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Sinopec Oilfield Service Corporation

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

(Stock code: 1033)

ANNOUNCEMENT ON THE 2024 ACTION PLAN FOR “IMPROVING QUALITY AND EFFICIENCY AND FOCUSING ON RETURN”

In order to thoroughly implement the spirit of the 20th National Congress of the Communist Party of China and the Central Financial Work Conference and implement the requirements of the Opinions on Further Improving the Quality of Listed Companies (《關於進一步提高上市公司質量的意見》) of the State Council and actively responding to the Shanghai Stock Exchange's (the “SSE”) Initiative on Launching the Special Action of "Improving Quality, and Efficiency and Focusing on Return" for SSE Listed Companies, Sinopec Oilfield Service Corporation (the “Company”) formulated the 2024 Action Plan for “Improving Quality and Efficiency and Focusing on Return”, to further promote the Company to achieve high-quality development and continuously enhance the Company’s investment value and investors’ sense of gain. The Plan was considered and approved at the third meeting of the eleventh session of the board of directors of the Company (the “Board”) on 4 July 2024. Details are as follows:

I. FOCUSING ON STRENGTHENING THE MAIN BUSINESS AND IMPROVING THE QUALITY OF OPERATION

In 2024, the Company will continue to adhere to the high-quality development of main line, fully explore high-quality markets both domestically and internationally, vigorously tap into potentials on attacking difficulties and creating benefits, continuously deepen internal reform and management, actively respond to various risks and challenges, further

enhance key production and operation indicators such as new contract value, total profit and return on equity, and accelerate the construction of a world-class technology-led oilfield services company.

Firstly, the Company will fully promote market development and improve quality and efficiency. The Company will further optimize its market strategy, to enhance investment conversion rates, market share and team utilization rates in the market of China Petrochemical Corporation, and comprehensively advancing the “Four Improvements” and “Five Transformations”. We will vigorously promote the cooperative and profitable development of difficult-to-use reserves, and jointly expand the increment, forming a main front with higher quality and efficiency. In domestic non-Sinopec markets, we will continue to consolidate our presence in large-scale markets such as CNPC, CNOOC and Pipe China, and extend service models such as oil reservoir operation and engineering contracting. In overseas markets, we will consolidate and expand our presence in key large-scale markets such as Saudi Arabia and Kuwait and accelerate the globalization of technical services such as logging, drilling fluids and coiled tubing to achieve a higher level of internationalization. In the first half of 2024, the value of new contracts signed by the Company amounted to RMB61.0 billion, representing a year-on-year increase of 14.2%. The Company signed a fixed-price turnkey contract with Saudi Aramco for the domestic procurement and construction of Packages 6 and 7 of the MGS Phase III Pipeline Project Group, with a contract value of approximately RMB7.956 billion. The Company successfully renewed a 5+1-year contract for 3 drilling rigs, 3 workover rigs and mud logging service projects with Kuwait National Petroleum Company, with a contract value of approximately RMB2.3 billion. In addition, the Company won the new bids for 6 deep well drilling rig service projects. According to the completion of newly signed contract value in the first half of this year, the Company’s newly signed contract value for 2024 will exceed the planned amount of RMB83.5 billion set at the beginning of this year and is expected to reach over RMB85.0 billion.

Secondly, the Company will fully focus on creating benefits and tapping into potential. The Company will aim at the annual operating objectives and tasks and organize to carry out special campaigns to attack difficulties and create benefits, striving to achieve cost reduction and efficiency improvement of RMB650 million throughout the year. To comprehensively enhance profitability, the Company will focus on winning six key battles such as 1) revenue generation, price stabilization, and efficiency enhancement in the market of China Petrochemical Corporation; 2) optimization and efficiency enhancement of labor costs; optimization and efficiency enhancement of equipment costs; 3) reduction of production costs; 4) reduction of organizational operating expenses; and 5) fiscal and

tax optimization for efficiency enhancement. At the same time, the Company will improve the positive incentive mechanism, and promptly assess and reward the effectiveness of the work of tackling difficulties and creating benefits to fully stimulate the enthusiasm of all employees to tap potentials and increase efficiency.

