



CHINA OILFIELD SERVICES LIMITED

(A joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 2883)

OVERSEAS REGULATORY ANNOUNCEMENT

—FIRST QUARTERLY RESULTS

This announcement is made pursuant to Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The First Quarterly Report for 2018 of the Company is prepared in accordance with PRC Accounting Standards for Business Enterprises and has not been audited.

This announcement is prepared in both Chinese and English. In the event of any discrepancy between the two versions, the Chinese version shall prevail.

27 April 2018

As at the date of this announcement, the executive directors of the Company are Messrs. Qi Meisheng (Chairman) and Liu Yifeng; the non-executive director of the Company is Mr. Meng Jun; and the independent non-executive directors of the Company are Messrs. Law Hong Ping, Lawrence, Fong Chung, Mark and Wong Kwai Huen, Albert.

Stock code:601808

Stock short name:中海油服

China Oilfield Services Limited

2018 First Quarterly Report

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§1. Important Notice

1.1 The board of directors (the “Board”), supervisory committee, and the directors, supervisors and senior management of China Oilfield Services Limited (the “Company”) assure for the truthfulness, accuracy and completeness of the contents of the report, confirm that there are no material omissions and misrepresentations or serious misleading statements in this report and accept joint and several liability.

1.2 Directors who did not attend Board meeting

Name of directors who did not attend the board meeting	Positions of directors who did not attend the board meeting	Reasons for not attending the board meeting	Appointee
Liu Yifeng	Director	Other office duty	Qi Meisheng

1.3 Mr. Qi Meisheng, person in charge of the Company, Mr. Zheng Yonggang, person in charge of the accounting work, and Ms. Jiang Ping, person in charge of the accounting office (the accountant in charge), have declared that they assure for the truthfulness, accuracy and completeness of the financial statements in the report.

1.4 The First Quarterly Financial Statements of the Company was unaudited.

§2. Basic Information of the Company

2.1 Principal Financial Data

Unit: million Yuan Currency: RMB

	As at 31 March 2018	As at 31 December 2017		Increase/ Decrease (%)
		After restated	Before restated	
Total assets	70,811.8	73,941.3	73,857.3	-4.2
Equity attributable to owners of the Company	33,706.1	34,564.6	34,554.9	-2.5
	From the beginning of the year to end of the reporting period	From the beginning of last year to end of the reporting period of last year		Change over the corresponding period of last year (%)
		After restated	Before restated	
Net cash flow from operating activities	-847.9	196.5	196.4	-531.5
	From the beginning of the year to end of the reporting period	From the beginning of last year to end of the reporting period of last year		Change over the corresponding period of last year (%)
		After restated	Before restated	
Revenue	3,427.9	3,058.5	3,057.7	12.1
Net profit attributable to owners of the Company	-651.1	-557.2	-544.8	N/A

Net profit excluding non-recurring gain and loss attributable to owners of the Company	-903.3	-606.8	-594.3	N/A
Weighted average net assets earnings ratio (%)	-1.9%	-1.6%	-1.6%	Decreased 0.3 percentage point
Basic earnings per share (Yuan per share)	-0.14	-0.12	-0.11	N/A
Diluted earnings per share (Yuan per share)	N/A	N/A	N/A	N/A

On 31 January 2018, The Company has complete the purchase of the seismic data processing business of CNOOC Ener Tech – Drilling & Production Co. Data Processing Co. This transaction is accounted for as a combination of business under common control. The financial data in the table which as at the beginning of the year and the previous period has been restated.

Non-recurring gain and loss

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Items	Amounts of the period
Gain / loss on disposal and written-off of non-current assets	212,952,393
Government grants credited to the income statement for the current period, except for those closely relevant to normal business of the company, conformed to requirements of State policy, granted on fixed amount basis or enjoyed on continuous fixed amount basis subject to certain standards	24,500,610
Revenue from the wealth management products credited for the current period	32,204,997
Net gain or loss arising from business combination under common control from the beginning of the period to the date of combination	-4,333,220
Non-operating incomes and expenses other than the above items	27,928,233
Income tax effect	-41,060,405
Total amounts	252,192,608

2.2 Number of shareholders, particulars of shareholding of the top 10 shareholders and particulars of shareholding of the top 10 shareholders not subject to restrictions on sales as at the end of the reporting period

Unit: Share

Total number of shareholders at the end of the reporting period:				72,526		
Particulars of shareholding of the top 10 shareholders						
Name of shareholder (Full name)	Total number of shares held	Shareholding percentage (%)	Number of shares held subject to restrictions on sales	Shares pledged or locked up		Nature of shareholder
				Condition	Number	
China National Offshore Oil Corporation	2,410,849,300	50.53	0	Nil	0	State-owned legal person

