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Sinopec Oilfield Service Corporation

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

**PROPOSED AMENDMENTS TO ARTICLES OF ASSOCIATION
AND ITS RELEVANT APPENDICES**

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.

As amendments were made to the Company Law of the People's Republic of China, Guidelines on the Bylaws of Listed Companies and relevant laws and regulations, to further improve corporate governance, and taking into account its actual situation, Sinopec Oilfield Service Corporation (the "**Company**") proposes to make amendments to relevant contents of the articles of association of Sinopec Oilfield Service Corporation (the "**Articles of Association**") and its appendices, including the rules of procedure for the shareholders' meeting of Sinopec Oilfield Service Corporation (the "**Rules of Procedure for the Shareholders' Meeting**") and the rules of procedures for the board of directors of Sinopec Oilfield Service Corporation (the "**Rules of Procedure for the Board of Directors**").

The 16th meeting of the ninth session of the board of directors of the Company was convened on 19 September 2019 and the resolution in relation to the amendments to the Articles of Association and its relevant appendices was considered and approved. The Company proposes to amend the Articles of Association and its appendices, including the Rules of Procedure for the Shareholders' Meeting and the Rules of Procedure for the Board of Directors as follows:

Proposed amendments to Articles of Association

| No. | Original Article | Revised Article |
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| 1 | Article 31 The Company may, in the following circumstances, repurchase its own issued | Article 31 The Company may, in the following circumstances, repurchase its own issued and outstanding shares |

| No. | Original Article | Revised Article |
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| | <p>and outstanding shares following internal approval in accordance with the procedures provided for in these Articles of Association and approval by the relevant State authorities:</p> <p>(1) cancelling shares in order to reduce its capital;</p> <p>(2) merging with another company holding shares in the Company;</p> <p>(3) granting shares to the employees of the Company as rewards;</p> <p>(4) at the request of any shareholder who objects to any resolution made at the shareholders' meeting on the merger or division of the Company;</p> <p>(5) other circumstances permitted by the laws and administrative regulations or approved by the relevant State authorities.</p> <p>Apart from the foregoing, the Company shall not purchase its own shares.</p> <p>The Company shall deal with any repurchase of its issued and outstanding shares in accordance with Articles 32 to 35.</p> | <p>following internal approval in accordance with the procedures provided for in these Articles of Association and approval by the relevant State authorities:</p> <p>(1) cancelling shares in order to reduce its capital;</p> <p>(2) merging with another company holding shares in the Company;</p> <p>(3) <u>using the shares to set up the share option scheme for employees or as equity incentives;</u></p> <p>(4) at the request of any shareholder who objects to any resolution made at the shareholders' meeting on the merger or division of the Company;</p> <p><u>(5) for the purpose of converting the corporate bonds issued by the listed company which are convertible into the shares of the Company;</u></p> <p><u>(6) for the purpose of maintaining the corporate value and safeguarding the shareholders' interests of the listed company.</u></p> <p>(7) other circumstances permitted by the laws and administrative regulations or approved by the relevant State authorities.</p> <p>Apart from the foregoing, the Company shall not purchase its own shares.</p> <p>The Company shall deal with any repurchase of its issued and outstanding shares in accordance with Articles 32 to 35.</p> |
| 2 | <p>Article 32</p> <p>After the Company is approved by the relevant State authorities to repurchase its own shares, it may proceed in any of the following manners:</p> <p>(1) offering to buy a same proportion of shares from all of its shareholders;</p> <p>(2) repurchasing through open transactions on a securities exchange;</p> <p>(3) repurchasing by an agreement outside a securities exchange;</p> | <p>Article 32</p> <p>After the Company is approved by the relevant State authorities to repurchase its own shares, it may proceed in any of the following manners:</p> <p>(1) offering to buy a same proportion of shares from all of its shareholders;</p> <p>(2) repurchasing through open transactions on a securities exchange;</p> <p>(3) repurchasing by an agreement outside a securities exchange;</p> <p>(4) by any other means provided by laws and</p> |

