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中国石化
SINOPEC

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)

CONNECTED TRANSACTION
ACQUISITION OF EAST CHINA PIPELINE DESIGN AND RESEARCH INSTITUTE

THE TRANSACTION

The Board is hereby to announce that on 23 December 2025, SNEI, a wholly-owned subsidiary of the Company, entered into the Equity Transfer Agreement with Pipeline Storage and Transportation Asset, pursuant to which, SNEI agrees to acquire the 100% equity interests in East China Pipeline Design and Research Institute held by Pipeline Storage and Transportation Asset.

Prior to the completion of the Transaction, East China Pipeline Design and Research Institute is not a subsidiary of the Company. Upon completion of the Transaction, East China Pipeline Design and Research Institute will become a subsidiary of the Company and its financial statements will be included in the consolidated financial statements of the Group.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Sinopec Group is the controlling shareholder of the Company (directly and indirectly holding 62.52% of the issued shares of the Company). Pipeline Storage and Transportation Asset is a wholly-owned subsidiary of Sinopec Group. Therefore, under Chapter 14A of the Listing Rules, Pipeline Storage and Transportation Asset is an associate of Sinopec Group and is also a connected person of the Company. Thus, the Transaction constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Transaction exceed 0.1% but fall below 5%, the Transaction is subject to the reporting and announcement requirements, but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

* *For identification purposes only*

I. INTRODUCTION

The Board is hereby to announce that on 23 December 2025, SNEI, a wholly-owned subsidiary of the Company, entered into the Equity Transfer Agreement with Pipeline Storage and Transportation Asset, pursuant to which, SNEI agrees to acquire the 100% equity interests in East China Pipeline Design and Research Institute held by Pipeline Storage and Transportation Asset.

II. PRINCIPAL TERMS OF THE EQUITY TRANSFER AGREEMENT

Date:	23 December 2025
Parties:	1) SNEI 2) Pipeline Storage and Transportation Asset
Transaction subject:	100% equity interests in East China Pipeline Design and Research Institute held by Pipeline Storage and Transportation Asset (the "**Subject Interests**")
Consideration and basis of pricing:	The consideration for the Subject Interests is RMB191,204,309.07, which is determined after arm's length negotiations among the parties with reference to the valuation results of the Subject Interests as of the Valuation Benchmark Date using the income approach in the Asset Valuation Report filed to Sinopec Group. The portion of the undistributed profits of East China Pipeline Design and Research Institute as of the Valuation Benchmark Date corresponding to the Subject Interests shall be entitled to SNEI, whether or not the same was declared before or after the Closing Date. The transfer consideration excludes the difference between the net asset value of the Subject Interests upon closing and the net asset value stated in the Audit Report ("**Profit or Loss for the Period**"). As of the Valuation Benchmark Date, the book value of the owners' interests of East China Pipeline Design and Research Institute was RMB168,439,557.20, and the value of the entire shareholders' interests after valuation under the income approach was RMB191,204,309.07, representing an increase of RMB22,764,751.87.

Payment of consideration and closing:	SNEI shall pay the consideration in a lump sum to Pipeline Storage and Transportation Asset in cash. Payment of the cash consideration shall be made to the designated account of Pipeline Storage and Transportation Asset within 15 working days after all the conditions precedent set out in the Equity Transfer Agreement have been satisfied or duly waived. The Subject Interests shall be deemed to be transferred and delivered to SNEI on the Closing Date.
Conditions precedent to the closing:	(1) The Equity Transfer Agreement and the Transaction shall have been approved by the internal competent decision-making authorities of both parties through the required procedures in accordance with the requirements of their respective articles of association and applicable laws and regulations; (2) No laws, rules or regulations shall have been issued or promulgated by any competent government authority that would prohibit the consummation of the Transaction; and no order or injunction shall have been issued by any competent court that would preclude the consummation of the Transaction; (3) All necessary approvals, consents, filings or certificates from the government or its authorised agencies required for the Equity Transfer Agreement and the Transaction, including the approval of the Transaction to be issued by Sinopec Group to fulfill its supervision and management functions of state-owned assets, and material third party consents shall have been obtained, except for the legal procedures under applicable laws and regulations and the documents arising therefrom that may only be dealt with after the closing; (4) The Company has implemented an internal resolution procedure in respect of the Equity Transfer Agreement and the transfers thereunder;

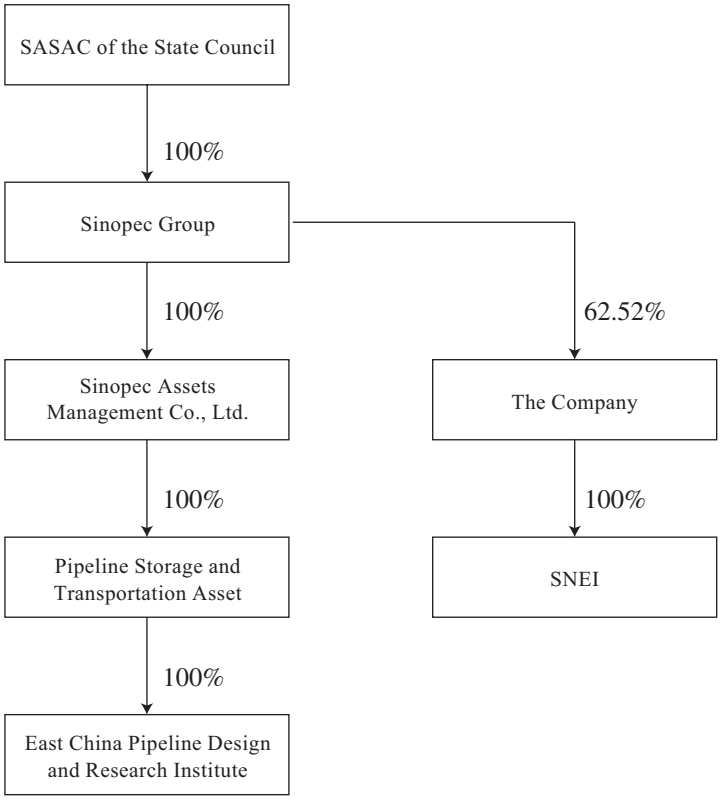
(5) The representations and warranties given by either party under the Equity Transfer Agreement shall be true and accurate in all material respects, and no material facts shall have been omitted as at the Closing Date;

(6) The parties shall have complied with their undertakings given under the agreement of the Transaction in all material respects.