Hong Kong Securities Clearing Company Nominees Limited	1,808,182,161	37.89	0	Nil	0	Others
China Securities Finance Corporation Limited	136,920,373	2.87	0	Nil	0	State-owned legal person
Central Huijin Investment Ltd.	29,883,000	0.63	0	Nil	0	State-owned legal person
Industrial and Commercial Bank of China Limited – Harvest New Opportunity Flexible Allocation Mixed Launched Fund	4,509,305	0.09	0	Nil	0	Others
National Social Security Fund 107	4,099,601	0.09	0	Nil	0	Others
China Construction Bank Corporation – China AMC Advantage Growth Mixed Securities Investment Fund	4,058,300	0.09	0	Nil	0	Others
Agricultural Bank of China Limited – Penghua Power Growth Mixed Fund (LOF)	4,008,300	0.08	0	Nil	0	Others
Qian Hai Kai Yuan Fund– Pudong Development Bank – Qian Hai Kai Yuan Le Sheng Asset Management Scheme	3,538,045	0.07	0	Nil	0	Others
China AMC Xinghua Mixed Securities Investment Fund	2,683,926	0.06	0	Nil	0	Others
Particulars of shareholding of the top 10 shareholders not subject to restrictions on sales						
Name of shareholder	Shares not subject to restrictions on sales	Type and number of share				
		Type	Number			
China National Offshore Oil Corporation	2,410,849,300	A Shares	2,410,847,300			
		H Shares	2,000			
Hong Kong Securities Clearing Company Nominees Limited	1,808,182,161	H Shares	1,808,182,161			
China Securities Finance Corporation Limited	136,920,373	A Shares	136,920,373			
Central Huijin Investment Ltd.	29,883,000	A Shares	29,883,000			
Industrial and Commercial Bank of China Limited – Harvest New Opportunity Flexible Allocation Mixed Launched Fund	4,509,305	A Shares	4,509,305			
National Social Security Fund 107	4,099,601	A Shares	4,099,601			
China Construction Bank Corporation – China AMC Advantage Growth Mixed Securities Investment Fund	4,058,300	A Shares	4,058,300			
Agricultural Bank of China Limited – Penghua Power Growth Mixed Fund (LOF)	4,008,300	A Shares	4,008,300			
Qian Hai Kai Yuan Fund– Pudong Development Bank – Qian Hai Kai Yuan Le Sheng Asset Management Scheme	3,538,045	A Shares	3,538,045			
China AMC Xinghua Mixed Securities Investment Fund	2,683,926	A Shares	2,683,926			

Note of connected relationships or concerted actions of the above shareholders	<p>1. Shares held by Hong Kong Securities Clearing Company (HKSCC) Nominees Limited were the sum of H-shares (by agent) traded in the trading platform of HKSCC Nominees Limited and in the accounts of H-share shareholders (2,000 H shares held by China National Offshore Oil Corporation are not included).</p> <p>2. To the knowledge of the Company, there were no connected relationships or concerted actions among the above top 10 shareholders, the top 10 shareholders not subject to restrictions on sales or between the above top 10 shareholders and top 10 shareholders not subject to restrictions on sales.</p> <p>3. In “Particulars of shareholding of the top 10 shareholders”, the 2,410,849,300, the “Total number of shares held” of China National Offshore Oil Corporation, include 2,410,847,300 A shares and 2,000 H shares.</p>
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2.3 Total number of holders of preference shares, top 10 holders of preference shares and top 10 holders of preference shares not subject to restriction on sales as at the end of the reporting period

Applicable Not Applicable

2.4 Operating results review

In the first quarter of 2018, although global oil price recovered, the entire oilfield services industry was still facing the condition of oversupply. Under such difficult market environment, the Group constantly enhances refined management, strived to explore overseas market while reinforcing the domestic market. The workload of certain businesses in jack-up rigs, semi-submersible drilling rigs, marine support services and well services segments increased during the period. In the first quarter of 2018, the Group’s revenue amounted to RMB3,427.9 million while the Group’s net profit amounted to RMB-644.0 million.

Operating information of the main segments for the period ended 31 March 2018 is listed in the following table:

Drilling Services	For the period ended 31 March 2018	For the period ended 31 March 2017	Change
Operating Days (Day)	2,275	1,905	19.4%
Jack-up Drilling Rigs	1,817	1,585	14.6%
Semi-submersible Drilling Rigs	458	320	43.1%
Utilization Rate (Available Day)	61.4%	52.0%	Increased 9.4 percentage points
Jack-up Drilling Rigs	64.3%	55.6%	Increased 8.7 percentage points
Semi-submersible Drilling Rigs	51.9%	39.4%	Increased 12.5 percentage points

Utilization Rate (Calendar Day)	58.8%	48.1%	Increased 10.7 percentage points
Jack-up Drilling Rigs	63.1%	53.4%	Increased 9.7 percentage points
Semi-submersible Drilling Rigs	46.3%	32.3%	Increased 14.0 percentage points

