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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

ENTERING INTO AN ETHYLENE FACILITY CONSTRUCTION CONTRACT FOR THE RUSSIAN AMUR GAS CHEMICAL COMPLEX PROJECT

This is a voluntary announcement made by SINOPEC Engineering (Group) Co., Ltd. (the “**Company**”, together with its subsidiaries, the “**Group**”).

The Russian Amur Gas Chemical Complex Project

The Company is pleased to announce that the Group entered into an ethylene facility construction contract (the “**Contract**”) with a project company (the “**Project Company**”) pursuant to which the Group will provide construction services to the Project Company in respect of the construction of an Amur Gas Chemical Complex (the “**Project**”). The total value of the Contract is approximately US\$900 million (approximately RMB5,851 million). The total value of the Contract will be recorded as backlog of the Group.

The Project Company is a joint venture controlled as to 40% by China Petrochemical Corporation (“**Sinopec Group**”) and 60% by PJSC SIBUR Holding. PJSC SIBUR Holding is the largest petrochemicals company in Russia.

The Project is located in the city of Blagoveshchensk, the administrative center of Amur Oblast in the Russian Far East. The Amur Gas Chemical Complex is to produce ethylene and propylene using steam cracking techniques, and to process and produce high value-added products such as linear low-density polyethylene, high-density polyethylene and polypropylene. After completion of the Project, the Amur Gas Chemical Complex will become the world’s largest polymer production facility using light hydrocarbons as raw materials.

* For identification purposes only.

Listing Rules implications

Sinopec Group is the controlling shareholder and a connected person of the Company (as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong (the “**Listing Rules**”). Since Sinopec Group controls more than 30% of the Project Company, the Project Company is an associate of Sinopec Group (as defined under the Listing Rules). Hence, the transaction contemplated under the Contract constituted a connected transaction under Chapter 14A of the Listing Rules.

Reference is made to the circular of the Company dated 18 September 2018 (the “**Circular**”) and the voting results announcement dated 26 October 2018 (the “**Announcement**”) in relation to, among others, the continuing connected transactions under an engineering and construction services framework agreement between the Company and Sinopec Group dated 19 December 2012, as amended and supplemented on 28 August 2015 and 21 August 2018 (the “**Engineering and Construction Services Framework Agreement**”).

As set out in the Circular and the Announcement, the Company has agreed to provide certain engineering and construction services to Sinopec Group and/or its associates under the Engineering and Construction Services Framework Agreement. The Contract was entered into by the Group under the principles and terms as set forth under the Engineering and Construction Services Framework Agreement, and was in the ordinary and usual course of business of the Group, on normal commercial terms and the terms were fair and reasonable and in the interests of the Company’s shareholders as a whole.

The board of directors (the “Board”) of the Company wishes to emphasize that the Contract and the total value of the Contract mentioned above shall not constitute any forecast or prediction of the profits of the Group. Shareholders 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
4 March 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.

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).