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## **Sinopec Oilfield Service Corporation**

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

**(Stock code: 1033)**

### **2020 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 2020.

#### **§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 2020 third 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 30 September 2020 RMB'000	As at 31 December 2019 RMB'000	Increase/(decrease) from last year (%)
Total assets	65,467,095	62,069,378	5.5
Total equity attributable to shareholders of the Company	7,349,027	6,763,872	8.7
	For the nine months ended 30 September 2020 RMB'000	For the nine months ended 30 September 2019 RMB'000	Increase/(decrease) from corresponding period of last year (%)
Net cash inflow from operating activities ("—" for outflow)	628,588	897,769	-30.0
	For the nine months ended 30 September 2020 RMB'000	For the nine months ended 30 September 2019 RMB'000	Increase/(decrease) from corresponding period of last year (%)
Operating income	46,427,919	47,599,937	-2.5
Net profit attributable to equity shareholders of the Company ("—" for losses)	231,703	723,193	-68.0
Net profit deducted extraordinary gain and loss attributable to equity shareholders of the Company ("—" for losses)	124,810	557,596	-77.6
Weighted average return on net assets (%)	3.37	11.78	Decreased by 8.41 percentage points
Basic earnings per share (in RMB) ("—" for losses)	0.012	0.038	-68.4
Diluted earnings per share (in RMB) ("—" for losses)	0.012	0.038	-68.4

Extraordinary gain and loss items

√ Applicable      □ Not Applicable

Items	Amount during the period from July to September 2020 RMB'000	For the nine months ended 30 September 2020 RMB'000
Disposal of non-current assets	6,117	9,956
Government grants recognized in profit or loss during the current period	27,948	77,205
Gain or loss on debt restructuring	7,927	45,225
Other non-operating income and expenses excluding the aforesaid items	2,931	1,228
Effect of income tax	-8,606	-26,721
Total	36,317	106,893

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	122,044, of which the number of H shareholders was 345.					
<b>Shareholdings of the top ten shareholders</b>						
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 <sup>1</sup>	10,727,896,364	56.51	1,503,568,702	none	0	State-owned legal person
Hong Kong Securities Clearing Company (Nominees) Limited (“ <b>HKSCC (Nominees) Limited</b> ”) <sup>2</sup>	5,401,919,694	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	66,666,666	0.35	0	none	0	Other

Plan						
China Minsheng Banking Corp.,LTD ., Hohhot branch	40,145,899	0.21	0	none	0	Domestic non-state-owned legal person
Changjiang Pension Insurance Co.,Ltd.-Changjiang Shengshi Huazhang No.2 Community Pension Management Fund <sup>3</sup>	23,148,854	0.12	23,148,854	none	0	Other
Hong Kong Securities Clearing Company <sup>4</sup>	13,545,181	0.07	0	none	0	Other
Huaan Fund- Industrial Bank –China Foreign Economy & Trade Co. Ltd	13,333,300	0.07	0	none	0	Other
Vanguard Investment Australia Ltd - Vanguard Emerging Markets Stock Index Fund (Exchange)	9,301,900	0.05	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
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
Hong Kong Securities Clearing Company	13,545,181	A shares	13,545,181
Huaan Fund-Industrial Bank –China Foreign Economy & Trade Co. Ltd	13,333,300	A shares	13,333,300
Vanguard Investment Australia Ltd - Vanguard Emerging Markets Stock Index Fund (Exchange)	9,301,900	A shares	9,301,900
Du Guoyang	5,904,900	A shares	5,904,900
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.
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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 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

Items	As at 30 September 2020 RMB '000	As at 31 December 2019 RMB '000	Change (%)	Reason for change
Bills receivable	0	500	-100.0	Mainly due to the improved the efficiency of capital use, increased the endorsement of bills receivable, and reclassified bills receivable to receivables financing.
Prepayments	779,619	553,726	40.8	Mainly due to the increase in construction materials.
Inventories	1,634,891	1,185,504	37.9	Mainly due to the increase in unfinished labor projects from January to September 2020.
Contract Assets	14,961,286	9,570,249	56.3	Mainly due to the increase in the projects completed but unsettled from January to September 2020.

