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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 30 September 2016, the total value of the new contracts for the nine months ended 30 September 2016 and the backlog as at 30 September 2016.

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 2016, the total value of new contracts entered into by the Group amounted to RMB14.632 billion, representing a decrease of 55.6% as compared to RMB32.968 billion for the nine months ended 30 September 2015. As at 30 September 2016, the backlog of the Group amounted to RMB89.799 billion, representing a decrease of 10.2% as compared to RMB99.985 billion as at 31 December 2015.

** For identification purposes 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 2016, the total value of new contracts entered into by the Group amounted to RMB6.235 billion, and contracts that are representative are as follows:

1. a construction contract entered into with Package 1 consortium in relation to the new AL-Zour refinery project in Kuwait. The net contract value is approximately US\$315 million (approximately RMB2.095 billion);
2. a contract of engineering, procurement, construction and commissioning (EPCC) entered into with Petroliam Nasional Berhad (PETRONAS) in relation to the RAPID automated stereo warehouse project in Malaysia. The total contract value is approximately US\$186 million (approximately RMB1.237 billion); and
3. a contract of engineering, procurement and construction (EPC) entered into with Sinopec Zhenhai Refining and Chemical Branch (中國石油化工股份有限公司鎮海煉化分公司) in relation to the restructuring of feedstock of hydrogen production project. The total contract value is approximately RMB1.008 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		Backlog	
	For the nine months		As at 30 September 2016	
	ended 30 September 2016		As at 30 September 2016	
	<i>(RMB</i>	<i>Percentage</i>	<i>(RMB</i>	<i>Percentage</i>
	<i>thousand)</i>	<i>(%)</i>	<i>thousand)</i>	<i>(%)</i>
<i>Business segments</i>				
Engineering, Consulting and Licensing	1,410,935	9.65	7,062,837	7.87
EPC Contracting	6,502,654	44.44	73,328,146	81.65
Construction	6,621,608	45.25	9,295,833	10.35
Equipment Manufacturing	<u>97,157</u>	<u>0.66</u>	<u>112,580</u>	<u>0.13</u>
Total	<u>14,632,354</u>	<u>100.00</u>	<u>89,799,396</u>	<u>100.00</u>
<i>Industries in which the Group's clients operate</i>				
Oil Refining	4,224,901	28.87	31,540,184	35.12
Petrochemical	3,635,572	24.85	17,960,650	20.00
New Coal Chemicals	2,245,057	15.34	22,077,812	24.59
Other Industries	<u>4,526,824</u>	<u>30.94</u>	<u>18,220,750</u>	<u>20.29</u>
Total	<u>14,632,354</u>	<u>100.00</u>	<u>89,799,396</u>	<u>100.00</u>
<i>Regions</i>				
PRC	11,463,277	78.34	58,389,940	65.02
Overseas	<u>3,169,077</u>	<u>21.66</u>	<u>31,409,456</u>	<u>34.98</u>
Total	<u>14,632,354</u>	<u>100.00</u>	<u>89,799,396</u>	<u>100.00</u>

	Total of New Contract Value		Backlog	
	For the nine months			
	ended 30 September 2016		As at 30 September 2016	
	<i>(RMB</i>	<i>Percentage</i>	<i>(RMB</i>	<i>Percentage</i>
	<i>thousand)</i>	<i>(%)</i>	<i>thousand)</i>	<i>(%)</i>
<i>Clients of each of (i) Sinopec Group and its associates and (ii) the non-Sinopec Group and its associates</i>				
Sinopec Group and its associates	6,782,576	46.35	39,871,834	44.40
Non-Sinopec Group and its associates	<u>7,849,778</u>	<u>53.65</u>	<u>49,927,562</u>	<u>55.60</u>
Total	<u>14,632,354</u>	<u>100.00</u>	<u>89,799,396</u>	<u>100.00</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
Vice President and Secretary to the Board

Beijing, PRC
14 October 2016

As at the date of this announcement, the Company's executive directors are LU Dong, YAN Shaochun, SUN Lili (employee representative director) and WU Derong (employee representative director); the non-executive directors are ZHANG Jianhua 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).