



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 QUARTER 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 2014 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 2014

As at the date of this announcement, the non-executive directors of the Company are Messrs. Liu Jian and Zeng Quan; the executive directors of the Company are Messrs. Li Yong and Li Feilong; and the independent non-executive directors of the Company are Messrs. Tsui Yiu Wa, Fong Wo, Felix and Law Hong Ping, Lawrence.



China Oilfield Services Limited

2014 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 report, confirm that there are no material omissions and misrepresentations or serious misleading statements in this report and accept joint and several liability.
- 1.2 All directors of the Company attended the Board meeting for reviewing the report.
- 1.3 Mr. Li Yong, Chief Executive Officer and President, Mr. Li Feilong, Executive Vice President and Chief Financial Officer, and Mr. Liu Zhenyu, General Manager of Accounting Department, have declared that they assure for the truthfulness, accuracy and completeness of the financial statements in the report.
- 1.4 The Third Quarterly Financial Statements of the Company was unaudited.

§2. Principal Financial Data and Changes in Shareholders of the Company

2.1 Principal Financial Data

Unit: million Yuan Currency: RMB

	As at 30 September 2014	As at 31 December 2013	Increase/Decrease(%)
Total assets	87,545.6	79,262.3	10.5
Equity attributable to equity holders of the Parent	46,410.6	37,238.7	24.6
	From the beginning of the year to end of the reporting period (January to September)	From the beginning of the year to 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	6,905.1	4,895.8	41.0
	From the beginning of the year to end of the reporting period (January to September)	From the beginning of the year to end of the reporting period of last year(January to September)	Change over the corresponding period of last year (%)
Revenue	24,814.9	20,311.4	22.2
Net profit attributable to equity holders of the Parent	6,548.7	5,363.0	22.1
Net profit excluding non-recurring gain and loss attributable to equity holders of the Parent	6,397.1	5,278.9	21.2
Weighted average net assets earnings ratio (%)	14.98	15.59	Decreased 0.61 percentage point
Basic earnings per share (Yuan per share)	1.38	1.19	16.0
Diluted earnings per share (Yuan per share)	N/A	N/A	N/A

Non-recurring gain and loss

Unit: Yuan Currency:RMB

Items of non-recurring gain and loss	Amounts of the period (July to September)	Amounts from the beginning of the year to end of the reporting period (January to September)
Gain / loss on disposal of non-current assets	-1,272,806	-12,200,137
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	13,168,478	70,990,976
Revenue from the wealth management products credited to the income statement	33,647,219	120,156,532
Net amount of other non-operating income and expense	-10,112,391	-616,645
Income tax effect	-5,314,575	-26,749,609
Total amounts	30,115,925	151,581,117

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 at the end of the reporting period:		98,387					
Particulars of shareholding of the top 10 shareholders							
Name of shareholder	Increase/Decrease during the reporting period	Total number of shares held	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	0	2,410,468,000	50.52	0	-	0	State-owned
HongKong Securities Clearing Company Nominees Limited	18,000	1,808,275,866	37.90	0	-	0	Others
Transferred Holding Account No.1 of National Council for Social Security Fund	0	50,000,000	1.05	0	-	0	State-owned
GF Large-cap Growth Fund	-901,199	17,000,000	0.36	0	-	0	Others
National Social Security Fund 104	-1,100,857	16,000,000	0.34	0	-	0	Others
Chen Xun	660,000	12,156,390	0.25	0	-	0	Others
CSOP FTSE China A50 ETF	2,624,582	9,889,335	0.21	0	-	0	Others
Wu Xiangfen	0	6,010,000	0.13	0	-	0	Others
Yinhua Core Value Selected Fund		4,999,778	0.10	0	-	0	Others
Wang Ping	3,446,517	4,696,569	0.10	0	-	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 as at the end of the reporting period	Type and number of share	
		Type	number
China National Offshore Oil Corporation	2,410,468,000	A Shares	2,410,468,000
HongKong Securities Clearing Company Nominees Limited	1,808,275,866	H Shares	1,808,275,866
Transferred Holding Account No.1 of National Council for Social Security Fund	50,000,000	A Shares	50,000,000
GF Large-cap Growth Fund	17,000,000	A Shares	17,000,000
National Social Security Fund 104	16,000,000	A Shares	16,000,000
Chen Xun	12,156,390	A Shares	12,156,390
CSOP FTSE China A50 ETF	9,889,335	A Shares	9,889,335
Wu Xiangfen	6,010,000	A Shares	6,010,000
Yinhua Core Value Selected Fund	4,999,778	A Shares	4,999,778
Wang Ping	4,696,569	A Shares	4,696,569
Note of connected relationships or concerted actions of the above shareholders	1. Shares held by Hong Kong Securities Clearing Company (HKSCC) Nominees Limited were the sum of H-shares (by agent) traded in the trading platform of HKSCC Nominees Limited and in the accounts of H-share shareholders. 2. To the knowledge of the Company, there were no connected relationships or concerted actions among the above top 10 shareholders, 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.		