Construction in progress	481,718	213,819	125.3	Mainly due to the purchase of gas well equipment for Saudi project from January to September 2020.
Bills payable	7,305,667	4,733,932	54.3	Mainly due to the increase in the settlement volume of bills to suppliers.
Employee benefits payable	692,404	421,938	64.1	Mainly due to the unpaid performance appraisal wages.
Special reserve	724,391	373,238	94.1	Mainly due to the settlement of security protection expenditures mainly to be settled in the fourth quarter.

Items	For the nine months ended 30 September		Change (%)	Reason for change
	2020 RMB '000	2019 RMB'000		
Finance costs	883,403	615,969	43.4	Mainly due to the year-on-year increased exchange losses caused by fluctuations in the RMB exchange rate.
Credit impairment losses (“-” for losses)	-30,759	99,004	-131.1	Mainly due to the reversal of bad debt provision caused by collection of receivables in 2019, but lower receivables collection and the provision for bad debt in 2020.
Non-operating income	34,670	63,091	-45.0	Mainly due to the write-off of some payables that were not required to be paid from January to September 2019.
Income tax expenses	207,016	325,337	-36.4	Mainly due to the corresponding decrease in income tax expenses from the decreased in profits from January to September 2020.
Net cash flow from operating activities	628,588	897,769	-30.0	Mainly due to the decrease in cash collection caused by the decrease in revenue.
Net cash flow from investing activities (“-” for outflow)	-643,514	-1,275,151	Not applicable	Mainly due to the optimized investment and reduced expenditures for equipment purchasing under low oil prices.

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  
Li Honghai  
Secretary to the Board  
29 October 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 30 September 2020

Sinopec Oilfield Service Corporation

*(Expressed in thousands of renminbi yuan and unaudited)*

Items	At the end of this reporting period	At the end of the last reporting year
<b>Current assets:</b>		
Cash at bank and on hand	1,690,976	1,668,837
Bills receivable		500
Accounts receivable	10,841,696	11,996,355
Receivables financing	1,084,342	1,446,389
Prepayments	779,619	553,726
Other receivables	2,742,033	2,365,418
Including: Interest receivable		
Dividend receivable		
Inventories	1,634,891	1,185,504
Contract assets	14,961,286	9,570,249
Held for sale assets		
Non-current assets due within one year		
Other current assets	1,963,492	1,742,338
Total current assets	35,698,335	30,529,316
<b>Non-current assets:</b>		
Long-term receivables		
Long-term equity investments	41,057	39,718
Other equity instrument investments	32,847	32,847
Fixed assets	21,867,904	23,516,427
Construction in progress	481,718	213,819
Right-of-use assets	1,325,065	1,547,822
Intangible assets	303,716	392,947
Long-term deferred expenses	5,298,576	5,379,478
Deferred tax assets	417,877	417,004
Other non-current assets		



Total non-current assets	29,768,760	31,540,062
Total assets	65,467,095	62,069,378
<b>Current liabilities:</b>		
Short-term loans	21,254,246	20,403,075
Bills payable	7,305,667	4,733,932
Accounts payable	20,255,669	20,068,294
Advances from customers		
Contract liabilities	2,826,795	3,575,654
Employee benefits payable	692,404	421,938
Taxes payable	660,887	843,715
Other payables	1,812,906	1,770,597
Including: Interest payables	602	19,158
Dividend payables		
Held for sale liabilities		
Non-current liabilities due within one year	479,889	535,475
Other current liability		
Total current liabilities	55,288,463	52,352,680
<b>Non-current liabilities:</b>		
Long-term loans	606,099	474,382
Leases Liabilities	994,594	1,134,746
Long-term payable	715,189	784,377
Long-term employment benefits payable		
Provisions	411,925	449,256
Deferred income	84,941	92,211
Deferred tax liabilities	16,857	17,854
Other non-current liability		
Total non-current liabilities	2,829,605	2,952,826
Total liabilities	58,118,068	55,305,506
<b>Shareholders' equity:</b>		
Share capital	18,984,340	18,984,340
Capital reserve	11,716,880	11,714,581
Other comprehensive income	6,447	6,447
Specific reserve	724,391	373,238
Surplus reserve	200,383	200,383

