated by the segments and finance costs directly attributable to the segments. 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 2026:

For the six months ended 30 June 2026

	Crude oil jetty and storage services *HK$'000* (Unaudited)	Vessel chartering and logistics services *HK$'000* (Unaudited)	Total *HK$'000* (Unaudited)
Segment revenue			
– Segment revenue	**353,474**	**–**	**353,474**
Revenue from external customers	**353,474**	**–**	**353,474**
Segment results			
– Subsidiaries	**150,549**	**–**	**150,549**
– Joint ventures	**110,400**	**48,116**	**158,516**
– Associates	**24,262**	**5,988**	**30,250**
	285,211	**54,104**	**339,315**
Unallocated other corporate net income			**117,046**
Profit before income tax			**456,361**
Income tax expenses			**(69,958)**
Profit for the period			**386,403**
Other segment items			
Interest income	**3,353**	**–**	**3,353**
Depreciation	**(106,819)**	**–**	**(106,819)**
Additions to non-current segment assets	**2,966**	**–**	**2,966**
Non-current assets acquired through business combinations	**323,569**	**–**	**323,569**

As at 30 June 2026

	Crude oil jetty and storage services *HK$'000* (Unaudited)	Vessel chartering and logistics services *HK$'000* (Unaudited)	Total *HK$'000* (Unaudited)
Segment assets			
– Subsidiaries	**1,690,679**	**–**	**1,690,679**
– Joint ventures	**4,085,273**	**1,611,913**	**5,697,186**
– Associates	**803,599**	**88,754**	**892,353**
	6,579,551	**1,700,667**	**8,280,218**
Unallocated assets			
– Cash and cash equivalents			**564,718**
– Time deposits with original maturity of more than three months			**7,475,436**
– Other receivables			**126,385**
– Investment properties			**13,005**
– Right-of-use assets			
• properties in Hong Kong			**1,821**
– Dividend receivables from joint ventures and an associate			**824,137**
– Property, plant and equipment			**1,480**
– Intangible asset			**11,247**
Total assets			**17,298,447**
Segment liabilities	**120,561**	**–**	**120,561**
Unallocated liabilities			
– Other payables			**66,979**
– Income tax payables			**7,685**
– Lease liabilities			**1,930**
– Deferred income tax liabilities			**163,890**
			240,484
Total liabilities			**361,045**

*(ii) **As at 31 December 2025 and for the six months ended 30 June 2025:***

For the six months ended 30 June 2025

	Crude oil jetty and storage services *HK$'000* (Unaudited)	Vessel chartering and logistics services *HK$'000* (Unaudited)	Total *HK$'000* (Unaudited)
Segment revenue			
– Segment revenue	307,475	–	307,475
Revenue from external customers	307,475	–	307,475
Segment results			
– A subsidiary	140,970	–	140,970
– Joint ventures	255,933	32,173	288,106
– Associates	37,482	4,037	41,519
	434,385	36,210	470,595
Unallocated other corporate net income			158,502
Profit before income tax			629,097
Income tax expenses			(65,770)
Profit for the period			563,327
Other segment items			
Interest income	757	–	757
Depreciation	(76,175)	–	(76,175)
Additions to non-current segment assets	2,511	–	2,511

As at 31 December 2025

	Crude oil jetty and storage services *HK$'000* (Audited)	Vessel chartering and logistics services *HK$'000* (Audited)	Total *HK$'000* (Audited)
Segment assets			
– A subsidiary	1,360,905	–	1,360,905
– Joint ventures	5,269,386	1,548,888	6,818,274
– Associates	819,493	82,906	902,399
	7,449,784	1,631,794	9,081,578
Unallocated assets			
– Cash and cash equivalents			421,104
– Time deposit with original maturity of more than three months			7,233,964
– Other receivables			100,015
– Investment properties			13,625
– Right-of-use assets			
• properties in Hong Kong			4,448
– Property, plant and equipment			1,608
– Intangible assets			593
			7,775,357
Total assets			16,856,935
Segment liabilities	147,118	–	147,118
Unallocated liabilities			
– Other payables			69,376
– Income tax payable			2,635
– Lease liabilities			4,646
– Deferred income tax liabilities			122,502
			199,159
Total liabilities			346,277

(b) Analysis of information by geographical regions

During the six months ended 30 June 2026 and 2025, 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 2026 *HK$'000* (Unaudited)	As at 31 December 2025 *HK$'000* (Audited)
Non-current assets		
– The PRC	**4,978,246**	5,810,040
– Hong Kong	**7,511,464**	5,636,809
– Europe	**927,646**	933,659
– United Arab Emirates	**643,259**	629,686
– Other regions	**441**	441
	14,061,056	13,010,635

	As at 30 June 2026 *HK$'000* (Unaudited)	As at 31 December 2025 *HK$'000* (Audited)
Total assets		
– The PRC	**5,629,171**	6,221,963
– Hong Kong	**10,090,418**	9,063,728
– Europe	**927,646**	933,659
– Indonesia	**7,512**	7,455
– United Arab Emirates	**643,259**	629,686
– Other regions	**441**	444
	17,298,447	16,856,935

(c) Major customers

For the purpose of disclosure under segment reporting for the six months ended 30 June 2026, 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 86% (2025: 94%) of the Group's revenue, amounting to approximately HK$304,930,000 (2025: HK$287,808,000). 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	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Revenue from contracts with customers within the scope of HKFRS 15		
– Provision of crude oil jetty services (Note)	**282,925**	236,027
Revenue from other sources		
Rental revenue from operating leases with customers		
– Lease payments that are fixed or depend on an index or a rate	**26,550**	21,899
– Variable lease payments that do not depend on an index or a rate	**43,999**	49,549
	70,549	71,448
	353,474	307,475

