



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

—FIRST QUARTERLY RESULTS

This announcement is made pursuant to Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The First Quarterly Report for 2017 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.

27 April 2017

As at the date of this announcement, the executive directors of the Company are Messrs. Qi Meisheng, Dong Weiliang and Li Feilong; the non-executive directors of the Company are Messrs. Lv Bo (Chairman) and Xie Weizhi; and the independent non-executive directors of the Company are Messrs. Law Hong Ping, Lawrence, Fong Chung, Mark and Wong Kwai Huen, Albert.

Stock code:601808

Stock short name:中海油服

China Oilfield Services Limited

2017 First 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 Information of directors of the Company who didn’t attend the Board meeting for reviewing the report.

Name of directors who did not attend the board meeting	Positions of directors who did not attend the board meeting	Reasons for not attending the board meeting	Appointee
Qi Meisheng	Director	Other office duty	Lv Bo

1.3 Mr. Qi Meisheng, person in charge of the Company, Mr. Li Feilong, person in charge of the accounting work, and Mr. Dong Zhongxin, person in charge of the accounting office (the accountant in charge), have declared that they assure for the truthfulness, accuracy and completeness of the financial statements in the report.

1.4 The First Quarterly Financial Statements of the Company was unaudited.

§ 2. Basic Information of the Company

2.1 Principal Financial Data

Unit: million Yuan Currency: RMB

	As at 31 March 2017	As at 31 December 2016	Increase/Decrease (%)
Total assets	79,502.9	80,544.1	-1.3%
Equity attributable to owners of the Company	34,658.3	35,206.4	-1.6%
	From the beginning of the year to end of the reporting period	From the beginning of last year to end of the reporting period of last year	Change over the corresponding period of last year (%)
Net cash flow from operating activities	196.4	905.5	-78.3%
	From the beginning of the year to end of the reporting period	From the beginning of last year to end of the reporting period of last year	Change over the corresponding period of last year (%)
Revenue	3,057.7	3,375.0	-9.4%
Net profit attributable to owners of the Company	-544.8	-926.6	41.2%

Net profit excluding non-recurring gain and loss attributable to owners of the Company	-594.3	-936.6	36.5%
Weighted average net assets earnings ratio(%)	-1.6%	-2.0%	Increases 0.4 percentage points
Basic earnings per share (Yuan per share)	-0.11	-0.19	41.2%
Diluted earnings per share (Yuan per share)	N/A	N/A	N/A

Non-recurring gain and loss

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Items	Amounts of the period
Gain / loss on disposal of non-current assets	-7,090,005
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	7,108,709
Revenue from the wealth management products credited to the income statement	46,443,221
Other gain or loss items conforming with the definition of non-recurring gain or loss	11,830,823
Income tax effect	-8,743,912
Total amounts	49,548,836

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:	70,504					
Particulars of shareholding of the top 10 shareholders						
Name of shareholder (Full name)	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	2,410,849,300	50.53	0	Nil	0	State-owned legal person
Hong Kong Securities Clearing Company Nominees Limited	1,807,808,661	37.89	0	Nil	0	Others
China Securities Finance Corporation Limited	136,920,373	2.87	0	Nil	0	State-owned legal person
Central Huijin Investment Ltd.	29,883,000	0.63	0	Nil	0	State-owned legal person
National Social Security Fund 504	13,421,053	0.28	0	Nil	0	Others
Guosen Securities Co., Ltd.	10,522,918	0.22	0	Nil	0	Others
Abu Dhabi Investment Authority	6,658,461	0.14	0	Nil	0	Others
National Social Security Fund 116	6,075,570	0.13	0	Nil	0	Others
National Social Security Fund 111	5,841,938	0.12	0	Nil	0	Others
National Social Security Fund 105	5,798,943	0.12	0	Nil	0	Others
Particulars of shareholding of the top 10 shareholders not subject to restrictions on sales						
Name of shareholder	Shares not subject to restrictions on sales as at the end of the reporting period	Type and number of share				
		Type	Number			
China National Offshore Oil Corporation	2,410,847,300	A Shares	2,410,847,300			
	2,000	H Shares	2,000			
Hong Kong Securities Clearing Company Nominees Limited	1,807,808,661	H Shares	1,807,808,661			
China Securities Finance Corporation Limited	136,920,373	A Shares	136,920,373			
Central Huijin Investment Ltd.	29,883,000	A Shares	29,883,000			
National Social Security Fund 504	13,421,053	A Shares	13,421,053			
Guosen Securities Co., Ltd.	10,522,918	A Shares	10,522,918			
Abu Dhabi Investment Authority	6,658,461	A Shares	6,658,461			
National Social Security Fund 116	6,075,570	A Shares	6,075,570			
National Social Security Fund 111	5,841,938	A Shares	5,841,938			
National Social Security Fund 105	5,798,943	A Shares	5,798,943			

