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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)

**INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2025**

FINANCIAL HIGHLIGHTS

1. Revenue was RMB23,295.1 million.
2. Profit from operations was RMB2,908.6 million.
3. Profit for the period was RMB2,076.8 million.
4. Basic earnings per share was RMB0.41.

The interim results of the Company for the six months ended 30 June 2025 are unaudited.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2025

	Notes	Six months ended 30 June	
		2025	2024
		RMB'000	RMB'000
		(Unaudited)	(Unaudited)
REVENUE	5	23,320,327	22,528,544
Sales surtaxes		<u>(25,256)</u>	<u>(31,881)</u>
Revenue, net of sales surtaxes		<u>23,295,071</u>	<u>22,496,663</u>
Other income		<u>29,257</u>	<u>214,175</u>
Depreciation of property, plant and equipment and amortisation of intangible assets and multiclient library		(3,123,495)	(2,837,411)
Depreciation of right-of-use assets		(358,130)	(198,331)
Employee compensation costs		(4,025,094)	(3,899,544)
Repair and maintenance costs		(163,363)	(258,507)
Consumption of supplies, materials, fuel, services and others		(4,471,903)	(4,846,262)
Subcontracting expenses		(6,350,064)	(5,999,178)
Lease expenses	6	(944,468)	(999,814)
Other operating expenses		(918,001)	(984,325)
Impairment losses of property, plant and equipment		(82,032)	—
Reversal of impairment losses under expected credit loss model, net		<u>20,787</u>	<u>4,556</u>
Total operating expenses		<u>(20,415,763)</u>	<u>(20,018,816)</u>
PROFIT FROM OPERATIONS		<u><u>2,908,565</u></u>	<u><u>2,692,022</u></u>
Exchange losses, net	6	(96,484)	(14,889)
Finance costs		(355,869)	(449,918)
Interest income		45,817	59,545
Investment income	6	5,528	1,160
Gains arising from financial assets at fair value through profit or loss	6	11,817	42,583
Share of profits of an associate and joint ventures, net of tax		68,194	95,800
Other gains and losses, net	6	<u>(15,474)</u>	<u>(17,260)</u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS (CONTINUED)*For the six months ended 30 June 2025*

	<i>Notes</i>	Six months ended 30 June	
		2025	2024
		RMB'000	RMB'000
		(Unaudited)	(Unaudited)
PROFIT BEFORE TAX	6	2,572,094	2,409,043
Income tax expense	7	<u>(495,316)</u>	<u>(699,395)</u>
PROFIT FOR THE PERIOD		<u>2,076,778</u>	<u>1,709,648</u>
Attributable to:			
Owners of the Company		1,963,844	1,592,392
Non-controlling interests		<u>112,934</u>	<u>117,256</u>
		<u>2,076,778</u>	<u>1,709,648</u>
EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY			
Basic and diluted (RMB)	9	<u>41.16 cents</u>	<u>33.37 cents</u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME*For the six months ended 30 June 2025*

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
PROFIT FOR THE PERIOD	<u>2,076,778</u>	<u>1,709,648</u>
OTHER COMPREHENSIVE INCOME		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of financial statements of foreign operations	(2,617)	568
Income tax effect	<u>6,435</u>	<u>(8,306)</u>
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	<u>3,818</u>	<u>(7,738)</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>2,080,596</u>	<u>1,701,910</u>
Attributable to:		
Owners of the Company	1,968,327	1,583,184
Non-controlling interests	<u>112,269</u>	<u>118,726</u>
	<u>2,080,596</u>	<u>1,701,910</u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2025

		30 June 2025	31 December 2024
	<i>Notes</i>	RMB'000	RMB'000
		(Unaudited)	(Audited)
NON-CURRENT ASSETS			
Property, plant and equipment	10	49,671,908	50,459,844
Right-of-use assets	11	1,820,529	1,447,774
Goodwill	12	–	–
Other intangible assets		184,895	210,865
Multiclient library		44,584	72,082
Investments in an associate and joint ventures		1,208,842	1,194,040
Contract costs		555,767	630,094
Financial assets at fair value through profit or loss		–	–
Other non-current assets	14	254,798	238,234
Deferred tax assets		95,034	28,543
		<hr/>	<hr/>
Total non-current assets		53,836,357	54,281,476
CURRENT ASSETS			
Inventories		2,452,390	2,154,270
Prepayments, deposits and other receivables		309,616	285,816
Accounts receivable	13	19,469,176	14,062,653
Notes receivable		5,787	50,987
Receivables at fair value through other comprehensive income		97,648	156,397
Financial assets at fair value through profit or loss		–	5,500,549
Contract assets		6,445	70,917
Contract costs		377	142,224
Other current assets	14	575,498	268,244
Pledged deposits		11,862	8,119
Time deposits		101,247	542,239
Cash and cash equivalents		7,107,977	5,423,772
		<hr/>	<hr/>
Total current assets		30,138,023	28,666,187

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(CONTINUED)**

30 June 2025

		30 June 2025	31 December 2024
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
		(Unaudited)	(Audited)
CURRENT LIABILITIES			
Trade and other payables	15	15,243,755	16,419,654
Salary and bonus payables		1,479,908	936,994
Tax payable		603,853	453,825
Loans from related parties	16	2,577,796	2,515,940
Interest-bearing bank borrowings	17	2,892,778	18,267
Long-term bonds	18	6,658,880	7,327,272
Lease liabilities		671,138	468,144
Contract liabilities		745,251	1,046,520
Other current liabilities	14	783,611	416,303
		<u>31,656,970</u>	<u>29,602,919</u>
Total current liabilities			
		<u>(1,518,947)</u>	<u>(936,732)</u>
NET CURRENT LIABILITIES			
		<u>52,317,410</u>	<u>53,344,744</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION **(CONTINUED)**

30 June 2025

		30 June	31 December
		2025	2024
	<i>Notes</i>	RMB'000	RMB'000
		(Unaudited)	(Audited)
NON-CURRENT LIABILITIES			
Deferred tax liabilities		34,986	277,627
Loans from related parties	16	2,627,929	1,529,370
Interest-bearing bank borrowings	17	139,244	145,425
Long-term bonds	18	2,136,446	5,142,559
Lease liabilities		1,045,353	756,123
Contract liabilities		499,524	669,796
Deferred income		212,897	209,715
Employee benefit liabilities		26,661	23,925
Other non-current liabilities	14	165,028	165,668
		<u>6,888,068</u>	<u>8,920,208</u>
Total non-current liabilities		<u>6,888,068</u>	<u>8,920,208</u>
Net assets		<u>45,429,342</u>	<u>44,424,536</u>
EQUITY			
Equity attributable to owners of the Company			
Issued capital		4,771,592	4,771,592
Reserves		39,929,791	39,025,570
		<u>44,701,383</u>	<u>43,797,162</u>
Non-controlling interests		<u>727,959</u>	<u>627,374</u>
Total equity		<u>45,429,342</u>	<u>44,424,536</u>

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

1. CORPORATE INFORMATION AND PRINCIPAL ACTIVITIES

China Oilfield Services Limited (the “Company”) is a limited liability company incorporated in the People’s Republic of China (the “PRC”). The registered office of the Company is located at No. 1581, Haichuan Road, Tanggu Ocean Hi-tech Zone, Binhai Hi-tech Development District, Tianjin, the PRC. As part of the reorganization (the “Reorganisation”) of China National Offshore Oil Corporation (“CNOOC”) in preparation for the listing of the Company’s shares on The Stock Exchange of Hong Kong Limited (the “HKSE”) in 2002, and pursuant to an approval document obtained from the relevant government authority dated 26 September 2002, the Company was restructured into a joint stock limited liability company.

The Company and its subsidiaries (hereinafter collectively referred to as the “Group”) are principally engaged in the provision of oilfield services, including drilling services, well services, marine support services and geophysical acquisition and surveying services.

In the opinion of the directors of the Company (the “Directors”), the holding company and the ultimate holding company of the Company is CNOOC, which is a state-owned enterprise (“SOE”) incorporated in the PRC. The registered address of CNOOC is No.25 Chaoyangmen Beidajie, Dongcheng District, Beijing.

The interim condensed consolidated financial information is presented in Renminbi (“RMB”), which is also the functional currency of the Company.

As at 30 June 2025, particulars of the principal subsidiaries of the Company are as follows:

Name of entity	Place and date of incorporation/ registration	Principal place of business	Issued and fully paid share capital/paid-in capital	Percentage of equity attributable to the Group		Principal activities
				30 June 2025	31 December 2024	
Lan Hai Bo Da Technology Co., Ltd. (a)	Quanzhou, PRC 1 November 2016	PRC	RMB50,000,000	100%	100%	Manufacture of special chemical products
PT.COSL INDO	Indonesia 1 August 2005	Indonesia	US Dollar (“USD”) 400,000	100%	100%	Provision of oil and gas exploration services
COSL Mexico S.A. de C.V.	Mexico 26 May 2006	Mexico	USD8,504,525	100%	100%	Provision of oil and gas exploration services
COSL (Middle East) FZE	United Arab Emirates 2 July 2006	United Arab Emirates	UAE Dirhams 1,000,000	100%	100%	Provision of oil and gas exploration services
COSL Norwegian AS (“CNA”)	Norway 23 June 2008	Norway	NOK1,541,328,656	100%	100%	Investment holding

Name of entity	Place and date of incorporation/ registration	Principal place of business	Issued and fully paid share capital/paid-in capital	Percentage of equity attributable to the Group		Principal activities
				30 June 2025	31 December 2024	
COSL Singapore Ltd.	Singapore 11 February 2008	Singapore	USD1,065,127,694	100%	100%	Provision of oilfield services and related activities
COSL Oil-Tech (Singapore) Ltd.	Singapore 31 January 2011	Singapore	USD100,000	100%	100%	Provision of oilfield services and related activities
COSL Canada Ltd.	Canada 19 July 2013	Canada	USD4,000,000	100%	100%	Provision of oilfield services and related activities
COSL UGANDA SMC LIMITED	Uganda 23 April 2019	Uganda	Uganda Shilling 85,320,000,000	100%	100%	Provision of oilfield services and related activities
COSL Deepwater Technology Co., Ltd. (a)	Shenzhen, PRC 12 September 2013	PRC	RMB470,000,000	100%	100%	Provision of geophysical and surveying services
COSL Drilling Saudi Ltd.	Saudi Arabia 19 April 2016	Saudi Arabia	Saudi Riyal 375,000	96%	96%	Provision of drilling services
COSL Hainan Ltd. (a)	Haikou, PRC 6 December 2019	PRC	RMB2,785,000,000	100%	100%	Provision of oil and gas exploration services
COSL Hainan Technical Services Ltd. (a)	Haikou, PRC 12 May 2020	PRC	RMB2,870,000,000	100%	100%	Provision of oil and gas exploration services
China France Bohai Geoservices Co., Ltd. (“China France Bohai”) (a)(b)	Tianjin, PRC 30 November 1983	PRC	USD6,650,000	50%	50%	Provision of logging services
COSL Leasing (TianJin) Co., Ltd. (a)	Tianjin, PRC 29 August 2023	PRC	RMB2,240,000,000	100%	100%	Rental services
(a) Lan Hai Bo Da Technology Co., Ltd., COSL Deepwater Technology Co., Ltd., COSL Hainan Ltd., COSL Hainan Technical Services Ltd., China France Bohai and COSL Leasing (TianJin) Co., Ltd. are established in the PRC as limited liability companies.						

