

Key Financial Data And Financial Indicators

Prepared by: Yantai Jereh Oilfield Services Group Co., Ltd.

Unit:(RMB) Yuan

| Items | 2014 | 2013 | Rate of Change(%) |
|--|-------------------|------------------|-------------------|
| | 01/01 - 06/30 | 01/01 - 06/30 | |
| Revenue | 2,228,329,332.33 | 1,602,803,365.03 | 39.03% |
| Net profit attributable to shareholders of listed company | 644,660,207.55 | 413,047,094.23 | 56.07% |
| Net profit attributable to shareholders of listed company after deducting non-recurring gains/losses | 615,496,750.36 | 390,661,809.91 | 57.55% |
| Net cash flow from operating activities | 860,267,863.73 | 83,309,841.06 | 932.61% |
| Basic Earnings per share | 0.68 | 0.44 | 54.55% |
| Diluted Earnings per share | 0.68 | 0.44 | 54.55% |
| Return on weighted average net assets (%) | 10.25% | 12.39% | -2.14% |
| | 30 Jun 2014 | 31 Dec 2013 | Rate of Change(%) |
| Total assets | 10,620,830,078.25 | 6,890,921,179.04 | 54.13% |
| Total equities attributable to shareholders of listed company | 7,437,506,300.98 | 3,999,857,959.77 | 85.94% |

Consolidated Balance Sheet

Prepared by: Yantai Jereh Oilfield Services Group Co., Ltd.

Unit: (RMB) Yuan

| Assets | 30 Jun 2014 | 31 Dec 2013 |
|--|--------------------------|-------------------------|
| <i>Current assets:</i> | | |
| Cash at bank and on hand | 4,301,574,768.68 | 1,089,052,824.15 |
| Tradable financial assets | | |
| Note receivable | 110,476,608.53 | 224,324,880.66 |
| Accounts receivable | 1,917,495,514.40 | 1,605,092,605.04 |
| Accounts prepaid | 336,959,760.21 | 194,415,687.19 |
| Interests receivable | 18,784,918.65 | 1,138,788.96 |
| Dividend receivable | | |
| Other receivables | 68,971,303.10 | 49,527,174.05 |
| Inventories | 1,927,683,261.32 | 1,802,225,576.53 |
| Non-current assets due within one year | | |
| Other current assets | | 187,600,000.00 |
| | | |
| Total current assets | 8,681,946,134.89 | 5,153,377,536.58 |
| <i>Non-current assets:</i> | | |
| Saleable financial assets | | |
| Held-to-maturity investment | 18,458,400.00 | |
| Long-term accounts receivable | | |
| Long-term equity investment | 62,809,944.08 | 277,995,871.48 |
| Investment property | | |
| Fixed assets | 1,180,848,022.46 | 1,013,049,918.93 |
| Engineering under construction | 187,436,337.55 | 92,678,229.84 |
| Engineering goods | 443,605.34 | 713,395.61 |
| Liquidation of fixed assets | | |
| Productive Biological assets | | |
| Oil and gas assets | 197,011,077.54 | 165,742,827.85 |
| Intangible assets | 170,537,983.22 | 141,077,274.84 |
| Development expenditures | | |
| Goodwill | 24,066,422.25 | 7,822,165.38 |
| Long-term prepaid expense | 300,297.66 | 70,378.84 |
| Deferred tax assets | 42,251,853.26 | 38,393,579.69 |
| Other non-current assets | 54,720,000.00 | |
| | | |
| | | |
| Total non-current assets | 1,938,883,943.36 | 1,737,543,642.46 |
| Total assets | 10,620,830,078.25 | 6,890,921,179.04 |

Chief Executive Officer:

Chief Financial Officer:

Financial Manager:

Consolidated Balance Sheet (Continued)

Prepared by: Yantai Jereh Oilfield Services Group Co., Ltd.

