

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*

**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 the announcement made by the Company on 9 July 2018 with respect to purchasing SPD Bank wealth management product. As disclosed in the announcement, on 13 December 2017, 12 April 2018 and 6 July 2018, the Company entered into the SPD Bank Historical Wealth Management Agreements with SPD Bank Beijing Branch and purchased wealth management product of RMB500 million, RMB1,400 million and RMB500 million, respectively, using self-owned funds of the Company.

On 19 October 2018, the Company entered into the SPD Bank Wealth Management Agreement with SPD Bank Tianjin Branch. Pursuant to the SPD Bank Wealth Management Agreement, the Company has agreed to purchase wealth management product of RMB1,400 million using self-owned funds of the Company.

The SPD Bank Wealth Management Agreement was entered into between the Company and the SPD Bank Tianjin Branch. 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 oil and gas exploration, development and production.

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

Reference is the announcement made by the Company on 9 July 2018 with respect to purchasing SPD Bank wealth management product. As disclosed in the announcement, on 13 December 2017, 12 April 2018 and 6 July 2018, the Company entered into the SPD Bank Historical Wealth Management Agreements with SPD Bank Beijing Branch and purchased wealth management product of RMB500 million, RMB1,400 million and RMB500 million, respectively, using self-owned funds of the Company.

On 19 October 2018, the Company entered into the SPD Bank Wealth Management Agreement with SPD Bank Tianjin Branch. Pursuant to the SPD Bank Wealth Management Agreement, the Company has agreed to purchase wealth management product of RMB1,400 million using self-owned funds of the Company.

## **THE SPD BANK WEALTH MANAGEMENT AGREEMENT**

Parties: the Company and SPD Bank Tianjin 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: 19 October 2018

Product name: SPD Bank Li Duo Duo RMB-denominated Structured Deposit Company Product 18JG2119

Purchase amount: RMB1,400 million (RMB1,400 million has been purchased)

Term of product: 90 days (22 October 2018 to 22 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:	4.2%
Right of early termination or redemption:	If one-month SHIBOR on 20 November 2018 and 20 December 2018 are below 1%, SPD Bank has right but not obligation of early termination on 22 November 2018 and 24 December 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:	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 has right but not obligation of early termination on 9 October 2018

## **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: 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 has right of early termination

## **Agreement 3**

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 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 was entered into between the Company and the SPD Bank Tianjin Branch. 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 Tianjin Branch on 19 October 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, 12 April 2018 and 6 July 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*

19 October 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.*