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(A joint stock limited company incorporated in the People's Republic of China with limited liability)
(Stock Code: 00386)

Renewal of Continuing Connected Transactions and Discloseable Transactions

Reference is made to the circular of Sinopec Corp. dated 3 September 2021 in relation to the Continuing Connected Transactions between the Company and Sinopec Group. At Sinopec Corp.'s first extraordinary general meeting of 2021, the Independent Shareholders approved, among other things, the Major Continuing Connected Transactions, and the annual caps for three years ending 31 December 2024 for the Major Continuing Connected Transactions and the Non-Major Continuing Connected Transactions.

Sinopec Corp. anticipates that the Continuing Connected Transactions with Sinopec Group and Sinopec Financial Institutions will continue after 31 December 2024. In respect of the Continuing Connected Transactions commencing from 1 January 2025, Sinopec Corp. and China Petrochemical Corporation entered into the Continuing Connected Transactions Seventh Supplemental Agreement on 23 August 2024, to amend the terms of the Continuing Connected Transactions under the Mutual Supply Agreement, the Land Use Rights Leasing Agreement and the Properties Leasing Agreement. At the same time, Sinopec Corp. and Sinopec Financial Institutions entered into the Financial Services Agreement on 23 August 2024, pursuant to which it is proposed that Sinopec Financial Institutions will continue providing the financial services previously provided under the Mutual Supply Agreement.

Pursuant to the Hong Kong Listing Rules and the Shanghai Listing Rules, as at the date of this announcement, China Petrochemical Corporation, directly holding approximately 68.25% of the

2. Scope of Service

The following transactions are contemplated under the Mutual Supply Agreement:

(1) Products and services provided by the Company, including:

(a) Crude oil, natural gas, refined and petrochemical products and by-products, semi-finished products, coal, steel, water, electricity, gas, heat, measurements, quality inspection, other related or similar products and services;

(b) Entrusted loan to the Connected Subsidiaries.

(2) Products and services provided by Sinopec Group, including:

(a) Supply: fresh water, chemical water, recycled water, industrial air, hydrogen, nitrogen, electricity, steam, heat supply, materials and equipment parts, chemical raw materials, precious metals, the sourcing of crude oil and natural gas (including crude oil and natural gas from overseas), and other related or similar products and services;

(b) Storage and transportation: railway, vehicular transport, water transport, pipeline transmission, loading and unloading, wharves, warehousing and other related or similar services;

(c) Ancillary production: well drilling, well surveying, well logging, exploration and development testing, technological research, communication, fire control, security guards, public security, chemical examination, material examination, information, pressure containers and pipelines inspection, metering inspection, computer services, equipment research, airports, feasibility study, design, construction, installation, production of electromechanical instruments, inspection and maintenance of equipment devices and electrical equipment meters, projects supervision, environmental protection, repair and maintenance of roads, bridges and culverts and slope protection, flood control and other related or similar services;

(d) Training and auxiliary services: staff training, culture and sports, newspapers and magazines, radio and TV, office and factory property management, canteens, dormitories, commuting, re-employment service centres and other related or similar services;

(e) Others: agent services in the collection and payment of administrative services fees, labour services, asset leasing, insurance, insurance agency service, entrusted loans and other intermediary services, sharing services (including finance, human resources, business travel and information technology sharing, etc.), and other related or similar services.

Types of product/service with government-prescribed price	Primary basis for price determination
Natural gas	In recent years, the state has continued to promote natural gas market reform. According to the Circular on the Adjustment Reducing of the Gate Station Prices of Non-residential Natural Gas and Further Promoting Price Marketisation Reform Prices (Fa Gai Jia Ge [2015] No. 2688) (([2015]2688) issued by the NDRC on November 2015, the price for natural gas used by non-residents was converted from the highest gate station price management to the benchmark gate station price management. The supplying party and requisitioning party can negotiate and determine the price within the range of up to 20%, down to unlimited range based on the benchmark gas station price. In 2016, NDRC loosened its hold on the price of fertiliser-used gas and the price associated with gas storage facilities. In September 2017, considering the downward adjustment of natural gas pipeline price, the benchmark station price of natural gas used by non-residents was reduced by RMB0.1 per square. At the end of May 2018, NDRC released the Circular on Adjustment Rationalising of the Gas Station Price of Natural Gas used by Residents ( ) to rationalise the gate station price of natural gas used by domestic residents by increasing it, thus realising the integration of gas prices used by residents and non-residents. The price for gas used by residents after the integration will rise starting from 10 June 2019.
Water supply	Subject to the regulations of the relevant local government authorities of commodity prices.

Types of product/service with relevant market price	Primary basis for price determination
Chemical products	The relevant market price is determined in accordance with the order price or contract price of external sales, taking into account factors such as freight rate and quality.
Coal	The market price is determined through price enquiry and comparison on the relevant price websites and by tender through the e-

Types of product/service with agreed price	Primary basis for price determination
Finance, human resources, business travelling, information technology and other sharing services	The connected transaction price is determined at a reasonable cost plus a reasonable profit. The reasonable cost is determined on the basis of FTE (full-time labour equivalent). The cost and tax are used as the cost benchmark, and the profit rate is controlled within 6% to determine the price of the sharing services. The price of connected transactions, once determined and signed, shall not be changed by either party unilaterally.
Training and auxiliary services	The connected transaction price is determined at a reasonable cost plus a reasonable profit. The cost and tax are used as the cost benchmark, and the profit rate is controlled within 6% to determine the price of the services.

