



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 —THIRD QUARTER RESULTS

This announcement is made pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on the Stock Exchange Of Hong Kong Limited.

All financial information set out in the third quarter report is unaudited and prepared in accordance with the China Accounting Standards.

October 30, 2007

As at the date of this announcement, the executive directors of the Company are Messrs. Yuan Guangyu and Li Yong; the non-executive directors of the Company are Messrs. Fu Chengyu and Wu Mengfei; and the independent non-executive directors of the Company are Messrs. Andrew Y. Yan, Gordon C.K. Kwong and Simon X. Jiang.



China Oilfield Services Limited

2007 Third Quarter Report

Stock abbreviation: CHINA OILFIELD

Stock code: 601808

30 October 2007

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§1. Important Notice

- 1.1 The Company's Board of Directors (the "Board"), Supervisory Committee as well as the directors, supervisors and senior management collectively and individually warrant that the information set out in this report does not contain any misrepresentation, misleading statement or material omission and jointly and severally accept full responsibility as to the truthfulness, accuracy and completeness of the content herein.
- 1.2 All directors of the Company attended the Board meeting.
- 1.3 The financial statements of the Company for the third quarter were unaudited.
- 1.4 Chairman Fu Chengyu, Vice Chairman, Chief Executive Officer and President Yuan Guangyu, Person in charge of accounting function Zhong Hua and Person in charge of accounting department Chen Linting warrant that the Third Quarter Report is true and complete.

§2. A Summary of Basic Particulars of the Company

2.1 Principal Accounting data and Financial Indicators

Currency: RMB

| | At the end of reporting period | At the end of previous year | Change over the end of last year (%) |
|--|--|--|---|
| Total assets (million Yuan) | 21,615 | 13,133 | 64.6 |
| Shareholders' equity (million Yuan) | 16,680 | 8,619 | 93.5 |
| Net assets per share (Yuan) | 4.17 | 2.16 | 93.1 |
| | From the beginning of the year to end of the reporting period (January to September) | | Change over the corresponding period of last year (%) |
| Net cash flows from operating activities (million Yuan) | | 1,461 | 44.2 |
| Net cash flows per share from operating activities (Yuan) | | 0.36 | 43.9 |
| | During the Reporting Period (July to September) | From the beginning of the year to end of the reporting period (January to September) | Change over the corresponding period of previous year (%) |
| Net profit (million Yuan) | 604 | 1,700 | 73.4 |
| Basic earnings per share (Yuan) | 0.15 | 0.42 | 72.2 |
| Basic earnings per share after exceptional gains and losses (Yuan) | 0.15 | 0.43 | 72.2 |
| Return on net assets (%) | 5.96 | 17.72 | Increased 1.8% |
| Return on net assets after exceptional gains and losses (%) | 5.94 | 17.72 | Increased 1.8% |

Extraordinary gains and losses items

Currency: RMB Unit: Yuan

| Extraordinary gains and losses items | January- September 2007 |
|---|-------------------------|
| Gains/(losses) on external non-current assets | -12,460,120 |
| Other non-operating expenses (net) | 5,676,75 |
| Total extraordinary gains and losses | -6,783,365 |
| Less: Income tax effect amount | -2,238,510 |
| Extraordinary gains and losses items amount (net) | -4,544,855 |

2.2 Total number of shareholders and top 10 holders of listed shares not subject to trading moratorium as at the end of the Reporting Period

Unit: Share

| Total number of shareholders as at the end of the reporting period: | A share: 115,731 H share: 225 | |
|--|--|--------------------------------|
| Particulars of the top 10 holders of listed shares not subject to trading moratorium | | |
| Name of shareholders (full name) | Number of listed shares not subject to trading moratorium held as at the end of the period | Class of shares |
| HKSCC NOMINEES LIMITED | 1,531,865,899 | Overseas listed foreign shares |
| Wang Jianbo | 3,156,334 | RMB Ordinary Shares |
| Zhang Jianbin | 2,756,878 | RMB Ordinary Shares |
| CITIC Securities Co., Ltd. | 1,700,000 | RMB Ordinary Shares |
| China Construction Bank – ABN AMRO TEDA capitalization selection equity fund | 1,694,000 | RMB Ordinary Shares |
| China Nationality Securities Co., Ltd. | 1,600,000 | RMB Ordinary Shares |
| China Galaxy Securities Company Limited | 1,583,000 | RMB Ordinary Shares |
| Fang Guohua | 1,570,000 | RMB Ordinary Shares |
| Industrial and Commercial Bank of China – BOC Sustainable Growth Equity Fund | 1,499,974 | RMB Ordinary Shares |
| Wang Luo | 1,466,666 | RMB Ordinary Shares |

