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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 of the interim results for the six months ended 30 June 2025**

The board of directors (the “**Board**”) of Sinopec Oilfield Service Corporation (the “**Company**”) hereby presents the interim results of the Company and its subsidiaries (the “**Group**”) for the six months ended 30 June 2025.

**1. IMPORTANT NOTES**

1.1 The Board and the supervisory committee of the Company (the “**Supervisory Committee**”) and its directors, supervisors and senior management warrant that there are no false representations, misleading statements or material omissions in this announcement and individually and jointly accept full responsibility for the authenticity, accuracy and completeness of the information contained in this announcement.

1.2 The interim financial statements of the Company for 2025, which have been prepared in accordance with the PRC Accounting Standards for Business Enterprises (“**PRC ASBE**”) and International Financial Reporting Standards (“**IFRS**”), are unaudited. The interim financial statements of the Company for 2025, which have been prepared in accordance with the IFRS, have been reviewed by BDO Limited.

1.3 Mr. Wu Baizhi, Chairman, Mr. Zhang Jiankuo, General Manager, Mr. Cheng Zhongyi, Chief Financial Officer and Ms. Zhang Xueping, Manager of the Accounting and Asset Department of the Company, hereby warranted the authenticity and completeness of the interim financial statements contained in the announcement.

1.4 This announcement of interim results is a summary of the 2025 Interim Report of the Company. For more details, investors should carefully read the full version of the 2025 Interim Report, which will be published on the websites of the Shanghai Stock Exchange (“**SSE**”) (website: <http://www.sse.com.cn>), The Stock Exchange of Hong Kong Limited (“**HKSE**”) (website: <http://www.hkexnews.hk>) and the Company (website: <http://ssc.sinopec.com>).

## 2. BASIC INFORMATION OF THE COMPANY

### 2.1 Company Profile

#### 2.1.1 Places of listing, short names and codes of the stock:

Share Type	Place of listing of the shares	Stock abbreviation	Stock Code	Stock abbreviation before change
A Shares	SSE	SINOPEC SSC	600871	-
H Shares	HKSE	SINOPEC SSC	01033	-

#### 2.1.2 Contact Persons and Contact Information

	Secretary to the Board	Company Secretary, Securities Affairs Representative
Name	Ke Yuehua	Shen Zehong
Address	Office of the Board of Directors, #9 Jishikou Road, Chaoyang District, Beijing, China.	
Telephone	86-10-59965998	
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E-mail	ir.ssc@sinopec.com	

## 2.2 Principal financial data and financial indicators

### 2.2.1 Extracted from the interim financial report prepared under IFRS (Unaudited)

	<b>As at 30 June 2025</b> <i>RMB '000</i>	<b>As at 31</b> <b>December 2024</b> <i>RMB '000</i>	Increase/ (Decrease) from last year (%)
Total assets	78,148,983	77,340,105	1.0
Total Liabilities	68,845,493	68,691,303	0.2
Total equity attributable to equity shareholders of the Company	9,303,490	8,648,802	7.6
Net assets per share attributable to equity shareholders of the Company (RMB)	0.49	0.46	6.5
	<b>For the six months</b> <b>ended 30 June</b> <b>2025</b> <i>RMB '000</i>	<b>For the six</b> <b>months ended 30</b> <b>June 2024</b> <i>RMB '000</i>	Increase/ (Decrease) from corresponding period of last year (%)
Profit attributable to equity shareholders of the Company	760,149	752,950	1.0
Basic and diluted earnings per share	RMB 0.040	RMB 0.040	1.0
Net cash generated from/(used in) operating activities	2,150,567	-190,066	not applicable
Return on net assets	8.08%	8.58%	decreased by 0.50 percentage points

Net cash generated from/(used in) operating activities per share	RMB 0.113	RMB -0.010	not applicable
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**2.2.2 Extracted from the interim financial report prepared in accordance with the PRC ASBE (Unaudited)**

**(1) Key financial data**

	<b>For the six months ended 30 June 2025 RMB'000</b>	<b>For the six months ended 30 June 2024 RMB'000</b>	<b>Increase/(Decrease) from corresponding period of last year (%)</b>
Operating income	37,050,751	36,821,444	0.6
Operating profit	788,207	692,652	13.8
Profit before income tax	782,970	781,564	0.2
Net profit attributable to equity shareholders of the Company	492,256	451,807	9.0
Net profit deducted extraordinary gain and loss attributable to equity shareholders of the Company	423,900	251,181	68.8
Net cash inflow from operating activities ("-" for outflow)	2,150,567	-190,066	not applicable
	<b>As at 30 June 2025 RMB'000</b>	<b>As at 31 December 2024 RMB'000</b>	<b>Increase/(Decrease) from last year (%)</b>
Total equity attributable to equity shareholders of the Company	9,303,490	8,648,802	7.6
Total assets	78,148,983	77,340,105	1.0

**(2) Key financial indicators**

	<b>For the six months ended 30 June 2025</b>	<b>For the six months ended 30 June 2024</b>	<b>Increase/(Decrease) from corresponding period of last year (%)</b>
Basic earnings per share (RMB/share)	0.026	0.024	8.3
Diluted earnings per share (RMB/share)	0.026	0.024	8.3
Basic earnings per share deducted extraordinary gain and loss (RMB/share)	0.022	0.013	69.2

Weighted average return on net assets	5.53%	5.48%	increased by 0.05 percentage points
Weighted average return on net assets deducted extraordinary gain and loss	4.77%	3.04%	increased by 1.73 percentage points

Explanations for key financial data and key financial indicators

✓ Applicable ☐ Not Applicable

From 21 August to 12 September 2024, the Company repurchased an aggregate of 4,928,000 H shares, which were cancelled on 19 September 2024. From 8 January to 22 May 2025, the Company repurchased an aggregate of 22,366,200 A shares, which were cancelled on 6 June 2025. Therefore, the total share capital of the Company used in the calculation of the above relevant indicators of earnings per share during the reporting period was 18,957,045,833 shares, as compared with 18,984,340,033 shares used in the same period last year.

### 2.2.3 Extraordinary gain and loss items and amount (figures are based on the interim financial report prepared in accordance with the PRC ASBE) (Unaudited)

Extraordinary gain and loss items	Amount (RMB'000)
Gains and losses on disposal of non-current assets, including write-offs of provision for impairment of assets	35,820
Government subsidies included in the current profits and losses, except those that are closely related to the normal business operations of the Company, comply with the national policies and regulations, are enjoyed in accordance with the determined standards, and have a continuous impact on the profits and losses of the Company	6,529
Reversal of provision for impairment of receivables individually tested for impairment	39,434
Gain or loss on debt restructuring	16,995
Other non-operating income and expenses excluding the aforesaid items	-14,555
Effect of income tax	-15,867
Total	68,356

### 2.2.4 Differences between the interim financial report of the Company prepared in accordance with the PRC ASBE and IFRS (Unaudited)

	Net profit attributable to equity shareholders of the Company		Total equity attributable to equity shareholders of the Company	
	For the six months ended 30 June 2025 RMB'000	For the six months ended 30 June 2024 RMB'000	As at 30 June 2025 RMB'000	As at 1 January 2025 RMB'000
PRC ASBE	492,256	451,807	9,303,490	8,648,802
Adjustment of items and amount in accordance with the IFRS::				
Specific reserve (a)	267,893	301,143	-	-
IFRS	760,149	752,950	9,303,490	8,648,802
Description of differences	Please refer to section 7.3 of financial report of this interim performance announcement.			

### 3. CHANGES IN SHARE CAPITAL AND SHAREHOLDINGS OF MAJOR SHAREHOLDERS

#### 3.1 Changes in share capital

##### A. Changes in share capital

Unit: shares

	Before the change		The increase or decrease on the change ( + , - )					After the change	
	Amount	Percentage (%)	New shares issued	Bonus shares	Reserve transfer into shares	Others	Total	Amount	Percentage (%)
<b>Shares with selling restrictions</b>	-	-	-	-	-	-	-	-	-
<b>Shares without selling restrictions</b>	18,979,412,033	100.0	-	-	-	-22,366,200	-22,366,200	18,957,045,833	100.0
1. Ordinary shares in RMB	13,569,378,551	71.50	-	-	-	-22,366,200	-22,366,200	13,547,012,351	71.46
2. Domestically listed foreign shares	-	-	-	-	-	-	-	-	-
3. Overseas listed foreign shares	5,410,033,482	28.50	-	-	-	-	-	5,410,033,482	28.54
4. Others	-	-	-	-	-	-	-	-	-
<b>Total of shares</b>	18,979,412,033	100.0	-	-	-	-22,366,200	-22,366,200	18,957,045,833	100.0

##### B. Note for the changes in share capital of ordinary shares

√ Applicable    ☐ Not Applicable

During the reporting period, the total number of shares of the Company changed. From 8 January 2025 to 22 May 2025, the Company repurchased 22,366,200 A Shares through centralized bidding transactions, and completed the cancellation procedures for the above repurchased shares at the Shanghai Branch of China Securities Registration and Clearing Corporation Limited on 6 June 2025. For details, please refer to the “Announcement on Cancellation of Repurchased A Shares” (P.2025-023) disclosed in China Securities Journal, Shanghai Securities News, Securities Times and on www.sse.com.cn on 7 June 2025 and on www.hkexnews.hk on 6 June 2025.

**3.2 As at 30 June 2025, the total number of shareholders of the Company was 129,665, including 129,354 holders of domestic A shares and 311 registered holders of overseas H shares.**

**3.3 As at 30 June 2025, the shareholdings of the top ten shareholders of the Company are as follows:**

Shareholdings of the top ten shareholders						
Names of shareholders	Nature of shareholders	Changes of shareholdings during the reporting period <sup>1</sup> (shares)	Number of shares held at the end of the reporting period (shares)	Percentage to total share capital (%)	Number of shares with selling restrictions (shares)	Number of shares pledged or frozen
China Petrochemical Corporation <sup>2</sup>	State-owned legal person	0	9,968,726,364	52.59	0	0
Hong Kong Securities Clearing Company (Nominees) Limited (“HKSCC	Overseas legal person	59,000	5,397,494,694	28.47	0	0

<b>(Nominees) Limited”)<sup>3</sup></b>						
China National Petroleum Corporation (“CNPC”)	State-owned legal person	0	759,170,000	4.00	0	0
CITIC Corporation Limited	State-owned legal person	-57,852,700	156,560,000	0.83	0	0
Agricultural Bank of China – China Securities 500 Trading Open Index Securities Investment Fund	Others	2,256,295	60,707,168	0.32	0	0
Anhui Yangguang InfoComm Electronic Technology Co., Ltd.	Domestic non-state-owned legal person	0	53,970,000	0.28	0	0
Hong Kong Securities Clearing Company Limited <sup>4</sup>	Others	-16,246,615	52,436,896	0.28	0	0
Shanghai Tongneng Investment Holdings Co., Ltd.	Domestic non-state-owned legal person	-3,171,500	46,828,500	0.25	0	0
Li Feng	Domestic natural person	0	31,300,000	0.17	0	0
He Long	Domestic natural person	3,322,300	29,330,300	0.15	0	0
<b>Shareholdings of top ten shareholders of shares without selling restrictions</b>						
<b>Name of shareholders</b>					<b>Number of shares without selling restrictions held at the end of the reporting period (shares)</b>	<b>Types of shares</b>
China Petrochemical Corporation <sup>2</sup>					9,968,726,364	A Share
HKSCC (Nominees) Limited <sup>3</sup>					5,397,494,694	H Share
CNPC					759,170,000	A Share
CITIC Corporation Limited					156,560,000	A Share
Agricultural Bank of China – China Securities 500 Trading Open Index Securities Investment Fund					60,707,168	A Share
Anhui Yangguang InfoComm Electronic Technology Co., Ltd.					53,970,000	A Share
Hong Kong Securities Clearing Company Limited <sup>4</sup>					52,436,896	A Share
Shanghai Tongneng Investment Holdings Co., Ltd.					46,828,500	A Share
Li Feng					31,300,000	A Share
He Long					29,330,300	A Share
Statement on the connected relationship or activities in concert among the above-mentioned shareholders			The Company is not aware of any connected relationship or acting in concert among the above-mentioned shareholders.			

Description of the repurchase accounts of the top ten shareholders	Not applicable
Explanation on the voting right entrusted, voting right and waiver of voting right by the aforesaid shareholders	Not applicable

Note:

1. As compared with the number of shares held as of 31 December 2024.
2. Apart from directly holding 9,968,726,364 A shares of the Company, China Petrochemical Corporation also held 2,595,786,987 H shares through its wholly-owned subsidiary, Sinopec Century Bright Capital Investment, Ltd. (“**Century Bright Company**”). Therefore, China Petrochemical Corporation directly and indirectly holds 12,564,513,351 shares of the Company, which represents 66.28% of the total shares of the Company.
3. HKSCC (Nominees) Limited is a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited, and acts as an agent to hold H shares of the Company on behalf of other companies or individual shareholders.
4. Hong Kong Securities Clearing Company Limited is a wholly-owned subsidiary of the Hong Kong Exchanges and Clearing Limited, and acts as a nominal holder to hold A shares of the Company in SSE on behalf of the investors of the HKSE.

### 3.4 Substantial Shareholder's Interests or Short Positions in Shares and Underlying Shares of the Company

To the directors’ knowledge, as at 30 June 2025, the following persons (other than director, supervisor or senior management of the Company) had an interest or short position in the shares or underlying shares of the Company which shall be disclosed under Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance (“**SFO**”) were as follows:

Name of shareholder	Number of shares held (shares)	Per cent of shareholding in the Company’s total issued share capital (%)	Per cent of shareholding in the Company’s total issued domestic shares (%)	Per cent of shareholding in the Company’s total issued H shares (%)	Short position (shares)
China Petrochemical Corporation	9,968,726,364 (A share)	52.59	73.59	Not applicable	-
	2,595,786,987 (H share) <sup>1</sup>	13.69	Not applicable	47.98	-
CNPC	759,170,000 (A share)	4.00	5.60	Not applicable	-
China State-owned Enterprise Structural Adjustment Fund Co., Ltd.	578,394,495 (H Share) <sup>2</sup>	3.05	Not applicable	10.69	-

Note: 1. China Petrochemical Corporation held 2,595,786,987 H shares of the Company through its wholly-owned subsidiary Century Bright Company. China Petrochemical Corporation is deemed to have H shares held by Century Bright Company.

2. China State-owned Enterprise Structural Adjustment Fund Co., Ltd. held 312,371,632 H shares of the Company through Yifangda Fund Management Co., Ltd., accounting for 5.77% of the total issued H shares of the Company, and 257,000,863 H shares of the Company through Huaxia Fund Management Co., Ltd., accounting for 4.75% of the total issued H shares of the Company.

Save as disclosed above, as at 30 June 2025, as far as known to the directors, no other person (other than director, supervisor or senior management of the Company) had an interest or short position in the shares and underlying shares of the Company which would be recorded in the register kept by the Company under Section 336 of the SFO.

#### 4. DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

##### 4.1 Changes in Directors, Supervisors and Senior Management

On 8 July 2025, Mr. Xu Keyu resigned as the non-executive director of the Board of the Company due to a change of work. The Company expresses its sincere gratitude to Mr. Xu Keyu for his hard work and important contribution during his tenure.

##### 4.2 Directors', supervisors' and senior management's Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company

At the date of this announcement, the Company's deputy general manager Mr. Sun Bingxiang as a beneficial owner held 50,300 A shares of the Company, representing 0.00037% of the A shares in issue of the Company and 0.00027% of shares in issue of the Company.

As at 30 June 2025, save as disclosed above and Qi Xin Gong Ying Scheme disclosed below, none of the directors, supervisors or other senior management of the Company had any interest or short position in any share, underlying share or debenture of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to the Company and HKSE pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the directors, supervisors and senior management of the Company are taken or deemed to have under such provisions of the SFO), or as recorded in the registry by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and the HKSE pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers ("**Model Code**") as set out in Appendix C3 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**Listing Rules**").

##### Directors, Supervisors and Senior management's participation in Qi Xin Gong Ying Scheme

On 25 January 2018, the Company non-publicly issued 1,503,568,702 and 23,148,854 shares of restricted-sale A shares to China Petrochemical Corporation and the Qi Xin Gong Ying Scheme respectively. Qi Xin Gong Ying Scheme is managed by Changjiang Pension Insurance Co., Ltd., and its shares shall be subscribed by the certain directors, supervisors, senior management and other core management personnel of the Company. The number of subscribers is 198, and the subscription amount is RMB60.65 million in total. The subscription price for each scheme unit under Qi Xin Gong Ying Scheme is RMB 1.00. The duration of Qi Xin Gong Ying Scheme is 48 months commencing from 25 January 2018. The first 36 months shall be the lock-up period and the last 12 months shall be the unlocking period. On 25 January 2021, the lock-up period of 23,148,854 A shares with selling restrictions held by Qi Xin Gong Ying Scheme have ended and were listed for trading. In 2021, Qi Xin Gong Ying Scheme reduced holding 11,574,427 shares of A share through centralized bidding. By the end of the reporting period, Qi Xin Gong Ying Scheme still holds 11,574,427 shares of A share.

In Qi Xin Gong Ying Scheme, current and former directors, supervisors and senior management of the Company have subscribed 6.05 million scheme units in total, accounting for approximately 10.0% of the total scheme units of Qi Xin Gong Ying Scheme. There are 18 directors, supervisors and senior management of the Company in total who have subscribed for Qi Xin Gong Ying Scheme. The subscriptions by the current and former directors, supervisors and senior management of the Company under Qi Xin Gong Ying Scheme are as follows:

Name	Position	Subscription amount under Qi Xin Gong Ying Scheme (RMB)	Subscription scheme units under Qi Xin Gong Ying Scheme	Subscription Price (RMB/A Share)	Subscription of A share (shares)
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			(units)		
Zhang Jiankuo	Director, General Manager	300,000	300,000	2.62	114,503
Wang Jun	Chairman of Supervisory Committee	300,000	300,000	2.62	114,503
Zhang Bailing	Employee representative supervisor	350,000	350,000	2.62	133,587
Wang Zhonghong	Employee representative supervisor	300,000	300,000	2.62	114,503
Zhang Congbang	Deputy General Manager	300,000	300,000	2.62	114,503
Ke Yuehua	Secretary to the Board	300,000	300,000	2.62	114,503
Chen Xikun	Former Chairman, Secretary of the Party Committee	400,000	400,000	2.62	152,671
Sun Yongzhuang	Former Employee representative supervisor	300,000	300,000	2.62	114,503
Du Guangyi	Former Employee representative supervisor	350,000	350,000	2.62	133,587
Zhang Yongjie	Former Deputy General Manager	350,000	350,000	2.62	133,587
Sun Qingde	Former Vice Chairman, General Manager	400,000	400,000	2.62	152,671
Li Wei	Former Chairman of Supervisory Committee	350,000	350,000	2.62	133,587
Huang Songwei	Former Supervisor	350,000	350,000	2.62	133,587
Zhang Hongshan	Former Supervisor	350,000	350,000	2.62	133,587
Zuo Yaojiu	Former Deputy General Manager	350,000	350,000	2.62	133,587
Zhang Jinhong	Former Deputy General Manager	350,000	350,000	2.62	133,587
Li Tian	Former Chief Financial Officer	350,000	350,000	2.62	133,587
Li Honghai	Former Secretary to the Board	300,000	300,000	2.62	114,503
Total	/	6,050,000	6,050,000	-	2,309,146

#### **4.3 Independent Non-Executive Director and Audit Committee**

As at 30 June 2025, the Company has three independent non-executive directors, two of whom are professional in the accounting field and has experience in financial management.

