

**SINOPEC ENGINEERING (GROUP) COMPANY LTD:
THIS IS A MASSIVE COMPANY ...
WITH MASSIVE PRC-GOVERNMENT CONTROLS**

It is always a giggle for **TARGET** () to read that a company, wholly owned by the Government of the People's Republic of China (PRC), one that is pitching a Global Offering of Shares on The Stock Exchange of Hongkong Ltd, makes the claim of '*Management Independence*' from its Controlling Shareholder, to wit, an entity of the PRC Government.

Once again, one reads this nonsense in the Global Offering Prospectus of SINOPEC Engineering (Group) Company Ltd ([]) (Code: 2386, Main Board, The Stock Exchange of Hongkong Ltd).

At Pages 256 and 257 of this Company's Prospectus, one reads:

'Our Board of Directors consists of nine Directors. Five of the nine Directors have not held any directorship or senior management position in Sinopec Group or Sinopec Corp., including Mr. YAN Shaochun, our executive Director and President, who does not hold any directorship or senior management position in the Parent Group and will have sufficient time and energy to manage our day-to-day operation. The other four Directors holding positions in Sinopec Corp. are our non-executive Directors. They are not involved in day-to-day management of our Company, but are primarily responsible for making decisions on important matters such as formulation of our general development strategy and corporate operation strategy as members of the Board of Directors.'

Reference to Sinopec Group (China Petroleum Corporation []), a PRC, State-owned enterprise, the Controlling Shareholder of SINOPEC Engineering, owning 67.01 percent of its Issued and Fully Paid-Up Share Capital, and Sinopec Corporation (China Petroleum and Chemical Corporation [] Code: 386, Main Board, The Stock Exchange of Hongkong Ltd) is merely an attempt to cause prospective investors to think that the PRC Government and/or one of its many corporate entities has distanced itself from Management of this flotation.

The above statement just does not wash, in this medium's opinion.

Even in the Global Offering Prospectus, at Page 63, under the heading of '**RISK FACTORS**', it is made abundantly clear that Sinopec Group '*will have substantial influence over our business, including decisions regarding significant transactions and corporate actions such as mergers, consolidations and the sale of all or substantially all of our assets, election of directors and dividend policy.*'.

By the way, Sinopec Group is the largest single customer of SINOPEC Engineering.

It is obvious that the people, who drafted this Global Offering Prospectus, did not realise that there are glaring contradictions between the statements, contained at Pages 256 and 257, and the statements, contained at Page 63.

The Global Offering

SINOPEC Engineering is Offering 1,328,000,000, one-renminbi Shares at an Indicative Offer Price Range Per Share of between \$HK9.80 and \$HK13.10.

The investing public of the Hongkong Special Administrative Region (HKSAR) of the PRC is Offered 66.40 million 'H' Shares and International Investors are Offered 1,261,600,000 Shares ... [CLICK TO ORDER FULL ARTICLE](#)

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