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Sinopec Oilfield Service Corporation

(a joint stock limited company established in the People's Republic of China)

(Stock code: 1033)

2017 Third Quarterly Results

This announcement is made by Sinopec Oilfield Service Corporation (**the "Company"**) pursuant to Rule 13.09 (2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the **"Hong Kong Stock Exchange"**) and the relevant regulations issued by the Shanghai Stock Exchange.

The Board of Directors (**the "Board"**) of the Company hereby presents the third quarterly results of the Company and its subsidiaries ended 30 September 2017.

§1. Important Notes

1.1 The Board and the Supervisory Committee of the Company and its directors, supervisors and senior management warrant that there are no false representations, misleading statements or material omissions in this quarterly report and individually and jointly accept full responsibility for the authenticity, accuracy and completeness of the information contained in this quarterly report.

1.2 The Company's third quarterly financial report is prepared in accordance with the PRC Accounting Standards for Business Enterprises and unaudited.

1.3 Mr. Jiao Fangzheng, Chairman, Mr. Sun Qingde, Vice Chairman and General Manager, Mr. Li Tian, Chief Financial Officer and Mr. Song Daoqiang, Director of the Asset and Accounting Department of the Company warranted the authenticity and completeness of the financial statements contained in this quarterly report.

§2. Key financial data and changes in shareholders of the Company

2.1 Key financial data (prepared in accordance with the PRC Accounting Standards for

Business Enterprises and unaudited)

	As at 30 September 2017 RMB'000	As at 31 December 2016 RMB'000	Increase/(decrease) from last year (%)
Total assets	67,912,124	74,493,166	-8.8
Total equity attributable to shareholders of the Company	5,327,499	8,442,868	-36.9
	For the nine months ended 30 September 2017 RMB'000	For the nine months ended 30 September 2016 RMB'000	Increase/(decrease) from corresponding period of last year (%)
Net cash inflow from operating activities("–" for outflow)	-2,376,958	-4,628,084	Not applicable
	For the nine months ended 30 September 2017 RMB'000	For the nine months ended 30 September 2016 RMB'000	Increase/(decrease) from corresponding period of last year (%)
Operating income	30,026,964	27,781,621	8.1
Net profit attributable to equity shareholders of the Company("–" for losses)	-3,306,005	-8,857,992	Not applicable
Net profit deducted extraordinary gain and loss attributable to equity shareholders of the Company("–" for losses)	-3,340,431	-8,987,975	Not applicable
Weighted average return on net assets (%)	-48.69	-44.47	Decrease 4.22 percentage points
Basic earnings per share (in RMB) ("–" for losses)	-0.234	-0.626	Not applicable
Diluted earnings per share (in RMB) ("–" for losses)	-0.234	-0.626	Not applicable

Extraordinary gain and loss items

√ Applicable Not Applicable

Items	Amount during the period from July to September 2017 RMB'000	For the nine months ended 30 September 2017 RMB'000
Disposal of non-current assets	-3,220	-36,194
Government grants recognized in profit or loss during the current period	13,268	88,881
Gains or losses from entrusted loans	0	66
Other non-operating income and expenses excluding the aforesaid items	-9,998	-6,852
Effect of income tax	-8,974	-11,475
Total	-8,924	34,426

2.2 The number of shareholders of the Company at the end of this reporting period and details of the top ten shareholders and the top ten shareholders of shares without selling restrictions

Unit: Share

The total number of shareholders at the end of this reporting period	169,418, of which the number of H shareholders was 352					
Shareholdings of the top ten shareholders						
Names of shareholders	Number of shares held (shares)	Percent age to total share capital (%)	Number of shares with selling restrictions (Share)	Number of pledged or frozen share		Nature of shareholders
				Shares status	Amounts	
China Petroleum & Chemical Corporation	9,224,327,662	65.22	9,224,327,662	None	0	State-owned legal person
Hong Kong Securities Clearing Company (Nominees) Limited (“ HKSCC (Nominees) Limited ”)	2,086,596,496	14.75	0	None	0	Overseas legal person
CITIC Limited	1,035,000,000	7.32	0	None	0	State-owned legal person
Darry Asset Management (Hangzhou) Co., Ltd.	133,333,333	0.94	0	Pledge d	133,333,300	Other
Beijing Harvest Yuanxing Investment Center	124,007,660	0.88	0	None	0	Other