2.3 Operating results review

In the third quarter of 2014, crude oil prices fell sharply. The operating results of the company were affected due to matching of contracts for some of the equipment and increases in number of days spent on stand-by.

The Company, through improved safety production and optimization of resources allocation, still achieved better operating results in the first three quarters of 2014.

Revenue of the Group up to RMB24,814.9 million during the first three quarters, increasing by RMB4,503.5 million or 22.2%, compared to RMB20,311.4 million for the same period (January to September) last year. Net profit was RMB6,569.4 million, representing an increase of 22.3% as compared with RMB5,373.4 million for the same period last year. The basic earnings per share were RMB1.38. As of 30 September 2014, total assets of the Group were RMB87,545.6 million, representing an increase of 10.5% as compared with the beginning of the year. Total liabilities were RMB 41,092.8 million, representing a decrease of 2.2% as compared with the beginning of the year. Shareholders' equity amounted to RMB46,452.8 million, representing an increase of 24.7% as compared with the beginning of the year.

Operating information of the main segments for the nine months ended 30 September 2014 is listed in the following table:

Drilling Services	For the period ended 30 September 2014	For the period ended 30 September 2013	Change
Operating Days (Day)	10,297	9,345	10.2%
Jack-up Drilling Rigs	7,599	7,190	5.7%
Semi-submersible Drilling Rigs	2,698	2,155	25.2%
Utilisation Rate (Available Day)	97.0%	100.0%	Decreased 3.0 percentage points
Jack-up Drilling Rigs	96.0%	100.0%	Decreased 4.0 percentage points
Semi-submersible Drilling Rigs	100.0%	100.0%	-
Utilisation Rate (Calendar Day)	92.1%	95.4%	Decreased 3.3 percentage points
Jack-up Drilling Rigs	89.9%	95.9%	Decreased 6.0 percentage points
Semi-submersible Drilling Rigs	98.8%	93.8%	Increased 5.0 percentage points
Marine Support and Transportation Services	For the period ended 30 September 2014	For the period ended 30 September 2013	Change
Operating Days (Day)	17,766	18,049	(1.6%)
Standby Vessels	9,921	10,379	(4.4%)
AHTS Vessels	3,673	4,338	(15.3%)
PSV Vessels	2,088	1,326	57.5%
Utility Vessels	997	954	4.5%
Barges	1,087	1,052	3.3%
Vessel Utilisation Rate (Available Day)	98.5%	96.7%	Increased 1.8 percentage points
Standby Vessels	99.2%	96.3%	Increased 2.9 percentage points
AHTS Vessels	96.3%	97.0%	Decreased 0.7 percentage point
PSV Vessels	99.9%	98.8%	Increased 1.1 percentage points
Utility Vessels	95.8%	93.7%	Increased 2.1 percentage points
Barges	99.8%	100.0%	Decreased 0.2 percentage point
Vessel Utilisation Rate (Calendar Day)	93.4%	94.5%	Decreased 1.1 percentage points
Standby Vessels	93.2%	95.2%	Decreased 2.0 percentage points
AHTS Vessels	90.4%	93.6%	Decreased 3.2

PSV Vessels	98.0%	97.1%	percentage points Increased 0.9 percentage point
Utility Vessels	91.3%	87.4%	percentage points Increased 3.9 percentage points
Barges	99.5%	96.3%	percentage points Increased 3.2 percentage points
Geophysical and Surveying Services	For the period ended 30 September 2014	For the period ended 30 September 2013	Change
2D Seismic Data			
Data Collection (km)	19,427	23,579	(17.6%)
Data Processing (km)	11,267	17,692	(36.3%)
3D Seismic Data			
Data Collection (km ²)	22,144	22,337	(0.9%)
Including: Submarine Cable (km ²)	355	819	(56.7%)
Data Processing (km ²)	15,090	12,447	21.2%

Along with the successive operation of new equipment, the operating days of drilling rigs of the Group for the first three quarters of 2014 amounted to 10,297 days, representing an increase of 952 days as compared with the same period last year, among which the operating days of jack-up rigs and semi-submersible rigs increased by 409 days (mainly attributable to 759 days' increase in operating days of 5 rigs such as COSLGift, COSLHunter and HYSY 932, which were put into operation during the period and Kantan II which was put into operation in May last year, individual rigs stood by for 170 days, operating days of other rigs decreased by 180 days due to repair) and 543 days (mainly attributable to long operation term of COSLPromoter and NH9 which were successively put into operation and decreases in days of repairs of other rigs), respectively. The calendar day utilization rate decreased by 3.3 percentage points to 92.1% due to the increase in days of repairs and standing by for jack-up rigs.

