COSL

中海油田服務股份有限公司
China Oilfield Services Limited

(Incorporated in the People's Republic of China as a joint stock limited liability company)

(Stock Code: 2883)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2026

FINANCIAL HIGHLIGHTS

1. Revenue was RMB23,734.8 million

2. Profit from operations was RMB3,375.3 million

3. Profit for the period was RMB2,134.9 million

4. Basic earnings per share was RMB0.42

The interim results of the Company for the six months ended 30 June 2026 are unaudited.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2026

		Six months ended 30 June	
		2026	2025
	Notes	***RMB'000***	*RMB'000*
		(Unaudited)	(Unaudited)
REVENUE	*5*	**23,787,388**	23,320,327
Sales surtaxes		**(52,637)**	(25,256)
Revenue, net of sales surtaxes		**23,734,751**	23,295,071
Other income		**3,557**	29,257
Depreciation of property, plant and equipment and amortisation of intangible assets and multiclient library		**(3,143,883)**	(3,123,495)
Depreciation of right-of-use assets		**(403,587)**	(358,130)
Employee compensation costs		**(4,456,839)**	(4,025,094)
Repair and maintenance costs		**(197,083)**	(163,363)
Consumption of supplies, materials, fuel, services and others		**(4,502,071)**	(4,471,903)
Subcontracting expenses		**(6,010,901)**	(6,350,064)
Lease expenses	*6*	**(992,908)**	(944,468)
Other operating expenses		**(652,026)**	(918,001)
Impairment losses of property, plant and equipment		**–**	(82,032)
(Recognition)/reversal of impairment losses under expected credit loss model, net		**(3,731)**	20,787
Total operating expenses		**(20,363,029)**	(20,415,763)
PROFIT FROM OPERATIONS		**3,375,279**	2,908,565

	Notes	Six months ended 30 June **2026** ***RMB'000*** **(Unaudited)**	 2025 *RMB'000* (Unaudited)
Exchange losses, net	*6*	**(556,348)**	(96,484)
Finance costs		**(267,270)**	(355,869)
Interest income		**37,616**	45,817
Investment income	*6*	**2,651**	5,528
Gains arising from financial assets at fair value through profit or loss	*6*	**15,300**	11,817
Share of profits of an associate and joint ventures, net of tax		**73,423**	68,194
Other gains and losses, net	*6*	**(4,688)**	(15,474)
PROFIT BEFORE TAX	*6*	**2,675,963**	2,572,094
Income tax expense	*7*	**(541,093)**	(495,316)
PROFIT FOR THE PERIOD		**2,134,870**	2,076,778
Attributable to:			
Owners of the Company		**2,008,556**	1,963,844
Non-controlling interests		**126,314**	112,934
		2,134,870	2,076,778
EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY			
Basic and diluted (RMB)	*9*	**42.09 cents**	41.16 cents

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2026

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
PROFIT FOR THE PERIOD	**2,134,870**	2,076,778
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, net of tax	**45,432**	3,818
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	**45,432**	3,818
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**2,180,302**	2,080,596
Attributable to:		
Owners of the Company	**2,057,706**	1,968,327
Non-controlling interests	**122,596**	112,269
	2,180,302	2,080,596

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2026

	Notes	**30 June 2026 RMB'000 (Unaudited)**	31 December 2025 RMB'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment	*10*	**46,730,012**	49,128,401
Right-of-use assets	*11*	**2,234,094**	1,940,202
Goodwill	*12*	**–**	–
Other intangible assets		**201,398**	227,333
Multiclient library		**11,354**	19,833
Investments in an associate and joint ventures		**1,279,686**	1,259,173
Contract costs		**313,167**	436,552
Other non-current assets	*14*	**288,549**	184,647
Deferred tax assets		**266,559**	67,935
Total non-current assets		**51,324,819**	53,264,076
CURRENT ASSETS			
Inventories		**3,246,991**	2,395,037
Prepayments, deposits and other receivables		**227,692**	124,217
Accounts receivable	*13*	**21,718,296**	14,956,063
Notes receivable		**17,101**	63,087
Receivables at fair value through other comprehensive income		**104,048**	16,450
Financial assets at fair value through profit or loss		**–**	5,501,704
Contract assets		**39,191**	5,444
Contract costs		**51,770**	33,735
Other current assets	*14*	**1,011,952**	499,401
Pledged deposits		**12,468**	10,074
Time deposits		**135,820**	105,067
Cash and cash equivalents		**6,281,967**	7,462,991
Assets classified as held for sale		**2,142**	25,489
Total current assets		**32,849,438**	31,198,759

	Notes	**30 June 2026** *RMB'000* **(Unaudited)**	31 December 2025 *RMB'000* (Audited)
CURRENT LIABILITIES			
Trade and other payables	*15*	**15,133,743**	16,724,723
Salary and bonus payables		**1,697,946**	945,190
Tax payable		**568,238**	273,774
Loans from related parties	*16*	**4,647,776**	2,460,080
Interest-bearing bank borrowings	*17*	**18,252**	3,992,631
Long-term bonds	*18*	–	3,073,283
Lease liabilities		**739,799**	641,980
Contract liabilities		**816,662**	843,313
Other current liabilities	*14*	**1,114,918**	564,485
Total current liabilities		**24,737,334**	29,519,459
NET CURRENT ASSETS		**8,112,104**	1,679,300
TOTAL ASSETS LESS CURRENT LIABILITIES		**59,436,923**	54,943,376

	Notes	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
NON-CURRENT LIABILITIES			
Deferred tax liabilities		**80,797**	136,334
Loans from related parties	*16*	**2,017,020**	3,372,212
Interest-bearing bank borrowings	*17*	**126,679**	133,064
Long-term bonds	*18*	**7,057,961**	2,098,835
Lease liabilities		**1,401,426**	1,122,123
Contract liabilities		**330,659**	387,626
Deferred income		**256,894**	214,402
Employee benefit liabilities		**22,852**	23,403
Other non-current liabilities	*14*	**143,421**	304,325
Total non-current liabilities		**11,437,709**	7,792,324
Net assets		**47,999,214**	47,151,052
EQUITY			
Equity attributable to owners of the Company			
Issued capital		**4,771,592**	4,771,592
Reserves		**42,540,583**	41,801,496
		47,312,175	46,573,088
Non-controlling interests		**687,039**	577,964
Total equity		**47,999,214**	47,151,052

1. CORPORATE INFORMATION AND PRINCIPAL ACTIVITIES

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") are 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 ("SOE") incorporated in the PRC. The registered address of CNOOC is No.25 Chaoyangmen Beidajie, Dongcheng District, Beijing, PRC.

The interim condensed consolidated financial information is presented in Renminbi ("RMB"), which is also the functional currency of the Company.

As at 30 June 2026, particulars of the principal subsidiaries of the Company are as follows:

Name of entity	Place and date of incorporation/ registration	Principal place of business	Issued and fully paid share capital/ paid-in capital	Percentage of equity attributable to the Group 30 June 2026	31 December 2025	Principal activities
Lan Hai Bo Da Technology Co., Ltd. (a)	Quanzhou, PRC 1 November 2016	PRC	RMB50,000,000	**100%**	100%	Manufacture of special chemical products
PT.COSL INDO	Indonesia 1 August 2005	Indonesia	US Dollar ("USD") 400,000	**100%**	100%	Provision of oil and gas exploration services
COSL Mexico S.A. de C.V.	Mexico 26 May 2006	Mexico	USD8,504,525	**100%**	100%	Provision of oil and gas exploration services
COSL Middle East FZE	United Arab Emirates 2 July 2006	United Arab Emirates	UAE Dirhams 1,000,000	**100%**	100%	Provision of oil and gas exploration services
COSL Norwegian AS ("CNA")	Norway 23 June 2008	Norway	NOK1,541,328,656	**100%**	100%	Investment holding

Name of entity	Place and date of incorporation/ registration	Principal place of business	Issued and fully paid share capital/ paid-in capital	Percentage of equity attributable to the Group 30 June 2026	31 December 2025	Principal activities
COSL Singapore Ltd.	Singapore 11 February 2008	Singapore	USD1,065,127,694	**100%**	100%	Provision of oilfield services and related activities
COSL Oil-Tech (Singapore) Ltd.	Singapore 31 January 2011	Singapore	USD100,000	**100%**	100%	Provision of oilfield services and related activities
COSL Canada Ltd.	Canada 19 July 2013	Canada	USD4,000,000	**100%**	100%	Provision of oilfield services and related activities
COSL UGANDA SMC LIMITED	Uganda 23 April 2019	Uganda	Uganda Shilling 85,320,000,000	**100%**	100%	Provision of oilfield services and related activities
COSL Deepwater Technology Co., Ltd. (a) (c)	Shenzhen, PRC 12 September 2013	PRC	RMB470,000,000	**100%**	100%	Provision of geophysical and surveying services
COSL Drilling Saudi Ltd.	Saudi Arabia 19 April 2016	Saudi Arabia	Saudi Riyal 375,000	**96%**	96%	Provision of drilling services
COSL Hainan Ltd. (a) (c)	Haikou, PRC 6 December 2019	PRC	RMB2,785,000,000	**100%**	100%	Provision of oil and gas exploration services
COSL Hainan Technical Services Ltd. (a)	Haikou, PRC 12 May 2020	PRC	RMB2,898,000,000	**100%**	100%	Provision of oil and gas exploration services
China France Bohai Geoservices Co., Ltd. ("China France Bohai") (a) (b) (c)	Tianjin, PRC 30 November 1983	PRC	USD6,650,000	**50%**	50%	Provision of logging services
COSL Leasing (Tianjin) Co., Ltd. (a) (c)	Tianjin, PRC 29 August 2023	PRC	RMB2,240,000,000	**100%**	100%	Rental services

(a) Lan Hai Bo Da Technology Co., Ltd., COSL Deepwater Technology Co., Ltd., COSL Hainan Ltd., COSL Hainan Technical Services Ltd., China France Bohai and COSL Leasing (Tianjin) Co., Ltd. are established in the PRC as limited liability companies.

