

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



Sinopec Oilfield Service Corporation

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

(Stock code: 1033)

First Quarterly Results 2020

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 and the relevant regulations issued by the Shanghai Stock Exchange (the "**SSE**").

The board of directors (the "**Board**") of the Company hereby presents the first quarterly results of the Company and its subsidiaries for the three months ended 31 March 2020

§1. Important Highlights

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 first quarterly financial report is prepared in accordance with the PRC Accounting Standards for Business Enterprises and unaudited.

1.3 Mr. Chen Xikun, Chairman, Mr. Yuan Jianqiang, General Manager, Mr. Xiao Yi, Chief Financial Officer and Mr. Pei Defang, 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 31 March 2020 RMB'000	As at 31 December 2019 RMB'000	Increase/(decrease) (%)
Total assets	63,233,163	62,069,378	1.9
Total equity attributable to shareholders of the Company	6,736,310	6,763,872	-0.4
	For the three months ended 31 March 2020 RMB'000	For the three months ended 31 March 2019 RMB'000	Increase/(decrease) from corresponding period of last year (%)
Net cash inflow from operating activities("–" for outflow)	-1,184,219	-1,119,740	Not applicable
	For the three months ended 31 March 2020 RMB'000	For the three months ended 31 March 2019 RMB'000	Increase/(decrease) from corresponding period of last year (%)
Operating income	12,868,009	13,458,154	-4.4
Net profit attributable to equity shareholders of the Company("–" for losses)	-182,308	188,182	-196.9
Net profit deducted extraordinary gain and loss attributable to equity shareholders of the Company("–" for losses)	-215,842	149,481	-244.4
Weighted average return on net assets	-2.70	3.20	Increased by 5.9 percentage points
Basic earnings per share (in RMB) ("–" for losses)	-0.01	0.01	-200.0
Diluted earnings per share (in RMB) ("–" for losses)	-0.01	0.01	-200.0

Extraordinary gain and loss items

☒ Applicable ☐ Not Applicable

Items	Amount during the reporting period (From January to March, 2019) RMB'000
Gains or losses from disposal of non-current assets	214
Government grants recognised in profit or loss during the current period, except for government subsidies that are closely related to the company's normal business operations and that are in compliance with national policies and are subject to constant or fixed amount of certain standards	26,893
Gains or losses from debt restructuring	15,414
Other non-operating income and expenses excluding the aforesaid items	-480
Effect of income tax	-8,507
Total	33,534

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

Unit: Share

The total number of shareholders at the end of this reporting period	134,052, of which the number of H shareholders was 347.					
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 (shares)	Number of pledged or frozen share		Nature of shareholders
				Shares status	Amo unts	
China Petrochemical Corporation ¹	10,727,896,364	56.51	1,503,568,702	none	0	State-owned legal person
Hong Kong Securities Clearing Company (Nominees) Limited (“HKSCC (Nominees) Limited”) ²	5,401,997,744	28.45	2,595,786,987	none	0	Overseas legal person
CITIC Limited	1,035,000,000	5.45	0	none	0	State-owned legal person
Donghai Fund-Industrial Bank-Huaxin Trust-Huizhi Investment No.49 Trust Plan	66,666,666	0.35	0	none	0	Other
Donghai Fund -Industrial Bank -Huaxin Trust-Huizhi Investment No.47 Trust Plan	66,666,666	0.35	0	none	0	Other
China Minsheng Banking Corp.,LTD ., Hohhot branch	40,145,899	0.21	0	none	0	Domestic non-state-owne d legal person
Changjiang Pension Insurance Co.,Ltd.-Changjiang Shengshi Huazhang No.2 Community Pension Management Fund ³	23,148,854	0.12	23,148,854	none	0	Other
Huaan Fund- Industrial Bank –China Foreign Economy & Trade Co. Ltd	13,333,300	0.07	0	none	0	Other
Hong Kong Securities Clearing Company ⁴	12,088,282	0.06	0	none	0	Other
Geng Quan	11,018,900	0.06	0	none	0	Domestic

