



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 financial data of First Quarterly Report for 2021 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.

28 April 2021

As at the date of this announcement, the executive directors of the Company are Messrs. Zhao Shunqiang (Chairman) and Qi Meisheng; the non-executive directors of the Company are Messrs. Xu Yugao and Zhao Baoshun; and the independent non-executive directors of the Company are Messrs. Fong Chung, Mark, Wong Kwai Huen, Albert and Lin Boqiang.

Stock code:601808

Stock short name:中海油服

China Oilfield Services Limited

2021 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**” or “**Group**”) assure for the truthfulness, accuracy and completeness of the contents of the report, confirm that there are no misrepresentations, serious misleading statements or material omissions in this report and accept joint and several liability.

1.2 Director who did not attend Board meeting.

Name of director who did not attend the Board meeting	Position of director who did not attend the Board meeting	Reason for not attending the Board meeting	Appointee
Qi Meisheng	Chairman of the Board	Other business duty	Zhao Shunqiang

1.3 Mr. Qi Meisheng, person in charge of the Company, Mr. Zheng Yonggang, person in charge of the accounting work, and Ms. Chong Xiaojie, 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 Report 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 2021	As at 31 December 2020	Increase/decrease at the end of the reporting period compared with the end of last year (%)
Total assets	74,829.5	75,942.3	-1.5
Net assets attributable to shareholders of the Company	38,700.2	38,509.9	0.5
	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	Increase/decrease compared with the same period of last year (%)
Net cash flow from operating activities	-1,025.1	1,180.5	-186.8
	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	Increase/decrease compared with the same period of last year (%)
Revenue	5,902.5	8,168.4	-27.7
Net profit attributable to shareholders of the Company	181.2	1,139.5	-84.1
Net profit excluding non- recurring gain and loss attributable to shareholders of the Company	151.1	1,064.1	-85.8
Weighted average net assets earnings ratio (%)	0.5	3.1	Decreased 2.6 percentage points

Basic earnings per share (Yuan per share)	0.04	0.24	-83.3
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	1,297,259
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	4,580,848
Income from wealth management products credited to the income statement for the current period	46,974,001
Non-operating incomes and expenses other than the above items	-17,655,285
Income tax effect	-5,091,789
Total	30,105,034

2.2 Total 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					62,012		
Particulars of shareholding of the top 10 shareholders							
Name of shareholder (Full name)	Total number of shares held as at the end of the reporting period	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	1,808,907,958	37.91	0	Nil	0	Others	
China Securities Finance Corporation Limited	137,982,876	2.89	0	Nil	0	State-owned legal person	
Central Huijin Asset Management Ltd.	29,883,000	0.63	0	Nil	0	State-owned legal person	
Hong Kong Securities Clearing Company Limited	19,109,606	0.40	0	Nil	0	Others	
Bank of China Limited - E Fund Supply Reform and Flexible Configuration Hybrid Securities Investment Funds	17,865,787	0.37	0	Nil	0	Others	
Shanghai Pudong Development Bank Co., Ltd. - Guangfa High-end Manufacturing Equity Originated Securities Investment Fund	8,203,267	0.17	0	Nil	0	Others	
China Post Life Insurance Co., Ltd. - Participating Insurance Entrusted PICC Group III	6,000,726	0.13	0	Nil	0	Others	
Industrial and Commercial Bank of China Limited- Lion Balance Securities Investment Fund	5,414,500	0.11	0	Nil	0	Others	

