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Sinopec Oilfield Service Corporation

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

(Stock code: 1033)

2022 Third Quarterly Results

This announcement is made by Sinopec Oilfield Service Corporation (the **“Company”**) pursuant to Rule 13.09 (2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the **“Hong Kong Stock Exchange”**) and the relevant regulations issued by the Shanghai Stock Exchange.

The Board of Directors (the **“Board”**) of the Company hereby presents the third quarterly results of the Company and its subsidiaries ended 30 September 2022.

Important Notes

1. The Board and the Supervisory Committee of the Company and its directors, supervisors and senior management warrant that there are no false representations, misleading statements or material omissions in this quarterly report and individually and jointly accept full responsibility for the authenticity, accuracy and completeness of the information contained in this quarterly report.

2. Mr. Chen Xikun, Chairman, Mr. Yuan Jianqiang, General Manager, Mr. Cheng Zhongyi, Chief Financial Officer and Mr. Yang Yulong, Director of the Asset and Accounting Department of the Company warrant the authenticity, accuracy and completeness of the financial statements contained in this quarterly report.

3. Audit of the third quarterly results

Applicable Not Applicable

§1. Key financial data of the Company

1.1 Key financial data and indicators

Items	During the reporting period RMB'000	Increase/(decrease) from last year (%)	For the nine months ended 30 September 2022 RMB'000	Increase/(decrease) from corresponding period of last year (%)
Operating income	17,806,415	17.6	50,955,067	9.1
Net profit attributable to equity shareholders of the Company	76,106	Not applicable	276,374	-13.7
Net profit deducted extraordinary gain and loss attributable to equity shareholders of the Company	29,120	Not applicable	173,122	1.5
Net cash inflow from operating activities (“-” for outflow)	Not applicable	Not applicable	-973,896	Not applicable
Basic earnings per share (in RMB)	0.004	Not applicable	0.015	-11.8
Diluted earnings per share (in RMB)	0.004	Not applicable	0.015	-11.8
Weighted average return on net assets (%)	1.02	Not applicable	3.95	Decreased by 0.7 percentage points
	As at 30 September 2022 RMB'000	As at 31 December 2021 RMB'000		Increase/(decrease) from last year (%)
Total assets	68,027,044	64,052,447		6.2
Total equity attributable to shareholders of the Company	7,626,284	6,861,517		11.1

Note: “During the reporting period” means three months from the beginning to the end of the third quarter in 2022, the same as below.

1.2 Extraordinary gain and loss items

Items	Amount during the period from July to September 2022 RMB'000	For the nine months ended 30 September 2022 RMB'000	Statements
Disposal of non-current assets	14,987	36,598	

Government grants recognized in profit or loss during the current period, except government grants which closely related to the company's normal business, in accordance with national policies and continuously enjoyed with certain standards or quotas	15,913	74,938	
Gain or loss on debt restructuring	3,610	14,451	
Other non-operating income and expenses excluding the aforesaid items	25,081	4,579	
Deduct: effect of income tax	12,605	27,314	
Total	46,986	103,252	

Statements on defining extraordinary items under “Explanatory Announcement on Information Disclosure for Companies Offering Their Securities to the Public No.1 - Extraordinary Profit and Loss” as recurrent items

Applicable Not applicable

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

Applicable Not applicable

Items	Change (%)	Main reasons for change
Net profit attributable to equity shareholders of the Company (during the reporting period)	Not applicable	Mainly due to the increase in workload and income
Net profit deducted extraordinary gain and loss attributable to equity shareholders of the Company (during the report period)	Not applicable	Mainly due to the increase in workload and income
Basic earnings per share (during the reporting period)	Not applicable	Mainly due to the increase in workload and income
Diluted earnings per share (during the report period)	Not applicable	Mainly due to the increase in workload and income
Net cash inflow from operating activities (for the nine months ended 30 September 2022)	Not applicable	Mainly due to the increase in payment and cash due bills

Note: Because the number in the same period last year was negative, the item of “change” was filled in “not applicable”.