Unit: (RMB) Yuan

| Liabilities and equities | 30 Jun 2014 | 31 Dec 2013 |
|--|--------------------------|-------------------------|
| <i>Current liability:</i> | | |
| Short-term loan | 734,587,788.40 | 953,965,015.52 |
| Tradable financial liability | | |
| Notes payable | 348,678,717.79 | 218,522,945.18 |
| Accounts payable | 668,887,840.49 | 655,308,958.73 |
| Advances from customers | 986,119,850.70 | 882,156,812.88 |
| Payroll payable | 34,252,091.17 | 46,443,153.54 |
| Tax payable | 23,069,602.77 | 4,461,610.99 |
| Interests payable | 4,935,625.77 | 5,287,024.57 |
| Dividend payable | 9,200,665.65 | |
| Other accounts payable | 79,141,705.89 | 49,893,791.91 |
| Non-current liabilities due within one year | | |
| Other current liabilities | | |
| Total current liabilities | 2,888,873,888.63 | 2,816,039,313.32 |
| <i>Non-current liabilities:</i> | | |
| Long-term borrowings | 20,000,000.00 | 20,000,000.00 |
| Bonds payable | | |
| Long-term accounts payable | 494,207.70 | 4,216,257.70 |
| Special accounts payable | | |
| Estimated Liabilities | 3,634,218.00 | 3,607,317.00 |
| Deferred tax liabilities | 957,587.60 | 950,499.40 |
| Other non-current liabilities | 24,000,000.00 | 9,000,000.00 |
| Subtotal of non-current liabilities | 49,086,013.30 | 37,774,074.10 |
| Total of liabilities | 2,937,959,901.93 | 2,853,813,387.42 |
| <i>Owners' equity:</i> | | |
| Share capital | 959,884,486.00 | 597,053,600.00 |
| Capital reserve | 3,768,517,203.99 | 1,180,907,213.45 |
| Minus: treasury stock | | |
| Surplus reserve | 127,660,589.47 | 127,660,589.47 |
| Risk provisions | | |
| Retained earnings | 2,600,268,524.29 | 2,115,589,064.46 |
| Exchange differences on translating foreign operations | -18,824,502.77 | -21,352,507.61 |
| Total equities attributable to the owners of parent company | 7,437,506,300.98 | 3,999,857,959.77 |
| Equities of the minority of shareholders | 245,363,875.34 | 37,249,831.85 |
| Total owners' equities | 7,682,870,176.32 | 4,037,107,791.62 |
| Total liabilities and owners' equities | 10,620,830,078.25 | 6,890,921,179.04 |

Chief Executive Officer:

Chief Financial Officer:

Financial Manager:

Consolidated Income Statement

Prepared by: Yantai Jereh Oilfield Services Group Co., Ltd.

Unit: (RMB) Yuan

| Items | 2014 | 2013 |
|--|-------------------------|-------------------------|
| | 01/01 - 06/30 | 01/01 - 06/30 |
| I .Total Revenue | 2,228,329,332.33 | 1,602,803,365.03 |
| Including: operating revenue | 2,228,329,332.33 | 1,602,803,365.03 |
| II .Total Costs | 1,518,339,728.84 | 1,157,264,629.93 |
| Including: Cost of sales | 1,271,864,063.46 | 914,685,344.16 |
| Operating taxes and additional charges | 13,367,579.62 | 11,736,941.17 |
| Marketing expenses | 79,093,272.85 | 46,995,370.36 |
| Administrative expenses | 173,676,192.62 | 121,610,368.14 |
| Financial expenses | -36,869,685.19 | 10,232,686.97 |
| Impairment losses | 17,208,305.48 | 52,003,919.13 |
| Plus: changes in fair value | | |
| Investment income | 8,971,815.45 | 20,165,492.98 |
| Including: investment income from associates and jointly controlled entities | 8,971,815.45 | 16,050,149.57 |
| III. Operating profit | 718,961,418.94 | 465,704,228.08 |
| Plus: non-operating revenue | 41,616,395.73 | 30,562,172.63 |
| Minus: non-operating expenses | 898,773.99 | 1,863,925.29 |
| Including: loss in disposal of non-current assets | 273,886.87 | 16,689.97 |
| IV. Profit before income tax | 759,679,040.68 | 494,402,475.42 |
| Minus: income tax | 112,232,336.58 | 79,379,063.17 |
| V .Net profit for the year | 647,446,704.10 | 415,023,412.25 |
| Attributable to: Equity of parent company | 644,660,207.55 | 413,047,094.23 |
| Minority interests | 2,786,496.55 | 1,976,318.02 |
| VI. Earnings per share: | | |
| 1. Basic Earnings per share | 0.68 | 0.44 |
| 2. Diluted Earnings per share | 0.68 | 0.44 |
| VII. Other comprehensive income | 2,640,224.88 | -9,940,535.14 |
| VIII. Total comprehensive income | 650,086,928.98 | 405,082,877.11 |
| Attributable to: Equity of parent company | 647,188,212.39 | 403,106,559.09 |
| Minority interests | 2,898,716.59 | 1,976,318.02 |

