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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)

ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2025

FINANCIAL HIGHLIGHTS

1. Revenue was RMB50,210.8 million
2. Profit from operations was RMB5,917.7 million
3. Profit for the year was RMB4,059.9 million
4. Basic earnings per share were RMB80.51 cents
5. Total assets were RMB84,462.8 million
6. Total equity was RMB47,151.1 million

CONSOLIDATED STATEMENT OF PROFIT OR LOSS*Year ended 31 December 2025*

	<i>Notes</i>	2025 RMB'000	2024 RMB'000
REVENUE	4	50,282,477	48,301,581
Sales surtaxes		<u>(71,642)</u>	<u>(83,484)</u>
Revenue, net of sales surtaxes		50,210,835	48,218,097
Other income	5	219,818	327,137
Depreciation of property, plant and equipment and amortisation of other intangible assets and multiclient library		(6,318,964)	(5,789,357)
Depreciation of right-of-use assets		(744,910)	(545,335)
Employee compensation costs	6	(8,746,379)	(8,391,877)
Repair and maintenance costs		(628,592)	(862,963)
Consumption of supplies, materials, fuel, services and others		(11,344,640)	(11,017,633)
Subcontracting expenses		(12,271,068)	(12,970,477)
Lease expenses	6	(1,945,531)	(2,117,417)
Other operating expenses		(2,297,753)	(1,808,651)
Impairment of property, plant and equipment (Recognition)/reversal of impairment losses under expected credit loss model, net of reversal	10	(191,096)	–
Total operating expenses		(44,512,989)	(43,497,620)
PROFIT FROM OPERATIONS		5,917,664	5,047,614
Exchange (losses)/gains, net	6	(431,479)	42,540
Finance costs		(659,541)	(785,137)
Interest income		94,807	118,415
Investment income	6	5,528	1,298
Gains arising from financial assets at fair value through profit or loss	6	13,424	43,101
Share of profits of an associate and joint ventures, net of tax		212,980	218,686
Other gains and losses, net	6	(39,615)	(19,178)
PROFIT BEFORE TAX	6	5,113,768	4,667,339
Income tax expense	7	(1,053,918)	(1,268,236)
PROFIT FOR THE YEAR		4,059,850	3,399,103
Attributable to:			
Owners of the Company		3,841,741	3,136,992
Non-controlling interests		218,109	262,111
		4,059,850	3,399,103
EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY			
Basic and diluted (RMB)	9	80.51 cents	65.74 cents

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2025

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
PROFIT FOR THE YEAR	<u>4,059,850</u>	<u>3,399,103</u>
OTHER COMPREHENSIVE INCOME		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of financial statements of foreign operations	38,857	(13,314)
Income tax effect	<u>31,404</u>	<u>(20,041)</u>
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	<u>70,261</u>	<u>(33,355)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>4,130,111</u>	<u>3,365,748</u>
Attributable to:		
Owners of the Company	3,915,380	3,100,053
Non-controlling interests	<u>214,731</u>	<u>265,695</u>
	<u>4,130,111</u>	<u>3,365,748</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2025

		31 December 2025	31 December 2024
	<i>Notes</i>	RMB'000	RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	<i>10</i>	49,128,401	50,459,844
Right-of-use assets		1,940,202	1,447,774
Goodwill	<i>11</i>	–	–
Other intangible assets		227,333	210,865
Multiclient library		19,833	72,082
Investments in an associate and joint ventures		1,259,173	1,194,040
Contract costs		436,552	630,094
Financial assets at fair value through profit or loss		–	–
Other non-current assets		184,647	238,234
Deferred tax assets	<i>15</i>	67,935	28,543
Total non-current assets		<u>53,264,076</u>	<u>54,281,476</u>
CURRENT ASSETS			
Inventories		2,395,037	2,154,270
Prepayments, deposits and other receivables		124,217	285,816
Accounts receivable	<i>12</i>	14,956,063	14,062,653
Notes receivable		63,087	50,987
Receivables at fair value through other comprehensive income		16,450	156,397
Financial assets at fair value through profit or loss		5,501,704	5,500,549
Contract assets		5,444	70,917
Contract costs		33,735	142,224
Other current assets		499,401	268,244
Pledged deposits	<i>13</i>	10,074	8,119
Time deposits	<i>13</i>	105,067	542,239
Cash and cash equivalents	<i>13</i>	7,462,991	5,423,772
Assets classified as held for sale		25,489	–
Total current assets		<u>31,198,759</u>	<u>28,666,187</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

31 December 2025

		31 December 2025	31 December 2024
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
CURRENT LIABILITIES			
Trade and other payables	14	16,724,723	16,419,654
Salary and bonus payables		945,190	936,994
Tax payable		273,774	453,825
Loans from related parties	16	2,460,080	2,515,940
Interest-bearing bank borrowings	17	3,992,631	18,267
Long-term bonds	18	3,073,283	7,327,272
Lease liabilities		641,980	468,144
Contract liabilities		843,313	1,046,520
Other current liabilities		564,485	416,303
		<u>29,519,459</u>	<u>29,602,919</u>
Total current liabilities		<u>29,519,459</u>	<u>29,602,919</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>1,679,300</u>	<u>(936,732)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>54,943,376</u>	<u>53,344,744</u>
NON-CURRENT LIABILITIES			
Deferred tax liabilities	15	136,334	277,627
Loans from related parties	16	3,372,212	1,529,370
Interest-bearing bank borrowings	17	133,064	145,425
Long-term bonds	18	2,098,835	5,142,559
Lease liabilities		1,122,123	756,123
Contract liabilities		387,626	669,796
Deferred income		214,402	209,715
Employee benefit liabilities		23,403	23,925
Other non-current liabilities		304,325	165,668
		<u>7,792,324</u>	<u>8,920,208</u>
Total non-current liabilities		<u>7,792,324</u>	<u>8,920,208</u>
Net assets		<u>47,151,052</u>	<u>44,424,536</u>
EQUITY			
Equity attributable to owners of the Company			
Issued capital	19	4,771,592	4,771,592
Reserves		41,801,496	39,025,570
		<u>46,573,088</u>	<u>43,797,162</u>
Non-controlling interests		<u>577,964</u>	<u>627,374</u>
Total equity		<u>47,151,052</u>	<u>44,424,536</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

1. GENERAL

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

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

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

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

Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations) as issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the HKSE (the “Listing Rules”) and by the disclosure requirements of the Hong Kong Companies Ordinance (“CO”).

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

2.1 Amendments to HKFRS Accounting Standards that are mandatorily effective for the current year

The Group has adopted amendments to HKAS 21 *Lack of Exchangeability* for the first time for the current year’s financial statements. The Group has not early adopted any other standard or amendment that has been issued but is not yet effective.

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

2.2 Issued but not yet effective HKFRS Accounting Standards

The Group has not applied the following new and amended HKFRS Accounting Standards, that have been issued but are not yet effective, in these financial statements. The Group intends to apply these new and amended HKFRS Accounting Standards, if applicable, when they become effective.

HKFRS 18	<i>Presentation and Disclosure in Financial Statements</i> ²
HKFRS 19 and its amendments	<i>Subsidiaries without Public Accountability: Disclosures</i> ²
Amendments to HKFRS 9 and HKFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments</i> ¹
Amendments to HKFRS 10 and HKAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ³
<i>Annual Improvements to HKFRS Accounting Standards – Volume 11</i>	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7 ¹

¹ Effective for annual periods beginning on or after 1 January 2026

² Effective for annual/reporting periods beginning on or after 1 January 2027

³ No mandatory effective date yet determined but available for adoption

Further information about those HKFRS Accounting Standards that are expected to be applicable to the Group is described below.

HKFRS 18 replaces HKAS 1 *Presentation of Financial Statements*. While a number of sections have been brought forward from HKAS 1 with limited changes, HKFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in HKAS 1 are moved to HKAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, which is renamed as HKAS 8 *Basis of Preparation of Financial Statements*. As a consequence of the issuance of HKFRS 18, limited, but widely applicable, amendments are made to HKAS 7 *Statement of Cash Flows*, HKAS 33 *Earnings per Share* and HKAS 34 *Interim Financial Reporting*. In addition, there are minor consequential amendments to other HKFRS Accounting Standards. HKFRS 18 and the consequential amendments to other HKFRS Accounting Standards are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The Group is currently analysing the new requirements and assessing the impact of HKFRS 18 on the presentation and disclosure of the Group's financial statements.

HKFRS 19 allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other HKFRS Accounting Standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in HKFRS 10 *Consolidated Financial Statements*, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements available for public use which comply with HKFRS Accounting Standards or IFRS Accounting Standards. HKFRS 19 was amended in April 2025 to include IFRS Accounting Standards in the eligibility criteria for applying the standard. The standard was further amended in October 2025 to (i) remove disclosure objectives from HKFRS 19; (ii) reduce the disclosure requirements relating to supplier finance arrangements and a specific class of financial liabilities; and (iii) replace disclosure requirements relating to management-defined performance measures with a cross-reference to HKFRS 18 for entities that use these measures. Earlier application is permitted. As the Company is a listed company, it is not eligible to elect to apply HKFRS 19 and its amendments. Some of the Company's subsidiaries are considering the application of HKFRS 19 and its amendments in their specified financial statements.

Amendments to HKFRS 9 and HKFRS 7 *Amendments to the Classification and Measurement of Financial Instruments* clarify the date on which a financial asset or financial liability is derecognised and introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. The amendments shall be applied retrospectively with an adjustment to opening retained profits (or other component of equity) at the initial application date. Prior periods are not required to be restated and can only be restated without the use of hindsight. Earlier application of either all the amendments at the same time or only the amendments related to the classification of financial assets is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to HKFRS 10 and HKAS 28 address an inconsistency between the requirements in HKFRS 10 and in HKAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to HKFRS 10 and HKAS 28 was removed by the HKICPA. However, the amendments are available for adoption now.

Annual Improvements to HKFRS Accounting Standards – Volume 11 set out amendments to HKFRS 1, HKFRS 7 (and the accompanying *Guidance on implementing HKFRS 7*), HKFRS 9, HKFRS 10 and HKAS 7. Details of the amendments that are expected to be applicable to the Group are as follows:

- *HKFRS 7 Financial Instruments: Disclosures*: The amendments have updated certain wording in paragraph B38 of HKFRS 7 and paragraphs IG1, IG14 and IG20B of the *Guidance on implementing HKFRS 7* for the purpose of simplification or achieving consistency with other paragraphs in the standard and/or with the concepts and terminology used in other standards. In addition, the amendments clarify that the *Guidance on implementing HKFRS 7* does not necessarily illustrate all the requirements in the referenced paragraphs of HKFRS 7 nor does it create additional requirements. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group’s financial statements.
- *HKFRS 9 Financial Instruments*: The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with HKFRS 9, the lessee is required to apply paragraph 3.3.3 of HKFRS 9 and recognise any resulting gain or loss in profit or loss. However, the amendments do not address how a lessee distinguishes between a lease modification as defined in HKFRS 16 and an extinguishment of a lease liability in accordance with HKFRS 9. In addition, the amendments have updated certain wording in paragraph 5.1.3 of HKFRS 9 and Appendix A of HKFRS 9 to remove potential confusion. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group’s financial statements.
- *HKFRS 10 Consolidated Financial Statements*: The amendments clarify that the relationship described in paragraph B74 of HKFRS 10 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor, which removes the inconsistency with the requirement in paragraph B73 of HKFRS 10. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group’s financial statements.
- *HKAS 7 Statement of Cash Flows*: The amendments replace the term “cost method” with “at cost” in paragraph 37 of HKAS 7 following the prior deletion of the definition of “cost method”. Earlier application is permitted. The amendments are not expected to have any impact on the Group’s financial statements.

3. OPERATING SEGMENT INFORMATION

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

The four reportable and operating segments are set out as follows:

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

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

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

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

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

Year ended 31 December 2025	Drilling services RMB'000	Well services RMB'000	Marine support services RMB'000	Geophysical acquisition and surveying services RMB'000	Total RMB'000
Revenue:					
Sales to external customers, net of sales surtaxes	14,879,035	27,452,954	5,190,867	2,687,979	50,210,835
Sales surtaxes	<u>18,936</u>	<u>40,316</u>	<u>7,274</u>	<u>5,116</u>	<u>71,642</u>
Revenue, before net of sales surtaxes	14,897,971	27,493,270	5,198,141	2,693,095	50,282,477
Intersegment sales	<u>692,001</u>	<u>43,327</u>	<u>188,808</u>	<u>8,715</u>	<u>932,851</u>
Segment revenue	15,589,972	27,536,597	5,386,949	2,701,810	51,215,328
Eliminations	<u>(692,001)</u>	<u>(43,327)</u>	<u>(188,808)</u>	<u>(8,715)</u>	<u>(932,851)</u>
Group revenue	<u>14,897,971</u>	<u>27,493,270</u>	<u>5,198,141</u>	<u>2,693,095</u>	<u>50,282,477</u>
Segment results	1,456,598	4,343,035	125,805	165,591	6,091,029
Reconciliation:					
Exchange losses, net					(431,479)
Finance costs					(659,541)
Interest income					94,807
Investment income					5,528
Gains arising from financial assets at FVTPL					<u>13,424</u>
Profit before tax					<u>5,113,768</u>
Income tax expense					<u>(1,053,918)</u>
As at 31 December 2025					
Segment assets	38,066,590	24,599,830	6,179,266	5,265,629	74,111,315
Unallocated assets					<u>10,351,520</u>
Total assets					<u>84,462,835</u>
Segment liabilities	6,173,831	15,574,367	2,297,427	1,666,523	25,712,148
Unallocated liabilities					<u>11,599,635</u>
Total liabilities					<u>37,311,783</u>
Other segment information:					
Capital expenditure*	1,614,662	2,747,089	694,645	537,268	5,593,664
Depreciation of property, plant and equipment and amortisation of other intangible assets and multiclient library	3,127,278	2,012,184	725,853	453,649	6,318,964
Depreciation of right-of-use assets	555,901	104,205	80,088	4,716	744,910
Recognition/(reversal) of impairment of accounts receivable	(1,325)	32,214	(6,141)	107	24,855
Reversal of impairment of other receivables	(183)	(447)	(111)	(58)	(799)
Recognition of impairment of inventories, net	4,454	8,220	1,554	805	15,033
Recognition of impairment of property, plant and equipment	133,823	-	57,273	-	191,096
Share of profits of an associate and joint ventures, net of tax	-	129,777	-	83,203	212,980
Investments in an associate and joint ventures	<u>-</u>	<u>811,661</u>	<u>-</u>	<u>447,512</u>	<u>1,259,173</u>

