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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 RESULTS FOR THE YEAR ENDED 31 DECEMBER 2025

The board (the “**Board**”) of directors (the “**Directors**”) of Sinopec Kantons Holdings Limited (the “**Company**”) is pleased to announce the consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2025 (the “**Year**” or the “**Reporting Period**”) together with the comparative figures for the previous financial year. The financial information contained in this announcement (including the comparative figures for the same period of 2024) is extracted from the 2025 consolidated financial statements that have been audited by KPMG and reviewed by the audit committee (the “**Audit Committee**”) of the Company.

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2025

		2025	2024
	Note	HK\$'000	HK\$'000
Revenue	3, 4	658,637	667,091
Cost of providing services	6	<u>(339,388)</u>	<u>(343,369)</u>
Gross profit		319,249	323,722
Other income and other gains, net	5	75,348	982
Distribution costs		(17,736)	(18,631)
Administrative expenses	6	<u>(107,023)</u>	<u>(132,065)</u>
Operating profit		269,838	174,008
Finance income		257,368	259,652
Finance costs		(1,586)	(1,700)
Share of results of:			
– Joint ventures		527,623	695,960
– Associates		<u>76,711</u>	<u>159,072</u>
Profit before income tax		1,129,954	1,286,992
Income tax expenses	7	<u>(101,668)</u>	<u>(109,592)</u>
Profit for the year		<u>1,028,286</u>	<u>1,177,400</u>
Profit attributable to:			
Equity holders of the Company		1,028,261	1,177,396
Non-controlling interests		<u>25</u>	<u>4</u>
Profit for the year		<u>1,028,286</u>	<u>1,177,400</u>
Basic and diluted earnings per share for profit attributable to equity holders of the Company (expressed in HK cents per share):	8	<u><u>41.36</u></u>	<u><u>47.36</u></u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2025

	2025 HK\$'000	2024 HK\$'000
Profit for the year	1,028,286	1,177,400
Other comprehensive income for the year:		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on currency translation		
– Subsidiaries	41,501	(35,854)
– Joint ventures	186,271	(143,244)
– Associates	21,620	(17,035)
	<u>249,392</u>	<u>(196,133)</u>
Cash flow hedges		
– Joint ventures	(61,578)	38,105
– An associate	(3,107)	4,642
	<u>(64,685)</u>	<u>42,747</u>
Other comprehensive income for the year, net of nil tax	<u>184,707</u>	<u>(153,386)</u>
Total comprehensive income for the year	1,212,993	1,024,014
Total comprehensive income for the year attributable to:		
Equity holders of the Company	1,212,968	1,024,010
Non-controlling interests	25	4
Total comprehensive income for the year	1,212,993	1,024,014

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the year ended 31 December 2025

		31 December 2025 <i>HK\$'000</i>	31 December 2024 <i>HK\$'000</i>
	<i>Note</i>		
ASSETS			
Non-current assets			
Property, plant and equipment		1,236,806	1,307,286
Right-of-use assets		53,756	62,427
Investment properties		13,625	14,862
Intangible assets		593	965
Interests in joint ventures		6,818,274	6,852,681
Interests in associates		902,399	934,993
Other receivables		33,524	—
Time deposits with original maturity of more than three months		3,951,658	—
Total non-current assets		13,010,635	9,173,214
Current assets			
Inventories		3,412	2,887
Trade and other receivables	9	139,478	179,715
Time deposits with original maturity of more than three months		3,282,306	6,355,558
Cash and cash equivalents		421,104	587,573
Total current assets		3,846,300	7,125,733
Total assets		16,856,935	16,298,947
EQUITY			
Equity attributable to equity holders of the Company			
Share capital		248,616	248,616
Reserves		16,260,070	15,668,642
Equity attributable to equity holders of the Company		16,508,686	15,917,258
Non-controlling interests		1,972	1,947
Total equity		16,510,658	15,919,205

		31 December 2025 <i>HK\$'000</i>	31 December 2024 <i>HK\$'000</i>
	<i>Note</i>		
LIABILITIES			
Non-current liabilities			
Deferred income tax liabilities		122,502	136,920
Government grants		42,414	45,472
Lease liabilities		25,058	29,555
Total non-current liabilities		189,974	211,947
Current liabilities			
Trade and other payables	11	133,469	145,904
Income tax payable		16,179	14,317
Lease liabilities		6,655	7,574
Total current liabilities		156,303	167,795
Total liabilities		346,277	379,742
Total equity and liabilities		16,856,935	16,298,947
Net current assets		3,689,997	6,957,938
Total assets less current liabilities		16,700,632	16,131,152

NOTES TO THE FINANCIAL STATEMENTS

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 services. The joint ventures and associates 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 Group’s financial statements are presented in Hong Kong dollars (“**HK\$**”), unless otherwise stated. These financial statements have been approved by the board of directors for issue on 16 March 2026.

In the opinion of the directors, the immediate holding company of the Company is Sinopec Kantons International Limited and the ultimate holding company is China Petrochemical Corporation (“**Sinopec Group**”). China Petroleum & Chemical Corporation (“**Sinopec Corp.**”), is an intermediate holding company of the Company and its shares are listed on the stock exchanges of Shanghai and Hong Kong. Sinopec Corp. produces consolidated financial statements available for public use.

2 BASIS OF PREPARATION

The financial information set out in this announcement does not constitute the consolidated financial statements of the Group for the year ended 31 December 2025, but is extracted from those consolidated financial statements.

The consolidated financial statements of the Group have been prepared in accordance with HKFRS Accounting Standards, which collective term includes all applicable individual Hong Kong Financial Reporting Standards (“**HKFRS**”), Hong Kong Accounting Standards (“**HKASs**”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and disclosure requirements under the Hong Kong Companies Ordinance (Cap.622). These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**the Listing Rule**”). The consolidated financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with HKFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies.

2.1 Changes in accounting policies

New and amended standards adopted by the Group

The Group has applied amendments to HKAS 21, *The effects of changes in foreign exchange rates – Lack of exchangeability* issued by the HKICPA to these financial statements for the current accounting period. The amendments do not have a material impact on these financial statements as the Group has not entered into any foreign currency transactions in which the foreign currency is not exchangeable into another currency.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

2.2 New standards and interpretations not yet adopted

Up to the date of issue of these financial statements, the HKICPA has issued a number of new or amended standards, which are not yet effective for the year ended 31 December 2025 and which have not been adopted in these financial statements. These developments include the following which may be relevant to the Group.