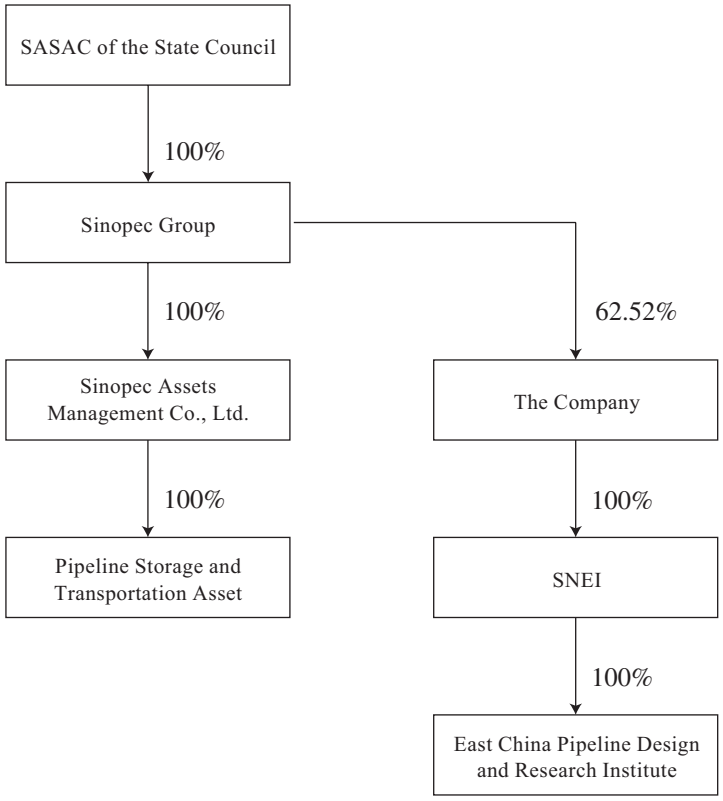
Effective conditions: Upon approval by the Board, the Equity Transfer Agreement shall become effective as of the date it is duly executed by both parties.

III. SHAREHOLDING STRUCTURES BEFORE AND AFTER THE TRANSACTION

The shareholding structure before the Transaction is as follows:



The shareholding structure after the Transaction is as follows:



IV. PROFIT FORECAST

As at the Valuation Benchmark Date, the appraised value of the 100% equity interests in East China Pipeline Design and Research Institute was determined based on the valuation reports and valuation explanations adopting the income approach and taking into account the cash flow forecast of relevant business. As East China Pipeline Design and Research Institute will become a subsidiary of the Company after completion of the Transaction, the valuation of East China Pipeline Design and Research Institute constitutes a profit forecast required to be disclosed under Rule 14.60A of the Listing Rules. Details of the summary of the Asset Valuation Report, including valuation assumptions, are set out in Appendix I to this announcement.

Having reviewed the Asset Valuation Report and taking into consideration (i) that the Independent Valuer has prepared the Asset Valuation Report and valuation explanations in accordance with the procedures, standards, laws and regulations in relation to valuation in the PRC; (ii) that the Independent Valuer has reviewed the financial data, operating data and other relevant data in relation to East China Pipeline Design and Research Institute to gain a comprehensive understanding of the company; and (iii) the reasons for adopting the income approach in the valuation, the valuation methodology and assumptions adopted, the valuation scope and valuation results, the Board is of the view that the valuation results have reflected the value of East China Pipeline Design and Research Institute and are fair and reasonable.

Grant Thornton has reviewed the calculation method of the discounted cash flow forecast on which the appraised value is based, excluding the reasonableness of the adopted accounting policies and assumptions. The Board confirms that the profit forecasts (including the assumptions) in respect of East China Pipeline Design and Research Institute set out in the Asset Valuation Report and valuation explanations have been made after due and careful enquiry. Please refer to Appendix II to this announcement for the letters from Grant Thornton and the Board.

Experts Information

The following are the qualifications of the relevant experts who have given their opinions and advice included in this announcement:

Name	**Qualification**
Beijing Qianhai Real Estate Land Asset Appraisal Co., Ltd. (北京芊海房地產土地資產評估有限公司)	A qualified valuer in the PRC
Grant Thornton (Special General Partnership)	Certified Public Accountant

To the best knowledge, information and belief of the Directors and having made all reasonable enquiries, as at the date of this announcement, the above experts do not have any shareholding, directly or indirectly, in the Company and its subsidiaries or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in the Company and its subsidiaries.

As at the date of this announcement, the above experts have given and have not withdrawn their consent to the publication of this announcement with inclusion of their reports and/or reference to their names in the form and context in which they appear.

V. INFORMATION ON THE SUBJECT INTERESTS

East China Pipeline Design and Research Institute

East China Pipeline Design and Research Institute is a company incorporated in the PRC with limited liability in 1993, and its main businesses include: design and research of storage and transportation for petroleum and chemical products, pipeline transportation, oil and gas depot, pressure pipelines, civil gas and pressure vessels.

The audited financial information of East China Pipeline Design and Research Institute for the two financial years ended 31 December 2024 is set out below:

Unit: RMB Yuan

	Year ended 31 December 2024	**Year ended 31 December 2023**
Net profit before taxation	20,092,047	26,771,477
Net profit after taxation	10,483,754	20,078,172

The audited total assets and net assets of East China Pipeline Design and Research Institute as at 31 August 2025 are set out below:

	As at 31 August 2025
Total assets	213,435,915
Net assets	168,439,557

VI. REASONS FOR AND BENEFITS OF THE TRANSACTION

1. Enhancing the overall strength of the Company. East China Pipeline Design and Research Institute possesses one professional A-class qualification: "Professional Qualification for Pipeline Transportation in Oil and Gas (Offshore Oil) Industry". Upon the completion of the Transaction, the existing storage and transportation professional resources of East China Pipeline Design and Research Institute will be highly integrated and complementary with the Group's business. By giving full play to the operation potentials created by the professional A-class qualification of East China Pipeline Design and Research Institute, the Group will further consolidate its integrated EPC service capabilities covering the entire business chain from design to procurement and construction.

2. Facilitating the development of emerging markets. The Group has a considerable influence and good customer relationships in the storage and transportation facilities industry, as well as outstanding equipment resources, talent team and project performance in the long-distance transportation pipeline construction business. Through the Transaction, the Group will increase and continuously enrich its EPC qualifications and engineering execution capabilities for long-distance transportation pipelines and storage and transportation facilities, creating opportunities for the expansion of emerging markets such as hydrogen pipelines, aviation coal pipelines and long-distance transportation pipelines for chemicals.

3. Strengthening international business. The Group has been deeply engaged in the markets in the Middle East such as Saudi Arabia, Kuwait and the United Arab Emirates for 20 years, and has established good cooperative relationships with local clients. The acquisition of East China Pipeline Design and Research Institute will contribute significant impetus to the Group's development of the local storage and transportation engineering construction market, further expanding the scope of engineering services, strengthening, optimising and expanding its overseas business and enhancing its competitiveness in the international market.