(Limited Partnership)						
Donghai Fund-Industrial Bank-Huaxin Trust-Huizhi Investment No.47 Trust Plan	66,666,666	0.47	0	None	0	Other
Donghai Fund-Industrial Bank-Huaxin Trust-Huizhi Investment No.49 Trust Plan	66,666,666	0.47	0	None	0	Other
Hua'an Fund- Industrial Bank-China Foreign Economy and Trade Trust Co., Ltd	13,333,300	0.09	0	None	0	Other
Caitong Fund-China Everbright Bank-China Galaxy Securities	10,842,727	0.08	0	None	0	Other
China Galaxy Securities Co. Ltd.	8,200,713	0.06	0	None	0	Other
Shareholdings of the top ten shareholders of shares without selling restriction						
Name of shareholders	Number of shares without selling restrictions held at the end of the reporting period (shares)	Type and Amount of shares				
		Type	Amount			
HKSCC (Nominees) Limited	2,086,596,496	H shares	2,086,596,496			
CITIC Limited	1,035,000,000	A shares	1,035,000,000			
Darry Asset Management (Hangzhou) Co., Ltd.	133,333,333	A shares	133,333,333			
Beijing Harvest Yuanxing Investment Center (Limited Partnership)	124,007,660	A shares	124,007,660			
Donghai Fund- Industrial Bank-Huaxin Trust-Huizhi Investment No.47 TrustPlan	66,666,666	A shares	66,666,666			
Donghai Fund- Industrial Bank-Huaxin Trust-Huizhi Investment No.49 Trust Plan	66,666,666	A shares	66,666,666			
Hua' an Fund- Industrial Bank-China Foreign Economy and Trade Trust Co., Ltd	13,333,300	A shares	13,333,300			
Caitong Fund-China Everbright Bank-China Galaxy Securities	10,842,727	A shares	10,842,727			
China Galaxy Securities Co. Ltd.	8,200,713	A shares	8,200,713			
Ding Yi	6,528,100	A shares	6,528,100			
Statement on the connected relationship or activities in concert	Donghai Fund- Industrial Bank-Huaxin Trust-Huizhi Investment No.47 Trust Plan and Donghai Fund- Industrial Bank-Huaxin					

among the above-mentioned shareholders	Trust-Huizhi Investment No.49 Trust Plan belong to Donghai Fund Management Co. Ltd. Other than the above, the Company is not aware that there is any connected relationship or activities in concert among the above-mentioned shareholders.
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§3. Significant Events

3.1 Significant changes of key accounting items and financial indicators and the reasons for the changes (figures extracted from the financial statements prepared in accordance with the PRC Accounting Standards for Business Enterprises) (unaudited)

√Applicable □Not applicable

Item	As at 30 September 2017 RMB '000	As at 31 December 2016 RMB '000	Change (%)	Reason for change
Accounts receivable	16,145,605	23,907,534	-32.5	Speed-up in collection of the amounts due from customers
Prepayments	520,773	352,972	47.5	Increase in engineering products preparation
Inventory	13,230,693	9,318,377	42.0	Increase in workload and lag in customer settlement
Other current assets	782,988	416,676	87.9	Increase in excess VAT paid
Disposal of fixed assets	4,517	2,066	118.6	Part of scrapped and transferred fixed asset has not yet been disposed of
Employee benefits payable	292,195	171,657	70.2	Increase in housing funds and union membership dues
Taxes payable	597,247	1,050,339	-43.1	Payment of taxes outstanding at prior year end
Interest payables	790	73,627	-98.9	Increase in the payment of interest at current period end
Other current liabilities	67,682	15,267	343.3	Increase in output VAT that is to be carried forward
Deferred income	173,386	112,171	54.6	Increase in government grants
Special reserves	357,656	176,068	103.1	Increase in provision of production fund safety
Equity attributable to shareholders of the Company	5,327,499	8,442,868	-36.9	Operating losses from January to September 2017