As for the well services segment, the operation volume from several business lines increased as compared with the same period last year, thereby boosting the income generated from the business segment.

The fleet of the self-owned utility vessels had operated a total of 17,766 days during the first three quarters of 2014, representing a decrease of 283 days as compared with the same period last year, mainly attributable to the successive abandonment and termination of operation of some old vessels. The calendar day utilization rate decreased by 1.1 percentage points to 93.4% as compared with the same period last year due to increase in days of repairs. The leased vessels had operated a total of 12,746 days during the period, representing an increase of 2,256 days as compared with the same period last year.

During the first three quarters of 2014, the environment of geophysical exploration market changed in the larger, the rate fell and the workload was affected by the state of the sea for operating. The Group's workload for 2D collection decreased while that for 3D collection maintained stable. In terms of

information processing business, the 3D processing business, driven by increase in processing volume in Bohai, increased by 21.2% as compared with the same period last year, and the 2D processing business decreased as compared with the same period last year due to decrease in 2D processing volume and effect of the market.

§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

Reasons for key accounting items changed over 30%:

1. Selling expenses

For the nine months ended 30 September 2014, the selling expenses of the Group amounted to RMB21.0 million, representing an increase of RMB7.8 million or 59.1% from RMB13.2 million for the same period last year (Jan-Sept). This was mainly attributable to the increase of RMB3.2 million and RMB2.8 million in transportation costs and packaging costs, respectively, as compared with the same period last year.

2. Assets impairment losses

For the nine months ended 30 September 2014, the Group recognized assets impairment losses of RMB238.7 million, representing an increase of RMB239.6 million from RMB-0.9 million for the same period last year (Jan-Sept). This was mainly attributable to provision of asset impairment losses of RMB151.3 million for four chemical tankers under marine support and transportation services for the period, the provision of asset impairment loss of RMB7.9 million for technical equipment in oilfields in Libya and provision of bad debt reserves for certain accounts receivables and inventory falling price reserves.

3. Investment income

For the nine months ended 30 September 2014, investment income of the Group amounted to RMB364.6 million, representing an increase of RMB89.6 million or 32.6% from RMB275.0 million for the same period last year (Jan-Sept). This was mainly attributable to the increases in the financial income generated from certain financial products and monetary fund products subscribed during the period. In addition, investment income recognized by our joint ventures also increased during the period.

4. Non-operating expenses

For the nine months ended 30 September 2014, the non-operating expenses of the Group amounted to RMB24.9 million, representing an increase of RMB16.8 million or 207.4% from RMB8.1 million for the same period last year (Jan-Sept). This was mainly attributable to the increase in loss on the disposal of non-current assets during the period.

5. Income tax expense

For the nine months ended 30 September 2014, the income tax expenses of the Group amounted to RMB968.3 million, representing an increase of RMB295.1 million or 43.9% from RMB673.2 million for the same period last year (Jan-Sept). This was mainly attributable to increase in profits before tax during the period and that the Group made adjustments to the deferred income tax liabilities and income tax expenses recognized in previous years due to the difference between the depreciation period of fixed assets in terms of tax law and accounting standards in accordance with the Document of the State Administration of Taxation Announcement No. 15, 2012 in the same period last year and there was no effect in this period.

6. Profit and loss from non-controlling interests

For the nine months ended 30 September 2014, the profit and loss from non-controlling interests of the Group amounted to RMB20.7 million, representing an increase of RMB10.2 million or 97.2% from RMB10.5 million in the same period last year (Jan-Sept). This was mainly attributable to increase in profits of PT.SAMUDAR TIMUR SANTOSA during the period.

7. Notes receivable

As at 30 September 2014, notes receivable of the Group amounted to RMB333.3 million, representing a decrease of RMB1,180.1 million or 78.0% from RMB1,513.4 million as at the beginning of the year. This was mainly attributable to the receipt of notes receivable at the beginning of the year during the period, and an increase in new notes receivable of RMB333.3 million during the period.

8. Accounts receivable

As at 30 September 2014, accounts receivable of the Group amounted to RMB9,392.3 million, representing an increase of RMB3,519.3 million or 60.0% from RMB5,873.0 million as at the beginning of the year. This was mainly because of expansion of the Company's business and extension of the execution, examination and review procedures of certain customers.

9. Interests receivable

As at 30 September 2014, the interests receivable of the Group amounted to RMB25.8 million, representing an increase of RMB16.9 million or 189.9% from RMB8.9 million as at the beginning of the year. This was mainly because of increase in interests of deposits during the reporting period.

10. Dividends receivable

As at 30 September 2014, the dividends receivable of the Group amounted to RMB89.8 million, representing an increase of RMB77.7 million or 642.1% from RMB12.1 million as at the beginning of the year. This was mainly attributable to the fact that, the Company received the dividends receivable for the end of last year in the first quarter of 2014, and the balance during the period was the dividends receivable newly recognized from joint ventures during the period.