The Directors (including independent non-executive Directors) of the Company are of the view that although the Transaction is not ordinary and usual course of business of the Company, it is entered into on normal commercial terms, and the transaction terms are fair and reasonable and in the interests of the Company and the shareholders as a whole.

VII. LISTING RULES IMPLICATIONS

As at the date of this announcement, Sinopec Group is the controlling shareholder of the Company (directly and indirectly holding 62.52% of the issued shares of the Company). Pipeline Storage and Transportation Asset is a wholly-owned subsidiary of Sinopec Group. Therefore, under Chapter 14A of the Listing Rules, Pipeline Storage and Transportation Asset is an associate of Sinopec Group and is also a connected person of the Company. Thus, the Transaction constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Transaction exceed 0.1% but fall below 5%, the Transaction is subject to the reporting and announcement requirements, but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

Prior to the completion of the Transaction, East China Pipeline Design and Research Institute is not a subsidiary of the Company. Upon completion of the Transaction, East China Pipeline Design and Research Institute will become a subsidiary of the Company and its financial statements will be included in the consolidated financial statements of the Group.

Pursuant to relevant provisions under the Listing Rules and the Articles of Association of the Company, due to the working positions of XIANG Wenwu, LI Chengfeng and YU Renming, the Directors, they have abstained from voting for the Board resolutions in respect of the Transaction. Save as disclosed above, none of the Directors has material interest in the Transaction. Therefore, no other Directors abstained from voting for such Board resolutions.

VIII. GENERAL INFORMATION

The Company

The Company is a joint stock limited company established in the PRC, principally provides engineering services covering oil refining, petrochemicals, new coal chemicals, inorganic chemicals, pharmaceutical chemicals, clean energy, storage and transportation engineering, environmental engineering and energy saving engineering, among other industry sectors, and provides overall services across business chain including technology R&D and licensing, preliminary consulting, financing assistance, design, procurement, construction and pre-commissioning and start-up services. As at the date of this announcement, Sinopec Group is the controlling shareholder of the Company.

SNEI

Sinopec Nanjing Engineering Co., Ltd. is a limited liability company established in the PRC, principally engaged in design, construction and EPC of chemical engineering, petrochemical, electric power, building materials, pharmaceuticals, municipal administration, public utilities, light industry, telecommunications, environment, architectural, and fire protection; design, manufacture and installation of pressure vessels, engineering equipment and materials and house leasing; foreign economic and technical cooperation, engineering supervision and consultancy services for engineering technology and other businesses.

Pipeline Storage and Transportation Asset

Sinopec Pipeline Storage and Transportation Asset Management Co., Ltd. is a limited liability company established in the PRC, principally engaged in the entrusted management services of non-financial assets, house leasing, machinery and equipment leasing, fire protection facility engineering, anti-corrosion and heat preservation engineering, mine management, general freight transportation and other businesses.

IX. DEFINITIONS

In this announcement, unless otherwise indicated in the context, the following terms have the meanings set out below:

"Board"	the board of directors of the Company
"Company"	SINOPEC Engineering (Group) Co., Ltd., a joint stock limited company incorporated in the PRC, whose H shares are listed on the Main Board of the Stock Exchange (stock code: 02386)
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"controlling shareholder(s)"	has the meaning ascribed to it under the Listing Rules
"Sinopec Group"	China Petrochemical Corporation
"Director(s)"	all directors of the Company
"Group"	the Company and its subsidiaries
"Listing Rules"	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"PRC"	the People's Republic of China
"SASAC of the State Council"	the State-owned Assets Supervision and Administration Commission of the State Council

"RMB"	Renminbi, the lawful currency of the PRC
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"SNEI"	Sinopec Nanjing Engineering Co., Ltd.
"Pipeline Storage and Transportation Asset"	Sinopec Pipeline Storage and Transportation Asset Management Co., Ltd. (中國石化集團管道儲運資產管理有限公司)
"East China Pipeline Design and Research Institute"	East China Pipeline Design and Research Institute Co., Ltd. (華東管道設計研究院有限公司)
"Transaction"	SNEI acquires the 100% equity interests in East China Pipeline Design and Research Institute held by Pipeline Storage and Transportation Asset in accordance with the Equity Transfer Agreement
"Equity Transfer Agreement"	Equity Transfer Agreement in respect of East China Pipeline Design and Research Institute Co., Ltd. between Sinopec Nanjing Engineering Co., Ltd. and Sinopec Pipeline Storage and Transportation Asset Management Co., Ltd.
"Asset Valuation Report"	the Asset Valuation Report (Qianhai Ping Bao Zi [2025] No. 01036) on the Project of the Value of the Entire Enterprise Shareholders' Equity Interests in relation to the Proposed Transfer of the 100% Equity Interests in East China Pipeline Design and Research Institute Co., Ltd. by Sinopec Pipeline Storage and Transportation Asset Management Co., Ltd. to Sinopec Nanjing Engineering Co., Ltd. through Non-Public Agreement issued by the Independent Valuer
"Independent Valuer"	Beijing Qianhai Real Estate Land Asset Appraisal Co., Ltd. (北京芊海房地產土地資產評估有限公司)
"Valuation Benchmark Date"	31 August 2025
"Closing Date"	1 January 2026
"Grant Thornton"	Grant Thornton (Special General Partnership) (致同會計師事務所(特殊普通合夥))

The Board hereby wishes to emphasise that the implementation of the agreement of the Transaction is subject to the fulfillment of the closing conditions. 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
23 December 2025

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

[#] *Executive director*
* *Non-executive director*
[+] *Independent non-executive director*

This announcement is available on the website of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and on the website of the Company (www.segroup.cn).

Summary of the Asset Valuation Report on the Project of the Value of the Entire Shareholders' Equity Interests in relation to the Proposed Transfer of 100% Equity Interests of East China Pipeline Design and Research Institute Co., Ltd. (華東管道設計研究院有限公司) by Sinopec Pipeline Storage and Transportation Asset Management Co., Ltd. (中國石化集團管道儲運資產管理有限公司) to Sinopec Nanjing Engineering Co., Ltd. through Non-Public Agreement and the Explanatory Notes to the Asset Valuation on the Project of the Value of the Entire Shareholders' Equity Interests in relation to the Proposed Transfer of 100% Equity Interests of East China Pipeline Design and Research Institute Co., Ltd. by Sinopec Pipeline Storage and Transportation Asset Management Co., Ltd. to Sinopec Nanjing Engineering Co., Ltd. through Non-Public Agreement

Beijing Qianhai Real Estate Land Assets Appraisal Co., Ltd. (北京芊海房地產土地資產評估有限公司) has conducted a valuation on the market value of the entire shareholders' equity interests of East China Pipeline Design and Research Institute as at 31 August 2025 in relation to the proposed transfer of 100% equity interests of East China Pipeline Design and Research Institute Co., Ltd. under the Transaction.