Item	For the nine months ended 30 September		Change (%)	Reason for change
	2017 RMB '000	2016 RMB'000		
Impairment losses on assets	284,193	157,755	80.1	Increase in provision for bad debts according to group of aging method
Investment income	-12,878	14,134	-191.1	Decrease in profits of joint-ventures
Non-operating income	122,047	189,527	-35.6	Adjustments in the presentation of government subsidies
Non-operating expense	76,212	40,475	88.3	Increase in loss on disposal of non-current assets
Loss on disposal of non-current assets	43,037	10,196	322.1	Increase in loss on disposal of non-current assets
Income tax expenses	264,715	183,310	44.4	Increase in profits of overseas subsidiaries
Net cash inflow from operating activities ("-" for outflow)	-2,376,958	-4,628,084	Not applicable	Speed-up accounts receivable collecting and decrease in operating loss from January to September 2017
Net cash inflow from investing activities ("-" for outflow)	-536,805	-397,028	Not applicable	Increase in capital expenditure
Net cash inflow from financing activities	2,555,684	5,098,859	-49.9	Cash received from borrowings decreased by RMB 8,359,316,000 and cash repayment from borrowings decreased by RMB 5,900,343,000

3.2 The progress of significant events and their impacts as well as the analysis and explanations for the solutions

Applicable Not applicable

The Company held the 21st meeting of the 8th session of the Board on 20 September 2017 and reviewed and approved the resolutions such as Proposal on Non-public Issuance of A shares and Non-public Issuance of H Shares. The relevant details were disclosed on China Securities, Shanghai Securities News, Securities Times and the website of Shanghai Stock Exchange and the Hong Kong Stock Exchange.

3.3 Non-performance of undertakings during the reporting period

Applicable Not applicable

3.4 Warnings on potential fluctuation from the net profit to the loss for the period from the beginning of the year to the end of next reporting period or significant changes as compared with the same period of the preceding year

Applicable Not applicable

By order of the Board
Jiao Fangzheng
Chairman

30 October 2017, Beijing

As at the date of this announcement, the Board of Directors comprises Mr. Jiao Fangzheng+, Mr. Sun Qingde#, , Mr. Zhou Shiliang#, Mr. Li Lianwu+, Ms. Jiang Bo Mr. Zhang Huaqiao* and Mr. Pan Ying**

“ + ” Non-Executive Director

“ # ” Executive Director

*“ * ” Independent Non-Executive Director*

§ 4 Appendix

Consolidated Balance Sheet
As at 30 September 2017

Sinopec Oilfield Service Corporation

(Expressed in thousands of renminbi yuan and unaudited)

item	At the end of this reporting period	At the end of the last reporting year
Current assets:		
Cash at bank and on hand	2,022,768	2,449,935
Bills receivable	608,161	851,624
Accounts receivable	16,145,605	23,907,534
Prepayments	520,773	352,972
Dividend receivable	23	23
Other receivables	3,304,204	2,822,409
Inventories	13,230,693	9,318,377
Non-current assets due within one year	908,080	1,011,028
Other current assets	782,988	416,676
Total current assets	37,523,295	41,130,578
Non-current assets:		
Available-for-sale financial assets	24,389	24,389
Long-term equity investments	208,084	221,329
Fixed assets	26,434,716	28,807,257
Construction in progress	1,109,824	866,846
Disposal of fixed assets	4,517	2,066
Intangible assets	166,118	185,325
Research and development expenditure	3,790	0
Long-term deferred expenses	2,251,410	3,071,828
Deferred tax assets	185,981	183,548
Total non-current assets	30,388,829	33,362,588
Total assets	67,912,124	74,493,166
Current liabilities:		
Short-term loans	19,688,754	17,033,731
Bills payable	1,925,412	2,013,497

