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Sinopec Oilfield Service Corporation

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

(Stock code: 1033)

2021 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 2021.

Important Notes

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.

2. Mr. Chen Xikun, Chairman, Mr. Yuan Jianqiang, General Manager, Mr. Cheng Zhongyi, 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.

3. Audit of the third quarterly results

Applicable Not Applicable

§1. Key financial data of the Company

1.1 Key financial data and indicators

Items	During the report period RMB'000	Increase/(decrease) from corresponding period of last year (%)	For the nine months ended 30 September 2021 RMB'000	Increase/(decrease) from corresponding period of last year (%)
Operating income	15,143,830	1.0	46,713,891	0.6
Net profit attributable to equity shareholders of the Company (“-” for losses)	-48,217	not applicable	320,341	38.3
Net profit deducted extraordinary gain and loss attributable to equity shareholders of the Company (“-” for losses)	-139,983	not applicable	170,635	36.7
Net cash inflow from operating activities (“-” for outflow)	not applicable	not applicable	-186,766	-129.7
Basic earnings per share (in RMB) (“-” for losses)	-0.003	not applicable	0.017	41.7
Diluted earnings per share (in RMB) (“-” for losses)	-0.003	not applicable	0.017	41.7
Weighted average return on net assets (%)	-0.65	not applicable	4.65	Increased by 1.28 percentage points
	As at 30 September 2021 RMB'000		As at 31 December 2020 RMB'000	Increase/(decrease) from last year (%)
Total assets	63,707,838		61,091,195	4.3
Total equity attributable to shareholders of the Company	7,450,578		6,722,866	10.8

Note: “during the report period” means three months from the beginning to the end of the third quarter in 2021.

1.2 Extraordinary gain and loss items

Items	Amount during the period from July to September 2021 RMB'000	Amount for the nine months ended 30 September 2021 RMB'000	Statements
Disposal of non-current assets (including the offset part of the provision for impairment of	60,457	65,957	

withdraw assets)			
Government grants recognized in profit or loss during the current period (Except government grants which closely related to the company's normal business, in accordance with national policies and continuously enjoyed with certain standards or quotas)	42,724	74,082	
Gain or loss on debt restructuring	2,982	18,940	
Other non-operating income and expenses excluding the aforesaid items	5,588	23,332	
Deduct: effect of income tax	19,985	32,605	
Total	91,766	149,706	

Statements on defining extraordinary gain and loss as recurrent gain and loss in 《CSRC Announcement [2008] No.43-Explanatory Announcement No.1 on Information Disclosure for Companies Offering their Securities to the Public》

Applicable Not applicable

1.3 Significant changes of key accounting items and financial indicators and the reasons for the changes

Applicable Not applicable

Items	Change (%)	Main reasons for change
Net profit attributable to equity shareholders of the Company	38.3	Mainly due to control expenditure strictly, reduce financing costs and the cost for the period was reduced year-on-year
Net profit deducted extraordinary gain and loss attributable to equity shareholders of the Company	36.7	Mainly due to control expenditure strictly, reduce financing costs and the cost for the period was reduced year-on-year
Net cash inflow from operating activities	-129.7	Mainly due to increase payment and cash due bills

Note: "change" means the rate of amount change between the period from January to September in 2021 with the end or corresponding period of last year.

§2. Information of Shareholders

2.1 The number of shareholders of ordinary shares and preferred shares with voting rights of the Company at the end of this reporting period and details of the top ten shareholders

Unit: Share

The total number of ordinary shareholders at the end of this reporting period	142,279	The total number of preferred shareholders with voting rights at the end of this reporting period (if it is applicable)	0			
Shareholdings of the top ten shareholders						
Names of shareholders	Nature of shareholder	Number of shares held (shares)	Percentage to total share capital (%)	Number of shares with selling restrictions (shares)	Number of pledged or frozen shares	
					Shares status	Amounts
China Petrochemical Corporation ¹	State-owned legal person	10,727,896,364	56.51	0	none	0
Hong Kong Securities Clearing Company (Nominees) Limited (“HKSCC (Nominees) Limited”) ²	Overseas legal person	5,402,268,694	28.46	0	none	0
CITIC Limited	State-owned legal person	845,156,600	4.45	0	none	0
Hong Kong Securities Clearing Company ³	Overseas legal person	106,574,603	0.56	0	none	0
Donghai Fund-Industrial Bank-Huaxin Trust-Huizhi Investment No.49 Trust Plan	Other	66,666,666	0.35	0	none	0
Changjiang Pension Insurance Co.,Ltd.-Changjiang Shengshi Huazhang No.2 Community Pension Management Fund ⁴	Other	11,574,427	0.06	0	none	0
Shanghai Tongneng Investment Holdings Co., Ltd.	Domestic non-state-owned legal person	11,516,200	0.06	0	none	0

