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

(Stock code: 1033)

ANNOUNCEMENT ON PROVISION OF GUARANTEE FOR WHOLLY-OWNED SUBSIDIARIES AND JOINT VENTURE

I. OVERVIEW OF GUARANTEE

(I) Basic Information

On 28 March 2023, the Board 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 2022 annual general meeting of the Company convened on 6 June 2023. The valid period of the guarantee commenced from the date of approval by the shareholders at the 2022 annual general meeting until the conclusion of the 2023 annual general meeting of the Company.

In order to satisfy the needs of international market expansion and day-to-day operation, the Company expects that after the conclusion of the 2023 annual general meeting, 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 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 of the Company on 26 March 2024, 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 that 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 RMB20 billion (Renminbi Twenty Billion Yuan), and the specific amount of the 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 tender 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 RMB26.5 billion (Renminbi Twenty-Six-and-a-Half Billion Yuan), and the specific amount of the 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 tender bidding activities for oilfield services locally and signs a business contract, the Company will provide performance guarantee to ensure that when 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.

Guarantee period: commencing from the date of approval by the shareholders at the 2023

annual general meeting until the conclusion of the 2024 annual general meeting.

(II) Internal Decision Procedure

According to the relevant requirements of the Rules Governing the Listing of Stocks on Shanghai Stock Exchange, since the maximum amount of the guarantee is approximately RMB48.45 billion (including the maximum amount of JV Performance Guarantee of US\$275 million, approximately RMB1.95 billion calculated based on the exchange rate as of 29 December 2023), which has exceeded 30% of the audited total assets of the Company for the latest reporting period (i.e. RMB75.163 billion), and has exceeded 50% of the audited net assets of the Company for the latest reporting period (i.e. RMB8.023 billion), and the gearing ratio of some guaranteed wholly-owned subsidiaries have exceeded 70%, the guarantee shall be submitted to the 2023 annual general meeting 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 2023 annual general meeting until the conclusion of the 2024 annual general meeting.

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, may constitute a transaction under Chapter 14 of the Hong Kong Listing Rules. Based on (i) the maximum amount of JV Performance Guarantee and (ii) the applicable financial data of the Company as at the date of this announcement for the size test, one or more of the applicable percentage ratios in respect of JV Performance Guarantee exceed 5% but all fall below 25%, and thus the guarantee agreement and the transaction contemplated thereunder will potentially constitute a disclosable 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 2022 Mexican Guarantee Agreement with Mexican National Hydrocarbons Commission on 17 June 2022 to provide performance guarantee for Mexico DS Company and has published a disclosable transaction announcement. The 2022 Mexican Guarantee Agreement will remain in effect after the conclusion of the 2023 annual general meeting.

If the JV Performance Guarantee is approved by the 2023 annual general meeting, the Company will fulfill other requirements in addition to the requirements for disclosable transactions under Chapter 14 of the Hong Kong Listing Rules upon signing of the guarantee agreement (if

applicable).

II. ESTIMATED BASIC INFORMATION OF THE GUARANTEE AND BASIC INFORMATION OF THE GUARANTEED ENTITIES

The estimated basic information of the guarantee is the estimated guarantee amount that the Company will provide during the guarantee period. The specific guarantee limit may be allocated by the Company according to the operation 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 Appendix 1 to this announcement for the estimated basic information of the guarantee and basic information of the guaranteed entities.

III. GUARANTEE AGREEMENT

(I) Credit guarantee for wholly-owned subsidiaries (and their 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: commencing from the date of approval by the shareholders at the 2023 annual general meeting until the conclusion of the 2024 annual general meeting.

Guarantee Amount: the maximum amount of joint and several guarantee liabilities undertaken by the Company for the guarantee during the guarantee period shall not exceed the equivalent value of RMB20 billion.

(II) 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 their contract performance capabilities, the Company will perform the contracts on their behalf.

