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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 on certain information in connection with the representative new contracts entered into by the Group for the three months ended 30 September 2017, the total value of the new contracts for the nine months ended 30 September 2017 and the backlog as at 30 September 2017.

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 on the following information.

During the nine months ended 30 September 2017, the total value of new contracts entered into by the Group amounted to RMB26.081 billion, representing an increase of 78.25% as compared to RMB14.632 billion for the nine months ended 30 September 2016. As at 30 September 2017, the backlog of the Group amounted to RMB92.805 billion, representing an increase of 5.25% as compared to RMB88.173 billion as at 31 December 2016.

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 2017, the total value of new contracts entered into by the Group amounted to RMB8.312 billion, and contracts that are representative are as follows:

1. a construction contract entered into with Zhejiang Petrochemical Co., Ltd.* (浙江石油化工有限公司) in relation to the installation of bid section I of its refining and chemical integration project (Phase I) with a capacity of 40,000 kilo tons per annum. The total contract value is approximately RMB1.150 billion;
2. a contract of engineering, procurement and construction (EPC) entered into with Sinopec Yangzi Petrochemical Company Ltd.* (中國石化揚子石油化工有限公司) in relation to its EVA unit with a capacity of 100 kilo tons per annum. The total contract value is approximately RMB0.996 billion;
3. an EPC contract entered into with Zhong'an United Coal Chemical Co., Ltd.* (中安聯合煤化有限責任公司) in relation to the integration project of coal storage and transportation facilities, and coal transportation system in its plants. The total contract value is approximately RMB0.459 billion; and
4. an EPC contract entered into with Thailand IRPC Public Company Limited in relation to the RDCC external heater project. The total contract value is US\$23 million (approximately RMB154 million).

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 period or as at the date indicated:

	Total of New Contract Value For the nine months ended 30 September 2017		Backlog As at 30 September 2017	
	<i>(RMB thousand)</i>	<i>Percentage (%)</i>	<i>(RMB thousand)</i>	<i>Percentage (%)</i>
<i>Business segments</i>				
Engineering, Consulting and Licensing	2,146,805	8.23	7,338,731	7.91
EPC Contracting	11,471,580	43.98	69,353,514	74.73
Construction	11,775,265	45.15	15,524,274	16.73
Equipment Manufacturing	<u>687,360</u>	<u>2.64</u>	<u>588,694</u>	<u>0.63</u>
Total	<u>26,081,010</u>	<u>100.00</u>	<u>92,805,213</u>	<u>100.00</u>
<i>Industries in which the Group's clients operate</i>				
Oil Refining	6,548,497	25.11	29,417,879	31.70
Petrochemical	15,095,855	57.88	27,064,926	29.16
New Coal Chemicals	1,367,794	5.24	18,265,190	19.68
Other Industries	<u>3,068,864</u>	<u>11.77</u>	<u>18,057,218</u>	<u>19.46</u>
Total	<u>26,081,010</u>	<u>100.00</u>	<u>92,805,213</u>	<u>100.00</u>
<i>Regions</i>				
PRC	25,651,351	98.35	69,251,956	74.62
Overseas	<u>429,660</u>	<u>1.65</u>	<u>23,553,257</u>	<u>25.38</u>
Total	<u>26,081,010</u>	<u>100.00</u>	<u>92,805,213</u>	<u>100.00</u>

	Total of New Contract Value		Backlog	
	For the nine months		As at	
	ended 30 September 2017		30 September 2017	
	<i>Percentage</i>		<i>Percentage</i>	
	<i>(RMB thousand)</i>	<i>(%)</i>	<i>(RMB 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	10,111,200	38.77	41,588,421	44.81
Non-Sinopec Group and its associates	<u>15,969,810</u>	<u>61.23</u>	<u>51,216,792</u>	<u>55.19</u>
Total	<u>26,081,010</u>	<u>100.00</u>	<u>92,805,213</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, Secretary to the Board

Beijing, the PRC
16 October 2017

As at the date of this announcement, the Company's executive directors are LU Dong, XIANG Wenwu, SUN Lili (employee representative director) and WU Derong (employee representative director); the non-executive directors are LING Yiqun and LI Guoqing; and the independent non-executive directors are HUI Chiu Chung, Stephen, JIN Yong and YE Zheng.

This announcement is 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).

* For identification purposes only.