§2. Information of Shareholders

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

Unit: Share

The total number of ordinary shareholders at the end of this reporting period	127,659	The total number of preferred shareholders with voting rights at the end of this reporting period (if it is applicable)	0			
Shareholdings of the top ten shareholders						
Names of shareholders	Nature of shareholder	Number of shares held (shares)	Percentage to total share capital (%)	Number of shares with selling restrictions (shares)	Number of pledged, marked or frozen shares	
					Shares status	Amounts
China Petrochemical Corporation ¹	State-owned legal person	10,727,896,364	56.51	0	none	0
Hong Kong Securities Clearing Company (Nominees) Limited (“ HKSCC (Nominees) Limited ”) ²	Overseas legal person	5,402,002,694	28.46	0	none	0
CITIC Limited	State-owned legal person	616,113,200	3.25	0	none	0
Hong Kong Securities Clearing Company ³	Other	110,457,962	0.58	0	none	0
Anhui Yangguang Xintong Electronic Technology Corp., Ltd	Domestic non-state-owned legal person	25,500,000	0.13	0	none	0
Shanghai Tongneng Investment Holdings Co., Ltd.	Domestic non-state-owned legal person	19,000,000	0.10	0	none	0
Agricultural Bank of China –	Other	18,897,300	0.10	0	none	0

China Securities 500 Trading Open Index Securities Investment Fund						
Li Feng	Domestic natural person	18,883,800	0.10	0	none	0
Changjiang Pension Insurance Co.,Ltd.-Changjiang Shengshi Huazhang No.2 Community Pension Management Fund ⁴	Other	11,574,427	0.06	0	none	0
Hu Xiao	Domestic natural person	9,920,000	0.05	0	none	0
Shareholdings of the top ten shareholders of shares without selling restriction						
Name of shareholders	Number of shares without selling restrictions held at the end of the reporting period (shares)	Type and amount of shares				
		Type	Amount			
China Petrochemical Corporation	10,727,896,364	A shares	10,727,896,364			
HKSCC (Nominees) Limited	5,402,002,694	H shares	5,402,002,694			
CITIC Limited	616,113,200	A shares	616,113,200			
Hong Kong Securities Clearing Company	110,457,962	A shares	110,457,962			
Anhui Yangguang Xintong Electronic Technology Corp., Ltd	25,500,000	A shares	25,500,000			
Shanghai Tongneng Investment Holdings Co., Ltd.	19,000,000	A shares	19,000,000			
Agricultural Bank of China – China Securities 500 Trading Open Index Securities Investment Fund	18,897,300	A shares	18,897,300			
Li Feng	18,883,800	A shares	18,883,800			
Changjiang Pension Insurance Co., Ltd.-Changjiang Shengshi Huazhang No.2 Community Pension Management Fund ⁴	11,574,427	A shares	11,574,427			
Hu Xiao	9,920,000	A shares	9,920,000			
Statement on the related relationship or activities in concert among the above-mentioned shareholders	The company is not aware of that there is any related relationship or activities in concert among the above-mentioned shareholders.					

Statement on the top ten shareholders and the top ten shareholders of shares without selling restriction participating in margin trading and short selling and financing business	Hu Xiao purchased 9,920,000 A shares of the company through margin and short selling accounts.
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Note:

1. Apart from directly holding 10,727,896,364 A shares of the Company, China Petrochemical Corporation (“CPC”) also held 2,595,786,987 H shares of the Company through its wholly-owned subsidiary, Century Bright Company. Therefore, CPC directly and indirectly holds 13,323,683,351 shares of the Company, which represent 70.18% of the total shares of the Company.
2. HKSCC (Nominees) Limited is a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited, and acts as an agent to hold H shares of the company on behalf of other companies or individual shareholders.
3. Hong Kong Securities Clearing Company Limited is a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited, and acts as a nominal holder to hold A shares of the company in the Shanghai Stock Exchange on behalf of the investors of the Hong Kong Stock Exchange.
4. Changjiang Pension Insurance Co., Ltd holds shares on behalf of Qi Xin Gong Ying Scheme of the Company.

§3. Other Significant Events

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

Applicable Not applicable

§4. Third Quarterly Financial Statements

4.1 Types of audit opinions

Applicable Not applicable

4.2 Financial statements

Consolidated Balance Sheet

As at 30 September 2022

Sinopec Oilfield Service Corporation

(Expressed in thousands of renminbi yuan and unaudited)

Items	As at 30 September 2022	As at 31 December 2021
Current assets:		
Cash at bank and on hand	1,718,559	2,508,224
Bills receivable		
Accounts receivable	8,779,539	8,151,019
Receivables financing	295,024	1,295,971