The members of the audit committee of the Board of the Company (the “**Audit Committee**”) include Mr. Zheng Weijun, Ms. Zhang Lili, Mr. Wang Pengcheng and Ms. Liu Jiangning. The main responsibilities of the Audit Committee are to review and supervise the Company’s financial reporting procedures and internal control system, and to provide advice to the Board. The Audit Committee has reviewed and confirmed the interim financial statements of the Company for the six-months ended 30 June 2025 and the financial information of the 2025 Interim Report.

### **5. MANAGEMENT DISCUSSION & ANALYSIS**

*The following financial figures, except where specifically noted, are extracted from the Company’s unaudited interim financial report prepared in accordance with the PRC ASBE.*

In the first half of 2025, faced with the complex and ever-changing external environment and in-depth challenges in reform and development, the Company has comprehensively promoted production and operation, technological innovation, reform and development, safety and environmental protection, strived to improve the quality and efficiency of business development, continued to deepen the optimization of resources such as human resources and assets, and strived to expand the light assets and high-end business market relying on the integration advantages of the whole industry chain. We promoted the coordinated development of intelligent equipment and low-carbon technology, strengthened core competitiveness, and help the company to steadily improve its operating performance and maintain a stable financial situation. During the first half of 2025, the consolidated revenue of the Company was RMB37.05 billion, representing an increase of 0.6% over RMB36.82 billion in the same period of the previous year. Net profit attributable to shareholders of the Company amounted to RMB490 million, representing an increase of 9.0% from RMB450 million in the same period of the previous year. Basic earnings per share was RMB0.026, representing an increase of RMB0.002 over the same period of the previous year.

#### **5.1 Market review**

In the first half of 2025, China's economy continued to pick up, with a year-on-year increase of 5.3% in gross domestic product (GDP), a good situation of stable and increased production of domestic oil and gas, and a steady improvement in supply guarantee capacity. According to the statistics of the National Bureau of Statistics, in the first half of the year, the output of industrial crude oil above designated size in China was 108 million tons, representing a year-on-year increase of 1.3%; the output of industrial natural gas above designated size was 130.8 billion cubic meters, a record high for the same period in history, representing a year-on-year increase of 5.8%. Benefiting from the domestic policy of increasing reserves and production, the oilfield service industry continued to maintain a steady development trend. In the first half of the year, the supply and demand of the international crude oil market was loose, and the average spot price of Brent crude oil in the North Sea was \$71.91 per barrel, down by 14.2% from \$83.83 per barrel in the same period last year.

In the first half of 2025, the Company focused on the main line of high-quality development, strengthened integration and regional optimization, strengthened technical research, deepened reform and development, made every effort to tackle key problems and create efficiency, and consolidated risk prevention and control. The production and operation maintained stable operation, and the main operating indicators achieved good growth. In the first half of the year, the amount of newly signed contracts reached the best level in the same period since the “13th Five-Year Plan”, and our accumulated value of newly signed contracts amounted to RMB63.67 billion, representing a year-on-year growth of 3.2%. Among which, the value of our newly signed contracts in the market of China Petrochemical Corporation reached RMB34.37 billion, representing a year-on-year increase of 3.0%; the value of our newly signed contracts in the domestic external markets reached RMB9.68 billion,

representing a year-on-year decrease of 42.7%; and the value of our newly signed contracts in the overseas markets reached RMB19.62 billion, representing a year-on-year increase of 71.8%.

## **5.2 Operation Review**

### **5.2.1 Geophysical service**

In the first half of 2025, the Company's operation revenue from the principal business of geophysical service was RMB1.81 billion, representing a decrease of 15.6% from RMB2.15 billion in the same period of the previous year. The completed 2D seismic exploration accumulated for 1,859 kilometers, representing a year-on-year increase of 38.4%; while the completed 3D seismic exploration accumulated for 5,227 square kilometers, representing a year-on-year decrease of 26.1%. The Company achieved major breakthroughs in the Sichuan Basin, Tarim Basin, and Ordos Basin. The OBN 3D acquisition technology in offshore areas supported Sinopec Group's first major exploration breakthrough in a medium-deepwater self-operated oilfield. The quality of acquisition data was greatly improved, with the excellent rate of seismic data reaching 90.6%, an increase of 4.3 percentage points over the contract requirements. Newly signed projects include the seismic data acquisition for the 3D development of the Panhe wells in the Shengli Oilfield, the 3D seismic data acquisition for the Hongxing area in the Jiangnan Oilfield, the high-precision 3D testing in the Ziyang area of the Southwest Oil and Gas Region, and the 2D project for the Fuyu-Yian Block in the Northeast Oil and Gas Region.

### **5.2.2 Drilling service**

In the first half of 2025, the Company's operation revenue from the principal business of drilling service was RMB18.19 billion, representing a decrease of 3.6% from RMB18.88 billion in the same period of the previous year. Our completed drilling footage reached 5,600 kilometers, representing a year-on-year increase of 2.2%, which completed 54.4% of the annual plan and exceeded the planned progress of operation. The Company continued to optimize the size of our team and enhance the reasonableness of our team layout, the drilling footage of a single team increased by 4.5% year-on-year. The Company comprehensively deepened the integrated operation of Party A and Party B with focus on managing operation and providing technical support for key wells and demonstration wells, and continuously improved the quality and efficiency of service, with good results achieved in the "Four Improvements" initiatives. The SHZ4-7X well was completed with a depth of 8,476 meters and the drilling cycle was 59.6 days, marking the first time that the drilling cycle for wells at depths of 8,000 to 8,500 meters in the Northwest Oilfield was controlled within 60 days and the Jiaoye 44-Z5HF well was completed with a depth of 8,517 meters and a horizontal section length of 5,442 meters, setting a new national record for the longest horizontal section of a shale gas horizontal well.

### **5.2.3 Logging and mud logging service**

In the first half of 2025, the Company's operation revenue from the principal business of logging and mud logging service was RMB1.73 billion, representing an increase of 8.1% from RMB1.60 billion in the same period of the previous year. Our completed logging projects accumulated for 137,910,000 standard meters, representing a year-on-year increase of 9.0%, whereas our completed mud logging projects accumulated for 4,640 kilometers, representing a year-on-year increase of 10.5%. The Company continued to promote technology research and development, with breakthroughs in drilling-while-logging technology, drilling-while-logging directional resistivity detection, and recoverable drilling-while-logging electromagnetic wave resistivity instruments, gradually established a comprehensive drilling-while-logging series. Post-drilling logging technology was applied in more than 50 wells, achieving a single-run measurement of acoustic, neutron, density, and resistivity. Our self-developed rotary steering was applied in 378 wells, with a total drilling depth of 498,500 meters, achieving a drilling success rate of 91%. Stability and reliability continued to improve, forming an annual construction capacity of over 300 wells.

### **5.2.4 Downhole operation service**

In the first half of 2025, the Company's operation revenue from the principal business of downhole operation service was RMB5.14 billion, representing a year-on-year decrease of 7.7% as compared with RMB5.57 billion in the same period of the previous year. We completed downhole operation for 2,963 well times, with a year-on-year increase of 16.4%, and the fracturing construction efficiency in key work areas increased by 6.0% year on year. 175 MPa ultra-high pressure fracturing equipment and technology were successfully applied in the Tiebei 1 side well, achieved a daily gas production of 314,500 cubic meters of high-yield industrial gas flow,

contributing to another major breakthrough for the “Sichuan-Chongqing Natural Gas Base.” Advanced technologies such as coiled tubing side drilling and optical fiber monitoring were promoted and applied to accelerate the development of distinctive businesses. We further promoted the cooperative development of difficult-to-use reserves, 35 cooperative development blocks were implemented, utilizing 26.829 million tons of reserves and adding 401,000 tons of new production capacity, driving 1.051 million meters of drilling progress in the first half of the year.

#### **5.2.5 Engineering and construction service**

In the first half of 2025, the Company’s operation revenue from the principal business of engineering and construction service was RMB8.66 billion, representing a year-on-year increase of 19.3% from RMB7.26 billion in the same period of the previous year. Our accumulated value of newly signed contracts amounted to RMB17.02 billion, representing a year-on-year decrease of 4.3%. We completed projects with an accumulated contract value of RMB9.99 billion, representing a year-on-year increase of 32.5%. In the first half of the year, 74 key projects constructed by the Company were operated in a safe and orderly fashion. The “Hongxing Purification Station Project” participated by the Company was successfully put into operation at one go. The main structures of the Daniudi Ethane Recovery Project were completed, and the skids and equipment were put in place and are operating according to plan. Key projects such as the relocation and reconstruction of the Dasha Dam Oil Depot were fully launched, helping Sinopec Group increase reserves and production. We signed a new contract for the EPC (Engineering, Procurement, and Construction) project for the design and construction of the Dongying Crude Oil Commercial Reserve Project, with a contract value of RMB3.21 billion, and a new contract for the first construction package of the main line construction of the Hubei-Henan-Jiangxi-Anhui-Zhejiang-Fujian section of the National Pipeline Network's Sichuan-East Gas Pipeline Phase II Project, with a contract value of RMB2.12 billion.

#### **5.2.6 International business**

In the first half of 2025, the Company’s operation revenue from the principal business of international business was RMB9.28 billion, representing a year-on-year growth of 4.3% from RMB8.89 billion in the same period of the previous year, accounting for 25.3% of the revenue from our principal business in the first half of the year. In the first half of the year, the Company's overseas business continued to maintain a positive development trend. In the Saudi Arabian market, the Company actively organized and participated in bidding for Saudi Aramco's unconventional fracturing production enhancement service project. In the Kuwait market, we signed a southern drilling turnkey project and a drilling and workover human resources recruitment project with Kuwait Oil Company (KOC). We successfully passed KOC's qualification review for logging, perforating, and offshore drilling services, becoming the only contractor in the Kuwait market with integrated drilling service capabilities. We signed a drilling and completion turnkey project for the western and northern blocks of Ecuador National Oil Company, and successfully won the bid for the Algerian 4-rig drilling project and commenced drilling operations smoothly. Other long-term ground business projects in Uganda, Mexico, and other regions progressed well.

#### **5.2.7 Technology Research & development**

In the first half of 2025, the Company intensified its efforts in scientific and technological innovation, and continued to forge core tools to support reserve expansion and production growth. Sinopec Group developed and launched the first self-developed “Idrilling (Yinglong) Scientific Drilling System.” The drilling optimization technology was applied to a cumulative total of 411 wells, reducing the average drilling cycle by 12.7% and increasing the average mechanical drilling speed by 19.4%. New drill bits and drilling and completion technologies were developed to meet the needs of shale oil development, reducing the shortest drilling cycle record in the Minfeng depression shale oil field to 17.05 days. The 175 °C directional resistivity boundary detection instrument achieved breakthrough applications in markets outside of Sinopec Group. In the Daguang Guanye area under China National Petroleum Corporation, the instrument was applied to 10 shale oil wells, with bottomhole circulation temperatures exceeding 143 °C and a maximum circulation temperature reaching 157 °C, achieving the longest single-trip downhole operating time of 320 hours, setting multiple records including the deepest well depth and highest circulation temperature for shale oil in the same area, and contributing to the development of advanced technical services in markets outside of Sinopec Group. We established the Sinopec Group standard system for CCUS engineering construction, won the bid for the survey and design of a million-ton CCUS project in the Yanchang Oilfield, marking the first application in markets

outside of Sinopec Group. In the first half of the year, the Company filed 540 patent applications, including 341 invention patents. Product industrialization achieved a production value of RMB890 million.

### **5.2.8 Internal reform and management**

In the first half of 2025, the Company accelerated the reform of “enhancing one specialty, strengthening one business, developing one region, and optimizing two resources”, striving to forge a low-cost advantage and lay a solid foundation for high-quality development. We optimized and restructured the underground operations system, systematically implementing measures such as streamlining organizational structures, reducing inefficient teams, and optimizing job placements. As a result, 41 agencies were dissolved and 54 teams were merged. We comprehensively launched the optimization of outsourcing business standards, established a full-process control platform for outsourcing business, implemented 550 projects transitioning from outsourcing to self-operation, and reduced outsourcing costs by RMB140 million year-on-year. The Company put great efforts in advancing the construction demonstration project of the Northwest Work Area drilling rigs automation and completed the automation equipment upgrades for 15 drilling rigs. At present, the total number of drilling rigs equipped with automation equipment in the Northwest Work Area has reached 25. The Company also completed the site selection and land acquisition for the first centralized residential area in the main site in Tahe, and a professional team has been formed for relocation. Aiming at optimizing human and equipment resources deeply, 6,619 employees were dispatched to undertake external contracting business. Through coordinating and revitalizing equipment assets, adjusting drilling rigs, high-temperature directional drilling equipment and other instruments, the Company generated revenue of RMB80 million. The lean management capabilities of the Company were steadily enhanced with the implementation of categorized budget management across all organizational levels. Efforts were exerted in enhancing the resource efficiency of production and operation units while strictly controlling management institution expenses, resulting in a year-on-year decrease of 12.8% in non-production expenses.

### **5.2.9 Capital Expenditure**

In the first half of 2025, the Company had a capital expenditure of RMB950 million, with a year-on-year increase of 80.6%, which is mainly for the renewal of two 40 fully automatic drilling rigs, five fully automatic workover rigs, the acquisition of nine self-developed rotary steering instruments, the construction of one LNG dual-fuel support vessel, and the purchase of 22 sets of power catwalks.

## **5.3 Assets, liabilities, equity and cash flow analysis (Prepared in accordance with IFRS)**

As at 30 June 2025, the Group’s total assets were RMB78,148,983,000 and total liabilities were RMB68,845,493,000. The total equity attributable to shareholders of the Company was RMB9,303,490,000. Compared with the consolidated statement of financial position as at 31 December 2024 (“**compared with that at the end of last year**”), the changes and its main reasons were as follow:

Total assets were RMB78,148,983,000, increased by RMB808,878,000 compared with that of the end of last year, including that (i) current assets amounted to RMB46,445,826,000, representing an increase of RMB3,025,858,000 as compared to the end of the previous year, which was mainly due to the increase in contract assets of RMB4,825,940,000 as a result of the increase in completed but unsettled projects in the first half of the year. (ii) non-current assets were RMB31,703,157,000, decreased by RMB2,216,980,000 compared with that of the end of last year, mainly due to the normal provision for depreciation and amortization of fixed assets and long-term deferred expenses of the Group in the first half of the year.

The total liabilities were RMB68,845,493,000, increased by RMB154,190,000 compared with that of the end of last year, including that (i) current liabilities were RMB68,056,842,000, decreased by RMB136,940,000 compared with that of the end of last year, mainly due to the combined effect of an increase in short-term borrowings of RMB5,565,476,000, a decrease in notes payable and trade payables of RMB2,972,655,000, and a decrease in contract liabilities of RMB2,261,363,000; and (ii) non-current liabilities were RMB788,651,000, increased by RMB291,130,000 compared with that of the end of last year, which was mainly due to the combined effect of an increase in long-term borrowings of RMB259,027,000, an increase in lease liabilities of RMB59,109,000, an increase in long-term payables of RMB31,296,000 and an increase of deferred income of RMB32,755,000.

Total equity attributable to shareholders of the Company was RMB9,303,490,000, increased by RMB654,688,000 compared with that of the end of last year. It was mainly due to the combined effect of the profit attributable to shareholders of the Company of RMB760,149,000 and the decrease in other comprehensive income of RMB63,492,000 in the first half of 2025.

As at 30 June 2025, the ratio of total liabilities to assets was 88.1%, comparing with 88.8% as at 31 December 2024.

In the first half of 2025, the Group's net cash inflow from operating activities was RMB2,150,567,000, representing an increase of cash inflow by RMB2,340,633,000 as compared with the corresponding period of last year. It was mainly due to the payment of construction costs by the owners and the increase in the collection of receivables by the Group.

In the first half of 2025, the Group's net cash outflow from investing activities was RMB790,037,000, a decrease of cash outflow by RMB302,869,000 as compared with the corresponding period of last year. It was mainly due to the year-on-year decrease in the payment for equipment purchases by the Group in the first half of 2025.

In the first half of 2025, the Group's net cash inflow from financing activities was RMB407,460,000, a decrease of cash inflow by RMB1,100,746,000 compared with the corresponding period of last year. It was mainly due to the year-on-year decrease in loan growth in the first half of 2025.

As at 30 June 2025, the Group's borrowings from bank and related companies were RMB28,474,170,000 (as at 31 December 2024: RMB22,713,925,000). These borrowings include the short-term borrowings of RMB28,262,252,000, the long-term borrowings due within one year of RMB12,000,000, and the long-term borrowings amounted to RMB199,918,000. As at 30 June 2025, approximately 100% of the borrowings were denominated in Renminbi (as at 31 December 2024: 100%) and approximately 0% were denominated in US dollars (as at 31 December 2024: 0%).

As at 30 June 2025, the gearing ratio of the Group was 72.1% (as at 31 December 2024: 69.8%). The gearing ratio = (liability with interest – cash & cash equivalents)/(liability with interest – cash & cash equivalents + shareholders' equity).

