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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 of the Company dated 13 September 2018 with respect to the purchase of CGB wealth management product. As disclosed in the announcement, on 6 July 2018 and 12 September 2018, the Company entered into the CGB Historical Wealth Management Agreements with CGB Tianjin Xiqing Sub-Branch and purchased wealth management products of RMB500 million and RMB900 million, respectively, using self-owned funds of the Company.

On 27 December 2018, the Company entered into the CGB Wealth Management Agreement with CGB Tianjin Xiqing Sub-Branch. Pursuant to the CGB Wealth Management Agreement, the Company agreed to purchase wealth management product of RMB1,000 million using self-owned funds of the Company.

Reference is made to the announcement of the Company dated 7 November 2018 with respect to the purchase of IB wealth management product. As disclosed in the announcement, on 7 November 2018 and 5 January 2018, the Company entered into the IB Historical Wealth Management Agreements with IB Beijing Branch and purchased wealth management products of RMB500 million and RMB1,100 million, respectively, using self-owned funds of the Company.

On 27 December 2018, the Company entered into the IB Wealth Management Agreement with IB Beijing Branch. Pursuant to the IB Wealth Management Agreement, the Company agreed to purchase wealth management product of RMB1,400 million using self-owned funds of the Company.

The CGB Wealth Management Agreement and the CGB Historical Wealth Management Agreements 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.

The IB Wealth Management Agreement and the IB Historical Wealth Management Agreements were entered into between the Company and IB 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.

CGB is a large commercial bank in the PRC. CGB Tianjin Xiqing Sub-Branch is a sub-branch of CGB.

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

Reference is made to the announcement of the Company dated 13 September 2018 with respect to the purchase of CGB wealth management product. As disclosed in the announcement, on 6 July 2018 and 12 September 2018, the Company entered into the CGB Historical Wealth Management Agreement with CGB Tianjin Xiqing Sub-Branch and purchased wealth management products of RMB500 million and RMB900 million, respectively, using self-owned funds of the Company.

On 27 December 2018, the Company entered into the CGB Wealth Management Agreement with CGB Tianjin Xiqing Sub-Branch. Pursuant to the CGB Wealth Management Agreement, the Company agreed to purchase wealth management product of RMB1,000 million using self-owned funds of the Company.

Reference is made to the announcement of the Company dated 7 November 2018 with respect to the purchase of IB wealth management product. As disclosed in the announcement, on 7 November 2018 and 5 January 2018, the Company entered into the IB Historical Wealth Management Agreements with IB Beijing Branch and purchased wealth management products of RMB500 million and RMB1,100 million, respectively, using self-owned funds of the Company.

On 27 December 2018, the Company entered into the IB Wealth Management Agreement with IB Beijing Branch. Pursuant to the IB Wealth Management Agreement, the Company agreed to purchase wealth management product of RMB1,400 million using self-owned funds of the Company.

THE CGB WEALTH MANAGEMENT AGREEMENT

Parties:	the Company and CGB 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:	27 December 2018
Product name:	CGB “16th wealth+wealth” RMB-denominated Structured Deposit Product XJXCKJ5102
Purchase amount:	RMB1,000 million (RMB1,000 million has been purchased)
Term of product:	182 days (27 December 2018 to 27 June 2019)
Type of investment return:	principal-guaranteed floating income
Risk level of product (internal risk assessment by the bank):	nil or minimal risk
Annualized rate of return of product expected by the Company:	4.4%
Right of early termination or redemption:	Investor has no right of early termination or redemption

The terms of the CGB Wealth Management Agreement were signed after arm’s length negotiation between the parties.

THE CGB HISTORICAL WEALTH MANAGEMENT AGREEMENTS

Agreement 1

Parties:	the Company and CGB 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 (RMB900 million has been purchased)
Term of product:	180 days (12 September 2018 to 11 March 2019)
Type of investment return:	principal-guaranteed floating income
Risk level of product (internal risk assessment by the bank):	nil or minimal risk
Annualized rate of return of product expected by the Company:	4.45%
Right of early termination or redemption:	Investor has no right of early termination or redemption

Agreement 2

Parties: the Company and CGB 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 (RMB500 million has been purchased)

Term of product: 123 days (6 July 2018 to 6 November 2018)

Type of investment return: principal-guaranteed floating income

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

Annualized rate of return of product expected by the Company: 5.25%

Right of early termination or redemption: Investor has no right of early termination or redemption

The terms of the CGB Historical Wealth Management Agreements were signed after arm’s length negotiation between the parties.