Guarantee Period: commencing from the date of approval by the shareholders at the 2023 annual general meeting until the conclusion of the 2024 annual general meeting.

Guarantee Amount: the maximum amount of joint and several guarantee liabilities undertaken by the Company for the guarantee during the guarantee period shall not exceed the equivalent value of RMB26.5 billion.

(III) 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.

According to the Production Sharing Contract signed by the Beneficiary with Petróleos Mexicanos 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 capability, 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 authorization for the JV Performance Guarantee shall become effective from the date of approval by the shareholders at the 2023 annual general meeting until the conclusion of the 2024 annual general meeting. The 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 for the guarantee 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.

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 successful 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 and chemical engineering, highway and bridge engineering, housing construction engineering, water conservancy and hydropower engineering, municipal utilities engineering, 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.

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 Mexico DS Company, a joint venture of the Company, may constitute 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 date of this announcement for the size test, one or more of the applicable percentage ratios in respect of JV Performance Guarantee exceed 5% but all fall below 25%. Therefore, the guarantee agreement and the transaction contemplated thereunder will potentially constitute a disclosable 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 disclosable transaction announcement. The 2022 Mexican Guarantee Agreement will remain in effect after the conclusion of the 2023 annual general meeting.

If the JV Performance Guarantee is approved by the 2023 annual general meeting, the Company will fulfill other requirements in addition to the requirements for disclosable transactions under Chapter 14 of the Hong Kong Listing Rules upon signing of the guarantee agreement (if applicable).

IV. OPINIONS OF THE BOARD

After consideration, the Board considered that the guarantee is beneficial to the successful development of the business of the wholly-owned subsidiaries and the joint venture, that the Company is able to effectively control and prevent risks and that there is no situation in relation to the counter-guarantee arrangement detrimental to the interests of the Company and the minority shareholders, and 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 the articles of association of the Company.

V. ACCUMULATED AMOUNT OF EXTERNAL GUARANTEE AND AMOUNT OF OVERDUE GUARANTEE

As of 31 December 2023, the balance of credit guarantees and performance guarantees actually provided by the Company for its wholly-owned subsidiaries during the guarantee period amounted to RMB18.057 billion and RMB9.44 billion, respectively. The balance of performance guarantee provided by the Company for the joint venture was US\$275 million. The guarantee amount actually provided by the Company did not exceed the relevant amount approved by the 2022 annual general meeting of the Company.

As at the date of this announcement, the total amount of the external guarantee provided by the Company and its controlled subsidiaries is approximately RMB29.447 billion, and the total amount of the guarantee provided by the Company to the controlling shareholder and the de facto controller and their affiliates is zero. The Company has no overdue external guarantee.

VI. DEFINITIONS

In this announcement, unless otherwise indicated in the context, the following terms shall have the meanings set out below:

“Board”	the board of directors of the Company
“Company”	Sinopec Oilfield Service Corporation(中石化石油工程技术服

	務有限公司), a joint stock limited company established in the PRC and its A shares are listed on the Shanghai Stock Exchange and its H shares are listed on the Main Board of the Hong Kong Stock Exchange
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“2022 Mexican Guarantee Mandate”	On 28 March 2023, the Board of the Company has considered and approved the resolution on the provision of guarantee for wholly-owned subsidiaries and the joint venture of the Company and such resolution was also approved by the 2022 annual general meeting of the Company convened on 6 June 2023. The valid period of the guarantee commenced from the date of approval by the shareholders at the 2022 annual general meeting until the conclusion of the 2023 annual general meeting.
“2022 Mexican Guarantee Agreement”	On 17 June 2022, the Company entered into the guarantee agreement with Mexican National Hydrocarbons Commission, providing performance guarantee for Mexico DS Company.
“Mexico DS Company”	DS Servicios Petroleros, S.A. de C.V. (DS石油服务有限公司)
“IPSC”	Sinopec International Petroleum Service Corporation, a subsidiary of the Company
“DIAVAZ”	DIAVAZ DEP, S.A.P.I. de C.V.