Li Feng	Domestic natural person	10,406,700	0.05	0	none	0
Hu Xiao	Domestic natural person	9,920,000	0.05	0	none	0
Vanguard Investment Australia Ltd - Vanguard Emerging Markets Stock Index Fund (Exchange)	Other	9,698,700	0.05	0	none	0
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	10,727,896,364	A shares	10,727,896,364			
HKSCC (Nominees) Limited	5,402,268,694	H shares	5,402,268,694			
CITIC Limited	845,156,600	A shares	845,156,600			
Hong Kong Securities Clearing Company	106,574,603	A shares	106,574,603			
Donghai Fund-Industrial Bank-Huaxin Trust-Huizhi Investment No.49 Trust Plan	66,666,666	A shares	66,666,666			
Changjiang Pension Insurance Co.,Ltd.-Changjiang Shengshi Huazhang No.2 Community Pension Management Fund	11,574,427	A shares	11,574,427			
Shanghai Tongneng Investment Holdings Co., Ltd.	11,516,200	A shares	11,516,200			
Li Feng	10,406,700	A shares	10,406,700			
Hu Xiao	9,920,000	A shares	9,920,000			
Vanguard Investment Australia Ltd - Vanguard Emerging Markets Stock Index Fund (Exchange)	9,698,700	A shares	9,698,700			
Statement on the connected relationship or activities in concert among the above-mentioned shareholders	The company is not aware of that there is any connected relationship or activities in concert among the above-mentioned shareholders.					
Statement on the top ten shareholders and the top ten shareholders of shares without selling restriction participate in margin trading and short selling and financing business	Hu Xiao purchased 9,920,000 A shares of the company through margin and short selling accounts.					

Note:

1. Apart from directly holding 10,727,896,364 A shares of the Company, China Petrochemical Corporation (“CPC”) also held 2,595,786,987 H shares of the Company through its

wholly-owned subsidiary, Century Bright Company. Therefore, China Petrochemical Corporation directly and indirectly holds 13,323,683,351 shares of the Company, which represent 70.18% of the total shares of the Company.

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. Hong Kong Securities Clearing Company Limited is a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited, acts as a 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.

4. Changjiang Pension Insurance Co., Ltd held it on behalf of Qi Xin Gong Ying Scheme.

§3. Other Significant Events

Other significant events about the Company’s operation during the reporting period that needs to be noticed by investors

Applicable Not applicable

§4. Third Quarterly Financial Statements

4.1 Types of audit opinions

Applicable Not applicable

4.2 Financial statements

Consolidated Balance Sheet

As at 30 September 2021

Sinopec Oilfield Service Corporation

(Expressed in thousands of renminbi yuan and unaudited)

Items	As at 30 September 2021	As at 31 December 2020
Current assets:		
Cash at bank and on hand	1,350,538	1,551,458
Bills receivable		
Accounts receivable	8,089,111	9,358,385
Receivables financing	1,256,786	1,323,425
Prepayments	596,919	441,654
Other receivables	3,073,640	2,464,362
Including: Interest receivable		
Dividend receivable		502
Financial assets purchased under resale agreements		
Inventories	1,555,453	1,033,678