11. Other receivables

As at 30 September 2014, the other receivables of the Group amounted to RMB381.3 million, representing an increase of RMB97.1 million or 34.2% from RMB284.2 million as at the beginning of the year. This was mainly attributable to that the Group made advanced payments for its customers during the current period.

12. Inventories

As at 30 September 2014, the inventories of the Group amounted to RMB1,480.6 million, representing an increase of RMB429.1 million or 40.8% from RMB1,051.5 million as at the beginning of the year. This was mainly attributable to the increase in the materials and spare parts for production.

13. Other current assets

As at 30 September 2014, other current assets of the Group amounted to RMB5,358.2 million, representing an increase of RMB2,994.8 million or 126.8% from RMB2,363.4 million as at the beginning of the year. This was mainly attributable to the increase in the Group's new subscription of non-fixed income monetary fund products and financial products during the period.

14. Construction in progress

As at 30 September 2014, the construction in progress of the Group amounted to RMB8,504.3 million, representing an increase of RMB2,228.3 million or 35.5% from RMB6,276.0 million as at the beginning of the year. This was mainly attributable to that the Group made further investments in its drilling rigs, oilfield utility vessel and exploration vessel under construction according to their schedules.

15. Other non-current assets

As at 30 September 2014, other non-current assets of the Group amounted to RMB1,851.9 million, representing an increase of RMB902.5 million or 95.1% from RMB949.4 million as at the beginning of the year. This was mainly attributable to the prepayments of part of the construction fees for construction of drilling rigs, oilfield utility vessel and geophysical vessel.

16. Receipts in advance

As at 30 September 2014, the receipts in advance of the Group amounted to RMB161.0 million, representing an increase of RMB40.1 million or 33.2% from RMB120.9 million as at the beginning of the year, which is mainly due to that the payment of Libya drilling rigs were received in advance.

17. Interests payable

As at 30 September 2014, the interests payable of the Group amounted to RMB83.2 million, representing a decrease of RMB70.6 million or 45.9% from RMB153.8 million as at the beginning of the year. This was mainly attributable to the payment of interests due during the period which resulted in a decrease in the balance of interests payable.

18. Staff cost payable (non-current portion)

As at 30 September 2014, the staff cost payable (non-current portion) of the Group amounted to RMB65.1 million, representing an increase of RMB27.6 million or 73.6% from RMB37.5 million as at the beginning of the year, which is mainly due to the increase in employee benefit liabilities of a subsidiary in Norway.

19. Other payables

As at 30 September 2014, the other payables of the Group amounted to RMB515.5 million, representing an increase of RMB171.6 million or 49.9% from RMB343.9 million as at the beginning of the year, which is mainly due to the increase in payable personnel expenses and service fee.

20. Capital reserve

As at 30 September 2014, the capital reserve of the Group amounted to RMB12,371.7 million, representing an increase of RMB4,297.1 million or 53.2% from RMB8,074.6 million as at the beginning of the year. The main reason was that the Group had successfully placed 276,272,000 new H shares on 15 January 2014 at a placing price of HK\$21.30.

21. Non-controlling interests

As at 30 September 2014, the amount of the Group's non-controlling interests was RMB42.2 million, representing an increase of RMB21.1 million or 100.0% as compared to RMB21.1 million as of the beginning of the year, mainly due to the earnings of PT.SAMUDAR TIMUR SANTOSA during the period.

22. Net cash flows from operating activities

For the nine months ended 30 September 2014, the Group's net cash inflows from operating activities amounted to RMB6,905.1 million, representing an increase by 41.0% compared to the same period last

year. This is mainly due to the increase in revenue and increase in the settlement of note receivable during the period.

23. Net cash flows from investing activities

For the nine months ended 30 September 2014, the net cash outflows from the Group's investing activities amounted to RMB7,633.5 million, representing an increase of RMB5,266.7 million or 222.5% compared to the same period last year. This is mainly due to the fact that the cash paid for acquisition of other investments increased by RMB9,197.0 million as a result of the increase in the Group's time deposits with maturity over three months and purchase of monetary fund products compared to the same period last year, the cash received from disposal of investment increased by RMB3,354.5 million due to redemption of monetary fund products on maturity and maturity of time deposits, the cash paid for the acquisition of fixed assets, intangible assets and other long-term assets decreased by RMB454.0 million and cash outflows of other investing activities decreased by RMB121.8 million in total.

24. Net cash flows from financing activities

For the nine months ended 30 September 2014, the Group's net cash outflows from financing activities amounted to RMB182.6 million, representing an decrease in cash outflows of RMB2,871.1 million as compared with the same period last year. This is mainly due to the Group had successfully placed 276,272,000 new H shares on 15 January 2014, which resulted in increase in the cash received by absorbing investments of RMB4,573.4 million for the current period. The repayment of debts increased by RMB1,086.2 million as compared with the same period last year. The cash paid for dividends and interest expenses increased by RMB616.1 million as compared with the same period of last year.

