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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 2020, the total value of the new contracts for the twelve months ended 31 December 2020 and the backlog as at 31 December 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 twelve months ended 31 December 2020, the total value of new contracts entered into by the Group amounted to RMB63.014 billion, representing an increase of 20.4% as compared to RMB52.319 billion for the twelve months ended 31 December 2019. As at 31 December 2020, the backlog of the Group amounted to RMB105.655 billion, representing an increase of 11.2% 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 31 December 2020, the total value of new contracts entered into by the Group amounted to RMB14.835 billion, and contracts that are representative are as follows:

1. Ten EPC contracts 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 ethylene 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 RMB6.649 billion;
2. an EPC contract entered into with Sinopec Tianjin LNG Co., Ltd.\* (中石化天津液化天然氣有限責任公司) in relation to Tianjin liquefied natural gas expansion project (phase II) receiving terminal project with a total contract value of approximately RMB3.183 billion; and
3. a construction contract entered into with Saudi Arabian Oil Company (Saudi Aramco) in relation to Berri field's oil-field development project with a total contract value of approximately USD0.201 billion.

### ***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:

	<b>Total of New Contract Value</b>		<b>Backlog</b>	
	<b>For the twelve months ended 31 December 2020</b>		<b>As at 31 December 2020</b>	
	<i>(RMB thousand)</i>	<i>Percentage (%)</i>	<i>(RMB thousand)</i>	<i>Percentage (%)</i>
<b><i>Business segments</i></b>				
Engineering, Consulting and Licensing	4,046,963	6.4	8,636,102	8.2
EPC Contracting	37,138,017	58.9	76,223,009	72.1
Construction	21,154,013	33.6	20,003,498	18.9
Equipment Manufacturing	674,638	1.1	791,998	0.8
Total	<u>63,013,631</u>	<u>100.0</u>	<u>105,654,607</u>	<u>100.0</u>
<b><i>Industries in which the Group's clients operate</i></b>				
Oil Refining	14,566,521	23.1	30,826,320	29.2
Petrochemicals	28,626,388	45.4	27,071,948	25.6
New Coal Chemicals	1,837,419	3.0	11,582,761	11.0
Other Industries	17,983,303	28.5	36,173,578	34.2
Total	<u>63,013,631</u>	<u>100.0</u>	<u>105,654,607</u>	<u>100.0</u>
<b><i>Regions</i></b>				
PRC	52,852,315	83.9	79,977,151	75.7
Overseas	10,161,316	16.1	25,677,456	24.3
Total	<u>63,013,631</u>	<u>100.0</u>	<u>105,654,607</u>	<u>100.0</u>
<b><i>Clients of each of (i) Sinopec Group and its associates and (ii) the non-Sinopec Group and its associates</i></b>				
Sinopec Group and its associates	41,745,969	66.2	58,420,185	55.3
Non-Sinopec Group and its associates	21,267,662	33.8	47,234,422	44.7
Total	<u>63,013,631</u>	<u>100.0</u>	<u>105,654,607</u>	<u>100.0</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.**

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

Beijing, the PRC  
26 February 2021

*As at the date of this announcement, the executive Directors are SUN Lili, XIANG Wenwu, and JIANG Dejun; 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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