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	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Net foreign exchange gain	**(49,336)**	(42,722)
Depreciation		
– Property, plant and equipment	**105,812**	73,261
– Investment properties	**619**	619
– Right-of-use assets	**5,214**	5,285
Employee benefit expenses, including directors' remuneration	**81,993**	72,007

7 INCOME TAX EXPENSES

		Six months ended 30 June	
		2026	2025
	Note	***HK$'000***	*HK$'000*
		(Unaudited)	(Unaudited)
Current income tax:			
– Hong Kong profits tax	*(b) (e)*	**6,529**	7,794
– PRC corporate income tax	*(c)*	**47,080**	39,701
		53,609	47,495
Deferred income tax charged	*(d)*	**16,349**	18,275
		69,958	65,770

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% (2025: 16.5%) on the estimated assessable profit for the six months ended 30 June 2026 and 2025.

(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 subsidiaries of the Group as determined in accordance with the relevant income tax rules and regulations of the PRC (2025: 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 tax rate of 5% or 10%. During the six months ended 30 June 2026, withholding tax was provided for the portion of the relevant undistributed profits of the Group's subsidiaries, joint ventures and associates established in the PRC at a tax rate of 5% (2025: 5%).

(e) The Company is part of a multinational enterprise group which is subject to the Global Anti-Base Erosion model Rules ("**Pillar Two model rules**") published by the Organisation for Economic Co-operation and Development.

From 1 January 2025, the Group is liable to Pillar Two income taxes under the Hong Kong Inland Revenue (Amendment) (Minimum Tax for Multinational Enterprise Groups) Ordinance 2025, which imposes top-up tax for the constituent entities with an effective tax rate below 15%. However, based on the assessment performed so far, the multinational enterprise group that the Company belongs to is not expected to be subject to any material top-up tax in Hong Kong.

The Group has applied the temporary mandatory exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes and accounted for the tax as current tax as incurred.

8 DIVIDENDS

(a)

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Interim dividend, declared	**248,616**	248,616

On 17 August 2026, the board of directors has resolved to declare an interim dividend of HK10.0 cents per ordinary share (2025: HK10.0 cents per ordinary share). This interim dividend has not been recognised as a liability in this interim financial report.

(b) The final dividend of approximately HK$372,924,000 that relates to the year ended 31 December 2025 was approved in Annual General Meeting on 3 June 2026 and was paid on 26 June 2026 (2025: HK$372,924,000).

9 EARNINGS PER SHARE

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

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
Earnings (in HK$'000)		
Profit attributable to equity holders of the Company	**386,487**	563,366
Number of shares		
Weighted average number of ordinary shares in issue (in thousand)	**2,486,160**	2,486,160
Basic earnings per share (HK cents per share)	**15.55**	22.66

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 30 June 2026 HK$'000 (Unaudited)	As at 31 December 2025 HK$'000 (Audited)
Trade receivables		
– An intermediate holding company	**117,898**	51,683
– Others	**3,849**	15,333
	121,747	67,016
Other receivables		
– Dividend receivables from joint ventures and an associate	**824,137**	–
– Interest receivables	**123,131**	92,266
– Others	**12,901**	13,720
	960,169	105,986
	1,081,916	173,002
Less: non-current portion	**(101,177)**	(33,524)
Current portion	**980,739**	139,478

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 based on invoice date was as follows:

	As at 30 June 2026 HK$'000 (Unaudited)	As at 31 December 2025 HK$'000 (Audited)
Within 1 month	**37,531**	67,016
1 to 3 months	**84,216**	–
Over 3 months	**–**	–
	121,747	67,016

11 TRADE AND OTHER PAYABLES

	As at 30 June 2026 HK$'000 (Unaudited)	As at 31 December 2025 HK$'000 (Audited)
Trade payables		
– Related parties	**885**	871
– Others	**15,411**	30,360
	16,296	31,231
Other payables		
– Amounts due to the immediate holding company, an intermediate holding company and other related parties	**4,829**	2,638
– Accrued charges	**90,288**	99,600
	95,117	102,238
	111,413	133,469

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 2026 HK$'000 (Unaudited)	As at 31 December 2025 HK$'000 (Audited)
Within 1 month	**11,506**	28,682
1 to 3 months	**3,858**	1,532
3 to 12 months	**763**	852
Over 12 months	**169**	165
	16,296	31,231

12 STEP ACQUISITION FROM A JOINT VENTURE TO A SUBSIDIARY

During the six months ended 30 June 2026, the Group completed a business combination achieved in stages with respect to Caofeidian Shihua (the "**Step Acquisition**"). For details, please refer to the announcement dated 12 February 2026 published by the Company on the website of the Stock Exchange and the website of the Company.

According to the requirements of the prevailing accounting standards, the Group remeasured its previously held equity interest in Caofeidian Shihua to its fair value of HK$496.3 million as at acquisition date and recognised a resulting gain of HK$40.9 million, which was presented under "other income and other gains, net" in the consolidated income statement together with a loss of HK$74.7 million resulting from recycling of cumulative exchange reserves related to Caofeidian Shihua.