Valuation target: the value of the entire shareholders' equity interests of East China Pipeline Design and Research Institute Co., Ltd..

Valuation scope: all of the assets and liabilities of East China Pipeline Design and Research Institute Co., Ltd. as at 31 August 2025. Total assets amounted to RMB213,436,000, including current assets of RMB211,472,300, fixed assets of RMB585,300, and deferred income tax assets of RMB1,378,400; total liabilities amounted to RMB44,996,400, all of which were current liabilities; and total owners' equity amounted to RMB168,439,600.

Valuation Benchmark Date: 31 August 2025.

Type of value: market value.

Valuation approaches: the asset-based approach and income approach.

Valuation conclusion: this valuation is conducted on the premise of going concern with an indefinite period and open market. Taking into account the actual conditions of the valuation target, comprehensively analysing various influential factors, and given the applicable premise of the valuation approaches and the valuation purpose, the valuation results under the income approach are selected as the final valuation conclusion.

The valuation conclusion of the value of the entire shareholders' equity interests of East China Pipeline Design and Research Institute Co., Ltd. as at the Valuation Benchmark Date was arrived at after conducting the procedures, such as examination and verification, site inspection, market survey, and determination of valuation, as follows:

Based on the judgement of equity holders and the management of the enterprise on the Company's future development trend and business plans, the book value of the owners' equity of East China Pipeline Design and Research Institute Co., Ltd. was RMB168,439,600, and the appraised value of the entire shareholders' equity interests was RMB191,204,300, representing an appreciation of RMB22,764,700 and an appreciation rate of 13.52%.

I. VALUATION APPROACHES

(I) Selection of Valuation Approach

According to the Practice Guidelines for Asset Valuation – Enterprise Value, when performing any appraisal of enterprise value, the appraiser shall analyse the suitability of the three basic asset valuation methods, namely, the income approach, the market approach and the asset-based approach shall be analysed based on the purpose of valuation, valuation target, the type of the value, the availability of information and other circumstances, and select the valuation method.

The income approach refers to the valuation approach that capitalises or discounts expected income of the valuation target to determine its value.

The market approach refers to the valuation approach that compares the valuation target with comparable listed enterprises or comparable transaction cases to determine its value.

The asset-based approach refers to the valuation approach that, based on the balance sheet of the valuation target as at the Valuation Benchmark Date, appraises the value of all on-balance-sheet and identifiable off-balance-sheet assets and liabilities to determine its value.

The asset-based approach and the income approach have been adopted for the valuation, with the reasons as follows:

1. No comparable transaction cases with East China Pipeline Design and Research Institute Co., Ltd. could be identified, and thus the market approach was not selected for the valuation.

2. East China Pipeline Design and Research Institute Co., Ltd. operates as a going concern, with its various assets, liabilities, and operating data readily accessible and its future operational risks quantifiable. It meets the valuation conditions for both the asset-based approach and the income approach. Therefore, the asset-based approach and the income approach were adopted for this valuation.

(II) Income Approach

The discounted cash flow approach in the income approach is adopted to indirectly acquire the value of total equity interests of partners through valuating the overall enterprise value. The overall enterprise value consists of the value of operating assets generated from normal operating activities and the value of non-operating assets irrelevant to normal operating activities. The discounted corporate free cash flow model is adopted to determine the value of operating assets, that is, the value is calculated on the basis of the enterprise free cash flow in the next few years, summing up after its discounting by using the appropriate discount rate. The calculation model is as follows:

Value of the entire shareholders' equity interests = overall enterprise value – value of the interest-bearing debts

1. Overall enterprise value

Overall enterprise value refers to the sum of value of the entire shareholders' equity interests and value of the interest-bearing debts. According to the allocation and use of assets of the appraised entity, the calculation formula is as follows:

Overall enterprise value = value of the operating assets + value of surplus assets + value of non-operating assets – value of non-operating liabilities

(1) Value of the operating assets

Operating assets refer to the assets and liabilities, related to the production and operation of the appraised entity and involved in the corporate free cash flow forecast after the Valuation Benchmark Date. The formula for calculating the value of the operating assets with an indefinite period is detailed as follows:

$$P = \sum_{i=0.17}^{N} A_i (1+R)^{-i} + \frac{A_{i0}}{R} (1+R)^{-N}$$

Where: P: Value of enterprise's operating assets as at the Valuation Benchmark Date;

A_i – Expected enterprise free cash flow on the i-th year after the Valuation Benchmark Date

A_{i0} – Expected enterprise free cash flow on the final year of the forecast period

R – Discount rate (using the weighted average capital costs, WACC)

N – Mid-period discounting over the future going-concern period

i – Mid-period discounting over the future going-concern period, starting from 0.17 year (The Valuation Benchmark Date is 31 August 2025. For the forecast period from 1 September to 31 December 2025, the remaining term in 2025 is 4 months. Assuming even cash inflows over this period, the discount period is calculated as 0.17 year, i.e., 4/12/2)

Among which, the formula for calculating the enterprise free cash flow is detailed as follows:

Enterprise free cash flow = net profit before interest and after tax + depreciation – capital expenditure – increase in working capital

Among which, the formula for calculating the discount rate (weighted average capital costs, WACC) is detailed as follows:

$$WACC = k_e \times \frac{E}{E+D} + k_d \times (1-t) \times \frac{D}{E+D}$$

Where: k_e – Cost of equity capital

k_d – Cost of interest-bearing debt capital

E – Market value of equity

D – Market value of interest-bearing debts

t – Income tax rate

Among which, the cost of equity capital shall be calculated by using the capital asset pricing model (CAPM) as follows:

$$k_e = R_f + MRP \times \beta + \Delta$$

Where: R_f – Risk-free interest rate

β – Systematic risk coefficient of equity

MRP – Market risk premium

Δ – Enterprise's specific risk adjustment coefficient

(2) Value of surplus assets

Surplus assets refer to assets that exceed the enterprise's operation needs as at the Valuation Benchmark Date and are not involved in the forecast of the enterprise free cash flow after the Valuation Benchmark Date.

(3) Value of non-operating assets and liabilities

Non-operating assets and liabilities refer to assets and liabilities that are not directly related to the operations of the appraised entity and are not involved in the forecast of the enterprise free cash flow after the Valuation Benchmark Date.

2. Value of the interest-bearing debts

As of the Valuation Benchmark Date, the appraised entity had no interest-bearing debts.

3. Forecast of future enterprise free cash flow

(1) Forecast of operating income

As of 2024, the outstanding cumulative tax-inclusive amount of the remaining contracts was RMB54,770,600, and the tax-inclusive amount of the newly signed contracts from January to August 2025 was RMB152,280,000.