	Effective for accounting periods beginning on or after
Amendments to HKFRS 9, <i>Financial instruments</i> and HKFRS 7, <i>Financial instruments: disclosures – Contracts referencing nature-dependent electricity</i>	1 January 2026
Amendments to HKFRS 9, <i>Financial instruments</i> and HKFRS 7, <i>Financial instruments: disclosures – Amendments to the classification and measurement of financial instruments</i>	1 January 2026
Annual improvements to HKFRS Accounting Standards – Volume 11	1 January 2026
HKFRS 18, <i>Presentation and disclosure in financial statements</i>	1 January 2027
HKFRS 19, <i>Subsidiaries without public accountability: disclosures</i>	1 January 2027

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

3 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 fulfill 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 included 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, 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, management is also provided with segment information concerning interest income, depreciation and additions to non-current segment assets of each segments.

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 for the year ended is set out as follows:

(a) Segment results, assets and liabilities

(i) As at and for the year ended 31 December 2025:

For the year ended 31 December 2025

	Crude oil jetty and storage services <i>HK\$'000</i>	Vessel chartering and logistics services <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment revenue	658,637	–	658,637
Inter-segment revenue	–	–	–
Revenue from external customers	<u>658,637</u>	<u>–</u>	<u>658,637</u>
Segment results			
– Subsidiary	276,691	–	276,691
– Joint ventures	446,447	81,176	527,623
– Associates	<u>68,047</u>	<u>8,664</u>	<u>76,711</u>
	791,185	89,840	881,025
Other unallocated corporate net income			<u>248,929</u>
Profit before income tax			1,129,954
Income tax expenses			<u>(101,668)</u>
Profit for the year			<u>1,028,286</u>

For the year ended 31 December 2025

	Crude oil jetty and storage services <i>HK\$'000</i>	Vessel chartering and logistics services <i>HK\$'000</i>	Total <i>HK\$'000</i>
Other segment items			
Finance income	8,590	–	8,590
Depreciation			
– Property, plant and equipment	(129,304)	–	(129,304)
– Right-of-use assets	(7,533)	–	(7,533)
Additions to non-current segment assets	40,211	–	40,211
Loss on disposal of property, plant and equipment (Note 5)	<u>(692)</u>	<u>–</u>	<u>(692)</u>

As at 31 December 2025

	Crude oil jetty and storage services <i>HK\$'000</i>	Vessel chartering and logistics services <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment assets			
– 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
	<u>7,449,784</u>	<u>1,631,794</u>	<u>9,081,578</u>
Unallocated assets			
– Cash and cash equivalents			421,104
– Time deposits 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
			<u>7,775,357</u>
Total assets			<u><u>16,856,935</u></u>
Segment liabilities	<u>147,118</u>	<u>–</u>	<u>147,118</u>
Unallocated liabilities			
– Other payables			69,376
– Income tax payable			2,635
– Lease liabilities			4,646
– Deferred income tax liabilities			122,502
			<u>199,159</u>
Total liabilities			<u><u>346,277</u></u>

(ii) *As at and for the year ended 31 December 2024:*

For the year ended 31 December 2024

	Crude oil jetty and storage services <i>HK\$'000</i>	Vessel chartering and logistics services <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment revenue	667,091	–	667,091
Inter-segment revenue	–	–	–
Revenue from external customers	<u>667,091</u>	<u>–</u>	<u>667,091</u>
Segment results			
– Subsidiary	269,125	–	269,125
– Joint ventures	594,026	101,934	695,960
– Associates	<u>141,467</u>	<u>17,605</u>	<u>159,072</u>
	1,004,618	119,539	1,124,157
Other unallocated corporate net income			<u>162,835</u>
Profit before income tax			1,286,992
Income tax expenses			<u>(109,592)</u>
Profit for the year			<u><u>1,177,400</u></u>

For the year ended 31 December 2024

	Crude oil jetty and storage services <i>HK\$'000</i>	Vessel chartering and logistics services <i>HK\$'000</i>	Total <i>HK\$'000</i>
Other segment items			
Finance income	3,979	–	3,979
Depreciation			
– Property, plant and equipment	(137,441)	–	(137,441)
– Right-of-use assets	(9,114)	–	(9,114)
Additions to non-current segment assets	90,509	–	90,509
Loss on disposal of property, plant and equipment	<u>(7,456)</u>	<u>–</u>	<u>(7,456)</u>

	Crude oil jetty and storage services <i>HK\$'000</i>	Vessel chartering and logistics services <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment assets			
– Subsidiary	1,452,973	–	1,452,973
– Joint ventures	5,328,287	1,524,394	6,852,681
– Associates	847,346	87,647	934,993
	<u>7,628,606</u>	<u>1,612,041</u>	<u>9,240,647</u>
Unallocated assets			
– Cash and cash equivalents			587,573
– Time deposit with original maturity of more than three months			6,355,558
– Other receivables			88,383
– Investment properties			14,862
– Right-of-use assets			
• properties in Hong Kong			9,229
– Property, plant and equipment			1,730
– Intangible assets			965
			<u>7,058,300</u>
Total assets			<u><u>16,298,947</u></u>
Segment liabilities	<u>147,666</u>	<u>–</u>	<u>147,666</u>
Unallocated liabilities			
– Other payables			85,576
– Income tax payable			135
– Lease liabilities			9,445
– Deferred income tax liabilities			136,920
			<u>232,076</u>
Total liabilities			<u><u>379,742</u></u>

(b) Analysis of information by geographical regions

During the years ended 31 December 2025 and 2024, 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.

Non-current assets

	2025 HK\$'000	2024 HK\$'000
The PRC	5,810,040	6,099,700
Hong Kong	5,636,809	1,638,380
Europe	933,659	793,515
United Arab Emirates	629,686	641,175
Other regions	441	444
Total non-current assets	13,010,635	9,173,214

Total assets

	2025 HK\$'000	2024 HK\$'000
The PRC	6,221,963	6,579,139
Hong Kong	9,063,728	8,279,693
Europe	933,659	793,515
Indonesia	7,455	4,981
United Arab Emirates	629,686	641,175
Other regions	444	444
Total assets	16,856,935	16,298,947

(c) Major customers

For the purpose of disclosure under segment reporting, the 2025 revenue from provision of crude oil jetty and storage service derived from transactions with branches and subsidiaries of Sinopec Group, including Sinopec Corp (Guangzhou Branch) and Sinopec Fuel Oil Sales Corporation Limited, amounted to approximately HK\$544,272,000 (2024: HK\$592,972,000), representing 83% of the Group's total revenue (2024: 89%).

