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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)

POSITIVE PROFIT ALERT

This announcement is made by Sinopec Engineering (Group) Co., Ltd. (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

The board of directors of the Company (the "**Board**") would like to inform the shareholders of the Company and potential investors that, based on the information currently available to the Company, it is expected that the net profit after tax of the Group for the twelve months ended 31 December 2018 calculated in accordance with the International Financial Reporting Standards has incresed by approximately 40% to 50% as compared to that in 2017.

The Company considers that the expected increase in the results of this period is mainly due to the recovery of the crude oil price, the upturn of the entire market, the increase in investments in the domestic and overseas oil refining, petrochemical and new coal chemical industries and the continuous increase in the value of new contracts entered into by the Group in 2017 and 2018.

In addition, pursuant to the requirements of the relevant authorities, the Group carried out the separation and transfer of water supply, electricity supply, heat supply (gas supply) and property management services (the "**Water/Electricity/Gas Supply and Property Management"**) in its employee living areas in 2018. For details, please refer to the announcement entitled "Relevant Information on Separation and Transfer of "Water/Electricity/Gas Supply and Property Management" issued by the Company on 10 January 2019. Pursuant to the International Financial Reporting Standards, the expenses incurred and government subsidies received due to the separation and transfer of "Water/Electricity/Gas Supply and Property Management'" shall be categorized as "non-recurring profits or losses." Solely for reference, if the impact arising from the separation and transfer of "Water/Electricity/Gas Supply and Property Management" had not been taken into account, it is expected that the net profit after tax of the Group for the twelve months ended 31 December 2018 calculated in accordance with the International Financial Reporting Standards would have increased by approximately 120% to 130% as compared to that in 2017.

The announcement is prepared based on the preliminary assessments by the Company with reference to the information currently available and the relevant data has not been audited or reviewed by the independent auditors of the Company. The actual results of the Group may be different from what is disclosed herein. Detailed audited financial information of the Group will be disclosed as and when the annual results of the Group for the year ended 31 December 2018 are published in due course pursuant to the relevant requirements of the Listing Rules.

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

By Order of the Board
SINOPEC ENGINEERING (GROUP) CO., LTD.
SANG Jinghua
Vice President and Secretary to the Board

Beijing, the PRC
10 January 2019

As at the date of this announcement, the executive directors of the Company are LU Dong, XIANG Wenwu, SUN Lili (employee representative director) and ZHOU Yingguan (employee representative director); the non-executive directors of the Company are YU Baocai and WU Wenxin; and the independent non-executive directors of the Company 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).

* *For identification purpose only*