



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 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 Third Quarterly Report for 2019 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.

30 October 2019

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.

Stock code: 601808

Stock short name: 中海油服

China Oilfield Services Limited
2019 Third 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 quarterly report, confirm that there are no misrepresentations, misleading statements or material omissions in the quarterly 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
Meng Jun	Director	Other office duty	Zhang Wukui

1.3 Qi Meisheng, person in charge of the Company, Zheng Yonggang, person in charge of the accounting work, and Chong Xiaojie, person in charge of the accounting office (the accountant in charge), have declared that they assure for the truthfulness, accuracy and completeness of the quarterly report.

1.4 The Third Quarterly Report of the Company was unaudited.

2. Basic Information of the Company

2.1 Principal Financial Data

Unit: Million Yuan Currency: RMB

	As at the end of the reporting period	As at the beginning of the reporting period	the increase/decrease at the end of the reporting period compared with the beginning of the period (%)
Total assets	77,437.5	76,157.8	1.7
Net assets attributable to the shareholders of the Company	36,414.6	34,524.2	5.5
	From the beginning of the year to the end of the reporting period (January to September)	From the beginning of last year to the end of the reporting period of last year (January to September)	Change over the corresponding period of last year (%)
Net cash flow from operating activities	1,133.7	-758.2	N/A
	From the beginning of the year to the end of the reporting period (January to September)	From the beginning of last year to the end of the reporting period of last year (January to September)	Change over the corresponding period of last year (%)
Revenue	21,334.8	13,718.4	55.5
Net profit attributable to the shareholders of the Company	2,118.8	-276.8	N/A
Net profit excluding non-recurring gain and loss attributable to the shareholders of the Company	1,889.6	-763.8	N/A

Weighted average net assets earnings ratio (%)	6.0%	-0.8%	N/A
Basic earnings per share (Yuan per share)	0.44	-0.06	N/A
Diluted earnings per share (Yuan per share)	N/A	N/A	N/A

Affected by the initial implementation of New Lease Standards, the financial data in the table which as at the beginning of the reporting period has been adjusted. “the increase/decrease at the end of the reporting period compared with the beginning of the period (%)” is the results of comparison with the adjusted data.

Non-recurring gain and loss

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Items	Amounts for the period (July to September)	Balance from the beginning of the year to the end of the reporting period (January to September)
Gain or loss on disposal and write-off of non-current assets	-3,729,915	55,243,834
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	50,555,840	83,217,675
Non-operating incomes and expenses other than the above items	-20,884,178	-29,168,555
Revenue from the wealth management products and monetary funds credited for the current period	33,718,589	158,162,132
Income tax effect	-8,949,050	-38,265,338
Total	50,711,286	229,189,748

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:				58,059		
Particulars of shareholding of the top 10 shareholders						
Name of shareholder (Full name)	Total number of shares held as at the end of the reporting period	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	1,808,590,428	37.90	0	Nil	0	Others
China Securities Finance Corporation Limited	140,604,876	2.95	0	Nil	0	State-owned legal person
Hong Kong Securities Clearing Company Limited	36,518,618	0.77	0	Nil	0	Others
Central Huijin Asset Management Ltd.	29,883,000	0.63	0	Nil	0	State-owned legal person

E Fund—ICBC—Foreign Trade Trust—Foreign Trade Trust•Stable Wealth FOF Single Fund Trust	9,611,983	0.20	0	Nil	0	Others
Agricultural Bank of China Limited—Invesco Great Wall CSI 300 Enhanced Index Securities Investment Fund	4,812,040	0.10	0	Nil	0	Others
E Fund—ICBC—E Fund Zhenxuan No. 2 Asset Management Plan	4,631,785	0.10	0	Nil	0	Others
Haitong Securities Co., Ltd.	3,709,201	0.08	0	Nil	0	State-owned legal person
China Construction Bank Corporation Limited—Southern Quality Flexible Allocation Hybrid Securities Investment Fund	3,309,952	0.07	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 shares				
		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	1,808,590,428	H Shares	1,808,590,428			
China Securities Finance Corporation Limited	140,604,876	A Shares	140,604,876			
Hong Kong Securities Clearing Company Limited	36,518,618	A Shares	36,518,618			
Central Huijin Asset Management Ltd.	29,883,000	A Shares	29,883,000			
E Fund—ICBC—Foreign Trade Trust—Foreign Trade Trust•Stable Wealth FOF Single Fund Trust	9,611,983	A Shares	9,611,983			
Agricultural Bank of China Limited—Invesco Great Wall CSI 300 Enhanced Index Securities Investment Fund	4,812,040	A Shares	4,812,040			
E Fund—ICBC—E Fund Zhenxuan No. 2 Asset Management Plan	4,631,785	A Shares	4,631,785			
Haitong Securities Co., Ltd.	3,709,201	A Shares	3,709,201			
China Construction Bank Corporation Limited—Southern Quality Flexible Allocation Hybrid Securities Investment Fund	3,309,952	A Shares	3,309,952			

Notes 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 of China Oilfield Services Limited (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. Shares held by Hong Kong Securities Clearing Company Limited represent the aggregate shares it held as a nominee on behalf of the shareholders of the Company under Shanghai-Hong Kong Stock Connect. 3. Except that Hong Kong Securities Clearing Company Nominees Limited and Hong Kong Securities Clearing Company Limited are the subsidiaries of HKSE, to the knowledge of the Company, there were no connected relationships or concerted actions among the above top 10 shareholders and 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. 4. In “Particulars of shareholding of the top 10 shareholders”, the 2,410,849,300 shares, namely the “Total number of shares held as at the end of the reporting period” by 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 third quarter of 2019, the global oil prices continued to fluctuate, and the capital expenditure of upstream exploration and development around the world maintained a growth momentum. But the offshore oilfield services industry remained competitive because of the oversupply of petroleum persisted. In a slow-recovering market, the Group adheres to its technology development strategies, enhances its operation capabilities on technical services and continues to strengthen safety management and refined management for the international expansion. During the year, the workload of the main business lines has increased. In the first three quarters of 2019, the Group's revenue amounted to RMB21,334.8 million, representing an increase of RMB7,616.4 million or 55.5% year-on-year; the net profit amounted to RMB2,138.2 million.