Accounts payable	24,666,533	28,296,730
Advances from customers	8,020,140	10,673,978
Employee benefits payable	292,195	171,657
Taxes payable	597,247	1,050,339
Interest payable	790	73,627
Other payables	6,021,440	5,541,678
Non-current liabilities due within one year	262,904	220,908
Other current liability	67,682	15,267
Total current liabilities	61,543,097	65,091,412
Non-current liabilities:		
Long-term loans	803,065	763,070
Long-term payable	40,091	57,641
Deferred income	173,386	112,171
Deferred tax liabilities	26,262	27,280
Total non-current liabilities	1,042,804	960,162
Total liabilities	62,585,901	66,051,574
Shareholders' equity:		
Share capital	14,142,661	14,142,661
Capital reserve	8,906,280	8,897,232
Specific reserve	357,656	176,068
Surplus reserve	200,383	200,383
Retained earnings	-18,279,481	-14,973,476
Equity attributable to shareholders of the Company	5,327,499	8,442,868
Minority interests	-1,276	-1,276
Total shareholders' equity	5,326,223	8,441,592
Total liabilities and shareholders' equity	67,912,124	74,493,166

Legal Representative: Mr. Jiao Fangzheng

General Manager: Mr. Sun Qingde

Chief Financial Officer: Mr. Li Tian

Director of Asset and Accounting Department: Mr. Song Daoqiang

Balance Sheet
As at 30 September 2017

Sinopec Oilfield Service Corporation

(Expressed in thousands of renminbi yuan and unaudited)

item	At the end of this reporting period	At the end of the last reporting year
Current assets:		
Cash at bank and on hand	242,148	382,997
Other receivables	5,321,380	5,179,627
Total current assets	5,563,528	5,562,624
Non-current assets:		
Long-term equity investments	20,215,327	20,215,327
Total non-current assets	20,215,327	20,215,327
Total assets	25,778,855	25,777,951
Current liabilities:		
Taxes payable	279	189
Other payables	1,131,403	1,119,802
Total current liabilities	1,131,682	1,119,991
Non-current liabilities:		
Total non-current liabilities	0	0
Total liabilities	1,131,682	1,119,991
Shareholders' equity:		
Share capital	14,142,661	14,142,661
Capital reserve	11,763,382	11,754,334
Surplus reserve	200,383	200,383
Retained earnings	-1,459,253	-1,439,418
Total shareholders' equity	24,647,173	24,657,960
Total liabilities and shareholders' equity	25,778,855	25,777,951

Legal Representative: Mr. Jiao Fangzheng

General Manager: Mr. Sun Qingde

Chief Financial Officer: Mr. Li Tian

Director of Asset and Accounting Department: Mr. Song Daoqiang

Consolidated Income Statement
For the nine months ended 30 September 2017

Sinopec Oilfield Service Corporation

(Expressed in thousands of renminbi yuan and unaudited)

Item	For the three months ended 30 September 2017 (July to September)	For the three months ended 30 September 2016 (July to September)	For the nine months ended 30 September 2017	For the nine months ended 30 September 2016
1. Total Operating Income	10,184,646	9,091,758	30,026,964	27,781,621
Including: Operating Income	10,184,646	9,091,758	30,026,964	27,781,621
2. Total Operating Costs	11,168,802	13,483,525	33,247,320	36,619,489
Including: Operating Costs	10,075,030	12,357,382	29,943,394	33,426,745
Business taxes and surcharges	68,931	43,688	240,478	244,847
Selling and distribution expenses	12,861	13,341	34,231	38,138
General and administrative expenses	826,702	854,252	2,311,763	2,416,671
Net financial expenses	185,278	125,237	433,261	335,333
Asset impairment losses	0	89,625	284,193	157,755
Add: Gains from changes in fair value (“-” for losses)				
Investment income (“-” for losses)	0	7,455	-12,878	14,134
Including: Investment income from associated enterprise and joint ventures	0	0	-12,945	-9,370
Other income	13,269	0	146,109	0
3. Operating profit (“-” for losses)	-970,887	-4,384,312	-3,087,125	-8,823,734
Add: Non-operating income	28,361	119,791	122,047	189,527
Including: Income from disposal of non-current assets	1,857	921	6,843	7,005
Less: Non-operating expenses	12,778	13,867	76,212	40,475
Including: Losses from disposal of non-current assets	5,077	4,517	43,037	10,196
4. Total profit (“-” for losses)	-955,304	-4,278,388	-3,041,290	-8,674,682
Less: Income tax expenses	65,345	70,100	264,715	183,310
5. Net profit (“-” for losses)	-1,020,649	-4,348,488	-3,306,005	-8,857,992
Attributable to shareholders of the Company	-1,020,681	-4,348,571	-3,306,005	-8,857,992

