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**COSL**

**中海油田服务股份有限公司**  
**China Oilfield Services Limited**

*(Incorporated in the People's Republic of China as a joint stock limited liability company)*  
**(Stock Code: 2883)**

## **ANNOUNCEMENT**

### **DISCLOSEABLE TRANSACTION PURCHASE OF WEALTH MANAGEMENT PRODUCT**

On 27 February 2020, the Company entered into the ICBC Wealth Management Agreement with ICBC Langfang Yanjiao Sub-branch. Pursuant to the ICBC Wealth Management Agreement, the Company agreed to purchase wealth management product of RMB1,000 million, using self-owned funds of the Company.

Pursuant to Rule 14.23 of the Hong Kong Listing Rules, there are no wealth management agreements that should be aggregated in the relevant calculation.

Pursuant to the Hong Kong Listing Rules, as one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Hong Kong Listing Rules) of the ICBC Wealth Management Agreement exceeds 5% but all of which are below 25%, the transaction thereunder constitutes a discloseable transaction of the Company and shall be subject to the notification and announcement requirements but exempt from the shareholders' approval requirement under the Hong Kong Listing Rules.

## **BACKGROUND**

The Company is one of the leading integrated oilfield services providers in the world. Its services cover each phase of oil and gas exploration, development and production.

ICBC is a large commercial bank in the PRC. ICBC Langfang Yanjiao Sub-branch is a sub-branch of ICBC.

On 27 February 2020, the Company entered into the ICBC Wealth Management Agreement with ICBC Langfang Yanjiao Sub-branch. Pursuant to the ICBC Wealth Management Agreement, the Company agreed to purchase wealth management product of RMB1,000 million, using self-owned funds of the Company. The principal of this wealth management product will be included in the internal funds of ICBC for centralised operation and management, while the income will be invested in derivatives linked to the exchange rate of US Dollar against Japanese Yen. The return of the product is linked to the performance of the USD/JPY exchange rate in the international market during the observation period.

### **THE ICBC Wealth Management Agreement**

Parties:	the Company and ICBC Langfang Yanjiao Sub-branch
	To the best of their knowledge, information and belief and having made all reasonable enquiries, the Directors confirm that ICBC and its ultimate beneficial owner are third parties independent of the Group and its connected persons
Date:	27 February 2020
Product name:	ICBC Exchange Rate Linked and Cumulative RMB-denominated Structured Deposit Product for Corporate Clients-Specific Account 2020 Tranche 29 Type H
Purchase amount:	RMB1,000 million (RMB1,000 million has been purchased)
Term of product:	12 months
Type of investment return:	principal-guaranteed floating income
Risk level of product (internal risk assessment by the bank):	nil or minimal risk
Annualized rate of return of product expected by the Company:	1.70%-4.00%
Right of early termination or redemption:	Early redemption by the investor will not be accepted during the term of the product. Before the maturity date of the product, ICBC has no right to unilaterally terminate the product.

The terms of the ICBC Wealth Management Agreement were signed after arm's length negotiation between the parties.

## **BACKGROUND OF AND REASONS FOR ENTERING INTO THE ICBC WEALTH MANAGEMENT AGREEMENT AND ITS BENEFITS TO THE COMPANY**

The reasonable and effective use of temporary idle funds will enhance the overall capital gain of the Company, which is consistent with the core objectives of the Company to ensure capital safety and liquidity. The impact of risk factors on the expected return of the Wealth Management Agreement is very low, but the Company can enjoy a higher return compared with the interest rate of fixed term deposits in commercial banks in the PRC.

The Directors (including independent non-executive Directors) consider that the terms and the transactions contemplated under the ICBC Wealth Management Agreement are fair and reasonable, on normal commercial terms or better and in the ordinary and usual course of business of the Group, and are in the interests of the Company and its shareholders as a whole.

## **HONG KONG LISTING RULES IMPLICATIONS**

Pursuant to Rule 14.23 of the Hong Kong Listing Rules, there are no wealth management agreements that should be aggregated in the relevant calculation.

Pursuant to the Hong Kong Listing Rules, as one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Hong Kong Listing Rules) of the ICBC Wealth Management Agreement exceeds 5% but all of which are below 25%, the transaction thereunder constitutes a discloseable transaction of the Company and shall be subject to the notification and announcement requirements but exempt from the shareholders' approval requirement under the Hong Kong Listing Rules.

The ICBC Wealth Management Agreement and the transactions thereunder do not constitute connected transactions of the Company.

## **DEFINITIONS**

Unless the context otherwise requires, the following expressions shall have the following meanings:

“Board”	the board of Directors;
“Company”	China Oilfield Services Limited, a joint stock company incorporated in the People's Republic of China with limited liability, the A Shares of which are listed on the Shanghai Stock Exchange and the H Shares of which are listed on the main board of Hong Kong Stock Exchange;
“Director(s)”	the director(s) of the Company;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the People's Republic of China;

“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“ICBC”	Industrial and Commercial Bank of China Limited, a joint stock company incorporated in the PRC with limited liability and a licensed bank in the PRC;
“ICBC Wealth Management Agreement”	Industrial and Commercial Bank of China Limited Wealth Management Product Sales Contract entered into between the Company and ICBC Langfang Yanjiao Sub-branch on 27 February 2020;
“PRC”	the People’s Republic of China;
“RMB”	Renminbi, the lawful currency of the PRC.

By Order of the Board  
**China Oilfield Services Limited**  
**Wu Yanyan**  
*Company Secretary*

28 February 2020

*As at the date of this announcement, the executive directors of the Company are Messrs. Qi Meisheng (Chairman) and Cao Shujie; the non-executive directors of the Company are Messrs. Meng Jun and Zhang Wukui; and the independent non-executive directors of the Company are Messrs. Law Hong Ping, Lawrence, Fong Chung, Mark and Wong Kwai Huen, Albert.*