- (b) The Group has 50% equity interests in China France Bohai, the remaining equity interests are held by another sole investor. On 1 August 2022, the shareholders of China France Bohai amended its articles of association. Pursuant to the new articles of association, the Group nominated four out of seven directors of the board of directors, and more than 50% voting rights of the board of directors are required for decisions on directing the relevant activities of this entity. The Group has control over China France Bohai after the amendment of articles of association. Accordingly, China France Bohai has been accounted for as a subsidiary and has been consolidated into the Group's consolidated financial statements by the Company since 1 August 2022.

The above table lists the subsidiaries of the Company which, in the opinion of the Directors, principally affected the operating results of the Group for the period or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the Directors, result in particulars of excessive length.

As at 30 June 2025, particulars of an associate and joint ventures of the Group are as follows:

Name	Nominal value of issued ordinary/registered share capital	Place and date of incorporation/registration and operations	Percentage of ownership interest		Principal activities
			30 June 2025	31 December 2024	
China Offshore Fugro Geosolutions (Shenzhen) Company Ltd.	US\$6,000,000	Shenzhen, PRC 24 August 1983	50%	50%	Provision of geophysical and surveying services
China Petroleum Logging-Atlas Cooperation Service Company	US\$2,000,000	Shenzhen, PRC 10 May 1984	50%	50%	Provision of logging services
COSL-Expro Testing Services (Tianjin) Company Ltd.	US\$5,000,000	Tianjin, PRC 28 February 2007	50%	50%	Provision of well testing services
COSL (Malaysia) SDN. BHD. ("COSL Malaysia") (Note)	Ringgit Malaysia 350,000	Malaysia 31 July 2017	49%	49%	Provision of drilling services
Well Technology Company Ltd.	RMB260,000,000	Foshan, PRC 24 July 2020	40%	40%	Provision of well technology services

Note: The Group has 49% of equity interests in COSL Malaysia, the remaining equity interests of which are held by the other sole investor. Pursuant to the articles of association of COSL Malaysia, majority voting rights are required for decisions on directing the relevant activities of this entity. The board of directors of COSL Malaysia shall comprise five directors whereby the Group shall appoint two directors and the other sole investor shall appoint three directors, while the chairman of COSL Malaysia shall be appointed by the Group and the chairman has the right to veto any major decisions. As a result, unanimous consent by the Group and the other investor is required for decisions on directing the relevant activities of COSL Malaysia. In the opinion of the Directors, the Group does not have control over COSL Malaysia and the investment in this joint arrangement constitutes interest in a joint venture based on the rights and obligations of the parties to this joint arrangement. Accordingly, COSL Malaysia has been accounted for in the Group's consolidated financial statements using the equity method.

All of the above investments in an associate and joint ventures are directly held by the Company except for COSL Malaysia, which is indirectly held through COSL Drilling Pan-Pacific Ltd.

The above associate and joint ventures are accounted for using the equity method in this interim condensed consolidated financial information.

2. BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2025 has been prepared in accordance with HKAS 34 *Interim Financial Reporting* issued by the HKICPA as well as with the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on the HKSE.

The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2024.

As at 30 June 2025, the net current liabilities of the Group amounted to RMB1,518,947,000. The Directors have considered the availability of funding sources, including but not limited to unutilised banking facilities of RMB37,100,000,000 as at 30 June 2025. The Directors believe that the Group has sufficient working capital to continue as a going concern for not less than 12 months after the end of reporting period. Therefore, the Directors continue to prepare the Group's consolidated financial statements for the six months ended 30 June 2025 on a going concern basis.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of the following amended HKFRS Accounting Standard for the first time for the current period's financial information.

Amendments to HKAS 21

Lack of Exchangeability

The nature and impact of the amended HKFRS Accounting Standard that are described below:

Amendments to HKAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted with and the functional currencies of group entities for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the interim condensed consolidated financial information.

4. OPERATING SEGMENT INFORMATION

The Group is organised into four business segments based on the internal structure and management strategy, which is also the basis of information reported to the Group's chief operating decision maker (i.e. the executive directors of the Company) for the purpose of making strategic decisions.

The Group has four reportable and operating segments as follows:

- (a) The drilling services segment is engaged in the provision of oilfield drilling services;
- (b) The well services segment is engaged in the provision of logging and downhole services, such as drilling fluids, directional drilling, cementing and well completion, the sale of well chemical materials and well workovers, and seismic data processing services;
- (c) The marine support services segment is engaged in the transportation of materials, supplies and personnel to offshore facilities, moving and positioning drilling structures; and
- (d) The geophysical acquisition and surveying services segment is engaged in the provision of offshore seismic data acquisition and marine surveying.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment result, which is a measure of adjusted profit before tax. The adjusted profit before tax is measured consistently with the Group's profit before tax except that interest income, finance costs, exchange gains or losses, investment income, and gains arising from financial assets at fair value through profit or loss ("FVTPL") are excluded from such measurement.

All assets are allocated to reportable segments other than certain cash and cash equivalents (funds managed by the Finance Department), pledged deposits, time deposits, certain other current assets, certain other non-current assets, financial assets at FVTPL and deferred tax assets as these assets are managed on a group basis.

All liabilities are allocated to reportable segments other than loans from related parties, interest-bearing bank borrowings and long-term bonds (funds managed by the Finance Department), tax payable and deferred tax liabilities as these liabilities are managed on a group basis.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the prevailing market prices.

All sales among the operating segments have been eliminated as internal transactions when preparing consolidated financial statements.

Six months ended 30 June 2025 (Unaudited)

	Drilling services <i>RMB'000</i>	Well services <i>RMB'000</i>	Marine support services <i>RMB'000</i>	Geophysical acquisition and surveying services <i>RMB'000</i>	Total <i>RMB'000</i>
Revenue					
Sales to external customers, net of sales surtaxes	7,231,355	12,363,986	2,606,040	1,093,690	23,295,071
Sales surtaxes	<u>7,037</u>	<u>14,150</u>	<u>2,712</u>	<u>1,357</u>	<u>25,256</u>
Revenue, before net of sales surtaxes	7,238,392	12,378,136	2,608,752	1,095,047	23,320,327
Intersegment sales	<u>73,311</u>	<u>5,910</u>	<u>36,507</u>	<u>802</u>	<u>116,530</u>
Segment revenue	7,311,703	12,384,046	2,645,259	1,095,849	23,436,857
Eliminations	<u>(73,311)</u>	<u>(5,910)</u>	<u>(36,507)</u>	<u>(802)</u>	<u>(116,530)</u>
Group revenue	<u><u>7,238,392</u></u>	<u><u>12,378,136</u></u>	<u><u>2,608,752</u></u>	<u><u>1,095,047</u></u>	<u><u>23,320,327</u></u>
Segment results	<u><u>681,480</u></u>	<u><u>2,135,813</u></u>	<u><u>158,703</u></u>	<u><u>(14,711)</u></u>	<u><u>2,961,285</u></u>
Reconciliation:					
Exchange losses, net					(96,484)
Finance costs					(355,869)
Interest income					45,817
Investment income					5,528
Gains arising from financial assets at FVTPL					<u>11,817</u>
Profit before tax					<u><u>2,572,094</u></u>
Income tax expense					<u><u>(495,316)</u></u>
As at 30 June 2025 (Unaudited)					
Segment assets	42,330,945	26,341,352	6,761,692	4,978,113	80,412,102
Unallocated assets					<u>3,562,278</u>
Total assets					<u><u>83,974,380</u></u>
Segment liabilities	6,395,371	10,701,105	2,096,345	1,338,343	20,531,164
Unallocated liabilities					<u>18,013,874</u>
Total liabilities					<u><u>38,545,038</u></u>

Six months ended 30 June 2024 (Unaudited)

	Drilling services <i>RMB'000</i>	Well services <i>RMB'000</i>	Marine support services <i>RMB'000</i>	Geophysical acquisition and surveying services <i>RMB'000</i>	Total <i>RMB'000</i>
Revenue					
Sales to external customers, net of sales surtaxes	6,408,364	12,811,817	2,174,409	1,102,073	22,496,663
Sales surtaxes	<u>8,427</u>	<u>18,150</u>	<u>3,241</u>	<u>2,063</u>	<u>31,881</u>
Revenue, before net of sales surtaxes	6,416,791	12,829,967	2,177,650	1,104,136	22,528,544
Intersegment sales	<u>84,531</u>	<u>21,629</u>	<u>65,781</u>	<u>1,342</u>	<u>173,283</u>
Segment revenue	6,501,322	12,851,596	2,243,431	1,105,478	22,701,827
Eliminations	<u>(84,531)</u>	<u>(21,629)</u>	<u>(65,781)</u>	<u>(1,342)</u>	<u>(173,283)</u>
Group revenue	<u><u>6,416,791</u></u>	<u><u>12,829,967</u></u>	<u><u>2,177,650</u></u>	<u><u>1,104,136</u></u>	<u><u>22,528,544</u></u>
Segment results	<u><u>368,799</u></u>	<u><u>2,290,143</u></u>	<u><u>101,441</u></u>	<u><u>10,179</u></u>	<u><u>2,770,562</u></u>
Reconciliation:					
Exchange losses, net					(14,889)
Finance costs					(449,918)
Interest income					59,545
Investment income					1,160
Gains arising from financial assets at FVTPL					<u>42,583</u>
Profit before tax					<u><u>2,409,043</u></u>
Income tax expense					<u><u>(699,395)</u></u>
As at 31 December 2024 (Audited)					
Segment assets	39,870,666	23,121,771	5,730,568	5,886,599	74,609,604
Unallocated assets					<u>8,338,059</u>
Total assets					<u><u>82,947,663</u></u>
Segment liabilities	6,349,933	10,827,085	1,991,406	1,910,366	21,078,790
Unallocated liabilities					<u>17,444,337</u>
Total liabilities					<u><u>38,523,127</u></u>

Geographical information

The Group mainly engages in the provision of drilling services, well services, marine support services and geophysical acquisition and surveying services principally in Mainland China. Activities outside Mainland China are mainly conducted in the Middle East, Indonesia and Norway.