China Construction Bank Corporation - E Fund New Silk Road Flexible Configuration Hybrid Securities Investment Fund	4,696,075	0.10	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	Type and number of shares				
		Type	Number			
China National Offshore Oil Corporation	2,410,849,300	A Shares	2,410,847,300			
		H Shares	2,000			
Hong Kong Securities Clearing Company Nominees Limited	1,808,907,958	H Shares	1,808,907,958			
China Securities Finance Corporation Limited	137,982,876	A Shares	137,982,876			
Central Huijin Asset Management Ltd.	29,883,000	A Shares	29,883,000			
Hong Kong Securities Clearing Company Limited	19,109,606	A Shares	19,109,606			
Bank of China Limited - E Fund Supply Reform and Flexible Configuration Hybrid Securities Investment Funds	17,865,787	A Shares	17,865,787			
Shanghai Pudong Development Bank Co., Ltd. - Guangfa High-end Manufacturing Equity Originated Securities Investment Fund	8,203,267	A Shares	8,203,267			
China Post Life Insurance Co., Ltd. - Participating Insurance Entrusted PICC Group III	6,000,726	A Shares	6,000,726			
Industrial and Commercial Bank of China Limited - Lion Balance Securities Investment Fund	5,414,500	A Shares	5,414,500			
China Construction Bank Corporation - E Fund New Silk Road Flexible Configuration Hybrid Securities Investment Fund	4,696,075	A Shares	4,696,075			
Note of connected relationships or concerted actions of the above shareholders	1. Shares held by Hong Kong Securities Clearing Company Nominees Limited were the sum of H-shares of China Oilfield Services Limited (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. Shares held by Hong Kong Securities Clearing Company Limited represent the aggregate shares it held as a nominee on behalf of the shareholders of the Company under Shanghai-Hong Kong Stock Connect. 3. Except that Hong Kong Securities Clearing Company Nominees Limited and Hong Kong Securities Clearing Company Limited are the subsidiaries of HKSE, to the knowledge of the Company, there were no connected relationships or concerted actions among the above top 10 shareholders and the top 10 shareholders were not subject to restrictions on sales, or between the above top 10 shareholders and top 10 shareholders were not subject to restrictions on sales. 4. In “Particulars of shareholding of the top 10 shareholders”, the 2,410,849,300 shares, namely the “Total number of shares held as at the end of the reporting period” by China National Offshore Oil Corporation, include 2,410,847,300 A Shares and 2,000 H shares.					

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 2021, after experiencing the economic downturn impacted by the COVID-19 pandemic (hereinafter “Pandemic”), the global oilfield service market still faced the pressure of oversupply under the slow recovery of oil prices, and there were major challenges in the workload recover to full state. Affected by the industry situation, the Group’s main workload and equipment utilization rate in each segment have decreased as compared with the same period last year. In the first quarter of 2021, the Group’s operating revenue amounted to RMB5,902.5 million, representing a decrease of 27.7% as compared with the same period last year; total profit amounted to RMB309.9 million, representing a decrease of RMB1,010.7 million as compared with the same period last year; net profit amounted to RMB184.2 million, representing a decrease of RMB957.5 million as compared with the same period last year. The Group has organized a new round of actions on cost reduction, quality improvement and efficiency improvement, adhered to enhance cost management, and effectively improved operating efficiency.

Operating data of the main segments ended 31 March 2021 is listed in the following table:

Drilling Services	For the period ended 31 March 2021	For the period ended 31 March 2020	Change (%)
Operating Days (Day)	3,291	3,889	-15.4
Jack-up Drilling Rigs	2,568	2,980	-13.8
Semi-submersible Drilling Rigs	723	909	-20.5
Utilization Rate (Available Day)	69.8%	84.2%	Decreased 14.4 percentage points
Jack-up Drilling Rigs	70.2%	84.8%	Decreased 14.6 percentage points
Semi-submersible Drilling Rigs	68.3%	82.3%	Decreased 14.0 percentage points
Utilization Rate (Calendar Day)	65.8%	78.5%	Decreased 12.7 percentage points
Jack-up Drilling Rigs	67.0%	80.9%	Decreased 13.9 percentage points
Semi-submersible Drilling Rigs	61.8%	71.4%	Decreased 9.6 percentage points
Marine Support Services (Group Owned Vessels)	For the period ended 31 March 2021	For the period ended 31 March 2020	Change (%)
Operating Days (Day)	7,426	7,926	-6.3
Standby vessels	3,171	3,430	-7.6
AHTS vessels	2,429	2,510	-3.2
Platform supply vessels	1,196	1,274	-6.1
Multi-purpose vessels	360	348	3.4
Workover support barges	270	364	-25.8
Vessel Utilization Rate (Available Day)	95.9%	98.6%	Decreased 2.7 percentage points
Standby vessels	98.6%	99.8%	Decreased 1.2 percentage points

AHTS vessels	95.1%	99.0%	Decreased 3.9 percentage points
Platform supply vessels	95.4%	100.0%	Decreased 4.6 percentage points
Multi-purpose vessels	100.0%	99.9%	Increased 0.1 percentage point
Workover support barges	75.0%	100.0%	Decreased 25.0 percentage points

Vessel Utilization Rate (Calendar Day)	95.2%	98.2%	Decreased 3.0 percentage points
Standby vessels	97.9%	99.2%	Decreased 1.3 percentage points
AHTS vessels	94.1%	98.5%	Decreased 4.4 percentage points
Platform supply vessels	94.9%	100.0%	Decreased 5.1 percentage points
Multi-purpose vessels	100.0%	95.5%	Increased 4.5 percentage points
Workover support barges	75.0%	100.0%	Decreased 25.0 percentage points