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 (2,000 H shares held by China National Offshore Oil Corporation are not included). 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. 3. In “ Particulars of shareholding of the top 10 shareholders ”, the 2,410,849,300, the “ Total number of shares held ” of China National Offshore Oil Corporation, include 2,410,847,300 A shares and 2,000 H shares.
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2.3 Total number of holders of preference shares, top 10 holders of preference shares and top 10 holders of preference shares not subject to restriction on sales as at the end of the reporting period

Applicable Not Applicable

2.4 Operating results review

In the first quarter of 2017, as the international oil price gradually rebounded to around US\$50, capital expenditures of oil companies increased as compared with the same period last year. However, the entire oilfield services industry was still facing with challenges and uncertainties. Although the Group’s operating environment was surrounded by pressures, the Group continued to promote its cost management and control measures and endeavored to maintain and explore its markets, which resulted in the increase in both workload and service prices of certain businesses in semi-submersible drilling rigs, marine support services and well services segments during the period. In the first quarter of 2017, the Group’s revenue amounted to RMB3,057.7 million while the Group’s net profit amounted to RMB-533.2 million, representing a decrease of loss of RMB389.5 million as compared with the loss of RMB-922.7 million over the same period last year.

Operating information of the main segments for the period ended 31 March 2017 is listed in the following table:

	For the period ended 31 March 2017	For the period ended 31 March 2016	Change(%)
Drilling Services			
Operating Days (Day)	1,905	2,043	-6.8%
Jack-up Drilling Rigs	1,585	1,781	-11.0%
Semi-submersible Drilling Rigs	320	262	22.1%

Utilization Rate (Available Day)	52.0 %	58.9%	Decreased 6.9 percentage points
Jack-up Drilling Rigs	55.6%	66.0%	Decreased 10.4 percentage points
Semi-submersible Drilling Rigs	39.4%	34.1%	Increased 5.3 percentage points
Utilization Rate (Calendar Day)	48.1%	51.9%	Decreased 3.8 percentage points
Jack-up Drilling Rigs	53.4%	60.7%	Decreased 7.3 percentage points
Semi-submersible Drilling Rigs	32.3%	26.2%	Increased 6.1 percentage points
Marine Support Services (Group Owned Vessels)	For the period ended 31 March 2017	For the period ended 31 March 2016	Change(%)
Operating Days (Day)	6,432	5,525	16.4%
Standby Vessels	2,934	2,812	4.3%
AHTS Vessels	1,988	1,009	97.0%
PSV Vessels	933	1,075	-13.2%
Utility Vessels	217	265	-18.1%
Barges	360	364	-1.1%
Vessel Utilization Rate (Available Day)	82.8%	76.3%	Increased 6.5 percentage points
Standby Vessels	90.8%	86.3%	Increased 4.5 percentage points
AHTS Vessels	80.1%	55.6%	Increased 24.5 percentage points
PSV Vessels	75.2%	78.8%	Decreased 3.6 percentage points
Utility Vessels	48.2%	60.1%	Decreased 11.9 percentage points
Barges	100.0%	100.0%	-
Vessel Utilization Rate (Calendar Day)	81.2%	74.1%	Increased 7.1 percentage points
Standby Vessels	88.1%	83.5%	Increased 4.6 percentage points
AHTS Vessels	79.0%	53.1%	Increased 25.9 percentage points
PSV Vessels	74.1%	78.8%	Decreased 4.7 percentage points

Utility Vessels	48.2%	58.3%	Decreased 10.1 percentage points
Barges	100.0%	100.0%	-
Geophysical and Surveying Services	For the period ended 31 March 2017	For the period ended 31 March 2016	Change(%)
2D Seismic Data			
Data Acquisition (km)	0	9,540	-100.0%
Data Processing (km)	0	3,520	-100.0%
3D Seismic Data			
Data Acquisition (km ²)	5,420	0	100.0%
Including: Submarine Cable (km ²)	0	0	-
Data Processing (km ²)	2,367	3,940	-39.9%

