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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 December 2024, the total value of new contracts for the twelve months ended 31 December 2024 and the backlog as at 31 December 2024.

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 with the following information.

During the twelve months ended 31 December 2024, the total value of new contracts entered into by the Group amounted to RMB100.613 billion, representing an increase of 25.4% as compared to RMB80.252 billion for the twelve months ended 31 December 2023. As at 31 December 2024, the backlog of the Group amounted to RMB172.677 billion, representing an increase of 26.7% as compared to RMB136.262 billion as at 31 December 2023.

* *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 2024, the total value of new contracts entered into by the Group amounted to RMB27.156 billion, and contracts that are representative are as follows:

1. a batch of EPC contracts entered into with China Coal Shaanxi Energy & Chemical Group Co., Ltd.* (中煤陝西能源化工集團有限公司) in relation to parts of units, such as methanol synthesis, DMTO and olefin separation, of China Coal Yulin Coal Deep Processing Base Project with a total contract value of approximately RMB3.117 billion;
2. an EPC contract entered into with China Energy Baotou Coal Chemical Co., Ltd.* (國能包頭煤化工有限公司) in relation to the coal gasification unit of Shenhua Baotou Coal-to-olefin Upgrading Demonstration Project with a total contract value of approximately RMB1.351 billion;
3. a construction contract entered into with Ma'aden in relation to Northern Sulphur and Phosphorus Chemical Phase III Project of Ma'aden with a total contract value of approximately USD363 million; and
4. a construction contract entered into with a TR and NPCC JV in relation to the mechanical, electrical and instrumentation installation works of MERAM (Maximizing Ethane Recovery and Monetization) Project of ADNOC with a total contract value of approximately USD215 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 based on the Group's assumption that the relevant contracts will be fully 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 also be extended due to various factors beyond the Group's control, making the projects remain in the Group's backlog for an extended period of time beyond what was initially anticipated.

The table below sets out the details of the total value of new contracts entered into by the Group and projects in 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 indicated periods or as at the indicated date:

	Total of New Contract Value For the twelve months ended 31 December 2024		Backlog As at 31 December 2024	
	(RMB thousand)	Percentage (%)	(RMB thousand)	Percentage (%)
Business segments				
Engineering, Consulting and Licensing	4,802,410	4.8	12,280,789	7.1
EPC Contracting	70,801,497	70.4	129,104,922	74.8
Construction	23,990,493	23.8	28,792,516	16.7
Equipment Manufacturing	1,018,161	1.0	2,498,353	1.5
Total	100,612,561	100.0	172,676,580	100.0
Industries in which the Group's clients operate				
Oil Refining	14,727,443	14.6	30,426,712	17.6
Petrochemical	52,292,794	52.0	83,530,512	48.4
New Coal Chemicals	12,434,222	12.4	13,296,031	7.7
Storage & Transportation and Others	21,158,102	21.0	45,423,324	26.3
Total	100,612,561	100.0	172,676,580	100.0
Regions				
PRC	62,102,466	61.7	108,375,177	62.8
Overseas	38,510,095	38.3	64,301,402	37.2
Total	100,612,561	100.0	172,676,580	100.0
Clients of each of (i) Sinopec Group and its associates and (ii) the non-Sinopec Group and its associates				
Sinopec Group and its associates	37,968,420	37.7	67,003,528	38.8
Non-Sinopec Group and its associates	62,644,141	62.3	105,673,052	61.2
Total	100,612,561	100.0	172,676,580	100.0

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 to the Board

Beijing, the PRC
21 February 2025

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

[#] Executive Directors

^{*} Non-executive Directors

⁺ Independent non-executive Directors

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