Marine Support Services (Group Owned Vessels)	For the period ended 31 March 2018	For the period ended 31 March 2017	Change
Operating Days (Day)	7,319	6,432	13.8%
Standby Vessels	3,487	2,934	18.8%
AHTS Vessels	2,241	1,988	12.7%
PSV Vessels	1,099	933	17.8%
Utility Vessels	132	217	-39.2%
Barges	360	360	-
Vessel Utilization Rate (Available Day)	89.8%	82.8%	Increased 7.0 percentage points
Standby Vessels	95.0%	90.8%	Increased 4.2 percentage points
AHTS Vessels	89.8%	80.1%	Increased 9.7 percentage points
PSV Vessels	87.3%	75.2%	Increased 12.1 percentage points
Utility Vessels	36.7%	48.2%	Decreased 11.5 percentage points
Barges	100.0%	100.0%	-
Vessel Utilisation Rate (Calendar Day)	88.1%	81.2%	Increased 6.9 percentage points
Standby Vessels	92.2%	88.1%	Increased 4.1 percentage points
AHTS Vessels	87.8%	79.0%	Increased 8.8 percentage points
PSV Vessels	87.2%	74.1%	Increased 13.1 percentage points
Utility Vessels	36.7%	48.2%	Decreased 11.5 percentage points
Barges	100.0%	100.0%	-

Geophysical and Surveying Services	For the period ended 31 March 2018	For the period ended 31 March 2017	Change
2D Seismic Data			
Data Collection (km)	0	0	-
Data Processing (km)	2,240	0	100.0%
3D Seismic Data			
Data Collection (km ²)	4,052	5,420	-25.2%
Including: Submarine Cable (km ²)	6	0	100.0%
Data Processing (km ²)	2,454	2,367	3.7%

For the period ended 31 March 2018, the operating days of drilling rigs of the Group amounted to 2,275 days, representing an increase of 370 days or 19.4% as compared with the same period last year, among which the operating days of jack-up rigs amounted to 1,817 days, representing an increase of 232 days. Due to the decrease of standby and maintenance days, operating days of sub-submersible drilling rigs were 458 days, representing an increase of 138 days as compared with the same period last year. Meanwhile, the calendar day utilization rate of drilling rigs increased 10.7 percentage points to 58.8% as compared with the same period last year, among which the calendar day utilization rate of jack-up rigs increased 9.7 percentage points to 63.1% as compared with the same period last year, and the calendar day utilization rate of sub-submersible drilling rigs increased 14.0 percentage points to 46.3% as compared with the same period last year.

The operating days of the 3 accommodation rigs owned by the Group were 90 days, representing an increase of 1 day and the calendar day utilization rate decreased by 16.2 percentage points to 33.2%. Five module rigs in Gulf of Mexico operated 90 days, representing an increase of 16 days as compared with the same period last year and the calendar day utilization rate increased to 20.0%.

As for the well services segment, the operation volume from certain business lines increased, resulting in an increase in total revenue.

For the period ended 31 March 2018, the Group's owned vessels for marine support services of the Group operated 7,319 days, representing an increase of 887 days over the same period of last year and the calendar day utilization rate of vessels increased by 6.9 percentage points to 88.1%, due to the decrease in standby and maintenance days for the current period, resulting in the increase in both workload and operation rate of standby vessels, platform supply vessels and AHTS vessels. In addition, operation of the Group's chartered vessels increased during the period, which operated 2,268 days, representing an increase of 297 days as compared with the same period last year.

As for geophysical and surveying services segment, the workload for 3D collection business decreased by 1,368 km² as compared with the same period last year, which was mainly due to the adjustment of operation types of individual vessels. The workload of other business increased or stayed flat as compared with the same period last year.

§3. Significant Events

3.1 Disclosure as to and reasons for, material changes in major accounting items and financial indicators of the Company

√Applicable □Not Applicable

1. Tax and surcharge

For the three months ended 31 March 2018, the tax and surcharge of the Group amounted to RMB5.4 million, representing an increase of RMB2.6 million or 92.9% from RMB2.8 million for the same period last year (January-March). This was mainly attributable to the higher surtaxes paid for the period.

2. Financial expenses

For the three months ended 31 March 2018, the financial expenses of the Group amounted to RMB509.5 million, representing an increase of RMB215.4 million or 73.2% from RMB294.1 million for the same period last year (January-March). This was mainly attributable to the increase in net exchange loss.

3. Assets impairment losses

For the three months ended 31 March 2018, the Group recognized assets impairment losses of RMB2.0 million, representing an increase of RMB1.8 million or 900.0% from RMB0.2 million for the same period last year (January-March). This was mainly attributable to the increase in the provision for impairment of inventories for the current period.

4. Gain/loss on disposal of assets

For the three months ended 31 March 2018, the Group recognized gain on disposal of assets of RMB219.8 million, representing an increase of RMB226.9 million from RMB-7.1 million for the same period last year (January-March). This was mainly attributable to the gain from disposal of large equipment during the current period.