“Mexican National Hydrocarbons Commission” or the “Beneficiary”	COMISIÓN NACIONAL DE HIDROCARBUROS
“JV Performance Guarantee”	in the event that Mexico DS Company loses its contract performance capability, the Company agrees to provide a maximum amount of US\$275 million in joint and several guarantee liabilities whenever Mexico DS Company engages in market development, tender bidding activities for oilfield services locally and signs a business contract
“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 with Petróleos Mexicanos and Mexico DS Company
“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
“RMB”	the lawful currency of the PRC

By Order of the Board

Shen Zehong

Company Secretary

Beijing, PRC, 26 March 2024

As at the date of this announcement, the Board of Directors comprises Mr. Chen Xikun#, 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*

Appendix 1: Estimated Basic Information of the Guarantee and Basic Information of the Guaranteed Entities

Unit: 100 million Currency: RMB

Guarantor	Guaranteed entities	Shareholding percentage held by the guarantor	Gearing ratio of guaranteed entities as of the latest reporting period	Balance of guarantee as of the end of 2023	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
I. Guarantees to subsidiaries are estimated to:									
1. Subsidiaries with a gearing ratio of 70% or more									
Company	Sinopec Shengli Oil Engineering Company Limited	100.00%	96.70%	17.95	23.00	28.67%	commencing from the date of approval by the shareholders at the 2023 annual general meeting until the conclusion of the 2024 annual general meeting	No	No
	Sinopec Zhongyuan Oil Engineering Company Limited	100.00%	99.31%	24.84	50.00	62.32%		No	No
	Sinopec Jiangnan Oil Engineering Company Limited	100.00%	75.17%	7.55	7.00	8.72%		No	No
	Sinopec East China Oil Engineering Company Limited	100.00%	88.79%	10.67	14.00	17.45%		No	No
	Sinopec Oil Engineering and	100.00%	95.75%	25.92	50.00	62.32%		No	No

Guarantor	Guaranteed entities	Shareholding percentage held by the guarantor	Gearing ratio of guaranteed entities as of the latest reporting period	Balance of guarantee as of the end of 2023	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
	Construction Corporation								
	Sinopec Oil Engineering Geophysical Company Limited	100.00%	93.90%	7.23	9.00	11.22%		No	No
2. Subsidiaries with a gearing ratio less than 70%									
Company	Sinopec Southwest Oil Engineering Company Limited	100.00%	48.90%	1.80	3.15	3.93%	commencing from the date of approval by the shareholders at the 2023 annual general meeting until the conclusion of the 2024 annual general meeting	No	No
	Sinopec North China Oil Engineering Company Limited	100.00%	58.11%	11.58	10.00	12.46%		No	No
	Sinopec Jingwei Co., Ltd.	100.00%	66.64%	3.73	8.00	9.97%		No	No
	Sinopec Shanghai Offshore Oil	100.00%	9.79%	-	1.00	1.25%		No	No

Guarantor	Guaranteed entities	Shareholding percentage held by the guarantor	Gearing ratio of guaranteed entities as of the latest reporting period	Balance of guarantee as of the end of 2023	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
	Engineering Company Limited								
	Sinopec International Petroleum Service Corporation	100.00%	55.73%	163.70	289.85	361.27%		No	No
II. Guarantee for the joint venture and associates is estimated to:									
Company	Mexico DS Company	50.00%	67.86%	19.5	19.5	24.31%	commencing from the date of approval by the shareholders at the 2023 annual general meeting until the conclusion of the 2024 annual general meeting	No	Yes

Note: The guarantee amount of the Company provided to Mexico DS Company above involves foreign currencies, which are calculated at the mid-rate of RMB7.0827 to US\$1 in the interbank foreign exchange market as of 29 December 2023 as announced by the China Foreign Exchange Trade Center, and the actual exchange rate at that time when the guarantee actually occurs shall prevail.