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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 2022, the total value of the new contracts for the nine months ended 30 September 2022 and the backlog as at 30 September 2022.

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 2022, the total value of new contracts entered into by the Group amounted to RMB57.676 billion, representing an increase of 17.5% as compared to RMB49.081 billion for the nine months ended 30 September 2021. As at 30 September 2022, the backlog of the Group amounted to RMB122.593 billion, representing an increase of 10.4% as compared to RMB111.045 billion as at 31 December 2021.

* *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 2022, the total value of new contracts entered into by the Group amounted to RMB13.526 billion, and contracts that are representative are as follows:

1. an EPC contract entered into with Sinopec Yantai Longkou LNG Co., Ltd. (中石化煙台龍口液化天然氣有限公司) in relation to the LNG terminal project in Longkou with a total contract value of approximately RMB2.336 billion;
2. an EPC contract entered into with Sinopec Beijing Research Institute of Chemical Industry (Tianjin) Technology Development Co., Ltd. (中石化北化院(天津)科技發展有限公司) in relation to the science experiment base project in Tianjin with a total contract value of approximately RMB1.992 billion;
3. an EPC contract entered into with Sinopec Zhenhai Refining & Chemical Company (中石化鎮海煉化有限公司) in relation to the 450,000 tons/year sulfur recovery combined unit of 11 million tons/year oil refining and high-end synthetic new material project of Zhenhai Refining & Chemical with a total contract value of approximately RMB851 million; and
4. a construction contract entered into with Saipem in relation to the P1 package of AAP west area mechanical and electrical installation works for Berri Oil and Gas Expansion Project of Saudi Aramco with a total contract value of approximately US\$158 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 nonSinopec 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 2022		Backlog as at 30 September 2022	
	<i>(RMB thousand)</i>	<i>Percentage (%)</i>	<i>(RMB thousand)</i>	<i>Percentage (%)</i>
<i>Business segments</i>				
Engineering, Consulting and Licensing	2,610,802	4.5	11,261,679	9.2
EPC Contracting	40,718,729	70.6	82,275,502	67.1
Construction	13,675,605	23.7	27,846,397	22.7
Equipment Manufacturing	671,001	1.2	1,209,024	1.0
Total	<u>57,676,137</u>	<u>100.0</u>	<u>122,592,602</u>	<u>100.0</u>
<i>Industries in which the Group's clients operate</i>				
Oil Refining	6,393,424	11.1	29,363,379	24.0
Petrochemicals	43,865,422	76.1	48,575,181	39.6
New Coal Chemicals	320,290	0.6	2,478,216	2.0
Storage & Transportation and Others	7,097,001	12.2	42,175,826	34.4
Total	<u>57,676,137</u>	<u>100.0</u>	<u>122,592,602</u>	<u>100.0</u>
<i>Regions</i>				
PRC	51,926,889	90.0	89,887,386	73.3
Overseas	5,749,248	10.0	32,705,216	26.7
Total	<u>57,676,137</u>	<u>100.0</u>	<u>122,592,602</u>	<u>100.0</u>
<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	26,533,581	46.0	70,290,081	57.3
Non-Sinopec Group and its associates	31,142,556	54.0	52,302,521	42.7
Total	<u>57,676,137</u>	<u>100.0</u>	<u>122,592,602</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 Yiqun

Chief Financial Officer, Secretary to the Board and Company Secretary

Beijing, the PRC
14 October 2022

As at the date of this announcement, directors of the Company are: SUN Lili[#], XIANG Wenwu[#], WANG Zizong^{}, Li Chengfeng^{*}, WU Wenxin^{*}, JIANG Dejun[#], HUI Chiu Chung, Stephen⁺, JIN Yong⁺ and YE Zheng⁺.*

[#] *Executive Directors*

^{*} *Non-executive Director*

⁺ *Independent non-executive Directors*

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