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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)

**DISTRIBUTION OF 2020 INTERIM DIVIDEND
AND CLOSURE OF REGISTER OF MEMBERS FOR H SHARES**

Distribution of 2020 Interim Dividend

On 21 August 2020, the board of directors (the “**Board**”) of SINOPEC Engineering (Group) Co., Ltd. (the “**Company**”) approved, among other things, the proposal for the distribution of interim dividend for the year 2020 (the “**Interim Dividend**”). At the annual general meeting of the Company for the year 2019 held on 8 May 2020, the shareholders of the Company (the “**Shareholders**”) passed an ordinary resolution authorising the Board to determine the interim profit distribution plan of the Company for the year 2020. Therefore, the above proposal for the distribution of the Interim Dividend was not required to be submitted to the general meeting of the Shareholders for review and approval.

In accordance with the articles of association of the Company, the profits attributable to Shareholders shall be the lower of the Company’s profits after taxation calculated pursuant to the PRC Accounting Standards for Business Enterprises and the International Financial Reporting Standards. For the six months ended 30 June 2020, the total amount of the Company’s net profits attributable to Shareholders calculated pursuant to the PRC Accounting Standards for Business Enterprises shall be RMB1.26 billion. After due consideration of return to Shareholders and the current cash flow of the Company, the aggregate amount of the 2020 interim dividends to be distributed by the Company in cash will be approximately RMB0.50 billion. Based on 4,428,000,000 shares, being the total share capital of the Company as at 30 June 2020 (comprising 1,460,800,000 H shares and 2,967,200,000 domestic shares), the Interim Dividend will be distributed to all Shareholders on the basis of RMB0.113 per share (inclusive of applicable taxes).

* *For identification purposes only*

The Interim Dividend will be denominated and declared in Renminbi. Holders of the Company's domestic shares will be paid in Renminbi and holders of the Company's H shares ("H Shareholders") will be paid in Hong Kong dollars. The exchange rate for the Interim Dividend to be paid in Hong Kong dollars will be the mean of the exchange rates of Renminbi to Hong Kong dollars as announced by the People's Bank of China during the five business days prior to the date of declaration of the Interim Dividend by the Board (i.e. Friday, 21 August 2020). The mean of the exchange rates of Renminbi to Hong Kong dollars as announced by the People's Bank of China during the five business days prior to the date of declaration of the Interim Dividend by the Board (i.e. Friday, 21 August 2020) is RMB0.89424 to HKD1.00. Accordingly, the Interim Dividend will be HKD0.1264 per H share (inclusive of applicable taxes).

The Company will appoint a receiving agent in Hong Kong and will pay to such receiving agent the Interim Dividend (after deductions of relevant taxes, if applicable) declared for payment to H Shareholders. The Interim Dividend will be paid by the receiving agent on or before Friday, 30 October 2020. The cheques will be despatched to H Shareholders by ordinary post at their own risks.

Closure of Register of Members for H Shares

The Interim Dividend will be paid on or before Friday, 30 October 2020 to all Shareholders whose names appear on the register of members of the Company at the close of business on Monday, 21 September 2020. In order to qualify for the Interim Dividend, the H Shareholders must lodge all share certificates accompanied by the transfer documents with Computershare Hong Kong Investor Services Ltd. (address: Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong) before 4:30 p.m. on Tuesday, 15 September 2020 for registration. For the purpose of ascertaining the Shareholders who are qualified for the Interim Dividend, the register of members for H shares will be closed from Wednesday, 16 September 2020 to Monday, 21 September 2020 (both days inclusive).