25. The effect of foreign exchange rate fluctuation on cash and cash equivalents during the period was an increase in cash of RMB61.5 million.

3.2 Significant events and analysis on their effects and solutions

Applicable Not applicable

3.3 Status of performance of undertakings made by the Company and shareholders with over 5%

Applicable Not applicable

Background of undertakings	Type of undertakings	Undertaking entity	Undertakings	Time and period of undertaking	Any period for performance	Whether timely and strictly performed
Undertakings related to the Initial Public Offering	Others	Company	At the time of initial public offering of A shares, the Company has made the following undertakings: During the course of all operating activities, the Company has undertaken to ensure the quality management and operation comply with the relevant requirements under the national policies, laws and regulations as well as applicable international treaties, rules, standards and guidelines. The Company also undertook that structuralized and documented quality management system is implemented and maintained while management with procedures, standardization and normalization are implemented on the quality of products and services according to the requirements under GB/T19001-2000---quality management standard.	Time of undertaking: 28 September 2007; Validity of undertaking: Long-term	Yes	Yes
	Avoiding horizontal competition	CNOOC	On 27 September 2002, CNOOC and the Company signed a non-competition agreement, pursuant to which, CNOOC has undertaken that it does not engage in businesses that compete with the Company and will adopt every measures to avoid new competitions arising with the Company.	Time of undertaking: 27 September 2002; Validity of undertaking: Long-term	Yes	Yes

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

3.5 Effects of the implementation of the new accounting standards on the consolidated financial statements

The group has adopted all of the new accounting standards promulgated by the Ministry of Finance, there is no significant impact on the group's consolidated financial statements as a result of the adoption of the new standards of accounting policy.

Corporate Representative
Li Yong
China Oilfield Services Limited
30 October 2014

§4. Appendix

4.1 Financial Statements

Consolidated Balance Sheet

30 September 2014

Prepared by: China Oilfield Services Limited

Unit: Yuan Currency: RMB (Unaudited)

Items	Balance at the end of the period	Balance at the beginning of the year
Current assets:		
Cash on hand and at bank	9,957,130,770	10,233,427,029
Notes receivable	333,349,096	1,513,375,146
Accounts receivable	9,392,324,708	5,872,979,907
Prepayments	131,748,059	121,573,820
Interest receivable	25,805,268	8,939,164
Dividend receivable	89,800,000	12,135,840
Other receivables	381,288,461	284,206,294
Inventories	1,480,603,092	1,051,526,601
Assets classified as held for sale	129,127,830	129,127,830
Other current assets	5,358,169,600	2,363,446,223
Total current assets	27,279,346,884	21,590,737,854
Non-current assets:		
Long-term equity investments	711,535,661	710,465,275
Fixed assets	44,105,683,052	44,508,952,930
Construction in progress	8,504,251,434	6,275,990,295
Intangible assets	374,125,228	394,331,673
Goodwill	4,145,222,965	4,107,762,681
Long-term prepaid expenses	567,787,647	717,400,487
Deferred tax assets	5,798,843	7,254,410
Other non-current assets	1,851,864,467	949,386,810
Total non-current assets	60,266,269,297	57,671,544,561
Total assets	87,545,616,181	79,262,282,415
Current liabilities:		
Accounts payable	7,073,609,734	6,228,469,249
Receipts in advance	161,032,052	120,902,318
Staff cost payable	1,229,940,702	1,210,005,287
Taxes payable	673,637,927	525,392,266
Interests payable	83,192,937	153,795,437
Other payables	515,466,317	343,886,992
Non-current liabilities due within 1 year	3,838,267,888	3,803,581,550
Other current liabilities	187,868,292	157,975,512
Total Current liabilities	13,763,015,849	12,544,008,611
Non-current liabilities:		
Long-term bank borrowings	17,486,949,981	19,489,968,431
Long-term bonds	7,596,074,087	7,536,622,461
Deferred tax liabilities	1,062,815,423	1,128,732,686
Staff cost payable	65,080,632	37,478,584
Deferred income	1,118,904,917	1,265,669,095
Total non-current liabilities	27,329,825,040	29,458,471,257

Total liabilities	41,092,840,889	42,002,479,868
Shareholders' equity:		
Share capital	4,771,592,000	4,495,320,000
Capital reserve	12,371,738,190	8,074,565,726
Other comprehensive income	-745,581,006	-847,159,529
Statutory reserve funds	2,508,655,960	2,508,655,960
Retained earnings	27,504,204,929	23,007,279,491
Including: proposed cash dividends	0	2,051,784,560
Equity attributable to equity holders of the Parent	46,410,610,073	37,238,661,648
Non-controlling interests	42,165,219	21,140,899
Total shareholders' equity	46,452,775,292	37,259,802,547
Total liabilities and shareholders' equity	87,545,616,181	79,262,282,415