Geophysical Acquisition and Surveying Services	For the period ended 31 March 2021	For the period ended 31 March 2020	Change(%)
2D acquisition (km)	1,463	7,427	-80.3
3D acquisition (km ²)	4,069	4,708	-13.6
of which: multi-client	-	2,918	-100.0
Ocean bottom cable (km ²)	513	482	6.4

For the period ended 31 March 2021, the operating days of drilling rigs of the Group amounted to 3,291 days, representing a decrease of 598 days or 15.4% as compared with the same period last year, among which the operating days of jack-up drilling rigs amounted to 2,568 days, representing a decrease of 13.8% as compared with the same period last year. The operating days of semi-submersible drilling rigs amounted to 723 days, representing a decrease of 20.5% as compared with the same period last year, which was mainly affected by the slow recovery of oilfield service industry, some clients' operation projects have been delayed or adjusted. Meanwhile, the calendar day utilization rate of drilling rigs decreased 12.7 percentage points to 65.8% as compared with the same period last year, among which the calendar day utilization rate of jack-up drilling rigs decreased 13.9 percentage points to 67.0% as compared with the same period last year, and the calendar day utilization rate of semi-submersible drilling rigs decreased 9.6 percentage points to 61.8% as compared with the same period last year.

Five module rigs in Gulf of Mexico operated 224 days, representing a decrease of 123 days as compared with the same period last year and the calendar day utilization rate decreased 27.3 percentage points.

As for the well services segment, technological research and development and capacities of productivity were enhanced continuously, the workload of some business lines decreased due to the delay in the production plan of upstream companies, and the overall revenue decreased.

For the period ended 31 March 2021, the Group's owned vessels for marine support services operated 7,426 days, representing a decrease of 500 days over the same period last year and the calendar day utilization rate of vessels decreased by 3.0 percentage points to 95.2%. Except for the multi-purpose vessels, the workload and

utilization rate of each business line of the marine support services decreased in various degrees. In the meantime, operation of the Group's chartered vessels decreased during the period with 4,260 days of operation, representing a decrease of 7.4% as compared with the same period last year.

As for geophysical acquisition and surveying services segment, the workload of ocean bottom cable with higher service unit price was 513 km², reaching an increase of 6.4% as compared with the same period last year. Due to the impact of oil companies' cuts in acquisition and surveying investment, there was a comprehensive decrease in the workload of both 2D and 3D acquisition.

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. Taxes and surcharges

For the three months ended 31 March 2021, taxes and surcharges of the Group amounted to RMB4.5 million, representing an increase of RMB1.4 million or 45.2% as compared with RMB3.1 million for the same period (January-March) of last year. It was mainly attributed to the increase in surcharges affected by the increase of paid-in value-added tax.

2. Selling expenses

For the three months ended 31 March 2021, selling expenses of the Group amounted to RMB4.2 million, representing a decrease of RMB2.5 million or 37.3% as compared with RMB6.7 million for the same period (January-March) of last year. It was mainly attributed to the decrease in packing charges affected by the product features during the current period.

3. Finance costs

For the three months ended 31 March 2021, finance costs of the Group amounted to RMB130.8 million, representing a decrease of RMB96.2 million or 42.4% as compared with RMB227.0 million for the same period (January-March) of last year. It was mainly attributed to the increase in exchange gains during the current period.

4. Other income

For the three months ended 31 March 2021, other income of the Group amounted to RMB101.7 million, representing an increase of RMB61.8 million or 154.9% as compared with RMB39.9 million for the same period (January-March) of last year. It was mainly attributed to the increase in other income related to the "Additional Deduction on Value-added Tax" policy.

5. Investment income

For the three months ended 31 March 2021, investment income of the Group amounted to RMB74.3 million, representing a decrease of RMB61.2 million or 45.2% as compared with RMB135.5 million for the same period (January-March) of last year. It was mainly attributed to the decrease in investment income of bank wealth management and monetary funds during the current period.

6. Gains on change in fair value

For the three months ended 31 March 2021, gains on change in fair value of the Group amounted to RMB36.6 million, representing an increase of RMB28.8 million as compared with RMB7.8 million for the same period (January-March) of last year. It was mainly attributed to the increase in gains on change in fair value of bank wealth management and monetary funds caused by changes in fair value.

7. Impairment losses of assets

For the three months ended 31 March 2021, impairment losses of assets of the Group amounted to RMB-7.9 million, representing a decrease of RMB-839.0 million as compared with RMB-846.9 million for the same period (January-March) of last year. It was mainly attributed to no provision for impairment of large equipment assets in the current period.