Thirdly, the Company will deepen reform and management to improve efficiency. The Company will focus on innovative allocation of production factors, vigorously optimize human resources, strengthen coordination and adjustment, increase the transfer of outsourced operations to in-house operations, expand the scale of business contracting, and promote the value-added of human resources. In 2024, the Company aims at reducing employment by more than 3,000 people, coordinate and activate more than 16,000 person-times, increase the labor productivity of all employees by 8%, strive to contract or export more than 7,000 external business personnel, and generate revenue of more than RMB300 million. We will accelerate the construction of asset operation companies, establish a centralized support service sharing platform, achieve specialized integration of the overall adjustment, leasing, disposal and bidding of the Company's assets, accurately carry out overall asset allocation, leverage the momentum to develop a circular economy, improve the Company's asset utilization efficiency and return on equity, and enhance the ability of asset operation to generate revenue and efficiency.

II. INCREASING INVESTORS' RETURNS

In 2024, the Company will firmly establish the awareness of rewarding our shareholders, pay close attention to the market's evaluation of the Company's value, and actively utilize relevant policies on the basis of fully promoting the improvement of operating quality and value creation capabilities in combination with strategic planning and operational practice, so as to actively safeguard the Company's value and better protect the interests of investors.

Firstly, the Company will implement new national policies and new regulatory requirements and make timely return for the investors. The Company will steadily improve operating performance, enhance sustainable profitability, and study the plan for recovering from the losses using capital reserves and strive to realize a positive overturn on the undistributed profits of the parent company by the end of 2024 and to satisfy the conditions for the distribution of cash dividends.

Secondly, the Company will actively study the rationality and feasibility of share repurchase. The Board has been granted a general mandate to repurchase shares at the

2023 annual general meeting, the 2024 first A shareholders class meeting and the 2024 first H shareholders class meeting of the Company held on 12 June 2024. In order to safeguard the value of shares and the interests of shareholders, the Company will actively study the rationality and feasibility of share repurchase and promoting the management of market value in compliance with relevant law and regulation.

III. ADHERING TO INNOVATION-DRIVEN DEVELOPMENT AND DEVELOPING NEW QUALITY PRODUCTIVITY

In 2024, the Company will continue to increase investment in research and development and efforts in tackling key problems, improve the quality and efficiency of technological innovation, and forge core technology tools. The R&D investment expense against the yearly revenue will be stabilized at 2.5% to 3% throughout the year. The Company strives to build a technology-oriented oilfield service company, promote the high-quality development of the Company and lead the industrial transformation and upgrading through the cultivation and application of new quality productivity.

Firstly, the Company will strengthen the research and application of key technologies. We will concentrate advantageous resources to overcome 12 major core technologies such as drilling of 10,000-meter deep well drilling, fully automated drilling machines for shale oil, high-temperature and high-performance rotary geological steering, and controllable source neutron density logging while drilling, make every effort to apply for national major science and technology projects on oil and gas during the “14th Five-Year Plan” period, the second phase of intelligent drilling guidance and other national-level projects, accelerate deep-ultra-deep oil and gas exploration and development, and construction of deep geothermal energy and utilization field in future industries, and speed up iterative research on high-precision geophysics, 240 °C high temperature resistant drilling and completion technology and equipment and fully electric fracturing equipment, etc., to comprehensively enhance technological support capabilities.

Secondly, the Company will deepen the development of industrial characteristics. We will vigorously promote advantageous and featured technology products such as rotary steering, drilling and completion tools, automation equipment and oilfield chemical additives, carry out large-scale experiments on low-cost featured technologies such as casing drilling, four- to five-stage branch wells, and coiled tubing sidetracking drilling, promote the transformation of featured scientific and technological achievements into practical productivity, and strive to generate annual revenue of RMB3.5 billion.

Thirdly, The Company will vigorously promote green and intelligent development. The Company will accelerate the development of green equipment and technical processes, improve the electrification rate of project sites and the level of resource recycling, and strive to build green projects and green sites; actively participate in the research and development and application of technologies on “heat, hydrogen, wind, light and electricity (熱氫風光電)”, build a new energy technology research and development center, and strive to make greater breakthroughs in the CCUS industry chain, hydrogen transmission, the Beidou navigation and other fields; focus on the digital and intelligent transformation of the industry, actively explore the integrated development path of big data, cloud computing, AI and the oilfield service industry, make every effort to create the “green oilfield service (綠色油服)” and the “intelligent oilfield service (智慧油服)”, and strive to open up new fields and new tracks, cultivate new momentum and new advantages.