Year ended 31 December 2024	Drilling services RMB'000	Well services RMB'000	Marine support services RMB'000	Geophysical acquisition and surveying services RMB'000	Total RMB'000
Revenue:					
Sales to external customers, net of sales surtaxes	13,182,309	27,610,253	4,760,925	2,664,610	48,218,097
Sales surtaxes	<u>24,640</u>	<u>45,098</u>	<u>8,187</u>	<u>5,559</u>	<u>83,484</u>
Revenue, before net of sales surtaxes	13,206,949	27,655,351	4,769,112	2,670,169	48,301,581
Intersegment sales	<u>375,050</u>	<u>61,266</u>	<u>175,011</u>	<u>7,194</u>	<u>618,521</u>
Segment revenue	13,581,999	27,716,617	4,944,123	2,677,363	48,920,102
Eliminations	<u>(375,050)</u>	<u>(61,266)</u>	<u>(175,011)</u>	<u>(7,194)</u>	<u>(618,521)</u>
Group revenue	<u>13,206,949</u>	<u>27,655,351</u>	<u>4,769,112</u>	<u>2,670,169</u>	<u>48,301,581</u>
Segment results	356,942	4,602,931	106,617	180,632	5,247,122
Reconciliation:					
Exchange gains, net					42,540
Finance costs					(785,137)
Interest income					118,415
Investment income					1,298
Gains arising from financial assets at FVTPL					<u>43,101</u>
Profit before tax					<u>4,667,339</u>
Income tax expense					<u>(1,268,236)</u>
As at 31 December 2024					
Segment assets	39,870,666	23,121,771	5,730,568	5,886,599	74,609,604
Unallocated assets					<u>8,338,059</u>
Total assets					<u>82,947,663</u>
Segment liabilities	6,349,933	10,827,085	1,991,406	1,910,366	21,078,790
Unallocated liabilities					<u>17,444,337</u>
Total liabilities					<u>38,523,127</u>
Other segment information:					
Capital expenditure*	3,923,575	2,624,674	285,262	486,897	7,320,408
Depreciation of property, plant and equipment and amortisation of other intangible assets and multiclient library	2,744,614	1,831,525	744,914	468,304	5,789,357
Depreciation of right-of-use assets	248,329	209,645	67,283	20,078	545,335
Recognition/(reversal) of impairment of accounts receivable	3,726	(886)	(8,377)	570	(4,967)
Reversal of impairment of other receivables	(249)	(665)	(143)	(66)	(1,123)
Reversal of impairment of inventories, net	(5,088)	(10,655)	(1,837)	(1,029)	(18,609)
Share of profits of an associate and joint ventures, net of tax	–	141,270	–	77,416	218,686
Investments in an associate and joint ventures	<u>–</u>	<u>764,729</u>	<u>–</u>	<u>429,311</u>	<u>1,194,040</u>

* The capital expenditure includes the addition of property, plant and equipment and other intangible assets.

Geographical information

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

In determining the Group's geographical information, revenue is presented below based on the location of operations. Information about the Group's non-current assets is presented based on the geographical location of the assets.

The following table presents revenue and non-current assets (excluding goodwill, investments in an associate and joint ventures, financial assets and deferred tax assets) information for the Group's geographical areas for the years ended 31 December 2025 and 2024.

Year ended/as at 31 December 2025

	Domestic <i>RMB'000</i>	International <i>RMB'000</i>	Total <i>RMB'000</i>
Segment revenue:			
Sales to external customers	38,778,156	11,504,321	50,282,477
Less: Sales surtaxes	<u>(71,642)</u>	<u>–</u>	<u>(71,642)</u>
Revenue, net of sales surtaxes	<u>38,706,514</u>	<u>11,504,321</u>	<u>50,210,835</u>
Non-current assets	<u>38,579,814</u>	<u>13,357,154</u>	<u>51,936,968</u>

Year ended/as at 31 December 2024

	Domestic <i>RMB'000</i>	International <i>RMB'000</i>	Total <i>RMB'000</i>
Segment revenue:			
Sales to external customers	37,416,988	10,884,593	48,301,581
Less: Sales surtaxes	<u>(83,484)</u>	<u>–</u>	<u>(83,484)</u>
Revenue, net of sales surtaxes	<u>37,333,504</u>	<u>10,884,593</u>	<u>48,218,097</u>
Non-current assets	<u>39,013,467</u>	<u>14,045,426</u>	<u>53,058,893</u>

Information about a major customer

Revenue from transactions with a major customer, CNOOC Limited and its subsidiaries (the "CNOOC Limited Group"), including sales to a group of entities which are known to be under common control of CNOOC Limited, accounted for 78% (2024: 77%) of the total sales of the Group for the year ended 31 December 2025.

4. REVENUE

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Revenue from contracts with customers	48,665,651	46,975,287
Revenue arising from operating leases	<u>1,616,826</u>	<u>1,326,294</u>
Total	<u><u>50,282,477</u></u>	<u><u>48,301,581</u></u>

(A) Disaggregation of revenue from contracts with customers, before net of sales surtaxes for the years ended 31 December 2025 and 2024

Segments	For the year ended 31 December 2025				
	Drilling services <i>RMB'000</i>	Well services <i>RMB'000</i>	Marine support services <i>RMB'000</i>	Geophysical acquisition and surveying services <i>RMB'000</i>	Total <i>RMB'000</i>
Geographical markets					
Domestic	8,487,399	22,664,135	5,046,810	2,380,310	38,578,654
International	<u>4,938,122</u>	<u>4,734,141</u>	<u>101,986</u>	<u>312,748</u>	<u>10,086,997</u>
Total	<u><u>13,425,521</u></u>	<u><u>27,398,276</u></u>	<u><u>5,148,796</u></u>	<u><u>2,693,058</u></u>	<u><u>48,665,651</u></u>
Timing of revenue recognition					
At a point of time	1,253	642,879	–	11,193	655,325
Over time	<u>13,424,268</u>	<u>26,755,397</u>	<u>5,148,796</u>	<u>2,681,865</u>	<u>48,010,326</u>
Total	<u><u>13,425,521</u></u>	<u><u>27,398,276</u></u>	<u><u>5,148,796</u></u>	<u><u>2,693,058</u></u>	<u><u>48,665,651</u></u>
Type of customers					
CNOOC Limited Group	7,757,201	24,249,175	4,734,100	2,397,673	39,138,149
Others	<u>5,668,320</u>	<u>3,149,101</u>	<u>414,696</u>	<u>295,385</u>	<u>9,527,502</u>
Total	<u><u>13,425,521</u></u>	<u><u>27,398,276</u></u>	<u><u>5,148,796</u></u>	<u><u>2,693,058</u></u>	<u><u>48,665,651</u></u>

For the year ended 31 December 2024

Segments	Drilling services <i>RMB'000</i>	Well services <i>RMB'000</i>	Marine support services <i>RMB'000</i>	Geophysical acquisition and surveying services <i>RMB'000</i>	Total <i>RMB'000</i>
Geographical markets					
Domestic	8,031,683	22,932,227	4,504,873	1,754,568	37,223,351
International	4,008,768	4,645,648	181,919	915,601	9,751,936
Total	<u>12,040,451</u>	<u>27,577,875</u>	<u>4,686,792</u>	<u>2,670,169</u>	<u>46,975,287</u>
Timing of revenue recognition					
At a point of time	–	399,542	–	4,987	404,529
Over time	12,040,451	27,178,333	4,686,792	2,665,182	46,570,758
Total	<u>12,040,451</u>	<u>27,577,875</u>	<u>4,686,792</u>	<u>2,670,169</u>	<u>46,975,287</u>
Type of customers					
CNOOC Limited Group	7,613,716	23,692,096	4,269,336	1,625,822	37,200,970
Others	4,426,735	3,885,779	417,456	1,044,347	9,774,317
Total	<u>12,040,451</u>	<u>27,577,875</u>	<u>4,686,792</u>	<u>2,670,169</u>	<u>46,975,287</u>

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

For the year ended 31 December 2025

Segments	Drilling services <i>RMB'000</i>	Well services <i>RMB'000</i>	Marine support services <i>RMB'000</i>	Geophysical acquisition and surveying services <i>RMB'000</i>	Revenue from contracts with customers <i>RMB'000</i>
Segment revenue	15,589,972	27,536,597	5,386,949	2,701,810	51,215,328
Less: Revenue arising from operating leases	(1,472,450)	(94,994)	(49,345)	(37)	(1,616,826)
Eliminations	(692,001)	(43,327)	(188,808)	(8,715)	(932,851)
Revenue from contracts with customers	<u>13,425,521</u>	<u>27,398,276</u>	<u>5,148,796</u>	<u>2,693,058</u>	<u>48,665,651</u>

For the year ended 31 December 2024

Segments	Drilling services <i>RMB'000</i>	Well services <i>RMB'000</i>	Marine support services <i>RMB'000</i>	Geophysical acquisition and surveying services <i>RMB'000</i>	Revenue from contracts with customers <i>RMB'000</i>
Segment revenue	13,581,999	27,716,617	4,944,123	2,677,363	48,920,102
Less: Revenue arising from operating leases	(1,166,498)	(77,476)	(82,320)	-	(1,326,294)
Eliminations	(375,050)	(61,266)	(175,011)	(7,194)	(618,521)
Revenue from contracts with customers	<u>12,040,451</u>	<u>27,577,875</u>	<u>4,686,792</u>	<u>2,670,169</u>	<u>46,975,287</u>

(B) Performance obligations for contracts with customers

(i) Drilling Services

The activities that primarily drive the revenue earned in the Group's drilling contracts include (i) mobilising and demobilising the rig to and from the drill site, and (ii) performing drilling operation and other activities required for the contract. Consideration received for performing these activities may consist of payment for drilling on a day rate basis, mobilisation and demobilisation fees, and reimbursement. The Directors consider the activities required under the drilling contracts as a single performance obligation satisfied over time as the customer simultaneously receives and consumes benefits provided by the Group's performance as the Group performs.

(ii) Well Services

The activities that primarily drive the revenue earned in the Group's well service contracts include performing logging and downhole services, such as drilling fluids, directional drilling, cementing and well completion and other activities required for the contract. Consideration for the services may consist of payment for logging and downhole services. The Directors identify all distinct performance obligations in the contracts, and recognise revenue over time for most performance obligations as the customer simultaneously receives and consumes benefits provided by the Group's performance as the Group performs. For certain well services contracts for providing relevant materials and equipment to clients, the Directors consider the goods required under the relevant service contracts as a performance obligation satisfied at a point in time, and recognise revenue when control of the goods has transferred.

(iii) Marine Support Services

The activities that primarily drive the revenue earned in the Group's marine support contracts include performing transportation of supplies and personnel to offshore facilities, or moving and positioning drilling structures and other activities required for the contract. Consideration for the services may consist of payment for marine support service and reimbursement. The Directors identify all distinct performance obligations in the contracts, and recognise revenue over time for each of the performance obligations as the customer simultaneously receives and consumes benefits provided by the Group's performance as the Group performs.

(iv) Geophysical Acquisition and Surveying Services

The activities that primarily drive the revenue earned in the Group's geophysical acquisition and surveying contracts include performing seismic data acquisition and marine surveying. Consideration for the services may consist of payment for seismic data acquisition or marine surveying and reimbursement. The Directors identify all distinct performance obligations in the contracts, and recognise revenue over time for most performance obligations as the customer simultaneously receives and consumes benefits provided by the Group's performance as the Group performs. For certain other distinct services required by part of geophysical acquisition and surveying services contracts, the Directors consider the goods and services required under the relevant services contract, as a performance obligation satisfied at a point of time, and recognise revenue when control of the goods and services has transferred.

(C) Transaction price allocated to the remaining performance obligations for contracts with customers

The transaction price allocated to the remaining performance obligations (performed or partially performed) as at 31 December 2025 and 2024 and the expected timing of recognising revenue are as follows:

	As at 31 December 2025				
	Drilling services RMB'000	Well services RMB'000	Marine support services RMB'000	Geophysical acquisition and surveying services RMB'000	Total RMB'000
Within one year	305,021	682,166	85,129	85,761	1,158,077
In the second to fifth year, inclusive	-	411,749	184,112	1,225	597,086
Beyond five years	-	24,996	-	-	24,996
Total	<u>305,021</u>	<u>1,118,911</u>	<u>269,241</u>	<u>86,986</u>	<u>1,780,159</u>

As at 31 December 2024

	Drilling services <i>RMB'000</i>	Well services <i>RMB'000</i>	Marine support services <i>RMB'000</i>	Geophysical acquisition and surveying services <i>RMB'000</i>	Total <i>RMB'000</i>
Within one year	502,049	496,672	–	–	998,721
In the second to fifth year, inclusive	<u>969,741</u>	<u>533,983</u>	<u>–</u>	<u>–</u>	<u>1,503,724</u>
Total	<u>1,471,790</u>	<u>1,030,655</u>	<u>–</u>	<u>–</u>	<u>2,502,445</u>

Most of the Group's contracts with customers generally provide for payment on a day rate or operation volume basis. The Group elected to apply the practical expedient and has recognised revenue in the amount to which the Group has a right to invoice. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not included in the table above.