4 REVENUE

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

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Revenue from contracts with customers within the scope of HKFRS 15		
– Provision of crude oil jetty services (<i>Note</i>)	<u>505,232</u>	<u>504,058</u>
Revenue from other sources		
Rental revenue from operating leases with customers		
– Lease payments that are fixed or depend on an index or a rate	47,661	52,591
– Variable lease payments that do not depend on an index or a rate	<u>105,744</u>	<u>110,442</u>
	<u>153,405</u>	<u>163,033</u>
	<u>658,637</u>	<u>667,091</u>

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

5 OTHER INCOME AND OTHER GAINS, NET

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Other income:		
– Rental income from investment properties	2,393	2,585
– Government grants:		
– Value-added tax refund	640	4,359
– Amortisation of deferred government grant	3,209	3,218
– Interest income from loans to:		
– Joint ventures	50,004	51,449
– An associate	1,924	2,239
– Management fee income from a joint venture	<u>4,569</u>	<u>4,438</u>
	<u>62,739</u>	<u>68,288</u>
Other gains/(losses):		
– Net foreign exchange gains/(losses)	13,348	(59,254)
– Net losses on disposal of property, plant and equipment	(692)	(7,456)
– Others	<u>(47)</u>	<u>(596)</u>
	<u>12,609</u>	<u>(67,306)</u>
	<u>75,348</u>	<u>982</u>

6 EXPENSES BY NATURE

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Depreciation		
– property, plant and equipment	129,914	137,969
– investment properties	1,237	1,238
– right-of-use assets	12,314	13,908
Amortisation		
– Intangible assets	372	372
Employee benefit expenses, including directors' remuneration	134,688	153,014
Auditor's remuneration		
– the Company	2,000	2,000
– subsidiaries	3,382	3,285
– non-audit services	–	–
Expenses relating to short-term leases		
– hire of a property	2,148	1,830

7 INCOME TAX EXPENSES

	Note	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Current income tax:			
– Hong Kong profits tax	(b)	3,137	2,502
– PRC corporate income tax	(c)	114,815	164,178
		117,952	166,680
Deferred income tax charged	(d)	(16,284)	(57,088)
		101,668	109,592

- (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% (2024: 16.5%) on the estimated assessable profit for the year.
- (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 a subsidiary of the Group as determined in accordance with the relevant income tax rules and regulations of the PRC (2024: 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 year, withholding tax was provided for portion of the relevant undistributed profits of the Group's subsidiaries, joint ventures and associates established in the PRC at tax rate of 5% (2024: 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.

- (f) The tax on the Group's profit before income tax less share of results of joint ventures and associates differs from the theoretical amount that would arise using the principal applicable tax rate as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Profit before income tax	1,129,954	1,286,992
Less: Share of results of joint ventures	(527,623)	(695,960)
Share of results of associates	(76,711)	(159,072)
	<u>525,620</u>	<u>431,960</u>
Tax calculated at domestic tax rates applicable to profits in the respective tax jurisdictions	110,245	94,149
Income not subject to tax	(41,420)	(38,105)
Expenses not deductible for tax purposes	7,631	16,085
Withholding tax on undistributed profits	27,882	39,218
Under-provision in prior years	739	175
Tax effect of unused tax losses not recognised	(3,201)	(1,886)
Other	(208)	(44)
	<u>(208)</u>	<u>(44)</u>
Income tax expenses	<u><u>101,668</u></u>	<u><u>109,592</u></u>

8 EARNINGS PER SHARE

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

	2025	2024
Earnings (in HK\$'000)		
Profit attributable to equity holders of the Company:	<u>1,028,261</u>	<u>1,177,396</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>41.36</u></u>	<u><u>47.36</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 years.

9 TRADE AND OTHER RECEIVABLES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade receivables		
– Related parties	51,683	49,043
– Others	<u>15,333</u>	<u>18,100</u>
	<u>67,016</u>	<u>67,143</u>
Other receivables		
– Interest receivables	92,266	85,276
– Others	<u>13,720</u>	<u>27,296</u>
	<u>105,986</u>	<u>112,572</u>
	173,002	179,715
Less: non-current portion	<u>(33,524)</u>	<u>–</u>
Current portion	<u><u>139,478</u></u>	<u><u>179,715</u></u>

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

The ageing analysis of the trade receivables based on invoice date was as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Within 1 month	67,016	67,143
1 to 2 months	–	–
2 to 3 months	–	–
	<u>67,016</u>	<u>67,143</u>
	<u><u>67,016</u></u>	<u><u>67,143</u></u>

10 DIVIDENDS

(a) Dividends payable to equity holders of the Company attributable to the year

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Interim dividend declared and paid of HK\$10 cents per ordinary share (2024: HK\$10 cents per ordinary share)	248,616	248,616
Final dividend proposed after the end of the reporting period of HK\$15 cents per ordinary share (2024: HK\$15 cents per ordinary share)	<u>372,924</u>	<u>372,924</u>
	<u><u>621,540</u></u>	<u><u>621,540</u></u>

A final dividend in respect of the year ended 31 December 2025 of HK\$15 cents per share, amounting to a total dividend of HK\$372,924,000 is to be proposed at the annual general meeting on 3 June 2026. The final dividend to be proposed after the end of the reporting period has not been recognised as a liability at the end of the reporting period.