| No. | Original Article | Revised Article |
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| | (4) by any other means provided by laws and administrative regulations and approved by competent securities regulatory authorities under the State Council. | administrative regulations and approved by competent securities regulatory authorities under the State Council. <u>For repurchase of the shares of the Company as provided in the above Item (3), (5) and (6) of Article 31, it shall be conducted through open centralized trading.</u> |
| 3 | <p>Article 34 If the Company repurchases shares of the Company due to reasons provided in Articles 31 (1) to (3) of these Articles of Association, such purchase shall be approved by resolutions at the shareholders' meetings.</p> <p>Where shares of the Company are repurchased in the circumstance described in item (1) of Article 31 of these Articles of Association, the shares purchased shall be canceled within 10 days of the date of purchase; where shares of the Company are repurchased in the circumstances described in item (2) or (4) of Article 31, the shares purchased shall be transferred or canceled within six months.</p> <p>Shares repurchased in line with Item (3) of Article 31 shall not exceed 5% of the total number of issued shares of the Company; the capital used for its repurchase shall come from the after-tax profit of the Company; the repurchased shares shall be transferred to the staff of the Company within 1 year.</p> <p>In the event of shares cancellation, the Company shall apply to the original companies registry authority for registration of the change in its registered capital.</p> <p>The aggregate par value of the cancelled shares shall be deducted from the Company's registered capital.</p> | <p>Article 34 If the Company repurchases shares of the Company due to reasons provided in Articles 31 (1) to <u>(2)</u> of these Articles of Association, such purchase shall be approved by resolutions at the shareholders' meetings; <u>for repurchase of the shares of the Company as provided in the above items (3), (5) and (6) of Article 31, it shall be approved by resolutions of the meeting of the board of directors attended by more than two thirds of the directors in accordance with the authorization of the shareholders' meeting.</u></p> <p>Where shares of the Company are repurchased in the circumstance described in item (1) of Article 31 of these Articles of Association, the shares purchased shall be canceled within 10 days of the date of purchase; where shares of the Company are repurchased in the circumstances described in item (2) or (4) of Article 31, the shares purchased shall be transferred or canceled within six months; <u>for the circumstances provided in the above items (3), (5) and (6) of Article 31, the total number of shares held by the Company shall not exceed 10% of the total issued shares of the Company and shall be transferred or cancelled within 3 years.</u></p> <p>In the event of shares cancellation, the Company shall apply to the original companies registry authority for registration of the change in its registered capital.</p> <p>The aggregate par value of the cancelled shares shall be deducted from the Company's registered capital.</p> |
| 4 | <p>Article 61 The shareholders' meeting exercises the following functions and powers:</p> <p>(1) to decide on the business policies and investment plans of the Company;</p> | <p>Article 61 The shareholders' meeting exercises the following functions and powers:</p> <p>(1) to decide on the business policies and investment plans of the Company;</p> |

