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## **Sinopec Oilfield Service Corporation**

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

**(Stock code: 1033)**

### **2016 Third Quarterly Results**

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

The Board of Directors (**the "Board"**) of the Company hereby presents the third quarterly results of the Company and its subsidiaries ended 30 September 2016.

#### **§1. Important Notes**

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

1.2 The Company's third quarterly financial report is prepared in accordance with the PRC Accounting Standards for Business Enterprises and unaudited.

1.3 Mr. Jiao Fangzheng, Chairman, Mr. Sun Qingde, Vice Chairman and General Manager, Mr. Wang Hongchen, Chief Financial Officer and Mr. Song Daoqiang, Director of the Asset and Accounting Department of the Company warranted the authenticity and completeness of the financial statements contained in this quarterly report.

#### **§2. Key financial data and changes in shareholders of the Company**

2.1 Key financial data (prepared in accordance with the PRC Accounting Standards for

Business Enterprises and unaudited)

	As at 30 September 2016 RMB'000	As at 31 December 2015 RMB'000	Increase/(decrease) from last year (%)
Total assets	74,342,384	85,307,777	-12.9
Total equity attributable to shareholders of the Company	15,871,734	24,638,094	-35.6
	For the nine months ended 30 September 2016 RMB'000	For the nine months ended 30 September 2015 RMB'000	Increase/(decrease) from corresponding period of last year (%)
Net cash inflow from operating activities(“-” for outflow)	-4,628,084	-1,133,591	Not applicable
	For the nine months ended 30 September 2016 RMB'000	For the nine months ended 30 September 2015 RMB'000	Increase/(decrease) from corresponding period of last year (%)
Operating income	27,781,621	36,580,781	-24.1
Net profit attributable to equity shareholders of the Company(“-” for losses)	-8,857,992	-2,059,887	Not applicable
Net profit deducted extraordinary gain and loss attributable to equity shareholders of the Company(“-” for losses)	-8,987,975	-2,102,370	Not applicable
Weighted average return on net assets	-44.47%	-9.93%	Decreased by 34.54 percentage points
Basic earnings per share (in RMB) (“-” for losses)	-0.626	-0.149	Not applicable
Diluted earnings per share (in RMB) (“-” for	-0.626	-0.149	Not applicable

losses)			
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Extraordinary gain and loss items

Applicable       Not Applicable

Items	Amount during the period from July to September 2016 RMB'000	For the nine months ended 30 September 2016 RMB'000
Disposal of non-current assets	-3,596	-3,191
Government grants recognized in profit or loss during the current period	110,130	135,735
Gains or losses from entrusted loans	7,455	23,004
Other non-operating income and expenses excluding the aforesaid items	-5,801	11,317
Effect of income tax	-28,614	-36,882
Total	79,574	129,983

2.2 The number of shareholders of the Company at the end of this reporting period and details of the top ten shareholders and the top ten shareholders of shares without selling restrictions

Unit: Share

The total number of shareholders at the end of this reporting period	166,627, of which the number of “H” shareholders was 364					
<b>Shareholdings of the top ten shareholders</b>						
Names of shareholders	Number of shares held (shares)	Percent age to total share capital (%)	Number of shares with selling restrictions (Share)	Number of pledged or frozen share		Nature of shareholders
				Shares status	Amounts	
China Petroleum & Chemical Corporation	9,224,327,662	65.22	9,224,327,662	None	0	State-owned legal person
Hong Kong Securities Clearing Company (Nominees) Limited (“ <b>HKSCC (Nominees) Limited</b> ”)	2,086,376,496	14.75	0	None	0	Overseas legal person
CITIC Limited	1,035,000,000	7.32	0	None	0	State-owned legal person
Darry Asset Management	133,333,333	0.94	0	Pledged	133,333,300	Other

