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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)

**ANNOUNCEMENT OF RESOLUTIONS PASSED AT THE SIXTEENTH
MEETING OF THE THIRD SESSION OF THE BOARD
PROPOSED AMENDMENTS TO THE ARTICLES
PROPOSED AMENDMENTS TO THE RULES
AND PROCEDURES FOR THE MEETINGS OF THE BOARD
PROPOSED AMENDMENTS TO THE RULES AND PROCEDURES
FOR THE MEETINGS OF THE SUPERVISORY COMMITTEE**

SINOPEC Engineering (Group) Co., Ltd. (the “**Company**”, together with its subsidiaries, the “**Group**”) held the sixteenth meeting (the “**Meeting**”) of the Third Session of the board of directors of the Company (the “**Board**”) on 20 August 2021.

The convening of, and the procedures for holding, the Meeting were in compliance with relevant laws, regulations and the Company’s articles of association (the “**Articles**”).

The Board hereby announces that, after due consideration, each of the following resolutions was approved at the Meeting:

1. the report on the fulfillment of key targets for the first half of 2021 and the work arrangements for the second half of 2021;
2. the report on the operating results, financial conditions and other relevant matters for the first half of 2021;
3. the proposal to approve the audited 2021 interim financial report;
4. the proposed 2021 interim report and results announcement;
5. the proposed 2021 interim dividend distribution plan;
6. the proposal to amend the Articles;

* For identification purposes only

7. the proposal to amend the Rules and Procedures for the Meetings of the Board, the Rules and Procedures for the Meetings of the Supervisor Committee of the Company;
8. the proposal to amend the Rules of Audit Committee of the Board;
9. the proposal to enter into supplementary continuing connected transaction agreements with Sinopec Group and approve the continuing connected transactions and the corresponding annual caps for the years 2022 to 2024. For details, please refer to the announcement published by the Company on 23 August 2021;
10. the proposed report of the third session of the Board;
11. the proposal to nominate the members of the fourth session of the Board; and
12. the proposal to convene the second extraordinary general meeting for the year 2021.

The proposals 6, 7, 8, 9 and 11 above, after being considered by the Board at the Meeting, will be submitted to the second extraordinary general meeting for the year 2021 for approval.

At the Company's annual general meeting for the year 2020 held on 10 May 2021, the shareholders of the Company (the "**Shareholders**") passed an ordinary resolution authorizing the Board to determine the interim profit distribution plan of the Company for the year 2021. Therefore, the above proposal for the 2021 interim dividend distribution plan is not required to be re-submitted to the Shareholders for review and approval. For details of the 2021 interim dividend distribution plan, please refer to the announcement entitled "Distribution of 2021 Interim Dividend and Closure of Register of Members for H Shares" issued by the Company on 23 August 2021.

PROPOSED AMENDMENTS TO THE ARTICLES

Reasons for Proposed Amendments to the Articles

In order to satisfy the development needs of the Company, the general counsel has been included in the category of the Company's senior management personnel, and CHAPTER 13 GENERAL COUNSEL was added; in order to increase the flexibility of the personnel structure of the board of directors and the supervisory committee of the Company, the relevant provisions on the composition of members of the board of directors and the supervisory committee have been adjusted.

Major Contents of the Amendments to the Articles

Current Provision of the Articles	Proposed Amendments
<p>Paragraph 4 of Article 7:</p> <p>Unless otherwise defined, senior management personnel referred to in these Articles of Association refers to the president, vice president, chief financial officer, board secretary and any other person designated as senior management by the board of directors the Company.</p>	<p>Paragraph 4 of Article 7:</p> <p>Unless otherwise defined, senior management personnel referred to in these Articles of Association refers to the president, vice president, chief financial officer, <u>general counsel</u>, board secretary and any other person designated as senior management by the board of directors the Company.</p>
<p>Article 8:</p> <p>In accordance with the Company Law and the Constitution of the Communist Party of China (the "Party"), the Company hereby set up Party organizations and related working organs, and maintain an adequate level of staffing to handle Party affairs as well as sufficient funding necessary for the activities of the Party organizations. The Party organizations play the role of the leadership core and political core in the Company.</p>	<p>Article 8:</p> <p>In accordance with the Company Law and the Constitution of the Communist Party of China (the "Party"), the Company hereby set up Party organizations and related working organs, <u>and maintain sufficient and competent staffs</u> to handle Party affairs as well as sufficient funding necessary for the activities of the Party organizations. <u>The Party organizations of the Company shall play the role of the leadership by setting the right direction, keeping in mind the big picture as well as ensuring the implementation of Party policies and principles.</u></p>

