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Sinopec Oilfield Service Corporation

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

(Stock code: 1033)

Announcement on Annual Results in 2024

The board of directors (the “**Board**”) and the supervisory committee (the “**Supervisory Committee**”) of Sinopec Oilfield Service Corporation (the “**Company**”) and its directors (the “**Director(s)**”), supervisors (the “**Supervisor(s)**”) and senior management warrant that there are no false representations, misleading statements or material omissions in this announcement and individually and jointly accept full responsibility for the authenticity, accuracy and completeness of the information contained in this announcement. The content of the annual results is extracted from the 2024 annual report (the “**Annual Report**”). In order to understand the full content, the investors should read the Annual Report for more details.

The Board of the Company hereby presents the audited annual results of the Company and its subsidiaries (the “**Group**”) for the year ended 31 December 2024.

1. COMPANY PROFILE

- | | |
|----------------------------|---|
| (1). Legal name: | 中石化石油工程技術服務股份有限公司 |
| English name: | Sinopec Oilfield Service Corporation |
| Chinese abbreviation: | 石化油服 |
| Abbreviation: | SSC |
| (2). Legal representative: | Mr. Wu Baizhi |
| (3). Registered address: | 22#, Chaoyangmen North Street, Chaoyang District, Beijing,
The People's Republic of China (“ China ”) |
| Office address: | 9#, Jishikou Road, Chaoyang District, Beijing, P.R. China |
| Postal code: | 100728 |
| Telephone: | 86-10-59965998 |
| Fax: | 86-10-59965997 |
| Internet website: | http://ssc.sinopec.com |
| E-mail: | ir.ssc@sinopec.com |

- (4). Secretary to the Board: Mr. Ke Yuehua
Company Secretary /
Securities affairs representative: Mr. Shen Zehong
Address: 9#, Jishikou Road, Chaoyang District, Beijing, P.R.
China Office of the Board
Telephone: 86-10-59965998
Fax: 86-10-59965997
E-mail: ir.ssc@sinopec.com
- (5). Domestic newspapers to disclose information: China Securities Journal, Shanghai Securities
News, and Securities Times
Website designated by HKSE to disclose information: <http://www.hkexnews.hk>
Website designated by the China Securities Regulatory
Commission ("CSRC") to publish the annual report: <http://www.sse.com.cn>
Place where the annual report available for inspection: Office of the Board of the Company
- (6). Places of listing, names and codes of the stock:
- H share: The Stock Exchange of Hong Kong Limited ("**HKSE**"
or "**Hong Kong Stock Exchange**")
Stock name: SINOPEC SSC
Stock code: 01033
- A Share: Shanghai Stock Exchange ("**SSE**")
Stock name: SSC
Stock code: 600871

2. PRINCIPAL FINANCIAL INFORMATION AND FINANCIAL INDICATORS

(1) Extracted from the financial statements prepared in accordance with International Financial Reporting Standards ("IFRS")

Unit: RMB'000

	As at 31 December				
	2024	2023	2022	2021	2020
Total assets	77,340,105	75,162,974	71,208,061	64,052,447	61,091,195
Total liabilities	68,691,303	67,139,772	63,778,327	57,190,930	54,368,329
Equity attributable to owners of the Company	8,648,802	8,023,202	7,429,734	6,861,517	6,722,866
Net assets per share attributable to owners of the Company (RMB)	0.46	0.42	0.39	0.36	0.35
Equity ratio of owners	11.18%	10.67%	10.43%	10.71%	11.00%
Return on net assets	7.18%	7.18%	7.86%	2.05%	(0.53%)
	For the year ended 31 December				
	2024	2023	2022	2021	2020
Revenue	81,096,178	79,980,939	73,772,688	69,533,053	68,073,394
Profit before income tax	1,121,548	915,207	837,162	451,181	233,339
Income tax expense	500,917	339,124	253,463	310,731	269,076
Profit/(Loss) attributable to owners of the Company	620,631	576,083	583,699	140,450	(35,737)
Basic and diluted earnings/(loss) per share (RMB)	0.033	0.030	0.031	0.007	(0.002)

(2) Extracted from the financial statements prepared in accordance with the PRC Accounting Standards for Business Enterprises ("PRC ASBE")

2.1 Principal financial information

Unit: RMB'000

	For the year ended 31 December 2024	For the year ended 31 December 2023	Increase/ (Decrease) (%)	For the year ended 31 December 2022
Operating income	81,096,178	79,980,939	1.4	73,772,688
Operating profit	1,036,512	899,969	15.2	732,392
Profit before income tax	1,132,523	928,340	22.0	729,361
Net profit attributable to equity shareholders of the Company	631,606	589,216	7.2	475,898
Net profit deducted extraordinary gain and loss attributable to equity shareholders of the Company	133,487	359,452	-62.9	389,447
Net cash inflow from operating activities	3,100,854	5,576,913	-44.4	4,197,869

	As at 31 December 2024	As at 31 December 2023	Year-on-year change (%)	As at 31 December 2022
Net assets attributable to shareholders of the Company	8,648,802	8,023,202	7.8	7,429,734
Total assets	77,340,105	75,162,974	2.9	71,208,061

2.2 Principal financial indicators

	For the year ended 31 December 2024	For the year ended 31 December 2023	Year-on-year change (%)	For the year ended 31 December 2022
Basic earnings per share (RMB)	0.033	0.031	6.5	0.025
Diluted earnings per share (RMB)	0.033	0.031	6.5	0.025
Basic earnings per share deducted extraordinary gain and loss (RMB)	0.007	0.019	-63.2	0.021
Weighted average return on net assets (%)	7.58	7.63	decreased by 0.05 percentage points	6.70
Weighted average return on net assets deducted extraordinary gain and loss (%)	1.60	4.65	decreased by 3.05 percentage points	5.49

2.3 Extraordinary gain and loss items and amounts

Unit: RMB'000

Extraordinary gain and loss item	2024	2023	2022
Gain and loss on disposal of non-current assets	126,242	156,514	-6,205
Government grants recognised in profit or loss during the year	43,987	83,467	104,391
Gain and loss from debt restructuring	28,110	34,011	18,157
In addition to the company's normal business-related effective hedging business, holding transactional financial assets, derivative financial assets, transactional financial liabilities, gains and losses on fair value changes arising from derivative financial liabilities, and investment income from the disposal of transactional financial assets, derivative financial assets, transactional financial liabilities, derivative financial liabilities and other creditor's rights investment	-	-1,020	798
Reversal of provision for impairment of receivables and contractual assets subject to separate impairment test	374,842	49,867	-
Other non-operating income and expenses excluding the aforesaid items	45,169	-40,300	-7,642
Other profit and loss items conforming to the definition of non-recurring profit and loss		-	-
Tax effect	--120,231	-52,775	-23,048
Total	498,119	229,764	86,451

(3) Differences between the financial statements prepared in accordance with PRC ASBE and IFRS

Unit: RMB'000

	Net profit attributable to owners of the Company		Total equity attributable to owners of the Company	
	For the year ended 31 December 2024	For the year ended 31 December 2023	For the year ended 31 December 2024	For the year ended 31 December 2023
PRC ASBE	631,606	589,216	8,648,802	8,023,202
Adjustments under IFRS:				
Specific reserve (a)	-10,975	-13,133	-	-
IFRS	620,631	576,083	8,648,802	8,023,202

Explanation of differences between domestic and foreign accounting standards:

(a) Special reserve

In accordance with the PRC ASBE, the safety production expenses withdrawn in accordance with national regulations are recorded in the current profit and loss and separately reflected in the special reserve in the owner's equity. When expenses related to production safety are incurred, the special reserve is directly offset. When using fixed assets related to production safety, the special reserve shall be written off according to the cost of forming the fixed assets, and the accumulated depreciation of the same amount shall be confirmed, and the relevant assets will no longer be depreciated in future periods. In accordance with the IFRS, expense expenditures are included in profit or loss when incurred, capital expenditures are recognized as fixed assets when incurred, and depreciation is accrued according to the corresponding depreciation method.

3. INFORMATION ON CHANGES IN SHARE CAPITAL AND SHAREHOLDERS

(1) Changes in the Company's share capital

Unit: shares

	Before the change		The increase or decrease on the change (+, -)					After the change	
	Amount	Percentage (%)	New shares issued	Bonus shares	Reserve transfer into shares	Others	Total	Amount	Percentage (%)
Shares with selling restrictions	-	-	-	-	-	-	-	-	-
Shares without selling restrictions	18,984,340,033	100	-	-	-	-4,928,000	-4,928,000	18,979,412,033	100.0
1. Ordinary shares in RMB	13,569,378,551	71.48	-	-	-	-	-	13,569,378,551	71.50
2. Domestically listed foreign shares	-	-	-	-	-	-	-	-	-
3. Overseas listed foreign shares	5,414,961,482	28.52	-	-	-	-4,928,000	-4,928,000	5,410,033,482	28.50
4. Others	-	-	-	-	-	-	-	-	-
Total of shares	18,984,340,033	100.0	-	-	-	-4,928,000	-4,928,000	18,979,412,033	100.0

(2) Information on shareholders

2.1 Number of shareholders

As at 31 December 2024, the number of shareholders of the Company was 107,938, including 107,621 holders of A shares and 317 registered holders of H shares. As at 18 March 2025, the latest practicable date prior to the publication of this announcement, the minimum public float of the Company satisfied the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Listing Rules**”).

As at 28 February 2025, the number of shareholders of the Company was 108,437, including 108,121 holders of A shares and 316 registered holders of H shares.

2.2 The shareholdings of the top ten shareholders of the Company

Shareholdings of the top ten shareholders						
Names of shareholders	Nature of shareholders	Changes of shareholdings ¹ (shares)	Number of shares held at the end of the reporting period (shares)	Percentage to total share capital (%)	Number of shares with selling restrictions (shares)	Number of shares pledged or frozen
China Petrochemical Corporation ²	State-owned legal person	-759,170,000	9,968,726,364	52.52	0	0
Hong Kong Securities Clearing Company (Nominees) Limited (“ HKSCC (Nominees) Limited ”) ³	Overseas legal person	-4,913,000	5,397,435,694	28.44	0	0
China National Petroleum Corporation	State-owned legal person	759,170,000	759,170,000	4.00	0	0
CITIC Corporation Limited	State-owned legal person	-111,057,100	214,412,700	1.13	0	0
Hong Kong Securities Clearing Company Limited ⁴	Others	-43,399,827	68,683,511	0.36	0	0

Agricultural Bank of China – China Securities 500 Trading Open Index Securities Investment Fund	Others	35,668,173	58,450,873	0.31	0	0
Anhui Yangguang InfoComm Electronic Technology Co., Ltd.	Domestic non-state-owned legal person	2,245,000	53,970,000	0.28	0	0
Shanghai Tongneng Investment Holdings Co., Ltd.	Domestic non-state-owned legal person	5,478,000	50,000,000	0.26	0	0
Li Feng	Domestic natural person	6,177,000	31,300,000	0.16	0	0
He Long	Domestic natural person	6,008,000	26,008,000	0.14	0	0
Shareholdings of top ten tradable shareholders of shares without selling restrictions						
Name of shareholders					Number of shares without selling restrictions held at the end of the reporting period (shares)	Types of shares
China Petrochemical Corporation					9,968,726,364	A Share
Hong Kong Securities Clearing Company (Nominees) Limited (“HKSCC (Nominees) Limited”)					5,397,435,694	H Share
China National Petroleum Corporation					759,170,000	A Share
CITIC Corporation Limited					214,412,700	A Share
Hong Kong Securities Clearing Company Limited					68,683,511	A Share
Agricultural Bank of China – China Securities 500 Trading Open Index Securities Investment Fund					58,450,873	A Share
Anhui Yangguang InfoComm Electronic Technology Co., Ltd.					53,970,000	A Share
Shanghai Tongneng Investment Holdings Co., Ltd.					50,000,000	A Share
Li Feng					31,300,000	A Share
He Long					26,008,000	A Share
Statement on the related relationship or activities in concert among the above-mentioned shareholders			The Company is not aware of any related relationship or acting in concert among the above-mentioned shareholders.			

Note:

- As compared with the number of shares held as of 31 December 2023.
- Apart from directly holding 9,968,726,364 A shares of the Company, China Petrochemical Corporation also held 2,595,786,987 H shares of the Company through its wholly-owned subsidiary, Sinopec Century Bright Capital Investment Limited (“**Century Bright Company**”). Therefore, China Petrochemical Corporation directly and indirectly holds 12,564,513,351 shares of the Company, which represents 66.20% of the total shares of the Company.
- HKSCC (Nominees) Limited is a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited, acting as an agent to hold H shares of the Company on behalf of other companies or individual shareholders.
- Hong Kong Securities Clearing Company Limited is a wholly-owned subsidiary of the Hong Kong Exchanges and Clearing Limited, acting as a nominee holder to hold A shares of the Company in the Shanghai Stock Exchange on behalf of the investors of the Hong Kong Stock Exchange.

(3) The interest or short position held by the substantial shareholders and other persons in the Company’s shares or underlying shares

As at 31 December 2024, so far as the Directors, Supervisors and senior management of the Company are aware of, each of the following persons, not being a Director, Supervisor or senior management of the Company, had an interest or short position in the Company’s shares or underlying shares which is required to be disclosed to

the Company and the HKSE under the provisions of Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance (“SFO”).

Name of shareholder	Number of shares held (shares)	Percent of shareholding in the Company’s total issued share capital (%)	Percent of shareholding in the Company’s total issued domestic shares (%)	Percent of shareholding in the Company’s total issued H shares (%)	Short position
China Petrochemical Corporation	9,968,726,364 (A Share)	52.52	73.46	Not Applicable	-
	2,595,786,987 (H Share) ¹	13.68	Not Applicable	47.98	-
China State-owned Enterprise Structural Adjustment Fund Co., Ltd. ²	719,174,495 (H Share)	3.79	Not Applicable	13.29	-

Note: 1. China Petrochemical Corporation held 2,595,786,987 H shares of the Company through its wholly owned subsidiary Century Bright Company. China Petrochemical Corporation is deemed to be interested in the H shares held by Century Bright Company.

2. China State-owned Enterprise Structural Adjustment Fund Co., Ltd. held 401,807,632 H shares of the Company through Yifangda Fund Management Co., Ltd., accounting for 7.43% of the total issued H shares of the Company, and 317,366,863 H shares of the Company through Huaxia Fund Management Co., Ltd., accounting for 5.87% of the total issued H shares of the Company.

Save as disclosed above and so far as the Directors, Supervisors and senior management of the Company are aware of, as at 31 December 2024, no other person had an interest or short position in the Company’s shares or underlying shares (as the case may be) which are required to be disclosed to the Company and the HKSE under the provisions of Divisions 2 and 3 of Part XV of the SFO, or was otherwise a substantial shareholder (as such term is defined in the Hong Kong Listing Rules) of the Company.

(4) The controlling shareholder of the Company

Name of the controlling shareholder: China Petrochemical Corporation, holding 66.20% of the Company’s shares directly and indirectly

Legal representative: Ma Yongsheng

Date of establishment: 14 September 1983

Registered capital: RMB 326.547 billion

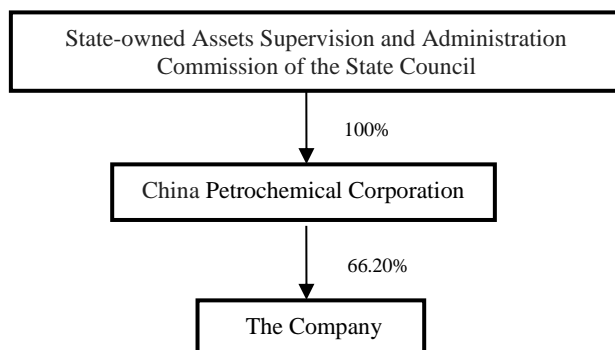
Principal activities: Upon the reorganisation in 2000, China Petrochemical Corporation injected its principal petroleum and petrochemical operations into China Petroleum & Chemical Corporation (“Sinopec”), and retained operations in certain smaller scale petrochemical facilities and refineries, provision of well drilling services, oil-testing services, in-well operation services, manufacture and maintenance of production equipment, engineering construction, water, electricity and other utility services and social services, etc.

During the reporting period, the controlling shareholder of the Company did not change.

(5) The de facto controller of the Company

The de facto controller of the Company remains to be China Petrochemical Corporation.

(6) The diagram of the property and control relationship between the Company and the de facto controller



Note: Apart from directly holding 9,968,726,364 A shares of the Company, China Petrochemical Corporation also holds 2,595,786,987 H shares of the Company through Century Bright Company. Therefore, China Petrochemical Corporation directly and indirectly held 12,564,513,351 shares of the Company, which represents 66.20% of the total issued shares of the Company.

4. DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

(1) Information on interests in share and remuneration of Directors, Supervisors and senior management

Name	Position	Gender	Age	The beginning of the term	The end of the term	Number of shares at the beginning of the year	Number of shares at the end of the year	Reason for change	Salaries from the Company during reporting period (RMB) (before taxation)	Whether get payment from related party of the Company
Wu Baizhi	Chairman Executive Director	male	54	12 June 2024	11 June 2027	0	0	No Change	518,650	No
Zhang Jiankuo	General Manager	male	50	8 December 2023	11 June 2027	0	0	No Change	1,011,427	No
	Executive Director			12 June 2024						
Zhang Lili	Non-Executive Director	female	50	12 June 2024	11 June 2027	0	0	No Change	-	Yes
Du Kun	Non-Executive Director	male	46	12 June 2024	11 June 2027	0	0	No Change	-	Yes
	Deputy General Manager			27 October 2022	12 June 2024				444,192	
Xu Keyu	Non-Executive Director	male	36	12 June 2024	11 June 2027	0	0	No Change	-	Yes
Zheng Weijun	Independent Non-Executive Director	male	58	2 February 2021	1 February 2027	0	0	No Change	200,000	No

Wang Pengcheng	Independent Non-Executive Director	male	54	12 June 2024	11 June 2027	0	0	No Change	100,000	No
Liu Jiangning	Independent Non-Executive Director	female	45	12 June 2024	11 June 2027	0	0	No Change	100,000	No
Wang Jun	Chairman of the Supervisory Committee	male	57	26 May 2022	11 June 2027	0	0	No Change	906,700	No
Zhang Kun	Supervisor	male	51	12 June 2024	11 June 2027	0	0	No Change	-	Yes
Zhang Xiaofeng	Supervisor	male	54	12 June 2024	11 June 2027	0	0	No Change	-	Yes
Li Wei	Supervisor	male	48	12 June 2024	11 June 2027	0	0	No Change	-	Yes
Zhang Zonglin	Employee Representative Supervisor	male	59	12 June 2024	11 June 2027	0	0	No Change	516,350	No
Zhang Bailing	Employee Representative Supervisor	male	59	2 February 2021	11 June 2027	0	0	No Change	734,000	No
Wang Zhonghong	Employee Representative Supervisor	male	57	12 June 2024	11 June 2027	0	0	No Change	512,850	No
Zhang Congbang	Deputy General Manager	male	54	8 December 2023	11 June 2027	0	0	No Change	988,300	No
Cheng Zhongyi	Chief Financial Officer	male	48	27 April 2021	11 June 2027	0	0	No Change	890,384	No
	Secretary to the Board			3 August 2021	20 August 2024					
Sun Bingxiang	Deputy General Manager	male	53	3 August 2021	11 June 2027	50,300	50,300	No Change	874,244	No
Ke Yuehua	Secretary to the Board	male	54	20 August 2024	11 June 2027	0	0	No Change	255,947	No
Chen Xikun	Former Chairman	male	60	19 December 2019	12 June 2024	0	0	No Change	522,050	No
	Former Executive Director			8 February 2018						
Fan Zhonghai	Former Non-Executive Director	male	59	8 February 2018	12 June 2024	0	0	No Change	-	Yes
Wei	Former Non-	male	57	20 June 2018	12 June	0	0	No	-	No

Ran	Executive Director				2024			Change		
Zhou Meiyun	Former Non-Executive Director	male	55	2 February 2021	12 June 2024	0	0	No Change	-	Yes
Chen Weidong	Former Independent Non-Executive Director	male	69	20 June 2018	12 June 2024	0	0	No Change	100,000	No
Dong Xiucheng	Former Independent Non-Executive Director	male	63	20 June 2018	12 June 2024	0	0	No Change	100,000	No
Zhao Jinhai	Former Non-Executive Director	male	54	12 June 2024	10 December 2024	0	0	No Change	-	Yes
Du Jiangbo	Former Supervisor	male	60	16 June 2015	12 June 2024	0	0	No Change	-	Yes
Zhang Qin	Former Supervisor	female	62	9 February 2015	12 June 2024	0	0	No Change	30,000	No
Sun Yongzhuang	Former Employee Representative Supervisor	male	59	2 February 2021	12 June 2024	0	0	No Change	522,350	No
Du Guangyi	Former Employee Representative Supervisor	male	61	2 February 2021	12 June 2024	0	0	No Change	523,950	No

Note:

1. Mr. Zhang Jiankuo, Mr. Wang Jun, Mr. Zhang Bailing, Mr. Zhang Congbang, Mr. Cheng Zhongyi and Mr. Sun Bingxiang all received 12 months of salary in 2024, Mr. Zheng Weijun received 12 months of director's fee in 2024. Mr. Wu Baizhi started to serve as chairman and executive director of the Company since 12 June 2024 and received 6 months of salary in 2024. Mr. Du Kun transferred from the deputy general manager of the Company to a non-executive director of the Company with effect from 12 June 2024 and received six months' remuneration in 2024. Mr. Zhang Zonglin and Mr. Wang Zhonghong started to serve as employee representative supervisor of the Company since 12 June 2024 and received 6 months of salary in 2024. Mr. Wang Pengcheng and Ms. Liu Jiangning started to serve as independent non-executive directors of the Company since 12 June 2024 and received 6 months of directors' fee in 2024. Mr. Ke Yuehua started to serve as secretary to the board of the Company since 20 August 2024 and received 4 months of salary in 2024.

2. Mr. Chen Xikun resigned as chairman and executive director of the Company on 12 June 2024 and received 6 months of salary in 2024. Mr. Chen Weidong and Mr. Dong Xiucheng resigned as independent non-executive directors of the Company on 12 June 2024 and received 6 months of directors' fee in 2024. Mr. Sun Yongzhuang and Mr. Du Guangyi resigned as employee representative supervisors of the Company on 12 June 2024 and received 6 months of salary in 2024. Mr. Zhang Qin resigned as supervisor of the Company on 12 June 2024 and received 6 months of subsidy in 2024.

(2) Qi Xin Gong Ying Scheme participated by Directors, Supervisors and senior management

On 25 January 2018, the Company non-publicly issued 1,503,568,702 and 23,148,854 shares of restricted-sale A shares to the China Petrochemical Corporation and the Qi Xin Gong Ying Scheme respectively. Qi Xin Gong Ying Scheme is managed by Changjiang Pension Insurance Co., Ltd., and its shares shall be subscribed by certain Directors, Supervisors, senior management and other core management personnel of the Company. The number of subscribers is 198, and the subscription amount is RMB60.65 million in total. The subscription price for each scheme unit under Qi Xin Gong Ying Scheme is RMB1.00. The duration of Qi Xin Gong Ying Scheme is 48 months commencing from 25 January 2018, and the first 36 months shall be the lock-up period and the last 12 months shall be the unlocking period. On 25 January 2021, the lock-up period of 23,148,854 A shares held by Qixin Gong Ying Scheme with limited selling conditions ended and was listed for trading. In 2021, a total of 11,574,427 A shares were sold through centralized bidding by Qi Xin Gong Ying Scheme, and 11,574,427 A shares were also held at the end of the reporting period.

In Qi Xin Gong Ying Scheme, the Company's incumbent and former Directors, Supervisors and senior management subscribed for a total of 6.05 million scheme units, accounting for approximately 10.0% of the total units of Qi Xin Gong Ying scheme. The total number of Directors, Supervisors and senior management of the Company who subscribed for the Qi Xin Gong Ying Scheme was 18 persons. For details of the participation of the incumbent and former Directors, Supervisors and senior management of the Company in the Qi Xin Gong Ying Scheme, please see the following table.

Name	Position	Subscription scheme amount under Qi Xin Gong Ying Scheme (RMB)	Subscription scheme units under Qi Xin Gong Ying Scheme (unit)	Subscription price (RMB/A Share)	Approximate subscription amount of A share (share)
Zhang Jiankuo	Director, General Manager	300,000	300,000	2.62	114,503
Wang Jun	Chairman of Supervisory Committee	300,000	300,000	2.62	114,503
Zhang Bailing	Employee Representative Supervisor	350,000	350,000	2.62	133,587
Wang Zhonghong	Employee Representative Supervisor	300,000	300,000	2.62	114,503
Zhang Congbang	Deputy General Manager	300,000	300,000	2.62	114,503
Ke Yuehua	Secretary to the Board	300,000	300,000	2.62	114,503
Chen Xikun	Former Chairman, Secretary of Party Committee	400,000	400,000	2.62	152,671
Sun Yongzhuang	Former Employee Representative Supervisor	300,000	300,000	2.62	114,503
Du Guangyi	Former Employee Representative Supervisor	350,000	350,000	2.62	133,587
Zhang Yongjie	Former Deputy General Manager	350,000	350,000	2.62	133,587
Sun Qingde	Former Deputy Chairman, General Manager	400,000	400,000	2.62	152,671
Li Wei	Former Chairman of the Supervisory Committee	350,000	350,000	2.62	133,587
Huang	Former Supervisor	350,000	350,000	2.62	133,587

Songwei					
Zhang Hongshan	Former Supervisor	350,000	350,000	2.62	133,587
Zuo Yaojiu	Former Deputy General Manager	350,000	350,000	2.62	133,587
Zhang Jinhong	Former Deputy General Manager	350,000	350,000	2.62	133,587
Li Tian	Former Chief Financial Officer	350,000	350,000	2.62	133,587
Li Honghai	Former Secretary to the Board	300,000	300,000	2.62	114,503
Total	/	6,050,000	6,050,000	-	2,309,146

3. Changes in Directors, Supervisors and Senior Management

Name	Position	Change	Reasons for change
Chen Xikun	Chairman, Executive director	Resigned	Expiration of term of office
Fan Zhonghai	Non-executive director	Resigned	Expiration of term of office
Zhou Meiyun	Non-executive director	Resigned	Expiration of term of office
Wei Ran	Non-executive director	Resigned	Expiration of term of office
Chen Weidong	Independent non-executive director	Resigned	Expiration of term of office
Dong Xiucheng	Independent non-executive director	Resigned	Expiration of term of office
Du Jiangbo	Supervisor	Resigned	Expiration of term of office
Zhang Qin	Supervisor	Resigned	Expiration of term of office
Sun Yongzhuang	Employee representative supervisor	Resigned	Expiration of term of office
Du Guangyi	Employee representative supervisor	Resigned	Expiration of term of office
Du Kun	Deputy general manager	Resigned	Expiration of term of office
Wu Baizhi	Chairman, Executive director	Election	Elected by the general meeting and the board meeting
Zhang Jiankuo	Executive director, General manager	Election, appointment	Elected by the general meeting, appointed by the Board
Zhao Jinhai	Non-executive director	Election	Elected by the general meeting
Zhang Lili	Non-executive director	Election	Elected by the general meeting
Du Kun	Non-executive director	Election	Elected by the general meeting
Xu Keyu	Non-executive director	Election	Elected by the general meeting
Wang Pengcheng	Independent non-executive director	Election	Elected by the general meeting
Liu Jiangning	Independent non-executive director	Election	Elected by the general meeting
Wang Jun	Chairman of the Supervisory Committee	Election	Elected by the general meeting and the supervisory committee
Zhang Kun	Supervisor	Election	Elected by the general meeting
Zhang Xiaofeng	Supervisor	Election	Elected by the general meeting
Li Wei	Supervisor	Election	Elected by the general meeting
Zhang Zonglin	Employee representative supervisor	Election	Elected by the employee's representative

			meeting
Zhang Bailing	Employee representative supervisor	Election	Elected by the employee's representative meeting
Wang Zhonghong	Employee representative supervisor	Election	Elected by the employee's representative meeting
Zhang Congbang	Deputy general manager	Appointment	Appointed by the Board
Cheng Zhongyi	CFO, Secretary to the board, General counsel	Appointment	Appointed by the Board
Sun Bingxiang	Deputy general manager	Appointment	Appointed by the Board
Ke Yuehua	Secretary to the board	Appointment	Appointed by the Board
Cheng Zhongyi	Secretary to the board	Resigned	Working adjustment of the Company's management
Zhao Jinhai	Non-executive director	Resigned	Change of work

The Company's chairman of the tenth session of the board and executive director Mr. Chen Xikun, non-executive director Mr. Fan Zhonghai, non-executive director Mr. Zhou Meiyun, non-executive director Mr. Wei Ran, independent non-executive director Mr. Chen Weidong, independent non-executive director Mr. Dong Xiucheng, and deputy general manager Mr. Du Kun resigned their positions respectively, due to the expiry of their terms of office with immediate effect from 12 June 2024.

The Company's supervisors of the tenth session of the supervisory committee Mr. Du Jiangbo and Ms. Zhang Qin, employee representative supervisors Mr. Sun Yongzhuang and Mr. Du Guangyi resigned their positions respectively, due to the expiry of their terms of office with immediate effect from 12 June 2024.

The Company expresses its sincere gratitude to Mr. Chen Xikun, Mr. Fan Zhonghai, Mr. Zhou Meiyun, Mr. Wei Ran, Mr. Chen Weidong, Mr. Dong Xiucheng, Mr. Du Jiangbo, Ms. Zhang Qin, Mr. Sun Yongzhuang and Mr. Du Guangyi for their hard work and important contributions during their tenure.

After the election by the shareholders at the Company's annual general meeting for 2023 held on 12 June 2024, Mr. Wu Baizhi, Mr. Zhang Jiankuo, Mr. Zhao Jinhai, Mr. Du Kun, Ms. Zhang Lili, Mr. Xu Keyu, Mr. Zheng Weijun, Mr. Wang Pengcheng and Ms. Liu Jiangning were elected as directors of the eleventh session of the board, with a term of office commencing from 12 June 2024 to the date when the term of the eleventh session of the Board expires (11 June 2027). Each of the above directors confirmed that he or she understood his or her obligations as a director of a listed company and has obtained the legal advice referred to in Rule 3.09D of the Hong Kong Listing Rules on 11 June 2024. Mr. Wang Jun, Mr. Zhang Kun, Mr. Zhang Xiaofeng, Mr. Li Wei were elected as supervisors of the eleventh session of the Supervisory Committee, with a term of office commencing from 12 June 2024 to the date when the term of the eleventh session of the Supervisory Committee expires (11 June 2027). The employee's representative meeting of the Company was held on 12 June 2024, at which Mr. Zhang Zonglin, Mr. Zhang Bailing and Mr. Wang Zhonghong were elected as the employee representative supervisors of the eleventh session of the Supervisory Committee, with a term of office commencing from 12 June 2024 to the date when the term of the eleventh session of the Supervisory Committee expires (11 June 2027).

On 12 June 2024, the Company held the first meeting of the eleventh session of the board and Mr. Wu Baizhi was elected as the chairman of the eleventh session of the board. According to the nomination of the chairman, the board continued to appoint Mr. Zhang Jiankuo as the general manager of the Company; according to the nomination of the general manager, the board continued to appoint Mr. Zhang Congbang and Mr. Sun Bingxiang as deputy general managers of the Company and continued to appoint Mr. Cheng Zhongyi as the

chief financial officer of the Company. According to the nomination of the chairman, the board continued to appoint Mr. Cheng Zhongyi as the secretary to the board of the Company. According to the nomination of the general manager, the board appointed Mr. Cheng Zhongyi as the general counsel. Mr. Zhang Jiankuo, Mr. Zhang Congbang, Mr. Cheng Zhongyi and Mr. Sun Bingxiang have a term of office commencing from 12 June 2024 to the date when the term of the eleventh session of the Board expires (11 June 2027).

On 12 June 2024, the Company held the first meeting of the eleventh session of the Supervisory Committee and Mr. Wang Jun was elected as the chairman of the eleventh session of the Supervisory Committee.

On 20 August 2024, the Company held the fourth meeting of the eleventh session of the Board, at which the proposal on adjustment of the secretary to the Board of the Company was approved. Because of the adjustment of the division of the Company's management functions, according to the nomination of the chairman and the qualification review of the second meeting of the nomination committee of the eleventh session of the board, the board agreed to appoint Mr. Ke Yuehua as the secretary to the board for a term of office commencing from 20 August 2024 to the date when the term of the eleventh session of the board expires. Mr. Cheng Zhongyi ceased to serve concurrently as the secretary to the board and continued to serve as the chief financial officer and general counsel of the Company.

On 10 December 2024, Mr. Zhao Jinhai resigned as the non-executive director and member of the strategic committee of the Board of the Company due to a change of work. The Company expresses its sincere gratitude to Mr. Zhao Jinhai for his hard work and important contribution during his tenure.

(4) Directors', Supervisors' and Chief Executive's interests in the shares of the Company

As at 31 December 2024, the Company's deputy general manager Mr. Sun Bingxiang as a beneficial owner held 50,300 A shares of the Company, representing 0.00037% of the A shares in issue of the Company and 0.00027% of shares in issue of the Company. Save as the above and Qi Xin Gong Ying Scheme disclosed above, none of the directors, supervisors or other senior management of the Company had any interest or short position in any share, underlying share or debenture of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to the Company and HKSE pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the directors, supervisors and senior management of the Company are taken or deemed to have under such provisions of the SFO), or as recorded in the registry by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and the HKSE pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") as set out in Appendix C3 to the Hong Kong Listing Rules.

5. REPORT OF THE BOARD

Financial information, except where specifically noted, contained herein has been extracted from the financial statements prepared in accordance with the PRC ASBE.