5. Other income

For the three months ended 31 March 2018, other income of the Group amounted to RMB19.4 million, representing an increase of RMB19.4 million or 100.0% from RMB0.0 million for the same period last year (January -March). This was mainly due to the amendment of certain accounting standard, government grant in relation to daily operation of the Company was recorded in other income based on their economic nature.

6. Non-operating income

For the three months ended 31 March 2018, the non-operating incomes of the Group amounted to RMB33.5 million, representing a decrease of RMB25.6 million or 43.3% from RMB59.1 million for the same period last year (January -March). This was mainly attributable to decrease of insurance proceeds as compared with same period last year.

7. Non-operating expenses

For the three months ended 31 March 2018, the non-operating expenses of the Group amounted to RMB7.3 million, representing a decrease of RMB32.9 million or 81.8% from RMB40.2 million for the same period last year (January -March). This was mainly attributable to the payment of equipment damage compensation of RMB40.1 million and there is no such matter in this period, which has obtained the corresponding insurance proceeds.

8. Minority interests

For the three months ended 31 March 2018, minority interests of the Group amounted to RMB7.1 million, representing a decrease of RMB4.5 million or 38.8% from RMB11.6 million for the same period last year

(January - March), which was mainly due to the decrease in profits of individual subsidiaries for the current period.

9. Cash on hand and at bank

As at 31 March 2018, the cash on hand and at bank of the Group amounted to RMB4,653.0 million, representing a decrease of RMB4,426.0 million or 48.7% from RMB9,079.0 million as at the beginning of the year. This was mainly attributable to the purchase of wealth management products.

10. Notes receivable

As at 31 March 2018, notes receivable of the Group amounted to RMB22.2 million, representing a decrease of RMB63.3 million or 74.0% from RMB85.5 million as at the beginning of the year. This was mainly attributable to the receipt of cash due to maturity of notes.

11. Interest receivable

As at 31 March 2018, interest receivable of the Group amounted to RMB8.3 million, representing a decrease of RMB9.8 million or 54.1% from RMB18.1 million as at the beginning of the year. This was mainly attributable to the recovery of fixed deposit interest at the end of last year.

12. Other current assets

As at 31 March 2018, other current assets of the Group amounted to RMB5,557.3 million, representing an increase of RMB2,766.9 million or 99.2% from RMB2,790.4 million as at the beginning of the year, which was mainly due to the purchase of wealth management products during the current period.

13. Development expenditure

As at 31 March 2018, development expenditure of the Group amounted to RMB91.6 million, representing an increase of RMB68.8 million or 301.8% from RMB22.8 million as at the beginning of the year, which was mainly due to increase input for the development of MultiClient data project for geophysical and surveying services during the current period.

14. Tax payable

As at 31 March 2018, tax payable of the Group amounted to RMB163.7 million, representing a decrease of RMB306.2 million or 65.2% from RMB469.9 million as at the beginning of the year, which was mainly due to the payment of VAT and income tax.

15. Other payables

As at 31 March 2018, other payables of the Group amounted to RMB196.8 million, representing a decrease of RMB107.7 million or 35.4% from RMB304.5 million as at the beginning of the year, which was mainly due to the decrease of payables to related party.

16. Other current liabilities

As at 31 March 2018, other current liabilities of the Group amounted to RMB260.4 million, representing an increase of RMB62.7 million or 31.7% from RMB197.7 million as at the beginning of the year, which was mainly due to the reclassification of output value-added tax to be recognised.

17. Other comprehensive income

As at 31 March 2018, other comprehensive income of the Group amounted to RMB-538.6million, representing a decrease of RMB196.5 million or 57.4% from RMB-342.1 million as at the beginning of the year, which was mainly due to changes in exchange rate.

18. Net cash flows from operating activities

For the three months ended 31 March 2018, the Group's net cash outflows from operating activities amounted to RMB847.9 million, representing an increase of RMB1,044.5 million compared to the same period last year. This was mainly attributable to the facts that: (1) cash received from rendering of labors and services decreased by RMB1,039.5 million; (2) cash paid for goods and services decreased by

RMB295.5 million as compared with the same period last year; and (3) besides, net cash outflow increased by RMB300.5 million due to the integrated effects of cash related to other operating activities.

19. Net cash flows from investing activities

For the three months ended 31 March 2018, the Group's net cash outflows from investing activities amounted to RMB3,731.5 million, representing an increase of RMB2,846.4 million or 321.6% compared to the same period last year. This was mainly due to the facts that: (1) cash received from purchasing wealth management products and other activities during the period decreased by RMB600.0 million and cash inflow received from other investment activities increased by RMB48.3 million compared to the same period last year; (2) cash paid for wealth management products increased by RMB3,077.1 million and cash outflows paid for other investment decreased by RMB782.4 million compared to the same period last year.

