

DEFINITIONS

In this Prospectus, the following expressions have the following meanings unless the context otherwise requires. Certain technical terms are explained in the section headed “Glossary of Technical Terms” in this Prospectus.

“Application Forms”	white Application Form(s) and yellow Application Form(s) or, where the context so requires, either of them
“Articles of Association”	our articles of association
“associate”	has the meaning ascribed thereto under the Listing Rules
“Board of Directors”	our board of directors
“business day”	any day (other than Saturday and Sunday) on which banks in Hong Kong are generally open for normal banking business
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“CCASS Broker Participant”	a person admitted to participate in CCASS as a broker participant
“CCASS Custodian Participant”	a person admitted to participate in CCASS as a custodian participant
“CCASS Investor Participant”	a person admitted to participate in CCASS as an investor participant who may be an individual or joint individuals or a corporation
“CCASS Participant”	a CCASS Broker Participant, a CCASS Custodian Participant or a CCASS Investor Participant
“CNOOC”	China National Offshore Oil Corporation, a PRC State-owned enterprise established on February 12, 1982
“CNOOC Limited”	CNOOC Limited, a company incorporated in Hong Kong with limited liability on August 20, 1999 and an indirect subsidiary of CNOOC
“Companies Ordinance”	the Companies Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“CSFB”	Credit Suisse First Boston (Hong Kong) Limited, an exempt dealer under the Securities Ordinance
“CSRC”	China Securities Regulatory Commission (中國證券監督管理委員會), a regulatory body responsible for the supervision and regulation of the PRC national securities markets
“Director(s)”	our directors or any one of them
“Domestic Shares”	our ordinary issued shares, with a par value of Rmb 1.00 each, which are subscribed for or credited as paid up in Renminbi by PRC nationals and/or PRC corporate entities

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“EBITDA”	earnings, including share of profit from jointly-controlled entities but excluding other revenues, before interest income, interest expense, income taxes, share of loss of an associate, exchange losses or gains, depreciation and amortization, provisions for inventories and doubtful debt, impairment of long-term investments and impairment of property, plant and equipment as computed under Hong Kong GAAP. EBITDA is not a generally accepted accounting measure under Hong Kong GAAP or other accounting systems and you should not consider it as an alternative to operating income, operating cash flows or any other measure of performance or as an indicator of our operating performance, liquidity or profitability or cash flows generated by operating, investing and financing activities
“GDP”	gross domestic product
“Global Offering”	the Hong Kong Public Offering and the International Offering
“H Shares”	overseas listed foreign shares in our ordinary share capital, with a par value of Rmb 1.00 each, which are to be listed on the Stock Exchange and subscribed for and traded in Hong Kong dollars
“H Share Registrar”	Computershare Hong Kong Investor Services Limited
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HKSCC Nominees”	HKSCC Nominees Limited, a wholly-owned subsidiary of HKSCC
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong dollars” or “H.K. dollars” or “HK\$” and “cents”	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong
“Hong Kong GAAP”	generally accepted accounting principles in Hong Kong
“Hong Kong Offer Shares”	our H Shares offered for subscription in the Hong Kong Public Offering
“Hong Kong Public Offering”	our offer of initially 133,466,000 H Shares for subscription by the public in Hong Kong for cash (subject to adjustment as described in the section headed “Structure of the Global Offering” in this Prospectus) at the Offer Price (plus brokerage fee of 1.0% of the Offer Price, Stock Exchange trading fee of 0.005% of the Offer Price and SFC transaction levy of 0.007% of the Offer Price) on the terms and subject to the conditions described in this Prospectus and the Application Forms, as further described in the section headed “Structure of the Global Offering—The Hong Kong Public Offering” in this Prospectus
“Hong Kong Underwriters”	the underwriters listed in the section headed “Underwriting—Hong Kong Underwriters” being the underwriters of the Hong Kong Public Offering