In determining the Group's geographical information, revenue is presented below based on the locations of operations.

The following table presents revenue information for the Group's geographical areas for the six months ended 30 June 2025 and 2024.

Six months ended 30 June 2025 (Unaudited)

	Domestic RMB'000	International RMB'000	Total RMB'000
Segment revenue:			
Sales to external customers	17,802,121	5,518,206	23,320,327
Less: Sales surtaxes	<u>(25,256)</u>	<u>—</u>	<u>(25,256)</u>
Revenue, net of sales surtaxes	<u>17,776,865</u>	<u>5,518,206</u>	<u>23,295,071</u>

Six months ended 30 June 2024 (Unaudited)

	Domestic RMB'000	International RMB'000	Total RMB'000
Segment revenue:			
Sales to external customers	16,975,503	5,553,041	22,528,544
Less: Sales surtaxes	<u>(31,881)</u>	<u>—</u>	<u>(31,881)</u>
Revenue, net of sales surtaxes	<u>16,943,622</u>	<u>5,553,041</u>	<u>22,496,663</u>

Information about a major customer

Revenue from transactions with a major customer, CNOOC Limited and its subsidiaries (the "CNOOC Limited Group"), including sales to a group of entities which are known to be under common control of CNOOC Limited, accounted for 77% (Six months ended 30 June 2024: 77%) of the total sales of the Group for the six months ended 30 June 2025.

5. REVENUE

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Revenue from contracts with customers	22,720,029	21,800,848
Revenue arising from operating leases	600,298	727,696
Total	<u>23,320,327</u>	<u>22,528,544</u>

Disaggregation of revenue from contracts with customers, before net of sales surtaxes for the six months ended 30 June 2025 and 2024

Six months ended 30 June 2025 (Unaudited)					
Segments	Drilling services <i>RMB'000</i>	Well services <i>RMB'000</i>	Marine support services <i>RMB'000</i>	Geophysical acquisition and surveying services <i>RMB'000</i>	Total <i>RMB'000</i>
Timing of revenue recognition					
At a point of time	–	309,781	–	–	309,781
Over time	<u>6,675,181</u>	<u>12,049,205</u>	<u>2,590,815</u>	<u>1,095,047</u>	<u>22,410,248</u>
Total	<u>6,675,181</u>	<u>12,358,986</u>	<u>2,590,815</u>	<u>1,095,047</u>	<u>22,720,029</u>
Six months ended 30 June 2024 (Unaudited)					
Segments	Drilling services <i>RMB'000</i>	Well services <i>RMB'000</i>	Marine support services <i>RMB'000</i>	Geophysical acquisition and surveying services <i>RMB'000</i>	Total <i>RMB'000</i>
Timing of revenue recognition					
At a point of time	–	276,451	–	–	276,451
Over time	<u>5,798,370</u>	<u>12,486,955</u>	<u>2,134,936</u>	<u>1,104,136</u>	<u>21,524,397</u>
Total	<u>5,798,370</u>	<u>12,763,406</u>	<u>2,134,936</u>	<u>1,104,136</u>	<u>21,800,848</u>

Most of the Group's contracts with customers are generally provided for payment on a day rate or operation volume basis. The Group elected to apply the practical expedient by recognising revenue in the amount to which the Group has the right to invoice.

Set out below is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information.

Six months ended 30 June 2025 (Unaudited)					
Segments	Drilling services <i>RMB'000</i>	Well services <i>RMB'000</i>	Marine support services <i>RMB'000</i>	Geophysical acquisition and surveying services <i>RMB'000</i>	Revenue from contracts with customers <i>RMB'000</i>
Segment revenue	7,311,703	12,384,046	2,645,259	1,095,849	23,436,857
Less: Revenue arising from operating leases	(563,211)	(19,150)	(17,937)	–	(600,298)
Eliminations	(73,311)	(5,910)	(36,507)	(802)	(116,530)
Revenue from contracts with customers	<u>6,675,181</u>	<u>12,358,986</u>	<u>2,590,815</u>	<u>1,095,047</u>	<u>22,720,029</u>
Six months ended 30 June 2024 (Unaudited)					
Segments	Drilling services <i>RMB'000</i>	Well services <i>RMB'000</i>	Marine support services <i>RMB'000</i>	Geophysical acquisition and surveying services <i>RMB'000</i>	Revenue from contracts with customers <i>RMB'000</i>
Segment revenue	6,501,322	12,851,596	2,243,431	1,105,478	22,701,827
Less: Revenue arising from operating leases	(618,421)	(66,561)	(42,714)	–	(727,696)
Eliminations	(84,531)	(21,629)	(65,781)	(1,342)	(173,283)
Revenue from contracts with customers	<u>5,798,370</u>	<u>12,763,406</u>	<u>2,134,936</u>	<u>1,104,136</u>	<u>21,800,848</u>

6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Gains arising from lease modifications and termination	(462)	(25)
Losses on disposal of property plant and equipment, net	<u>15,936</u>	<u>17,285</u>
Other gains and losses, net	<u>15,474</u>	<u>17,260</u>
Lease expenses in respect of land and buildings, berths and equipment (Note)	944,468	999,814
Investment income	(5,528)	(1,160)
Cost of inventories recognised as expense	2,884,382	3,425,781
Gains arising from financial assets at FVTPL	(11,817)	(42,583)
Provision of impairment of inventories, net	5,355	3,467
Reversal of impairment of accounts receivable, net	(20,969)	(3,528)
Provision/(reversal)of impairment of other receivables, net	182	(1,028)
Exchange losses, net	<u>96,484</u>	<u>14,889</u>

Note: Lease expenses for the six months ended 30 June 2025 and 2024 represent short-term leases and variable lease payments not included in the measurement of lease liabilities.

7. INCOME TAX EXPENSE

The Group is subject to income tax on an entity basis on the profits arising in or derived from the tax jurisdictions in which members of the Group are domiciled and operate. The Group is not liable for income tax in Hong Kong as it does not have assessable profits currently sourced from Hong Kong.

Under the Corporate Income Tax Law of the PRC (the "CIT"), the statutory tax rate of the Company, subsidiaries and its key joint ventures and associate in Mainland China is 25%.

According to the High-New Technical Enterprise ("HNTE") certificate renewed by the Company in December 2023, the corporate income tax rate of the Company is 15% for the years from 2023 to 2025.

According to the HNTE certificate renewed by the Group's subsidiary Tianjin Eco-friendly Technology Co., Ltd. ("Eco-friendly Technology") in December 2023, the CIT rate of Eco-friendly Technology is 15% for the years from 2023 to 2025. According to "The Implementation Regulations of the CIT Law of the People's Republic of China" and "The Preferential Catalogue of Corporate Income Tax for Environmental Protection, Energy Saving and Water Saving Projects Enterprises (2021 Edition)" ([2021] No.36 issued by the Ministry of Finance, the State Administration of Taxation, the National Development and Reform Commission and the Ministry of Ecology and Environment), the environmental protection projects of Eco-friendly Technology are entitled to a tax holiday of a 3-year full exemption from 2023 to 2025, followed by a 3-year 50% exemption from 2026 to 2028 commencing from their respective first operating income generating year.

According to the HNTE certificate renewed by the Group's subsidiary China France Bohai in December 2024, the CIT rate of China France Bohai is 15% for the years from 2024 to 2026.

According to the HNTE certificate obtained by the Group's subsidiary China Nahai--Magcobar Mud Corporation Ltd. ("Magcobar") in December 2023, the CIT rate of Magcobar is 15% for the years from 2023 to 2025.