#### 5.4 Statement of operation by industry

Industry	Operating Income for the first half of 2025 RMB '000	Operating cost for the first half of 2025 RMB '000	Gross Profit Margin (%)	Increase/ (decrease) in operating income as compared with the corresponding period of last year (%)	Increase/ (decrease) in operating cost of main business as compared with the corresponding period of last year (%)	Gross profit margin compared with the corresponding period of last year
Geophysical	1,810,923	1,681,622	7.1	-15.6	-15.9	increased by 0.2 percentage points
Drilling	18,193,198	16,574,928	8.9	-3.6	-3.8	increased by 0.2 percentage points
Logging/Mud logging	1,731,249	1,387,772	19.8	8.1	7.9	increased by 0.1 percentage points
Downhole operation	5,138,698	4,751,555	7.5	-7.7	-7.9	increased by 0.1 percentage points

Engineering and construction	8,658,435	8,061,848	6.9	19.3	19.1	increased by 0.1 percentage points
Other	1,107,905	1,177,135	-6.2	7.0	5.9	increased by 1.1 percentage points
Total	36,640,408	33,634,860	8.2	0.4	0.2	increased by 0.1 percentage points

## 5.5 Statement of operation by regions

Region	Operating income for the first half of 2025 RMB '000	Increase/ (decrease) as compared with the corresponding period of last year (%)
Mainland China	27,364,343	-0.9
Hong Kong, Macau, Taiwan and overseas	9,276,065	4.3

## 5.6 Business prospects

Looking forward to the second half of 2025, the oilfield service industry will continue to boom. The global economy will continue to recover, China's economy will continue to develop steadily, and the demand for oil and gas will maintain a rigid growth. At the same time, as an important strategic energy, oil and gas will play a more prominent role in strategic reserves and emergency protection. Domestic oil companies will continue to implement the energy security strategy, and the capital expenditure on oil and gas exploration and development will remain stable. Benefiting from the oil companies' efforts to increase oil and gas reserves and production, the oilfield service market will grow steadily. However, we should also see that the current energy industry structure is in a period of deep adjustment, and the competition in the oilfield service market is becoming increasingly fierce, which brings severe challenges to the company's high-quality development.

### Operation Plans for the Second Half of 2025

In the second half of 2025, the Company will focus on enhancing exploration and development support continuously, developing new quality productivity, building low-cost competitiveness and improving risk prevention and control, build first-class technology, first-class equipment, first-class management and first-class team, and accelerate progress toward the vision of becoming a world-class technology-driven oilfield service company. The Company expects to achieve a newly signed contract value over RMB31.3 billion, among which over RMB15.6 billion will be from the China Petrochemical Corporation market, over RMB8.3 billion from domestic external market, and over RMB7.4 billion from overseas market. The Company expects to achieve a newly signed contract value more than RMB95 billion for the whole year.

#### 5.6.1 Geophysical service

In the second half of 2025, the Company will focus on oil and gas exploration and development, significantly enhance its scientific and technological R&D capabilities and service support capabilities, and continue to expand into high-quality markets. A project management model featuring “regionalized management, sequential construction, and assembly line operations” will be implemented to establish a comprehensive project operation and control system to cover “the entire lifecycle, all elements, and all scenarios”. This will facilitate seamless coordination between different processes and achieve efficient use of resources and efficient production operations. We will continue to focus on deep and ultra-deep exploration, shallow high-precision exploration, and complex foreland exploration, striving to enhance our geophysical exploration service capabilities. In the domestic external market, we will leverage our integrated “production, sales, and research” advantages to provide Party A with comprehensive geophysical technical services; expand the “Zitong Model” effect to drive new breakthroughs in data processing, interpretation, and comprehensive research services; and establish a full-chain advantage in Beidou products, technologies, and services, striving to achieve new breakthroughs. In the second half of the year, it is planned to complete geophysical prospecting of 4,195 kilometers for 2D seismic and 10,615 square kilometers for 3D seismic prospecting.

#### 5.6.2 Drilling service

In the second half of 2025, the Company will firmly uphold the concept of being “an important participant in oil and gas reservoir management,” enhance support capabilities for exploration and development, continue to deepen the integration and coordination mechanism between Party A and Party B, strengthen the construction of two-level expert workshops, and deepen technical support for key projects. We will select first-class teams, first-class equipment, and first-class experts to ensure the construction of demonstration wells and demonstration areas, and continuously expand the radiation effect of the demonstrations. We will vigorously promote the new production organization model, promote platform based layout for wells, intensive construction, professional collaboration and factory-based construction works, strengthen shared utilization of resources and improve production organization and operation efficiency; keep up with the deployment and technical needs of exploration and development in the “Three Norths and One Sichuan” areas, the old areas of eastern region and the sea areas to implement policies in a classified manner, and make precise efforts to comprehensively enhance, support and assure capabilities. In the second half of the year, it is planned to complete the drilling footage of 4.67 million meters.

#### **5.6.3 Logging and mud logging service**

In the second half of 2025, the Company will actively integrate into the national science and technological innovation system, focus on major national oil and gas projects such as underground electric and intelligent control guidance systems for drilling, unconventional intelligent drilling, 10,000-meter coiled tubing intelligent operation equipment, and other projects to effectively support the efficient utilization of shale oil and gas. We will be fully committed to advancing remote monitoring and control operation modes, establish a remote operation team, and complete remote construction pilot tasks for no fewer than 280 wells. We will also establish an offshore monitoring and control technology center to enhance our support and assurance capabilities for offshore oil and gas exploration and development. In the second half of the year, we plan to complete logging footage of 143,450,000 standard meters and mud logging footage of 4.25 million meters.

#### **5.6.4 Downhole operation service**

In the second half of 2025, the Company will continue to enhance its technical level of underground special operations, adhere to the concept of specialized development, promote the reform of the production organization model for downhole operations, and improve operational efficiency. We will continue to tackle the problems in “deep earth engineering” oil and gas testing technology, promote the application of 175MPa ultra-high pressure fracturing technology and coiled tubing side drilling technology, etc. to optimize and improve the technology for increasing output and cost reduction in the full process of shale oil and gas fracturing. High-quality collaboration will be leveraged to build four upstream demonstration zones. The construction projects for increasing key reserves and production, such as the Shengli shale oil and Sichuan and Chongqing shale gas three-dimensional development projects, and the Junggar ultra-deep oil testing project, will be assured with full efforts. We will comprehensively expand the quality and efficiency of cooperative development of difficult-to-use reserves. The cooperative development of 48 blocks will be accelerated, demonstration areas for efficient use of difficult-to-use reserves such as Baima and Dingshan will be built, and the scope of cooperation will continue to expand. In the second half of the year, we plan to complete downhole operation service of 3,756 well times.

#### **5.6.5 Engineering and construction service**

In the second half of 2025, the Company will comprehensively strengthen the management and control of projects under construction, deepen the implementation of the “Five Transformations” initiative, strengthen the application of standardized design finalization results, push forward the research and development, and promotion of integrated processing devices, such as efficient dehydration of shale oil, and rapidly release oil and gas production capacity. We will integrate internal and external resources to upgrade existing laboratories in oilfield water extraction and treatment, CCUS, and others areas, and jointly build laboratories in cutting-edge fields such as welding and hydrogen energy. We will step up efforts to resolve technical difficulties and achieve engineering implementation in the areas of wind, solar, thermal, hydrogen, and storage, and promote the integrated development of oil and gas and new energy businesses. We will provide strong service support for Sinopec Group’s oil and gas reserve expansion and production increase, as well as construction of its major engineering projects, continue to step up efforts to develop domestic external markets, deepen cooperation with high-quality customers such as China Oil & Gas Pipeline Network Corporation (“PipeChina”), focus on undertaking large-scale, high-quality projects, and strive to achieve new breakthroughs in our business. In the



second half of the year, we plan to sign new contracts with value of RMB6.8 billion and complete contracts with value of RMB9.1 billion.

#### **5.6.6 International Business**

In the second half of 2025, the Company will focus on economic benefits and promote the optimization and adjustment of market layout and business structure, focus on the three core regions of the Middle East, Africa and Southeast Asia, develop mature markets such as Saudi Arabia, Uganda and Algeria with project implementation experience, and continue to track and focus on new markets such as Oman, Jordan, the United Arab Emirates and Iraq. We will accelerate the strategic transformation of wellbore business, shift from traditional conventional oil well drilling rigs to gas wells, unconventional and deep well drilling rigs, and strive to win the bid for Saudi Aramco's unconventional fracturing package project. At the same time, we will take Kuwait's Southern Drilling Package Project and Ecuador's Geological Engineering Integration Package Project as successful examples, give full play to the advantages of mature integrated drilling technology, actively introduce the company's integrated technology solutions to international owners, accelerate the application of drilling rig intelligence and automation technology in the international market, and continuously enhance overseas markets, make efforts to expand economies of scale.

#### **5.6.7 Technology Research & development**

In the second half of 2025, the Company will firmly uphold the concept of “science and technology are the primary productive force,” and further optimize its scientific and technological resources to enhance its innovation momentum. We will establish a major-project-driven mechanism to create a number of major products and major industrial software. Integrating the Company's superior resources and combining technological resources from society, we will create an innovative ecosystem with the “trinity” of key technologies, key laboratories, and key R&D teams working together. We will accelerate efforts to resolve challenges related to fully automated shale oil drilling rigs, coiled tubing operations, and intelligent drilling and completion technologies, expedite the iteration of a batch of integrated supporting technologies, and tackle problems in a series of key core technologies and equipment. We will speed up the development of intelligent drilling, intelligent fracturing, intelligent geophysical exploration, and intelligent surface systems, and continue to promote technologies and processes such as deep and ultra-deep wells, horizontal well multi-stage fracturing, and OBN acquisition. We will ramp up the scale of 17 core products, including self-developed rotary steering and near-oil-based drilling fluids, and strive to achieve revenue from industrialization of products and new technology exceeding RMB4.0 billion for the year. We will vigorously cultivate a “second growth curve,” strengthen the application of strategic emerging industry technologies, such as the entire CCUS industry chain, geothermal power generation using dry hot rocks, coalbed in-situ combustion power generation, and “Beidou+,” to foster new productive forces.

#### **5.6.8 Internal Reform and Management**

In the second half of 2025, the Company will firmly uphold the concept of “value creation for full-chain and full-elements” and comprehensively enhance low-cost competitiveness. We will comprehensively promote the reform of “making one specialty better, strengthening one business, building one region and optimizing two resources”, and maintain the number of outsourced services transferred to in-house operations and outward deployment for contracting business at 15,000 person or above by the end of the year. We will fully implement the “three-tier structure and two-level management” system, focusing on internal business integration of the downhole operation system, standardizing and optimizing outsourced business, comprehensively promoting outsourced cost control, optimizing the total number of service providers, selecting and cultivating strategic service providers, realizing reverse labor output, and making cross-unit conversion from outsourcing to self-operation. We will speed up the optimization of engineering resources in the Northwest Industrial Area, complete the automation upgrade of the remaining drilling rigs within the year, and take the lead in promoting the optimization of integrated drilling and completion, relocation and installation, pre-drilling engineering, and initial drilling operations in the Tahe River Industrial Area, so as to create a demonstration zone for equipment automation. We will thoroughly implement lean management, promote cost reduction across the entire project chain, continue to reduce non-production expenses, strive to reduce outsourcing expenses and bulk material procurement costs by 5%.

#### **5.6.9 Capital expenditure**

In the second half of 2025, the capital expenditure is expected to be RMB2.29 billion, mainly including the purchase of 12 new and upgraded drilling rigs, 16 sets of automatic equipment for pipe strings, 1 set of mobile energy storage devices, 2 sets of integrated optical storage devices, and the construction project of the National Metrology and Testing Center.

## 6. SIGNIFICANT EVENTS

### 6.1 Interim dividends for 2025 and proposal on issue of shares by capitalizing the common reserves

In accordance with the Articles of Association of the Company, the Board resolved that no interim dividend was paid for the year ended 31 December 2025, and no issue of bonus shares by way of capitalization of common reserves.

### 6.2 During the reporting period, the Company was not involved in material litigation or arbitration.

### 6.3 During the reporting period, the Company had no bankruptcy restructuring related matter.

### 6.4 During the reporting period, the Company had no major acquisition or disposals of assets, nor any merger and acquisitions activities.

### 6.5 Information on material connected transactions

The Company's material connected transactions entered into during the six months ended 30 June 2025 are as follows:

(a) The following are the material connected transactions relating to ordinary operation of the Company during the reporting period:

The nature of the transaction classification	Connected parties	Amount of transaction RMB '000	Proportion of the same type of transaction (%)
Purchase of materials and equipment	China Petrochemical Corporation and its associates	4,192,896	27.1
Rendering engineering services	China Petrochemical Corporation and its associates	21,475,421	58.9
Rendering engineering services	PipeChina	2,275,610	6.2
Comprehensive service expenditure	China Petrochemical Corporation and its subsidiaries	416,795	52.6
Technology R&D Income	China Petrochemical Corporation and its subsidiaries	68,017	95.4
Land and property rental expenses	China Petrochemical Corporation and its subsidiaries	282,798	58.4
Equipment leasing expenses	China Petrochemical Corporation and its subsidiaries	41,494	8.4
Loan interest expense	China Petrochemical Corporation and its associates	301,468	79.8
Borrowings obtained	China Petrochemical Corporation and its subsidiaries	12,645,000	98.4
Borrowings repaid	China Petrochemical Corporation and its subsidiaries	11,878,786	99.9
Safety and insurance fund expenses	China Petrochemical Corporation	42,100	100.0
Safety and insurance fund expenses refund	China Petrochemical Corporation	44,917	100.0

The Company considers that it is necessary to enter into the above connected transactions with the selected connected parties and they will continue to occur. The agreements of connected transactions were based on the

needs of the Company's operations and actual market situation. Purchasing materials and equipment from China Petrochemical Corporation and its subsidiaries will ensure the stable and safe supply of the Company's materials. The provision of engineering service to China Petrochemical Corporation and its subsidiaries is decided by the operating system of China's petroleum development and by the history of China Petrochemical Corporation's development, which constitutes the Company's main business income source, and the borrowed funds from China Petrochemical Corporation can satisfy the Group's capital needs under the situation of the fund shortage, so it is beneficial to the Company. The above transactions were mainly based on the market price or the price decided by open bidding or negotiation, which were fair, equal and open, beneficial to the development of Company's main business, and ensure the maximization of the shareholders' interests. The above connected transactions have no adverse effects on the profits of the Company or the independence of the Company.

(b) During the reporting period, there were no material connected transactions related to the acquisition or disposal of assets or equities of the Company.

(c) The following is connected obligatory rights and debts during the reporting period:

Unit: RMB'000

Connected parties	Connected relation	Funds provided to connected party			Funds provided to the Company by connected party		
		Opening balance	Occurrence amount	Closing balance	Opening balance	Occurrence amount	Closing balance
China Petrochemical Corporation and its subsidiaries	Controlling shareholders and its subsidiaries	13,293,910	709,865	14,003,775	8,705,683	-493,965	8,211,718
Sinopec Finance Company Limited	Subsidiary companies of the controlling shareholder	10,406	94,961	105,367	22,713,925	764,619	23,478,544
Sinopec Century Bright Capital Investment Limited	Subsidiary companies of the controlling shareholder	561,265	1,345,294	1,906,559	0	0	0
Total		13,865,581	2,150,120	16,015,701	31,419,608	270,654	31,690,262
Causes of related claims and debts		Normal production and operation					
Influence of connected claims and debts on the Company's performance and financial situation		No material adverse effects					

During the reporting period, there were no occupancy of fund for non-operating purpose by the controlling shareholders and its subsidiaries.

The Board is of the view that the above connected transactions were entered into in the ordinary and usual course of business and on normal commercial terms or in accordance with the terms of agreements governing these transactions. The terms are fair, reasonable and in accordance with the interests of shareholders as a whole. The above connected transactions are fully in compliance with the relevant rules and regulations of HKSE and the SSE.

## 6.6 Material contracts and performance

(a) During the reporting period, there were no trusteeship and subcontracting assets of other companies by the Company which would contribute profit to the Company of 10 percent or more of its total profits for the current period.

(b) Leasing Matters

During the reporting period, there were no leasing matters which would contribute profit to the Company of 10 percent or more of its total profits for the current period.

(c) Guarantees of the Company during the reporting period

Unit: Thousand RMB

Unit: Thousand USD

External Guarantee provided by the Company (excluding Guarantees for Subsidiaries)															
Guarantor	Relationship with the listed company	Guaranteed person	Amount of guarantee	Date of guarantee (Agreement signing date)	The starting day	End date	Type of guarantee	Main debt situation	Pledged thing (if any)	Whether the guarantee has been fulfilled	Whether the guarantee is overdue	Overdue amount	Counter-guarantee	Whether to guarantee the related party	Connected relationship
The Company	itself	Mexico DS Company	1,968,257	17 June 2022	17 June 2022	The end time of annual general meeting for the year 2025	Guarantee of joint and several liability	-	No	No	No	0	Yes	Yes	Joint venture
Total Amount of Guarantees during the Reporting Period (excluding Guarantees for Subsidiaries)									-8,194						
Total Balance of Guarantees at the end of the Reporting Period (A) (excluding Guarantees for Subsidiaries)									1,968,257						
The Guarantee provided by the Company and its Subsidiaries to the Subsidiaries															
Total Amount of Guarantees paid to Subsidiaries during the Reporting Period									2,459,488						
Total Balance of Guarantees to Subsidiaries at the end of the Reporting Period (B)									26,656,842						
Total Company Guarantee (including Guarantee for Subsidiaries)															
Total Guarantees (A+B)									28,625,099						
Total Amount of Guarantees as a Percentage of the Company's Net Assets (%)									307.7						
Among them:															
Amount of Guarantees provided to Shareholders, Actual Controllers and their related Parties (C)									0						
Debt Guarantees Amount directly or indirectly for the guaranteed Object whose asset-liability Ratio exceeds 70% (D)									10,280,638						
The Amount of the total Guarantee exceeds 50% of the Net Assets (E)									23,973,354						
Sum of the three Guarantees above (C+D+E)									34,253,992						
Statement of Unexpired Guarantees as potential subject to Joint Liability									None						
Guarantee Statement									The guarantees provided by the Company are all provided for the performance of the domestic and foreign contracts by the wholly-owned subsidiaries and joint venture (DS Servicios Petroleros, S.A. de C.V.). The guarantee amount is within the amount approved by the annual general meeting for 2024 of the Company.						

(d) Save as disclosed in the interim report, during the reporting period, the Company did not enter into any material contract which requires disclosure.

## 6.7 Analysis of investment situation

(a) Investment in securities

During the reporting period, there was no investment in securities.