5. OTHER INCOME

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Insurance claims received	44,529	95,938
Government grants	158,676	171,889
Value added tax credit	–	29,071
Compensation income on breach of contracts	3,633	13,708
Others	<u>12,980</u>	<u>16,531</u>
Total	<u>219,818</u>	<u>327,137</u>

6. PROFIT BEFORE TAX

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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Employee compensation costs (including directors' and chief executive's remuneration):		
Wages, salaries and bonuses	6,229,474	5,920,944
Social security costs	2,162,558	2,015,637
Retirement benefits and pensions	<u>354,347</u>	<u>455,296</u>
Total	<u><u>8,746,379</u></u>	<u><u>8,391,877</u></u>
Auditor's remuneration	<u>21,876</u>	<u>19,963</u>
Other gains and losses, net		
Gains arising from lease modifications	(411)	(70)
Losses on disposal of property, plant and equipment, net	<u>40,026</u>	<u>19,248</u>
Total	<u><u>39,615</u></u>	<u><u>19,178</u></u>
Lease expenses in respect of land and buildings, berths and equipment (a)	1,945,531	2,117,417
Recognition/(reversal) of impairment of inventories, net	15,033	(18,609)
Recognition/(reversal) of impairment of accounts receivable, net	24,855	(4,967)
Reversal of impairment of other receivables, net	(799)	(1,123)
Exchange losses/(gains), net	431,479	(42,540)
Income from investments in corporate wealth management products	(5,528)	(1,298)
Gains arising from financial assets at FVTPL	(13,424)	(43,101)
Cost of inventories recognised as expense	<u>7,837,408</u>	<u>7,520,938</u>
Research and development costs, included in:		
Depreciation of property, plant and equipment	326,417	328,711
Employee compensation costs	585,506	553,248
Consumption of supplies, materials, fuel, services and others	<u>589,455</u>	<u>502,985</u>
Total	<u><u>1,501,378</u></u>	<u><u>1,384,944</u></u>

(a) Lease expenses represent short-term lease and variable lease payments not included in the measurement of lease liabilities.

7. INCOME TAX EXPENSE

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

Under the Corporate Income Tax Law of the PRC (the “CIT”), the statutory tax rate of the Company, subsidiaries and its key joint ventures and associates in Chinese mainland is 25%.

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

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

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

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

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

Countries and regions	2025	2024
Indonesia	22%	22%
Mexico	30%	30%
Norway	22%	22%
The United Kingdom	25%	25%
Iraq	Withholding tax based on 7% of revenue generated in Iraq	Withholding tax based on 7% of revenue generated in Iraq
United Arab Emirates	9%	9%
Singapore	17%	17%
The United States of America	21%	21%
Canada	Net federal corporate income tax of 15% and provincial income tax rates of 8%	Net federal corporate income tax of 15% and provincial income tax rates of 8%
Malaysia	24%	24%
Saudi Arabia	20%	20%
Brazil	34%	34%
Uganda	30%	30%
Thailand	20%	20%

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

	2025	2024
	RMB'000	RMB'000
Current tax	1,234,196	1,347,545
Deferred tax	<u>(180,278)</u>	<u>(79,309)</u>
Total tax charge for the year	<u>1,053,918</u>	<u>1,268,236</u>

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

	2025		2024	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%
Profit before tax	5,113,768		4,667,339	
Tax at the statutory tax rate of 25% (2024: 25%)	1,278,442	25.0	1,166,835	25.0
Tax effect as an HNTE with tax incentives	(450,018)	(8.8)	(497,249)	(10.7)
Income not subject to tax	(9,465)	(0.2)	(3,124)	(0.1)
Profits attribute to an associate and joint ventures	(53,245)	(1.0)	(54,672)	(1.2)
Expense not deductible for tax	175,981	3.4	271,112	5.8
Tax benefit for qualifying research and development expenses	(137,625)	(2.7)	(151,161)	(3.2)
Effect of different tax rates for overseas subsidiaries	382,327	7.5	435,772	9.3
Effect of different tax rates applied to the period of reversal of the temporary differences	(5,255)	(0.1)	14,729	0.3
Tax effect of tax losses and deductible temporary differences unrecognised	85,108	1.7	68,523	1.5
Tax losses utilised from previous periods	(240,307)	(4.7)	(10,773)	(0.2)
Tax effect on translation adjustment (<i>Note</i>)	31,046	0.6	(10,372)	(0.2)
Under/(over) provision in respect of prior year	(53)	-	34,846	0.7
Others	(3,018)	(0.1)	3,770	0.2
Total tax charge at the Group's effective tax rate	<u>1,053,918</u>	<u>20.6</u>	<u>1,268,236</u>	<u>27.2</u>

Note: The translation adjustment mainly relates to the tax effect of the difference between the profit before tax determined on the tax basis in Norwegian Krone (“NOK”) and that determined on the accounting basis of some subsidiaries of the Group in Norway in US dollars, the functional currency of these companies.

The share of tax attributable to an associate and joint ventures amounting to approximately RMB47,409,000 (2024: RMB39,858,000) is included in “Share of profits of an associate and joint ventures” in the consolidated statement of profit or loss.

Pillar Two income taxes

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

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

8. DIVIDENDS

	31 December 2025 RMB'000	31 December 2024 RMB'000
Proposed final dividend – RMB0.2825 per ordinary share (2024: RMB0.2306 per ordinary share)	<u>1,347,975</u>	<u>1,100,329</u>

The Board of Directors of the Company recommended the payment of a proposed dividend for the year ended 31 December 2025 of RMB0.2825 per ordinary share (tax inclusive), in an aggregate amount of RMB1,347,974,740. The proposed dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

During the year ended 31 December 2025, the dividend proposed in 2024 and paid to the shareholders of the Company was RMB0.2306 per ordinary share, in an aggregate amount of RMB1,100,329,115.20 (2024: RMB1,002,034,320).

Cash dividends to shareholders in Hong Kong will be paid in Hong Kong dollars.

Under the PRC Company Law and the Company's articles of association, net profit after tax as reported in the PRC statutory financial statements can only be distributed as dividends after allowance has been made for the following:

- (i) making up prior years' cumulative losses, if any;
- (ii) allocations to the statutory common reserve fund of at least 10% of after-tax profit, until the fund aggregates 50% of the Company's registered capital. For the purpose of calculating the transfer to the reserve, the profit after tax shall be the amount determined under the PRC accounting principles and financial regulations in the PRC. The transfer to this reserves must be made before any distribution of dividends to shareholders;

The statutory common reserve can be used to offset previous years' losses, if any, and part of the statutory common reserve can be capitalised as the Company's share capital provided that the amount of such reserve remaining after the capitalisation shall not be less than 25% of the registered capital of the Company;

- (iii) allocations to the discretionary common reserve if approved by the shareholders. The discretionary common reserve can be used to offset prior years' losses, if any, and can be capitalised as the Company's share capital.

In accordance with the articles of association of the Company, the net profit after tax of the Company for the purpose of profit distribution will be deemed to be the lower of (i) the net profit determined in accordance with the accounting principles generally accepted in the PRC and financial regulations in the PRC and (ii) the net profit determined in accordance with HKFRS Accounting Standards.

Pursuant to the State Administration of Taxation Circular Guoshuihan [2008] No. 897, the Company is required to withhold a 10% enterprise income tax when it distributes dividends to its non-resident enterprise shareholders out of the profit earned in 2008 and beyond. In respect of all shareholders whose names appear on the Company's register of members who are not individuals, which are considered as non-resident enterprise shareholders, the Company will distribute the dividend after deducting the enterprise income tax at a rate of 10%.

9. EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Earnings		
Earnings for the purpose of basic earnings per share calculation (profit for the year attributable to owners of the Company)	<u>3,841,741</u>	<u>3,136,992</u>
	2025	2024
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share calculation (share)	<u>4,771,592,000</u>	<u>4,771,592,000</u>

There were no differences between the basic and diluted earnings per share amounts for the years ended 31 December 2025 and 2024 as the Group had no dilutive potential ordinary shares outstanding during those years.

10. PROPERTY, PLANT AND EQUIPMENT

31 December 2025	Vessels <i>RMB'000</i>	Drilling rigs <i>RMB'000</i>	Machinery and equipment <i>RMB'000</i>	Motor vehicles <i>RMB'000</i>	Buildings <i>RMB'000</i>	Construction in progress <i>RMB'000</i>	Total <i>RMB'000</i>
At 31 December 2024 and 1 January 2025							
Cost	16,499,313	68,598,430	29,522,543	109,641	1,794,822	3,499,203	120,023,952
Accumulated depreciation and impairment	<u>(10,932,338)</u>	<u>(39,930,815)</u>	<u>(18,158,391)</u>	<u>(75,267)</u>	<u>(467,297)</u>	-	<u>(69,564,108)</u>
Carrying amount	<u>5,566,975</u>	<u>28,667,615</u>	<u>11,364,152</u>	<u>34,374</u>	<u>1,327,525</u>	<u>3,499,203</u>	<u>50,459,844</u>
Carrying amount							
At 1 January 2025	5,566,975	28,667,615	11,364,152	34,374	1,327,525	3,499,203	50,459,844
Additions	355,702	37,344	1,754,126	-	-	3,356,260	5,503,432
Depreciation provided	(659,165)	(1,885,580)	(3,559,946)	(17,071)	(74,576)	-	(6,196,338)
Disposals/write-offs	(1,637)	(2,085)	(41,200)	(782)	-	-	(45,704)
Transfers from/(to) construction in progress	-	423,838	2,564,327	976	-	(2,989,141)	-
Assets classified as held for sale	-	-	(25,489)	-	-	-	(25,489)
Provision for impairment	(6,603)	(50,670)	(133,823)	-	-	-	(191,096)
Exchange realignment	<u>(2,318)</u>	<u>(297,916)</u>	<u>(57,619)</u>	-	<u>(4,140)</u>	<u>(14,255)</u>	<u>(376,248)</u>
At 31 December 2025	<u>5,252,954</u>	<u>26,892,546</u>	<u>11,864,528</u>	<u>17,497</u>	<u>1,248,809</u>	<u>3,852,067</u>	<u>49,128,401</u>
At 31 December 2025							
Cost	16,793,083	68,165,428	31,920,253	102,743	1,788,166	3,852,067	122,621,740
Accumulated depreciation and impairment	<u>(11,540,129)</u>	<u>(41,272,882)</u>	<u>(20,055,725)</u>	<u>(85,246)</u>	<u>(539,357)</u>	-	<u>(73,493,339)</u>
Carrying amount	<u>5,252,954</u>	<u>26,892,546</u>	<u>11,864,528</u>	<u>17,497</u>	<u>1,248,809</u>	<u>3,852,067</u>	<u>49,128,401</u>

	Vessels <i>RMB'000</i>	Drilling rigs <i>RMB'000</i>	Machinery and equipment <i>RMB'000</i>	Motor vehicles <i>RMB'000</i>	Buildings <i>RMB'000</i>	Construction in progress <i>RMB'000</i>	Total <i>RMB'000</i>
31 December 2024							
At 31 December 2023 and 1 January 2024							
Cost	16,494,686	65,800,367	32,937,223	103,882	1,790,432	2,745,157	119,871,747
Accumulated depreciation and impairment	<u>(10,254,560)</u>	<u>(38,174,194)</u>	<u>(22,051,226)</u>	<u>(71,906)</u>	<u>(391,065)</u>	<u>(410)</u>	<u>(70,943,361)</u>
Carrying amount	<u>6,240,126</u>	<u>27,626,173</u>	<u>10,885,997</u>	<u>31,976</u>	<u>1,399,367</u>	<u>2,744,747</u>	<u>48,928,386</u>
Carrying amount							
At 1 January 2024	6,240,126	27,626,173	10,885,997	31,976	1,399,367	2,744,747	48,928,386
Additions	–	366,765	1,676,713	561	–	5,159,588	7,203,627
Depreciation provided	(675,480)	(1,726,553)	(3,188,449)	(7,029)	(74,743)	–	(5,672,254)
Disposals/write-offs	(489)	(31,804)	(110,930)	(433)	–	–	(143,656)
Transfers from/(to) construction in progress	–	2,332,632	2,067,903	9,299	–	(4,409,834)	–
Exchange realignment	<u>2,818</u>	<u>100,402</u>	<u>32,918</u>	<u>–</u>	<u>2,901</u>	<u>4,702</u>	<u>143,741</u>
At 31 December 2024	<u>5,566,975</u>	<u>28,667,615</u>	<u>11,364,152</u>	<u>34,374</u>	<u>1,327,525</u>	<u>3,499,203</u>	<u>50,459,844</u>
At 31 December 2024							
Cost	16,499,313	68,598,430	29,522,543	109,641	1,794,822	3,499,203	120,023,952
Accumulated depreciation and impairment	<u>(10,932,338)</u>	<u>(39,930,815)</u>	<u>(18,158,391)</u>	<u>(75,267)</u>	<u>(467,297)</u>	<u>–</u>	<u>(69,564,108)</u>
Carrying amount	<u>5,566,975</u>	<u>28,667,615</u>	<u>11,364,152</u>	<u>34,374</u>	<u>1,327,525</u>	<u>3,499,203</u>	<u>50,459,844</u>

During the year ended 31 December 2025, no interest was capitalised in property, plant and equipment (2024: Nil).

Impairment of property, plant and equipment

The day rates and utilisation rates of the Group's several large-scale equipment are still affected by the volatile market demand, and there were impairment indicators for certain drilling rigs and vessels. As a result, management conducted impairment test on these assets. Management performed impairment assessment accordingly by determining the recoverable amount of the relevant cash-generating units or group of cash-generating units based on the fair value less cost of disposal according to appraisal report or the present value of expected future cash flows.

The fair value less costs of disposal is arrived at on the basis of valuation carried out by independent property agents. The fair value of the relevant assets is determined based on a variety of valuation methods, including the market approach and income approach. The market approach is by reference to the value that would be received from selling the assets in an orderly transaction between market participants at the measurement date. The income approach is by reference to the projected discounted cash flows over the remaining economic life of the relevant assets. The above estimates of fair value requires the main inputs representative of a level 3 fair value measurement, including historical contracted sales prices for similar assets, estimated utilisation rates, service prices, cost level and capital requirements.

