

COSL

中海油田服務股份有限公司

China Oilfield Services Limited

(Stock Code 股票代號 A 股: 601808; H 股: 2883)



2026

Interim Report
中期報告

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Introduction

China Oilfield Services Limited (the "Company", the "Group" or "COSL"), listed on Hong Kong Stock Exchange (HK stock code: 2883) and Shanghai Stock Exchange (Shanghai stock code: 601808), is one of the leading integrated oilfield services providers in the world. Its services cover each phase of oil and gas exploration, development and production.

Financial Highlights

	First half of 2024 RMB million	First half of 2025 RMB million	First half of 2026 RMB million
Revenue	22,497	23,295	23,735
Profit from operations	2,692	2,909	3,375
Profit from operations (excluding impairment loss of property, plant and equipment and goodwill)	2,692	2,991	3,375
Profit for the period	1,710	2,077	2,135
Profit for the period (excluding impairment loss of property, plant and equipment and goodwill)	1,710	2,159	2,135
	RMB/share	RMB/share	RMB/share
Earnings per share	0.33	0.41	0.42

Chairman's Statement

Dear Shareholders,

In the first half of 2026, intensifying global geopolitical conflicts, significant volatility in international oil prices, a complex and challenging market environment, and a confluence of internal and external risks presented a highly uncertain operating landscape. Facing with the complex and volatile internal and external environment, the Company remained steadfast in its commitment to high-quality development as its top priority. By focusing on reserve and production growth, firmly establishing bottom lines and red lines, proactively identifying and adapting to change, implementing scientific and precise measures, and striving for breakthroughs, the Company achieved positive results with steady progress across all areas of its operations.

I. Leveraging strategic deployment to further enhance quality and efficiency in high-quality development

In the first half of the year, the Company continuously enhanced its systematic, efficient, and green resource supply and service support, striving to contribute professional value. The Company stabilized the supply of equipment resources, and the effectiveness of lean management continued to be unleashed. The Company persisted in deepening scientific research with an industrial mindset, cultivating industries with a scientific research attitude, and strove to forge core competitive advantages that are independent and controllable, continuously improving the application effects of our proprietary technological products. The Company vigorously promoted quality improvement and efficiency enhancement in the manufacturing industry, effectively built a data-driven intelligent production system, and orderly advanced digital and intelligent transformation, thereby supporting the rapid improvement of the Company's technical service quality and efficiency.

II. Consolidating the development foundation to further strengthen basic management

In the first half of the year, the Company focused on cost control, safety management, and risk prevention, coordinating and promoting high-quality development and high-level safety to foster mutual progress. The Company's safe production operated stably and its on-site intervention mechanism was sound and effective. In addition, cost control improved steadily, and its debt structure was optimized in a coordinated manner. The Company continuously enhanced capabilities in risk identification, assessment, and mitigation, thereby further solidifying the foundation of operational management and business development.

III. Seizing strategic opportunities to further expand market presence

In the first half of the year, the Company focused on key projects in external markets, dynamically tracked business opportunities, and refined project bidding strategies. It accelerated the conversion of cooperation opportunities in emerging markets, and promoted stable growth and increased profitability in core markets, while expanding market share and increasing revenue in potential regions. The Company's overseas business continued to make breakthroughs, with the contract amounts from "new countries, new clients, and new businesses" increasing significantly year-on-year. Meanwhile, the domestic market maintained steady growth, supported by deeper business collaboration mechanisms and the continued advancement of its integrated development model, which together unlocked new momentum for market growth.

Looking ahead to the second half of the year, adhering to the core idea of industrial system development, the Company will systematically plan and implement its five-year development blueprint, and continue to enhance the modernization level of corporate governance, with a focus on the following tasks:

I. Strengthening and optimizing core businesses to enhance core functions

The Company will strengthen strategic collaboration with key clients to consolidate the “foundation” of reserve growth and production enhancement through stable, efficient, and highly capable professional technical services. It will strengthen equipment resource capabilities, enhance equipment operation and maintenance management, and optimize the iterative development of equipment. It will also enhance professional service support, optimize operational organization and coordination and quality control, and strengthen a low-cost, high-efficiency professional service system. The Company will proactively plan for marine resource development, deeply integrate into the national marine power strategy, and actively explore future industries. In addition, it will accelerate the promotion of green and low-carbon transformation, and enhance the scope and intensity of green energy application.

II. Driving technological innovation to build key competitive advantages

The Company will actively engage with the national innovation system by accelerating the resolution of key technological bottlenecks, pursuing breakthroughs in critical core technologies, and solidifying the foundation for technological development. The Company will continuously optimize the scientific research and innovation ecosystem, developing targeted breakthroughs and integrated solutions. The Company will also accelerate the promotion of digital and intelligent transformation to enhance the application efficiency and technological value of core business scenarios.

III. Coordinating and advancing market expansion and cost reduction to enhance the quality and efficiency of lean management

The Company will deeply implement the “Four Principles” management culture, actively expand markets and sales externally, and vigorously focus on cost reduction, quality improvement, and efficiency enhancement internally, thereby building a solid moat of market competitiveness. The Company will focus on expanding market growth and continuously enhance internationalized operational capabilities. The Company will also activate the source momentum for cost control, and implement practical measures to focus on costs from a customer perspective, control unnecessary expenditures from an operational perspective, and reduce procurement costs from a supply chain perspective.

IV. Preventing and mitigating major risks to solidify the foundation for safe development

The Company will thoroughly implement the new three-year action plan for grassroots fundamental management and continuously improve the comprehensive risk prevention and control system. It will reinforce the safety production barrier, ensuring seamless connection and penetration of the responsibility chain at every level. The Company will strengthen compliance operations and management, conduct self-inspection and self-correction against non-compliant situations, and promote standardized operations in key areas. The Company will rigorously guard against overseas business risks by continuously optimizing offshore ownership structures, strengthening proactive management of exchange gains and losses, and ensuring offshore public safety.

Chairman's Statement

Dear Shareholders, since the beginning of 2026, the Company has proactively responded to new trends, new changes, and new adjustments in the global economy and the oilfield services industry. With high-quality development as its goal, the Company has continuously strengthened its internal drivers, and achieved solid results across all areas of its operations. Looking ahead, the Company's Board of Directors, management, and all employees will diligently pursue development, keep pace with the times to shape the future, and strive to write a new chapter in the Company's high-quality development, thereby rewarding all shareholders and the community with excellent performance and growth.

Liu Jianzhong

Chairman and Chief Executive Officer

25 August 2026

President's Statement

Dear Shareholders,

In the first half of 2026, escalating global geopolitical conflicts and sharp fluctuations in international oil prices created a complex and volatile environment for the global economy and energy industry, bringing multiple uncertainties to the oilfield services industry. Facing these external challenges, COSL has remained committed to high-quality development, deepening its presence in both domestic and foreign markets through excellent operational management, building a solid core competitive barrier with technological innovation, and ensuring operational quality and efficiency through full-chain risk management and control. As a result, the Company's production and operations have maintained steady, high-quality and sustainable growth.

Deeply engaging in the core business of energy resources to solidify the foundation for reserve growth and production enhancement. Domestically, the Company focused on the core demand for reserve growth and production enhancement, continuously strengthening systematic, efficient, and green resource supply and service support, striving to contribute our professional value to offshore oil and gas exploration and development, and accelerating the transformation from a "participant" in reserve growth and production enhancement to a "creator" of functional value. In the first half of the year, domestic workload and the utilisation rates of large-scale equipment remained high, with stable equipment resources supply, and continued improvements in operational efficiency, solidifying the Company's leading position in the domestic offshore oilfield services market.

Looking ahead, the Company will closely align with market demand, further strengthen equipment resources assurance and enhance professional service capabilities. The Company will proactively advance marine resource development, accelerate green transformation, and deepen efforts to improve operational quality, thereby providing service with higher standards, superior quality and greater efficiency.

Sustaining overseas business breakthroughs with both quantitative and qualitative gains. Overseas, the Company has systematically planned and coordinated its efforts overseas, focusing all its resources on securing large-scale, long-term and high-value projects. In the first half of the year, the Company further established and improved its overseas operational system featuring controllable risks, compliance, efficiency, safety and stability, and optimized its regional marketing network according to local conditions. The Company's technology segment marked a "good start" in the Middle East market, securing contracts for multiple high-quality overseas projects and reaching a record high for new contract value, which provided crucial support for profitability and sustainable overseas development.

With a global outlook, the Company will focus on key projects in external markets, further deepen its efforts to expand overseas markets, strive to achieve incremental breakthroughs, strengthen overseas compliance and risk prevention and control, ensure lean operational standards for overseas projects, and continuously enhance the quality and efficiency of its international operations.

President's Statement

Driving transformation through technological innovation to demonstrate new quality productive forces. Technological innovation is the primary driving force for the Company's high-quality development. In the first half of the year, the Company's technology segment achieved a string of successes: the "Haijing" system successfully won the bid for a streamer project from a leading domestic core client; the "Haimai" system achieved its first commercial application overseas; the "Drilog&Welleader" system set a new record for the deepest well ever drilled in Uganda; the "Haihong" system completed the world's first thermal recovery open-hole multi-stage sand control operation; and the "HydraChem" system completed drilling of the first 8,000-meter-class ultra-deep, extended reach well in a certain sea area, setting six records. The "ESCOOL" system's in-situ coring and sampling logging tool won the OTC Asia New Technology Award, and the "Drilog&Welleader" system was awarded the 2025 National Award for Science and Technology Progress. The Company's potential for technological innovation continues to be unleashed, and the process of breaking through core bottlenecks has been fully accelerated.

With a focus on innovation, the Company will further strengthen its efforts in tackling key core technologies, accelerate the layout of strategic emerging and future industries, promote the digital and intelligent transformation from "virtual to real", and expedite the cultivation of new quality productive forces.

Consolidating the risk management system to ensure steady and sustainable development. In the first half of the year, the Company focused on risk prevention in key areas, advanced the upgrade of its safety responsibility system, and promoted the coordinated and mutually reinforcing development of high-quality growth and high-level safety, thereby providing a reliable guarantee for sustainable development. The Company continued to strengthen its regular risk monitoring mechanism, with a focus on cost control, safety management and risk prevention, and enhanced dynamic tracking and control of major and significant risks. In the first half of the year, the Company maintained stable and safe operations, achieved steady improvement in cost control, and continued to narrow its internal and external risk exposures, thereby consolidating the foundation for the Company's high-quality development through robust and reliable fundamental management.

Regarding risk management, the Company will continue to strictly enforce safety production, strengthen compliance and operational management, steadily improve the comprehensive risk prevention and control system, implement closed-loop identification and remediation of various potential hazards, quantify safety responsibility indicators for all employees, ensure that the responsibility chain is seamlessly connected and effectively cascaded through all levels, and effectively prevent and resolve various risks.

At this critical juncture of striving to achieve our full-year targets, all employees of the Company will stay committed to the new development philosophy, further build a consensus on moving forward, focus on the core theme of high-quality development, empower the forefront of the energy industry's transformation and upgrading, and continue to forge ahead resolutely on the path to building a world-class enterprise.

Shang Jie

Executive Director and President

25 August 2026

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.

Management Discussion and Analysis

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:

Marine Support Services	For the six months ended 30 June		Percentage change
	2026	2025	
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.

Management Discussion and Analysis

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 km², 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 km², representing a decrease of 32.5% as compared with the same period of last year. Details are as follows:

Geophysical Acquisition and Surveying Services	For the six months ended 30 June		
	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			Percentage change
Business segment	2026	2025	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.

Management Discussion and Analysis

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		Change	Percentage change
Business segment	2026	2025		
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		Change	Percentage change
Business segment	2026	2025		
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		31		
Items	30 June 2026	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		31		
Items	30 June 2026	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 Business segments	For the six months ended 30 June		Change	Percentage change
	2026	2025		
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.

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 interim report, 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.

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.

DIRECTORS' INTERESTS IN CONTRACTS

During the six months ended 30 June 2026, the directors and related entities did not have a direct or indirect significant interest in any important transaction, arrangement or contract (subsisting during or at the end of the reporting period) that is material to the business of the Group.

DIRECTORS' AND SENIOR MANAGEMENT'S INTERESTS AND SHORT POSITIONS IN SHARES

As of 30 June 2026, none of the directors and senior management of the Company or their respective associates had any other interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (hereinafter "SFO")) as recorded under Section 352 of the SFO or as otherwise notified to the Company and HKSE pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers.

INTERESTS AND SHORT POSITIONS IN SHARES OF SUBSTANTIAL SHAREHOLDERS

So far as is known to any director or senior management of the Company, as of 30 June 2026, the following persons had interests or short positions in the H shares or underlying H shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded under Section 336 of the SFO or were otherwise notified to the Company and HKSE:

Name of shareholder	Nature of interests	Approximate percentage of the interests (H shares) in COSL (%)	
		Number of shares in interest (share)	
JPMorgan Chase & Co.	Interest in controlled corporation	115,853,499(L)	6.39(L)
		23,995,916(S)	1.32(S)
		64,643,516(P)	3.56(P)
Invesco Asset Management Limited	Interest in controlled corporation	111,156,000(L)	6.13(L)
BlackRock, Inc.	Interest in controlled corporation	106,133,730(L)	5.86(L)
		11,168,000(S)	0.62(S)
Citigroup Inc.	Interest in controlled corporation	90,950,379(L)	5.02(L)
		12,556,000(S)	0.69(S)
		77,355,386(P)	4.27(P)
The Bank of New York Mellon Corporation	Interest in controlled corporation	90,915,085(L)	5.02(L)
		89,075,488(P)	4.92(P)

Notes:

- (a) "L" means long position
- (b) "S" means short position
- (c) "P" means lending pool

Save as disclosed above, the directors are not aware of any other person who had an interest in the shares of the Company which shall be recorded under Section 336 of the SFO.

DIRECTORS', SENIOR MANAGEMENT'S AND OTHER PERSONS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the six months ended 30 June 2026 were rights to acquire benefits by means of acquisition of shares in or debentures of the Company granted to any directors, senior management and other persons or their respective spouses or minor children, or were any such rights exercised by them; nor was the Company, its holding companies, or any of its subsidiaries or fellow subsidiaries a party to any arrangement to enable the directors, senior management and other persons to acquire such rights in any other body corporate.

EMPLOYEE, REMUNERATION POLICY AND TRAINING PROGRAMME

As of 30 June 2026, the total number of in-service employees of the Company is 15,470. The Company strictly complied with the relevant provisions of the laws and regulations of China and other countries where it operates regarding the labor and employment, salary and welfare, and social insurances, adhered to the salary payment concept of "post value, ability level and performance contribution", aimed to "stimulate vitality, improve efficiency and enhance core competitiveness", and continuously optimised its human resources management system. The Company strengthened the work efficiency linkage, improved the dynamic distribution mechanism of total wages, implemented a performance-oriented incentive mechanism, maintained a high proportion of performance-linked pay, and strengthened targeted incentives for key talents, thereby enabling employees to share in the Company's development dividends, and fully stimulating their creativity. The Company highlighted the distribution subject status of frontline employees at the grassroots level and key technical talents, implemented a compensation-leading incentive strategy, maintained a lean and efficient competitive advantage in the market, and continuously enhanced its attractiveness to talents. Adhering to the philosophy of comprehensive care and protection for employees throughout the full-lifecycle, the Company continuously perfected and improved the employee welfare and insurance system and established a supplementary enterprise insurance system that is compatible with the basic social insurance. The Company also provided a number of welfare including health check, paid vacation, helping and assisting those with difficulties or major diseases, etc., and made efforts to address the worries of employees, so as to provide multi-layered and comprehensive protection for employees.

The Company integrated "political guidance, value shaping, and capability building" throughout its talent development. Centering on the three core dimensions of political judgment, management insight, and professional execution, the Company built a full-chain, multi-level targeted empowerment system that covered all stages of employees' career development. Adhering to the principle of "connecting strategy for the management, connecting performance for employees", the Company optimized resource sharing and collaboration mechanism, and promoted the common growth of the organization and individuals. The Company systematically enhanced the strategic thinking, performance capabilities, and humanistic spirit of its cadres and accelerated the cultivation of a high-caliber talent pool that is loyal, honest, and responsible and possesses global competitiveness, thereby solidifying the talent foundation for driving the Company's high-quality development.

CHANGES IN DIRECTORS AND SENIOR MANAGEMENT

Changes in Directors

On 30 June 2026, the board of directors of the Company received the written resignation from Mr. Zhao Shunqiang, the Chairman, an executive director and the Chief Executive Officer. The resignation of Mr. Zhao Shunqiang as the Chairman, an executive director, the Chief Executive Officer and the member of the nomination committee of the Company was due to the adjustment of his work arrangement. The resignation as the Chairman, an executive director and the member of the nomination committee shall take effect from the date when a new executive director is elected by the shareholders of the Company at the extraordinary general meeting. Pursuant to the Articles of Association of the Company, the legal representative of the Company shall be the Chairman of the Company and if the Chairman resigns, he/she shall be deemed to have resigned as the legal representative at the same time. On 29 July 2026, the Company convened the 2026 first extraordinary general meeting. The meeting elected Mr. Liu Jianzhong as an executive director of the Company for a term of three years starting from the date when the resolution was passed at the 2026 first extraordinary general meeting. Mr. Liu Jianzhong also served as the Chairman and the member of the nomination committee. At the same time, Mr. Liu Jianzhong was appointed as the authorised representative of the Company under Rule 3.05 of the Hong Kong Listing Rules and the legal representative of the Company.

On 30 June 2026, the board of directors of the Company received the written resignation from Mr. Lu Tao, an executive director. The resignation of Mr. Lu Tao as an executive director of the Company was due to the adjustment of his work arrangement, with effect from the date when a new executive director is elected by the shareholders of the Company at the extraordinary general meeting. On 29 July 2026, the Company convened the 2026 first extraordinary general meeting. The meeting elected Mr. Shang Jie as an executive director of the Company for a term of three years starting from the date when the resolution was passed at the 2026 first extraordinary general meeting.

On 29 July 2026, the Company convened the 2026 first extraordinary general meeting. The meeting re-elected Mr. Fan Baitao as a non-executive director of the Company for a term of three years starting from the date when the resolution was passed at the 2026 first extraordinary general meeting.

On 29 July 2026, the Company convened the 2026 first extraordinary general meeting. The meeting re-elected Mr. Liu Qiudong as a non-executive director of the Company for a term of three years starting from the date when the resolution was passed at the 2026 first extraordinary general meeting. Mr. Liu Qiudong also continued to serve as the member of the remuneration and assessment committee.

Mr. Liu Jianzhong and Mr. Shang Jie have confirmed that they obtained legal advice as referred to in Rule 3.09D of the Hong Kong Listing Rules on 29 July 2026 and understood their obligations as directors of the Company.

Changes in Senior Management

On 16 June 2026, Mr. Sun Weizhou resigned from his position as the Vice President of the Company due to the adjustment of his work arrangement, with effect from 16 June 2026.

On 30 June 2026, Mr. Shang Jie resigned from his position as the Chief Engineer of the Company due to the adjustment of his work arrangement, with effect from 30 June 2026.

On 30 June 2026, the board of directors of the Company received the written resignation from Mr. Zhao Shunqiang, the Chairman, an executive director and the Chief Executive Officer. The resignation of Mr. Zhao Shunqiang as the Chairman, an executive director, the Chief Executive Officer and the member of the nomination committee of the Company was due to the adjustment of his work arrangement. The resignation as the Chief Executive Officer shall take effect from 30 June 2026.

On 30 June 2026, the Company convened the first special meeting of the board of directors of 2026, at which Mr. Liu Jianzhong was appointed as the Chief Executive Officer of the Company, with effect from 30 June 2026.

On 30 June 2026, the Company convened the first special meeting of the board of directors of 2026, at which Mr. Shang Jie was appointed as the President of the Company, with effect from 30 June 2026.

On 25 August 2026, Mr. Sun Weizhou resigned from his position as the Company Secretary of the Company and as the authorized representative of the Company under Rule 3.05 of the Hong Kong Listing Rules due to the adjustment of his work arrangement, with effect from 25 August 2026.

PLACING OF H SHARES

On 15 January 2014, the Company completed the placing of an aggregate of 276,272,000 H shares, representing approximately 5.79% of the total number of issued shares (as enlarged by the allotment and issue of the placing shares) and approximately 15.25% of the total number of H shares in issue (as enlarged by the allotment and issue of the placing shares). After the placing, the total number of issued shares of the Company increased from 4,495,320,000 shares to 4,771,592,000 shares. The total number of issued H shares increased from 1,534,852,000 H shares to 1,811,124,000 H shares. For further details, please refer to the Company's announcements dated 7 January 2014 and 15 January 2014, respectively. The net proceeds from the placing amounted to approximately HK\$5,819,392,302.91 (after deduction of the commissions and estimated expenses) and was used for general corporate purposes. The proceeds from the placing would be used according to the agreed use in the placing agreement. Approximately US\$93,903.17 was not yet utilized as at 30 June 2026. The above balance of raised funds will continue to be used for general corporate purposes and in a timely manner and is expected to be utilized in full by 31 December 2026.

GEARING RATIO

As at 30 June 2026, the net current assets of the Company increased to RMB8,112.1 million compared with RMB1,679.3 million as at 31 December 2025, while the current ratio increased to 1.33, compared with 1.06 as at 31 December 2025.

The Company monitors capital using the gearing ratio, which is net debt divided by total equity plus net debt. The gearing ratios as at the end of each reporting period were as follows:

	30 June 2026 RMB'000	31 December 2025 RMB'000
Interest-bearing bank borrowings	144,931	4,125,695
Trade and other payables	14,943,355	16,372,333
Notes payable	–	–
Salary and bonus payables	1,697,946	945,190
Loans from related parties	6,664,796	5,832,292
Long-term bonds	7,057,961	5,172,118
Lease liabilities	2,141,225	1,764,103
Employee benefit liabilities	22,852	23,403
Less: Cash and cash equivalents	(6,281,967)	(7,462,991)
Net debt	26,391,099	26,772,143
Equity attributable to owners of the Company	47,312,175	46,573,088
Non-controlling interests	687,039	577,964
Total equity	47,999,214	47,151,052
Equity and net debt	74,390,313	73,923,195
Gearing ratio	35%	36%

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.

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.

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 report.

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

The interim report containing all information required by the Hong Kong Listing Rules has been published on the website of The Stock Exchange of Hong Kong Limited (<https://www.hkex.com.hk>) and the website of the Company (<https://www.cosl.com.cn>).

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

25 August 2026

Independent Review Report



Ernst & Young
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Quarry Bay, Hong Kong

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To the board of directors of China Oilfield Services Limited
(Incorporated in the People's Republic of China with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 32 to 75, which comprises the interim condensed consolidated statement of financial position of China Oilfield Services Limited (the "Company") and its subsidiaries (the "Group") as at 30 June 2026 and the related interim condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the six-month period then ended, and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 *Interim Financial Reporting* ("HKAS 34") as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with HKAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review. Our report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* as issued by the HKICPA. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with HKAS 34.

Ernst & Young
Certified Public Accountants

Hong Kong
25 August 2026

Interim Condensed Consolidated Statement of Profit or Loss

For the six months ended 30 June 2026

	Notes	Six months ended 30 June	
		2026 RMB'000 (Unaudited)	2025 RMB'000 (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 (Recognition)/reversal of impairment losses under expected credit loss model, net	14	–	(82,032)
		(3,731)	20,787
Total operating expenses		(20,363,029)	(20,415,763)
PROFIT FROM OPERATIONS		3,375,279	2,908,565
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 RMB'000 (Unaudited)	2025 RMB'000 (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

		30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
	Notes		
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	15	313,167	436,552
Other non-current assets	17	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	16	–	5,501,704
Contract assets		39,191	5,444
Contract costs	15	51,770	33,735
Other current assets	17	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
CURRENT LIABILITIES			
Trade and other payables	18	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	19	4,647,776	2,460,080
Interest-bearing bank borrowings	20	18,252	3,992,631
Long-term bonds	21	–	3,073,283
Lease liabilities		739,799	641,980
Contract liabilities		816,662	843,313
Other current liabilities	17	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

Interim Condensed Consolidated Statement of Financial Position (continued)

30 June 2026

		30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
	Notes		
NON-CURRENT LIABILITIES			
Deferred tax liabilities		80,797	136,334
Loans from related parties	19	2,017,020	3,372,212
Interest-bearing bank borrowings	20	126,679	133,064
Long-term bonds	21	7,057,961	2,098,835
Lease liabilities		1,401,426	1,122,123
Contract liabilities		330,659	387,626
Deferred income	22	256,894	214,402
Employee benefit liabilities		22,852	23,403
Other non-current liabilities	17	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	23	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

Liu Jianzhong
Director

Shang Jie
Director

Interim Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2026

	Attributable to owners of the Company								Non-controlling interests	Total equity
	Issued capital	Capital reserve	Statutory reserve funds	Special reserve	Exchange fluctuation reserve	Retained profits	Proposed final dividend	Total		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 31 December 2025 (Audited)	4,771,592	12,361,819	2,508,656	22,075	(553,879)	26,114,850	1,347,975	46,573,088	577,964	47,151,052
Profit for the period	-	-	-	-	-	2,008,556	-	2,008,556	126,314	2,134,870
Other comprehensive income for the period, net of tax	-	-	-	-	49,150	-	-	49,150	(3,718)	45,432
Total comprehensive income for the period	-	-	-	-	49,150	2,008,556	-	2,057,706	122,596	2,180,302
Appropriation of safety fund	-	-	-	223,890	-	-	-	223,890	4,874	228,764
Utilisation of safety fund	-	-	-	(194,534)	-	-	-	(194,534)	(3,119)	(197,653)
Final 2025 dividend paid (Note 8)	-	-	-	-	-	-	(1,347,975)	(1,347,975)	-	(1,347,975)
Dividends proposed to non-controlling shareholders	-	-	-	-	-	-	-	-	(15,276)	(15,276)
At 30 June 2026 (Unaudited)	4,771,592	12,361,819	2,508,656	51,431	(504,729)	28,123,406	-	47,312,175	687,039	47,999,214

	Attributable to owners of the Company								Non-controlling interests	Total equity
	Issued capital	Capital reserve	Statutory reserve funds	Special reserve	Exchange fluctuation reserve	Retained profits	Proposed final dividend	Total		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 31 December 2024 (Audited)	4,771,592	12,361,819	2,508,656	61,200	(627,518)	23,621,084	1,100,329	43,797,162	627,374	44,424,536
Profit for the period	-	-	-	-	-	1,963,844	-	1,963,844	112,934	2,076,778
Other comprehensive income for the period, net of tax	-	-	-	-	4,483	-	-	4,483	(665)	3,818
Total comprehensive income for the period	-	-	-	-	4,483	1,963,844	-	1,968,327	112,269	2,080,596
Appropriation of safety fund	-	-	-	206,073	-	-	-	206,073	4,694	210,767
Utilisation of safety fund	-	-	-	(169,850)	-	-	-	(169,850)	(2,378)	(172,228)
Final 2024 dividend paid (Note 8)	-	-	-	-	-	-	(1,100,329)	(1,100,329)	-	(1,100,329)
Dividends proposed to non-controlling shareholders	-	-	-	-	-	-	-	-	(14,000)	(14,000)
At 30 June 2025 (Unaudited)	4,771,592	12,361,819	2,508,656	97,423	(623,035)	25,584,928	-	44,701,383	727,959	45,429,342

Interim Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2026

	Six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Net cash used in operating activities	(1,422,948)	(494,737)
INVESTING ACTIVITIES		
Purchases of property, plant and equipment and other long-term assets	(2,077,248)	(2,451,531)
Purchase of floating rate investments in corporate wealth management products and time deposits	(2,033,000)	–
Proceeds from redemption/maturity of floating rate investments in corporate wealth management products	7,521,650	5,960,411
Proceeds from disposal of property, plant and equipment	47,375	108
Interest received	39,864	45,332
Dividends received from an associate and joint ventures	52,876	53,384
Deposits paid for acquisition of property, plant and equipment	(62,030)	–
Net cash from investing activities	3,489,487	3,607,704
FINANCING ACTIVITIES		
New bank loans	–	2,870,000
New loans from related parties	2,410,270	1,095,989
New long-term bonds	4,994,156	–
Repayment of bank loans and loans from related parties	(5,512,218)	(9,100)
Repayment of long-term bonds	(3,000,000)	(3,586,375)
Repayment of lease liabilities	(380,563)	(291,446)
Dividends paid	(1,461,723)	(1,214,329)
Interest paid	(222,066)	(284,020)
Net cash used in financing activities	(3,172,144)	(1,419,281)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(1,105,605)	1,693,686
Cash and cash equivalents at 1 January	7,462,991	5,423,772
Effect of foreign exchange rate changes, net	(75,419)	(9,481)
CASH AND CASH EQUIVALENTS AT 30 JUNE	6,281,967	7,107,977

Notes to Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2026

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		Principal activities
				30 June 2026	31 December 2025	
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

Notes to Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2026

1. CORPORATE INFORMATION AND PRINCIPAL ACTIVITIES (continued)

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

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		Principal activities
				30 June 2026	31 December 2025	
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
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

Notes to Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2026

1. CORPORATE INFORMATION AND PRINCIPAL ACTIVITIES (continued)

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

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		Principal activities
				30 June 2026	31 December 2025	
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.

Notes to Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2026

1. CORPORATE INFORMATION AND PRINCIPAL ACTIVITIES (continued)

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		Principal activities
			30 June 2026	31 December 2025	
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 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.

Notes to Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2026

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	<i>Amendments to the Classification and Measurement of Financial Instruments</i>
Amendments to HKFRS 9 and HKFRS 7	<i>Contracts Referencing Nature-dependent Electricity</i>
<i>Annual Improvements to HKFRS Accounting Standards – Volume 11</i>	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.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

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

- (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.

Notes to Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2026

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.

Notes to Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2026

4. OPERATING SEGMENT INFORMATION (continued)

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

Notes to Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2026

4. OPERATING SEGMENT INFORMATION (continued)

Six months ended 30 June 2025 (Unaudited)

	Drilling services <i>RMB'000</i>	Well services <i>RMB'000</i>	Marine support services <i>RMB'000</i>	Geophysical acquisition and surveying services <i>RMB'000</i>	Total <i>RMB'000</i>
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

Notes to Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2026

4. OPERATING SEGMENT INFORMATION (continued)

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 RMB'000	International RMB'000	Total 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 RMB'000	International RMB'000	Total 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.

Notes to Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2026

5. REVENUE

	Six months ended 30 June	
	2026	2025
	<i>RMB'000</i>	<i>RMB'000</i>
	(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

Segments	Six months ended 30 June 2026 (Unaudited)				
	Drilling services	Well services	Marine support services	Geophysical acquisition and surveying services	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
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

Segments	Six months ended 30 June 2025 (Unaudited)				
	Drilling services	Well services	Marine support services	Geophysical acquisition and surveying services	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
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

Notes to Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2026

5. REVENUE (continued)

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.

Segments	Six months ended 30 June 2026 (Unaudited)				
	Drilling	Well	Marine	Geophysical	Revenue from
	services	services	support	acquisition and	contracts with
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
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

Segments	Six months ended 30 June 2025 (Unaudited)				
	Drilling	Well	Marine	Geophysical	Revenue from
	services	services	support	acquisition and	contracts with
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
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

Notes to Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2026

6. PROFIT BEFORE TAX

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

	Six months ended 30 June	
	2026	2025
	<i>RMB'000</i> (Unaudited)	<i>RMB'000</i> (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.

Notes to Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2026

7. INCOME TAX EXPENSE (continued)

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

Countries and regions	Six months ended 30 June	
	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

Notes to Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2026

7. INCOME TAX EXPENSE (continued)

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 (Unaudited)	% (Unaudited)	RMB'000 (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.

Notes to Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2026

7. INCOME TAX EXPENSE (continued)

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.

Notes to Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2026

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 (Unaudited)	RMB'000 (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.

Notes to Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2026

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.

Notes to Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2026

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. RECOGNITION/(REVERSAL) OF IMPAIRMENT LOSSES UNDER THE EXPECTED CREDIT LOSS MODEL, NET

	Six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Impairment losses recognised/(reversed) on:		
Accounts receivable	3,718	(20,969)
Other receivables	13	182
Total	3,731	(20,787)

The basis of determining the inputs and assumptions and the estimation techniques used in the interim condensed consolidated financial information for the six months ended 30 June 2026 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2025.

Notes to Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2026

15. CONTRACT COSTS

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Mobilisation (Note)	364,937	470,287
Current	51,770	33,735
Non-current	313,167	436,552
Total	364,937	470,287

Note:

Certain direct and incremental costs incurred for initial mobilisation are costs of fulfilling a contract and are recoverable. These recoverable costs are capitalised and amortised ratably to profit or loss as services are rendered over the initial term of the related contracts.

16. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Current assets		
Investments in floating rate corporate wealth management products	–	5,501,704

17. 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)

Notes to Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2026

18. 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

19. LOANS FROM RELATED PARTIES

	Notes	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 to Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2026

19. LOANS FROM RELATED PARTIES (continued)

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.

Notes to Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2026

20. INTEREST-BEARING BANK BORROWINGS

	Notes	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.

Notes to Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2026

21. 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.

Notes to Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2026

22. DEFERRED INCOME

Deferred income consists of government grants, and the difference between proceeds received from loans at a below-market rate granted by a wholly-owned subsidiary of a state-owned bank and the fair value of the loans at initial recognition based on the prevailing market interest rate (the "Preferential interest rate subsidy"). The deferred income received from government and the state-owned bank are recognised according to the depreciable periods of the related assets and the periods in which the related costs are incurred, respectively, and is credited to other income of the Group.

	Government grants related to assets RMB'000	Government grants related to income RMB'000	Preferential interest rate subsidy RMB'000	Total RMB'000
At 31 December 2024 (Audited)	132,868	38,772	38,075	209,715
Additions	33,690	47,048	–	80,738
Credited to profit or loss	(13,644)	(56,568)	(5,839)	(76,051)
At 31 December 2025 (Audited) and 1 January 2026 (Unaudited)	152,914	29,252	32,236	214,402
Additions	19,511	51,312	–	70,823
Credited to profit or loss	(6,036)	(19,580)	(2,715)	(28,331)
At 30 June 2026 (Unaudited)	166,389	60,984	29,521	256,894

23. ISSUED CAPITAL

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Registered, issued and fully paid:		
H shares of RMB1.00 each	1,811,124	1,811,124
A shares of RMB1.00 each	2,960,468	2,960,468
Total	4,771,592	4,771,592

Notes to Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2026

24. COMMITMENTS

Capital commitments

The Group had the following contractual commitments, principally for construction and purchases of property, plant and equipment, at the end of the reporting period:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Contracted, but not provided for	885,615	1,453,145

25. RELATED PARTY TRANSACTIONS

As disclosed in Note 1, the Company is a subsidiary of CNOOC, which is an SOE subject to the control of the State Council of the PRC Government. The Group has extensive transactions and relationships with the members of CNOOC. The transactions were made on terms agreed among the parties.

(A) Related party transactions and outstanding balances with related parties

In addition to the transactions and balances detailed elsewhere in this interim condensed consolidated financial information, the following is a summary of significant transactions carried out between the Group and (i) CNOOC Limited Group; (ii) CNOOC and its subsidiaries, excluding the CNOOC Limited Group (the "CNOOC Group"); (iii) the Group's joint ventures and an associate; and (iv) associates invested by CNOOC.

Notes to Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2026

25. RELATED PARTY TRANSACTIONS (continued)

(A) Related party transactions and outstanding balances with related parties (continued)

a. Included in revenue – gross revenue earned from provision of services to the following related parties

		Six months ended 30 June	
		2026	2025
		RMB'000	RMB'000
		(Unaudited)	(Unaudited)
i	CNOOC Limited Group		
	Provision of drilling services	3,838,729	3,928,066
	Provision of well services	11,107,641	10,846,280
	Provision of marine support services	2,397,675	2,272,056
	Provision of geophysical acquisition and surveying services	933,334	820,727
	Total	18,277,379	17,867,129
ii	CNOOC Group		
	Provision of drilling services	17,879	3,511
	Provision of well services	58,187	75,676
	Provision of marine support services	10,451	21,136
	Provision of geophysical acquisition and surveying services	47,394	49,043
	Total	133,911	149,366
iii	Joint ventures and an associate		
	Provision of drilling services	590	659
	Provision of well services	6,956	6,122
	Provision of marine support services	213	238
	Provision of geophysical acquisition and surveying services	89	107
	Total	7,848	7,126
iv	Associates invested by CNOOC		
	Provision of well services	7,450	3,501
	Provision of marine support services	276	–
	Total	7,726	3,501

During the six months ended 30 June 2026, the revenue arising from operating leases from CNOOC Limited Group was RMB70,179,000 (Six months ended 30 June 2025: RMB75,293,000), the revenue arising from operating leases from CNOOC Group was RMB7,407,000 (Six months ended 30 June 2025: RMB7,407,000).

Notes to Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2026

25. RELATED PARTY TRANSACTIONS (continued)

(A) Related party transactions and outstanding balances with related parties (continued)

b. Included in operating expenses

		Six months ended 30 June	
		2026	2025
		RMB'000	RMB'000
		(Unaudited)	(Unaudited)
i	CNOOC Limited Group		
	Materials, utilities and other ancillary services	72,887	60,180
	Leasing of equipment	5	426
	Management services	256	112
		73,148	60,718
	Property services	26,514	23,392
	Total	99,662	84,110
ii	CNOOC Group		
	Materials, utilities and other ancillary services	821,634	766,230
	Transportation services	1,422	772
	Leasing of equipment	217,586	102,352
	Repair and maintenance services	5,772	2,777
	Management services	32,695	29,195
	Labour services	47,827	41,867
		1,126,936	943,193
	Property services	45,745	62,356
	Total	1,172,681	1,005,549
iii	Joint ventures and an associate		
	Materials, utilities and other ancillary services	335,902	231,217
	Leasing of equipment	36,811	–
	Total	372,713	231,217
iv	Associates invested by CNOOC		
	Materials, utilities and other ancillary services	158,147	107,402
	Management services	–	322
	Labour services	3	–
	Total	158,150	107,724

Notes to Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2026

25. RELATED PARTY TRANSACTIONS (continued)

(A) Related party transactions and outstanding balances with related parties (continued)

c. Included in interest income

	Six months ended 30 June	
	2026	2025
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
CNOOC Finance Interest income	7,158	10,396

Deposits in CNOOC Finance carry interest at the applicable interest rate which is determined with reference to the prevailing bank rate published by the People's Bank of China.

d. Dividend from associate and joint ventures

	Six months ended 30 June	
	2026	2025
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Dividend from associate and joint ventures	52,876	53,384

e. Included in finance costs

During the six months ended 30 June 2026, the finance costs on the loan from related parties which has been disclosed in Note 19 were US\$13,227,000 (Six months ended 30 June 2025: US\$12,406,000), which was equivalent to approximately RMB91,261,000 (Six months ended 30 June 2025: RMB89,083,000).

During the six months ended 30 June 2026, the finance costs on the lease liabilities due to related parties were RMB14,717,000 (Six months ended 30 June 2025: RMB3,236,000).

Notes to Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2026

25. RELATED PARTY TRANSACTIONS (continued)

(A) Related party transactions and outstanding balances with related parties (continued)

f. Deposits

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Deposits placed with CNOOC Finance	2,319,442	1,799,746

- g. During the six months ended 30 June 2026, the other income from CNOOC Limited Group in respect of compensation for equipment dropping into wells when rendering services was RMB2,341,000 (Six months ended 30 June 2025: RMB2,686,000).

h. Right-of-use assets

The Group entered into certain lease agreements with related parties and recognised right-of-use assets and lease liabilities on lease commencement. The following is addition of right-of-use assets from related parties:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
CNOOC Group	175,051	897,291
CNOOC Limited Group	–	4,072
Total	175,051	901,363

Except for items in a(iii), b(iii) and d above, the above transactions also constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules.

i. Contingences and commitments with related parties

The Group had no capital commitments with related parties as at 30 June 2026 and 31 December 2025.

The Group had no guarantees granted to related parties as at 30 June 2026 and 31 December 2025.

Notes to Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2026

25. RELATED PARTY TRANSACTIONS (continued)

(A) Related party transactions and outstanding balances with related parties (continued)

j. Outstanding balances with related parties

Accounts receivable

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Due from CNOOC Limited Group	17,820,797	11,226,784
Due from CNOOC Group	89,983	63,362
Due from joint ventures and an associate	16,657	14,366
Due from associates invested by CNOOC	9,067	5,696
Total	17,936,504	11,310,208

Prepayments, deposits and other receivables

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Due from CNOOC Limited Group	–	35
Due from CNOOC Group	1,876	918
Due from joint ventures and an associate	1,286	1,087
Total	3,162	2,040

Contract assets

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Due from CNOOC Limited Group	78	29

Notes to Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2026

25. RELATED PARTY TRANSACTIONS (continued)

(A) Related party transactions and outstanding balances with related parties (continued)

j. Outstanding balances with related parties (continued)

Trade and other payables

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Due to CNOOC Limited Group	58,198	108,894
Due to CNOOC Group	799,792	922,646
Due to joint ventures and an associate	373,045	498,711
Due to associates invested by CNOOC	199,752	210,412
Total	1,430,787	1,740,663

Loans from related parties

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Unsecured loans due to CNOOC Group (Note 19)	6,664,796	5,832,292

Contract liabilities

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Due to the CNOOC Limited Group	117,397	139,045
Due to the CNOOC Group	241,579	298,329
Total	358,976	437,374

Notes to Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2026

25. RELATED PARTY TRANSACTIONS (continued)

(A) Related party transactions and outstanding balances with related parties (continued)

j. Outstanding balances with related parties (continued)

Lease liabilities

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Due to the CNOOC Limited Group	8,516	11,345
Due to the CNOOC Group	1,251,174	1,004,946
Total	1,259,690	1,016,291

The Group and the above related parties are within the CNOOC Group and the CNOOC Limited Group and are under common control (except for the joint ventures of the Group) of the same ultimate holding company.

The balances with related parties at 30 June 2026 included in accounts receivable, prepayments, deposits and other receivables, trade and other payables and contract liabilities of the Group are unsecured, interest-free, and have no fixed terms of repayment. The loans from related parties bears interest at a range of 2%-3.75% and is repayable on demand and in 2028. Lease liabilities have fixed terms of repayment and are measured at the present value of lease payments that are unpaid using the incremental borrowing rate at the lease commencement date.

The Company entered into several agreements with the CNOOC Group and the CNOOC Limited Group which govern the employee benefit arrangements, the provision of materials, utilities and ancillary services, the provision of technical services, the leasing of properties and various other commercial arrangements.

The lease expenses relating to agreements with the CNOOC Group and the CNOOC Limited Group in respect of variable lease payments determined by utilisation days and day rates as well as short-term leases are disclosed in Note 25(A)b.

The Directors are of the opinion that the above transactions with related parties were conducted in the normal course of business.

Notes to Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2026

25. RELATED PARTY TRANSACTIONS (continued)

(A) Related party transactions and outstanding balances with related parties (continued)

k. Transactions with other SOEs in the PRC

Apart from transactions with CNOOC and its fellow subsidiaries, associates invested by CNOOC and an associate and joint ventures of the Group, the Group's transactions with other state-controlled entities include but are not limited to the following:

- Sales of goods and rendering of services;
- Receipt of construction services of vessels and drilling rigs;
- Purchases of goods, services or property, plant and equipment;
- Bank deposits and borrowings.

These transactions are conducted in the ordinary course of the Group's business.

(B) Compensation of key management personnel of the Group

	Six months ended 30 June	
	2026	2025
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Short-term employee benefits	2,850	6,041
Total compensation paid to key management personnel	2,850	6,041

26. FINANCIAL INSTRUMENTS

(a) Fair value of the Group's financial assets that are measured at fair value on a recurring basis

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in an active market for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Financial assets	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)
	30 June	31 December		
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Audited)		
Receivables at FVTOCI – notes receivable	104,048	16,450	Level 2	Discounted cash flows at a discount rate that reflect the credit risk of the drawee of notes at the end of the reporting period.
Financial assets at FVTPL – floating rate corporate wealth management products	–	5,501,704	Level 3	Discounted cash flows based on future cash flows estimated based on estimated return.

Notes to Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2026

26. FINANCIAL INSTRUMENTS (continued)

(a) Fair value of the Group's financial assets that are measured at fair value on a recurring basis (continued)

Reconciliation of Level 3 fair value measurements is as follows:

	Financial assets at FVTPL RMB'000
At 31 December 2025 (Audited)	5,501,704
Purchase	2,000,000
Redemption	(7,500,000)
Change in fair value	(1,704)
At 30 June 2026 (Unaudited)	–

The principal unobservable input used by the Group for floating rate corporate wealth management products is the interest rate in future periods.

(b) Fair value of the Group's financial assets and financial liabilities that are not measured at fair value on a recurring basis

The fair value of short-term and long-term loans at floating rates is approximately equal to their carrying amounts.

Except as detailed in the following table, the Directors consider that the carrying amounts of financial assets and financial liabilities recognised in the interim condensed consolidated financial information approximate to their fair values.

	Carrying amounts		Fair values	
	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Financial liabilities				
Long-term bonds (Note 21)	7,057,961	5,172,118	6,883,899	5,019,424
Fixed-rate interest-bearing loans and bank borrowings (Note 19, 20)	2,143,699	3,505,276	2,061,855	3,429,962
Total	9,201,660	8,677,394	8,945,754	8,449,386

The fair value measurement of long-term bonds issued by the Group is categorised within Level 1, it is determined based on the market prices as at 30 June 2026. The fair value measurement of non-current interest-bearing bank borrowings is categorised within Level 2, it is determined by reference to the present value valuation technique under the income approach and by applying the prime rate as adjusted to reflect the credit risk of the issuers as key inputs.

Notes to Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2026

27. 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.

28. SUBSEQUENT EVENT

The Group has no significant subsequent event needed to be disclosed in the interim condensed consolidated financial information.

29. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

The interim condensed consolidated financial information was approved and authorised for issue by the Directors on 25 August 2026.

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Tel: (852) 2283 2202

Board of Directors

Liu Jianzhong (Chairman)
Shang Jie
Xiao Jia
Chiu Lai Kuen, Susanna
(Independent Non-Executive Director)
Kwok Lam Kwong, Larry
(Independent Non-Executive Director)
Yao Xin
(Independent Non-Executive Director)
Fan Baitao
Liu Qiudong

Audit Committee

Chiu Lai Kuen, Susanna (Chairman)
Kwok Lam Kwong, Larry
Yao Xin

Remuneration and Assessment Committee

Kwok Lam Kwong, Larry (Chairman)
Chiu Lai Kuen, Susanna
Yao Xin
Liu Qiudong

Nomination Committee

Yao Xin (Chairman)
Liu Jianzhong
Kwok Lam Kwong, Larry
Chiu Lai Kuen, Susanna

Senior Management

Liu Jianzhong
Shang Jie
Xu Yingbo
Xiao Jia
Zhou Jiaxiong
Wu Zixian
Yang Dexing
Qie Ji

Note: Mr. Liu Jianzhong, the chairman and chief executive officer of the Company, has performed the duties of the Company Secretary of the Company with effect from 25 August 2026. For details, please refer to the announcement published by the Company dated 25 August 2026. For details of changes in directors and senior management of the Company, please refer to the chapter headed "Supplementary Information" of this interim report.



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

(Stock Code/股票代號 A股: 601808; H股: 2883)

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