(b) Interest in other listed securities held by the Company

During the reporting period, the Company did not hold any shares of other listed companies.

(c) Equities of financial institutions held by the Company

During the reporting period, the Company did not hold any shares of financial institutions such as commercial banks, securities companies, insurance companies, trust companies and future companies.

(d) Shareholding interests of the Company in non-listed financial institutions

During the reporting period, the Company did not hold any shares of non-listed financial institutions.

(e) Entrusted asset management and derivatives investment

During the reporting period, there were no entrusted asset management, no other investment or asset management and derivatives investment items of the Company.

## 6.8 The special undertakings made by the Company and its shareholders holding more than 5% and the performance of the undertakings as of 30 June 2025:

Undertaking Background	Undertaking Type	Undertaking party	Undertaking	Date and duration of the Undertaking	Whether there is a performance period	Whether the undertaking has been strictly fulfilled
Undertaking regarding the material assets reorganization	To solve horizontal competition	China Petrochemical Corporation	<p>The Non-Competition Undertaking</p> <p>1. China Petrochemical Corporation undertook that it would not engage with the Company's production and business activities in competition, and will ensure its subsidiaries not to engage with the Company's production and business activities in competition through exercise of its shareholder rights. 2. After the material assets reorganization, if SINOPEC Star Petroleum Co., Ltd.'s new business opportunity has any direct or indirect competition with the Company's main business, priorities of the above-mentioned opportunity will be given to the Company. 3. After the material assets reorganization, if China Petrochemical Corporation and its subsidiaries' new business opportunity has any direct or indirect competition with the Company's main business, priorities of the above-mentioned opportunity will be given to the Company. If China Petrochemical Corporation intends to transfer, sell, lease, license or otherwise dispose of any business to the third party which would result in the competition with the</p>	<p>Date of undertaking: 12 September 2014</p> <p>Duration: long term</p>	No	During the reporting period, China Petrochemical Corporation did not act contrary to the undertaking.

			Company's main business, priorities of the above-mentioned opportunity will be given to the Company for avoiding the horizontal competition. 4. China Petrochemical Corporation consents that it will bear and pay damages to the listed companies caused by its violation of the commitment.			
Undertaking regarding the Material Assets Reorganization	To solve connected transactions	China Petrochemical Corporation	The Undertaking of Regulating the connected transaction: China Petrochemical Corporation and its other controlling companies will regulate its/their connected transactions with the Company. For the connected transactions with reasonable grounds, China Petrochemical Corporation and its controlling Company's will sign the standard agreement of connected transactions, and will fulfill the obligations of the program approval and information disclosure, in accordance with the provisions of relevant laws and regulations, and the Company's Articles of Association. The confirmation of price related to the connected transaction will follow the principle of fair, reasonable and impartial.	Date of undertaking: 12 September 2014 Duration: long term	No	During the reporting period, China Petrochemical Corporation did not act contrary to the promise.
Undertaking regarding the Material Assets Reorganization	Others	China Petrochemical Corporation	Issued "The commitment letter regarding to the regulating of connected transaction and maintaining the independence of the Company": 1. China Petrochemical Corporation and its controlling companies guarantee the maintaining of the separation from the Company's asset, personnel, finance, organization and business, strictly comply with the relevant provisions regarding to the listed Company's independency of China Securities Regulatory Commission ("CSRC"). China Chemical Corporation will not utilize the control right to violate the Standardized operation program of the listed company, not intervene the Company's operating decisions, and not jeopardize the legitimate rights and interests of the Company and its shareholders. 2. China Petrochemical Corporation and its controlling companies guarantee not to illegally use the funds of the Company and its holding Company. 3. If China Petrochemical Corporation violate the above commitment, it would undertake the law and compensate the losses caused to the Company.	Date of undertaking: 12 September 2014 Duration: long term	No	During the reporting period, China Petrochemical Corporation did not act contrary to the promise.

6.9 During the reporting period, none of the Company or its directors, supervisors, senior management, controlling shareholders or de facto controller was subject to any investigation by relevant authorities or enforcement by judicial or disciplinary departments, transferred to judicial authorities or subject to criminal liability, subject to investigation or administrative penalty by the CSRC, subject to any denial of participation

in the securities market, deemed unsuitable persons, penalized by other administrative authorities, or subject to any public criticisms made by a stock exchange.

#### 6.10 Significant events affecting the Group after the reporting period

From 30 June 2025 and up to the date of this announcement, there is no other events affecting the Group significantly.

## 7. INTERIM FINANCIAL REPORT

### 7.1 Interim financial report prepared in accordance with IFRS

The following financial information has been extracted from the Company's unaudited interim financial report, prepared in accordance with IFRS, for the six months ended 30 June 2025.

#### CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2025

	Notes	For the six months ended 30 June	
		2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
<b>Revenue</b>	4	<b>37,050,751</b>	36,821,444
Cost of sales and taxes and surcharges		<b>(33,835,899)</b>	(33,722,652)
<b>Gross profit</b>		<b>3,214,852</b>	3,098,792
Selling expenses		<b>(30,919)</b>	(28,842)
General and administrative expenses		<b>(901,284)</b>	(960,299)
Research and development expenses		<b>(882,537)</b>	(1,115,981)
Finance expenses – net	5	<b>(427,379)</b>	(346,091)
Reversal of provision for expected credit loss (“ECL”) – net	6	<b>72,371</b>	264,847
Share of profit from joint ventures		<b>(49,526)</b>	(1,588)
Share of profit from associates		<b>3,848</b>	4,071
Other income	7	<b>106,394</b>	214,871
Other expenses	8	<b>(54,957)</b>	(47,073)
<b>Profit before income tax</b>	9	<b>1,050,863</b>	1,082,707
Income tax expense	10	<b>(290,714)</b>	(329,757)
<b>Profit for the period</b>		<b>760,149</b>	752,950
<b>Other comprehensive income for the period, net of tax</b>			
<b>Item that will not be reclassified subsequently to profit or loss:</b>			
Exchange difference on translation of financial statements of overseas joint venture		<b>(63,492)</b>	(52,020)
<b>Total comprehensive income for the period</b>		<b>696,657</b>	700,930
<b>Earnings per share for profit attributable to owners of the Company (presented in RMB per share)</b>			
Basic and diluted	11	<b>RMB 0.040</b>	RMB 0.040



# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

		As at	As at
	Notes	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	14	24,789,898	25,690,139
Other non-current assets	14	6,101,288	7,208,900
Intangible assets		203,722	301,802
Interests in joint ventures		99,717	212,735
Interests in associates		37,476	38,815
Financial assets at FVTOCI	15	137,441	137,441
Deferred tax assets		333,615	330,305
<b>Total non-current assets</b>		<b>31,703,157</b>	<b>33,920,137</b>
<b>Current assets</b>			
Inventories	19	961,839	913,530
Financial assets at FVTOCI	15	749,156	2,557,311
Trade receivables	16	10,251,446	13,294,827
Prepayments and other receivables	17	7,398,956	6,146,060
Contract assets and costs to fulfil contracts	18	21,685,666	16,859,726
Restricted cash		187,612	207,116
Cash and cash equivalents		5,211,151	3,441,398
<b>Total current assets</b>		<b>46,445,826</b>	<b>43,419,968</b>
<b>Total assets</b>		<b>78,148,983</b>	<b>77,340,105</b>

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 30 June 2025

	Notes	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Restated)
<b>Equity</b>			
Share capital	20	18,957,046	18,979,412
Reserves		(9,653,556)	(10,330,610)
<b>Total equity</b>		<b>9,303,490</b>	<b>8,648,802</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Long-term borrowings	23	563,360	304,333
Deferred income		57,513	24,758
Deferred tax liabilities		78,081	78,065
Provisions		89,697	90,365
<b>Total non-current liabilities</b>		<b>788,651</b>	<b>497,521</b>
<b>Current liabilities</b>			
Notes and trade payables and liabilities under supplier finance arrangement	21	28,681,159	31,653,814
Other payables	22	4,877,820	5,351,550
Contract liabilities	18	5,648,554	7,909,917
Short-term borrowings	23	28,708,385	23,142,909
Current income tax payable		140,924	135,592
<b>Total current liabilities</b>		<b>68,056,842</b>	<b>68,193,782</b>
<b>Total liabilities</b>		<b>68,845,493</b>	<b>68,691,303</b>
<b>Total equity and liabilities</b>		<b>78,148,983</b>	<b>77,340,105</b>
<b>Net current liabilities</b>		<b>(21,611,016)</b>	<b>(24,773,814)</b>
<b>Total assets less current liabilities</b>		<b>10,092,141</b>	<b>9,146,323</b>

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

	Attributable to owners of the Company								Total equity RMB'000
	Share capital RMB'000 (Note 20)	Share premium RMB'000	Other capital reserve RMB'000	Surplus reserve RMB'000	Specific reserve RMB'000	Translation reserve RMB'000	Other comprehensive income reserve (non-recycling) RMB'000	Accumulated losses RMB'000	
At 31 December 2024 (Audited)	18,979,412	11,624,963	95,490	200,383	302,874	22,362	7,830	(22,584,512)	8,648,802
Profit for the period	-	-	-	-	-	-	-	760,149	760,149
Other comprehensive income for the period:									
Exchange differences on translation of financial statements of overseas joint venture	-	-	-	-	-	(63,492)	-	-	(63,492)
Total comprehensive income for the period	-	-	-	-	-	(63,492)	-	760,149	696,657
Transactions with owners:									
Appropriation of specific reserve	-	-	-	-	542,706	-	-	(542,706)	-
Utilisation of specific reserve	-	-	-	-	(274,813)	-	-	274,813	-
Purchase of own shares	(22,366)	(19,603)	-	-	-	-	-	-	(41,969)
Total transactions with owners	(22,366)	(19,603)	-	-	267,893	-	-	(267,893)	(41,969)
At 30 June 2025	18,957,046	11,605,360	95,490	200,383	570,767	(41,130)	7,830	(22,092,256)	9,303,490

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

For the six months ended 30 June 2024

	Attributable to owners of the Company							Total equity RMB'000
	Share capital RMB'000 (Note 20)	Share premium RMB'000	Other capital reserve RMB'000	Surplus reserve RMB'000	Specific reserve RMB'000	Translation reserve RMB'000	Other comprehensive income reserve (non-recycling) RMB'000	
At 31 December 2023 (Audited)	18,984,340	11,622,283	95,490	200,383	313,571	16,447	6,170	8,023,202
Profit for the period	-	-	-	-	-	-	-	752,950
Other comprehensive income for the period:								
Exchange differences on translation of financial statements of overseas joint venture	-	-	-	-	-	(52,020)	-	(52,020)
Total comprehensive income for the period	-	-	-	-	-	(52,020)	-	(52,020)
Transactions with owners:								
Appropriation of specific reserve	-	-	-	-	441,029	-	-	(441,029)
Utilisation of specific reserve	-	-	-	-	(139,607)	-	-	139,607
Total transactions with owners	-	-	-	-	301,422	-	-	(301,422)
At 30 June 2024	18,984,340	11,622,283	95,490	200,383	614,993	(35,573)	6,170	8,724,132

**SINOPEC OILFIELD SERVICE CORPORATION**

**NOTES TO THE INTERIM FINANCIAL INFORMATION  
FOR THE SIX MONTHS ENDED 30 JUNE 2025**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>For the six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Cash flows from operating activities</b>		
Cash flows generated from operations	2,411,111	95,659
Interest received	28,131	17,341
Income tax paid	(288,675)	(303,066)
<b>Net cash generated from/(used in) operating activities</b>	<b>2,150,567</b>	<b>(190,066)</b>
<b>Cash flows from investing activities</b>		
Purchases of property, plant and equipment	(433,445)	(734,958)
Purchases of intangible assets	(5,893)	(5,920)
Purchases of other non-current assets	(420,754)	(377,287)
Proceeds from disposal of property, plant and equipment	64,720	20,834
Dividends received from associates	5,335	4,425
<b>Net cash used in investing activities</b>	<b>(790,037)</b>	<b>(1,092,906)</b>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	12,856,918	13,834,050
Repayments of borrowings	(11,886,274)	(11,728,695)
Release/(placement) of restricted Cash	19,504	(294)
Payment of lease liabilities	(162,942)	(241,223)
Interests paid	(377,778)	(355,632)
Repurchase of shares	(41,968)	-
<b>Net cash generated from financing activities</b>	<b>407,460</b>	<b>1,508,206</b>
<b>Net increase in cash and cash equivalents</b>	<b>1,767,990</b>	<b>225,234</b>
Effect of foreign exchange rate changes on cash and cash equivalents	1,763	(35,914)
Cash and cash equivalents at the beginning of the period	3,441,398	2,788,798
<b>Cash and cash equivalents at the end of the period</b>	<b>5,211,151</b>	<b>2,978,118</b>

# **SINOPEC OILFIELD SERVICE CORPORATION**

## **NOTES TO THE INTERIM FINANCIAL INFORMATION FOR THE SIX MONTHS ENDED 30 JUNE 2025**

### **NOTES TO THE INTERIM FINANCIAL INFORMATION**

For the six months ended 30 June 2025

#### **1. GENERAL INFORMATION**

Sinopec Oilfield Service Corporation (the “Company”) is a joint stock company with limited liability established in the People’s Republic of China (the “PRC”). The registered office is No. 9, Jishikou Road, Chaoyang District, Beijing, the PRC and the headquarter address is No. 22, Chaoyangmen North Street, Chaoyang District, Beijing, the PRC.

The immediate and ultimate holding company of the Company is China Petrochemical Corporation (hereinafter referred to as the “Sinopec Group”) which is a state wholly-owned enterprise established in the PRC.

The principal activities of the Group are the provision of onshore and offshore oil, natural gas and other mineral prospecting, exploration, drilling and exploitation and provision of general contracting, design and construction services for the oil and gas and other types of construction projects.

This interim financial information is presented in RMB, unless otherwise stated. This interim financial information has been approved and authorised for issue by the Board of Directors on 18 August 2025.

# **SINOPEC OILFIELD SERVICE CORPORATION**

## **NOTES TO THE INTERIM FINANCIAL INFORMATION FOR THE SIX MONTHS ENDED 30 JUNE 2025**

### **2. BASIS OF PRESENTATION AND PREPARATION**

#### **2.1 Basis of preparation**

This interim financial information for the six months ended 30 June 2025 has been prepared in accordance with International Accounting Standard (“IAS”) 34 “Interim Financial Reporting” and the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

The interim financial information has been prepared under the historical cost convention, as modified by the revaluation of financial assets at FVTOCI, which are carried at fair value.

The preparation of an interim financial information in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

#### **2.2 Going concern assumption**

The interim financial information is prepared using the going concern basis notwithstanding that as at 30 June 2025, the Group had net current liabilities of approximately RMB21,611,015,000 and capital commitments of approximately RMB241,995,000. The directors of the Company have performed an assessment covering a period of 12 months from the six months ended 30 June 2025, taking account of the following events and measures:

(i) As at 30 June 2025, the Group has renewed the credit facility from Sinopec group’s subsidiaries that includes a line of credit of RMB43.0 billion and USD0.1 billion (Total: approximately RMB43.6 billion), and also a line of credit promissory note and letter of guarantee of RMB11.3 billion and USD0.6 billion (Total: approximately RMB15.3 billion). The facility remains valid until 28 February 2026;

(ii) As disclosed in Note 23, the Group’s borrowings amounted to approximately RMB23.4 billion are sourced from Sinopec Group and its subsidiaries, where the Group maintains ongoing good relationship with these companies, which enables the Group to secure sufficient financial support from these companies; and

# **SINOPEC OILFIELD SERVICE CORPORATION**

## **NOTES TO THE INTERIM FINANCIAL INFORMATION FOR THE SIX MONTHS ENDED 30 JUNE 2025**

### **2. BASIS OF PRESENTATION AND PREPARATION (CONTINUED)**

#### **2.2 Going concern assumption (Continued)**

(iii) To obtain additional credits facilities, the Group will diversify its source of fi-nance by exploring and developing good relationship with listed and state-owned –financial institutions.

The directors of the Company are in the opinion that the above measures are sufficient to meet with the expected liquidity, daily operation and capital and the Group is expected to be able to generate net operating cash in-flows in the next twelve months. As a result, the directors of the Company considered that the going concern basis of accounting is appropriate for the preparation of these consolidated financial statements.

### **3. SUMMARY OF ACCOUNTING POLICY**

The Group has applied the same accounting policies and methods of computation in its interim financial information as in its annual financial statements for the year ended 31 December 2024, except that in the current interim period, the Group has applied, for the first time, the following amendments to standards which are mandatory effective for the annual period beginning on or after 1 January 2025:

Amendments to IAS 21 and IFRS 1

Lack of Exchangeability

#### **3.1 Lack of exchangeability**

On 15 August 2023, the IASB issued Lack of Exchangeability which amended IAS 21 The Effects of Changes in Foreign Exchange Rates (the Amendments).

These Amendments are applicable for annual reporting periods beginning on or after 1 January 2025. The Amendments introduce requirements to assess when a currency is exchangeable into another currency and when it is not. The Amendments require an entity to estimate the spot exchange rate when it concludes that a currency is not exchangeable into another currency. The Amendments also introduce additional disclosure requirements when an entity estimates a spot exchange rate because a currency is not exchangeable into another currency.

IAS 21, prior to the Amendments, did not include explicit requirements for the determination of the exchange rate when a currency is not exchangeable into another currency, which led to diversity in practice.

When applying the Amendments, an entity is not permitted to restate comparative information.

These Amendments have had no material effect on the interim condensed consolidated financial statements.



**SINOPEC OILFIELD SERVICE CORPORATION**

**NOTES TO THE INTERIM FINANCIAL INFORMATION  
FOR THE SIX MONTHS ENDED 30 JUNE 2025**

**4. REVENUE AND SEGMENT INFORMATION**

The Group's revenue is as follows:

	<b>For the six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>GEOPHYSICS</b>	1,810,923	2,146,740
<b>DRILLING ENGINEERING</b>	18,193,198	18,880,289
<b>LOGGING AND MUD LOGGING</b>	1,731,249	1,602,140
<b>SPECIAL DOWNHOLE</b>	5,138,698	5,569,305
<b>OPERATIONS</b>		
<b>ENGINEERING CONSTRUCTION</b>	8,658,435	7,258,740
<b>OTHERS</b>	1,518,248	1,364,230
	<u>37,050,751</u>	<u>36,821,444</u>

## **SINOPEC OILFIELD SERVICE CORPORATION**

### **NOTES TO THE INTERIM FINANCIAL INFORMATION FOR THE SIX MONTHS ENDED 30 JUNE 2025**

#### **4. REVENUE AND SEGMENT INFORMATION (CONTINUED)**

##### **Segment information**

The Group identifies its operating segments based on the internal organisation structure, senior executive management requirements and internal reporting system. The Group has identified five operating segments including geophysics, drilling engineering, logging and mud logging, special downhole operations and engineering construction. These operating segments are identified based on the regular internal financial information reported to the senior executive management. Senior executive management of the Company regularly reviews the segment information for their decision about the resources allocation and performance assessment.

