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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 2017 INTERIM DIVIDEND
AND CLOSURE OF REGISTER OF MEMBERS FOR H SHARES**

Distribution of 2017 Interim Dividend

On 18 August 2016, the board of directors (the “**Board**”) of SINOPEC Engineering (Group) Co., Ltd. (the “**Company**”) approved, among other things, the proposal for the distribution of the interim dividend for the year 2017 (the “**Interim Dividend**”). At the Company’s annual general meeting for the year 2016 held on 16 May 2017, 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 2016. Therefore, the above proposal for the distribution of the Interim Dividend was not required to be re-submitted to the Shareholders for review and approval.

In accordance with the Company’s articles of association, 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. The total amount of the Company’s net profits attributable to Shareholders for the period from January 2017 to June 2017 calculated pursuant to the PRC Accounting Standards for Business Enterprises shall be RMB0.828 billion. After due consideration of return to Shareholders and the current cash flow of the Company, the aggregate amount of the 2016 interim dividends to be distributed by the Company in cash will be approximately RMB0.248 billion. Based on 4,428,000,000 shares, being the total share capital of the Company as at 30 June 2017, the Interim Dividend will be distributed to all Shareholders on the basis of RMB 0.056 per share (inclusive of applicable taxes).

** For identification purposes only.*

The Interim Dividend will be denominated and declared in Renminbi, the holders of the Company's domestic shares will be paid in Renminbi and the 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 Hong Kong dollars to Renminbi as announced by the People's Bank of China during the five business days prior to the date of declaration of the Interim Dividend.

The Company will appoint a receiving agent in Hong Kong (the "**Receiving Agent**") and will pay to such Receiving Agent the Interim Dividend (after deductions of relevant tax, if applicable) declared for payment to H Shareholders. The Interim Dividend will be paid by the Receiving Agent on or before Friday, 27 October 2017. 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, 27 October 2017 to all Shareholders whose names appear on the register of members of the Company at the close of business on Thursday, 21 September 2017 (the "**Record Date**"). 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, 17/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong) before 4:30 p.m. on Friday, 15 September 2017 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 Saturday, 16 September 2017 to Thursday, 21 September 2017 (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, will be deemed as shares held by non-resident enterprise Shareholders. Therefore, on this basis, 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 law or 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 the Record Date.

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 with the PRC under the relevant tax agreements, the Company will 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% with PRC under the relevant tax agreement, the Company will 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 want a refund of the extra amount withheld (the “**Extra Amount**”) 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 tax agreement to the H share registrar of the Company. The Company will assist with the tax refund after receiving 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% with the PRC under the tax agreements, the Company will 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% with the PRC, or which have not entered into any tax agreement with the PRC, or otherwise, the Company will 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 (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 the Shanghai Branch of China Securities Depository and Clearing Corporation Limited, pursuant to which, the Shanghai Branch of China Securities Depository and Clearing Corporation Limited, as the nominee of the investors of H shares of the Company 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 the Company of Southbound Trading through its depository and clearing system. The cash dividends for the investors of H shares of the Company 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)), for dividends received by domestic investors from investing in H shares listed on the Hong Kong Stock Exchange through Shanghai-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, 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 the Order of the Board
SINOPEC Engineering (Group) Co., Ltd.
SANG Jinghua
Vice President, Secretary to the Board

Beijing, PRC
21 August 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.

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