(b) Dividends payable to equity holders of the Company attributable to the previous financial year, approved and paid during the year

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Final dividend in respect of the previous financial year, approved and paid during the year, of HK\$15 cents per ordinary share (2024: HK\$15 cents per share)	<u>372,924</u>	<u>372,924</u>
	<u><u>372,924</u></u>	<u><u>372,924</u></u>

11 TRADE AND OTHER PAYABLES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade payables		
– Related parties	871	–
– Others	30,360	12,271
	<u>31,231</u>	<u>12,271</u>
Other payables		
– Amounts due to immediate, intermediate holding companies and other related parties	2,638	–
– Accrued charges	99,600	133,633
	<u>102,238</u>	<u>133,633</u>
	<u>133,469</u>	<u>145,904</u>

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

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

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Within 1 month	28,682	7,976
1 to 3 months	1,532	3,736
3 to 12 months	852	440
Over 12 months	165	119
	<u>31,231</u>	<u>12,271</u>

12 COMMITMENTS

As at 31 December 2025, the outstanding capital commitments not provided for in the financial statements were as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Contracted for but not provided for	<u>6,128</u>	<u>8,301</u>

FINAL DIVIDEND

The Board recommended a dividend of HK25 cents per share for the whole year of 2025 (2024: HK25 cents per share) payable in cash, excluding the interim dividend of HK10 cents per share for 2025 (2024: HK10 cents per share) paid in cash on 26 September 2025, the final dividend of HK15 cents per share for 2025 (2024: HK15 cents per share) will be paid in cash to all shareholders whose names appear on the register of members of the Company on 11 June 2026 (Thursday).

CLOSURE OF REGISTER OF MEMBERS

(i) For determining the entitlement to attend and vote at the 2025 annual general meeting

The Company convened the 2025 annual general meeting on 3 June 2026 (Wednesday), and the register of members of the Company will be closed from 29 May 2026 (Friday) to 3 June 2026 (Wednesday) (both days inclusive) during which period no transfer of shares will be registered. In order to qualify for attending the 2025 annual general meeting of the Company and voting at the meeting, all share transfer documents, accompanied by the 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 28 May 2026 (Thursday).

(ii) For determining the entitlement to the proposed final dividend

The register of members of the Company will be closed from 9 June 2026 (Tuesday) to 11 June 2026 (Thursday) (both days inclusive) during which period no transfer of shares will be registered. In order to qualify for the proposed final dividend, all share transfer documents, accompanied by the 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 8 June 2026 (Monday). The cheques for dividend payment will be sent to shareholders on or about 26 June 2026 (Friday), if the resolution for the proposed final dividend is passed at the forthcoming annual general meeting.

There is no arrangement under which a shareholder has waived or agreed to waive any dividends.

MANAGEMENT DISCUSSION AND ANALYSIS

In 2025, the global economic recovery was sluggish, geopolitical rivalries intensified, and energy supply chain restructuring was deepened. In the face of a complex external environment, the Company took the improvement of corporate governance efficiency and risk prevention as the core and counted on cost control as the means to optimize the refined management system and enhance the quality of corporate development. For the year ended 31 December 2025, the Company recorded a revenue of approximately HK\$659 million, representing a year-on-year decrease of approximately 1.27%, and recorded a profit of approximately HK\$1,028 million, representing a year-on-year decrease of approximately 12.66%, which was translated into a profit attributable to the Company's equity holders of approximately HK41.36 cents per share. Taking into account the Group's cash flow conditions and future development needs, the Board recommended the payment of a cash dividend of HK25 cents per share for 2025 full year, and after deducting the interim cash dividend of HK10 cents per share paid, a final cash dividend of HK15 cents per share for 2025 was recommended, which was consistent with the previous year.

In 2025, the core businesses of the Group remained stable, and the naphtha unloading project at Mabianzhou jetty of Huade Petrochemical Co., Ltd. ("**Huade Petrochemical**") in Huizhou Daya Bay, a wholly-owned subsidiary of the Company, commenced trial operation, laying the foundation for enhancing the corporate efficiency of Huade Petrochemical. In 2025, Vesta Terminals B.V. in Europe ("**Vesta**"), a joint venture company of the Company, actively responded to the long-term development of the jet fuel market and successfully unloaded the first vessel of aviation fuel. Since then, the oil products operated by Vesta have covered petroleum products including naphtha, gasoline, diesel, biodiesel, jet fuel (with simultaneous storage for SAF), and fuel oil, which effectively improved the flexibility of refined oil product storage of Vesta and enhanced the market competitiveness. In 2025, the construction of three LNG vessels of China Energy Shipping Investment Co., Ltd. (中國能源運輸投資有限公司) ("**China Energy**"), a joint venture of the Company, progressed in an orderly manner, laying a solid foundation for scheduled delivery and operation.

In 2025, in the face of a market cycle of interest rate cut and the declining interest rates, the Company strengthened capital coordination and efficient operation under the controllable risks, closely tracked interest rate changes, conducted refined estimates, accelerated the return of dividend funds, optimized the deposit structure, scientifically arranged the deposit term. In 2025, the finance income of the Company was approximately HK\$257 million, which was basically year-on-year maintained at the same level. The Company continued to monitor and respond to exchange rate changes, tracked their impact on the Company, and reduced exchange rate risks through strengthening the capital management. In 2025, the Company achieved favourable foreign exchange gains on foreign exchange of dividends received.

In 2025, the Company further consolidated the core role of the shareholders' general meetings and board meetings of its operating entities in corporate governance, and established a full-process closed-loop management mechanism from resolutions review, scientific decision-making to implementation and execution focusing on key matters such as annual production and operation indicators, financial budgets, and investment plans of each operating entity. The Company strengthened the cost and expense control, urged its operating entities to strictly implement relevant requirements, actively reduced costs and enhanced the efficiency, standardized key expenditure management, and reduced non-productive expenditures. Meanwhile, specific review on business outsourcing of certain operating entities were carried out to optimize the cost structure.

On 12 February 2026, the Board considered and approved the signature of the agreement (the “**Agreement**”) entered into by Sinomart KTS Development Limited (經貿冠德發展有限公司) (“**Sinomart Development**”) and 曹妃甸港集團股份有限公司 (Caofeidian Port Group Co., Ltd.*) in relation to the provision of crude oil terminal operation services exclusively by 唐山曹妃甸實華原油碼頭有限公司 (Caofeidian Shihua Crude Oil Terminal Co., Ltd.*) (“**Caofeidian Shihua**”). Although the equity structure of Caofeidian Shihua has not changed, through the signature of the Agreement, the Company's decision-making rights for key businesses in Caofeidian Shihua have been further clarified, and Caofeidian Shihua has been incorporated in the scope of the consolidated statements of the Group and has become a subsidiary of the Company.