Retained earnings	-24,283,414	-24,515,117
Equity attributable to shareholders of the Company	7,349,027	6,763,872
Minority interests		
Total shareholders' equity	7,349,027	6,763,872
Total liabilities and shareholders' equity	65,467,095	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

### Balance Sheet

As at 30 September 2020

Sinopec Oilfield Service Corporation

(Expressed in thousands of renminbi yuan and unaudited)

Items	At the end of this reporting period	At the end of the last reporting year
<b>Current assets:</b>		
Cash at bank and on hand	159	170
Bills receivable		
Accounts receivable		
Receivables financing		
Prepayments		
Other receivables	4,398,147	4,399,759
Including: Interest receivable		
Dividend receivable		
Inventories		
Contract assets		
Held for sale assets		
Non-current assets due within one year		
Other current assets	89	83
Total current assets	4,398,395	4,400,012
<b>Non-current assets:</b>		
Debt investment		
Other debt investment		
Long-term receivables		
Long-term equity investments	27,891,662	27,891,662

Other equity instrument investments		
Other non-current financial assets		
Investment property		
Fixed assets		
Construction in progress		
Right-of-use assets		
Intangible assets		
Research and development expenditure		
Goodwill		
Long-term deferred expenses		
Deferred tax assets		
Other non-current assets		
Total non-current assets	27,891,662	27,891,662
Total assets	32,290,057	32,291,674
<b>Current liabilities:</b>		
Short-term loans		
Bills payable		
Accounts payable	23,600	11,800
Advances from customers		
Contract liabilities		
Employee benefits payable		
Taxes payable	26,631	26,531
Other payables	8	8
Including: Interest payables		
Dividend payables		
Liabilities classified as held for sale		
Non-current liabilities due within one year		
Other current liability		
Total current liabilities	50,239	38,339
<b>Non-current liabilities:</b>		

Long-term loans		
Lease liabilities		
Long-term payable		
long-term employment benefits payable		
Provisions		
Deferred income		
Deferred tax liabilities		
Other non-current liabilities		
Total non-current liabilities		
Total liabilities	50,239	38,339
<b>Shareholders' equity:</b>		
Share capital	18,984,340	18,984,340
Capital reserve	14,567,122	14,564,824
Other comprehensive income		
Specific reserve		
Surplus reserve	200,383	200,383
Retained earnings	-1,512,027	-1,496,212
Total shareholders' equity	32,239,818	32,253,335
Total liabilities and shareholders' equity	32,290,057	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 nine months ended 30 September 2020

Sinopec Oilfield Service Corporation

(Expressed in thousands of renminbi yuan and unaudited)

Items	For the three months ended 30 September 2020 (July to September)	For the three months ended 30 September 2019 (July to September)	For the nine months ended 30 September 2020	For the nine months ended 30 September 2019
1. Total Operating Income	14,995,482	17,343,907	46,427,919	47,599,937
Including: Operating Income	14,995,482	17,343,907	46,427,919	47,599,937
2. Total Operating Costs	15,153,232	17,364,470	46,199,581	46,998,143
Including: Operating Costs	13,978,262	16,162,991	42,633,217	43,650,622
Business taxes and	59,892	67,696	164,766	193,048