2.3 Operating result review

As at 30 September 2007, prices of crude oil remained at high level and the offshore oil and natural gas exploration and development activities in the PRC and around the world have been robust, resulting in strong demand for global oilfield services. For the first three quarters of the year, operating income of the Company reached RMB6,659.3 million, representing an increase of 44.7% compared with the corresponding period (January to September) of last year, net profit was RMB1,699.7 million, an increase of 66.8% over the corresponding period (January to September) of last year, and basic earnings per share was RMB0.42, which was RMB0.17 higher than that of the corresponding period (January to September) of last year.

Operating information of the four main segments as at 30 September 2007 is listed in the following table:

| Drilling Services | As at 30 September 2007 | As at 30 September 2006 | Change |
|---|------------------------------------|------------------------------------|---------------|
| Operating Days (Days) | 4,017 | 3,437 | 16.9% |
| Jack-up Rigs | 3,213 | 2,779 | 15.6% |
| Semi-submersible Rigs | 804 | 658 | 22.2% |
| Utilization Rate (Available Day) | 100.0% | 100.0% | 0.0% |
| Jack-up Rigs | 100.0% | 100.0% | 0.0% |
| Semi-submersible Rigs | 100.0% | 100.0% | 0.0% |
| Utilization Rate (Calendar Day) | 98.1% | 87.7% | 10.4% |
| Jack-up Rigs | 98.1% | 89.6% | 8.4% |
| Semi-submersible Rigs | 98.2% | 80.3% | 17.8% |
| Well Workover (Team • Day) | 11,985 | 9,516 | 25.9% |

| Well Services | As at 30 September 2007 | As at 30 September 2006 | Change |
|------------------------------------|------------------------------------|------------------------------------|---------------|
| Logging (no. of jobs) | 703 | 623 | 12.8% |
| Drilling Fluids (no. of wells) | 228 | 239 | -4.6% |
| Directional Drilling (no. of jobs) | 462 | 166 | 178.3% |
| Cementing (no. of wells) | 379 | 263 | 44.1% |
| Well Completion (no. of jobs) | 1,134 | 995 | 14.0% |

| Marine Support and Transportation Services | As at 30 September 2007 | As at 30 September 2006 | Change |
|---|------------------------------------|------------------------------------|---------------|
| Operating Days (Days) | 18,161 | 17,633 | 3.0% |
| Standby vessels | 9,942 | 9,967 | -0.3% |
| AHTS vessels | 5,370 | 4,826 | 11.3% |
| PSV vessels | 1,599 | 1,588 | 0.7% |
| Utility vessels | 1,250 | 1,251 | -0.1% |
| Vessel Utilization Rate (Available Day) | 99.7% | 98.9% | 0.8% |
| Standby vessels | 100.0% | 99.7% | 0.3% |
| AHTS vessels | 100.0% | 98.5% | 1.5% |
| PSV vessels | 100.0% | 99.8% | 0.3% |
| Utility vessels | 95.4% | 93.4% | 2.1% |
| Vessel Utilization Rate (Calendar Day) | 95.2% | 95.0% | 0.2% |
| Standby vessels | 95.8% | 96.1% | -0.2% |
| AHTS vessels | 94.1% | 93.1% | 1.0% |
| PSV vessels | 97.6% | 97.0% | 0.7% |
| Utility vessels | 91.6% | 91.7% | -0.1% |

| Geophysical Services | As at 30 September 2007 | As at 30 September 2006 | Change |
|------------------------------------|------------------------------------|------------------------------------|---------------|
| 2D Seismic Data | | | |
| Data Collection (km) | 36,277 | 43,754 | -17.1% |
| Data Processing (km) | 11,637 | 4,497 | 158.8% |
| 3D Seismic Data | | | |
| Data Collection (km ²) | 8,141 | 5,155 | 57.9% |
| Data Processing (km ²) | 5,026 | 1,741 | 188.7% |