						natural person
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	
China Petrochemical Corporation	9,224,327,662	A shares	9,224,327,662			
HKSCC (Nominees) Limited	2,806,210,757	H shares	2,806,210,757			
CITIC Limited	1,035,000,000	A shares	1,035,000,000			
Donghai Fund-Industrial Bank-Huaxin Trust-Huizhi Investment No.49 Trust Plan	66,666,666	A shares	66,666,666			
Donghai Fund-Industrial Bank -Huaxin Trust-Huizhi Investment No.47 Trust Plan	66,666,666	A shares	66,666,666			
China Minsheng Banking Corp.,LTD ., Hohhot branch	40,145,899	A shares	40,145,899			
Huaan Fund-Industrial Bank –China Foreign Economy & Trade Co. Ltd	13,333,300	A shares	13,333,300			
Hong Kong Securities Clearing Company	12,088,282	A shares	12,088,282			
Geng Quan	11,018,900	A shares	11,018,900			
Vanguard Investment Australia Ltd - Vanguard Emerging Markets Stock Index Fund (Exchange)	9,301,900	A shares	9,301,900			
Statement on the connected relationship or activities in concert among the above-mentioned shareholders	Except that “Donghai Fund- Industrial Bank-Huaxin Trust - Huizhi Investment No.49 Trust Plan” and “Donghai Fund-Industrial Bank-Huaxin Trust - Huizhi Investment No.47 Trust Plan” belong to Donghai Fund Management Limited Company, the Company is not aware of that there is any connected relationship or activities in concert among the above-mentioned shareholders.					
Preferred shareholders with restored voting rights	The company has no outstanding preferred shares.					

Note:

1. China Petrochemical Corporation held 2,595,786,987 H shares of the Company through Sinopec Century Bright Capital Investment, Ltd., an overseas wholly-owned subsidiary, H shares were included in the total number of shares held by HKSCC (Nominees) Limited
2. “HKSCC (Nominees) Limited” is a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited, acts as an agent to hold H shares of the company on behalf of other companies or individual shareholders.
3. Changjiang Pension Insurance Co., Ltd held it on behalf of QiXinGongYing Scheme.
4. Hong Kong Securities Clearing Company Limited is a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited, acts as an nominal holder to hold A shares of the company in the Shanghai Stock Exchange on behalf of the investors of the Hong Kong stock exchange.

2.3 Total number preferred shareholders, top 10 preferred shareholders and top 10 holders of

preference shares without selling restriction as at the end of the reporting period

☐Applicable ☒Not applicable

§3. Significant Events

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

☒Applicable ☐Not applicable

Item	As at 31 March 2020 RMB '000	As at 31 December 2019 RMB '000	Change (%)	Reason for change
Prepayment	779,362	553,726	40.7	Mainly due to the increase in engineering construction materials
Contract assets	12,997,596	9,570,249	35.8	Mainly caused by the delayed settlement of the project due to the impact of the COVID-19 pneumonia epidemic
Special reserve	527,984	373,238	41.5	Mainly due to the year-on-year decrease in safety production expenses

Item	For the three months ended 31 March		Change (%)	Reason for change
	2020 RMB '000	2019 RMB '000		
Selling and distribution expenses	13,020	9,022	44.3	Mainly due to increased market development in the current period, related costs increased year-on-year
Credit impairment losses	919	69,431	-98.7	The reversal of bad debt provision due to recovery of accounts receivable is lower compared with the same period of last year
Other income	61,436	5,854	949.5	Mainly due to the year-on-year increase in the return of consumption tax
Investment income	14,825	54,648	-72.9	Mainly due to the year-on-year decrease in gains of debt restructuring
Gains from assets disposal	214	-1,242	Not applicable	Mainly due to disposal of some scrapped logging instruments in the same period of last year
Non-operating expenditure	4,433	11,467	-61.3	It is mainly caused by the reversal of the loss of the pending litigation by the current litigation award

Income tax expenses	31,455	80,680	-61.0	Mainly due to the decrease of income tax expense of overseas business compared with the same period of last year
Net profit for the period (“-” for losses)	-182,308	188,182	-196.9	Affected by the COVID-19, the workload and operating income of the Company's main business decreased significantly year-on-year, and the downtime cost and epidemic prevention expenditure increased year-on-year
Net cash inflow from investing activities (“-” for outflow)	-149,791	-83,761	Not applicable	Mainly due to the year-on-year increase in equipment purchase expenditure
Net cash inflow from fund activities	1,654,034	1,088,047	52.0	Mainly due to the increase of loan scale