8. Gains on disposal of assets

For the three months ended 31 March 2021, gains on disposal of assets of the Group amounted to RMB-1.1 million, compared with nil for the same period of last year. It was mainly attributed to the loss incurred in the disposal of drilling tools in the current period.

9. Non-operating income

For the three months ended 31 March 2021, the non-operating income of the Group amounted to RMB18.8 million, representing a decrease of RMB14.6 million or 43.7% as compared with RMB33.4 million for the same period (January to March) of last year. It was mainly attributed to the decrease of insurance proceeds as compared with the same period last year.

10. Financial assets held for trading

As at 31 March 2021, financial assets held for trading of the Group amounted to RMB3,836.6 million, representing a decrease of RMB1,702.8 million or 30.7% as compared with RMB5,539.4 million at the beginning of the year. It was mainly attributed to the redemption of part of funds and wealth management products during the current period.

11. Notes receivables

As at 31 March 2021, notes receivables of the Group amounted to RMB16.8 million, representing an increase of RMB6.8 million or 68.0% as compared with RMB10.0 million at the beginning of the year. It was mainly attributed to the increase in commercial acceptance bills.

12. Financing receivables

As at 31 March 2021, financing receivables of the Group amounted to RMB14.2 million, representing an increase of RMB11.2 million or 373.3% as compared with RMB3.0 million at the beginning of the year. It was mainly attributed to the increase in accounting bank acceptance bills.

13. Prepayments

As at 31 March 2021, prepayments of the Group amounted to RMB148.9 million, representing an increase of RMB43.6 million or 41.4% as compared with RMB105.3 million at the beginning of the year. It was mainly attributed to the increase in prepaid spare parts, tools, etc. at the end of the period.

14. Contract assets

As at 31 March 2021, the contract assets of the Group amounted to RMB138.1 million, representing a decrease of RMB182.3 million or 56.9% as compared with RMB320.4 million at the beginning of the year. It was mainly attributed to the decrease of contract assets due to customer's confirmation of bill.

15. Other current assets

As at 31 March 2021, the other current assets of the Group amounted to RMB304.3 million, representing an increase of RMB214.1 million or 237.4% as compared with RMB90.2 million at the beginning of the year. It was mainly attributed to the increase in input tax to be deducted.

16. Notes payable

As at 31 March 2021, notes payable of the Group amounted to RMB18.2 million, compared with nil at the

beginning of the year. It was mainly attributed to the increase in the purchase of spare parts and materials at the end of the period.

17. Other current liabilities

As at 31 March 2021, the other current liabilities of the Group amounted to RMB553.2 million, representing an increase of RMB218.9 million or 65.5% as compared with RMB334.3 million at the beginning of the year. It was mainly attributed to the increase in output value-added tax to be recognized at the end of the period.

18. Deferred income tax liabilities

As at 31 March 2021, deferred income tax liabilities of the Group amounted to RMB13.3 million, representing a decrease of RMB11.6 million or 46.6% as compared with RMB24.9 million at the beginning of the year. It was mainly attributed to the decrease in taxable temporary differences, resulting in a decrease in deferred income tax liabilities.

19. Other non-current liabilities

As at 31 March 2021, the other non-current liabilities of the Group amounted to RMB42.7 million, representing a decrease of RMB18.4 million or 30.1% as compared with RMB61.1 million at the beginning of the year. It was mainly attributed to the payment of rent and the change of lease.

20. Net cash flow from operating activities

For the three months ended 31 March 2021, the Group's net cash outflows from operating activities amounted to RMB1,025.1 million, and the net cash inflows amounted to RMB1,180.5 million for the same period last year. This was mainly attributable to the facts that: (1) cash received from labor services and services provision decreased by RMB2,391.7 million in the period as compared with the same period last year; (2) cash paid for tax payments decreased by RMB477.9 million as compared with the same period last year; and (3) the net cash outflow from other operating activities increased by RMB291.8 million as compared with the same period last year.

21. Net cash flows from investing activities

For the three months ended 31 March 2021, the Group's net cash inflows from investing activities amounted to RMB1,229.6 million, representing an increase of RMB228.4 million as compared with the same period last year. This was mainly due to the facts that: (1) cash paid for purchasing and constructing fixed assets, intangible assets and other long-term assets increased by RMB291.9 million as compared with the same period last year; (2) cash paid for other investments decreased by RMB479.2 million as compared with the same period last year; (3) other net cash inflows related to investment activities increased by RMB41.1 million as compared with the same period last year.

