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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licenced securities dealer or registered securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Sinopec Oilfield Service Corporation, you should at once hand this circular to the purchaser or to the transferee or to the bank, licenced securities dealer or registered institution or other agent through whom the sale was effected for transmission to the purchaser or the transferee.

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Sinopec Oilfield Service Corporation

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

(Stock code: 1033)

**I. PROPOSED RE-APPOINTMENT OF DOMESTIC AND
INTERNATIONAL AUDITORS AND
INTERNAL CONTROL AUDITOR OF THE COMPANY
FOR THE YEAR 2023**

II. CONTINUING RELATED TRANSACTIONS WITH PIPECHINA

**III. REMUNERATION OF THE DIRECTORS AND
SUPERVISORS OF THE COMPANY FOR THE YEAR 2022**

**IV. PROVISION OF GUARANTEE FOR WHOLLY-OWNED
SUBSIDIARIES AND JOINT VENTURE**

**V. AUTHORISATION TO THE
BOARD TO REPURCHASE DOMESTIC SHARES AND/OR
OVERSEAS-LISTED FOREIGN SHARES OF THE COMPANY
AND
NOTICE OF 2022 ANNUAL GENERAL MEETING AND
FIRST H SHAREHOLDERS CLASS MEETING FOR 2023**

The Company proposes to convene the AGM, the A Shareholders Class Meeting and the H Shareholders Class Meeting at Beijing Shengli Hotel, No. 3 Beishatan, Deshengmen Wai, Chaoyang District, Beijing, the PRC on Tuesday, 6 June 2023 at 9:00 a.m., 10:00 a.m. and 10:15 a.m. The notices, proxy forms and reply slips in connection with the AGM and the H Shareholders Class Meeting have been dispatched together with this circular to the Shareholders.

Whether or not you are able to attend the AGM and/or the H Shareholders Class Meeting in person, please complete the proxy forms of the Company in accordance with the instructions printed thereon and return them to the business address of the Company or to Hong Kong Registrars Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as practicable and in any event no later than 24 hours before the time for holding the AGM or H Shareholders Class meeting or any adjournment. Completion and return of the proxy forms will not preclude you from attending and voting in person at the AGM and/or the H Shareholders Class Meeting or any adjournment thereof (as the case may be) as you wish.

20 April 2023

CONTENTS

DEFINITIONS	1
LETTER FROM THE BOARD	4
APPENDIX I - BASIC INFORMATION ON ESTIMATED GUARANTEE AND GUARANTEED ENTITIES	20
APPENDIX II - EXPLANATORY STATEMENT	23
NOTICE OF 2022 ANNUAL GENERAL MEETING AND FIRST H SHAREHOLDERS CLASS MEETING FOR 2023	27

DEFINITIONS

In this circular, except where the context otherwise requires, the following expressions shall have the following meanings:

“A Share Buy-back Mandate”	the general mandate to the Board to buy back A shares not exceeding 10% of the total number of domestic shares (A shares) in issue at the time when the relevant resolution is passed at the AGM and Class Meetings
“A Shareholders Class Meeting”	the first A shareholders class meeting for 2023 of the Company to be held at Beijing Shengli Hotel, No. 3 Beishatan, Deshengmen Wai, Chaoyang District, Beijing, the PRC on Tuesday, 6 June 2023 at 10:00 a.m. or any adjournment thereof
“AGM”	the annual general meeting for 2022 of the Company to be held at Beijing Shengli Hotel, No. 3 Beishatan, Deshengmen Wai, Chaoyang District, Beijing, the PRC on Tuesday, 6 June 2023 at 9:00 a.m. or any adjournment thereof
“Articles of Association”	the articles of association of the Company
“Board”	the board of directors of the Company
“Class Meetings”	the A Shareholders Class Meeting and the H Shareholders Class Meeting
“Company”	Sinopec Oilfield Service Corporation (中石化石油工程技术服务有限公司), a joint stock limited company established in the PRC and its A shares are listed on the SSE and its H shares are listed on the Main Board of the Hong Kong Stock Exchange
“Continuing Related Transactions”	the continuing related transactions between the Company and PipeChina, which include long distance pipeline construction, natural gas stations construction, pipeline operation, maintenance and protection and relevant technology services
“CSRC”	the China Securities Regulatory Commission
“DIAVAZ”	DIAVAZ DEP, S.A.P.I. de C.V.
“Director(s)”	Directors of the Company

DEFINITIONS

“Group”	the Company and its subsidiaries
“Guarantee Agreement”	the guarantee agreement in relation to JV Performance Guarantee entered into by the Company or IPSC, the Beneficiary and Mexico DS Company
“H Share Buy-back Mandate”	the general mandate to the Board to buy back H shares not exceeding 10% of the total number of overseas-listed foreign shares (H shares) in issue at the time when the relevant resolution is passed at the AGM and Class Meetings
“H Shareholders Class Meeting”	the first H shareholders class meeting for 2023 of the Company to be held at Beijing Shengli Hotel, No. 3 Beishatan, Deshengmen Wai, Chaoyang District, Beijing, the PRC on Tuesday, 6 June 2023 at 10:15 a.m. or any adjournment thereof
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Independent Director(s)”	the independent non-executive directors of the Company
“IPSC”	Sinopec International Petroleum Service Corporation, a subsidiary of the Company
“JV Performance Guarantee”	in the event that Mexico DS Company loses its contract performance capability, the joint and several liabilities guarantee of US\$275 million to be provided by the Company whenever Mexico DS Company engages in market development, tenders bidding activities for oilfield services locally and signs a business contract
“Latest Practicable Date”	17 April 2023

DEFINITIONS

“Mexican National Hydrocarbons Commission” or the “Beneficiary”	COMISIÓN NACIONAL DE HIDROCARBUROS
“Mexico DS Company”	DS Servicios Petroleros, S.A. de C.V. (DS石油服務有限公司)
“PipeChina”	China Oil&Gas Pipeline Network Corporation
“PRC”	People’s Republic of China
“PRC Company Law”	the Company Law of the People’s Republic of China
“Production Sharing Contract”	the Exploration and Development Contract under the Production Sharing Model in relation to the Mexico EBANO Project entered into by the beneficiary, Petróleos Mexicanos and Mexico DS Company
“RMB”	the lawful currency of the PRC
“Shanghai Listing Rules”	the Rules Governing the Listing of Stocks on Shanghai Stock Exchange
“Shareholder(s)”	shareholder(s) of the Company
“Sinopec Corp Group”	China Petroleum and Chemical Corporation and its subsidiaries
“SSE”	The Shanghai Stock Exchange
“subsidiary(ies)”	has the meaning ascribed to it under the Hong Kong Listing Rules
“Supervisor(s)”	the supervisor(s) of the Company
“Supervisory Committee”	the supervisory committee of the Company
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Buy-backs
“US\$”	United States Dollars, the lawful currency of the United States of America
“%”	per cent

LETTER FROM THE BOARD



Sinopec Oilfield Service Corporation

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

(Stock code: 1033)

Directors:

Chen Xikun
Yuan Jianqiang
Lu Baoping
Fan Zhonghai
Wei Ran
Zhou Meiyun

Independent Non-executive Directors:

Chen Weidong
Dong Xiucheng
Zheng Weijun

Registered address:

22 Chaoyangmen North Street
Chaoyang District
Beijing, the PRC

*Principal place of business
in Hong Kong:*

26th Floor Jardine House
1 Connaught Place, Central
Hong Kong

20 April 2023

To the Shareholders

Dear Sir or Madam:

**I. PROPOSED RE-APPOINTMENT OF DOMESTIC AND
INTERNATIONAL AUDITORS AND
INTERNAL CONTROL AUDITOR OF THE COMPANY
FOR THE YEAR 2023**

II. CONTINUING RELATED TRANSACTIONS WITH PIPECHINA

**III. REMUNERATION OF THE DIRECTORS AND
SUPERVISORS OF THE COMPANY FOR THE YEAR 2022**

**IV. PROVISION OF GUARANTEE FOR WHOLLY-OWNED
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**V. AUTHORISATION TO THE
BOARD TO REPURCHASE DOMESTIC SHARES AND/OR
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AND
NOTICE OF 2022 ANNUAL GENERAL MEETING AND
FIRST H SHAREHOLDERS CLASS MEETING FOR 2023**

References are made to the announcements of the Company dated 28 March 2023 in relation to (i) continuing related transactions with PipeChina; and (ii) the provision of guarantee for wholly-owned subsidiaries and joint venture.

