




Consolidated Balance Sheet

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


Unit: (RMB) Yuan

Assets	Note	31 Dec 2010	31 Dec 2009
<i>Current assets:</i>			
Currency capital		1,621,973,836.96	145,719,574.18
Tradable financial assets			
Note receivable		48,160,310.80	15,324,625.99
Accounts receivable		214,489,128.18	101,101,490.69
Accounts prepaid		69,644,080.98	29,300,923.74
Interests receivable		20,382,087.51	
Dividend receivable			
Other receivables		29,091,243.30	7,691,356.65
Inventory		260,866,410.58	122,679,819.94
Non-current assets due within one year			
Other current assets			
Total of current assets		2,264,607,098.31	421,817,791.19
<i>Non-current assets:</i>			
Saleable financial assets			
Investment held to the maturity date			
Long-term accounts receivable			
Long-term equity investment		4,527,998.16	5,112,892.55
Real estate for Investment			
Fixed assets		102,195,083.73	82,251,561.15
Engineering under construction		6,974,683.70	2,730,729.21
Engineering goods			
Liquidation of fixed assets			
Productive Biological assets			
Oil and gas assets			
Intangible assets		13,180,204.15	10,418,149.94
Development expenditures			
Goodwill		586,412.06	586,412.06
Long-term deferred and prepaid expenses		132,677.23	93,004.83
Assets with deferred income taxes		4,182,169.04	3,036,589.55
Other non-current assets			
Subtotal of non-current assets		131,779,228.07	104,229,339.29
Total of assets		2,396,386,326.38	526,047,130.48


Chief Executive Officer:

[Signature]


Chief Financial Officer:

[Signature]


Financial manager:

[Signature]


Consolidated Balance Sheet (Continued)

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

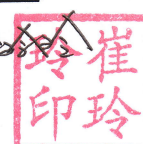
Unit: (RMB) Yuan

Liabilities and equities	Note	31 Dec 2010	31 Dec 2009
<i>Current liability:</i>			
Short-term loan		8,031,480.74	47,197,723.98
Tradable financial liability			
Note payable			
Accounts payable		78,516,948.48	62,976,969.74
Advances from customers		51,400,042.36	54,944,039.72
Payroll payable		10,437,572.97	4,527,151.19
Tax payable		-7,420,112.52	6,910,685.72
Interests payable			
Dividend payable			
Other accounts payable		5,214,564.30	2,659,612.39
Non-current liabilities due within one year			
Other current liabilities			
Total of current liabilities		146,180,496.33	179,216,182.74
<i>Non-current liabilities:</i>			
Long-term loan			
Securities payable			
Long-term accounts payable			
Special accounts payable			
Anticipation liability			
Liabilities with the deferred income taxes			
Other non-current liabilities			
Subtotal of non-current liabilities			-
Total of liabilities		146,180,496.33	179,216,182.74
<i>Owners' equity:</i>			
Share capital		114,818,000.00	85,818,000.00
Capital reserve		1,664,785,932.45	1,318,970.04
Minus: inventory share			
Surplus reserve		28,191,109.71	12,209,145.13
Risk provisions			
Retained profit		437,871,121.27	240,823,417.91
Currency translation differences		32,032.73	-23,720.95
Subtotal of equities attributable to the owners of parent company		2,245,698,196.16	340,145,812.13
Equities of the minority of shareholders		4,507,633.89	6,685,135.61
Subtotal of owners' equities		2,250,205,830.05	346,830,947.74
Total of liabilities and owners' equities		2,396,386,326.38	526,047,130.48

Chief Executive Officer: 

Chief Financial Officer: 

Financial manager: 





