



CHINA OILFIELD SERVICES LIMITED

(A joint stock limited company incorporated in the People's Republic of China with limited liability)
(Stock Code: 2883)

OVERSEAS REGULATORY ANNOUNCEMENT —FIRST QUARTER RESULTS

This announcement is made pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on the Stock Exchange Of Hong Kong Limited.

The First quarter financial report for 2008 of the Company is prepared in accordance with PRC Accounting Standards and has not been audited.

April 29, 2008

As at the date of this announcement, the executive directors of the Company are Messrs. Yuan Guangyu and Li Yong; the non-executive directors of the Company are Messrs. Fu Chengyu and Wu Mengfei; and the independent non-executive directors of the Company are Messrs. Andrew Y. Yan, Gordon C.K. Kwong and Simon X. Jiang.



China Oilfield Services Limited

2008 First Quarterly Report

Stock Abbreviation: CHINA OILFIELD

Stock Code: 601808

29 April 2008

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§1. Important Notice

- 1.1 The board of directors (the “Board”), the supervisory committee and the directors, supervisors and senior management of the Company warrant that the data of this report contains no false representation, misleading information or material omission and will be individually and jointly responsible for the truthfulness, accuracy and completeness of the contents of the report.
- 1.2 Present at the meeting: Mr. Fu Chengyu (Chairman of the Board of Directors), due to his other business engagement, was not able to attend the meeting to approve this quarterly report. Mr. Yuan Guanyu (Vice Chairman of the Board of Directors) was appointed and authorized to attend and vote on his behalf, all other directors of the Company attended the Board meeting.
- 1.3 The First Quarterly Financial Report of the Company was unaudited.
- 1.4 The Vice Chairman, the Chief Executive Officer and President (Mr. Yuan Guangyu), the Chief Financial Officer (Mr. Zhong Hua) and the General Manager of the Finance Department (Mr. Chen Linting) of the Company hereby warrant the authenticity and completeness of the financial report of the Company for the quarter.

§2. Company Profile

2.1 Major Accounting Information and Financial Indicators

Currency: RMB

	End of current reporting period	End of last year	Change over the end of last year (%)
Total assets (million Yuan)	23,768	23,089	2.9
Total shareholders' equity (million Yuan)	18,109	17,225	5.1
Net assets per share (Yuan)	4.03	4.17	-3.4
	From the beginning of the year to end of the reporting period (January to March)		Change over the corresponding period of last year (%)
Net cash flow generated from operating activities (million Yuan)	45.0		-193.8
Net cash flow per share from operating activities (Yuan)	0.01		-200.0
	The Reporting Period (January to March)	From the beginning of the year to end of the reporting period (January to March)	Change over the corresponding period of last year (%)
Net profit (million Yuan)	891	891	35.5
Basic earnings per share (Yuan)	0.20	0.20	25.0
Basic earnings per share after extraordinary gains and losses (Yuan)	0.20	0.20	17.6
Weighted average return on net assets (%)	5.04	5.04	Decreased 2.31%
Weighted average return on net assets after deduction of extraordinary gains and losses (%)	4.99	4.99	Decreased 2.39%

Extraordinary Gain and Losses

Currency:RMB

Unit: Yuan

Items	Amount for the period ended 31 March 2008
Gain/(Losses) on disposal of non-current assets	36,889
Government subsidy	193,559
Other non-operating income and expenses	12,723,917
Total	12,954,365
Less: income tax effect	3,238,591
Net impact of extraordinary gain and losses	9,715,774

2.2 Total number of shareholders and shareholdings of the top ten holders of unrestricted floating shares not subject to terms of lock-up as at the end of the reporting period

Total number of shareholders as at the end of the reporting period:	A share: 229,522
	H share: 219