List of other corporate income tax rates applicable to the Group's activities:

Countries and regions	Six months ended 30 June	
	2025 (Unaudited)	2024 (Unaudited)
Indonesia	22%	22%
Mexico	30%	30%
Norway	22%	22%
The United Kingdom	25%	25%
Iraq	Withholding tax based on 7% of revenue generated in Iraq	Withholding tax based on 7% of revenue generated in Iraq
United Arab Emirates	9%	Not subject to any income tax
Singapore	17%	17%
The United States of America	21%	21%
Canada	Net federal corporate income tax of 15% and provincial income tax rates of 8%	Net federal corporate income tax of 15% and provincial income tax rates of 8%
Malaysia	24%	24%
Saudi Arabia	20%	20%
Brazil	34%	34%
Uganda	30%	30%
Thailand	20%	20%

An analysis of the Group's provision for tax is as follows:

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Current	804,377	804,644
Deferred	(309,061)	(105,249)
Total tax charge for the period	<u>495,316</u>	<u>699,395</u>

A reconciliation of the income tax expense applicable to profit before tax at the statutory rate for Mainland China, where the Company and its key joint ventures are domiciled, to the tax expense at the effective tax rate, and a reconciliation of the applicable rate (i.e., the statutory tax rate) to the effective tax rate, are as follows:

	Six months ended 30 June			
	2025		2024	
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Profit before tax	2,572,094		2,409,043	
Tax at the statutory tax rate of 25% (2024: 25%)	643,024	25.0	602,261	25.0
Tax effect as an HNTE with tax incentives	(230,684)	(9.0)	(240,455)	(10.0)
Income not subject to tax	(3,330)	(0.1)	(1,540)	(0.1)
Tax effect of share of profit of an associate and joint ventures	(17,049)	(0.7)	(23,950)	(1.0)
Expenses not deductible for tax	83,938	3.3	136,281	5.7
Tax benefit for qualifying research and development expenses	(63,114)	(2.5)	(109,024)	(4.5)
Effect of different tax rates for overseas subsidiaries	94,535	3.7	254,900	10.6
Effect of different tax rates applied to the period of reversal of the temporary differences	(3,537)	(0.1)	16,625	0.7
Tax effect of tax losses and deductible temporary differences unrecognised	17,475	0.7	1,226	0.1
Tax losses utilised from previous periods	(43,351)	(1.7)	(22,419)	(0.9)
Under/(over) provision in respect of prior year	(31,246)	(1.2)	28,586	1.2
Tax effect on translation adjustment (<i>Note</i>)	49,263	1.9	(8,035)	(0.3)
Reversal of tax losses and deductible temporary differences previously recognised	–	–	63,287	2.4
Others	(608)	–	1,652	0.1
Total tax charge at the Group's effective tax rate	<u>495,316</u>	<u>19.3</u>	<u>699,395</u>	<u>29.0</u>

Note: The translation adjustment mainly relates to the tax effect of difference between the profit before tax determined on the tax basis in NOK and that determined on the accounting basis of some group companies in Norway in US dollars, the functional currency of these companies.

Global Minimum Tax

The Group is within the scope of the Pillar Two model rules. The Group has applied the mandatory exception to recognising and disclosing information about deferred tax assets and liabilities arising from Pillar Two income taxes, and will account for the Pillar Two income taxes as current tax when incurred.

The Group has assessed its potential exposure based on the information available regarding the financial performance of the Group in the current period. As such, it may not be entirely representative of future circumstances. Based on the assessment, the Group's effective tax rates in most jurisdictions in which it operates are above 15% and the directors of the Company are not currently aware of any circumstances under which they might change. Therefore, the potential exposure to Pillar Two "top-up" taxes is not expected to have any material impact on the Group's consolidated financial statements.

8. DIVIDENDS

During the current interim period, a dividend of RMB0.2306 per ordinary share (tax inclusive) of the Company based on the total share capital of 4,771,592,000 shares as at 31 December 2024 (2024: a dividend of RMB0.21 per ordinary share (tax inclusive) of the Company based on the total share capital of 4,771,592,000 shares as at 31 December 2023) was declared and paid to the owners of the Company. The aggregate amount of the dividend declared and paid in the current interim period was RMB1,100,329,115.20 (Six months ended 30 June 2024: RMB1,002,034,320.00).

The board of directors has proposed that no interim dividend will be declared in respect of the current interim period.

9. EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of basic earnings per share attributable to owners of the Company is based on the following data:

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Earnings		
Earnings for the purposes of basic earnings per share calculation (profit for the period attributable to owners of the Company)	<u>1,963,844</u>	<u>1,592,392</u>
	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
Number of shares		
Weighted average number of ordinary shares outstanding during the period used in the basic earnings per share calculation (share)	<u>4,771,592,000</u>	<u>4,771,592,000</u>

There were no differences between the basic and diluted earnings per share amounts for the six-month periods ended 30 June 2025 and 2024 as the Group had no dilutive potential ordinary shares in issue during those periods.

10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2025, the Group acquired certain machinery and equipment, vessels and drilling rigs with an aggregate amount of approximately RMB2,086,017,000 (Six months ended 30 June 2024: RMB2,326,453,000), of which approximately RMB1,087,236,000 was transferred from construction in progress (Six months ended 30 June 2024: RMB1,818,683,000). Additions of construction in progress amounting to approximately RMB1,511,995,000 were recognised during the six months ended 30 June 2025 (Six months ended 30 June 2024: RMB2,006,308,000). Drilling rigs, machinery and equipment with an aggregate net carrying amount of RMB77,117,000 (Six months ended 30 June 2024: RMB60,380,000) were disposed by the Group of during the six months ended 30 June 2025, resulting in a loss on disposal of RMB15,936,000 (Six months ended 30 June 2024: loss on disposal of RMB17,285,000).

Out of the total finance costs incurred, no finance costs were capitalised in property, plant and equipment in the six months ended 30 June 2025 and 2024.

During the six months ended 30 June 2025, impairment loss of RMB82,032,000 (Six months ended 30 June 2024: Nil) was recognised for certain property, plant and equipment.

In the said impairment assessment, the recoverable amount of the relevant assets, each of which was identified as a cash-generating unit within the drilling services segment, marine support services segment and geophysical acquisition and surveying services segment, has been determined based on the higher of fair value less costs of disposal and value in use.

11. RIGHT-OF-USE ASSETS

During the six months ended 30 June 2025, the Group entered into certain lease agreements and recognised right-of-use assets of RMB733,819,000 (Six months ended 30 June 2024: RMB225,430,000) and lease liabilities of RMB733,819,000 (Six months ended 30 June 2024: RMB225,430,000) on lease commencement.

12. GOODWILL

Goodwill was generated in the acquisition of COSL Holding AS in 2008, which was combined into COSL Norwegian AS by merger during the year ended 31 December 2016 (collectively referred to as “CNA”), and was allocated to a group of the drilling services cash-generating units under the drilling services segment for impairment testing. The Group impaired the goodwill in full in 2016.

13. ACCOUNTS RECEIVABLE

The Group normally allows a credit period of 30 to 45 days to its trade customers in Mainland China and no more than 6 months to 1 year to its trade customers with good trading history overseas.

The following is an ageing analysis of accounts receivable net of allowance for credit losses, as at the end of the reporting period, presented based on the invoice dates.

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Within one year	19,304,185	13,933,366
One to two years	155,963	121,740
Over two years	9,028	7,547
	<u>19,469,176</u>	<u>14,062,653</u>
Total	<u>19,469,176</u>	<u>14,062,653</u>

14. OTHER CURRENT ASSETS/LIABILITIES AND OTHER NON-CURRENT ASSETS/LIABILITIES

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Value-added tax to be deducted and prepaid	496,791	224,302
Others	78,707	43,942
	<u>575,498</u>	<u>268,244</u>
Other current assets	<u>575,498</u>	<u>268,244</u>
Output value-added tax to be recognised	<u>(783,611)</u>	<u>(416,303)</u>
Other current liabilities	<u>(783,611)</u>	<u>(416,303)</u>
Value-added tax recoverable	254,798	214,076
Deposits paid for the acquisition of property, plant and equipment	<u>–</u>	<u>24,158</u>
Other non-current assets	<u>254,798</u>	<u>238,234</u>
Provision	<u>(165,028)</u>	<u>(165,668)</u>
Other non-current liabilities	<u>(165,028)</u>	<u>(165,668)</u>

15. TRADE AND OTHER PAYABLES

	30 June 2025 <i>RMB'000</i> (Unaudited)	31 December 2024 <i>RMB'000</i> (Audited)
Trade payables	14,566,549	15,415,201
Other payables	<u>677,206</u>	<u>1,004,453</u>
Total	<u><u>15,243,755</u></u>	<u><u>16,419,654</u></u>

The ageing analysis of trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	30 June 2025 <i>RMB'000</i> (Unaudited)	31 December 2024 <i>RMB'000</i> (Audited)
Outstanding balances aged:		
Within one year	14,464,682	15,295,921
One to two years	28,018	76,004
Two to three years	44,079	13,270
Over three years	<u>29,770</u>	<u>30,006</u>
Total	<u><u>14,566,549</u></u>	<u><u>15,415,201</u></u>

16. LOANS FROM RELATED PARTIES

		Contractual interest rate per annum (%)	Year of maturity	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Current	(a)	4.00	Revolving loan	2,505,510	2,515,940
Non-current liabilities due within one year	(b)	4.00	2027	10,092	–
Non-current liabilities due within one year	(c)	4.00	2027	62,194	–
Total				2,577,796	2,515,940
Non-current	(b)	4.00	2027	944,935	939,921
Non-current	(c)	4.00	2027	587,005	589,449
Non-current	(d)	2.00	2028	1,095,989	–
Total				2,627,929	1,529,370
Unsecured loans from related parties				5,205,725	4,045,310

Notes:

- (a) In July 2016, the Group borrowed a loan of US\$350,000,000 from a fellow subsidiary Overseas Oil & Gas Corporation, Ltd. (“OOGC”). The loan is a revolving loan and applicable for extension of repayment, and carried interest at an effective interest rate of 4% per annum. The proceeds were used to finance CNA’s refinancing and daily operations.
- (b) In August 2022, the Group borrowed a loan of US\$132,000,000 from its ultimate holding company CNOOC, the loan has a term of five years. The loan from related party is due for a lump sum repayment at maturity, and carried interest at an effective interest rate of 4% per annum. The proceeds were used to finance CNA’s refinancing and daily operations.
- (c) In August 2022, the Group borrowed a loan of US\$82,000,000 from a fellow subsidiary OOGC, the loan has a term of five years. The loan from related party is due for a lump sum repayment at maturity, and carried interest at an effective interest rate of 4% per annum. The proceeds were used to finance CNA’s refinancing and daily operations.
- (d) In June 2025, the Group borrowed a loan of RMB1,100,000,000 from a fellow subsidiary OOGC, the loan has a term of three years. The loan from related party is due for a lump sum repayment at maturity, and carried interest at an effective interest rate of 2% per annum. The proceeds were used to finance COSL Singapore Ltd.’s refinancing and daily operations.