(Hangzhou) Co., Ltd.						
Beijing Harvest Yuanxing Investment Center (Limited Partnership)	124,007,660	0.88	0	None	0	Other
Donghai Fund-Xingye Bank-Huaxin Trust-Huizhi Investment No.47 Trust Plan	66,666,666	0.47	0	None	0	Other
Donghai Fund-Xingye Bank-Huaxin Trust-Huizhi Investment No.49 Trust Plan	66,666,666	0.47	0	None	0	Other
Hua'an Fund-Xingye Bank-China Foreign Economy and Trade Trust Co., Ltd	13,333,300	0.09	0	None	0	Other
Caitong Fund-China Everbright Bank-China Galaxy Securities	10,842,727	0.08	0	None	0	Other
Hua'an Fund-Minsheng Bank-Hua'an Jifeng No.7 Asset Management Plan	10,300,000	0.07	0	None	0	Other

**Shareholdings of the top ten shareholders of shares without selling restriction**

Name of shareholders	Number of shares without selling restrictions held at the end of the reporting period (shares)	Type and Amount of shares	
		Type	Amount
HKSCC (Nominees) Limited	2,086,376,496	H shares	2,086,376,496
CITIC Limited	1,035,000,000	A shares	1,035,000,000
Darry Asset Management (Hangzhou) Co., Ltd.	133,333,333	A shares	133,333,333
Beijing Harvest Yuanxing Investment Center (Limited Partnership)	124,007,660	A shares	124,007,660
Donghai Fund-Xingye Bank-Huaxin Trust-Huizhi Investment No.47 TrustPlan	66,666,666	A shares	66,666,666
Donghai Fund-Xingye Bank-Huaxin Trust-Huizhi Investment No.49 Trust Plan	66,666,666	A shares	66,666,666
Hua' an Fund-Xingye Bank-China Foreign Economy and Trade Trust Co., Ltd	13,333,300	A shares	13,333,300
Caitong Fund-China Everbright	10,842,727	A shares	10,842,727

Bank-China Galaxy Securities			
Hua'an Fund-Minsheng Bank-Huaan Jifeng No.7 Asset Management Plan	10,300,000	A shares	10,300,000
Industrial and Commercial Bank of China- China EU value wise choice return mixed type securities investment fund	10,650,000	A shares	10,650,000
Statement on the connected relationship or activities in concert among the above-mentioned shareholders	Donghai Fund-Xingye Bank-Huaxin Trust-Huizhi Investment No.47 Trust Plan and Donghai Fund-Xingye Bank-Huaxin Trust-Huizhi Investment No.49 Trust Plan belong to Donghai Fund Management Co. Ltd.; Hua'an Fund-Xingye Bank-China Foreign Economy and Trade Trust Co., Ltd and Hua'an Fund-Minsheng Bank-Hua'an Jifeng No.7 Asset Management Plan belong to Hua'an Fund Management Co. Ltd. In addition to the above, the Company is not aware that there is any connected relationship or activities in concert among the above-mentioned shareholders.		

### §3. Significant Events

3.1 Significant changes of key accounting items and financial indicators and the reasons for the changes (figures extracted from the financial statements prepared in accordance with the PRC Accounting Standards for Business Enterprises) (unaudited)

√Applicable    □Not applicable

Item	As at 30 September 2016 RMB '000	As at 31 December 2015 RMB '000	Change (%)	Reason for change
Bills receivable	610,934	141,132	332.9	Increase in bills settlement by some customers
Accounts receivable	16,676,092	27,121,127	-38.5	Speed-up in recovering the amounts due from customers and decrease in the workload
Other receivable	3,625,888	2,432,785	49.0	Increase in recoverable funds from some overseas projects
Construction in progress	1,014,591	2,710,178	-62.6	Decrease in capital expenditure and some construction in progress converted into fixed assets
Short-term loans	17,316,784	12,070,312	43.5	Increase in borrowing at current period end
Notes payable	1,686,181	1,284,745	31.3	Increase in payments with bills
Advances from customers	6,134,609	9,263,970	-33.8	Progressive payment from contracts signed in previous years

Employee benefits payable	317,020	187,561	69	Increase in housing funds and union membership dues
Taxes payable	124,346	2,612,168	-95.2	Payment of taxes outstanding at prior year end
Interest payables	60,824	14,823	310.3	Increase in the payment of interest at current period end
Non-current liabilities due within one year	257,202	87,360	194.4	Increase in long-term loan due within one year
Deferred income	83,209	59,008	41.0	Increase in government grants projects
Special reserves	350,752	259,547	35.1	Provision in safety production funds.
Retained earnings	-7,716,278	1,141,287	-776.1	Operating losses from January to September 2016.