Unit: Share

Shareholdings of the top ten holders of unrestricted floating shares not subject to terms of lock-up		
Name of shareholders (in full)	Number of unrestricted floating shares not subject to terms of lock-up held as at the end of the reporting period	Class of shares
HKSCC NOMINEES LIMITED	1,532,625,899	H Shares
China Universal Equilibrium Growth Stock Fund	11,981,899	A Shares
Social Security Fund Portfolio 106	6,999,832	A Shares
EFund Strategic Growth Mixed Fund II	6,836,026	A Shares
EFund Strategic Growth Fund	6,438,432	A Shares
China Universal Selected Mixed Type Securities Investment Fund	5,822,906	A Shares
EFund Value Growth Mixed Fund	5,096,495	A Shares
DaCheng 2020 life-cycle fund	4,946,958	A Shares
China Universal Growth Fund	4,735,318	A Shares
Dingyi Fund(LOF)	4,452,846	A Shares

Note:

1. Shares held by HKSCC Nominees Limited are the total number of H shares of China Oilfield Services Limited held by shareholders which are traded on the trading platform of HKSCC Nominees Limited on behalf of shareholders.

2. Among the aforementioned top ten non-restricted shareholders, China Universal Equilibrium Growth Stock Fund, China Universal Selected Mixed Type Securities Investment Fund and China Universal Growth Fund are all managed by China Universal Asset Management Co, Ltd, EFund Value Growth Mixed Fund, EFund Strategic Growth Mixed Fund II and EFund Strategic Growth Fund are all managed by EFund

Management Co. Ltd.,. The Company is not aware of the connected relationship between the other non-restricted shareholders.

2.3 Operating results review

According to the latest Short-Term Energy Outlook issued by the U.S. Energy Information Administration (EIA), the WTI crude oil price in 2008 is projected to average USD101 per barrel. The surging oil prices and the continuous growth in the economy of countries including China, India, Russia and Middle East stimulate a further increase in the global consumption of petroleum. Oilfield service industry is thus benefitted and continues to prosper. As at 31 March 2008, operating income of the Company reached RMB2, 503.6 million, representing an increase of 23.7% compared with the corresponding period (January to March) last year, net profit was RMB891.3 million, an increase of 35.5% over the corresponding period (January to March) last year, and basic earnings per share was RMB0.2, which was RMB0.04 higher than the corresponding period (January to March) last year.

Operating information of the four main segments as at 31 March 2008 is listed in the following table:

Drilling Services	As at 31 March 2008	As at 31 March 2007	Change
Operating Days (Days)	1,181	1,308	-9.7%
Jack-up Rigs	908	1,038	-12.5%
Semi-submersible Rigs	273	270	1.1%
Utilization Rate (Available Day)	100.0%	100.0%	0.0%
Jack-up Rigs	100.0%	100.0%	0.0%
Semi-submersible Rigs	100.0%	100.0%	0.0%
Utilization Rate (Calendar Day)	86.5%	96.9%	-10.4%
Jack-up Rigs	83.2%	96.1%	-12.9%
Semi-submersible Rigs	100.0%	100.0%	0.0%
Well Services	As at 31 March 2008	As at 31 March 2007	Change
Logging (no. of jobs)	165	214	-22.9%
Drilling Fluids (no. of wells)	67	58	15.5%
Directional Drilling (no. of jobs)	163	150	8.7%
Cementing (no. of wells)	92	105	-12.4%
Well Completion (no. of jobs)	114	97	17.5%
Well Workover (Team • Day)	3,880	3,460	12.1%
Marine Support and Transportation	As at	As at	Change

Services	31 March 2008	31 March 2007	
Operating Days (Days)	5,978	5,755	3.9%
Standby vessels	3,265	3,143	3.9%
AHTS vessels	1,814	1,728	5.0%
PSV vessels	546	530	3.0%
Utility vessels	353	354	-0.3%
Vessel Utilization Rate (Available Day)	99.9%	98.9%	1.0%
Standby vessels	99.8%	100.0%	-0.2%
AHTS vessels	99.9%	99.6%	0.3%
PSV vessels	100.0%	100.0%	0.0%
Utility vessels	100.0%	85.5%	14.5%
Vessel Utilization Rate (Calendar Day)	96.6%	91.7%	4.9%
Standby vessels	97.0%	91.9%	5.1%
AHTS vessels	94.9%	92.6%	2.3%
PSV vessels	100.0%	98.2%	1.8%
Utility vessels	96.2%	78.6%	17.6%
	As at	As at	
Geophysical Services	31 March 2008	31 March 2007	Change
2D Seismic Data			
Data Collection (km)	12,115	13,179	-8.1%
Data Processing (km)	2,910	6,157	-52.7%
3D Seismic Data			
Data Collection (km ²)	3,644	2,215	64.5%
Data Processing (km ²)	2,160	1,903	13.5%