§3 Significant Events

3.1 Significant changes of the principal accounting statements and financial indicators and reasons thereof

Applicable Not applicable

Beginning 1 January 2007, the Company adopted the new Accounting Standards for Business Enterprises (“New Standards”) issued by the Ministry of Finance of China on 15 February 2006, and the relevant transactions and issues during the comparative period that were affected by the change in accounting policy were adjusted retrospectively in accordance with the relevant practice and guidance notes of New Standards and the Expert’s Opinions on Implementation of Accounting Standards for Business Enterprises issued of China Accounting Standards Committee.

The reasons for over 30% fluctuation in the relevant principle accounting entries are as follows:

1. Operating income

For the nine months ended 30 September 2007, the operating income was RMB6,659.3 million, representing an increase of RMB2,056.7 million or 44.7% over RMB4,602.6 million for the corresponding period (January to September) of last year, which was mainly due to the increase in the investment of petroleum exploration and development stimulated by the demand for energy, which resulted in the rapid development of the oilfield service business. Of which, income from drilling activities has achieved a record high, mainly attributed by the introduction of COSL941, an increase in day-rate and an increase in utilization rate, while the income from geophysical services increased substantially in line with the market expansion and the improved efficiency of 3D seismic data collection. At the same time, income from marine support and transportation services and well services segments increased stably due to the increase in service fees, the introduction of new equipments and the application of hi-tech materials.

2. Business taxes and surcharges

For the nine months ended 30 September 2007, business taxes and surcharges were RMB167.4 million, representing an increase of RMB46.2 million or 38.1% compared with RMB121.2 million for the corresponding period (January to September) of last year, which was mainly a result of businesses development and increase in income.

3. Finance costs

For the nine months ended 30 September 2007, the finance cost amounted to RMB72.1 million, representing an increase of RMB26.6 million or 58.5% compared with RMB45.5 million for the same period (January to September) last year, mainly contributed by an increase of foreign exchange loss due to the change in exchange rate.

4. Total profit

For the nine months ended 30 September 2007, total profits amounted to RMB2,436.0 million, representing an increase of RMB1,174.8 million or 93.1% compared to RMB1,261.2 million for the corresponding period (January to September) of last year, which was mainly attributable to the substantial increase in income due to high utilization rate of drilling platforms and the increase of day-rate, the expansion of geophysical market, the increase in operations and the application of new equipments and hi- tech materials, as well as implementation of effective cost control.

5. Income tax

For the nine months ended 30 September 2007, income tax was RMB736.3 million, an increase of RMB494.0 million or 203.9% from RMB242.3 million for the corresponding period (January to September) of last year, which was mainly attributable to the increase of total profit. On the other hand, during the corresponding period of last year, the Company received a tax refund allowance for advanced technology enterprise for the year 2005 from the tax authority which reduced income tax by RMB176.0 million. However, as at the end of the reporting period, the Company had not received such tax refund for the year 2006. The Company was awarded the certification of advanced technology enterprise from Tianjin Science and Technology Commission in May 2007, and has applied to the marine petroleum taxation branch of Tianjin State Taxation Bureau for 2006 tax refund for advanced technology enterprise.

6. Net cash flow from financing activities

For the nine months ended 30 September 2007, net cash flow from financing activities increased by 393.3% compared with that of the corresponding period (January to September) last year, which was mainly a result of the RMB6.6 billion received from the issuance of A shares on 25 September this year.

3.2 Analysis and explanation on the progress of significant events and their impact and resolutions

Applicable Not applicable

The Company issued 500 million shares of RMB ordinary shares (A shares) for listing on the Shanghai Stock Exchange in September 2007, the total amount raised was RMB6.7 billion and the net amount received after deducting the issuance costs was RMB6.6 billion.