22. Net cash flows from financing activities

For the three months ended 31 March 2021, the Group's net cash outflows from financing activities amounted to RMB234.5 million, representing a decrease of RMB587.7 million as compared with the same period last year. It was mainly attributed to the cash paid for debts and cash paid for interests during the period decreased by RMB491.4 million and RMB96.3 million respectively as compared with the same period last year.

23. The effect of foreign exchange rate fluctuation on cash and cash equivalents during the period was an increase in cash of RMB29.4 million.

3.2 Analysis and explanation of the development of significant events and their impact and proposal as to the solutions

☐Applicable ☒Not Applicable

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

In the first quarter of 2021, the recovery of the oilfield service market was slow, and the Company's workload was lower than the same period of the previous year. The Company achieved operating revenue of RMB5.90 billion and net profit of RMB180 million. Facing the uncertain market environment, the Company organized a new round of actions on cost reduction, quality improvement and efficiency improvement in the first quarter. Through measures such as precise cost reduction and technical cost reduction, it achieved enhanced cost management, and effectively improved operating efficiency, carried out all-round and systematically improved quality and efficiency, strived to further increase the profit margin of operating revenue and the profit margin to costs and expenses. According to the Company's orders signing and operation arrangements as of the date of this announcement, it is expected that the workload of each segment of the Company will increase to varying degrees in the second quarter, some newly signed projects will begin to start, and the Company will seize development opportunities and strive to reach new heights of development.

Company Name	China Oilfield Services Limited
Legal Representative	Qi Meisheng
Date	28 April 2021

4. Appendix

4.1 Financial Statements

Consolidated Balance Sheet

31 March 2021

Prepared by: China Oilfield Services Limited

Unit: Yuan Currency: RMB (Unaudited)

Items	31 March 2021	31 December 2020
Current assets:		
Cash on hand and at bank	6,586,888,414	6,587,401,135
Financial assets held for trading	3,836,550,847	5,539,401,918
Notes receivables	16,787,994	10,049,897
Accounts receivables	10,978,692,902	10,212,211,594
Financing receivables	14,208,985	3,010,427
Prepayments	148,901,259	105,257,466
Other receivables	129,978,979	153,981,482
Inventories	2,542,804,476	2,265,271,991
Contract assets	138,107,519	320,396,536
Non-current assets due within one year	1,000,000,000	1,035,589,152
Other current assets	304,349,577	90,178,065
Total current assets	25,697,270,952	26,322,749,663
Non-current assets:		
Debt investment	0	0
Long-term equity investment	1,173,216,695	1,102,007,860
Other non-current financial assets	0	0
Fixed assets	41,813,577,151	42,087,287,709
Construction in progress	3,032,902,146	3,148,313,471
Right-of-use assets	498,871,835	562,016,302
Intangible assets	367,110,531	379,738,701
Development expenditure	156,088,463	155,891,248
Goodwill	0	0
Long-term deferred expenses	1,547,967,552	1,682,217,446
Deferred income tax assets	177,758,606	158,779,848
Other non-current assets	364,721,392	343,304,744
Total non-current assets	49,132,214,371	49,619,557,329
Total assets	74,829,485,323	75,942,306,992
Current liabilities:		
Short-term borrowings	2,300,536,966	2,284,335,676
Notes payable	18,169,040	0
Accounts payable	7,279,158,313	8,846,957,755
Contract liabilities	438,139,490	388,143,913
Employee benefits payable	766,498,169	820,138,437
Taxes payable	459,969,499	458,408,575

Other payables	233,284,420	235,638,298
Non-current liabilities due within one year	3,493,182,160	3,507,952,499
Other current liabilities	553,241,002	334,348,234
Total current liabilities	15,542,179,059	16,875,923,387
Non-current liabilities:		
Long-term borrowings	183,869,025	191,145,690
Bonds payable	19,565,683,441	19,455,678,032
Lease liabilities	335,443,705	366,303,229
Long-term payables	0	0
Deferred income	263,041,489	278,486,671
Deferred income tax liabilities	13,291,864	24,905,704
Other non-current liabilities	42,715,450	61,056,709
Total non-current liabilities	20,404,044,974	20,377,576,035
Total liabilities	35,946,224,033	37,253,499,422
Shareholders' equity:		
Share capital	4,771,592,000	4,771,592,000
Capital reserve	12,366,274,941	12,366,274,941
Other comprehensive income	-247,473,947	-256,471,721
Statutory reserve funds	2,508,655,960	2,508,655,960
Retained earnings	19,301,101,891	19,119,878,393
Total equity attributable to shareholders' of the Company	38,700,150,845	38,509,929,573
Non-controlling equity	183,110,445	178,877,997
Total shareholders' equity	38,883,261,290	38,688,807,570
Total liabilities and shareholders' equity	74,829,485,323	75,942,306,992