It is noted that to cope with strategic development needs of East China Pipeline Design and Research Institute Co., Ltd., no new EPC engineering projects have been accepted since 2023, and the revenue from EPC engineering projects is decreasing year by year. It is expected all revenue will be received by the end of 2026. Currently, the enterprise mainly undertakes design business to obtain labor income.

Considering normal fluctuation factors in market and normal operation status of the enterprise, the operation revenue of future forecast periods is forecasted on continuous steadiness basis. See the table below for details

Table of Forecast on Operating Income

Unit: RMB0'000

Item	September to December 2025	2026	2027	2028	2029	2030	Perpetual period
Engineering service	1,800.00	2,000.00	–	–	–	–	–
Labor service	3,500.00	7,000.00	7,000.00	7,000.00	7,000.00	7,000.00	7,000.00
Total	5,300.00	9,000.00	7,000.00	7,000.00	7,000.00	7,000.00	7,000.00

(2) Forecast of operating costs

Operating costs consist of cash costs and non-cash costs. Non-cash costs include depreciation of long-term assets.

The perating costs are forecasted based on the engineering service cost budget, labor service cost budget and profit level in 2025 and 2026 and future depreciation of long-term assets and future replacement investments in long-term assets of the appraised entity. See the table below for details.

Table of Forecast on Operating Costs

Unit: RMB0'000

Item	September to December 2025	2026	2027	2028	2029	2030	Perpetual period
Engineering service	1,440.00	1,600.00	–	–	–	–	–
Labor service	3,150.00	6,300.00	6,300.00	6,300.00	6,300.00	6,300.00	6,300.00
Including 1): technical service fee (employees)		3,944.30	3,944.30	3,944.30	3,944.30	3,944.30	3,944.30
Technical service fee (external registered professional)		234.78	234.78	234.78	234.78	234.78	234.78
Design outsourcing costs		743.47	743.47	743.47	743.47	743.47	743.47
House rental fee (Xuzhou)		303.40	303.40	303.40	303.40	303.40	303.40
House rental fee (Tianjin)		111.13	111.13	111.13	111.13	111.13	111.13
Property management fee (Xuzhou)		56.60	56.60	56.60	56.60	56.60	56.60
Property management fee (Tianjin)		29.53	29.53	29.53	29.53	29.53	29.53
Information system operating and maintaining fee		515.84	515.84	515.84	515.84	515.84	515.84
Maintaining and repairing fee		35.90	35.90	35.90	35.90	35.90	35.90
Travelling fee		242.61	242.61	242.61	242.61	242.61	242.61
Scientific research expenses		78.26	78.26	78.26	78.26	78.26	78.26
Including 2): depreciation		27.36	29.62	42.19	54.77	53.47	53.47
Total	4,590.00	7,900.00	6,300.00	6,300.00	6,300.00	6,300.00	6,300.00

(3) Forecast of taxes and surcharges

The valuers' forecast on future taxes and surcharges, based on their analysis of taxes and surcharges, tax policies, and others, is detailed in the table below.

Table of Forecast on Taxes and Surcharges

Unit: RMB0'000

Year / Item	September to December 2025	2026	2027	2028	2029	2030	Perpetual period
Taxes and surcharges	13.80	23.44	18.23	18.23	18.23	18.23	18.23

(4) Forecast of administrative expenses

Administrative expenses include cash costs and non-cash costs. Non-cash costs consist of depreciation of fixed assets. The valuers' forecast on future administrative expenses, based on their analysis of the composition of and trends in expenses, is detailed in the table below.

Table of Forecast on Administrative Expenses

Unit: RMB0'000

Year / Item	September to December 2025	2026	2027	2028	2029	2030	Perpetual period
Administrative expenses	53.96	159.00	159.01	159.75	160.48	160.27	160.22

(5) Forecast of financial expenses

The financial expenses of the appraised entity include interest income and bank charges, etc.

The valuers' forecast on future financial expenses, based on their analysis of the composition of and trends in financial expenses, is detailed in the table below.

Table of Forecast on Financial Expenses

Unit: RMB0'000

Item \ Year	September to December 2025	2026	2027	2028	2029	2030	Perpetual period
Total	-0.19	-0.32	-0.25	-0.25	-0.25	-0.25	-0.25

(6) Forecast of non-operating income

No forecast of other non-operating income is made given the significant uncertainty involved.

(7) Forecast of non-operating expenses

No forecast of non-operating expenses is made given the significant uncertainty involved.

(8) Forecast of enterprise income tax

Forecast is made on the basis that the appraised entity pays enterprise income tax at 25% of its taxable income, with retained profits (losses to be offset by tax payable) of RMB-2,838,458.48 as of 31 August 2025.

The valuers' forecast on future enterprise income tax, based on their analysis of enterprise income tax policies, is detailed in the table below.

Table of Forecast on Enterprise Income Tax

Unit: RMB0'000

Item \ Year	September to December 2025	2026	2027	2028	2029	2030	Perpetual period
Enterprise income tax expense	89.65	229.47	130.75	130.57	130.38	130.44	130.45

(9) Forecast of depreciation and amortisation

The valuers' forecast on future depreciation and amortisation, based on their analysis of operating costs and administrative expenses, is detailed in the table below.

Table of Forecast on Depreciation

Unit: RMB0'000

Year / Item	September to December 2025	2026	2027	2028	2029	2030	Perpetual period
Capital expenditure	19.45	58.36	58.36	58.36	58.36	58.36	58.36
Net residual value rate	3%	3%	3%	3%	3%	3%	3%
Average depreciation period (years)	4.25	4.25	4.25	4.25	4.25	4.25	4.25
Original fixed asset depreciation	27.34	11.21	0.28	0.27	0.27	0.00	0.00
Updated fixed asset depreciation	1.48	17.76	31.08	44.40	57.72	56.61	56.61
Sub-total	28.82	28.97	31.36	44.67	57.99	56.61	56.61

(10) Forecast of capital expenditures

Capital expenditures refer to the long-term capital investments required by an enterprise to continue as a going concern without changing the current conditions of its business.

In this valuation, it is assumed that the enterprise will not make any further capital investments in its existing operating capability, and capital expenditures during future operating period are primarily for asset renewals required for continuing operation.

Capital expenditures = investment in asset renewal + additional investment in assets

The valuers' forecast on future capital expenditures, based on their analysis of the economic life, operating environment and usage intensity of fixed assets, is detailed in the table below.