Chief Executive Officer
and President

Li Yong

Executive Vice President
and Chief Financial Officer

Li Feilong

General Manager of Accounting
Department

Liu Zhenyu

Company Balance Sheet

30 September 2014

Prepared by: China Oilfield Services Limited

Unit: Yuan Currency: RMB (Unaudited)

Items	Balance at the end of the period	Balance at the beginning of the year
Current assets:		
Cash on hand and at bank	6,591,404,269	6,725,934,874
Notes receivable	333,349,096	1,492,875,146
Accounts receivable	8,154,770,026	4,546,513,197
Prepayments	22,227,835	49,875,319
Interest receivable	25,805,268	8,939,164
Dividend receivable	89,800,000	12,135,840
Other receivables	773,927,464	382,929,604
Inventories	844,189,389	585,227,781
Assets classified as held for sale	129,127,830	129,127,830
Other current assets	5,079,237,307	2,226,359,694
Total current assets	22,043,838,484	16,159,918,449
Non-current assets:		
Long-term receivables	19,852,044,528	21,406,938,034
Long-term equity investments	7,958,696,101	7,958,080,985
Fixed assets	18,639,133,425	18,501,189,010
Construction in progress	3,912,461,203	2,523,234,150
Intangible assets	328,639,556	340,996,700
Long-term prepaid expenses	345,821,391	470,210,845
Other non-current assets	1,724,186,158	735,692,229
Total non-current assets	52,760,982,362	51,936,341,953
Total assets	74,804,820,846	68,096,260,402
Current liabilities:		
Accounts payable	4,982,493,358	4,213,264,666
Receipts in advance	54,474,526	27,868,255
Staff cost payable	1,045,343,326	1,063,553,065
Taxes payable	513,862,268	364,465,042
Interests payable	69,817,926	90,581,099
Other payables	289,454,636	191,508,500
Non-current liabilities due within 1 year	3,838,267,888	3,803,581,550
Other current liabilities	66,779,086	45,099,916
Total Current liabilities	10,860,493,014	9,799,922,093
Non-current liabilities:		
Long-term bank borrowings	17,486,949,981	19,489,968,431
Long-term bonds	1,500,000,000	1,500,000,000
Deferred tax liabilities	513,390,455	531,954,395
Deferred income	300,019,842	312,266,040
Total non-current liabilities	19,800,360,278	21,834,188,866
Total liabilities	30,660,853,292	31,634,110,959
Shareholders' equity:		
Share capital	4,771,592,000	4,495,320,000
Capital reserve	12,371,738,190	8,074,565,726
Other comprehensive income	-27,987,306	-48,901,029

Statutory reserve funds	2,508,655,960	2,508,655,960
Retained earnings	24,519,968,710	21,432,508,786
Total shareholders' equity	44,143,967,554	36,462,149,443
Total liabilities and shareholders' equity	74,804,820,846	68,096,260,402

Chief Executive Officer
and President

Li Yong

Executive Vice President
and Chief Financial Officer

Li Feilong

General Manager of Accounting
Department

Liu Zhenyu

Consolidated Income Statement

Prepared by: China Oilfield Services Limited

Unit: Yuan Currency: RMB (Unaudited)

Items	Amounts of the period	Amounts of the previous period	Amounts from the beginning of the year to end of the reporting period	Amounts from the beginning of the year to end of the reporting period of last year
	(July to September)	(July to September)	(January to September)	(January to September)
1. Gross Revenue	8,536,957,489	7,604,443,054	24,814,926,845	20,311,442,703
Including: revenue	8,536,957,489	7,604,443,054	24,814,926,845	20,311,442,703
2. Total operating costs	6,192,062,884	5,263,719,946	17,699,909,133	14,638,769,698
Including: Operating costs	5,701,283,316	4,802,247,357	16,145,094,797	13,387,978,802
Business taxes and surcharges	188,558,668	168,457,000	538,862,929	434,454,304
Selling expenses	7,911,321	4,731,454	21,011,220	13,176,128
General and administrative expenses	163,972,296	147,686,661	455,511,314	416,991,107
Financial expenses	98,085,157	140,568,105	300,706,941	387,106,284
Assets impairment losses	32,252,126	29,369	238,721,932	-936,927
Add: Investment income ("—"for loss)	125,037,897	112,082,941	364,567,671	275,010,393
Including: Share of profits of joint ventures	91,390,677	78,759,317	244,411,138	203,331,312
3. Operating profit ("—"for loss)	2,469,932,502	2,452,806,049	7,479,585,383	5,947,683,398
Add: Non-operating income	14,693,749	32,002,458	83,082,755	107,020,242
Less: Non-operating expenses	12,910,467	1,194,473	24,908,560	8,074,310
Including: loss on disposal of non-current assets	2,099,143	1,138,473	13,603,078	7,718,031
4. Total profit ("—"for loss)	2,471,715,784	2,483,614,034	7,537,759,578	6,046,629,330
Less: Income tax expenses	341,287,199	300,619,612	968,341,103	673,184,203
5. Net profit ("—"for net loss)	2,130,428,585	2,182,994,422	6,569,418,475	5,373,445,127
Net profit attributable to equity holders of the Parent	2,124,687,961	2,182,639,570	6,548,709,998	5,362,959,793
Non-controlling interests	5,740,624	354,852	20,708,477	10,485,334
6. Earnings per share:				
(1) Basic earnings per share (Yuan/share)	0.45	0.49	1.38	1.19
7. Other comprehensive income	1,816,797	-22,437,135	101,894,377	-149,281,344
Item that will not be reclassified to profit or loss	0	0	12,786,847	0

