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 on certain information in connection with the representative new contracts entered into by the Group for the three months ended 31 December 2022, the total value of the new contracts for the twelve months ended 31 December 2022 and the backlog as at 31 December 2022.

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 on the following information.

During the twelve months ended 31 December 2022, the total value of new contracts entered into by the Group amounted to RMB72.525 billion, representing an increase of 14.8% as compared to RMB63.150 billion for the twelve months ended 31 December 2021. As at 31 December 2022, the backlog of the Group amounted to RMB112.231 billion, representing an increase of 21.0% as compared to RMB92.734 billion as at 31 December 2021.

* *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 2022, the total value of new contracts entered into by the Group amounted to RMB14.849 billion, and contracts that are representative are as follows:

1. an EPC contract entered into with Guangxi Gas Group Co., Ltd. (廣西燃氣集團有限公司) in relation to the Guangxi LNG Expansion Project (Phase III) receiving terminal with a total contract value of approximately RMB2.357 billion;

2. an EPC contract entered into with Sinopec Zhenhai Refining & Chemical Company (中國石化鎮海煉化公司) in relation to the acrylonitrile combined unit of the Oil Refining and High-end Synthetic New Material Project of Zhenhai Refining & Chemical with a total contract value of approximately RMB1.538 billion; and

3. a BEPC contract entered into with Fujian Fuhaichuang Petrochemical Co., Ltd. (福建福海創石油化工有限公司) in relation to the hydrogenation units of Fuhaichuang Petrochemical Project with a total contract value of approximately RMB1.485 billion.

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.

In order to more accurately reflect the Group's backlog, the Group has restated some segments in which some backlogs are located; and based on the principle of prudence, the Group adjusted the value of backlog accordingly based on changes and adjustments to contracts in hand for projects of new coal chemicals and storage & transportation and others.

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 period or as at the date indicated:

	Total of New Contract Value For the twelve months ended 31 December 2022		**Backlog as at 31 December 2022**	
	(RMB thousand)	*Percentage (%)*	*(RMB thousand)*	*Percentage (%)*
Business segments				
Engineering, Consulting and Licensing	3,403,683	4.7	10,955,159	9.8
EPC Contracting	49,687,207	68.5	76,579,261	68.2
Construction	18,579,079	25.6	23,395,036	20.9
Equipment Manufacturing	854,972	1.2	1,301,697	1.1
Total	72,524,941	100.0	112,231,153	100.0
Industries in which the Group's clients operate				
Oil Refining	6,894,988	9.5	17,779,006	15.8
Petrochemicals	54,144,751	74.7	60,479,006	53.9
New Coal Chemicals	321,182	0.4	2,104,056	1.9
Storage & Transportation and Others	11,164,020	15.4	31,869,085	28.4
Total	72,524,941	100.0	112,231,153	100.0
Regions				
PRC	65,324,416	90.1	91,504,078	81.5
Overseas	7,200,525	9.9	20,727,075	18.5
Total	72,524,941	100.0	112,231,153	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	33,642,298	46.4	63,131,277	56.3
Non-Sinopec Group and its associates	38,882,643	53.6	49,099,876	43.7
Total	72,524,941	100.0	112,231,153	100.0

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.

By order of the Board
SINOPEC ENGINEERING (GROUP) CO., LTD.
JIA Yiqun
Chief Financial Officer, Secretary to the Board and Company Secretary

Beijing, the PRC
24 February 2023

As at the date of this announcement, directors of the Company are: SUN Lili#, XIANG Wenwu#, WANG Zizong, LI Chengfeng*, WU Wenxin*, JIANG Dejun#, HUI Chiu Chung, Stephen+, JIN Yong+ and YE Zheng+.*

Executive Directors
* *Non-executive Director*
\+ *Independent non-executive Directors*

This announcement is 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).