20. Net cash flows from financing activities

For the three months ended 31 March 2018, the Group's net cash outflows from financing activities amounted to RMB521.3 million and cash inflows from financing activities amounted to RMB1,254.9 million for the same period last year, representing an increase in cash outflows of RMB1,776.2 million. The main reasons were that (1) cash received from borrowings during the current period decreased by RMB1,724.8 million as compared to same period last year ; and (2) the cash paid for debts and interest repayment and cash paid for other financing activities during the period increased by RMB51.4 million or as compared to the same period last year.

21. The effect of foreign exchange rate fluctuation on cash and cash equivalents during the period was a decrease in cash of RMB136.1 million.

3.2 Significant events and analysis on their effects and solutions

Applicable Not Applicable

On 14 December 2016 and 20 January 2017, COSL Offshore Management AS (a subsidiary of the Company) as the plaintiff filed a complaints against Statoil (Statoil Petroleum AS, hereinafter "Statoil") with Oslo District Court of Norway about the dispute of Statoil's unlawful termination of the contract in respect of the drilling rig of COSLInnovator and the claim for Statoil to compensate for the losses in connection with the drilling rig of COSLPromoter. For details, please refer to relevant announcements released by the Company on Securities Times and the websites of the Shanghai Stock Exchange (<http://www.sse.com.cn>), Hong Kong Stock Exchange (<http://www.hkex.com.hk>) and the Company (<http://www.cosl.com.cn>) on 15 December 2016 and 21 January 2017.

As at the date of this report, the Court has finished the hearing in the first instance of the case regarding the drilling rig of COSLInnovator, while the judgment is still pending. Save for the information aforementioned, the Company is not required to further disclose any information relating to the above significant event as at the date of this report. The Company will continue to monitor the progress and make timely disclosure.

3.3 Non-performance of undertakings during the reporting period

Applicable Not Applicable

3.4 Profit warning on anticipation of possible loss against accumulated net profit from the beginning of the financial year to the end of the next reporting period or significant changes in profit as compared with that of the corresponding period of last year and the reasons therefore

√Applicable □Not Applicable

Although oil price has increased recently, its future trend remains uncertain. Since the recovery of oilfield service industry has a lagging characteristic and the situation of oversupply in equipment has not improved fundamentally, the Group is still facing the competitive pressure of the oilfield service industry. In the first quarter, the results of the Company was due to the seasonal factors, as well as costs and other fees for adaptability improvement and preparation before operation of new contracts in the second and third quarters. In the second quarter, due to factors such as the Group's putting in further effort in developing the domestic and overseas market, new contracts will commence operation successively, the seasonal features of the Group's operation and the commencement of customers' annual budget, the workload of the Group's various segments in the second quarter will continue to increase as compared to the first quarter. It is expected that the results of the second quarter will be better than the first quarter. At the same time, the Group's second quarter results still face challenges and pressure due to factors such as uncertainties relating to the pace of customers' budget implementation, delay in some customers' projects and increase in the costs of the industry. In the second quarter, the Group will strive to achieve better operating results through continual implementation of various measures.

Company Name	China Oilfield Services Limited
Legal Representative	Qi Meisheng
Date	27 April 2018

§4. Appendix

4.1 Financial Statements

Consolidated Balance Sheet

31 March 2018

Prepared by: China Oilfield Services Limited

Unit: Yuan Currency: RMB (Unaudited)

Items	Balance at the end of the period	Balance at the beginning of the year (Restated)
Current assets:		
Cash on hand and at bank	4,652,964,171	9,079,035,759
Notes receivable	22,189,051	85,532,840
Accounts receivable	6,741,098,581	6,258,372,176
Prepayments	65,598,958	58,705,013
Interest receivable	8,331,120	18,140,789
Dividend receivable	27,000,000	32,000,000
Other receivables	323,295,963	353,152,707
Inventories	1,194,963,899	1,148,506,949
Non-current assets due within 1 year	56,186,504	52,959,491
Other current assets	5,557,306,657	2,790,432,051
Total current assets	18,648,934,904	19,876,837,775
Non-current assets:		
Long-term equity investments	604,617,380	582,702,238
Fixed assets	45,456,121,424	47,332,720,283
Construction in progress	4,871,302,313	4,822,990,406
Intangible assets	412,604,668	430,835,302
Development expenditure	91,589,400	22,820,471
Goodwill	0	0
Long-term prepaid expenses	513,400,495	605,748,098
Deferred tax assets	68,647,599	70,799,970
Other non-current assets	144,626,810	195,841,891
Total non-current assets	52,162,910,089	54,064,458,659
Total assets	70,811,844,993	73,941,296,434
Current liabilities:		
Short-term bank borrowing	2,200,835,000	2,286,970,000
Accounts payable	6,314,597,610	7,004,965,406
Receipts in advance	70,628,754	87,224,708
Staff cost payable	626,234,187	834,110,929
Taxes payable	163,720,374	469,925,140

