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COSL

中海油田服务股份有限公司
China Oilfield Services Limited

(Incorporated in the People's Republic of China as a joint stock limited liability company)

(Stock Code: 2883)

ANNOUNCEMENT

DISCLOSEABLE TRANSACTIONS

PURCHASE OF WEALTH MANAGEMENT PRODUCTS

Reference is made to the announcement made by the Company on 12 April 2018 with respect to purchasing SPD Bank wealth management product. As disclosed in the announcement, on 13 December 2017 and 12 April 2018, the Company entered into the SPD Bank Historical Wealth Management Agreements and purchased wealth management product of RMB500 million and RMB1,400 million, respectively, using self-owned funds of the Company.

On 6 July 2018, the Company entered into the SPD Bank Wealth Management Agreement with SPD Bank Beijing Branch. Pursuant to the SPD Bank Wealth Management Agreement, the Company has agreed to purchase wealth management product of RMB500 million using self-owned funds of the Company.

The SPD Bank Wealth Management Agreement and the SPD Bank Historical Wealth Management Agreements were entered into between the Company and SPD Bank Beijing Branch. Pursuant to Rule 14.23 of the Hong Kong Listing Rules, these transactions shall be aggregated.

Pursuant to the Hong Kong Listing Rules, as one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Hong Kong Listing Rules) of the aggregated transaction amounts of the Wealth Management Agreements exceeds 5% but all of which are below 25%, such transactions constitute discloseable transactions of the Company and shall be subject to the notification and announcement requirements but exempt from the shareholders' approval requirement under the Hong Kong Listing Rules.

BACKGROUND

The Company is one of the leading integrated oilfield services providers in the world. Its services cover each phase of offshore oil and gas exploration, development and production.

SPD Bank is a large commercial bank in the PRC. SPD Bank Beijing Branch is a branch of SPD Bank.

Reference is made the announcement made by the Company on 12 April 2018 with respect to purchasing SPD Bank wealth management product. As disclosed in the announcement, on 13 December 2017 and 12 April 2018, the Company entered into the SPD Bank Historical Wealth Management Agreements and purchased wealth management product of RMB500 million and RMB1,400 million, respectively, using self-owned funds of the Company.

On 6 July 2018, the Company entered into the SPD Bank Wealth Management Agreement with SPD Bank Beijing Branch. Pursuant to the SPD Bank Wealth Management Agreement, the Company has agreed to purchase wealth management product of RMB500 million using self-owned funds of the Company.

THE SPD BANK WEALTH MANAGEMENT AGREEMENT

Parties: the Company and SPD Bank Beijing Branch

To the best of their knowledge, information and belief and having made all reasonable enquiries, the Directors confirm that SPD Bank and its ultimate beneficial owner are third parties independent of the Group and its connected persons

Date: 6 July 2018

Product name: SPD Bank Li Duo Duo Company Structural Deposit 2018 JG1134

Purchase amount: RMB500 million (RMB500 million has been purchased)

Term of product: 184 days (9 July 2018 to 9 January 2019)

Type of investment return: principal and income guaranteed

Risk level of product
(internal risk assessment
by the bank): nil or minimal risk

Annualized rate on return of product expected by the Company:	4.85%
Right of early termination or redemption:	If three-month SHIBOR on 28 September 2018 is below 2%, SPD Bank Beijing Branch has right but not obligation of early termination on 9 October 2018

The terms of the SPD Bank Wealth Management Agreement were arrived at after arm's length negotiation between the parties.