The present value of expected future cash flows for relevant cash-generating units is determined based on a five-year budget approved by management and an estimate of future market trends. The cash flow beyond the budget period is estimated based on the market trend and by reference to the relevant market trend report. The key assumptions and bases used to estimate the present value of future cash flows are as follows.

- Based on the assets' historical data, the Group's operational performance and future industry operational trends, the management of the Group has assessed the key assumptions for assets with impairment indicators, including the projected utilisation rate for drilling rigs and vessels at a range of approximately 50% to 97%, the estimated workload for geophysical vessels at approximately 3,000 square kilometers per year, the forecasted growth rate of day rate during the projection period at a range of approximately -4.94% to 62.14%, and the stabilized growth rate of day rate at a range of approximately 1% to 2%.
- The discount rate used is a long-term weighted-average cost of capital, which is based on management's best estimation of the investment returns that industry would require for the relevant assets. The pre-tax discount rates applied to the cash flow projections is in the range of 7.18%~17.69% (31 December 2024: 10.00%~17.49%).

To optimise the Group's asset operations, management decided to dispose of five modular drilling rigs held by its wholly-owned subsidiary, COSL Mexico S.A. de C.V. ("COSL Mexico"). As at 31 December 2025, COSL Mexico had entered into an agreement with a third-party purchaser for the bundled disposal of these rigs together with the related supporting assets. The transaction is expected to be completed within the next 12 months. Accordingly, the Group classified the relevant assets as assets held for sale and determined their fair value based on the consideration stipulated in the disposal agreement, which was used as the recoverable amount for the impairment assessment.

Based on the impairment assessment, the Group has made provision for impairment of property, plant and equipment of RMB191,096,000 for the year ended 31 December 2025 (2024: Nil).

11. GOODWILL

Goodwill was generated in the acquisition of COSL Holding AS in 2008 by the Group, which was combined into COSL Norwegian AS by merger during the year ended 31 December 2016 (collectively referred to as the “CNA”). The goodwill was fully impaired as at 31 December 2016.

	2025
	RMB'000
Cost	
At 1 January	4,843,157
Exchange realignment	<u>(107,530)</u>
At 31 December	<u><u>4,735,627</u></u>
Impairment	
At 1 January	4,843,157
Exchange realignment	<u>(107,530)</u>
At 31 December	<u><u>4,735,627</u></u>
Carrying amount	
At 31 December	<u><u>-</u></u>

12. ACCOUNTS RECEIVABLE

	31 December	31 December
	2025	2024
	RMB'000	RMB'000
Accounts receivable – goods and services	17,964,747	17,112,580
Less: Allowance for credit losses	<u>(3,008,684)</u>	<u>(3,049,927)</u>
Total	<u><u>14,956,063</u></u>	<u><u>14,062,653</u></u>

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

	31 December	31 December
	2025	2024
	RMB'000	RMB'000
Within one year	14,854,612	13,933,366
One to two years	96,800	121,740
Over two years	<u>4,651</u>	<u>7,547</u>
Total	<u><u>14,956,063</u></u>	<u><u>14,062,653</u></u>

As at 31 December 2025, included in the Group's accounts receivable balance are debtors with an aggregate carrying amount of RMB101,451,000 (31 December 2024: RMB129,287,000) which were past due as at the reporting date. Out of the past due balances, RMB27,416,000 (31 December 2024: RMB18,156,000) is not considered in default based on past experience, the Directors are of the opinion that no further provision for impairment is necessary in respect of these balances which are considered fully recoverable after taking into consideration the customer's credit quality, historical behaviour of payments and prevailing market conditions. The Group does not hold any collateral or other credit enhancements over these past-due balances.

As at 31 December 2025, the carrying amount of accounts receivable for which the Group assessed expected credit losses individually was RMB17,255,534,000 (31 December 2024: RMB16,432,000,000), the amount of credit losses provided was RMB2,966,933,000 (31 December 2024: RMB2,988,513,000), and the net amount of accounts receivable was RMB14,288,601,000 (31 December 2024: RMB13,443,487,000). The carrying amount of accounts receivable for which the Group assessed expected credit losses based on shared credit risk characteristics was RMB709,213,000 (31 December 2024: RMB680,580,000), the amount of credit losses provided was RMB41,751,000 (31 December 2024: RMB61,414,000), and the net amount of accounts receivable was RMB667,462,000 (31 December 2024: RMB619,166,000).

13. CASH AND CASH EQUIVALENTS, PLEDGED DEPOSITS AND TIME DEPOSITS

	31 December 2025 RMB'000	31 December 2024 RMB'000
Cash and balances with banks	5,778,386	4,174,160
Deposits with CNOOC Finance Corporation Limited	1,799,746	1,799,970
Cash and balances with banks and financial institutions	7,578,132	5,974,130
Less:		
Pledged deposits	(10,074)	(8,119)
Time deposits	(105,067)	(542,239)
Cash and cash equivalents	7,462,991	5,423,772

At 31 December 2025, the cash and bank balances of the Group denominated in RMB amounted to approximately RMB5,454,957,000 (31 December 2024: RMB4,453,632,000). The RMB is not freely convertible into other currencies. However, under Chinese mainland's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest based on daily bank deposit rates. The bank balances, pledged deposits and time deposits are deposited with creditworthy banks with no recent history of default.

14. TRADE AND OTHER PAYABLES

	31 December 2025 RMB'000	31 December 2024 RMB'000
Trade payables	15,829,190	15,415,201
Other payables	895,533	1,004,453
Total	<u>16,724,723</u>	<u>16,419,654</u>

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

	31 December 2025 RMB'000	31 December 2024 RMB'000
Outstanding balances aged:		
Within one year	15,728,287	15,295,921
One to two years	23,913	76,004
Two to three years	52,259	13,270
Over three years	24,731	30,006
Total	<u>15,829,190</u>	<u>15,415,201</u>

The trade payables are non-interest bearing and are normally settled on 90-day terms.

15. DEFERRED TAXATION

For the purpose of presentation in the consolidated statement of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

	31 December 2025 <i>RMB'000</i>	31 December 2024 <i>RMB'000</i>
Deferred tax assets	67,935	28,543
Deferred tax liabilities	<u>(136,334)</u>	<u>(277,627)</u>
Total	<u><u>(68,399)</u></u>	<u><u>(249,084)</u></u>

The followings are the major deferred tax assets and liabilities recognised and movements thereon during the current and prior years:

	Balance at 31 December 2024 <i>RMB'000</i>	Recognised in profit or loss <i>RMB'000</i>	Exchange realignment <i>RMB'000</i>	Balance at 31 December 2025 <i>RMB'000</i>
Deferred tax assets:				
Provision for staff bonuses	32,563	13,896	(38)	46,421
Impairment of assets	24,840	(13,862)	(253)	10,725
Accrued liabilities	369,677	150,197	(505)	519,369
Deductible tax losses	916	16,796	26	17,738
Lease liabilities	204,471	168,272	(17,132)	355,611
Others	<u>86,904</u>	<u>(2,179)</u>	<u>16,103</u>	<u>100,828</u>
Total	<u>719,371</u>	<u>333,120</u>	<u>(1,799)</u>	<u>1,050,692</u>
Deferred tax liabilities:				
Accelerated depreciation of property, plant and equipment	10,066	1,182	(228)	11,020
Investment in corporate wealth management products	261	(20)	-	241
Right-of-use assets	185,829	151,550	(853)	336,526
Full deduction of assets before tax	725,967	13,068	(173)	738,862
Fair value adjustment arising from acquisition of subsidiaries	1,574	(765)	1	810
Others	<u>44,758</u>	<u>(12,173)</u>	<u>(953)</u>	<u>31,632</u>
Total	<u>968,455</u>	<u>152,842</u>	<u>(2,206)</u>	<u>1,119,091</u>
Total	<u><u>249,084</u></u>	<u><u>(180,278)</u></u>	<u><u>(407)</u></u>	<u><u>68,399</u></u>

	Balance at 31 December 2023 <i>RMB'000</i>	Recognised in profit or loss <i>RMB'000</i>	Exchange realignment <i>RMB'000</i>	Balance at 31 December 2024 <i>RMB'000</i>
Deferred tax assets:				
Provision for staff bonuses	25,624	6,813	126	32,563
Impairment of assets	74,413	(49,772)	199	24,840
Accrued liabilities	299,592	69,693	392	369,677
Deductible tax losses	64,079	(63,612)	449	916
Lease liabilities	198,749	4,878	844	204,471
Others	<u>72,081</u>	<u>14,823</u>	<u>–</u>	<u>86,904</u>
Total	<u>734,538</u>	<u>(17,177)</u>	<u>2,010</u>	<u>719,371</u>
Deferred tax liabilities:				
Accelerated depreciation of property, plant and equipment	71,258	(61,650)	458	10,066
Investment in corporate wealth management products	183	78	–	261
Right-of-use assets	177,611	7,527	691	185,829
Full deduction of assets before tax	767,592	(41,625)	–	725,967
Fair value adjustment arising from acquisition of subsidiaries	2,529	(955)	–	1,574
Others	<u>43,963</u>	<u>139</u>	<u>656</u>	<u>44,758</u>
Total	<u>1,063,136</u>	<u>(96,486)</u>	<u>1,805</u>	<u>968,455</u>
Total	<u><u>328,598</u></u>	<u><u>(79,309)</u></u>	<u><u>(205)</u></u>	<u><u>249,084</u></u>

At 31 December 2025, the aggregate amount of temporary differences associated with undistributed earnings of the Group's associate and joint ventures for which deferred tax liabilities have not been recognised was RMB2,165,996,000 (31 December 2024: RMB2,000,900,000). No liability has been recognised in respect of these differences as the investment company and those associate and joint ventures are all located in the PRC and the applicable tax rate of those associate and joint ventures was the same as or higher than the applicable tax rate of the investment company.

At 31 December 2025, the aggregate amount of temporary differences associated with undistributed earnings of subsidiaries for which deferred tax liabilities have not been recognised was RMB1,805,698,000 (31 December 2024: RMB1,410,118,000). No liability has been recognised in respect of these differences because the Group is in a position to control the timing of the reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future.

As at 31 December 2025, the Group had unrecognised deductible tax losses amounting to RMB7,478,729,000 (31 December 2024: RMB8,305,545,000). The tax losses incurred by the Group's subsidiary in Norway can be carried forward indefinitely for offsetting against future taxable profits of the companies in which the losses arose. The tax losses incurred by the Group's subsidiary in Saudi Arabia has no expiry date, but the deductible amount is limited to 25% of the adjusted taxable profit for the year. The above-mentioned unrecognised tax losses with no expiry date amounted to RMB7,305,782,000 as at 31 December 2025 (31 December 2024: RMB8,305,545,000), while other unrecognised tax losses will expire between 2028 and 2035.

At 31 December 2025, the Group had deductible temporary differences of RMB4,265,806,000 (31 December 2024: RMB4,369,494,000). No deferred tax asset has been recognised by the Group in relation to such deductible temporary differences as it is not probable that taxable profit will be available against which these deductible temporary differences can be utilised.

16. LOANS FROM RELATED PARTIES

	<i>Notes</i>	Effective interest rate per annum (%)	Year of maturity	31 December 2025 <i>RMB'000</i>	31 December 2024 <i>RMB'000</i>
Current	(a)	3.75	Revolving loan	<u>2,460,080</u>	<u>2,515,940</u>
Non-current	(b)	3.75	2027	695,851	939,921
Non-current	(c)	3.75	2027	576,361	589,449
Non-current	(d)	2.00	2028	<u>2,100,000</u>	–
Total				<u>3,372,212</u>	<u>1,529,370</u>
Unsecured loans from related parties				<u>5,832,292</u>	<u>4,045,310</u>

Notes:

- (a) In July 2016, the Group borrowed a loan of US\$350,000,000 from a fellow subsidiary Overseas Oil & Gas Corporation, Ltd. (“OOGC”). The loan is revolving loan and applicable for extension of repayment, and carried interest at an effective interest rate of 3.75% per annum (2024: 4%). The proceeds were used to finance CNA's refinancing and daily operations.
- (b) In August 2022, the Group borrowed a loan of US\$132,000,000 from its ultimate holding company CNOOC. The loan from related party is due for a lump sum repayment at maturity, and carried interest at an effective interest rate of 3.75% per annum (2024: 4%). The proceeds were used to finance CNA's refinancing and daily operations. Principal of US\$33,000,000 was repaid during 2025.
- (c) In August 2022, the Group borrowed a loan of US\$82,000,000 from a fellow subsidiary OOGC, the loan has a term of five years. The loan from related party is due for a lump sum repayment at maturity, and carried interest at an effective interest rate of 3.75% per annum (2024: 4%). The proceeds were used to finance CNA's refinancing and daily operations.

- (d) In June and July 2025, the Group drew down RMB2,100,000,000 in aggregate from a fellow subsidiary OOGC, under the same loan facility. The loan from related party is due for a lump sum repayment at maturity, and carried interest at an effective interest rate of 2% per annum. The proceeds were used to finance COSL Singapore Ltd.'s refinancing and daily operations.

17. INTEREST-BEARING BANK BORROWINGS

	<i>Notes</i>	Contractual interest rate (%)	Year of maturity	31 December 2025 <i>RMB'000</i>	31 December 2024 <i>RMB'000</i>
China Development Bank – unsecured	(a)	1.08	2035	151,325	163,692
Bank of China (Hong Kong) Limited – secured	(b)	2.05	Revolving loan	2,873,855	–
Agricultural Bank of China – secured	(c)	2.20	Revolving loan	1,100,515	–
Total				<u>4,125,695</u>	<u>163,692</u>
Current				3,992,631	18,267
Non-current				<u>133,064</u>	<u>145,425</u>
Total				<u>4,125,695</u>	<u>163,692</u>

Notes:

- (a) The Group borrowed a loan of RMB320,000,000 from a wholly-owned subsidiary of China Development Bank in December 2015. The loan was initially recognised at fair value measured by discounting future cash flows at the prevailing market interest. The repayments started from December 2018 over 36 instalments bi-annually. The effective interest rate for the year ended 31 December 2025 was 1.08% per annum.
- (b) The Group borrowed a loan of RMB2,870,000,000 from Bank of China (Hong Kong) Limited in June 2025 under revolver line of credit. The loan is a short-term revolving loan with an effective interest rate of 2.05%. The proceeds were used to finance COSL Middle East FZE's financing and daily operations.