The historical amount of the above products and services priced at reasonable cost plus reasonable profit in 2022-2023 did not exceed 5% of the transaction amount of the products and services provided between the Company and Sinopec Group under the Mutual Supply Agreement. These products and services are necessary for the daily production and operation of the Company and Sinopec Group, and in order to ensure their long-term and stable supply, the Company entered into the Mutual Supply Agreement with Sinopec Group at the time of its listing in 2000 and determined such pricing principle. As most of the Company's subsidiaries are located in the same independent industrial and mining areas with Sinopec Group in remote locations, where it is difficult to obtain the same type and quality products or services from independent third parties on the same conditions, those products and services are mainly provided between the Company and Sinopec Corp. The profit margin of those transactions between Sinopec Group and the Company are within 6% and relevant prices are not less favorable than the prices offered to independent third parties. Accordingly, the Company is of the view that a profit margin within 6% is fair and reasonable and in the interests of the Company and it

(4) For certain products or services, the following pricing principles are adopted

Certain types of product/service	Primary basis for price determination
Well drilling, well surveying, well logging and other petroleum engineering services	The connected transactions are determined, via public tendering[3] with reference to design budget and commissioned construction work content, which are dependent on the geological block, well type, and depth of well. If no public tendering has been made, price is determined based on professional fixed unit price[4] of petroleum engineering published by Sinopec Group. For engineering design, construction and installation of building and inspection and maintenance projects, the price is determined via public tendering with reference to the unit price of project budget and pricing standards set by relevant government department or Sinopec Group.
Entrusted loans services	The entrusted loans provided by the Company to the Connected Subsidiaries are priced with reference to market prices based on the interest rates of the same maturity announced by the People's Bank of China.
Insurance and other financial services	The price shall be determined pursuant to the regulations of the People's Bank of China, the NFRA and other government authorities, with reference to the service fee for the same type of insurance, futures brokerage and other financial services provided by financial institutions, such as major commercial insurance companies and major domestic futures companies, and the gain of the major banking financial institutions for providing the same type of financial services; and normal commercial terms.

3 The Company has established a tender management committee (or special group) for sending bidding invitations to qualified suppliers to participate in public tender or invitation tender according to the specific conditions of the project, and observes the principles of openness, fairness, economy, safe protection and timely supply in evaluating the tenders submitted adopting the lowest bid price method or comprehensive evaluation method to determine the specific supplier.

4 The preparation method and composition of professional fixed unit price of petroleum engineering is determined in accordance with the industry pricing rules. Sinopec Corp. has taken the lead in formulating the professional fixed unit price of petroleum engineering published by Sinopec Group. The values used in pricing a project are determined in accordance with factors such as zone plots of different geological conditions, well types,well depth and the level of average advanced cost.

Sinopec Corp. and China Petrochemical Corporation entered into the Land Use Rights Leasing Agreement on 3 June 2000 and signed the Continuing Connected Transactions Seventh Supplemental Agreement on 23 August 2024. The leased land will mainly be used for main production facilities, ancillary production facilities of the Company and certain petrol stations operated by Sinopec Corp., and the leased land can be categorised into the following two types:

(1) authorised land for operation; and

(2) assigned land.

The rent payable under the Land Use Rights Leasing Agreement is determined taking into consideration various factors, including the area of the land parcels, their locations and the remaining terms of the use. According to the Land Use Rights Leasing Agreement, the rent may be adjusted every three years, and any such adjusted rent shall not be higher than the prevailing market rent as confirmed by an independent valuer. Based on the appraisal and calculation of the market rent of the land conducted by the independent valuer, the Company and Sinopec Group decided to adjust the area of the rented land parcels and the rent, Upon adjustment, the area of the land rent by the Company from Sinopec Group is approximately 396 million square meters and the annual rent is approximately RMB13.99 billion. In addition, the Company and Sinopec Group may adjust the scope, area and rent of the leased land in accordance with the production and operation needs and the relevant land management regulations, provided that the aggregate annual rent shall not exceed the caps approved by the Board and the general meeting.

Regarding authorised land for operation owned by members of Sinopec Group, land for industrial use is leased for a term of 50 years, while land for commercial use is leased for a term of 40 years. Regarding the land parcels with land use right assigned to members of Sinopec Group, they are leased for a term up to the expiry of the respective land use right certificates. The term of the lease in each land parcel commenced from 1 January 2000. The Company may require members of Sinopec Group to renew the term of the lease by giving them notice twelve months before the expiry of the lease. Members of Sinopec Group shall, upon receipt of the said notice and before the expiry of the lease, make best efforts to obtain all government approvals and complete all the procedures with relevant governmental authorities required for the renewal of the land use right.

