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
BATAM CONSTRUCTION PROJECT FRAMEWORK MASTER AGREEMENT

The board of directors (the "**Board**") of SINOPEC Engineering (Group) Co., Ltd. (the "**Company**", together with its subsidiaries, the "**Group**") announced that, on October 29, 2013, the Company and Sinomart KTS Development Limited ("**Sinomart KTS**"), a wholly-owned subsidiary of Sinopec Kantons Holdings Limited (Stock Code: 0934) ("**Sinopec Kantons**"), entered into the Batam Construction Project Framework Master Agreement (the "**Batam Project Framework Agreement**").

According to the Batam Project Framework Agreement, upon fulfillment of the conditions therein, the Company agrees to be the general contractor in relation to the proposed construction project for, among other things, the Batam oil storage tanks, of Sinomart KTS in West Point Maritime Industrial Park, Batam Island, Indonesia. The scope of services to be provided by the Group primarily includes the design, the procurement of equipment and materials, construction and project arrangements, post-completion coordination and trial operation and related services, and the maximum fees payable in relation to our services are expected to be approximately US$738 million. The Batam Project Framework Agreement shall take effect upon satisfaction of certain conditions, including Sinopec Kantons obtaining independent shareholders' approval at its special general meeting to be convened in accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"). The contract term shall be two years commencing from January 1, 2014 till December 31, 2015.

* *For identification purpose only*

China Petrochemical Corporation ("**Sinopec Group**") is the ultimate controlling shareholder of both the Company and Sinopec Kantons. The Batam Project Framework Agreement is entered into based on the principles and the terms under the engineering and construction services framework agreement entered into between the Group and Sinopec Group on December 19, 2012 (the "**Engineering and Construction Services Framework Agreement**"), details of which are disclosed in the Company's prospectus dated May 10, 2013. The Company has obtained waiver (including the waiver from announcement and independent shareholders' approval requirements) granted by The Stock Exchange of Hong Kong Limited pursuant to the Listing Rules. The Company will implement the Batam Project Framework Agreement and the transactions thereunder in accordance with the aforementioned waiver and the applicable Listing Rules.

This announcement is made by the order of the Board. The Board collectively and individually accepts responsibility for the accuracy of this announcement.

The Batam Project Framework Agreement and the transactions thereunder may or may not proceed. Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

Yours faithfully,
By order of the Board
SINOPEC ENGINEERING (GROUP) CO., LTD.
Sang Jinghua
Secretary to the Board of Directors and the Company Secretary

Beijing, PRC
October 29, 2013

As of the date of this announcement, the executive director is Yan Shaochun, the non-executive directors are Cai Xiyou, Zhang Kehua, Lei Dianwu, Ling Yiqun and Chang Zhenyong and the independent non-executive directors are Hui Chiu Chung, Stephen, Jin Yong and Ye Zheng.

This announcement will be available on the website of Hong Kong Exchanges and Clearing Limited (www.hkex.com.hk) and on the website of the Company (www.segroup.cn).