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PROGRESS ANNOUNCEMENT ON AN ARBITRATION IN RELATION TO A WHOLLY-OWNED SUBSIDIARY

This announcement is made pursuant to the Part XIVA of the Securities and Futures Ordinance and Rule 13.09(2)(a) and Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

I. BASIC INFORMATION OF THE ARBITRATION

References are made to the announcements of Sinopec Oilfield Service Corporation (the “**Company**”) dated 25 June 2018 and 25 April 2023 in relation to the application by China National Chemical Engineering No. 11 Construction Co., Ltd. (中國化學工程第十一建設有限公司) (the “**China National Chemical Engineering**” or the “**Applicant**”) to the China International Economic and Trade Arbitration Commission (“**CIETAC**”) for arbitration in respect of the contract dispute between the Applicant and Sinopec International Petroleum Services Corporation (中國石化集團國際石油工程有限公司) (the “**International Services Corporation**” or the “**Respondent**”), a wholly-owned subsidiary of the Company (the “**Arbitration**”).

On 21 April 2023, the CIETAC issued an arbitral award (the “**Arbitral Award**”).

According to the Arbitral Award, the Respondent shall pay the Applicant a total of RMB70,240,853.59 for various fees and bear the cost appraisal fee, arbitration fee, etc. in total amount of RMB5,451,603.30. The Applicant shall pay the Respondent a total of RMB353,009,989.66 for various fees and bear the cost appraisal fee, arbitration fee, etc. in total amount of RMB9,252,532.70.

II. ENFORCEMENT OF THE ARBITRATION

As of 31 December 2023, the International Services Corporation has received a payment of RMB 284 million from China National Chemical Engineering, as stipulated in the Arbitral Award. The Arbitration has been enforced completely.

III. IMPACT OF THE ARBITRATION ON THE CURRENT OR FUTURE PROFITS OF THE COMPANY

As of the end of March 2023, the Company has made a provision for impairment of RMB322 million for project advances and borrowings related to the Applicant and has made a provision of RMB4 million for attorney's fees. The Company has received the relevant payments for the Arbitration in accordance with the Arbitral Award, and the profits for 2023 of the Company will be increased accordingly. The specific accounting treatment and financial data are subject to confirmation by the annual audit results from the auditing agent. Investors are hereby advised to be aware of the investment risks.

This announcement is hereby made.

By Order of the Board
Shen Zehong
Company Secretary

Beijing, PRC, 3 January 2024

As at the date of this announcement, the Board of Directors comprises Mr. Chen Xikun#, 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*