LETTER FROM THE BOARD

The purpose of this circular is to provide you with, inter alia, further information on (i) the proposed re-appointment of domestic and international auditors and internal control auditor of the Company for the year 2023; (ii) continuing related transactions with PipeChina; (iii) Remuneration of the Directors and Supervisors of the Company for the year 2022; (iv) the provision of guarantee for wholly-owned subsidiaries and joint venture; and (v) the authorisation to the Board to repurchase domestic shares and/or overseas-listed foreign shares of the Company, so that you can make informed decisions on whether or not to vote for relevant resolutions to be proposed at the AGM and the H Shareholders Class Meeting.

I. PROPOSED RE-APPOINTMENT OF DOMESTIC AND INTERNATIONAL AUDITORS AND INTERNAL CONTROL AUDITOR OF THE COMPANY FOR THE YEAR 2023

On 28 March 2023, the Board has considered and approved the resolutions on re-appointment of BDO China Shu Lun Pan Certified Public Accountants LLP (“**Shu Lun Pan CPAs**”) and BDO Limited (“**BDO**”) as the Company’s domestic and international auditors for the year of 2023, respectively, and the re-appointment of Shu Lun Pan CPAs as the Company’s internal control auditor for the year of 2023. After negotiation, the Company proposes to pay RMB7.2 million and RMB1.3 million to Shu Lun Pan CPAs and BDO for the audit of financial statements and internal control for the year 2023, which are the same as the remuneration in 2022. The Board hereby requests Shareholders to approve the aforesaid matters at the AGM and authorize the Board to adjust the remuneration of domestic and international auditors and internal control auditor in 2023 in accordance with industry standards and the actual situation, and in accordance with the fair and reasonable pricing principles in the market, if necessary.

II. CONTINUING RELATED TRANSACTIONS WITH PIPECHINA

PipeChina was established on 6 December 2019. On 23 July 2020, Sinopec Corp Group entered into the agreement with PipeChina, in relation to subscribe for additional equity issued by PipeChina. Sinopec Corp Group paid the consideration with its equity interests in the relevant oil and gas pipeline companies to subscribe for PipeChina’s registered capital of RMB70 billion upon completion of the PipeChina reorganization, representing 14% of capital contribution of PipeChina. On 30 September 2020, PipeChina held a signing ceremony for the closing of oil and gas pipeline assets and operation handover. PipeChina took over the relevant oil and gas pipeline infrastructure assets (businesses) and employees originally belonging to the three major domestic petroleum companies, and duly emerging the network for operation. Since its establishment, the Company has been providing services such as long-distance oil and gas pipeline construction, natural gas station construction, pipeline operation, maintenance and protection to Sinopec Corp Group. On 30 September 2020, upon PipeChina’s duly emerging the network for operation the Company continued to provide those services to PipeChina.

LETTER FROM THE BOARD

Mr. Ling Yiqun, an exiting director of PipeChina, served as the deputy general manager of the Company's Controlling Shareholder China Petrochemical Corporation during the past 12 months. Pursuant to the Shanghai Listing Rules, PipeChina constitutes the related party of the Company. Based on the needs of the production and operation, the Company expects that the Continuing Related Transactions between the Company and PipeChina will continue in 2023, which include long-distance pipeline construction, natural gas stations construction, pipeline operation, maintenance and protection and relevant technology services. It is expected that the annual cap for the relevant continuing transactions from 1 January 2023 to 31 December 2023 is RMB5.5 billion. The annual cap above is mainly based on the following considerations: (i) the actual amount of the Continuing Related Transaction between the Company and PipeChina in 2022 was RMB3.768 billion; (ii) it is expected that the amount of new contracts in respect of the continuing related transactions between the Company and PipeChina in 2022 will be approximately RMB4.5 billion; and (iii) the Company has increased the expected amount of contracts by a certain degree of buffer to allow room for further growth and flexibility in the future. The Continuing Related Transactions between the Group and PipeChina do not constitute the connected transactions under the Hong Kong Listing Rules.

From 1 January 2022 to 31 December 2022, the annual cap of the Continuing Related Transactions between the Company and PipeChina was RMB4 billion and the actual amount incurred was RMB3.768 billion, and those transactions were performed normally. Each of the prices of long-distance pipeline construction, natural gas station construction, pipeline operation, maintenance and protection and relevant technology services is mainly determined based on the tender and bidding price. The Continuing Related Transactions between the Group and PipeChina are normal business activities required by the Company's daily operation, which complies with the principle of openness, fairness and justice and are conducted based on the professional collaboration and complementary advantages of both parties. The related transactions will not affect the Company's normal production and operation.

Prior to the relevant resolution on the Continuing Related Transactions between the Group and PipeChina submitted to the Board for consideration, Independent Directors have recognized and expressed independent opinion on the relevant resolution that the related transactions are based on the ordinary and usual course of business, the price of the Continuing Related Transactions between the Group and PipeChina is fair and in line with the Company's commercial benefit, and does not harm the interests of the Company and the Shareholders, especially minority Shareholders. On 28 March 2023, the fourteenth meeting of the tenth session of the Board was held. The Board considered and approved the Continuing Related Transactions between the Company and PipeChina and the 2023 annual cap, and agreed that the Continuing Related Transactions between the Company and PipeChina and the 2023 annual cap would be submitted to the AGM for approval. Mr. Lu Baoping, Mr. Fan Zhonghai and Mr. Zhou Meiyun were deemed having interest in these transactions due to their positions in the related person of the Company and therefore abstained from voting.

LETTER FROM THE BOARD

III. REMUNERATION OF THE DIRECTORS AND SUPERVISORS FOR THE YEAR 2022

The resolution on the remuneration of the directors and supervisors of the Company for the year 2022 was approved at the fourteenth meeting of the tenth session of the Board, and will be submitted to the AGM for consideration, details are set out below:

(1) Directors

Name	Position	Remuneration for the year 2022 (RMB)
Chen Xikun	Chairman of the Board; Executive Director	944,500
Yuan Jianqiang	Executive Director; General manager	944,500
Lu Baoping	Non-executive Director	35,000
Fan Zhonghai	Non-executive Director	–
Wei Ran	Non-executive Director	–
Zhou Meiyun	Non-executive Director	–
Chen Weidong	Independent Director	200,000
Dong Xiucheng	Independent Director	200,000
Zheng Weijun	Independent Director	200,000

Notes:

1. Mr. Chen Xikun and Mr. Yuan Jianqiang both received 12 months of salary in 2022.
2. Mr. Lu Baoping received 7 months of subsidy in 2022.
3. Mr. Chen Weidong, Mr. Dong Xiucheng and Mr. Zheng Weijun all received 12 months of director's fee in 2022.