Current Provision of the Articles	Proposed Amendments
<p>Article 93:</p> <p>The Company shall have a board of directors which is accountable to the shareholders.</p>	<p>Article 93:</p> <p>The Company shall have a board of directors. <u>The board of directors is responsible for formulating strategies, making decisions and preventing risks</u> which is accountable to the shareholders.</p>
<p>Article 94:</p> <p>The board of directors shall consist of nine directors, including three independent non-executive directors. There shall be a chairman and a vice chairman of the board of directors. An independent non-executive director refers to a director who does not hold any position other than directorship in the Company and who has no relationship with the Company or its major shareholder(s) (i.e. a shareholder who alone holds or shareholders who together hold 5% or more of the total voting shares of the Company) that could hinder such shareholder(s) from making independent and objective judgments, and who is in compliance with the independence requirements under the stock exchange rules in the place where shares of the Company are listed.</p>	<p>Article 94:</p> <p><u>The board of directors shall compose of seven to nine directors, including at least one third of independent non-executive directors.</u> There shall be a chairman and a vice chairman of the board of directors. An independent non-executive director refers to a director who does not hold any position other than directorship in the Company and who has no relationship with the Company or its major shareholder(s) (i.e. a shareholder who alone holds or shareholders who together hold 5% or more of the total voting shares of the Company) that could hinder such shareholder(s) from making independent and objective judgments, and who is in compliance with the independence requirements under the stock exchange rules in the place where shares of the Company are listed.</p>

Current Provision of the Articles	Proposed Amendments
<p>Article 101:</p> <p>The board of directors shall exercise the following functions and powers:</p> <p>.....</p> <p>(11) to appoint or remove the Company's president and to appoint or remove the vice president and the chief financial officer of the Company according to the recommendations of the president; to appoint or remove the secretary to the board of directors and to decide on their remuneration;</p> <p>.....</p>	<p>Article 101:</p> <p>The board of directors shall exercise the following functions and powers:</p> <p>.....</p> <p>(11) to appoint or remove the Company's president and to appoint or remove the vice president, the chief financial officer <u>and general counsel</u> of the Company according to the recommendations of the president; to appoint or remove the secretary to the board of directors and to decide on their remuneration;</p> <p>.....</p>
<p>Article 121:</p> <p>The Company shall have a president who is accountable to the board of directors. The president shall be nominated by the chairman of the board of directors and appointed or removed by the board of directors.</p> <p>The Company shall have several vice president and one chief financial officer who shall assist the president in work. The vice president and the chief financial officer shall be nominated by the president and appointed or removed by the board of directors.</p>	<p>Article 121:</p> <p>The Company shall have a president who is accountable to the board of directors. The president shall be nominated by the chairman of the board of directors and appointed or removed by the board of directors.</p> <p>The Company shall have several vice president, one chief financial officer <u>and one general counsel</u> who shall assist the president in work. The vice president, and the chief financial officer <u>and the general counsel</u> shall be nominated by the president and appointed or removed by the board of directors.</p> <p><u>The president and other senior management of the Company shall be responsible for business operation, decision implementation and management improvement.</u></p>

Current Provision of the Articles	Proposed Amendments
	<p><u>CHAPTER 13 GENERAL COUNSEL</u></p> <p><u>Article 125:</u></p> <p><u>The Company shall adhere to the rule of law, and strives to build a law-abiding enterprise with sound governance, operational compliance, management discipline, law-abiding and integrity.</u></p> <p><u>The audit committee of the board of directors shall be responsible for advancing and guiding the establishment of the Company's rule of law and compliance management.</u></p> <p><u>Article 126:</u></p> <p><u>The Company shall implement the general counsel system. The general counsel shall play the role of legal review in operation management, promoting the establishment of the Company's rule of law and compliance management.</u></p> <p><u>The general counsel, a member of the senior management, shall be nominated by the president and appointed or removed by the board of directors.</u></p> <p><u>Article 127:</u></p> <p><u>The general counsel shall attend any board meeting that involves legal affairs to be considered and provide legal advice.</u></p>

Current Provision of the Articles	Proposed Amendments
<p>Paragraph 2 of Article 125:</p> <p>The supervisory committee shall compose of seven supervisors, including three employee representative supervisors. The non-employee representative supervisors shall be elected and dismissed through the meetings of shareholders. Employee representative supervisors shall be elected and dismissed through the employee representatives meetings, employee meetings or through other forms of democratic election.</p>	<p>Paragraph 2 of Article 125:</p> <p><u>The supervisory committee shall compose of five to seven supervisors, including at least one third of employee representative supervisors.</u> The non-employee representative supervisors shall be elected and dismissed through the meetings of shareholders. Employee representative supervisors shall be elected and dismissed through the employee representatives meetings, employee meetings or through other forms of democratic election.</p>

PROPOSED AMENDMENTS TO THE RULES AND PROCEDURES FOR THE MEETINGS OF THE BOARD

In order to optimize the corporate governance structure and promote the further long-term development of the Company, the Board proposes the amendments to the Rules and Procedures for the Meetings of the Board taking account of the Company's situations and the amendments to the Articles.

