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中石化炼化工程(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 30 September 2014, the total value of the new contracts for the nine months ended 30 September 2014 and the backlog as at 30 September 2014.

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 30 September 2014, the total value of new contracts entered into by the Group amounted to RMB47.922 billion, representing an increase of 3.7% as compared to RMB46.209 billion^{note} for the nine months ended 30 September 2013. As at 30 September 2014, the backlog of the Group amounted to RMB107.722 billion, representing an increase of 13.0% as compared to RMB 95.366 billion as at 30 June 2014.

^{note} The total value of new contracts has excluded the contract value of a terminated EPC contract between Kazakhstan Petrochemical Industries (the “**KPI Company**”) and the Company (the “**KPI Contract**”). Please refer to the announcement entitled “Termination of an EPC Contract with KPI Company” published by the Company on 14 August 2014 for more details.

* For identification purpose only.

New Contract Value and Backlog

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 30 September 2014, the total value of new contracts entered into by the Group amounted to RMB22.475 billion, and contracts that are representative are as follows:

1. a package contract of engineering, procurement, construction and commissioning (EPCC) of an oil refining and petrochemical integrated engineering project with a subsidiary of Petroliam Nasional Bhd, with a contract value of RMB8.192 billion. For details, please refer to the announcement of the Company dated 29 August 2014;
2. an engineering, procurement and construction (EPC) contract for the first section (coal gasification part) of a 170 million tons per annum (Mtpa) olefins and methanol-to-olefins project with Zhong'an United Coal Chemical Co., Ltd. (中安聯合煤化有限責任公司), with a contract value of RMB2.319 billion; and
3. a general EPC contract for, among other things, DMTO and olefin separation units of Phase I of a coal deep-processing demonstration project with Qinghai Damei Coal Industry Co., Ltd. (青海大美煤業股份有限公司) with a contract value of RMB2.072 billion.

Backlog

Backlog represents the total estimated contract value of work that remains to be completed pursuant to outstanding contracts as at 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 new contracts entered into by the Group and its backlog categorised by (1) business segments; (2) the industries in which the Group's clients operate; (3) regions; and (4) clients of each of (i) China Petrochemical Corporation (“**Sinopec Group**”) and its associates and (ii) the non-Sinopec Group and its associates during the periods or as at the date indicated:

	Total of New Contract Value Nine months ended 30 September 2014		Backlog As at 30 September 2014	
	<i>(RMB thousand)</i>	<i>Percentage (%)</i>	<i>(RMB thousand)</i>	<i>Percentage (%)</i>
<i>Business segments</i>				
Engineering, Consulting and Licensing	3,326,924	6.9%	6,847,919	6.4%
EPC Contracting	30,968,079	64.7%	85,808,575	79.7%
Construction	13,529,319	28.2%	14,914,134	13.8%
Equipment Manufacturing	<u>98,120</u>	<u>0.2%</u>	<u>151,261</u>	<u>0.1%</u>
Total	<u>47,922,442</u>	<u>100.0%</u>	<u>107,721,889</u>	<u>100.0%</u>
<i>Industries in which the Group's clients operate</i>				
Oil Refining	16,902,004	35.3%	29,377,026	27.3%
Petrochemical	6,676,620	13.9%	21,230,623	19.7%
New Coal Chemicals	17,209,532	35.9%	48,064,881	44.6%
Other Industries	<u>7,134,286</u>	<u>14.9%</u>	<u>9,049,359</u>	<u>8.4%</u>
Total	<u>47,922,442</u>	<u>100.0%</u>	<u>107,721,889</u>	<u>100.0%</u>
<i>Regions</i>				
PRC	36,874,306	76.9%	78,985,664	73.3%
Overseas	<u>11,048,136</u>	<u>23.1%</u>	<u>28,736,225</u>	<u>26.7%</u>
Total	<u>47,922,442</u>	<u>100.0%</u>	<u>107,721,889</u>	<u>100.0%</u>

Total of New Contract Value Nine months ended 30 September 2014		Backlog As at 30 September 2014	
<i>(RMB thousand)</i>	<i>Percentage (%)</i>	<i>(RMB thousand)</i>	<i>Percentage (%)</i>

Clients of each of (i) Sinopec Group and its associates and (ii) the non-Sinopec Group and its associates

Sinopec Group and its associates	14,545,313	30.4%	38,448,210	35.7%
Non-Sinopec Group and its associates	<u>33,377,129</u>	<u>69.6%</u>	<u>69,273,679</u>	<u>64.3%</u>
Total	<u>47,922,442</u>	<u>100.0%</u>	<u>107,721,889</u>	<u>100.0%</u>

The Board wishes to emphasise 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
15 October 2014

As at the date of this announcement, the executive director of the Company is YAN Shaochun, the non-executive directors are CAI Xiyou, LEI Dianwu, LING Yiqun, CHANG Zhenyong and LI Guoqing 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) and on the website of the Company (www.segroup.cn).