For the period ended 31 March 2017, the operating days of drilling rigs of the Group amounted to 1,905 days, representing a decrease of 138 days or 6.8% as compared with the same period last year, among which the operating days of jack-up rigs amounted to 1,585 days, representing a decrease of 196 days. The reasons were due to: ① the fact that certain rigs were under stages between the time-lag for contracts; ② termination of leasing of certain drilling rigs. Due to the decrease of standby and maintenance days, operating days of semi-submersible drilling rigs were 320 days, representing an increase of 58 days as compared with the same period last year.

The operating days of the 2 accommodation rigs owned by the Group were 89 days, representing a decrease of 62 days and the calendar day utilization rate decreased by 33.6 percentage points to 49.4%. Five module rigs in Gulf of Mexico operated 74 days, representing a decrease of 199 days as compared with the same period last year and the calendar day utilization rate decreased to 16.4%.

For the period ended 31 March 2017, the Group's owned vessels for marine support services of the Group operated 6,432 days, representing an increase of 907 days over the same period of last year and the calendar day utilization rate of vessels increased by 7.1 percentage points to 81.2%, due to the decrease in standby and maintenance days for the current period, resulting in the increase in both workload and operation rate of standby vessels and AHTS vessels. In addition, operation of the Group's leased vessels increased during the period, which operated 1,971 days, representing an increase of 154 days as compared with the same period last year.

As for the well services segment, the operation volume from certain business lines increased, resulting in an increase in total revenue.

As for geophysical and surveying services segment, due to the market condition, the workload of the overall segment was low, of which the operation rate of 3D processing business decreased by 39.9%. The workload for 3D acquisition business significantly increased by 5,420 km² as compared with the same period last year, which was mainly due to the fact that HYSY720 and HYSY721 were maintained

in the shipyard for a quarter in last year while both vessels were in operation in the international market during the same period of the current year.

§ 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

1. Tax and surcharge

For the three months ended 31 March 2017, the tax and surcharge of the Group amounted to RMB2.8 million, representing a decrease of RMB61.2 million or 95.6% from RMB64.0 million for the same period last year (January-March). This was mainly attributable to the implementation of the tax policy of VAT by the government in last year.

2. Selling expenses

For the three months ended 31 March 2017, the selling expenses of the Group amounted to RMB2.6 million, representing a decrease of RMB1.8 million or 40.9% from RMB4.4 million for the same period last year (January-March). This was mainly attributable to the decrease in both income and costs.

3. Assets impairment losses

For the three months ended 31 March 2017, the Group recognized assets impairment losses of RMB0.2 million, representing a decrease of RMB0.2 million or 50.0% from RMB0.4 million for the same period last year (January-March). This was mainly attributable to the decrease in the provision for impairment of inventories during the current year.

4. Investment income

For the three months ended 31 March 2017, the investment income of the Group amounted to RMB53.7 million, representing an increase of RMB32.1 million or 148.6% from RMB21.6 million for the same period last year (January-March). This was mainly attributable to the increase of RMB37.4 million in income from subscription for liquidity funds, wealth management products and treasury bond related investments.

5. Operating profit

For the three months ended 31 March 2017, the operating profit of the Group amounted to RMB-518.1 million, representing a decrease of loss of RMB385.4 million from RMB-903.5 million for the same period last year (January-March). This was mainly attributable to (1) a decrease in operating cost of RMB659.9 million as well as (2) an increase in investment income of RMB32.1 million, with an increase in finance expenses for the same period last year (which was also the main reason for the decrease of loss in total profits, net profits and net profit attributable to the shareholders of the parent company by RMB394.5 million, RMB389.5 million and RMB381.8 million respectively for the same period last year).

6. Non-operating income

For the three months ended 31 March 2017, non-operating income of the Group amounted to RMB61.9million, representing an increase of RMB52.2 million or 538.1% from RMB9.7million for the same period last year (January -March). This was mainly attributable to the increase in insurance claim receivables as compared with same period last year.