Having discussed with the management of Sinopec Corp. on the reasons for the land lease duration being more than three years, the IFA understood that the relevant decision was made considering the importance of such leases to the Company's operation as such the land parcels are required for the Company to carry out its normal business. Furthermore, the management of Sinopec Corp. has emphasised that stable leases are crucial as it can avoid the unnecessary relocation costs and interruption to the Company's business and such long duration conforms with normal business practice.

To ascertain whether long term land use right leases are common in the Company's industry, the

shall not be higher than the prevailing market rent as confirmed by an independent valuer. Property taxes, land use fees and other statutory taxes or fees in relation to the properties shall be borne by Sinopec Group. In addition, the Company can adjust the leasing scope and area of the properties in the agreements according to the Company's actual production and operation needs.

If China Petrochemical Corporation is in negotiation to sell a property, which has been leased to the Company, to a third party, the Company shall have a pre-emptive right to purchase such property under the same terms.

Sinopec Corp. and China Petrochemical Corporation entered into the Intellectual Property License Agreements on 3 June 2000. Each of the Intellectual Property License Agreements is for a term of 10 years commencing from 1 January 2000. Sinopec Corp. and China Petrochemical Corporation subsequently entered into the certain supplemental agreements to extend the terms of each of the Intellectual Property License Agreements to 31 December 2029.

While the intellectual property rights under the Intellectual Property License Agreements are granted to the Company at nil consideration, Sinopec Corp. shall, before 31 December of each year, pay all such expenses which are payable by China Petrochemical Corporation in respective year according to relevant laws and regulations for maintaining the validity of relevant trademarks, patents and computer software.

1.

(b) Comprehensive credit facilities business such as loan services, discounting and acceptance of bills, letters of credit and non-financial guarantees: The maximum daily balance of the comprehensive credit facilities provided by Sinopec Financial Institutions to the Company from 2025 to 2027 shall not exceed RMB410 billion. Such transaction is a fully-exempted continuing connected transaction as it will be conducted on normal commercial terms and the Company will not provide any security in respect of the relevant loan or other credit facility business;

(c) Agency and handling fees charged by acceptance of bills, letters of credit, entrusted loans, non-financial guarantees, settlements and other financial services permitted by the relevant laws and regulations to be carried out by Sinopec Financial Institutions: The fees to be charged by Sinopec Financial Institutions for the provision of financial services shall not exceed RMB200 million per year from 2025 to 2027. As the applicable percentage ratios for the relevant fee caps are less than 0.1%, the transactions will be exempt from the reporting, announcement or Independent Shareholders' approval requirements.

3. Pricing Policy

The pricing of transactions under the Financial Services Agreement is subject to the following terms:

Deposit Services	For deposit services provided by Sinopec Finance, the deposit interest rates shall be determined in accordance with the relevant interest rates promulgated by the People's Bank of China and shall not lower than the interest rates for deposits of the same type and maturity offered by major domestic commercial banks. For deposit services provided by Sinopec Century Bright, the relevant deposit interest rates shall not lower than the interest rates for deposits of the same type and maturity offered by major overseas commercial banks.
Loan business services	The interest rate of the loan provided by Sinopec Finance shall be determined with reference to the quoted interest rates in the lending market and shall not be higher than the interest rates for the loan of the same type and maturity offered by major commercial banks in the PRC; and the interest rates of loans provided by Sinopec Century Bright are not higher than the interest rates for the loan of the same type and maturity offered by major overseas commercial banks.

Discounting and acceptance of bills, letters of credit, entrusted loans, non-financial guarantees, settlements and other financial services	The fee shall be negotiated between the Company and Sinopec Financial Institutions in accordance with the principles of fairness and voluntariness, and the fees or interest rates shall be implemented in accordance with the relevant state regulations, or if there are no state regulations, with reference to the market prices. The fee standard or interest rate charged by Sinopec Finance shall not be higher than the fee standard or interest rate charged by major commercial banks for the same type of services in the domestic market during the same period, and the fee standard or interest rate charged by Sinopec Century Bright shall not be higher than the fee standard or interest rate charged by major commercial banks for the same type of services in the overseas market during the same period.

3. Procedures and Internal Control System for Pricing and Terms of The Continuing Connected Transactions

The Company has established a series of internal control system in order to ensure that the pricing mechanism and terms of the above continuing connected transactions are fair and reasonable and no less favourable than the terms provided by any independent third party, as well as in the interest of the Company and its Shareholders as a whole. Such system mainly includes:

(I) The transactions contemplated under the connected transactions agreements are conducted on a non-exclusive basis;

(II) As for the pricing mechanism of the Company's procurement and/or sales of products or services from Sinopec Group, according to the Company's procurement and sales measures, if there is no government-prescribed price or government-guided price, the Company will actively obtain information about market price through various channels, such as taking into consideration the transaction prices of at least two comparable transactions of the Company with independent third parties during the same period and transactions among independent third parties during the same period, conducting market price research through various independent industry information providers (such as industry websites), and participating in activities organised by leading industry organisations. Market price information will also be provided to other departments and subsidiaries of Sinopec Corp. so as to assist in pricing of relevant continuing connected transactions. Such price is determined by parties involved (i.e. the subsidiaries of Sinopec Corp. and the subsidiaries of China Petrochemical Corporation) on normal commercial terms with reference to aforementioned price information. For products and services with agreed prices, for the purpose of ascertaining the connected transaction prices, the supplier will

provide a cost list, while the purchaser will compare the comparable average cost of the same type of companies in proximity or the cost of the same type of products to determine reasonable cost. For the Company, such price is subject to the approval of the financial department of Sinopec Corp. The price of connected transactions, once determined and signed, shall not be changed by either party unilaterally;