Drilling Services	For the period ended 30 September 2019	For the period ended 30 September 2018	Change (%)
Operating Days (Day)	10,662	8,041	32.6
Jack-up Rigs	8,036	5,899	36.2
Semi-submersible Rigs	2,626	2,142	22.6
Utilization Rate (Available Day)	84.0%	68.7%	Increased 15.3 percentage points
Jack-up Rigs	86.3%	66.3%	Increased 20.0 percentage points
Semi-submersible Rigs	77.7%	76.3%	Increased 1.4 percentage points

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Utilization Rate (Calendar Day)	80.9%	65.3%	Increased 15.6 percentage points
Jack-up Rigs	83.7%	64.3%	Increased 19.4 percentage points
Semi-submersible Rigs	73.5%	68.2%	Increased 5.3 percentage points

Marine Support Services (Group Owned Vessels)	For the period ended 30 September 2019	For the period ended 30 September 2018	Change (%)
Operating Days (Day)	23,156	22,576	2.6
Standby Vessels	10,000	10,723	-6.7
AHTS Vessels	7,487	7,053	6.2
Platform Supply Vessels	3,564	3,244	9.9
Multipurpose Vessels	1,055	493	114.0
Workover Support Barges	1,050	1,063	-1.2

Vessel Utilization Rate (Available Day)	98.1%	92.9%	Increased 5.2 percentage points
Standby Vessels	98.8%	96.5%	Increased 2.3 percentage points
AHTS Vessels	97.7%	94.3%	Increased 3.4 percentage points
Platform Supply Vessels	96.8%	89.4%	Increased 7.4 percentage points
Multipurpose Vessels	96.6%	48.4%	Increased 48.2 percentage points
Workover Support Barges	99.9%	100.0%	Decreased 0.1 percentage point

Vessel Utilisation Rate (Calendar Day)	94.2%	89.8%	Increased 4.4 percentage points
Standby Vessels	93.9%	93.5%	Increased 0.4 percentage point
AHTS Vessels	94.6%	91.9%	Increased 2.7 percentage points
Platform Supply Vessels	93.3%	84.9%	Increased 8.4 percentage points
Multipurpose Vessels	96.6%	45.2%	Increased 51.4 percentage points
Workover Support Barges	96.2%	97.4%	Decreased 1.2 percentage points

Geophysical Acquisition and Surveying Services	For the period ended 30 September 2019	For the period ended 30 September 2018	Change (%)
2D Acquisition (km)	25,701	26,880	-4.4
of which: multi-client	1,350	16,091	-91.6
3D Acquisition (km ²)	26,319	20,993	25.4
of which: multi-client	5,113	5,593	-8.6
Ocean bottom cable (km ²)	1,300	608	113.8

Under the increased efforts of the Group in market development, for the period ended 30 September 2019, the operating days of rigs of the Group amounted to 10,662 days, representing an increase of 2,621 days or 32.6% as compared with the same period of last year and the utilization rate increased 15.6 percentage points as compared with the same period of last year, among which the operating days of jack-up rigs amounted to 8,036 days, representing an increase of 36.2% as compared with the same period of last year and the utilization rate increased 19.4 percentage points as compared with the same period of last year; the operating days of semi-submersible rigs amounted to 2,626 days, representing an increase of 22.6% as compared with the same period of last year and the utilization rate increased 5.3 percentage points.

As for the well services segment, the Group adhered to technological innovation and promoted operational efficiency. During the period, it continued to increase investment in science and technology research and development, promoted core capacity enhancement, accelerated the serialization and industrialization of technology products and achieved breakthroughs in many scientific research achievements. The domestic and international market development capabilities and professional service capabilities have been significantly improved. The operation volume from main business lines have increased significantly and the overall revenue has increased accordingly.

For the period ended 30 September 2019, the Group's owned vessels for marine support services operated 23,156 days, representing an increase of 580 days over the same period of last year and the calendar day utilization rate of vessels increased by 4.4 percentage points to 94.2%. In particular, the operation and utilization rate of multipurpose vessels increased significantly. In addition, the operation of the Group's chartered vessels increased during the period, which operated 11,023 days, representing an increase of 4,011 days as compared with the same period of last year.

As for the geophysical acquisition and surveying services segment, the workload for 3D acquisition business increased by 5,326 km² as compared with the same period of last year, and the workload for 2D acquisition business decreased by 1,179 km as compared with the same period of last year. Due to the increased market demand, the workload for ocean bottom cable business increased by 692 km² as compared with the same period of last year, representing an increase of 113.8%.

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

Affected by the initial implementation of New Lease Standards, the following figures at the beginning of the year have been adjusted when comparing to the financial indicators below.

1. Revenue

For the nine months ended 30 September 2019, the revenue of the Group amounted to RMB21,334.8 million, representing an increase of RMB7,616.4 million or 55.5% as compared with RMB13,718.4 million for the same period (January to September) of last year. It was mainly attributable to the fact that the Group closely followed the market recovery situation, facilitated the market expansion, and actively improved the profitability on technology segment and operation management on equipment segment, thereby significantly increasing the operation volume, utilization rate and the revenue.

2. Operating costs

For the nine months ended 30 September 2019, the operating costs of the Group amounted to RMB17,293.0 million, representing an increase of RMB4,306.3 million or 33.2% as compared with

RMB12,986.7 million for the same period (January to September) of last year. It was mainly attributable to the fact that the Group increased the investment in cost, such as the consumption of materials and subcontracting expenses to fulfil the operational demand as the operation volume increased.

3. Taxes and surcharges

For the nine months ended 30 September 2019, the taxes and surcharges of the Group amounted to RMB26.2 million, representing an increase of RMB7.9 million or 43.2% as compared with RMB18.3 million for the same period (January to September) of last year. It was mainly attributable to the fact that the taxes increased as the revenue increased due to recovery of the market.

4. Selling expenses

For the nine months ended 30 September 2019, the selling expenses of the Group amounted to RMB22.5 million, representing an increase of RMB6.9 million or 44.2% as compared with RMB15.6 million for the same period (January to September) of last year. It was mainly attributable to the volume of materials sales business increased during the period.

5. Financial expenses

For the nine months ended 30 September 2019, the financial expenses of the Group amounted to RMB679.9 million, representing an increase of RMB316.7 million or 87.2% as compared with RMB363.2 million for the same period (January to September) of last year. It was mainly attributable to the decrease in exchange income during the period.

6. Assets impairment losses

For the nine months ended 30 September 2019, the assets impairment losses of the Group amounted to RMB10.5 million, representing a decrease of RMB116.4 million as compared with RMB126.9 million for the same period (January to September) of last year. It was mainly attributable to the provision for impairment of fixed assets of RMB123.0 million in the same period of last year; there was no provision for impairment loss of fixed assets during the period.

7. Credit impairment loss

For the nine months ended 30 September 2019, the credit impairment loss of the Group amounted to RMB-2.5 million, representing a decrease of RMB2.6 million as compared with RMB0.1 million for the same period (January to September) of last year. It was mainly due to the reversal of accounts receivable credit impairment loss during the period.

