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## **Sinopec Oilfield Service Corporation**

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

**(Stock code: 1033)**

### **Inside Information Estimated Decrease in Profit for the Twelve Months Ended 31 December 2020**

The board of directors of the Company announces that based on a preliminary assessment and in accordance with the PRC Accounting Standards for Business Enterprises ("ASBE"), the net profit attributable to equity shareholders of the Company is estimated to be RMB 80 million approximately, representing a decrease of RMB 834 million or 91.2% over the corresponding period of the previous year. The net profit deducted extraordinary gain and loss attributable to equity shareholders of the Company is estimated to be RMB -270 million approximately, representing a decrease of RMB 775 million or 154.1% over the corresponding period of the previous year.

**Shareholders and investors of the Company are advised to exercise caution when dealing in securities of the Company.**

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 Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company announces the estimated results of the Company as follows:

#### **I. Estimated results**

### **1. Period of estimated results**

From 1 January 2020 to 31 December 2020

### **2. Estimated results for the twelve months ended 31 December 2020**

- (1) Based on a preliminary assessment of the Company's accounting department and in accordance with ASBE, the net profit attributable to equity shareholders of the Company is estimated to be approximately RMB 80 million, representing a decrease of RMB 834 million or 91.2% over the corresponding period of the previous year.
- (2) The net profit deducted extraordinary gain and loss attributable to equity shareholders of the Company is estimated to decrease by RMB 775 million or 154.1% over the corresponding period of the previous year.
- 3. The above estimated results have not been reviewed or audited by any certified accountants.**

### **II. The results for the corresponding period of the previous year**

	Under the ASBE (RMB)
Net profit attributable to equity shareholders of the Company	914,244,000
Net profit deducted extraordinary gain and loss attributable to equity shareholders of the Company	503,704,000
Basic earning per share	0.048

### **III. Reasons for the estimated decrease in profit for the twelve months ended 31 December 2020**

#### **1. Effect of the Major Business Segments**

In 2020, COVID-19 epidemic outbreak globally and international oil price experienced a unprecedented plunge. The average spot price of North Sea Brent crude oil for the whole year was USD 41.96 per barrel, a decrease of 34.7% from the previous year. With the gradually manifested impact of low oil price on the oilfield service industry, the Company's workload of major segments and income from main business declined year-on-year. The net profit attributable to equity shareholders of the Company is estimated to be RMB 80 million approximately in 2020. Faced with the serious challenges brought about by the combined impact of COVID-19 epidemic

and low oil prices, the Company took effective measures to improve performance, strictly strengthened the prevention and control of the epidemic, accelerated the resumption of work and production, and vigorously promoted the expansion of the market, the creation of benefits, the adjustment of structure, the promotion of reforms, the prevention of risk and other work to achieve double victories in epidemic prevention and production and operation.

## **2. Effect of the Non-operating Profit and Loss**

As of the twelve months ended 31 December 2020, the extraordinary gain and loss of the Company is estimated to increase the net profit attributable to the shareholders by approximately RMB 350 million, mainly including government financial subsidy and gains from debt restructuring

## **IV. Risk Alert**

There are no major uncertainties which will affect the accuracy of this estimated result of the Company.

## **V. Other information**

The above estimated information is only based on a preliminary assessment. The detailed and accurate financial information of the Company will be disclosed in the annual report for the year 2020 to be officially published by the Company, which shall prevail.

**Shareholders and investors of the Company are advised to exercise caution when dealing in securities of the Company.**

For and on behalf of the Board of Directors

**Li Honghai**

Secretary to the Board

Beijing, PRC, 22 January 2021

*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*