Item	For the nine months ended 30 September		Change (%)	Reason for change
	2016 RMB '000	2015 RMB'000		
Business tax and surcharges	244,847	376,022	-34.9	Decrease in operating income
Financial Expenses	335,333	539,765	-37.9	Decrease in foreign exchange loss
Impairment losses on assets	157,755	110,202	43.2	Increase in provision for bad debts
Investment income	14,134	-4,691	Not applicable	Income from entrusted loans.
Operating profit	-8,823,734	-1,988,596	343.7	Operating loss from January to September 2016.
Gains on disposal of non-current assets	7,005	19,815	-64.7	Decrease in disposal of non-current assets.
Net cash inflow from operating activities ("-" for outflow)	-4,628,084	-1,133,591	Not applicable	Operating loss from January to September 2016.
Net cash inflow from investing activities ("-" for outflow)	-397,028	-3,379,475	Not applicable	Decrease in capital expenditure.
Net cash inflow from financing activities	5,098,859	7,171,141	-28.9	A share private placement in last year.

3.2 The progress of significant events and their impacts as well as the analysis and explanations for the solutions

√Applicable    □Not applicable

The lock-up period of 1,035,000,000 restricted shares that CITIC Limited holds ended on 22 August 2016. The relevant details were disclosed on China Securities, Shanghai Securities News, Securities Times and the website of Shanghai Stock Exchange and Hong Kong Stock Exchange on 15 August 2016.

3.3 The special undertakings made by the Company and its shareholders with shareholdings of more than five per cent and the implementation of undertakings

Applicable    Not applicable

As informed by China Petrochemical Corporation (“CPC”) as the controlling shareholder, CPC proposed the Board to draft A share option scheme in accordance with its undertakings made in “Report on the connected transaction in relation to major assets sales, repurchase of shares, issue of shares as the consideration for assets purchasing and subsequent fund raising of Sinopec Yizheng Chemical Fiber Company Limited”, subject to the compliance with relevant regulations of State-owned Assets Supervision and Administration Commission (“SASAC”) and China Securities Regulatory Commission (“CSRC”). On 29 March 2016, the eighth meeting of the eighth session of Board was held and approved the resolutions including “Sinopec Oilfield Service Corporation A Share Option Incentive Scheme (draft)”. Relevant announcement has been published in China Securities, Shanghai Securities News, Securities Times and the websites of Shanghai Stock Exchange and Hong Kong Stock Exchange on 30 March 2016. On 30 August 2016, the twelfth meeting of the eighth session of Board was held and approved the resolutions including “Sinopec Oilfield Service Corporation A Share Option Incentive Scheme (Amended Draft)”. Relevant announcement has been published in China Securities, Shanghai Securities News, Securities Times and the websites of Shanghai Stock Exchange and Hong Kong Stock Exchange on 31 August 2016. On 25 October 2016, the shareholders at the First Extraordinary General Meeting for 2016, the First A Share Class Shareholders Meeting for 2016 and the First H Share Shareholders Meeting for 2016 considered and approved the resolutions including “Sinopec Oilfield Service Corporation A Share Option Incentive Scheme (Amended Draft)”. Relevant announcement has been published in China Securities, Shanghai Securities News, Securities Times and the websites of Shanghai Stock Exchange and Hong Kong Stock Exchange on 26 October 2016.