As at 31 March 2008, the Company operated 15 drilling rigs, including 12 jack-up rigs and 3 semi-submersible rigs. Three of which operates overseas – B4 and N6 continued to operate at offshore Indonesia and offshore Australia, and N2 renavigated to Myanmar to provide drilling services to customers since its return to the state in the first half of 2007. In the first quarter of 2008, the available day utilization rate of the drilling rigs of the Company reached 100.0%, whereas the calendar day utilization rate dropped to 86.5%, representing a decrease of 10.4%, due to the increase in the number of days for maintenance. During the first quarter of the year, the aggregate operating days of the drilling rigs of the Company were 1,181, a decrease of 127 days or 9.7% compared with the corresponding period last year. Of which the operating days of jack-up rigs decreased by 130 days or 12.5% compared with the corresponding period last year, mainly due to upgrade and conversion of COSL931 for 91 days and maintenance of other three vessels.

Besides, the Company strived to explore module rigs and ground rigs services. At present, the

progress of the four ground rigs that provide services to our customers in the Gulf of Mexico Bay is satisfactory, with a total of 353 operating days in the first quarter and a calendar day utilization rate reaching 97%. As for ground rigs, the Company collaborated with a local drilling company in Liberia and won a four-ground rig services contract of three-year term. Currently, one of the rigs has been transported to a Lybia, and the remaining three rigs are expected to be delivered to the operation area by July this year. While obtaining breakthrough in the overseas ground market, encouraging results have also been obtained in the domestic market. Ground rig COSL LR7001 conducted drilling and exploring work for the 6,000-metre high-difficulty exploring well of Changqing Oilfield in Huan Xian in Gansu province, with a total of 91 operating days in the first quarter.

As for well services, COSL undertook overseas directional drilling services contracts in January to provide directional well services to Philippine client in respect of 34 geothermal wells for a two-year term. Besides, in January, the ELIS high-end facility, rotary sidewall coring instrument, obtained success for its first operation in Indonesia, with both core extraction success rate and core qualification rate at 100%. As at the end of the first quarter, the operation volume of each business of well services was: 165 logging trips, representing a 22.9% decrease compared with the corresponding period last year mainly due to the shrink in the Bohai Bay market, 163 directional drilling operations, representing an 8.7% increase mainly due to the lease of equipment which strengthened the operating capacity of the business, drilling fluids of a total of 67 wells, representing a 15.5% increase mainly due to the growth in the operation volume of production wells in offshore Nanhai, cementing operations for a total of 92 wells, representing a 12.4% decrease mainly due to the cut in operation volume for items at a relative lower service price, completion of 114 wells, representing a 17.5% increase mainly due to the growth in the operation volume of the domestic filtration business, and well workover of 3,880 team days, representing a 12.1% increase mainly due to the development in the domestic market.

For marine support and transportation services, the Company operated 73 utility vessels during the period. Of which, 68 utility vessels were owned by the Company and operated a total of 5,978 days during the year, representing an increase of 223 days or 3.9% compared with the corresponding period last year. The main reasons were the decrease in days of repair and non-operating navigation days which increased the number of operating days by 330, and the effect of leap month this year and the newly added COSL672 which, altogether, increased the number of operating days by 70 days. At the same time, operating days reduced by 177 days due to the disposing of two vessels due to passing their useful lives. The average day utilization rate of the Company-owned vessels in the first quarter reached 99.9%, representing a 1.0% increase compared with the corresponding period last year. The calendar day utilization rate was 96.6%, representing a 4.9% increase compared with the corresponding period last year. Besides, the cumulative operating days of the five platform supply

vessels leased from Eastern Marine Services Ltd, a jointly-controlled entity of the Company, were 409 days in the first quarter.

