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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)**

**VOLUNTARY ANNOUNCEMENT**  
**TOTAL NEW CONTRACT VALUE AND BACKLOG**

This announcement is made voluntarily by SINOPEC Engineering (Group) Co., Ltd. (the “**Company**”, together with its subsidiaries, the “**Group**”). The board of directors of the Company (the “**Board**”) is pleased to update shareholders of the Company and potential investors with certain information in connection with the representative new contracts entered into by the Group for the three months ended September 30, 2013, the total value of the new contracts for the nine months and the three months ended September 30, 2013, and the backlog as of September 30, 2013.

This announcement is made by the order of the Board. The Board collectively and individually accepts responsibility for the accuracy of this announcement.

**Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.**

This announcement is made voluntarily by the Company. The Board is pleased to update shareholders of the Company and potential investors the following information.

During the nine months ended September 30, 2013, the total value of new contracts entered into by the Group amounted to RMB 54.811 billion, representing an increase of 36.5% as compared to RMB 40.143 billion for the year of 2012; during the three months ended September 30, 2013, the total value of new contracts entered into by the Group amounted to RMB 9.732 billion; and as of September 30, 2013, the backlog of the Group amounted to RMB 100.746 billion, representing an increase of 32.5% as compared to RMB 76.051 billion as of December 31, 2012.

\* *For identification purposes only.*

## Representative New Contracts

New contract value represents the value of the contracts the Group entered into during a specified period. The value of a contract is the amount that the Group expects to receive under the terms of the contract if the contract is performed in accordance with its terms. During the three months ended September 30, 2013, the total value of new contracts entered into by the Group amounted to RMB 9,732 billion, and contracts that are representative are as follows:

1. three EPC contracts for the MTO unit and relevant utilities, the olefin separation unit, tankage and vehicle loading stage units for the 500 thousand tons per annum (“Kpta”) engineering plastics project of the Inner Mongolia ChinaCoal Mengda New Energy And Chemical Industry Co., Ltd. (內蒙古中煤蒙大新能源化工有限公司), with an aggregate contract value of RMB 2.038 billion;
2. an EPC contract for the MTO unit for the downstream methanol processing project of Yulin branch of China Shenhua Coal To Liquid and Chemical Co., Ltd. (中國神華煤制油化工有限公司), with contract value of RMB 840 million; and
3. a construction contract for the receiving terminal processing plant for CNOOC Hainan LNG terminal and pipeline project of CNOOC Hainan Natural Gas Co., Ltd. (中海石油海南天然氣有限公司), with contract value of RMB 152 million.

## Total New Contract Value

The table below sets out the details of the total value of new contracts entered into categorized by the Group’s business segments during the periods indicated:

	<b>Nine months ended September 30, 2013 (RMB thousand)</b>	<b>Three months ended September 30, 2013 (RMB thousand)</b>
Engineering, Consulting and Licensing	4,282,812	870,485
EPC Contracting	39,185,525	5,833,281
Construction	10,935,597	2,868,926
Equipment Manufacturing	<u>407,527</u>	<u>158,989</u>
Total	<u>54,811,461</u>	<u>9,731,681</u>

The table below sets out the details of the total value of new contracts entered into by the Group categorized by the industries in which the Group’s clients operate during the periods indicated:

	<b>Nine months ended September 30, 2013 (RMB thousand)</b>	<b>Three months ended September 30, 2013 (RMB thousand)</b>
Oil Refining	4,556,926	1,148,372
Petrochemical	31,715,065	2,327,818
New Coal Chemicals	13,632,824	4,563,852
Other Industries	<u>4,906,646</u>	<u>1,691,639</u>
Total	<u>54,811,461</u>	<u>9,731,681</u>

The table below sets out the details of the total value of new contracts entered into by the Group categorized by regions during the periods indicated:

	<b>Nine months ended September 30, 2013 (RMB thousand)</b>	<b>Three months ended September 30, 2013 (RMB thousand)</b>
PRC	32,116,519	9,673,251
Overseas	<u>22,694,942</u>	<u>58,430</u>
Total	<u>54,811,461</u>	<u>9,731,681</u>

The table below sets out the details of the total value of new contracts entered into by the Group categorized by clients of each of China Petrochemical Corporation (the “Sinopec Group”) and non-Sinopec Group during the periods indicated:

	<b>Nine months ended September 30, 2013 (RMB thousand)</b>	<b>Three months ended September 30, 2013 (RMB thousand)</b>
Sinopec Group	6,618,159	3,970,728
Non-Sinopec Group	<u>48,193,302</u>	<u>5,760,953</u>
Total	<u>54,811,461</u>	<u>9,731,681</u>

## Backlog

Backlog represents the total estimated contract value of work that remains to be completed pursuant to outstanding contracts as of a certain date, net of estimated value added tax and is based on the Group's assumption that the relevant contracts will be performed in accordance with their terms. Backlog is not a measure defined by generally accepted accounting principles. Any modification, termination or suspension of these contracts by the Group's clients may have a substantial and immediate effect on the Group's backlog. Projects may also remain in the Group's backlog for an extended period of time beyond what was initially anticipated due to various factors beyond the Group's control.

The table below sets out the details of the total value of backlog of the Group as of the date indicated:

**As of September 30, 2013**  
**(RMB thousand)**

Engineering, Consulting and Licensing	6,119,752
EPC Contracting	79,465,251
Construction	14,796,809
Equipment Manufacturing	<u>364,417</u>
Total	<u><u>100,746,229</u></u>

The table below sets out the details of the total value of backlog of the Group categorized by the industries in which the Group's clients operate as of the date indicated:

**As of September 30, 2013**  
**(RMB thousand)**

Oil Refining	19,845,700
Petrochemical	40,327,356
New Coal Chemicals	30,995,074
Other Industries	<u>9,578,099</u>
Total	<u><u>100,746,229</u></u>

The table below sets out the details of the total value of backlog of the Group categorized by regions as of the date indicated:

**As of September 30, 2013**  
**(RMB thousand)**

PRC	54,567,584
Overseas	<u>46,178,645</u>
Total	<u><u>100,746,229</u></u>

The table below sets out the details of the total value of backlog of the Group categorized by the clients of each of the Sinopec Group and non-Sinopec Group as of the date indicated:

**As of September 30, 2013**  
**(RMB thousand)**

Sinopec Group	20,253,396
Non-Sinopec Group	<u>80,492,833</u>
Total	<u><u>100,746,229</u></u>

The Board wishes to emphasize that the above information in relation to the representative new contracts, the total value of new contracts and backlog shall not constitute any forecast or prediction of the profits of the Group.

This announcement is made by the order of the Board. The Board collectively and individually accepts responsibility for the accuracy of this announcement.

**Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.**

Yours faithfully,

By order of the Board

**SINOPEC ENGINEERING (GROUP) CO., LTD.**

**Sang Jinghua**

*Secretary to the Board of Directors and the Company Secretary*

Beijing, PRC

October 15, 2013

*As of the date of this announcement, the executive director is Yan Shaochun, the non-executive directors are Cai Xiyou, Zhang Kehua, Lei Dianwu, Ling Yiqun and Chang Zhenyong and the independent non-executive directors are Hui Chiu Chung, Stephen, Jin Yong and Ye Zheng.*

*This announcement will be available on the website of Hong Kong Exchanges and Clearing Limited ([www.hkex.com.hk](http://www.hkex.com.hk)) and on the website of the Company ([www.segroup.cn](http://www.segroup.cn)).*