7. Non-operating expenses

For the three months ended 31 March 2017, non-operating expenses of the Group amounted to RMB50.0 million, representing an increase of RMB43.1 million or 624.6% from RMB6.9 million for the same period last year (January -March). This was mainly attributable to the increase in the loss from disposal of fixed assets.

8. Non-controlling interests

For the three months ended 31 March 2017, non-controlling interests of the Group amounted to RMB11.6 million, representing an increase of RMB7.7 million or 197.4% from RMB3.9 million for the same period last year (January - March), which was mainly due to the increase in profits of a subsidiary, PT. SAMUDRA TIMUR SANTOSA, for the current period.

9. Basic earnings per share

For the first quarter of 2017, the basic earnings per share of the Group amounted to RMB-0.11, while that for the same period last year (January-March) was RMB-0.19, which was mainly attributable to the decrease of loss for current period.

10. Notes receivable

As at 31 March 2017, notes receivable of the Group amounted to RMB11.5 million, representing a decrease of RMB1,832.8 million or 99.4% from RMB1,844.3 million as at the beginning of the year. This was mainly attributable to the receipt of cash due to maturity of notes.

11. Dividends receivable

As at 31 March 2017, the dividends receivable of the Group amounted to RMB40.0 million, representing a decrease of RMB22.0 million or 35.5% from RMB62.0 million as at the beginning of the year. This was mainly attributable to the receipt of dividends from joint ventures for the current period.

12. Short-term borrowings

As at 31 March 2017, the short-term borrowings of the Group amounted to RMB2,414.8 million, representing an increase of RMB1,721.1 million or 248.1% from RMB693.7 million as at the beginning of the year, which was mainly due to the additional borrowings of US\$250 million during the current period.

13. Staff cost payable (current liabilities)

As at 31 March 2017, the staff cost payable (current liabilities) of the Group amounted to RMB489.0 million, representing a decrease of RMB287.9 million or 37.1% from RMB776.9 million as at the beginning of the year, which was mainly due to the on-schedule payment of staff cost.

14. Tax payable

As at 31 March 2017, tax payable of the Group amounted to RMB122.8 million, representing a decrease of RMB100.6 million or 45.0% from RMB223.4 million as at the beginning of the year, which was mainly due to the settlement of tax payable by certain overseas subsidiaries.

15. Net cash flows from operating activities

For the three months ended 31 March 2017, the Group's net cash inflows from operating activities amounted to RMB196.4 million, representing a decrease of RMB709.1 million or 78.3% compared to the same period last year. This was mainly attributable to the facts that: (1) cash received from and rendering of labors and services decreased by RMB1,372.3 million; (2) cash paid to and paid for staff decreased by RMB448.4 million; and (3) besides, net cash outflow decreased by RMB214.8 million due to the integrated effects of cash related to other operating activities.

16. Net cash flows from investing activities

For the three months ended 31 March 2017, the Group's net cash outflows from investing activities amounted to RMB885.0 million, representing a decrease of RMB562.9 million or 38.9% compared to the same period last year. This was mainly due to the facts that: (1) cash received from purchasing wealth management products and other activities during the period increased by RMB2,000.0 million and cash inflow received from other investment activities increased by RMB33.6 million compared to the same period last year; (2) cash paid for purchasing and construction of fixed assets, intangible assets and other long term assets increased by RMB370.7 million and cash paid for other investment increased by RMB1,100.0 million compared to the same period last year.

17. Net cash flows from financing activities

For the three months ended 31 March 2017, the Group's net cash inflows from financing activities amounted to RMB1,254.9 million and cash outflows from financing activities amounted to RMB583.7 million for the same period last year, representing an increase in cash inflows of RMB1,838.6 million. The main reasons were that (1) cash received from borrowings during the current period increased by RMB1,724.8 million as compared to same period last year ; and (2) the cash paid for debts and interest repayment during the period decreased by RMB113.8 million as compared to the same period last year.