17. INTEREST-BEARING BANK BORROWINGS

		Contractual interest rate %	Year of maturity	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
China Development Bank					
– unsecured	(a)	1.08	2035	157,502	163,692
Bank of China (Hong Kong) Limited					
– secured	(b)	2.10	Revolving loan	<u>2,874,520</u>	<u>–</u>
Total				<u>3,032,022</u>	<u>163,692</u>
Current				2,892,778	18,267
Non-current				<u>139,244</u>	<u>145,425</u>
Total				<u>3,032,022</u>	<u>163,692</u>

Notes:

- (a) The Group borrowed a loan of RMB320,000,000 from a wholly-owned subsidiary of China Development Bank in December 2015. The loan was initially recognised at fair value measured by discounting future cash flows at the prevailing market interest. The repayments started from December 2018 over 36 instalments bi-annually. The effective interest rate for the six-month period ended 30 June 2025 was 1.08% per annum.
- (b) The Group borrowed a loan in RMB equivalent to US\$400,000,000 from Bank of China (Hong Kong) Limited in June 2025 under revolver line of credit. The loan is a short-term revolving loan with an effective interest rate of 2.1%. The proceeds were used to finance COSL Middle East FZE's financing and daily operations.

18. LONG-TERM BONDS

	Year of maturity	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
2016 Corporate bonds (Type II of the First Tranche Issue as defined below) (a)	2026	3,011,573	3,072,863
Guaranteed medium-term notes Second Drawdown Note (b)	2025	3,647,307	3,660,694
Guaranteed senior notes 2025 Notes (c)	2025	–	3,593,120
2030 Notes (c)	2030	2,136,446	2,143,154
Total		8,795,326	12,469,831
Current		6,658,880	7,327,272
Non-current		2,136,446	5,142,559
Total		8,795,326	12,469,831

Notes:

- (a) At 26 May 2016, the Group issued its first tranche (the “First Tranche Issue”) of domestic corporate bonds (“2016 Corporate Bonds”) with an aggregate amount of RMB5,000,000,000. The First Tranche Issue includes two types of bonds. The first type of bonds with a principal amount of RMB2,000,000,000 was repaid on 27 May 2019. The second type of bonds with a principal amount of RMB3,000,000,000 (the “Type II of the First Tranche Issue”) carries interest at an effective interest rate of 4.12% per annum and the maturity date is 27 May 2026.
- (b) At 30 July 2015, COSL Singapore Capital Ltd. issued the second tranche of drawdown note under the EMTN Programme with a nominal amount of US\$500,000,000 (the “Second Drawdown Note”). The effective interest rate is 4.58% per annum after taking into consideration initial transaction costs. The principal of the Second Drawdown Note has been repaid on 30 July 2025. The Company has unconditionally and irrevocably guaranteed the due and punctual payment of guaranteed senior notes.
- (c) At 24 June 2020, COSL Singapore Capital Ltd. issued two tranches of guaranteed senior notes. The Company has unconditionally and irrevocably guaranteed the due and punctual payment of guaranteed senior notes.

The first tranche of the notes (the “2025 Notes”) is a 5-year guaranteed senior notes, with a US\$500,000,000 principal amount. The bond has been repaid on 24 June 2025. The effective interest rate of the 2025 Notes is 1.94% per annum.

The second tranche of the notes (the “2030 Notes”) is a 10-year guaranteed senior notes, with a US\$300,000,000 principal amount. The maturity date is 24 June 2030. The effective interest rate of the 2030 Notes is 2.62% per annum.

19. CONTINGENT EVENT

An overseas subsidiary of the Group is subject to tax obligation in its jurisdiction. There are certain tax disputes in progress. Different views taken by tax authority and the Group over the interpretation and implementation of tax laws and regulations may increase the Group's tax liabilities. After consulting relevant legal advisors and conducting a thorough assessment, the management of the Group has recognised provision for which the tax liability is probable. The management of the Group is continuously assessing the possible future impact of the above tax matter, and will maintain close communication with the tax authority.

20. SUBSEQUENT EVENT

The Group has no significant subsequent event needed to be disclosed.

21. REVIEW OF INTERIM FINANCIAL RESULTS

The interim financial results for the six months ended 30 June 2025 have been reviewed with no disagreement by the Audit Committee of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY OVERVIEW

In the first half of 2025, the international oil price fluctuated violently, and its average price moved down significantly. The average price of Brent crude oil was about USD71/barrel, representing a decrease of 12% compared with the same period of last year. Due to the impact of several factors such as the unexpected increase in production of OPEC+ from April 2025 and the concerns on the global economic recession caused by the Trump administration's introduction of the tariff policy in the same month, the international oil prices dropped rapidly and Brent crude oil fell below USD60/barrel. In the first half of 2025, the upstream investment in the global oil industry was characterized by both aggregate contraction and structural differentiation. The International Energy Agency (IEA) predicts that the expenditures on shale oil and investment in projects with high cost will significantly decrease throughout the year. However, the investment in exploration and development of deepwater and deep-layer reservoirs will maintain a growth trend. According to the prediction of Spears & Associates, the global oilfield service market scale will increase slightly in 2025 compared with last year, mainly due to the development of deep-sea oil and gas fields.

BUSINESS REVIEW

In the first half of 2025, the uncertainties of global economic policies increased, and the oil and gas industry faced a complex and changeable market environment. In the first half of the year, international oil prices showed a feature of “wide-range of fluctuations and downward shift in the average prices”, and the demand for investment in the upstream exploration and development focused on emerging economies and deep-water oil and gas exploration. The Company proactively transformed from a participant in strengthening of reserves and production to a creator of functional value, comprehensively introduced the idea of lean management, and fully released the potential of resources. The Company adhered to being customer-centric, keenly captured changes in market demand, continuously promoted the upgrading of technical services towards high quality and diversification, and deeply explored value growth points. In the first half of the year, the Company's revenue was RMB23,295.1 million, representing an increase of RMB798.4 million or 3.5% compared with the same period of last year. The profit before tax was RMB2,572.1 million, representing an increase of RMB163.1 million or 6.8% compared with the same period of last year. The net profit was RMB2,076.8 million, representing an increase of RMB367.2 million or 21.5% compared with the same period of last year.

Drilling Services Segment

Revenue from the Company's drilling services segment in the first half of the year was RMB7,231.4 million, representing an increase of RMB823.0 million or 12.8% compared with RMB6,408.4 million for the same period of last year.

In the first half of 2025, the global demand for drilling rigs remained high as a whole, and the regional market showed the differentiation characteristics of “shrinkage in North America, fluctuation in Middle East and expansion in emerging markets”. The Company continuously improved the quality and efficiency of operations of the drilling business, made efforts to improve the efficiency of operations and promoted continuous breakthroughs in the deepwater and deep-layer operation capability. The “HYSY948” rig successfully broke the record of the deepest vertical drilling depth in Bohai Sea. The “Fen Jin” rig successfully broke China's record for 3,500-4,000 meter ultra-deep water drilling cycle in the operation in an ultra-deep-water exploration well. The “Wan Zuan 1” rig successfully completed the first batch of drilling and completion operations in a 100-million-ton oilfield, laying a solid foundation for the efficient development of 100-million-ton oilfields. The Company continued to strengthen its management capability for international customers. In the first half of the year, the high daily-rate project of semi-submersible rig in North Sea was operated in an orderly manner, providing a strong guarantee for improving the profitability of overseas business. The “COSLConfidence” rig successfully set a new record for maritime cumulative borehole depth in the Middle East, which gained affirmations of customers for several times. The “COSLSeeker” rig entered the Southeast Asian regional market and was driven by the dual wheels of “equipment + service”, further strengthening the Company's comprehensive service capabilities and brand influence in the global energy exploration and development field.

As of 30 June 2025, the Company operated and managed a total of 60 drilling rigs, including 46 jack-up drilling rigs and 14 semi-submersible drilling rigs. Of these, 45 drilling rigs were in China and 15 drilling rigs were overseas. In the first half of the year, operating days for the Company's drilling rigs amounted to 9,906 days, representing an increase of 945 days or 10.5% compared with the same period of last year. Among which, operating days for jack-up drilling rigs amounted to 7,776 days, representing an increase of 738 days compared with the same period of last year; operating days for semi-submersible drilling rigs amounted to 2,130 days, representing an increase of 207 days compared with the same period of last year. Calendar day utilisation rate of drilling rigs was 91.2%, representing an increase of 10.4 percentage points compared with the same period of last year. Among which, the utilisation rate of jack-up drilling rigs was 93.4%, representing an increase of 11.0 percentage points compared with the same period of last year, and the utilisation rate of semi-submersible drilling rigs was 84.0%, representing an increase of 8.5 percentage points compared with the same period of last year.

Operation details for the Company's jack-up and semi-submersible drilling rigs in the first half of 2025 are as follows:

	For the six months ended 30 June		Percentage change/Change
	2025	2024	
Drilling Services			
Operating days (day)	9,906	8,961	10.5%
Jack-up drilling rigs	7,776	7,038	10.5%
Semi-submersible drilling rigs	2,130	1,923	10.8%
Available day utilisation rate	93.4%	85.3%	Up 8.1 percentage points
Jack-up drilling rigs	94.6%	85.8%	Up 8.8 percentage points
Semi-submersible drilling rigs	89.2%	83.5%	Up 5.7 percentage points
Calendar day utilisation rate	91.2%	80.8%	Up 10.4 percentage points
Jack-up drilling rigs	93.4%	82.4%	Up 11.0 percentage points
Semi-submersible drilling rigs	84.0%	75.5%	Up 8.5 percentage points

In the first half of 2025, the average daily revenue of the Company's drilling rigs is as follows:

Average daily revenue (ten thousand US\$/day)	For the six months ended 30 June			Percentage change
	2025	2024	Change	
Jack-up drilling rigs	7.0	7.4	(0.4)	(5.4%)
Semi-submersible drilling rigs	17.1	13.4	3.7	27.6%
Drilling rigs average	9.1	8.6	0.5	5.8%

Notes: (1) Average daily revenue = revenue/operating days;

(2) US\$/RMB exchange rate was 1:7.1586 on 30 June 2025 and 1:7.1268 on 30 June 2024.

Well Services Segment

Revenue from the Company's well services segment in the first half of the year was RMB12,364.0 million, representing a decrease of RMB447.8 million or 3.5% compared with RMB12,811.8 million for the same period of last year.