3.3 Performance of undertakings given by the Company, shareholders and the effective controlling person

Applicable Not applicable

The controlling shareholders of the Company, China National Offshore Oil Corporation, undertook that within thirty-six months of the Company's A Shares listing, it would not transfer the shares of the Company directly or indirectly held by itself or entrust other persons to manage the shares, nor would it allow the Company to repurchase such shares. During the reporting period, none of the above undertaking had been breached.

3.4 Warning in respect of forecast of possible net loss from the beginning of the year to the end of the next Reporting Period or warning in respect of any significant changes in net profit as compared with that of the corresponding period of last year and the reasons therefor

Applicable Not applicable

3.5 Other significant events which need explanation

3.5.1 Holding of shares issued by other listed companies

Applicable Not applicable

3.5.2 Holding of shares issued by non-public financial companies and companies proposed to be listed

Applicable Not applicable

By order of the Board
China Oilfield Services Limited
Chen Weidong
Company Secretary

30 October 2007

§4 Appendix
Balance Sheet

30 September 2007

Prepared by: China Oilfield Services Limited

Unit: Yuan Currency: RMB (Unaudited)

| Items | Consolidated | | Company | |
|---|----------------------------------|--------------------------------------|----------------------------------|--------------------------------------|
| | Balance at the end of the period | Balance at the beginning of the year | Balance at the end of the period | Balance at the beginning of the year |
| Current assets: | | | | |
| Cash and cash equivalents | 8,797,012,345 | 2,129,708,318 | 8,483,728,270 | 1,798,445,111 |
| Notes receivable | - | - | - | - |
| Accounts receivable | 1,724,091,589 | 987,098,627 | 2,223,186,720 | 1,350,157,393 |
| Prepayment | 26,708,123 | 34,675,511 | 21,604,002 | 32,522,645 |
| Dividends receivable | 25,884,830 | 7,416,590 | 25,884,830 | 7,416,590 |
| Other receivables | 156,589,045 | 92,141,094 | 529,498,807 | 491,024,515 |
| Inventories | 431,135,669 | 293,160,428 | 427,955,230 | 291,058,870 |
| Available-for-sale investments | 301,262,765 | 277,208,259 | 301,262,765 | 277,208,259 |
| Total current assets | 11,462,684,366 | 3,821,408,827 | 12,013,120,624 | 4,247,833,383 |
| Non-current assets: | | | | |
| Investment in jointly-controlled entities | 490,417,250 | 435,108,770 | 290,366,750 | 278,673,397 |
| Fixed assets | 7,171,224,952 | 6,324,189,804 | 6,976,744,695 | 6,185,559,942 |
| Construction in progress | 2,330,411,713 | 2,422,661,557 | 2,328,857,201 | 2,421,479,807 |
| Intangible assets | 20,080,177 | 22,585,628 | 20,079,497 | 22,583,508 |
| Long-term deferred assets | 140,050,951 | 107,456,844 | 140,050,951 | 100,050,648 |
| Total non-current assets | 10,152,185,043 | 9,312,002,603 | 9,756,099,094 | 9,008,347,302 |
| Total assets | 21,614,869,409 | 13,133,411,430 | 21,769,219,718 | 13,256,180,685 |
| Current liabilities: | | | | |
| Short-term loans | - | 997,416,663 | - | 997,416,663 |
| Notes payable | - | - | - | - |
| Accounts payable | 1,040,046,963 | 1,559,094,981 | 1,005,037,060 | 1,528,813,422 |
| Advances from customers | 5,422,101 | 26,318,292 | 5,422,101 | 26,318,292 |
| Payrolls payable | 314,764,264 | 259,100,222 | 313,991,983 | 258,926,102 |