For geophysical services, in March 2008, through completion of upgrade and conversion work carried out by Shanghai Shipyard Company Ltd, COSL719, the first 8-streamer vessel of the Company and also the most advanced geophysical vessel in Asia currently, was delivered for operation successfully. The converted COSL719 8-streamer seismic vessel is capable of providing customers with 3D seismic data collection services and on-the-spot processing of the collected 3D data and equipped with high-speed data transfer system. At present, the operation volume in the 2008 effective operation window of the vessel has been fully booked. It will arrive at the Qiongdongnan region in April to provide 3D services for British client at a contract amount of approximately RMB200 million.

For collection business, due to the highly efficient operation of COSL718 in Myanmar, the operation volume of 3D collection increased significantly as compared to the corresponding period last year, reaching 3,644 square kilometres with a 64.5% increase. On the other hand, for 2D collection, due to repair of BH518 in the first quarter, the volume of collection dropped by 8.1% to 12,115 kilometres compared with the corresponding period last year. For data processing business, the volume of 2D data processing business was 2,910 kilometres, a decrease of 52.7% compared with the corresponding period last year. The main reasons were the lowered market demand as well as the decrease in the operation volume of 2D collection which resulted in a corresponding decrease in the processing operation volume. As for 3D data processing business, due to the robust market demand, the operation volume reached 2,160 square kilometres, representing a 13.5% increase compared with the corresponding period last year.

§3. Important Issues

3.1 Disclosure as to and reasons for, material changes in major accounting items and financial indicators of the Company

Applicable Not applicable

The reasons for over 30% fluctuations in the major accounts or financial indicators are as follows:

1. Revenue

As at 31 March 2008, the operating income was RMB2,503.6 million, representing an increase of RMB479.2 million or 23.7% over RMB2,024.4 million for the corresponding period (January to March)

last year, which were mainly due to the significant increase in income of geophysical services brought about by the highly efficient operation rate of COSL718 in Myanmar, the satisfactory income obtained in drilling services based on new business, development in overseas market and the increase in daily charge rate, the growth in income of marine support and transportation services driven by the increase in daily charge rate and the increase in operation volume of utility vessels and chemical tankers, as well as the increase in income resulted from the increase in the operation volume of well services.

2. Financial expenses

As at 31 March 2008, the net finance cost amounted to RMB-22.5 million, representing a decrease of RMB 34.7 million compared with RMB12.2 million for the corresponding period (January to March) last year, was mainly contributed by increase of interest income in the current quarter.

3. Investment income

As at 31 March 2008, investment gains amounted to RMB59.0 million, representing an increase of RMB38.8 million or 192.1% over RMB20.2 million for the corresponding period (January to March) last year, mainly due to the share of results from jointly-controlled entities such as Eastern Marine Services Ltd. and the satisfactory results achieved by COSL-Expro Testing Services (Tianjin) Company Ltd..

4. Non-operating income

As at 31 March 2008, non-operating income amounted to RMB13.1 million, representing an increase of RMB11.9 million over RMB1.2 million for the corresponding period (January to March) last year, mainly due to the increase in income from insurance compensations.

5. Profit before tax

As at 31 March 2008, total profit amounted to RMB1,102.3 million, representing an increase of RMB260.8 million or 31.0% over RMB841.5 million for the corresponding period (January to March) last year, mainly due to the year-on-year increase in current operating income by RMB479.2 million or 23.7% while relevant expenses such as operating cost and fees had a year-on-year increase of RMB274.4 million or 22.9% following the growth in operation volume. Besides, current net investment gains and non-operating income increased by RMB38.8 million and RMB17.2 million respectively compared with the corresponding period last year.

6. Net profit

As at 31 March 2008, net profit amounted to RMB891.3 million, representing an increase of RMB233.5 million or 35.5% over RMB657.8 million for the corresponding period (January to March) last year, mainly due to the increase of RMB260.8 million in current gross profit and the reduction in income tax rate from 33% for the corresponding last year to 25% as a result of the change in the state policy.