The fair value of the identifiable assets acquired and liabilities assumed at the date of the Step Acquisition are as follows:

	HK$'000
Property, plant and equipment	315,753
Identifiable intangible assets	7,816
Trade and other receivables	1,981
Cash and cash equivalents	28,407
Time deposits with original maturity of over three months	211,313
Trade and other payables	(11)
Tax payables	(4,735)
Deferred tax liabilities	(21,129)
	539,395
Non-controlling interest	(53,940)
Goodwill arising on the Step Acquisition	10,841
Consideration of the Step Acquisition	496,296

	HK$'000
Net cash inflow of cash and cash equivalents included in cash flows from investing activities:	
Cash and cash equivalents acquired	28,407

INTERIM DIVIDEND

The Board declared the payment of an interim dividend of HK10 cents per share in cash for 2026 to shareholders whose names appear on the register of members of the Company on 9 September 2026 (Wednesday), being the record date for determining shareholders' entitlement to the interim dividend.

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 7 September 2026 (Monday) to 9 September 2026 (Wednesday) (being the record date for determining shareholders' entitlement to the interim dividend) (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 Investor Services 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 4 September 2026 (Friday). The cheques for dividend payment will be sent on or around 24 September 2026 (Thursday).

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review and Prospects

In the first half of 2026, the global economy continued to show a weak recovery trend, presenting overall characteristics of low growth, high uncertainty and a rebound in inflation. Geopolitical conflicts in the Middle East continued to disrupt energy markets, whilst the restructuring of global industrial and supply chains and regional divergence intensified, resulting in a complex and severe external operating environment with multiple overlapping risks and challenges. In the face of the complex macro situation, the Group focused on strengthening corporate governance and consolidating a comprehensive risk prevention and control system as our core measures. We continued to consolidate our cost control measures and optimized the efficiency of resource allocation, actively responded to external market fluctuations and industry transformations, effectively mitigated risks arising from the situation in the Middle East to stabilize our core business operations, enhanced operational quality and efficiency, and drove the high-quality and steady corporate development.

For the first half of 2026, the Company recorded a revenue of approximately HK$353 million, representing a year-on-year increase of approximately 14.96%. The increase was mainly due to the inclusion of 唐山曹妃甸實華原油碼頭有限公司 (Tangshan Caofeidian Shihua Crude Oil Terminal Co., Ltd.*) ("**Caofeidian Shihua**") in the scope of the consolidated statements of the Group, and recorded a profit of approximately HK$386 million, representing a year-on-year decrease of approximately 31.41%, which was translated into a profit attributable to the Company's equity holders of approximately HK15.55 cents per share. Taking the cash flow situation and the needs of future development of the Group into consideration, the Board declared an interim cash dividend for 2026 of HK10 cents per share, which is consistent with the same period in 2025.

In the first half of 2026, Rizhao Shihua Crude Oil Terminal Co., Ltd. (日照實華原油碼頭有限公司) (“**Rizhao Shihua**”), a joint venture of the Company, already entered the liquidation process and completed the disposal of operating assets and ancillary facilities held by Rizhao Shihua (the “**Relevant Assets**”) to independent third parties. Currently, the transfer of the relevant assets has been completed.

During the first half of 2026, the Company made positive progress in its environmental, social and governance (the “**ESG**”) management aspect, and actively expanded the scope of ESG reporting to include Caofeidian Shihua, thereby further improving data coverage and enhancing transparency of information disclosure. In order to enhance its professional monitoring capabilities, the Company formally established an ESG Committee in March 2026, thereby establishing a three-tier professional governance structure comprising the “Board – ESG Committee – ESG Working Group”. Meanwhile, the Company continued to focus on the performance of its shareholder supervision responsibilities, established a sound HSE (Health, Safety and Environment) supervision system, and strengthened joint on-site safety inspections by shareholders to effectively raise the overall standard of safety management.

In the first half of 2026, in the face of a market cycle of interest rate cut, the Company strengthened capital coordination and efficient operation with risks under control. The Company closely tracked interest rate changes, conducted refined calculations, accelerated the return of dividend funds of operating entities, optimized the deposit structure and scientifically arranged the deposit term, and improved the efficiency of capital utilization. In the first half of 2026, the Company recorded finance income of approximately HK$127 million, representing a slight year-on-year decrease of approximately 3.91%. Furthermore, the Company continued to monitor and actively responded to exchange rate volatility risks, effectively mitigated the impact of exchange rate fluctuations through strengthening dynamic capital management, and achieved favourable foreign exchange gains during the dividend conversion process.

In the first half of 2026, the Company further strengthened the core role of the general meetings and board meetings of its operating entities in corporate governance. It established an integrated management mechanism covering “resolutions review, scientific decision-making, implementation and tracking” focusing on core matters such as annual production and operation indicators, financial budgets, and investment plans of each operating entity. At the same time, the Company continued to strengthen the cost control, urged its operating entities to implement various cost reduction and efficiency enhancement measures, strictly regulated key expenditure, and reduced non-productive expenditures. Furthermore, the Company further optimized its cost structure through a number of initiatives, including specialized contractor management, targeted governance of engineering tendering and materials procurement, and the roll-out of a business outsourcing system, amongst other measures.

Looking ahead to 2026, the global economic environment remains complex, the global energy supply chain continues to undergo restructuring, the balance between international oil supply and demand remains tight, whilst geopolitical risks and changes in energy policy intensify market volatility. The domestic economy is expected to maintain a steady growth trend, and is accelerating the improvement of the energy infrastructure network, providing development space for the oil and gas sector. However, the acceleration of the energy transition and adjustments to the structure of market demand pose ongoing challenges. The year 2026 marks the beginning of the “15th Five-Year Plan”. In the face of an external environment characterized by both opportunities and challenges, the Group remains committed to high-quality development as its main focus. The Group will deepen its commitment to value creation and strive to develop into a world-class international petrochemical storage and logistics company. The Board will continue to uphold the philosophy of high-quality development, scientifically plan its business strategy, stabilize its core resource advantages in domestic crude oil terminals and storage, steadily develop its overseas storage and vessel logistics business, actively explore opportunities for the transformation of energy infrastructure, strictly guard against various geopolitical, market and operational risks, seize industry cycles and proactively turn challenges into opportunities, striving to continuously create long-term, stable value for the shareholders of the Company.