| | | | | |
|---|----------------|----------------|----------------|----------------|
| Taxes payable | 389,335,377 | 94,049,549 | 368,829,205 | 87,345,768 |
| Other payables | 221,795,386 | 190,729,545 | 196,279,505 | 158,015,431 |
| Current portion of of non-current liabilities | 400,000,000 | 200,000,000 | 400,000,000 | 200,000,000 |
| Total current liabilities | 2,371,364,091 | 3,326,709,252 | 2,289,559,854 | 3,256,835,678 |
| Non-current liabilities: | | | | |
| Long-term payable due to CNOOC | | 200,000,000 | | 200,000,000 |
| Long-term loans | 744,000,000 | 600,000,000 | 744,000,000 | 600,000,000 |
| Long-term bonds | 1,500,000,000 | - | 1,500,000,000 | - |
| Grants payable | 70,148,550 | 39,334,743 | 70,148,550 | 39,334,743 |
| Deferred tax liabilities, net | 249,235,331 | 348,756,159 | 249,235,331 | 348,756,159 |
| Total non-current liabilities | 2,563,383,881 | 1,188,090,902 | 2,563,383,881 | 1,188,090,902 |
| Total liabilities | 4,934,747,972 | 4,514,800,154 | 4,852,943,735 | 4,444,926,580 |
| Equity : | | | | |
| Share capital | 4,495,320,000 | 3,995,320,000 | 4,495,320,000 | 3,995,320,000 |
| Capital reserves | 8,074,565,726 | 1,975,810,300 | 8,074,565,726 | 1,975,810,300 |
| Statutory reserve funds | 442,515,264 | 442,515,264 | 442,515,264 | 442,515,264 |
| Including: Statutory welfare funds | - | - | - | - |
| Retained earnings | 3,664,856,136 | 2,204,898,038 | 3,902,025,972 | 2,397,540,867 |
| Including: Proposed dividend | - | 239,719,200 | - | 239,719,200 |
| Cumulative translation reserve | 2,864,311 | 67,674 | 1,849,021 | 67,674 |
| Equity attributable to equity holders of the parent | 16,680,121,437 | 8,618,611,276 | | |
| Minority interests | - | - | - | - |
| Total equity | 16,680,121,437 | 8,618,611,276 | 16,916,275,983 | 8,811,254,105 |
| Total liabilities and shareholders' equity | 21,614,869,409 | 13,133,411,430 | 21,769,219,718 | 13,256,180,685 |

Corporate Representative

 Person in charge of
accounting function

 Person in charge of
accounting department

Yuan Guangyu

Zhong Hua

Chen Linting

Consolidated Income Statement

January to September 2007

Prepared by: China Oilfield Services Limited

Unit: Yuan Currency: RMB (Unaudited)

| Items | Amounts of the period(July to September) | Amounts of the previous period(July to September) | Amounts from the beginning of the year to end of the reporting period (January to September) | Amounts from the beginning of the year to end of the reporting period last year(January to September) |
|---|--|---|--|---|
| Revenue | 2,294,844,714 | 1,662,640,240 | 6,659,250,581 | 4,602,616,275 |
| Minus: Cost of sales | (1,299,817,278) | (1,044,379,794) | (3,899,671,990) | (3,126,342,727) |
| Sales taxes and others | (57,668,572) | (44,788,117) | (167,430,423) | (121,225,062) |
| Selling and distribution costs | (753,793) | (830,980) | (2,160,891) | (2,331,194) |
| Administrative expenses | (53,001,483) | (46,094,781) | (171,315,593) | (130,788,466) |
| Finance expenses | (39,842,711) | (17,496,595) | (72,143,753) | (45,470,896) |
| Impairment losses relating to assets | 300,000 | - | (1,945,708) | (850,879) |
| Add: Investment income/(loss) | 50,367,366 | 20,290,221 | 98,191,128 | 76,865,099 |
| Including: Investment income from jointly-controlled entities | 48,683,733 | 19,110,247 | 96,507,495 | 76,055,496 |
| Operating profit | 894,428,243 | 529,340,194 | 2,442,773,351 | 1,252,472,150 |
| Add: Non-operating income | 3,895,514 | 2,501,690 | 6,339,937 | 11,337,857 |
| Minus: Non-operating expenses | (487,811) | (622,129) | (13,123,302) | (2,576,136) |
| Including: Disposal loss on non-current assets | (361,437) | (471,333) | (12,460,120) | (1,255,554) |
| Profit before tax | 897,835,946 | 531,219,755 | 2,435,989,986 | 1,261,233,871 |
| Minus: Income tax expenses | (293,707,238) | (182,550,540) | (736,312,688) | (242,284,064) |
| Net profit | 604,128,708 | 348,669,215 | 1,699,677,298 | 1,018,949,807 |
| Including: Net profit attributable to equity holders of the parent | 604,128,708 | 348,444,424 | 1,699,677,298 | 1,018,725,016 |
| Minority interests | - | 224,791 | - | 224,791 |
| Profit for the year | | | | |
| Earnings per share | 0.15 | 0.09 | 0.42 | 0.25 |