(III) As for the Company's procurement process of relevant products or services, according to the Company's procurement measures, the Company will request suppliers, including Sinopec Group and other independent suppliers, to provide price quotations in respect of the requested services or products. Following the receipt of quotations, the Company will compare the quotations and negotiate the terms of quotations with suppliers. The Company will confirm supplier selection after taking into account factors such as price quotations, quality of the products or services, particular needs of parties involved, technical advantages of the supplier, ability of the supplier in performing the contracts and providing follow-up services, and qualifications and relevant experiences of the supplier;

(IV) The Company's internal control and risk management departments will conduct regular internal assessments on the internal control measures every year to examine the completeness and effectiveness of internal control measures in respect of connected transactions. The legal and contract management departments of the Company will conduct prudent reviews of the connected transaction contracts, while the departments executing relevant contracts will monitor the connected transaction amounts in a timely manner;

(V) The Company will implement connected transactions in accordance with the internal control procedures, and review the accounting statements on connected transactions submitted by relevant subsidiaries on a monthly basis. Review and analysis on the connected transaction statements and price implementation are conducted on a quarterly basis, and analysis report on the implementation of connected transactions will be prepared to recommend rectification measures for any issues identified;

(VI) The Board will review the implementation of the continuing connected transactions on an annual basis, and review the financial report, which included the implementation of the continuing connected transactions, on a half-year basis mainly in respect of matters such as: whether the Company and relevant connected parties performed the continuing connected transaction agreement during relevant period; whether the actual transaction amounts incurred are within the annual caps as approved at the general meeting. The independent non-executive directors report their performance of duties at general meeting on an annual basis, and particularly express their opinions on whether the continuing connected transactions exceed relevant caps as approved at the general meeting, whether the continuing connected transactions are performed pursuant to the agreements, and whether the continuing connected transactions are fair and reasonable and in the interests of the shareholders of Sinopec Corp. as a whole;

(VII) The board of supervisors of Sinopec Corp. will supervise the continuing connected transactions, and review the annual financial report and interim financial report, which include the implementation of the continuing connected transactions, on an annual basis. It will also review the domestic and overseas compliance of the connected transactions entered into between the Company and connected parties in respective year, whether the prices are fair and reasonable, and whether there are any acts which are detrimental to the interests of the Company and the Shareholders;

(VIII) The Audit Committee of Sinopec Corp. will review the annual financial statements, annual report, interim financial statements and interim report, which include the implementation of the continuing connected transactions, and express opinion on the connected transactions conducted during relevant periods mainly in respect of matters such as: whether the connected transactions are fair, and whether the actual connected transaction amounts incurred are within the annual caps;

(IX) The external auditor of the Company will conduct interim review and annual audit for each year, express opinions on the implementation of the pricing policies and whether the actual connected transaction amounts incurred are within relevant annual caps for respective year pursuant to the Hong Kong Listing Rules, and issue relevant letter to the Board.

By implementing the above internal control measures and procedures, the Directors consider that the Company has established sufficient internal control measures to ensure the pricing basis of the connected transactions will be on market terms and be conducted on normal commercial terms, and will be fair and reasonable to the Company and the Shareholders as a whole.

4. Historical Figures and Existing Caps

The historical figures and caps of the aforementioned continuing connected transactions for the past two financial years and the six months ended 30 June 2024 are set out below:

		Historical Amount (RMB/billion)			
Continuing Connected Transactions		**Highest annual cap for 2022-2024**	**2022**	**2023**	**The six months ended 30 June 2024**
1.	**Mutual Supply Agreement**				
(1)	Products and services (except for financial services) provided by the Company to Sinopec Group	209.5	134.489	133.66	78.893
(2)	Entrusted loans to the Connected Subsidiaries	10	0.55	0.001	0.001
(3)	Products and services (except for financial services) provided by Sinopec Group to the Company	387.7	230.84	249.952	115.521

Continuing Connected Transactions	Historical Amount (RMB/billion)			
	Highest annual cap for 2022-2024	2022	2023	The six months ended 30 June 2024
(4) Maximum daily amount of deposits and total				

5. Proposed Annual Caps for the Continuing Connected TransactontPoransa.5(ifa Tm(55(ifa19 (ooot37.52/MCID

(II) The following are the basis for the proposed annual caps for each type of Continuing Connected Transactions:

Continuing Connected Transactions		Basis for the proposed annual caps
1. Mutual Supply Agreement		
(1)	Products and services provided by the Company to Sinopec Group	The proposed annual caps for the provision of products and services by the Company to Sinopec Group are determined with reference to: (i) the transactions and amounts in the past for the provision of products and services by the Company to Sinopec Group; (ii) the prices of crude oil and other petroleum and petrochemical products. The Company assumed that the prices of crude oil for 2025 to 2027 will be USD85/barrel, USD85/barrel and USD85/barrel, respectively; (iii) the expected business development of the Company and Sinopec Group; and (iv) the Company is of the view that the annual caps on the transactions should be flexible with a buffer of 15% to accommodate the maximum amount considering various possibilities, taking into account: (a) both the Company and Sinopec Group are large enterprises with large scale and volume, there is certain volatility in prices of crude oil, natural gas, petroleum and petrochemical products and exchange rates, etc., thus there will be potential contingencies that may be difficult to accurately anticipate in the future; and (b) the sale of the Company's products and services to Sinopec Group in accordance with the Mutual Supply Agreement is significant to the Company's revenue.