18. The effect of foreign exchange rate fluctuation on cash and cash equivalents during the period was a decrease in cash of RMB9.5 million.**3.2 Significant events and analysis on their effects and solutions**

Applicable Not Applicable

On 14 December 2016 and 20 January 2017 (Norway time), COSL Offshore Management AS (a subsidiary of the Company) as a plaintiff filed a Statement of Claim against Statoil (Statoil Petroleum AS, hereinafter "Statoil") with Oslo District Court of Norway through WIKBORG, REIN & CO. ADVOKATFIRMA DA (changed to WIKBORG REIN ADVOKATFIRMA AS on 20 January 2017), an international law firm based in Norway, as litigation agent, to litigate against Statoil's unlawful termination of the contract in respect of the drilling rig of COSLInnovator and claim for Statoil's

obligation to cover the drilling rig of COSLPromoter for the loss incurred. For details, please refer to relevant announcements released by the Company on Securities Times and the websites of the Shanghai Stock Exchange (<http://www.sse.com.cn>), Hong Kong Stock Exchange (<http://www.hkex.com.hk>) and the Company (<http://www.cosl.com.cn>) on 15 December 2016 and 21 January 2017.

Save for the disclosed in the abovementioned announcements, the Company is not required to further disclose any information as at the date of this report. The Company will continue to monitor the progress of the above matter and make timely disclosure.

3.3 Non-performance of undertakings during the reporting period

Applicable Not Applicable

3.4 Profit warning on anticipation of possible loss against accumulated net profit from the beginning of the financial year to the end of the next reporting period or significant changes in profit as compared with that of the corresponding period of last year and the reasons therefore

Applicable Not Applicable

Recently, the global oil price has recovered to some extent and the capital expenditure for 2017 disclosed by our major customer, CNOOC, would increase as compared with 2016. In accordance with the seasonal features of the Group's operation, the work volumes of business segments will further increase in the second quarter and service prices of partial businesses will change as compared with the middle of last year. Excluding asset impairment by the middle of last year, it is expected that profits in the middle of the current year will rise to some extent as compared with the middle of last year.

Company Name	China Oilfield Services Limited
Legal Representative	Qi Meisheng
Date	27 April 2017

§ 4. Appendix

4.1 Financial Statements

Consolidated Balance Sheet

31 March 2017

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	6,652,856,630	6,094,874,538
Notes receivable	11,490,180	1,844,306,170
Accounts receivable	5,378,004,909	4,795,964,137
Prepayments	45,094,120	57,233,860
Interest receivable	8,833,650	6,923,373
Dividend receivable	39,981,630	62,000,000
Other receivables	311,333,041	316,803,146
Inventories	1,257,353,956	1,157,617,265
Other current assets	7,302,116,482	7,216,069,563
Total current assets	21,007,064,598	21,551,792,052
Non-current assets:		
Available-for sale financial assets	0	0
Long-term equity investments	592,975,732	600,364,012
Fixed assets	50,914,187,499	51,074,332,951
Construction in progress	5,560,951,606	5,733,983,217
Intangible assets	414,212,972	428,138,730
Goodwill	0	0
Long-term prepaid expenses	675,920,269	773,811,310
Deferred tax assets	68,141,613	68,513,960
Other non-current assets	269,491,424	313,120,737
Total non-current assets	58,495,881,115	58,992,264,917
Total assets	79,502,945,713	80,544,056,969
Current liabilities:		
Short-term bank borrowing	2,414,755,000	693,700,000
Accounts payable	7,111,340,929	8,461,871,272
Receipts in advance	119,075,032	109,063,452
Staff cost payable	488,976,002	776,939,252
Taxes payable	122,847,950	223,426,793
Interests payable	342,201,864	392,846,150
Other payables	154,950,237	206,038,709

Non-current liabilities due within 1 year	5,267,684,543	5,296,468,870
Other current liabilities	566,810,985	555,827,279
Total Current liabilities	16,588,642,542	16,716,181,777
Non-current liabilities:		
Long-term bank borrowings	1,759,834,957	2,057,206,200
Long-term bonds	25,208,388,791	25,279,744,480
Long-term staff cost payable	10,035,204	8,782,534
Deferred revenue	883,415,399	936,803,719
Deferred tax liabilities	278,754,339	234,456,029
Estimated liabilities	14,505,215	14,505,215
Total non-current liabilities	28,154,933,905	28,531,498,177
Total liabilities	44,743,576,447	45,247,679,954
Shareholders' equity:		
Share capital	4,771,592,000	4,771,592,000
Capital reserve	12,371,738,191	12,371,738,191
Other comprehensive income	100,618,703	103,939,810
Statutory reserve funds	2,508,655,960	2,508,655,960
Retained earnings	14,905,664,992	15,450,440,854
Equity attributable to owners of the Company	34,658,269,846	35,206,366,815
Non-controlling interests	101,099,420	90,010,200
Total shareholders' equity	34,759,369,266	35,296,377,015
Total liabilities and shareholders' equity	79,502,945,713	80,544,056,969