Corporate Representative

Person in charge of accounting function

Person in charge of accounting department

Yuan Guangyu

Zhong Hua

Chen Linting

Income Statement of the parent company

January to September 2007

Prepared by: China Oilfield Services Limited

Unit: Yuan Currency: RMB (Unaudited)

| Items | Amounts of the period(July to September) | Amounts of the previous period(July to September) | Amounts from the beginning of the year to end of the reporting period (January to September) | Amounts from the beginning of the year to end of the reporting period last year (January to September) |
|--|--|---|--|--|
| Revenue | 2,140,481,509 | 1,589,565,362 | 6,165,269,816 | 4,274,040,125 |
| Minus: | | | | |
| Cost of sales | (1,125,319,407) | (940,241,424) | (3,396,097,769) | (2,781,101,900) |
| Sales taxes and others | (57,593,554) | (44,755,357) | (167,306,168) | (121,169,030) |
| Selling and distribution costs | (441,902) | (794,323) | (1,517,075) | (2,124,914) |
| Administrative expenses | (45,457,361) | (37,104,047) | (146,389,647) | (109,700,819) |
| Finance expenses | (39,568,434) | (20,926,279) | (82,248,351) | (53,571,012) |
| Impairment losses relating to assets | 300,000 | - | (1,945,708) | (850,879) |
| Add: | | | | |
| Investment income/(loss) | 40,343,989 | 22,508,362 | 95,634,107 | 79,695,287 |
| Including: | | | | |
| Investment income from jointly-controlled entities | 39,392,331 | 21,328,388 | 93,950,475 | 78,885,684 |
| Operating profit | 912,744,840 | 568,252,294 | 2,465,399,205 | 1,285,216,858 |
| Add: | | | | |
| Non-operating income | 3,895,514 | 2,580,362 | 6,339,937 | 11,337,857 |
| Minus: | | | | |
| Non-operating expenses | (477,052) | (625,355) | (13,103,806) | (1,905,685) |
| Including: | | | | |
| Disposal loss on non-current assets | (361,437) | (464,278) | (12,460,120) | (1,239,747) |
| Profit before tax | 916,163,302 | 570,207,301 | 2,458,635,336 | 1,294,649,030 |
| Minus: | | | | |
| Income tax expenses | (291,171,336) | (180,864,403) | (714,431,031) | (221,154,963) |
| Net profit | 624,991,966 | 389,342,898 | 1,744,204,305 | 1,073,494,067 |

Corporate Representative

 Person in charge of
accounting function

 Person in charge of
accounting department

Yuan Guangyu

Zhong Hua

Chen Linting

Cash Flow Statement

January to September 2007

Prepared by: China Oilfield Services Limited

Unit: Yuan Currency: RMB (Unaudited)