1. Business Review

Business Model

Relying on years of industry experience and professional capabilities, the Group has built an integrated energy infrastructure network "with domestic crude oil jetty and storage as the core, LNG transportation and logistics and overseas storage as the extension", created value for shareholders through stable cash flow and operating performance, and promoted sustainable corporate development.

Market Review

The first half of 2026 marked the first half of the beginning of the country's "15th Five-Year Plan", during which the domestic economy as a whole demonstrated steady growth. The global development environment was characterized by intensifying geopolitical conflicts and the intermittent blockade of the Strait of Hormuz, leading to a rise in oil prices and inflation expectations. In the first half of 2026, oil prices showed a trend of first surging sharply before falling back.

In the first half of 2026, facing multiple external pressures such as geopolitical conflicts in the Middle East, international oil price fluctuations, low refinery operating rates, intensified market competition and current liquidation process of Rizhao Shihua, domestic and overseas crude oil jetty and storage businesses of the Company were significantly impacted, resulting in a decline in the Company's related investment returns.

Key Operational Data (Financial Basis)

	Unit	First half of 2026	First half of 2025	Change
(I) Domestic crude oil jetty and storage business				
Huade Petrochemical				
– Unloading volume of crude oil (From Sinopec Group)	0’000 tonnes	506	591	-14.38%
– Unloading volume of crude oil (From a third-party customer)	0’000 tonnes	121	57	112.28%
– Number of unloading vessels of crude oil	Vessels	60	52	15.38%
– Transshipment business volume	0’000 tonnes	526	591	-11.00%
– Pipeline transmission business volume	0’000 tonnes	544	595	-8.57%
– Naphtha unloading volume	0’000 tonnes	44	28	57.14%
Caofeidian Shihua				
– Unloading volume of crude oil	0’000 tonnes	408	568	-28.17%
Five domestic terminal companies				
– Throughput	0’000 tonnes	5,304	7,936	-33.17%
(II) Overseas storage business				
FOT				
– Occupancy rate	%	85.8	98.5	Fell by 12.7 pps
– Throughput	0’000 tonnes	572	670	-14.63%
Vesta				
– Occupancy rate (Belgium)	%	98	100	Fell by 2 pps
– Occupancy rate (Netherlands)	%	84.4	92.5	Fell by 8.1 pps
– Throughput (Belgium)	0’000 tonnes	360	490	-26.53%
– Throughput (Netherlands)	0’000 tonnes	52	61	-14.75%
(III) LNG transportation and logistics				
– Completed voyages	Voyages	45	50	-10.00%
– Transported LNG volume	0’000 m^3	744	824	-9.71%

Business Segments

In the first half of 2026, the Group had two business segments, namely a) the crude oil jetty and storage business (including the domestic crude oil jetty and storage business and overseas storage business) and b) the vessel chartering and logistics business.

a) Crude Oil Jetty and Storage Business

In the first half of 2026, as for the crude oil jetty and storage business segment, as domestic maritime crude oil imports were affected by the conflicts in the Middle East, coupled with a decline in domestic demand for oil products and reduced processing loads of state-owned and local refinery customers, the aggregate throughput of domestic terminal companies was affected, and the results of this segment declined.

In the first half of 2026, the segment revenue from the Group's crude oil jetty and storage business was approximately HK$353,474,000 (first half of 2025: HK$307,475,000), representing a year-on-year increase of approximately 14.96%. The increase was primarily due to the formal inclusion of Caofeidian Shihua into the Group's consolidated financial statements. Segment results from crude oil jetty and storage business were approximately HK$285,211,000 (first half of 2025: HK$434,385,000), representing a year-on-year decrease of approximately 34.34%.

Huade Petrochemical

During the Reporting Period, Huade Petrochemical continued its efforts to expand business volume with third-party customers, and continuously improved standards of customer service. During the Reporting Period, Huade Petrochemical expanded its naphtha unloading business of approximately 440,000 tonnes and completed crude oil unloading of approximately 6.27 million tonnes, representing a year-on-year decrease of approximately 3.24%, among which, approximately 1.21 million tonnes of crude oil were unloaded for another third-party customer, representing a year-on-year increase of approximately 112.28%. Huade Petrochemical created an atmosphere of cost-saving and efficiency enhancement among all employees, implemented cost controls through measures such as self-maintenance, process optimization, and resource recycling. During the Reporting Period, it recorded revenue of approximately HK$306 million, representing a year-on-year decrease of approximately 0.39%.

Caofeidian Shihua

During the Reporting Period, Caofeidian Shihua was affected by the reduction in refinery processing volumes by its refinery customers. In order to secure the business volume, Caofeidian Shihua actively expanded the sources of oil types for unloading, deeply connected with the production and operation demands of downstream refineries, and strived to capture the unloading business beyond the original plan. A total of 47 crude oil tankers completed unloading operations during the first half of the year. Caofeidian Shihua completed the unloading of approximately 4.08 million tonnes of crude oil, representing a year-on-year decrease of approximately 28.17%. During the Reporting Period, it recorded revenue of approximately HK$47.21 million.