Five reportable operating segments are as follows:

- Geophysics, which provides terrestrial and marine geophysical exploration, development and technical services;
- Drilling engineering, which provides customers with land and ocean drilling design, construction, technical services and drilling instrumentation;
- Logging and mud logging, which provides land and ocean project contracting and technical services for collection, monitoring, transmission, processing and interpretation and evaluation of wellbore oil and gas, geology and engineering information;
- Special downhole operations, which provides oil engineering technical and construction, including oil (gas) testing, well repair, lateral drilling, fracturing, acidising and oil assignments; and
- Engineering construction, which provides a package of services, including feasibility studies, design, procurement, construction for projects of onshore and offshore oil and gas fields, long-distance pipeline projects, oil and gas transporting process projects, storage and transportation projects, petrochemical supporting projects, building construction, water resources and hydropower, ports and waterways, electricity transmission and distribution projects, manufacturing of pressure vessels, LNG projects, coal chemical engineering, geothermal utilisation, energy saving and municipal roads and bridges.

**SINOPEC OILFIELD SERVICE CORPORATION**

**NOTES TO THE INTERIM FINANCIAL INFORMATION  
FOR THE SIX MONTHS ENDED 30 JUNE 2025**

**4. REVENUE AND SEGMENT INFORMATION (CONTINUED)**

**Segment information (Continued)**

Inter-segment transfers are measured by reference to market price. The assets are allocated based on the operations of the segment and the physical location of the asset.

All assets are allocated to reportable segments other than certain property, plant and equipment, certain intangible assets, certain other non-current assets, certain inventories, certain contract assets, certain trade receivables, certain prepayments and other receivables, certain cash and cash equivalents, certain deferred tax assets, certain financial assets at FVTOCI and interests in joint venture and associates.

All liabilities are allocated to reportable segments other than certain borrowings, certain deferred income, certain deferred tax liabilities, certain notes and trade payables, certain other payables, certain contract liabilities and certain current income tax payable.

The resources related to certain interest income, certain interest expenses, interests in joint ventures and associates, gain on investment, income tax expense as well as shared assets of all segments are centrally managed and accounted for by the Company, and thus are not allocated among segments.

Segment information of each reportable segment were reported and disclosed to the senior executive management in accordance with the accounting policies and the respective measurement bases. These accounting policies and measurement bases were the same as those used in for the preparation of the financial statements.

Information regarding each reportable segment provided to the senior executive management was as follows:

# SINOPEC OILFIELD SERVICE CORPORATION

## NOTES TO THE INTERIM FINANCIAL INFORMATION FOR THE SIX MONTHS ENDED 30 JUNE 2025

### 4. REVENUE AND SEGMENT INFORMATION (CONTINUED)

#### Segment information (Continued)

#### (a) Segment revenue results, assets and liabilities

For the six months ended 30 June 2025 and as at that date, segment revenue results, assets and liabilities were as follows:

	Geophysics RMB'000	Drilling engineering RMB'000	Logging and mud logging RMB'000	Special downhole operations RMB'000	Engineering construction RMB'000	Unallocated RMB'000	Eliminated RMB'000	Total RMB'000
<b>For the six months ended 30 June 2025 (Unaudited)</b>								
<b>Segment revenue and results</b>								
Revenue from external customers	1,810,923	18,193,198	1,731,249	5,138,698	8,658,435	1,518,248	-	37,050,751
Inter-segment revenue	6,767	871,184	1,321,268	300,355	36,556	2,384,270	(4,920,400)	-
<b>Reportable segment revenue</b>	<b>1,817,690</b>	<b>19,064,382</b>	<b>3,052,517</b>	<b>5,439,053</b>	<b>8,694,991</b>	<b>3,902,518</b>	<b>(4,920,400)</b>	<b>37,050,751</b>
<b>Reportable segment (loss)/profit</b>	<b>12,894</b>	<b>899,469</b>	<b>313,013</b>	<b>311,984</b>	<b>220,799</b>	<b>(758,733)</b>	<b>-</b>	<b>999,426</b>
Other income	2,622	27,034	2,544	3,118	15,213	55,863	-	106,394
Other expenses	(2,583)	(29,979)	(2,419)	(6,997)	(4,870)	(8,109)	-	(54,957)
<b>(Loss)/Profit before income tax</b>	<b>12,933</b>	<b>896,524</b>	<b>313,138</b>	<b>308,105</b>	<b>231,142</b>	<b>(710,979)</b>	<b>-</b>	<b>1,050,863</b>
Income tax expense								(290,714)
<b>Profit for the period</b>								<b>760,149</b>
<b>Supplementary information</b>								
<b>Depreciation and amortisation</b>								
- Property, plant and equipment	174,867	977,778	101,176	239,897	144,030	134,889	-	1,772,637
- Other non-current assets	20,248	1,026,833	86,822	340,985	5,548	50,611	-	1,531,047
- Intangible assets	88	867	683	3,913	6,237	86,903	-	98,691
<b>Capital expenditure</b>								
- Property, plant and equipment	191,633	310,137	43,205	15,469	84,494	296,072	-	941,010
- Other non-current assets	-	5,893	-	-	-	-	-	5,893
- Intangible assets	-	-	-	-	-	-	-	-
Reversal of ECL on trade receivables, net	(1,843)	(15,276)	(8,851)	(42,678)	(2,500)	(1,386)	-	(72,534)
Provision/(Reversal of) for ECL on other receivables, net	1,047	(563)	(190)	62	(9,105)	(757)	-	(9,506)
(Reversal of)/Provision for ECL on contract assets, net	(664)	4,640	1,802	1,430	2,287	174	-	9,669
<b>As at 30 June 2025 (Unaudited)</b>								
<b>Assets</b>								
Segment assets	6,692,536	12,685,021	4,897,322	8,259,888	26,797,390	19,759,241	(942,415)	78,148,983
<b>Liabilities</b>								
Segment liabilities	5,733,201	8,462,422	2,841,312	4,354,212	25,419,166	22,977,595	(942,415)	68,845,493

**SINOPEC OILFIELD SERVICE CORPORATION**

**NOTES TO THE INTERIM FINANCIAL INFORMATION  
FOR THE SIX MONTHS ENDED 30 JUNE 2025**

**4. REVENUE AND SEGMENT INFORMATION (CONTINUED)**

**Segment information (Continued)**

**(a) Segment revenue results, assets and liabilities (Continued)**

For the six months ended 30 June 2024 and as at that date, segment revenue results, assets and liabilities were as follows:

	Geophysics RMB'000	Drilling engineering RMB'000	Logging and mud logging RMB'000	Special downhole operations RMB'000	Engineering construction RMB'000	Unallocated RMB'000	Eliminated RMB'000	Total RMB'000 (Restated)
<b>For the six months ended 30 June 2024 (Unaudited)</b>								
<b>Segment revenue and results</b>								
Revenue from external customers	2,146,740	18,880,289	1,602,140	5,569,305	7,258,740	1,364,230	-	36,821,444
Inter-segment revenue	35,241	918,101	1,210,156	234,973	15,572	2,544,344	(4,958,387)	-
<b>Reportable segment revenue</b>	<b>2,181,981</b>	<b>19,798,390</b>	<b>2,812,296</b>	<b>5,804,278</b>	<b>7,274,312</b>	<b>3,908,574</b>	<b>(4,958,387)</b>	<b>36,821,444</b>
<b>Reportable segment (loss)/profit</b>								
Other income	42,837	909,498	260,528	314,074	216,495	(828,523)	-	914,909
Other expenses	7,099	74,082	2,429	5,851	110,706	14,704	-	214,871
	(2,285)	(2)	(1,508)	(3,973)	(3,889)	(10,484)	-	(47,073)
<b>(Loss)/Profit before income tax</b>	<b>47,651</b>	<b>958,646</b>	<b>261,449</b>	<b>315,952</b>	<b>323,312</b>	<b>(824,303)</b>	<b>-</b>	<b>1,082,707</b>
Income tax expense								(329,757)
<b>Profit for the period</b>								<b>752,950</b>
<b>Supplementary information</b>								
<b>Depreciation and amortisation</b>								
- Property, plant and equipment	175,483	994,144	107,943	265,227	151,482	150,892	-	1,845,171
- Other non-current assets	77,000	1,163,175	84,071	202,381	4,348	59,886	-	1,590,861
- Intangible assets	90	402	338	4,064	6,098	86,651	-	97,643
<b>Capital expenditure</b>								
- Property, plant and equipment	17,265	207,061	59,169	43,773	23,521	182,029	-	532,818
- Other non-current assets	-	251,541	-	117,279	6,614	1,853	-	377,287
- Intangible assets	25	-	2,829	-	-	3,356	-	6,210
Provision for/(Reversal of) ECL on trade receivables, net	(1,285)	(11,449)	(3,612)	(16,461)	(9,001)	(101,449)	-	(143,257)
Provision for/(Reversal of) ECL on other receivables, net	639	(711)	(98)	3	(46,365)	(1,152)	-	(47,684)
Provision for/(Reversal of) ECL on contract assets, net	(2,151)	3,002	2,053	2,158	5,520	(84,488)	-	(73,906)
<b>As at 31 December 2024 (Audited)</b>								
<b>Assets</b>								
Segment assets	6,391,939	11,289,518	4,477,704	8,463,778	27,642,305	20,762,789	(1,687,928)	77,340,105
<b>Liabilities</b>								
Segment liabilities	5,431,227	7,468,074	2,568,453	4,697,820	25,826,311	24,387,346	(1,687,928)	68,691,303

**SINOPEC OILFIELD SERVICE CORPORATION**

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**4. REVENUE AND SEGMENT INFORMATION (CONTINUED)**

**Segment information (Continued)**

**(b) Geographical information**

The following table presents the geographical information. Revenue is based on the location at which revenue were derived. Specified non-current assets include property, plant and equipment, other non-current assets, intangible assets, interests in joint ventures and interest in associates, which are based on the physical location of the assets.

	<b>Revenue from external customers</b>	
	<b>For the six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>The PRC</b>	27,756,496	27,903,683
<b>Middle East (Note)</b>	5,557,849	5,573,363
<b>Other Countries</b>	3,736,406	3,344,398
	<u>37,050,751</u>	<u>36,821,444</u>

  

	<b>Specified non-current assets</b>	
	<b>As at</b>	<b>As at</b>
	<b>30 June 2025</b>	<b>31 December 2024</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
<b>The PRC</b>	23,529,010	26,393,096
<b>Saudi Arabia</b>	4,950,718	5,148,372
<b>Other Countries</b>	2,752,373	1,910,923
	<u>31,232,101</u>	<u>33,452,391</u>

Note: Middle East represented Saudi Arabia of RMB3,958,236,000 (2024: RMB4,084,664,000) and Kuwait of RMB1,599,613,000 (2024: RMB1,488,699,000).

**SINOPEC OILFIELD SERVICE CORPORATION**

**NOTES TO THE INTERIM FINANCIAL INFORMATION  
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**4. REVENUE AND SEGMENT INFORMATION (CONTINUED)**

**Segment information (Continued)**

**(c) Major customer**

For the six months ended 30 June 2025 and 2024, revenue from customers which individually contributed over 10% of the Group's revenue is as follows:

	For the six months ended 30 June	
	2025	2024
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Customer A	21,603,245	21,271,995

Revenue from this customer was derived from the operating segments of geophysics, drilling engineering, logging and mud logging, special downhole operations and engineering construction which accounted for 58% (2024: 58%) of the Group's revenue.

**(d) Analysis on revenue from contracts**

For the six months ended 30 June 2025 and 2024, the Group derives revenue from the transfer of goods and service at a point in time and over time in the following operating segments of geophysics, drilling engineering, logging and mud logging, special downhole operations and engineering construction service:

	Geophysics	Drilling engineering	Logging and mud logging	Special downhole operations	Engineering construction	Unallocated	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>For the six months ended 30 June 2025 (unaudited)</b>							
<b>Timing of revenue recognition:</b>							
- At a point in time	-	-	-	-	17,588	309,986	327,574
- Over time	1,810,923	18,193,198	1,731,249	5,138,698	8,640,847	1,208,262	36,723,177
<b>Total</b>	1,810,923	18,193,198	1,731,249	5,138,698	8,658,435	1,518,248	37,050,751
<b>For the six months ended 30 June 2024 (unaudited)</b>							
<b>Timing of revenue recognition:</b>							
- At a point in time	-	-	-	924	8,449	176,253	185,626
- Over time	2,146,740	18,880,289	1,602,140	5,568,381	7,250,291	1,187,977	36,635,818
<b>Total</b>	2,146,740	18,880,289	1,602,140	5,569,305	7,258,740	1,364,230	36,821,444

**SINOPEC OILFIELD SERVICE CORPORATION**

**NOTES TO THE INTERIM FINANCIAL INFORMATION  
FOR THE SIX MONTHS ENDED 30 JUNE 2025**

**5. FINANCE EXPENSES – NET**

	<b>For the six months ended 30</b>	
	<b>June</b>	
	<b>2025</b>	<b>2024</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Finance income</b>		
<b>Interest income</b>		
- Sinopec Group's subsidiaries	16,034	4,485
- Third parties and other financial institutions	12,097	12,856
	<u>28,131</u>	<u>17,341</u>
<b>Finance expenses</b>		
<b>Interest expenses on loans wholly repayable within 5 years</b>		
- Sinopec Group and its subsidiaries	(306,290)	(317,066)
- Third parties and other financial institutions	(49,851)	(17,939)
<b>Interest expenses on lease liabilities</b>		
- Sinopec Group and its subsidiaries	(7,998)	(5,699)
- Associates and joint ventures of Sinopec Group	(68)	(1,628)
- Third parties	(13,571)	(13,300)
<b>Exchange (losses)/gains, net</b>	(25,439)	29,264
<b>Bank and other charges</b>	(52,293)	(37,064)
	<u>(455,510)</u>	<u>(363,432)</u>
	<u>(427,379)</u>	<u>(346,091)</u>



**SINOPEC OILFIELD SERVICE CORPORATION**

**NOTES TO THE INTERIM FINANCIAL INFORMATION  
FOR THE SIX MONTHS ENDED 30 JUNE 2025**

**6. REVERSAL OF/(PROVISION FOR) ECL – NET**

	<b>For the six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Reversal of ECL on trade and other receivables, net	82,040	190,941
(Provision for)/reversal of ECL on contract assets, net	(9,669)	73,906
	<u>72,371</u>	<u>264,847</u>

**7. OTHER INCOME**

	<b>For the six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Gain on disposal of property, plant and equipment, net	26,503	43,963
Gain on disposal of other non-current assets, net	14,756	22,261
Gain on debt restructuring	16,995	12,408
Government grants (Note)	13,176	22,515
Penalty income	1,764	1,174
Compensation received	14,746	2,318
Compensation on judicial restructuring	-	96,163
Waived payables	14,873	-
Others	3,581	14,069
	<u>106,394</u>	<u>214,871</u>

Note: For the six months ended 30 June 2025 and 2024, government grants primarily represent financial appropriation income and non-income tax refunds received from respective government agencies without conditions or other contingencies attached to the receipts of the grants.

**SINOPEC OILFIELD SERVICE CORPORATION**

**NOTES TO THE INTERIM FINANCIAL INFORMATION**

**FOR THE SIX MONTHS ENDED 30 JUNE 2025**

**8. OTHER EXPENSES**

	<b>For the six months ended 30</b>	
	<b>June</b>	
	<b>2025</b>	<b>2024</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Penalty	749	1,425
Compensation	5,970	1,175
Others	48,238	44,473
	<u>54,957</u>	<u>47,073</u>

**SINOPEC OILFIELD SERVICE CORPORATION**

**NOTES TO THE INTERIM FINANCIAL INFORMATION  
FOR THE SIX MONTHS ENDED 30 JUNE 2025**

**9. PROFIT BEFORE INCOME TAX**

Profit before income tax is stated after charging/(crediting) the followings:

	<b>For the six months ended 30</b>	
	<b>June</b>	
	<b>2025</b>	<b>2024</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Staff costs, including directors and supervisors emoluments (note 13)	7,904,455	7,762,341
Retirement benefit plan contribution (including in the above mentioned staff costs)		
- Municipal retirement scheme costs	755,270	741,588
- Supplementary retirement scheme costs	386,334	366,479
Changes in inventories of finished goods and work in progress	54,611	3,090
Raw materials and consumables used	15,564,485	14,474,614
Depreciation and amortisation		
- Property, plant and equipment	1,772,637	1,845,171
- Other non-current assets	1,531,047	1,590,861
- Intangible assets	98,691	97,643
Short-term leases and leases with lease term of 12 months or less	463,417	554,368
(Reversal of)/Provision for ECL – net		
- Trade and other receivables	(82,040)	(190,941)
- Contract assets	9,669	(73,906)
Rental income from property, plant and equipment after relevant expenses	(55,109)	(28,086)
Gain on disposal of property, plant and equipment, net	(22,518)	(43,963)
Gain on disposal of other non-current assets, net	(3,985)	(22,261)
Reversal of impairment on prepayment	-	(3,864)
Exchange (losses)/gains, net	25,439	(29,264)

**SINOPEC OILFIELD SERVICE CORPORATION**

**NOTES TO THE INTERIM FINANCIAL INFORMATION  
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**10. INCOME TAX EXPENSE**

	<b>For the six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Restated)</b>
<b>Current tax</b>		
PRC enterprise income tax	114,802	161,654
Overseas enterprise income tax	179,205	137,739
	<u>294,007</u>	<u>299,393</u>
<b>Deferred tax</b>		
Origination and reversal of temporary differences	(3,293)	30,364
	<u>(3,293)</u>	<u>30,364</u>
<b>Income tax expense</b>	<u><u>290,714</u></u>	<u><u>329,757</u></u>

According to the Corporate Income Tax Law of the PRC, the applicable income tax for the six months ended 30 June 2025 and 2024 is 25%.

According to the statutory PRC corporate income tax and relevant rules, apart from certain subsidiaries of the Company subjected to the relevant development zone policy or participation in technology development and the PRC's western development project that can enjoy a 15% preferential tax rate during the six months ended 30 June 2025 and 2024, the majority of the companies of the Group are subject to 25% income tax rate.

Taxes in other countries are calculated according to the tax laws and rates of tax where the related companies of the Group operate.

**SINOPEC OILFIELD SERVICE CORPORATION**

**NOTES TO THE INTERIM FINANCIAL INFORMATION  
FOR THE SIX MONTHS ENDED 30 JUNE 2025**

**11. EARNINGS PER SHARE**

**(a) Basic**

For the six months ended 30 June 2025 and 2024, the basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue.

	<b>For the six months ended 30 June</b>	
	<b>2025 (Unaudited)</b>	<b>2024 (Restated)</b>
<b>Profit for the period attributable to owners of the company (RMB'000)</b>	760,149	752,950
<b>Weighted average number of ordinary shares in issue (shares)</b>	18,967,637,056	18,984,340,033
<b>Basic earnings per share (RMB)</b>	<u>0.040</u>	<u>0.040</u>

**(b) Diluted**

For the six months ended 30 June 2025 and 2024, the diluted earnings per share was the same as the basic earnings per share as the exercise price of those share options is higher than the average market price for shares during both periods.

**12. DIVIDENDS**

The Board of Directors of the Company did not recommend the payment of any interim dividends for the six months ended 30 June 2025 (2024: Nil).

**SINOPEC OILFIELD SERVICE CORPORATION**

**NOTES TO THE INTERIM FINANCIAL INFORMATION  
FOR THE SIX MONTHS ENDED 30 JUNE 2025**

**13. EMPLOYEE BENEFITS**

	<b>For the six months ended 30</b>	
	<b>June</b>	
	<b>2025</b>	<b>2024</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Salaries, wages and other benefits	6,762,851	6,654,274
Retirement benefit plan contribution (note)		
- Municipal retirement scheme costs	755,270	741,588
- Supplementary retirement scheme costs	386,334	366,479
	<u>7,904,455</u>	<u>7,762,341</u>

Note:

**Retirement benefits**

As stipulated by the regulations of the PRC, the Group participates in basic defined contribution retirement schemes organised by respective municipal government under which it is governed. As at 30 June 2025, the Group and the employees pay 16% and 8% (31 December 2024: 16% and 8%) of salary respectively to basic defined contribution plan.

In addition, the Group provides a supplementary defined contribution retirement plan for its staff at rates not exceeding 8% (31 December 2024: 8%) of the salaries. Employees who have served the Group for one year or more are entitled to participating in this plan. The funds of this plan are held separately from the Group in an independent fund administered by a committee consisting of representatives from the employees and the Group.

Those employees who involved supplementary retirement scheme are entitled to receive the pension in accordance with a certain percentage of the pre-retirement salary after retirement. The Group has no other material obligation for the payment of retirement benefits associated with these plans beyond Municipal retirement scheme and Supplementary retirement scheme.

**SINOPEC OILFIELD SERVICE CORPORATION**

**NOTES TO THE INTERIM FINANCIAL INFORMATION  
FOR THE SIX MONTHS ENDED 30 JUNE 2025**

**14. PROPERTY, PLANT AND EQUIPMENT AND OTHER NON-CURRENT ASSETS**

**(a) Property, Plant and Equipment**

For the six months ended 30 June 2025 (Unaudited)

	<b>Buildings</b>	<b>Oil Engineering equipment and others</b>	<b>Land</b>	<b>Prepaid Land leases</b>	<b>Construction in progress</b>	<b>Total</b>
	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>
<b>Cost</b>						
<b>Balance at 1 January 2025</b>	2,915,672	66,530,950	151,277	164,176	796,989	70,559,064
<b>Additions</b>	427,009	127,122	40,688	5,281	373,682	973,782
<b>Remeasurement of leases</b>	(14,051)	(2,312)	(830)	-	-	(17,193)
<b>Expiration of or early termination of lease</b>	(346,471)	(83,677)	(60,939)	-	-	(491,087)
<b>Disposals/write-off</b>	(8,117)	(596,779)	-	-	-	(604,896)
<b>Transferred from construction in progress</b>	-	373,149	-	-	(373,149)	-
<b>At 30 June 2025</b>	<u>2,974,042</u>	<u>66,348,453</u>	<u>130,196</u>	<u>169,457</u>	<u>797,522</u>	<u>70,419,670</u>
<b>Accumulated depreciation and impairment</b>						
<b>Balance at 1 January 2025</b>	1,592,576	43,133,599	97,496	41,752	3,502	44,868,925
<b>Depreciation</b>	208,399	1,600,564	20,982	2,099	-	1,832,044
<b>Expiration of or early termination of lease</b>	(346,471)	(83,677)	(60,939)	-	-	(491,087)
<b>Disposals/write-off</b>	(7,595)	(572,515)	-	-	-	(580,110)
<b>At 30 June 2025</b>	<u>1,446,909</u>	<u>44,077,971</u>	<u>57,539</u>	<u>43,851</u>	<u>3,502</u>	<u>45,629,772</u>
<b>Carrying amounts</b>						
<b>At 30 June 2025 (Unaudited)</b>	<u>1,527,133</u>	<u>22,270,482</u>	<u>72,657</u>	<u>125,606</u>	<u>794,020</u>	<u>24,789,898</u>
<b>At 31 December 2024 (Audited)</b>	<u>1,323,096</u>	<u>23,397,351</u>	<u>53,781</u>	<u>122,424</u>	<u>793,487</u>	<u>25,690,139</u>

**SINOPEC OILFIELD SERVICE CORPORATION**

**NOTES TO THE INTERIM FINANCIAL INFORMATION  
FOR THE SIX MONTHS ENDED 30 JUNE 2025**

**14. PROPERTY, PLANT AND EQUIPMENT AND OTHER NON-CURRENT ASSETS  
(CONTINUED)**

**(a) Property, Plant and Equipment**

Note:

As at 30 June 2025, right-of-use assets with carrying amounts of RMB963,438,000 are included in property, plant and equipment (31 December 2024: RMB742,837,000).

	Carrying amounts		Depreciation
	As at	As at	During the six
	30 June 2025	1 January 2025	months ended 30
	RMB'000	RMB'000	June 2025
			RMB'000
Buildings	578,249	386,900	179,850
Oil engineering equipment and others	186,926	179,732	99,076
Land	72,657	53,781	20,982
Prepaid land leases	125,606	122,424	2,099
	<u>963,438</u>	<u>742,837</u>	<u>302,007</u>



**SINOPEC OILFIELD SERVICE CORPORATION**

**NOTES TO THE INTERIM FINANCIAL INFORMATION  
FOR THE SIX MONTHS ENDED 30 JUNE 2025**

**14. PROPERTY, PLANT AND EQUIPMENT AND OTHER NON-CURRENT ASSETS (CONTINUED)**

**(a) Property, Plant and Equipment**

For the six months ended 30 June 2024 (Unaudited)

	<b>Buildings</b>	<b>Oil Engineering equipment and others</b>	<b>Land</b>	<b>Prepaid Land leases</b>	<b>Construction in progress</b>	<b>Total</b>
	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>
<b>Cost</b>						
Balance at 1 January 2024	2,800,709	67,113,289	141,104	150,387	699,115	70,904,604
Additions	297,857	23,051	61,808	-	150,102	532,818
Remeasurement of leases	1,425	(18,708)	2,645	-	-	(14,638)
Expiration of or early termination of contract	(170,199)	(41,540)	(4,675)	-	-	(216,414)
Disposals/write-off	(131)	(1,093,272)	-	-	-	(1,093,403)
Transferred from construction in progress	-	352,176	-	-	(352,176)	-
<b>At 30 June 2024</b>	<b>2,929,661</b>	<b>66,334,996</b>	<b>200,882</b>	<b>150,387</b>	<b>497,041</b>	<b>70,112,967</b>
<b>Accumulated depreciation and impairment</b>						
Balance at 1 January 2024	1,408,610	42,943,329	109,844	38,190	3,502	44,503,475
Depreciation	207,788	1,611,407	24,159	1,817	-	1,845,171
Expiration of or early termination of contract	(155,923)	(40,449)	(4,675)	-	-	(201,047)
Disposals/write-off	(127)	(1,019,722)	-	-	-	(1,019,849)
<b>At 30 June 2024</b>	<b>1,460,348</b>	<b>43,494,565</b>	<b>129,328</b>	<b>40,007</b>	<b>3,502</b>	<b>45,127,750</b>
<b>Carrying amounts</b>						
At 30 June 2024 (Unaudited)	1,469,313	22,840,431	71,554	110,380	493,539	24,985,217
At 31 December 2023 (Audited)	1,392,099	24,169,960	31,260	112,197	695,613	26,401,129

**14. PROPERTY, PLANT AND EQUIPMENT AND OTHER NON-CURRENT ASSETS  
(CONTINUED)**

**(b) Other Non-Current Assets**

For the six months ended 30 June 2025

	Special tools of petroleum engineering	Other tools of petroleum engineering	Camping house	Other long-term deferred expenses	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Cost</b>					
At 1 January 2025	20,124,343	4,039,024	2,952,399	79,398	27,195,164
Additions	151,454	234,144	9,291	31,445	426,334
At 30 June 2025	<b>20,275,797</b>	<b>4,273,168</b>	<b>2,961,690</b>	<b>110,843</b>	<b>27,621,498</b>
<b>Accumulated depreciation</b>					
At 1 January 2025	14,736,145	2,896,265	2,301,895	51,959	19,986,264
Depreciation	991,292	394,817	139,948	4,986	1,531,043
Other decrease	250	2,319	334	-	2,903
At 30 June 2025	<b>15,727,687</b>	<b>3,293,401</b>	<b>2,442,177</b>	<b>56,945</b>	<b>21,520,210</b>
<b>Carrying amounts</b>					
At 30 June 2025 (Unaudited)	<b>4,548,110</b>	<b>979,767</b>	<b>519,513</b>	<b>53,898</b>	<b>6,101,288</b>
At 31 December 2024 (Audited)	<b>5,388,198</b>	<b>1,142,759</b>	<b>650,504</b>	<b>27,439</b>	<b>7,208,900</b>

**14. PROPERTY, PLANT AND EQUIPMENT AND OTHER NON-CURRENT ASSETS  
(CONTINUED)**

**(b) Other Non-Current Assets**

For the six months ended 30 June 2024

	Special tools of petroleum engineering	Other tools of Petroleum engineering	Camping house	Other long-term deferred expenses	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Cost</b>					
At 1 January 2024	18,449,825	3,310,886	2,826,505	51,214	24,638,430
Additions	120,659	233,106	23,522	-	377,287
At 30 June 2024	<b>18,570,484</b>	<b>3,543,992</b>	<b>2,850,027</b>	<b>51,214</b>	<b>25,015,717</b>
<b>Accumulated depreciation</b>					
At 1 January 2024	12,558,084	2,105,678	1,991,235	44,666	16,699,663
Depreciation	1,067,309	366,305	153,832	3,415	1,590,861
Other decrease	16,352	-	3,665	-	20,017
At 30 June 2024	<b>13,641,745</b>	<b>2,471,983</b>	<b>2,148,732</b>	<b>48,081</b>	<b>18,310,541</b>
<b>Carrying amounts</b>					
At 30 June 2024 (Unaudited)	<b>4,928,739</b>	<b>1,072,009</b>	<b>701,295</b>	<b>3,133</b>	<b>6,705,176</b>
At 31 December 2023 (Audited)	<b>5,891,741</b>	<b>1,205,208</b>	<b>835,270</b>	<b>6,548</b>	<b>7,938,767</b>

## 15. FINANCIAL ASSETS AT FVTOCI

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
<b>Non-current assets:</b>		
Unlisted equity investments – the PRC	<u>137,441</u>	<u>137,441</u>
<b>Current assets:</b>		
Notes receivables	<u>749,156</u>	<u>2,557,311</u>

Notes:

- (a) Unlisted equity investments represent the Groups' equity interests in the unlisted entities in the PRC. They are mainly engaged in drilling and technical services operations.

The Group designated its investment in unlisted investment as financial assets at FVTOCI (non-recycling), as the investment is held for strategic purpose.

- (b) As at 30 June 2025 and 31 December 2024, notes receivables were classified as financial assets at FVTOCI, as the Group's business model is achieved both by collecting contractual cash flows and by selling of these assets.

All notes receivables of the Group are banks' acceptance notes and commercial acceptance bills usually collected within six months from the date of issue.

As at 30 June 2025 and 31 December 2024, none of the Group's notes receivables were pledged as collateral or overdue.

- (c) All financial assets at FVTOCI are denominated in RMB.

## 16. TRADE RECEIVABLES

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
<b>Trade receivables</b>		
- Sinopec Group and its subsidiaries	4,349,653	6,075,263
- Joint ventures of the Group	12,427	17,534
- Joint ventures and associates of Sinopec Group	119,220	125,362
- Third parties	7,490,070	8,865,528
	<u>11,971,370</u>	<u>15,083,687</u>
Less: ECL allowance	<u>(1,719,924)</u>	<u>(1,788,860)</u>
<b>Trade receivables - net</b>	<u><u>10,251,446</u></u>	<u><u>13,294,827</u></u>

As at 30 June 2025 and 31 December 2024, the Group's trade receivables were approximately their fair values.

The Group usually provides customers with a credit term between 90 to 180 days. For the settlement of trade receivables from provision of services, the Group usually reaches an agreement on the term of each payment with the customer by taking into account factors such as, among other things, the credit history of the customer, its liquidity position and the Group's working capital needs, which varies on a case-by-case basis that requires the judgment and experience of the management. The Group does not hold any collateral as security.

# 16. TRADE RECEIVABLES (CONTINUED)

Ageing analysis of trade receivables net of ECL allowance based on invoice date is as follows:

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Within 1 year	9,718,681	12,606,210
1 to 2 years	357,678	456,985
2 to 3 years	99,304	152,307
Over 3 years	75,783	79,325
	<u>10,251,446</u>	<u>13,294,827</u>

The movements of ECL allowance on trade receivables are as follows:

	For the six months ended 30 June 2025 RMB'000 (Unaudited)	For the year ended 31 December 2024 RMB'000 (Audited)
At the beginning of the period/year	1,788,860	2,233,361
ECL allowance	-	21,662
Reversal	(72,534)	(457,598)
Others	3,598	(4,559)
Receivables write-off as uncollectible	-	(4,006)
<b>At the end of the period/year</b>	<u>1,719,924</u>	<u>1,788,860</u>

## 17. PREPAYMENT AND OTHER RECEIVABLES

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
<b>Prepayments (note (a))</b>	648,616	595,747
<b>Other receivables (note (b))</b>		
Petty cash funds	9,480	1,642
Guarantee deposits	1,514,125	1,743,401
Disbursement of funds	1,093,841	697,282
Temporary payment	1,064,630	600,190
Escrow payments	4,885	4,770
Deposits	27,181	29,145
Export tax refund receivables	10,847	1,222
Excess value-added tax paid	1,284,234	969,601
Value added tax to be certified	93,233	84,727
Prepaid value-added tax	1,602,690	1,504,051
Prepaid income tax	93,314	58,456
Dividend receivable	-	424
Others	494,827	398,303
	7,293,287	6,093,214
<b>Less: ECL allowance</b>	(542,947)	(542,901)
	6,750,340	5,550,313
<b>Prepayments and other receivables – net</b>	7,398,956	6,146,060

Notes:

- (a) As at 30 June 2025, prepayments included related party balances: Sinopec Group and its subsidiaries amounting to RMB114,822,000 (31 December 2024: RMB123,112,000), the joint ventures of the Group amounting to RMB41,000 (31 December 2024: RMBNil) and the associates and joint ventures of Sinopec Group amounting to RMB345,000 (31 December 2024: RMBNil).
- (b) As at 30 June 2025, other receivables included related party balances: Sinopec Group and its subsidiaries amounting to RMB278,939,000 (31 December 2024: RMB301,453,000), the joint ventures of the Group amounting to RMB152,739,000 (31 December 2024: RMB 147,228,000) and the associates and joint ventures of Sinopec Group amounting to RMB4,066,000 (31 December 2024: RMB115,000).
- (c) The amounts due from related parties are unsecured, interest free and repayable on demand.
- (d) The carrying amounts of the Group's prepayments and other receivables as at 30 June 2025 and 31 December 2024 approximate their fair value.

# **17. PREPAYMENT AND OTHER RECEIVABLES (CONTINUED)**

The movements of ECL allowance on other receivables are as follows:

	<b>For the six months ended 30 June 2025 RMB'000 (Unaudited)</b>	<b>For the year ended 31 December 2024 RMB'000 (Audited)</b>
At the beginning of the period/year	542,901	591,143
ECL allowance	100,299	118,162
Reversal	(109,805)	(148,011)
Receivables written-off as uncollectible	-	(201)
Others	9,552	(18,192)
<b>At the end of the period/year</b>	<b>542,947</b>	<b>542,901</b>

# **18. CONTRACT ASSETS AND COST TO FULFIL CONTRACTS/CONTRACT LIABILITIES**

## **(a) Contract assets and cost to fulfil contracts**

	<b>As at 30 June 2025 RMB'000 (Unaudited)</b>	<b>As at 31 December 2024 RMB'000 (Audited)</b>
Contract assets arising from construction and service contracts	20,067,265	16,821,077
Cost to fulfil contracts	1,685,393	95,972
Less: ECL allowance	(66,992)	(57,323)
	<b>21,685,666</b>	<b>16,859,726</b>

**Typical payment terms which impact on the amount of contract assets recognised are as follows:**

The Group's construction and service contracts include payment schedules which require progress payments over the construction period once certain specified milestones are reached. Approximate 5% of progress billings of engineering construction service would be retained as quality guarantee. This amount is included in contract assets until the end of guarantee period.

The amount of contract assets that is expected to be recovered after more than one year is RMB1,710,291,000 (31 December 2024: RMB1,644,141,000).



**18. CONTRACT ASSETS AND COST TO FULFIL CONTRACTS/CONTRACT LIABILITIES (CONTINUED)**

**(b) Contract liabilities**

	<b>As at 30 June 2025 RMB'000 (Unaudited)</b>	<b>As at 31 December 2024 RMB'000 (Audited)</b>
Contract liabilities arising from construction and service contracts	<u>5,648,554</u>	<u>7,909,917</u>

The balance of contract liabilities as at 1 January 2025 is RMB7,909,917,000, in which RMB4,756,326,000 was recognised as revenue during the period.