8. Investment income

For the nine months ended 30 September 2019, the investment income of the Group amounted to RMB399.6 million, representing an increase of RMB181.4 million or 83.1% as compared with RMB218.2 million for the same period (January to September) of last year. It was mainly attributable to the increase in the profitability of joint ventures.

9. Gains from changes in fair value

For the nine months ended 30 September 2019, the gains from changes in fair value of the Group amounted to RMB-49.4 million, representing a decrease of RMB85.7 million as compared with RMB36.3 million for the same period (January to September) of last year. It was mainly due to the redemption of money funds and the maturity of floating income wealth management products during the period.

10. Gains (losses) on disposal of assets

For the nine months ended 30 September 2019, the gains (losses) on disposal of assets of the Group amounted to RMB73.0 million, representing a decrease of RMB181.9 million as compared with

RMB254.9 million for the same period (January to September) of last year. It was mainly attributable to the fact that there was no disposal of large equipment during the period.

11. Non-operating expenses

For the nine months ended 30 September 2019, the non-operating expenses of the Group amounted to RMB122.9 million, representing an increase of RMB90.0 million or 273.6% as compared with RMB32.9 million for the same period (January to September) of last year. It was mainly attributable to the increase in equipment compensation during the period, which will be recovered by insurance claims later.

12. Income tax expenses

For the nine months ended 30 September 2019, the income tax expenses of the Group amounted to RMB668.7 million, representing an increase of RMB383.3 million or 134.3% as compared with RMB285.4 million for the same period (January to September) of last year. It was mainly attributable to the increase in the profit before tax of the Company.

13. Cash on hand and at bank

As at 30 September 2019, the cash on hand and at bank of the Group amounted to RMB5,803.5 million, representing an increase of RMB2,461.1 million or 73.6% as compared with RMB3,342.4 million at the beginning of the year. It was mainly attributable to the maturity of wealth management products and the increase in revenue during the period.

14. Financial assets held for trading

As at 30 September 2019, there was no financial assets held for trading of the Group, representing a decrease of 100.0% as compared with RMB1,749.7 million at the beginning of the year. It was mainly attributable to the redemption of funds and the maturity of floating income wealth management products during the period.

15. Notes receivable

As at 30 September 2019, the notes receivable of the Group amounted to RMB4.5 million, representing a decrease of RMB203.7 million or 97.8% as compared with RMB208.2 million at the beginning of the year. It was mainly attributable to the maturity of commercial acceptance bills issued at the beginning of the year.

16. Accounts receivable

As at 30 September 2019, the accounts receivable of the Group amounted to RMB13,864.3 million, representing an increase of RMB5,849.0 million or 73.0% as compared with RMB8,015.3 million at the beginning of the year. It was mainly attributable to the increase in operating revenue and accounts receivable increased accordingly.

17. Receivables financing

As at 30 September 2019, the receivables financing of the Group amounted to RMB4.5 million, representing a decrease of RMB20.2 million or 81.8% as compared with RMB24.7 million at the beginning of the year. It was mainly attributable to the maturity of bank acceptance bills.

18. Prepayments

As at 30 September 2019, the prepayments of the Group amounted to RMB101.1 million, representing an increase of RMB31.9 million or 46.1% as compared with RMB69.2 million at the beginning of the year. It was mainly attributable to the increase in prepayment amounts of spare equipment and tools during the period.

19. Inventories

As at 30 September 2019, the inventories of the Group amounted to RMB1,884.5 million, representing an increase of RMB506.3 million or 36.7% as compared with RMB1,378.2 million at the beginning of the year. It was mainly attributable to the increase in preparation materials for manufacture along with more workload.

20. Non-current assets due within 1 year

As at 30 September 2019, the non-current assets due within 1 year of the Group amounted to RMB49.9 million, representing an increase of RMB14.3 million or 40.2% as compared with RMB35.6 million at the beginning of the year. It was mainly attributable to the increase in refund of VAT receivable of the subsidiaries in the period.

21. Other current assets

As at 30 September 2019, other current assets of the Group amounted to RMB2,031.1 million, representing a decrease of RMB4,534.6 million or 69.1% as compared with RMB6,565.7 million at the beginning of the year. It was mainly attributable to the maturity of bank wealth management products.

22. Development expenditure

As at 30 September 2019, the development expenditure of the Group amounted to RMB224.7 million, representing an increase of RMB132.3 million or 143.2% as compared with RMB92.4 million at the beginning of the year. It was mainly attributable to the increase in development investment for multi-client projects during the period.

23. Right-of-use assets

As at 30 September 2019, the right-of-use assets of the Group amounted to RMB1,025.5 million, representing a decrease of RMB455.4 million or 30.8% as compared with RMB1,480.9 million at the beginning of the year. It was mainly attributable to the fact that the right-of-use assets decreased as the amortization increased during the period.

24. Deferred tax assets

As at 30 September 2019, the deferred tax assets of the Group amounted to RMB100.7 million, representing an increase of RMB34.8 million or 52.8% as compared with RMB65.9 million at the beginning of the year. It was mainly attributable to the increase in deductible differences during the period.

25. Other non-current assets

As at 30 September 2019, other non-current assets of the Group amounted to RMB504.7 million, representing an increase of RMB184.0 million or 57.4% as compared with RMB320.7 million at the beginning of the year. It was mainly attributable to the increase in prepaid construction fees.

26. Short-term borrowings

As at 30 September 2019, the short-term borrowings of the Group amounted to RMB2,478.2 million, representing an increase of RMB1,103.4 million or 80.3% as compared with RMB1,374.8 million at the beginning of the year. It was mainly attributable to the increase of short-term borrowings of US\$150 million during the year.

27. Notes payable

As at 30 September 2019, the notes payable of the Group amounted to RMB8.9 million, representing a decrease of RMB41.4 million or 82.3% as compared with RMB50.3 million at the beginning of the year. It was mainly attributable to the settlement of payment for the due rig rental service amount.

28. Employee benefits payable

As at 30 September 2019, the employee benefits payable of the Group amounted to RMB1,768.2 million, representing an increase of RMB859.0 million or 94.5% as compared with RMB909.2 million at the

beginning of the year. It was mainly attributable to the fact that the Group needed to cope with the increased operational demand by employing more personnel to match the production and operation demands.

29. Other current liabilities

As at 30 September 2019, the other current liabilities of the Group amounted to RMB519.9 million, representing an increase of RMB317.8 million or 157.2% as compared with RMB202.1 million at the beginning of the year. It was mainly attributable to the increase in output value-added tax to be recognised.