Legal representative:

Qi Meisheng

Person in charge of the
accounting work:

Li Feilong

Person in charge of
the accounting office:

Dong Zhongxin

Company Balance Sheet

31 March, 2017

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	4,775,201,490	3,886,899,277
Notes receivable	9,877,360	1,843,406,170
Accounts receivable	5,180,933,608	4,636,542,419
Prepayments	8,192,550	7,992,730
Interest receivable	8,400,256	2,750,960
Dividend receivable	49,981,630	72,000,000
Other receivables	1,197,301,425	1,099,442,627
Inventories	649,144,371	617,045,749
Other current assets	7,180,402,978	7,106,097,238
Total current assets	19,059,435,668	19,272,177,170
Non-current assets:		
Long-term receivables	5,290,167,001	7,090,716,233
Long-term equity investments	8,366,450,189	8,373,838,468
Fixed assets	24,505,898,145	24,082,260,398
Construction in progress	5,110,426,408	5,287,406,501
Intangible assets	307,619,365	317,570,361
Long-term prepaid expenses	422,911,905	479,722,346
Other non-current assets	190,561,742	225,210,407
Total non-current assets	44,194,034,755	45,856,724,714
Total assets	63,253,470,423	65,128,901,884
Current liabilities:		
Accounts payable	6,552,299,913	8,014,145,966
Receipts in advance	60,978,206	61,623,394
Staff cost payable	426,133,030	670,580,145
Taxes payable	22,165,183	48,070,113
Interests payable	302,361,179	198,945,362
Other payables	631,953,295	325,201,173
Non-current liabilities due within 1 year	5,267,684,543	5,296,468,870
Other current liabilities	464,946,540	448,512,650
Total current liabilities	13,728,521,889	15,063,547,673
Non-current liabilities:		
Long-term bank borrowings	1,759,834,957	2,057,206,200
Long-term bonds	11,487,327,444	11,487,327,444
Deferred revenue	352,368,510	358,322,509

Deferred tax liabilities	147,683,642	123,238,549
Estimated liabilities	14,505,215	14,505,215
Total non-current liabilities	13,761,719,768	14,040,599,917
Total liabilities	27,490,241,657	29,104,147,590
Shareholders' equity:		
Share capital	4,771,592,000	4,771,592,000
Capital reserve	12,371,738,191	12,371,738,191
Other comprehensive income	151,233,387	160,738,527
Statutory reserve funds	2,508,655,960	2,508,655,960
Retained earnings	15,960,009,228	16,212,029,616
Total shareholders' equity	35,763,228,766	36,024,754,294
Total liabilities and shareholders' equity	63,253,470,423	65,128,901,884

Legal representative:

Qi Meisheng

Person in charge of the
accounting work:

Li Feilong

Person in charge of
the accounting office:

Dong Zhongxin

Consolidated Income Statement

January to March, 2017

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
1. Gross Revenue	3,057,737,702	3,374,980,779
Including: revenue	3,057,737,702	3,374,980,779
2. Total operating costs	3,629,500,796	4,300,065,669
Including: Operating costs	3,210,831,306	3,870,740,261
Taxes and surcharges	2,812,504	64,049,732
Selling expenses	2,553,263	4,430,962
General and administrative expenses	118,953,407	111,075,507
Financial expenses	294,144,071	249,401,496
Assets impairment losses	206,245	367,711
Add: Investment income (“—” for loss)	53,676,309	21,564,359
Including: Share of profits of joint ventures	7,233,088	12,604,289
3. Operating profit (“—” for loss)	-518,086,785	-903,520,531
Add: Non-operating income	61,879,029	9,714,848
Including: gain on disposal of non-current assets	2,774,770	15,418
Less: Non-operating expenses	50,029,502	6,896,911
Including: loss on disposal of non-current assets	9,864,775	6,330,337
4. Total profit (“—” for loss)	-506,237,258	-900,702,594
Less: Income tax expenses	26,960,212	22,011,714
5. Net profit (“—” for net loss)	-533,197,470	-922,714,308
Net profit attributable to owners of the Company	-544,775,862	-926,611,688
Non-controlling interests	11,578,392	3,897,380
6. Other comprehensive income, net of tax	-3,810,279	-34,601,689
Other comprehensive income, net of tax attributable to the owners of the Company	-3,321,107	-34,166,143
(I) Other comprehensive income subsequently reclassified to profit or loss	-3,321,107	-34,166,143
1. Shares of other comprehensive income of investees that may be reclassified to profit or loss under the equity method subsequently	-1,272,676	197,343
2. Gains or losses from changes in fair value of available-for-sale financial assets	2,258,938	13,659,546