(1) Discussion and analysis of operation during the reporting period

1.1 Annual results

In 2024, the Company actively seized the boom cycle of the oilfield service industry, continued to optimize the production operation and market layout, expanded the market with both quality and quantity, further expanded the high-quality scale market, improved the proportion of high-end business in overseas markets, deepened the optimization of human resources, equipment and other resources, tapped the potential of cost reduction, firmly promoted scientific and technological innovation, and steadily implemented the development of characteristic business. The Company promoted the transformation of innovation advantages into industrial advantages, achieved better growth in major production and operation indicators such as newly signed contracts, operating income, total profits and net profits, and effectively promoted high-quality development.

In 2024, the Company's consolidated revenue was RMB81.1 billion, representing a year-on-year increase of 1.4%, and net profit attributable to shareholders of the Company amounted to RMB630 million, representing a year-on-year increase of 7.2%. Basic earnings per share was RMB0.033, representing a year-on-year increase of RMB0.002. Net cash generated from operating activities amounted to RMB3.1 billion, representing a year-on-year decrease in net inflow of RMB2.48 billion.

1.2 Market review

In 2024, the world economy continued to recover, China's economy rebounded, and the annual gross domestic product (GDP) grew by 5.0% year-on-year, which promoted the overall growth of domestic consumption of crude oil and natural gas. International oil prices showed a trend of rising and falling, but the overall price remained relatively high. The average spot price of Brent crude oil in the North Sea for the whole year was \$80.52 per barrel, down by 2.1% from the previous year. The international oil price running at a higher price pushed oil companies to continue to increase investment in upstream exploration and development, and oil and gas development continued to be active, effectively boosting the prosperity of the oil service industry. At the same time, benefiting from the vigorous promotion of the national energy security strategy and the "seven-year action plan" to increase reserves and production, domestic oil and gas production continued to rise, and the domestic oilfield service market maintained a good warming trend. Affected by this, the team utilization rate, the amount of newly signed contracts and the operating income of the Company increased to varying degrees.

1.3 Operations review

In 2024, the total cumulative amount of newly signed contracts of the Company reached RMB91.2 billion, representing a year-on-year increase of 10.7%, the best level since the beginning of history, of which the newly signed contracts in the China Petrochemical Corporation's market amounted to RMB47 billion, representing a year-on-year decrease of 5.8%; the newly signed contracts in domestic external markets amounted to RMB19.9 billion, representing a year-on-year increase of 26.8%; the newly signed contracts in overseas markets amounted to RMB24.3 billion, representing a year-on-year increase of 45.5%. Engineering technical services were of high quality and efficiency, and 363 new records of engineering construction were set throughout the year; breakthroughs in technological innovation were accelerated, and a number of key core technologies were successfully tackled. Resource optimization achieved remarkable results, the construction of project management system was steadily promoted, and all kinds of risks could be controlled. Production and operation remained safe and stable throughout the year, and the level of service and operation efficiency was improved, which strongly supported the increase of oil and gas reserves and production efficiency.

1.3.1 Geophysical services

In 2024, the Company's operation revenue from the principal business of geophysical service was RMB5.90 billion, representing an increase of 4.0% from RMB5.67 billion in the same period of the previous year. The completed 2D seismic exploration accumulated for 5,836 kilometers in the year, representing a year-on-year increase of 109.7%; while the completed 3D seismic exploration accumulated for 15,600 square kilometers, representing a year-on-year increase of 2.1%. The pass rate of 2D and 3D records was 100%, and the proportion of the seismic data acquired with first-grade quality was 4.4 percent points higher than required by the contracts. The promotion and application of a number of new technologies such as autonomous excitation system, offshore OBN node and high-efficiency acquisition of controllable vibration source have effectively improved production efficiency and service quality. Beidou business contributed RMB130 million in contracts, becoming an important growth pole; new businesses such as wellbore seismic, energy conservation and environmental protection, gravity, magnetism and electricity have maintained growth for five consecutive years.

1.3.2 Drilling service

In 2024, the Company's operation revenue from the principal business of drilling service was RMB40.18 billion, representing an increase of 0.9% from RMB39.8 billion in the same period of the previous year. Our completed drilling footage reached 10.97 million meters, which was basically in line with the previous year. The Company made every effort to promote the work of "Four Improvements", further improving the efficiency of drilling construction, the average drilling cycle of completed wells was shortened by 5.6% year-on-year, and the time on complicated failures was reduced by 12% year-on-year. We optimized and upgraded engineering equipment,

increased the upgrading and supporting facilities of enhanced and modern drilling rigs, and jointly promoted the transformation of production organization models, setting new records such as 2,340 meters of daily drilling footage and 3.5 days of drilling cycle for deep wells over 3,000 meters. The average drilling team utilization rate for the whole year was 90.2%, representing an increase of 0.2 percentage point year-on-year; Zhengshen 101 Well set the deepest record for completed wells in the Junggar Basin, with a completed well depth of 8,962.85 meters.

1.3.3 Logging/Mud logging service

In 2024, the Company's operation revenue from the principal business of logging and mud logging service was RMB3.59 billion, representing an increase of 1.0% from RMB3.56 billion in the same period of the previous year. Our completed logging projects had a total of 266.36 million standard kilometers, representing a decrease of 13.5% year-on-year. Our completed mud logging projects had a total footage of 8.49 million kilometers, representing a decrease of 2.2% year-on-year. The pass rate of logging and mud logging data was 100% and the one-time success rate of logging was above 97%. The Company continued to increase efforts in scientific research and overcoming difficulties, breakthroughs were made in a number of key technologies and steadily improved the logging and mud logging service capabilities. By leveraging the advantages of concentration of resources, we had deep participation in geological and engineering integration work. We were committed to obtaining complete and accurate data, precisely discovering and evaluating oil and gas reservoirs, and making every effort to ensure safe, high-quality and fast drilling and completion and increase the drilling encounter rate of reservoirs, helping to optimize well site deployment and speed up drilling projects, providing strong support for high-quality exploration and efficient development.

1.3.4 Downhole operation service

In 2024, the Company's operation revenue from the principal business of downhole operation service was RMB10.97 billion, representing an increase of 2.5% from RMB10.7 billion in the same period of the previous year. It completed downhole operation for 5,726 wells, representing a decrease of 17.7% year-on-year. The one-time pass rate of downhole operation was 99.8%, the efficiency of fracturing construction increased by 10.7% year-on-year. The Company continued to improve its technical service capabilities for downhole operations, helping Sinopec achieve breakthroughs in production volume in multiple exploration areas. The fracturing test of Ziyang 2 Well in the Sichuan Basin produced 1.257 million cubic meters of shale gas per day, and the Xingye L1005HF Well test produced 156.8 tons of shale oil and gas equivalent per day. The 175MPa ultra-high pressure fracturing equipment was used for the first time in Qiye Shen 1 Well, providing safety and technical protection for ultra-deep shale gas exploration and development. We further promoted the cooperative development of difficult-to-use reserves, continued to increase cooperation in Shengli, Zhongyuan, Jiangnan, Southwest and other regions, and successfully built 8 demonstration areas for efficient use of difficult-to-use reserves, using 49.035 million tons of crude oil reserves and 700,000 tons of new production capacity throughout the year.

1.3.5 Engineering and construction service

In 2024, the Company's operation revenue from the principal business of engineering and construction service was RMB17.81 billion, which was the same as RMB17.82 billion in the same period last year. In 2024, the cumulative value of newly signed contracts was RMB25.12 billion, representing an increase of 11.4% year-on-year. The main wet gas pressurization project in the Puguang Gas Field undertaken by the Company was completed and put into operation 56 days ahead of schedule. It is the first large-scale high-sulfur pressurization demonstration station in China, providing strong support for the development of key oil and gas fields by China Petrochemical Corporation, ensuring the construction of national backbone natural gas pipeline network, three tender sections of the Fourth West-East Natural Gas Transmission Pipeline have met the conditions for commissioning on schedule, demonstrating the excellent construction capabilities and technical advantages of long-distance pipeline construction. We continue to expand the market of China Oil & Gas Pipeline Network Corporation ("PipeChina"), and won bids for multiple sections such as the Sichuan Gas Eastward Transmission Line 2, with a workload of over 2,000 kilometers, and the contract value of the winning bid exceeded RMB10.0 billion for the first time. By leveraging our professional advantages in civil engineering, electrical instrumentation and marine engineering, the contracting of marine engineering projects undertaken throughout

the year reached RMB2.29 billion, the value of the winning bid for the Jiangsu province expressway project amounted to RMB920 million, and the scale of pipeline technical inspection and testing business undertaken reached a new record high level.

1.3.6 International business

In 2024, the Company's operation revenue from the principal business of international business service was RMB18.10 billion, representing an increase of 12.5% from RMB16.09 billion in the same period of the previous year, accounting for 22.6% of the revenue from our principal business, with a year-on-year increase of 2.2 percentage points. In 2024, the Company's international business adhered to integrated management and professional operation, deeply cultivated key markets and kept a close eye on major projects, and achieved a new record high in operating efficiency. In the Saudi market, 11 drilling rigs were granted a 10-year contract extension; the construction project of two new pipelines were newly signed with Saudi Aramco with a contract value of more than US\$1.1 billion; Saudi Aramco's S84 3D acquisition project was granted a 2-year contract extension by Saudi Aramco for the first time; the market share of service projects, such as continuous tubing and hydrogen sulfide detection, continued to expand, and Grant's patented buckle maintenance authorization was obtained. In the Kuwait market, the wellbore general contracting business achieved major breakthrough, the tender for the southern drilling general contracting project of 212 wells was won, breaking the monopoly of the "four major international oil service companies" in the Middle East high-end business; a new contract for 11 new drilling rigs was for a "5+1 year" period, and renewal contract for 30 drilling rigs was signed with a renewal contract value of US\$1.16 billion; and we passed the deep well drilling fluid and cementing qualification review. In the Ecuador market, the renewal of the two general contracting projects of SACHA and WARYA was successfully completed; the tenders for well drilling and repair projects of Schlumberger and Halliburton were successfully negotiated and signed. In the Mexican market, we continued to deepen our cooperation with Petróleos Mexicanos and signed a negotiated tender for the ALACTE 3D geophysical exploration project with a contract value of US\$290 million.

1.3.7 Technology research and development

In 2024, the Company continued to increase its efforts in key core technologies to overcome difficulties for transformation and application, and won 15 science and technology awards at the provincial and ministerial levels; applications for 1,034 patents were filed, including 9 foreign patents, and were licensed for 779 patents; 4 national measurement technical standards and 7 petroleum industry standards were formulated and revised. Sinopec's key logging and mud logging laboratory was put into operation and took the lead in establishing the Petroleum Drilling (Logging) Sub-Technical Committee under the National Petroleum Special Measurement and Testing Technical Committee. The "MSAMR-175 Azimuth Resistivity Boundary Detection Instrument for Drilling" was selected into the list of the fourth batch of first (set) major technical equipment in the energy field of the National Energy Administration. The "Digital Drill Bit Parameter Perception and Optimization Control Technology" was selected as an excellent case of China's oil and gas artificial intelligence technology. The self-developed rotary steering was applied in 286 wells with a footage of 350,000 meters, meeting the needs of high-temperature shale gas wells in the Shengli Shale Oil National Demonstration Area and the Southwest Work Area. The series of ultra-high temperature and high-pressure cable logging and high-temperature storage logging instruments effectively supported deep-earth exploration and development. Low-cost technologies such as continuous tubing sidetracking and casing drilling were promoted and applied on-site, and the industrialization of products and the transformation of scientific and technological achievements achieved an output value of RMB3.9 billion. A digital resource center for petroleum engineering was built with professional digital scenarios. The Beidou operation service platform commenced operation and promoted the application of professional software such as geological engineering integration, well site data intelligence box, remote decision-making integration, equipment MRO Internet of Things system, and fracturing intelligent early warning analysis system, to accelerate the realization of digital development.

1.3.8 Internal reform and management

In 2024, the Company coordinated and optimized resources, strengthened lean management, and accelerated the enhancement of low-cost competitiveness. Firstly, in respect of optimizing human resources, by insisting on using optimizing human resources as a strategic measure for high-quality development, we implemented strict measures in "three aspects" by reducing the total number of employees, reducing expenses by turning external contractors to self-operated enterprises and increasing revenue by undertaking contracting business. 4,524 employees were transferred from positions in external contracting to self-operated coordination and optimized positions, 5,518 employees were dispatched to undertake external contracting business and generated revenue of RMB510 million. Secondly, in respect of optimizing assets and equipment, by adhering to light asset development, establishing asset operation branch company, breaking up barriers of adjusting and revitalizing assets among various units, giving full play to the role of the Company's resources on the coordination and sharing platform, the Company's asset operation was enhanced in efficacy creation capabilities. Thirdly, in respect of solidly improving management and reducing costs, by strengthening budget management, promoting lean management experience of the Yellow River Drilling Company, reducing non-production expenses and streamlining team structures continuously, 124 teams were reduced throughout the year, including 29 drilling teams. 271 project departments and affiliated bodies were eliminated and the Company's annual 100 yuan revenue and operating costs decreased by 0.57 yuan compared with the same period last year..

1.3.9 Capital expenditures

In 2024, the Company's actual completed capital expenditure was RMB3.48 billion, including the completion of fixed asset investment of RMB2.86 billion. In 2024, the Company was oriented to improve exploration and development service capabilities and market competitiveness, by actively optimizing its equipment structure, increasing investments in upgrading and transformation of drilling rigs and electric fracturing equipment, continuously promoting the standardized construction of drilling sites and downhole operation sites, and increasing investments in equipment required by overseas quality markets so as to further enhance competitiveness in the markets of high-end businesses. Throughout the year, arrangements were mainly made for upgrading and transforming 19 drilling rigs, 75,000 geophysical acquisition instruments, 3 sets of rotary steerable instruments, 2 sets of high-temperature measurement while drilling instruments, and the construction of 1 dual-fuel support vessel and 1 geological survey vessel, as well as investment projects such as safety hazard control and environmental protection.

1.4 Financial analysis (Prepared in accordance with IFRS)

The Group's primary sources of funds are from operating activities, short-term and long-term borrowings, which are primarily used in operating expenses, capital expenditures and repayment of short-term and long-term borrowings.

1.4.1 Assets, liabilities and equity analysis

Total assets were RMB77,340,105,000, representing an increase of RMB2,177,131,000 from that at the end of 2023, of which: current assets were RMB43,419,968,000, representing an increase of RMB4,017,417,000 as compared to the end of 2023, mainly due to the combined effect of an increase in cash and cash equivalents of RMB652,601,000, an increase in contract assets and performance costs of RMB494,742,000 and an increase in accounts receivable of RMB2,692,585,000. Non-current assets amounted to RMB33,920,137,000, representing a decrease of RMB1,840,286,000 as compared with the end of 2023, which was mainly due to a decrease of RMB305,225,000 in equity interest in a joint venture, a decrease in provision for depreciation of property, plant and equipment of RMB710,990,000, and provision for amortization decreased in other non-current assets of RMB729,867,000.

Total liabilities were RMB68,691,303,000, representing an increase of RMB1,551,531,000 from that at the end of 2023, of which: current liabilities amounted to RMB68,193,782,000, representing an increase of RMB2,007,778,000 as compared to the end of 2023, which was mainly due to an increase of RMB2,799,353,000 in short-term borrowings, a decrease of RMB3,541,874,000 in bills and trade payables, and an increase in contractual liabilities of RMB2,548,643,000. Non-current liabilities amounted to

RMB497,521,000, representing a decrease of RMB456,247,000 as compared to the end of 2023, which was mainly due to the combined effect of a decrease in long-term borrowings of RMB331,509,000 and a decrease in estimated liabilities of RMB122,344,000.

Total equity attributable to owners of the Company was RMB8,648,802,000, an increase of RMB625,600,000 as compared with the end of 2023, mainly because the gains attributable to equity holders of the Company in 2024 achieved RMB620,631,000.

As at 31 December 2024, the ratio of total liabilities to total assets was 88.8%, compared to 89.3% as at 31 December 2023.

1.4.2 Cash flow analysis

During the year ended 31 December 2024, the Group's net cash inflow from operating activities was RMB3,100,854,000, representing a decrease of cash inflow by RMB2,476,059,000 as compared with last year. This was mainly due to the extension of the owner's account period, the failure to pay the funds on time, the decrease in bill settlement and the increase in cash settlement.

During the year ended 31 December 2024, the Group's net cash outflow for investing activities was RMB3,458,464,000, representing a decrease of cash outflow by RMB600,919,000 as compared with last year. It was mainly due to the decrease in equipment purchase expenses.

During the year ended 31 December 2024, the Group's net cash inflow from financing activities was RMB1,044,645,000, representing an increase of cash inflow by RMB1,602,871,000 compared with last year. This was mainly due to supplement operating cash flow and increase the inflow of loan funds.

1.4.3 Bank and related company borrowings

As at 31 December 2024, the Company's bank and related company borrowings were RMB22,713,925,000 (31 December 2023: RMB20,226,157,000). The above borrowings were all fixed rate RMB short-term borrowings.