Major Contents of the Amendments to the Rules and Procedures for the Meetings of the Board

Current Provision of the Rules and the Procedures for the Meetings of the Board	Proposed Amendments
<p>Article 3</p> <p>The board of directors shall exercise the following functions and powers:</p> <p>.....</p> <p>(11) to appoint or remove the Company's president and to appoint or remove the vice president and the chief financial officer of the Company according to the recommendations of the president; to appoint or remove the secretary to the board of directors and to decide on their remuneration;</p> <p>.....</p>	<p>Article 3</p> <p>The board of directors shall exercise the following functions and powers:</p> <p>.....</p> <p>(11) to appoint or remove the Company's president and to appoint or remove the vice president, the chief financial officer <u>and general counsel</u> of the Company according to the recommendations of the president; to appoint or remove the secretary to the board of directors and to decide on their remuneration;</p> <p>.....</p>

Current Provision of the Rules and the Procedures for the Meetings of the Board	Proposed Amendments
<p>Article 7</p> <p>The board of directors shall consist of nine directors, including three independent non-executive directors. There shall be a chairman and a vice chairman of the board of directors.</p>	<p>Article 7</p> <p><u>The board of directors shall compose of seven to nine directors, including at least one third of independent non-executive directors.</u> There shall be a chairman and a vice chairman of the board of directors.</p>
<p>Article 9</p> <p>The audit committee shall consist of at least three members. All of the members should be non-executive Directors, more than half of the members should be independent non-executive Directors, and at least one of the members should be an independent non-executive Director who possesses relevant professional qualifications or experience in accounting or financial management. The chairman and vice chairman (if any) of the audit committee must be independent non-executive Directors. The main responsibility of the audit committee is to review and monitor the financial reporting process and internal control system of the Company and its subsidiaries.</p>	<p>Article 9</p> <p>The audit committee shall consist of at least three members. All of the members should be non-executive Directors, more than half of the members should be independent non-executive Directors, and at least one of the members should be an independent non-executive Director who possesses relevant professional qualifications or experience in accounting or financial management. The chairman and vice chairman (if any) of the audit committee must be independent non-executive Directors. The main responsibility of the audit committee is to review and monitor the financial reporting process and internal control system of the Company and its subsidiaries, <u>to promote and guide the construction of the Company's rule of law and compliance management.</u></p>

PROPOSED AMENDMENTS TO THE RULES AND PROCEDURES FOR THE MEETINGS OF THE SUPERVISORY COMMITTEE

In order to optimize the corporate governance structure and promote the further long-term development of the Company, the Supervisory Committee of the Company proposes the amendments to the Rules and Procedures for the Meetings of the Supervisory Committee taking account of the Company's situations and the amendments to the Articles.

Major Contents of the Amendments to the Rules and Procedures for the Meetings of the Supervisory Committee

Current Provision of the Rules and the Procedures for the Meetings of the Supervisory Committee	Proposed Amendments
Article 9 The supervisory committee shall compose of seven supervisors, including three employee representative supervisors. The non-employee representative supervisors shall be elected and dismissed through the meetings of shareholders. Employee representative supervisors shall be elected and dismissed through the employee representatives meetings, employee meetings or through other forms of democratic election.	Article 9 <u>The supervisory committee shall compose of five to seven supervisors, including at least one third of employee representative supervisors.</u> The non-employee representative supervisors shall be elected and dismissed through the meetings of shareholders. Employee representative supervisors shall be elected and dismissed through the employee representatives meetings, employee meetings or through other forms of democratic election.

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

Beijing, the PRC
23 August 2021

As at the date of this announcement, directors of the Company are: SUN Lili[#], XIANG Wenwu[#], WU Wenxin^{}, JIANG Dejun[#], HUI Chiu Chung, Stephen⁺, JIN Yong⁺ and YE Zheng⁺.*

[#] *Executive Directors*

^{*} *Non-executive Director*

⁺ *Independent non-executive Directors*

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