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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 APPROVAL OF JUDICIAL REORGANIZATION PLAN

OF AN INDIRECTLY WHOLLY-OWNED OVERSEAS SUBSIDIARY

BY OVERSEAS COURT

This announcement is made pursuant to Part XIVA of the Securities and Future Ordinance and Rules 13.09(2)(a) and 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Reference is made to the Overseas Regulatory Announcement - Announcement regarding the Proposed Judicial Reorganization by an Indirectly Wholly-owned Overseas Subsidiary dated 3 September 2018 (the “**Announcement**”) made by Sinopec Oilfield Service Corporation (the “**Company**”) in relation to the approval from the Third State Court of Commercial Enterprises in Rio de Janeiro, Brazil (the “**Court of Rio**”) on the judicial reorganization procedures commenced by Sinopec (Brazil) Co., Ltd., an overseas wholly-owned subsidiary of the Company (the “**Brazil Subsidiary**”) according to the laws of Brazil. Unless stated otherwise, the capitalized terms used herein shall have the same meaning as defined in the Announcement.

I. Approval on the Judicial Reorganization Plan

The Brazil Subsidiary applied to the Court of Rio for judicial reorganization under the relevant laws of Brazil on 16 August 2018. On 15 July 2019 (Brazil time) (the “**Approval Date**”), the Brazil Subsidiary received a ruling from the Court of Rio on the

approval of the judicial reorganization plan of the Brazil Subsidiary (the “**Judicial Reorganization Plan**”) pursuant to the relevant laws of Brazil.

II. Principal Terms of the Judicial Organization Plan

Pursuant to the Judicial Reorganization Plan, different debt repayment and reorganization plans were adopted for (i) labor creditor; (ii) non-secured creditors; and (iii) microenterprise and small business creditors against the Brazil Subsidiary as debtor.

- 1、 All labor creditors will be paid a one-off payment of R\$50,000.00 (note: the exchange rate of R\$1= RMB1.8269 as at 18 July 2019) within 30 calendar days from the Approval Date. The remaining balance due to the labor creditors (if any) will be paid up to R\$100,000.00 within one year from the Approval Date. If such remaining balance due to the labor creditors exceeds R\$100,000.00, the excess shall be paid under option (1) for non-secured creditors stated in paragraph 2 below.
- 2、 Non-secured debt in a value less than or equal to R\$60,000.00 will be paid in full within 30 calendar days from the Approval Date. Non-secured creditors with a debt value exceeding R\$60,000.00 may choose one of the payment options set forth below within 20 calendar days from the Approval Date and shall notify the Brazil Subsidiary of its choice:
 - (1) If the project consortium, formed by the Brazil Subsidiary and GALVAO Company in 2015 (the “**Consortium**”), gets a favorable decision in the litigation filed against Petrobras (the “**Project Litigation**”), the Brazil Subsidiary will utilize the compensation received from the Project Litigation for payment of no less than 30% of the then value of the balance due to such creditors (as adjusted by the interest rate stipulated by the interbank deposit certificate (the “**CDI Price Adjustment Index**”). If the compensation received from the Project Litigation is less than 30% of such balance due to the creditors, the Brazil Subsidiary will complement the shortfall of the payment up to 30% of such balance. If no decision is rendered in the Project Litigation within 10 years from the Approval Date, such creditors will receive the payment of no less than 30% of the then value of the balance due to them (as adjusted by the CDI price adjustment index) or choose to continue to wait for the decision of the Project Litigation.
 - (2) Payment of 40% of the present value of the balance due to such non-secured creditors within 30 calendar days from the Approval Date. In the event that the

Consortium gets a favorable decision in the Project Litigation, the Brazil Subsidiary will utilize the compensation received from the Project Litigation for payment of the then value of the remaining 60% of such balance (as adjusted by the consumer price index published by Brazilian regulatory department (the “**IPCA Price Adjustment Index**”)) on a pro-rata basis.

(3) Payment of 41% of the present value of the balance due to such creditors within 60 calendar days from the Approval Date, and the creditors give full discharge to the remaining claims.