(b) The Group has 50% equity interests in China France Bohai, the remaining equity interests are held by another investor. Pursuant to the articles of association, the Group nominated four directors out of seven directors of the board of directors, and more than 50% voting rights of the board of directors are required for decisions on directing the relevant activities of this entity. The Group has control over China France Bohai in accordance with the articles of association. Accordingly, China France Bohai has been accounted for as a subsidiary and has been consolidated into the Group's consolidated financial statements by the Company.

(c) The following subsidiaries are directly held by the Company: COSL Deepwater Technology Co., Ltd., COSL Hainan Ltd., China France Bohai and COSL Leasing (Tianjin) Co., Ltd. The remaining subsidiaries of the Group are indirectly held through intermediate holding companies.

The above table lists the subsidiaries of the Company which, in the opinion of the Directors, principally affected the operating results of the Group for the period or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the Directors, result in particulars of excessive length.

As at 30 June 2026, particulars of an associate and joint ventures of the Group are as follows:

Name	Nominal value of issued ordinary/ registered share capital	Place and date of incorporation/ registration and operations	Percentage of ownership interest 30 June 2026	31 December 2025	Principal activities
China Offshore Fugro Geosolutions (Shenzhen) Company Ltd.	US$6,000,000	Shenzhen, PRC 24 August 1983	**50%**	50%	Provision of geophysical and surveying services
China Petroleum Logging-Atlas Cooperation Service Company	US$2,000,000	Shenzhen, PRC 10 May 1984	**50%**	50%	Provision of logging services
COSL-Expro Testing Services (Tianjin) Company Ltd.	US$5,000,000	Tianjin, PRC 28 February 2007	**50%**	50%	Provision of well testing services
COSL (Malaysia) SDN. BHD. ("COSL Malaysia") (Note)	Malaysia Ringgit 350,000	Malaysia 31 July 2017	**49%**	49%	Provision of drilling services
Well Technology Company Ltd.	RMB260,000,000	Foshan, PRC 24 July 2020	**40%**	40%	Provision of manufacturing services for oilfield equipment

Note:

The Group has 49% of equity interests in COSL Malaysia, the remaining equity interests of which are held by the other investor. Pursuant to the articles of association of COSL Malaysia, majority voting rights are required for decisions on directing the relevant activities of this entity. The board of directors of COSL Malaysia comprises five directors whereby the Group appoints two directors and the other sole investor appoints three directors, while the chairman of COSL Malaysia is be appointed by the Group and the chairman has the right to veto any major decisions. As a result, unanimous consent by the Group and the other investor is required for decisions on directing the relevant activities of COSL Malaysia. In the opinion of the Directors, the Group does not have control over COSL Malaysia and the investment in this joint arrangement constitutes interest in a joint venture based on the rights and obligations of the parties to this joint arrangement. Accordingly, COSL Malaysia has been accounted for in the Group's consolidated financial statements using the equity method.

All of the above investments in an associate and joint ventures are directly held by the Company except for COSL Malaysia, which is indirectly held through COSL Drilling Pan-Pacific Ltd.

The above associate and joint ventures are accounted for using the equity method in this interim condensed consolidated financial information.

2. BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2026 has been prepared in accordance with HKAS 34 *Interim Financial Reporting* issued by the HKICPA as well as with the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on the HKSE.

The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2025.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2025, except for the adoption of the following amended HKFRS Accounting Standards for the first time for the current period's financial information.

Amendments to HKFRS 9 and HKFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*
Amendments to HKFRS 9 and HKFRS 7	*Contracts Referencing Nature-dependent Electricity*
Annual Improvements to HKFRS Accounting Standards – Volume 11	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7

The nature and impact of the amended HKFRS Accounting Standards are described below:

(a) Amendments to HKFRS 9 and HKFRS 7 Amendments to the Classification and Measurement of Financial Instruments clarify that a financial asset is derecognised when the entity's rights to the contractual cash flows expire or are transferred, while a financial liability is derecognised on the settlement date. The amendments 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. Since the Group's accounting policy for the derecognition of financial assets and liabilities in prior years aligned with the amendments and the Group did not have the financial assets that were addressed by the amendments, the amendments did not have any impact on the interim condensed consolidated financial information.

(b) Amendments to HKFRS 9 and HKFRS 7 *Contracts Referencing Nature-dependent Electricity* clarify the application of the "own-use" requirements for in-scope contracts and amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts. The amendments also include additional disclosures that enable users of financial statements to understand the effects these contracts have on an entity's financial performance and future cash flows. As the Group did not have any contracts that are in the scope of the amendments, the amendments did not have any impact on the interim condensed consolidated financial information.

(c) *Annual Improvements to HKFRS Accounting Standards – Volume 11* set out narrow scope amendments to HKFRS 1, HKFRS 7 (and the accompanying Guidance on implementing HKFRS 7), HKFRS 9, HKFRS 10 and HKAS 7. The amendments include clarifications, simplifications, corrections or changes to improve consistency in the corresponding HKFRS Accounting Standards. The amendments did not have any impact on the interim condensed consolidated financial information.

4. 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 Group has four reportable and operating segments 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 resource 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, investment income, and gains arising from financial assets at fair value through profit or loss ("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, certain other current assets, certain other non-current assets, 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.

All sales among the operating segments have been eliminated as internal transactions when preparing consolidated financial statements.

Six months ended 30 June 2026 (Unaudited)

	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	**7,449,131**	**12,550,426**	**2,600,007**	**1,135,187**	**23,734,751**
Sales surtaxes	**27,978**	**18,450**	**3,594**	**2,615**	**52,637**
Revenue, before net of sales surtaxes	**7,477,109**	**12,568,876**	**2,603,601**	**1,137,802**	**23,787,388**
Intersegment sales	**49,749**	**22,545**	**86,340**	**7,977**	**166,611**
Segment revenue	**7,526,858**	**12,591,421**	**2,689,941**	**1,145,779**	**23,953,999**
Eliminations	**(49,749)**	**(22,545)**	**(86,340)**	**(7,977)**	**(166,611)**
Group revenue	**7,477,109**	**12,568,876**	**2,603,601**	**1,137,802**	**23,787,388**
Segment results	**1,150,105**	**2,189,847**	**71,387**	**32,675**	**3,444,014**
Reconciliation:					
Exchange losses, net					**(556,348)**
Finance costs					**(267,270)**
Interest income					**37,616**
Investment income					**2,651**
Gains arising from financial assets at FVTPL					**15,300**
Profit before tax					**2,675,963**
Income tax expense					**(541,093)**
As at 30 June 2026 (Unaudited)					
Segment assets	**39,411,260**	**28,384,330**	**6,939,068**	**5,524,237**	**80,258,895**
Unallocated assets					**3,915,362**
Total assets					**84,174,257**
Segment liabilities	**5,382,949**	**11,478,442**	**2,926,321**	**1,525,511**	**21,313,223**
Unallocated liabilities					**14,861,820**
Total liabilities					**36,175,043**

Six months ended 30 June 2025 (Unaudited)

	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	7,231,355	12,363,986	2,606,040	1,093,690	23,295,071
Sales surtaxes	7,037	14,150	2,712	1,357	25,256
Revenue, before net of sales surtaxes	7,238,392	12,378,136	2,608,752	1,095,047	23,320,327
Intersegment sales	73,311	5,910	36,507	802	116,530
Segment revenue	7,311,703	12,384,046	2,645,259	1,095,849	23,436,857
Eliminations	(73,311)	(5,910)	(36,507)	(802)	(116,530)
Group revenue	7,238,392	12,378,136	2,608,752	1,095,047	23,320,327
Segment results	681,480	2,135,813	158,703	(14,711)	2,961,285
Reconciliation:					
Exchange losses, net					(96,484)
Finance costs					(355,869)
Interest income					45,817
Investment income					5,528
Gains arising from financial assets at FVTPL					11,817
Profit before tax					2,572,094
Income tax expense					(495,316)
As at 31 December 2025 (Audited)					
Segment assets	38,066,590	24,599,830	6,179,266	5,265,629	74,111,315
Unallocated assets					10,351,520
Total assets					84,462,835
Segment liabilities	6,173,831	15,574,367	2,297,427	1,666,523	25,712,148
Unallocated liabilities					11,599,635
Total liabilities					37,311,783

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, Southeast Asia, Norway, Canada, Uganda and Brazil.

