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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 2020, the total value of the new contracts for the nine months ended 30 September 2020 and the backlog as at 30 September 2020.

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 2020, the total value of new contracts entered into by the Group amounted to RMB48.179 billion, representing an increase of 18.0% as compared to RMB40.813 billion for the nine months ended 30 September 2019. As at 30 September 2020, the backlog of the Group amounted to RMB106.770 billion, representing an increase of 12.4% as compared to RMB94.994 billion as at 31 December 2019.

* *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 2020, the total value of new contracts entered into by the Group amounted to RMB11.541 billion, and contracts that are representative are as follows:

1. an engineering, procurement and construction (EPC) contract entered into with Sinopec Zhenhai Refining & Chemical Company (中國石油化工股份有限公司鎮海煉化分公司) in relation to two sets of 300,000 tons/year polyethylene facilities and a set of 300,000 tons/year polypropylene 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 RMB1.241 billion;
2. an engineering, procurement and construction (EPC) contract entered into with Ningbo Zhenhai Petrochemical Storage Co., Ltd.* (寧波鎮海石化儲運有限公司) in relation to the light hydrocarbon base with a total contract value of approximately RMB1.010 billion; and
3. a construction contract entered into with Saudi Aramco in relation to installation work of the gas compression project of Haradh and Hawiyah oil and gas fields in Saudi Arabia with a total contract value of approximately RMB207 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 nine months ended 30 September 2020		As at 30 September 2020	
	<i>(RMB thousand)</i>	<i>Percentage (%)</i>	<i>(RMB thousand)</i>	<i>Percentage (%)</i>
<i>Business segments</i>				
Engineering, Consulting and Licensing	3,516,901	7.3	9,849,601	9.2
EPC Contracting	30,388,472	63.1	79,350,389	74.3
Construction	13,904,831	28.8	16,976,824	15.9
Equipment Manufacturing	368,456	0.8	593,264	0.6
Total	48,178,660	100.0	106,770,078	100.0
<i>Industries in which the Group's clients operate</i>				
Oil Refining	11,627,241	24.1	31,992,650	30.0
Petrochemical	21,988,940	45.6	28,774,620	26.9
New Coal Chemicals	392,403	0.9	10,965,531	10.3
Other Industries	14,170,076	29.4	35,037,277	32.8
Total	48,178,660	100.0	106,770,078	100.0
<i>Regions</i>				
PRC	41,583,534	86.3	83,717,169	78.4
Overseas	6,595,126	13.7	23,052,909	21.6
Total	48,178,660	100.0	106,770,078	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	34,203,431	71.0	62,298,902	58.3
Non-Sinopec Group and its associates	13,975,229	29.0	44,471,176	41.7
Total	48,178,660	100.0	106,770,078	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
16 October 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 Directors is 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).