Contract assets	17,128,336	11,610,888
Held for sale assets		
Non-current assets due within one year		
Other current assets	2,016,087	1,995,808
Total current assets	35,066,870	29,779,658
Non-current assets:		
Long-term receivables		
Long-term equity investments	43,363	43,046
Other equity instrument investments	22,835	22,835
Fixed assets	21,232,905	22,939,838
Construction in progress	301,706	284,292
Right-of-use assets	1,070,122	1,265,583
Intangible assets	420,584	504,966
Long-term deferred expenses	5,153,887	5,855,143
Deferred tax assets	395,566	395,834
Other non-current assets		
Total non-current assets	28,640,968	31,311,537
Total assets	63,707,838	61,091,195
Current liabilities:		
Short-term loans	20,835,368	19,370,520
Bills payable	9,210,501	6,305,228
Accounts payable	18,607,196	20,497,509
Advances from customers		
Contract liabilities	2,547,439	3,024,461
Employee benefits payable	447,824	498,071
Taxes payable	325,349	724,389
Other payables	2,139,075	1,675,104
Including: Interest payables	1,668	17,458
Dividend payables		
Non-current liabilities due within one year	349,283	356,747
Other current liability		
Total current liabilities	54,462,035	52,452,029

Non-current liabilities:		
Long-term loans	577,201	580,716
Leases Liabilities	733,453	898,469
Long-term payable	101,924	26,812
Long-term employee benefits payable		
Provisions	358,677	382,646
Deferred income	13,274	14,186
Deferred tax liabilities	10,696	13,471
Other non-current liabilities		
Total non-current liabilities	1,795,225	1,916,300
Total liabilities	56,257,260	54,368,329
Shareholders' equity:		
Share capital	18,984,340	18,984,340
Capital reserve	11,717,773	11,717,773
Other comprehensive income	-2,014	-2,014
Specific reserves	665,884	258,523
Surplus reserves	200,383	200,383
General risk reserves		
Retained earnings	-24,115,788	-24,436,139
Total equity attributable to owners of the parent company	7,450,578	6,722,866
Minority interests		
Total owners' equity	7,450,578	6,722,866
Total liabilities and owners' equity	63,707,838	61,091,195

Legal Representative: Mr. Chen Xikun

General Manager: Mr. Yuan Jianqiang

Chief Financial Officer: Mr. Cheng Zhongyi

Director of Asset and Accounting Department: Mr. Pei Defang

Consolidated Income Statement

For the nine months ended 30 September 2021

Sinopec Oilfield Service Corporation

(Expressed in thousands of renminbi yuan and unaudited)

Items	For the nine months ended 30 September 2021	For the nine months ended 30 September 2020
1. Total Operating Income	46,713,891	46,427,919
Including: Operating Income	46,713,891	46,427,919
2. Total Operating Costs	46,619,720	46,199,581
Including: Operating Costs	43,785,224	42,633,217

Business taxes and surcharges	139,987	164,766
Selling and distribution expenses	55,117	48,580
General and administrative expenses	1,452,655	1,665,738
Research and development expenses	578,756	803,877
Finance costs	607,981	883,403
Including: Interest expenses	535,866	687,549
Interest income	30,891	36,856
Add: Other income	181,213	181,755
Investment income (“-” for losses)	21,987	48,201
Including: Investment income from associated enterprise and joint ventures	3,047	2,976
Gain from derecognition of financial assets measured at amortized cost (“-” for losses)	18,940	45,225
Credit impairment losses (“-” for losses)	53,992	-24,449
Impairment of assets (“-” for losses)	-17,405	-6310
Gains from assets disposal (“-” for losses)	65,957	9,956
3. Operating profit (“-” for losses)	399,915	437,491
Add: Non-operating income	77,322	34,670
Less: Non-operating expenses	26,339	33,442
4. Total profit (“-” for losses)	450,898	438,719
Less: Income tax expenses	130,557	207,016
5. Net profit (“-” for losses)	320,341	231,703
Classified by operating sustainability:		
– Continuous operating net profit (“-” for losses)	320,341	231,703
– Termination of net profit (“-” for losses)		
Classified by ownership		
– Net profit attributable to the owners of parent company (“-” for losses)	320,341	231,703
– Minority interest income (“-”		