3. Exchange differences on translation of financial statements of foreign operations	-4,307,369	-48,023,032
Other comprehensive income, net of income tax attributable to non-controlling interests	-489,172	-435,546
7. Total comprehensive income	-537,007,749	-957,315,997
Total comprehensive income attributable to owners of the Company	-548,096,969	-960,777,831
Total comprehensive income attributable to non-controlling interests	11,089,220	3,461,834
8. Earnings per share:		
Basic earnings per share (RMB)	-0.11	-0.19

Legal representative:

Qi Meisheng

Person in charge of the
accounting work:

Li Feilong

Person in charge of
the accounting office:

Dong Zhongxin

Company Income Statement

January to March, 2017

Prepared by: China Oilfield Services Limited

Unit: Yuan Currency: RMB (Unaudited)

Items	Amounts of the period	Amounts of the previous period
1. Revenue	2,240,569,958	2,118,644,249
Less: Operating costs	2,300,414,292	2,645,839,429
Taxes and surcharges	1,951,798	63,491,572
Selling expenses	0	637,207
General and administrative expenses	60,824,489	45,898,373
Financial expenses	168,105,655	75,158,266
Assets impairment losses	207,714	37,895
Add: Investment income (“—” for loss)	53,676,309	71,564,359
Including: Share of profits of joint ventures	7,233,088	12,604,289
2. Operating profit (“—” for loss)	-237,257,681	-640,854,134
Add: Non-operating income	59,275,535	9,599,942
Including: gain on disposal of non-current assets	301,615	0
Less: Non-operating expenses	49,991,785	5,085,901
Including: loss on disposal of non-current assets	9,861,550	5,084,507
3. Total profit (“—” for loss)	-227,973,931	-636,340,093
Less: Income tax expenses	24,046,457	-3,509,273
4. Net profit (“—” for net loss)	-252,020,388	-632,830,820
5. Other comprehensive income, net of income tax	-9,505,140	6,123,339
(I) Other comprehensive income subsequently reclassified to profit or loss	-9,505,140	6,123,339
1. Shares of other comprehensive income of investees that may be reclassified to profit or loss under the equity method subsequently	-1,272,676	197,343
2. Gains or losses from changes in fair value of available-for-sale financial assets	2,258,938	13,659,546
3. Exchange differences on translation of financial statements of foreign operations	-10,491,402	-7,733,550
6. Other comprehensive income	-261,525,528	-626,707,481

Legal representative:

Qi Meisheng

Person in charge of the
accounting work:

Li Feilong

Person in charge of
the accounting office:

Dong Zhongxin

Consolidated Cash Flow Statement

January to March, 2017

Prepared by: China Oilfield Services Limited

Unit: Yuan

Currency: RMB (Unaudited)

Items	Amounts of the period	Amounts of the previous period
1. Cash flows from operating activities:		
Cash received from sale of goods and rendering of services	4,558,881,979	5,931,212,000
Government grants and subsidies received	2,664,400	290,000
Cash received from tax refund	0	21,187,137
Subtotal of cash inflows from operating activities	4,561,546,379	5,952,689,137
Cash paid for goods and services	2,804,138,001	2,647,034,077
Cash paid to and for employees	1,180,343,110	1,628,715,490
Cash paid for taxes	265,801,608	370,403,580
Cash paid relating to other operating activities	114,824,858	401,085,283
Subtotal of cash outflows from operating activities	4,365,107,577	5,047,238,430
Net cash flows from operating activities	196,438,802	905,450,707
2. Cash flows from investing activities:		
Cash received from disposal of investments	3,200,000,000	1,200,000,000
Cash received from return on investments	65,544,918	17,960,070
Cash received on interest income from bank deposits	4,784,138	22,913,267
Cash received from disposal of fixed assets	4,180,000	0
Sub-total of cash inflows from investing activities	3,274,509,056	1,240,873,337
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	959,500,475	588,783,840
Cash paid for other investing activities	3,200,000,000	2,100,000,000
Subtotal of cash outflows from investing activities	4,159,500,475	2,688,783,840
Net cash flows used in investing activities	-884,991,419	-1,447,910,503
3. Cash flows from financing activities:		
Cash received from procurement of loans	1,724,825,000	0