30. Long-term borrowings

As at 30 September 2019, the long-term borrowings of the Group amounted to RMB197.9 million, representing a decrease of RMB589.7 million or 74.9% as compared with RMB787.6 million at the beginning of the year. It was mainly attributable to the increase in repayment during the period.

31. Leasing liabilities

As at 30 September 2019, the leasing liabilities of the Group amounted to RMB655.9 million, representing a decrease of RMB432.9 million or 39.8% as compared with RMB1,088.8 million at the beginning of the year. It was mainly attributable to the payment of rents and the change in leases.

32. Deferred tax liabilities

As at 30 September 2019, the deferred tax liabilities, net of the Group amounted to RMB59.1 million, representing a decrease of RMB228.0 million or 79.4% as compared with RMB287.1 million at the beginning of the year. It was mainly attributable to the increase in deductible differences which led to the decrease in deferred tax liabilities.

33. Other comprehensive income

As at 30 September 2019, other comprehensive income of the Group amounted to RMB-44.8 million, as compared with RMB-150.5 million at the beginning of the year. Among which the exchange differences on translation of financial statements of foreign operations amounted to RMB-51.0 million for the period with RMB-151.3 million at the beginning of the year. The change was mainly attributable to fluctuation in foreign exchange rates.

34. Net cash flows from operating activities

For the nine months ended 30 September 2019, the Group's net cash inflows from operating activities amounted to RMB1,133.7 million, representing an increase in inflows of RMB1,891.9 million as compared to the same period last year. This was mainly attributable to the following reasons: (1) the cash received for sales of goods and rendering of services during the period increased by RMB6,030.4 million as compared with the same period of last year; (2) the cash paid for purchase of goods and receipt of services increased by RMB2,710.4 million as compared with the same period of last year; (3) the cash paid for various tax expenses increased by RMB1,098.9 million as compared with the same period of last year. Besides, net cash outflows increased by RMB329.2 million as compared with the same period of last year due to the combined effects of cash related to other operating activities.

35. Net cash flows from investment activities

For the nine months ended 30 September 2019, the Group's net cash inflows from investing activities amounted to RMB4,738.9 million, representing an increase of RMB7,284.6 million as compared with the same period of last year. This was mainly due to the facts that: (1) cash received from purchasing wealth management products and other activities during the period increased by RMB2,361.4 million as compared to the same period of last year and cash inflow received from other investment activities decreased by RMB446.2 million; (2) cash paid for wealth management products and other investment

decreased by RMB5,986.3 million as compared to the same period of last year and cash outflows paid for other investments increased by RMB616.9 million as compared with the same period of last year.

36. Net cash flows from financing activities

For the nine months ended 30 September 2019, the Group's net cash outflows from financing activities amounted to RMB3,303.2 million and net cash outflows from financing activities amounted to RMB1,714.9 million for the same period of last year, representing an increase in cash outflows of RMB1,588.3 million year-on-year. The main reasons were that (1) cash received from borrowings during the period increased by RMB1,017.1 million as compared to the same period of last year; (2) the cash paid for debts and cash paid for other financing activities during the period increased by RMB2,605.5 million as compared with the same period of last year.

37. The effect of fluctuation in exchange rates on cash and cash equivalents during the period was an increase in cash of RMB39.6 million.

3.2 Significant events and analysis on their effects and solutions

Applicable Not Applicable

In December 2016, COSL Offshore Management AS (“COM”, a subsidiary of the Company) as a plaintiff filed a Statement of Claim (the “Claim”) against Statoil (Statoil Petroleum AS, hereinafter “Statoil”) with Oslo District Court of Norway (the “Court”) through WIKBORG, REIN & CO. ADVOKATFIRMA DA, an international law firm based in Norway, as litigation agent. COM has claimed that Statoil's termination of the contract in respect of the drilling rig of COSLInnovator was unlawful and has claimed the contract to be maintained. If the contract cannot be maintained, COM has claimed that Statoil is obliged to cover COM's loss resulting from the unlawful termination, and the exact amount of damages will be subject to subsequent proceedings. Oslo City Court entered into a judgement on 15 May 2018. The judgement may be appealed by either party within one month following the date of legal notice of the judgement was served. Statoil has changed its corporate name to Equinor Petroleum AS (hereinafter “Equinor”). On 14 June 2018, Equinor appealed to Borgarting Court of Appeal being the relevant appeal court in Norway. On 14 June 2018, COM has subsequently filed an independent appeal concerning the cancellation for convenience, since COM is of the view that the cancellation for convenience is unlawful and COM should accordingly be entitled to damages for the loss suffered.

In January 2017, COM, a subsidiary of the Company as a plaintiff filed a Statement of Claim (the “Claim”) against Statoil with the Court through WIKBORG REIN ADVOKATFIRMA AS, an international law firm based in Norway, as litigation agent. COM is of the view that Statoil shall pay the Claim for cost reimbursement and rate reductions happened in the period of year 2016 in an amount up to the equivalence of US\$15,238,596 incurred as a consequence of the drilling rig of COSLPromoter's compliance with requirements of Statoil.

For details, please refer to relevant announcements released by the Company on the websites of the Shanghai Stock Exchange (<http://www.sse.com.cn>), which were named “Announcement of Status of two drilling contracts (Lin 2016-002)” on 7 March 2016, “Announcement of further status of two drilling contracts (Lin 2016-003)” on 21 March 2016, “Announcement of a civil action filed by the company (Lin 2016-043)” on 15 December 2016, “Announcement of a civil action filed by the company (Lin 2017-003)” on 21 January 2017, “Announcement of further development of a civil action filed by the company (Lin 2018-021)” on 16 May 2018 and “Announcement of further development of a civil action filed by the company (Lin 2018-028)” on 16 June 2018.

Save for the above information, the Company is not required to further disclose any information in respect of the above-mentioned significant events as at the date of this report. The Company will continue to monitor the progress of the matter 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

In the third quarter of 2019, with the gradual recovery of the oilfield service industry in the second quarter, the domestic and overseas operation volumes further increased. The Group achieved a total revenue of RMB21,334.8 million and a net profit of RMB2,138.2 million in the first three quarters. It is expected that the operating costs will increase in the fourth quarter due to the fact that some research projects will enter into the settlement stage, and the cost of repair and maintain projects of the Group in the fourth quarter will increase significantly, which are attributable to the natures of the oilfield service operation and the seasonal factors such as the weather and sea condition. The Group will try to achieve better operating results through a variety of initiatives.