2026 is the first year of the “15th Five-Year Plan”, and in the face of new opportunities and challenges, the Company will focus on deepening the reform and value creation with high-quality development as the main line, and promote the Company's high-quality development to a new level. Looking ahead to 2026, the global economy is expected to demonstrate complex and dynamic characteristics. The rise of emerging markets and profound reforms in industrial structures will bring new growth momentum to the global economy. However, unpredictable factors such as tense supply-demand relationship in the global oil, geopolitical tension risks and uncertainties of policies in various countries persist. Domestically, the economy is expected to maintain steady growth as various policies are implemented, but potential conflicts between countries have added uncertainties to the macro-environment. The Board will continue to adhere to the ideology of high-quality development, make scientific planning, strive to expand core businesses, explore business transformation, actively respond to various risks, and create sustained 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 results, and promoted the corporate sustainable development.

Market Review

In 2025, the global development environment faced profound and complex changes. The relations between major countries affected the international situation, frequent geopolitical conflicts, coupled with the accelerated energy transition, and issues such as supply chain reconstruction and demand mismatch became prominent. In the face of insufficient momentum for world economic growth, the diversification of global energy supply, and the accelerated replacement of traditional energy by new energy, oil prices showed a volatile downward trend in 2025.

In 2025, due to the weak end-user consumption demand and extended maintenance cycle of certain refineries, the profit margin of refineries were compressed, the production incentiveness decreased, and the utilization rate of refineries continued to decline, which affected domestic crude oil jetty and storage businesses of the Company, resulting in a decline in the related investment return of the Company.

Key Operational Data

	Unit	2025	2024	Change
(I) Domestic crude oil jetty and storage business				
Huade Petrochemical				
– Unloading volume of crude oil (From Sinopec Group)	0’000 tonnes	1,098	1,232	-10.88%
– Unloading volume of crude oil (From third-party customers)	0’000 tonnes	388	160	+142.5%
– Number of unloading vessels of crude oil	vessels	118	109	8.26%
– Transshipment business volume	0’000 tonnes	1,270	1,220	4.10%
– Pipeline transmission business volume	0’000 tonnes	1,102	1,189	-7.32%
– Naphtha unloading volume	0’000 tonnes	69	5	1,280.0%
Caofeidian Shihua				
– Unloading volume of crude oil	0’000 tonnes	1,220	1,266	-3.63%
Five domestic terminal companies				
– Throughput of crude oil	0’000 tonnes	15,225	17,753	-14.24%

	Unit	2025	2024	Change
(II) Overseas storage business				
FOT				
– Occupancy rate	%	99%	100%	Fell by 1 pp
– Throughput	0'000 tonnes	1,313	1,348	-2.60%
Vesta				
– Occupancy rate (Belgium)	%	100%	100%	Unchanged
– Occupancy rate (Netherlands)	%	97%	98%	Fell by 1 pp
– Throughput (Belgium)	0'000 tonnes	992	1,016	-2.36%
– Throughput (Netherlands)	0'000 tonnes	146	136	7.35%
(III) LNG transportation and logistics				
– Completed voyages	voyages	98	103	-4.85%
– Transported LNG volume	0'000 m ³	1,616	1,709	-5.44%

Business Segments

In 2025, the Group had a) two business segments, namely 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 2025, as for the crude oil jetty and storage business segment, due to the continuous decline in the proportion of petrochemical energy consumption, the decline in the domestic market demand for oil products, the reduced processing loads by some customers of refineries, the total throughput of domestic jetty companies was affected, and the results of this segment declined.

For the year ended 31 December 2025, the segment revenue from the Group's crude oil jetty and storage business was approximately HK\$658,637,000 (2024: HK\$667,091,000), representing a year-on-year decrease of approximately 1.27%; segment results from crude oil jetty and storage business were approximately HK\$791,185,000 (2024: HK\$1,004,618,000), representing a year-on-year decrease of approximately 21.25%.

Huade Petrochemical

During the Reporting Period, while maintaining the stability of its existing business, Huade Petrochemical strived to open up third-party customer markets, overcame the challenges of the maintenance of the refining facilities of a major customer, and the business indicators of third-party customers reached a record high. During the Reporting Period, Huade Petrochemical successfully expanded its naphtha unloading business of approximately 690,000 tonnes and completed crude oil unloading of approximately 14.86 million tonnes, representing a year-on-year increase of approximately 6.75%. Huade Petrochemical took multiple measures to optimize its production organization and continued to improve service efficiency. During the Reporting Period, it recorded a revenue of approximately HK\$659 million, representing a year-on-year decrease of approximately 1.27%. The segment results were approximately HK\$277 million, representing a year-on-year increase of approximately 2.81%.

Caofeidian Shihua

During the Reporting Period, several customers of Caofeidian Shihua entered into the maintenance period. In order to effectively ensure 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 successfully secured the unloading business beyond the original plan. A total of 47 crude oil tankers were unloaded for the whole year, and completed the unloading of approximately 12.20 million tonnes of crude oil, representing a year-on-year decrease of approximately 3.63%.

Five Domestic Terminal Companies

During the Reporting Period, in 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, operating entities of the Company, namely Tianjin Port Shihua Crude Oil Terminal Co., Ltd. (“**Tianjin Port Shihua**”), Qingdao Shihua Crude Oil Terminal Co., Ltd. (“**Qingdao Shihua**”), Rizhao Shihua Crude Oil Terminal Co., Ltd. (“**Rizhao Shihua**”), Ningbo Shihua Crude Oil Terminal Co., Ltd. (“**Ningbo Shihua**”) and Zhan Jiang Port Petrochemical Jetty Co., Ltd. (“**Zhan Jiang Port Petrochemical**”) (collectively, the “**Five Domestic Terminal Companies**”), the aggregate throughput of the Five Domestic Terminal Companies amounted to approximately 152 million tonnes, representing a year-on-year decrease of approximately 14.24%. During the Reporting Period, the Five Domestic Terminal Companies and Caofeidian Shihua generated a total investment return of approximately HK\$365 million for the Company, representing a year-on-year decrease of approximately 37.18%.