from banks		
Subtotal of cash inflows financing activities	1,724,825,000	0
Cash paid for repayment of borrowings	289,437,500	275,649,750
Cash paid for interest expenses	180,526,677	308,012,538
Subtotal of cash outflows from financing activities	469,964,177	583,662,288
Net cash flows used in financing activities	1,254,860,823	-583,662,288
4. Effect of foreign exchange rate fluctuation on cash and cash equivalents	-9,501,876	-41,935,555
5. Net increase in cash and cash equivalents	556,806,330	-1,168,057,639
Add: Cash and cash equivalents at the beginning of the period	6,071,068,600	12,573,957,888
6. Cash and cash equivalents at the end of the period	6,627,874,930	11,405,900,249

Legal representative:

Qi Meisheng

Person in charge of the
accounting work:

Li Feilong

Person in charge of
the accounting office:

Dong Zhongxin

Company Cash Flow Statement

January to March, 2017

Prepared by: China Oilfield Services Limited

Unit: Yuan Currency: RMB (Unaudited)

Items	Amounts of the period	Amounts of the previous period
1. Cash flows from operating activities:		
Cash received from sale of goods and rendering of services	3,654,121,752	4,547,411,009
Government grants and subsidies received	2,664,400	290,000
Cash received from tax refund	0	21,187,137
Subtotal of cash inflows from operating activities	3,656,786,152	4,568,888,146
Cash paid for goods and services	2,417,182,269	2,147,937,766
Cash paid to and for employees	977,103,634	1,297,451,704
Cash paid for taxes	169,911,818	294,088,208
Cash paid relating to other operating activities	85,671,531	289,428,036
Subtotal of cash outflows from operating activities	3,649,869,252	4,028,905,714
Net cash flows from operating activities	6,916,900	539,982,432
2. Cash flows from investing activities:		
Cash received from disposal of investments	3,200,000,000	1,200,000,000
Cash received from return on investments	65,544,918	17,960,070
Cash received on interest income from bank deposits	4,784,138	22,913,267
Cash received from disposal of fixed assets intangible assets and other long-term assets	4,180,000	0
Cash received from the repayment of borrowings to subsidiaries	1,936,350,037	183,098,337
Sub-total of cash inflows from investing activities	5,210,859,093	1,423,971,674
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	603,675,483	454,311,039
Cash paid for other investing activities	3,200,000,000	2,100,000,000
Cash paid for the borrowings to subsidiaries	215,009,300	195,936,000
Subtotal of cash outflows from investing activities	4,018,684,783	2,750,247,039

Net cash flows used in investing activities	1,192,174,310	-1,326,275,365
3. Cash flows from financing activities:		
Cash received from other financing-related activities	152,277,402	0
Subtotal of cash inflows from financing activities	152,277,402	0
Cash paid for repayment of borrowings	289,437,500	275,649,750
Cash paid for interest expenses	42,432,677	73,794,038
Cash paid for other financing-related activities	131,496,464	0
Subtotal of cash outflows from financing activities	463,366,641	349,443,788
Net cash flows from financing activities	-311,089,239	-349,443,788
4. Effect of foreign exchange rate fluctuation on cash and cash equivalents	-876,032	-10,209,874
5. Net increase in cash and cash equivalents	887,125,939	-1,145,946,595
Add: Cash and cash equivalents at the beginning of the period	3,881,176,252	6,888,193,518
6. Cash and cash equivalents at the end of the period	4,768,302,191	5,742,246,923

Legal representative:

Qi Meisheng

Person in charge of the
accounting work:

Li Feilong

Person in charge of
the accounting office:

Dong Zhongxin

4.2 Audit Report

□Applicable √Not Applicable