Company Name	China Oilfield Services Limited
Legal Representative	Qi Meisheng
Date	30 October 2019

4. Appendix

4.1 Financial Statements

Consolidated Balance Sheet

30 September 2019

Prepared by: China Oilfield Services Limited

Unit: Yuan Currency: RMB (Unaudited)

Items	30 September 2019	31 December 2018
Current assets:		
Cash on hand and at bank	5,803,457,126	3,342,403,447
Financial assets held for trading	0	1,749,722,574
Notes receivable	4,465,890	208,164,606
Accounts receivable	13,864,254,985	8,015,313,025
Financing receivables	4,521,619	24,739,742
Prepayments	101,119,325	127,705,409
Other receivables	311,227,297	259,866,017
Inventories	1,884,455,320	1,379,777,492
Contract assets	137,399,261	0
Non-current assets due within 1 year	49,925,281	35,580,599
Other current assets	2,031,086,948	6,565,654,666
Total current assets	24,191,913,052	21,708,927,577
Non-current assets:		
Long-term equity investments	778,032,873	679,162,332
Other non-current financial assets	0	0
Fixed assets	47,691,716,926	49,263,051,870
Construction in progress	1,744,818,424	1,522,838,848
Right-of-use assets	1,025,458,736	N/A
Intangible assets	313,570,667	337,893,585
Development expenditure	224,651,757	92,426,319
Goodwill	0	0
Long-term prepaid expenses	861,927,449	746,125,339
Deferred tax assets	100,693,452	65,869,485
Other non-current assets	504,724,881	270,709,207
Total non-current assets	53,245,595,165	52,978,076,985
Total assets	77,437,508,217	74,687,004,562
Current liabilities:		
Short-term borrowings	2,478,223,185	1,374,822,860
Notes payable	8,918,039	50,266,000
Accounts payable	8,273,896,006	8,275,052,464
Employee benefits payable	1,768,229,645	909,174,212
Taxes payable	673,619,741	768,132,889
Other payables	230,973,175	207,618,296
Contracts liabilities	188,449,147	154,410,213

Non-current liabilities due within 1 year	7,113,439,876	5,069,488,848
Other current liabilities	519,882,415	202,078,181
Total Current liabilities	21,255,631,229	17,011,043,963
Non-current liabilities:		
Long-term borrowings	197,887,048	787,630,650
Bonds payable	17,967,776,723	21,069,891,833
Leasing liabilities	655,882,931	N/A
Long-term payable	26,572,397	23,633,374
Deferred revenue	464,365,698	522,838,540
Deferred tax liabilities	59,075,334	286,559,961
Other non-current liabilities	223,535,867	308,000,380
Total non-current liabilities	19,595,095,998	22,998,554,738
Total liabilities	40,850,727,227	40,009,598,701
Shareholders' equity:		
Share capital	4,771,592,000	4,771,592,000
Capital reserves	12,366,274,941	12,366,274,941
Other comprehensive income	-44,772,421	-150,482,062
Statutory reserve funds	2,508,655,960	2,508,655,960
Retained earnings	16,812,864,085	15,033,835,040
Total equity attributable to shareholders of the Company	36,414,614,565	34,529,875,879
Non-controlling interests	172,166,425	147,529,982
Total shareholders' equity	36,586,780,990	34,677,405,861
Total liabilities and shareholders' equity	77,437,508,217	74,687,004,562

Legal representative:	Person in charge of the accounting work:	Person in charge of the accounting office:
Qi Meisheng	Zheng Yonggang	Chong Xiaojie

Company Balance Sheet

30 September 2019

Prepared by: China Oilfield Services Limited

Unit: Yuan Currency: RMB (Unaudited)

Items	30 September 2019	31 December 2018
Current assets:		
Cash on hand and at bank	5,000,971,843	2,067,521,763
Financial assets held for trading	0	1,749,722,574
Notes receivable	4,465,890	208,164,606
Accounts receivable	12,688,342,333	7,883,373,753
Financing receivables	4,121,619	24,661,442
Prepayments	38,287,817	73,624,420
Other receivables	927,669,187	1,097,254,090
Inventories	984,961,073	662,034,391
Contract assets	137,399,261	0

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Other current assets	2,010,446,776	6,551,299,926
Total current assets	21,796,665,799	20,317,656,965
Non-current assets:		
Long-term receivables	6,908,249,653	6,137,644,090
Long-term equity investments	8,551,507,329	8,452,636,788
Fixed assets	23,738,199,344	25,181,055,048
Construction in progress	1,558,615,098	1,034,483,774
Right-of-use assets	750,445,839	N/A
Intangible assets	143,359,382	164,019,332
Long-term prepaid expenses	515,688,630	581,760,395
Deferred tax assets	38,187,232	0
Other non-current assets	332,393,255	50,283,683
Total non-current assets	42,536,645,762	41,601,883,110
Total assets	64,333,311,561	61,919,540,075
Current liabilities:		
Notes payable	8,918,039	50,266,000
Accounts payable	7,321,402,893	7,327,625,661
Contracts liabilities	114,272,849	128,066,392
Employee benefits payable	1,636,918,995	783,481,299
Taxes payable	497,088,941	589,081,555
Other payables	653,569,742	607,071,804
Non-current liabilities due within 1 year	3,531,503,596	4,882,323,665
Other current liabilities	519,510,048	195,741,380
Total Current liabilities	14,283,185,103	14,563,657,756
Non-current liabilities:		
Long-term borrowings	197,887,048	787,630,650
Bonds payable	7,395,268,000	7,394,666,500
Leasing liabilities	400,301,322	N/A
Deferred revenue	361,058,963	355,471,779
Deferred tax liabilities	0	220,038,606
Total non-current liabilities	8,354,515,333	8,757,807,535
Total liabilities	22,637,700,436	23,321,465,291
Shareholders' equity		
Share capital	4,771,592,000	4,771,592,000
Capital reserves	12,371,646,371	12,371,646,371
Other comprehensive income	167,686,193	101,515,869
Statutory reserve funds	2,508,655,960	2,508,655,960
Retained earnings	21,876,030,601	18,844,664,584
Total shareholders' equity	41,695,611,125	38,598,074,784
Total liabilities and shareholders' equity	64,333,311,561	61,919,540,075

Legal representative:	Person in charge of the accounting work:	Person in charge of the accounting office:
Qi Meisheng	Zheng Yonggang	Chong Xiaojie

Consolidated Income Statement

January to September, 2019

Prepared by: China Oilfield Services Limited

Unit: Yuan Currency: RMB (Unaudited)