In the first half of 2025, the Company injected new driving force into its scientific research and development with the open-ended scientific research ecology, activated new driving force for the transformation of achievements, and pushed its technological development into a virtuous circle of independent innovation and iterative upgrading. High-tech products such as "Xuanji" and "Xuanyue" entered a new stage of industrialization, pedigree and brand development. The "Xuanji" system has built a full-process technical system covering technical verification, manufacturing and operation support, and has the operation ability of vertical wells, conventional directional wells, extended-reach horizontal wells and other complex directional wells. The "Xuanyue" export equipment achieved excellent performance in consecutive operations and won praise letters from customers, helping equipment export and localization adaptation, and the self-developed technologies and products were fully recognized by customers. The "Haihong" completion system accelerated technological innovation, the intelligent separate injection system helped the drilling of offshore carbon dioxide intelligent driving oil wells, and the key technologies and equipment such as hydraulic control intelligent stratified gas injection tools were localized. A series of special drilling and completion fluids and cementing technologies, such as ultra-deep and large displacement, ultra-high temperature and high pressure, and carbon sequestration and cementing, comprehensively covered domestic technical scenarios of strengthening reserves and production, and professional services were available in multiple markets such as Southeast Asia and the Middle East, continuously transforming into a strong driving force for value creation of customers.

Relying on the unique advantage of the complete industrial chain and taking the traditional businesses of drilling and well workover as the foundation, the Company built an integrated engineering service model through efficient coordination of internal resources to provide customers with full-chain technical services and one-stop oilfield development solutions for their oil and gas assets.

Marine Support Services Segment

In the first half of the year, revenue from the Company's marine support services segment was RMB2,606.0 million, representing an increase of RMB431.6 million or 19.8% compared with RMB2,174.4 million for the same period of last year.

In the first half of 2025, the Company maintained a relatively high market share in the domestic market, established a new service model of "Vessel +" and focused on improving the reserve and allocation capacities of equipment resources. Meanwhile, the Company continued to expand overseas high-end customers, and enhanced its international operation capabilities. The Company promoted the green transformation of development mode, and the LNG powered standby fleet operated efficiently, reducing carbon dioxide emissions by about 50,000 tons in total. The Company established a "one-stop special operation service system", focused on high-value services, and successfully completed the offshore overall floating and towing operation of the world's first 100,000-ton super-large floating production rig, creating a new benchmark for OSV's "micron-level" operation in the field of offshore engineering, and further consolidating the Company's professional advantages and market reputation in the field of special operations.

As of 30 June 2025, the Company operated and managed a total of over 200 vessels, including AHTS vessels, platform supply vessels and standby vessels, etc. The operating days amounted to 41,510, representing an increase of 8,979 days compared with the same period of last year. The operation volume of main businesses increased. Details are in the following table:

	For the six months ended 30 June		Percentage change
	2025	2024	
Marine Support Services			
Operating days (day)	41,510	32,531	27.6%
Standby vessels	8,049	5,809	38.6%
AHTS vessels	20,448	14,408	41.9%
Platform supply vessels	11,537	10,269	12.3%
Multi-purpose vessels	1,015	1,503	(32.5%)
Workover support barges	461	542	(14.9%)

Geophysical Acquisition and Surveying Services Segment

Revenue from the Company's geophysical acquisition and surveying services segment was RMB1,093.7 million for the first half of the year, which basically maintained stable compared with the same period of last year.

In the first half of 2025, the global utilisation rate of geophysical service fleet declined, and the industry faced with dual challenges of aging fleet and sluggish traditional oil and gas exploration market. The Company focused on new situations and demands of exploration and development, continuously forged the hard power of independent geophysical exploration equipment, fully promoted the construction of the key laboratory for marine geophysical exploration equipment technology, and promoted the upgrading and transformation of geophysical exploration equipment technology based on the advantages of its equipment scale and operation accumulation. The "HYSY720" vessel went overseas with the "Haijing" system and adopted the international advanced operation mode, realizing the new breakthrough of China's high-end marine exploration technology in the international market. "Haimai", the self-developed ocean bottom seismic exploration and acquisition equipment, has been put into use in the Bohai Sea, effectively filling the domestic technical gap, building a complete industrial chain covering R&D, manufacturing and application with chain innovation, and pushing China's marine geophysical exploration equipment towards the high-end and large-scale development.

As of 30 June 2025, with the impact of market layout and adjustment of production capacity, the operation volume of the Company's 2D acquisition was 3,557 km, representing a decrease of 68.2% as compared with the same period of last year. The 3D acquisition operation volume was 9,000 km², representing a decrease of 45.0% as compared with the same period of last year. The total operation volume of ocean bottom amounted to 964 km², representing an increase of 105.1% as compared with the same period of last year. Details are as follows:

Geophysical Acquisition and Surveying Services	For the six months ended 30 June		Percentage change
	2025	2024	
2D acquisition (km)	3,557	11,174	(68.2%)
3D acquisition (km ²)	9,000	16,370	(45.0%)
Ocean bottom cable (km ²)	260	193	34.7%
Ocean bottom node (km ²)	704	277	154.2%

FINANCIAL REVIEW

1.1 Revenue

In the first half of 2025, the revenue of the Company increased by RMB798.4 million or 3.5% compared with the same period of last year. The detailed analysis is set out below:

Revenue of each business segment for the first half of 2025:

<i>Unit: RMB million</i>	For the six months ended 30 June			Percentage change
	2025	2024	Change	
Business segment				
Drilling services	7,231.4	6,408.4	823.0	12.8%
Well services	12,364.0	12,811.8	(447.8)	(3.5%)
Marine support services	2,606.0	2,174.4	431.6	19.8%
Geophysical acquisition and surveying services	1,093.7	1,102.1	(8.4)	(0.8%)
Total	<u>23,295.1</u>	<u>22,496.7</u>	<u>798.4</u>	<u>3.5%</u>

Revenue generated from drilling services business increased by 12.8% over the same period of last year, which was mainly due to the improvement in the utilisation rate of domestic drilling rigs and the increase in both the operation price and operation volume in the North Sea region during the period.

Revenue from well services business decreased by 3.5% over the same period of last year, which was mainly due to the impact of the weakened activity of drilling in certain regions around the world.

Revenue from marine support services business increased by 19.8% over the same period of last year. The Company effectively coordinated vessel resources, with an increase of 21 vessels in operation over the same period of last year, and the utilisation rate of major vessels increased.

Revenue from geophysical acquisition and surveying services business remained basically stable over the same period of last year, and workload of major equipment was relatively full.

1.2 Operating expenses

In the first half of 2025, the Company's operating expenses amounted to RMB20,415.8 million, representing an increase of RMB397.0 million or 2.0% from RMB20,018.8 million for the same period of last year.

The table below breaks down the Company's operating expenses for the first half of 2025:

<i>Unit: RMB million</i>	For the six months ended 30 June			Percentage change
	2025	2024	Change	
Depreciation of property, plant and equipment and amortisation of intangible assets and multiclient library	3,123.5	2,837.4	286.1	10.1%
Depreciation of right-of-use assets	358.1	198.3	159.8	80.6%
Employee compensation costs	4,025.1	3,899.5	125.6	3.2%
Repair and maintenance costs	163.4	258.5	(95.1)	(36.8%)
Consumption of supplies, materials, fuel, services and others	4,471.9	4,846.3	(374.4)	(7.7%)
Subcontracting expenses	6,350.1	5,999.2	350.9	5.8%
Lease expenses	944.5	999.8	(55.3)	(5.5%)
Impairment losses of property, plant and equipment	82.0	0.0	82.0	N/A
Reversal of impairment losses under expected credit loss model, net	(20.8)	(4.6)	(16.2)	352.2%
Other operating expenses	918.0	984.4	(66.4)	(6.7%)
Total operating expenses	<u>20,415.8</u>	<u>20,018.8</u>	<u>397.0</u>	<u>2.0%</u>

Depreciation of property, plant and equipment and amortisation of intangible assets and multiclient library for the period increased by RMB286.1 million or 10.1% compared with the same period of last year.

Depreciation of right-of-use assets for the period increased by RMB159.8 million or 80.6% compared with the same period of last year, primarily due to an increase in the original value of right-of-use assets as a result of the lease modification of certain drilling rigs during the period, leading to a corresponding increase in depreciation costs.

Employee compensation costs for the period increased by RMB125.6 million or 3.2% compared with the same period of last year.

Repair and maintenance costs for the period decreased by RMB95.1 million or 36.8% compared with the same period of last year, which was mainly due to the full workload of equipment segment for the period and the decrease in repair arrangements compared with the same period of last year.

Consumption of supplies, materials, fuel, services and others for the period decreased by RMB374.4 million or 7.7% compared with the same period of last year, mainly due to the decrease in repairing activities and materials for services.

Subcontracting expenses for the period increased by RMB350.9 million or 5.8% compared with the same period of last year, mainly due to an increase of 21 vessels in operation over the same period of last year.

Lease expenses for the period decreased by RMB55.3 million or 5.5% compared with the same period of last year, mainly due to the lease modification of certain drilling rigs during the period, leading to a decrease in lease expenses compared with the same period of last year.

Impairment losses of property, plant and equipment for the period amounted to RMB82.0 million, which were impairment losses of equipment.

Reversal of impairment losses under expected credit loss model, net for the period amounted to RMB20.8 million, of which reversal of credit losses of accounts receivable was RMB21.0 million and provision of credit losses of other receivables was RMB0.2 million for the period.

Other operating expenses for the period amounted to RMB918.0 million, which mainly included more than 30 cost items including travel expenses, business trip expenses, office expenses, expenses for library materials, health, safety and environmental protection expenses, transfer fee for technology, weather guarantee fees, consulting fees, audit fees and so on, representing a decrease of RMB66.4 million compared with the same period of last year, mainly due to an increase of RMB56.0 million in provision of loss of equipment dropping into wells for the period as compared with the same period of last year. Other items increased or decreased respectively. Among which, during the period, health, safety and environmental protection expenses amounted to RMB221.8 million, representing a decrease of RMB16.2 million compared with the same period of last year; transfer fees for technology amounted to RMB90.9 million, representing a decrease of RMB19.4 million compared with the same period of last year; travel expenses amounted to RMB78.7 million, business trip expenses amounted to RMB32.7 million, office expenses amounted to RMB22.0 million, and audit fees and other fees amounted to RMB415.9 million in total.