Overseas Storage – FOT

During the Reporting Period, due to the fact that the international oil was in a stage of oversupply, oil prices were under downward pressure, which directly affected the storage demand for commercial reserves. In addition, the new storage tanks in the Port of Fujairah were gradually commissioned, and the local storage tank business faced competitive pressure. Fujairah Oil Terminal FZC (“**FOT**”), a joint venture of the Company in the Middle East, continued to maintain a high occupancy rate, but the average rental level decreased by approximately 2.10% compared to the same period in 2024. In addition, as a result of the official commissioning of the construction of FOT’s pipeline network connecting the storage area to the very large crude carrier (the “**VLCC**”) terminal at the port in 2025 and an increase in the relevant depreciation and finance expenses, therefore FOT has contributed an investment return of approximately HK\$108 million for the Company, representing a year-on-year decrease of approximately 13.60%.

Overseas Storage – Vesta

In 2025, Vesta, a joint venture of the Company, actively responded to the long-term development of the jet fuel market, and continued to enhance the market competitiveness.

In the Belgian storage area, Vesta focused on the promotion of customer base optimization strategies, improved the terms of lease contracts for tanks, and actively increased the revenue to ensure that the revenue can remain reasonably stable under market fluctuations. At the same time, it also ensured that Vesta could seize the opportunity to improve performance when there was a positive market opportunity. During the Reporting Period, the occupancy rate of the Belgian storage area was 100%, and the average rental level increased by approximately 17.27% year-on-year. The new connection project between the Belgian storage area and the terminal at the port of Antwerp has started the construction, 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. It is expected to be completed and commissioned in the first half of 2026.

In the Dutch storage area, Vesta has long focused on strategic reserve customers and currently still targets diesel customers as its major customers due to geographical location and terminal conditions. During the Reporting Period, the occupancy rate of the Dutch storage area was approximately 97%, and the average rental level decreased by approximately 1.28% year-on-year.

During the Reporting Period, Vesta contributed an investment return of approximately HK\$41.33 million for the Company, representing a year-on-year increase of approximately 44.26%.

b) Vessel Chartering and Logistics Business

For the year ended 31 December 2025, domestic natural gas imports remained stable. According to data from the General Administration of Customs of China, China imported approximately 128 million tonnes of natural gas in 2025, representing a year-on-year decrease of approximately 2.84%.

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 98 voyages, and transported approximately 16.16 million m³ of LNG. Total investment return of approximately HK\$89.84 million was generated from the Group's LNG vessel logistics business in 2025, representing a year-on-year decrease of approximately 24.84%, which was mainly due to an one-time financial adjustment of China Energy on the accident losses of CESI QINGDAO for equipment failure and a year-on-year increase in amortization of long-term vessels maintenance expenses.

Business Outlook

Challenges

Geopolitical risks intensified: Geopolitical risks such as trade frictions, sanctions restrictions and regional conflicts still exist, which may have an impact on the global oil trade market.

Rise of low-carbon economy: China vigorously promotes "carbon neutrality", the proportion of new energy replacing petrochemical energy continues to increase, the trend of new energy vehicles replacing traditional fuel vehicles has been established, coupled with green and low-carbon technologies replacing petrochemical products, and the demand for crude oil in the long term is expected to be peaked.

Production and operations and natural disaster challenges: The petroleum and petrochemical storage and logistics sector is a high-risk industry characterized by flammable, explosive, and environmental hazardous materials, and is vulnerable to natural disasters. Climate change is becoming more and more serious, heavy rains or typhoons may cause emergencies, affecting the smooth operation of terminals and crude oil pipelines, and petrochemical leakage may have a significant impact on the environment and society, cause significant economic losses to the Company, and cause significant harm to personal safety.

Opportunities

Demands for crude oil in the PRC remains strong: According to historical crude oil import data of China over the years, China's dependence on crude oil imports has remained above 70% for a long time. The national "15th Five-Year Plan" clearly points out that "Optimizing the layout of energy backbone routes and accelerating the construction of new energy infrastructure." It brings development opportunities to the Group's core businesses.

Smart port construction: As digital and intelligent technology becomes more mature, efficiency improvement and cost reduction of ports are promoted, such as the promotion of automated loading and unloading in ports or introduction of artificial intelligence technologies, the safety control becomes more accurate, the operating cost structure is optimized, and the unit efficiency has been improved.

Expansion of green energy business: Transition towards green and low-carbon directions, research and development of green energy, such as green ammonia storage, LNG transportation business, etc.

2. Consolidated Results

Revenue, Gross Profit and Operating Profit

During the Reporting Period, the revenue of the Group amounted to approximately HK\$658,637,000 (2024: HK\$667,091,000), representing a year-on-year decrease of approximately 1.27%; the gross profit amounted to approximately HK\$319,249,000 (2024: HK\$323,722,000), representing a year-on-year decrease of approximately 1.38%; the revenue and gross profit in 2025 were similar to the same period in 2024; the operating profit amounted to approximately HK\$269,838,000 (2024: HK\$174,008,000), representing a year-on-year increase of approximately 55.07%, which was mainly attributable to 1) an increase in net foreign exchange gains of the Group in 2025, resulting in an increase in other income and other gains, net; 2) strengthening various cost controls by the Group, leading to a decrease in distribution costs and administrative expenses.

Other Income and Other Gains, Net

For the year ended 31 December 2025, the Group's other income and other gains, net amounted to approximately HK\$75,348,000 (2024: HK\$982,000), representing a year-on-year increase of approximately 7,572.91%, which was mainly due to net exchange gains as a result of the Group's conversion of Renminbi dividends from its domestic operating entities to HKD/USD and the foreign currency exposure in terms of book value in USD in 2025, as compared with the net exchange losses as a result of the Group's conversion of Renminbi dividends from its domestic operating entities to HKD/USD and the foreign currency exposure in terms of book value in USD in 2024.

Administrative Expenses

For the year ended 31 December 2025, the administrative expenses of the Group was approximately HK\$107,023,000 (2024: HK\$132,065,000), representing a year-on-year decrease of approximately 18.96%, which was mainly due to a year-on-year decrease in the provision for bonuses, resulting in a decline in the labour costs.

Share of Results of Joint Ventures

For the year ended 31 December 2025, the Group's share of results of joint ventures was approximately HK\$527,623,000 (2024: HK\$695,960,000), representing a year-on-year decrease of approximately 24.19%, which was mainly due to the reduction in the demand for crude oil in the domestic market resulting from the acceleration of new energy substitution, coupled with the throughput of domestic jetty companies has declined year-on-year, and a decrease in relevant investment return.