LETTER FROM THE BOARD

(2) Supervisors

Name	Position	Remuneration
		for the year 2022 (RMB)
Wang Jun	Chairman of the Supervisory Committee	458,675
Du Jiangbo	Supervisor	–
Zhang Qin	Supervisor	–
Sun Yongzhuang	Employee Representative Supervisor	873,200
Zhang Bailing	Employee Representative Supervisor	799,900
Du Guangyi	Employee Representative Supervisor	974,600
Ma Xiang	Former Chairman of the Supervisory Committee	215,971
Zhang Jianbo	Former Supervisor	–

Notes:

1. Mr. Wang Jun started to serve as chairman of the Supervisory Committee on 26 May 2022 and received 7 months of salary in 2022.
2. Mr. Sun Yongzhuang, Mr. Zhang Bailing, and Mr. Du Guangyi all received 12 months of salary in 2022.
3. Mr. Ma Xiang resigned as chairman of the Supervisory Committee on 29 March 2022 and received 3 months of salary in 2022.

IV. PROVISION OF GUARANTEE FOR WHOLLY-OWNED SUBSIDIARIES AND JOINT VENTURE

(I). Overview of Guarantee

1. Basic Information

On 29 March 2022, the Board of the Company has considered and approved the resolution on the provision of guarantee for wholly-owned subsidiaries and joint venture of the Company and such resolution was also approved by the 2021 annual general meeting of the Company convened on 26 May 2022. The valid period of the guarantee commenced from the date of approval by the Shareholders at the 2021 annual general meeting until the conclusion of the AGM of the Company. On 17 June 2022, the Company entered into the Guarantee Agreement with Mexican National Hydrocarbons Commission, pursuant to which the Company has provided performance guarantee for its joint venture, Mexico DS Company, with a maximum liability not exceeding US\$274,950,000 (“**2022 Mexican General Mandate**”).

In order to satisfy the needs of international market expansion and day-to-day operation, the Company expects that after the conclusion of the AGM, the Company needs to continue to provide guarantee for wholly-owned subsidiaries of the Company. Meanwhile, in order to satisfy the needs of Mexico EBANO Project, the Company may need to continue to provide

LETTER FROM THE BOARD

performance guarantee for its joint venture, Mexico DS Company. Therefore, the Board considered and approved the resolution on the provision of guarantee for wholly-owned subsidiaries and joint venture on 28 March 2023, including:

1. Credit guarantee for wholly-owned subsidiaries (and their subsidiaries): The Company has agreed that its wholly-owned subsidiaries (and their subsidiaries) may use part of the credit facilities of the Company to issue bank acceptance, letter of bank guarantee and letter of credit and other financing and non-financing credit facilities to external parties for use in day-to-day business operation, such as tender bidding, contract performance and payments, and the Company will undertake the corresponding joint and several guarantee liabilities. The maximum amount of joint and several guarantee liabilities undertaken by the Company during the guarantee period shall not exceed the equivalent value of RMB19 billion (Renminbi Nineteen Billion Yuan), the specific amount of guarantee will be allocated by the Company according to the operation needs of each subsidiary (and their subsidiaries) and subject to the relevant regulatory requirements.
2. Performance guarantee for wholly-owned subsidiaries: The Company has agreed that whenever its wholly-owned subsidiary engages in market development and tenders bidding activities for oilfield services locally and signs a business contract, the Company will provide performance guarantee to ensure that when the wholly-owned subsidiary loses its contract performance capability, the Company will perform the contract on its behalf. The maximum amount of joint and several guarantee liabilities undertaken by the Company during the guarantee period shall not exceed the equivalent value of RMB22 billion (Renminbi Twenty-Two Billion Yuan), the specific amount of guarantee will be allocated by the Company according to the operation needs of each subsidiary and subject to the relevant regulatory requirements.
3. JV Performance Guarantee: The Company has agreed that whenever the joint venture, Mexico DS Company, engages in market development and tenders bidding activities for oilfield services locally and signs a business contract, the Company will provide performance guarantee to ensure that in the event Mexico DS Company loses its contract performance capability, the Company will perform the contract on its behalf. The maximum amount of joint and several guarantee liabilities undertaken by the Company during the guarantee period shall not exceed US\$275 million.

The Board has resolved to propose to the general meeting to authorise the Board in turn authorising the management to handle the filing procedures in relation to the guarantees, including but not limited to the signing of relevant guarantee agreements, in accordance with relevant regulatory regulations and internal control system of the Company, within the scope of the guarantee amount and guaranteed entities as approved by the general meeting of Shareholders.

LETTER FROM THE BOARD

Guarantee period: from the date of approval by the Shareholders at the AGM until the conclusion of the 2023 annual general meeting of the Company.

2. Internal Decision Procedure

According to the relevant requirements of the Shanghai Listing Rules, since the maximum amount of the guarantee is approximately RMB42.915 billion (including the maximum amount of JV Performance Guarantee of US\$275 million, approximately RMB1.915 billion calculated based on the exchange rate as of 30 December 30, 2022), which has exceeded 30% of the audited total assets of the Company for the latest reporting period (i.e. RMB71.201 billion), and has exceeded 50% of the audited net assets of the Company for the latest reporting period (i.e. RMB7.427 billion), and the gearing ratios of some guaranteed wholly-owned subsidiaries have exceeded 70%, the guarantee shall be submitted to the AGM for approval after consideration and approval by the Board. If the approval is granted by the Shareholders, the valid period of the guarantee will commence on the date of approval by the Shareholders at the AGM until the conclusion of the 2023 annual general meeting of the Company.

Pursuant to the Hong Kong Listing Rules, the provision of performance guarantee by the Company in favour of Mexico DS Company, a joint venture of the Company, constitutes a transaction under Chapter 14 of the Hong Kong Listing Rules. Based on (i) the maximum amount of the performance guarantee for the joint venture and (ii) the applicable financial data of the Company as at the Latest Practicable Date, one or more of the applicable percentage ratios in respect of such performance guarantee exceed 5% but all fall below 25%, the Guarantee Agreement and the transaction contemplated thereunder will potentially constitute a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Hong Kong Listing Rules. Pursuant to the 2022 Mexican Guarantee Mandate, the Company entered into the Guarantee Agreement with Mexican National Hydrocarbons Commission on 17 June 2022, providing performance guarantee for Mexico DS Company and has published a discloseable transaction announcement.

If the JV Performance Guarantee is approved by the AGM, the Company will fulfill other requirements in addition to the requirements for discloseable transactions under Chapter 14 of the Hong Kong Listing Rules upon entering into the Guarantee Agreement (if applicable).

(II). Basic Information of Estimated Guarantee and Guaranteed Entities

The basic information of the estimated guarantee is the estimated guarantee amount that the Company will provide during the guarantee term. The specific guarantee limit may be deployed by the Company depending on the operating needs of each subsidiary and subject to the relevant regulatory requirements. The guaranteed entities are wholly-owned subsidiaries of the Company and their subsidiaries and the joint venture, Mexico DS Company. Please refer to the Appendix 1 to this circular for basic information of estimated guarantee and guaranteed entities.

LETTER FROM THE BOARD

(III). Guarantee Agreement

1. *Credit guarantee for wholly-owned subsidiaries (and theirs subsidiaries):*

Method of Guarantee: guarantee with joint and several liabilities.

Type of Guarantee: provision of guarantee to wholly-owned subsidiaries (and their subsidiaries) of the Company which will use part of the credit facilities of the Company to issue bank acceptance, letter of bank guarantee and letter of credit and other financing and non-financing credit facilities to external parties for use in day-to-day business operation, such as tender bidding, contract performance and payments.

Guarantee Period: commence from the date of approval by the Shareholders at the AGM until the conclusion of the 2023 annual general meeting.