| No. | Original Article | Revised Article |
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| | <p>(2) to elect and replace directors and decide on the remuneration of directors;</p> <p>(3) to elect and replace the supervisors not served by representatives of the employees of the Company and to decide on the remuneration of supervisors;</p> <p>(4) to examine and approve the report of the board of directors;</p> <p>(5) to examine and approve the report of the supervisory board;</p> <p>(6) to examine and approve the Company's annual financial budgets and final account proposals (including the balance sheets, profit statements and other financial statements);</p> <p>(7) to examine and approve the Company's plans for profit distribution and making up losses;</p> <p>(8) to pass resolutions on the increase or reduction of the Company's registered capital, the issue of any kind of shares, warrants and other similar securities;</p> <p>(9) to pass resolutions on matters such as the merger, division, dissolution and liquidation of the Company or change of the corporate form of the Company;</p> <p>(10) to pass resolutions on the issuance of corporate bonds by the Company;</p> <p>(11) to pass resolutions on any engagement, dismissal or non-renewal of engagement of an accounting firm;</p> <p>(12) to amend these Articles of Association and its appendices, including the <i>Rules of Procedures for the Shareholders' meeting</i>, the <i>Rules of Procedures for the Board of Directors</i> and the <i>Rules of Procedures for the Supervisory Board</i>;</p> | <p>(2) to elect and replace directors and decide on the remuneration of directors;</p> <p>(3) to elect and replace the supervisors not served by representatives of the employees of the Company and to decide on the remuneration of supervisors;</p> <p>(4) to examine and approve the report of the board of directors;</p> <p>(5) to examine and approve the report of the supervisory board;</p> <p>(6) to examine and approve the Company's annual financial budgets and final account proposals (including the balance sheets, profit statements and other financial statements);</p> <p>(7) to examine and approve the Company's plans for profit distribution and making up losses;</p> <p>(8) to pass resolutions on the increase or reduction of the Company's registered capital, the issue of any kind of shares, warrants and other similar securities;</p> <p>(9) to pass resolutions on matters such as the merger, division, dissolution and liquidation of the Company or change of the corporate form of the Company;</p> <p>(10) to pass resolutions on the issuance of corporate bonds by the Company;</p> <p><u>(11) to pass resolutions or make authorization on the Company's repurchase of its shares in accordance with Article 34;</u></p> <p>(12) to pass resolutions on any engagement, dismissal or non-renewal of engagement of an accounting firm;</p> <p>(13) to amend these Articles of Association and its appendices, including the <i>Rules of Procedures for the Shareholders' meeting</i>, the <i>Rules of Procedures for the Board of Directors</i> and the <i>Rules of Procedures for the Supervisory Board</i>;</p> <p>(14) to examine proposals raised by the board of</p> |

| No. | Original Article | Revised Article |
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| | <p>(13) to examine proposals raised by the board of directors, the supervisory board or the shareholders holding 3% or more of the total number of voting shares of the Company;</p> <p>(14) to examine and approve the guarantee matters prescribed in Article 62 of these Articles of Association;</p> <p>(15) to examine matters relating to the purchase or disposal of the Company's material assets within one year, which exceeds 30% of the Company's latest audited total assets;</p> <p>(16) to examine and approve matters relating to the change of use of the funds raised;</p> <p>(17) to examine share incentive plans; and</p> <p>(18) to decide on other matters which, according to the laws, administrative regulations, regulations of the competent authorities or these Articles of Association and its appendices, need to be resolved by the shareholders' meeting.</p> | <p>directors, the supervisory board or the shareholders holding 3% or more of the total number of voting shares of the Company;</p> <p>(15) to examine and approve the guarantee matters prescribed in Article 62 of these Articles of Association;</p> <p>(16) to examine matters relating to the purchase or disposal of the Company's material assets within one year, which exceeds 30% of the Company's latest audited total assets;</p> <p>(17) to examine and approve matters relating to the change of use of the funds raised;</p> <p>(18) to examine share incentive plans; and</p> <p>(19) to decide on other matters which, according to the laws, administrative regulations, regulations of the competent authorities or these Articles of Association and its appendices, need to be resolved by the shareholders' meeting.</p> |
| 5 | <p>Article 128</p> <p>The shareholders' meeting shall not dismiss without reason a director from his position prior to the expiry of his term of office, but the shareholders' meeting may, subject to the provisions of the relevant laws and administrative regulations, dismiss a director whose term of office has not yet expired by an ordinary resolution (without prejudice to any potential claim which may be raised under any contract).</p> | <p>Article 128</p> <p><u>The shareholders' meeting may dismiss a director from his position prior to the expiry of his term of office.</u> The shareholders' meeting may, subject to the provisions of the relevant laws and administrative regulations, dismiss a director whose term of office has not yet expired by an ordinary resolution (without prejudice to any potential claim which may be raised under any contract).</p> |
| 6 | <p>Article 135</p> <p>The board of directors shall be accountable to the shareholder's shareholders' meeting and shall exercise the following functions and powers:</p> <p>.....</p> <p>Other than the board of directors'</p> | <p>Article 135</p> <p>The board of directors shall be accountable to the shareholder's shareholders' meeting and shall exercise the following functions and powers:</p> <p>.....</p> <p>Other than the board of directors' resolutions in respect of the matters specified in sub-paragraphs (6), (7) and</p> |