1.4.4 Assets pledge

As at year ended 31 December 2024, there was no pledge on the Group's assets.

1.4.5 Gearing ratio

As at 31 December 2024, the gearing ratio of the Group was 69.8% (31 December 2023: 69.4%). The gearing ratio is computed as the following formula: (liability with interest – cash & cash equivalents)/ (liability with interest – cash & cash equivalents + shareholders' equity)

1.5 Statement of operation by industries (in accordance with PRC ASBE)

Industry	Operating income for 2024 RMB'000	Operating cost for 2024 RMB'000	Gross profit margin (%)	Increase or decrease in operating income as compared with last year (%)	Increase or decrease in operating cost as compared with last year (%)	Gross profit margin compared with last year
Geophysical	5,899,180	5,375,401	8.9	4.0	3.4	Increased by 0.6 percentage points

Drilling	40,178,343	37,526,324	6.6	0.9	-0.2	Increased by 1.1 percentage points
Logging/Mud logging	3,592,013	2,957,653	17.7	1.0	0.9	Increased by 0.1 percentage points
Downhole operation	10,965,379	10,169,073	7.3	2.5	2.1	Increased by 0.4 percentage points
Engineering and construction	17,809,820	16,455,558	7.6	0.0	-0.2	Increased by 0.1 percentage points
Other	1,553,004	1,538,828	0.9	12.7	13.2	Decreased by 0.4 percentage points
Total	79,997,739	74,022,837	7.5	1.4	0.7	Increased by 0.7 percentage points

1.6 Statement of operation by regions (in accordance with PRC ASBE)

Region	Operating income for 2024 RMB'000	Operating cost for 2024 RMB'000	Gross profit margin (%)	Change in operating income as compared with last year (%)	Change in operating cost as compared with last year (%)	Gross profit margin compared with last year (%)
Mainland China	61,892,946	58,240,300	5.9	-1.5	-2.2	Increased by 0.7 percentage points
Hong Kong, Macau, Taiwan, and overseas	18,104,793	15,782,537	12.8	12.5	12.8	Decreased by 0.3 percentage points

1.7 Major suppliers and customers

Aggregate purchase amounts from the top five largest suppliers	RMB14,165,196,000	Percent of total purchase amounts	24.8%
Aggregate sales amounts to the top five largest customers	RMB64,611,678,000	Percent of total amounts	79.7%

(2) Discussion and analysis on the Company's business in the future

2.1 Competitive industry structure and development trend

Looking forward to 2025, the world economy will continue to recover moderately, and the supporting conditions and basic trends for the long-term improvement of China's economy remain unchanged. The energy issue has always been the most sensitive and active topic in the world, and the global demand for crude oil will continue to grow. The average price of Brent crude oil for the whole year is expected to be \$65-75 per barrel, which is expected to support the investment in upstream exploration and development to keep stable. In 2025,

China will formally implement the Energy Law and the New Mineral Resources Law, and formulate a medium- and long-term action plan for increasing oil and gas reserves and production, which is bound to lead high-quality oil and gas exploration and development. At the same time, China is vigorously developing green low-carbon, new energy, CCUS and other businesses, ushering in rare opportunities for new business development. Overall, the oil service industry is facing more favorable factors than unfavorable conditions, the industry's prosperity is expected to continue.

2.2 Operation plans in 2025

In 2025, the Company will follow the principle of maximizing the operating value of oil and gas reservoirs, take strong technology and cost reduction as the main line, promote the optimization of resources by all factors vigorously, reduce costs and fees in the whole process, and tap potential and efficiency in the whole chain, continue to give full play to its comprehensive oil and gas service capabilities and technological advantages, and fight for support, market development, resource optimization, cost control and cost reduction. The Company will strive to promote the level of business efficiency to achieve new improvements, and accelerate the building of a world-class technology-oriented oil service company. The Company plans to sign new contract to reach a yearly value of over RMB83.5 billion, in which RMB49.5 billion will be from China Petrochemical Corporation's internal market, RMB15.2 billion from domestic external market, and RMB18.8 billion from overseas market. The Company puts emphasis on the following aspects:

2.2.1 Geophysical service

In 2025, the Company continues to improve the autonomous excitation system, node instrument deployment system, offshore OBN efficient acquisition and enhances the efficient field acquisition capability. Focus is placed on developing 5G node technology, efficient production command system, video monitoring and other quality control methods, and promoting the application of high-density seismic acquisition technology, upgrading and improving full-node seismic acquisition technology, improving data quality and assisting in oil and gas exploration breakthroughs. We continue to tackle difficulties in DAS optical fiber testing technology and tremor source from wells, and work on seismic development continuously. Technical advantages of new businesses such as wellbore seismic and pipelines are consolidated. Beidou technology is vigorously developed to support replacement by Beidou in the petroleum and petrochemical industry. Moderate diversification persists while expanding into new fields and new tracks, further efforts are exerted on geothermal exploration and gas reservoirs, CCUS monitoring and other new energy engineering construction fields in order to gradually form a stable output value. The annual plan for the full year is to complete 6,090 kilometers of 2D seismic acquisition and 16,140 square kilometers of 3D seismic acquisition.

2.2.2 Drilling Service

In 2025, the Company will focus on expanding mining rights and developing resources around China Petrochemical Corporation, increasing reserves and production targets, comprehensively deepening linked movements and integrated operations between Party A and Party B, organizing production efficiently, connecting processes closely, strengthening technical support, controlling complicated faults strictly, and continuously improve the reservoir drilling rate and construction quality rate. The electric upgrading and transformation of drilling rigs and deployment of intelligent devices will be accelerated, "factory-based" drilling will be expanded in an orderly manner to effectively enhance construction efficiency and timeliness of production. The drilling cycle will be shortened by 5% throughout the year, the timeliness of complex faults will be reduced by 10%, and the utilization rate of drilling team will be more than 85%. In domestic and external markets, the concentration of high-quality large-scale markets such as China National Petroleum Corporation, China National Offshore Oil Corporation and China Oil & Gas Pipeline Network Group will continue to increase, light asset technical service markets, such as drilling fluids and cementing, will be further expanded to optimize business structure continuously and improve market efficiency. It is planned to complete a drilling footage of 10.30 million meters for the entire year.

2.2.3 Logging/Mud logging service

In 2025, the Company will continue to utilize logging and mud logging throughout the entire exploration and development process as well as the advantages of geological data to implement an integrated operation mechanism that highlights model innovation and service upgrades. The realization of construction models with remote measurement and control will be promoted to expand the application of "drilling optimization +". Optimal allocation of market resources will be strengthened to promote simultaneous enhancement of market and operation quality, scale and efficiency, and enhance the service assurance level for wellbore projects. The internal market of China Petrochemical Corporation will be reinforced, full-process and full-coverage assurances will be strengthened. Supporting facilities will be optimized by regions and applicable technical solutions will be promoted to provide more quality services and better assurances. Domestic and external markets will be enhanced by strengthening early research and judgment and prior calculations. Emerging markets such as coalbed methane, geothermal energy and CCUS will be vigorously developed, new cooperation models with renowned companies in the industry will be actively explored. It is planned to complete logging for 263.50 million standard meters and logging footage of 8.6 million meters.

2.2.4 Downhole operation service

In 2025, the Company will adhere to the concept of professional development, promote the reform of the production organization model for downhole operations and improve operational efficiency. We will continue to tackle the problems in "deep earth engineering" oil and gas testing technology, promote the application of 175MPa ultra-high pressure fracturing technology and coiled tubing side drilling technology, etc. to optimize and improve the technology for increasing output and cost reduction in the full process of shale oil and gas fracturing. The construction projects of increasing key reserves and production such as Shengli shale oil and Sichuan and Chongqing shale gas three-dimensional development projects, and the Junggar ultra-deep oil testing project, will be assured with full efforts. The annual fracturing construction efficiency will be increased by 5% year-on-year. Focus will be placed on Sinopec's sites of proven unused and low-grade reserves, cooperative development of 52 blocks will be accelerated, demonstration areas for efficient use of difficult-to-use reserves such as Baima and Dingshan will be built, and the scope of cooperation will continue to expand. It is planned to complete downhole operations in 6,430 wells.

2.2.5 Engineering and construction service

In 2025, the Company will give full play to its professional and integrated advantages, increase its market share comprehensively, firmly grasps a share in the high-quality markets and insists on creating benefits at the source. In the China Petrochemical Corporation market, we will improve service quality and implement construction of projects such as Dongying crude oil commercial storage, Daniudi gas field ethane recovery project, Maoming branch refinery transformation and upgrading, and ethylene quality improvement. In the domestic and external markets, we will leverage the advantages of large-diameter and long-distance pipelines to expand in the domestic long-distance pipeline engineering market by focusing on tracking with projects of the China Oil & Gas Pipeline Network Corporation, such as the Changchun to Shijiazhuang pipeline project and the Anqing to Wen 23 natural gas pipeline project, to seize the opportunities of new energy development, and strengthen market expansion in large-scale LNG storage tanks, CCUS, green power hydrogen production, offshore wind power and hydrogen transportation. It is planned to sign new contracts with the value of RMB2.33 billion for the full year, and contracts completed for the full year will reach RMB18.0 billion.

2.2.6 International business

In 2025, the Company will continue to promote the optimization and strengthening of high-quality and large-scale markets such as Saudi Arabia, Kuwait, Ecuador and Mexico. We will explore new business growth in the Saudi market. On the basis of stabilizing the scale of the conventional drilling and workover market, we will continue to expand the market share of unconventional business, accelerate the product qualification review process of high-value-added technical services and fracturing fluids, and drive the wellbore "full industrial chain" to enter the market through unconventional drilling contracting and completion fracturing contracting projects. New key breakthroughs will be achieved in the Kuwait market. With the winning bid for the drilling contracting project as an incentive, this will accelerate the qualification review of logging (perforating) services

and offshore drilling services, the progress of Kuwait Petroleum Corporation's directional well, mud, drill bit and other projects will be closely monitored in order to be successful in winning tenders. A new advantageous position will be created in the Ecuadorian market, the progress of tender bidding for the new round of geological engineering integrated service projects and oil field block exploration and development projects of the Ecuadorian National Oil Company will be closely monitored. By organizing and achieving good performance in the bidding for new drilling and completion general contracting projects, the formation of a "drilling and completion general contracting + geological engineering integrated services" dual market structure will be consolidated. In the Mexican market, we will focus on new development targets, closely monitor the needs of key owners such as Petróleos Mexicanos, and take high-quality geophysical exploration, geological engineering integration and wellbore technical service projects as the main direction of expansion and work diligently to achieve greater market breakthroughs.

2.2.7 Technology development

In 2025, the Company will adhere to the innovation-driven development strategy, optimizes and improves the systems and mechanisms, continues to promote the scientific and technological innovation organizational models, such as the innovation consortium and the integration of Party A and Party B, actively participates in national projects such as the major national science and technology projects for new oil and gas exploration and development. Efforts will be focused on overcoming difficulties in the transformation of mature products and technologies such as intelligent drilling and completion technology, fully rotating near-drill bit rotary steering system, 10,000-meter ultra-deep well efficient drilling and completion technology and equipment, 10,000-meter ultra-deep well logging key and core equipment, optical fiber sensing technology, full life cycle wellbore integrity and engineering technology equipment, CCUS, etc. The construction of 18 product lines such as rotary steering, chemical additives, and measurement while drilling will be promoted, the annual output value of industrialization and new technology transformation will exceed RMB4.0 billion. Digital and intelligent development will be promoted, the establishment of an "integrated" digital and intelligent oil service business support platform for full life cycle management and control will be accelerated, industrial software and systems such as "drilling optimization +" and "geological steering +" will be developed and promoted. The research and manufacturing of automated equipment and supporting facilities such as fully automatic drilling rigs and welding robots will proceed further to accelerate the realization of automated operations at engineering sites and unmanned construction operations. New energy related new businesses such as optical fiber monitoring and sensing, development and utilization of hot dry rocks, deep and far offshore large-capacity floating wind power platforms and the production, storage, transmission and utilization of hydrogen energy will be actively developed to cultivate new poles of economic growth.

2.2.8 Internal reform and management

In 2025, the Company will continue to optimize resources, vigorously control costs and reduce expenses, and make all-out efforts to improve low-cost development capabilities. Firstly, the number of institutions and teams will be reduced, direct management of base level teams by professional operating units will be promoted and the pilot scheme of "big department" management will be implemented in the organization, more than 30 institutions of all kinds will be reduced throughout the year, optimizing the size of teams will continue and 47 teams will be reduced throughout the year, including 15 drilling teams. Secondly, human resources are optimized, the staffing standards of five major professions have been revised to remove non-continuous production positions and eliminate some social employment and increase the adjustments to surplus and shortage of employees. More than 15,000 employees are exported throughout the year by changing external outsourcing to self-operation and undertaking of business. Thirdly, equipment assets are revitalized, by giving full play to the role of the sharing platform of the asset operation branch company and increasing the adjustment of surplus and shortage of existing assets, equipment investments are reduced. Unified leasing of equipment has been coordinated and commenced to reduce leasing costs; various methods such as industrial and financial cooperation and market exchange services are adopted to meet the demand for incremental equipment. Fourthly, we will implement lean management, promote the cost reduction of the whole chain of projects, continuously

reduce non-production costs, strive to reduce outsourcing costs and bulk material procurement costs by more than 5%, and reduce the variable cost of 100 yuan income by more than 0.6 yuan year on year.

2.2.9 Capital expenditures

In 2025, the Company plans to arrange capital expenditure of RMB3.24 billion, including RMB2.51 billion in fixed assets and equity investments. The Company will keep up with the demand for exploration and development, and continue to increase investment in high-end equipment and core technology, mainly arranging for the renovation of 11 drilling rigs, self-developed 9 strings of rotary steering instruments, the purchase of 7 fully automated workover rigs, and the construction of a dual-fuel support vessel. The Company will closely follow the implementation of the "double carbon" action and the development trend of resource recycling, accelerate the application of green equipment and technology, continuously improve the electrification rate of the project site, effectively integrate internal and external resources, and explore multiple ways to maximize the disposal benefits of idle waste equipment and materials.

(3) Profit distribution plan

In 2024, after the audit by BDO China Shu Lun Pan Certified Public Accountants LLP and prepared in accordance with the PRC ASBE, the net profit attributable to shareholders of the Company is RMB631,606,000 (in accordance with the IFRS, the net profit attributable to shareholders of the Company is RMB620,631,000), and the parent company's undistributed profit at the end of 2023 is RMB-1,820,779,000. Since the undistributed profit of the parent company at the end of the year is negative, the Board recommends that no cash dividend distribution will be made for the financial year 2024, nor the capital reserve conversion to share capital. The proposal is subject to consideration at the general meeting.

6. SIGNIFICANT EVENTS

- (1) During this reporting period, the Company had no material litigation, arbitration and common doubts in the media.
- (2) During this reporting period, there was no occupancy of funds for non-operating purpose by the controlling shareholders and other related parties of the Company.
- (3) During this reporting period, there were no material acquisition or disposals of assets and merger and acquisitions activities of the Company.

(4) Information on connected transactions

The Company's significant connected transactions entered into during the year ended 31 December 2024 are as follows:

- (a) The significant connected transactions relating to ordinary operation during the reporting period are as follows:

The nature of the transaction	Related parties	Amount of transaction RMB'000	Proportion of the same type of transaction (%)
Purchase of raw materials and equipments	China Petrochemical Corporation and its associates	9,575,705	30.5
Providing engineering services	China Petrochemical Corporation and its associates	48,479,798	60.9
Providing engineering services	PipeChina	3,978,023	5.0
Comprehensive service expenditure	China Petrochemical Corporation and its subsidiaries	1,032,240	56.5

Technology and development income	China Petrochemical Corporation and its subsidiaries	240,641	95.0
Land and property lease expenses	China Petrochemical Corporation and its subsidiaries	70,147	8.9
Equipment rental expenses	China Petrochemical Corporation and its subsidiaries	164,314	17.8
Interest expenses	China Petrochemical Corporation and its associates	662,794	88.5
Loan obtained	China Petrochemical Corporation and its subsidiaries	34,012,825	98.7
Loan repaid	China Petrochemical Corporation and its subsidiaries	31,232,463	98.1
Safety production insurance fund expenses	China Petrochemical Corporation	85,950	100
Safety production insurance fund return	China Petrochemical Corporation	168,263	100

For details of the above continuing connected transactions conducted by the Company during the reporting period, please refer to the “Continuing connected transactions announcement” (P.2021-036) and “Estimation of Daily Related Transactions” disclosed in “China Securities Journal”, “Shanghai Securities News”, “Securities Times”, and on www.sse.com.cn on 17 September 2021 and 27 March 2024 and the “Continuing connected transactions and discloseable transactions with Sinopec Group and continuing connected transactions with PipeChina”, “Continuing Related Transactions with PipeChina” disclosed on www.hkexnews.hk on 16 September 2021 and 26 March 2024.