Guarantee Amount: the maximum amount of joint and several guarantee liabilities undertaken by the Company during the guarantee period shall not exceed the equivalent value of RMB19 billion.

2. *Performance guarantee for wholly-owned subsidiaries:*

Method of Guarantee: guarantee with joint and several liabilities.

Type of Guarantee: provision of performance guarantee to wholly-owned subsidiaries of the Company when they engage in market development and tender bidding activities for oilfield services locally and sign business contracts to ensure that when the Subsidiaries lose contract performance capabilities, the Company will perform the contracts on their behalf.

Guarantee Period: commence from the date of approval by the Shareholders at the AGM until the conclusion of the 2023 annual general meeting.

Guarantee Amount: the maximum amount of joint and several guarantee liabilities undertaken by the Company during the guarantee period shall not exceed the equivalent value of RMB22 billion.

3. *JV Performance Guarantee*

According to the provisions of the Production Sharing Contract for Mexico EBANO Project, Mexico DS Company needs to submit the parent company's performance guarantee to the owner, namely Mexican National Hydrocarbons Commission. As shareholders of Mexico DS Company, DIAVAZ and IPSC agreed that both parties will provide the parent company's performance guarantee on an annual basis alternately for the EBANO project executed by Mexico DS Company.

LETTER FROM THE BOARD

According to the Production Sharing Contract signed by the Beneficiary with Petróleos Mexicana nos and Mexico DS Company, the Company agreed to provide performance guarantee for Mexico DS Company whenever it engages in market development, tender bidding activities for oilfield service locally and signs a business contract, to ensure that when it loses contract performance capabilities, the Company will perform the contracts on its behalf. Accordingly, the Company will then enter into the Guarantee Agreement under which the Mexican National Hydrocarbons Commission shall be the Beneficiary.

Major contents of JV Performance Guarantee are as follows:

- Parties: (1) The Company or IPSC (as guarantor; the guarantor's net assets as stated in the latest audited financial statements shall not be less than US\$275 million)
- (2) Mexican National Hydrocarbons Commission (as Beneficiary)

To the best of the Directors' knowledge, information and belief after making all reasonable enquiries, the Mexican National Hydrocarbons Commission and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

Method of Guarantee: guarantee with joint and several liabilities.

Guarantee Period: The authorisation for the JV Performance Guarantee shall become effective from the date of approval by the shareholders at the AGM until the conclusion of the 2023 annual general meeting. Effective period of the JV Performance Guarantee shall commence from the date of signing the Guarantee Agreement until the termination of the Production Sharing Contract (the maximum term of the Production Sharing Contract is 40 years). IPSC and DIAVAZ provide performance guarantee for Mexico DS Company on an annual basis alternately. Regarding the amount of JV Performance Guarantee that the Company may provide each year, the Company will perform the required procedures such as announcement or shareholders' general meeting approval (if applicable).

Guarantee Amount: The maximum amount of joint and several guarantee liabilities undertaken by the Company during the guarantee period shall not exceed US\$275 million. According to the agreement between IPSC and DIAVAZ, the shareholder who has not provided guarantee shall issue a unilateral guarantee letter for 50% of the guarantee amount for the shareholder who provides guarantee.

LETTER FROM THE BOARD

Reasons for and benefits of the provision of JV Performance Guarantee:

Mexico DS Company is a joint venture established by IPSC and DIAVAZ. It is mainly engaged in the businesses of oil and gas exploration and development, and is responsible for the development, production and maintenance of the EBANO oilfield in Mexico. The Company provides the JV Performance Guarantee for Mexico DS Company to meet the needs of projects of the EBANO oilfield development, production and maintenance, which will facilitate the development of the project and promote the development of the Company's business in Mexico, thereby further expanding the scale of the Company's international market.

The Board is of the view that the terms of JV Performance Guarantee and the transactions contemplated thereunder are entered into on normal commercial terms, are fair and reasonable, and are in the interests of the Company and its Shareholders as a whole.

General information

The Company

The Company is a joint stock limited company established in the PRC and a leading provider of petroleum and gas engineering and technical services in the PRC. The Group has engineering equipment and technology for, among other things, geophysics, drilling, logging, mud logging, cementing, special downhole operations, oilfield ground surface construction, petroleum and natural gas pipeline construction, and is capable of providing comprehensive engineering and technical services to cover the entire life-cycle of oil and gas fields. The Group has over 50 years of solid operating results, its oil and gas engineering services have been conducted successively in 76 basins across the PRC, and its business is distributed over 14 provinces in China.

IPSC

IPSC is a company incorporated under the law of the PRC and is a wholly-owned subsidiary of the Company. Its main business is dispatch of labor force necessary for the implementation of overseas projects; contracting overseas petroleum, chemical engineering, highway and bridge projects, housing construction projects, water conservancy and hydropower engineering, municipal utilities, steel structure engineering, fire protection facilities engineering and electrical engineering; industrial installation engineering and domestic and international bidding projects; petroleum engineering equipment leasing and sale; import and export business.

LETTER FROM THE BOARD

Mexico DS Company

Mexico DS Company is a joint stock limited company incorporated and established under the Mexican laws, and is a joint venture established by IPSC and DIAVAZ. As at the date of this announcement, the Company holds 50% equity interest in Mexico DS Company through IPSC. DIAVAZ holds the other 50% equity interest in Mexico DS Company. Mexico DS Company is mainly engaged in the businesses of oil and gas exploration and development.

DIAVAZ

DIAVAZ is a local company incorporated and established under the Mexican laws, and is mainly engaged in the businesses of oil and gas exploration and development.

Mexican National Hydrocarbons Commission

Mexican National Hydrocarbons Commission is the coordinated regulatory authority of the Mexican government on energy matters. It has its own legal personality, technical autonomy and management rights, and is entitled to sign contracts with private or state-owned oil companies on behalf of the country.

Hong Kong Listing Rules Implications

Pursuant to the Hong Kong Listing Rules, the provision of performance guarantee by the Company in favour of the Mexico DS Company, a joint venture of the Company, constitutes a transaction under Chapter 14 of the Hong Kong Listing Rules. Based on (i) the maximum amount of the performance guarantee for the joint venture and (ii) the applicable financial data of the Company as at the Latest Practicable Date, one or more of the applicable percentage ratios in respect of such performance guarantee exceed 5% but all fall below 25%. Therefore, the Guarantee Agreement and the transaction contemplated thereunder will potentially constitute a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Hong Kong Listing Rules. Pursuant to the 2022 Mexican Guarantee Mandate, the Company has entered into the Guarantee Agreement with Mexican National Hydrocarbons Commission on 17 June 2022, providing performance guarantee for Mexico DS Company and has issued a discloseable transaction announcement.

If the JV Performance Guarantee is approved by the AGM, the Company will fulfill other requirements in addition to the requirements for discloseable transactions under Chapter 14 of the Hong Kong Listing Rules upon entering into the Guarantee Agreement (if applicable).

LETTER FROM THE BOARD

(IV). Opinions of the Board

After consideration, the Board unanimously approved the resolution on the provision of guarantee for the wholly-owned subsidiaries and the joint venture of the Company. The decision of the Board complies with the relevant regulations and the procedures stipulated in articles of association of the Company. The independent directors gave their independent opinion on the resolution and considered that the guarantee is beneficial to the successful development of the business of the wholly-owned subsidiaries and the joint venture, and that the Company is able to effectively control and prevent risks and there is no situation detrimental to the interests of the Company and the minority shareholders; the guarantee provided by the Company for the wholly-owned subsidiaries and the joint venture is in compliance with the laws and regulations and the Articles of Association, and the approval procedures are complete and the information disclosure is in compliance.