Minority interests	32	83	0	0
6. Other comprehensive net income after tax	0	0	0	0
7. Total comprehensive income	-1,020,649	-4,348,488	-3,306,005	-8,857,992
Attributable to shareholders of the Company	-1,020,649	-4,348,488	-3,306,005	-8,857,992
Attributable to minority shareholders of the Company	0	0	0	0
8. Earnings per share:				
(1) Basic earnings per share (in RMB)	-0.072	-0.306	-0.234	-0.626
(2) Diluted earnings per share (in RMB)	-0.072	-0.306	-0.234	-0.626

Profit from combined party before business combination under common control was zero during the current period. Profit from combined party before business combination under common control was zero during the prior period.

Legal Representative: Mr. Jiao Fangzheng General Manager: Mr. Sun Qingde
Chief Financial Officer: Mr. Li Tian Director of Asset and Accounting Department: Mr. Song Daoqiang

Income Statement
For the nine months ended 30 September 2017

Sinopec Oilfield Service Corporation

(Expressed in thousands of renminbi yuan and unaudited)

Item	For the three months ended 30 September 2017 (July to September)	For the three months ended 30 September 2016 (July to September)	For the nine months ended 30 September 2017	For the nine months ended 30 September 2016
1. Operating Income	0	0	0	0
Less: Operating Costs	0	0	0	0
Business taxes and surcharges		0		34
Selling and distribution expenses				
General and administrative expenses	1,141	13,799	23,640	16,549
Net financial expenses	-770	-1,243	-3,805	-3,555
Asset impairment losses				
Add: Gains from changes in fair value (“-” for losses)				
Investment income (“-”				

for losses)				
Including: Investment income from associated enterprise and joint ventures				
2. Operating profit (“-” for losses)	-371	-12,556	-19,835	-13,028
Add: Non-operating income				
Including: Income from disposal of non-current assets				
Less: Non-operating expenses				
Including: Losses from disposal of non-current assets				
3. Total profit (“-” for losses)	-371	-12,556	-19,835	-13,028
Less: Income tax expenses				
4. Net profit (“-” for losses)	-371	-12,556	-19,835	-13,028
5. Other comprehensive net income after tax	0	0	0	0
6. Total comprehensive income for the period	-371	-12,556	-19,835	-13,028
7. Earnings per share:				
(1) Basic earnings per share (in RMB)				
(2) Diluted earnings per share (in RMB)				

Legal Representative: Mr. Jiao Fangzheng

General Manager: Mr. Sun Qingde

Chief Financial Officer: Mr. Li Tian

Director of Asset and Accounting Department: Mr. Song Daoqiang

Consolidated Cash flow statement
For the nine months ended 30 September 2017

Sinopec Oilfield Service Corporation

(Expressed in thousands of renminbi yuan and unaudited)

Item	For the nine months ended 30 September 2017	For the nine months ended 30 September 2016
1. Cash flows from operating activities:		
Cash received from sale of goods and rendering of services	23,494,806	25,916,941
Refund of taxes	56,587	117,483
Cash received relating to other operating activities	8,537,339	9,400,556
Sub-total of cash inflows	32,088,732	35,434,980
Cash paid for goods and services	19,210,646	21,050,327
Cash paid to and for employees	7,579,179	8,139,361