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

☐Applicable ☒Not applicable

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
Chen Xikun
Chairman

27 April 2020, Beijing

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

+ Non-Executive Director

Executive Director

* Independent Non-Executive Director

§ 4 Appendix

4.1 Financial statements

Consolidated Balance Sheet As at 31 March 2020

Sinopec Oilfield Service Corporation

(Expressed in thousands of renminbi yuan and unaudited)

item	As at 31 March 2020	As at 31 December 2019
Current assets:		
Cash at bank and on hand	1,988,973	1,668,837
Bills receivable	500	500
Accounts receivable	9,925,483	11,996,355
Accounts receivable financing	1,499,134	1,446,389
Prepayments	779,362	553,726
Other receivables	2,441,706	2,365,418
Including: Interest receivables		
Dividend receivables		
Inventories	1,410,758	1,185,504
Contract assets	12,997,596	9,570,249
Assets classified as held for sale		
Non-current assets due within one year		
Other current assets	1,783,239	1,742,338
Total current assets	32,826,751	30,529,316
Non-current assets:		
Long-term receivable		
Long-term equity investments	39,138	39,718
Other equity instrument investments	32,847	32,847
Fixed assets	22,809,268	23,516,427
Construction in progress	260,064	213,819
Right-of-use asset	1,481,205	1,547,822
Intangible assets	367,846	392,947
Long-term deferred expenses	4,999,040	5,379,478
Deferred income tax assets	417,004	417,004
Other non-current assets		
Total non-current assets	30,406,412	31,540,062
Total assets	63,233,163	62,069,378
Current liabilities:		
Short-term loans	22,349,296	20,403,075
Bills payable	4,977,927	4,733,932
Accounts payable	19,637,345	20,068,294
Advances from customers		

Contract liabilities	3,125,701	3,575,654
Employee benefits payable	527,455	421,938
Taxes payable	676,164	843,715
Other payables	1,793,364	1,770,597
Including: Interest payable	575	19,158
Dividend payable		
Non-current liabilities due within one year	534,976	535,475
Other current liabilities		
Total current liabilities	53,622,228	52,352,680
Non-current liabilities:		
Long-term loans	531,383	474,382
Lease liability	1,070,156	1,134,746
Long-term payable	732,880	784,377
long-term employment benefits payable		
Provisions	440,866	449,256
Deferred income	81,486	92,211
Deferred tax liabilities	17,854	17,854
Other non-current liabilities		
Total non-current liabilities	2,874,625	2,952,826
Total liabilities	56,496,853	55,305,506
Shareholders' equity:		
Share capital	18,984,340	18,984,340
Capital reserve	11,714,581	11,714,581
Other comprehensive income	6,447	6,447
Specific reserve	527,984	373,238
Surplus reserve	200,383	200,383
Retained earnings	-24,697,425	-24,515,117
Equity attributable to shareholders of the Company	6,736,310	6,763,872
Minority interests		
Total shareholders' equity	6,736,310	6,763,872
Total liabilities and shareholders' equity	63,233,163	62,069,378

Legal Representative: Mr. Chen Xikun

General Manager: Mr. Yuan Jianqiang

Chief Financial Officer: Mr. Xiao Yi

Director of Asset and Accounting Department: Mr. Pei Defang

Company Balance Sheet

As at 31 March 2020

Sinopec Oilfield Service Corporation

(Expressed in thousands of renminbi yuan and unaudited)

item	As at 31 March 2020	As at 31 December 2019
Current assets:		

Cash at bank and on hand	163	170
Bills receivable		
Accounts receivable		
Accounts receivable financing		
Prepayments		
Other receivables	4,399,633	4,399,759
Including: Interest receivables		
Dividend receivables		
Inventories		
Contract assets		
Assets classified as held for sale		
Non-current assets due within one year		
Other current assets	83	83
Total current assets	4,399,879	4,400,012
Non-current assets:		
Long-term receivable		
Long-term equity investments	27,891,662	27,891,662
Other equity instrument investments		
Fixed assets		
Construction in progress		
Right-of-use asset		
Intangible assets		
Long-term deferred expenses		
Deferred income tax assets		
Other non-current assets		
Total non-current assets	27,891,662	27,891,662
Total assets	32,291,541	32,291,674
Current liabilities:		
Short-term loans		
Bills payable		
Accounts payable	11,800	11,800
Advances from customers		
Contract liabilities		
Employee benefits payable		
Taxes payable	26,531	26,531
Other payables	7	8
Including: Interest payable		
Dividend payable		
Non-current liabilities due within one year		
Other current liabilities		
Total current liabilities	38,338	38,339
Non-current liabilities:		

Long-term loans		
Lease liability		
Long-term payable		
long-term employment benefits payable		
Provisions		
Deferred income		
Deferred tax liabilities		
Other non-current liabilities		
Total non-current liabilities		
Total liabilities	38,338	38,339
Shareholders' equity:		
Share capital	18,984,340	18,984,340
Capital reserve	14,564,824	14,564,824
Surplus reserve	200,383	200,383
Retained earnings	-1,496,344	-1,496,212
Total shareholders' equity	32,253,203	32,253,335
Total liabilities and shareholders' equity	32,291,541	32,291,674