IV. IMPROVING THE QUALITY OF INFORMATION DISCLOSURE AND STRENGTHENING INVESTOR COMMUNICATION

In 2024, the Company will continue to enhance its investor-oriented information disclosure mechanism to better communicate the Company’s value to the market and investors; further strengthen investor relations management efforts and strive to promote understanding of the Company's business and the overall industry development, thereby solidifying a long-term, stable, and mutually trusted relationship with investors.

Firstly, the Company will continue to improve the quality of information disclosure. The Company will focus on the needs of investors, highlight the importance and pertinence of information disclosure, actively disclose information that is useful for investors' investment decision-making, and strengthen the disclosure of key information such as industry conditions, corporate business, and risk factors, so as to provide sufficient information for investors' value judgments and investment decisions.

Secondly, the Company will hold high-quality performance press conferences. The Company plans to conduct three performance presentations throughout the year, in which investors especially small and medium investors, industry analysts and the media will be invited to attend, and the chairman, general manager, independent directors and other senior management will attend the annual and interim performance presentations.

Thirdly, the Company will organize a reverse roadshow for investors. This year marks the 10th anniversary of the listing of the Company. The Company plans to hold a large-scale reverse roadshow event to show investors the development achievements of the Company since its listing ten years ago and introduce the future development prospects of the Company, especially its development plans and technological advantages in the development of shale oil and the new energy, so as to allow investors to see the value and development potential of the Company.

V. ADHERING TO COMPLIANCE OPERATIONS AND IMPROVING GOVERNANCE

In 2024, the Company will continue to optimize its corporate governance structure and improve the standard and efficiency of its standardized operations.

Firstly, the Company will conduct in-depth research and study on the new Company Law, the Measures for the Administration of Independent Directors of Listed Companies, the Guidelines for Articles of Association of Listed Companies and other relevant laws and regulations, and timely revise and improve the internal management system and continuously promote the construction and effective implementation of the corporate governance system based on the actual situation of the Company.

Secondly, the Company will further improve the ESG management system and structure, continue to improve the ESG level, compile and publish high-quality ESG reports, and promote the continuous integration of ESG and the production and operation of the Company.

Thirdly, the Company will make efforts to prevent corporate governance risks, promote the effective connection of compliance management system with audit supervision, risk management and system construction, and improve the compliance governance level of the Company.

Fourthly, the Company will continue to strengthen the compliance operation awareness of “key minority” such as directors, supervisors and senior management. The Company will actively organize directors, supervisors and senior management to participate in relevant trainings organized by the CSRC, the stock exchanges, the China Association for Public Companies, give full play to the role of independent directors, continue to strengthen the

compliance awareness, effectively enhance the red line awareness of relevant persons, strictly adhere to the bottom line of compliance, and strengthen the performance of duties; continue to improve the remuneration and performance system, increase the relevant indicators of market value management, and realize the in-depth binding of the interests of the Company's management team, so as to provide effective protection for the interests of the Company and the shareholders.

VI. OTHER EXPLANATIONS

The Company will continue to evaluate the specific implementation of the Action Plan for “Improving Quality and Efficiency and Focusing on Return”, update the Action Plan in a timely manner and fulfill the obligation of information disclosure, and strive to fulfill its responsibilities and obligations as a listed company through sound performance, standardized corporate governance and positive returns to investors, so as to repay the trust of investors and maintain the Company's market image.

The Action Plan for “Improving Quality and Efficiency and Focusing on Return” is formulated based on the current situation of the Company and does not constitute a profit undertaking or forecast. It may be affected by changes in domestic and overseas market environment, policies and regulations and other factors in the future and is subject to uncertainties. Investors are advised to make rational investments and pay attention to investment risks.

By Order of the Board
Shen Zehong
Company Secretary

4 July 2024, Beijing

As at the date of this announcement, the Board of Directors comprises Mr. Wu Baizhi#, Mr. Zhang Jiankuo#, Mr. Zhao Jinhai+, Ms. Zhang Lili+, Mr. Du Kun+, Mr. Xu Keyu+, Mr. Zheng Weijun, Mr. Wang Pengcheng* and Ms. Liu Jiangning*.*

Executive Director

+ Non-Executive Director

** Independent Non-Executive Director*