In determining the Group's geographical information, revenue is presented below based on the locations of operations.

The following table presents revenue information for the Group's geographical areas for the six months ended 30 June 2026 and 2025.

Six months ended 30 June 2026 (Unaudited)

	Domestic	**International**	**Total**
	RMB'000	***RMB'000***	***RMB'000***
Segment revenue:			
Sales to external customers	**17,759,622**	**6,027,766**	**23,787,388**
Less: Sales surtaxes	**(32,049)**	**(20,588)**	**(52,637)**
Revenue, net of sales surtaxes	**17,727,573**	**6,007,178**	**23,734,751**

Six months ended 30 June 2025 (Unaudited)

	Domestic	International	Total
	RMB'000	*RMB'000*	*RMB'000*
Segment revenue:			
Sales to external customers	17,802,121	5,518,206	23,320,327
Less: Sales surtaxes	(25,256)	–	(25,256)
Revenue, net of sales surtaxes	17,776,865	5,518,206	23,295,071

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 77% (Six months ended 30 June 2025: 77%) of the total sales of the Group for the six months ended 30 June 2026.

5. REVENUE

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Revenue from contracts with customers	**22,873,298**	22,720,029
Revenue arising from operating leases	**914,090**	600,298
Total	**23,787,388**	23,320,327

Disaggregation of revenue from contracts with customers, before net of sales surtaxes for the six months ended 30 June 2026 and 2025

	Six months ended 30 June 2026 (Unaudited)				
Segments	**Drilling services**	**Well services**	**Marine support services**	**Geophysical acquisition and surveying services**	**Total**
	RMB'000	***RMB'000***	***RMB'000***	***RMB'000***	***RMB'000***
Timing of revenue recognition					
At a point of time	**–**	**208,628**	**–**	**6,268**	**214,896**
Over time	**6,662,609**	**12,300,752**	**2,563,530**	**1,131,511**	**22,658,402**
Total	**6,662,609**	**12,509,380**	**2,563,530**	**1,137,779**	**22,873,298**

	Six months ended 30 June 2025 (Unaudited)				
Segments	Drilling services	Well services	Marine support services	Geophysical acquisition and surveying services	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Timing of revenue recognition					
At a point of time	–	309,781	–	–	309,781
Over time	6,675,181	12,049,205	2,590,815	1,095,047	22,410,248
Total	6,675,181	12,358,986	2,590,815	1,095,047	22,720,029

Most of the Group's contracts with customers are generally provided for payment on a day rate or operation volume basis. The Group elected to apply the practical expedient by recognising revenue in the amount to which the Group has the right to invoice.

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

	Six months ended 30 June 2026 (Unaudited)				
Segments	**Drilling services** *RMB'000*	**Well services** *RMB'000*	**Marine support services** *RMB'000*	**Geophysical acquisition and surveying services** *RMB'000*	**Revenue from contracts with customers** *RMB'000*
Segment revenue	**7,526,858**	**12,591,421**	**2,689,941**	**1,145,779**	**23,953,999**
Less: Revenue arising from operating leases	**(814,500)**	**(59,496)**	**(40,071)**	**(23)**	**(914,090)**
Eliminations	**(49,749)**	**(22,545)**	**(86,340)**	**(7,977)**	**(166,611)**
Revenue from contracts with customers	**6,662,609**	**12,509,380**	**2,563,530**	**1,137,779**	**22,873,298**

	Six months ended 30 June 2025 (Unaudited)				
Segments	Drilling services *RMB'000*	Well services *RMB'000*	Marine support services *RMB'000*	Geophysical acquisition and surveying services *RMB'000*	Revenue from contracts with customers *RMB'000*
Segment revenue	7,311,703	12,384,046	2,645,259	1,095,849	23,436,857
Less: Revenue arising from operating leases	(563,211)	(19,150)	(17,937)	–	(600,298)
Eliminations	(73,311)	(5,910)	(36,507)	(802)	(116,530)
Revenue from contracts with customers	6,675,181	12,358,986	2,590,815	1,095,047	22,720,029

6. PROFIT BEFORE TAX

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

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Gains arising from lease modifications and termination	**(316)**	(462)
Losses on disposal of property plant and equipment, net	**5,004**	15,936
Other gains and losses, net	**4,688**	15,474
Lease expenses in respect of land and buildings, berths and equipment (Note)	**992,908**	944,468
Investment income	**(2,651)**	(5,528)
Cost of inventories recognised as expense	**2,912,758**	2,884,382
Gains arising from financial assets at FVTPL	**(15,300)**	(11,817)
Provision of impairment of inventories, net	**4,693**	5,355
Recognition/(reversal) of impairment of accounts receivable, net	**3,718**	(20,969)
Provision of impairment of other receivables, net	**13**	182
Exchange losses, net	**556,348**	96,484

Note:

Lease expenses for the six months ended 30 June 2026 and 2025 represent short-term leases 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 associate 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 and the renewal is still in application. The Company temporarily calculates the income tax expense for 2026 at a tax rate of 15%.

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 is 15% for the years from 2023 to 2025 and the renewal is still in application. 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 in December 2024, the CIT rate of China France Bohai is 15% for the years from 2024 to 2026.

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

	Six months ended 30 June	
Countries and regions	**2026** **(Unaudited)**	2025 (Unaudited)
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:

	Six months ended 30 June	
	2026 ***RMB'000*** **(Unaudited)**	2025 *RMB'000* (Unaudited)
Current	**793,700**	804,377
Deferred	**(252,607)**	(309,061)
Total tax charge for the period	**541,093**	495,316

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:

	Six months ended 30 June			
	2026		2025	
	RMB'000	***%***	*RMB'000*	*%*
	(Unaudited)	**(Unaudited)**	(Unaudited)	(Unaudited)
Profit before tax	**2,675,963**		2,572,094	
Tax at the statutory tax rate of 25% (2025：25%)	**668,991**	**25.0**	643,024	25.0
Tax effect as an HNTE with tax incentives	**(172,254)**	**(6.4)**	(230,684)	(9.0)
Income not subject to tax	**(10,560)**	**(0.4)**	(3,330)	(0.1)
Profits attribute to an associate and joint ventures	**(18,356)**	**(0.7)**	(17,049)	(0.7)
Expenses not deductible for tax	**91,625**	**3.4**	83,938	3.3
Tax benefit for qualifying research and development expenses	**(76,335)**	**(2.9)**	(63,114)	(2.5)
Effect of different tax rates for overseas subsidiaries	**58,022**	**2.2**	94,535	3.7
Effect of different tax rates applied to the period of reversal of the temporary differences	**(18,517)**	**(0.7)**	(3,537)	(0.1)
Tax effect of tax losses and deductible temporary differences unrecognised	**10,612**	**0.4**	17,475	0.7
Tax losses utilised from previous periods	**(58,554)**	**(2.2)**	(43,351)	(1.7)
Under/(over) provision in respect of prior year	**28,267**	**1.1**	(31,246)	(1.2)
Tax effect on translation adjustment (Note)	**40,168**	**1.5**	49,263	1.9
Others	**(2,016)**	**(0.1)**	(608)	–
Total tax charge at the Group's effective tax rate	**541,093**	**20.2**	495,316	19.3

Note:

The translation adjustment mainly relates to the tax effect of 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.

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 period. 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

During the current interim period, a dividend of RMB0.2825 per ordinary share (tax inclusive) of the Company based on the total share capital of 4,771,592,000 shares as at 31 December 2025 (2025: a dividend of RMB0.2306 per ordinary share (tax inclusive) of the Company based on the total share capital of 4,771,592,000 shares as at 31 December 2024) was declared and paid to the owners of the Company. The aggregate amount of the dividend declared and paid in the current interim period was RMB1,347,974,740.00 (Six months ended 30 June 2025: RMB1,100,329,115.20).

The Directors have proposed that no interim dividend will be declared in respect of the current interim period.

9. EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

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

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Earnings		
Earnings for the purposes of basic earnings per share calculation (profit for the period attributable to owners of the Company)	**2,008,556**	1,963,844

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share calculation (share)	**4,771,592,000**	4,771,592,000

There were no differences between the basic and diluted earnings per share amounts for the six-month periods ended 30 June 2026 and 2025 as the Group had no dilutive potential ordinary shares in issue during those periods.

10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2026, the Group acquired certain machinery and equipment, vessels and drilling rigs with an aggregate amount of approximately RMB2,270,938,000 (Six months ended 30 June 2025: RMB2,086,017,000), of which approximately RMB1,756,393,000 was transferred from construction in progress (Six months ended 30 June 2025: RMB1,087,236,000). Additions of construction in progress amounting to approximately RMB735,451,000 were recognised during the six months ended 30 June 2026 (Six months ended 30 June 2025: RMB1,511,995,000). Machinery and equipment, vessels and drilling rigs with an aggregate net carrying amount of RMB26,383,000 (Six months ended 30 June 2025: RMB77,117,000) were disposed by the Group of during the six months ended 30 June 2026, resulting in a loss on disposal of RMB5,004,000 (Six months ended 30 June 2025: loss on disposal of RMB15,936,000).

Out of the total finance costs incurred, no finance costs were capitalised in property, plant and equipment in the six months ended 30 June 2026 and 2025.