| No. | Original Article | Revised Article |
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| | <p>resolutions in respect of the matters specified in sub-paragraphs (6), (7) and (12) of this Article which shall be passed by the affirmative votes of more than two thirds of all the directors, resolutions in respect of all other matters may be passed by the affirmative votes of over half of the directors (matters specified in sub-paragraph (15) should be approved by more than two thirds of the directors attending the meeting).</p> | <p>(12) of this Article which shall be passed by the affirmative votes of more than two thirds of all the directors, resolutions in respect of all other matters may be passed by the affirmative votes of over half of the directors (matters specified in sub-paragraph (15) should be approved by more than two thirds of the directors attending the meeting).</p> <p><u>The board of directors of the Company shall set up special committees such as the Audit Committee, Strategy Committee, and Remuneration Committee. The special committees are responsible to the board of directors, and shall perform their duties in accordance with the Articles of Association and within the authorization of the board of directors, with their proposals submitted to the board of directors for consideration and approval. The special committees shall be composed of directors, among which, independent directors shall constitute the majority of the members of the Audit Committee and Remuneration Committee and serve as the convener, while the convener of the Audit Committee shall be an accounting professional. The board of directors is responsible for formulating the work procedures and regulating the operation of the special committees.</u></p> |
| 7 | <p>Article 138 The board of directors shall determine the extent of authority for external investments, purchase or sale of assets, mortgage of assets, external guarantees, entrusted wealth management and connected transactions of the Company, and establish strict procedures for examination and decision-making in respect of the aforesaid matters. For major investment projects, it shall organize the relevant experts and professionals to conduct assessment of such project and submit the same to the shareholders' meeting for approval.</p> | <p>Article 138 The board of directors shall determine the extent of authority for external investments, purchase or sale of assets, mortgage of assets, external guarantees, entrusted wealth management and connected transactions of the Company, <u>which shall be clearly provided in the Rules of Procedures for the Meeting of the Board of Directors</u>, and establish strict procedures for examination and decision-making in respect of the aforesaid matters. For major investment projects, it shall organize the relevant experts and professionals to conduct assessment of such project and submit the same to the shareholders' meeting for approval.</p> |
| 8 | <p>Article 178 A person holding positions other than directors in the Company's controlling shareholder or <i>de facto</i> controller shall not act as senior management personnel of the Company.</p> | <p>Article 178 A person holding <u>administrative</u> positions other than directors or <u>supervisors</u> in the Company's controlling shareholder or <i>de facto</i> controller shall not act as senior management personnel of the Company.</p> |