- (c) The Group borrowed a loan of RMB1,100,000,000 from Agricultural Bank of China in July 2025 under revolver line of credit. The loan is a short-term revolving loan with an effective interest rate of 2.20%. The proceeds were used to finance COSL Middle East FZE's financing and daily operations.

	31 December 2025 RMB'000	31 December 2024 RMB'000
Bank borrowings repayable:		
Within one year	3,992,631	18,267
In the second year	7,769	6,931
In the third to fifth year, inclusive	42,388	40,970
Beyond five years	82,907	97,524
	<hr/>	<hr/>
Total	<u>4,125,695</u>	<u>163,692</u>

18. LONG-TERM BONDS

	Year of maturity	31 December 2025 RMB'000	31 December 2024 RMB'000
2016 Corporate bonds (Type II of the First Tranche Issue as defined below) (<i>Note (a)</i>)	2026	3,073,283	3,072,863
Guaranteed medium-term notes			
Second Drawdown Note (<i>Note (b)</i>)	2025	–	3,660,694
Guaranteed senior notes			
2025 Notes (<i>Note (c)</i>)	2025	–	3,593,120
2030 Notes (<i>Note (c)</i>)	2030	2,098,835	2,143,154
		<hr/>	<hr/>
Total		<u>5,172,118</u>	<u>12,469,831</u>
Current		3,073,283	7,327,272
Non-current		<u>2,098,835</u>	<u>5,142,559</u>
		<hr/>	<hr/>
Total		<u>5,172,118</u>	<u>12,469,831</u>

Notes:

- (a) At 26 May 2016, the Group issued its first tranche (the “First Tranche Issue”) of domestic corporate bonds (“2016 Corporate Bonds”) with an aggregate amount of RMB5,000,000,000. The First Tranche Issue includes two types of bonds. The first type of bonds with a principal amount of RMB2,000,000,000 was repaid on 27 May 2019. The second type of bonds with a principal amount of RMB3,000,000,000 (the “Type II of the First Tranche Issue”) carries interest at an effective interest rate of 4.12% per annum and the maturity date is 27 May 2026.
- (b) At 30 July 2015, COSL Singapore Capital Ltd. issued the second tranche of drawdown note under the Euro medium term note programme (the “EMTN Programme”) with a nominal amount of US\$500,000,000 (the “Second Drawdown Note”). The effective interest rate is 4.58% per annum after taking into consideration initial transaction costs. The principal of the Second Drawdown Note has been repaid on 28 July 2025. The Company has unconditionally and irrevocably guaranteed the due and punctual payment of guaranteed senior notes.
- (c) At 24 June 2020, COSL Singapore Capital Ltd., a wholly-owned subsidiary of the Company, issued two tranches of guaranteed senior notes. The Company has unconditionally and irrevocably guaranteed the due and punctual payment of guaranteed senior notes.

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

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

19. ISSUED CAPITAL

	31 December 2025	31 December 2024
	<i>RMB'000</i>	<i>RMB'000</i>
Registered, issued and fully paid:		
H shares of RMB1.00 each	1,811,124	1,811,124
A shares of RMB1.00 each	2,960,468	2,960,468
	<hr/>	<hr/>
Total	<u>4,771,592</u>	<u>4,771,592</u>

20. CONTINGENCES

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

21. EVENTS AFTER THE REPORTING PERIOD

On 16 March 2026, COSL Singapore Capital Ltd., a wholly-owned subsidiary of the Group, issued guaranteed notes due in 2029 in an aggregate principal amount of RMB5,000,000,000 at an interest rate of 1.95% per annum. The Company has unconditionally and irrevocably guaranteed the due and punctual payment of the guaranteed notes.

As at 24 March 2026, the board of directors of the Company proposed to distribute the cash dividend for the year ended 31 December 2025 of RMB0.2825 per ordinary share (tax inclusive) to the shareholders with an amount aggregate of RMB1,347,974,740. The proposal is subject to the approval by the shareholders at the 2025 Annual General Meeting of the Company held in 2026.

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Development Overview for 2025

In 2025, the global economy showed a trend of “slow growth, obvious differentiation and policies under pressure”. Under the background of energy transformation and security guarantee, the position of oil and gas industry as the core of the global energy system was further consolidated. In terms of operating efficiency and enterprise performance, the overall profitability of the industry was improved, and the leading enterprises were clearly differentiated. The industry showed obvious characteristics of deep-sea, offshore and centralized technical services. Among them, the demand for offshore oilfield service was the strongest and became the growth core, which was closely related to the increase of global deep-water projects and the increase of investment in submarine system technology. In terms of cost and cash flow, digital and intelligent technologies promoted cost reduction, but oil price fluctuations brought cost pressure. In terms of business structure and trend, the market share of traditional services such as drilling and well completion was stable, and digital and new energy-related businesses grew rapidly. The most significant strength on the operation side was cost optimisation and operational efficiency improvement. In the environment of fluctuating oil price range and geopolitical uncertainty, the industry generally focused on improving production efficiency, reducing non-core investment, and reducing operating costs through digitalisation and automation. Overall, in 2025, the oil and gas industry was characterized by steady growth, high technology, high efficiency and strong offshore operation. Supported by the energy demand and deep-water investment, the industry maintained a good operational prosperity, but still faced long-term pressures from oil price fluctuations, policy changes and energy transformation.

Business Review

In 2025, international energy transformation deeply consolidated, and the global oil and gas exploration expenditure showed a characteristic of “moderate growth in total volume and structural regional adjustment”, with a slight decrease in the total global upstream investment. The loose pattern of supply and demand led to a fluctuating downward trend in international oil prices throughout the year, and the annual average price dropped significantly as compared with 2024. Under the new development environment, the Company made in-depth research and judgment to actively respond to risk challenges, optimized the allocation of domestic and overseas market resources, continuously improved its cost control capabilities, and expanded new business formats such as “Platform+”, “Vessel+” and “Technology+” to ensure the stability and safety of the industrial chain and supply chain and promote a steady growth in the performance of the Company. In 2025, the operating revenue amounted to RMB50,210.8 million, representing a year-on-year increase of RMB1,992.7 million or 4.1%; profit before tax amounted to RMB5,113.8 million, representing a year-on-year increase of RMB446.5 million or 9.6%; net profit amounted to RMB4,059.9 million, representing a year-on-year increase of RMB660.8 million or 19.4%.

Drilling Services Segment

The Company is the largest offshore drilling contractor in China and one of the internationally well-known drilling contractors. It mainly provides relevant drilling and well completion services such as jack-up drilling rigs, semi-submersible drilling rigs and land drilling rigs. At the end of 2025, the Company operated and managed a total of 60 drilling rigs (of which 46 are jack-up drilling rigs, and 14 are semi-submersible drilling rigs), etc.

In 2025, revenue from drilling services amounted to RMB14,879.0 million, representing an increase of 12.9% as compared with RMB13,182.3 million in 2024.

In 2025, the global drilling market showed a structural differentiation against a background of downward shift in the average oil prices, and the demand for high-end deepwater equipment such as semi-submersible drilling rigs remained resilient while conventional operations in certain regions faced price pressure. The Company has always precisely adopted to market changes with high-level supply, and the utilisation rate of drilling rigs achieved a year-on-year growth with revenue from such segment recording a new high. Meanwhile, the Company achieved a number of improvements in domestic deep-water and deep-layer operation capacities, providing solid equipment guarantee for “reserve growth and production enhancement”. The “HYSY944” rig successfully created a single-day cumulative borehole depth record of domestic oil and gas wells. The “Fen Jin” rig successfully broke China’s record for 3,500-4,000 meter ultra-deep water drilling cycle in the operation in an ultra-deep-water exploration well. The “Guo Xin” rig set a new record for single-day cumulative borehole depth in the Bohai Oilfield for two consecutive times during the year. The “Shen Lan Tan Suo” rig successfully set several operation records for the deepest drilling depth and the longest cumulative borehole depth of exploration wells completed in the eastern South China Sea. The overseas high-end market expansion achieved remarkable results, the contract quality was continuously improved, and the customer relationship continued to deepen. In the Norwegian North Sea market, high-quality contracts were secured and high-value projects operated in an orderly manner and continuously generated profits. The “NH8” rig officially launched the operation in South America during the year and successfully expanded into new markets. The “COSL CONFIDENCE” rig, successfully set a new record for maritime cumulative borehole depth in the Middle East, was recognized by customers for several times and continuously consolidated the competitiveness in the global high-end market.

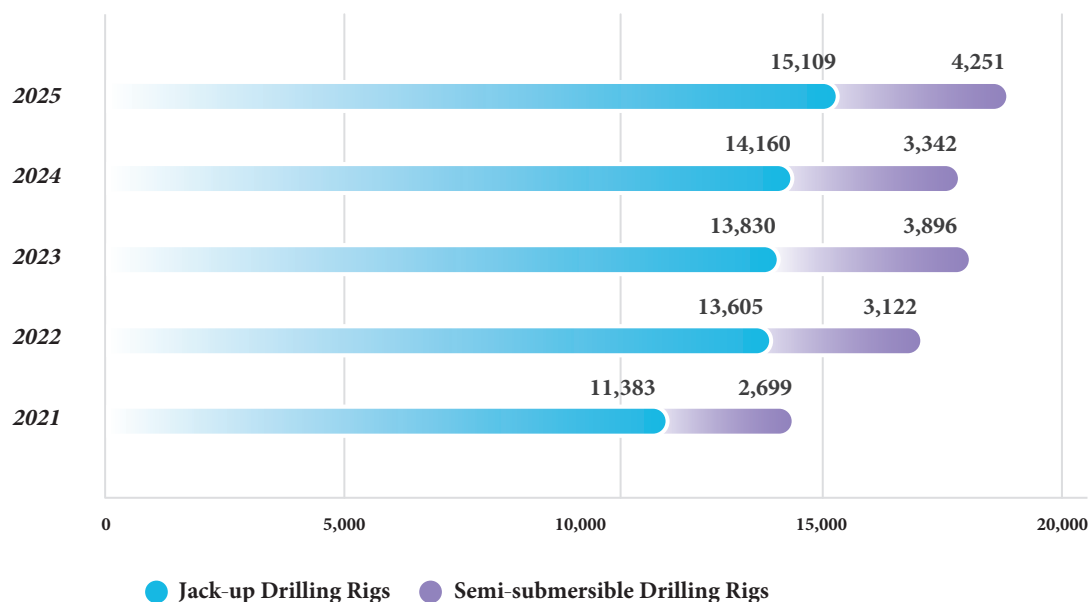
At the end of 2025, the Company operated and managed 45 drilling rigs in China and 15 drilling rigs overseas.

Due to the smooth coordination of operations, the Company’s drilling rigs operated for 19,360 days in 2025, representing a year-on-year increase of 1,858 days or 10.6%.

In 2025, the Company's jack-up drilling rigs operated for 15,109 days, representing a year-on-year increase of 949 days; semi-submersible drilling rigs operated for 4,251 days, representing a year-on-year increase of 909 days. Calendar day utilisation rate of drilling rigs was 88.4%, representing a year-on-year increase of 10.4 percentage points. Among which, the utilisation rate of jack-up drilling rigs was 90.0%, representing a year-on-year increase of 8.2 percentage points, and the utilisation rate of semi-submersible drilling rigs was 83.2%, representing a year-on-year increase of 18.0 percentage points. Operational details are as follows:

	2025	2024	Change	Percentage change
Operating days (day)	19,360	17,502	1,858	10.6%
Jack-up drilling rigs	15,109	14,160	949	6.7%
Semi-submersible drilling rigs	4,251	3,342	909	27.2%
Available day utilisation rate	91.0%	83.4%	Up 7.6 percentage points	
Jack-up drilling rigs	92.0%	85.5%	Up 6.5 percentage points	
Semi-submersible drilling rigs	87.6%	75.6%	Up 12.0 percentage points	
Calendar day utilisation rate	88.4%	78.0%	Up 10.4 percentage points	
Jack-up drilling rigs	90.0%	81.8%	Up 8.2 percentage points	
Semi-submersible drilling rigs	83.2%	65.2%	Up 18.0 percentage points	
	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>

NUMBER OF OPERATING DAYS FOR DRILLING RIGS IN RECENT YEARS



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

Average daily revenue (ten thousand US\$/day)	2025	2024	Change	Percentage change
Jack-up drilling rigs	7.4	7.5	(0.1)	(1.3%)
Semi-submersible drilling rigs	17.5	14.3	3.2	22.4%
Drilling rigs average	<u>9.6</u>	<u>8.8</u>	<u>0.8</u>	<u>9.1%</u>

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

(2) USD/RMB exchange rate was 1:7.0288 as at 31 December 2025 and 1:7.1884 as at 31 December 2024.

Well Services Segment

The Company is the main provider of China offshore well services together with the provision of onshore well services. Through the continuous input in technology research and development, advanced technological facilities and excellent management teams, the Company provides comprehensive professional well services, including but not limited to logging, drilling & completion fluids, directional drilling, cementing, well completion, well workover, stimulation, etc.

In 2025, revenue from the well services decreased by 0.6% to RMB27,453.0 million from RMB27,610.3 million in 2024. The Company took a leadership in industrial innovation with technological innovation, and focused on promoting independent research and development of key and core equipment and industrial breakthroughs, forming a number of relatively complete energy service technology systems with stable increase in the coverage of mainstream technology.