During the six months ended 30 June 2026, no impairment loss was recognised (Six months ended 30 June 2025: impairment loss of RMB82,032,000).

In the said impairment assessment, the recoverable amount of the relevant assets, each of which was identified as a cash-generating unit within the drilling services segment, marine support services segment and geophysical acquisition and surveying services segment, has been determined based on the higher of fair value less costs of disposal and value in use.

11. RIGHT-OF-USE ASSETS

During the six months ended 30 June 2026, the Group entered into certain lease agreements and recognised right-of-use assets of RMB717,698,000 (Six months ended 30 June 2025: RMB733,819,000) and lease liabilities of RMB717,698,000 (Six months ended 30 June 2025: RMB733,819,000) on lease commencement.

12. 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 "CNA"). The Group impaired the goodwill in full in 2016.

13. ACCOUNTS RECEIVABLE

The Group normally allows a credit period of 30 to 45 days to its trade customers in Chinese mainland and no more than 6 months to 1 year to its trade customers in overseas with good trading history.

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

	30 June 2026 *RMB'000* **(Unaudited)**	31 December 2025 *RMB'000* (Audited)
Within one year	**21,581,955**	14,854,612
One to two years	**113,651**	96,800
Over two years	**22,690**	4,651
Total	**21,718,296**	14,956,063

14. OTHER CURRENT ASSETS/LIABILITIES AND OTHER NON-CURRENT ASSETS/LIABILITIES

	30 June 2026 *RMB'000* **(Unaudited)**	31 December 2025 *RMB'000* (Audited)
Value-added tax to be deducted and prepaid	**880,750**	451,488
Others	**131,202**	47,913
Other current assets	**1,011,952**	499,401
Output value-added tax to be recognised	**(1,114,918)**	(564,485)
Other current liabilities	**(1,114,918)**	(564,485)
Value-added tax recoverable	**226,510**	184,634
Others	**62,039**	13
Other non-current assets	**288,549**	184,647
Provision	**(143,421)**	(304,325)
Other non-current liabilities	**(143,421)**	(304,325)

15. TRADE AND OTHER PAYABLES

	30 June 2026 *RMB'000* **(Unaudited)**	31 December 2025 *RMB'000* (Audited)
Trade payables	**14,486,292**	15,829,190
Other payables	**647,451**	895,533
Total	**15,133,743**	16,724,723

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

	30 June 2026 *RMB'000* **(Unaudited)**	31 December 2025 *RMB'000* (Audited)
Outstanding balances aged:		
Within one year	**14,362,510**	15,728,287
One to two years	**64,748**	23,913
Two to three years	**13,262**	52,259
Over three years	**45,772**	24,731
Total	**14,486,292**	15,829,190

16. LOANS FROM RELATED PARTIES

		Contractual interest rate per annum *(%)*	Year of maturity	**30 June 2026** ***RMB'000*** **(Unaudited)**	31 December 2025 *RMB'000* (Audited)
Current	(a)	3.75	Revolving loan	**2,241,399**	2,460,080
Current	(b)	2.11	2027	**2,406,377**	–
Total				**4,647,776**	2,460,080
Non-current	(c)	3.75	2027	–	695,851
Non-current	(d)	3.75	2027	–	576,361
Non-current	(e)	2.00	2028	**2,017,020**	2,100,000
Total				**2,017,020**	3,372,212
Unsecured loans from related parties				**6,664,796**	5,832,292

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 a revolving loan and applicable for extension of repayment, and carried interest at an effective interest rate of 3.75% per annum. The proceeds were used to finance CNA's refinancing and daily operations.

(b) In May and June 2026, the Group borrowed a loan of RMB2,404,970,000 from a fellow subsidiary CNOOC Finance Corporation Limited ("CNOOC Finance"). The loan from related party is due for a lump sum repayment at maturity, and carried interest at an effective interest rate of 2.11% per annum. The proceeds were used to finance the Company's daily operations.

(c) In August 2022, the Group borrowed a loan of US$132,000,000 from its ultimate holding company CNOOC, 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. The proceeds were used to finance CNA's refinancing and daily operations. The loan has been repaid in March 2026.

(d) 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. The proceeds were used to finance CNA's refinancing and daily operations. The loan has been repaid in March 2026.

(e) 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 may be prepaid before maturity in accordance with the terms of the loan agreement. The loan 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

		Contractual interest rate (%)	Year of maturity	**30 June 2026** ***RMB'000*** **(Unaudited)**	31 December 2025 *RMB'000* (Audited)
China Development Bank – unsecured	(a)	1.08	2035	**144,931**	151,325
Bank of China (Hong Kong) Limited – unsecured	(b)	2.00	Revolving loan	**–**	2,873,855
Agricultural Bank of China – unsecured	(c)	2.15	Revolving loan	**–**	1,100,515
Total				**144,931**	4,125,695
Current				**18,252**	3,992,631
Non-current				**126,679**	133,064
Total				**144,931**	4,125,695

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 commenced in December 2018 and are payable every six months over a total of 36 installments. The effective interest rate for the six-month period ended 30 June 2026 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 2.00%, guaranteed by the Company. The proceeds were used to finance COSL Middle East FZE's financing and daily operations. The loan has been repaid in April 2026.

(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 2.15%, guaranteed by the Company. The proceeds were used to finance COSL Middle East FZE's financing and daily operations. The loan has been repaid in March 2026.

18. LONG-TERM BONDS

	Year of maturity	**30 June 2026** *RMB'000* **(Unaudited)**	31 December 2025 *RMB'000* (Audited)
2016 Corporate Bonds (Type II of the First Tranche Issue as defined below) (Note (a))	2026	–	3,073,283
Guaranteed senior notes			
2029 Notes (Note (b))	2029	**5,023,085**	–
2030 Notes (Note (c))	2030	**2,034,876**	2,098,835
Total		**7,057,961**	5,172,118
Current		–	3,073,283
Non-current		**7,057,961**	2,098,835
Total		**7,057,961**	5,172,118

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") was repaid on 22 May 2026.

(b) At 16 March 2026, COSL Singapore Capital Ltd., a wholly-owned subsidiary of the Company, issued the guaranteed senior notes (the "2029 Notes"). The Company has unconditionally and irrevocably guaranteed the due and punctual payment of guaranteed senior notes with an aggregate amount of RMB5,000,000,000. The effective interest rate is 1.99% per annum and the maturity date is 15 March 2029.

(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") with a US$500,000,000 principal amount has been repaid on 20 June 2025. 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. CONTINGENT EVENT

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.

20. SUBSEQUENT EVENT

The Group has no significant subsequent event needed to be disclosed.

21. REVIEW OF INTERIM FINANCIAL RESULTS

The interim financial results for the six months ended 30 June 2026 have been reviewed with no disagreement by the Audit Committee of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY OVERVIEW

In the first half of 2026, the global oil and gas industry was mainly characterized by overall volume contraction under pressure, accelerated structural differentiation, counter-cyclical expansion of offshore deep-water projects, accelerated iteration of intelligent and low-carbon technologies, and amplified market volatility due to geopolitical disruptions. The global crude oil market has seen overall ample supply, with demand growth weakening or even contracting in phases. However, due to repeated disruptions to oil supply caused by geopolitical conflicts in the Middle East, international oil prices experienced sharp fluctuations, surging to a peak before falling sharply. In the first half of the year, the price of Brent crude oil fell significantly from its annual high of nearly USD120/barrel to approximately USD70/barrel. The market predicts that the full-year price center will further decline compared to 2025. Capital expenditure across the industry was concentrating on high-yield deep-water and premium offshore projects, while competition in conventional onshore low-end oilfield service was intensifying, and profit margins were continuously narrowing. According to monitoring data for the oilfield service industry published by Rystad Energy, in the first half of 2026, the global oilfield service market continued its slight downward trend in total volume, but demand in the offshore and deep-water sub-segments maintained rigid growth, becoming one of the few growth sectors in the industry.

BUSINESS REVIEW

In the first half of 2026, the global economy operated under multiple uncertainties, and the oil and gas industry faced a complex situation amidst the severe impact of geopolitical turmoil. International oil prices experienced a dramatic "rollercoaster" curve, showing a trend of surging to a peak before falling, and significant volatility. Global upstream exploration and development investment showed a pattern of onshore contraction and offshore expansion, with incremental demand concentrated in deepwater oil and gas, shale in North America, and emerging resource countries. The Company actively identified and adapted to changes, continuously optimized resource allocation and innovation elements, and fully enhanced its cost control capabilities, with solid support from increased domestic reserves and production. Overseas operations have steadily improved in quality and efficiency, effectively hedging against industry volatility caused by the escalation of geopolitical conflicts and the restructuring of the energy landscape. In the first half of the year, the Company's revenue was RMB23,734.8 million, representing an increase of RMB439.7 million or 1.9% compared with the same period of last year. The net profit was RMB2,134.9 million, representing an increase of RMB58.1 million or 2.8% compared with the same period of last year.

Drilling Services Segment

Revenue from the Company's drilling services segment in the first half of the year was RMB7,449.2 million, representing an increase of RMB217.8 million or 3.0% compared with RMB7,231.4 million for the same period of last year.