Chief Executive Officer:

Chief Financial Officer:

Financial Manager:

Consolidated Cash Flow Statement

Prepared by: Yantai Jereh Oilfield Services Group Co., Ltd.

Unit: (RMB) Yuan

| Items | 2014 | 2013 |
|---|-------------------------|-------------------------|
| | 01/01 - 06/30 | 01/01 - 06/30 |
| I. Cash flows from operating activities | | |
| Cash received from sales of goods or rendering of services | 2,415,813,680.71 | 1,730,048,774.52 |
| Tax refunding | 29,773,817.09 | 29,528,895.88 |
| Cash received related to other operating activities | 102,048,772.28 | 43,936,299.59 |
| Subtotal of cash inflow from the operating activities | 2,547,636,270.08 | 1,803,513,969.99 |
| Cash paid for goods and services | 1,115,372,359.28 | 1,305,775,692.91 |
| Cash paid to and on behalf of employees | 211,162,380.89 | 136,097,569.50 |
| Tax payments | 222,814,768.99 | 194,061,111.87 |
| Cash paid relating to other operating activities | 138,018,897.19 | 84,269,754.65 |
| Cash outflow subtotal of operating activities | 1,687,368,406.35 | 1,720,204,128.93 |
| Net cash flow from operating activities | 860,267,863.73 | 83,309,841.06 |
| II. Cash flow from investment activities | | |
| Cash received from disposal of investments | | |
| Cash received from investment return | | 8,371,649.33 |
| Net cash received from disposal of fixed assets, intangible assets and other long-term assets | 171,271.17 | 59,101.66 |
| Net cash amount received from the disposal of subcompanies and other business units | | |
| Cash received related to other investment activities | 187,600,000.00 | 186,615,343.41 |
| Subtotal of cash inflow from the investment activities | 187,771,271.17 | 195,046,094.40 |
| Cash paid to acquire and construct fixed assets, intangible assets and other long-term assets | 254,925,158.50 | 122,599,235.18 |
| Cash paid to acquire investments | 57,212,946.36 | 9,345,094.84 |
| Net cash amount paid to acquire the subcompanies and other operating units | | |
| Cash paid related to other investment activities | | 50,000,000.00 |
| Cash outflow subtotal of investment activities | 312,138,104.86 | 181,944,330.02 |
| Net amount of cash flow received from the investment activities | -124,366,833.69 | 13,101,764.38 |
| III. Cash flow from financing activities | | |
| Cash received by investors | 2,957,319,910.45 | |
| Cash received from borrowings | 1,043,349,978.14 | 535,345,840.60 |
| Cash received from other financing activities | 59,336,209.62 | 15,349,151.67 |
| Subtotal of cash inflow from the financing activities | 4,060,006,098.21 | 550,694,992.27 |
| Cash repayments of borrowings | 1,371,200,916.59 | 205,447,838.29 |
| Cash payments for interest expenses and distribution of dividends or profits | 175,688,193.72 | 121,432,264.83 |
| Cash payments related to other financing activities | 109,672,216.04 | 413,036,253.38 |
| Subtotal of cash outflow from the financing activities | 1,656,561,326.35 | 739,916,356.50 |
| Net cash flow from financing activities | 2,403,444,771.86 | -189,221,364.23 |
| IV. Effect of foreign exchange rate changes on cash and cash equivalents | 3,586,013.12 | -23,918,814.65 |
| V. Net increase amount of cash and cash equivalents | 3,142,931,815.02 | -116,728,573.44 |
| Plus: Balance of cash and cash equivalents at the beginning of the period | 944,163,059.99 | 818,926,330.61 |
| VI. Balance of cash and cash equivalents at the end of the period | 4,087,094,875.01 | 702,197,757.17 |

Chief Executive Officer:

Chief Financial Officer:

Financial Manager: