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中石化炼化工程(集团)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
MAJOR CONTRACTS**

The board of directors (the “**Board**”) of SINOPEC Engineering (Group) Co., Ltd.* (the “**Company**”, together with its subsidiaries, the “**Group**”) is pleased to announce that the Group recently signed three contracts.

1. The Group signed a contract (the “**Sinochem Quanzhou Ethylene Contract**”) of engineering, procurement and construction (“**EPC**”) for the project in relation to the ethylene units and other relevant units for the one million tons per annum (“**Mtpa**”) ethylene and oil refining renovation and expansion project (the “**Sinochem Quanzhou Project**”) with Sinochem Quanzhou Petrochemical Co., Ltd.* (中化泉州石化有限公司, “**Sinochem Quanzhou Petrochemical**”). Sinochem Quanzhou Petrochemical is an independent third party of the Company. The Sinochem Quanzhou Project is located in Quanzhou, Fujian Province. The work scope of the Group under the Sinochem Quanzhou Ethylene Contract includes the provision of EPC services for one Mtpa ethylene units and ethylene spherical tanks area, the central control room, the central laboratory, the environmental monitoring station, the overall main under-ground pipes and other units. The contract value of the Sinochem Quanzhou Ethylene Contract is approximately RMB4.259 billion. The completion of the Sinochem Quanzhou Project is expected to be in around December 2020.

** For identification purposes only*

2. The Group signed an EPC contract (the “**Sinopec Zhenhai Residue Hydrogenation Contract**”) for the project in relation to the 2.6 Mtpa fluidised bed residue hydrogenation units (the “**Sinopec Zhenhai Project**”) with Sinopec Zhenhai Refining & Chemical Company* (中國石油化工股份有限公司鎮海煉化分公司, “**Sinopec Zhenhai**”). The Sinopec Zhenhai Project is located in Ningbo, Zhejiang Province. The work scope of the Group under the Sinopec Zhenhai Residue Hydrogenation Contract includes the provision of EPC services for 2.6 Mtpa fluidised bed residue hydrogenation units. The contract value of the Sinopec Zhenhai Residue Hydrogenation Contract is approximately RMB1.376 billion. The completion of Sinopec Zhenhai Project is expected to be in around September 2018.
3. The consortium of the Group and Maire Tecnimont SpA, an Italian company, signed an EPC contract (the “**AGPP-P3 Contract**”) for the Package 3 of the project in relation to the 42 billion cubic meters per annum Amur Gas Processing Plant (the “**AGPP Project**”) with Public Joint Stock Company Gazprom (“**GAZPROM**”). GAZPROM is an independent third party of the Company. The AGPP Project is located in Amurskaya Oblast, Russian Far East. The Group is interested in approximately €119 million (approximately RMB912 million) in the AGPP-P3 Contract. The AGPP-P3 Contract is expected to have an execution cycle of 60 months.

Sinopec Zhenhai is a branch of China Petroleum & Chemical Corporation (which is controlled by the ultimate controlling shareholder of the Company, China Petrochemical Corporation (“**Sinopec Group**”). The Sinopec Zhenhai Residue Hydrogenation Contract 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 19 December 2012 and the supplemental agreement thereto on 28 August 2015 (collectively, the “**Engineering and Construction Services Framework Agreement**”), and is in line with the interests of the Company and its shareholders as a whole. For the details of the Engineering and Construction Services Framework Agreement, please refer to the Company’s prospectus dated 10 May 2013, the Company’s announcement entitled “Renewal of Technology R&D Framework Agreement, Financial Services Framework Agreement and Engineering and Construction Services Framework Agreement and the Annual Caps” published on 31 August 2015, the Company’s circular to its shareholders published on 15 September 2015, and the Company’s announcement entitled “Renewal of Technology R&D Framework Agreement, Financial Services Framework Agreement and Engineering and Construction Services Framework Agreement and the Annual Caps

and the Continuing Connected Transactions and Major Transactions under the Financial Services Framework Agreement” published on 15 September 2015. The Company has obtained approval from the independent shareholders of the Company in connection with the Engineering and Construction Services Framework Agreement, details of which are disclosed in the Company’s announcement entitled “Announcement of Resolutions Passed at the Third Extraordinary General Meeting for the Year 2015” published on 30 October 2015. The Company will implement the Sinopec Zhenhai Residue Hydrogenation Contract in accordance with the applicable Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The total contract value of the Sinochem Quanzhou Ethylene Contract, the Sinopec Zhenhai Residue Hydrogenation Contract and the AGPP-P3 Contract, being approximately RMB6.547 billion, will be recorded as backlog of the Company.

The Board wishes to emphasise that the contracts and the contract value mentioned above do not constitute any forecast or prediction of the profits of the Group. 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.
SANG Jinghua
Vice President, Secretary to the Board

Beijing, PRC
6 June 2017

As at the date of this announcement, the Company’s executive directors are LU Dong, XIANG Wenwu, SUN Lili (employee representative director) and WU Derong (employee representative director); the non-executive directors are LING Yiqun 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).