At the same period of 2024, other operating expenses amounted to RMB984.4 million, which mainly included more than 30 cost items including travel expenses, business trip expenses, office expenses, expenses for library materials, health, safety and environmental protection expenses, transfer fee for technology, weather guarantee fees, consulting fees, audit fees and so on. Among which, health, safety and environmental protection expenses amounted to RMB238.0 million, transfer fees for technology amounted to RMB110.3 million, travel expenses amounted to RMB99.4 million, project management fees amount to RMB59.8 million, business trip expenses amounted to RMB38.7 million, and audit fees, office expenses and other fees amounted to RMB438.2 million in total.

The table below shows operating expenses for each segment in the first half of 2025:

<i>Unit: RMB million</i>				
For the six months ended 30 June				
Business segment	2025	2024	Change	Percentage change
Drilling services	6,554.5	6,050.2	504.3	8.3%
Well services	10,256.1	10,661.6	(405.5)	(3.8%)
Marine support services	2,455.6	2,078.5	377.1	18.1%
Geophysical acquisition and surveying services	1,149.6	1,228.5	(78.9)	(6.4%)
Total	<u>20,415.8</u>	<u>20,018.8</u>	<u>397.0</u>	<u>2.0%</u>

1.3 Profit from operations

The Company's profit from operations in the first half of 2025 amounted to RMB2,908.6 million, representing an increase of RMB216.6 million as compared with RMB2,692.0 million for the same period of last year. The profit from operations for each segment is shown in the table below:

<i>Unit: RMB million</i>				
For the six months ended 30 June				
Business segment	2025	2024	Change	Percentage change
Drilling services	686.4	372.8	313.6	84.1%
Well services	2,112.6	2,244.5	(131.9)	(5.9%)
Marine support services	158.6	101.3	57.3	56.6%
Geophysical acquisition and surveying services	(49.0)	(26.6)	(22.4)	(84.2%)
Total	<u>2,908.6</u>	<u>2,692.0</u>	<u>216.6</u>	<u>8.0%</u>

Benefiting from the improvement in the domestic utilisation rate of major equipment and the rise in service price in the North Sea, profit from operations of drilling services increased by 84.1%.

Affected by the weakened activity of drilling in certain regions, profit from operations of well services dropped by 5.9%.

Benefiting from the increase in the number of vessels in operation and the improvement in utilisation rate, profit from operations of marine support services increased by 56.6%.

Profit from operations of geophysical acquisition and surveying services decreased by 84.2% compared with the same period of last year, mainly due to the income of approximately RMB100 million arising from refined oil consumption tax refund in the first half of last year.

1.4 Financial expenses, net

In the first half of 2025, the Company's net financial expenses were RMB406.5 million, which remained basically stable compared with RMB405.3 million for the same period of last year. Of which, affected by the fluctuation of exchange rate, net exchange loss increased by RMB81.6 million compared with the same period of last year, interest income decreased by RMB13.7 million compared with the same period of last year, and finance costs decreased by RMB94.0 million compared with the same period of last year, which was mainly attributable to the reduction in scale of interest-bearing liabilities compared with the same period of last year.

1.5 Investment income

In the first half of 2025, the Company's investment income amounted to RMB5.5 million, representing an increase of RMB4.3 million compared with RMB1.2 million for the same period of last year, mainly because majority of wealth management products matured and were redeemed at the end of the month during the period.

1.6 Gains arising from financial assets at fair value through profit or loss

In the first half of 2025, gains arising from financial assets at fair value through profit or loss was RMB11.8 million, representing a decrease of RMB30.8 million compared with RMB42.6 million for the same period of last year, mainly due to the reduction of principal of investment in wealth management, resulting in a decrease in gains compared with the same period of last year.

1.7 Profit for the period

In the first half of 2025, profit for the period of the Company was RMB2,076.8 million, as compared with RMB1,709.6 million for the same period of last year.

1.8 Basic earnings per share

In the first half of 2025, the Company's basic earnings per share amounted to RMB41.16 cents, as compared with basic earnings per share of RMB33.37 cents for the same period of last year.

2. Analysis of interim condensed consolidated statement of financial position

As of 30 June 2025, total assets of the Company amounted to RMB83,974.4 million, representing an increase of RMB1,026.7 million or 1.2% as compared with RMB82,947.7 million at the end of 2024. Total liabilities were RMB38,545.0 million, representing an increase of RMB21.9 million or 0.1% as compared with RMB38,523.1 million at the end of 2024. Shareholders' equity was RMB45,429.3 million, representing an increase of RMB1,004.8 million or 2.3% as compared with RMB44,424.5 million at the end of 2024.

An analysis of reasons for significant changes in major account items on the interim condensed consolidated statement of financial position is as follows:

Unit: RMB million

Items	30 June 2025	31 December 2024	Percentage change	Reasons
Multiclient library	44.6	72.1	(38.1%)	Mainly due to the gradual decline in line with the residual value of amortisation.
Deferred tax assets	95.0	28.5	233.3%	Mainly due to the impact of provision of unpaid remuneration and accrued expenses for the period, leading to the change of net deferred tax of the parent company from deferred tax liabilities to deferred tax assets.
Accounts receivable	19,469.2	14,062.7	38.4%	Mainly due to the increase in receivables from operation as a result of the increase in operation volume.
Notes receivable	5.8	51.0	(88.6%)	Mainly due to the maturity and recovery of notes.
Financial assets at fair value through profit or loss	0.0	5,500.5	(100.0%)	Mainly attributable to the redemption of wealth management products with floating returns upon maturity during the period.
Receivables at fair value through other comprehensive income	97.6	156.4	(37.6%)	Mainly due to the maturity and recovery of notes.
Contract assets (current assets)	6.4	70.9	(91.0%)	Mainly due to the completion of entrusted repair of external rigs for which relevant services have been provided and settled during the period.

Unit: RMB million

Items	30 June 2025	31 December 2024	Percentage change	Reasons
Contract costs (current assets)	0.4	142.2	(99.7%)	Mainly due to the decrease in rig mobilisation costs due to the amortisation.
Other current assets	575.5	268.2	114.6%	Mainly due to the increase in input value-added tax (VAT) which is subject to verification and prepaid tax.
Time deposits	101.2	542.2	(81.3%)	Mainly due to the reclassification of time deposits due within three months to cash and cash equivalents.
Cash and cash equivalents	7,108.0	5,423.8	31.1%	Mainly attributable to the redemption of wealth management products with floating returns upon maturity during the period.
Salary and bonus payables	1,479.9	937.0	57.9%	Mainly due to the impact of the schedule for payment of remuneration, provision was made based on historical levels during the year and the remuneration shall be paid at the end of the year based on the assessment result.
Tax payable	603.9	453.8	33.1%	Mainly due to the increase in corporate income tax payable at the end of the period.
Interest-bearing bank borrowings (current liabilities)	2,892.8	18.3	15,707.7%	Mainly due to the increase in short-term loan during the period.
Lease liabilities (current liabilities)	671.1	468.1	43.4%	Mainly due to the increase in lease liabilities as a result of the lease modification of certain drilling rigs during the period.
Other current liabilities	783.6	416.3	88.2%	Mainly due to the increase in the output VAT to be recognized.
Deferred tax liabilities	35.0	277.6	(87.4%)	Mainly due to the impact of provision of unpaid remuneration and accrued expenses for the period, leading to the change of net deferred tax of the parent company from deferred tax liabilities to deferred tax assets.

3. Analysis of interim condensed consolidated statement of cash flows

At the beginning of 2025, the Company held cash and cash equivalents of RMB5,423.8 million. Net cash outflows from operating activities for the period amounted to RMB494.7 million. Net cash inflows from investing activities were RMB3,607.7 million. Net cash outflows from financing activities were RMB1,419.3 million. The impact of foreign exchange rate changes on cash resulted in a decrease of RMB9.5 million. As of 30 June 2025, the Company's cash and cash equivalents amounted to RMB7,108.0 million.

3.1 Cash flows from operating activities

In the first half of 2025, the Company's net cash outflows from operating activities amounted to RMB494.7 million, as compared with the net cash inflows from operating activities of RMB1,714.2 million for the same period of last year, mainly due to the increase in cash for purchase of goods and receipt of services for the period.

3.2 Cash flows from investing activities

In the first half of 2025, net cash inflows from the Company's investing activities amounted to RMB3,607.7 million, representing an increase of RMB218.0 million in net cash inflows compared with net cash inflows from investing activities of RMB3,389.7 million for the same period of last year, which was mainly due to the decrease of RMB2,206.9 million in cash inflows from the proceeds on disposal/maturity of investments in floating rate corporate wealth management products and monetary funds compared with the same period of last year, the decrease of RMB2,440.0 million in cash outflows paid for purchase of floating rate corporate wealth management products, monetary funds and time deposits compared with the same period of last year and the increase of RMB114.7 million in the cash outflows paid for purchase of property, plant and equipment and other long-term assets compared with the same period of last year.

3.3 Cash flows from financing activities

In the first half of 2025, the Company's net cash outflows from financing activities amounted to RMB1,419.3 million, representing a decrease of RMB1,602.5 million in net cash outflows compared with the same period of last year, which was mainly due to the fact that cash received from newly loans of bank and related parties during the period increased by RMB3,966.0 million compared with the same period of last year, cash paid for repayment of long-term bonds increased by RMB3,586.4 million compared with the same period of last year, and cash paid for repayment of bank loans decreased by RMB1,261.6 million compared with the same period of last year.

3.4 The impact of foreign exchange rate changes on cash during the period resulted in a decrease of RMB9.5 million in cash.

4. Capital expenditure

In the first half of 2025, the Company's capital expenditure was RMB2,521.0 million, representing a decrease of RMB34.2 million or 1.3% compared with RMB2,555.2 million for the same period of last year.

