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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**

On 12 September 2018, the Company entered into the CGB Wealth Management Agreement with China Guangfa Bank Tianjin Xiqing Sub-Branch. Pursuant to the CGB Wealth Management Agreement, the Company has agreed to purchase wealth management product of RMB900 million using self-owned funds of the Company.

On 6 July 2018, the Company entered into the CGB Historical Wealth Management Agreement with China Guangfa Bank Tianjin Xiqing Sub-Branch. Pursuant to the CGB Wealth Management Agreement, the Company has agreed to purchase wealth management product of RMB500 million using self-owned funds of the Company.

The CGB Wealth Management Agreement and the CGB Historical Wealth Management Agreement were entered into between the Company and CGB Tianjin Xiqing Sub-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.

CGB is a large commercial bank in the PRC. China Guangfa Bank Co., Ltd. Tianjin Xiqing Sub-Branch is a sub-branch of CGB.

On 12 September 2018, the Company entered into CGB Wealth Management Agreement with China Guangfa Bank Tianjin Xiqing Sub-Branch. Pursuant to the CGB Wealth Management Agreement, the Company has agreed to purchase wealth management product of RMB900 million using self-owned funds of the Company.

On 6 July 2018, the Company entered into CGB Historical Wealth Management Agreement with China Guangfa Bank Tianjin Xiqing Sub-Branch and purchased wealth management product of RMB500 million, using self-owned funds of the Company.

## **THE CGB WEALTH MANAGEMENT AGREEMENT**

Parties:	the Company and China Guangfa Bank Tianjin Xiqing Sub-Branch
	To the best of their knowledge, information and belief and having made all reasonable enquiries, the Directors confirm that CGB and its ultimate beneficial owner are third parties independent of the Group and its connected persons
Date:	12 September 2018
Product name:	CGB “16th wealth+wealth” RMB-denominated Structured Deposit Product XJXCKJ3759
Purchase amount:	RMB900 million
Term of product:	180 days (12 September 2018 to 11 March 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:	4.45%
Right of early termination or redemption:	the company have no right to terminate or withdraw

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

## **THE CGB HISTORICAL WEALTH MANAGEMENT AGREEMENT**

Parties:	the Company and China Guangfa Bank Tianjin Xiqing Sub-Branch
	To the best of their knowledge, information and belief and having made all reasonable enquiries, the Directors confirm that CGB and its ultimate beneficial owner are third parties independent of the Group and its connected persons
Date:	6 July 2018
Product name:	CGB "16th wealth+wealth" RMB-denominated Structured Deposit Product XJXCKJ1937
Purchase amount:	RMB500 million
Term of product:	123 days (6 July 2018 to 6 November 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:	5.25%
Right of early termination or redemption:	the company have no right to terminate or withdraw

The terms of the CGB Historical Wealth Management Agreement 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 CGB Wealth Management Agreement and the CGB Historical Wealth Management Agreement were entered into between the Company and China Guangfa Bank Tianjin Xiqing Sub-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;
“CGB”	China Guangfa Bank Co., Ltd., a bank incorporated under the laws of the PRC;
“CGB Wealth Management Agreement”	CGB Wealth Management Product Sales Contract, Product Description Letters and Risk Warnings entered into between the Company and China Guangfa Bank Tianjin Xiqing Sub-Branch on 12 September 2018;
“CGB Historical Wealth Management Agreements”	CGB Wealth Management Product Sales Contracts, Product Description Letters and Risk Warnings entered into between the Company and China Guangfa Bank Tianjin Xiqing Sub-Branch on 6 July 2018;
“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;
“PRC”	the People’s Republic of China;
“RMB”	Renminbi, the lawful currency of the PRC;
“Wealth Management Agreements”	collectively, CGB Wealth Management Agreement and CGB Historical Wealth Management Agreement.

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

13 September 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 director of the Company is Mr. 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.*