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## **Sinopec Oilfield Service Corporation**

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

**(Stock code: 1033)**

# **OVERSEAS REGULATORY ANNOUNCEMENT RELATED PARTY GUARANTEE ANNOUNCEMENT ON PROVISION OF COUNTER-GUARANTEE TO THE CONTROLLING SHAREHOLDER BY THE COMPANY**

The board of directors of the Company and all its directors guarantee that this announcement does not contain any false information, misleading statement or material omission, and severally and jointly accept responsibility for the authenticity, accuracy and completeness of the contents of this announcement.

Key information reminder:

- Sinopec Oilfield Service Corporation (the “**Company**”, together with its subsidiaries, the “**Group**”) was granted a comprehensive credit line of no more than RMB100 million under the total financing credit lines granted to China Petrochemical Corporation by China Construction Bank Corporation (“**CCB**”), and China Petrochemical Corporation undertakes joint guarantee liability for the above-mentioned comprehensive credit line of the Company. According to the requirements of internal management, the Company will provide corresponding counter guarantee to China Petrochemical Corporation (the “**Guarantee**”).
- Amount of the Guarantee and balance of guarantee actually provided to China Petrochemical Corporation: the amount of counter-guarantee provided by the Company is RMB100 million. As of 31 December 2023, the balance of guarantee provided by the Company to China Petrochemical Corporation is RMB13 million.
- Accumulated number of overdue guarantee provided to external parties: nil
- The Guarantee is considered and approved at the 19th meeting of the tenth session

of the board of directors of the Company, and is subject to the consideration and approval at the annual general meeting for 2023 of the Company.

### **I. Summary of the Guarantee**

As approved at the second extraordinary general meeting in 2021 of the Company, the Company provided corresponding counter guarantee to China Petrochemical Corporation in relation to the joint guarantee liability undertaken by China Petrochemical Corporation for no more than RMB300 million credit line used by the Company for 3 years commencing from 2 November 2021. The Company expects that it will continue to use the credit line granted by CCB to China Petrochemical Corporation after 1 November 2024 and that China Petrochemical Corporation will undertake the joint guarantee liability for no more than RMB100 million credit line. Thus, according to the requirements of internal management, the Company still needs to provide corresponding counter guarantee to China Petrochemical Corporation.

On 26 March 2024, the 19th meeting of the tenth session of the board of directors of the Company considered and approved the Resolution on Provision of Counter-guarantee to China Petrochemical Corporation, and approved the Company to provide corresponding counter-guarantee in respect of the joint guarantee liability under the financing credit line of no more than RMB100 million provided by China Petrochemical Corporation to the Company.

As of the date of this announcement, China Petrochemical Corporation directly and indirectly holds 13,323,683,351 shares of the Company in total, accounting for 70.18% of the total issued share capital of the Company, and is therefore a controlling shareholder and a related party of the Company. The Guarantee constitutes a related party guarantee and is subject to consideration and approval at the annual general meeting for 2023 of the Company. Pursuant to The Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “**Hong Kong Listing Rules**”), as the Guarantee is a financial assistance provided by the Company in favour of the interests of the Group, the Guarantee is exempted from each of the requirements under Chapter 14A of the Hong Kong Listing Rules.

### **II. Basic Information of the Guaranteed Party in the Counter-guarantee**

The basic information of China Petrochemical Corporation is as follows:

Date of establishment:	14 September 1983
Type of enterprise:	Limited liability company (wholly state owned)
Domicile:	22 Chaoyangmen North Street, Chaoyang District, Beijing
Legal representative:	Ma Yongsheng
Registered capital:	RMB326,547.222 million

China Petrochemical Corporation, formerly known as China National Petrochemical Corporation (中國石油化工總公司), is an enterprise owned by the whole people established according to Reply of the State Council on Relevant Issues concerning the Establishment of China Petrochemical Corporation. It is an institution approved by the State Council to carry out state-authorized investments and is a state-controlling company. China Petrochemical Corporation is principally engaged in organising its affiliated companies' exploration, exploitation, storage and transportation (including pipeline transportation), sales and comprehensive utilization of oil and natural gas; oil refining; wholesale and retail of refined oil products; production, sales, storage and transportation of petrochemical and other chemical products; industrial investment and investment management; exploration design, construction and installation of petroleum and petrochemical engineering projects; repairing and maintenance of petroleum and petrochemical equipment; manufacture of mechanical and electrical equipment; research, development, application and consultation services of technology, information and alternative energy products; import and export business.