(V). Total Amount of External Guarantee and Amount of Overdue Guarantee

As of 31 December 2022, the balance of credit guarantees and performance guarantees actually provided by the Company for its wholly-owned subsidiaries during the guarantee period amounted to RMB16.9 billion and RMB8.077 billion, respectively. The balance of performance guarantee provided by the Company for the joint venture was US\$275 million. The guarantee amount actually provide by the Company did not exceed the relevant amount approved by the 2021 annual general meeting of the Company.

As at the Latest Practicable Date, the total amount of external guarantee provided by the Company and its controlled subsidiaries is approximately RMB28.917 billion, and the total amount of guarantee provided by the Company to the controlling shareholder and the de facto controller and their affiliates is RMB nil. The Company has no overdue external guarantee.

V. AUTHORISATION TO THE BOARD TO REPURCHASE DOMESTIC SHARES AND/OR OVERSEAS-LISTED FOREIGN SHARES OF THE COMPANY

(1) A Share Buy-back Mandate

The PRC Company Law, to which the Company is subject and which has been incorporated into the Articles of Association, provides that a joint stock limited company incorporated in the PRC may not buy back its shares unless such buy back is effected for the purpose of (a) reducing its registered share capital; (b) in connection with a merger between itself and another entity that holds its shares; (c) granting shares as reward to the staff of the company; (d) the buy back is made at the request of its shareholders who disagrees with shareholders' resolutions in connection with a merger or division; (e) utilising the shares for conversion of corporate bonds which are convertible into shares issued by the Company; or (f) where it is necessary for safeguarding the value of the Company and the interests of its shareholders.

LETTER FROM THE BOARD

PRC laws and regulations and the Shanghai Listing Rules permit shareholders of a PRC joint stock limited company to grant a general mandate to the Directors to buy back the A shares of such company that are listed on the Shanghai Stock Exchange. Such mandate is required to be given by way of a special resolution passed by shareholders in general meeting and special resolutions passed by holders of domestic shares and overseas listed foreign shares in separate class meetings.

The Company would like to draw the Shareholders' attention to the fact that, even if the A Share Buy-back Mandate is approved at the AGM, the A Shareholders Class Meeting and H Shareholders Class Meeting, in the case of buy back of A shares to be canceled to reduce the registered capital, the Company will still be required, under applicable PRC laws and regulations and the Shanghai Listing Rules, to seek additional, specific and prior approval from its Shareholders in general meeting by way of special resolution(s) for each buy back of A shares and to provide further information and details of such buy back of A shares in accordance with the requirements under applicable PRC laws and regulations and the Shanghai Listing Rules. The Company will at all times comply fully with all applicable PRC laws and regulations and the Shanghai Listing Rules and will seek additional, specific and prior approval from its Shareholders in general meeting by way of special resolution(s) for each buy back of A shares (if applicable).

(2) H Share Buy-back Mandate

The PRC Company Law, to which the Company is subject and which has been incorporated into the Articles of Association, provides that a joint stock limited company incorporated in the PRC may not buy back its shares unless such buy back is effected for the purpose of (a) reducing its registered share capital; (b) in connection with a merger between itself and another entity that holds its shares; (c) granting shares as reward to the staff of the company; (d) the buy back is made at the request of its shareholders who disagrees with shareholders' resolutions in connection with a merger or division; (e) utilising the shares for conversion of corporate bonds which are convertible into shares issued by the Company; or (f) where it is necessary for safeguarding the value of the Company and the interests of its shareholders.

PRC laws and regulations and the Hong Kong Listing Rules permit shareholders of a PRC joint stock limited company to grant a general mandate to the Directors to buy back H shares of such company that are listed on the Hong Kong Stock Exchange. Such mandate is required to be given by way of a special resolution passed by shareholders in general meeting and special resolutions passed by holders of domestic shares and overseas listed foreign shares in separate class meetings. Besides, the Company shall also carry out filings with the CSRC, if applicable, after the Company has bought back its Shares.

LETTER FROM THE BOARD

(3) General

Pursuant to the relevant regulatory requirements, it is proposed to the Shareholders at the AGM, the A Shareholders Class Meeting and the H Shareholders Class Meeting to consider and approve a general mandate to buy back domestic shares (A shares) and overseas-listed foreign invested shares (H shares) (the “**Buy-Back Mandate**”) to be granted to the Board by way of a special resolution so as to:

- (a) buy back, by reference to market conditions and in accordance with needs of the Company, domestic shares (A shares) not exceeding 10% of the total number of domestic shares (A shares) in issue at the time when this resolution is passed at the AGM and the relevant resolutions are passed at the Class Meetings, and use such shares for, including but not limited to, employee stock ownership plan or equity incentives, conversion of the corporate bonds issued by the Company that can be converted into shares, or maintenance of the value of the Company and the interests of its shareholders as necessary. Pursuant to PRC laws and regulations, in the case of buy back of A shares to be cancelled to reduce the registered capital, the Board of the Company will seek further approval from its shareholders in general meeting for each buy back of domestic shares (A shares) even where the general mandate is granted, but will not be required to seek shareholders’ approval at class meetings of domestic share (A share) shareholders or overseas-listed foreign invested share (H share) shareholders.
- (b) buy back, by reference to market conditions and in accordance with needs of the Company, overseas-listed foreign invested shares (H shares) not exceeding 10% of the total number of overseas-listed foreign invested shares (H shares) in issue at the time when this resolution is passed at the AGM and the relevant resolutions are passed at the Class Meetings.
- (c) and, including but not limited to the following:
 - (i) develop and implement specific buy-back plans, including but not limited to determining the timing, duration, price and quantity of such repurchases;
 - (ii) notify creditors and issue announcements;
 - (iii) open domestic and overseas share accounts and carry out related change of foreign exchange registration procedures;
 - (iv) carry out relevant approval procedures and filings with the CSRC following the repurchases, if applicable; and

LETTER FROM THE BOARD

- (v) carry out the transfer or cancellation procedures for buy back shares based on the actual circumstances, make corresponding amendments to the Articles of Association relating to share capital and shareholdings etc, carry out modification registrations, and to deal with any other documents and matters related to share buy back (if involved).

The above Buy-back Mandate will expire on the earlier of (“**Relevant Period**”):

- (i) the conclusion of the 2023 annual general meeting of the Company;
- (ii) the expiration of a period of twelve months from the date of passing this special resolution at the AGM, A Shareholders Class Meeting and the H Shareholders Class Meeting; or
- (iii) the revocation or variation of the authority conferred by this resolution by a special resolution of shareholders at a general meeting, or at a class meeting of domestic share (A share) shareholders or overseas-listed foreign invested share (H share) shareholders.

Except where the board of Board has resolved to buy back domestic shares (A shares) or overseas-listed foreign invested shares (H shares) during the Relevant Period and the share buy-back is to be continued or implemented after the Relevant Period.

In accordance with the requirements of the Articles of Association applicable to capital reduction, the Company will have to notify its creditors of the passing of the resolution for the reduction of the registered capital of the Company within 10 days commencing from the day of such resolution being passed and also by way of the publication on a newspaper designated by the relevant regulatory authority in the place where the Company’s shares are listed within 30 days commencing from the day of the resolution. Creditors then have a period of up to 30 days after receiving the Company’s notice or if no such notice has been received, up to 45 days after the publication of the press announcement to require the Company to repay amounts due to them or to provide guarantees in respect of such amounts.

An explanatory statement giving certain information regarding the H Share Buy-back Mandate is set out in Appendix II to this circular.