7. Net cash flow generated from operating activities

As at 31 March 2008, net cash flow from operating activities amounted to RMB45.0 million, representing an increase of RMB93.0 million over RMB-48.0 million for the corresponding period (January to March) last year, mainly due to increase in cash received from sales of goods and rendering of services as a result of business development.

8. Net cash outflow from investing activities

As at 31 March 2008, net cash outflow from investing activities amounted to RMB-2,126.1 million, representing an increase in expense of RMB1,453.6 million over RMB-672.5 million for the corresponding period (January to March) last year, mainly due to the increase in cash payment for purchases and construction of fixed assets, intangible assets and other long-term assets.

9. Net cash outflow from financing activities

As at 31 March 2008, net cash outflow from financing activities amounted to RMB-11.4 million, representing a reduction in expense of RMB651.1 million over RMB-662.5 million for the corresponding period (January to March) last year, mainly due to the cash payment of RMB1,000.0 million for repayment of short-term financing bills in the corresponding period last year, whereas an amount of RMB4.0 million cash was received from the state's research and development projects funding and a bank loan of RMB344.0 million from The Export-import Bank of China for the purchases and construction of module rigs in Mexico. Besides, other current cash paid for payments of interest and payments for other financing activities increased by RMB0.9 million.

3.2 Significant events and analysis on their effects and solutions

Applicable Not applicable

3.3 Status of performance of undertakings made by the Company, shareholders and beneficial controllers

Applicable Not applicable

Under takings of the controlling shareholder of the Company, China National Offshore Oil Corporation: in the 36 months from the date of listing of A shares of the Company, the shares of the Company that have been hold directly or indirectly will not be transferred or managed by others by custody, nor be acquired by the Company. During the reporting period, there were no incidents of non-compliance with the said undertakings.

3.4 Profit warning on anticipation of possible loss against accumulated net profit from the beginning of the financial year to the end of the next reporting period or significant changes in profit as compared with that of the corresponding period of last year and the reasons therefore

Applicable Not applicable

3.5 Other significant events which need explanation

3.5.1 Holding of shares issued by other listed companies

Applicable Not applicable

3.5.2 Holding of shares issued by non-public financial companies and companies proposed to be listed

Applicable Not applicable

**Corporate Representative:
Yuan Guangyu
China Oilfield Services Limited**

§4.Appendix

Consolidated Balance Sheet

31 March 2008

Prepared by: China Oilfield Services Limited

Unit: Yuan Currency: RMB (Unaudited)

Items	Consolidated		Company	
	Balance at the end of the period	Balance at the beginning of the year	Balance at the end of the period	Balance at the beginning of the year
Current assets:				
Cash on hand and at bank	6,633,612,575	8,778,193,761	6,260,772,224	8,335,437,789
Bills receivable	-	2,250,000	-	2,250,000
Accounts receivable	1,929,254,614	1,404,781,484	2,252,092,247	2,059,546,704
Prepayments	912,396,421	48,641,339	911,339,307	45,951,503
Dividend receivable	21,287,114	21,287,114	21,287,114	21,287,114
Interest receivable	36,958,482	23,421,647	36,958,482	23,421,647
Other receivables	214,940,733	130,102,922	544,291,766	503,521,163
Inventories	691,139,222	417,766,036	680,265,905	409,223,797
Available-for-sale financial assets	1,476,063,962	607,337,984	1,476,063,962	607,337,984
Total current assets	11,915,653,123	11,433,782,287	12,183,071,007	12,007,977,701
Non-current assets:				
Long-term equity investments	525,243,732	485,171,185	333,677,371	305,827,269
Fixed assets	7,579,143,263	7,183,359,447	7,406,859,801	6,998,092,402
Construction-in-progress	3,437,970,384	3,665,892,052	3,437,873,764	3,665,853,952
Intangible assets	67,464,251	67,922,090	67,464,251	67,922,090
Long-term deferred assets	242,198,487	252,953,029	242,198,487	252,953,029
Total non-current assets	11,852,020,117	11,655,297,803	11,488,073,674	11,290,648,742
Total assets	23,767,673,240	23,089,080,090	23,671,144,681	23,298,626,443
Current Liabilities:				
Accounts payable	1,566,244,631	1,667,848,434	1,555,414,110	1,598,588,430
Receipts in advance	24,312,351	78,080,001	24,312,351	78,080,001
Staff cost payable	233,900,458	397,450,682	233,597,230	396,700,200
Taxes payable	658,812,231	528,338,656	634,726,938	511,807,277
Interest payable	60,175,880	43,375,880	60,175,880	43,375,880
Other payables	123,736,113	210,689,089	120,196,433	209,213,957
Current portion of non-current liabilities	400,000,000	400,000,000	400,000,000	400,000,000
Other current liabilities	52,457,070	58,720,187	52,457,070	58,720,187
Total current liabilities	3,119,638,734	3,384,502,929	3,080,880,012	3,296,485,932