Legal Representative: Mr. Chen Xikun General Manager: Mr. Yuan Jianqiang

Chief Financial Officer: Mr. Xiao Yi Director of Asset and Accounting Department: Mr. Pei Defang

Consolidated Income Statement
For the three months ended 31 March 2020

Sinopec Oilfield Service Corporation

(Expressed in thousands of renminbi yuan and unaudited)

Item	For the three months ended 31 March 2020	For the three months ended 31 March 2019
1. Total Operating Income	12,868,009	13,458,154
Including: Operating Income	12,868,009	13,458,154
2. Total Operating Costs	13,095,775	13,309,598
Including: Operating Costs	12,228,462	12,335,871
Business taxes and surcharges	45,382	56,221
Selling and distribution expenses	13,020	9,022
General and administrative expenses	422,271	462,596
Research and development expenses	167,581	163,227
Finance expenses	219,059	282,661
Including: Interest expenses	229,533	224,774
Interest income	2,924	19,550
Add: Other income	61,436	5,854
Investment income ("-" for losses)	14,825	54,648
Including: Investment income in associates and joint ventures	-589	-721
Gain from derecognition of financial assets measured at amortized cost ("-" for losses)	15,414	55,369

Exchange gains (“-” for losses)		
Gains from changes in fair value (“-” for losses)		
Credit impairment losses (“-” for losses)	919	69,431
Impairment of assets (“-” for losses)		
Gains from assets disposal (“-” for losses)	214	-1,242
3. Operating profit (“-” for losses)	-150,372	277,247
Add: Non-operating income	3,952	3,082
Less: Non-operating expenses	4,433	11,467
4. Total profit (“-” for losses)	-150,853	268,862
Less: Income tax expenses	31,455	80,680
5. Net profit for the period (“-” for losses)	-182,308	188,182
(1) Classification according to operation continuity		
Including: Net profit from continuing operations (“-” for net loss)	-182,308	188,182
Net profit from discontinued operations (“-” for net loss)		
(2) Classification according to attribute		
Including: Shareholders of the company (“-” for net loss)	-182,308	188,182
Non-controlling interests (“-” for net loss)		
6. Other comprehensive net income after tax	0	0
7. Total comprehensive income for the period	-182,308	188,182
Attributable to the owners of parent company	-182,308	188,182
Attributable to minority shareholders of the Company		
8. Earnings per share:		
(1) Basic earnings per share (in RMB)	-0.01	0.01
(2) Diluted earnings per share (in RMB)	-0.01	0.01

Profit from combined party before business combination under common control was RMB 0 during the current period. Profit from combined party before business combination under common control was RMB 0 during the prior period.

Legal Representative: Mr. Chen Xikun

General Manager: Mr. Yuan Jianqiang

Chief Financial Officer: Mr. Xiao Yi

Director of Asset and Accounting Department: Mr. Pei Defang

Company Income Statement
For the three months ended 31 March 2020

Sinopec Oilfield Service Corporation

(Expressed in thousands of renminbi yuan and unaudited)

Item	For the three months ended 31 March 2020	For the three months ended 31 March 2019
1. Operating Income		
Less: Operating Costs		
Business taxes and surcharges		
Selling and distribution expenses		
General and administrative expenses	131	1,740
Research and development expenses		
Finance expenses	1	-782
Including: Interest expenses		
Interest income		783
Add: Other income		
Investment income (“-” for losses)		
Including: Investment income in associates and joint ventures		
Gain from derecognition of financial assets measured at amortized cost (“-” for losses)		
Gains from changes in fair value (“-” for losses)		0
Credit impairment losses (“-” for losses)		
Impairment of assets (“-” for losses)		
Gains from assets disposal (“-” for losses)		
2. Operating profit (“-” for losses)	-132	-958
Add: Non-operating income		
Less: Non-operating expenses		
3. Total profit (“-” for losses)	-132	-958
Less: Income tax expenses		
4. Net profit for the period (“-” for losses)	-132	-958
Including: Net profit from continuing operations (“-” for net loss)	-132	-958
Net profit from discontinued operations (“-” for net loss)		0
5. Other comprehensive net income after tax	0	0
6. Total comprehensive income for the period	-132	-958
7. Earnings per share:		
(1) Basic earnings per share (in RMB)		
(2) Diluted earnings per share (in RMB)		

Legal Representative: Mr. Chen Xikun

General Manager: Mr. Yuan Jianqiang

Consolidated Cash Flow Statement For the three months ended 31 March 2020

Sinopec Oilfield Service Corporation

(Expressed in thousands of renminbi yuan and unaudited)