VI. AGM AND THE H SHAREHOLDERS CLASS MEETING

The Company proposes to convene the AGM, the A Shareholders Class Meeting and the H Shareholders Class Meeting at Beijing Shengli Hotel, No. 3 Beishatan, Deshengmen Wai, Chaoyang District, Beijing, the PRC on Tuesday, 6 June 2023 at 9:00 a.m., 10:00 a.m. and 10:15 a.m. The notices, proxy forms and reply slips in connection with the AGM and the H Shareholders Class Meeting have been dispatched together with this circular to the Shareholders.

LETTER FROM THE BOARD

Whether or not you are able to attend the AGM and/or the H Shareholders Class Meeting in person, please complete the proxy forms of the Company in accordance with the instructions printed thereon and return them to the office address of the Company or to Hong Kong Registrars Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as practicable and in any event no later than 24 hours before the time for holding the AGM or H Shareholders Class Meeting or any adjournment. Completion and return of the proxy forms will not preclude you from attending and voting in person at the AGM and/or the H Shareholders Class Meeting or any adjournment thereof (as the case may be) as you wish.

Votes on the resolutions to be proposed at the AGM and the H Shareholders Class Meeting shall be taken by way of poll. The Company is required to notify Shareholders of any material changes to information contained in this circular as soon as possible subsequent to its despatch and prior to the AGM and the H Shareholders Class Meeting.

VII. RECOMMENDATION

The Board is of the view that all resolutions to be proposed at the AGM and the H Shareholders Class Meeting are in the interests of the Company and its Shareholders as a whole. Accordingly, the Directors advise the Shareholders to vote in favor of all resolutions proposed at the AGM and the H Shareholders Class Meeting.

APPENDIX I

BASIC INFORMATION ON ESTIMATED
GUARANTEE AND GUARANTEED ENTITIES

Unit: 100 million
Currency: RMB

Guarantor	Guaranteed entities	Shareholding percentage held by the guarantor	Place of incorporation	Scope of business	Total assets as of 31 December 2022	Total liabilities as of 31 December 2022	Gearing ratio of guaranteed entities as of the latest reporting period	Balance of guarantee as of the end of 2022	Guarantee amount	Proportion of guarantee amount to the net assets of listed company for the latest reporting period	Estimated validity period of the guarantee	Related Counter
I. Guarantees to subsidiaries is estimated to:												
1. Subsidiaries with a gearing ratio of 70% or more												
Company	Sinopec Shengli Oil Engineering Company Limited	100.00%	Dongying City, Shandong Province	Petroleum engineering technical service	113.07	110.34	97.58%	22.96	39.45	53.12%	commencing from the date of approval by the shareholders at the 2022 annual general meeting until the conclusion of the 2023 annual general meeting	No
	Sinopec Zhongyuan Oil Engineering Company Limited	100.00%	Puyang City, Henan Province	Petroleum engineering technical service	127.19	124.96	98.25%	18.65	55.80	75.13%		No
	Sinopec Jiangnan Oil Engineering Company Limited	100.00%	Qianjiang City, Hubei Province	Petroleum engineering technical service	47.51	34.84	73.33%	3.73	6.70	9.02%		No
	Sinopec East China Oil Engineering Company Limited	100.00%	Nanjing, Jiangsu Province	Petroleum engineering technical service	44.41	38.86	87.51%	10.32	14.60	19.66%		No
	Sinopec Oil Engineering Company Limited	100.00%	Beijing City	Engineering and Construction	222.82	216.02	96.95%	28.2	55.05	74.12%		No

APPENDIX I

BASIC INFORMATION ON ESTIMATED
GUARANTEE AND GUARANTEED ENTITIES

Guarantor	Guaranteed entities	Shareholding percentage held by the guarantor	Place of incorporation	Scope of business	Total assets as of 31 December 2022	Total liabilities as of 31 December 2022	Gearing ratio of guaranteed entities as of the latest reporting period	Balance of guarantee as of the end of 2022	Guarantee amount	Proportion of guarantee amount to the net assets of listed company for the latest reporting period	Estimated validity period of the guarantee	Related guarantee	Counter guarantee
Sinopec Oil Engineering Geophysical Company Limited	Sinopec Oil Engineering Geophysical Company Limited	100.00%	Beijing City	Geophysical Exploration	48.84	45.94	94.05%	3.26	5.30	7.14%		No	No
Sinopec Jingwei Co., Ltd.	Sinopec Jingwei Co., Ltd.	100.00%	Qingdao City, Shandong Province	Petroleum engineering technical service	46.13	33.36	72.31%	6.43	10.80	14.54%		No	No
Company	Sinopec Southwest Oil Engineering Company Limited	100.00%	Chengdu, Sichuan Province	Petroleum engineering technical service	57.29	23.35	40.76%	2.39	3.80	5.12%	commencing from the date of approval by the shareholders at the 2022 annual general meeting until the conclusion of the 2023 annual general meeting	No	No
Company	Sinopec North China Oil Engineering Company Limited	100.00%	Zhengzhou City, Henan Province	Petroleum engineering technical service	46.16	27.16	58.83%	8.59	12.05	16.22%		No	No
Company	Sinopec Shanghai Offshore Oil Engineering Company Limited	100.00%	Shanghai City	Offshore oil engineering technical service	41.73	4.64	11.12%	-	1.45	1.95%		No	No
Company	Sinopec International Petroleum Service Corporation	100.00%	Beijing City	Petroleum engineering technical service	27.21	16.48	60.58%	147.63	205	276.02%		No	No

2. Subsidiaries with a gearing ratio less than 70%

Guarantor	Guaranteed entities	Shareholding percentage held by the guarantor	Place of incorporation	Scope of business	Total assets as of 31 December 2022	Total liabilities as of 31 December 2022	Gearing ratio of guaranteed entities as of the latest reporting period	Balance of guarantee as of the end of 2022	Guarantee amount	Proportion of guarantee amount to the net assets of listed company for the latest reporting period	Estimated validity period of the guarantee	Related guarantee	Counter guarantee
Company	Mexico DS Company	50.00%	Mexico	Oil and gas exploration and development	28.73	19.61	68.25%	19.15	19.15	25.92%	commencing from the date of approval by the shareholders at the 2022 annual general meeting until the conclusion of the 2023 annual general meeting	No	Yes

II. Guarantee for the joint venture and associates is estimated to:

Note: The guarantee amount of the Company provided to Mexico DS Company above involves foreign currencies, which are calculated at the mid-rate of RMB6.9646 to US\$1 in the interbank foreign exchange market as of 30 December 2022 as announced by the China Foreign Exchange Trade Center, and the actual exchange rate at that time when the guarantee actually occurs shall prevail.

In accordance with the Hong Kong Listing Rules, this appendix serves as the explanatory statement to provide you with requisite information reasonably necessary to enable you to make an informed decision on whether to vote for or against the special resolution(s) to be proposed at the AGM, the A Shareholders Class Meeting and the H Shareholders Class Meeting for the grant of the H Share Buy-back Mandate to the Directors.

H SHARE BUY BACK MANDATE

Reasons for Buying back H Shares

The Directors believe that the flexibility afforded by the H Share Buy-back Mandate would be beneficial to and in the best interests of the Company and its Shareholders. Such buy backs may, depending on market conditions and funding arrangements at such time, lead to an enhancement of the net asset value per share and/or earnings per share of the Company. Such buy backs will only be made when the Directors believe that such buy backs will benefit the Company and its Shareholders.

Registered Capital

As at the Latest Practicable Date, the registered capital of the Company was RMB18,984,340,033 comprising 5,414,961,482 H Shares of RMB1.00 each and 13,569,378,551 A Shares of RMB1.00 each.