Table of Forecast on Capital Expenditures

Unit: RMB0'000

Year / Item	September to December 2025	2026	2027	2028	2029	2030	Perpetual Period
Capital expenditures	19.45	58.36	58.36	58.36	58.36	58.36	58.36

(11) Forecast of increase in working capital

The increase in working capital refers to the operating capital that the enterprise requires to be increased, without changing the current conditions of its business, so as to maintain normal operations.

Increase in working capital = working capital in the current period – working capital in the previous period

To assess working capital requirements for the period after the Valuation Benchmark Date and in future years, this valuation calculated the working capital-to-revenue ratio at 57.39% for September to December 2025, 52.42% for 2026, and 21.40% for 2027 and subsequent years, respectively, to project the working capital needed for normal production operations. See the table below for details.

Table of Forecast on Increase in Working Capital

Unit: RMB0'000

No.	Year / Item	September to December 2025	2026	2027	2028	2029	2030	Perpetual period
1	Working capital requirements	9,125.33	4,717.65	1,498.02	1,498.02	1,498.02	1,498.02	1,498.02
2	Increase in working capital	2,022.00	-4,407.68	-3,219.63	0.00	0.00	0.00	0.00

(12) Forecast of enterprise free cash flow

Enterprise free cash flow = net profit before interest and after tax + depreciation and amortization – capital expenditures – increase in working capital

Table of Forecast on Enterprise Free Cash Flow

Unit: RMB0'000

Year / Item	September to December 2025	2026	2027	2028	2029	2030	Perpetual period
Total profits	642.43	917.88	523.01	522.27	521.54	521.75	521.80
Income tax expense	89.65	229.47	130.75	130.57	130.38	130.44	130.45
Net profit	552.78	688.41	392.26	391.70	391.15	391.31	391.35
Enterprise free cash flow	-1,459.85	5,066.70	3,584.89	378.01	390.78	389.56	389.56

4. Determination of appraised value of operating assets

(1) Discount rate model

According to the principle that the income is consistent with the discount rate, the income of this valuation is the enterprise free cash flow, and the discount rate is determined by the weighted average cost of capital (WACC), calculated as follows:

$$WACC = k_e \times \frac{E}{E+D} + k_d \times (1-t) \times \frac{D}{E+D}$$

Where: k_e – Cost of equity capital

k_d – Cost of interest-bearing debt capital

E – Market value of equity

D – Market value of interest-bearing debts

t – Enterprise income tax rate

Among which, the cost of equity capital is calculated by the capital asset pricing model (CAPM). The calculation formula is as follows:

$$k_e = R_f + MRP \times \beta + \Delta$$

Where: R_f – Risk-free interest rate

β – Systematic risk coefficient of equity

MRP – Market risk premium

Δ – Enterprise's specific risk adjustment coefficient

In particular:

Risk-free interest rate R_f is based on the expected rate of return on long-term treasury bonds. For this valuation, the Company selected the average annual yield to maturity of long-term treasury bonds with a remaining maturity of ten years or more, as published by the central bank from the Valuation Benchmark Date. After aggregation and calculation, the value was determined to be 3.03%.

(2) Determination of market risk premium (MRP)

The estimated results for the risk-free interest rate, market expected return rate, and market risk premium as of 31 August 2025, were 3.03%, 9.75%, and 6.72%, respectively.

(3) Determination of Beta coefficient

① Determination of comparable companies

The selection of comparable companies in this valuation follows the following standards:

The industry in which the comparable companies are engaged or the principal business of the comparable companies is the same or relevant manufacturing industry;

The comparable companies are listed in the domestic A-shares market;

The comparable companies have been listed for at least two years.

Based on the above three principles, we selected the following three listed companies as comparable companies. See the table below for details.

Table of βu Values for Comparable Listed Companies

No.	**Stock code**	**Stock abbreviation**	**β_L value**	**β_u value**
1	603018	CDG	0.8396	0.7609
2	002883	Zhongshe	0.7706	0.7514
3	300732	SYY	0.8195	0.5594
Average			0.8099	0.6906

② Determination of β coefficient without financial leverage

At present, Wind Information Company in China is a company engaged in the research of and formulates the formula for calculating the β value. In this valuation, we selected the calculator published by the company to calculate the β values of the comparable companies. Such values are β values of the comparable companies with their own capital structures. After screening, three listed companies were selected as comparable companies. We obtained the risk β coefficient relative to the Shanghai and Shenzhen stock markets (using the CSI 300 Index) of comparable companies (with at least two years of listing history) calculated by using weekly indicator within 60 months from the Valuation Benchmark Date and the β coefficient without financial leverage of comparable companies, and took their average value as the β coefficient of the appraised enterprise without financial leverage. The β coefficient without financial leverage is 0.6906.

③ Determination of the capital structure ratio of the appraised entity

The appraised entity has no interest-bearing liabilities, and its capital structure D/E is 0%.

④ Determination of β coefficient for the appraised entity

Substituting the target capital structure ratio of the appraised entity into the following formula to calculate its β coefficient with financial leverage.

When the enterprise income tax rate is 25%, β with financial leverage = β without financial leverage × [1 + D/E × (1 – T)] = 0.6906.

⑤ Determination of enterprise's specific risk adjustment coefficient

After taking into account and comprehensive analysis of the market risk factors, operational risk factors, and management risk factors faced by the enterprise, the enterprise's specific risk adjustment coefficient is determined to be 2.5%.

(4) Determination of cost of equity capital

The cost of equity capital amounts to 10.17%.

(5) Determination of cost of debt capital

The appraised entity had no interest-bearing liabilities as of the Valuation Benchmark Date.

(6) Determination of the weighted average capital cost

By substituting the above parameters into the WACC model, the weighted average capital cost of 10.17% (discount rate) has been arrived at.

(7) Value of operating assets

Based on forecasted enterprise free cash flow and discount rates, the value of operating assets of RMB94,383,300 has been arrived at. See the table below for details.

Table of Appraisal Results of Operating Assets

Unit: RMB0'000

Items	September to December 2025	2026	2027	2028	2029	2030	Perpetual period
Enterprise free cash flow	-1,459.85	5,066.70	3,584.89	378.01	390.78	389.56	389.56
Discount rate (WACC)	10.67%	10.67%	10.67%	10.67%	10.67%	10.67%	10.67%
Discount period	0.17	0.83	1.83	2.83	3.83	4.83	4.83
Discount coefficient	0.9840	0.9225	0.8373	0.7600	0.6899	0.6262	6.1571
Present value of enterprise free cash flow	-1,436.47	4,673.82	3,001.65	287.29	269.58	243.93	2,398.53
Total present value of enterprise free cash flow	9,438.33						

5. Value of surplus assets and non-operating assets and liabilities

As of the Valuation Benchmark Date (i.e. 31 August 2025), the appraised entity had normal operating capital of approximately RMB71,033,200, surplus assets consisting of other receivables (internal deposits) of RMB95,585,600 and surplus liabilities of RMB142,900 and non-operating assets consisting of deferred income tax assets valued at RMB1,378,400. See the table below for details.