The Company continued to strengthen technological innovation and promoted a number of technological achievements to be certified by national authorities and recognized by the industry. The Xuanji “Key Technology and Application of Geological Tracking Rotary Steering Drilling System” won the 2025 National Science and Technology Progress Award. The “Directional High-speed and High-definition Geosteering Drilling System” was selected in the fifth batch list of the first (set) major technical equipment of the National Energy Administration in the energy field. The Haiheng “High Performance Synthetic Base Drilling Fluid System” won the 2025 OTC Brazil New Technology Award, which promoted to make an important breakthrough in the large-scale and high-end application of the Company’s core independent technology. The Company intensified efforts in key core technologies breakthroughs, made new achievements in scientific and technological self-reliance and self-improvement, focused on exploration and development difficulties such as deep water and deep layer, high temperature and high pressure and low permeability of heavy oil, and continued to iterate, upgrade and systematically expand core technology products such as “Xuanji” and “Xuanyue”. The “Xuanji” geological tracking rotary steering drilling system successfully won the bid for a land-based directional drilling technical service project in Southeast Asia, and the overseas large-scale application of the “Xuanji” system made key progress. The automatic slurry preparation liquid adding system of the “Haiheng” mud station was applied in the field, realizing the automatic upgrading of the slurry preparation process of shore-based drilling fluid, promoting the automation of offshore slurry preparation operation and the intelligence of drilling fluid performance adjusting and controlling, and advancing the transformation and upgrading of the operation process to high efficiency, safety, green and intelligence.

The integrated business of drilling & completion, well workover, disposal and comprehensive management advanced simultaneously, forming an integrated service model with high quality, high efficiency, high added value and sustainability, and the integrated operation pattern of “customer value synergy, professional operation synergy and regional linkage and synergy” of the Company was becoming increasingly mature.

Marine Support Services Segment

The Company operates and manages the largest offshore operation fleet with the most comprehensive functions in China, with over 240 vessels including AHTS vessels, platform supply vessels and standby vessels at the end of 2025. The Company can provide comprehensive support and services, including anchor handling for different water level, towing of drilling rigs/engineering barges, offshore transportation, oil/gas field standby, firefighting, rescue and oil spill assisting, for offshore oil and gas exploration, development, construction and oil/gas field production, which can fulfill multidimensional needs of clients.

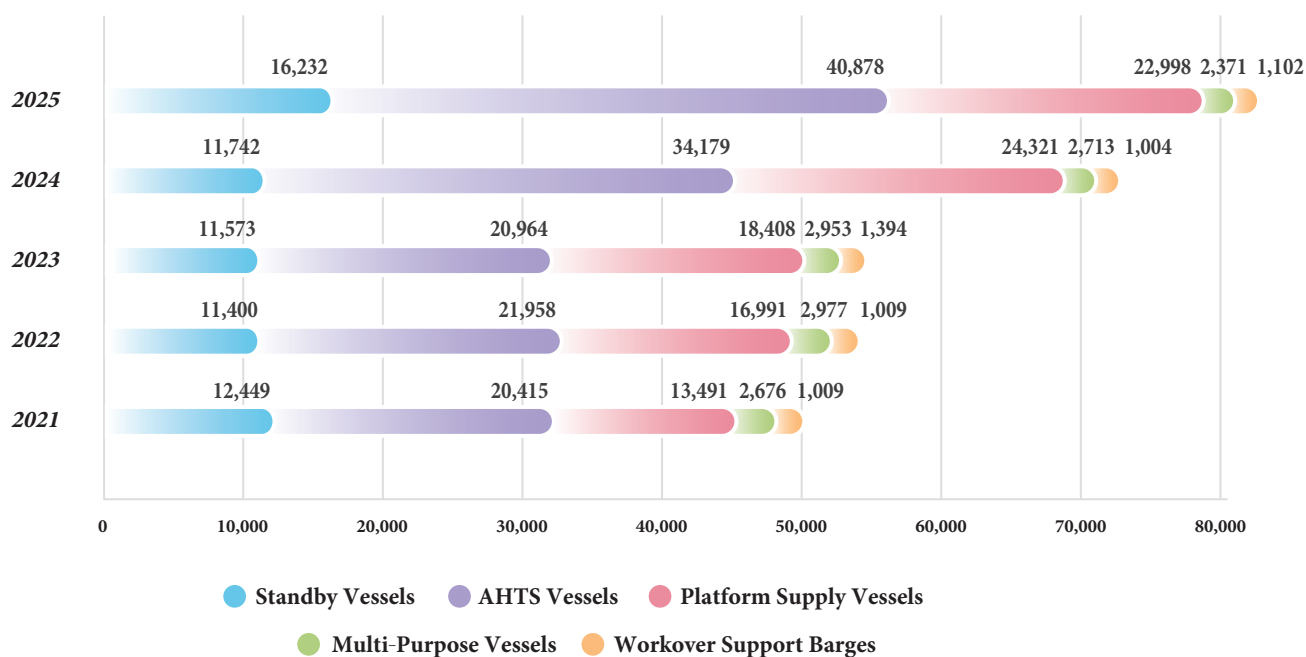
In 2025, revenue of marine support services increased by 9.0% to RMB5,190.8 million from RMB4,760.9 million in 2024.

The Company has always focused on the construction of vessels resource pools, precisely analyzed the market demand, and quickly adjusted operation regions and tasks to comprehensively improve the efficiency of resource utilisation and operating efficiency. In 2025, the scale of vessels operated and managed by the Company continued to grow, initially shaping a development pattern of “multi-point layout and regional linkage”. The Company systematically expanded emerging markets, opened up the dual-cycle situation of vessel resources at home and abroad, and took advantage of the policy advantages of South China Sea and Bohai Sea to promote domestic vessels to “go global”, and successfully implemented the offshore overall floating and towing operation of 100,000-ton super-large floating production rig for the first time in the world, creating a new benchmark for OSV’s “centimetre-level” operation in the field of offshore engineering.

In 2025, the operational details of vessels of the Company are as follows:

Operating days (day)	2025	2024	Change	Percentage change
Standby vessels	16,232	11,742	4,490	38.2%
AHTS vessels	40,878	34,179	6,699	19.6%
Platform supply vessels	22,998	24,321	(1,323)	(5.4%)
Multi-purpose vessels	2,371	2,713	(342)	(12.6%)
Workover support barges	1,102	1,004	98	9.8%
Total	<u>83,581</u>	<u>73,959</u>	<u>9,622</u>	<u>13.0%</u>

NUMBER OF OPERATING DAYS FOR UTILITY VESSELS IN RECENT YEARS



Geophysical Acquisition and Surveying Services Segment

The Company is a major supplier for China offshore geophysical acquisition and surveying services and a solid competitor and a provider of effective and high quality service in the global geophysical exploration. At the end of 2025, the Company owned 5 towing streamer vessels, 5 submarine seismic vessels and 4 integrated marine surveying vessels. Services for clients include but not limited to providing services of wide azimuth, broadband, high density seismic acquisition services, ocean bottom cable and ocean bottom node multi-component seismic acquisition services, as well as integrated offshore surveying services.

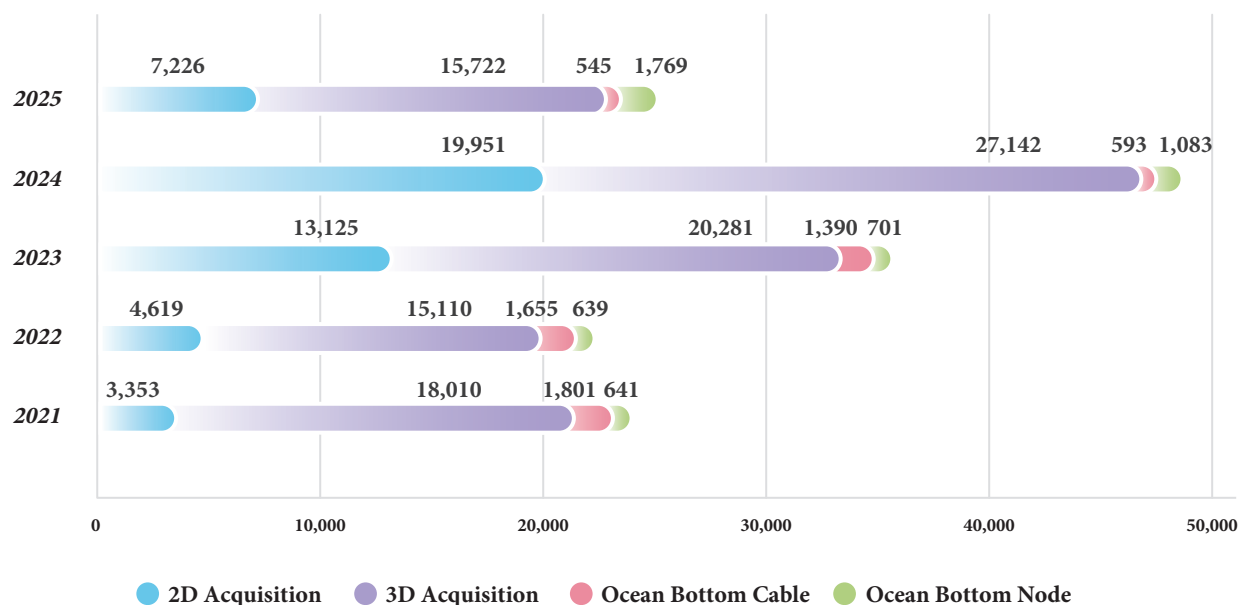
In 2025, revenue of geophysical acquisition and surveying services increased by 0.9% to RMB2,688.0 million from RMB2,664.6 million in 2024, of which, the surveying services recorded revenue of RMB989.3 million, representing an increase of 36.7% as compared with RMB723.6 million in 2024.

The Company proactively optimized its production capacity layout and focused on high-return businesses, achieving structural optimisation of its operating volume. Centering on the “Haijing” system and “Haimai” equipment, the Company built a complete industrial chain covering the entire process of R&D, manufacturing, and application, facilitating the marine geophysical exploration equipment in China towards high-end and large-scale development. “Haijing”, a complete set of streamer seismic equipment, has been continuously put into production and application with further enhancement in the system stability and operational efficiency and continuous reduction in failure rate of self-owned equipment. The “Haimai” node, an independently developed equipment equipped with ultra-low frequency sensing technology, has set new domestic OBN production operation records for many times in the Bohai Sea region with its node performance advantages and mixed acquisition operation mode, significantly improving the imaging accuracy of complex structures. The optimisation of the business structure and the mature application of proprietary technology and equipment have further consolidated the risk resistance capability and profitability stability of the Company.

In 2025, the details of geophysical acquisition of the Company are as follows:

Businesses	2025	2024	Change	Percentage Change
2D acquisition (km)	7,226	19,951	(12,725)	(63.8%)
3D acquisition (km ²)	15,722	27,142	(11,420)	(42.1%)
Ocean bottom cable (km ²)	545	593	(48)	(8.1%)
Ocean bottom node (km ²)	1,769	1,083	686	63.3%

THE OPERATING VOLUME OF GEOPHYSICAL SERVICE FLEET IN RECENT YEARS (KM/KM²)



Major Subsidiaries

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

As at 31 December 2025, the total assets of China Oilfield Services (BVI) Limited amounted to RMB10,671.1 million and equity was RMB2,015.0 million. China Oilfield Services (BVI) Limited realized revenue of RMB5,173.7 million in 2025, representing a decrease of RMB136.7 million compared with last year. The net profit amounted to RMB420.3 million, representing an increase of RMB112.5 million compared with last year.

As at 31 December 2025, the total assets of COSL Hong Kong International Limited amounted to RMB7,565.7 million and equity was RMB7,503.0 million. COSL Hong Kong International Limited realized revenue of RMB0 in 2025. The net profit amounted to RMB1,619.2 thousand, representing an increase of RMB1,425.9 thousand compared with last year, which was mainly due to the increase in investment income as a result of dividend distribution of subsidiaries.

As at 31 December 2025, the total assets of COSL Singapore Limited amounted to RMB16,994.5 million and equity was RMB-17,095.5 million. COSL Singapore Limited realized revenue of RMB6,009.5 million in 2025, representing an increase of RMB614.9 million compared with last year. The net profit amounted to RMB-488.4 million, representing a decrease in loss of RMB759.5 million compared with last year. Among which, COSL Norwegian AS (“CNA”) is a major subsidiary of COSL Singapore Limited, with the specific information as follow:

As at 31 December 2025, the total assets of CNA amounted to RMB10,793.1 million and equity was RMB-5,987.5 million. CNA realized revenue of RMB3,480.8 million in 2025, representing an increase of RMB1,680.7 million compared with last year. The net profit amounted to RMB20.9 million, representing an increase of RMB741.9 million compared with last year, which was mainly due to the increase in profitability as a result of the orderly operation of drilling rigs with high daily-rate in North Sea.

As at 31 December 2025, the total assets of China France Bohai amounted to RMB1,631.9 million and equity was RMB571.2 million. China France Bohai realized revenue of RMB2,219.9 million in 2025, representing an increase of RMB207.0 million compared with last year. The net profit amounted to RMB495.4 million, which basically remained stable compared with last year.

As at 31 December 2025, the total assets of Hainan Company amounted to RMB4,963.7 million and equity was RMB3,500.5 million. Hainan Company realized revenue of RMB3,565.6 million in 2025, representing an increase of RMB73.8 million compared with last year. The net profit amounted to RMB317.9 million, representing an increase of RMB80.0 million compared with last year.