**Unsatisfied performance obligation:**

The Group has signed engineering service contracts with several customers to provide petroleum engineering and technical service and construction engineering contracts, which will be completed within the agreed period and regarded as a single performance obligation as a whole. As at 30 June 2025, part of the Group's petroleum engineering and technical service and construction engineering contracts were still in the process, and the total transaction price apportioned to the unsatisfied and partially unsatisfied performance obligation was RMB48.82 billion (31 December 2024: RMB46.16 billion), the amount of which was related to the progress of the performance of each contract, and will be recognised as revenue in accordance with the percentage of work performed in the future, which is expected to be completed in the coming 60 months.

## 19. INVENTORIES

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Raw materials	794,461	800,381
Work in progress	5,073	3,852
Finished goods	146,247	92,857
Turnover materials	33,350	33,732
	<u>979,131</u>	<u>930,822</u>
Less: Inventories write-down	(17,292)	(17,292)
	<u>961,839</u>	<u>913,530</u>

For the six months ended 30 June 2025 and 2024, cost of inventories recognised as expenses and included in “cost of sales” amounting to RMB15,191,866,000 and RMB14,233,203,000 respectively. For the six months ended 30 June 2025, no addition provision for inventories was made to write down inventories to their net realisable value and no reversal of inventories write-down (For the six months ended 30 June 2024: RMB nil) was made.

## 20. SHARE CAPITAL

	As at 30 June 2025		As at 31 December 2024	
	Number of shares (Share)	Share capital RMB'000 (Unaudited)	Number of shares (Share)	Share capital RMB'000 (Audited)
<b>Registered, issued and paid:</b>				
- Domestic non-public legal person shares of RMB1.00 each	11,674,988,118	11,674,989	11,674,988,118	11,674,989
- Social public A shares of RMB1.00 each	1,872,024,233	1,872,024	1,894,390,433	1,894,390
- H shares of RMB1.00 each	5,410,033,482	5,410,033	5,410,033,482	5,410,033
	<u>18,957,045,833</u>	<u>18,957,046</u>	<u>18,979,412,033</u>	<u>18,979,412</u>

	As at 30 June 2025		As at 31 December 2024	
	Number of shares (Share)	Share capital RMB'000 (Unaudited)	Number of shares (Share)	Share capital RMB'000 (Audited)
<b>Issued and paid:</b>				
At beginning of the period/year	18,979,412,033	18,979,412	18,984,340,033	18,984,340
Decrease in domestic non-public legal person shares (Note)	-	-	(111,057,100)	(111,057)
Increase in social public A shares (Note)	-	-	111,057,100	111,057
Share repurchased	(22,366,200)	(22,366)	(4,928,000)	(4,928)
At end of the period/year	<u>18,957,045,833</u>	<u>18,957,046</u>	<u>18,979,412,033</u>	<u>18,979,412</u>

Note:

The decrease in domestic non-public shares is due to decrease in its shareholding of the Company's share by a shareholder, CITIC Group, which is a state-owned enterprise. The transaction is at shareholder level and only change the allocation between domestic non-public legal person shares and social public A shares.

**21. NOTES AND TRADE PAYABLES AND LIABILITIES UNDER SUPPLIER FINANCE ARRANGEMENT**

	<b>As at 30 June 2025 RMB'000 (Unaudited)</b>	<b>As at 31 December 2024 RMB'000 (Audited)</b>
<b>Trade payables</b>		
- Sinopec Group and its subsidiaries	5,092,289	4,603,046
- Joint ventures of the Group	25,205	16,891
- Joint ventures and associates of Sinopec Group	3,608	685
- Third parties	2,547,250	19,205,285
	<u>22,547,250</u>	<u>23,825,907</u>
<b>Notes payables</b>	2,597,288	3,387,768
<b>Liabilities under supplier finance arrangement</b>	3,536,621	4,440,139
	<u>28,681,159</u>	<u>31,653,814</u>

As at 30 June 2025 and 31 December 2024, the carrying amount of Group's notes and trade payables and liabilities under supplier finance arrangement were approximately their fair values.

Ageing analysis of notes and trade payables based on invoice date is as follows:

	<b>As at 30 June 2025 RMB'000 (Unaudited)</b>	<b>As at 31 December 2024 RMB'000 (Audited)</b>
Within 1 year	28,620,824	31,136,345
1 to 2 years	9,784	327,915
2 to 3 years	983	70,429
Over 3 years	49,568	119,125
	<u>28,681,159</u>	<u>31,653,814</u>

**21. NOTES AND TRADE PAYABLES AND LIABILITIES UNDER SUPPLIER FINANCE ARRANGEMENT (CONTINUED)**

**Liabilities under supplier finance arrangement**

During the period, the Group has entered into agreements with supply chain financing institutions such as Easy-Pec and banks (the “Institutions”), agreeing that they will provide the Group with agency payment and accounts payable factoring services. The Group is required to repay the amount to the Institutions within agreed period (usually not more than 18 months) from the actual payment date of the Institutions. The financing arrangement does not involve any guarantees or pledges.

From the Group’s perspective, the arrangement does not significantly extend payment terms beyond the normal terms agreed with other suppliers that are not participating; however, the arrangement does provide willing suppliers with the benefit of early payment. Additionally, the Group does not incur any additional interest towards the Institutions on the amounts due to the suppliers. The Group therefore presents the amounts subject to the arrangement together with notes and trade payables because the nature and function of these payables remains the same as those of notes and trade payables.

	<b>As at</b>	<b>As at</b>
	<b>30 June 2025</b>	<b>31 December 2024</b>
<b><u>Range of payment due dates</u></b>		
Liabilities under supplier finance arrangement	3 to 18 months	3 to 18 months
Comparable trade payables that are not part of the supplier finance arrangement	3 to 18 months	3 to 18 months
	<b>As at</b>	<b>As at</b>
	<b>30 June 2025</b>	<b>31 December 2024</b>
<b><u>Carrying amount of liabilities under supplier financing arrangement</u></b>	<b>RMB’000</b>	<b>RMB’000</b>
Liabilities under supplier finance arrangement	3,536,621	4,440,139
– of which the supplier has received payment from the institutions	3,171,523	4,193,879

The payments to the Institutions are included within operating cash flows because they continue to be part of the normal operating cycle of the Group and their principal nature remains operating – i.e. payments for the purchase of goods and services. The payments to a supplier by the Institutions of RMB3,171,523,000 (31 December 2024: RMB4,193,879,000) are considered non- cash transactions.

## 22. OTHER PAYABLES

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Salaries payables	770,198	719,036
Other tax payables	406,426	829,487
Other payables (note (a))		
Guarantee deposits	1,149,271	1,145,101
Other deposits	176,064	172,753
Disbursement of funds	757,657	865,540
Temporary receipts	915,454	531,755
Escrow payments	36,220	33,876
Withheld payments	51,068	53,179
Project expenses payable	308,821	690,698
Others	306,641	310,125
	<u>4,877,820</u>	<u>5,351,550</u>

### Notes:

- (a) As at 30 June 2025, other payables include related party balances with Sinopec Group and its subsidiaries amounting to RMB128,426,000 (31 December 2024: RMB125,043,000), joint ventures of the Group amounting to RMB435,000 (31 December 2024: RMB1,289,000) and the joint venture of Sinopec Group amounting to RMB129,000 (31 December 2024: RMBNil).
- (b) The above amounts due to related parties are unsecured, interest free and repayable on demand.

## 23. BORROWINGS

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
<b>Current liabilities</b>		
Loans from Sinopec Finance Company Limited (note (a))	23,478,544	22,690,000
Loans from Sinopec Century Bright Capital Investment Limited (note (a))	-	23,925
Bank borrowings (note (a))	12,000	-
Lease liabilities (note (b))	431,788	272,460
Other loan (note (a))	4,786,053	156,524
	<u>28,708,385</u>	<u>23,142,909</u>
<b>Non-current liabilities</b>		
Bank borrowings (note (a))	199,918	-
Lease liabilities (note (b))	363,442	304,333
	<u>563,360</u>	<u>304,333</u>
	<u>29,271,745</u>	<u>23,447,242</u>

Notes:

- (a) The borrowings of the Group are repayable as follows:

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Within 1 year	28,276,597	22,870,449
1 to 2 years	199,918	-
	<u>28,476,515</u>	<u>22,870,449</u>

As at 30 June 2025, annual interest rate of credit loans from related parties and bank ranged from 2.11% to 3.50% (31 December 2024: 2.70% to 3.60%).

## 23. BORROWINGS (CONTINUED)

### (b) Lease liabilities

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Total minimum lease payments		
- Within 1 year	459,342	284,312
- 1 to 2 years	209,062	178,632
- 2 to 5 years	130,002	103,382
- Over 5 years	52,782	55,383
	<u>851,188</u>	<u>621,709</u>
Future finance charges on lease liabilities	(55,958)	(44,916)
<b>Present value of lease liabilities</b>	<u><u>795,230</u></u>	<u><u>576,793</u></u>
	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Present value of minimum lease payments		
- Within 1 year	431,788	272,460
- 1 to 2 years	197,122	160,652
- 2 to 5 years	117,472	92,111
- Over 5 years	48,848	51,570
	<u>795,230</u>	<u>576,793</u>
Less: Portion due within one year included under current liabilities	(431,788)	(272,460)
<b>Portion due after one year included under non-current liabilities</b>	<u><u>363,442</u></u>	<u><u>304,333</u></u>

As at 30 June 2025, the Group leases various residential properties, office and equipment. The leases run for an initial period of 1 to 30 years (31 December 2024: 1 to 30 years), with an option to renew the leases and renegotiate the terms at the expiry date or at dates mutually agreed between the Group and respective landlords/lessors.

For the six months ended 30 June 2025, total cash outflow for the lease payment is RMB787,633,000 (30 June 2024: RMB900,182,000).



## 24. COMMITMENTS

### (a) Capital commitments

Capital commitments for the purchase of property, plant and equipment outstanding as at 30 June 2025 and 31 December 2024 are as follows:

	<b>As at 30 June 2025 RMB'000 (Unaudited)</b>	<b>As at 31 December 2024 RMB'000 (Audited)</b>
Contracted but not provided for	<u>241,995</u>	<u>221,811</u>

### (b) Lease commitments

The lease commitments for short-term leases as at 30 June 2025 and 31 December 2024 are as follows:

	<b>As at 30 June 2025 RMB'000 (Unaudited)</b>	<b>As at 31 December 2024 RMB'000 (Audited)</b>
Within 1 year	<u>100,529</u>	<u>139,535</u>

As at 30 June 2025 and 31 December 2024, the Group leases various residential properties, office and equipment with a lease period of 6 to 12 months, which are qualified to be accounted for under short-term lease exemption under IFRS 16.

### (c) Investment commitments

As at 30 June 2025, the Group has outstanding commitments of RMB142,209,000 (31 December 2024: RMB129,625,000) in respect of its investment in joint ventures.

### (d) Fulfilment of commitments for the previous period

The Group has fulfilled the capital and operating lease commitments as at 30 June 2025.

## **25. CONTINGENCIES AND GUARANTEES**

In preparing this interim financial information, except for described below, there were no further developments of those contingencies as at 30 June 2025, which were disclosed in the 2024 annual report.

### **(a) Contingent liabilities and financial impacts due to pending litigation**

Sinopec Group International Petroleum Engineering Algeria Co., Ltd. (“Algeria Subsidiary”), a subsidiary of Sinopec International Oil Engineering Company Limited (“Sinopec International”), has been operating in Algeria since its establishment. The Algerian tax department is conducting a tax audit on the taxes and fees generated by the business income of the Algerian subsidiary from 2018 to 2020. After receiving the preliminary investigation results, the Algerian subsidiary of Sinopec International and each project department hired a local intermediary agency to conduct tax defense. Based on the audit results of previous years and the assessment of project tax risks, the company’s management accrues estimated liabilities for the relevant taxes that may be involved. As at 30 June 2025, the estimated liability balance is RMB36,186,000 (31 December 2024: RMB36,186,000).

### **(b) Contingent liabilities and financial impacts from guarantee provided for other entities**

As at 30 June 2025 there is no material contingency from guarantee provided for other entities except for disclosed in note 25(c) below (31 December 2024: none).

### **(c) Performance guarantee**

As at 30 June 2025, the Group agreed to provide performance guarantee for DS Servicios Petroleros, S.A.de C.V. (“Mexico DS Company”) for the performance obligations under the production sharing contract for the EBANO project entered into between Mexican National Hydrocarbons Commission, being the beneficiary, and the Mexico DS Company. During the guarantee period, when Mexico DS Company loses contract performance capabilities, the Group shall undertake to perform the contracts on its behalf to an amount not exceed USD274,950,000.

## **26. SIGNIFICANT RELATED PARTY TRANSACTIONS**

Related parties are those parties that have the ability to control the other party or exercise significant influence in making financial and operation decisions. Parties are also considered to be related if they are subject to common control. The Group is subject to the control of the PRC government which also controls a significant portion of the productive assets and entities in the PRC (collectively known as the “state-owned enterprises”).

In accordance with IAS 24 “Related party disclosures”, other state-owned enterprises and their subsidiaries, directly or indirectly controlled by the PRC government are regarded as related parties of the Group (“other state-owned enterprises”). For the purpose of related party disclosures, the Group has in place procedures to identify the immediate ownership structure of its customers and suppliers to determine whether they are state-owned enterprises. Many state-owned enterprises have multi-layered corporate structure and the ownership structures change over time as a result of transfers and privatisation programs. Nevertheless, management believes that meaningful information relating to related party transaction has been adequately disclosed.

In addition to the related party transactions and balances shown elsewhere in this interim financial information, the following is a summary of significant related party transactions entered into in the ordinary course of business between the Group and its related parties, including other state-owned enterprises, for the six months ended 30 June 2025 and 2024.

The transactions with related parties are carried out on normal commercial terms or relevant agreements with counterparties in the ordinary course of business.

The majority of these significant related party transactions with Sinopec Group and its fellow subsidiaries also constitute continuing connected transactions as defined under Chapter 14A of the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange.

**26. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)**

**(a) Significant related party transactions arising with Sinopec Group and its subsidiaries and fellow subsidiaries:**

<b>FOR THE SIX MONTHS ENDED 30 JUNE</b>		
	<b>2025</b>	<b>2024</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>PURCHASES OF MATERIALS</b>		
<b>- SINOPEC GROUP AND ITS SUBSIDIARIES</b>	4,192,896	4,308,757
<b>SALE OF PRODUCTS</b>		
<b>- SINOPEC GROUP AND ITS SUBSIDIARIES</b>	41,552	31,830
<b>RENDERING OF ENGINEERING SERVICES</b>		
<b>- SINOPEC GROUP AND ITS SUBSIDIARIES</b>	21,437,034	21,144,882
<b>RECEIVING OF ENGINEERING SERVICES</b>		
<b>- SINOPEC GROUP AND ITS SUBSIDIARIES</b>	123,371	-
<b>RENDERING OF INTEGRATED SERVICES</b>		
<b>- SINOPEC GROUP AND ITS SUBSIDIARIES</b>	54,823	39,066
<b>RECEIVING OF COMMUNITY SERVICES</b>		
<b>- SINOPEC GROUP AND ITS SUBSIDIARIES</b>	13,802	10,043
<b>RECEIVING OF INTEGRATED SERVICES</b>		
<b>- SINOPEC GROUP AND ITS SUBSIDIARIES</b>	402,993	489,813
<b>RENDERING OF TECHNOLOGY RESEARCH AND DEVELOPMENT SERVICES</b>		
<b>- SINOPEC GROUP AND ITS SUBSIDIARIES</b>	68,017	54,790

**26. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)**

**(a) Significant related party transactions arising with Sinopec Group and its subsidiaries and fellow subsidiaries: (Continued)**

<b>FOR THE SIX MONTHS ENDED 30 JUNE</b>		
	<b>2025</b>	<b>2024</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>RENTAL INCOME - BUILDINGS</b>		
<b>- SINOPEC GROUP AND ITS</b>		
<b>SUBSIDIARIES</b>	1,340	702
<b>RENTAL INCOME - EQUIPMENT</b>		
<b>- SINOPEC GROUP AND ITS</b>		
<b>SUBSIDIARIES</b>	479	725
<b>LEASE PAYMENT – LANDS AND</b>		
<b>BUILDINGS</b>		
<b>- SINOPEC GROUP AND ITS</b>		
<b>SUBSIDIARIES</b>	282,798	60,695
<b>LEASE PAYMENT – EQUIPMENT</b>		
<b>- SINOPEC GROUP AND ITS</b>		
<b>SUBSIDIARIES</b>	11,275	115,809
<b>DEPOSITS INTEREST INCOME</b>		
<b>- SINOPEC GROUP'S</b>		
<b>SUBSIDIARIES</b>	16,034	4,485
<b>LOANS INTEREST EXPENSES</b>		
<b>- SINOPEC GROUP AND ITS</b>		
<b>SUBSIDIARIES</b>	301,468	317,066
<b>INTEREST EXPENSES ON LEASE</b>		
<b>LIABILITIES</b>		
<b>- SINOPEC GROUP AND ITS</b>		
<b>SUBSIDIARIES</b>	7,998	5,699
<b>BORROWINGS OBTAINED</b>		
<b>- SINOPEC GROUP AND ITS</b>		
<b>SUBSIDIARIES</b>	12,645,000	13,557,825
<b>BORROWINGS REPAID</b>		
<b>- SINOPEC GROUP AND ITS</b>		
<b>SUBSIDIARIES</b>	11,878,786	11,367,463

**26. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)**

**(a) Significant related party transactions arising with Sinopec Group and its subsidiaries and fellow subsidiaries: (Continued)**

<b>FOR THE SIX MONTHS ENDED 30 June</b>		
	<b>2025</b>	<b>2024</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>SAFETY AND INSURANCE FUND EXPENSES</b>		
<b>- SINOPEC GROUP</b>	42,100	42,975
<b>SAFETY AND INSURANCE FUND REFUND</b>		
<b>- SINOPEC GROUP</b>	44,917	43,563