surcharges				
Selling and distribution expenses	19,702	18,882	48,580	44,182
General and administrative expenses	515,046	750,057	1,665,738	1,810,577
Research and development expenses	184,074	203,963	803,877	683,745
Finance costs	396,256	160,881	883,403	615,969
Including: Interest expenses	210,699	243,976	687,549	732,136
Interest income	17,451	33,375	36,856	112,599
Add: Other income	78,972	153,147	181,755	255,183
Investment income (“-” for losses)	7,883	36,148	48,201	45,558
Including: Investment income from associated enterprise and joint ventures	-44	39,864	2,976	49,274
Gain from derecognition of financial assets measured at amortized cost (“-” for losses)	7,927	0	45,225	0
Credit impairment losses (“-” for losses)	47,695	94,816	-30,759	99,004
Impairment of assets (“-” for losses)				
Gains from assets disposal (“-” for losses)	6,117	15,288	9,956	13,851
3. Operating profit (“-” for losses)	-17,083	278,836	437,491	1,015,390
Add: Non-operating income	16,444	38,736	34,670	63,091
Less: Non-operating expenses	13,512	11,819	33,442	29,951
4. Total profit (“-” for losses)	-14,151	305,753	438,719	1,048,530
Less: Income tax expenses	52,423	91,988	207,016	325,337
5. Net profit (“-” for losses)	-66,574	213,765	231,703	723,193
Classification by going concern:				
– Continuous operating net profit. (“-” for losses)	-66,574	213,765	231,703	723,193
– Termination of net profit. (“-” for losses)				
Classification by ownership				
– Attributable to the owners’ of parent company. (“-” for losses)	-66,574	213,765	231,703	723,193
– Minority interests. (“-” for losses)				
6. Other comprehensive net income after tax	0	0	0	0

-Other comprehensive income after tax attributable to minority interests, net				
7. Total comprehensive income	-66,574	213,765	231,703	723,193
Attributable to shareholders of the Company	-66,574	213,765	231,703	723,193
Attributable to minority shareholders of the Company	0	0	0	0
8. Earnings per share:				
(1) Basic earnings per share (in RMB)	-0.004	0.011	0.012	0.038
(2) Diluted earnings per share (in RMB)	-0.004	0.011	0.012	0.038

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. Chen Xikun      General Manager: Mr. Yuan Jianqiang

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

### Income Statement

For the nine months ended 30 September 2020

Sinopec Oilfield Service Corporation

(Expressed in thousands of renminbi yuan and unaudited)

Items	For the three months ended 30 September 2020 (July to September)	For the three months ended 30 September 2019 (July to September)	For the nine months ended 30 September 2020	For the nine months ended 30 September 2019
1. Operating Income				
Less: Operating Costs				
Business taxes and surcharges				
Selling and distribution expenses				
General and administrative expenses	761	332	15,814	17,703
Research and development expenses				
Finance costs			1	-4,211
Including: Interest expenses				
Interest income	1	1	1	4,212

Asset impairment losses				
Credit impairment losses				
Add: Other income				
Investment income (“-” for losses)				
Including: Investment income from associated enterprise and joint ventures				
The financial asset measured at the amortized cost ceases to recognize the income				
Gains/(losses) from hedging in exposure (loss in “-”)				
Gains/(losses) from changes in fair value (loss in “-”)				
Credit impairment loss (loss in “-”)				
Asset impairment loss (loss in “-”)				
Asset disposal income (loss in “-”)				
2. Operating profit (“-” for losses)	-761	-332	-15,815	-13,492
Add: Non-operating income				
Less: Non-operating expenses				
3. Total profit (“-” for losses)	-761	-332	-15,815	-13,492
Less: Income tax expenses				
4. Net profit (“-” for losses)	-761	-332	-15,815	-13,492
– Continuous operating net profit. (“-” for losses)	-761	-332	-15,815	-13,492
– Termination of net profit. (“-” for losses)				
5. Other comprehensive net income after tax	0	0	0	0
6. Total comprehensive income for the period	-761	-332	-15,815	-13,492
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