Interests payable	338,017,847	368,019,990
Other payables	196,828,269	304,490,805
Non-current liabilities due within 1 year	555,858,020	563,379,640
Other current liabilities	260,384,459	197,691,853
Total Current liabilities	10,727,104,520	12,116,778,471
Non-current liabilities:		
Long-term bank borrowings	1,092,693,128	1,409,174,844
Long-term bonds	24,009,347,226	24,495,769,466
Long-term staff cost payable	14,687,423	20,857,408
Deferred revenue	806,175,187	888,372,947
Deferred tax liabilities	330,311,643	322,858,124
Total non-current liabilities	26,253,214,607	27,137,032,789
Total liabilities	36,980,319,127	39,253,811,260
Shareholders' equity:		
Share capital	4,771,592,000	4,771,592,000
Capital reserve	12,366,274,941	12,371,738,191
Other comprehensive income	-538,634,707	-342,061,396
Statutory reserve funds	2,508,655,960	2,508,655,960
Retained earnings	14,598,193,651	15,254,632,991
Equity attributable to owners of the Company	33,706,081,845	34,564,557,746
Non-controlling interests	125,444,021	122,927,428
Total shareholders' equity	33,831,525,866	34,687,485,174
Total liabilities and shareholders' equity	70,811,844,993	73,941,296,434

Legal representative:

Qi Meisheng

Person in charge of the
accounting work:

Zheng Yonggang

Person in charge of
the accounting office:

Jiang Ping

Company Balance Sheet

31 March, 2018

Prepared by: China Oilfield Services Limited

Unit: Yuan Currency: RMB (Unaudited)

Items	Balance at the end of the period	Balance at the beginning of the year
Current assets:		
Cash on hand and at bank	3,578,424,707	7,478,802,581
Notes receivable	22,189,051	85,532,840
Accounts receivable	6,638,095,588	6,033,222,402
Prepayments	16,779,278	18,793,443
Interest receivable	7,142,513	11,435,706
Dividend receivable	27,000,000	32,000,000
Other receivables	1,039,006,810	1,327,692,513
Inventories	643,292,860	612,501,743
Other current assets	5,547,542,843	2,779,276,187
Total current assets	17,519,473,650	18,379,257,415
Non-current assets:		
Long-term receivables	4,827,256,042	4,902,887,142
Long-term equity investments	8,378,091,836	8,356,176,694
Fixed assets	22,511,438,750	23,093,241,882
Construction in progress	4,574,372,600	4,593,067,056
Intangible assets	285,681,804	286,610,057
Long-term prepaid expenses	300,688,026	352,424,096
Other non-current assets	87,384,370	89,200,590
Total non-current assets	40,964,913,428	41,673,607,517
Total assets	58,484,387,078	60,052,864,932
Current liabilities:		
Accounts payable	5,849,726,178	6,563,881,931
Receipts in advance	58,546,091	83,957,608
Staff cost payable	549,763,476	716,397,855
Taxes payable	35,378,356	310,406,001
Interests payable	291,332,333	187,929,888
Other payables	615,325,544	651,521,192
Non-current liabilities due within 1 year	555,858,020	563,379,640
Other current liabilities	260,155,066	197,427,643
Total current liabilities	8,216,085,064	9,274,901,758
Non-current liabilities:		
Long-term bank borrowings	1,092,693,128	1,409,174,844
Long-term bonds	11,490,408,778	11,490,408,778

Deferred revenue	394,851,507	418,645,278
Deferred tax liabilities	252,391,715	238,176,328
Total non-current liabilities	13,230,345,128	13,556,405,228
Total liabilities	21,446,430,192	22,831,306,986
Shareholders' equity:		
Share capital	4,771,592,000	4,771,592,000
Capital reserve	12,371,646,371	12,371,738,191
Other comprehensive income	-48,632,363	14,754,750
Statutory reserve funds	2,508,655,960	2,508,655,960
Retained earnings	17,434,694,918	17,554,817,045
Total shareholders' equity	37,037,956,886	37,221,557,946
Total liabilities and shareholders' equity	58,484,387,078	60,052,864,932

Legal representative:

Qi Meisheng

Person in charge of the
accounting work:

Zheng Yonggang

Person in charge of
the accounting office:

Jiang Ping

Consolidated Income Statement

January to March, 2018

Prepared by: China Oilfield Services Limited

Unit: Yuan Currency: RMB (Unaudited)