Non-current liabilities:				
Interest-bearing bank borrowings	744,000,000	744,000,000	744,000,000	744,000,000
Long-term bonds	1,500,000,000	1,500,000,000	1,500,000,000	1,500,000,000
Deferred tax liabilities	295,228,071	235,569,366	295,228,071	235,569,366
Total non-current liabilities	2,539,228,071	2,479,569,366	2,539,228,071	2,479,569,366
Total liabilities	5,658,866,805	5,864,072,295	5,620,108,083	5,776,055,298
Shareholders' equity:				
Share capital	4,495,320,000	4,495,320,000	4,495,320,000	4,495,320,000
Capital reserves	8,074,565,726	8,074,565,726	8,074,565,726	8,074,565,726
Statutory reserve funds	677,614,950	677,614,950	677,614,950	677,614,950
Retained earnings	4,859,012,935	3,967,663,009	4,803,410,109	4,273,718,845
Including: proposed dividend	539,438,400	539,438,400	539,438,400	539,438,400
Exchange difference in foreign currency statements	2,292,824	9,844,110	125,813	1,351,624
Equity attributable to equity holders of the Company	18,108,806,435	17,225,007,795	18,051,036,598	17,522,571,145
Minority interests	-	-	-	-
Total shareholders' equity	18,108,806,435	17,225,007,795	18,051,036,598	17,522,571,145
Total liabilities and shareholders' equity	23,767,673,240	23,089,080,090	23,671,144,681	23,298,626,443

Company Representative

Yuan Guangyu

Chief Financial Officer

Zhong Hua

Chief of the Finance Department

Chen Linting

Consolidated Income Statement

January to March 2008

Prepared by: China Oilfield Services Limited

Unit: Yuan Currency: RMB (Unaudited)

Items	Consolidated		Company	
	Amounts of the period (January to March)	Amounts of the previous (January to March)	Amounts of the period (January to March)	Amounts of the previous (January to March)
1. Revenue	2,503,615,841	2,024,383,921	1,985,569,735	1,847,495,632
Less: operating costs	1,383,169,253	1,085,164,226	1,230,528,562	953,916,258
Bussiness taxes and surcharges	55,183,737	48,618,712	55,163,514	48,589,952
Selling expenses	816,077	685,697	451,783	527,873
General and administrative expenses	56,561,779	51,808,859	46,450,003	43,017,867
Financial expenses	-22,517,471	12,195,746	-14,934,424	16,824,557
Assets impairment losses	-	347,633	-	347,633
Add: Investment income	58,971,957	20,195,217	37,874,601	22,844,370
Including: Share of profits of jointly-controlled entities	48,947,459	19,862,454	27,850,103	22,511,607
2. Operating profit	1,089,374,423	845,758,265	705,784,898	807,115,862
Add: Non-operating income	13,052,584	1,154,464	13,052,584	1,154,464
Less: Non-operating expenses	98,219	5,383,994	94,430	5,378,748
Including: Losses on disposal of non-current assets	-36,889	5,009,820	-36,889	5,009,820
3. Profit before tax	1,102,328,788	841,528,735	718,743,052	802,891,578
Less: Income tax expenses	210,978,862	183,765,334	189,051,788	179,990,581
4. Net Profit	891,349,926	657,763,401	529,691,264	622,900,997
Net profit attributable to equity holders of the Company	891,349,926	657,763,401	581,691,264	622,900,997
Minority interests	-	-	-	-
5. Earnings per share:				
Basic and diluted earnings per share	0.20	0.16	0.12	0.16