Items	The third quarter of 2019 (July to September)	The third quarter of 2018 (July to September)	First three quarters of 2019 (January to September)	First three quarters of 2018 (January to September)
1. Gross revenue	7,771,954,359	5,578,352,285	21,334,753,730	13,718,360,275
Including: revenue	7,771,954,359	5,578,352,285	21,334,753,730	13,718,360,275
2. Total operating costs	6,474,387,605	5,489,717,207	18,987,299,883	14,351,872,178
Including: Operating costs	5,909,817,887	5,167,004,902	17,293,047,988	12,986,650,850
Taxes and surcharges	15,488,697	6,140,453	26,176,113	18,272,428
Selling expenses	7,573,408	6,269,054	22,513,411	15,559,004
General and administration expenses	185,105,458	166,264,345	489,655,837	444,543,860
Development expenditure	191,555,299	161,650,867	468,019,743	396,603,928
Financial costs	157,608,294	-18,107,557	679,903,354	363,223,424
Including: Interest expenses	264,888,744	284,057,982	847,260,851	796,613,459
Interest income	23,895,742	11,772,692	45,086,166	59,603,388
Add: other income	45,883,000	36,107,563	82,157,675	76,256,381
Investment income (losses are indicated with “-”)	105,758,617	69,850,467	399,551,079	218,212,721
Including: Share of profits of joint ventures	72,040,029	31,376,572	191,948,223	86,080,379
Gains from changes in fair value	0	11,890,656	-49,440,725	36,265,524
Credit impairment loss	0	0	-2,523,953	83,080
Assets impairment losses	7,238,562	495,143	10,507,390	126,935,604
Gains on disposal of assets (losses are indicated with “-”)	-1,279	651,565	73,012,650	254,851,984
3. Operating profit (losses are indicated with “-”)	1,449,207,092	207,135,329	2,852,734,526	-47,925,293
Add: Non-operating income	8,483,153	43,492,393	77,051,340	103,150,668
Less: Non-operating expenses	32,955,968	21,635,877	122,928,712	32,877,195
4. Total profits (total losses are indicated with “-”)	1,424,734,277	228,991,845	2,806,857,154	22,348,180
Less: Income tax expenses	272,894,894	128,806,146	668,662,040	285,424,837
5. Net profit (net losses are indicated with “-”)	1,151,839,383	100,185,699	2,138,195,114	-263,076,657
(I) Classified by the continuity of operation				

1. Net profit from continuing operations (net losses are indicated with “-”)	1,151,839,383	100,185,699	2,138,195,114	-263,076,657
2. Net profit from discontinued operations (net losses are indicated with “-”)	0	0	0	0
(II) Classified by the ownership of equity				
1. Attributable to shareholders of the Company (net losses are indicated with “-”)	1,145,709,590	98,245,228	2,118,752,920	-276,759,271
2. Non-controlling interests (net losses are indicated with “-”)	6,129,793	1,940,471	19,442,194	13,682,614
6. Other comprehensive income, net of tax	157,315,461	127,817,514	110,903,890	203,147,768
Other comprehensive income, net of tax attributable to the owners of the Company	152,577,017	122,877,238	105,709,641	196,657,307
(I) Other comprehensive income that may not be subsequently reclassified to profit or loss	0	0	0	0
1. Changes arising from re-measurement of defined benefit plans	0	0	0	0
(II) Other comprehensive income to be subsequently reclassified into profit or loss	152,577,017	122,877,238	105,709,641	196,657,307
1. Other comprehensive income that can be reclassified to profit or loss under the equity method	5,125,845	2,881,702	5,413,050	4,131,093
2. Exchange differences on translation of financial statements of foreign operations	147,451,172	119,995,536	100,296,591	192,526,214
Other comprehensive income, net of tax attributable to minority shareholders	4,738,444	4,940,276	5,194,249	6,490,461
7. Total comprehensive income	1,309,154,844	228,003,213	2,249,099,004	-59,928,889
Total comprehensive income attributable to the owners of the Company	1,298,286,607	221,122,466	2,224,462,561	-80,101,964
Total comprehensive income attributable to minority shareholders	10,868,237	6,880,747	24,636,443	20,173,075
8. Earnings per share:				
(I) Basic earnings per share (RMB/share)	0.24	0.02	0.44	-0.06

Legal representative:	Person in charge of the accounting work:	Person in charge of the accounting office:
Qi Meisheng	Zheng Yonggang	Chong Xiaojie

Company Income Statement

January to September, 2019

Prepared by: China Oilfield Services Limited

Unit: Yuan Currency: RMB (Unaudited)

Items	The third quarter of 2019 (July to September)	The third quarter of 2018 (July to September)	First three quarters of 2019 (January to September)	First three quarters of 2018 (January to September)
1. Revenue	6,435,956,794	4,091,536,465	17,328,656,474	10,556,252,144
Less: Operating cost	4,618,714,453	3,544,650,435	12,928,017,074	9,208,628,291
Taxes and surcharges	15,398,454	5,952,722	23,650,392	15,473,234
General and administrative expenses	123,442,651	103,777,491	314,954,502	265,854,646
Development expenditure	188,022,576	159,979,684	453,653,333	391,395,456
Financial costs	-122,908,117	-170,151,317	107,260,940	-76,856,565
Including: Interest expenses	106,510,871	119,380,937	367,506,246	355,242,138
Interest income	21,627,047	9,600,825	38,309,210	51,512,637
Add: other income	45,854,016	36,107,563	81,999,429	76,188,981
Investment income (losses are indicated with “-”)	105,758,617	69,850,467	399,551,079	218,212,721
Including: Share of profits of joint ventures	72,040,029	31,376,572	191,948,223	86,080,379
Gains from changes in fair value	0	11,890,656	-49,440,725	36,265,524
Credit impairment loss	0	0	-2,797,096	-5,178,196
Assets impairment losses	4,127,286	1,138,724	7,845,634	2,184,818
Gains on disposal of assets (losses are indicated with “-”)	0	651,565	73,786,288	254,851,984
2. Operating profit (losses are indicated with “-”)	1,760,772,124	564,688,977	4,001,967,766	1,340,269,670
Add: Non-operating income	7,817,090	43,190,211	75,744,527	101,785,408
Less: Non-operating expenses	32,722,863	21,518,953	120,122,515	31,707,434
3. Total profits (total losses are indicated with “-”)	1,735,866,351	586,360,235	3,957,589,778	1,410,347,644
Less: Income tax expenses	295,158,312	124,336,039	594,857,255	174,990,290
4. Net profit (net losses are indicated with “-”)	1,440,708,039	462,024,196	3,362,732,523	1,235,357,354
(I) Net profit from continuing operations (net losses are indicated with “-”)	1,440,708,039	462,024,196	3,362,732,523	1,235,357,354
(II) Net profit from discontinued operations (net losses are indicated with “-”)	0	0	0	0
5. Other comprehensive income, net of tax	62,135,764	69,723,823	66,170,324	92,393,146
(I) Other comprehensive	62,135,764	69,723,823	66,170,324	92,393,146

income to be reclassified into profit or loss				
1. Other comprehensive income that can be reclassified to profit or loss under the equity method	5,125,845	2,881,702	5,413,050	4,131,093
2. Exchange differences on translation of financial statements of foreign operations	57,009,919	66,842,121	60,757,274	88,262,053
6. Total comprehensive income	1,502,843,803	531,748,019	3,428,902,847	1,327,750,500