**26. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)**

**(b) Significant related party transactions arising with the associates and joint ventures of the Group:**

<b>FOR THE SIX MONTHS ENDED 30</b>		
<b>JUNE</b>		
	<b>2025</b>	<b>2024</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>SALE OF PRODUCTS</b>		
- ASSOCIATES AND JOINT VENTURES OF THE GROUP	209	-
<b>RENDERING OF ENGINEERING SERVICES</b>		
- ASSOCIATES AND JOINT VENTURES OF THE GROUP	1,091	5,608
<b>RECEIVING OF ENGINEERING SERVICES</b>		
- ASSOCIATES AND JOINT VENTURES OF THE GROUP	1,103,259	997,576
<b>RENDERING OF INTEGRATED SERVICES</b>		
- ASSOCIATES AND JOINT VENTURES OF THE GROUP	2,905	3,599

**26. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)**

**(c) Significant related party transactions arising with the associates and joint ventures of Sinopec Group:**

<b>FOR THE SIX MONTHS ENDED 30 JUNE</b>		
	<b>2025 RMB'000 (Unaudited)</b>	<b>2024 RMB'000 (Unaudited)</b>
<b>PURCHASES OF MATERIALS - ASSOCIATES AND JOINT VENTURES OF SINOPEC GROUP</b>	-	77,568
<b>SALE OF PRODUCTS - ASSOCIATES AND JOINT VENTURES OF SINOPEC GROUP</b>	71	-
<b>RENDERING OF ENGINEERING SERVICES - ASSOCIATES AND JOINT VENTURES OF SINOPEC GROUP</b>	2,313,997	1,689,391
<b>RECEIVING OF ENGINEERING SERVICES - ASSOCIATES AND JOINT VENTURES OF THE GROUP</b>	88,924	73,924
<b>RENDERING OF INTEGRATED SERVICES - ASSOCIATES AND JOINT VENTURES OF SINOPEC GROUP</b>	1,119	551
<b>RECEIVING OF INTEGRATED SERVICES - ASSOCIATES AND JOINT VENTURES OF SINOPEC GROUP</b>	569	36
<b>RENTAL INCOME - EQUIPMENT - SINOPEC GROUP AND ITS SUBSIDIARIES</b>	354	354
<b>LEASE PAYMENT – EQUIPMENT - ASSOCIATES AND JOINT VENTURES OF SINOPEC GROUP</b>	30,219	5,159
<b>INTEREST EXPENSES ON LEASE LIABILITIES - ASSOCIATES AND JOINT VENTURES OF SINOPEC GROUP</b>	68	1,628



## 26. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

### (d) Remuneration of key management personnel

Key management includes directors, supervisors, president, vice presidents, chief financial officer and secretary to the Board of Directors. The compensation paid or payable to key management form employee services is shown below:

	FOR THE SIX MONTHS ENDED 30	
	JUNE	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
FEE	300	300
SALARIES, ALLOWANCES AND		
BONUS	5,802	6,947
CONTRIBUTIONS TO PENSION PLANS	314	301
	<u>6,416</u>	<u>7,548</u>

### (e) Provision for counter guarantee

As at 31 December 2024, the Group has provided the counter guarantee to Sinopec Group, amounting to RMB100,000,000. The counter guarantee was expired during the period. As at 30 June 2025, the Group does not provide any counter guarantee.

## 27. FAIR VALUE

Other than noted as below, the carrying amount of the Group's financial assets and liabilities stated at the condensed consolidated statement of financial position are not materially different from their fair values.

Fair value is the price that would be received to sell assets or paid to transfer liabilities in an orderly transaction between market participants at the measurement date. The Group discloses fair value measurements of financial instruments by level of the following fair value measurement hierarchy:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 – inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

**27. FAIR VALUE (CONTINUED)**

**(a) Recurring fair value measurement of the Group's financial assets measured at fair value**

The financial assets measured at fair value in the condensed consolidated statement of financial position on a recurring basis are grouped into the fair value hierarchy as follows:

	<b>Level 3</b>	
	<b>As at 30 June 2025 RMB'000 (Unaudited)</b>	<b>As at 31 December 2024 RMB'000 (Audited)</b>
<b>Financial assets at FVTOCI (non-recycling)</b>		
- Unlisted equity investments	137,441	137,441
<b>Financial assets at FVTOCI</b>		
- Notes receivables	749,156	2,557,311
	<u>886,597</u>	<u>2,694,752</u>

The reconciliation of the carrying amounts of assets classified within Level 3 of the fair value hierarchy is as follows:

	<b>For the months ended 30 June 2025 RMB'000 (Unaudited)</b>	<b>For the ended 31 December 2024 RMB'000 (Audited)</b>
At the beginning of the period/year (Settlement)/Addition, net	2,694,752 (1,808,155)	2,870,844 (177,770)
Movement in fair value recognised in other comprehensive income	-	1,678
At the end of the period/year	<u>886,597</u>	<u>2,694,752</u>

**27. FAIR VALUE (CONTINUED)**

**(a) Recurring fair value measurement of the Group's financial assets measured at fair value (Continued)**

The fair value of the unlisted equity investments and notes receivables is measured using valuation techniques with reference to the net asset value and discounted cash flows, respectively. The Directors believe that the change in fair value (which is included in other comprehensive income) derived from the valuation technique is reasonable and is the most appropriate value at the end of the reporting period. There have been no transfers into or out of Level 3 during the six months period ended 30 June 2025 (2024: Nil).

**(b) Fair values of financial assets and liabilities carried at other than fair value**

The carrying amount of the Group's financial instruments measured at amortised cost are not materially different from fair value as at 30 June 2025 and 31 December 2024.

## 7.2 Interim financial report prepared in accordance with the PRC ASBE

The following financial information has been extracted from the Company's unaudited interim financial report, prepared in accordance with the PRC ASBE, for the six months ended 30 June 2025.

### **Consolidated balance sheets**

*(Expressed in thousands of Renminbi Yuan)*

	<b>30 June 2025</b>	<b>31 December 2024</b>
Assets		
Current assets:		
Cash at bank and on hand	5,398,763	3,648,514
Accounts receivable	10,251,446	13,294,827
Receivable at FVTOCI	749,156	2,557,311
Prepayments	648,616	595,747
Other receivables	3,587,568	2,848,479
Inventories	2,647,232	1,009,501
Contract assets	20,000,273	16,763,754
Other current assets	3,073,471	2,616,835
Total current assets	<u>46,356,525</u>	<u>43,334,968</u>
Non-current assets:		
Long-term equity investments	137,193	251,551
Other equity instrument investments	137,441	137,441
Fixed assets	23,121,741	24,238,814
Construction in progress	794,020	793,487
Right-of-use assets	837,832	620,413
Intangible assets	329,328	424,226
Long-term prepaid expenses	6,101,288	7,208,900
Deferred tax assets	333,615	330,305
Total non-current assets	<u>31,792,458</u>	<u>34,005,137</u>
Total assets	<u>78,148,983</u>	<u>77,340,105</u>

**Consolidated balance sheets (continued)**  
*(Expressed in thousands of Renminbi Yuan)*

Liabilities and shareholders' equity	30 June 2025	31 December 2024
Current liabilities:		
Short-term loans	28,262,252	22,870,449
Bills payable	2,597,288	3,387,769
Accounts payable	26,083,871	28,266,046
Contract liabilities	5,648,554	7,909,917
Employee benefits payable	770,198	719,036
Taxes payable	547,350	965,079
Other payables	3,578,912	3,712,039
Non-current liabilities due within one year	446,133	272,460
Total current liabilities	67,934,558	68,102,795
Non-current liabilities:		
Long-term loans	199,918	-
Lease liabilities	363,442	304,333
Long-term payables	122,283	90,987
Provisions	89,698	90,365
Deferred income	57,513	24,758
Deferred income tax liabilities	78,081	78,065
Total non-current liabilities	910,935	588,508
Total liabilities	68,845,493	68,691,303
Equity:		
Share capital	18,957,046	18,979,412
Capital reserve	11,700,849	11,720,452
Other comprehensive income	-33,299	30,193
Specific reserve	570,767	302,874
Surplus reserve	200,383	200,383
Retained earnings	-22,092,256	-22,584,512
Total equity attributable to owners of the Company	9,303,490	8,648,802
Non-controlling interests	-	-
Total equity	9,303,490	8,648,802
Total liabilities and equity	78,148,983	77,340,105

**Consolidated income statements***(Expressed in thousands of Renminbi Yuan)*

	For the six months ended 30	
	June	
	2025	2024
1.Revenue	<b>37,050,751</b>	36,821,444
Less: Cost of sales	<b>33,923,926</b>	33,864,636
Taxes and surcharges	<b>179,866</b>	159,159
Selling and distribution expenses	<b>30,919</b>	28,842
General and administrative expenses	<b>901,284</b>	960,299
Research and development expenses	<b>882,537</b>	1,115,981
Finance costs	<b>427,379</b>	346,091
Including: Interest expense	<b>377,778</b>	355,632
Interest income	<b>28,131</b>	17,341
Add: Other income	<b>13,176</b>	22,515
Investment income (“-” for losses)	<b>-28,683</b>	14,891
Including: Share of profit of associates and joint ventures	<b>-45,678</b>	2,483
Credit impairment losses (“-” for losses)	<b>82,040</b>	187,077
Assets impairment (“-” for losses)	<b>-9,669</b>	77,770
Gains from disposal of non-current asset (“-” for losses)	<b>26,503</b>	43,963
2.Operating profit (“-” for losses)	<b>788,207</b>	<b>692,652</b>
Add: Non-operating income	<b>49,720</b>	39,823
Less: Non-operating expenses	<b>54,957</b>	-49,089
3.Profit before income tax (“-” for losses)	<b>782,970</b>	<b>781,564</b>
Less: Income tax expenses	<b>290,714</b>	329,757
4.Net profit for the period (“-” for losses)	<b>492,256</b>	<b>451,807</b>
Profit for the period attributable to:		
- Owners of the company	<b>492,256</b>	<b>451,807</b>
- Non-controlling interests	-	-
5.Earnings per share(“-” for losses):		
Basic earnings per share (in RMB)	<b>0.026</b>	0.024
Diluted earnings per share (in RMB)	<b>0.026</b>	0.024
6.Other comprehensive income for the period	-63,492	-52,020
Other comprehensive income, net of tax, attributable to owners of the parent company	-63,492	-52,020
(I) Other comprehensive income that cannot be reclassified into profit or loss	-	-
(II) Other comprehensive income that will be reclassified into profit or loss	-63,492	-52,020
1.Other comprehensive income from transferable gains or losses under the equity method	-63,492	-52,020
7.Total comprehensive income for the period	<b>428,764</b>	<b>399,787</b>
Total comprehensive income for the period attributable to:		
- Owners of the Company	<b>428,764</b>	399,787
- Non-controlling shareholders	-	-

**Consolidated cash flow statement***(Expressed in thousands of Renminbi Yuan)*

	For the six months ended 30	
	June	
	2025	2024
1.Cash flows from operating activities:		
Cash received from sale of goods and rendering of services	34,967,272	30,695,013
Refund of taxes	33,956	66,152
Cash received from other operating activities	1,593,730	1,810,237
Sub-total of cash inflows	36,594,958	32,571,402
Cash paid for goods and services	23,418,655	22,426,556
Cash paid to and for employees	7,819,768	7,623,929
Cash paid for all types of taxes	1,696,233	1,170,781
Cash paid relating to other operating activities	1,509,735	1,540,202
Sub-total of cash outflows	34,444,391	32,761,468
Net cash inflow from operating activities	2,150,567	-190,066
2.Cash flows from investing activities:		
Cash received from the investment income	5,335	4,645
Net cash received from disposal of fixed assets	64,720	20,615
Sub-total of cash inflows	70,055	25,260
Cash paid for acquisition of fixed assets, intangible assets and other long term assets	860,092	1,118,166
Cash paid for the investments	-	-
Sub-total of cash outflows	860,092	1,118,166
Net cash inflow from investing activities (“-” for outflow)	-790,037	-1,092,906
3.Cash flows from financing activities:		
Cash received from borrowings	12,856,918	13,834,050
Sub-total of cash inflows	12,856,918	13,834,050
Cash paid for repayments of borrowings	11,886,274	11,728,695
Cash paid for distribution of dividend, profit or payments of interests	329,174	319,750
Cash paid for other financing activities	234,010	277,399
Sub-total of cash outflows	12,449,458	12,325,844
Net cash inflow from financing activities	407,460	1,508,206
4.Effect of foreign exchange rate changes on cash and cash equivalents	1,763	-35,913
5.Net decreasein cash and cash equivalents	1,769,753	189,321
Add: Cash and cash equivalents at the beginning of the period	3,441,398	2,788,797
6.Cash and cash equivalents at the end of the period	5,211,151	2,978,118

**Consolidated Statement of changes in equity**  
*(Expressed in thousands of Renminbi Yuan)*

Items	Share capital	Capital reserve	Other comprehensive income	Specific reserve	Surplus reserve	(Accumulated losses)/Retained earnings	Non-controlling interests	Total equity
Balance at 31 December 2024 and 1 January 2025	18,979,412	11,720,452	30,193	302,874	200,383	-22,584,512	-	8,648,802
Changes during the period (decrease in “-”)	-22,366	-19,603	-63,492	267,893	-	492,256	-	654,688
Total comprehensive income	-	-	-63,492	-	-	492,256	-	428,764
Increase or decrease of capital	-22,366	-19,603	-	-	-	-	-	-41,969
Specific reserve-provided during the period	-	-	-	542,706	-	-	-	542,706
Specific reserve-used during the period (expressed in “-”)	-	-	-	274,813	-	-	-	274,813
<b>Balance at 30 June 2025</b>	<b>18,957,046</b>	<b>11,700,849</b>	<b>-33,299</b>	<b>570,767</b>	<b>200,383</b>	<b>-22,092,256</b>	<b>-</b>	<b>9,303,490</b>
Balance at 31 December 2023 and 1 January 2024	18,984,340	11,717,773	22,618	313,849	200,383	-23,215,761	-	8,023,202
Changes during the period (decrease in “-”)	-	-	-52,020	301,143	-	451,807	-	700,930
Total comprehensive income	-	-	-52,020	-	-	451,807	-	399,787
Specific reserve-provided during the period	-	-	-	555,172	-	-	-	555,172
Specific reserve-used during the period (expressed in “-”)	-	-	-	254,029	-	-	-	254,029
<b>Balance at 30 June 2024</b>	<b>18,984,340</b>	<b>11,717,773</b>	<b>-29,402</b>	<b>614,992</b>	<b>200,383</b>	<b>-22,763,954</b>	<b>-</b>	<b>8,724,132</b>



### 7.3 Reconciliation statement of differences in the financial statements prepared under different GAAPs

The difference between the financial statements prepared under the IFRS and PRC ASBE on net profit and net assets are as follows:

	Net profit attributable to equity shareholders of the Company		Net assets attributable to equity shareholders of the Company	
	For the six months ended 30		At 30 June	At 1 January
	June		2025	2024
	2025	2024		
	RMB'000	RMB'000	RMB'000	RMB'000
Amounts under PRC ASBE	492,256	451,807	9,303,490	8,648,802
Adjustments under IFRS:	-	-	-	-
Specific reserve (a)	267,893	301,143	-	-
Amounts under IFRS	<b>760,149</b>	<b>752,950</b>	<b>9,303,490</b>	<b>8,648,802</b>

a. Specific reserve

Under PRC ASBE, accrued production safety fund is recognised as expenses in profit or loss and separately recorded as a specific reserve in shareholders' equity according to the national regulation. As using production safety fund, if it is profit or loss related, the cost of expenditure is directly charged against the specific reserves. While if it is capital expenditure related, the cost of fixed asset is offset against the specific reserves and the same amount of accumulated depreciation is recognised, then the fixed asset is no longer depreciated in its useful life.

## 8. OTHER EVENTS

### 8.1 Compliance with the Corporate Governance Code

For the six months ended 30 June 2025, the Company has complied with all the code provisions of the Corporate Governance Code set out in Appendix C1 to the Listing Rules.

### 8.2 Compliance with the Model Code

The Company has adopted a code of conduct regarding directors' securities transactions on terms no less exacting than the required standard set out in the Model Code. Upon specifically inquires of all the directors, supervisors and senior management, the Company confirms that its directors, supervisors and senior management have fully complied with the standards as set out in the Model Code during the reporting period.

### 8.3 Purchase, sale or redemption of the Company's listed securities

On 12 June 2024, the Company's 2023 annual general meeting, the first A shareholders' class meeting in 2024 and the first H shareholders' class meeting in 2024 considered and approved the proposal on the authorisation to the Board to repurchase domestic shares and/or overseas listed foreign shares of the Company, authorizing the board of directors to repurchase domestic shares and/or overseas listed foreign shares according to market conditions and the needs of the Company not exceeding 10% of the respective number of A shares or H shares issued by the Company.

On 20 August 2024, the fourth meeting of the eleventh board of the Company considered and approved the resolution on the repurchase of shares of the Company, which approved the Company to use its own funds to repurchase part of A shares and H shares for cancellation and reduction of registered capital. The plan for repurchase of A Shares was considered and approved at the first extraordinary general meeting of 2024 of the Company held on 6 December 2024. For details, please refer to the "Repurchase Report on Repurchase of A Shares through Centralized Competitive Trading" (P.2024-057) disclosed in China Securities Journal, Shanghai Securities News, Securities Times and on [www.sse.com.cn](http://www.sse.com.cn) on 20 December 2024 and on [www.hkexnews.hk](http://www.hkexnews.hk) on 19 December 2024.

In order to increase earnings per share and strengthen market value management, during the period from 8 January 2025 to 22 May 2025, the Company repurchased a total of 22,366,200 A shares, accounting for 0.12% of the total share capital of the Company before the cancellation, with the highest repurchase price of RMB1.99 per share and the lowest repurchase price of RMB1.73 per share. The total amount paid was RMB41.9652 million (excluding transaction costs), and the shares were cancelled on 6 June 2025.

Repurchase of A shares

Repurchase month	Number of repurchase (Shares)	Purchase price per share		Total price (RMB)
		Max price (RMB/share)	Min price (RMB/share)	
January 2025	4,066,100	1.98	1.92	7,970,614
February 2025	1,021,300	1.96	1.95	2,000,000
March 2025	2,523,400	1.99	1.98	5,011,385
April 2025	10,976,100	1.84	1.73	19,884,742
May 2025	3,779,300	1.89	1.87	7,098,465

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed shares during the six months ended 30 June 2025.

By order of the Board  
**Shen Zehong**  
*Company Secretary*

18 August 2025  
Beijing, The PRC

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

*# Executive Director*

*+ Non-Executive Director*

*\* Independent Non-Executive Director*