Taxation

In accordance with the Enterprise Income Tax Law of the People's Republic of China (中華人民共和國企業所得稅法) and its implementation regulations, the Company is required to withhold and pay enterprise income tax at the rate of 10% on behalf of the non-resident enterprise Shareholders whose names appear on the register of members for H shares when distributing the cash dividends. Any H shares not registered under the name of an individual Shareholder, including HKSCC Nominees Limited, other

nominees, agents or trustees, or other organisations or groups, shall be deemed as shares held by non-resident enterprise Shareholders. Therefore, enterprise income tax will be withheld from dividends payable to such Shareholders. If H Shareholders intend to change their shareholder status, please enquire about the relevant procedures with their agents or trustees. The Company will strictly comply with the laws and the requirements of the relevant government authority and withhold and pay enterprise income tax on behalf of the relevant Shareholders based on the register of members for H shares as at Monday, 21 September 2020.

If the individual H Shareholders are Hong Kong or Macau residents or residents of the countries which have an agreed tax rate of 10% for the cash dividends given to them under the relevant tax agreements with the PRC, the Company should withhold and pay individual income tax on behalf of the relevant Shareholders at a rate of 10%. Should the individual H Shareholders be residents of the countries which have an agreed tax rate of less than 10% under the relevant tax agreements with the PRC, the Company shall withhold and pay individual income tax on behalf of the relevant Shareholders at a rate of 10%. In that case, if the relevant individual H Shareholders wish to reclaim the extra amount withheld due to the application of 10% tax rate, the Company can apply for the relevant agreed preferential tax treatment provided that the relevant Shareholders submit the information required by the notice of the relevant tax agreement to the H share registrar of the Company. The Company will assist with the tax refund of the extra amount after obtaining the approval of the competent tax authority. Should the individual H Shareholders be residents of the countries which have an agreed tax rate of over 10% but less than 20% under the relevant tax agreements with the PRC, the Company shall withhold and pay the individual income tax at the agreed actual rate in accordance with the relevant tax agreement. In the case that the individual H Shareholders are residents of the countries which have an agreed tax rate of 20% under the relevant tax agreements with the PRC, or which have not entered into any tax agreement with the PRC, or in any other circumstances, the Company shall withhold and pay the individual income tax at a rate of 20%.

Profit Appropriation for Investors of Southbound Trading

For investors investing in the H shares of the Company listed on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) through the Shanghai Stock Exchange or Shenzhen Stock Exchange (including enterprises and individuals) (the “**Southbound Trading**”), the Company has entered into the Agreement on Appropriation of Cash Dividends of H Shares for Southbound Trading (《**港股通H股股票現金紅利派發協議**》) with China Securities Depository and Clearing Corporation Limited, pursuant to which, China Securities Depository and Clearing Corporation Limited, as the nominee

of the holders of H shares for Southbound Trading, will receive all cash dividends distributed by the Company and distribute the cash dividends to the relevant investors of H shares of Southbound Trading through its depositary and clearing system. The cash dividends for the investors of H shares of Southbound Trading will be paid in Renminbi.

Pursuant to the relevant requirements under the “Notice on the Tax Policies Related to the Pilot Program of the Shanghai-Hong Kong Stock Connect” (Caishui [2014] No. 81) (《關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2014]81號)) and the “Notice on the Tax Policies Related to the Pilot Program of the Shenzhen-Hong Kong Stock Connect” (Caishui [2016] No. 127) (《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2016]127號)), for dividends received by domestic investors from investing in H shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect, the company of such H shares shall withhold and pay individual income tax at the rate of 20% on behalf of the investors. For dividends received by domestic securities investment funds from investing in H shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect, the tax payable shall be the same as that for individual investors. The company of such H shares will not withhold and pay the income tax of dividends for domestic enterprise investors and those domestic enterprise investors shall report and pay the relevant tax themselves.

By Order of the Board
SINOPEC ENGINEERING (GROUP) CO., LTD.
Jia Yiqun
Chief Financial Officer, Company Secretary

Beijing, the PRC
23 August 2020

As at the date of this announcement, the executive directors are YU Renming, XIANG Wenwu, SUN Lili (employee representative director) and ZHOU Yingguan (employee representative director); the non-executive director is WU Wenxin; and the independent non-executive directors are HUI Chiu Chung, Stephen, JIN Yong and YE Zheng.

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