Proposed amendments to the appendices to the Articles of Association

1. Amendments to the Rules of Procedure for the Board of Directors

| No. | The original rules | The revised rules |
|-----|---|---|
| 1 | <p>Rule 9 The powers and authority of the board of directors on asset disposals shall include the following:</p> <p>(i) When the Company acquires or sells assets, it has to take into account of the following 5 testing indices: 1. total asset ratio: the total amount of the assets in relation to the transaction (if both book value and valuation value exist, the higher one shall be applied) divided by the latest audited total asset value of the Company; 2. transaction amount ratio: the transaction amount (taking into account of the assumed liabilities and costs) of the acquired assets divided by the total amount of the latest audited net asset value of the Company; 3. transaction net profit (loss) ratio: the absolute value of the net profit or loss relating to the assets of the transaction divided by the absolute value of the audited net profit or loss of the Company for the preceding financial year; 4. revenue ratio: the revenue for the preceding financial year relating to the subject matter of the transaction divided by the audited revenue of the Company for the preceding financial year; 5. object net profit (loss) ratio: the absolute value of the net profit or loss for the preceding financial year relating to the object of the transaction divided by the absolute value of the audited net profit or loss of the Company for the preceding financial year.</p> <p>The board of directors shall examine and approve projects with a ratio of less than 50</p> | <p>Rule 9 The powers and authority of the board of directors on asset disposals shall include the following:</p> <p>(i) When the Company acquires or sells assets, it has to take into account of the following 5 testing indices: 1. total asset ratio: the total amount of the assets in relation to the transaction (if both book value and valuation value exist, the higher one shall be applied) divided by the latest audited total asset value of the Company; 2. transaction amount ratio: the transaction amount (taking into account of the assumed liabilities and costs) of the acquired assets divided by the total amount of the latest audited net asset value of the Company; 3. transaction net profit (loss) ratio: the absolute value of the net profit or loss relating to the assets of the transaction divided by the absolute value of the audited net profit or loss of the Company for the preceding financial year; 4. revenue ratio: the revenue for the preceding financial year relating to the subject matter of the transaction divided by the audited revenue of the Company for the preceding financial year; 5. object net profit (loss) ratio: the absolute value of the net profit or loss for the preceding financial year relating to the object of the transaction divided by the absolute value of the audited net profit or loss of the Company for the preceding financial year.</p> <p>The board of directors shall examine and approve projects with a ratio of less than 50 per cent according to all the above 5 testing indices. The chairman of the board of directors is authorised to examine and approve projects with a ratio of less than 10 per cent according to all the above 5 testing indices.</p> <p>(ii) In disposing of fixed assets, where the aggregate amount of the expected value of the fixed assets to be disposed of and the value of the fixed assets having</p> |

| No. | The original rules | The revised rules |
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| | <p>per cent according to all the above 5 testing indices. The chairman of the board of directors is authorised to examine and approve projects with a ratio of less than 10 per cent according to all the above 5 testing indices.</p> <p>(ii) In disposing of fixed assets, where the aggregate amount of the expected value of the fixed assets to be disposed of and the value of the fixed assets having been disposed of in the four months prior to such proposed disposal does not exceed 33 per cent of the value of the fixed assets as shown in the latest balance sheet examined by the shareholders' general meeting, the board of directors shall examine and approve such disposal, and the Chairman of the board of directors is authorised to examine and approve those fixed asset disposals of less than 10 per cent.</p> | <p>been disposed of in the four months prior to such proposed disposal does not exceed 33 per cent of the value of the fixed assets as shown in the latest balance sheet examined by the shareholders' general meeting, the board of directors shall examine and approve such disposal, and the Chairman of the board of directors is authorised to examine and approve those fixed asset disposals of less than 10 per cent.</p> <p><u>Notwithstanding the above, matters relating to the purchase or disposal of the Company's material assets within one year, which exceeds 30% of the Company's latest audited total assets shall be submitted to the shareholders' meeting for consideration in accordance with the provisions of the Articles of Association.</u></p> |

2. Amendments to the Rules of Procedure for the Shareholders' Meeting

| No. | The original rules | The revised rules |
|-----|---|---|
| 1 | <p>Rule 6 The shareholders' meeting exercises the following functions and powers:</p> <p>(i) to decide on the business policies and investment plans of the Company;</p> <p>(ii) to elect and replace directors and decide on the remuneration of directors;</p> <p>(iii) to elect and replace the supervisors not served by representatives of the employees of the Company and to decide on the remuneration of supervisors;</p> <p>(iv) to examine and approve the report of</p> | <p>Rule 6 The shareholders' meeting exercises the following functions and powers:</p> <p>(i) to decide on the business policies and investment plans of the Company;</p> <p>(ii) to elect and replace directors and decide on the remuneration of directors;</p> <p>(iii) to elect and replace the supervisors not served by representatives of the employees of the Company and to decide on the remuneration of supervisors;</p> <p>(iv) to examine and approve the report of the board of directors;</p> <p>(v) to examine and approve the report of the</p> |