Exercise of the H Share Buy-back Mandate

Subject to the passing of the relevant special resolution(s) set out in the notice of AGM, the special resolution(s) approving the grant to the Board of the H Share Buy-back Mandate at the A Shareholders Class Meeting and H Shareholders Class Meeting respectively, the Board will be granted the H Share Buy-back Mandate until the earlier of: (a) the conclusion of the 2023 annual general meeting of the Company; (b) the expiration of a period of twelve months from the date of passing this special resolution at the AGM, A Shareholders Class Meeting and the H Shareholders Class Meeting; or (c) the revocation or variation of the authority conferred by this resolution by a special resolution of shareholders at a general meeting, or at a class meeting of domestic share (A share) shareholders or overseas-listed foreign invested share (H share) shareholders (“**Relevant Period**”). The exercise of the H Share Buy-back Mandate is subject to relevant approval(s) of and/or filings with the relevant regulatory authorities as required by the laws, rules and regulations of the PRC being obtained and/or carried out.

The exercise in full of the H Share Buy-back Mandate (on the basis of 5,414,961,482 H Shares in issue as at the Latest Practicable Date and there is no change to the number of issued H Shares prior to the date of the AGM, the A Shareholders Class Meeting and H Shareholders Class Meeting) would result in a maximum of 541,496,148 H Shares being bought back by the Company during the Relevant Period, being the maximum of 10% of the total H Shares in issue as at the date of passing the relevant resolution(s).

Funding of Buy Backs

In buying back its H shares, the Company intends to apply funds from the Company's internal resources (which may include surplus funds and retained profits) legally available for such purpose in accordance with the Articles of Association and the applicable laws, rules and regulations of the PRC.

The Company is empowered by its Articles of Association to buy back its H Shares. Any buy backs by the Company may only be made out of either the funds of the Company that would otherwise be available for dividend or distribution or out of the proceeds of a new issue of shares made for such purpose. Under PRC laws, H Shares so bought back will be treated as cancelled and the Company's registered capital will be reduced by an amount equivalent to the aggregate nominal value of the H Shares so cancelled. The Company may not buy back securities on the Hong Kong Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Hong Kong Stock Exchange from time to time.

GENERAL

The Directors consider that there would not be a material adverse impact on the working capital and on the gearing position of the Company in the event that the H Share Buy-back Mandate is to be exercised in full at any time during the proposed buy back period (as compared with the position disclosed in the latest published audited accounts contained in the annual report of the Company for the year ended 31 December 2022). However, the Directors do not propose to exercise the H Share Buy-back Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels of the Company. The number of H Shares to be bought back on any occasion and the price and other terms upon which the same are bought back will be decided by the Directors at the relevant time having regarded to the circumstances then prevailing, in the best interests of the Company.

The Directors have undertaken to the Hong Kong Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make buy backs under the H Share Buy-back Mandate in accordance with the Hong Kong Listing Rules, the Articles of Association and the applicable laws, rules and regulations of the PRC.

H SHARES PRICES

The highest and lowest prices at which the H shares have been traded on the Hong Kong Stock Exchange during each of the twelve months preceding the Latest Practicable Date were as follows:

Date	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2022		
April	0.66	0.54
May	0.63	0.54
June	0.64	0.59
July	0.61	0.54
August	0.57	0.52
September	0.54	0.435
October	0.50	0.44
November	0.54	0.455
December	0.57	0.495
2023		
January	0.64	0.50
February	0.79	0.58
March	0.71	0.59
April (up to the Latest Practicable Date)	0.68	0.61

H SHARE BOUGHT BACK BY THE COMPANY

No buy back of H Shares has been made by the Company in the previous six months preceding the Latest Practicable Date (whether on the Hong Kong Stock Exchange or otherwise).

DISCLOSURE OF INTERESTS

If as a result of a share buy back by the Company, a substantial shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of the Takeovers Code. Accordingly, a shareholder, or group of shareholders acting in concert, could obtain or consolidate control of the Company or become obligated to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

The Directors are not aware of any consequences which will arise under the Takeovers Code and/or any similar applicable law, as a result of any buy backs to be made under the H Share Buy-back Mandate. Moreover, the Directors will not make share buy back on the Hong Kong Stock Exchange if such buy back would result in the requirements under Rule 8.08 of the Hong Kong Listing Rules not being complied with.

None of the Directors nor, to the best of their knowledge, having made all reasonable enquiries, any of their close associates presently intends to sell H Shares to the Company under the H Share Buy-back Mandate in the event that the H Share Buy-back Mandate is approved by the Shareholders and the conditions (if any) to which the H Share Buy-back Mandate is subject are fulfilled.

The Company has not been notified by any core connected persons (as defined in the Hong Kong Listing Rules) of the Company that they have a present intention to sell any H Shares to the Company, or that they have undertaken not to sell any H Shares held by them to the Company in the event that the H Share Buy-back Mandate is approved by its Shareholders and the conditions (if any) to which the H Share Buy-back Mandate is subject are fulfilled.

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Sinopec Oilfield Service Corporation

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

(Stock code: 1033)

Notice of 2022 Annual General Meeting

Notice Is Hereby Given that 2022 Annual General Meeting (the “**AGM**”) of Sinopec Oilfield Service Corporation (the “**Company**”) will be held at Beijing Shengli Hotel, No. 3 Beishatan, Deshengmen Wai, Chaoyang District, Beijing, the People’s Republic of China (the “**PRC**”) on Tuesday, 6 June 2023 at 9:00 a.m. in the form of on-site meeting. The AGM will be convened by the board of the directors of the Company (the “**Board**”). The following resolutions will be considered and approved at the AGM:

By way of ordinary resolutions:

1. To consider and approve the Report of the Board of the Directors of the Company for the year 2022.
2. To consider and approve the Report of the Supervisory Committee of the Company for the year 2022.
3. To consider and approve the audited financial statements and the auditor’s report of the Company for the year 2022.
4. To consider and approve the profit distribution plan of the Company for the year 2022.
5. To consider and approve the resolution to re-appoint the Company’s external auditor for the year 2023.
6. To consider and approve the annual cap of continuing related transactions between the Company and China Oil & Gas Pipeline Network Corporation for 2023.
7. To consider and approve the remuneration of the directors and supervisors of the Company for the year 2022.

By way of special resolutions:

8. To consider and approve provision of guarantee for wholly-owned subsidiaries and joint venture.
9. To consider and approve the authorisation to the Board to repurchase domestic shares and/or overseas-listed foreign shares of the Company.

The details regarding the abovementioned resolutions 1, 2, 3 and 4 are available in the annual report of the Company for the year 2022. The details regarding the abovementioned resolutions 5, 6, 7, 8 and 9 are included in the AGM circular issued by the Company to H shareholders. The Board considers that the resolutions hereto are in the interests of the Company and its shareholders as a whole. Accordingly, the Board recommends the shareholders to vote in favour of all the resolutions to be proposed at the AGM as set out in this notice.

By order of the Board
Shen Zehong
Company Secretary

Beijing, 20 April 2023

Notes:

I. ATTENDEE OF AGM

1. Eligibility for attending the AGM

Holders of A shares of the Company whose names appear on the domestic shares register maintained by China Securities Depository & Clearing Corporation Limited, Shanghai Branch and holders of H shares of the Company whose names appear on the register of members maintained by Hong Kong Registrars Limited at the close of business on Friday, 5 May 2023 (Hong Kong time) are eligible to attend the AGM. The H share register of members of the Company will be closed from Friday, 5 May 2023 to Tuesday, 6 June 2023 (both days inclusive), during which period no transfer of H shares will be effected. Holders of H shares who wish to attend the AGM shall lodge their share certificates accompanied by the transfer documents with Hong Kong Registrars Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong before 4:30 p.m. on Thursday, 4 May 2023 (Hong Kong time).