Prepayments	836,956	338,555
Other receivables	3,622,801	2,552,292
Including: Interest receivable		
Dividend receivable		548
Inventories	2,077,717	1,088,304
Contract assets	18,221,492	13,546,895
Held for sale assets		
Non-current assets due within one year		
Other current assets	2,388,004	2,238,006
Total current assets	37,940,092	31,719,266
Non-current assets:		
Long-term receivables		
Long-term equity investments	46,481	47,048
Other equity instrument investments	21,760	21,760
Fixed assets	21,899,436	23,461,781
Construction in progress	774,823	668,364
Right-of-use assets	1,066,897	720,938
Intangible assets	391,664	506,596
Long-term deferred expenses	5,580,775	6,595,930
Deferred tax assets	305,116	310,764
Other non-current assets		
Total non-current assets	30,086,952	32,333,181
Total assets	68,027,044	64,052,447
Current liabilities:		
Short-term loans	19,694,940	17,520,091
Bills payable	8,856,413	8,334,086
Accounts payable	21,390,319	21,556,262
Advances from customers		
Contract liabilities	3,510,313	3,547,938
Employee benefits payable	702,328	644,026
Taxes payable	628,960	737,725
Other payables	2,727,727	2,355,823
Including: Interest payables	40,580	19,476

Dividend payables		
Non-current liabilities due within one year	495,759	296,045
Other current liability		
Total current liabilities	58,006,759	54,991,996
Non-current liabilities:		
Long-term loans	1,532,485	1,554,686
Leases liabilities	575,784	390,866
Long-term payable	80,413	28,885
Long-term employee benefits payable		
Provisions	186,138	205,771
Deferred income	9,968	9,288
Deferred tax liabilities	9,213	9,438
Other non-current liabilities		
Total non-current liabilities	2,394,001	2,198,934
Total liabilities	60,400,760	57,190,930
Shareholders' equity:		
Share capital	18,984,340	18,984,340
Capital reserve	11,717,773	11,717,773
Other comprehensive income	-3,824	-3,823
Specific reserves	707,576	219,182
Surplus reserves	200,383	200,383
Retained earnings	-23,979,964	-24,256,338
Total equity attributable to owners of the parent company	7,626,284	6,861,517
Minority interests		
Total owners' equity	7,626,284	6,861,517
Total liabilities and owners' equity	68,027,044	64,052,447

Legal Representative: Mr. Chen Xikun

General Manager: Mr. Yuan Jianqiang

Chief Financial Officer: Mr. Cheng Zhongyi

Director of Asset and Accounting Department: Mr. Yang Yulong

Consolidated Income Statement

For the nine months ended 30 September 2022

Sinopec Oilfield Service Corporation

(Expressed in thousands of renminbi yuan and unaudited)

Items	For the nine months ended 30 September 2022	For the nine months ended 30 September 2021
1. Total Operating Income	50,955,067	46,713,891
Including: Operating Income	50,955,067	46,713,891
2. Total Operating Costs	50,638,285	46,619,720
Including: Operating Costs	47,372,216	43,915,380
Business taxes and surcharges	187,216	139,987
Selling and distribution expenses	41,676	53,120
General and administrative expenses	1,555,033	1,324,496
Research and development expenses	1,076,878	578,756
Finance costs	405,266	607,981
Including: Interest expenses	499,301	535,866
Interest income	8,139	30,891
Add: Other income	51,088	181,213
Investment income (“-” for losses)	17,653	21,987
Including: Investment income from associated enterprise and joint ventures	3,202	3,047
Gain from derecognition of financial assets measured at amortized cost (“-” for losses)	14,451	18,940
Credit impairment losses (“-” for losses)	72,623	53,992
Impairment of assets (“-” for losses)	-42,629	-17,405
Gains from assets disposal (“-” for losses)	28,797	65,957
3. Operating profit (“-” for losses)	444,314	399,915
Add: Non-operating income	94,025	77,322
Less: Non-operating expenses	54,911	26,339
4. Total profit (“-” for losses)	483,428	450,898
Less: Income tax expenses	207,054	130,557
5. Net profit (“-” for losses)	276,374	320,341
Classified by operating sustainability:		
– Continuous operating net profit (“-” for losses)	276,374	320,341
– Termination of net profit (“-” for losses)		