Continuing Connected Transactions	Basis for the proposed annual caps
	The utilization rate of 2023 annual caps is approximately 67%. The differences between the historical transaction amount in 2023 and the 2023 annual cap as well as the proposed annual caps are mainly due to: (i) the significant change in the transaction amount of crude oil, petroleum and petrochemical products, etc. due to the fluctuation of the international crude oil price and the macroeconomic environment; (ii) the change in the scope and business of the Company's connected subsidiaries, including Shanghai SECCO ceasing to be a connected subsidiary of the Company in 2022 and the original business of the Company's Changling Branch being incorporated into Hunan Petrochemical in 2024, so it is expected that the transaction amount between the Company and its connected subsidiaries will increase overall in the next three years; (iii) the expected increase in the procurement amount of relevant products and services because of reserves and production increase of the Company's upstream business, transformation and update of the refining and chemical business, and the needs of new energy, new materials and other business development; and (iv) both the Company and Sinopec Group are large enterprises with large scale and volume, and considering the changes in the macro environment, the business development of the Company and Sinopec Group, changes in procurement amount of the commercial reserves of crude oil of Sinopec Group and other factors, it is difficult for the Company to anticipate all the creW nBT

Continuing Connected Transactions	Basis for the proposed annual caps
5. Financial Services Agreement	
Maximum daily amount of deposits and total accrued interests of the deposit service provided by Sinopec Financial Institutions to the Company	The annual trading caps for 2025 to 2027 increase from the 2022-2024 trading caps, with the following major factors taken into consideration: (i) high transaction amounts and utilisation rates of the annual caps over the past three years with execution rates of 99.86% and 99.61% in 2022 and 2023, respectively, impacting the flexibility of daily funds settlements and allocations. (ii) the movement between the highest and lowest exchange rate of USD/CNY from the end of 2021 to the end of the first half of 2024 reached 16%, and the exchange rate is expected to remain certain volatility in the future. (iii) the Company's future business development, cash flow position, the scale of funding settlement, etc.

6. Reasons and Benefits for the Continuing Connected Transactions

Sinopec Group operated with the Company as an integrated organisation prior5.3 (e)03 (D[(of)38s (e)03 (D[.8 (i)50(i)

The Board is of the view that entering into the Continuing Connected Transactions is essential to the continuation of the Company's business, and is and will be beneficial to the Company's business operation and growth, and will reduce unnecessary risks which may arise in the course of operation. This is mainly reflected in:

(I) Sinopec Group has advantages in various aspects, with a good reputation and a gigantic scale. The Company has established a long-term cooperative relationship with Sinopec Group.

(II) The engineering technology, production and financial services provided by Sinopec Group to the Company have competitive advantages in the domestic industry. Compared with other service providers, there are significant empirical, technological and cost advantages.

(III) The petroleum industry has its unique technological and quality requirements, and the oil and gas engineering and technological services provided by Sinopec Group are of higher standards within the industry, which can satisfy the technological and quality standards of the projects invested in and operated by the Company. At the same time, high quality services can also reduce safety and environmental protection risks of the Company significantly.

(IV) The shared services provided by Sinopec Group to the Company can lower the cost through centralised processing and can help the Company to improve management refinement and operational efficiency.

(V) The land and properties leased by the Company from Sinopec Group is necessary for the Company's continuous and stable operation, and the rent thereof shall not be higher than the then market rent confirmed by the independent valuer.

As for financial services, Sinopec Financial Institutions, with strong financial capabilities, provide high-quality financial services for the Company's domestic and overseas business. The reasons and benefits of financial services are as follows:

(I) Realising centralised treasury management, improving treasury management efficiency: In the ordinary course of business, the Company's members trade internally, while the Company trades with China Petrochemical Corporation and its associates. Sinopec Financial Institutions are platforms for internal settlement, funds management and financial services of the Company and Sinopec Group, to provide deposits, loans and other financial services to the Company, which facilitates the turnover of funds within members of the Company and enhances the synergistic use of the Company's funds. Within the members of the Company and between the Company and members of Sinopec Group (some of them are customers of the Company), settlement accounts in Sinopec Financial Institutions are opened to conduct settlement, compared with opening bank accounts by the Company and Sinopec Group separately in independent commercial banks, which shortens the

time required for transfer and turnover of funds, renders clearing and settlement more efficient and further reduce the working capital needs of the Company. Sinopec Financial Institutions will enable the Company to lower the cost by improving the efficiency of the internal settlement and help to realise optimisation of cost and operational efficiency.