Legal representative:	Person in charge of the accounting work:	Person in charge of the accounting office:
Qi Meisheng	Zheng Yonggang	Chong Xiaojie

Company Balance Sheet

31 March 2021

Prepared by: China Oilfield Services Limited

Unit: Yuan Currency: RMB (Unaudited)

Items	31 March 2021	31 December 2020
Current assets:		
Cash on hand and at bank	5,817,215,078	5,789,027,421
Financial assets held for trading	3,836,550,847	5,539,401,918
Notes receivables	15,839,470	9,101,373
Accounts receivables	10,555,310,474	9,818,242,139
Financing receivables	14,008,985	2,400,000
Prepayments	61,081,489	27,167,765
Other receivables	649,578,111	587,822,762

Inventories	1,674,514,534	1,400,523,540
Contract assets	17,424	231,725,066
Non-current assets due within one year	1,000,000,000	1,000,416,438
Other current assets	287,246,743	46,439,872
Total current assets	23,911,363,155	24,452,268,294
Non-current assets:		
Long-term receivables	1,907,289,346	1,688,287,611
Long-term equity investment	8,076,030,149	8,004,825,982
Fixed assets	22,657,805,803	22,817,053,491
Construction in progress	2,585,640,151	2,706,389,075
Right-of-use assets	304,410,518	355,723,724
Intangible assets	264,084,171	278,245,506
Long-term deferred expenses	1,212,429,666	1,326,418,043
Deferred income tax assets	168,708,087	127,105,952
Other non-current assets	26,182,482	22,317,270
Total non-current assets	37,202,580,373	37,326,366,654
Total assets	61,113,943,528	61,778,634,948
Current liabilities:		
Notes payable	18,169,040	0
Accounts payable	7,231,902,256	8,615,877,030
Contract liabilities	319,814,335	292,261,710
Employee benefits payable	599,462,141	618,441,035
Taxes payable	270,345,577	204,590,542
Other payables	668,986,898	665,234,221
Non-current liabilities due within one year	3,387,011,446	3,359,717,790
Other current liabilities	538,881,325	322,967,407
Total current liabilities	13,034,573,018	14,079,089,735
Non-current liabilities:		
Long-term borrowings	183,869,025	191,145,690
Bonds payable	4,497,725,000	4,497,725,000
Lease liabilities	169,226,984	195,798,382
Deferred income	261,996,571	267,920,117
Total non-current liabilities	5,112,817,580	5,152,589,189
Total liabilities	18,147,390,598	19,231,678,924
Shareholders' equity:		
Share capital	4,771,592,000	4,771,592,000
Capital reserve	12,371,646,371	12,371,646,371
Other comprehensive income	32,831,214	18,200,129
Statutory reserve funds	2,508,655,960	2,508,655,960
Retained earnings	23,281,827,385	22,876,861,564
Total equity attributable to shareholders' of the Company	42,966,552,930	42,546,956,024
Total liabilities and shareholders' equity	61,113,943,528	61,778,634,948

Legal representative:	Person in charge of the accounting work:	Person in charge of the accounting office:
Qi Meisheng	Zheng Yonggang	Chong Xiaojie

Consolidated Income Statement

January to March, 2021

Prepared by: China Oilfield Services Limited

Unit: Yuan Currency: RMB (Unaudited)

Items	First quarter of 2021	First quarter of 2020
I. Gross Revenue	5,902,547,125	8,168,409,707
Including: revenue	5,902,547,125	8,168,409,707
II. Total operating costs	5,781,012,770	6,176,570,998
Including: Operating costs	5,303,336,002	5,601,746,358
Taxes and surcharges	4,475,881	3,125,563
Selling expenses	4,226,348	6,664,474
Administrative expenses	157,579,808	169,833,750
Research and development expenses	180,567,925	168,193,416
Finance costs	130,826,806	227,007,437
Including: Interest expenses	199,480,642	224,634,473
Interest income	40,928,810	16,456,419
Add: Other income	101,717,883	39,910,647
Investment income (“-” for loss)	74,273,471	135,497,849
Including: income from investment in an associate and joint ventures	63,938,349	85,108,213
Gains on changes in fair value (“-” for loss)	36,638,879	7,837,038
Impairment losses of assets (“-” for loss)	-7,905,894	-846,913,560
Gains on disposal of assets (“-” for loss)	-1,056,893	0
III. Operating profit (“-” for loss)	325,201,801	1,328,170,683
Add: Non-operating income	18,786,753	33,407,722
Less: Non-operating expenses	34,087,886	41,000,657
IV. Total profit (“-” for total loss)	309,900,668	1,320,577,748
Less: Income tax expenses	125,742,186	178,897,149
V. Net profit (“-” for net loss)	184,158,482	1,141,680,599
(I) Classified by continuity of operations		
1. Net profit from continuing operations (“-” for net loss)	184,158,482	1,141,680,599
2. Net profit from discontinued operations (“-”for net loss)	0	0
(II) Classified by ownership of equity		
1. Attributable to shareholders of the Company (“- ”for net loss)	181,223,498	1,139,467,126
2. Non-controlling interests (“-”for net loss)	2,934,984	2,213,473
VI. Other comprehensive income, net of tax	10,295,238	64,261,909
(I) Other comprehensive income, net of tax attributable to the shareholders of the Company	8,997,774	61,453,341