3、 Microenterprise and small business debt in a value less than or equal to R\$20,000.00 will be paid in full within 30 calendar days from the Approval Date. Microenterprise and small business creditors with a debt value exceeding R\$20,000.00 may choose one of the payment options set forth below within 20 calendar days from the Approval Date and shall notify the Brazil Subsidiary of its choice:

(1) In the event that the Consortium gets a favorable decision in the Project Litigation, the Brazil Subsidiary will utilize the compensation received from the Project Litigation for payment of no less than 30% of the then value of the balance due to such creditors (as adjusted by the CDI Price Adjustment Index). If the compensation received from the Project Litigation is less than 30% of such balance due to the creditors, the Brazil Subsidiary will complement the shortfall of the payment up to 30% of such balance. If no decision is rendered in the Project Litigation within 10 years from the Approval Date, such creditors will receive the payment of no less than 30% of the then value of the balance due to such creditors (as adjusted by the CDI Price Adjustment Index) or choose to continue to wait for the decision of the Project Litigation.

(2) Payment of 40% of the present value of the balance due to such creditors within 30 calendar days from the Approval Date. In the event that the Consortium gets a favorable decision in the Project Litigation, the Brazil Subsidiary will utilize the compensation received from the Project Litigation for payment of the then value of the remaining 60% of such balance (as adjusted by the IPCA Price Adjustment Index) on a pro-rata basis.

(3) Payment of 41% of the present value of the balance due to such credit within 60 calendar days from the Approval Date, and the creditors give full discharge to the remaining claims.

For all the debt against the Consortium as debtor (the "**Consortium Debt**"), the Brazil Subsidiary is responsible for 35% of the payment obligation of the Consortium Debt based on its 35% equity interest in the Consortium.

The Project Litigation, the Counterclaim and the Lawsuits from Three Suppliers under progress involving the Brazil Subsidiary may continue to proceed, whereas relevant trial results shall be transferred to the Court of Rio for execution pursuant to the Judicial Reorganization Plan. The Lawsuits from Three Suppliers involving the Brazil Subsidiary which are in the process of execution will be terminated due to the implementation of the Judicial Reorganization Plan. If the Brazil Subsidiary reaches a settlement with Petrobras in the Project Litigation, and the amount obtained from the settlement is less than R\$ 200,000,000.00, the Brazil Subsidiary will complement up to R\$ 200,000,000.00 for payment of the non-secured debt and microenterprise and small business debt. Please refer to the Announcement for details of the Project Litigation, the Counterclaim and the Lawsuits from Three Suppliers,

The Brazil Subsidiary shall perform its obligations under the Judicial Reorganization Plan within 2 years from the Approval Date. If the Brazil Subsidiary performs its obligations under the Judicial Reorganization Plan within 2 years from the date of approval of the Judicial Reorganization Plan, the Brazil Subsidiary may apply for closing the judicial reorganization procedure. If it fails to perform its obligations under the Judicial Reorganization Plan within 2 years from the Approval Date, the creditors of the Brazil Subsidiary may apply for bankruptcy and liquidation procedure of the Brazil Subsidiary, whereas the final decision shall be rendered by the court.

III. Impact of Implementing Judicial Reorganization Plan on the Company

The initial estimated cost relating to the Judicial Reorganization Plan is approximately RMB 370 million. Such estimated expenditure has been included in the Company's 2018 annual accounts and is not expected to have a significant impact on the profit and loss of the Company in future. If the actual expenditure exceeds the accrued amount or is less than the accrued amount, the difference will be included in the future profit and loss. The Company has instructed the Brazil Subsidiary to actively communicate and negotiate with relevant creditors in accordance with the Judicial Reorganization Plan, and to promote the judicial reorganization in a prudent and appropriate manner.

IV. Risk Warning

According to relevant laws of Brazil, if the Brazil Subsidiary fails to perform its obligations under the Judicial Reorganization Plan within 2 years from the Approval Date, the creditors of the Brazil Subsidiary may apply for bankruptcy and liquidation procedure of the Brazil Subsidiary. The Company shall promptly fulfill its information disclosure obligation based on the Brazil Subsidiary's subsequent process of the legal reorganization procedure. Investors are advised to be aware of the risks.

For and on behalf of the Board of Directors

Li Honghai

Company Secretary

Beijing, 18 July 2019

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

+ Non-Executive Director

Executive Director

** Independent Non-Executive Director*