(II) Offering favourable commercial terms: As professional/centralised treasury management platforms, Sinopec Financial Institutions generally can offer Sinopec Corp. terms and interest rates no less favourable as compared to the services of the same type and maturity from major commercial banks. The deposit interest rate offered by Sinopec Financial Institutions will be no lower than that offered by major commercial banks for the deposits of the same type and maturity. The loan interest rate will be no higher than that offered by major commercial banks for the loans of the same type and maturity.

(III) Familiar with the Company's business: Sinopec Financial Institutions have accumulated in-depth knowledge in related industries such as oil and gas, refining, chemicals and refined oil products marketing industries over the years. Sinopec Financial Institutions are familiar with the capital structure, business operation, capital requirements and cash flow pattern of the Company, enabling it to better forecast the capital requirements of the Company with quick response and high degree of cooperation. Therefore, Sinopec Financial Institutions can provide flexible, convenient and low cost service to the Company at any time, while it will be difficult for independent commercial banks to provide equivalent services.

(IV) Implementing internal control and risk management measures, guarantee the security of capital: The Company and Sinopec Financial Institutions have taken various internal control and risk control measures for financial services so as to guarantee the security of capital and to ensure the Company's interests. Sinopec Financial Institutions have implemented the strict internal control and risk management system established by Sinopec Group. Such regulations, internal control and risk control measures include but not limited to the followings:

1. The Company can manage the funds deposited with Sinopec Financial Institutions at its own discretion and may withdraw the deposits at any time, in a timely manner and without limitation. The Company has the right to choose to terminate the deposits with Sinopec Financial Institutions in advance. At the same time, the Company may, at its sole discretion, deposit its funds with Sinopec Financial Institutions or independent commercial banks in or outside of China without any restriction.

5. The Board of Sinopec Corp. has formulated the Risk Disposal Plan for financial business with Sinopec Financial Institutions and issued a Risk Assessment Report in respect of the financial business; in addition, the Board of Sinopec Corp. regularly evaluates the risks of the financial business of Sinopec Financial Institutions and issues the Continuous Risk Assessment Report, to provide assurance against capital risks for the Company. Among them, in order to regulate the connected transactions between the Company and Sinopec Finance, Sinopec Corp. and Sinopec Finance formulated the Risk Control System on Connected Transactions between China Petroleum & Chemical Corporation and Sinopec Finance Co., Ltd., which covers the relevant risk control system to ensure that the deposits of the Company in Sinopec Finance can be utilised at the Company's discretion. Meanwhile, in order to regulate connected transactions between the Company and Sinopec Century Bright, Sinopec Century Bright is able to ensure the safety of the Company's deposits placed with it by strengthening its internal risk control and receiving various supports from Sinopec Group. Sinopec Group has issued a number of internal rules, including Internal Control Regulations, the Rules for Implementation of Overseas Capital Management Methods and the Provisional Measures for the Supervision and Administration of Offshore Funds Platforms, to impos(hor)3.4 (e)0-(or)3.4 (m)ule.k cons foo (nope)0.8 (c)0.8 it( )11.14 (e)0.8 (nt76.1 (i)5.3 (y)22.8 (B)-

8. Sinopec Financial Institutions shall monitor the maximum daily amount of deposits (amount of the Company and the total interest receivable on such deposits to ensure that relevant amount do not exceed the applicable annual caps.

9. In the course of annual audit for Sinopec Corp., the auditor will review and express opinions on the connected transactions between the Company and Sinopec Financial Institutions, while Sinopec Corp. will timely perform the information disclosure obligations according to the requirements of Hong Kong Listing Rules.

Based on the abovementioned benefits, Sinopec Financial Institutions are more familiar with the Company's business than other independent commercial banks and are able to offer better commercial terms, and the abovementioned internal control and risk management measures can reasonably and effectively assist the Company in monitoring the relevant financial services, minimize the potential financial risks of the Company. The Company is of the view that the risks faced by the Company in depositing funds with Sinopec Financial Institutions will not be higher than depositing funds with independent commercial banks. Meanwhile, it will be more efficient for the Company in terms of fund management and enable the Company to enjoy high-quality financial services, which is in line with the interests of the Company and its shareholders as a whole.

The Continuing Connected Transactions of the Company are conducted in the ordinary and usual course of business of the Company. Such transactions will continue to be conducted on an arm's length basis and on terms that are fair and reasonable to the Company. Directors of the Company (including independent non-executive directors) believe that the Continuing Connected Transactions have been conducted on the basis of normal commercial terms or better terms, fair and reasonable, and are in the interests of the Company and Shareholders as a whole, and the proposed annual caps of the Continuing Connected Transactions are fair and reasonable, and are in the interests of the Company and Shareholders as a whole.