Classified by ownership		
- Net profit attributable to the owners of parent company (“-” for losses)	276,374	320,341
- Minority interest income (“-” for losses)		
6. Other comprehensive net income after tax		10
-Other comprehensive net income after tax attributable to owners of the parent company		10
1.Other comprehensive income that cannot be reclassified into profit or loss		10
(1) Changes in re-measurement of the defined benefit plan		
(2) Other comprehensive income that cannot be transferred to profit or loss under the equity method		
(3) Changes in fair value of other equity instrument investment		10
(4) Changes in the fair value of the company’s own credit risk		
2. Other comprehensive income that will be reclassified into profit or loss		
(1) Other comprehensive income that can be transferred to profit or loss under the equity method		
(2) Changes in fair value of other creditor’s right investment		
(3) Amount of financial assets reclassified into other comprehensive income		
(4) Provision for credit impairment of other creditor’s right investment		
(5) Cash flow hedging reserve		
(6) Translation differences of foreign currency financial statements		
(7) Others		

-Other comprehensive net income after tax attributable to minority interests		
7. Total comprehensive income	276,374	320,351
Attributable to owners of the parent company	276,374	320,351
Attributable to minority shareholders of the Company	0	0
8. Earnings per share:		
(1) Basic earnings per share (in RMB)	0.015	0.017
(2) Diluted earnings per share (in RMB)	0.015	0.017

Profit from combined party before business combination under common control was zero during the current period. Profit from combined party before business combination under common control was zero during the prior period.

Legal Representative: Mr. Chen Xikun General Manager: Mr. Yuan Jianqiang

Chief Financial Officer: Mr. Cheng Zhongyi Director of Asset and Accounting Department: Mr. Yang Yulong

Consolidated Cash flow statement

For the nine months ended 30 September 2022

Sinopec Oilfield Service Corporation

(Expressed in thousands of renminbi yuan and unaudited)

Items	For the nine months ended 30 September 2022	For the nine months ended 30 September 2021
1. Cash flows from operating activities:		
Cash received from sale of goods and rendering of services	40,726,843	36,671,744
Refund of taxes	123,209	63,560
Cash received relating to other operating activities	9,331,464	8,154,015
Sub-total of cash inflows	50,181,516	44,889,319
Cash paid for goods and services	31,908,673	27,269,709
Cash paid to and for employees	9,383,939	8,532,387
Cash paid for all types of taxes	1,027,450	845,643
Cash paid relating to other operating activities	8,835,350	8,428,346
Sub-total of cash outflows	51,155,412	45,076,085
Net cash inflow from operating activities (outflow listed with “-”)	-973,896	-186,766
2. Cash flows from investing activities:		

Cash received from investment		10
Cash received from investment income	4,317	3,044
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	19,909	19,650
Net cash received from disposal of subsidiaries and other business units		
Cash received relating to other investing activities	0	188
Sub-total of cash inflows	24,226	22,892
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	1,068,917	669,336
Cash paid for investments	0	6,848
Net increase in pledge loans		
Net cash paid for acquisition of subsidiaries and other business units		
Cash paid relating to other investing activities	582	
Sub-total of cash outflows	1,069,499	676,184
Net cash inflow from investing activities (outflow listed with “-”)	-1,045,273	-653,292
3. Cash flows from financing activities:		
Cash received from the acquisition of investments		
Including: Cash received from non-controlling shareholders of subsidiaries		
Cash received from borrowings	38,179,500	44,444,242
Cash received relating to other financing activities		
Sub-total of cash inflows	38,179,500	44,444,242
Cash repayments of borrowings	36,317,762	42,965,924
Cash paid for dividends or interest	409,561	458,636
Including: Cash paid for the dividend to minority shareholders of subsidiaries		
Cash paid relating to other financing activities	358,135	343,452
Sub-total of cash outflows	37,085,458	43,768,012
Net cash inflow from financing activities	1,094,042	676,230
4. Effect of exchange rate changes on cash and cash equivalents	168,380	-8,986
5. Net increase in cash and cash equivalents	-756,747	-172,814
Add: Cash and cash equivalents at the	2,475,306	1,523,352

beginning of the period		
6、Cash and cash equivalents at the end of the period	1,718,559	1,350,538

Legal Representative: Mr. Chen Xikun

General Manager: Mr. Yuan Jianqiang

Chief Financial Officer: Mr. Cheng Zhongyi

Director of Asset and Accounting Department: Mr. Yang Yulong

4.3 The first implementation of new accounting standards or interpretations from 2022 involves adjusting the financial statements at the beginning of the year of first implementation.

Applicable Not applicable

By order of the Board

Shen Zehong

Company Secretary

27 October 2022, Beijing

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

Executive Director

+ Non-Executive Director

** Independent Non-Executive Director*