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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)

TERMINATION OF THE LAND SALE AGREEMENT

This announcement is made pursuant to Rule 14.36 of the Listing Rules.

Reference is made to the Announcement and the Circular of the Company regarding the discloseable and connected transaction of the sale of Land by Huade to SGCCS.

The Board announces that as at 30 August 2010, one of the conditions of the Sale Agreement, namely approval by the relevant local PRC governmental authorities of the transfer of the Land is not fulfilled. Therefore, Huade and SGCCS confirmed the termination of the Sale Agreement on 30 August 2010.

This announcement is made pursuant to Rule 14.36 of the Listing Rules.

Reference is made to the announcement dated 22 October 2008 (the “**Announcement**”) and the circular dated 11 November 2008 (the “**Circular**”) of Sinopec Kantons Holdings Limited (the “**Company**”) regarding the discloseable and connected transaction of the sale of Land by Huade to SGCCS. Unless otherwise indicated, capitalised terms used in this announcement shall have the same meaning as those defined in the Circular.

As set out in the Circular, Huade and SGCCS entered into a conditional Sale Agreement on 22 October 2008, by which Huade will transfer the land use rights in relation to the Land to SGCCS at the consideration of RMB151,953,600. The Sale Agreement is conditional upon (1) approval by the Independent Shareholders in the SGM of the Sale Agreement; and (2) approval by the relevant local PRC governmental authorities of the transfer of Land. The Sale Agreement was approved by the Independent Shareholders in the SGM held on 2 December 2008.

The Board announces that as at 30 August 2010, one of the conditions of the Sale Agreement, namely approval by the relevant local PRC governmental authorities of the transfer of the Land is not fulfilled. Therefore, Huade and SGCCS confirmed the termination of the Sale Agreement on 30 August 2010. Upon termination of the Sale Agreement, the Sale Agreement shall cease to have any further effect and the obligations thereunder shall be discharged, and neither party shall make any claims against the other party under or in respect of the Sale Agreement.

The Board believes that the termination of the Sale Agreement will have no material impact on the Group's financial position and current businesses.

By order of the Board
Sinopec Kantons Holdings Limited
Dai Zhaoming
Chairman

Hong Kong, 30 August 2010

* *For identification purpose only*

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

Executive Directors:

Ms. Dai Zhaoming (*Chairman*)

Mr. Zhu Zengqing (*Deputy Chairman*)

Mr. Zhu Jianmin

Mr. Tan Kefei

Mr. Zhou Feng

Mr. Ye Zhijun (*Managing Director*)

Independent non-executive Directors:

Mr. Wong Po Yan

Ms. Tam Wai Chu, Maria

Mr. Fong Chung, Mark