7. The Hong Kong Listing Rules and the Shanghai Listing Rules Requirements

Pursuant to the Hong Kong Listing Rules and the Shanghai Listing Rules, as at the date of this announcement, China Petrochemical Corporation, directly holding approximately 68.25% of the total issued share capital of Sinopec Corp., and its associates will constitute connected persons of Sinopec Corp. As such, the continuing transactions between the Company and Sinopec Group constitute continuing connected transactions of Sinopec Corp. under Chapter 14A of the Hong Kong Listing Rules. Sinopec Corp. shall comply with the reporting, announcement and Independent Shareholders' approval (if necessary) requirements in respect of such continuing connected transactions. In addition, the deposit services to be provided tions ofe sctcttoup(ons)2.7 wiTw 0 -1.1.4 (s)5.3 (on, 5.3 (e)0..6 (a)0.8 (n.3 (nui)5.3 (ngnope)0.8 (c)(

Continuing Connected Transactions	Hong Kong Listing Rules Requirements
1. Mutual Supply Agreement (exclusive of provision of entrusted loan by the Company to the Connected Subsidiaries) 2. Deposit services under the Financial Services Agreement 3. Land Use Rights Leasing Agreement	As the applicable percentage ratios of the proposed annual caps of each of the transactions exceed 5%, the relevant transactions are subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.
4. SPI Fund Document 5. Properties Leasing Agreement 6. Provision of entrusted loan by the Company to the Connected Subsidiaries under the Mutual Supply Agreement	As the applicable percentage ratios of the proposed annual caps of each of the transactions are less than 5% but more than 0.1%, the relevant transactions are subject to the reporting and announcement requirements under Chapter 14A of the Hong Kong Listing Rules but will be exempt from Independent Shareholders' approval requirements.
7. Comprehensive credit facilities provided to the Company by Sinopec Financial Institutions under the Financial Services Agreement	As such credit facilities will be carried out on normal commercial terms and the Company will not provide any security in connection with such credit facilities, the transactions are fully exempted Continuing Connected Transactions.
8. Intellectual Property License Agreements 9. Other financial services provided by Sinopec Financial Institutions under the Financial Services Agreement	As the applicable percentage ratios of the annual fee payable by the Company to Sinopec Group is less than 0.1%, the relevant transactions will be exempt from reporting, announcement and Independent Shareholders' approval requirements.

The transactions under 1 to 9 above (including the relevant proposed caps) will be subject to the announcement and Independent Shareholders' approval requirements in accordance with Chapter 6 of the Shanghai Listing Rules.

9. General Information

Sinopec Corp. is one of the largest integrated energy and chemical companies in China. Its principal operations include the exploration and production, pipeline transportation and sale of petroleum and natural gas; the production, sale, storage and transportation of refinery products, petrochemical products, coal chemical products, synthetic fibre, and other chemical products; the import and export, including an import and export agency business, of petroleum, natural gas, petroleum products, petrochemical and chemical products, and other commodities and technologies; research, development and application of technologies and information; hydrogen energy business and related services such as hydrogen production, storage, transportation and sales; battery charging and swapping, solar energy, wind energy and other new energy business and related services.

China Petrochemical Corporation is a limited liability company established under the laws of the PRC, and is a state-authorised investment organisation and a state-owned enterprise. Its principal businesses include exploration, production, storage and transportation (including pipeline transportation), sales and comprehensive utilisation of oil and natural gas; oil refining; wholesale and retail of oil products; production, sales, storage, transportation of petrochemical, natural gas chemical, coal chemical and other chemical products; industrial investment and investment management; production, sales, storage, transportation of energy products such as new energy and geothermal energy; exploration, consultation, design and installation of petroleum and petrochemical engineering; repairing and maintenance of petroleum and petrochemical equipment; development, manufacture and sales of mechanical and electrical equipment; manufacture and sales of electricity, steam, water supplies and industrial gas; technology, electronic commerce and information, research and development, application and consultation services of alternative energy products; self-operating and acting as agent for import and export of relevant products and technology; project contracting procurement tendering, labour export; international storage and logistics business etc.

As a non-banking financial institution, Sinopec Finance is subject to various regulatory and capital adequacy requirements, including capital adequacy ratios, loan-to-deposit ratios and deposit reserve thresholds. NFRA amended the Administrative Measures on Finance Companies within Group Enterprises in November 2022, specifying that "the group parent company shall assume the primary responsibility for the prevention and mitigation of risks of the finance company, and shall establish an effective risk segregation mechanism to prevent risks extending from the finance company; and the group parent and the controlling shareholder of the finance company shall supplement capital to the finance company if necessary." China Petrochemical Corporation has provided undertaking in relation to the aforementioned obligations to supplement capital: Sinopec Group will supplement capital to Sinopec Finance if necessary and to report annually on its capital supplemental capacity to NFRA or its delegated organisations through Sinopec Finance; Sinopec Group will not withdraw capital from Sinopec Finance in 0.8 (ni)5.3 (s)23 (l (S)-0.onst.3 (i)51)5.3 (t)5.3 (a)0.8 (l)-6.1 (.6 (k s)2.)21.9 (p .(r)-1.5 (its)0 (a)0.8u(F)21.9i)5.2