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“Hong Kong Underwriting Agreement”	the underwriting agreement dated November 8, 2002 relating to the Hong Kong Public Offering and entered into by, among others, the Joint Global Coordinators, the Hong Kong Underwriters and us, as further described in the section headed “Underwriting—Underwriting Arrangements and Expenses” in this Prospectus
“International Offering”	the conditional placing by the International Underwriters of the International Offering Shares with institutional and professional investors, including QIBs, for cash at the Offer Price (plus brokerage fee of 1.0% of the Offer Price, Stock Exchange trading fee of 0.005% of the Offer Price and SFC transaction levy of 0.007% of the Offer Price), as further described in the section headed “Structure of the Global Offering—The International Offering (including Offer for Sale)” in this Prospectus
“International Offering Shares”	the New Placing Shares and the Sale Shares
“International Underwriters”	the underwriters listed in the section headed “Underwriting—International Underwriters” being the underwriters of the International Offering
“International Underwriting Agreement”	the international purchase agreement relating to the International Offering to be entered into on or about November 15, 2002 by, among others, CNOOC, as the selling Shareholder, the Joint Global Coordinators, the International Underwriters and us, as further described in the section headed “Underwriting—International Offering” in this Prospectus
“IPM”	our Integrated Project Management program
“Joint Global Coordinators”	Credit Suisse First Boston (Hong Kong) Limited and Merrill Lynch, Pierce, Fenner & Smith Incorporated
“Joint Sponsors”	Credit Suisse First Boston (Hong Kong) Limited and Merrill Lynch Far East Limited
“Latest Practicable Date”	October 31, 2002, being the latest practicable date for ascertaining certain information in this Prospectus prior to its publication
“Listing Committee”	the Listing Committee of the Stock Exchange
“Listing Date”	the date, expected to be on or about November 20, 2002, on which our H Shares are listed and from which dealings therein are permitted to take place on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time)
“Macau”	the Macau Special Administrative Region of the PRC

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“Mandatory Provisions”	the Mandatory Provisions for the Articles of Association of Companies to be Listed Overseas (到境外上市公司章程必備條款), for inclusion in the articles of association of companies incorporated in the PRC to be listed overseas, which were promulgated by the former PRC Securities Commission of the State Council and the former State Commission for Restructuring the Economic System of the PRC on August 27, 1994, as amended and supplemented from time to time
“Merrill Lynch”	Merrill Lynch Far East Limited, an investment adviser registered under the Securities Ordinance
“Ministry of Finance”	the PRC Ministry of Finance (中國財政部), the Ministry responsible for the administration of State revenues and expenditures, financial and taxation policies and overall supervision of financial and taxation policies and overall supervision of financial institutions
“Ministry of Land and Resources”	the PRC Ministry of Land and Resources (中國國土資源部), the Ministry responsible for the planning, management, protection and rational utilization of land, mineral resources, marine resources and other natural resources in the PRC
“MOFTEC”	the PRC Ministry of Foreign Trade and Economic Cooperation (中國對外貿易經濟合作部)
“New Placing Shares”	the 1,079,854,000 new H Shares initially being offered by us for subscription under the International Offering together, where relevant, with any additional new H Shares to be issued by us pursuant to the exercise of the Over-allotment Option
“Offer for Sale”	the offer for sale of the Sale Shares by CNOOC, as a selling Shareholder, at the Offer Price (plus brokerage fee of 1.0% of the Offer Price, Stock Exchange trading fee of 0.005% of the Offer Price and SFC transaction levy of 0.007% of the Offer Price), as further described in the section headed “Structure of the Global Offering—The International Offering (including Offer for Sale)” in this Prospectus
“Offer Price”	the final Hong Kong dollar price per Offer Share (exclusive of brokerage fee, Stock Exchange trading fee and SFC transaction levy) at which Hong Kong Offer Shares are to be subscribed pursuant to the Hong Kong Public Offering and International Offering Shares are to be offered pursuant to the International Offering, to be determined as described in the section headed “Structure of the Global Offering—Determining the Offer Price” in this Prospectus
“Offer Shares”	the Hong Kong Offer Shares and the International Offering Shares together, where relevant, with any additional H Shares issued pursuant to the exercise of the Over-allotment Option
“OPEC”	Organization of the Petroleum Exporting Countries