During the reporting period, CPC as the controlling shareholder fulfilled the following undertakings it made during the material assets reorganization:

1. CPC and its subsidiaries will regulate the connected transactions with the Company in accordance with the laws. For the existing connected transactions, CPC and its subsidiaries would sign the standardized agreements in relation to connected transactions with the Company, and would fulfill the approval procedures requirement and disclosure obligations in accordance with the provisions of relevant laws and regulations and Articles of Association of the Company. The price of connected transaction shall follow the principle of fair, reasonable and impartial.
2. CPC issued "The undertaking letter on regulating connected transaction and maintaining the independence of the Company", under which (1) CPC and its subsidiaries guarantee that their assets, employees, finance, organizations and business will remain to be separated from those of the Company's, and it will strictly comply with the relevant provisions in relation to the listed company's independency issued by CSRC. CPC will not utilize its control power to violate the operation procedures of the Company, intervene the Company's business decisions, and jeopardize the legitimate rights and interests of the Company and other shareholders. (2) CPC and its subsidiaries guarantee that it will not illegally use the funds of the Company and its subsidiaries. (3) If CPC violate the above undertakings, it would compensate the losses of Company caused by the violation pursuant to the laws.

3. CPC made the Non-Competition undertaking, under which (1) CPC has agreed not to, and has endeavored to procure its subsidiaries through its shareholder's rights not to, compete with the Company in relevant operation and business activities. (2) After the material assets reorganisation, if Sinopec Star has any new business opportunity which competes or is likely to compete, directly or indirectly with the Company's core business, the Company has been granted an option for acquisition of the new business opportunity. Within 5 years after the material assets reorganisation, CPC will find a appropriate opportunity to sell the petroleum service business of "Exploration IV" drilling rig of Sinopec Star to the Company, upon comprehensive consideration of relevant factors such as national laws, industry regulations and international political and economic situation, etc. (3) After the material assets reorganisation, if CPC and its subsidiaries become aware of any new business opportunity which competes or is likely to compete, directly or indirectly with the Company's core business, the Company has been granted an option for acquisition of the new business opportunity . If CPC intends to transfer, sell, lease, license or otherwise transfer or permit to use any of the above business opportunity which is likely to compete with the Company's core business, the Company has been granted a pre-emptive rights in order to avoid competition. (4) CPC agrees to compensate the losses of the Company caused by its violation of the above undertakings pursuant to the laws.

The above undertakings are still in implementation. CPC has not been found any breach of the above undertakings.

3.4 Warnings on potential fluctuation from the net profit to the loss for the period from the beginning of the year to the end of next reporting period or significant changes as compared with the same period of the preceding year

Applicable    Not applicable

By order of the Board  
Jiao Fangzheng  
Chairman  
26 October 2016, Beijing

*As at the date of this announcement, the Board of Directors comprises Mr. Jiao Fangzheng+, Mr. Sun Qingde#, , Mr. Zhou Shiliang#, Mr. Li Lianwu+, Mr. Zhang Hong+, Ms. Jiang Bo\* Mr. Zhang Huaqiao\* and Mr. Pan Ying\**

*“ + ” Non-Executive Director*

*“ # ” Executive Director*

*“ \* ” Independent Non-Executive Director*



§ 4 Appendix

Consolidated Balance Sheet  
As at 30 September 2016

Sinopec Oilfield Service Corporation

(Expressed in thousands of renminbi yuan and unaudited)

item	At the end of this reporting period	At the end of the last reporting year
<b>Current assets:</b>		
Cash at bank and on hand	2,135,297	2,011,590
Bills receivable	610,934	141,132
Accounts receivable	16,676,092	27,121,127
Prepayments	580,636	460,035
Dividend receivable	6	6
Other receivables	3,625,888	2,432,785
Inventories	15,407,211	14,769,275
Non-current assets due within one year	2,024,716	2,493,030
Other current assets	82,062	82,062
Total current assets	41,142,842	49,511,042
<b>Non-current assets:</b>		
Available-for-sale financial assets	40,494	40,494
Long-term equity investments	211,030	216,400
Fixed assets	28,637,603	29,008,189
Construction in progress	1,014,591	2,710,178
Disposal of fixed assets	15,811	4,023
Intangible assets	164,209	182,203
Research and development expenditure	3,400	0
Long-term deferred expenses	2,923,389	3,447,818
Deferred tax assets	189,015	187,430
Total non-current assets	33,199,542	35,796,735
Total assets	74,342,384	85,307,777
<b>Current liabilities:</b>		
Short-term loans	17,316,784	12,070,312
Bills payable	1,686,181	1,284,745

