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中石化炼化工程(集团)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 2019, the total value of the new contracts for the nine months ended 30 September 2019 and the backlog as at 30 September 2019.

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 2019, the total value of new contracts entered into by the Group amounted to RMB40.813 billion, representing a decrease of 3.2% as compared to RMB42.158 billion for the nine months ended 30 September 2018. As at 30 September 2019, the backlog of the Group amounted to RMB98.894 billion, representing an increase of 4.2% as compared to RMB94.935 billion as at 31 December 2018.

* 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 2019, the total value of new contracts entered into by the Group amounted to RMB7.594 billion, and contracts that are representative are as follows:

1. a contract of engineering, procurement and construction (EPC) entered into with Sinopec Beihai Refinery and Petrochemical Co., Ltd.* (中國石化北海煉化有限責任公司) in relation to the structure adjustment and transformation project of Beihai refinery relocation and renovation petrochemical project (200,000 tons/year of polypropylene) with a contract value of approximately RMB709 million;
2. an EPC contract entered into with Sinopec Tianjin Liquefied Natural Gas Co., Ltd.* (中石化天津液化天然氣有限責任公司) in relation to its LNG terminal gasification external transmission and capacity expansion project with a contract value of approximately RMB629 million;
3. a construction contract entered into with China Petroleum Pipeline Engineering Co., Ltd.* (中國石油管道局工程有限公司) in relation to the Saudi Aramco's piping installation work (Hawiyah Area) for NGCP (North Gas Compression Plants) project with a contract value of approximately RMB112 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 2019 | | Backlog As at 30 September 2019 | |
|---|--|---------------------------|--|---------------------------|
| | <i>(RMB thousand)</i> | <i>Percentage (%)</i> | <i>(RMB thousand)</i> | <i>Percentage (%)</i> |
| <i>Business segments</i> | | | | |
| Engineering, Consulting and Licensing | 2,087,308 | 5.11 | 8,422,220 | 8.52 |
| EPC Contracting | 26,581,961 | 65.13 | 77,172,248 | 78.04 |
| Construction | 11,092,183 | 27.18 | 11,932,488 | 12.07 |
| Equipment Manufacturing | 1,051,892 | 2.58 | 1,367,163 | 1.37 |
| Total | 40,813,344 | 100.00 | 98,894,119 | 100.00 |
| <i>Industries in which the Group's clients operate</i> | | | | |
| Oil Refining | 11,640,411 | 28.52 | 31,912,317 | 32.27 |
| Petrochemical | 17,952,459 | 43.99 | 29,329,345 | 29.66 |
| New Coal Chemicals | 4,844,253 | 11.87 | 12,093,899 | 12.23 |
| Other Industries | 6,376,221 | 15.62 | 25,558,558 | 25.84 |
| Total | 40,813,344 | 100.00 | 98,894,119 | 100.00 |
| <i>Regions</i> | | | | |
| PRC | 38,099,068 | 93.35 | 81,154,529 | 82.06 |
| Overseas | 2,714,276 | 6.65 | 17,739,590 | 17.94 |
| Total | 40,813,344 | 100.00 | 98,894,119 | 100.00 |
| <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 | 25,847,830 | 63.33 | 54,640,843 | 55.25 |
| Non-Sinopec Group and its associates | 14,965,514 | 36.67 | 44,253,276 | 44.75 |
| Total | 40,813,344 | 100.00 | 98,894,119 | 100.00 |

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.

By order of the Board
SINOPEC ENGINEERING (GROUP) CO., LTD.
Jia Yiqun
Chief Financial Officer, Company Secretary

Beijing, the PRC
15 October 2019

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