Company Representative

Chief Financial Officer

Chief of the Finance Department

Yuan Guangyu

Zhong Hua

Chen Linting

Consolidated Cash Flow Statement

January to March 2008

Prepared by: China Oilfield Services Limited

Unit: Yuan Currency: RMB (Unaudited)

Items	Consolidated		Company	
	Amounts from the beginning of the year to end of the reporting period (Jan.-Mar.)	Amounts from the beginning of the year to end of the reporting period Last year (Jan.-Mar.)	Amounts from the beginning of the year to end of the reporting period (Jan.-Mar.)	Amounts from the beginning of the year to end of the reporting period Last year (Jan.-Mar.)
1.Cash from operating activities				
Cash received from sale of goods and rendering of services	1,994,978,081	1,398,114,084	1,807,972,334	1,175,005,861
Refund of taxes	135,908	-	135,908	-
Other cash received relating to operating activities	12,425,546	1,134,702	12,425,546	1,134,702
Sub-total of cash inflow from operating activities	2,007,539,535	1,399,248,786	1,820,533,788	1,176,140,563
Cash paid to and for goods and services	-1,053,791,531	-804,937,010	-670,163,701	-699,058,545
Cash paid for employees	-546,108,585	-355,418,655	-543,303,934	-350,632,687
Cash paid for all types of taxes	-202,727,950	-162,306,774	-191,928,394	-159,752,609
Other cash paid relating to operating activities	-159,896,260	-124,572,465	-315,035,044	-25,466,877
Sub-total of cash outflow from operating activities	-1,962,524,326	-1,447,234,904	-1,720,431,073	-1,234,910,718
Net cash flow generated from operating activities	45,015,209	-47,986,118	100,102,715	-58,770,155
2.Cash flow from investing activities:				
Cash received from return on investments	200,000,000	-	200,000,000	-
Cash received from investment income	1,736,354	332,763	1,736,354	332,763
Cash received from disposal of fixed assets	165,601	7,914,457	165,601	7,914,457
Cash received on interest income from bank deposits	29,855,476	4,949,920	27,898,721	3,459,720
Other cash received relating to investing activities	-	75,000,000	-	75,000,000
Sub-total of cash inflow from investing activities	231,757,431	88,197,140	229,800,676	86,706,940
Cash paid for acquisition of fixed assets and other long-term assets	-1,297,845,523	-760,659,880	-1,297,107,980	-710,163,431
Cash paid for investments	-1,060,000,000	-	-1,060,000,000	-

Sub-total of cash outflow from investing activities	-2,357,845,523	-760,659,880	-2,357,107,980	-710,163,431
Net cash outflow from investing activities	-2,126,088,092	-672,462,740	-2,127,307,304	-623,456,491
3. Cash flow from financing activities				
Cash received from scientific research grants	-	4,000,000	-	4,000,000
Cash received from new loans	-	344,000,000	-	344,000,000
Sub-total of cash inflow from financing activities	-	348,000,000	-	348,000,000
Cash paid for repayment of debentures	-	-1,000,000,000	-	-1,000,000,000
Cash paid for interest expenses	-11,382,280	-10,483,724	-11,382,280	-10,336,953
Other cash paid relating to financing activities	-	-50,000	-	-50,000
Sub-total of cash outflow from financing activities	-11,382,280	-1,010,533,724	-11,382,280	-1,010,386,953
Net cash outflow from financing activities	-11,382,280	-662,533,724	-11,382,280	-662,386,953
4. Effect of foreign exchange rate fluctuation on cash				
	-52,126,023	-12,335,738	-36,078,696	-15,867,503
5. Net increase in cash and cash equivalent				
	-2,144,581,186	-1,395,318,320	-2,074,665,565	-1,360,481,102

Company Representative

Yuan Guangyu

Chief Financial Officer

Zhong Hua

Chief of the Finance Department

Chen Linting