1. Other comprehensive income to be reclassified into profit and loss	8,997,774	61,453,341
(1) Other comprehensive income which will be reclassified into profit and loss accounted for using equity method	2,894,069	-207,381
(2) Exchange differences on translation of financial statements of foreign operations	6,103,705	61,660,722
(II) Other comprehensive income, net of tax attributable to non-controlling interests	1,297,464	2,808,568
VII. Total comprehensive income	194,453,720	1,205,942,508
(I) Total comprehensive income attributable to shareholders of the Company	190,221,272	1,200,920,467
(II) Total comprehensive income attributable to non-controlling interests	4,232,448	5,022,041
VIII. Earnings per share:		
(I) Basic earnings per share (Yuan per share)	0.0380	0.2388

Legal representative:	Person in charge of the accounting work:	Person in charge of the accounting office:
Qi Meisheng	Zheng Yonggang	Chong Xiaojie

Company Income Statement

January to March, 2021

Prepared by: China Oilfield Services Limited

Unit: Yuan Currency: RMB (Unaudited)

Items	First quarter of 2021	First quarter of 2020
I. Revenue	4,894,267,985	5,500,741,096
Less: Operating costs	4,305,973,918	4,300,623,788
Taxes and surcharges	4,377,208	1,762,221
Administrative expenses	114,474,609	104,588,356
Research and development expenses	180,020,729	167,337,884
Finance costs	-19,388,879	-44,681,960
Including: Interest expenses	76,460,335	85,468,652
Interest income	38,033,462	14,273,884
Add: Other income	101,548,820	39,885,982
Investment income ("-" for loss)	74,273,471	135,497,849
Including: income from investment in an associate and joint ventures	63,938,349	85,108,213
Gains on change in fair value ("-" for loss)	36,638,879	7,837,038
Impairment losses of assets ("-" for loss)	-8,532,896	0
Gains on disposal of assets ("-" for loss)	9,552	0
II. Operating profit ("-" for loss)	512,748,226	1,154,331,676
Add: Non-operating income	15,486,941	33,219,149
Less: Non-operating expenses	34,071,196	40,747,985
III. Total profit ("-" for total loss)	494,163,971	1,146,802,840
Less: Income tax expenses	89,198,150	182,461,570
IV. Net profit ("-" for net loss)	404,965,821	964,341,270

(I) Net profit from continuing operations (“-” for net loss)	404,965,821	964,341,270
(II) Net profit from discontinued operations (“-” for net loss)	0	0
V. Other comprehensive income, net of tax	14,631,085	27,706,376
(I) Other comprehensive income to be reclassified into profit and loss	14,631,085	27,706,376
1. Other comprehensive income which can be reclassified into profit and loss accounted for using equity method	2,894,069	-207,381
2. Exchange differences on translation of financial statements of foreign operations	11,737,016	27,913,757
VI. Total comprehensive income	419,596,906	992,047,646

Legal representative:	Person in charge of the accounting work:	Person in charge of the accounting office:
Qi Meisheng	Zheng Yonggang	Chong Xiaojie

Consolidated Cash Flow Statement

January to March, 2021

Prepared by: China Oilfield Services Limited

Unit: Yuan Currency: RMB (Unaudited)