Table of Surplus Assets and Liabilities

Unit: RMB0'000

Item	Settlement target of account name	Business content	Valued amount
I. Surplus assets			
Other receivables	Sinopec Pipeline Storage and Transportation Asset Management Co., Ltd.	Internal deposits (equivalent to bank deposits actually)	95,585,572.35
Sub-total			95,585,572.35
II. Surplus liabilities			
Other receivables	The Committee of the Communist Party of PRC in State Grid Engineering Technology Innovation Co., Ltd. (國家管網集團工程技術創新有限公司)	Party membership dues	135,849.39
	Labor union	Entrusted management and assistance for the needy	6,484.10
	Organization of the Youth League	League membership dues	6,00.00
Sub-total			142,933.49

6. Value of the interest-bearing debts

As of the Valuation Benchmark Date, the enterprise had no interest-bearing liabilities in its books.

7. Determination of the value of the entire shareholders' equity interests

The value of the entire shareholders' equity interests = overall enterprise value – value of interest-bearing debts

Overall enterprise value = value of operating assets + value of surplus assets + value of non-operating assets – non-operating liabilities

Based on the above calculations, the value of the entire shareholders' equity interests in East China Pipeline Design and Research Institute Co., Ltd. is RMB191,204,300, as detailed in the table below.

Table of Valuation Results for the Entire Shareholders' Equity Interests

Unit: RMB0'000

Item	**Amount**
Value of operating assets	9,438.33
Add: Surplus asset value	9,558.56
Less: Surplus liability value	14.29
Add: Value of non-operating assets	137.84
Less: Value of non-operating liabilities	-
Overall enterprise value	19,120.43
Less: Value of interest-bearing debts	-
Value of the entire shareholders' equity interests	19,120.43

II. VALUATION ASSUMPTIONS

The assumptions adopted in analysing the estimates in the Asset Valuation Report are as follows:

(I) Basic Assumptions

1. Transaction assumption. The transaction assumption is to assume that the valuation target and the assets within the valuation scope are in the process of transaction, and the asset appraiser conducts valuation in the simulated market based on the transaction conditions. Transaction assumption is the most fundamental assumption for the implementation of asset valuation.

2. Open market assumption. The open market assumption is to assume that both parties to a transaction in respect of the assets traded in the market or to be traded in the market are on an equal footing with each other and have access and time to acquire sufficient market information in order to make rational judgments on the function, use of the assets and their transaction price. The open market assumption is based on the fact that the assets can be traded publicly in the market.

3. Going-concern assumption. The going-concern assumption is to assume that the appraised entity will continue to operate indefinitely as a going concern based on its existing assets, additional investments and resource conditions, and will not cease operations for any reason, but will operate lawfully.

4. Continuous use of assets assumption. The continuous use of assets assumption is to assume that the valuated assets would continue to be utilised legally, effectively and indefinitely in accordance with their present anticipated reasonable purposes and methods of use, size, frequency, environment and other conditions, and that no significant changes will occur during their foreseeable useful life.

(II) General Assumptions

1. It is assumed that there will be no material changes in the political, economic, and social environment of the country or region after the Valuation Benchmark Date;

2. It is assumed that there will be no material changes in the relevant national macroeconomic policies, industrial policies and regional development policies after the Valuation Benchmark Date;

3. It is assumed that there will be no material changes in respect of interest rates, exchange rates, tax basis and tax rates, and policy-based levies, etc after the Valuation Benchmark Date;

4. It is assumed that the values of various parameters estimated in this valuation are determined in accordance with the current price system, without taking into account the impact of inflation factors after the Valuation Benchmark Date;

5. It is assumed that there will be no force majeure and unforeseeable factors that will have a material adverse impact on the appraised entity after the Valuation Benchmark Date.

(III) Special Assumptions

1. It is assumed that the general information relating to the operation of the enterprise, property rights information, policy documents and other related materials provided by the principal and the appraised entity remain true and valid.

2. It is assumed that the purchase, acquisition and construction processes of the assets involved in the valuation target are in compliance with the relevant national laws and regulations.

3. It is assumed that the engineering design qualification of the appraised entity (valid until 22 December 2028) can be renewed normally upon expiration.

The valuation conclusion in the Asset Valuation Report was effective as at the Valuation Benchmark Date on the aforesaid assumptions. We and the asset appraiser disclaim any responsibility for any different valuation conclusion arising from any significant change in any assumption.

III. VALUATION CONCLUSION

Valuation conclusion from the aforementioned valuation is as follows:

As of the Valuation Benchmark Date (i.e. 31 August 2025), the book value of total assets of East China Pipeline Design and Research Institute Co., Ltd. was RMB213,436,000, the book value of total liabilities was RMB44,996,400, and the book value of the owners' interests was RMB168,439,600.

(I) Valuation results by asset-based approach

As appraised using the asset-based approach, the enterprise's total assets were appraised at RMB215,810,200, with an appreciation of RMB2,374,200 or 1.11%. The total liabilities were appraised at RMB44,996,400, showing no change in value. The appraised value of the owners' interests was RMB170,813,800, representing an appreciation of RMB2,374,200 or 1.41%. See the table below for details.

Summary of Asset Valuation Results

The appraised entity: East China Pipeline Design and Research Institute Co., Ltd. *Unit: RMB0'000*

Items		Book value	Appraised value	Increase/ Decrease	Increase rate (%)
		A	B	C=B-A	D=C/A×100%
1	Current assets	21,147.23	21,147.23	–	–
2	Non-current assets	196.37	433.79	237.42	120.90
3	Including: Fixed assets	58.53	289.69	231.16	394.94
4	Intangible assets	–	6.26	6.26	–
5	Deferred income tax assets	137.84	137.84	0.00	0.00
6	**Total assets**	**21,343.60**	**21,581.02**	**237.42**	**1.11**
7	Current liabilities	4,499.64	4,499.64	–	–
8	Non-current liabilities	–	–	–	–
9	**Total liabilities**	**4,499.64**	**4,499.64**	–	–
10	**Owners' interests**	**16,843.96**	**17,081.38**	**237.42**	**1.41**

(II) Valuation results by income approach

As of the Valuation Benchmark Date, based on the premise of operation on a going concern basis for an indefinite term, the appraised value of the entire shareholders' equity interests of East China Pipeline Design and Research Institute Co., Ltd. was RMB191,204,300, representing an appreciation of RMB22,764,700 or 13.52%.

