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Sinopec Oilfield Service Corporation

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

(Stock code: 1033)

Cancellation of the Share Options of the Third Exercise Period under the First Grant of the A Share Option Incentive Scheme

References are made to the circular dated 26 September 2016 relating to the adoption of the A Share Option Scheme (the “**Circular**”), the announcement dated 1 November 2016 relating to the grant of A Share Options (the “**First Grant**”), the announcement dated 22 December 2016 relating to the registration of the First Grant of the A Share Options, the announcement dated 29 October 2018 relating to non-fulfillment of exercise conditions for the First Exercise Period and adjustment to the list of Participants and the number of Share Options under the First Grant of the A Share Option Incentive Scheme and the announcement dated 28 October 2019 relating to non-fulfillment of exercise conditions for the Second Exercise Period and adjustment to the list of Participants and the number of Share Options under the First Grant of the A Share Option Incentive Scheme published by Sinopec Oilfield Service Corporation (the “**Company**”). Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as defined in the Circular.

I. Reasons for, basis and size of the Cancellation

The Third Exercise Period under the First Grant of the A Share Option Incentive Scheme of the Company is from 1 November 2020 to 30 October 2021. In view of the relatively substantial difference between the Company's A Share price and the Exercise Price (i.e., RMB 5.63 per Share) arising in the Exercise Period aforesaid, under the relevant provisions of the Measures for the Administration of Share Incentive Plans of Listed Companies and Share Option Incentive Scheme for SSC's A Shares (Amended Draft) (the “**Share Option Incentive Scheme**”), the current outstanding Share Options

granted to the Participants shall be terminated and promptly cancelled by the listed company upon the end of each Exercise Period. The Board of Directors (the “**Board**”) of the Company will cancel a total of 17,084,000 Share Options, to be expired but unexercised at the Third Exercise Period, granted to 423 Participants (the “**Cancellation**”).

II. Changes in share options granted upon the Cancellation

Upon the Cancellation, the changes in share options granted under the Share Option Incentive Scheme are as follows.

Name	Position	Number of Share Options granted under the First Grant (10,000)	Number of Share Options cancelled due to substandard performance of the Company (10,000)	Number of Options cancelled due to reasons such as retirement or job change (10,000)	Number of Options for the Cancellation (10,000)	Number of outstanding Share Options granted under the First Grant (10,000)
1. Current directors, supervisors and senior management						
Sun Yongzhuang	Employee Representative Supervisor	15	9	0	6	0
Zhang Yongjie	Deputy General Manager	19	11.4	0	7.6	0
Zuo Yaojiu	Deputy General Manager	18	10.8	0	7.2	0
Zhang Jinhong	Deputy General Manager	18	10.8	0	7.2	0
Zhang Jianhuo	Deputy General Manager	10	6	0	4	0
Subtotal	5	80	48	0	32	0
2. Former directors, senior management and key business and management personnel of other core positions						
Subtotal	472	4,825	2,802.3	346.3	1,676.4	0
Total	477	4,905	2,850.3	346.3	1,708.4	0

Note 1: On 2 February 2021, Mr. Sun Yongzhuang was elected as an employee representative supervisor of the Company.

III. Follow-up arrangements of the Cancellation

The Board will complete the relevant procedures for the cancellation and fulfill its information disclosure obligations in a timely manner in accordance with the requirements of the Shanghai Stock Exchange and China Securities Depository and Clearing Corporation Limited Shanghai Branch.

IV. Impact of the Cancellation on the Company

The cancellation of the expired but unexercised Share Options under the First Grant of the Share Option Incentive Scheme will neither have any substantial impact on the financial conditions and operating results of the Company, nor will it affect the implementation of the Company's Share Option Incentive Scheme and the diligence of the Company's management team.

V. Independent opinions of Independent Directors

Pursuant to relevant provisions of laws and regulations and regulatory documents such as the Measures for the Administration of Share Incentive Plans of Listed Companies, the Guiding Opinions on Establishing Independent Director System in Listed Companies, the Rules Governing the Listing of Securities on the Shanghai Stock Exchange and the Articles of Association, the Independent Directors of the Company expressed their opinions on matters relating to the Share Options of the Third Exercise Period under the First Grant of the A Share Option Incentive Scheme as follows:

The cancellation of Share Options, to be expired but unexercised at the Third Exercise Period, under the First Grant of the A Share Option Incentive Scheme by the Company has complied with the provisions of relevant nominative documents such as the Measures for the Administration of Share Incentive Plans of Listed Companies and the Share Option Incentive Scheme. The Cancellation falls within the scope of authorisation granted to the Board by the Shareholders at the general meetings. The decision in relation to the Cancellation has fulfilled the necessary procedures, and the cancellation was legal and effective. The Independent Directors of the Company have agreed to cancel all of 17,084,000 Share Options to be expired but unexercised at the Third Exercise Period.

VI. Review opinion of the Board of Supervisors

The Board of Supervisors is of the view that the cancellation of expired but unexercised Share Options of the Third Exercise Period under the First Grant of the A Share Option Incentive Scheme by the Company has complied with the provisions of relevant documents such as the Measures for the Administration of Share Incentive Plans of Listed Companies and the Share Option Incentive Scheme, without prejudice to the interests of the Shareholders. The Board of Supervisors has agreed to the cancellation of all 17,084,000 Share Options, to be expired but unexercised at the Third Exercise Period, by the Company.

VII. Conclusion of the legal opinion

Beijing Haiwen & Partners are of the view that the Company has fulfilled the necessary procedures for the cancellation of the Share Options, and has complied with the relevant provisions of the Articles of Association, the Measures for the Administration of Share Incentive Plans of Listed Companies and the Share Option Incentive Scheme.

By Order of the Board
Mr. Shen Zehong
Company Secretary

Beijing, PRC, 28 October 2021

As at the date of this announcement, the Board of Directors comprises Mr. Chen Xikun#, Mr. Yuan Jianqiang#, Mr. Lu Baoping+, Mr. Fan Zhonghai+, Mr. Wei Ran+, Mr. Zhou Meiyun+, Mr. Chen Weidong, Mr. Dong Xiucheng* and Mr. Zheng Weijun*.*

Executive Director

+ Non-Executive Director

** Independent Non-Executive Director*