Chief Financial Officer: Mr. Xiao Yi

Director of Asset and Accounting Department: Mr. Pei Defang

**Consolidated Cash flow statement**  
For the nine months ended 30 September 2020

Sinopec Oilfield Service Corporation

*(Expressed in thousands of renminbi yuan and unaudited)*

Items	For the nine months ended 30 September 2020	For the nine months ended 30 September 2019
<b>1. Cash flows from operating activities:</b>		
Cash received from sale of goods and rendering of services	33,303,661	36,347,932
Refund of taxes	131,833	71,978
Cash received relating to other operating activities	9,475,082	10,866,782
Sub-total of cash inflows	42,910,576	47,286,692
Cash paid for goods and services	24,647,984	25,724,454
Cash paid to and for employees	9,454,882	10,317,162
Cash paid for all types of taxes	770,206	1,065,935
Cash paid relating to other operating activities	7,408,916	9,281,372
Sub-total of cash outflows	42,281,988	46,388,923
Net cash inflow from operating activities (outflow listed with “-”)	628,588	897,769
<b>2. Cash flows from investing activities:</b>		
Cash received from investment	0	0
Cash received from investment income	1,646	1,107
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	7,600	611
Net cash received from disposal of subsidiaries and other business units		
Cash received relating to other investing activities		0
Sub-total of cash inflows	9,246	1,718
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	652,751	1,086,917
Cash paid for investments	9	0
Net cash paid for acquisition of subsidiaries and other business units	0	189,952
Cash paid relating to other investing activities		
Sub-total of cash outflows	652,760	1,276,869
Net cash inflow from investing	-643,514	-1,275,151



activities (outflow listed with “-”)		
<b>3. Cash flows from financing activities:</b>		
Cash received from the acquisition of investments		0
Including: Cash received from non-controlling shareholders of subsidiaries		
Cash received from borrowings	39,565,093	25,326,118
Cash received relating to other financing activities		
Sub-total of cash inflows	39,565,093	25,326,118
Cash repayments of borrowings	38,530,064	24,237,297
Cash paid for dividends or interest	600,247	569,418
Including: Cash paid for the dividend to minority shareholders of subsidiaries		
Cash paid relating to other financing activities	302,421	367,778
Sub-total of cash outflows	39,432,732	25,174,493
Net cash inflow from financing activities	132,361	151,625
<b>4. Effect of exchange rate changes on cash and cash equivalents</b>	-95,296	56,728
<b>5. Net increase in cash and cash equivalents</b>	22,139	-169,029
Add: Cash and cash equivalents at the beginning of the period	1,650,732	2,173,580
<b>6. Cash and cash equivalents at the end of the period</b>	1,672,871	2,004,551

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

### Cash flow statement

For the nine months ended 30 September 2020

Sinopec Oilfield Service Corporation

(Expressed in thousands of renminbi yuan and unaudited)

Items	For the nine months ended 30 September 2020	For the nine months ended 30 September 2019
<b>1. Cash flows from operating activities:</b>		
Cash received from sale of goods and rendering of services		
Refund of taxes		
Cash received relating to other operating activities	776	1,008,232
Sub-total of cash inflows	776	1,008,232

Cash paid for goods and services		1,855
Cash paid to and for employees		
Cash paid for all types of taxes		
Cash paid relating to other operating activities	787	1,064,886
Sub-total of cash outflows	787	1,066,741
Net cash inflow from operating activities (outflow listed with “-”)	-11	-58,509
<b>2. Cash flows from investing activities:</b>		
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 other investment activities		
Net cash paid for acquisition of subsidiaries and other business units		
Cash paid for other investing activities		
Sub-total of cash outflows		
Net cash inflow from investing activities (outflow listed with “-”)		
<b>3. Cash flows from financing activities:</b>		
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 for other financing activities		
Sub-total of cash outflows		
Net cash inflow from financing activities		
<b>4. Effect of exchange rate changes on cash</b>		

<b>and cash equivalents</b>		
<b>5. Net increase in cash and cash equivalents</b>	-11	-58,509
Add: Cash and cash equivalents at the beginning of the period	170	58,679
<b>6. Cash and cash equivalents at the end of the period</b>	159	170

*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 At the first implementation of the new financial instrument standards , new lease standards and new revenue standards, the situation to adjust the relevant items of the financial statements at the beginning of the first implementation year 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 since 2020.

Applicable     Not applicable

4.4 Audit report

Applicable     Not applicable