| Items | Consolidated Amounts for the period | | Company Amounts for the period | |
|---|---|---|---|---|
| | Amounts from the beginning of the year to end of the reporting period | Amounts from the beginning of the year to end of the reporting period last year | Amounts from the beginning of the year to end of the reporting period | Amounts from the beginning of the year to end of the reporting period last year |
| 1. Cash flow from operating activities | | | | |
| Cash received from sales of goods and rendering of services | 5,946,136,121 | 4,164,487,616 | 5,310,581,680 | 3,438,988,623 |
| Refund of tax and levy | 8,003,611 | 159,067,677 | 8,003,611 | 159,067,677 |
| Other cash received relating to operating activities | 66,950,381 | 100,466,954 | 56,361,910 | 69,623,024 |
| Sub-total of cash inflows of operating activities | 6,021,090,113 | 4,424,022,247 | 5,374,947,201 | 3,667,679,324 |
| Cash paid for goods purchase, services acquired | (2,614,219,155) | (1,664,422,087) | (2,170,115,356) | (1,167,177,691) |
| Cash paid to or on behalf of employees | (825,166,046) | (725,141,202) | (804,984,210) | (659,481,358) |
| Taxes paid | (859,773,391) | (565,426,411) | (808,288,446) | (496,901,282) |
| Other cash paid in relation to operating activities | (260,486,942) | (455,544,081) | (237,255,911) | (195,929,062) |
| Sub-total of cash outflows of operating activities | (4,559,645,534) | (3,410,533,781) | (4,020,643,923) | (2,519,489,393) |
| Net cash flow from operating activities | 1,461,444,579 | 1,013,488,466 | 1,354,303,278 | 1,148,189,931 |
| 2. Cash flow from investment activities: | | | | |
| Cash received from investments | 75,000,000 | - | 75,000,000 | - |
| Cash from investment income | 58,893,673 | 46,374,147 | 58,893,673 | 46,374,147 |
| Other Cash received from investing activities | - | - | - | - |
| Cash received from interest of deposit | 14,164,388 | 12,220,352 | 9,581,123 | 7,669,018 |
| Cash received from disposals of fixed assets | 10,326,875 | 14,563 | 10,326,728 | 14,563 |
| Sub-total of cash inflow of investment activities | 158,384,936 | 58,609,062 | 153,801,524 | 54,057,728 |
| Cash paid to purchases of fixed assets, intangible assets and other long term | (1,773,210,654) | (1,264,291,245) | (1,707,350,819) | (1,262,741,907) |

| | | | | |
|---|-----------------|-----------------|-----------------|-----------------|
| assets | | | | |
| Cash paid to investments | (350,081,179) | (666,286,266) | (302,332,900) | (502,527,969) |
| Sub-total of cash outflow of investment activities | (2,123,291,833) | (1,930,577,511) | (2,009,683,719) | (1,765,269,876) |
| Net cash flow from investment activities | (1,964,906,897) | (1,871,968,449) | (1,855,882,195) | (1,711,212,148) |
| 3. Cash flows from financing activities | | | | |
| Cash received from the research and development projects funding | 39,240,000 | 19,850,000 | 39,240,000 | 19,850,000 |
| Proceeds in cash from investments | 6,613,625,000 | - | 6,613,625,000 | - |
| Cash received from borrowings | 1,994,000,000 | 1,565,000,000 | 1,994,000,000 | 1,565,000,000 |
| Sub-total of cash inflow of financing activities | 8,646,865,000 | 1,584,850,000 | 8,646,865,000 | 1,584,850,000 |
| Cash paid for repayment of indebtedness | (1,350,000,000) | - | (1,350,000,000) | - |
| Cash payments for distribution of dividends, profits or interest expenses | (240,001,500) | (164,409,715) | (240,001,500) | (164,409,715) |
| Cash paid for payments of interest | (29,549,165) | - | (29,549,165) | - |
| Cash paid for other financing activities | (20,353,730) | - | (20,353,730) | - |
| Sub-total of cash outflow of financing activities | (1,639,904,395) | (164,409,715) | (1,639,904,395) | (164,409,715) |
| Net cash flow from financing activities | 7,006,960,605 | 1,420,440,285 | 7,006,960,605 | 1,420,440,285 |
| 4. Effect of exchange rate changes on cash | (38,394,260) | (37,972,906) | (22,298,530) | (22,409,682) |
| 5. Net increase/(decrease) in cash and cash equivalents | 6,465,104,027 | 523,987,396 | 6,483,083,158 | 835,008,386 |
| Add: Balance of cash and cash equivalent at the beginning of the period | 2,331,908,318 | 1,014,887,924 | 2,000,645,111 | 927,323,418 |
| 6. Balance of cash and cash equivalents at the end of the period | 8,797,012,345 | 1,538,875,320 | 8,483,728,269 | 1,762,331,804 |

Corporate Representative

Person in charge of
accounting function

Person in charge of
accounting department

Yuan Guangyu

Zhong Hua

Chen Linting