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中石化煉化工程(集團)股份有限公司
SINOPEC Engineering (Group) Co., Ltd.*

(a joint stock limited liability company incorporated in the People's Republic of China)
(Stock Code: 2386)

**ANNOUNCEMENT OF RESOLUTIONS PASSED AT THE TENTH MEETING
OF THE THIRD SESSION OF THE BOARD**

PROPOSED AMENDMENTS TO THE ARTICLES

**PROPOSED AMENDMENTS TO THE RULES AND PROCEDURES FOR
THE MEETINGS OF THE SHAREHOLDERS AND THE RULES AND
PROCEDURES FOR THE MEETINGS OF THE BOARD OF DIRECTORS**

PROPOSED CHANGE OF AUDITORS

AND

**UNFULFILLMENT OF THE CONDITIONS TO
THE SECOND EFFECTIVE PHASE OF THE INITIAL GRANT UNDER
THE H SHARE APPRECIATION RIGHTS SCHEME**

SINOPEC Engineering (Group) Co., Ltd. (the “**Company**”, together with its subsidiaries, the “**Group**”) held the tenth meeting (the “**Meeting**”) of the Third Session of the board of directors of the Company (the “**Board**”) on 20 March 2020.

The convening of, and the procedures for holding, the Meeting were in compliance with relevant laws, regulations and the Company’s articles of association (the “**Articles**”).

The Board hereby announces that, after due consideration, each of the following resolutions was approved at the Meeting:

1. the report of the Board for the year 2019;
2. the report on the production and operation for the year 2019 and the work arrangements for the year 2020;
3. the report on the operating results, financial performance and other relevant matters for the year 2019 (including the matter in relation to the unfulfillment of the conditions to the second effective phase of the Initial Grant under the H Share Appreciation Rights Scheme, the details of which were set out in the section headed “Significant Events - 1 H Share Appreciation Rights Scheme” of 2019 annual report of the Company);

* For identification purposes only

4. the proposal to approve the audited financial statements for the year 2019;
5. the proposed annual report and results announcement for the year 2019;
6. the proposed environmental, social and governance report for the year 2019;
7. the proposed business operation plan, investment plan and financial budget for the year 2020;
8. the proposed cap for the amount of performance guarantee(s) to be provided by the Company (as the parent company) for the benefit of its subsidiaries for the year 2020;
9. the proposed final dividend distribution plan for the year 2019 and the authorisation to the Board to determine the interim profit distribution plan for the year 2020 to be put forward for approval at the Company's annual general meeting for the year 2019 (the "AGM");
10. the proposal to amend the Articles. For details, please refer to the circular of the Company dated 23 March 2020;
11. the proposal to amend the Rules and Procedures for the Meetings of the Shareholders and the proposal to amend the Rules and Procedures for the Meetings of the Board of Directors of SINOPEC Engineering (Group) Co., Ltd. For details, please refer to the circular of the Company dated 23 March 2020;
12. the proposed change and appointment of domestic auditor and international auditor of the Company for the year 2020 and the proposed authorisation to the Board to fix their remuneration for the year 2020;

China Petrochemical Corporation is a controlling shareholder of the Company, which in turn is a state-owned enterprise under the control of the State-owned Assets Supervision and Administration Commission of the State Council of the People's Republic of China (the "SASAC"). According to the relevant regulations issued by the Ministry of Finance of the People's Republic of China and the SASAC, there are restrictions in respect of the number of years of audit services that an accounting firm can continuously provide to a state-owned enterprise and its subsidiaries. In accordance with such requirements, Grant Thornton China (Special General Partnership) and Grant Thornton Hong Kong Limited will retire as the domestic auditor and the international auditor of the Company, respectively, with effect from the conclusion of the forthcoming AGM.

With recommendation of the audit committee of the Company, the Board has (i) proposed to appoint BDO China Shu Lun Pan Certified Public Accountants LLP and BDO Limited as the domestic auditor and the international auditor of the Company, respectively, for the year 2020 and to hold office until the next annual general meeting of the Company, and (ii) proposed the shareholders of the Company to authorise the Board to fix their remuneration for the year 2020. The proposed appointment of auditors and the proposed authorisation to the Board to fix their remuneration are subject to the approval of the shareholders of the Company at the AGM.

Each of Grant Thornton China (Special General Partnership) and Grant Thornton Hong Kong Limited has confirmed that (i) there are no matters in relation to its retirement that needs to be brought to the attention of the shareholders of the Company, and (ii) there are no disagreements or outstanding matters with the Company. The Board has also confirmed that (i) there are no disagreements or outstanding matters between the Company and each of Grant Thornton China (Special General Partnership) and Grant Thornton Hong Kong Limited, and (ii) there are no other matters in relation to the proposed change of auditors that need to be brought to the attention of the shareholders of the Company.

For further details of the proposed change of the domestic auditor and the international auditor of the Company, please refer to the circular of the Company dated 23 March 2020.

13. the proposal of 2020 annual business plan for financial derivatives;
14. the proposed grant of a general mandate to the Board to repurchase domestic shares and/or H shares of the Company to be put forward for approval at the AGM, the first domestic shares class meeting for the year 2020 and the first H shares class meeting for the year 2020 (together, the “**Class Meetings**”);
15. the proposed grant of a general mandate to the Board to issue domestic shares and/or H shares of the Company to be put forward for approval at the AGM; and
16. the proposed approval of convening the AGM and the Class Meetings.

The above proposals 1, 4, 7, 9, 10, 11, 12 and 15 shall be submitted to the AGM for consideration. Proposal 14 shall be submitted to the AGM and the Class Meetings for consideration. For further details, please refer to the announcements, circular and notices of the Company dated 23 March 2020.

By order of the Board
SINOPEC ENGINEERING (GROUP) CO., LTD.
JIA Yiqun
Chief Financial Officer, Company Secretary

Beijing, the PRC
23 March 2020

As at the date of this announcement, the Company’s executive directors are YU Renming, XIANG Wenwu, SUN Lili (employee representative director) and ZHOU Yingguan (employee representative director); the non-executive director is WU Wenxin; and the independent non-executive directors are HUI Chiu Chung, Stephen, JIN Yong and YE Zheng.

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