Domestic Terminal Companies

During the Reporting Period, in the face of the severe market conditions and the pressure on production and operation brought about by the international turmoils and the slowdown of domestic economic growth, as well as entry into the liquidation process of Rizhao Shihua, operating entities of the Company, namely Tianjin Port Shihua, Qingdao Shihua, Rizhao Shihua, Ningbo Shihua and Zhan Jiang Port Petrochemical (collectively, the "**Five Domestic Terminal Companies**"), the aggregate throughput of the Five Domestic Terminal Companies amounted to approximately 53.04 million tonnes, representing a year-on-year decrease of approximately 33.17%. During the Reporting Period, the Five Domestic Terminal Companies generated a total investment return of approximately HK$92.88 million for the Company, representing a year-on-year decrease of approximately 52.01%.

Overseas Storage – FOT

During the Reporting Period, Fujairah Oil Terminal FZC ("**FOT**"), a joint venture of the Company in the Middle East, and the oil terminals and ports in the surrounding areas were affected by the conflicts in the Middle East. The overall occupancy rate fell by 12.7 percentage points year-on-year to approximately 85.8%, while the average rental level decreased by approximately 17.2% year-on-year. In order to respond to these changing circumstances, FOT introduced new customers through short-term leases, while striving to reduce unnecessary costs, and mitigated the impact of the macro-environment on FOT. During the Reporting Period, FOT contributed an investment return of approximately HK$29.64 million for the Company, representing a year-on-year decrease of approximately 51.31%.

Overseas Storage – Vesta

During the Reporting Period, storage market in the region where Vesta (the Company's joint venture) operates experienced an oversupply landscape, putting downward pressure on pricing for contract renewals. In addition, the European petroleum product trading market entered a downturn cycle, the demand for storage of petroleum products declined, which affected occupancy rates of storage tanks.

In the Belgian storage area, average rental level for storage tanks of Vesta's core petroleum products (naphtha, diesel, fuel oil, and jet fuel) declined, resulting in an overall year-over-year decrease in tank rentals. Vesta optimized its pricing model by leveraging its storage resources to secure medium- to long-term contracts, thereby offsetting the revenue shortfall caused by the decline in rental rates. During the Reporting Period, the occupancy rate of the Belgian storage area was approximately 98%, representing a decrease of 2 percentage points year-on-year, and the average rental level decreased by approximately 8.6% year-on-year. The new connection project between the Belgian storage area and the terminal at the port of Antwerp has completed and is expected to be commissioned in the third quarter of 2026, which has a positive impact on ensuring the safe and stable operation of the storage area in Belgium, further expansion of the storage and transportation business, and improvement of the corporate efficiency.

In the Dutch storage area, Vesta has long focused on strategic storage customers and the major storage oil product is diesel due to geographical location and terminal conditions. Due to the decline in unit price of diesel leases, during the Reporting Period, the occupancy rate of the Dutch storage area was approximately 84.4%, representing a decrease of 8.1 percentage points year-on-year, and the average rental level decreased by approximately 3.5% year-on-year. In the future, the Company will continue to expand its storage business for green fuels such as biodiesel and vegetable oil, further increasing the proportion of high-margin fuel products.

During the Reporting Period, Vesta contributed an investment return of approximately HK$12.15 million for the Company, representing a year-on-year decrease of approximately 34.92%.

b) Vessel Chartering and Logistics Business

During the Reporting Period, domestic natural gas imports slightly declined. According to data from the General Administration of Customs of China, China imported approximately 57.45 million tonnes of natural gas in the first half of 2026, representing a year-on-year decrease of approximately 3.4%.

The Group's liquefied natural gas (the "**LNG**") vessel logistics business maintained steady operations and the eight LNG vessels of the Group had completed a total of 45 voyages, and transported approximately 7.44 million m^3 of LNG. Total investment return of approximately HK$54.10 million was generated from the Group's LNG vessel logistics business in the first half of 2026, representing a year-on-year increase of approximately 49.42%, which was mainly due to a one-time financial adjustment of China Energy Shipping Investment Co., Ltd. ("**China Energy**") on the accident losses of CESI QINGDAO for equipment failure in the first half of last year, with no related adjustments made in the same period of this year.

2. Consolidated Results

Revenue, Gross Profit and Operating Profit

In the first half of 2026, the revenue of the Group amounted to approximately HK$353,474,000 (first half of 2025: HK$307,475,000), representing a year-on-year increase of approximately 14.96%; the gross profit amounted to approximately HK$166,959,000 (first half of 2025: HK$155,673,000), representing a year-on-year increase of approximately 7.25%. The increases in the revenue and gross profit of the Group were mainly due to the inclusion of Caofeidian Shihua into the consolidated financial statements of the Group. The operating profit amounted to approximately HK$141,191,000 (first half of 2025: HK$168,096,000), representing a year-on-year decrease of approximately 16.01%. The decrease in operating profit was mainly due to 1) the year-on-year decrease in exchange gains and the recognition of a one-off loss by the Group due to the remeasurement of its original interest in Caofeidian Shihua and 2) the year-on-year increase in administrative expenses.

Other Income and Other Gains, Net

In the first half of 2026, the Group's other income and other gains, net, was in the net gain amount of approximately HK$52,106,000 (first half of 2025: HK$71,863,000), representing a year-on-year decrease of approximately 27.49%, which was mainly attributable to the year-on-year reduction of exchange gains and the recognition of a one-off loss by the Group due to the remeasurement of its original interest in Caofeidian Shihua.