Items	First quarter of 2021	First quarter of 2020
I. Cash flows from operating activities:		
Cash received from selling goods and rendering services	5,737,992,079	8,129,676,850
Government grants and subsidies received	480,638	7,687,800
Refunds of taxes	43,614,707	0
Sub-total of cash inflow from operating activities	5,782,087,424	8,137,364,650
Cash paid for purchasing goods and receiving services	4,817,083,801	4,642,330,900
Cash paid to and on behalf of employees	1,556,606,430	1,437,133,504
Cash paid for taxes	215,655,640	693,557,153
Cash paid relating to other operating activities	217,833,139	183,837,957
Sub-total of cash outflow from operating activities	6,807,179,010	6,956,859,514
Net cash flow from operating activities	-1,025,091,586	1,180,505,136
II. Cash flows from investing activities:		
Cash received from disposal of investments	4,200,000,000	4,200,000,000
Cash received from return on investments	51,511,451	35,804,110
Cash received on interest income from bank deposits	40,928,810	16,456,419
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	1,090,559	186,468
Sub-total of cash inflow from investing activities	4,293,530,820	4,252,446,997
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	543,102,465	251,215,058
Cash paid for other investing activities	2,520,800,000	3,000,000,000
Sub-total of cash outflow from investing activities	3,063,902,465	3,251,215,058
Net cash flows from investing activities	1,229,628,355	1,001,231,939

III. Cash flows from financing activities:		
Cash paid for repayment of liabilities	46,455,253	537,886,303
Cash paid for repayment of interest expenses	188,045,382	284,344,501
Sub-total of cash outflow from financing activities	234,500,635	822,230,804
Net cash flows from financing activities	-234,500,635	-822,230,804
IV. Effect of foreign exchange rate fluctuation on cash and cash equivalents	29,425,127	14,750,511
V. Net increase in cash and cash equivalents	-538,739	1,374,256,782
Add: Balance of cash and cash equivalents at the beginning of the period	6,583,742,294	3,363,588,770
VI. Balance of cash and cash equivalents at the end of the period	6,583,203,555	4,737,845,552

Legal representative:	Person in charge of the accounting work:	Person in charge of the accounting office:
Qi Meisheng	Zheng Yonggang	Chong Xiaojie

Company Cash Flow Statement

January to March, 2020

Prepared by: China Oilfield Services Limited

Unit: Yuan Currency: RMB (Unaudited)

Items	First quarter of 2021	First quarter of 2020
I. Cash flows from operating activities:		
Cash received from selling goods and rendering services	4,772,568,957	5,703,247,399
Government grants and subsidies received	480,638	7,687,800
Sub-total of cash inflow from operating activities	4,773,049,595	5,710,935,199
Cash paid for purchasing goods and receiving services	4,311,948,723	3,986,754,002
Cash paid to and on behalf of employees	1,299,595,351	1,112,753,728
Cash paid for taxes	84,874,696	550,765,312
Other cash paid relating to operating activities	86,653,566	122,511,915
Sub-total of cash outflow from operating activities	5,783,072,336	5,772,784,957
Net cash flow from operating activities	-1,010,022,741	-61,849,758
II. Cash flows from investing activities:		
Cash received from disposal of investments	4,200,000,000	4,200,000,000
Cash received from return on investments	51,511,451	35,804,110
Cash received on interest income from bank deposits	38,033,462	14,273,884
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	1,090,559	186,468
Cash received from the repayment of borrowings to subsidiaries	171,285,800	1,571,819,380
Sub-total of cash inflow from investing activities	4,461,921,272	5,822,083,842
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	506,242,078	169,169,283
Cash paid for other investing activities	2,520,800,000	3,000,000,000
Cash paid for the borrowings to subsidiaries	393,361,492	447,050,539
Sub-total of cash outflow from investing activities	3,420,403,570	3,616,219,822

Net cash flows from investing activities	1,041,517,702	2,205,864,020
III. Cash flows from financing activities:		
Cash paid for repayment of liabilities	28,413,271	510,948,952
Cash paid for repayment of interest expenses	2,613,038	13,421,118
Sub-total of cash outflow from financing activities	31,026,309	524,370,070
Net cash flows from financing activities	-31,026,309	-524,370,070
IV. Effect of foreign exchange rate fluctuation on cash and cash equivalents	27,692,986	37,163,222
V. Net increase in cash and cash equivalents	28,161,638	1,656,807,414
Add: Balance of cash and cash equivalents at the beginning of the period	5,785,368,580	1,941,152,036
VI. Balance of cash and cash equivalents at the end of the period	5,813,530,218	3,597,959,450

Legal representative:	Person in charge of the accounting work:	Person in charge of the accounting office:
Qi Meisheng	Zheng Yonggang	Chong Xiaojie

4.2 The initial implementation of new leasing standards adjustment to the relevant items of the opening financial statements for 2021

☐Applicable ☒Not Applicable

4.3 Description of the initial implementation of new leasing standards retrospective adjustment to the comparative figures of the previous period for 2021

☐Applicable ☒Not Applicable

4.4 Audit Report

☐Applicable ☒Not Applicable