In view of the expiry of the above framework agreement for continuing connected transactions with China Petrochemical Corporation and its subsidiaries on 31 December 2024, the Company entered into a new framework agreement with China Petrochemical Corporation in relation to the above continuing connected transactions on 26 September 2024, and will continue to carry out the above continuing connected transactions with China Petrochemical Corporation and its subsidiaries. Relevant connected transactions and their annual caps for the three years ending 31 December 2027 have already been approved by the Board and / or independent shareholders of the Company. For details of the new framework agreements and the continuing connected transactions thereunder, please refer to the “Continuing Connected Transactions Announcement” (P.2024-045) disclosed in “China Securities Journal”, “Shanghai Securities News”, “Securities Times”, and on www.sse.com.cn on 27 September 2024 and the “Continuing Connected Transactions and Discloseable Transactions with Sinopec Group” disclosed on www.hkexnews.hk on 26 September 2024.

The Company considers that the above connected transactions and selection of connected parties for transactions are necessary and the above transactions would continue to occur. The agreements of connected transaction are based on the needs of the Company’s operation and production and actual market situation. Provision of engineering services to PipeChina is a normal business transaction required for the Company’s day-to-day operating activities. Purchasing raw materials and equipment from China Petrochemical Corporation and its subsidiaries will ensure the stable and safe supply of the Company’s raw materials. Providing engineering service to China Petrochemical Corporation and its subsidiaries is decided by the history of the operating system of China’s petroleum development and by the history of China Petrochemical Corporation’s development, which also constitutes the Company’s main business income source. The loan borrowed from China Petrochemical Corporation can satisfy the financial needs of the Company under the situation of the fund shortage, which therefore is beneficial to the Company. The pricing of the above transactions was mainly based on the market price or contract price determined through open

bidding or negotiation, reflecting the principle of fairness, justice and openness, which is beneficial to the development of Company's main business, and ensure the maximization of the shareholder's interests. The above connected transactions have no adverse effects on the profits of the Company or the independence of the Company.

The Company's independent non-executive directors have reviewed all the Company's continuing connected transactions, and concluded that the transactions were entered into (1) in the ordinary and usual course of business of the Company; (2) based on the normal commercial terms, if there were no comparable items, no less favourable than the terms provided to or received from an independent third party; (3) in accordance with the relevant agreements governing them in terms that are fair and reasonable, and in the interests of the Company's shareholders as a whole; (4) the annual transaction amount of the above connected transactions did not exceed the approved relevant annual cap of each kind of connected transactions.

In accordance with Rule 14A.56 of the Hong Kong Listing Rules, the Company's auditor issued its unqualified opinion letter regarding the Company's disclosure of continuing connected transactions during the reporting period which contained its findings and conclusions.

Please refer to Note 10 of this year's financial statements prepared in accordance with the PRC ASBE Standards of the related transactions conducted by the Company during the reporting period. Among them, the significant related party transactions with China Petrochemical Corporation and its associates also fall under the definition of connected transactions under Chapter 14A of the Hong Kong Listing Rules. During the reporting period, the connected transactions between the Company and China Petrochemical Corporation and its associates have complied with the disclosure requirements under Chapter 14A of the Hong Kong Listing Rules.

(b) The following is non-operational connected claims and debts with related parties during the reporting period:

Unit: RMB '000

Connected parties	Funds provided to connected party			Funds provided to the Company by connected party		
	Opening balance	Occurrence amount	Closing balance	Opening balance	Occurrence amount	Closing balance
China Petrochemical Corporation and its subsidiaries	11,133,304	2,160,606	13,293,910	6,240,941	2,464,742	8,705,683
Sinopec Finance Company Limited	1,043,814	-1,033,408	10,406	19,185,000	3,528,925	22,713,925
Sinopec Century Bright Capital Investment Limited	796,415	-235,150	561,265	722,435	-722,435	0
Total	12,973,533	892,048	13,865,581	26,148,376	5,271,232	31,419,608
Causes of connected claims and debts	Normal production and operation					
Influence of connected claims and debts on the Company	No material adverse effect					

(c) Material connected transactions of joint external investment

During the reporting period, the Company had no material connected transactions of joint external investment.

(d) The finance business between the Company and the financial company with connected relationship and

between the Company's controlling financial company and the related parties.

a. Deposit business

Unit: RMB '000

Connected parties	Connected relation	Daily maximum deposit limit	Deposit rate	Beginning balance	For the twelve months ended 31 December 2024		Ending balance
					Total deposit in this period	Total withdrawal amount for this period	
Sinopec Finance Company Limited	Subsidiary of controlling shareholder	3,500,000	0.35%	1,043,814	350,488,860	351,522,268	10,406
Sinopec Century Bright Capital Investment Limited	Subsidiary of controlling shareholder		0.01%	796,415	33,760,088	33,995,238	561,265
Total	/	/	/	1,840,229	384,248,948	385,517,506	571,671

B. Loan business

Unit: RMB '000

Connected parties	Connected relation	Daily maximum deposit limit	Deposit rate scope	Beginning balance	For the twelve months ended 31 December 2024		Ending balance
					Total deposit in this period	Total withdrawal amount for the period	
Sinopec Finance Company Limited	Subsidiary of controlling shareholder	29,000,000	2.70%	19,185,000	33,418,925	29,890,000	22,713,925
Sinopec Century Bright Capital Investment Limited	Subsidiary of controlling shareholder	250,000 thousand US dollars	TERM SOFR +1.21%	722,435	604,484	1,326,919	0
Total	/	/	/	19,907,435	34,023,409	31,216,919	22,713,925

C. Credit extension and other finance business

Unit: RMB '000

Connected parties	Connected relation	Business Type	Total Amount	Actual Amount
Sinopec Finance Company Limited	Subsidiary of controlling shareholder	Guarantees and bill credit	15,000,000	5,065,352

(5) During the reporting period, there were no trusteeship, contracting or leasing which would contribute profit to the Company of 10% or more of its total profits for the current period.

(6) Guarantee of the Company during the reporting period

Unit: RMB '000

External Guarantee provided by the Company (excluding Guarantees for Subsidiaries)													
Guarantor	Guaranteed person	Amount of guarantee	Date of guarantee (Agreement signing date)	The starting day	End date	Type of guarantee	Pledged thing	Whether the guarantee has been fulfilled	Whether the guarantee is overdue	Overdue amount	Counter-guarantee	Whether to guarantee the related party	Related relationship
The Company	Mexico DS Company	1,976,451	17 June 2022	17 June 2022	The end time of annual meeting of shareholders for the year 2024	Joint and several liability guarantee	No	No	No	Not Applicable	Yes	Yes	Joint venture
Total Amount of Guarantees during the Reporting Period (excluding Guarantees for Subsidiaries)								29,063					
Total Balance of Guarantees at the end of the Reporting Period (A) (excluding Guarantees for Subsidiaries)								1,976,451					
The Guarantee provided by the Company and its Subsidiaries to the Subsidiaries													
Total Amount of Guarantees paid to Subsidiaries during the Reporting Period								-3,302,366					
Total Balance of Guarantees to Subsidiaries at the end of the Reporting Period (B)								24,197,354					
Total Company Guarantee (including Guarantee for Subsidiaries)													
Total Guarantees (A+B)								26,173,805					
Total Amount of Guarantees as a Percentage of the Company's Net Asset (%)								302.6					
Among them:													
Amount of Guarantees provided to Shareholders, De Facto Controllers and their related Parties (C)													
Debt Guarantees Amount directly or indirectly for the guaranteed Object whose asset-liability Ratio exceeds 70% (D)								7,334,333					
The Amount of the total Guarantee exceeds 50% of the Net Assets (E)								21,849,404					
Sum of the three Guarantees above (C+D+E)								29,183,737					
Statement of Unexpired Guarantees as potential subject to Joint Liability								No					
Guarantee Statement								The guarantees provided by the Company are all for the performance of the performance guarantee letters issued by the subsidiaries in the domestic and foreign contracts. The guarantee amount is within the amount approved by the annual general meeting of the Company for 2023.					

After approved by the 2021 annual general meeting of the Company, on 17 June 2022, the Company, as guarantor, entered into the guarantee agreement with Mexican National Hydrocarbons Commission, as beneficiary, pursuant to which the Company has agreed to provide guarantee under the Production Sharing Contract for Mexico DS Company, to ensure that when Mexico DS Company loses contract performance capabilities, the Company will perform the contracts on its behalf to Mexican National Hydrocarbons Commission. On June 17, 2022, DIAVAZ, the other shareholder of the joint venture Mexico DS Company, issued a unilateral letter of guarantee for 50% of the performance guarantee of the joint venture company provided by the company. In order to satisfy the needs of international market expansion and day-to-day operation, the Company convened the nineteenth meeting of the tenth session of the Board and the 2023 annual general meeting on 26 March 2024 and 12 June 2024 respectively, approved the Company to provide guarantee for wholly-owned subsidiaries and Mexico DS Company, a joint venture of the Company, and the guarantee period commences from the date of approval by the shareholders at the 2023 annual general meeting until the

conclusion of the 2024 annual general meeting of the Company. For details, please refer to the “Announcement on the Progress of Provision of Guarantee for Joint Venture” (P.2022-021), “Announcement of Providing Guarantee for Wholly-owned Subsidiaries and Joint Ventures” (P.2024-011) and “Announcement on the Actual Occurrence of External Guarantees in 2024” (P.2025-003) disclosed in China Securities Journal, Shanghai Securities News, Securities Times and on www.sse.com.cn on 20 June 2022, 27 March 2024, 18 January 2025 and on www.hkexnews.hk on 19 June 2022, 26 March 2024, 17 January 2025.

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. After approved by the 2023 annual general meeting of the Company, the Company continued to provide corresponding counter-guarantee in relation to the joint guarantee liability undertaken by China Petrochemical Corporation for no more than RMB100 million credit line to the Company after 1 November 2024. For details, please refer to the "Related Party Transaction Announcement on Provision of Counter-Guarantee to Controlling Shareholders by the Company" (P. 2021-037) and the "Related Party Guarantee Announcement on Provision of Counter-Guarantee to the Controlling Shareholder by the Company" (P. 2024-012) disclosed in China Securities Journal, Shanghai Securities News, Securities Times and on www.sse.com.cn on 17 September 2021 and 27 March 2024, and on www.hkexnews.hk on 16 September 2021 and 26 March 2024.

On 31 December 2024, the balance of the counter-guarantee provided by the Company to China Petrochemical Corporation was RMB10 million.

(7) The appointment and dismissal of the accounting firm during the reporting period.

	Currently hired
The name of the domestic accounting firm	BDO China Shu Lun Pan Certified Public Accountants LLP
The remuneration of the domestic accounting firm	RMB 6,050,000
The audit period for the domestic accounting firm	4 years
Name of certified public accountant of domestic accounting firm	Jin Chunhua, Miao Song
The accumulative number of years of audit services provided by the certified public accountants of the domestic accounting firm	4 years
The name of the overseas accounting firm	BDO Limited
The remuneration of the overseas accounting firm	RMB 1,150,000
The audit period for the overseas accounting firm	4years

	Name	Remuneration
The internal control accounting firm	BDO China Shu Lun Pan Certified Public Accountants LLP	RMB 1,300,000

The description for the appointment and dismissal of the auditor:

In 2021, the Company changed its domestic auditor and the international auditor from Grant Thornton (Special General Partnership) and Grant Thornton Hong Kong Limited to BDO China Shu Lun Pan Certified Public Accountants LLP and BDO Limited.

After recommended by the nineteenth meeting of the tenth session of the Board and approved by the annual general meeting for the year 2023, the Company re-appointed BDO China Shu Lun Pan Certified Public

Accountants LLP and BDO Limited as the domestic auditor and the international auditor of the Company for 2024. BDO China Shu Lun Pan Certified Public Accountants LLP was appointed as the internal control accounting firm of the Company for 2024 again at the same time.

(8) The special undertakings for the reporting period or continuing to the reporting period made by the Company, the de facto controller, shareholders, related parties, acquirer and other associated parties and the performance of such undertakings for the year ended 31 December 2024:

Undertaking Background	Undertaking party	Undertaking	Date and duration of the Undertaking	Whether there is a performance period	Whether the undertaking has been strictly fulfilled
Undertaking regarding the material assets reorganization	China Petrochemical Corporation	The Non-Competition Undertaking 1. China Petrochemical Corporation undertook that it would not engage with the Company's production and business activities in competition, and will ensure its subsidiaries not to engage with the Company's production and business activities in competition through exercise of its shareholder rights. 2. After the material assets reorganization, if SINOPEC Star Petroleum Co., Ltd.'s new business opportunity has any direct or indirect competition with the Company's main business, priorities of the above-mentioned opportunity will be given to the Company. 3. After the material assets reorganization, if China Petrochemical Corporation and its subsidiaries' new business opportunity has any direct or indirect competition with the Company's main business, priorities of the above-mentioned opportunity will be given to the Company. If China Petrochemical Corporation intends to transfer, sell, lease, license or otherwise transfer or permit to use any of the above business which would result in the competition with the Company's main business, priorities of the above-mentioned opportunity will be given to the Company for avoiding the competition. 4. China Petrochemical Corporation consents that it will bear and pay damages to the listed companies caused by its violation of the commitment.	Date of undertaking: 12 September 2014 Duration: long term	No	During the reporting period, China Petrochemical Corporation did not act contrary to the undertaking.
Undertaking regarding the Material Assets Reorganization	China Petrochemical Corporation	The Undertaking of Regulating the connected transaction: China Petrochemical Corporation and its other controlling companies will	Date of undertaking: 12 September	No	During the reporting period, China Petrochemical

	on	regulate its/their connected transactions with the Company. For the connected transactions with reasonable grounds, China Petrochemical Corporation and its controlling Company's will sign the standard agreement of connected transactions, and will fulfill the obligations of the program approval and information disclosure, in accordance with the provisions of relevant laws and regulations, and the Company's Articles of Association. The confirmation price related to the connected transaction will follow the principle of fair, reasonable and impartial.	2014 Duration: long term		Corporation did not act contrary to the promise.
Undertaking regarding the Material Assets Reorganization	China Petrochemical Corporation	Issued "The China Petrochemical Corporation commitment letter regarding to the regulating of connected transaction and maintaining the independence of the listed Company": 1. China Petrochemical Corporation and its controlling companies guarantee the maintaining of the separation from the Company's asset, personnel, finance, organization and business, strictly comply with the relevant provisions regarding to the listed Company's independency of CSRC. China Petrochemical Corporation will not utilize, control or violate the Standardized operation program of the listed company, not intervene the Company's operating decisions, and not jeopardize the legitimate rights and interests of the Company and its shareholders. 2. China Petrochemical Corporation and its controlling companies guarantee not to illegally use the funds of the Company and its holding Company. 3. If China Petrochemical Corporation violates the above commitment, it would undertake the law and compensate the losses caused to the Company.	Date of undertaking: 12 September 2014 Duration: long term	No	During the reporting period, China Petrochemical Corporation did not act contrary to the promise.

7. FINANCIAL REPORT

7.1 Audit Opinion

The financial statements of the Group for the year ended 31 December 2024, prepared in accordance with the PRC ASBE have been audited by Jin Chunhua and Miao Song of BDO China (Special General Partnership), which has issued unqualified opinion on 18 March 2025. Also, the financial statements of the Group for the year ended 31 December 2024, prepared in accordance with IFRS have been audited by BDO Limited, which has issued unmodified opinion on 18 March 2025.

7.2 Financial Statements prepared in accordance with IFRS

The following financial information were extracted from the audited consolidated financial statements of the Company and its subsidiaries (hereinafter referred to as the "Group") for the year ended 31 December 2024, which were prepared in accordance with the IFRS.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2024

	Notes	2024 RMB'000	2023 RMB'000
Revenue	4	81,096,178	79,980,939
Cost of sales and taxes and surcharges		(75,099,241)	(74,530,517)
Gross profit		5,996,937	5,450,422
Selling expenses		(84,485)	(82,689)
General and administrative expenses		(2,405,659)	(2,394,486)
Research and development expenses		(2,247,111)	(2,083,796)
Finance expenses - net	5	(729,521)	(894,073)
Reversal of expected credit loss		603,919	403,244
Reversal of other impairments		3,864	-
Write down of inventories to net realisable value		(797)	-
Reversal of expected credit loss and other impairments and write-down of inventories to net realisable value	6	606,986	403,244
Impairment loss in interest in a joint venture		(274,419)	-
Investment income	7	500	1,200
Share of (loss)/profit from joint ventures		(36,722)	13,992
Share of profit from associates		8,129	6,850
Operating profit		834,635	420,664
Other income	8	323,099	609,315
Other expenses, net	9	(36,186)	(114,772)
Profit before income tax	10	1,121,548	915,207
Income tax expense	11	(500,917)	(339,124)
Profit for the year		620,631	576,083
Other comprehensive expense for the year, net of tax			
Items that will not be reclassified subsequently to profit or loss:			
Net movement in fair value of financial assets at fair value through other comprehensive income ("FVTOCI")		1,302	938
Exchange differences on transaction of financial statements of overseas joint venture		5,915	16,447
Total comprehensive income for the year		627,848	593,468
Earnings per share for profit attributable to owners of the Company (presented in RMB per share)			
Basic and diluted	12	RMB 0.033	RMB 0.030

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	Note	As at 31 December 2024 RMB'000	As at 31 December 2023 RMB'000
Assets			
Non-current assets			
Property, plant and equipment		25,690,139	26,401,129
Other non-current assets		7,208,900	7,938,767
Intangible assets		301,802	330,581
Interests in joint ventures		212,735	517,961
Interests in associates		38,815	35,535
Financial assets at FVTOCI		137,441	135,763
Deferred tax assets		330,305	400,687
Total non-current assets		33,920,137	35,760,423
Current assets			
Inventories		913,530	1,042,559
Financial assets at FVTOCI		2,557,311	2,735,081
Trade receivables	14	13,294,827	10,602,242
Prepayments and other receivables		6,146,060	5,841,569
Contract assets and cost to fulfil contracts		16,859,726	16,364,984
Restricted cash		207,116	27,318
Cash and cash equivalents		3,441,398	2,788,798
Total current assets		43,419,968	39,402,551
Total assets		77,340,105	75,162,974

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 31 December 2024

	Note	As at 31 December 2024 RMB'000	As at 31 December 2023 RMB'000
Equity			
Share capital		18,979,412	18,984,340
Reserves		(10,330,610)	(10,961,138)
Total equity		8,648,802	8,023,202
Liabilities			
Non-current liabilities			
Long-term borrowings		304,333	635,842
Deferred income		24,758	18,189
Deferred tax liabilities		78,065	87,028
Provisions		90,365	212,709
Total non-current liabilities		497,521	953,768
Current liabilities			
Notes and trade payables and liabilities under supplier finance arrangement	15	31,653,814	35,195,688
Other payables		5,351,550	5,078,771
Contract liabilities		7,909,917	5,361,274
Short-term borrowings		23,142,909	20,343,556
Current income tax payable		135,592	206,715
Total current liabilities		68,193,782	66,186,004
Total liabilities		68,691,303	67,139,772
Total equity and liabilities		77,340,105	75,162,974
Net current liabilities		(24,773,814)	(26,783,453)
Total assets less current liabilities		9,146,323	8,976,970

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

1 GENERAL INFORMATION

Sinopec Oilfield Service Corporation (the “Company”) is a joint stock company with limited liability established in the People’s Republic of China (the “PRC”). The registered office is No. 22, Chaoyangmen North Street, Chaoyang District, Beijing, the PRC and the headquarter address is No. 9, Jishikou Road, Chaoyang District, Beijing, the PRC.

The immediate and ultimate holding company of the Company is China Petrochemical Corporation (hereinafter referred to as the “Sinopec Group”) which is a state wholly-owned enterprise established in the PRC. The principal activities of the Group are the provision of onshore and offshore oil, natural gas and other mineral prospecting, exploration, drilling and exploitation and provision of general contracting, design and construction services for the oil and gas and other types of construction projects.

These consolidation financial statements are presented in Renminbi (“RMB”), unless otherwise stated. These consolidation financial statements have been approved and authorised for issue by the Board of Directors on 18 March 2025.

2 BASIS OF PREPARATION

2.1 Statement of compliance

The consolidation financial statements set out in this announcement have been prepared in accordance with International Financial Reporting Standards and International Accounting Standards as issued by the International Accounting Standards Board (the “IASB”) and interpretations (collectively IFRS Accounting Standards). These consolidated financial statements also comply with the applicable disclosure requirements of the Hong Kong Companies Ordinance and the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (the “Listing Rules”).

2 BASIS OF PREPARATION (Continued)

2.2 Basis of preparation of the consolidated financial statements and going concern assumption

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through other comprehensive income, which are carried at fair value.

The preparation of consolidated financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the accounting policies of the Group.

As at 31 December 2024, the Group had net current liabilities of approximately RMB24,773,814,000 and capital commitments of approximately RMB221,811,000. These conditions may cast significant doubt about the Group's ability to continue as a going concern. The directors of the Company have performed an assessment covering a period of 12 months from the year ended 31 December 2024, taking account of the following events and measures:

- (i) On 24 February 2025, the Group has renewed the credit facility from Sinopec group's subsidiaries that includes a line of credit of RMB43.0 billion and USD0.1billion (total: approximately RMB43.6 billion), and also a line of credit promissory note and letter of guarantee of RMB11.3 billion and USD0.6 billion (total: approximately RMB15.3 billion). The facility remains valid until 28 February 2026;
- (ii) The Group's borrowings amounted to approximately RMB22.7 billion are sourced from Sinopec Group and its subsidiaries, where the Group maintains ongoing good relationship with these companies, which enables the Group to secure sufficient financial support from these companies; and
- (iii) To obtain additional credits facilities, the Group will diversify its source of finance by exploring and developing good relationship with listed and state-owned financial institutions.

The directors of the Company are in the opinion that the above measures are sufficient to meet with the expected liquidity, daily operation and capital and the Group is expected to be able to generate net operating cash inflows in the next twelve months. As a result, the directors of the Company considered that the going concern basis of accounting is appropriate for the preparation of these consolidated financial statements.

3 NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS

3.1 Application of new and amendments to IFRS Accounting Standards

The IASB has issued a number of new and amendments to IFRS Accounting Standards. The Group has adopted all these new and amendments to IFRS Accounting Standards, which are effective for the Group's consolidated financial statements for the accounting period beginning on or after 1 January 2024:

Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IAS 1	Non-current Liabilities with Covenants
Amendments to IFRS 16	Lease liability in a Sale and Leaseback
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements

Amendments to IAS 1, Classification of Liabilities as Current or Non-current

The amendments clarify the following:

- An entity's right to defer settlement of a liability for at least twelve months after the reporting period must have substance and must exist at the end of the reporting period.
- If an entity's right to defer settlement of a liability is subject to covenants, such covenants affect whether that right exists at the end of the reporting period only if the entity is required to comply with the covenant on or before the end of the reporting period.
- The classification of a liability as current or non-current is unaffected by the likelihood that the entity will exercise its right to defer settlement.
- In case of a liability that can be settled, at the option of the counterparty, by the transfer of the entity's own equity instruments, such settlement terms do not affect the classification of the liability as current or non-current only if the option is classified as an equity instrument.

The adoption of these amendments does not have a material impact on the consolidated financial statements.

Amendments to IAS 1, Non-current Liabilities with Covenants

The amendments deal with the classification of long-term loan arrangements with covenants by specifying that covenants to be complied with after the reporting date do not affect the classification of loan arrangements as current or non-current at the reporting date.

The adoption of these amendments does not have a material impact on the consolidated financial statements.

Amendments to IFRS 16, Lease liability in a Sale and Leaseback

The amendments add subsequent measurement requirements for a sale and leaseback transaction, where the transfer of the asset satisfies the requirements in IFRS 15 Revenue from Contracts with Customers to be accounted for as a sale.

The adoption of these amendments does not have a material impact on the consolidated financial statements.

3 NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS (Continued)

3.1 Application of new and amendments to IFRS Accounting Standards (Continued)

Amendments to IAS 7 and IFRS 7, Supplier Finance Arrangements

The amendments require entities to provide certain specific disclosures (qualitative and quantitative) related to supplier finance arrangements. The amendments also provide guidance on characteristics of supplier finance arrangements.

The adoption of these amendments does not have a material impact on the consolidated financial statements.

3.2 New or amendments to IFRS Accounting Standards that have been issued but are not yet effective and not early adopted

The new and amendments to accounting standards issued but not yet effective for the accounting period ended 31 December 2024 which the Group has not early adopted are set out below:

Amendments to IAS 21 and IFRS 1	Lack of Exchangeability ¹
Amendments to IFRS 9 and IFRS 7	Classification and Measurement of Financial Instruments ²
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity ²
Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7	Annual Improvements to IFRS Accounting Standards – Volume 11 ²
IFRS 18	Presentation and Disclosure in Financial Statements ³
IFRS 19	Subsidiaries without Public Accountability: Disclosures ³
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴

¹ Effective for annual periods beginning on or after 1 January 2025

² Effective for annual periods beginning on or after 1 January 2026

³ Effective for annual periods beginning on or after 1 January 2027

⁴ The amendments shall be applied prospectively to the sale or contribution of assets occurring in annual periods beginning on or after a date to be determined

IFRS 18 Presentation and Disclosure in Financial Statements supersedes IAS 1 and will result in major consequential amendments to IFRS Accounting Standards including IAS 8 Basis of Preparation of Financial Statements (renamed from Accounting Policies, Changes in Accounting Estimates and Errors). Even though IFRS 18 will not have any effect on the recognition and measurement of items in the consolidated financial statements, it is expected to have a significant effect on the presentation and disclosure of certain items. These changes include categorisation and sub-totals in the statement of profit or loss, aggregation/disaggregation and labelling of information, and disclosure of management-defined performance measures.

The directors of the Company are currently analysing the new requirements and assessing the impact of IFRS 18 on the presentation and disclosure of the Group's financial statements.

3. NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS (Continued)

3.2 New or amendments to IFRS Accounting Standards that have been issued but are not yet effective and not early adopted (Continued)

The adoption of IFRS 19 is optional. IFRS 19 specifies the disclosure requirements that an entity is permitted to apply to substitute the disclosure requirements in other IFRSs. The Company's shares are listed and traded in The Stock Exchange of Hong Kong Limited. Therefore, it has public accountability according to IFRS 19 and does not qualify for electing to apply the standard to prepare its financial statements.

The Group anticipates that the application of other new and amended IFRS Accounting Standards will have no material impact on the results and the financial position of the Group.

4 REVENUE AND SEGMENT INFORMATION

The Group's revenue is as follows:

	2024	2023
	RMB'000	RMB'000
Geophysics	5,899,180	5,672,348
Drilling engineering	40,178,343	39,803,724
Logging and mud logging	3,592,013	3,555,682
Special downhole operations	10,965,379	10,697,995
Engineering construction	17,809,820	17,817,700
Others	2,651,443	2,433,490
	81,096,178	79,980,939

Segment information

The Group identifies its operating segments based on the internal organisation structure, senior executive management requirements and internal reporting system. The Group has identified five operating segments including geophysics, drilling engineering, logging and mud logging, special downhole operations and engineering construction. These operating segments are identified based on the regular internal financial information reported to the senior executive management. Senior executive management of the Company regularly reviews the segment information for their decision about the resources allocation and performance assessment.

- Geophysics, which provides terrestrial and marine geophysical exploration, development and technical services;
- Drilling engineering, which provides customers with land and ocean drilling design, construction, technical services and drilling instrumentation;
- Logging and mud logging, which provides land and ocean project contracting and technical services for collection, monitoring, transmission, processing and interpretation and evaluation of wellbore oil and gas, geology and engineering information;
- Special downhole operations, which provides oil engineering technical and construction, including oil (gas) testing, well repair, lateral drilling, fracturing, acidising and oil assignments; and
- Engineering construction, which provides a package of services, including feasibility studies, design, procurement, construction for projects of onshore and offshore oil and gas fields, long-distance pipeline projects, oil and gas transporting process projects, storage and transportation projects, petrochemical supporting projects, building construction, water resources and hydropower, ports and waterways, electricity transmission and distribution projects, manufacturing of pressure vessels, LNG projects, coal chemical engineering, geothermal utilisation, energy saving and municipal roads and bridges.

4 REVENUE AND SEGMENT INFORMATION (Continued)

Segment information (Continued)

Five reportable operating segments are as follows:

Inter-segment transfers are measured by reference to market price. The assets are allocated based on the operations of the segment and the physical location of the asset.

All assets are allocated to reportable segments other than certain property, plant and equipment, certain prepaid land leases, certain intangible assets, certain other non-current assets, certain inventories, certain contract assets, certain notes and trade receivables, certain prepayment and other receivables, certain cash and cash equivalents, and certain deferred tax assets.

All liabilities are allocated to reportable segments other than certain borrowings, certain deferred income, certain deferred tax liabilities, certain notes and trade payables, certain other payables, certain contract liabilities, and certain current income tax payable.

The resources related to interest income, interest expenses, interests in joint ventures, interests in associates, gain on investment, income tax expense as well as shared assets of all segments are centrally managed and accounted for by the Company, and thus are not allocated among segments.

Segment information of each reportable segment were reported and disclosed to the senior executive management in accordance with the accounting policies and the respective measurement bases. These accounting policies and measurement bases were the same as those used in for the preparation of the consolidated financial statements.

4 REVENUE AND SEGMENT INFORMATION (Continued)

Segment information (Continued)

Information regarding each reportable segment provided to the senior executive management was as follows:

(a) Segment results, assets and liabilities

For the year ended 31 December 2024 and as at that date, the segment results, assets and liabilities were as follows:

	Geophysics RMB'000	Drilling engineering RMB'000	Logging and mud logging RMB'000	Special downhole operations RMB'000	Engineering construction RMB'000	Unallocated RMB'000	Eliminated RMB'000	Total RMB'000
During the year ended 31 December 2024								
Segment revenue and results								
Revenue from external customers	5,899,180	40,178,343	3,592,013	10,965,379	17,809,820	2,651,443	-	81,096,178
Inter-segment revenue	120,111	2,072,896	3,043,301	571,372	99,594	6,024,207	(11,931,481)	-
Segment revenue	6,019,291	42,251,239	6,635,314	11,536,751	17,909,414	8,675,650	(11,931,481)	81,096,178
Reportable segment profit/(loss)	198,746	906,987	314,860	259,202	438,865	(1,284,024)	-	834,636
Other income	9,897	166,080	11,577	7,073	38,638	89,834	-	323,099
Other expenses	(5,585)	(68,348)	(7,947)	(8,017)	83,853	(30,143)	-	(36,187)
Profit/(loss) before income tax	203,058	1,004,719	318,490	258,258	561,356	(1,224,333)	-	1,121,548
Income tax expense								(500,917)
Profit for the year								620,631
Supplementary information								
Depreciation and amortisation								
- Property, plant and equipment	347,808	1,947,828	225,455	530,249	314,644	314,588	-	3,680,572
- Other non-current assets	182,510	2,267,266	166,621	511,344	8,767	112,164	-	3,248,672
- Intangible assets	178	1,029	878	8,077	12,222	181,553	-	203,937

4 REVENUE AND SEGMENT INFORMATION (Continued)

Segment information (Continued)

(a) Segment results, assets and liabilities (Continued)

For the year ended 31 December 2024 and as at that date, the segment results, assets and liabilities were as follows: (Continued)

	Geophysics	Drilling engineering	Logging and mud logging	Special downhole operations	Engineering construction	Unallocated	Eliminated	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
During the year ended 31 December 2024								
Capital expenditure								
- Property, plant and equipment	360,743	1,530,249	232,272	292,601	394,191	545,409	-	3,355,465
- Intangible assets	25	4,504	2,863	-	9,963	157,803	-	175,158
- Other non-current assets	52,493	1,612,916	144,337	540,844	27,019	179,125	-	2,556,734
(Reversal of provision for)/ Provision for ECL on trade receivables, net	3,659	(248,034)	(26,336)	14	(25,342)	(139,897)	-	(435,936)
Provision for ECL/(Reversal of provision for) on other receivables, net	819	7,075	(1,013)	(10)	(35,160)	(1,560)	-	(29,849)
(Reversal of provision for)/Provision for ECL on contract assets	806	(551)	(49)	(112)	1,884	(140,112)	-	(138,134)
As at 31 December 2024								
Assets								
Segment assets	6,391,939	11,289,518	4,477,704	8,463,778	27,642,305	20,762,790	(1,687,928)	77,340,106
Liabilities								
Segment liabilities	5,431,227	7,468,074	2,568,453	4,697,820	25,826,311	24,387,347	(1,687,928)	68,691,304

4 REVENUE AND SEGMENT INFORMATION (Continued)

Segment information (Continued)

Information regarding each reportable segment provided to the senior executive management was as follows:

(a) Segment results, assets and liabilities

For the year ended 31 December 2023 and as at that date, the segment results, assets and liabilities were as follows:

	Geophysics	Drilling engineering	Logging and mud logging	Special downhole operations	Engineering construction	Unallocated	Eliminated	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
During the year ended 31 December 2023								
Segment revenue and results								
Revenue from external customers	5,672,348	39,803,724	3,555,682	10,697,995	17,817,700	2,433,490	-	79,980,939
Inter-segment revenue	107,976	2,370,872	3,088,804	551,490	34,420	6,639,421	(12,792,983)	-
Segment revenue	5,780,324	42,174,596	6,644,486	11,249,485	17,852,120	9,072,911	(12,792,983)	79,980,939
Reportable segment profit/(loss)	177,706	114,220	248,443	281,902	579,917	(981,524)	-	420,664
Other income	23,287	344,965	20,860	77,134	106,567	36,502	-	609,315
Other expenses	(12,440)	(69,061)	(6,520)	(3,670)	(5,477)	(17,604)	-	(114,772)
Profit/(loss) before income tax	188,553	390,124	262,783	355,366	681,007	(962,626)	-	915,207
Income tax expense								(339,124)
Profit for the year								576,083
Supplementary information								
Depreciation and amortisation								
- Property, plant and equipment	359,971	1,951,469	204,290	530,992	297,357	301,228	-	3,645,307
- Other non-current assets	171,697	1,949,614	173,755	267,620	10,092	69,673	-	2,642,451
- Intangible assets	191	373	634	8,470	12,714	157,991	-	180,373

4 REVENUE AND SEGMENT INFORMATION (Continued)

Segment information (Continued)

(a) Segment results, assets and liabilities (Continued)

For the year ended 31 December 2023 and as at that date, the segment results, assets and liabilities were as follows: (Continued)

	Geophysics	Drilling engineering	Logging and mud logging	Special downhole operations	Engineering construction	Unallocated	Eliminated	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
During the year ended 31 December 2023								
Capital expenditure								
- Property, plant and equipment	302,077	1,857,162	354,838	512,720	321,345	519,116	-	3,867,258
- Intangible assets	-	2,400	-	4,714	18,162	107,530	-	132,806
- Equity investment	-	-	6,013	-	-	-	-	6,013
- Other non-current assets	50,898	2,570,035	137,244	386,021	126,956	84,214	-	3,355,368
(Reversal of provision for)/ Provision for ECL on trade receivables, net	(3,463)	(67,040)	(7,913)	(5,049)	(37,620)	(13,323)	-	(134,408)
Provision for ECL/(Reversal of provision for) on other receivables, net	983	2,655	(477)	(1,608)	(268,648)	2,509	-	(264,586)
(Reversal of provision for)/Provision for ECL on contract assets	(699)	(6,697)	432	(561)	3,139	136	-	(4,250)
As at 31 December 2023								
Assets								
Segment assets	6,249,564	10,614,355	4,457,471	8,124,855	22,914,821	24,186,553	(1,384,645)	75,162,974
Liabilities								
Segment liabilities	5,251,583	7,995,911	2,970,292	4,437,053	22,098,107	25,771,471	(1,384,645)	67,139,772

4 REVENUE AND SEGMENT INFORMATION (Continued)

Segment information (Continued)

(b) Geographical information

The following table sets out information about the geographical location. Revenue is based on the location in which revenue were derived. Specified non-current assets include property, plant and equipment, other non-current assets, intangible assets, interests in joint ventures and interests in associates, which are based on the physical location of the assets.