In the first half of 2026, the global drilling market demonstrated prominent overall resilience and significant structural differentiation. Among them, market demand for deep-water semi-submersible drilling rigs continued to increase significantly, and daily-rate for operations steadily rose. The regional market for jack-up drilling rigs experienced imbalanced development, while demand in shallow-water mature basins remained robust. During the reporting period, the Company continued to deeply cultivate the domestic deep-water and deep-layer high-end drilling sector, with continuous breakthroughs in its core operational capabilities, and multiple rigs successively set a new record of regional operation in the industry. The "Oriental Discovery" rig set a new record for the shortest drilling cycle for a 6,000-6,500-meter cased well in the CNOOC of the East China Sea; the "HYSY945" and "HYSY931" rigs refreshed the record for the deepest drilling in the Beibu Gulf area and the highest single-day cumulative borehole depth in the Beibu Gulf Basin, respectively; and the "NH7" rig broke the record for the deepest single-trip cumulative borehole depth in the buried hill formation. The Company's expansion into overseas high-end markets has yielded remarkable results, with outstanding operational performance in the Norwegian regional market. Utilisation rate of rigs remained high, and the Company continued to realize high daily-rate values by leveraging its efficient operational delivery capabilities, demonstrating strong earnings resilience. High-quality projects in key regions such as Southeast Asia and South America are progressing steadily, and the overseas client base and brand influence continue to deepen.

As of 30 June 2026, the Company operated and managed a total of 61 drilling rigs, including 47 jack-up drilling rigs and 14 semi-submersible drilling rigs. Of these, 47 drilling rigs were in China and 14 drilling rigs were overseas. Affected by operation plans and repair arrangements, in the first half of the year, operating days for the Company's drilling rigs amounted to 9,741 days, representing a decrease of 165 days (or 1.7%) compared with the same period of last year. Among which, operating days for jack-up drilling rigs amounted to 7,369 days, representing a decrease of 407 days (or 5.2%) compared with the same period of last year; operating days for semi-submersible drilling rigs amounted to 2,372 days, representing an increase of 242 days (or 11.4%) compared with the same period of last year. Available day utilisation rate of drilling rigs was 93.7%, which remained basically stable compared with the same period of last year. Among which, available day utilisation rate of jack-up drilling rigs was 92.3%, and available day utilisation rate of semi-submersible drilling rigs was 98.5%.

Operation details for the Company's jack-up and semi-submersible drilling rigs in the first half of 2026 are as follows:

Drilling Services	For the six months ended 30 June **2026**	2025	Percentage change/Change
Operating days (day)	**9,741**	9,906	(1.7%)
Jack-up drilling rigs	**7,369**	7,776	(5.2%)
Semi-submersible drilling rigs	**2,372**	2,130	11.4%
Available day utilisation rate	**93.7%**	93.4%	Up 0.3 percentage point
Jack-up drilling rigs	**92.3%**	94.6%	Down 2.3 percentage points
Semi-submersible drilling rigs	**98.5%**	89.2%	Up 9.3 percentage points
Calendar day utilisation rate	**88.7%**	91.2%	Down 2.5 percentage points
Jack-up drilling rigs	**87.2%**	93.4%	Down 6.2 percentage points
Semi-submersible drilling rigs	**93.6%**	84.0%	Up 9.6 percentage points

In the first half of 2026, the average daily revenue of the Company's drilling rigs is as follows:

Average daily revenue (ten thousand US$/day)	For the six months ended 30 June **2026**	2025	Change	Percentage change
Jack-up drilling rigs	**7.4**	7.0	0.4	5.7%
Semi-submersible drilling rigs	**17.6**	17.1	0.5	2.9%
Drilling rigs average	**9.9**	9.1	0.8	8.8%

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

(2) US$/RMB exchange rate was 1:6.8109 on 30 June 2026 and 1:7.1586 on 30 June 2025.

Well Services Segment

Revenue from the Company's well services segment in the first half of the year was RMB12,550.4 million, representing an increase of RMB186.4 million or 1.5% compared with RMB12,364.0 million for the same period of last year.

In the first half of 2026, the Company continued to build a technology system focused on customer value, further highlighting the iterative upgrading of core technology products, strengthening basic research and achieving breakthroughs in original technologies, and supporting the upgrading of traditional industries and the development of strategic emerging industries. The Drilog&Welleader "Key Technologies and Applications of Geological Tracking Rotary Steering Drilling System" was awarded the Second Prize of the 2025 National Science & Technology Progress Award and was successfully applied in a project in Southeast Asia, setting a new record for the longest single-trip drilling footage for the "Drilog&Welleader" system overseas. The ESCOOL EFDT-Union, an in-situ coring and sampling logging tool, won the "Spotlight on New Technology Award" at the 2026 Offshore Technology Conference Asia. The "HydraChem" drilling fluid technology effectively overcame challenges in high-temperature and high-pressure complex formations, facilitating the successful completion of the first 8,000-meter-class ultra-deep and extended-reach well in the western South China Sea and setting multiple operational records. Our proprietary CCUS low-carbon well cementation technology received multiple industry green innovation awards, further strengthening its industry influence both domestically and internationally. The "Haihong" completion system completed the world's first thermal recovery open-hole multi-stage sand control operation, and developed 350℃ temperature-resistant thermal recovery multi-stage open-hole sand control tools, which were successfully applied in the Africa region for the first time, helping to improve the recovery rate of heavy oil fields. The Company successfully won bids for key projects in the Middle East, Southeast Asia and other regions and achieved an upgrade from a single technical service to an integrated "technology + materials" model. By continuously diversifying its overseas business portfolio and expanding regional layout, it steadily enhanced international operational capabilities.

Marine Support Services Segment

In the first half of the year, revenue from the Company's marine support services segment was RMB2,600.0 million, remaining stable compared with the same period of last year.

In the first half of 2026, the Company adhered to the resource management approach of "supplementing internal needs with external resources, coordinated sharing, and dynamic allocation", continuously optimizing overall resource deployment. It effectively alleviated market resource pressure by revitalizing existing assets and expanding new capacity, and deepened "Vessel+" integrated services to maximize the value of resource-guaranteeing vessels. The Company continued to break through traditional operating modes and expanded its presence in the high-day-rate and high-value-added vessel services market, steadily expanding its external profit margins. Meanwhile, the Company deepened its green and low-carbon transformation. Leveraging on the world's largest LNG powered standby fleet, which was pioneered domestically, reducing carbon dioxide emissions by over 60,000 tons in total. It also innovatively promoted the conversion of OSV vessels with new energy battery energy storage systems, continuously consolidating the foundation for green development and accelerating the deployment of clean energy vessels.

As of 30 June 2026, the Company operated and managed a total of over 260 vessels, including AHTS vessels, platform supply vessels and standby vessels, etc. The operating days amounted to 43,814, representing an increase of 2,304 days compared with the same period of last year. The operation volume of businesses increased. Details are in the following table:

	For the six months ended 30 June		
Marine Support Services	**2026**	2025	Percentage change
Operating days (day)	**43,814**	41,510	5.6%
Standby vessels	**8,084**	8,049	0.4%
AHTS vessels	**20,918**	20,448	2.3%
Platform supply vessels	**12,857**	11,537	11.4%
Multi-purpose vessels	**1,483**	1,015	46.1%
Workover support barges	**472**	461	2.4%

Geophysical Acquisition and Surveying Services Segment

Revenue from the Company's geophysical acquisition and surveying services segment was RMB1,135.2 million for the first half of the year, representing an increase of RMB41.5 million or 3.8% from RMB1,093.7 million for the same period last year.

In the first half of 2026, the global geophysical exploration market remained generally stable, although industry competition became more intense. The Company optimized its production capacity and business structure, promoted a multi-vessel collaborative operation model, and successfully completed the first domestic "Haijing + Haimai" joint seismic acquisition operation, achieving collaborative linkage of three types of operating vessels: streamer vessels, source vessels and node vessels. This integrated the operating systems of the two major mainstream marine exploration equipment, promoting the continuous iteration and upgrade of domestically produced equipment, with its functions gradually becoming more comprehensive. The vessels "HYSY760" and "HYSY721" respectively completed 2D and 3D acquisition projects in a certain sea area in Southeast Asia, fully demonstrating the positive results of their deep cultivation in the Southeast Asian market and continuous enhancement of international service capabilities, by virtue of their safe, efficient, and high-quality operational performance. Supported by equipment upgrades and a balanced layout of domestic and international businesses, the profitability stability and comprehensive risk resistance capability of the geophysical exploration business have continued to strengthen.