Item that may be reclassified subsequently to profit or loss	1,816,797	-22,437,135	89,107,530	-149,281,344
8. Total comprehensive income	2,132,245,382	2,160,557,287	6,671,312,852	5,224,163,783
Total comprehensive income attributable to equity holders of the Parent	2,126,505,804	2,160,256,181	6,650,288,532	5,213,919,169
Total comprehensive income attributable to non-controlling interests	5,739,578	301,106	21,024,320	10,244,614

Chief Executive Officer
and President

Executive Vice President
and Chief Financial Officer

General Manager of Accounting
Department

Li Yong

Li Feilong

Liu Zhenyu

Company Income Statement

Prepared by: China Oilfield Services Limited

Unit: Yuan Currency: RMB (Unaudited)

Items	Amounts of the period	Amounts of the previous period	Amounts from the beginning of the year to end of the reporting period	Amounts from the beginning of the year to end of the reporting period of last year
	(July to September)	(July to September)	(January to September)	(January to September)
1. Revenue	6,395,806,943	5,667,218,581	17,984,946,214	14,901,621,202
Less: Operating costs	4,131,190,151	3,469,165,703	11,345,183,113	9,413,049,170
Bussiness taxes and surcharges	188,075,161	167,838,866	536,582,879	433,448,368
Selling expenses	683,083	512,481	2,070,514	1,561,437
General and administrative expenses	71,337,896	75,229,471	200,953,639	205,767,900
Financial expenses	46,961,409	90,095,000	175,149,616	286,200,577
Assets impairment losses	6,871,858	29,369	172,066,922	-936,927
Add: Investment income ("—"for loss)	125,077,919	112,174,439	364,807,191	297,525,261
Including: Share of profits of joint ventures	91,430,699	78,258,107	244,650,659	205,846,180
2. Operating profit ("—"for loss)	2,075,765,304	1,976,522,130	5,917,746,722	4,860,055,938
Add: Non-operating income	13,595,618	31,862,447	81,111,251	106,691,620
Less: Non-operating expenses	1,883,592	1,168,020	13,530,713	8,047,857
Including: loss on disposal of non-current assets	1,293,592	1,112,020	12,789,207	7,691,578
3. Total profit ("—"for loss)	2,087,477,330	2,007,216,557	5,985,327,260	4,958,699,701
Less: Income tax expenses	296,637,494	291,863,084	846,082,776	609,431,560
4. Net profit ("—"for net loss)	1,790,839,836	1,715,353,473	5,139,244,484	4,349,268,141
5. Other comprehensive income	2,302,482	15,037,754	20,913,720	6,694,915
Item that may be reclassified subsequently to profit or loss	2,302,482	15,037,754	20,913,720	6,694,915
6. Total comprehensive income	1,793,142,318	1,730,391,227	5,160,158,204	4,355,963,056

Chief Executive Officer
and President

Li Yong

Executive Vice President
and Chief Financial Officer

Li Feilong

General Manager of Accounting
Department

Liu Zhenyu

Consolidated Cash Flow Statement

Period ended 30 September 2014

Prepared by: China Oilfield Services Limited

Unit: Yuan Currency: RMB (Unaudited)

