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Sinopec Oilfield Service Corporation

(a joint stock limited company established in the People's Republic of China)
(Stock code: 1033)

ANNOUNCEMENT ON CANCELLATION OF THE DELISTING RISK WARNING ON THE A SHARES OF THE COMPANY

The board of directors of the Company and all its directors guarantee that, this announcement does not contain any false information, misleading statement or material omission, and severally and jointly accept responsibility for the authenticity, accuracy and completeness of the contents of this announcement.

Important notice:

- The commencement date of the cancellation of delisting risk warning: 2 April 2019.
- Trading in A shares of the Company will be suspended for one day on 1 April 2019. Trading in H shares of the Company shall remain normal.
- Stock short name after the cancellation of the delisting risk warning of A shares: changed from "*ST Youfu" to "SINOPEC SSC"; A shares stock code: 600871 remain unchanged; limitation on daily stock price variation of A shares: changed from 5% to 10%.

I. Shares classification, stock short name, stock code and the commencement date of the cancellation of delisting risk warning

(1) Shares classification and stock short name

The stock short name of A shares of Sinopec Oilfield Service Corporation (the "Company") will be changed from "*ST Youfu" to "SINOPEC SSC";

(2) Stock code remains as "600871";

(3) The commencement date of the cancellation of delisting risk warning: 2 April 2019.

II. The application of cancellation of delisting risk warning

(1) The Company's A shares are subject to delisting risk warning

Since the net profit attributable to the shareholders of the Company in the years 2016 and 2017 recorded negative values for two consecutive years, and the net assets as at the end of 2017 were negative, pursuant to the relevant requirements under Rule 13.2.1(1) and (2) of the Listing Rules of Shanghai Stock Exchange, the Company's A shares were imposed a

delisting risk warning from 29 March 2018. Stock short name of the Company has been changed from “SINOPEC SSC” to “*ST Youfu”.

(2) The audited financial report of the Company for the year 2018

Grant Thornton (Special General Partnership) has audited the financial statements of the Company for the year 2018 and issued a standard unqualified audit report (for details, please refer to the relevant announcement dated 26 March 2019 published on the websites of the Shanghai Stock Exchange (www.sse.com.cn) and HKExnews of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk)). As of 31 December 2018, in accordance with the PRC Accounting Standards for Business Enterprises, the Company recorded net assets attributable to the shareholders of listed company of RMB5,778,410,000, operating income of RMB58,409,078,000, net profits attributable to the shareholders of listed company of RMB142,056,000 and net profit deducted extraordinary gain and loss attributable to the shareholders of listed company of RMB37,951,000.

(3) Application for cancellation of delisting risk warning by the Company

a. Conditions satisfied for cancellation of delisting risk warning on the A shares of the Company

After self-inspection by the Company, the Company satisfied the conditions for cancellation of delisting risk warning on the A shares, and did not trigger other conditions subject to delisting risk warning. The Company has turned losses into gains for the year 2018, with positive net assets, and the operating income has exceeded RMB10 million. And the type of audit report is standard unqualified audit report. Pursuant to the requirements under Rule 13.2.14 of the Listing Rules of Shanghai Stock Exchange and the operating conditions of the Company for the year 2018, the Company satisfied the conditions for cancellation of delisting risk warning on the A shares of the Company.

b. The Company did not trigger other conditions subject to delisting risk warning

Currently, the Company's main business presents a positive development trend, production and operation activities are conducted in normal course. The Company has the ability of sustainable operation. The production and operation activities are not materially affected. As at 31 December 2018, the Company recorded operation income of RMB58,409,078,000, representing a year-on-year increase of 20.2%; the total amount of the newly signed contracts totalled RMB62.77 billion, representing a year-on-year increase of 18.0%; the completed contract amount was RMB58.42 billion, representing a year-on-year increase of 29.2%. The Company checked other relevant conditions subject to delisting risk warning set out in the Listing Rules of Shanghai Stock Exchange. Upon check, the Company did not trigger other relevant conditions subject to delisting risk warning.

In view of the above reasons, the Resolution of Application for Cancellation of the Delisting Risk Warning on the A shares of the Company to the Shanghai Stock Exchange was considered and approved at the eleventh meeting of the ninth session of the board of directors of the Company (the "Board") convened on 25 March 2019, and the Company applied to the Shanghai Stock Exchange for cancellation of the delisting risk warning imposed on the Company's A shares. For details, please refer to the Announcement on Application for the Cancellation of the Delisting Risk Warning on the A Shares of the Company (Lin2019-010), disclosed by the Company on the website of the Shanghai Stock

Exchange (www.sse.com.cn) and in China Securities Journal, Shanghai Securities News and Securities Times on 26 March 2019.

On 29 March 2019, Shanghai Stock Exchange approved the application for the cancellation of the delisting risk warning on the A shares of the Company.

III. Highlights of issues concerning cancellation of delisting risk warning

Pursuant to the requirements under Rule 13.2.21 of Listing Rules of Shanghai Stock Exchange, the trading in the Company's A shares will be suspended for one day on 1 April 2019, trading in the Company's H shares shall remain normal. After the cancellation of delisting risk warning with effect from 2 April 2019, the A shares of the Company will not be traded on the Risk Alert Board. Limitation on daily stock price variation of the Company's A shares will be changed from 5% to 10%.

IV. Other risk warnings or events need to be brought to investors' special attention

The Company has turned losses into gains for the year 2018, but may still confront with risks arising from the changes of macroeconomic situations, products and markets. Investors are advised to pay attention to the investment risks.

The Company's designated media for information disclosure are the website of the Shanghai Stock Exchange (www.sse.com.cn), China Securities Journal, Shanghai Securities News, Securities Times and the website of HKExnews of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk).

By Order of the Board

Li Honghai

Company Secretary

29 March 2019, Beijing

As at the date of this announcement, the Board of Directors comprises Mr. Liu Zhongyun+, Mr. Sun Qingde#, Mr. Chen Xikun#, Mr. Lu Baoping+, Mr. Fan Zhonghai+, Mr. Wei Ran+, Ms. Jiang Bo, Mr. Pan Ying*, Mr. Chen Weidong* and Mr. Dong Xiucheng*.*

+ Non-Executive Director

Executive Director

** Independent Non-Executive Director*