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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 2015, the total value of the new contracts for the twelve months ended 31 December 2015 and the backlog as at 31 December 2015. The relevant information shall be subject to the information disclosed in the annual report of the Company for the year ended 31 December 2015.

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. The relevant information shall be subject to the information disclosed in the annual report of the Company for the year ended 31 December 2015.

During the twelve months ended 31 December 2015, the total value of new contracts entered into by the Group amounted to RMB52.676 billion, representing a decrease of 13.2% as compared to RMB60.700 billion for the twelve months ended 31 December 2014. As at 31 December 2015, the backlog of the Group amounted to RMB111.100 billion, representing an increase of 6.9% as compared to RMB103.922 billion as at 31 December 2014.

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 2015, the total value of new contracts entered into by the Group amounted to RMB19.708 billion, and contracts that are representative are as follows:

1. a contract entered into with Kuwait National Petroleum Company (科威特國家石油公司) in relation to its new AL-Zour refinery project in Kuwait. The Company is interested in approximately RMB10.752 billion of the total contract value. For details, please refer to the Company's announcement dated 14 October 2015;
2. a contract of engineering and procurement (EP) entered into with Shenhua Ningxia Coal Industry Group Co., Ltd.* (神華寧夏煤業集團有限責任公司) for its polyethylene plant in relation to the deep processing and comprehensive utilisation of the coal chemicals by-products project. The total contract value is approximately RMB 1.019 billion;
3. a contract of engineering, procurement and construction (EPC) entered into with Maoming Petrochemical Nanhai Fine Chemical Co., Ltd.* (茂名石化南海精細化工有限公司) in relation to the ethylene oxide plant with a capacity of 200 kilo tons per annum. The total contract value is approximately RMB 928 million; and
4. a contract of engineering, procurement and construction (EPC) entered into with Yanchang Petroleum Beijing Petrochemical Engineering Co., Ltd.* (延長石油北京石油化工工程有限公司) in relation to the sewage treatment facilities for the the Yan'an refinery gas resources comprehensive utilisation project. The total contract value is approximately RMB 350 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. 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.

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 For the twelve months ended 31 December 2015		Backlog As at 31 December 2015	
	<i>(RMB thousand)</i>	<i>Percentage (%)</i>	<i>(RMB thousand)</i>	<i>Percentage (%)</i>
<i>Business segments</i>				
Engineering, Consulting and Licensing	3,046,766	5.8	6,935,838	6.2
EPC Contracting	35,535,159	67.4	89,776,105	80.8
Construction	13,995,579	26.6	14,273,326	12.9
Equipment Manufacturing	<u>98,450</u>	<u>0.2</u>	<u>114,615</u>	<u>0.1</u>
Total	<u>52,675,954</u>	<u>100.0</u>	<u>111,099,884</u>	<u>100.0</u>
<i>Industries in which the Group's clients operate</i>				
Oil Refining	13,994,772	26.5	32,951,451	29.6
Petrochemical	11,112,479	21.1	22,730,572	20.4
New Coal Chemicals	7,516,119	14.3	37,345,973	33.6
Other Industries	<u>20,052,584</u>	<u>38.1</u>	<u>18,071,888</u>	<u>16.4</u>
Total	<u>52,675,954</u>	<u>100.0</u>	<u>111,099,884</u>	<u>100.0</u>
<i>Regions</i>				
PRC	33,536,769	63.7	74,418,344	67.0
Overseas	<u>19,139,185</u>	<u>36.3</u>	<u>36,681,540</u>	<u>33.0</u>
Total	<u>52,675,954</u>	<u>100.0</u>	<u>111,099,884</u>	<u>100.0</u>

	Total of New Contract Value		Backlog	
	For the twelve months ended		As at 31 December 2015	
	31 December 2015			
	<i>(RMB thousand)</i>	<i>Percentage</i>	<i>(RMB thousand)</i>	<i>Percentage</i>
		<i>(%)</i>		<i>(%)</i>
<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	20,964,222	39.8	42,242,637	38.0
Non-Sinopec Group and its associates	<u>31,711,732</u>	<u>60.2</u>	<u>68,857,247</u>	<u>62.0</u>
Total	<u>52,675,954</u>	<u>100.0</u>	<u>111,099,884</u>	<u>100.0</u>

The Board wishes to emphasise 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.

Yours faithfully,
By order of the Board
SINOPEC ENGINEERING (GROUP) CO., LTD.
SANG Jinghua
Vice President and Secretary to the Board

Beijing, PRC
23 February 2016

As at the date of this announcement, the Company's executive directors are LU Dong, YAN Shaochun, SUN Lili (employee representative director) and WU Derong (employee representative director); the non-executive directors are ZHANG Jianhua and LI Guoqing; 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).

* For identification purposes only.