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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 31 December 2019, the total value of the new contracts for the twelve months ended 31 December 2019 and the backlog as at 31 December 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 twelve months ended 31 December 2019, the total value of new contracts entered into by the Group amounted to RMB52.319 billion, representing an increase of 2.7% as compared to RMB50.927 billion for the twelve months ended 31 December 2018. As at 31 December 2019, the backlog of the Group amounted to RMB94.993 billion, representing an increase of 0.1% 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 31 December 2019, the total value of new contracts entered into by the Group amounted to RMB11.506 billion, and contracts that are representative are as follows:

1. an EPC contract entered into with Zhenhai Refining & Chemical Branch of China Petroleum & Chemical Corporation (中國石油化工股份有限公司鎮海煉化分公司) in relation to the 800,000 tons/year ethylene glycol facilities of the 15,000,000 tons/year refinery and 1,200,000 tons/year ethylene expansion project with a total contract value of approximately RMB1.127 billion;
2. a construction contract entered into with Zhejiang Petrochemical Co., Ltd* (浙江石油化工有限公司) in relation to the aromatic facilities of Zhoushan refining and chemical integration project (phase II) with a total contract value of approximately RMB1.275 billion; and
3. a construction contract entered into with Saudi Arabian Oil Company (Saudi Aramco) in relation to Marjan field's oil and gas production increase and expansion project with a total contract value of approximately USD144 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		Backlog	
	For the twelve months ended 31 December 2019		As at 31 December 2019	
	<i>(RMB thousand)</i>	<i>Percentage (%)</i>	<i>(RMB thousand)</i>	<i>Percentage (%)</i>
<i>Business segments</i>				
Engineering, Consulting and Licensing	2,713,103	5.2	8,192,663	8.6
EPC Contracting	31,208,711	59.7	72,662,664	76.5
Construction	17,317,903	33.1	12,829,461	13.5
Equipment Manufacturing	1,079,430	2.0	1,308,772	1.4
Total	52,319,147	100.0	94,993,560	100.0
<i>Industries in which the Group's clients operate</i>				
Oil Refining	14,058,072	26.9	28,201,648	29.7
Petrochemicals	24,035,891	45.9	28,285,500	29.8
New Coal Chemicals	7,012,922	13.4	13,394,670	14.1
Other Industries	7,212,262	13.8	25,111,742	26.4
Total	52,319,147	100.0	94,993,560	100.0
<i>Regions</i>				
PRC	45,585,147	87.1	74,754,485	78.7
Overseas	6,734,000	12.9	20,239,075	21.3
Total	52,319,147	100.0	94,993,560	100.0
<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	29,195,571	55.8	49,789,049	52.4
Non-Sinopec Group and its associates	23,123,576	44.2	45,204,511	47.6
Total	52,319,147	100.0	94,993,560	100.0

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
28 February 2020

As at the date of this announcement, the executive Directors are YU Renming, XIANG Wenwu, SUN Lili (employee representative Director) and ZHOU Yingguan (employee representative Director); the non-executive Director is WU Wenxin; and the independent non-executive Directors are HUI Chiu Chung, Stephen, JIN Yong and YE Zheng.

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