FINANCIAL REVIEW

1. Analysis on Consolidated Statement of Profit or Loss

1.1 Revenue

For the year 2025, revenue of the Group amounted to RMB50,210.8 million, representing an increase of RMB1,992.7 million or 4.1% as compared with last year. The detailed analysis is set out below:

Unit: RMB million

Business segments	2025	2024	Change	Percentage change
Drilling services	14,879.0	13,182.3	1,696.7	12.9%
Well services	27,453.0	27,610.3	(157.3)	(0.6%)
Marine support services	5,190.8	4,760.9	429.9	9.0%
Geophysical acquisition and surveying services	2,688.0	2,664.6	23.4	0.9%
Total	<u>50,210.8</u>	<u>48,218.1</u>	<u>1,992.7</u>	<u>4.1%</u>

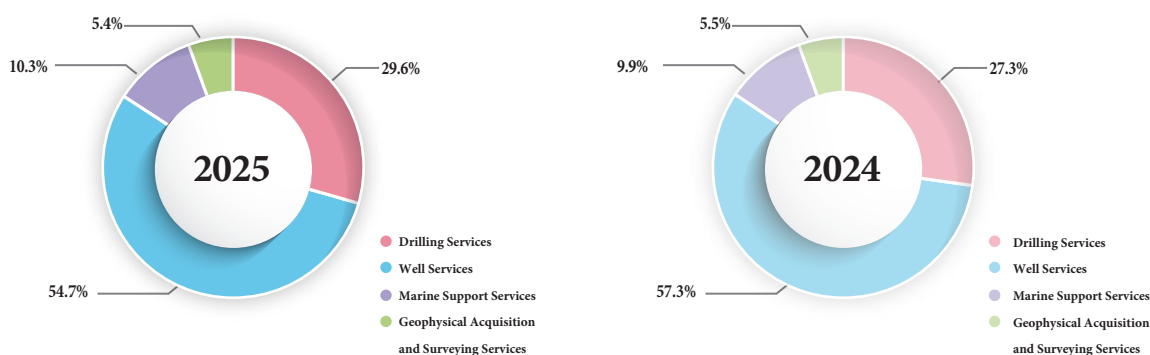
Revenue generated from drilling services increased by 12.9% as compared with last year, which was mainly due to the improvement in the utilisation rate of drilling rigs and the rise in operation price in the North Sea region during the year.

Revenue from well services remained basically stable as compared with last year.

Revenue from marine support services increased by 9.0% as compared with last year, which was mainly due to the Company's effective coordination of vessel resources and expansion of the number and scale of vessels operated and managed as well as an increase in operation volume of self-owned vessels and chartered vessels.

Revenue of geophysical acquisition and surveying services increased by 0.9% as compared with last year, with relative full workload of major equipment.

Revenue analysis – by business segments

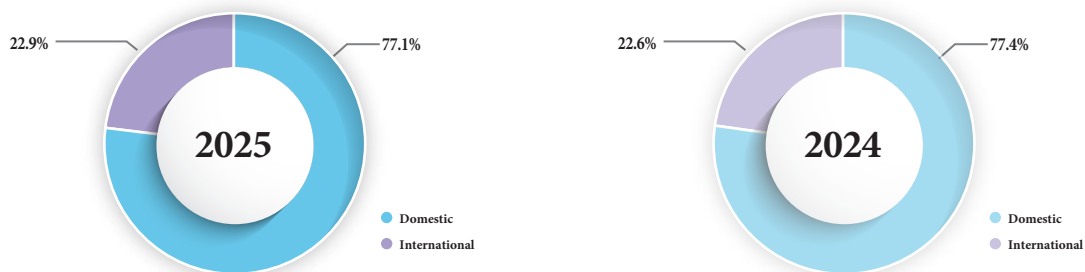


Analysis by operation area

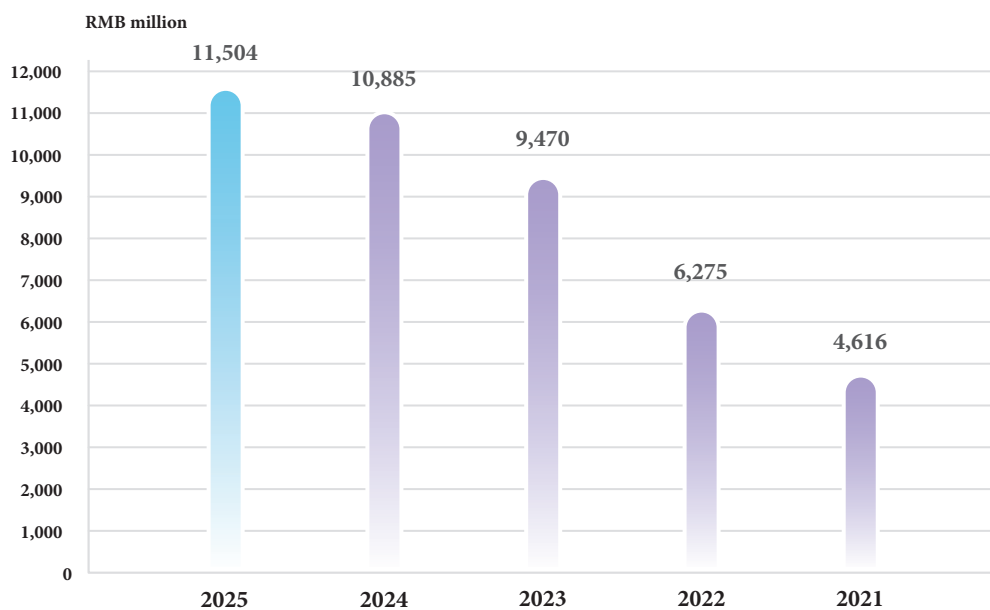
Unit: RMB million

Region	2025	2024	Change	Percentage change
Domestic	38,706.5	37,333.5	1,373.0	3.7%
International	11,504.3	10,884.6	619.7	5.7%
Total	<u>50,210.8</u>	<u>48,218.1</u>	<u>1,992.7</u>	<u>4.1%</u>

In terms of operation area, the Group's main source of revenue was from the domestic market, accounting for 77.1% of the Group's total revenue. In 2025, the Group's international business recorded revenue of RMB11,504.3 million (compared with RMB10,884.6 million over last year), accounting for 22.9% of the Group's revenue for the year.



THE LATEST FIVE YEARS' INTERNATIONAL REVENUE



1.2 Operating expenses

For the year 2025, operating expenses of the Group amounted to RMB44,513.0 million, representing an increase of RMB1,015.4 million or 2.3% as compared with RMB43,497.6 million of last year.

The table below shows the comparison of the breakdown of the Group's operating expenses in 2025 and 2024:

Unit: RMB million

	2025	2024	Change	Percentage change
Depreciation of property, plant and equipment and amortisation of intangible assets and multiclient library	6,319.0	5,789.4	529.6	9.1%
Depreciation of right-of-use assets	744.9	545.3	199.6	36.6%
Employee compensation costs	8,746.4	8,391.9	354.5	4.2%
Repair and maintenance costs	628.6	863.0	(234.4)	(27.2%)
Consumption of supplies, materials, fuel, services and others	11,344.6	11,017.6	327.0	3.0%
Subcontracting expenses	12,271.1	12,970.5	(699.4)	(5.4%)
Lease expenses	1,945.5	2,117.4	(171.9)	(8.1%)
Other operating expenses	2,297.7	1,808.6	489.1	27.0%
Impairment losses of property, plant and equipment	191.1	0.0	191.1	N/A
Impairment loss under expected credit losses model, net of reversal	24.1	(6.1)	30.2	(495.1%)
Total operating expenses	<u>44,513.0</u>	<u>43,497.6</u>	<u>1,015.4</u>	<u>2.3%</u>

Depreciation of property, plant and equipment and amortisation of intangible assets and multiclient library for the year increased by RMB529.6 million or 9.1% as compared with last year, primarily due to the purchase of assets and replacement and renovation of original assets in the previous period, leading to an increase in depreciation and amortisation.

Depreciation of right-of-use assets for the year increased by RMB199.6 million or 36.6% as compared with last year, mainly due to an increase in the original value of right-of-use assets as a result of the changes in leasing arrangements of certain drilling rigs and vessels during the year, leading to a corresponding increase in depreciation cost.

Employee compensation costs for the year increased by RMB354.5 million or 4.2% as compared with last year.

Repair and maintenance costs for the year decreased by RMB234.4 million or 27.2% as compared with last year, which was mainly due to the full workload of equipment segment and the decrease in repair arrangements during the year.

Consumption of supplies, materials, fuel, services and others for the year increased by RMB327.0 million or 3.0% as compared with last year.

Subcontracting expenses for the year decreased by RMB699.4 million or 5.4% as compared with last year, mainly due to the increase in self-owned equipment operations during the year, resulting in a decrease in subcontracting expenses.

Lease expenses for the year decreased by RMB171.9 million or 8.1% as compared with last year, mainly due to the changes in leasing arrangements of certain drilling rigs and vessels during the year, leading to a year-on-year decrease in lease expenses.

Impairment losses of property, plant and equipment for the year amounted to RMB191.1 million, which were mainly related with impairment losses of equipment.

Impairment loss under expected credit losses model, net for the year amounted to RMB24.1 million, of which provision of credit losses of accounts receivable was RMB24.9 million and reversal of credit losses of other receivables was RMB0.8 million during the year.

Other operating expenses in 2025 amounted to RMB2,297.7 million, which mainly included nearly 30 cost items, such as travel expenses, business trip expenses, office expenses, expenses for library materials, health, safety and environmental protection expenses, weather guarantee fees, consulting fees, audit fees and so on, representing an increase of RMB489.1 million as compared with last year. Among which, health, safety and environmental protection expenses amounted to RMB767.2 million, representing an increase of RMB262.7 million as compared with last year; travel expenses amounted to RMB408.4 million, representing an increase of RMB153.4 million as compared with last year; transfer fees for technology amounted to RMB294.4 million, consulting fees amounted to RMB76.3 million, office expenses amounted to RMB49.1 million, and business trip expenses, collective expenses, audit fees and other fees amounted to RMB702.3 million in total.

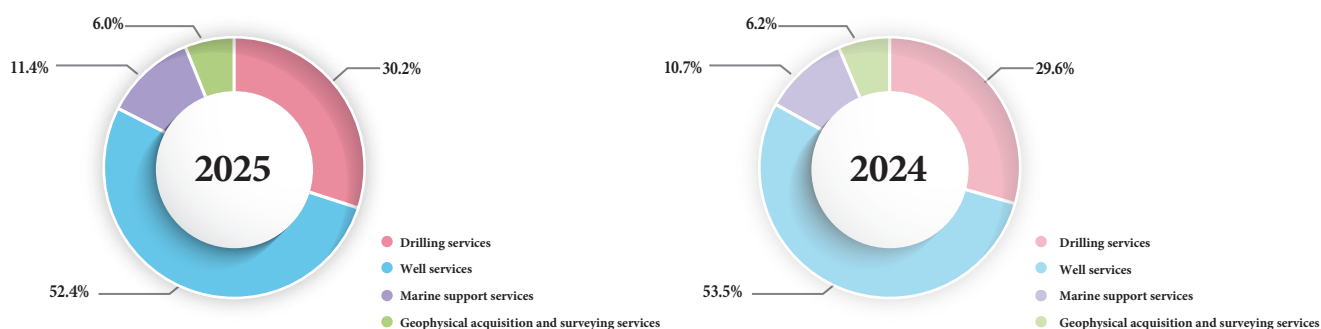
Other operating expenses in 2024 amounted to RMB1,808.6 million, which mainly included nearly 30 cost items, such as travel expenses, business trip expenses, office expenses, expenses for library materials, health, safety and environmental protection expenses, weather guarantee fees, consulting fees, audit fees and so on. Among which, health, safety and environmental protection expenses amounted to RMB504.5 million; transfer fees for technology amounted to RMB289.4 million, travel expenses amounted to RMB255.0 million; consulting fees amounted to RMB82.4 million, business trip expenses amounted to RMB72.4 million, and office expenses, collective expenses, audit fees and other fees amounted to RMB604.9 million in total.

The operating expenses for each segment are shown in the table below:

Unit: RMB million

Business segments	2025	2024	Change	Percentage change
Drilling services	13,430.9	12,873.8	557.1	4.3%
Well services	23,330.6	23,254.6	76.0	0.3%
Marine support services	5,078.2	4,673.4	404.8	8.7%
Geophysical acquisition and surveying services	2,673.3	2,695.8	(22.5)	(0.8%)
Total	<u>44,513.0</u>	<u>43,497.6</u>	<u>1,015.4</u>	<u>2.3%</u>

Analysis of operating expenses – by business segments



1.3 Profit from operations

For the year 2025, the Group's profit from operations amounted to RMB5,917.7 million, representing an increase of RMB870.1 million or 17.2% as compared with RMB5,047.6 million of last year.

The profit from operations for each segment is shown in the table below:

Unit: RMB million

Business segments	2025	2024	Change	Percentage change
Drilling services	1,469.8	373.1	1,096.7	293.9%
Well services	4,237.4	4,492.2	(254.8)	(5.7%)
Marine support services	125.9	107.2	18.7	17.4%
Geophysical acquisition and surveying services	84.6	75.1	9.5	12.6%
Total	<u>5,917.7</u>	<u>5,047.6</u>	<u>870.1</u>	<u>17.2%</u>

Benefiting from the improvement in the domestic utilisation rate of drilling rigs and the rise in service price in the North Sea, profit from operations of drilling services increased by 293.9%.

Affected by fluctuations in market demand and adjustment of the work plan for certain projects, profit from operations of well services dropped by 5.7%.

Benefiting from the increase in the number of vessels in operation and the improvement in utilisation rate, profit from operations of marine support services increased by 17.4%.

Benefiting from the Company's active optimisation of production capacity layout and its focus on business with high returns, profit from operations of geophysical acquisition and surveying services increased by 12.6%.

1.4 Financial expenses, net

Unit: RMB million

	2025	2024	Change	Percentage change
Exchange gains or losses, net	431.5	(42.5)	474.0	(1,115.3%)
Finance costs	659.5	785.1	(125.6)	(16.0%)
Interest income	(94.8)	(118.4)	23.6	(19.9%)
Financial expenses, net	<u>996.2</u>	<u>624.2</u>	<u>372.0</u>	<u>59.6%</u>

Exchange loss increased by RMB474.0 million as compared with last year, which was mainly due to the fluctuation of exchange rate, and finance costs decreased by RMB125.6 million as compared with last year, which was mainly attributable to the optimisation of debt structure and the reduction in scale of interest-bearing liabilities.

1.5 Investment income

For the year 2025, the Group's investment income amounted to RMB5.5 million, representing an increase of RMB4.2 million as compared with RMB1.3 million of last year, mainly due to redemption of majority of wealth management products matured at the end of the month during the year.