Accounts payable	25,857,190	28,909,101
Advances from customers	6,134,609	9,263,970
Employee benefits payable	317,020	187,561
Taxes payable	124,346	2,612,168
Interest payable	60,824	14,823
Other payables	5,858,586	5,473,433
Non-current liabilities due within one year	257,202	87,360
Total current liabilities	57,612,742	59,903,473
<b>Non-current liabilities:</b>		
Long-term loans	685,257	618,969
Long-term payable	59,998	57,072
Special payable	400	1,051
Deferred income	83,209	59,008
Deferred tax liabilities	30,184	31,251
Total non-current liabilities	859,048	767,351
Total liabilities	58,471,790	60,670,824
<b>Shareholders' equity:</b>		
Share capital	14,142,661	14,142,661
Capital reserve	8,894,216	8,894,216
Specific reserve	350,752	259,547
Surplus reserve	200,383	200,383
Retained earnings	-7,716,278	1,141,287
Equity attributable to shareholders of the Company	15,871,734	24,638,094
Minority interests	-1,140	-1,141
Total shareholders' equity	15,870,594	24,636,953
Total liabilities and shareholders' equity	74,342,384	85,307,777

Legal Representative: Mr. Jiao Fangzheng

General Manager: Mr. Sun Qingde

Chief Financial Officer: Mr. Wang Hongchen

Director of Asset and Accounting Department: Mr. Song Daoqiang

### Balance Sheet

As at 30 September 2016

Sinopec Oilfield Service Corporation

(Expressed in thousands of renminbi yuan and unaudited)

item	At the end of this reporting period	At the end of the last reporting year
<b>Current assets:</b>		
Cash at bank and on hand	472,030	419,118
Other receivables	5,091,665	5,157,515
Total current assets	5,563,695	5,576,633
<b>Non-current assets:</b>		
Long-term equity investments	20,215,327	20,215,327
Total non-current assets	20,215,327	20,215,327
Total assets	25,779,022	25,791,960
<b>Current liabilities:</b>		
Taxes payable	159	69
Other payables	1,119,803	1,119,802
Total current liabilities	1,119,962	1,119,871
<b>Non-current liabilities:</b>		
Total non-current liabilities		
Total liabilities	1,119,962	1,119,871
<b>Shareholders' equity:</b>		
Share capital	14,142,661	14,142,661
Capital reserve	11,751,318	11,751,318
Surplus reserve	200,383	200,383
Retained earnings	-1,435,302	-1,422,273
Total shareholders' equity	24,659,060	24,672,089
Total liabilities and shareholders' equity	25,779,022	25,791,960

Legal Representative: Mr. Jiao Fangzheng

General Manager: Mr. Sun Qingde

Chief Financial Officer: Mr. Wang Hongchen

Director of Asset and Accounting Department: Mr. Song Daoqiang

**Consolidated Income Statement**  
For the nine months ended 30 September 2016

Sinopec Oilfield Service Corporation

*(Expressed in thousands of renminbi yuan and unaudited)*

Item	For the three months ended 30 September 2016 (July to September)	For the three months ended 30 September 2015 (July to September)	For the nine months ended 30 September 2016	For the nine months ended 30 September 2015
1. Total Operating Income	9,091,758	13,459,496	27,781,621	36,580,781
Including: Operating Income	9,091,758	13,459,496	27,781,621	36,580,781