Legal representative:	Person in charge of the accounting work:	Person in charge of the accounting office:
Qi Meisheng	Zheng Yonggang	Chong Xiaojie

Consolidated Cash Flow Statement

January to September, 2019

Prepared by: China Oilfield Services Limited

Unit: Yuan Currency: RMB (Unaudited)

Items	First three quarters of 2019 (January to September)	First three quarters of 2018 (January to September)
1. Cash flow from operating activities:		
Cash received from sale of goods or rendering of services	17,037,305,438	11,006,945,570
Government grants and subsidies received	68,683,856	69,680,713
Cash received from tax refund	0	20,101,683
Sub-total of cash inflow from operating activities	17,105,989,294	11,096,727,966
Cash paid for goods purchased and service received	10,264,182,495	7,553,804,804
Cash paid to and for employees	3,533,655,128	3,328,278,139
Cash paid for all taxes	1,682,366,028	583,480,913
Cash paid relating to other operating activities	492,073,253	389,344,319
Sub-total of cash outflow from operating activities	15,972,276,904	11,854,908,175
Net cash flow from operating activities	1,133,712,390	-758,180,209
2. Cash flow from investment activities:		
Cash received from disposal of investment	10,241,109,758	7,879,686,539
Cash received from return on investments	282,626,568	221,370,095
Cash received on interest income from bank deposits	38,854,639	68,961,717
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	29,940	477,368,251
Sub-total of cash inflow from investing activities	10,562,620,905	8,647,386,602

Cash paid for acquisition and construction of fixed assets, intangible assets and other long-term assets	2,023,685,534	1,406,786,488
Cash paid for other investing activities	3,800,000,000	9,786,287,414
Sub-total of cash outflow from investing activities	5,823,685,534	11,193,073,902
Net cash flow from investment activities	4,738,935,371	-2,545,687,300
3. Cash flow from financing activities:		
Cash received from procurement of loans	1,017,120,000	0
Sub-total of cash inflow from financing activities	1,017,120,000	0
Cash repayments of borrowings	3,079,318,943	553,643,800
Cash paid for business combination under common control	0	44,525,060
Cash paid for the distribution of dividends	334,011,440	286,295,520
Cash paid for payment of interest expenses	907,012,977	830,409,437
Sub-total of cash outflow from financing activities	4,320,343,360	1,714,873,817
Net cash flow from financing activities	-3,303,223,360	-1,714,873,817
4. Effect of fluctuations in exchange rates on cash and cash equivalents	39,620,382	148,971,472
5. Net increase in cash and cash equivalents	2,609,044,783	-4,869,769,854
Add: Balance of cash and cash equivalents at the beginning of the period	3,169,609,368	9,009,074,193
6. Balance of cash and cash equivalents at the end of the period	5,778,654,151	4,139,304,339

Legal representative:	Person in charge of the accounting work:	Person in charge of the accounting office:
Qi Meisheng	Zheng Yonggang	Chong Xiaojie

Company Cash Flow Statement

January to September, 2019

Prepared by: China Oilfield Services Limited

Unit: Yuan Currency: RMB (Unaudited)

Items	First three quarters of 2019 (January to September)	First three quarters of 2018 (January to September)
1. Cash flow from operating activities:		
Cash received from sale of goods or rendering of services	13,622,349,564	8,216,811,334
Government grants and subsidies received	68,564,726	69,649,800
Cash received from tax refund	0	20,101,683
Sub-total of cash inflow from operating activities	13,690,914,290	8,306,562,817
Cash paid for goods purchased and	7,830,784,348	5,674,343,006

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service received		
Cash paid to and for employees	2,647,729,075	2,623,506,839
Cash paid for all taxes	1,214,980,119	477,843,163
Other cash paid relating to operating activities	316,088,299	265,575,125
Sub-total of cash outflow from operating activities	12,009,581,841	9,041,268,133
Net cash flow from operating activities	1,681,332,449	-734,705,316
2. Cash flow from investment activities:		
Cash received from disposal of investment	10,167,808,000	7,605,275,000
Cash received from return on investments	282,626,568	221,370,095
Cash received on interest income from bank deposits	33,857,277	58,858,307
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	45,759,844	477,671,343
Cash received from the repayment of borrowings to subsidiaries	1,139,750,640	537,853,126
Sub-total of cash inflow from investing activities	11,669,802,329	8,901,027,871
Cash paid for acquisition and construction of fixed assets, intangible assets and other long-term assets	1,676,651,330	944,185,587
Cash paid for other investing activities	3,800,000,000	9,538,708,376
Cash paid for business combination under common control	0	44,525,060
Cash paid for the borrowings to subsidiaries	1,203,435,595	1,038,192,084
Sub-total of cash outflow from investing activities	6,680,086,925	11,565,611,107
Net cash flow from investment activities	4,989,715,404	-2,664,583,236
3. Cash flow from financing activities:		
Cash paid for repayments of borrowings	3,015,712,975	553,643,800
Cash paid for distribution of dividends	334,011,440	286,295,520
Cash paid for payment of interest expenses	327,451,209	297,224,281
Cash paid relating to other financing activities	9,609,136	2,054,092
Sub-total of cash outflow from financing activities	3,686,784,760	1,139,217,693
Net cash flow from financing activities	-3,686,784,760	-1,139,217,693
4. Effect of fluctuations in exchange rates on cash and cash equivalents	15,427,151	78,456,138
5. Net increase in cash and cash equivalents	2,999,690,244	-4,460,050,107
Add: Balance of cash and cash equivalents at the beginning of the period	1,993,478,625	7,473,515,861
6. Balance of cash and cash equivalents at the end of the period	4,993,168,869	3,013,465,754

Legal representative:	Person in charge of the accounting work:	Person in charge of the accounting office:
Qi Meisheng	Zheng Yonggang	Chong Xiaojie

4.2 Adjustment to relevant items of financial statements at the beginning of the year when new standards are executed for the first time upon the first-time application of New Lease Standards