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“Over-allotment Option”	the option granted by us and CNOOC, as a selling Shareholder, to the Joint Global Coordinators on behalf of the International Underwriters for up to 30 days from the Listing Date to require us to allot and issue and CNOOC to sell up to an aggregate of 200,200,000 additional H Shares (we will be issuing and allotting up to 182,000,000 H Shares and CNOOC will be selling up to 18,200,000 H Shares) solely to cover over-allocations in the International Offering, if any, details of which are described in the section headed “Structure of the Global Offering—The Global Offering” in this Prospectus
“PBOC”	the People’s Bank of China, the central bank of the PRC
“PBOC Rate”	the exchange rate for foreign exchange transactions set daily by the PBOC based on the China inter-bank foreign exchange market rate of the previous day and with reference to current exchange rates on the world financial markets
“PRC” or “China”	the People’s Republic of China excluding, for the purpose of this Prospectus only, Hong Kong, Macau and Taiwan
“PRC Company Law”	the Company Law of the PRC, as enacted by the Standing Committee of the Eighth National People’s Congress on December 29, 1993, which came into effect on July 1, 1994, as amended, supplemented or otherwise modified from time to time
“PRC GAAP”	generally accepted accounting principles and regulations in the PRC
“PRC Government”	the central government of the PRC including all governmental subdivisions (including provincial, municipal and other regional or local government entities) and organs thereof or, as the context requires, any of them
“Price Determination Date”	the date, expected to be on or about November 15, 2002, on which the Offer Price is fixed by the Joint Global Coordinators, on behalf of the Underwriters, CNOOC, as a selling Shareholder, and us for the purposes of the Global Offering, and in any event no later than November 18, 2002
“Promoter”	CNOOC, in its capacity as our sole promoter
“PSC”	a production sharing contract offshore China
“PSC partners”	foreign parties to PSCs
“QIBs”	qualified institutional buyers within the meaning of Rule 144A
“Regulation S”	Regulation S under the U.S. Securities Act, as amended from time to time

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“Reorganization”	the reorganization of the group of companies now comprising our company, completed on April 30, 2002, as described in the section headed “The Reorganization” in Appendix VII “Statutory and General Information” to this Prospectus
“Reorganization Agreement”	the reorganization agreement, as described in the section headed “The Reorganization” in Appendix VII “Statutory and General Information” to this Prospectus
“Rmb” and “Renminbi”	the lawful currency of the PRC
“Rule 144A”	Rule 144A under the U.S. Securities Act, as amended from time to time
“SAFE” or “State Administration of Foreign Exchange”	the PRC State Administration of Foreign Exchange (中國國家外匯管理局), the administrative organ in China responsible for matters relating to foreign exchange administration
“SAIC” or “State Administration for Industry and Commerce”	the PRC State Administration for Industry and Commerce (中國國家工商行政管理總局)
“Sale Shares”	a total of 121,332,000 H Shares being offered for sale by CNOOC, as a selling Shareholder, under the Offer for Sale together, where relevant, with any additional H Shares to be offered for sale by CNOOC pursuant to the exercise of the Over-allotment Option
“SDI Ordinance”	the Securities (Disclosure of Interests) Ordinance (Chapter 396 of the Laws of Hong Kong), as amended
“SDPC” or “State Development Planning Commission”	the PRC State Development Planning Commission (中國國家發展計劃委員會) and formerly, the PRC State Planning Commission
“Securities Ordinance”	the Securities Ordinance (Chapter 333 of the Laws of Hong Kong), as amended
“SETC” or “State Economic and Trade Commission”	the State Economic and Trade Commission of the PRC (中國國家經濟貿易委員會)
“SFC”	the Securities and Futures Commission of Hong Kong established by the Securities and Futures Commission Ordinance (Chapter 24 of the Laws of Hong Kong)
“Shares”	our ordinary shares with a nominal value of Rmb 1.00 each, comprising Domestic Shares and H Shares
“Shareholder”	a holder of our Share(s) from time to time
“Special Regulations”	the PRC Special Regulations on the Overseas Offering and Listing of Shares by Joint Stock Limited Liability Companies (國務院關於股份有限公司境外募集股份及上市的特別規定), promulgated by the State Council on August 4, 1994, as amended, supplemented or otherwise modified from time to time

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“State”	the PRC Central Government
“State Council”	the State Council of the PRC (中國國務院)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has the meaning ascribed thereto in section 2 of the Companies Ordinance
“Supervisor(s)”	members of our supervisory committee or any of them
“U.S. dollars” or “US\$”	United States dollars, the lawful currency of the United States
“U.S. Securities Act”	the United States Securities Act of 1933, as amended from time to time
“Underwriters”	the Hong Kong Underwriters and the International Underwriters
“Underwriting Agreements”	the Hong Kong Underwriting Agreement and the International Underwriting Agreement
“United States” or “U.S.”	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
“we,” “us” or “our company”	China Oilfield Services Limited (中海油田服務股份有限公司), incorporated in the PRC on December 25, 2001, and restructured into a joint stock limited liability company on September 26, 2002 and, where the context so requires, in respect of the period prior to our Reorganization, the companies and businesses that now comprise us
“WTO”	World Trade Organization