THE IB WEALTH MANAGEMENT AGREEMENT

Parties: the Company and IB Beijing Branch

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

Date: 27 December 2018

Product name: IB Company Financial Structured Deposit Product

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

Term of product: 285 days (27 December 2018 to 8 October 2019)

Type of investment return: principal-guaranteed floating income

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

Annualized rate of return of product expected by the Company: 4.35%

Right of early termination or redemption: Investor has no right of early termination or redemption

The terms of the IB Wealth Management Agreement were signed after arm's length negotiation between the parties.

THE IB HISTORICAL WEALTH MANAGEMENT AGREEMENTS

Agreement 1

Parties:	the Company and IB Beijing Branch
	To the best of their knowledge, information and belief and having made all reasonable enquiries, the Directors confirm that IB and its ultimate beneficial owner are third parties independent of the Group and its connected persons
Date:	7 November 2018
Product name:	IB “Golden snowball – preferred” principal-guaranteed open type RMB wealth management product
Purchase amount:	RMB500 million (RMB500 million has been purchased)
Term of product:	120 days (7 November 2018 to 6 March 2019)
Type of investment return:	principal-guaranteed floating income
Risk level of product (internal risk assessment by the bank):	nil or minimal risk
Annualized rate of return of product expected by the Company:	4.1%
Right of early termination or redemption:	The Company has no right of early termination or redemption

Agreement 2

Parties:	the Company and IB Beijing Branch
	To the best of their knowledge, information and belief and having made all reasonable enquiries, the Directors confirm that IB and its ultimate beneficial owner are third parties independent of the Group and its connected persons
Date:	5 January 2018
Product name:	IB “Golden snowball – preferred” principal-guaranteed floating income enclosed type RMB wealth management C 1 st 2018
Purchase amount:	RMB1,100 million (RMB1,100 million has been purchased)
Term of product:	94 days (5 January 2018 to 9 April 2018)
Type of investment return:	principal-guaranteed floating income
Risk level of product (internal risk assessment by the bank):	nil or minimal risk
Annualized rate on return of product expected by the Company:	4.9%
Right of early termination or redemption:	The Company has no right of early termination or redemption

The terms of the IB Historical Wealth Management Agreements were signed 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 effective 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 return of the Wealth Management Agreements is low, but the Company can enjoy a higher return compared with the interest rate of fixed term deposits in commercial banks in the PRC.

The Directors (including independent non-executive Directors) consider that the terms and the transactions 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 Agreements 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.

The IB Wealth Management Agreement and the IB Historical Wealth Management Agreements were entered into between the Company and IB 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

Unless the context otherwise requires, the following expressions shall have the following meanings:

“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 the Main Board of Hong Kong Stock Exchange;
“CGB”	China Guangfa Bank Co., Ltd., a joint stock company incorporated in the PRC with limited liability and a licensed bank in the PRC;
“CGB Wealth Management Agreement”	CGB Wealth Management Product Sales Contract, Product Description Letters and Risk Warnings entered into between the Company and CGB Tianjin Xiqing Sub-Branch on 27 December 2018;

“CGB Historical Wealth Management Agreements”	CGB Wealth Management Product Sales Contract, Product Description Letters and Risk Warnings entered into between the Company and CGB Tianjin Xiqing Sub-Branch on 12 September 2018 and 6 July 2018 respectively;
“Director(s)”	the director(s) of the Company;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“IB”	Industrial Bank Co., Ltd, a joint stock company incorporated in the PRC with limited liability and a licensed bank in the PRC;
“IB Wealth Management Agreement”	IB Wealth Management Product Sales Contract, Product Description Letters and Risk Warnings entered into between the Company and IB Beijing Branch on 27 December 2018;
“IB Historical Wealth Management Agreements”	IB Wealth Management Product Sales Contract, Product Description Letters and Risk Warnings entered into between the Company and IB Beijing Branch on 7 November 2018 and 5 January 2018 respectively;
“PRC”	the People’s Republic of China;
“RMB”	Renminbi, the lawful currency of the PRC;
“Wealth Management Agreements”	collectively, CGB Wealth Management Agreement, CGB Historical Wealth Management Agreements, IB Wealth Management Agreement and IB Historical Wealth Management Agreements.

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

28 December 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.