Administrative Expenses

In the first half of 2026, the administrative expenses of the Group were approximately HK$67,250,000 (first half of 2025: HK$51,308,000), representing a year-on-year increase of approximately 31.07%, which was mainly due to the formal inclusion of Caofeidian Shihua into the consolidated financial statements of the Group.

Share of Results of Joint Ventures

In the first half of 2026, the Group's share of results of joint ventures was approximately HK$158,516,000 (first half of 2025: HK$288,106,000), representing a year-on-year decrease of approximately 44.98%, which was mainly due to 1) escalating tensions in the Middle East, affecting the throughput at domestic joint venture terminal companies and storage tank leasing at FOT, dragging down the results of operating entities; 2) Rizhao Shihua entered the liquidation process, with its throughput and results significantly lower than the same period of last year; 3) Caofeidian Shihua has officially been included into the consolidated financial statements of the Group and is not presented as a joint venture of the Company in the first half of 2026.

Share of Results of Associates

In the first half of 2026, the Group's share of results of associates was approximately HK$30,250,000 (first half of 2025: HK$41,519,000), representing a year-on-year decrease of approximately 27.14%, which was mainly due to the fact that the throughput of Zhan Jiang Port Petrochemical, an associate of the Company, was affected by the conflicts in the Middle East and the suspension of production due to maintenance of some refinery customers.

Profit Before Income Tax and Profit for the Period

In the first half of 2026, the Group's profit before income tax amounted to approximately HK$456,361,000 (first half of 2025: HK$629,097,000), representing a year-on-year decrease of approximately 27.46%; and the Group's profit for the Period amounted to approximately HK$386,403,000 (first half of 2025: HK$563,327,000), representing a year-on-year decrease of approximately 31.41%. The decreases in the profit before income tax and profit for the Period were mainly due to the decrease in investment returns from domestic terminal companies and FOT.

3. Financial Position

Property, Plant and Equipment

As at 30 June 2026, the Group's property, plant and equipment amounted to approximately HK$1,502,346,000 (as at 31 December 2025: HK$1,236,806,000), representing an increase of approximately 21.47% as compared with the end of 2025. The increase was mainly attributable to the inclusion of Caofeidian Shihua into the consolidated financial statements of the Group.

Intangible Assets

As at 30 June 2026, the Group's intangible assets amounted to approximately HK$19,064,000 (as at 31 December 2025: HK$593,000). The increase was mainly attributable to the inclusion of Caofeidian Shihua into the consolidated financial statements of the Group.

Interests in Joint Ventures

As at 30 June 2026, the Group's interests in joint ventures amounted to approximately HK$5,697,186,000 (as at 31 December 2025: HK$6,818,274,000), representing a decrease of approximately 16.44% as compared with the end of 2025. The decrease was mainly attributable to the conversion of Caofeidian Shihua from a joint venture to a non-wholly-owned subsidiary of the Company during the Reporting Period.

Trade and Other Receivables

As at 30 June 2026, the Group's trade and other receivables amounted to approximately HK$1,081,916,000 (as at 31 December 2025: HK$173,002,000), representing an increase of approximately 525.38% as compared with the end of 2025. The increase was mainly attributable to an increase in the dividend receivable by the Company from its joint ventures.

Liquidity and Source of Finance

As at 30 June 2026, the Group's cash and cash equivalents and time deposits with original maturity of more than three months aggregately amounted to approximately HK$8,040,154,000 (as at 31 December 2025: HK$7,655,068,000), representing an increase of approximately 5.03% as compared with the end of 2025, 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 2026, the Group had no bank loans and other borrowings.

Taking into account the aforementioned factors and the cash flow of the Group, the Group has solid financial position that is sufficient to support its operating capital and capital budget expenditures for at least the next twelve months.

Deferred Income Tax Liabilities

As at 30 June 2026, the Group's deferred income tax liabilities amounted to approximately HK$163,890,000 (as at 31 December 2025: HK$122,502,000), representing an increase of approximately 33.79% as compared with the end of 2025. The increase in deferred income tax liabilities was mainly due to a lower deferred income tax liabilities at the end of the previous year as a result of the payment of the dividend income tax for domestic jetty companies in the second half of 2025.

Lease Liabilities

As at 30 June 2026, the Group's lease liabilities amounted to approximately HK$27,606,000 (as at 31 December 2025: HK$31,713,000), representing a decrease of approximately 12.95% as compared with the end of 2025. 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 2026, the Group's trade and other payables amounted to approximately HK$111,413,000 (as at 31 December 2025: HK$133,469,000), representing a decrease of approximately 16.53% as compared with the end of 2025, which was mainly due to settlement of construction by the Company according to the progress of projects.

Current Ratio, Liabilities to Assets Ratio and Gearing Ratio

As at 30 June 2026, the Group's current ratio (current assets to current liabilities) was approximately 24.49 (as at 31 December 2025: 24.61), and its liabilities to assets ratio (total liabilities to total assets) was approximately 2.09% (as at 31 December 2025: 2.05%). 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 2026 (as at 31 December 2025: nil).

Capital Management

The senior management of the Company strives to optimise the structure of the Group's capital, which comprises of equity and borrowings. In order to maintain or adjust the capital structure of the Group, the senior management may cause the Group to issue new shares, adjust the capital expenditure plan, adjust the investment plan or adjust the proportion of short-term and long-term borrowings according to the Group's operating and investment needs. The senior management monitors capital on the basis of the current ratio and net debt-to-capital ratio (lease liabilities and trade and other payables less cash and cash equivalents divided by total equity).