for losses)		
6. Other comprehensive net income after tax	10	0
-Other comprehensive income after tax attributable to owners of the parent company, net	10	
1. Other comprehensive income that cannot be reclassified into profit or loss	10	
(1) Changes in re-measurement of the defined benefit plan		
(2) Other comprehensive income that cannot be transferred to profit or loss under the equity method		
(3) Changes in fair value of other equity instrument investment	10	
(4) Changes in the fair value of the company's own credit risk		
2. Other comprehensive income that will be reclassified into profit or loss		
(1) Other comprehensive income that can be transferred to profit or loss under the equity method		
(2) Changes in fair value of other creditor's right investment		
(3) Amount of financial assets reclassified into other comprehensive income		
(4) Provision for credit impairment of other creditor's right investment		
(5) Cash flow hedging reserve		
(6) Translation differences of foreign currency financial statements		
(7) Others		
-Other comprehensive income after tax attributable to minority interests, net		
7. Total comprehensive income	320,351	231,703
Attributable to owners of the	320,351	231,703

parent company		
Attributable to minority shareholders of the Company	0	0
8. Earnings per share:		
(1) Basic earnings per share (in RMB)	0.017	0.012
(2) Diluted earnings per share (in RMB)	0.017	0.012

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. Cheng Zhongyi Director of Asset and Accounting Department: Mr. Pei Defang

Consolidated Cash flow statement

For the nine months ended 30 September 2021

Sinopec Oilfield Service Corporation

(Expressed in thousands of renminbi yuan and unaudited)

Items	For the nine months ended 30 September 2021	For the nine months ended 30 September 2020
1. Cash flows from operating activities:		
Cash received from sale of goods and rendering of services	36,671,744	33,303,661
Refund of taxes	63,560	131,833
Cash received relating to other operating activities	8,154,015	9,475,082
Sub-total of cash inflows	44,889,319	42,910,576
Cash paid for goods and services	27,269,709	24,647,984
Cash paid to and for employees	8,532,387	9,454,882
Cash paid for all types of taxes	845,643	770,206
Cash paid relating to other operating activities	8,428,346	7,408,916
Sub-total of cash outflows	45,076,085	42,281,988
Net cash inflow from operating activities (outflow listed with “-”)	-186,766	628,588
2. Cash flows from investing activities:		
Cash received from investment	10	0
Cash received from investment income	3,044	1,646
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	19,650	7,600

Net cash received from disposal of subsidiaries and other business units		
Cash received relating to other investing activities	188	
Sub-total of cash inflows	22,892	9,246
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	669,336	652,751
Cash paid for investments	6,848	9
Net increase in pledge loans		
Net cash paid for acquisition of subsidiaries and other business units		0
Cash paid relating to other investing activities		
Sub-total of cash outflows	676,184	652,760
Net cash inflow from investing activities (outflow listed with “-”)	-653,292	-643,514
3. Cash flows from financing activities:		
Cash received from the acquisition of investments		
Including: Cash received from non-controlling shareholders of subsidiaries		
Cash received from borrowings	44,444,242	39,565,093
Cash received relating to other financing activities		
Sub-total of cash inflows	44,444,242	39,565,093
Cash repayments of borrowings	42,965,924	38,530,064
Cash paid for dividends or interest	458,636	600,247
Including: Cash paid for the dividend to minority shareholders of subsidiaries		
Cash paid relating to other financing activities	343,452	302,421
Sub-total of cash outflows	43,768,012	39,432,732
Net cash inflow from financing activities	676,230	132,361
4. Effect of exchange rate changes on cash and cash equivalents	-8,986	-95,296
5. Net increase in cash and cash equivalents	-172,814	22,139
Add: Cash and cash equivalents at the beginning of the period	1,523,352	1,650,732
6. Cash and cash equivalents at the end of the period	1,350,538	1,672,871

Legal Representative: Mr. Chen Xikun

General Manager: Mr. Yuan Jianqiang

Chief Financial Officer: Mr. Cheng Zhongyi

Director of Asset and Accounting Department: Mr. Pei Defang

4.3 At the first implementation of the new lease standards, the situation to adjust the relevant items of the financial statements at the beginning of the first implementation year since 2021.

Applicable Not applicable

By order of the Board
Shen Zehong
Company Secretary

28 October 2021, 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+, Mr. Zhou Meiyun+, Mr. Chen Weidong, Mr. Dong Xiucheng* and Mr. Zheng Weijun.*

Executive Director

+ Non-Executive Director

** Independent Non-Executive Director*