Items	Amounts from the beginning of the year to end of the reporting period	Amounts from the beginning of the year to end of the reporting period of last year
	(January-September)	(January-September)
1.Cash flows from operating activities:		
Cash received from sale of goods and rendering of services	22,724,062,451	16,667,444,716
Tax refund received	29,362,876	47,788,199
Cash received relating to other operating activities	80,722,355	125,001,750
Subtotal of cash inflows from operating activities	22,834,147,682	16,840,234,665
Cash paid for goods and services	10,134,724,176	6,793,112,550
Cash paid to and for employees	3,530,253,381	3,126,794,134
Cash paid for taxes	1,621,996,153	1,463,776,373
Cash paid relating to other operating activities	642,084,120	560,743,749
Subtotal of cash outflows from operating activities	15,929,057,830	11,944,426,806
Net cash flows from operating activities	6,905,089,852	4,895,807,859
2.Cash flows from investing activities:		
Cash received from disposal of investments	13,227,397,313	9,872,935,000
Cash received from return on investments	272,443,232	130,719,926
Cash received from disposal of fixed assets, intangible assets and other long-term assets	13,457,651	30,902,235
Cash received from other investing activities	99,103,452	101,547,156
Subtotal of cash inflows from investing activities	13,612,401,648	10,136,104,317
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	4,616,201,994	5,070,204,489
Cash paid for other investing activities	16,629,692,564	7,432,700,000
Subtotal of cash outflows from investing activities	21,245,894,558	12,502,904,489
Net cash flows used in investing activities	-7,633,492,910	-2,366,800,172
3.Cash flows from financing activities:		
Cash received from capital contributions	4,573,444,465	0
Subtotal of cash inflows from financing activities	4,573,444,465	0
Cash paid for repayment of borrowings	2,174,329,925	1,088,113,484
Cash paid for dividends or interest expenses	2,581,707,551	1,965,630,935
Subtotal of cash outflows from financing activities	4,756,037,476	3,053,744,419
Net cash flows used in financing activities	-182,593,011	-3,053,744,419

4.Effect of foreign exchange rate fluctuation on cash and cash equivalents	61,482,966	-103,503,737
5.Net increase in cash and cash equivalents	-849,513,103	-628,240,469
Add: Cash and cash equivalents at the beginning of the period	9,600,797,067	9,814,892,524
6.Cash and cash equivalents at the end of the period	8,751,283,964	9,186,652,055

Chief Executive Officer
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Li Yong

Executive Vice President
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Li Feilong

General Manager of Accounting
Department

Liu Zhenyu

Company Cash Flow Statement

Period ended 30 September 2014

Prepared by: China Oilfield Services Limited

Unit: Yuan Currency: RMB (Unaudited)

Items	Amounts from the beginning of the year to end of the reporting period	Amounts from the beginning of the year to end of the reporting period of last year
	(January-September)	(January-September)
1.Cash flows from operating activities:		
Cash received from sale of goods and rendering of services	14,949,824,544	11,287,891,542
Tax refund received	29,362,876	47,788,199
Cash received relating to other operating activities	80,722,355	125,001,750
Subtotal of cash inflows from operating activities	15,059,909,775	11,460,681,491
Cash paid for goods and services	6,809,376,826	4,534,142,796
Cash paid to and for employees	2,199,607,913	2,194,581,438
Cash paid for taxes	1,387,606,691	1,237,601,545
Cash paid relating to other operating activities	585,549,747	556,412,393
Subtotal of cash outflows from operating activities	10,982,141,177	8,522,738,172
Net cash flows from operating activities	4,077,768,598	2,937,943,319
2.Cash flows from investing activities:		
Cash received from disposal of investments	12,919,184,749	8,028,535,000
Cash received from return on investments	272,443,232	150,719,926
Cash received from disposal of fixed assets, intangible assets and other long-term assets	6,100,980	12,583,029
Cash received from other investing activities	2,214,029,100	3,311,209,976
Subtotal of cash inflows from investing activities	15,411,758,061	11,503,047,931
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	3,706,925,368	3,462,529,413
Cash paid for establishment of subsidiaries	0	10,859,100
Cash paid for other investing activities	16,551,853,516	8,289,671,400
Subtotal of cash outflows from investing activities	20,258,778,884	11,763,059,913
Net cash flows used in investing activities	-4,847,020,823	-260,011,982
3.Cash flows from financing activities:		
Cash received from capital contributions	4,573,444,465	0
Subtotal of cash inflows from financing activities	4,573,444,465	0
Cash paid for repayment of borrowings	2,174,329,925	1,088,113,484
Cash paid for dividends or interest expenses	2,381,499,426	1,764,792,310
Subtotal of cash outflows from financing activities	4,555,829,351	2,852,905,794
Net cash flows from / (used in) financing activities	17,615,114	-2,852,905,794
4.Effect of foreign exchange rate fluctuation on cash and cash equivalents	43,621,255	-90,870,717

5. Net increase in cash and cash equivalents	-708,015,856	-265,845,174
Add: Cash and cash equivalents at the beginning of the period	6,096,343,875	5,171,968,136
6. Cash and cash equivalents at the end of the period	5,388,328,019	4,906,122,962

Chief Executive Officer
and President

Li Yong

Executive Vice President
and Chief Financial Officer

Li Feilong

General Manager of Accounting
Department

Liu Zhenyu

4.2 Audit Report

Applicable Not applicable