√ Applicable □ Not applicable

Consolidated Balance Sheet

Unit: Yuan Currency: RMB

Items	31 December 2018	1 January 2019	Adjustment
Current assets:			
Cash on hand and at bank	3,342,403,447	3,342,403,447	0
Financial assets held for trading	1,749,722,574	1,749,722,574	0
Notes receivable	208,164,606	208,164,606	0
Accounts receivable	8,015,313,025	8,015,313,025	0
Financing receivables	24,739,742	24,739,742	0
Prepayments	127,705,409	69,165,542	-58,539,867
Other receivables	259,866,017	259,866,017	0
Inventories	1,379,777,492	1,378,178,245	-1,599,247
Contract assets	0	0	0
Non-current assets due within 1 year	35,580,599	35,580,599	0
Other current assets	6,565,654,666	6,565,654,666	0
Total current assets	21,708,927,577	21,648,788,463	-60,139,114
Non-current assets:			
Long-term equity investments	679,162,332	679,162,332	0
Other non-current financial assets	0	0	0
Fixed assets	49,263,051,870	49,263,051,870	0
Construction in progress	1,522,838,848	1,522,838,848	0
Right-of-use assets	N/A	1,480,884,837	1,480,884,837
Intangible assets	337,893,585	337,893,585	0
Development expenditure	92,426,319	92,426,319	0
Goodwill	0	0	0
Long-term prepaid expenses	746,125,339	746,125,339	0
Deferred tax assets	65,869,485	65,917,736	48,251
Other non-current assets	270,709,207	320,709,207	50,000,000
Total non-current assets	52,978,076,985	54,509,010,073	1,530,933,088
Total assets	74,687,004,562	76,157,798,536	1,470,793,974
Current liabilities:			
Short-term borrowings	1,374,822,860	1,374,822,860	0
Notes payable	50,266,000	50,266,000	0
Accounts payable	8,275,052,464	7,949,977,033	-325,075,431
Employee benefits payable	909,174,212	909,174,212	0
Taxes payable	768,132,889	768,132,889	0
Other payables	207,618,296	207,618,296	0

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Contracts liabilities	154,410,213	154,410,213	0
Non-current liabilities due within 1 year	5,069,488,848	5,781,696,395	712,207,547
Other current liabilities	202,078,181	202,078,181	0
Total Current liabilities	17,011,043,963	17,398,176,079	387,132,116
Non-current liabilities:			
Long-term borrowings	787,630,650	787,630,650	0
Bonds payable	21,069,891,833	21,069,891,833	0
Leasing liabilities	N/A	1,088,795,411	1,088,795,411
Long-term payable	23,633,374	23,633,374	0
Deferred revenue	522,838,540	522,838,540	0
Deferred tax liabilities	286,559,961	287,138,843	578,882
Other non-current liabilities	308,000,380	308,000,380	0
Total non-current liabilities	22,998,554,738	24,087,929,031	1,089,374,293
Total liabilities	40,009,598,701	41,486,105,110	1,476,506,409
Shareholders' equity:			
Share capital	4,771,592,000	4,771,592,000	0
Capital reserves	12,366,274,941	12,366,274,941	0
Other comprehensive income	-150,482,062	-150,482,062	0
Statutory reserve funds	2,508,655,960	2,508,655,960	0
Retained earnings	15,033,835,040	15,028,122,605	-5,712,435
Total equity attributable to shareholders of the Company	34,529,875,879	34,524,163,444	-5,712,435
Non-controlling interests	147,529,982	147,529,982	0
Total shareholders' equity	34,677,405,861	34,671,693,426	-5,712,435
Total liabilities and shareholders' equity	74,687,004,562	76,157,798,536	1,470,793,974

Company Balance Sheet

Unit: Yuan Currency: RMB

Items	31 December 2018	1 January 2019	Adjustment
Current assets:			
Cash on hand and at bank	2,067,521,763	2,067,521,763	0
Financial assets held for trading	1,749,722,574	1,749,722,574	0
Notes receivable	208,164,606	208,164,606	0
Accounts receivable	7,883,373,753	7,883,373,753	0
Financing receivables	24,661,442	24,661,442	0
Prepayments	73,624,420	15,933,140	-57,691,280
Other receivables	1,097,254,090	1,097,254,090	0
Inventories	662,034,391	660,435,144	-1,599,247
Contract assets	0	0	0
Other current assets	6,551,299,926	6,551,299,926	0
Total current assets	20,317,656,965	20,258,366,438	-59,290,527
Non-current assets:			
Long-term receivables	6,137,644,090	6,137,644,090	0

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Long-term equity investments	8,452,636,788	8,452,636,788	0
Fixed assets	25,181,055,048	25,181,055,048	0
Construction in progress	1,034,483,774	1,034,483,774	0
Right-of-use assets	N/A	1,383,927,715	1,383,927,715
Intangible assets	164,019,332	164,019,332	0
Long-term prepaid expenses	581,760,395	581,760,395	0
Deferred tax assets	0	0	0
Other non-current assets	50,283,683	100,283,683	50,000,000
Total non-current assets	41,601,883,110	43,035,810,825	1,433,927,715
Total assets	61,919,540,075	63,294,177,263	1,374,637,188
Current liabilities:			
Notes payable	50,266,000	50,266,000	0
Accounts payable	7,327,625,661	7,002,717,312	-324,908,349
Contracts liabilities	128,066,392	128,066,392	0
Employee benefits payable	783,481,299	783,481,299	0
Taxes payable	589,081,555	589,081,555	0
Other payables	607,071,804	607,071,804	0
Non-current liabilities due within 1 year	4,882,323,665	5,584,324,642	702,000,977
Other current liabilities	195,741,380	195,741,380	0
Total current liabilities	14,563,657,756	14,940,750,384	377,092,628
Non-current liabilities:			
Long-term borrowings	787,630,650	787,630,650	0
Bonds payable	7,394,666,500	7,394,666,500	0
Leasing liabilities	N/A	994,432,873	994,432,873
Deferred revenue	355,471,779	355,471,779	0
Deferred tax liabilities	220,038,606	220,505,359	466,753
Total non-current liabilities	8,757,807,535	9,752,707,161	994,899,626
Total liabilities	23,321,465,291	24,693,457,545	1,371,992,254
Shareholders' equity:			
Share capital	4,771,592,000	4,771,592,000	0
Capital reserves	12,371,646,371	12,371,646,371	0
Other comprehensive income	101,515,869	101,515,869	0
Statutory reserve funds	2,508,655,960	2,508,655,960	0
Retained earnings	18,844,664,584	18,847,309,518	2,644,934
Total shareholders' equity	38,598,074,784	38,600,719,718	2,644,934
Total liabilities and shareholders' equity	61,919,540,075	63,294,177,263	1,374,637,188

4.3 Explanation on retrospective adjustment to comparative figures of the prior period upon the first-time application of New Lease Standard

Applicable Not applicable

4.4 Audit Report

Applicable Not applicable