Items	Balance at the end of the period	Balance at the beginning of the year (Restated)
1. Gross Revenue	3,427,873,140	3,058,458,617
Including: Revenue	3,427,873,140	3,058,458,617
2. Total operating costs	4,361,556,179	3,642,661,616
Including: Operating costs	3,690,598,211	3,223,239,633
Taxes and surcharges	5,359,640	2,814,335
Selling expenses	2,738,491	2,553,263
General and administrative expenses	151,393,315	119,704,069
Financial expenses	509,504,545	294,144,071
Assets impairment losses	1,961,977	206,245
Add: Investment income (“-” for loss)	56,749,440	53,676,309
Including: Share of profits of joint ventures	24,544,443	7,233,088
Gains on disposal of assets (“-” for loss)	219,780,513	-7,090,005
Other income	19,448,862	0
3. Operating profit (“-” for loss)	-637,704,224	-537,616,695
Add: Non-operating income	33,474,189	59,104,259
Less: Non-operating expenses	7,322,328	40,164,727
4. Total profit (“-” for loss)	-611,552,363	-518,677,163
Less: Income tax expenses	32,435,768	26,960,212
5. Net profit (“-” for net loss)	-643,988,131	-545,637,375
(I) Classified by continuity of operations		
1. Net profit from continuing operations (“-” for loss)	-643,988,131	-545,637,375
2. Net profit from discontinued operations (“-” for loss)	0	0
(II) Classified by ownership of equity		
1. Net profit attributable to non-controlling interests	7,146,454	11,578,392
2. Net profit attributable to owners of the Company	-651,134,585	-557,215,767
6. Other comprehensive income, net of income tax	-201,092,995	-3,810,279
Other comprehensive income, net of income tax attributable to the owners of the	-196,463,134	-3,321,107

Company		
(I) Other comprehensive income that may be subsequently reclassified to profit or loss	-196,463,134	-3,321,107
1. Share of other comprehensive income of investees that may be subsequently reclassified to profit or loss under the equity method	-2,739,857	-1,272,676
2. Gains or losses from changes in fair value of available-for-sale financial assets	0	2,258,938
3. Exchange differences on translation of financial statements of foreign operations	-193,723,277	-4,307,369
Other comprehensive income, net of income tax attributable to non-controlling interests	-4,629,861	-489,172
7. Total comprehensive income	-845,081,126	-549,447,654
Total comprehensive income attributable to owners of the Company	-847,597,719	-560,536,874
Total comprehensive income attributable to non-controlling interests	2,516,593	11,089,220
8. Earnings per share:		
(I) Basic earnings per share (Yuan per share)	-0.14	-0.12

Regarding business combination under common control during the period, the net profit realised by the acquires before combination is: RMB-4,333,220, and the net profit realised by the acquires before combination for the previous period is: RMB-12,439,905.

Legal representative:

Qi Meisheng

Person in charge of the
accounting work:

Zheng Yonggang

Person in charge of
the accounting office:

Jiang Ping

Company Income Statement

January to March, 2018

Prepared by: China Oilfield Services Limited

Unit: Yuan Currency: (Unaudited)

Items	Amounts of the period	Amounts of the previous period
1. Revenue	2,751,054,232	2,240,569,958
Less: Operating costs	2,720,807,187	2,300,414,292
Taxes and surcharges	4,569,144	1,951,798
General and administrative expenses	85,428,908	60,824,489
Financial expenses	365,288,421	168,105,655
Assets impairment losses	747,635	207,714
Add: Investment income (“-” for loss)	56,749,440	53,676,309
Including: Share of profits of joint ventures	24,544,443	7,233,088
Gains on disposal of assets (“-” for loss)	219,780,513	-9,559,935
Other income	19,381,462	0
2. Operating profit (“-” for loss)	-129,875,648	-246,817,616
Add: Non-operating income	32,809,023	58,973,920
Less: Non-operating expenses	7,002,876	40,130,235
3. Total profit (“-” for loss)	-104,069,501	-227,973,931
Less: Income tax expenses	14,721,703	24,046,457
4. Net profit (“-” for net loss)	-118,791,204	-252,020,388
(I) Net profit from continuing operations (“-” for loss)	-118,791,204	-252,020,388
(II) Net profit from discontinued operations (“-” for loss)	0	0
5. Other comprehensive income, net of income tax	-63,276,936	-9,505,140
(I) Other comprehensive income that may be subsequently reclassified to profit or loss	-63,276,936	-9,505,140
1. Shares of other comprehensive income of investees that may be subsequently reclassified to profit or loss under the equity method	-2,739,857	-1,272,676
2. Gains or losses from changes in fair value of available-for-sale financial assets	0	2,258,938
3. Exchange differences on translation of financial statements of foreign operations	-60,537,079	-10,491,402

6. Other comprehensive income	-182,068,140	-261,525,528
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Legal representative:

Qi Meisheng

Person in charge of the
accounting work:

Zheng Yonggang

Person in charge of
the accounting office:

Jiang Ping

Consolidated Cash Flow Statement

January to March, 2018

Prepared by: China Oilfield Services Limited

Unit: Yuan Currency: RMB (Unaudited)