Cash paid for all types of taxes	1,337,759	2,654,432
Cash paid relating to other operating activities	6,338,106	8,218,944
Sub-total of cash outflows	34,465,690	40,063,064
Net cash inflow from operating activities (outflow listed with “-”)	-2,376,958	-4,628,084
2. Cash flows from investing activities:		
Cash received from investment	0	101,000
Cash received from investment income	367	500
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	2,614	2,689
Cash received relating to other investing activities	320	23,084
Sub-total of cash inflows	3,301	127,273
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	540,063	304,118
Cash paid for investments	0	2,000
Cash paid relating to other investing activities	43	218,183
Sub-total of cash outflows	540,106	524,301
Net cash inflow from investing activities (outflow listed with “-”)	-536,805	-397,028
3. Cash flows from financing activities:		
Cash received from the acquisition of investments	0	0
Cash received from borrowings	33,037,761	41,397,077
Cash received relating to other financing activities	0	143,000
Sub-total of cash inflows	33,037,761	41,540,077
Cash repayments of borrowings	29,929,290	35,829,633
Cash paid for dividends or interest	533,587	302,770
Cash paid relating to other financing activities	19,200	308,815
Sub-total of cash outflows	30,482,077	36,441,218
Net cash inflow from financing activities	2,555,684	5,098,859
4. Effect of exchange rate changes on cash and cash equivalents	-69,088	49,960
5. Net increase in cash and cash equivalents	-427,167	123,707
Add: Cash and cash equivalents at the beginning of the period	2,446,923	2,011,590
6. Cash and cash equivalents at the end of	2,019,756	2,135,297

the period		
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Legal Representative: Mr. Jiao Fangzheng

General Manager: Mr. Sun Qingde

Chief Financial Officer: Mr. Li Tian

Director of Asset and Accounting Department: Mr. Song Daoqiang

Cash flow statement
For the nine months ended 30 September 2017

Sinopec Oilfield Service Corporation

(Expressed in thousands of renminbi yuan and unaudited)

Item	For the nine months ended 30 September 2017	For the nine months ended 30 September 2016
1. Cash flows from operating activities:		
Cash received from sale of goods and rendering of services		
Refund of taxes		
Cash received relating to other operating activities	4,008	409,835
Sub-total of cash inflows	4,008	409,835
Cash paid for goods and services		
Cash paid to and for employees		
Cash paid for all types of taxes	0	34
Cash paid relating to other operating activities	144,857	141,499
Sub-total of cash outflows	144,857	141,533
Net cash inflow from operating activities (outflow listed with “-”)	-140,849	268,302
2. Cash flows from investing activities:		
Cash received from disposal of investment		
Cash received from investment income		
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	0	0
Cash received relating to other investing activities		
Sub-total of cash inflows	0	0
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets		
Cash paid for other investment activities	0	215,390
Sub-total of cash outflows	0	215,390
Net cash inflow from investing activities (outflow listed with “-”)	0	-215,390

3. Cash flows from financing activities:		
Cash received from the acquisition of investments	0	0
Cash received from borrowings		
Cash received relating to other financing activities		
Sub-total of cash inflows	0	0
Cash repayments of borrowings		
Cash paid for dividends or interest		
Sub-total of cash outflows		
Net cash inflow from financing activities	0	0
4. Effect of exchange rate changes on cash and cash equivalents		
5. Net increase in cash and cash equivalents	-140,849	52,912
Add: Cash and cash equivalents at the beginning of the period	382,997	419,118
6. Cash and cash equivalents at the end of the period	242,148	472,030

Legal Representative: Mr. Jiao Fangzheng
Chief Financial Officer: Mr. Li Tian

General Manager: Mr. Sun Qingde
Director of Asset and Accounting Department: Mr. Song Daoqiang