THE SPD BANK HISTORICAL WEALTH MANAGEMENT AGREEMENTS

Agreement 1

Parties:	the Company and SPD Bank Beijing Branch
	To the best of their knowledge, information and belief and having made all reasonable enquiries, the Directors confirm that SPD Bank and its ultimate beneficial owner are third parties independent of the Group and its connected persons
Date:	12 April 2018
Product name:	Company Tranche 18HH049
Purchase amount:	RMB1,400 million (RMB1,400 million has been purchased)
Term of product:	185 days (13 April 2018 to 15 October 2018)
Type of investment return:	principal and income guaranteed
Risk level of product (internal risk assessment by the bank):	nil or minimal risk
Annualized rate on return of product expected by the Company:	5.05%
Right of early termination or redemption:	If the agreement cannot be performed due to force majeure, SPD Bank Beijing Branch has right of early termination

Agreement 2

Parties:	the Company and SPD Bank Beijing Branch
	To the best of their knowledge, information and belief and having made all reasonable enquiries, the Directors confirm that SPD Bank and its ultimate beneficial owner are third parties independent of the Group and its connected persons
Date:	13 December 2017
Product name:	Company Tranche 17HH112
Purchase amount:	RMB500 million (RMB500 million has been purchased)
Term of product:	179 days (14 December 2017 to 11 June 2018)
Type of investment return:	principal and income guaranteed
Risk level of product (internal risk assessment by the bank):	nil or minimal risk
Annualized rate on return of product expected by the Company:	5%
Right of early termination or redemption:	If the agreement cannot be performed due to force majeure, SPD Bank Beijing Branch has right of early termination

The terms of the SPD Bank Historical Wealth Management Agreements were arrived at after arm's length negotiation between the parties.

BACKGROUND OF AND REASONS FOR ENTERING INTO THE WEALTH MANAGEMENT AGREEMENTS AND THEIR BENEFITS TO THE COMPANY

The reasonable and efficient use of temporary idle funds will enhance the overall capital gain of the Company, which is consistent with the core objectives of the Company to ensure capital safety and liquidity. The impact of risk factors on the expected rates of return of the Wealth Management Agreements is low, but the Company can get a higher return compared with fixed term deposits in commercial banks in the PRC.

The Directors (including independent non-executive directors) consider that the terms and the transaction contemplated under the Wealth Management Agreements are fair and reasonable, on normal commercial terms or better and in the ordinary and usual course of business of the Group, and are in the interests of the Company and its shareholders as a whole.

HONG KONG LISTING RULES IMPLICATIONS

The SPD Bank Wealth Management Agreement and the SPD Bank Historical Wealth Management Agreements were entered into between the Company and SPD Bank Beijing Branch. Pursuant to Rule 14.23 of the Hong Kong Listing Rules, these transactions shall be aggregated.

Pursuant to the Hong Kong Listing Rules, as one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Hong Kong Listing Rules) of the aggregated transaction amounts of the Wealth Management Agreements exceeds 5% but all of which are below 25%, such transactions constitute discloseable transactions of the Company and shall be subject to the notification and announcement requirements but exempt from the shareholders' approval requirement under the Hong Kong Listing Rules.

The Wealth Management Agreements and the transactions thereunder do not constitute connected transactions of the Company.

DEFINITIONS

“Board”	the board of Directors of the Company;
“Company”	China Oilfield Services Limited, a joint stock company incorporated in the People's Republic of China with limited liability, the A Shares of which are listed on the Shanghai Stock Exchange and the H Shares of which are listed on main board of the Stock Exchange;
“Director(s)”	the director(s) of the Company;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“PRC”	the People's Republic of China;
“RMB”	Renminbi, the lawful currency of the PRC;
“SHIBOR”	Shanghai Interbank Offered Rate;

“SPD Bank”	Shanghai Pudong Development Bank Limited, a joint stock limited company incorporated in the PRC with limited liability. SPD Bank is a licensed bank in the PRC;
“SPD Bank Wealth Management Agreement”	SPD Bank Wealth Management Product Sales Contract entered into between the Company and SPD Bank Beijing Branch on 6 July 2018;
“SPD Bank Historical Wealth Management Agreements”	SPD Bank Wealth Management Product Sales Contracts, Product Description Letters and Risk Warnings entered into between the Company and SPD Bank Beijing Branch on 13 December 2017 and 12 April 2018 respectively;
“Wealth Management Agreements”	collectively, SPD Bank Wealth Management Agreement and SPD Bank Historical Wealth Management Agreements.

By Order of the Board
China Oilfield Services Limited
Jiang Ping
Company Secretary

9 July 2018

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