Item	For the three months ended 31 March 2020	For the three months ended 31 March 2019
1. Cash flows from operating activities:		
Cash received from sale of goods and rendering of services	9,332,441	10,755,619
Refund of taxes	55	9,990
Cash received relating to other operating activities	2,937,129	2,447,857
Sub-total of cash inflows	12,269,625	13,213,466
Cash paid for goods and services	8,050,804	8,161,282
Cash paid to and for employees	2,907,557	3,176,194
Cash paid for all types of taxes	250,890	428,601
Cash paid relating to other operating activities	2,244,593	2,567,129
Sub-total of cash outflows	13,453,844	14,333,206
Net cash inflow from operating activities (outflow listed with “-”)	-1,184,219	-1,119,740
2. Cash flows from investing activities:		
Cash received from disposal of investment		
Cash received from investment income		682
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	29	201
Net cash received from disposal of subsidiaries and other business units		
Cash received relating to other investing activities		
Sub-total of cash inflows	29	883
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	149,811	84,644
Cash paid for the investments	9	
Net cash paid for acquisition of subsidiaries and other business units		
Cash paid relating to other investing activities		
Sub-total of cash outflows	149,820	84,644
Net cash inflow from investing activities (outflow listed with “-”)	-149,791	-83,761
3. Cash flows from financing activities:		
Cash received from the acquisition of investments		
Including: Cash received from investment absorbed from minority shareholders by the		

subsidiary		
Cash received from borrowings	14,299,046	9,365,000
Cash received relating to other financing activities		
Sub-total of cash inflows	14,299,046	9,365,000
Cash paid for repayments of borrowings	12,339,115	8,020,068
Cash paid for distribution of dividend, profit or payments of interests	211,705	175,218
Including: Cash paid to minority shareholders for dividend and profit by the subsidiary		
Cash paid relating to other financing activities	94,192	81,667
Sub-total of cash outflows	12,645,012	8,276,953
Net cash inflow from financing activities	1,654,034	1,088,047
4. Effect of exchange rate changes on cash and cash equivalents	111	-35,091
5. Net increase in cash and cash equivalents	320,135	-150,545
Add: Cash and cash equivalents at the beginning of the period	1,650,732	2,173,580
6. Cash and cash equivalents at the end of the period	1,970,867	2,023,035

Legal Representative: Mr. Chen Xikun

General Manager: Mr. Yuan Jianqiang

Chief Financial Officer: Mr. Xiao Yi

Director of Asset and Accounting Department: Mr. Pei Defang

Company Cash Flow Statement
For the three months ended 31 March 2020

Sinopec Oilfield Service Corporation

(Expressed in thousands of renminbi yuan and unaudited)

Item	For the three months ended 31 March 2020	For the three months ended 31 March 2019
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		2,318
Sub-total of cash inflows	0	2,318
Cash paid for goods and services		
Cash paid to and for employees		
Cash paid for all types of taxes		
Cash paid relating to other operating activities	7	1,535
Sub-total of cash outflows	7	1,535
Net cash inflow from operating activities (outflow listed with “-”)	-7	783
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		
Net cash received from disposal of subsidiaries and other business units		
Cash received relating to other investing activities		
Sub-total of cash inflows		
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets		
Cash paid for the investments		
Net cash paid for acquisition of subsidiaries and other business units		
Cash paid relating to other investing activities		
Sub-total of cash outflows		
Net cash inflow from investing activities (outflow listed with “-”)		
3. Cash flows from financing activities:		
Cash received from the acquisition of investments		
Cash received from borrowings		
Cash received relating to other financing activities		
Sub-total of cash inflows		
Cash repayments of borrowings		
Cash paid for distribution of dividend, profit or payments of interests		
Cash paid relating to other financing activities		
Sub-total of cash outflows		
Net cash inflow from financing activities		
4. Effect of exchange rate changes on cash and cash equivalents		
5. Net increase in cash and cash equivalents	-7	783
Add: Cash and cash equivalents at the beginning of the period	170	58,679
6. Cash and cash equivalents at the end of the period	163	59,462

Legal Representative: Mr. Chen Xikun

General Manager: Mr. Yuan Jianqiang

Chief Financial Officer: Mr. Xiao Yi

Director of Asset and Accounting Department: Mr. Pei Defang

4.2 The adjustment of the relevant items of the financial statements for the first time implementation of new income standards and new lease standards since 2020

☐ Applicable ☒ Not applicable

4.3 Explanation of retrospective adjustment of comparative information of the previous period by the first implementation of the new financial instrument standards or the new revenue

standards

☐ Applicable ☒ Not applicable

4.4 Audit report

☐ Applicable ☒ Not applicable