(III) Determination of valuation results

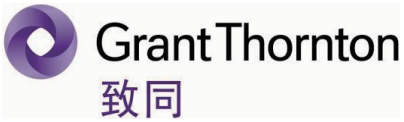
The difference between the appraised value of the entire shareholders' equity interests by asset-based approach and the appraised value of the entire shareholders' equity interests by income approach was RMB20,390,500, representing a difference rate of 11.94%.

Under the asset-based approach, the appraised value of an enterprise was determined based on the balance sheet of the enterprise, which may be greatly affected by the asset replacement costs and the extent of asset and liabilities of the enterprise; while under the income approach, the value of an enterprise is reflected mainly from the perspective of the profitability of the enterprise in the future, which may be greatly affected by its future profitability, asset quality, operational capability, and operational risks. Different influencing factors led to different valuation results.

Considering the high industry entry barrier for the appraised entity, the asset-based approach cannot cover the contribution value of intangible assets such as design qualification and industry background. After comprehensive consideration and analysis, the valuation results by the income approach were adopted as the final valuation results for this valuation.

Based on the judgement of equity holders and the management of the enterprise on the future development trend and business plans of the enterprise, the book value of the owners' interests of East China Pipeline Design and Research Institute Co., Ltd. was RMB168,439,600, and the appraised value of the entire shareholders' equity interests was RMB191,204,300, representing an appreciation of RMB22,764,700 or 13.52%.

The following is the text of a letter, prepared for the sole purpose of inclusion in this announcement, from the reporting accountants, Grant Thornton (Special General Partnership) in relation to the valuation contained in Appendix I to this announcement.



致同會計師事務所(特殊普通合夥)
中國北京朝陽區建國門外大街22號
賽特廣場5層郵編100004
電話+86 10 8566 5588
傳真+86 10 8566 5120
www.grantthornton.cn

Grant Thornton (Special General Partnership)
5th Floor, Scitech Place
22 Jianguomen Wai Avenue, Chaoyang District
Beijing 100004, China
T +86 10 8566 5588
F +86 10 8566 5120
www.grantthornton.cn

REPORT ON CALCULATIONS OF DISCOUNTED FUTURE ESTIMATED CASH FLOWS IN CONNECTION WITH THE VALUATION OF EAST CHINA PIPELINE DESIGN AND RESEARCH INSTITUTE CO., LTD.

To the board of directors SINOPEC Engineering (Group) Co., Ltd.

We have been appointed to complete the assurance work and report on the calculation of discounted future estimated cash flows on which the business valuation report (the "**Valuation**") issued by Beijing Qianhai Real Estate Land Asset Appraisal Co., Ltd. dated 16 October 2025 in relation to the fair value of the interest in East China Pipeline Design and Research Institute Co., Ltd. (the "**Target Company**") was based. The Valuation is set out in Appendix I to the announcement published by SINOPEC Engineering (Group) Co., Ltd. (the "**Company**") in relation to the acquisition of interest in the Target Company (the "**Announcement**"). The Valuation based on the discounted future estimated cash flows is regarded as a profit forecast under Rule 14.61 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

Directors' responsibility for the discounted future estimated cash flows

The directors of the Company (the "**Directors**") accept responsibility for the basis of preparation and assumptions (the "**Assumptions**") used in the discounted future estimated cash flows as determined and approved by the Directors, summary information of which is set out in the Announcement. This responsibility includes the implementation of appropriate procedures for the preparation of the discounted future estimated cash flows for the purpose of the Valuation and the application of appropriate basis of preparation and reasonable estimates in the circumstances.

Our independence and quality management

We comply with the requirements on independence and other professional ethics set out in the Code of Ethics for Professional Accountants issued by the Chinese Institute of Certified Public Accountants, which are based on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional conduct.

Our CPA firm has adopted CPA Firm Quality Management Standard No. 5101 "Practice Quality Management" issued by the Chinese Institute of Certified Public Accountants, which requires the firm to design, implement and operate a sound quality management system, including policies or procedures for compliance with ethical requirements, provisions of the professional standards, and applicable legal and regulatory requirements.

Reporting accountants' responsibility

Our responsibility is to express an opinion on the accuracy of the calculations of the discounted future estimated cash flows on which the Valuation has been based and to report our opinion solely to you, as a body, and for no other purpose, in accordance with Rule 14.60A of the Listing Rules. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our engagement in accordance with China Statement of Standard on Other Assurance Engagements for Certified Public Accountants No. 3101 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" issued by the Chinese Institute of Certified Public Accountants. The standard requires us to comply with ethical requirements and to plan and perform the assurance engagement to obtain reasonable assurance about whether the calculation of the discounted future estimated cash flows is consistent with the Assumptions. Our work does not constitute any valuation of the acquisition.

No accounting policies of the Company have been adopted in the preparation of the Valuation as it relates to discounted future estimated cash flows. The Assumptions include assumptions about future events and management actions that are hypothetical in nature, which may or may not occur and therefore cannot be recognised and verified in the same way as past performance. Even if the anticipated events and actions do occur, actual results may well differ from the Valuation or even be materially different. Accordingly, we have not reviewed, considered or performed any work on the reasonableness and validity of the Assumptions and do not express an opinion thereon.

Opinion

Based on the foregoing, in our opinion, the discounted future estimated cash flows have been properly compiled, in all material respects, for the purposes of this calculation on the basis of the Assumptions.

Grant Thornton (Special General Partnership)

Beijing, 23 December 2025

To whom it may concern,

Re: Profit Forecast – Confirmation letter under the requirements of Rule 14.60A(3) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**")

Reference is made to the valuation (the "**Valuation**") using the income approach of the total equity interests in East China Pipeline Design and Research Institute Co., Ltd. (華東管道設計研究院有限公司) as at 31 August 2025 by Beijing Qianhai Real Estate Land Asset Appraisal Co., Ltd. (北京芊海房地產土地資產評估有限公司) (the "**Independent Valuer**").

Since the discounted cash flow method under the income approach was adopted by the Independent Valuer in the Valuation, the Valuation constitutes a profit forecast under Rule 14.61 of the Listing Rules. Accordingly, the requirements under Rule 14.60A of the Listing Rules apply.

The board of directors of SINOPEC Engineering (Group) Co., Ltd. (the "**Board**") has reviewed the valuation basis and assumptions in the valuation report, for which the Independent Valuer is responsible, and discussed the same with the Independent Valuer. The Board has considered the report issued by Grant Thornton (Special General Partnership) (致同會計師事務所(特殊普通合夥)) in relation to the accuracy of the calculations of the profit forecast in the Valuation.

Based on the above and pursuant to the requirements of Rule 14.60A(3) of the Listing Rules, the Board confirmed that the profit forecast used in the Valuation has been made after due and careful enquiry.

23 December 2025

The Board of
SINOPEC Engineering (Group) Co., Ltd.