The senior management's strategy is to make appropriate adjustments according to the Group's operating and investment needs and the changes in market conditions, and to maintain the current ratio and net debt-to-capital ratio at a range considered reasonable. The net debt-to-capital ratio of the Group was approximately -2.51% as at 30 June 2026. (The net debt-to-capital ratio of the Group as at 31 December 2025: -1.55%)

4. Principal Risks And Uncertainties

Geopolitical Risks

In the first half of 2026, geopolitical conflicts in the Middle East escalated significantly. After the joint military operation by the US and Israel against Iran in February, the conflict persisted, with navigation through the Strait of Hormuz was actually disrupted for a period, international shipping costs rose, and the stability of the global crude oil supply chain came under pressure. The safety of the storage tank facilities and personnel of a joint venture of the Company, FOT, faced elevated risks. If the situation further worsens, it may place significant pressure on the business and production operations of the Company. The Group has implemented multiple countermeasures: FOT has formulated emergency plans for public safety incidents, established risk warning and emergency response mechanisms, and fully implemented on-site protective measures for tank farms, personnel and materials. FOT has mitigated risks through the arrangement of political violence insurance, covering compensation for property loss and business interruption in a single incident, and has transferred liabilities for product-related risks through provisions under the tank lease contract. Meanwhile, the Group continues to closely monitor the security and political situation in relevant regions, dynamically identifies external risks through regular risk assessment and monitoring mechanisms, and takes corresponding control measures to mitigate the impact of related risks on the Group.

Safety and Environmental Protection Risks

In terms of safety and environmental protection risks, the petroleum and petrochemical storage and logistics industry is a high-risk industry exposed to risks of fire, explosion and environmental pollution. These risks may lead to safety incidents and environmental pollution events, thereby affecting the continuity of production and operations and causing suspension of production and business, and may result in huge expenditures for incident handling, pollution control, damages and compensation, adversely affecting the financial condition of the Company. In the first half of the year, the Group strictly implemented its primary responsibility for safe production, continuously improved its safety and environmental management system, strengthened the lifecycle management of equipment, special operation control, closed-loop management of hazardous waste, emergency response management, and rigorously controlled all types of safety and environmental hazards. In particular, in response to geopolitical tensions and rising public safety risks in areas where overseas joint ventures are located, emergency plans for public safety incidents were formulated, on-site protective measures for storage tanks, personnel and materials were implemented, and related risks through measures such as arranging political violence insurance were transferred. The Group will continuously enhance risk prevention and control capabilities to minimise the adverse impact of safety and environmental risks on the operations, financial and business plans of the Company.

Legal Compliance Risks

In terms of legal compliance risks, the petroleum and petrochemical industry was strictly constrained by relevant laws and regulations such as national safety production, environmental protection, project bidding, materials procurement, and international economic sanctions, etc., as well as industry regulatory policies, the compliance requirements were extremely high. If the Company had a compliance deficiency across its operational processes, it may trigger administrative penalties from regulatory authorities, legal proceedings or arbitration initiated by relevant parties, affecting the compliance and operation order, damaging the market credibility and industry reputation, and additional expenses such as fines and compensation may be incurred. In the first half of the year, the Group continued to optimise the five-in-one compliance risk management system, which includes "policies, internal control, risk, compliance, and legal aspects", strengthening business compliance review and look-through supervision. Key concerns include: advancing the disposal of the debtor's land for the Batam project, and managing the risks of compliant operations of the operating terminal companies under international economic sanctions. By strengthening daily vessel reporting and reviews, risk alerts, system implementation and supervision, and regular training, the Group continues to improve compliance management capabilities, and effectively prevents and mitigates the adverse impact of legal compliance risks on the operations, financial position and business plans of the Company.

Exchange Rate Risk

The Company is engaged in petroleum and 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 revenue in Renminbi, EUR and USD respectively. The declared dividends received by the Group will also fluctuate with the exchange rates of Renminbi, EUR and USD against HKD or during the conversion of dividends into other currencies, exchange losses may occur, and the Group faces the exchange rate risk to a certain extent. In the first half of the year, affected by international geopolitical conflicts, the complexity of the exchange rate risk management of the Group increased. The Group had no financial instruments for exchange rate hedging purposes and other foreign currency investments.

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

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's cash flow interest rate risk primarily arises from interest-bearing assets, majority of which are bank deposits. Cash and deposits of the Group were placed with large financial institutions in Hong Kong, the PRC, and subsidiaries of China Petrochemical Corporation ("**Sinopec Group Company**"). During the Reporting Period, the Group strengthened its funds management and actively negotiated with financial institutions to strive for higher interest rate of deposits for the funds on hand and extend part of the deposit periods. The Group had no financial instruments for interest rate hedging purposes.

Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they become due. The Group's approach in managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The management of the Company prepares monthly cash flow budget to ensure that the Group will always have sufficient liquidity to meet its financial obligations as they become due. If needed, the Group may consider arranging and negotiating financing with financial institutions to reduce the Group's liquidity risk.

In the first half of the year, despite rising shipping and energy security costs due to tense international situations, the overall liquidity of the Group remained stable.

5. Other Material Matters

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

Save as disclosed in this announcement, the Company did not have any material investments, acquisitions and disposals during the Reporting Period. Save as disclosed in this announcement, as at 30 June 2026, the Board had not authorised any material investments or additions to capital assets.

Contingent Liabilities and Assets Pledged by the Group

As at 30 June 2026, details of the assets pledged by the Group were as follows:

Guarantor	Beneficiary	Name of agreement	Content of clause	Date of agreement	Guarantee or pledge period	Balance of pledge or guarantee provided as at 30 June 2026
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 US$280 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 2026 and the date of this announcement. As at 30 June 2026 and the date of this announcement, the Group had no contingent liabilities.