The capital expenditure of each business segment is shown in the table below:

<i>Unit: RMB million</i>	For the six months ended 30 June			Percentage change
	2025	2024	Change	
Business segment				
Drilling services	784.0	1,235.1	(451.1)	(36.5%)
Well services	1,097.5	999.1	98.4	9.8%
Marine support services	494.7	135.4	359.3	265.4%
Geophysical acquisition and surveying services	144.8	185.6	(40.8)	(22.0%)
Total	<u>2,521.0</u>	<u>2,555.2</u>	<u>(34.2)</u>	<u>(1.3%)</u>

The capital expenditure of drilling service business is mainly used for the transformation and renovation of equipment and the special inspection of drilling rigs (1 drilling rig purchased in the first half of 2024). The capital expenditure of well services business is mainly used for the construction and purchase of well technology services equipment relating to such business. The capital expenditure of marine support services business is mainly used for the purchase and the transformation and renovation of operation vessels. The capital expenditure of geophysical acquisition and surveying services business is mainly used for the transformation and renovation of operation vessels and equipment.

5. Major subsidiaries

China Oilfield Services (BVI) Limited, COSL Hong Kong International Limited, COSL Singapore Limited, China France Bohai Geoservices Co., Ltd. ("China France Bohai") and COSL Hainan Ltd. ("Hainan Company") are major subsidiaries of the Group, which mainly engage in drilling, well services and relevant businesses.

As of 30 June 2025, the total assets of China Oilfield Services (BVI) Limited amounted to RMB8,625.9 million and equity was RMB1,927.5 million. China Oilfield Services (BVI) Limited realized revenue of RMB2,417.3 million in the first half of 2025, representing a decrease of RMB337.4 million compared with the same period of last year. The net profit amounted to RMB274.8 million, representing an increase of RMB135.8 million compared with the same period of last year.

As of 30 June 2025, the total assets of COSL Hong Kong International Limited amounted to RMB7,703.7 million and equity was RMB7,646.3 million. The revenue of COSL Hong Kong International Limited was nil in the first half of 2025. The net profit amounted to RMB2,752.2 thousand, representing an increase of RMB2,539.3 thousand compared with the same period of last year, which was mainly due to the increase in investment income as a result of dividend distribution of subsidiaries.

As of 30 June 2025, the total assets of COSL Singapore Limited amounted to RMB19,154.5 million and equity was RMB-17,159.4 million. COSL Singapore Limited realized revenue of RMB3,133.1 million in the first half of 2025, representing an increase of RMB523.4 million compared with the same period of last year. The net profit amounted to RMB-240.7 million, representing a decrease in loss of RMB492.6 million compared with the same period of last year. Among which, COSL Norwegian AS (“CNA”) is a major subsidiary of COSL Singapore Limited, with the specific information as follow.

As of 30 June 2025, the total assets of CNA amounted to RMB11,246.6 million and equity was RMB-6,205.2 million. CNA realized revenue of RMB1,599.3 million in the first half of 2025, representing an increase of RMB872.5 million compared with the same period of last year. The net profit amounted to RMB-85.4 million, representing a decrease in loss of RMB388.3 million compared with the same period of last year, which was mainly due to the increase in profitability as a result of the orderly operation of drilling rigs with high daily-rate.

As of 30 June 2025, the total assets of China France Bohai amounted to RMB1,691.4 million and equity was RMB815.0 million. In the first half of 2025, China France Bohai realized revenue of RMB1,011.3 million, representing an increase of RMB150.3 million compared with the same period of last year. The net profit amounted to RMB234.3 million, representing an increase of RMB17.5 million compared with the same period of last year.

As of 30 June 2025, the total assets of Hainan Company amounted to RMB4,527.9 million and equity was RMB3,345.8 million. Hainan Company realized revenue of RMB1,389.7 million in the first half of 2025, representing a decrease of RMB713.8 million compared with the same period of last year. The net profit amounted to RMB131.2 million, representing a decrease of RMB36.0 million compared with the same period of last year.

PROSPECTS

The Global Economic Prospects report released by the World Bank in June 2025 pointed out that the global economy was facing severe challenges of escalating trade tensions and increasing policy uncertainty. In 2025, the global economic growth rate is expected to slow down to 2.3%, representing a decrease of 0.4 percentage point as compared with the forecast at the beginning of the year. In the first half of 2025, the international oil price fluctuated violently. In the second half of the year, the international oil prices are expected to show a trend of weak amid volatility, and the average of the international oil prices are expected to be lower than the first half of the year. The escalation of geopolitical conflicts, the unexpected reduction of shale oil production in the United States and other factors may promote the staged rebound of international oil prices.

In the second half of 2025, affected by the downward shift in the average of the international oil prices and the slowdown of global economic growth, the capital expenditures of oil companies will further shrink. According to the data of the International Energy Agency (IEA), the global expenditures on shale oil and investment in projects with high cost will significantly decrease in 2025, leading to weak demand for traditional oilfield services in certain regions. The development of deep-sea oilfields and CCUS services have become new growth poles. The OPEC+ policy adjustment, the changes in global economic situation and the technological breakthroughs may bring development opportunities. With the putting into use of new equipment, the application of new technologies and the promotion of integrated projects, the Company will get more service opportunities.

SUPPLEMENTARY INFORMATION

AUDIT COMMITTEE

The audit committee comprises of three independent non-executive directors of the Company. The audit committee has reviewed the accounting principles and practices adopted by the Company as well as the risk management, internal control and financial reporting matters. The Company's unaudited interim results and interim report for the six months ended 30 June 2025 have been reviewed by the audit committee. The interim financial information has been reviewed by the Company's auditor, Ernst & Young, in accordance with Hong Kong Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the Hong Kong Institute of Certified Public Accountants.

CORPORATE GOVERNANCE CODE

During the six months ended 30 June 2025, the Company has complied with principles and code provisions of the Corporate Governance Code as set out in Appendix C1 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter “Hong Kong Listing Rules”), and also has explained the implementation of provision C.2.1 of Part 2 of the Corporate Governance Code.

The chairman and the chief executive officer of the Company are currently held by Mr. Zhao Shunqiang alone. This is different from the Code Provision C.2.1 of Part 2 of the Corporate Governance Code, which states that the roles of chairman and chief executive officer should be different and should not be performed by the same person at the same time. However, the Board believes that, the roles of chairman and chief executive officer being assumed by the same person can help to meet the Company’s production and operation needs in current phase, and guarantee the effective formulation and vigorous promotion of the Company’s strategies. At the same time, all major decisions of the Company are discussed by the Board, the special Board Committees and Senior Management, and other members of the Board or the independent non-executive directors shall also play a role in balancing and supervising the above major decisions. In addition, the internal control structure of the Company plays a supervisory and review role in the decision-making and implementation of major decisions and the independent non-executive directors shall also express objective, fair and independent opinions on the matters discussed by the Company. The Board believes that the current structure does not reduce the balances of power and authorization, and allows the Company to make decisions and implementations in a timely and effective manner.

FOREIGN CURRENCY RISK AND OTHER POTENTIAL RISKS

The Company’s operation is affected by the exchange rate fluctuation of RMB against other foreign currencies. If the exchange rate fluctuation is significant, the Company’s net profit will be impacted to a certain extent. At the same time, if the exchange rate fluctuation is significant, it will also have an impact on cash receipts and payments including the foreign exchange receipts and payments, the US dollar debt repayment pressure and the cost of purchasing imported equipment of the Company. The management of the Company will continuously monitor such exposure. During the production and operation process, the Company will take corresponding measures to try to avoid various operational risks, but it is not possible to completely exclude the occurrence of various types of risks and uncertain factors in the actual production and operation process, such as market competition risk, health, safety and environmental risk, domestic and overseas business expansion and operational risks, assets impairment risk, accounts receivable recovery risk, etc. An overseas subsidiary of the Group is subject to tax obligation in its jurisdiction. COSL Mexico S.A. de C.V., a wholly-owned subsidiary of the Group, is involved in a tax dispute with the Servicio de Administración Tributaria. Different views taken by the Group and the Mexican tax authority over the interpretation and implementation of tax laws and regulations may increase the Group’s tax liabilities. The management of the Group is continuously assessing the possible future impact of the above tax matter, and will maintain close communication with the tax authority.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED COMPANIES

Upon specific enquiry to all directors and supervisors by the Company, the directors and supervisors of the Company have confirmed that they have, for the six months ended 30 June 2025, strictly complied with the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 of the Hong Kong Listing Rules.

PURCHASE, SALE AND REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor its subsidiaries purchased, sold or redeemed any of its listing securities (including the sale of treasury shares) during the six months ended 30 June 2025. As at the end of the reporting period, neither the Company nor its subsidiaries held any treasury shares.

PROGRESS OF BUSINESS PLAN

In the first half of 2025, affected by the global energy structure adjustment and other factors, the global oil and gas demand showed a slowdown trend of growth with significant regional differentiation. The workload of the Company's main business segments achieved a steady improvement as compared with the same period of last year. In the first half of the year, the Company realized the revenue of RMB23.295 billion and a net profit of RMB2.077 billion. In the first half of the year, the Company deepened the lean management strategy, achieved remarkable results in improving operational efficiency and cost control and leaped to a new level of key tasks such as scientific and technological research and overseas market expansion, demonstrating the resilience suitable for the development of the new cycle of the industry. The Company will focus on global key target markets, actively participate in energy service cooperation, and deliver superior results to both shareholders and the market.

CHARGES ON ASSETS

As at 30 June 2025, the Group had no material charges against its assets.

OTHERS

The directors are of the opinion that there have been no material changes to the information published in the annual report for the year ended 31 December 2024, other than those disclosed in this interim results announcement.

DISCLOSURE OF INFORMATION ON WEBSITES OF THE COMPANY AND HONG KONG STOCK EXCHANGE

This announcement will be available on the Company's website (<https://www.cosl.com.cn>) and the Hong Kong Stock Exchange's website (<https://www.hkex.com.hk>). The full text of the 2025 interim report will be mailed to the shareholders of the Company according to the requirement of shareholders in due course and published on the websites of the Company and Hong Kong Stock Exchange.

By Order of the Board
China Oilfield Services Limited
Sun Weizhou
Company Secretary

26 August 2025

As at the date of this announcement, the executive directors of the Company are Messrs. Zhao Shunqiang (Chairman), Lu Tao and Xiao Jia; the non-executive directors of the Company are Messrs. Fan Baitao and Liu Qiudong; and the independent non-executive directors of the Company are Ms. Chiu Lai Kuen, Susanna, Messrs. Kwok Lam Kwong, Larry and Yao Xin.