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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 with certain information in connection with the representative new contracts entered into by the Group for the three months ended 31 March 2023, the total value of new contracts for the three months ended 31 March 2023 and the backlog as at 31 March 2023.

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 the following information.

During the three months ended 31 March 2023, the total value of new contracts entered into by the Group amounted to RMB18.728 billion, representing a decrease of 40.3% as compared to RMB31.370 billion for the three months ended 31 March 2022. As at 31 March 2023, the backlog of the Group amounted to RMB119.494 billion, representing an increase of 6.5% as compared to RMB112.231 billion as at 31 December 2022.

* 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 March 2023, the total value of new contracts entered into by the Group amounted to RMB18.728 billion, and contracts that are representative are as follows:

1. several EPC contracts entered into with Sinopec Zhenhai Refining & Chemical Company in relation to multiple units of the Oil Refining and High-end Synthetic New Material Project with a total contract value of approximately RMB3.288 billion;
2. an EPC contract entered into with CNPC Jilin Petrochemical Company in relation to the ethylene unit of the refining and chemical transformation and upgrading project with a total contract value of approximately RMB3.173 billion; and
3. an EPC contract entered into with SINOPEC Changling Refining & Chemical Company in relation to the 1 million t/y continuous reforming unit, with a total contract amount of RMB873 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. Term of the uncompleted projects may extend, resulting which 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 periods or as at the date indicated:

	Total of New Contract Value		Backlog	
	For the three months ended		As at 31 March 2023	
	31 March 2023			
	<i>(RMB thousand)</i>	<i>Percentage (%)</i>	<i>(RMB thousand)</i>	<i>Percentage (%)</i>
Business segments				
Engineering, Consulting and Licensing	1,479,523	7.9	12,017,565	10.1
EPC Contracting	12,203,493	65.2	82,265,106	68.8
Construction	4,952,265	26.4	23,885,638	20.0
Equipment Manufacturing	92,830	0.5	1,326,145	1.1
Total	<u>18,728,111</u>	<u>100.0</u>	<u>119,494,454</u>	<u>100.0</u>
Industries in which the Group's clients operate				
Oil Refining	1,416,206	7.6	18,339,937	15.3
Petrochemical	15,142,250	80.9	67,681,229	56.7
New Coal Chemicals	108,412	0.5	2,039,087	1.7
Storage & Transportation and Others	2,061,243	11.0	31,434,201	26.3
Total	<u>18,728,111</u>	<u>100.0</u>	<u>119,494,454</u>	<u>100.0</u>
Regions				
PRC	18,595,623	99.3	99,658,797	83.4
Overseas	132,488	0.7	19,835,657	16.6
Total	<u>18,728,111</u>	<u>100.0</u>	<u>119,494,454</u>	<u>100.0</u>
Clients of each of (i) Sinopec Group and its associates and (ii) the non-Sinopec Group and its associates				
Sinopec Group and its associates	8,303,951	44.3	64,559,602	54.0
Non-Sinopec Group and its associates	10,424,160	55.7	54,934,852	46.0
Total	<u>18,728,111</u>	<u>100.0</u>	<u>119,494,454</u>	<u>100.0</u>

The Board wishes to emphasize 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 of the Board and
Company Secretary*

Beijing, the PRC
14 April 2023

As at the date of this announcement, the 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 Director*
^{*} *Non-executive Director*
⁺ *Independent non-executive Director*

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