As of 30 June 2026, with the impact of market layout and project work plans, the operation volume of the Company's 2D acquisition was 3,327 km, representing a decrease of 6.5% as compared with the same period of last year. The 3D acquisition operation volume was 8,102 km^2, representing a decrease of 10.0% as compared with the same period of last year. The total operation volume of ocean bottom seismic amounted to 651 km^2, representing a decrease of 32.5% as compared with the same period of last year. Details are as follows:

	For the six months ended 30 June		
Geophysical Acquisition and Surveying Services	**2026**	2025	Percentage change
2D acquisition (km)	**3,327**	3,557	(6.5%)
3D acquisition (km^2)	**8,102**	9,000	(10.0%)
Ocean bottom seismic (km^2)	**651**	964	(32.5%)

FINANCIAL REVIEW

1.1 Revenue

In the first half of 2026, the revenue of the Company increased by RMB439.7 million or 1.9% compared with the same period of last year. The detailed analysis is set out below:

Revenue of each business segment for the first half of 2026:

Unit: RMB million

	For the six months ended 30 June			
Business segment	**2026**	2025	Change	Percentage change
Drilling services	**7,449.2**	7,231.4	217.8	3.0%
Well services	**12,550.4**	12,364.0	186.4	1.5%
Marine support services	**2,600.0**	2,606.0	(6.0)	(0.2%)
Geophysical acquisition and surveying services	**1,135.2**	1,093.7	41.5	3.8%
Total	**23,734.8**	23,295.1	439.7	1.9%

Revenue generated from drilling services business increased by 3.0% over the same period of last year. The Company has consistently focused on effectively matching equipment resources with market demand, and the operating volume of semi-submersible drilling rigs increased for the period.

Revenue from well services business increased by 1.5% over the same period of last year. The Company continued to strengthen its analysis and assessment of market opportunities and its technical capability matching, and the scale of overseas integrated revenue increased for the period.

Revenue from marine support services business remained basically stable over the same period of last year.

Revenue from geophysical acquisition and surveying services business increased by 3.8% over the same period of last year, primarily benefiting from an increase in domestic 3D project workload, which drove year-on-year revenue growth.

1.2 Operating expenses

In the first half of 2026, the Company's operating expenses amounted to RMB20,363.0 million, representing a decrease of RMB52.8 million or 0.3% from RMB20,415.8 million for the same period of last year.

The table below breaks down the Company's operating expenses for the first half of 2026:

Unit: RMB million

	For the six months ended 30 June			
	2026	2025	Change	Percentage change
Depreciation of property, plant and equipment and amortisation of intangible assets and multiclient library	**3,143.9**	3,123.5	20.4	0.7%
Depreciation of right-of-use assets	**403.6**	358.1	45.5	12.7%
Employee compensation costs	**4,456.8**	4,025.1	431.7	10.7%
Repair and maintenance costs	**197.1**	163.4	33.7	20.6%
Consumption of supplies, materials, fuel, services and others	**4,502.1**	4,471.9	30.2	0.7%
Subcontracting expenses	**6,010.9**	6,350.1	(339.2)	(5.3%)
Lease expenses	**992.9**	944.5	48.4	5.1%
Impairment losses of property, plant and equipment	**0.0**	82.0	(82.0)	(100.0%)
Reversal of impairment losses under expected credit loss model, net	**3.7**	(20.8)	24.5	(117.8%)
Other operating expenses	**652.0**	918.0	(266.0)	(29.0%)
Total operating expenses	**20,363.0**	20,415.8	(52.8)	(0.3%)

Depreciation of property, plant and equipment and amortisation of intangible assets and multiclient library for the period increased by RMB20.4 million or 0.7% compared with the same period of last year.

Depreciation of right-of-use assets for the period increased by RMB45.5 million or 12.7% compared with the same period of last year, primarily due to increased leasing of machinery and equipment to meet the demand for integrated business, leading to an increase in the original value of right-of-use assets and a corresponding increase in depreciation charged.

Employee compensation costs for the period increased by RMB431.7 million or 10.7% compared with the same period of last year, primarily due to the natural growth of domestic labor costs, coupled with a structural increase in headcount resulting from drilling rigs layout adjustments in the North Sea region and an upward adjustment of employee salaries in accordance with industry standards, all of which jointly contributed to the rise in labor costs.

Repair and maintenance costs for the period increased by RMB33.7 million or 20.6% compared with the same period of last year, which was mainly due to the impact of repair arrangements, which led to an increase in the number of repair days for drilling rigs in the first half of the year.

Consumption of supplies, materials, fuel, services and others for the period increased by RMB30.2 million or 0.7% compared with the same period of last year.

Subcontracting expenses for the period decreased by RMB339.2 million or 5.3% compared with the same period of last year, mainly due to the continuous promotion of using self-operated equipment for the period and the phased reduction in related business activities as a result of the customer's operational plan arrangements, which led to a decrease in subcontracting expenses.

Lease expenses for the period increased by RMB48.4 million or 5.1% compared with the same period of last year, mainly due to a slight increase in onshore technical services workload.

No impairment loss on property, plant and equipment occurred for the period.

The impairment losses under expected credit loss model, net for the period amounted to RMB3.7 million, primarily due to the provision of credit losses of receivables was RMB3.7 million for the period.

Other operating expenses for the period amounted to RMB652.0 million, which mainly included more than 30 cost items including travel expenses, business trip expenses, office expenses, expenses for library materials, health, safety and environmental protection expenses, transfer fees for technology, weather guarantee fees, consulting fees, audit fees and so on, representing a decrease of RMB266.0 million compared with the same period of last year, mainly due to the reversal of approximately RMB150.6 million in provision for tax matters related to the module rigs of an overseas subsidiary, which was accrued in previous years, for the period, and the one-off amortization of mobilization costs of RMB91.4 million for the Middle East contract which concluded last year (no such situation occurred this year). Other items increased or decreased respectively. Among which, during the period, health, safety and environmental protection expenses amounted to RMB257.5 million, representing an increase of RMB35.7 million compared with the same period of last year; travel expenses amounted to RMB122.3 million, representing an increase of RMB43.6 million compared with the same period of last year; transfer fees for technology amounted to RMB99.5 million, business trip expenses amounted to RMB22.9 million, office expenses amounted to RMB14.9 million, and mobilisation cost amortisation, audit fees and other fees amounted to RMB285.5 million in total.

At the same period of 2025, other operating expenses amounted to RMB918.0 million, which mainly included more than 30 cost items including travel expenses, business trip expenses, office expenses, expenses for library materials, health, safety and environmental protection expenses, transfer fees for technology, weather guarantee fees, consulting fees, audit fees and so on. Among which, health, safety and environmental protection expenses amounted to RMB221.8 million, transfer fees for technology amounted to RMB90.9 million, travel expenses amounted to RMB78.7 million, business trip expenses amounted to RMB32.7 million, office expenses amounted to RMB22.0 million, and mobilisation cost amortisation, audit fees and other fees amounted to RMB471.9 million in total.

The table below shows operating expenses for each segment in the first half of 2026:

Unit: RMB million

	For the six months ended 30 June			
Business segment	**2026**	2025	Change	Percentage change
Drilling services	**6,307.5**	6,554.5	(247.0)	(3.8%)
Well services	**10,377.5**	10,256.1	121.4	1.2%
Marine support services	**2,535.3**	2,455.6	79.7	3.2%
Geophysical acquisition and surveying services	**1,142.7**	1,149.6	(6.9)	(0.6%)
Total	**20,363.0**	20,415.8	(52.8)	(0.3%)

1.3 Profit from operations

The Company's profit from operations in the first half of 2026 amounted to RMB3,375.3 million, representing an increase of RMB466.7 million as compared with RMB2,908.6 million for the same period of last year. The profit from operations for each segment is shown in the table below:

Unit: RMB million

	For the six months ended 30 June			
Business segment	**2026**	2025	Change	Percentage change
Drilling services	**1,155.8**	686.4	469.4	68.4%
Well services	**2,150.5**	2,112.6	37.9	1.8%
Marine support services	**72.2**	158.6	(86.4)	(54.5%)
Geophysical acquisition and surveying services	**(3.2)**	(49.0)	45.8	93.5%
Total	**3,375.3**	2,908.6	466.7	16.0%

Profit from operations of the drilling services business increased by 68.4%, primarily due to the commencement of operations for new overseas projects at the end of last year and the full operational utilization of high-day-rate drilling rigs in the North Sea region, which led to an improvement in profitability; and also due to the combined effect of the reversal of approximately RMB150.6 million in provision for tax matters related to the module rigs of an overseas subsidiary, which was accrued in previous years, and the impairment loss of approximately RMB82.0 million on fixed assets recognized in the same period last year.

Profit from operations of the well services business remained basically stable over the same period of last year.

Profit from operations of the marine support services business fell by 54.5%, primarily due to the conclusion of high-margin domestic projects.

Profit from operations of geophysical acquisition and surveying services increased by 93.5%, primarily benefiting from the transformation of proprietary technology and the upgrade of operating models, which enhanced operational efficiency.

1.4 Financial expenses, net

In the first half of 2026, the Company's net financial expenses were RMB786.0 million, representing an increase of RMB379.5 million from RMB406.5 million for the same period of last year. Of which, affected by the fluctuation of exchange rate, net exchange loss increased by RMB459.9 million compared with the same period of last year, interest income decreased by RMB8.2 million compared with the same period of last year, and finance costs decreased by RMB88.6 million compared with the same period of last year, which was mainly attributable to the reduction in scale of interest-bearing liabilities compared with the same period of last year.

1.5 Investment income

In the first half of 2026, the Company's investment income amounted to RMB2.7 million, representing a decrease of RMB2.8 million compared with RMB5.5 million for the same period of last year.

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

In the first half of 2026, gains arising from financial assets at fair value through profit or loss was RMB15.3 million, representing an increase of RMB3.5 million compared with RMB11.8 million for the same period of last year, mainly due to the increase of principal of investment in wealth management, resulting in an increase in gains compared with the same period of last year.

1.7 Profit for the period

In the first half of 2026, profit for the period of the Company was RMB2,134.9 million, as compared with RMB2,076.8 million for the same period of last year.

1.8 Basic earnings per share

In the first half of 2026, the Company's basic earnings per share amounted to RMB42.09 cents, as compared with basic earnings per share of RMB41.16 cents for the same period of last year.

2. Analysis of interim condensed consolidated statement of financial position

As of 30 June 2026, total assets of the Company amounted to RMB84,174.3 million, representing a decrease of RMB288.5 million or 0.3% as compared with RMB84,462.8 million at the end of 2025. Total liabilities were RMB36,175.0 million, representing a decrease of RMB1,136.7 million or 3.0% as compared with RMB37,311.7 million at the end of 2025. Shareholders' equity was RMB47,999.3 million, representing an increase of RMB848.2 million or 1.8% as compared with RMB47,151.1 million at the end of 2025.

An analysis of reasons for significant changes in major account items on the interim condensed consolidated statement of financial position is as follows:

Unit: RMB million

Items	**30 June 2026**	31 December 2025	Percentage change	Reasons
Multiclient library	**11.4**	19.8	(42.4%)	Mainly due to the gradual decline in line with the residual value of amortisation.
Other non-current assets	**288.5**	184.6	56.3%	Mainly due to an increase in prepayments for vessel construction, which were reclassified to other non-current assets at the end of the period.
Deferred tax assets	**266.6**	67.9	292.6%	Mainly due to the impact of provision of unpaid remuneration and accrued expenses for the period, leading to the change of net deferred tax of the parent company from deferred tax liabilities to deferred tax assets.
Inventories	**3,247.0**	2,395.0	35.6%	Mainly due to production and manufacturing business plan arrangements, inventories of raw materials and work-in-progress increased as compared to the beginning of the year.
Prepayments, deposits and other receivables	**227.7**	124.2	83.3%	Mainly due to the combined effect of an increase in payments of deposits and security deposits for the period and an increase in overseas prepaid taxes.
Accounts receivable	**21,718.3**	14,956.1	45.2%	Mainly due to the increase in receivables from operation as a result of the increase in operation volume.
Notes receivable	**17.1**	63.1	(72.9%)	Mainly due to the maturity and recovery of notes.
Financial assets at fair value through profit or loss	**0.0**	5,501.7	(100.0%)	Mainly attributable to the redemption of wealth management products with floating returns upon maturity during the period.
Receivables at fair value through other comprehensive income	**104.0**	16.5	530.3%	Mainly due to an increase in bank acceptance bills with higher credit ratings received from customers as payment for daily production and operations.

Unit: RMB million

Items	30 June 2026	31 December 2025	Percentage change	Reasons
Contract assets (current assets)	**39.2**	5.4	625.9%	Mainly due to the amortization of contract liabilities for certain projects of overseas subsidiaries as performance progresses, which are reported at a net amount at the end of the period, forming contract assets.
Contract costs (current assets)	**51.8**	33.7	53.7%	Mainly due to an increase in contract fulfillment costs for drilling rigs for the period.
Other current assets	**1,012.0**	499.4	102.6%	Mainly due to an increase in input VAT awaiting certification.
Salary and bonus payables	**1,697.9**	945.2	79.6%	Mainly due to the provision of remuneration was made based on historical levels during the year and the remuneration shall be paid at the end of the year based on the assessment result.
Tax payable	**568.2**	273.8	107.5%	Mainly due to the increase in corporate income tax payable at the end of the period.
Loans from related parties (current liabilities)	**4,647.8**	2,460.1	88.9%	Mainly due to the increase in short-term loan from related parties during the period.
Interest-bearing bank borrowings (current liabilities)	**18.3**	3,992.6	(99.5%)	Mainly due to the maturity and repayment of short-term loan.
Long-term bonds (current liabilities)	**0.0**	3,073.3	(100.0%)	Mainly due to the maturity and repayment of the RMB3 billion corporate bonds issued in 2016.
Other current liabilities	**1,114.9**	564.5	97.5%	Mainly due to the increase in output VAT pending for transfer.
Deferred tax liabilities	**80.8**	136.3	(40.7%)	Mainly due to the impact of provision of unpaid remuneration and accrued expenses for the period, leading to the change of net deferred tax of the parent company from deferred tax liabilities to deferred tax assets.
Long-term bonds	**7,058.0**	2,098.8	236.3%	Mainly due to the new issuance of offshore Renminbi bonds of RMB5 billion during the period.
Other non-current liabilities	**143.4**	304.3	(52.9%)	Mainly due to the reversal of the provision for tax matters related to the module rigs of an overseas subsidiary, which was accrued in previous years.
Loans from related parties (non-current liabilities)	**2,017.0**	3,372.2	(40.2%)	Mainly due to the maturity and repayment of long-term borrowings.

3. Analysis of interim condensed consolidated statement of cash flows

At the beginning of 2026, the Company held cash and cash equivalents of RMB7,463.0 million. Net cash outflows from operating activities for the period amounted to RMB1,422.9 million. Net cash inflows from investing activities were RMB3,489.5 million. Net cash outflows from financing activities were RMB3,172.2 million. The impact of foreign exchange rate changes on cash resulted in a decrease of RMB75.4 million. As of 30 June 2026, the Company's cash and cash equivalents amounted to RMB6,282.0 million.

3.1 Cash flows from operating activities

In the first half of 2026, the Company's net cash outflows from operating activities amounted to RMB1,422.9 million, as compared with the net cash outflows from operating activities of RMB494.7 million for the same period of last year, mainly due to a decrease in cash received from sale of goods and provision of services for the period compared with the same period of last year, with some business operations still within their normal settlement periods.

3.2 Cash flows from investing activities

In the first half of 2026, net cash inflows from the Company's investing activities amounted to RMB3,489.5 million, representing a decrease of RMB118.2 million in net cash inflows compared with net cash inflows from investing activities of RMB3,607.7 million for the same period of last year, which was mainly due to the increase of RMB1,561.2 million in cash inflows from the proceeds on disposal/maturity of investments in floating rate corporate wealth management products compared with the same period of last year, the increase of RMB2,033.0 million in cash outflows paid for purchase of floating rate corporate wealth management products and time deposits compared with the same period of last year, the decrease of RMB374.3 million in cash outflows for the acquisition of property, plant and equipment and other long-term assets compared with the same period of last year.

3.3 Cash flows from financing activities

In the first half of 2026, the Company's net cash outflows from financing activities amounted to RMB3,172.2 million, representing an increase of RMB1,752.9 million in net cash outflows compared with the same period of last year, which was mainly due to the fact that cash received from newly loans of bank and related parties during the period decreased by RMB1,555.7 million compared with the same period of last year and cash received from new long-term bonds increased by RMB4,994.2 million compared with the same period of last year, cash paid for repayment of long-term bonds decreased by RMB586.4 million compared with the same period of last year, and cash paid for repayment of bank loans and loans from related parties increased by RMB5,503.1 million compared with the same period of last year.

3.4 The impact of foreign exchange rate changes on cash during the period resulted in a decrease of RMB75.4 million in cash.

4. Capital expenditure

In the first half of 2026, the Company's capital expenditure was RMB1,266.6 million, representing a decrease of RMB1,254.4 million or 49.8% compared with RMB2,521.0 million for the same period of last year.

The capital expenditure of each business segment is shown in the table below:

Unit: RMB million

	For the six months ended 30 June			
Business segments	**2026**	2025	Change	Percentage change
Drilling services	**479.0**	784.0	(305.0)	(38.9%)
Well services	**577.2**	1,097.5	(520.3)	(47.4%)
Marine support services	**53.2**	494.7	(441.5)	(89.2%)
Geophysical acquisition and surveying services	**157.2**	144.8	12.4	8.6%
Total	**1,266.6**	2,521.0	(1,254.4)	(49.8%)

The capital expenditure of drilling service business is mainly used for the transformation and renovation of equipment (during the same period last year, the expenditure included the adaptation renovation and special inspection of 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 (mainly due to entering a new planning cycle, with project layouts in an adjustment and transition phase, resulting in a year-on-year decrease in equipment investment and capitalized expenditure on research and development projects). The capital expenditure of marine support services business is mainly used for the transformation and renovation of operation vessels (three vessels purchased during the same period last year). The capital expenditure of geophysical acquisition and surveying services business is mainly used for the transformation and renovation of operation vessels and equipment.

5. 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 of 30 June 2026, the total assets of China Oilfield Services (BVI) Limited amounted to RMB6,109.2 million and equity was RMB1,787.6 million. China Oilfield Services (BVI) Limited realized revenue of RMB2,507.9 million in the first half of 2026, representing an increase of RMB90.6 million compared with the same period of last year. The net profit amounted to RMB272.9 million, remaining largely consistent compared with the same period of last year.

As of 30 June 2026, the total assets of COSL Hong Kong International Limited amounted to RMB7,366.8 million and equity was RMB7,271.0 million. The revenue of COSL Hong Kong International Limited was nil and net profit of RMB2.1 million in the first half of 2026, which remained largely consistent compared with the same period of last year.

As of 30 June 2026, the total assets of COSL Singapore Limited amounted to RMB15,925.3 million and equity was RMB-16,744.1 million. COSL Singapore Limited realized revenue of RMB2,640.2 million in the first half of 2026, representing a decrease of RMB492.9 million compared with the same period of last year. The net profit amounted to RMB-175.1 million, representing a decrease in loss of RMB65.6 million compared with the same period of last year. This was primarily due to an equity structure adjustment of COSL DRILLING PAN-PACIFIC LTD. (“CDPL”) in June 2025, after which it was no longer managed as a subsidiary of COSL Singapore Limited (the operating data of COSL Singapore Limited for the current period did not include CDPL data, whereas the data for the corresponding period last year included CDPL data; CDPL realized revenue of RMB993.5 million and its net profit amounted to RMB119.7 million in the first half of 2025). Among which, COSL Norwegian AS (“CNA”) is a major subsidiary of COSL Singapore Limited, with the specific information as follow:

As of 30 June 2026, the total assets of CNA amounted to RMB9,862.3 million and equity was RMB-5,702.3 million. CNA realized revenue of RMB1,860.5 million in the first half of 2026, representing an increase of RMB261.2 million compared with the same period of last year. The net profit amounted to RMB100.6 million, representing an increase of RMB186.0 million compared with the same period of last year, which was mainly due to the increase in profitability as a result of the fully operation of drilling rigs with high daily-rate.

As of 30 June 2026, the total assets of China France Bohai amounted to RMB1,515.2 million and equity was RMB818.8 million. In the first half of 2026, China France Bohai realized revenue of RMB972.5 million, representing a decrease of RMB38.8 million compared with the same period of last year. The net profit amounted to RMB244.2 million, representing an increase of RMB9.9 million compared with the same period of last year, attributable to continuous cost optimization, which effectively supported the profit level.

As of 30 June 2026, the total assets of Hainan Company amounted to RMB5,335.6 million and equity was RMB3,688.4 million. Hainan Company realized revenue of RMB1,678.9 million in the first half 2026, representing an increase of RMB289.2 million compared with the same period of last year. The net profit amounted to RMB186.5 million, representing an increase of RMB55.3 million compared with the same period of last year, mainly due to the impact of increased workload.

PROSPECTS

In 2026, the global oil and gas industry enters a critical stage where cyclical adjustments and energy structure transformation are deeply intertwined, and the characteristics of structural differentiation within the industry becomes increasingly prominent. Various authoritative consulting agencies predict that the price of Brent crude oil will stabilize in the range of USD70 to 75/barrel for the year. The current global geopolitical landscape is complex and volatile, with countries' strategic demands for energy security continuously escalating. The overall oil and gas market maintains a tight supply-demand balance, and oil prices will remain wide-range of fluctuations. Domestically, with the official commencement of the "15th Five-Year Plan", the rigid demand for offshore oil and gas exploration and development continues to be released, building a solid foundation for the development of the Company's core principal business in the domestic market.

The global oilfield service industry is accelerating its upgrade towards specialization, refinement, and integration. The core of market competition is gradually shifting to full-chain integrated service capabilities, proprietary core technology barriers, full-cycle cost control levels, and safe and efficient operational strength. The global oilfield service market is characterized by a development pattern of "overall volume pressure with structural recovery", with growing demand in emerging sectors such as ultra-deepwater high-end operations, digital intelligent oil and gas services, and green and low-carbon engineering services. The offshore oil and gas market in China and the Asia-Pacific region outperforms the rest of the world.

In 2026, the Company focuses on strengthening and optimizing its core principal business by concentrating on the core needs of oil and gas exploration and development. The Company will firmly seize the core opportunities for increasing domestic offshore oil and gas reserves and production, and deeply cultivate the domestic core market. The Company will steadily expand into high-end and high-quality markets in the Middle East, Asia-Pacific, the Americas, and other overseas regions, and improve the global business layout. It also will continuously increase investment in technological innovation and digital transformation, iterate and upgrade core technologies in deep-water operations and high-end wellbore services, and promote the intelligent and localized upgrading of equipment. The Company will actively adapt to energy resource development trends, strategically deploy in emerging business sectors, and create new growth curves. The Company will continuously deepen refined operational management, optimize resource allocation, strictly control costs and expenses, and solidify safety and quality control, thereby comprehensively enhancing operational quality and efficiency, and striving to promote the Company's high-quality, sustainable, and stable development.

SUPPLEMENTARY INFORMATION

AUDIT COMMITTEE

The audit committee comprises of three independent non-executive directors of the Company. The audit committee has reviewed the accounting principles and practices adopted by the Company as well as the risk management, internal control and financial reporting matters. The Company's unaudited interim results and interim report for the six months ended 30 June 2026 have been reviewed by the audit committee. The interim financial information has been reviewed by the Company's auditor, Ernst & Young, in accordance with Hong Kong Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the Hong Kong Institute of Certified Public Accountants.

CORPORATE GOVERNANCE CODE

Save as disclosed below, during the six months ended 30 June 2026 and up to the date of this announcement, 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 (hereinafter "Hong Kong Listing Rules").

The chairman and the chief executive officer of the Company are currently held by Mr. Liu Jianzhong alone. This is different from the Code Provision C.2.1 of 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 authorization, and allows the Company to make decisions and implementations in a timely and effective manner.

Code Provision C.6.4 of Part 2 of the Corporate Governance Code provides that all directors should have access to the advice and services of the Company Secretary to ensure that Board procedures, and all applicable laws, rules and regulations, are followed. Mr. Sun Weizhou, the Company Secretary of the Company, has resigned as the Company Secretary of the Company with effect from 25 August 2026. Mr. Liu Jianzhong, the chairman and chief executive officer of the Company, will temporarily perform the duties of the Company Secretary. The Company is identifying a suitable candidate to fill the aforesaid vacancy as soon as practicable in accordance with the requirements of the Hong Kong Listing Rules to ensure the Company's compliance with the relevant code provisions and the requirements under Rules 3.05 and 3.28 of the Hong Kong Listing Rules. The Company will make further announcement(s) as and when appropriate.

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 exposure. During 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 exclude 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, and public safety risks in regions with complex security situations such as the Middle East and Africa. 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 ISSUERS

Upon specific enquiry to all directors by the Company, the directors of the Company have confirmed that they have, for the six months ended 30 June 2026, 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 six months ended 30 June 2026. As at the end of the reporting period, neither the Company nor its subsidiaries held any treasury shares.

PROGRESS OF BUSINESS PLAN

In the first half of 2026, against the backdrop of the dual impact of geopolitical fluctuations and global energy transition, overall international oil and gas demand contracted slightly, the regional differentiation pattern further intensified, and industry competition continued to escalate. Facing a complex market environment, the Company coordinated stable domestic production services with the expansion of high-end overseas projects, and the workload across all core business segments remained robust. At the same time, the Company accelerated the commercialization of proprietary core technologies, continuously enhanced its integrated service capabilities, and consistently unleashed its core business value, thereby fully demonstrating the Company's core competitiveness in navigating market cycles and maintaining resilient operations.

Looking ahead, the Company will continue to deepen its presence in high-quality oil and gas service markets worldwide, pursue and persist in amazing technology and excellent services, and drive sustained and steady operating value through the dual engines of technological innovation and lean management, delivering a high-quality development achievements to its shareholders and the market.

CHARGES ON ASSETS

As at 30 June 2026, the Group had no material charges against its assets.

OTHERS

Issue of the Notes

As at 16 March 2026, COSL Singapore Capital Ltd. (the "Issuer"), a wholly-owned indirect subsidiary of the Company, issued RMB5,000,000,000 1.95% guaranteed notes due 2029 (the "Notes"), which have been approved for listing and trading on the Hong Kong Stock Exchange. The Company has unconditionally and irrevocably guaranteed the due and punctual payment of all sums expressed to be payable by the Issuer in respect of the Notes.

The Notes will bear interest on their outstanding principal amount from and including 16 March 2026 at the rate of 1.95% per annum, payable semi-annually in arrear on 16 March and 16 September of each year, commencing on 16 September 2026. Unless previously redeemed or purchased and cancelled, the Notes will be redeemed at their principal amount on the interest payment date falling on, or nearest to, 16 March 2029. The Group intends to use the net proceeds primarily for refinancing its existing indebtedness and general corporate purposes in accordance with applicable PRC laws and regulations.

For details regarding the above-mentioned Notes, please refer to the announcements published by the Company on 9 March 2026, 10 March 2026, 16 March 2026 and 17 March 2026.

The directors are of the opinion that there have been no material changes to the information published in the annual report for the year ended 31 December 2025, other than those disclosed in this interim results announcement.

DISCLOSURE OF INFORMATION ON WEBSITES OF THE COMPANY AND HONG KONG STOCK EXCHANGE

This announcement will be available on the Company's website (https://www.cosl.com.cn) and the Hong Kong Stock Exchange's website (https://www.hkex.com.hk). The full text of the 2026 interim report 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 Hong Kong Stock Exchange.

By Order of the Board
China Oilfield Services Limited
Liu Jianzhong
Chairman and Chief Executive Officer

25 August 2026

As at the date of this announcement, the executive directors of the Company are Messrs. Liu Jianzhong (Chairman) and Shang Jie; 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.