Share of Results of Associates

For the year ended 31 December 2025, the Group's share of results of associates was approximately HK\$76,711,000 (2024: HK\$159,072,000), representing a year-on-year decrease of approximately 51.78%, which was mainly due to the completion and operation of a newly connected crude oil pipeline of a major customer of Zhan Jiang Port Petrochemical, an associate of the Company, which diverted the throughput of Zhan Jiang Port Petrochemical.

Profit before Income Tax and Profit for the Year

For the year ended 31 December 2025, the Group's profit before income tax amounted to approximately HK\$1,129,954,000 (2024: HK\$1,286,992,000), representing a year-on-year decrease of approximately 12.20%; and the Group's profit for the Year amounted to approximately HK\$1,028,286,000 (2024: HK\$1,177,400,000), representing a year-on-year decrease of approximately 12.66%, was mainly due to a year-on-year decrease in investment returns from the domestic jetty companies attributable to the Group.

3. Financial Position

Right-of-use Assets

As at 31 December 2025, the Group's right-of-use assets amounted to approximately HK\$53,756,000 (as at 31 December 2024: HK\$62,427,000), representing a decrease of approximately 13.89% as compared with the end of 2024, it was mainly due to the depreciation of rights-of-use assets such as properties and the land lease of the Company.

Liquidity and Source of Finance

As at 31 December 2025, the Group's cash and cash equivalents and time deposits with original maturity of more than three months aggregately amounted to approximately HK\$7,655,068,000 (as at 31 December 2024: HK\$6,943,131,000), representing an increase of approximately 10.25% as compared with the end of 2024, which was mainly attributable to the interest received by the Group on deposits and dividends from some of its operating entities. During the Reporting Period, the Company increased the proportion of US dollar deposits and extended the deposit period, some of which was extended to more than 1 year.

As at 31 December 2025, the Group had no bank loans and other borrowings.

Deferred Income Tax Liabilities

As at 31 December 2025, the Group's deferred income tax liabilities amounted to approximately HK\$122,502,000 (as at 31 December 2024: HK\$136,920,000), representing a decrease of approximately 10.53% as compared with the end of 2024. The decrease in deferred income tax liabilities was mainly due to a year-on-year decrease in the related dividend income tax of domestic jetty companies.

Lease Liabilities

As at 31 December 2025, the Group's lease liabilities amounted to approximately HK\$31,713,000 (as at 31 December 2024: HK\$37,129,000), representing a decrease of approximately 14.59% as compared with the end of 2024. The decrease in lease liabilities was mainly due to rental payments made by the Group during the lease term within the Reporting Period in accordance with the relevant payment schedule.

Trade and Other Payables

As at 31 December 2025, the Group's trade and other payables amounted to approximately HK\$133,469,000 (as at 31 December 2024: HK\$145,904,000), representing a decrease of approximately 8.52% as compared with the end of 2024, which was mainly due to a decrease in the amount of bonuses payable to employees and the payment of the construction payable of the upgrading and transformation project of Mabianzhou jetty facilities according to the progress of such project.

Income Tax Payable

As at 31 December 2025, the Group's income tax payable amounted to approximately HK\$16,179,000 (as at 31 December 2024: HK\$14,317,000), representing an increase of approximately 13.01% as compared with the end of 2024, which was mainly due to an increase in Hong Kong profits tax payable by the Company.

Current Ratio, Liabilities to Assets Ratio and Gearing Ratio

As at 31 December 2025, the Group's current ratio (current assets to current liabilities) was approximately 24.61 (as at 31 December 2024: 42.47), and its liabilities to assets ratio (total liabilities to total assets) was approximately 2.05% (as at 31 December 2024: 2.33%). As at 31 December 2025, the Group had no bank loans and other borrowings, and the gearing ratio (total bank loans and other borrowings to total equity) was nil (as at 31 December 2024: nil).

Capital Management

The management of the Company strives to optimise the structure of the Group's capital, which comprises of equity and borrowings. In order to maintain and adjust the capital structure of the Group, the 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 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 management's strategy is to make appropriate adjustments according to the Group's operating and investment needs and the changes of 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 -1.55% as at 31 December 2025. (The net debt-to-capital ratio of the Group as at 31 December 2024: -2.54%)

4. Principal Risks and Uncertainties

Safety and Environmental Protection Risks

In terms of safety and environmental protection risks, as the petroleum and petrochemical storage and logistics is an industry which is exposed to the high-risk of inflammation, 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; at the same time, they may result in huge expenditures for incident handling, pollution control, damages and compensation, adversely affecting the financial condition of the Company. In terms of responses, the Group strictly implements the primary responsibility for safe production, improves safety and environmental management systems, regularly carries out equipment maintenance and hazard inspections, equips compliant environmental protection facilities, and continuously enhances risk prevention and control capabilities to minimise the adverse impact of safety and environmental risks on the operations, financial and business plan of the Company.

Legal Compliance Risks

In terms of legal compliance risks, as the petroleum and petrochemical industry was strictly constrained by relevant laws and regulations such as national safety production, environmental protection, contract management, project bidding, materials procurement, etc., as well as industry regulatory policies, the compliance requirements were extremely high. If the Company had a compliance oversight or failed to strictly adhere to relevant provisions across its operational processes, it would constitute a compliance risk. Such risk may trigger administrative penalties from regulatory authorities, legal proceedings or arbitration by relevant parties, affecting the compliance and operation order of the Company, damaging the market credit and industry reputation of the Company, and thereby leading to the termination of cooperation and business restrictions. In terms of the finance, additional expenses such as fines and compensation may be incurred, together with the increasing compliance management costs may adversely affect the financial condition of the Company. In terms of the response, the Group continues to improve the internal control system. It further enhances and optimises the “five-in-one” compliance risk management system, which includes policies, internal control, risk, compliance, and legal aspects, strengthening the supervision of key areas such as compliance risk, operational supervision, financial resources, and safety and environmental protection. The Group improves various compliance management systems, enhances business compliance audits, strengthens compliance controls through measures such as audits and self-inspections, continues to improve compliance management capabilities, and effectively prevents and mitigates the adverse impact of legal compliance risks on the operations, financial conditions and business plans of the Company.

Exchange Rate 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 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 fluctuate, or when dividends are converted into foreign currencies, exchange losses may occur, and the Group faces the exchange rate risk to a certain extent. The Group had no financial instruments for exchange rate hedging purposes and other foreign currency investments.