In support of the operational development of joint ventures and an associate, on 30 June 2026, the Company provided shareholder loans to the joint ventures and the associate. Taking into account the financial position, historical loss experience with these joint ventures and the associate, as well as other-forward-looking information such as the macroeconomic factors affecting the repayment ability, the Group considers the credit risk associated with the provision of loans to the joint ventures and the associate is low.

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 PT. West Point. Due to reasons attributable to the Indonesian shareholder, 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 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 PT. West Point. The Company is actively advancing the process of disposing the debtor's land through various ways and means, striving to maximise the recovery of claims under the favourable 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.

EMPLOYEES AND EMOLUMENT POLICIES

As at 30 June 2026, the Group had a total of 270 employees (as at 30 June 2025: 212). 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 employees in accordance with local laws and regulations. For details on the employee remuneration, please refer to the note 6 to the financial statements.

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.

OTHER INFORMATION

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

As at 30 June 2026, 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, the Laws of Hong Kong)), 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 that, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") set out in set out in Appendix C3 to the Stock Exchange's Rules Governing the Listing of Securities (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 2026, 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 (including interests or short positions which such person was taken or deemed to have such under provisions), 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 percentage of total issued shares
Sinopec Kantons International Limited ("**Kantons International**" *Note 1*)	Beneficial owner	1,500,000,000 (L)	60.33%
CITIC Group Corporation *Note 2*	Interest of controlled corporations	201,434,000 (L)	8.10%
CITIC Limited *Note 2*	Interest of controlled corporations	201,434,000 (L)	8.10%
CTI Capital Management Limited *Note 2*	Beneficial owner	201,434,000 (L)	8.10%

(L) Long positions

Note 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.

Note 2: According to the disclosure of interests as set out on the website of the Stock Exchange, CTI Capital Management Limited was interested in 201,434,000 shares of the Company in long position.

According to the disclosure of interests as set out on the website of the Stock Exchange, CITIC Group Corporation and CITIC Limited are deemed to be interested in the shares of the Company held by CTI Capital Management Limited under the SFO.

Specifically, CITIC Group Corporation held 100% equity interest in CITIC Polaris Limited, which held 27.52% equity interest in CITIC Limited. CITIC Group Corporation also held 100% equity interest in CITIC Glory Limited, which held 25.60% equity interest in CITIC Limited. Thus, CITIC Group Corporation indirectly held 53.12% equity interest in CITIC Limited. CITIC Limited held 100% equity interest in CITIC Corporation Limited. CITIC Corporation Limited also held 100% equity interest in CITIC Financial Holdings Co., Ltd., which held 100% equity interest in CITIC Trust Co., Ltd. CITIC Trust Co., Ltd. held 100% equity interest in CTI Capital Management Limited.

Save as disclosed above, the Company has not been notified that any person (other than the Directors and chief executive of the Company) 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 the provisions of Divisions 2 and 3 of Part XV of the SFO (including interests or short positions which were taken or deemed to have under such provisions), or which were entered in the register of interests required to be kept by the Company under Section 336 of the SFO.

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 2026, 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 2026.

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:

On 16 March 2026, the Company established the ESG Committee, which consists of 6 members, of which Mr. Zhong Fuliang serves as the chairman of the ESG Committee, while Mr. Fong Chung, Mark, Dr. Wong Yau Kar, David, Ms. Wong Pui Sze, Priscilla, Mr. Ye, James Zheng and Mr. Sang Jinghua serve as members of the ESG Committee.

Mr. Yang Yong, Mr. Zhang Guoxin and Mr. Wang Hui were appointed as executive directors of the Company on 17 August 2026.

Mr. Yang Yanfei, Mr. Ren Jiajun, Mr. Zou Wenzhi and Mr. Mo Zhenglin resigned as executive directors of the Company on 17 August 2026.

Audit Committee

The audit committee of the Company 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 for 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 2026.

Remuneration Committee

The remuneration committee of the Company (the "**Remuneration 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 Remuneration Committee.

Nomination Committee

The nomination committee of the Company (the "**Nomination Committee**") comprises four independent non-executive Directors and two executive Directors, of which one of the independent non-executive Directors, Ms. Wong Pui Sze, Priscilla, is the chairlady of the Nomination Committee.

ESG COMMITTEE

The ESG Committee comprises four independent non-executive Directors and two executive Directors, with Mr. Zhong Fuliang, the chairman of the Board and an executive Director, serving as the chairman of the ESG 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 (including any sale or transfer of treasury shares) during the six months ended 30 June 2026. As at 30 June 2026, the Company did not hold any treasury shares.

Share Option Scheme

For the six months ended 30 June 2026, the Company did not establish and implement 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 2026 and as at the date of this announcement.

Corporate Sustainability

As a company specializing in petrochemical storage and logistics business, the Group has always conducted its operations on the premise of safety, environmental protection and compliance in order to promote collective sustainable development with the community where it operates. During the Reporting Period, the Group continued to improve its policies and organizational structure, remained committed to corporate social responsibilities and actively discharged related tasks in accordance with the instructions of the Board. The ESG Committee was established in March 2026, and is responsible for assisting the Board in formulating and reviewing the environmental, social and corporate governance policies and practices applicable to the Company and making recommendations to the Board to strengthen the ESG governance structure, in order to manage and supervise the sustainable development performance of the overall business.

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. Sang Jinghua *(General Manager)*
Mr. Yang Yong
Mr. Zhang Guoxin
Mr. Wang Hui

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