2. Proxy

- (1) A shareholder of the Company (“**Shareholder(s)**”) eligible to attend and vote at the AGM is entitled to appoint, in written form, one or more proxies to attend and vote on its behalf. A proxy need not be a Shareholder.
- (2) A proxy should be appointed by a written instrument signed by the Shareholder or its attorney duly authorised in writing. If the form of proxy is signed by the attorney duly authorised by the Shareholder, the power of attorney authorising that attorney to sign or other authorisation document(s) must be notarised.
- (3) To be valid, the power of attorney or other authorisation document(s) which have been notarised together with the completed form of proxy must be delivered to the business address of the Company or the Share Registrar of H shares of the Company, Hong Kong Registrars Limited, not less than 24 hours before the designated time for holding the AGM (no later than Hong Kong time 9:00 a.m. on 5 June 2023) or any adjournment. Business address of the Company is No. 9 Jishikou Road, Chaoyang District, Beijing, the PRC, the address of Hong Kong Registrars Limited is 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong. Completion and return of a form of proxy will not preclude a Shareholder from attending and voting in person at the AGM or any adjournment if he or she so desires and in such event, the form of proxy shall be deemed to be revoked.
- (4) Shareholders or their proxies may exercise the right to vote by poll.

3. The directors, supervisors and senior management of the Company.

4. Legal advisors of the Company

II. REGISTRATION PROCEDURES FOR ATTENDING THE AGM

1. A Shareholder or his/her/its proxy shall produce proof of identity when attending the AGM. If a Shareholder is a legal person, its legal representative or other persons authorised by the board of directors or other governing body of such Shareholder may attend the AGM by producing a copy of the resolution of the board of directors or other governing body of such Shareholder appointing such persons to attend the AGM.
2. Shareholders intending to attend the AGM should return the reply slip for attending the AGM to the Company on or before Wednesday, 17 May 2023.
3. Shareholders may send the reply slip to the Company in person, by post or by fax.

III. MISCELLANEOUS

1. The Board considers that the AGM is an important opportunity for Shareholders to participate and express their views by raising questions and voting. As such, the Board wishes to emphasize that the Shareholders can raise questions during the AGM. The questions raised by Shareholders at the AGM and those submitted beforehand will be addressed by the Company as far as possible.
2. The AGM will not last for more than one working day. Shareholder and proxies attending the AGM shall be responsible for their own traveling, food and accommodation expenses.
3. The address of the Share Registrar for A shares of the Company, China Securities Registration and Clearing Company Limited, Shanghai Branch Company is at No.188 Yanggao South Road, China (Shanghai) Pilot Free Trade Zone.
4. The address of the Share Registrar of H shares of the Company, Hong Kong Registrars Limited is at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
5. Business Address of the Company:
No. 9 Jishikou Road, Chaoyang District, Beijing, the PRC
Telephone: 86-10-59965998
Facsimile: 86-10-59965997
Postal Code: 100728

As at the date of this notice, 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

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Sinopec Oilfield Service Corporation

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

(Stock code: 1033)

Notice of the First H Shareholders Class Meeting for 2023

Notice is Hereby Given that the first H shareholders class meeting for 2023 (the “**H Shareholders Class Meeting**”) of Sinopec Oilfield Service Corporation (中石化石油工程技術服務股份有限公司) (the “**Company**”) will be held at Beijing Shengli Hotel, No. 3 Beishatan, Deshengmen Wai, Chaoyang District, Beijing, the People's Republic of China (the “**PRC**”) on Tuesday, 6 June 2023 at 10:15 a.m. for the purpose of considering and, if thought fit, passing the following resolution. This notice should be read together with the circular of the Company in relation to the annual general meeting for 2022.

By way of special resolution:

1. To consider and approve the authorisation to the Board to repurchase domestic shares and/or overseas-listed foreign shares of the Company.

Details of the abovementioned resolution are included in the circular despatched by the Company to H shareholders. Unless otherwise stated, terms defined in the circular shall have the same meanings as in this notice.

For and on behalf of the Board of Directors

Shen Zehong

Company Secretary

Beijing, PRC, 20 April 2023

Notes:

1. According to the Articles of Association, a holder of H share whose name is in the register of members of the Company as at the close of business on Friday, 5 May 2023 shall be entitled to attend and vote at the H Shareholders Class Meeting. The register of holders of H shares of the Company will be closed from Friday, 5 May 2023 to Tuesday, 6 June 2023, both days inclusive, for the purpose of determining a shareholders' list for the H Shareholders Class Meeting. In order to qualify for attending the H Shareholders Class Meeting, holders of H shares who wish to attend the H Shareholders Class Meeting must lodge their transfer documents together with the relevant share certificates with the Company's H share registrars in Hong Kong, Hong Kong Registrars Limited at Rooms 1712-1716, 17th floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong no later than 4:30 p.m. on Thursday, 4 May 2023.
2. Those H shareholders intending to attend the H Shareholders Class Meeting shall return the reply slip to the business address of the Company on or before Wednesday, 17 May 2023. Eligible shareholders as shown in Note 1 who fail to return the reply slip can still attend and vote at the H Shareholders Class Meeting.
3. Shareholders attending the H Shareholders Class Meeting shall present their own identity cards as well as their shareholding account cards (if applicable).
4. A shareholder or his proxy may exercise the right to vote by poll.
5. Any shareholder eligible to attend and vote at the H Shareholders Class Meeting is entitled to appoint one or more proxies to attend and on its behalf. A proxy need not be a shareholder of the Company. In the event the shareholder is a body corporate, such shareholder shall be represented in the H Shareholders Class Meeting by the legal representative or such person authorised by the resolution of the board of directors or decision-making body of such shareholder.
6. The form of proxy shall be in writing signed by the appointing shareholder or his/her attorney duly authorised in writing. If the appointing shareholder is a body corporate, the form of proxy shall either be under seal or signed by the director or attorney duly authorised. If form of proxy is signed by a person under a power of attorney or other authorisation document on behalf of the appointing shareholder. Such power of attorney or authorisation document must be notarised.
7. To be valid, the original power of attorney or other authorisation document(s) which has been notarised together with the completed form of proxy must be returned to the Company's business address or the Hong Kong Registrars Limited (the address is 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong) no less than 24 hours before the designated time for holding the H Shareholders Class Meeting (i.e. before 10:15 a.m. on 5 June 2023 Hong Kong time). Holders of H Shares who have completed and returned their forms of proxy may, at their sole discretion, attend in person and vote at the H Shareholders Class Meeting or any adjourned meeting.
8. H shareholders or their proxies attending the H Shareholders Class Meeting when voting on any resolution shall clearly signify whether he or she is voting for or against such resolution. When the Company is counting the votes on any resolution, those who abstain from voting would not be regarded as having a right to vote.
9. The Board considers that the H Shareholders Class Meeting is an important opportunity for H shareholders to participate and express their views by raising questions and voting. As such, the Board wishes to emphasize that the H shareholders can raise questions during the H Shareholders Class Meeting. The questions raised by H shareholders at the H Shareholders Class Meeting and those submitted beforehand will be addressed by the Company as far as possible.
10. The H Shareholders Class Meeting is expected to last for a half day. Shareholders and proxies attending the H Shareholders Class Meeting shall bear for their own traveling, food and accommodation expenses.

11. Business Address of the Company:

#9 Jishikou Road, Chaoyang District, Beijing, the PRC

Postal Code: 100728

Telephone: 86-10-59965998

Facsimile: 86-10-59965997

As at the date of this notice, 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