2. Total Operating Costs	13,483,525	14,098,210	36,619,489	38,564,686
Including: Operating Costs	12,357,382	12,771,187	33,426,745	35,077,127
Business taxes and surcharges	43,688	115,499	244,847	376,022
Selling and distribution expenses	13,341	11,381	38,138	36,725
General and administrative expenses	854,252	863,886	2,416,671	2,424,845
Net financial expenses	125,237	336,259	335,333	539,765
Asset impairment losses	89,625	-2	157,755	110,202
Add: Gains from changes in fair value (“-” for losses)				
Investment income (“-” for losses)	7,455	0	14,134	-4,691
Including: Investment income from associated enterprise and joint ventures	0	0	-9,370	-4,732
3. Operating profit (“-” for losses)	-4,384,312	-638,714	-8,823,734	-1,988,596
Add: Non-operating income	119,791	54,400	189,527	228,130
Including: Income from disposal of non-current assets	921	1,419	7,005	19,815
Less: Non-operating expenses	13,867	27,077	40,475	48,235
Including: Losses from disposal of non-current assets	4,517	3,820	10,196	8,710
4. Total profit (“-” for losses)	-4,278,388	-611,391	-8,674,682	-1,808,701
Less: Income tax expenses	70,100	68,321	183,310	251,186
5. Net profit (“-” for losses)	-4,348,488	-679,712	-8,857,992	-2,059,887
Attributable to shareholders of the Company	-4,348,571	-679,712	-8,857,992	-2,059,887
Minority interests	83	0	0	0
6. Other comprehensive net income after tax	0	0	0	0
7. Total comprehensive income	-4,348,488	-679,712	-8,857,992	-2,059,887
Attributable to shareholders of the Company	-4,348,488	-679,712	-8,857,992	-2,059,887
Attributable to minority shareholders of the Company	0	0	0	0
8. Earnings per share:				
(1) Basic earnings per share (in RMB)	-0.306	-0.048	-0.626	-0.149
(2) Diluted earnings per share (in RMB)	-0.306	-0.048	-0.626	-0.149

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

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

Legal Representative: Mr. Jiao Fangzheng

General Manager: Mr. Sun Qingde

Chief Financial Officer: Mr. Wang Hongchen

Director of Asset and Accounting Department: Mr. Song Daoqiang

**Income Statement**  
For the nine months ended 30 September 2016

Sinopec Oilfield Service Corporation

*(Expressed in thousands of renminbi yuan and unaudited)*

Item	For the three months ended 30 September 2016 (July to September)	For the three months ended 30 September 2015 (July to September)	For the nine months ended 30 September 2016	For the nine months ended 30 September 2015
1. Operating Income				
Less: Operating Costs				
Business taxes and surcharges	0	0	34	32
Selling and distribution expenses				
General and administrative expenses	13,799	1,053	16,549	5,463
Net financial expenses	-1,243	-10,267	-3,555	-21,101
Asset impairment losses				
Add: Gains from changes in fair value (“-” for losses)				
Investment income (“-” for losses)				
Including: Investment income from associated enterprise and joint ventures				
2. Operating profit (“-” for losses)	-12,556	9,214	-13,028	15,606
Add: Non-operating income				
Including: Income from disposal of non-current assets				
Less: Non-operating expenses				
Including: Losses from disposal of non-current assets				
3. Total profit (“-” for losses)	-12,556	9,214	-13,028	15,606
Less: Income tax expenses				
4. Net profit (“-” for losses)	-12,556	9,214	-13,028	15,606

5. Other comprehensive net income after tax	0	0	0	0
6. Total comprehensive income for the period	-12,556	9,214	-13,028	15,606
7. Earnings per share:				
(1) Basic earnings per share (in RMB)				
(2) Diluted earnings per share (in RMB)				

Legal Representative: Mr. Jiao Fangzheng

General Manager: Mr. Sun Qingde

Chief Financial Officer: Mr. Wang Hongchen

Director of Asset and Accounting Department: Mr. Song Daoqiang

Consolidated Cash flow statement  
For the nine months ended 30 September 2016

Sinopec Oilfield Service Corporation

*(Expressed in thousands of renminbi yuan and unaudited)*

Item	For the nine months ended 30 September 2016	For the nine months ended 30 September 2015
<b>1. Cash flows from operating activities:</b>		
Cash received from sale of goods and rendering of services	25,916,941	41,492,881
Refund of taxes	117,483	164,193
Cash received relating to other operating activities	9,400,556	2,445,731
Sub-total of cash inflows	35,434,980	44,102,805
Cash paid for goods and services	21,050,327	28,458,472
Cash paid to and for employees	8,139,361	9,411,402
Cash paid for all types of taxes	2,654,432	4,047,048
Cash paid relating to other operating activities	8,218,944	3,319,474
Sub-total of cash outflows	40,063,064	45,236,396
Net cash inflow from operating activities (outflow listed with “-”)	-4,628,084	-1,133,591
<b>2. Cash flows from investing activities:</b>		
Cash received from investment	101,000	0
Cash received from investment income	500	0
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	2,689	25,658
Cash received relating to other investing activities	23,084	252