| No. | The original rules | The revised rules |
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| | <p>the board of directors;</p> <p>(v) to examine and approve the report of the supervisory board;</p> <p>(vi) to examine and approve the Company's annual financial budgets and final account proposals (including the balance sheets, profit statements and other financial statements);</p> <p>(vii) to examine and approve the Company's plans for profit distribution and making up losses;</p> <p>(viii) to pass resolutions on the increase or reduction of the Company's registered capital, the issue of any kind of shares, warrants and other similar securities;</p> <p>(ix) to pass resolutions on matters such as the merger, division, dissolution and liquidation of the Company or change of the corporate form of the Company;</p> <p>(x) to pass resolutions on the issuance of corporate bonds by the Company;</p> <p>(xi) to pass resolutions on any engagement, dismissal or non-renewal of engagement of an accounting firm;</p> <p>(xii) to amend these Articles of Association and its appendices, including the <i>Rules of Procedures for the Shareholders' meeting</i>, the <i>Rules of Procedures for the Board of Directors</i> and the <i>Rules of Procedures for the Supervisory Board</i>;</p> <p>(xiii) to examine proposals raised by the board of directors, the supervisory board or the shareholders holding 3% or more of the total number of voting shares of the Company;</p> <p>(xiv) to examine and approve the guarantee matters prescribed in Article 61 of these Articles of Association;</p> | <p>supervisory board;</p> <p>(vi) to examine and approve the Company's annual financial budgets and final account proposals (including the balance sheets, profit statements and other financial statements);</p> <p>(vii) to examine and approve the Company's plans for profit distribution and making up losses;</p> <p>(viii) to pass resolutions on the increase or reduction of the Company's registered capital, the issue of any kind of shares, warrants and other similar securities;</p> <p>(ix) to pass resolutions on matters such as the merger, division, dissolution and liquidation of the Company or change of the corporate form of the Company;</p> <p>(x) to pass resolutions on the issuance of corporate bonds by the Company;</p> <p>(xi) <u>to pass resolutions or make authorization on the Company's repurchase of its shares in accordance with Article 34;</u></p> <p>(xii) to pass resolutions on any engagement, dismissal or non-renewal of engagement of an accounting firm;</p> <p>(xiii) to amend these Articles of Association and its appendices, including the Rules of Procedures for the Shareholders' meeting, the Rules of Procedures for the Board of Directors and the Rules of Procedures for the Supervisory Board;</p> <p>(xiv) to examine proposals raised by the board of directors, the supervisory board or the shareholders holding 3% or more of the total number of voting shares of the Company;</p> <p>(xv) to examine and approve the guarantee matters prescribed in Article 61 of these Articles of Association;</p> <p>(xvi) to examine matters relating to the purchase or disposal of the Company's material assets within one year, which exceeds 30% of the Company's</p> |

| No. | The original rules | The revised rules |
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| | <p>(xv) to examine matters relating to the purchase or disposal of the Company's material assets within one year, which exceeds 30% of the Company's latest audited total assets;</p> <p>(xvi) to examine and approve matters relating to the change of use of the funds raised;</p> <p>(xvii) to examine share incentive plans; and</p> <p>(xviii) to decide on other matters which, according to the laws, administrative regulations, regulations of the competent authorities or these Articles of Association and its appendices, need to be resolved by the shareholders' meeting.</p> | <p>latest audited total assets;</p> <p>(xvii) to examine and approve matters relating to the change of use of the funds raised;</p> <p>(xviii) to examine share incentive plans; and</p> <p>(xix) to decide on other matters which, according to the laws, administrative regulations, regulations of the competent authorities or these Articles of Association and its appendices, need to be resolved by the shareholders' meeting.</p> |

The proposed amendments to Articles of Association and its appendices, including the Rules of Procedure for the Shareholders' Meeting and the Rules of Procedure for the Board of Directors are subject to, and shall take effect only upon, the passing of a special resolution at the first extraordinary general meeting for 2019 of the Company (the “EGM”). The notice and circular of EGM will be dispatched to the H shareholders of the Company in due course.

By Order of the Board
Li Honghai
Company Secretary

Beijing, the PRC, 19 September 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*