	Revenue from external customers	
	2024	2023
	RMB'000	RMB'000
The PRC	62,866,445	63,835,888
Middle East (Note)	12,385,368	9,830,963
Other countries	5,844,364	6,314,088
	81,096,178	79,980,939
	Specified non-current assets	
	2024	2023
	RMB'000	RMB'000
The PRC	26,393,096	28,152,480
Saudi Arabia	5,148,372	4,608,373
Other countries	1,910,923	2,463,120
	33,452,391	35,223,973

Note: Middle East and other countries are mainly represented Saudi Arabia and Kuwait.

(c) Major customer

For the years ended 31 December 2024 and 2023, revenue from customers which individually contributed over 10% of the Group's revenue is as follows:

	2024	2023
	RMB'000	RMB'000
Customer A	49,987,648	54,004,946

Revenue from this customer was derived from the operating segments of geophysics, drilling engineering, logging and mud logging, special downhole operations, engineering construction and accounted for approximately 60% of the Group's revenue.

4 REVENUE AND SEGMENT INFORMATION (Continued)

Segment information (Continued)

(d) Analysis on revenue from contracts

For the years ended 31 December 2024 and 2023, the Group derives revenue from the transfer of goods and service at a point in time and over time in the following customers' segment for geophysics, drilling engineering, logging and mud logging, special downhole operations, engineering construction service:

	Geophysics RMB'000	Drilling engineering RMB'000	Logging and mud logging RMB'000	Special downhole operations RMB'000	Engineering construction RMB'000	Unallocated RMB'000	Total RMB'000
During the year ended 31 December 2024							
Timing of revenue recognition:							
- At a point in time	-	2,377	-	924	37,383	790,174	830,858
- Over time	5,899,180	40,175,966	3,592,013	10,964,455	17,772,437	1,861,269	80,265,320
Total	5,899,180	40,178,343	3,592,013	10,965,379	17,809,820	2,651,443	81,096,178
During the year ended 31 December 2023							
Timing of revenue recognition:							
- At a point in time	-	7,359	-	6,120	20,432	633,433	667,344
- Over time	5,672,348	39,796,365	3,555,682	10,691,875	17,797,268	1,800,057	79,313,595
Total	5,672,348	39,803,724	3,555,682	10,697,995	17,817,700	2,433,490	79,980,939

(e) Performance obligation of contracts with customers

The Group enters into petroleum engineering technical service contracts or construction contracts with customers to provide geophysical exploration, drilling, logging and mud logging, special downhole operations and surface engineering construction services of which rendering of services and construction contracts is completed according to the agreed schedule. When value of the completed work is confirmed and is certified, customers pay progress payments within 30-180 days after billing. Final billing and payment is made upon the completion and acceptance of the work.

In accordance with contracts and relevant legal requirement, the Group's engineering construction business provides quality assurance for the constructed assets. This type of quality assurance is an assurance-type warranty that ensures that the constructed assets fulfil the established quality standards, which does not constitute a single performance obligation.

5 FINANCE EXPENSES - NET

	2024 RMB'000	2023 RMB'000
Finance income		
Interest income		
- Sinopec Group's subsidiaries	37,194	7,658
- Third parties and other financial institutions	25,915	15,991
	<u>63,109</u>	<u>23,649</u>
Finance expenses		
Interest expenses on borrowings wholly repayable within 5 years		
- Sinopec Group and its subsidiaries	(662,794)	(682,830)
- Third parties and other financial institutions	(47,463)	(79,730)
Interest expenses on lease liabilities		
- Sinopec Group and its subsidiaries	(9,287)	(15,854)
- Sinopec Group's associates and joint ventures	(155)	(7,399)
- Third parties	(29,555)	(19,203)
Exchange gain/(loss), net	61,836	(34,952)
Bank and other charges	(105,212)	(77,754)
	<u>(792,630)</u>	<u>(917,722)</u>
	<u>(729,521)</u>	<u>(894,073)</u>

6 REVERSAL OF EXPECTED CREDIT LOSS ("ECL") AND OTHER IMPAIRMENTS AND WRITE-DOWN OF INVENTORIES TO NET REALISABLE VALUE

	2024 RMB'000	2023 RMB'000
Reversal of ECL on trade and other receivables, net	(465,785)	(398,994)
Reversal of ECL on contract assets, net	(138,134)	(4,250)
Write down of inventories to net realizable value	797	-
Others	(3,864)	-
	<u>(606,986)</u>	<u>(403,244)</u>

7 INVESTMENT INCOME

	2024 RMB'000	2023 RMB'000
Investment income from financial assets at FVTOCI	<u>500</u>	<u>1,200</u>

8 OTHER INCOME

	2024 RMB'000	2023 RMB'000
Gain on disposal of property, plant and equipment, net	62,853	85,168
Gain on disposal of other non-current assets, net	12,547	2,675
Gain on debt restructuring	28,110	34,011
Government grants (Note)	87,392	350,293
Waived payables	31,200	20,509
Penalty income	3,223	2,508
Compensation received	7,685	3,489
Insurance claims	8,357	1,159
Asset surplus	77,535	90,682
Others	4,197	18,821
	323,099	609,315

Note:

For the years ended 31 December 2024 and 2023, government grants primarily represent financial appropriation income and non-income tax refunds received from respective government agencies without conditions or other contingencies attached to the receipts of the grants.

9 OTHER EXPENSES, NET

	2024 RMB'000	2023 RMB'000
Loss on scraps of assets	29,586	22,011
Penalty	3,236	2,067
Donation	3,214	966
Compensation	4,053	1,314
Impairment loss on property, plant and equipment	111	4,957
Loss on disposal of a joint venture	-	13,003
Reversal of provision for loss on judicial reorganisation	(95,214)	-
Others	91,200	70,454
	36,186	114,772

10 PROFIT BEFORE INCOME TAX

Profit before income tax is stated after charging/(crediting) the followings:

	2024 RMB'000	2023 RMB'000
Staff costs, including directors and supervisors emoluments	19,007,330	19,130,017
Retirement benefit plan contribution (including in the above mentioned staff costs)		
—Municipal retirement scheme costs	1,498,206	1,449,372
—Supplementary retirement scheme costs	753,555	722,845
Changes in inventories of finished goods and work in progress	(1,140)	(3,815)
Raw materials and consumables used	30,974,027	30,961,028
Depreciation and amortisation		
—Property, plant and equipment	3,680,572	3,645,307
—Other non-current assets	3,248,672	2,642,451
—Intangible assets	203,937	180,373
Short-term leases and leases with lease term of 12 months or less	2,490,508	2,953,666
ECL, net		
—Trade and other receivables	(465,785)	(398,994)
—Contract assets	(138,134)	(4,250)
Write-down of inventories to net realisable value	797	-
Impairment loss on property, plant and equipment	111	4,957
Rental income from property, plant and equipment after relevant expenses	(28,248)	(24,330)
Gain on disposal of property, plant and equipment, net	(62,853)	(85,168)
Gain on disposal of other non-current assets, net	(12,547)	(2,675)
Auditors' remuneration	7,200	7,200
Exchange (gain)/loss, net	(61,836)	34,952

11 INCOME TAX EXPENSE

	2024 RMB'000	2023 RMB'000
Current tax		
PRC enterprise income tax	160,730	109,339
Overseas enterprise income tax	279,202	242,259
	<u>439,932</u>	<u>351,598</u>
Deferred tax		
Origination and reversal of temporary difference	60,985	(12,474)
	<u>500,917</u>	<u>339,124</u>

According to the Corporate Income Tax Law of the PRC, the applicable income tax of the years ended 31 December 2024 and 2023 is 25%.

According to the normal statutory PRC corporate income tax and relevant rules, apart from a certain subsidiaries of the Company subjected to the relevant development zone policy or participation in technology development and the PRC's western development project can enjoy 15% preferential tax rate during the period, for the years ended 31 December 2024 and 2023, the majority of the companies of the Group are subject to 25% income tax rate.

Taxes in other countries are calculated according to the tax laws where the related companies of the Group operate.

During the year ended 31 December 2024, Pillar Two legislation was enacted in Kuwait in which the Group operates. However, the legislation is not in effect by 31 December 2024 and therefore there is no current income tax impact for the year.

The Group is in the progress of assessing the impacts. Due to the complexity of the tax laws, the Group has yet to complete their assessment and therefore the effect is not yet reasonably estimated.

11 INCOME TAX EXPENSE (Continued)

Reconciliation between income tax expense and profit before income tax calculated at the statutory tax rate is as follows:

	2024 RMB'000	2023 RMB'000
Profit before income tax	1,121,548	915,207
Taxation calculated at the statutory tax rate	280,387	228,802
Income tax effects of:		
Difference in overseas profits tax rates	(11,598)	(11,339)
Non-deductible expenses	99,573	91,560
Utilisation of unrecognised tax losses and deductible temporary differences	(30,853)	(28,915)
Unrecognised tax losses and deductible temporary differences	297,118	248,619
Adjustment of current tax in previous years	(13,283)	(38,439)
Equity method accounting for the joint ventures and associates' profit or loss	7,926	(4,552)
Research and development expenses	(128,353)	(146,612)
Income tax expense	500,917	339,124

12 EARNINGS PER SHARE

(a) Basic

For the years ended 31 December 2024 and 2023, the basic earnings per share is calculated by dividing the profit attributable to owners of the Company.

	2024	2023
Profit for the year attributable to owners of the Company (RMB'000)	620,631	576,083
Weighted average number of ordinary shares in issue (Shares)	18,982,939,727	18,984,340,033
Basic earnings per share (RMB)	<u>0.033</u>	<u>0.030</u>

(b) Diluted

For the years ended 31 December 2024 and 2023, the diluted earnings per share was the same as the basic earnings per share for the years as there were no dilutive potential ordinary shares in existence during both years.

13 DIVIDENDS

The Board of Directors of the Company do not recommend the payment of any dividend for the years ended 31 December 2024 and 2023.

14 TRADE RECEIVABLES

	2024 RMB'000	2023 RMB'000
Trade receivables		
- Sinopec Group and its subsidiaries	6,075,263	3,927,454
- Joint ventures	17,534	20,354
- Sinopec Group's joint ventures and associates	125,362	73,269
- Third parties	8,865,528	8,814,526
	<u>15,083,687</u>	<u>12,835,603</u>
Less: ECL allowance	(1,788,860)	(2,233,361)
Trade receivables - net	<u>13,294,827</u>	<u>10,602,242</u>

As at 31 December 2024 and 2023, the Group's trade receivables were approximately their fair value.

The Group usually provides customers with credit term in the range of 90 to 180 days. For the settlement of trade receivables from provision of services, the Group usually reaches an agreement on the term of each payment with the customer by taking into account factors such as, among other things, the credit history of the customer, its liquidity position and the Group's working capital needs, which varies on a case-by-case basis that requires the judgment and experience of the management. The Group does not hold any collateral as security.

14 TRADE RECEIVABLES (CONTINUED)

Ageing analysis of notes and trade receivables net of ECL allowance based on invoice date is as follows:

	2024 RMB'000	2023 RMB'000
Within 1 year	12,606,210	10,052,405
1 to 2 years	456,985	416,954
2 to 3 years	152,307	73,512
Over 3 years	79,325	59,371
	<u>13,294,827</u>	<u>10,602,242</u>

The movements of ECL allowance on trade receivables are as follows:

	2024 RMB'000	2023 RMB'000
Balance at the beginning of the year	2,233,361	2,397,795
ECL allowance	21,662	20,878
Reversal	(457,598)	(155,286)
Receivables write-off as uncollectible	(4,559)	(31,558)
Others	(4,006)	1,532
At 31 December	<u>1,788,860</u>	<u>2,233,361</u>

15 NOTES AND TRADE PAYABLES AND LIABILITIES UNDER SUPPLIER FINANCE ARRANGEMENT

	2024 RMB'000	2023 RMB'000
Trade payables		
- Sinopec Group and its subsidiaries	4,603,046	2,481,469
- Joint ventures	16,891	90,398
- Sinopec Group's joint ventures and associates	685	3,636
- Third parties	19,205,285	23,798,425
	<u>23,825,907</u>	<u>26,373,928</u>
Notes payables	3,387,768	8,821,760
Liabilities under supplier finance arrangement	4,440,139	
	<u>31,653,814</u>	<u>35,195,688</u>

15 NOTES AND TRADE PAYABLES AND LIABILITIES UNDER SUPPLIER FINANCE ARRANGEMENT (CONTINUED)

As at 31 December 2024 and 2023, the carrying amounts of the Group's notes and trade payables and liabilities under supplier finance arrangement were approximately their fair value.

Ageing analysis of notes and trade payables based on invoice date is as follows:

	2024 RMB'000	2023 RMB'000
Within 1 year	31,136,345	34,328,566
1 to 2 years	327,915	563,627
2 to 3 years	70,429	156,428
Over 3 years	119,125	147,067
	31,653,814	35,195,688

Liabilities under supplier finance arrangement

During the year, the Group has entered into agreements with supply chain financing institutions such as Easy-Pec and banks (the "Institutions"), agreeing that they will provide the Group with agency payment and accounts payable factoring services. The Group is required to repay the amount to the Institutions within agreed period (usually not more than 18 months) from the actual payment date of the Institutions. The financing arrangement does not involve any guarantees or pledges.

From the Group's perspective, the arrangement does not significantly extend payment terms beyond the normal terms agreed with other suppliers that are not participating; however, the arrangement does provide willing suppliers with the benefit of early payment. Additionally, the Group does not incur any additional interest towards the Institutions on the amounts due to the suppliers. The Group therefore presents the amounts subject to the arrangement together with notes and trade payables because the nature and function of these payables remains the same as those of notes and trade payables.

	As at 31 December 2024	As at 31 December 2023	As at 1 January 2023
<u>Range of payment due dates</u>			
Liabilities under supplier finance arrangement	3 to 18 months	Not applicable	Not applicable
Comparable trade payables that are not part of the supplier finance arrangement	3 to 18 months	Not applicable	Not applicable
	As at 31 December 2024 RMB'000	As at 31 December 2023 RMB'000	As at 1 January 2023 RMB'000
Liabilities under supplier finance arrangement	4,440,139	-	-
- of which the supplier has received payment from the institutions	4,193,879	-	-
	4,440,139	-	-

15 NOTES AND TRADE PAYABLES AND LIABILITIES UNDER SUPPLIER FINANCE ARRANGEMENT (CONTINUED)

The payments to the Institutions are included within operating cash flows because they continue to be part of the normal operating cycle of the Group and their principal nature remains operating – i.e. payments for the purchase of goods and services. The payments to a supplier by the Institutions of RMB4,193,879,000 are considered non-cash transactions.