Sub-total of cash inflows	127,273	25,910
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	304,118	3,349,880
Cash paid for investments	2,000	55,505
Cash paid relating to other investing activities	218,183	0
Sub-total of cash outflows	524,301	3,405,385
Net cash inflow from investing activities (outflow listed with “-”)	-397,028	-3,379,475
<b>3. Cash flows from financing activities:</b>		
Cash received from the acquisition of investments	0	5,954,000
Cash received from borrowings	41,397,077	39,442,456
Cash received relating to other financing activities	143,000	3,400
Sub-total of cash inflows	41,540,077	45,399,856
Cash repayments of borrowings	35,829,633	36,242,401
Cash paid for dividends or interest	302,770	207,609
Cash paid relating to other financing activities	308,815	1,778,705
Sub-total of cash outflows	36,441,218	38,228,715
Net cash inflow from financing activities	5,098,859	7,171,141
<b>4. Effect of exchange rate changes on cash and cash equivalents</b>	49,960	39,603
<b>5. Net increase in cash and cash equivalents</b>	123,707	2,697,678
Add: Cash and cash equivalents at the beginning of the period	2,011,590	1,201,754
<b>6. Cash and cash equivalents at the end of the period</b>	2,135,297	3,899,432

Legal Representative: Mr. Jiao Fangzheng

General Manager: Mr. Sun Qingde

Chief Financial Officer: Mr. Wang Hongchen

Director of Asset and Accounting Department: Mr. Song Daoqiang

### Cash flow statement

For the nine months ended 30 September 2016

Sinopec Oilfield Service Corporation

(Expressed in thousands of renminbi yuan and unaudited)

Item	For the nine months ended 30 September 2016	For the nine months ended 30 September 2015
<b>1. Cash flows from operating activities:</b>		

Cash received from sale of goods and rendering of services		
Refund of taxes		
Cash received relating to other operating activities	409,835	2,275,143
Sub-total of cash inflows	409,835	2,275,143
Cash paid for goods and services		
Cash paid to and for employees		
Cash paid for all types of taxes	34	3,009
Cash paid relating to other operating activities	141,499	6,065,731
Sub-total of cash outflows	141,533	6,068,740
Net cash inflow from operating activities (outflow listed with “-”)	268,302	-3,793,597
<b>2. Cash flows from investing activities:</b>		
Cash received from disposal of investment		
Cash received from investment income		
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	0	188,276
Cash received relating to other investing activities		
Sub-total of cash inflows	0	188,276
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets		
Cash paid for other investment activities	215,390	0
Sub-total of cash outflows	215,390	0
Net cash inflow from investing activities (outflow listed with “-”)	-215,390	188,276
<b>3. Cash flows from financing activities:</b>		
Cash received from the acquisition of investments	0	5,954,000
Cash received from borrowings		
Cash received relating to other financing activities		
Sub-total of cash inflows	0	5,954,000
Cash repayments of borrowings		
Cash paid for dividends or interest		
Sub-total of cash outflows		
Net cash inflow from financing activities	0	5,954,000
<b>4. Effect of exchange rate changes on cash and cash equivalents</b>		



<b>5. Net increase in cash and cash equivalents</b>	52,912	2,348,679
Add: Cash and cash equivalents at the beginning of the period	419,118	0
<b>6、 Cash and cash equivalents at the end of the period</b>	472,030	2,348,679

*Legal Representative: Mr. Jiao Fangzheng*

*General Manager: Mr. Sun Qingde*

*Chief Financial Officer: Mr. Wang Hongchen*

*Director of Asset and Accounting Department: Mr. Song Daoqiang*