"Company"	Sinopec Corp. and its subsidiaries;
"Computer Software License Agreement"	the computer software license agreement dated 3 June 2000 (as amended) regarding the granting of license by Sinopec Group to the Company to use certain computer software of Sinopec Group;
"Connected Subsidiaries"	the subsidiaries of Sinopec Corp. in which China Petrochemical Corporation and its associates hold at least 10% of the direct equity interest (excluding any indirect interest in the subsidiaries of Sinopec Corp. held by China Petrochemical Corporation and its associates through Sinopec Corp.), and any subsidiaries of such subsidiaries;
"Continuing Connected Transactions"	the Exempted Continuing Connected Transactions, the Non-Major Continuing Connected Transactions and the Major Continuing Connected Transactions;
"Continuing Connected Transactions Seventh Supplemental Agreement"	the agreement dated 23 August 2024 entered into between Sinopec Corp. and China Petrochemical Corporation regarding the amendments of the terms of the Continuing Connected Transactions;
"Directors"	the directors of Sinopec Corp.;
"EGM"	the first extraordinary general meeting of 2024 of the Sinopec Corp. to be held for Independent Shareholders to consider and approve the renewal of the Continuing Connected Transactions (including the relevant proposed caps);

"Exempted Continuing Connected Transactions"	the transactions contemplated under the Intellectual Property License Agreements, the comprehensive credit facilities services and the agency and handling fees for other financial services provided to the Company by Sinopec Financial Institutions under the Financial Services Agreement;
"Financial Services Agreement"	the financial services agreement dated 23 August 2024 entered into between Sinopec Corp. and Sinopec Financial Institutions regarding the provision of financial services to the Company by Sinopec Financial Institutions;
"Hong Kong"	Hong Kong Special Administrative Region of China;
"Hong Kong Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange;
"IFA" or "Somerley"	Somerley Capital Limited, a corporation licensed under the Securities and Futures Ordinance to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities, appointed as independent financial adviser to advise the Independent Board Committee and Independent Shareholders;
"Independent Board Committee"	an independent board committee of the Board comprising all independent non-executive Directors, namely Mr. Xu Lin, Ms. Zhang Liying, Mr. Liu Tsz Bun Bennett and Mr. Zhang Xiliang;
"Independent Shareholders"	the shareholders of Sinopec Corp. other than China Petrochemical Corporation and its associates;
"Intellectual Property License Agreements"	the Trademarks License Agreement, the Computer Software License Agreement and the Patents and Proprietary Technology License Agreement;
"Land Use Rights Leasing Agreement"	the land use rights leasing agreement dated 3 June 2000 (as amended) regarding the leasing of certain land use rights by Sinopec Group to the Company;

"Major Continuing Connected Transactions"	the transactions relating to the supply and purchase of products and services, transactions in respect of the lease of land use rights under the Land Use Rights Leasing Agreement and the provision of deposit services to the Company by Sinopec Financial Institutions under the Financial Services Agreement, subject to the Independent Shareholders' approval under the Hong Kong Listing Rules;
"Ministry of Finance"	the Ministry of Finance of the PRC;
"Mutual Supply Agreement"	the mutual supply agreement dated 3 June 2000 and the supplemental agreement dated 26 September 2000 (as amended) regarding the provision of a range of products and services from time to time (1) by Sinopec Group to the Company; and (2) by the Company to Sinopec Group;
"NDRC"	the National Development and Reform Commission;
"NFRA"	the National Financial Regulatory Administration;
"Non-Major Continuing Connected Transactions"	the entrusted loan provided by the Company to the Connected Subsidiaries under the Mutual Supply Agreement and the transactions contemplated under the SPI Fund Document and the Properties Leasing Agreement;
"Patents and Proprietary Technology License Agreement"	the patents and proprietary technology license agreement dated 3 June 2000 (as amended) regarding the granting of license by Sinopec Group to the Company to use certain patents and proprietary technology of Sinopec Group;
"PRC" or "China"	the People's Republic of China, for the purpose of this announcement, excluding Hong Kong Special Administrative Region of China, Macau Special Administrative Region and Taiwan Region of the People's Republic of China;
"Properties Leasing Agreement"	the properties leasing agreement dated 3 June 2000 (as amended) regarding the leasing of certain properties by Sinopec Group to the Company;
"RMB"	the lawful currency of the PRC;
"Shanghai Listing Rules"	the Share Listing Rules of Shanghai Stock Exchange;

"Shareholders"	the shareholders of Sinopec Corp.;
"Shares"	the ordinary shares of RMB1.00 each in the share capital of Sinopec Corp., including A Shares and H Shares;
"Sinopec Century Bright"	Sinopec Century Bright Capital Investment Limited, a wholly-owned subsidiary of China Petrochemical Corporation;
"Sinopec Corp."	China Petroleum & Chemical Corporation, a joint stock limited company incorporated in the PRC with limited liability;
"Sinopec Finance"	Sinopec Finance Co., Ltd, a subsidiary of China Petrochemical Corporation jointly established with Sinopec Corp.;
"Sinopec Financial Institutions"	

As of the date of this announcement, directors of the Company are: Ma Yongsheng, Zhao Dong#, Zhong Ren*, Li Yonglin#, Lv Lianggong#, Niu Shuanwen#, Wan Tao#, Yu Baocai#, Xu Lin+, Zhang Liying+, Liu Tsz Bun Bennett+ and Zhang Xiliang+.*

 # Executive Director
** Non-executive Director*
+ Independent Non-executive Director