According to the Audit Report (XHSBZ (2023) No. ZK20582) issued by BDO China Shu Lun Pan Certified Public Accountants LLP on 25 April 2023, as of 31 December 2022, China Petrochemical Corporation had total consolidated assets of RMB2,543,346 million, total liabilities of RMB1,230,287 million and total net assets of RMB1,313,058 million. In 2022, China Petrochemical Corporation recorded a total consolidated operating income of RMB3,366,866 million, total profits of RMB120,474 million and net cash flows generating from operating activities of RMB130,300 million.

### **III. Principal Terms of Letter of Counter-guarantee**

1. Scope of the counter-guarantee: the indemnity and compensation for the corresponding joint guarantee liability assumed by China Petrochemical Corporation for the financing credit business of the Company with CCB.
2. Amount of the counter-guarantee: the amount of the counter-guarantee provided by the Company is the same as the amount of the joint guarantee liability assumed by China Petrochemical Corporation, and the equivalent amount is RMB100 million.
3. Term of the counter-guarantee: the term of the counter-guarantee provided by the Company is the same as that of the joint guarantee liability assumed by China Petrochemical Corporation. That is, it shall take effect on the effective date of the relevant joint guarantee liability and shall expire on the date of termination of the relevant joint guarantee liability. For the joint guarantee liability actually assumed by China Petrochemical Corporation for the financing credit business of the Company with CCB prior to the effective date of this letter of counter-guarantee,

the actual effective date of this counter-guarantee can be traced back.

4. Claim method: demand guarantee. When China Petrochemical Corporation actually incurs joint guarantee liability compensation for the financing credit business of the Company with CCB, China Petrochemical Corporation may directly claim compensation from the Company. Within 10 days from the date of receipt of the written notice of compensation claim from China Petrochemical Corporation, the Company shall unconditionally pay in a lump sum the full amount of the joint guarantee liability assumed by China Petrochemical Corporation.
5. Validity period of the letter of counter-guarantee: this letter of counter-guarantee is valid for two years from the effective date.
6. Conditions for effectiveness: This letter of counter-guarantee shall become effective upon being signed by the authorized representative of the Company and affixed with the official seal, and after being considered and approved at the annual general meeting for 2023 of the Company.

#### **IV. Necessity and Reasonableness of the Guarantee**

China Petrochemical Corporation, the controlling shareholder of the Company, provides joint liability guarantee for the Company's comprehensive credit line of not more than RMB100 million, and the provision of corresponding counter-guarantee by the Company to China Petrochemical Corporation is a normal economic practice of the Company, which is beneficial for the Company to conduct relevant credit business successfully, and is in line with the needs of the business development and internal management of the Company.

#### **V. Opinions of the Special Meeting of Independent Directors and the Board**

The first special meeting of the independent directors of the tenth session of the board of directors of the Company considered and approved the Guarantee and related party guarantee, and approved to submit the Resolution on Provision of Counter-guarantee to China Petrochemical Corporation to the board of directors of the Company for consideration and approval.

At the 19th meeting of the tenth session of the board of directors of the Company, the Resolution on Provision of Counter-guarantee to China Petrochemical Corporation was considered and passed with 5 votes in favor, 0 votes against and 0 abstentions. During the voting process, the related directors Mr. Fan Zhonghai and Mr. Zhou Meiyun have abstained from voting. The board of directors of the Company is of the opinion that the Guarantee is beneficial for the Company to conduct relevant credit business successfully, that the Company is able to control and prevent risks effectively, and that there are no circumstances under which the Guarantee is detrimental to the interests of

the Company.

## **VI. The Accumulated Amount of External Guarantees and the Amount of Overdue Guarantees**

As of the date of this announcement, the accumulated total amount of external guarantees provided by the Company and its controlled subsidiaries is RMB29,447 million, accounting for 367.03% of the latest audited net assets of the Company. The total amount of guarantees provided by the Company to its controlled subsidiaries is RMB 27,497 million, accounting for 342.73% of the latest audited net assets of the Company. As of the date of this announcement, the Company has no overdue guarantee.

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*