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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 2023, the total value of new contracts for the twelve months ended 31 December 2023 and the backlog as at 31 December 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 on the following information.

During the twelve months ended 31 December 2023, the total value of new contracts entered into by the Group amounted to RMB80.252 billion, representing an increase of 10.7% as compared to RMB72.525 billion for the twelve months ended 31 December 2022. As at 31 December 2023, the backlog of the Group amounted to RMB136.262 billion, representing an increase of 21.4% 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 December 2023, the total value of new contracts entered into by the Group amounted to RMB35.893 billion, and contracts that are representative are as follows:

1. an EPC contract entered into with North Huajin United Petroleum and Chemicals Co., Ltd.* (北方華錦聯合石化有限公司) in relation to parts of units of the fine chemicals and feedstock projects for ethylene, aromatics and polypropylene etc. with a contract value of approximately RMB15.661 billion;
2. an EPC contract (bidding sections I and II) entered into with Saudi Aramco Oil Company in relation to the Saudi Aramco Riyas NGL Project with a contract value of USD1.173 billion; and
3. an EPC contract entered into with LONGi Green Energy Technology Co., Ltd. in relation to the zero-carbon biomass methanol project (120,000 tons/year) with a contract value of RMB550 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. Terms of the uncompleted projects may extend, resulting in these 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.

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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 twelve months ended 31 December 2023		As at 31 December 2023	
	<i>(RMB thousand)</i>	<i>Percentage (%)</i>	<i>(RMB thousand)</i>	<i>Percentage (%)</i>
<i>Business segments</i>				
Engineering, Consulting and Licensing	4,136,226	5.2	11,452,408	8.4
EPC Contracting	51,710,336	64.4	96,662,360	70.9
Construction	23,481,092	29.3	26,289,189	19.3
Equipment Manufacturing	924,063	1.1	1,858,273	1.4
Total	<u>80,251,717</u>	<u>100.0</u>	<u>136,262,230</u>	<u>100.0</u>
<i>Industries in which the Group's clients operate</i>				
Oil Refining	16,189,721	20.2	27,195,883	20.0
Petrochemical	46,085,389	57.4	71,961,139	52.8
New Coal Chemicals	392,225	0.5	1,939,729	1.4
Storage & Transportation and Others	17,584,382	21.9	35,165,479	25.8
Total	<u>80,251,717</u>	<u>100.0</u>	<u>136,262,230</u>	<u>100.0</u>
<i>Regions</i>				
PRC	58,805,078	73.3	99,709,056	73.2
Overseas	21,446,639	26.7	36,553,174	26.8
Total	<u>80,251,717</u>	<u>100.0</u>	<u>136,262,230</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	21,999,001	27.4	53,258,736	39.1
Non-Sinopec Group and its associates	58,252,716	72.6	83,003,494	60.9
Total	<u>80,251,717</u>	<u>100.0</u>	<u>136,262,230</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.
YIN Fengbing
Chief Financial Officer & Secretary of the Board

Beijing, the PRC
26 February 2024

As at the date of this announcement, directors of the Company are: JIANG Dejun[#], XIANG Wenwu[#], YU Renming^{}, LI Chengfeng^{*}, WU Wenxin^{*}, ZHANG Xinming[#], XIE Yanli[#], HUI Chiu Chung, Stephen⁺, DUAN Xue⁺, YE Zheng⁺ and ZHAO Jinsong⁺.*

[#] *Executive Directors*

^{*} *Non-executive Directors*

⁺ *Independent non-executive Directors*

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