Items	Amounts of the period	Amounts of the previous period (Restated)
1. Cash flows from operating activities:		
Cash received from sale of goods and rendering of services	3,537,801,738	4,577,327,542
Government grants and subsidies received	3,065,000	2,664,400
Cash received from tax refund	20,960,322	0
Subtotal of cash inflows from operating activities	3,561,827,060	4,579,991,942
Cash paid for goods and services	2,520,002,464	2,815,461,218
Cash paid to and for employees	1,203,820,131	1,186,693,896
Cash paid for taxes	507,255,547	265,801,608
Cash paid relating to other operating activities	178,673,550	115,508,094
Subtotal of cash outflows from operating activities	4,409,751,692	4,383,464,816
Net cash flows from operating activities	-847,924,632	196,527,126
2. Cash flows from investing activities:		
Cash received from disposal of investments	2,600,000,000	3,200,000,000
Cash received from return on investments	100,653,264	65,544,918
Cash received on interest income from bank deposits	22,184,248	4,784,138
Cash received from disposal of fixed assets	0	4,180,000
Sub-total of cash inflows from investing activities	2,722,837,512	3,274,509,056
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	177,220,858	959,588,799
Cash paid relating to other investing activities	6,277,118,787	3,200,000,000
Subtotal of cash outflows from investing activities	6,454,339,645	4,159,588,799
Net cash flows from investing activities	-3,731,502,133	-885,079,743
3. Cash flows from financing activities:		

Cash received from borrowings	0	1,724,825,000
Subtotal of cash inflows financing activities	0	1,724,825,000
Cash paid for repayment of borrowings	266,450,900	289,437,500
Cash paid for interest expenses	254,857,036	180,526,677
Subtotal of cash outflows from financing activities	521,307,936	469,964,177
Net cash flows from financing activities	-521,307,936	1,254,860,823
4. Effect of foreign exchange rate fluctuation on cash and cash equivalents	-136,106,546	-9,501,876
5. Net increase in cash and cash equivalents	-5,236,841,247	556,806,330
Add: Cash and cash equivalents at the beginning of the period	9,009,074,192	6,071,068,600
6. Cash and cash equivalents at the end of the period	3,772,232,945	6,627,874,930

Legal representative:

Qi Meisheng

Person in charge of the
accounting work:

Zheng Yonggang

Person in charge of
the accounting office:

Jiang Ping

Company Cash Flow Statement

January to March, 2018

Prepared by: China Oilfield Services Limited

Unit: Yuan Currency: RMB (Unaudited)

Items	Amounts of the period	Amounts of the previous period
1. Cash flows from operating activities:		
Cash received from sale of goods and rendering of services	2,697,279,425	3,654,121,752
Government grants and subsidies received	3,065,000	2,664,400
Cash received from tax refund	20,960,322	0
Subtotal of cash inflows from operating activities	2,721,304,747	3,656,786,152
Cash paid for goods and services	2,058,099,138	2,417,182,269
Cash paid to and for employees	953,029,671	977,103,634
Cash paid for taxes	427,704,113	169,911,818
Cash paid relating to other operating activities	107,166,528	85,671,531
Subtotal of cash outflows from operating activities	3,545,999,450	3,649,869,252
Net cash flows from operating activities	-824,694,703	6,916,900
2. Cash flows from investing activities:		
Cash received from disposal of investments	2,600,000,000	3,200,000,000
Cash received from return on investments	100,653,264	65,544,918
Cash received on interest income from bank deposits	8,751,023	4,784,138
Cash received from disposal of fixed assets	2,593,634	4,180,000
Cash received from the repayment of borrowings and interest income to subsidiaries	352,165,692	1,936,350,037
Sub-total of cash inflows from investing activities	3,064,163,613	5,210,859,093
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	146,341,566	603,675,483
Cash paid for other investing activities	6,033,390,000	3,200,000,000
Cash paid for the borrowing to subsidiaries	222,656,731	215,009,300
Subtotal of cash outflows from investing activities	6,402,388,297	4,018,684,783

Net cash flows from investing activities	-3,338,224,684	1,192,174,310
3. Cash flows from financing activities:		
Cash received relating to other financing activities	0	152,277,402
Subtotal of cash inflows from financing activities	0	152,277,402
Cash paid for repayment of borrowings	266,450,900	289,437,500
Cash paid for interest expenses	14,697,183	42,432,677
Cash paid relating to other financing activities	102,684	131,496,464
Subtotal of cash outflows from financing activities	281,250,767	463,366,641
Net cash flows from financing activities	-281,250,767	-311,089,239
4. Effect of foreign exchange rate fluctuation on cash and cash equivalents	-84,824,646	-876,032
5. Net increase in cash and cash equivalents	-4,528,994,800	887,125,939
Add: Cash and cash equivalents at the beginning of the period	7,473,515,861	3,881,176,252
6. Cash and cash equivalents at the end of the period	2,944,521,061	4,768,302,191

Legal representative:

Qi Meisheng

Person in charge of the
accounting work:

Zheng Yonggang

Person in charge of
the accounting office:

Jiang Ping

4.2 Audit Report

□Applicable√Not Applicable