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

For the year 2025, the Group's gains arising from financial assets at fair value through profit or loss was RMB13.4 million, representing a decrease of RMB29.7 million as compared with RMB43.1 million of last year, mainly due to the reduction of principal of investment in wealth management products during the year, resulting in a year-on-year decrease in gains.

1.7 Profit before tax

For the year 2025, the profit before tax of the Group was RMB5,113.8 million, representing an increase of RMB446.5 million as compared with RMB4,667.3 million of last year.

1.8 Profit for the year

For the year 2025, profit for the year of the Group was RMB4,059.9 million, representing an increase of RMB660.8 million as compared with RMB3,399.1 million of last year.

1.9 Basic earnings per share

For the year 2025, the Group's basic earnings per share were approximately RMB80.51 cents, as compared with approximately RMB65.74 cents of last year.

1.10 Dividend

The Board of Directors of the Company recommended a final dividend of RMB0.2825 per share (tax inclusive) for the year 2025, totaling approximately RMB1,348.0 million. The final dividend will be paid on or before 30 June 2026 upon approval at the 2025 annual general meeting of shareholders.

In accordance with the Enterprise Income Tax Law of the People's Republic of China, the implementation regulations and related tax regulations which came into effect on 1 January 2008, the Company is required to withhold and pay enterprise income tax at the rate of 10% on behalf of the non-resident enterprise shareholders whose names appear on the register of members for H share of the Company when distributing dividends to them. For H shares of the Company registered other than in the name(s) of individual(s), including HKSCC Nominees Limited, other nominees, trustees, or other organisations or groups, shall be deemed to be shares held by non-resident enterprise shareholder(s). On the basis, enterprise income tax shall be withheld from dividends payable to such shareholder(s). If relevant shareholders believe that the dividend income obtained needs to enjoy any tax treaty (arrangement) treatment, they can apply to the competent tax authority on their own after receiving the dividend in accordance with the regulations.

2. Analysis on Consolidated Statement of Financial Position

As at 31 December 2025, the total assets of the Group amounted to RMB84,462.8 million, representing an increase of RMB1,515.1 million or 1.8% as compared with RMB82,947.7 million as at the end of 2024. The total liabilities amounted to RMB37,311.7 million, representing a decrease of RMB1,211.4 million or 3.1% as compared with RMB38,523.1 million as at the end of 2024. Total equity amounted to RMB47,151.1 million, representing an increase of RMB2,726.6 million or 6.1% as compared with RMB44,424.5 million as at the end of 2024.

The analysis of reasons for significant changes in account items on the consolidated statement of financial position is as follows:

Unit: RMB million

Items	2025	2024	Change	Percentage change	Reasons
Assets					
1 Multiclient library	19.8	72.1	(52.3)	(72.5%)	Mainly due to the gradual decline in line with the residual value of amortisation.
2 Contract costs (non-current assets)	436.6	630.1	(193.5)	(30.7%)	Mainly due to the decrease in mobilisation costs in line with the amortisation.
3 Deferred tax assets	67.9	28.5	39.4	138.2%	Mainly due to the increase in accrued expenses during the year.
4 Prepayments, deposits and other receivables	124.2	285.8	(161.6)	(56.5%)	Mainly due to the completion of settlement for prepayment for purchase of materials in the previous period upon the arrival of relevant materials.

Items	2025	2024	Change	Percentage		
				change	Reasons	
5	Receivables at fair value through other comprehensive income	16.5	156.4	(139.9)	(89.5%)	Mainly due to the maturity and recovery of notes.
6	Contract assets	5.4	70.9	(65.5)	(92.4%)	Mainly due to the completion of settlement for service of entrusted repair of external rigs during the year.
7	Contract costs (current assets)	33.7	142.2	(108.5)	(76.3%)	Mainly due to the decrease in mobilisation costs in line with the amortisation.
8	Other current assets	499.4	268.2	231.2	86.2%	Mainly due to the increase in input value-added tax (VAT) which is subject to verification.
9	Time deposits	105.1	542.2	(437.1)	(80.6%)	Mainly due to the maturity and recovery of time deposits.
10	Cash and cash equivalents	7,463.0	5,423.8	2,039.2	37.6%	Mainly due to the increase in the cash receipts as a result of the increase in the revenue for the year.
Liabilities						
1	Tax payable	273.8	453.8	(180.0)	(39.7%)	Mainly due to the differences in income tax payment for each quarter.
2	Interest-bearing bank borrowings (current liabilities)	3,992.6	18.3	3,974.3	21,717.5%	Addition of guaranteed borrowings.
3	Long-term bonds (current liabilities)	3,073.3	7,327.3	(4,254.0)	(58.1%)	Mainly due to the combined effect of repayment of the debt of US\$1 billion and reclassification of certain bonds due within one year during the year.
4	Lease liabilities (current liabilities)	642.0	468.1	173.9	37.2%	Mainly due to the changes in leasing arrangements of certain drilling rigs and vessels during the year, leading to an increase in lease liabilities.
5	Other current liabilities	564.5	416.3	148.2	35.6%	Mainly due to the increase in output VAT pending for transfer.

Items	2025	2024	Change	Percentage		
				change	Reasons	
6	Deferred tax liabilities	136.3	277.6	(141.3)	(50.9%)	Mainly due to the increase in accrued expenses during the year.
7	Long-term bonds (non-current liabilities)	2,098.8	5,142.6	(3,043.8)	(59.2%)	Mainly due to the reclassification of bonds due within one year.
8	Lease liabilities (non-current liabilities)	1,122.1	756.1	366.0	48.4%	Mainly due to the changes in leasing arrangements of certain drilling rigs and vessels during the year, leading to an increase in lease liabilities.
9	Contract liabilities (non-current liabilities)	387.6	669.8	(282.2)	(42.1%)	Mainly due to the decrease in mobilisation revenue in line with the amortisation.
10	Other non-current liabilities	304.3	165.7	138.6	83.6%	Mainly due to provision of lawyer fees for an overseas subsidiary during the year.
11	Loans from related parties (non-current liabilities)	3,372.2	1,529.4	1,842.8	120.5%	Addition of credit borrowings.

3. Analysis of Consolidated Statement of Cash Flows

At the beginning of 2025, the Group held cash and cash equivalents of RMB5,423.8 million. During the year, the net cash inflows from operating activities amounted to RMB11,256.2 million; the net cash outflows from investing activities amounted to RMB5,131.9 million; the net cash outflows from financing activities amounted to RMB4,044.6 million and the impact of foreign exchange rate fluctuations resulted in a decrease of cash of RMB40.5 million. As at 31 December 2025, the Group's cash and cash equivalents amounted to RMB7,463.0 million.

3.1 Cash flows from operating activities

For the year 2025, the net cash inflows from operating activities of the Group amounted to RMB11,256.2 million, representing an increase of 2.5% as compared with last year, mainly due to the increase in the cash receipts as a result of the increase in the revenue for the year.

3.2 Cash flows from investing activities

For the year 2025, the net cash outflows from investing activities of the Group amounted to RMB5,131.9 million, remaining basically stable as compared with last year.

3.3 Cash flows from financing activities

For the year 2025, the net cash outflows from financing activities of the Group amounted to RMB4,044.6 million, representing a decrease of outflows of RMB2,420.0 million as compared with last year, which was mainly due to the fact that cash received from new bank loans and loans from related parties during the year increased by RMB6,070.0 million as compared with last year, cash paid for repayment of bank loans and long-term bonds increased by RMB3,314.0 million as compared with last year, cash paid for repayment of lease liability increased by RMB264.2 million as compared with last year, and cash paid for payment of dividend and interests increased by RMB71.8 million as compared with last year.

3.4 The effect of foreign exchange rate fluctuations on cash during the year was a decrease of cash of RMB40.5 million.

3.5 The Group provides operation capital mainly through cash and interest-bearing borrowings from operating activities, investment activities and financing activities. For details of the Group's borrowings for the year ended 31 December 2025, please refer to Notes 16 and 17 to the consolidated financial statements in this announcement.

4. Capital Expenditure

In 2025, the capital expenditure of the Group amounted to RMB5,593.7 million, representing a decrease of RMB1,726.7 million or 23.6% as compared with last year. The capital expenditure of each business segment is as follows:

Unit: RMB million

Business segments	2025	2024	Change	Percentage change
Drilling services	1,614.7	3,923.5	(2,308.8)	(58.8%)
Well services	2,747.1	2,624.7	122.4	4.7%
Marine support services	694.6	285.3	409.3	143.5%
Geophysical acquisition and surveying services	537.3	486.9	50.4	10.4%
Total	<u>5,593.7</u>	<u>7,320.4</u>	<u>(1,726.7)</u>	<u>(23.6%)</u>

The capital expenditure of drilling service business is mainly used for the replacement and renovation of equipment and drilling rigs. The capital expenditure of well services business is mainly used for the construction and purchase of well technology services equipment relating to such business. The capital expenditure of marine support services business is mainly used for the purchase and the replacement and renovation of operation vessels. The capital expenditure of geophysical acquisition and surveying services business is mainly used for the replacement and renovation of operation vessels and equipment.

Business Plan

In 2025, the capital expenditure of the Company amounted to RMB5.594 billion, representing 78% of the annual budget for the year.

In 2026, the Company will focus on development goals, continue to practice the five development strategies of “technology-driven”, “cost leadership”, “integration”, “internationalisation” and “regional development” by taking the cultivation and development of the new quality productive force of marine energy services as the core, and further realize the connotative development centered on value creation. The Company will make a systematical plan on the industrial development layout and build a large-scale equipment resource guarantee system with sufficient flexibility and efficient deployment. The Company will accelerate the leapfrog advancement of major technology products from keeping pace to taking the lead, focus on creating a characteristic digital technology product ecosystem and service system and continuously shape the “1+2+N” market pattern with “the domestic market as the solid base and expansion to the Middle East and Southeast Asia as the two wings, driving the benign development of several potential overseas regions”.

It is preliminarily estimated that the capital expenditure in 2026 will be RMB8.44 billion, which is moderately higher than that in 2025. The funds will be used for equipment investment, replacement and renovation, technical equipment replacement and renovation and technology research and development investment. The Company will carry out equipment iteration in an orderly manner according to operation needs, laying the foundation for upgrading service capabilities during the “15th Five-Year Plan” period. Meanwhile, the Company will have internal funds with stable liquidity and sufficient reserves of external financing channels, ensuring cash flow safety. The Company will continue to deepen the synergy of five development strategies, enhance equipment and technical strengths with the positioning of “long-term full-cost leadership” as the support, build an integrated service system oriented to customer needs, integrate the lean and efficiency concept throughout the entire operation process, practice the concept of green and low-carbon development, continuously promote industrial upgrading, and strive to achieve win-win results and maximize value with customers, employees, business partners and shareholders.

The above business plan is formulated according to the Company’s current operating conditions and the market environment, and the expected operating result or development performance is uncertain. The Company cannot guarantee that the above business plan will be fully realized.

2026 Business Outlook

In 2026, the global oil and gas industry will experience a deep convergence of cyclical recovery and structural transformation. A number of authoritative consulting agencies predict that the annual average price of Brent crude oil will be approximately USD70-75/barrel; geopolitical conflicts will continue to intensify the demand of global energy security, coupled with a tight supply-demand balance and complex geopolitical disturbances, the oil prices will remain fluctuating at medium to high levels, laying a solid foundation for the stable development of the oilfield service industry. At the beginning of the “15th Five-Year Plan” in China, the investment in oil and gas exploration and development will increase steadily, the efforts for reserve growth and production enhancement in sea areas will continue to increase, and the rigid investment demand will lay a solid market foundation for the offshore oilfield service business. The global upstream capital expenditure of oil and gas will accelerate to gather in high-value blocks such as deep water and ultra-deep water, and the refocusing transformation of international oil companies will continue to deepen, promoting the professional division of labor and upgrading of the oilfield service industry, and putting forward higher requirements for integrated service capabilities, core technical barriers and full-cycle cost control, and the leading effect in the industry will continue to emerge. The global oilfield service market shows a trend of structural recovery, with steadily increasing demands in deep-water operation, digital technology, low-carbon services and other fields, the offshore oilfield service market in Asia-Pacific and China outperform the global market in terms of prosperity, and high-end technology supply and integrated solutions become the core competitive elements.

COSL will anchor the core demand of domestic offshore oil and gas exploration to strengthen and optimize its main business, continuously increase investment in technological innovation and digital transformation, steadily expand high-end overseas markets, actively lay out the low-carbon transition sector, continue to optimize its operation and management, strictly control costs and expenses, and strive to achieve steady development.

SUPPLEMENTARY INFORMATION

Annual Results Review

The consolidated financial statements of the Group for the year ended 31 December 2025 were audited by Ernst & Young. This results announcement is based on such financial statements which have been agreed by the Company and the auditor.

The audit committee of the Company comprises of three independent non-executive directors. The audit committee has reviewed the accounting principles and standards adopted by the Group as well as the risk management, internal control and financial reporting matters. The annual results of the Group for the year ended 31 December 2025 has been reviewed by the audit committee.

Corporate Governance Code

During the 12 months ended 31 December 2025, the Company has complied with principles and code provisions of the Corporate Governance Code as set out in Appendix C1 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Hong Kong Listing Rules”), and also has explained the implementation of provision C.2.1 under Part 2 of the Corporate Governance Code.

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

Further information on the Company’s corporate governance practices during the year under review will be set out in the Corporate Governance Report to be contained in the Company’s 2025 Annual Report which will be issued in April 2026.

Foreign Currency Risk and Other Potential Risks

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

Compliance with the Model Code for Securities Transactions by Directors of Listed Companies

Upon specific enquiry to all Directors by the Company, the Directors have confirmed that they have, during the 12 months ended 31 December 2025, strictly complied with the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 of the Hong Kong Listing Rules.

Purchase, Sale and Redemption of the Company's Listed Securities

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

Disclosure of Information on Websites of the Company and the Hong Kong Stock Exchange

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

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

24 March 2026

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