Consolidated Profit Statement

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

Unit: (RMB) Yuan

Items	Note	2010	2009
I. Total Revenue		943,976,017.18	680,477,167.50
Including: operating revenue		943,976,017.18	680,477,167.50
II. Total Costs		626,385,056.72	476,460,437.61
Including: Cost of sales		551,490,671.90	422,972,438.67
Operating taxes and additional charges		9,356,206.28	6,943,696.57
Sales expenses		40,097,790.08	23,656,019.95
Administrative expenses		46,270,516.21	17,074,718.50
Finance expenses		-25,715,764.60	4,206,299.45
Impairment losses		4,885,636.85	1,607,264.47
Plus: changes in fair value			
Investment income		472,152.80	1,537,430.28
Including: investment income from associates and jointly controlled entities		472,152.80	1,537,430.28
III. Operating profit		318,063,113.26	205,554,160.17
Plus: non-business revenue		18,001,119.47	10,392,326.00
Minus: non-business expense		213,646.07	1,295,299.27
Including: loss in disposal of non-current assets		1,266.15	47,111.72
IV. Profit before income tax		335,850,586.66	214,651,186.90
Minus: income tax		51,601,919.82	31,838,370.33
V. Net profit for the year		284,248,666.84	182,812,816.57
Attributable to: Equity of parent company		281,920,467.94	179,610,591.19
Minority interests		2,328,198.90	3,202,225.38
VI. Earnings per share:			
1. Basic Earnings per share		2.51	2.09
2. Diluted Earnings per share		2.51	2.09
VII. Other comprehensive income		55,753.68	-1,330.59
VIII. Total comprehensive income		284,304,420.52	182,811,485.98
Attributable to: Equity of parent company		281,976,221.62	179,609,260.60
Minority interests		2,328,198.90	3,202,225.38

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	Note	2010	2009
I. Cash flows from operating activities			
Cash received from sales of goods or rendering of services		867,604,634.25	652,349,916.91
Tax refunding		15,832,980.17	13,203,319.33
Cash received related to other operating activities		23,068,316.15	9,587,599.87
Subtotal of cash inflow from the operating activities		906,505,930.57	675,140,836.11
Cash received from sales of goods or rendering of services		758,334,155.47	395,127,980.21
Cash paid to and on behalf of employees		55,993,492.62	35,206,990.82
Tax payments		97,744,845.03	75,695,178.55
Other cashes paid to operating activities		39,192,810.15	23,618,017.44
Cash outflow subtotal of operating activities		951,265,303.27	529,648,167.02
Net cash flow from operating activities		-44,759,372.70	145,492,669.09
II. Cash flow from investment activities			
Cash received from disposal of investments			
Cash received from investment return		2,557,047.19	
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		2,158.12	278,280.00
Net cash amount received from the disposal of subcompanies and other business units			
Cash received related to other investment activities			
Subtotal of cash inflow from the investment activities		2,559,205.31	278,280.00
Cash paid to acquire and construct fixed assets, intangible assets and other long-term assets		61,049,317.72	32,570,955.00
Cash paid to acquire investments		3,586,261.05	
Net cash amount paid to acquire the subcompanies and other operating units			
Cash paid related to other investment activities			
Cash outflow subtotal of investment activities		64,635,578.77	32,570,955.00
Net amount of cash flow received from the investment activities		-62,076,373.46	-32,292,675.00
III. Cash flow from financing activities:			
Cash received by investors		1,701,467,500.00	2,150,000.00
Cash received from loans		63,822,728.00	70,000,000.00
Cash received related to other financing activities		3,803,000.00	8,000,000.00
Subtotal of cash inflow from the financing activities		1,769,093,228.00	80,150,000.00
Repayments of loans		90,000,000.00	105,000,000.00
Cash paid for distribution of dividends, profits and repayment of interests		72,459,996.75	39,847,739.53
Cash payments related to other financing activities		15,003,537.59	25,223,000.00
Sub-total of cash outflow from the financing activities		177,463,534.34	170,070,739.53
Net cash flow from financing activities		1,591,629,693.66	-89,920,739.53
IV. Effect of foreign exchange fluctuation on cash and cash equivalents		-43,684.72	-29,399.19
V. Net increase amount of cash and cash equivalents		1,484,750,262.78	23,249,855.37
Plus: Balance of cash and cash equivalents at the beginning of the period		128,496,574.18	105,246,718.81
VI. Balance of cash and cash equivalents at the end of the period		1,613,246,836.96	128,496,574.18

Chief Executive Officer:

Chief Financial Officer:

Financial manager: