

CHINA OILFIELD TECHNOLOGY SERVICES GROUP LIMITED
(Incorporated in the Cayman Islands with Registration Number CT-189285)

Unaudited Financial Statements and Dividend Announcement for the Three Months Ended 31 March 2015

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated income statement

	<u>Group</u>		
	Three months ended 31.03.2015	Three months ended 31.03.2014	Increase/ (Decrease)
	(Unaudited)	(Unaudited)	
	RMB'000	RMB'000	%
Revenue	-	-	N.M.
Cost of sales	-	-	N.M.
Gross profit	-	-	N.M.
Other revenue and net income	-	5,032	N.M.
Selling and distribution expenses	-	(1,391)	N.M.
Administrative expenses	-	(7,505)	N.M.
Finance costs	-	(2,763)	N.M.
Loss before income tax	-	(6,627)	N.M.
Income tax expenses	-	-	N.M.
Loss for the period	-	(6,627)	N.M.
Loss per share for loss attributable to owners of the Company during the period:			
- Basic (RMB cents)	N/A	(0.91)	

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Consolidated statement of comprehensive income

	<u>Group</u>		
	Three months ended 31.03.2015	Three months ended 31.03.2014	Increase/ (Decrease)
	(Unaudited)	(Unaudited)	
	RMB'000	RMB'000	%
Loss for the period	-	(6,627)	N.M.
Other comprehensive income	-	-	N.M.
Total comprehensive income for the period	-	(6,627)	N.M.

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1(a)(ii) The following items (with appropriate breakdowns and explanations), if significant, must either be included in the income statement or in the notes to the income statement for the current financial period reported on and the corresponding period of the immediately preceding financial year:-

Notes:

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

	<u>Group</u>	
	Three months ended 31.03.2015 (Unaudited) RMB'000	Three months ended 31.03.2014 (Unaudited) RMB'000
Amortisation of land use rights	-	83
Fair value loss on financial assets at fair value through profit or loss	-	89
Interest income on financial assets carried at amortised cost	-	(12)
Interest expenses on secured interest-bearing bank borrowings	-	2,763

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1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

	<u>Group</u>		<u>The Company</u>	
	As at 31.03.2015	As at 31.12.2014	As at 31.03.2015	As at 31.12.2014
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	RMB'000	RMB'000	RMB'000	RMB'000
ASSETS				
Current assets				
Cash and cash equivalents	598	598	598	598
EQUITY AND LIABILITIES				
Equity				
Equity attributable to owners of the Company				
Share capital	352,903	352,903	352,903	352,903
Reserves	(352,893)	(352,893)	(352,893)	(352,893)
Total equity	10	10	10	10
Current liabilities				
Accruals, other payables and deposits received from trade customers	588	588	588	588
Total equity and liabilities	598	598	598	598

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1(b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

As at 31.03.2015		As at 31.12.2014	
(Unaudited)		(Audited)	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
-	-	-	-

Amount repayable after one year

As at 31.03.2015		As at 31.12.2014	
(Unaudited)		(Audited)	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
-	-	-	-

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1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

	<u>Group</u>	
	Three months ended 31.03.2015 (Unaudited) RMB'000	Three months ended 31.03.2014 (Unaudited) RMB'000
Cash flows from operating activities		
Loss before income tax	-	(6,627)
Adjustments for:		
Interest income	-	(12)
Interest expenses	-	2,763
Amortisation of land use rights	-	83
Fair value loss on financial assets at fair value through profit or loss	-	89
Operating loss before working capital changes	-	(3,704)
Change in prepayments, other receivables and advance and deposits paid to suppliers	-	17,089
Change in accruals, other payables and deposits received from trade customers	-	(9,666)
Change in amount due to directors	-	600
Cash generated from operations	-	4,319
Interest paid	-	(2,763)
Net cash generated from operating activities	-	1,556
Cash flows from investing activities		
Deposits recovered for the acquisition of property, plant and equipment	-	19,735
Interest received	-	12
Net cash generated from investing activities	-	19,747
Net increase in cash and cash equivalents	-	21,303
Cash and cash equivalents at the beginning of the period	598	13,357
Cash and cash equivalents at the end of the period	598	34,660

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1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Group

	Equity attributable to owners of the Company					
	Share capital	Share premium	Merger reserve	Statutory reserves	Accumulated losses	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January 2015 (Audited)	352,903	307,817	-	-	(660,710)	10
Loss for the period and total comprehensive income for the period	-	-	-	-	-	-
As at 31 March 2015 (Unaudited)	352,903	307,817	-	-	(660,710)	10
As at 1 January 2014 (Audited)	352,903	307,817	(161,707)	32,262	(680,622)	(149,347)
Loss for the period and total comprehensive income for the period	-	-	-	-	(6,627)	(6,627)
As at 31 March 2014 (Unaudited)	352,903	307,817	(161,707)	32,262	(687,249)	(155,974)

Company

	Share capital	Share premium	Accumulated losses	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January 2015 (Audited)	352,903	307,817	(660,710)	10
Loss for the period and total comprehensive income for the period	-	-	-	-
As at 31 March 2015 (Unaudited)	352,903	307,817	(660,710)	10
As at 1 January 2014 (Audited)	352,903	307,817	(664,088)	(3,368)
Loss for the period and total comprehensive income for the period	-	-	(773)	(773)
As at 31 March 2014 (Unaudited)	352,903	307,817	(664,861)	(4,141)

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- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

There had been no changes in the Company's share capital since 31 December 2014. There were no outstanding convertibles issued or treasury shares held by the Company as at 31 March 2015 and 31 March 2014.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

	As at 31 March 2015	As at 31 December 2014
Total number of issued shares	728,595,000	728,595,000
Less: Treasury shares	-	-
Total number of issued shares excluding treasury shares	728,595,000	728,595,000

- 1(d)(iv) A statement showing all sales, transfer, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable.

- 2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.**

These figures have neither been audited nor reviewed by the independent auditor.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

- 4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

Except as disclosed in item 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period compared with those of the audited financial statements for the year ended 31 December 2014.

- 5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

The Group has adopted the applicable new/revised International Financial Reporting Standards ("IFRS") that are relevant to the Group and mandatory for annual periods beginning on or after 1 January 2015.

For the current reporting period ended 31 March 2015, the adoption of the applicable new/revised IFRS did not result in material changes to the Group's results.

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6. **Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	<u>Group</u>	
	Three months ended 31.03.2015 (Unaudited) RMB cent	Three months ended 31.03.2014 (Unaudited) RMB cents
Basic loss per share	NA	(0.91)

Basic loss per ordinary share for the period ended 31 March 2014 was calculated based on the Group's loss attributable to owners of the Company for period of approximately RMB 6.6 million divided by 728,595,000 ordinary shares.

As there were no potential dilutive ordinary shares in existence during the period ended 31 March 2014, no diluted loss per share has been presented.

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-**

- (a) current financial period reported on; and
(b) immediately preceding financial year.

	<u>Group</u>		<u>Company</u>	
	As at 31.03.2015 (Unaudited) RMB cents	As at 31.12.2014 (Audited) RMB cents	As at 31.03.2015 (Unaudited) RMB cents	As at 31.12.2014 (Audited) RMB cents
Net asset value per ordinary share	0.0	0.0	0.0	0.0

Net asset value per ordinary share was calculated based on:

- the net assets of the Group/Company as at 31 March 2015 and as at 31 December 2014; and
- the 728,595,000 ordinary shares in issue as at 31 March 2015 and as at 31 December 2014.

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8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

The operating subsidiaries had been disposed of as of 30 April 2014 and no business activities were recorded during the first quarter ended 31 March 2015.

9. **Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

No forecast or prospect statement has been previously disclosed to shareholders.

10. **A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

The Company had received a notification of delisting dated 3 March 2015 (the "Notification") from the Singapore Exchange Securities Trading Limited (the "Exchange") (please refer to the announcement on 3 March 2015 for further details). In the Notification, the Company was requested to inform the Exchange the reasonable exit offer proposal no later than one month from the date of the Notification.

The Company has informed the Exchange that it has not been able to procure a reasonable exit offer for shareholders, and is of the view that it is not realistic to expect an exit offer to be made for the following reasons:

- (a) the Company is a cash company with no business;
- (b) as disclosed in the results announcement dated 28 February 2015, as at 31 December 2014, the Group's cash and cash equivalents (being the only asset of the Group) amounted to approximately RMB598,000, whilst the Group's current liabilities (comprising accruals, other payables and deposit received from trade customers) amounted to approximately RMB588,000. As a result, the Group's net assets value amounted to only approximately RMB10,000; and
- (c) the Company has not received any firm exit offer proposal from any party since the Company announced the receipt of the Notification.

In order to comply with Rule 1306 of the Listing Manual, the Company proposes to undertake a voluntary liquidation of the Company, although the Directors are of the view that it is likely that the cash held by the Group will not be sufficient for distribution to the shareholders, after taking into account of the various expenses related to the liquidation. An extraordinary general meeting will be convened to seek shareholders' approval for the voluntary liquidation. The Company has applied to the Exchange for an extension of three months to hold its annual general meeting in order to have sufficient time to prepare a circular to convene the extraordinary general meeting which will coincide with the annual general meeting.

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11. Dividend

(a) Whether any dividend has been declared for the current financial period reported on

No.

(b) Whether any dividend has been declared for the corresponding period of the immediately preceding financial year

No.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared/recommendeded, a statement to that effect.

No dividend has been declared or recommended for the three months ended 31 March 2015.

13. Interested Person Transactions

The Company has not obtained a general mandate from shareholders for interested person transactions.

14. Confirmation pursuant to Rule 705(5) of the Listing Manual

The Board of Directors of China Oilfield Technology Services Group Limited confirms that, to the best of their knowledge, nothing has come to their attention which may render the financial statements for the first quarter ended 31 March 2015 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Gao Yanming
Executive Chairman
13 May 2015