7.3 Financial statements prepared in accordance with PRC ASBE

The following financial information has been extracted from the Company's audited financial statements, prepared in accordance with PRC ASBE for the year ended 31 December 2023.

Consolidated Balance sheet

(Expressed in thousands of Renminbi Yuan)

Assets	<u>31 December 2024</u>	<u>31 December 2023</u>
Current assets:		
Cash at bank and on hand	3,648,514	2,816,116
Bills receivable	-	-
Accounts receivable	13,294,827	10,602,242
Accounts receivable financing	2,557,311	2,735,081
Advances to suppliers	595,747	511,443
Other receivables	2,848,479	2,760,141
Inventories	1,009,501	1,204,295
Contract assets	16,763,754	16,203,248
Non-current assets due within one year	-	-
Other current assets	2,616,835	2,492,849
Total current assets	43,334,968	39,325,415
Non-current assets:		
Long-term equity investments	251,551	553,496
Other equity instrument investments	137,441	135,763
Fixed assets	24,238,814	24,870,821
Construction in progress	793,487	695,614
Right-of-use assets	620,413	799,633
Intangible assets	424,226	442,778
Long-term prepaid expenses	7,208,900	7,938,767
Deferred tax assets	330,305	400,687
Total non-current assets	34,005,137	35,837,559
Total assets	77,340,105	75,162,974

Consolidated Balance sheets (continued)

(Expressed in thousands of renminbi yuan)

Liabilities and shareholders' equity	<u>31 December 2024</u>	<u>31 December 2023</u>
Current liabilities:		
Short-term loans	22,870,449	19,907,435
Bills payable	3,387,769	8,821,760
Accounts payable	28,266,046	26,373,928
Contract liabilities	7,909,917	5,361,274
Employee benefits payable	719,036	863,071
Taxes payable	965,079	1,000,904
Other payables	3,712,039	3,362,683
Non-current liabilities due within one year	272,460	436,121
Other current liabilities	-	-
Total current liabilities	68,102,795	66,127,176
Non-current liabilities:		
Long-term loans		318,722
Lease liabilities	304,333	317,120
Long-term payables	90,987	58,829
Provisions	90,365	212,709
Deferred income	24,758	18,189
Deferred income tax liabilities	78,065	87,027
Total non-current liabilities	588,508	1,012,596
Total liabilities	68,691,303	67,139,772
Shareholders' equity:		
Share capital	18,979,412	18,984,340
Capital reserve	11,720,452	11,717,773
Other comprehensive income	30,193	22,618
Specific reserve	302,874	313,849
Surplus reserve	200,383	200,383
Retained earnings	-22,584,512	-23,215,761
Equity attributable to the owners of the Company	8,648,802	8,023,202
Minority interests	-	-
Total shareholders' equity	8,648,802	8,023,202
Total liabilities and shareholders' equity	77,340,105	75,162,974

Consolidated Income statements
(Expressed in thousands of Renminbi Yuan)

	<u>2024</u>	<u>2023</u>
1.Revenue	81,096,178	79,980,939
2.Less: Cost of sales	74,762,298	74,187,497
Business taxes and surcharges	325,968	329,885
Selling and distribution expenses	84,485	82,689
General and administrative expenses	2,405,659	2,394,486
Research and development expenses	2,247,111	2,083,796
Financial costs	729,521	894,073
Including: Interest expense	749,254	805,017
Interest income	63,109	23,649
Add: Other income	87,392	350,293
Investment income	17	55,033
Including: Investment income from investment in association and joint venture	-28,593	20,842
Credit impairment losses (loss in “-”)	465,785	398,994
Impairment losses on assets (loss in “-”)	-133,218	-707
Gains from disposal of non-current assets (loss in “-”)	75,400	87,843
3.Operating profit (loss in “-”)	1,036,512	899,969
Add: Non-operating income	132,197	138,187
Less: Non-operating expenses	36,186	109,816
4. Profit before income tax (loss in “-”)	1,132,523	928,340
Less: Income tax expenses	500,917	339,124
5.Net profit for the year (loss in “-”)	631,606	589,216
Classified by business sustainability:		
-Profit from continuing operations	631,606	589,216
-Profit from discontinued operations	-	-
Classified by ownership :		
- The owners’ of the Company	631,606	589,216
- Minority interests	-	-
6.Earnings per share :		
(1) Basic earnings per share (in RMB)	0.033	0.031
(2) Diluted earnings per share (in RMB)	0.033	0.031
7.Other comprehensive income for the year	7,218	17,386
Other comprehensive income (net of tax) attributable to shareholders of the company	7,218	17,386
8.Total comprehensive income for the year	638,824	606,602
Total comprehensive income for the year/period attributable to:		
- The owners’ of the Company	638,824	606,602
- Minority shareholders	-	-

Consolidated Cash flow statement
(Expressed in thousands of renminbi yuan)

	<u>2024</u>	<u>2023</u>
1. Cash flows from operating activities:		
Cash received from sale of goods	78,943,570	78,293,372
Refund of taxes	66,335	323,284
Cash received from other operating activities	<u>4,270,439</u>	<u>4,506,142</u>
Sub-total of cash inflows	<u>83,280,344</u>	<u>83,122,798</u>
Cash paid for goods and services	54,515,936	52,585,073
Cash paid to and for employees	19,150,318	19,028,159
Cash paid for all types of taxes	2,592,513	2,189,389
Cash paid relating to other operating activities	<u>3,920,723</u>	<u>3,743,264</u>
Sub-total of cash outflows	<u>80,179,490</u>	<u>77,545,885</u>
Net cash inflow from operating activities	<u>3,100,854</u>	<u>5,576,913</u>
2. Cash flows from investing activities :		
Cash received from the investment income	5,358	6,275
Net cash received from disposal of fixed assets	217,557	75,961
Cash received relating to other investing activities	<u> </u>	<u>11,983</u>
Sub-total of cash inflows	<u>222,915</u>	<u>94,219</u>
Cash paid for acquisition of fixed assets and intangible assets	3,681,379	4,153,602
Cash paid for other investing activities	<u> </u>	<u> </u>
Sub-total of cash outflows	<u>3,681,379</u>	<u>4,153,602</u>
Net cash outflow from investing activities	<u>-3,458,464</u>	<u>-4,059,383</u>

Consolidated Cash flow statement (continued)
(Expressed in thousands of renminbi yuan)

	<u>2024</u>	<u>2023</u>
3. Cash flows from financing activities:		
Cash received from borrowings	34,289,050	27,351,504
Sub-total of cash inflows	<u>34,289,050</u>	<u>27,351,504</u>
Cash paid for repayments of borrowings	31,827,424	26,568,095
Cash paid for distribution of dividend, profit or payments of interests	673,050	712,646
Cash paid for other financing activities	743,931	628,989
Sub-total of cash outflows	<u>33,244,405</u>	<u>27,909,730</u>
Net cash outflow from financing activities	<u>1,044,645</u>	<u>-558,226</u>
4. Effect of foreign exchange rate changes on cash and cash equivalents	-34,435	28,344
5. Net decrease in cash and cash equivalents	652,600	987,648
Add: Cash and cash equivalents at the beginning of the year	2,788,798	1,801,150
6. Cash and cash equivalents at the end of the year	<u>3,441,398</u>	<u>2,788,798</u>

Notes to cash flow statements

(Expressed in thousands of renminbi yuan)

(1) Supplement to cash flow statement

(a) Reconciliation of net profit to cash flows from operating activities:

<u>Item</u>	<u>2024</u>	<u>2023</u>
Net profit	631,606	589,216
Add: Impairment loss on assets	133,218	707
Impairment of credit losses	-465,785	-398,994
Depreciation of fixed assets and right-of use assets	3,677,450	3,641,742
Amortisation of intangible assets	204,029	183,938
Amortisation of long-term prepaid expenses	3,228,352	2,649,296
Losses/(gains) from disposal of fixed assets	-75,400	-87,843
Losses/(gains) on retirement of fixed assets	-50,842	-68,671
Financial expenses	653,975	846,439
Investment losses	-17	-55,033
Decrease/(Increase) in deferred tax assets	70,382	-30,673
Increase/(Decrease) in deferred tax liabilities	-9,396	18,199
Decrease in gross inventories	193,997	-87,954
Decrease in operating receivables	-2,314,847	-4,409,545
Increase in operating payables	-2,764,894	2,799,223
Safety costs	-10,974	-13,134
Unexercised share-based payment		
Net cash inflow from operating activities	<u>3,100,854</u>	<u>5,576,913</u>

(b) Changes in cash and cash equivalents:

<u>Item</u>	<u>2024</u>	<u>2023</u>
Cash at the end of the year	3,441,398	2,788,798
Less: Cash at the beginning of the year	<u>2,788,798</u>	<u>1,801,150</u>
Net decrease in cash and cash equivalents	<u>652,600</u>	<u>987,648</u>

(2) Details of cash and cash equivalents

<u>Item</u>	<u>2024</u>	<u>2023</u>
Cash on hand	1,100	1,551
Bank deposits available on demand	3,440,298	2,786,895
Other monetary funds available on demand		352
Closing balance of cash	<u>3,441,398</u>	<u>2,788,798</u>
Add: Restricted cash	<u>207,116</u>	<u>27,318</u>
Closing balance of cash and cash equivalents	<u>3,648,514</u>	<u>2,816,116</u>

Statement of changes in shareholders' equity
(Expressed in thousands of Renminbi Yuan)

	<u>2024</u>							
	Share capital	Capital reserve	Other comprehensive income	Specific reserve	Surplus reserve	Retained earnings	Minority interests	Total shareholders' equity
1. Balance at 31 December 2023	18,984,340	11,717,773	22,618	313,849	200,383	-23,215,761		8,023,202
Adjustment for the acquisition of the acquired group	-	-	-	-	-	-	-	-
Business combination under common control	-	-	-	-	-	-	-	-
2. Balance at 1 January 2023	18,984,340	11,717,773	22,618	313,849	200,383	-23,215,761		8,023,202
3. Changes in equity for the year (“-” for decreases)	-4,928	2,679	7,575	-10,975	-	631,249	-	625,600
(1) Total comprehensive income	-	-	7,218	-	-	631,606	-	638,824
(2) Increase or decrease of capital	-4,928	2,679	-	-	-	-	-	-2,249
a. Original stock of surplus reserve	-4,928	2,679	-	-	-	-	-	-2,249
b. Share payments recognised in equity	-	-	-	-	-	-	-	-
c. Others	-	-	-	-	-	-	-	-
(3) Appropriation of profits	-	-	-	-	-	-	-	-
a. Appropriation for surplus reserve	-	-	-	-	-	-	-	-
b. Distributions to shareholders	-	-	-	-	-	-	-	-
(4) Transfer of equity	-	-	357	-	-	-357	-	-
a. Transfer of other comprehensive income to retained earnings	-	-	357	-	-	-357	-	-
(5) Specific reserve	-	-	-	-10,975	-	-	-	-10,975
(a) Accrued	-	-	-	1,208,060	-	-	-	1,208,060
(b) Utilised	-	-	-	-1,219,035	-	-	-	1,219,035
(6) Others	-	-	-	-	-	-	-	-
4. Balance at 31 December 2024	18,984,340	11,720,452	30,193	302,874	200,383	-23,215,761	-	8,648,802

Statement of changes in shareholders' equity
(Expressed in thousands of Renminbi Yuan)

2023

	Share capital	Capital reserve	Other comprehensive income	Specific reserve	Surplus reserve	Retained earnings	Minority interests	Total shareholders' equity
1. Balance at 31 December 2022	18,984,340	11,717,773	5,232	326,983	200,383	-23,804,977		7,429,734
Adjustment for the acquisition of the acquired group Business combination under common control	-	-	-	-	-	-	-	-
2. Balance at 1 January 2023	18,984,340	11,717,773	5,232	326,983	200,383	-23,804,977		7,429,734
3. Changes in equity for the year (“-” for decreases)	-	-	17,386	-13,134	-	589,216	-	593,468
(1) Total comprehensive income	-	-	17,386	-	-	589,216	-	606,602
(2) Increase or decrease of capital	-	-	-	-	-	-	-	-
a. Original stock of surplus reserve	-	-	-	-	-	-	-	-
b. Share payments recognised in equity	-	-	-	-	-	-	-	-
c. Others	-	-	-	-	-	-	-	-
(3) Appropriation of profits	-	-	-	-	-	-	-	-
a. Appropriation for surplus reserve	-	-	-	-	-	-	-	-
b. Distributions to shareholders	-	-	-	-	-	-	-	-
(4) Transfer of equity	-	-	-	-	-	-	-	-
(5) Specific reserve	-	-	-	-13,134	-	-	-	-13,134
(a) Accrued	-	-	-	1,230,578	-	-	-	1,230,578
(b) Utilised	-	-	-	1,243,712	-	-	-	1,243,712
(6) Others	-	-	-	-	-	-	-	-
4. Balance at 31 December 2023	18,984,340	11,717,773	22,618	313,849	200,383	-23,215,761	-	8,023,202

8. OTHER ITEMS

(1) Annual Report

The Company's 2024 Annual Report will be published on the HKEx News website of the Hong Kong Stock Exchange and the Company's website as soon as practicable.

(2) Compliance with the Corporate Governance Code and the Model Code

For the year ended on 31 December 2024, the Company has complied with all the code provisions under the Corporate Governance Code set out in Appendix C1 to the Hong Kong Listing Rules.

The Company has approved to adopt the Model Code as contained in Appendix C3 to the Hong Kong Listing Rules. Having specifically inquired all the Directors, Supervisors and senior management, the Company confirms that its Directors, Supervisors and senior management have fully complied with the Model Code during the reporting period.

During the reporting period, the audit committee of the Board held six meetings and reviewed the Company's 2023 Financial Statements, Interim Report for 2024 and continuing connected transactions and formed its relevant opinion.

The audit committee of the eleventh session of the Board held the fifth meeting on 14 March 2025 and reviewed and passed the resolutions regarding the 2024 financial statements, proposed re-appointment of the auditors of the Company and performance report of the audit committee of the Company.

(3) Purchase, sale or redemption of the Company's listed securities

On 12 June 2024, the Company's 2023 annual general meeting, the first A shareholders' class meeting in 2024 and the first H shareholders' class meeting in 2024 considered and approved the resolution on the authorisation to the Board to repurchase domestic shares and/or overseas-listed foreign shares of the Company, authorizing the board of directors to repurchase domestic shares and/or overseas listed foreign shares according to market conditions and the needs of the Company not exceeding 10% of the respective number of A shares or H shares issued by the Company.

On 20 August 2024, the fourth meeting of the eleventh board of the Company considered and approved the resolution on the plan for the repurchase of shares of the Company, which approved the Company to use its own funds to repurchase part of A shares and H shares for cancellation and reduction of the registered capital. The plan for the repurchase of A shares was considered and approved at the first extraordinary general meeting of 2024 of the Company held on 6 December 2024. For details, please refer to the "Repurchase Report on Repurchase of A Shares through Centralized Competitive Trading" (P.2024-057) disclosed in China Securities Journal, Shanghai Securities News, Securities Times and on www.sse.com.cn on 20 December 2024 and disclosed on www.hkexnews.hk on 19 December 2024.

In order to increase earnings per share, boost the stock price, strengthen market value management and be in line with the interests of the Company and its shareholders as a whole, the Company repurchased a total of 4,928,000 H shares during the period from 21 August 2024 to 12 September 2024, representing 0.03% of the total issued shares of the Company, at a maximum repurchase price of HKD0.53 per share and a minimum repurchase price of HKD0.485 per share, with a total amount paid of HKD2,475,340 (excluding transaction costs). Such shares have been cancelled on 19 September 2024. As at 31 December 2024, the Company has not yet implemented the repurchase of A shares.

Repurchase of H shares

Repurchase month	Number of repurchase (Shares)	Purchase price per share		Total price (HKD)
		Max price (HKD/share)	Min price (HKD/share)	
August 2024	1,100,000	0.53	0.52	579,660
September 2024	3,828,000	0.52	0.485	1,895,680

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed shares during the twelve months ended 31 December 2024.

(4) Annual results review

The annual results for the year ended 31 December 2024 have been reviewed by the audit committee of the Board of the Company, and the audit committee has no different opinions on the annual results.

(5) A detailed Annual Report of the Company containing all the information required by Paragraphs 6 to 36 (the first and last paragraphs included) of Appendix D2 to the Hong Kong Listing Rules will be published on the website of the HKSE in due course.

This announcement is published in both Chinese and English. Should there be any discrepancy between the English version and the Chinese version, the Chinese version shall prevail.

By Order of the Board
Shen Zehong
Company Secretary

18 March 2025, Beijing

As at the date of this announcement, the Board of Directors comprises Mr. Wu Baizhi#, Mr. Zhang Jiankuo#, Ms. Zhang Lili+, Mr. Du Kun+, Mr. Xu Keyu+, Mr. Zheng Weijun, Mr. Wang Pengcheng* and Ms. Liu Jiangning*.*

Executive Director

+ Non-Executive Director

** Independent Non-Executive Director*