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 Year, the Group strengthened its funds management and had actively negotiated with banks 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 fall 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 fall due. If needed, the Group may consider to arrange and negotiate financing with financial institutions to reduce the Group's liquidity risk.

5. Other Material Matters

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

Save as disclosed in this announcement, the Company did not have any significant investments, material acquisitions and disposals of subsidiaries, associates and joint ventures during the Reporting Period. Moreover, save as disclosed in this announcement, as at 31 December 2025, the Board did not authorize the processing of material investments or addition of capital assets.

About the Batam Project

On 9 October 2012, the Company acquired 95% of the shares of PT. West Point Terminal (“**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 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, which were responsible for the oil storage and jetty of the project respectively, to jointly prepare an updated feasibility study report, thereby providing basis for subsequent decisions on the project. According to the 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 joint venture for the Batam project. Currently, the Company is continuing to actively participate in various feasible ways and means to maximize the claim for debt under 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 of the Company 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, Emolument Policies and Training

As at 31 December 2025, the Group had a total of 216 employees.

The Company adheres to the philosophy of diversity and equal opportunities in employee recruitment, striving to ensure that the number of employees of different genders satisfies the Company’s development needs. For specific proportions of employees by gender, please refer to the Environmental, Social and Governance (the “**ESG**”) Report of the Group. Remuneration packages of employees, including basic salaries, bonuses and benefits-in-kind, are structured by 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 employees and Chinese employees respectively in accordance with local laws and regulations. Please refer to note 6 to the financial statement for details of remuneration of employees. Save for disclosed above, for the year ended 31 December 2025, the Company has not entered into and implemented any long-term incentive schemes.

In 2025, the Group organized and carried out training activities on anti-corruption laws and regulations, management of network security protection and occupational health management of employees, etc.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company is committed to achieving a high standard of corporate governance to properly safeguard and enhance the interests of its shareholders. The Board sets its corporate governance policies pursuant to the Corporate Governance Code (the “**Corporate Governance Code**”) contained in Appendix C1 of the Listing Rules, and it accordingly reviews and monitors the training and continuing professional development of Directors and the senior management and its policies and practices in compliance with relevant laws and regulatory requirements.

On 26 June 2025, the Company convened the annual general meeting and due to other work arrangements, Mr. Zhong Fuliang, the Chairman of the Board, was unable to attend, presided over and convened this annual general meeting as required under Rule F.1.3 of the Corporate Governance Code. In accordance with Article 63 of the Articles of Association of the Company and following the election by the directors attending the meeting, the annual general meeting was chaired by Mr. Sang Jinghua, an executive Director and the general manager, and presided over the meeting.

Saved as disclosed above, during the year ended 31 December 2025, the Company has complied with the applicable code provisions set out in the Corporate Governance Code which came into effect during the Year and has adopted, where appropriate, the recommended best practices set out therein.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

During the year ended 31 December 2025, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities (including sale of treasury shares).

SCOPE OF WORK OF INDEPENDENT AUDITOR

The financial figures in respect of the Group’s consolidated statement of financial position, consolidated income statement and consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2025 as set out in this annual results announcement have been agreed by the Group’s auditor, KPMG, Certified Public Accountants, to the amounts set out in the Group’s audited financial statements for the Year. The work performed by KPMG in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by KPMG on this results announcement.

EVENTS AFTER THE REPORTING PERIOD

On 12 February 2026, the Company announced that Sinomart Development, its wholly-owned subsidiary, entered into an exclusive operation agreement with Caofeidian Port Group Co., Ltd., pursuant to which Caofeidian Shihua has become an indirect non-wholly-owned subsidiary of the Company and its financial results will be consolidated into the consolidated financial statements of the Group. For details, please refer to the announcement published by the Company on the same date.

On 27 February 2026, the Company announced that Rizhao Shihua, a joint venture, has commenced liquidation proceedings. As part of the liquidation arrangements, the liquidation group of Rizhao Shihua would sell certain operating assets and its ancillary facilities held by Rizhao Shihua for a total transaction price of approximately RMB2.41 billion. For details, please refer to the announcement published by the Company on the same date.

In late February 2026, the outbreak of conflict between the United States, Israel and Iran has escalated tensions in the Middle East and may affect the storage and jetty businesses of the Group's domestic and foreign operating entities. The Group is closely monitoring the possible impact of the development and assessing its potential impact on the financial position, cash flow and operating results of the Group.

Save as disclosed in this announcement, there was no other significant event occurred subsequent to 31 December 2025 and up to the date of this announcement.

AUDIT COMMITTEE

As at the date of this announcement, the Audit Committee comprises four independent non-executive Directors, of which Mr. Fong Chung, Mark is the chairperson. The Audit Committee is responsible for reviewing the accounting standards and practices, audit, internal control, risk management, internal audit and legal and regulatory compliance of the Group. It also reviews the interim and annual results of the Group prior to recommending such results to the Board for approval.

The Audit Committee has reviewed the audited consolidated financial statements of the Group for the year ended 31 December 2025. The Audit Committee has also reviewed the accounting principles and practices adopted by the Group and its internal controls and financial reporting matters.

REMUNERATION COMMITTEE

As at the date of this announcement, the remuneration committee of the Company comprises six members, of which Dr. Wong Yau Kar, David, an independent non-executive Director, is the chairperson.

NOMINATION COMMITTEE

As at the date of this announcement, the nomination committee of the Company comprises six members, of which Ms. Wong Pui Sze, Priscilla, an independent non-executive Director, is the chairperson.

ESG COMMITTEE

In order to further enhance the ESG management level of the Company, improve its overall ESG management system and enhance its ESG management capabilities, the Company established the Environmental, Social and Governance (ESG) Committee of the Board on 16 March 2026.

As at the date of this announcement, the ESG committee of the Company comprises six members, of which Mr. Zhong Fuliang, an executive Director, is the chairperson.

CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 of the Listing Rules (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 year ended 31 December 2025.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This annual results announcement is, and the annual report of the Company will be, published and available for viewing on the websites of the Stock Exchange and the Company respectively.

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

Hong Kong, 16 March 2026

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

Executive Directors:

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

Non-executive Director:

Mr. Tu Yikai

Independent non-executive Directors:

Mr. Fong Chung, Mark
Dr. Wong Yau Kar, David
Ms. Wong Pui Sze, Priscilla
Mr. Ye, James Zheng

* For identification purposes only