

Key Financial Data And Financial Indicators

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

Unit:(RMB) Yuan

Items	2011	2010	Rate of Change(%)
Revenue	1,460,044,836.88	943,976,017.18	54.67%
Net profit attributable to shareholders of listed company	424,356,645.25	281,920,467.94	50.52%
Net profit attributable to shareholders of listed company after deducting non-recurring gains/losses	399,063,937.47	269,647,648.98	47.99%
Net cash flow from operating activities	-139,510,883.12	-44,759,372.70	211.69%
Basic Earnings per share	1.85	1.25	48.00%
Diluted Earnings per share	1.85	1.25	48.00%
Return on weighted average net assets (%)	17.71%	14.11%	3.60%
	31 Dec 2011	31 Dec 2010	Rate of Change(%)
Total assets	3,044,896,386.09	2,396,386,326.38	27.06%
Total equities attributable to shareholders of listed company	2,576,827,032.11	2,245,698,196.16	14.75%

Consolidated Balance Sheet

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

Unit: (RMB) Yuan

Assets	31 Dec 2011	31 Dec 2010
Current assets:		
Cash at bank and on hand	1,085,210,290.86	1,621,973,836.96
Tradable financial assets		
Note receivable	31,323,588.00	48,160,310.80
Accounts receivable	524,964,568.48	214,489,128.18
Accounts prepaid	159,521,257.78	69,644,080.98
Interests receivable	16,418,612.23	20,382,087.51
Dividend receivable		
Other receivables	39,071,723.00	29,091,243.30
Inventories	549,425,161.31	260,866,410.58
Non-current assets due within one year		
Other current assets		
Total current assets	2,405,935,201.66	2,264,607,098.31
<i>Non-current assets:</i>		
Saleable financial assets		
Held-to-maturity investment		
Long-term accounts receivable		
Long-term equity investment	190,560,319.18	4,527,998.16
Investment property		
Fixed assets	286,178,497.40	102,195,083.73
Construction in progress	47,877,645.84	6,974,683.70
Engineer material		
Liquidation of fixed assets		
Productive Biological assets		
Oil and gas assets		
Intangible assets	93,216,214.59	13,180,204.15
Development expenditures		
Goodwill	586,412.06	586,412.06
Long-term prepaid expense	150,469.38	132,677.23
Deferred tax assets	10,791,625.98	4,182,169.04
Other non-current assets	9,600,000.00	
Total non-current assets	638,961,184.43	131,779,228.07
Total assets	3,044,896,386.09	2,396,386,326.38

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	31 Dec 2011	31 Dec 2010
<i>Current liability:</i>		
Short-term borrowings	149,293,140.90	8,031,480.74
Tradable financial liability		
Notes payable	30,505,126.22	
Accounts payable	123,295,345.16	78,516,948.48
Advances from customers	124,760,909.67	51,400,042.36
Payroll payable	13,122,210.50	10,437,572.97
Tax payable	3,738,578.27	-7,420,112.52
Interests payable	366,694.04	
Dividend payable		
Other accounts payable	10,730,032.78	5,214,564.30
Non-current liabilities due within one year		
Other current liabilities		
Total current liabilities	455,812,037.54	146,180,496.33
<i>Non-current liabilities:</i>		
Long-term borrowings		
Bonds payable		
Long-term accounts payable		
Special accounts payable		
Estimated Liabilities		
Deferred tax liabilities		
Other non-current liabilities		
Subtotal non-current liabilities	-	-
Total liabilities	455,812,037.54	146,180,496.33
<i>Owners' equity:</i>		
Share capital	229,636,000.00	114,818,000.00
Capital reserve	1,549,967,932.45	1,664,785,932.45
Minus: treasury stock		
Surplus reserve	48,658,910.61	28,191,109.71
Risk provisions		
Retained earnings	749,905,565.62	437,871,121.27
Exchange differences on translating foreign operations	-1,341,376.57	32,032.73
Total equities attributable to the owners of parent company	2,576,827,032.11	2,245,698,196.16
Equities of the minority of shareholders	12,257,316.44	4,507,633.89
Total owners' equities	2,589,084,348.55	2,250,205,830.05
Total liabilities and owners' equities	3,044,896,386.09	2,396,386,326.38

Chief Executive Officer:

Chief Financial Officer:

Financial Manager:

Consolidated Income Statement

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

Unit: (RMB) Yuan

Items	2011	2010
I .Total Revenue	1,460,044,836.88	943,976,017.18
Including: operating revenue	1,460,044,836.88	943,976,017.18
II .Total Costs	1,006,467,552.08	626,385,056.72
Including: Cost of sales	832,611,744.97	551,490,671.90
Operating taxes and additional charges	11,248,529.05	9,356,206.28
Marketing expenses	64,667,681.29	40,097,790.08
Administrative expenses	101,639,710.80	46,270,516.21
Financial expenses	-25,477,894.33	-25,715,764.60
Impairment losses	21,777,780.30	4,885,636.85
Plus: changes in fair value		
Investment income	17,577,888.68	472,152.80
Including: investment income from associates and jointly controlled entities	17,577,888.68	472,152.80
III. Operating profit	471,155,173.48	318,063,113.26
Plus: non-operating revenue	33,774,525.32	18,001,119.47
Minus: non-operating expenses	799,842.82	213,646.07
Including: loss in disposal of non-current assets	7,450.03	4,404.16
IV. Profit before income tax	504,129,855.98	335,850,586.66
Minus: income tax	76,463,528.18	51,601,919.82
V. Net profit for the year	427,666,327.80	284,248,666.84
Attributable to: Equity of parent company	424,356,645.25	281,920,467.94
Minority interests	3,309,682.55	2,328,198.90
VI. Earnings per share:		
1. Basic Earnings per share	1.85	1.25
2. Diluted Earnings per share	1.85	1.25
VII. Other comprehensive income	-1,373,409.30	55,753.68
VIII. Total comprehensive income	426,292,918.50	284,304,420.52
Attributable to: Equity of parent company	422,983,235.95	281,976,221.62
Minority interests	3,309,682.55	2,328,198.90

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	2011	2010
I. Cash flows from operating activities		
Cash received from sales of goods or rendering of services	1,318,599,657.12	867,604,634.25
Tax refunding	37,951,192.29	15,832,980.17
Cash received related to other operating activities	65,212,301.31	23,068,316.15
Subtotal of cash inflow from the operating activities	1,421,763,150.72	906,505,930.57
Cash paid for goods and services	1,232,213,388.18	758,334,155.47
Cash paid to and on behalf of employees	103,290,430.47	55,993,492.62
Tax payments	132,963,328.10	97,744,845.03
Cash paid relating to other operating activities	92,806,887.09	39,192,810.15
Cash outflow subtotal of operating activities	1,561,274,033.84	951,265,303.27
Net cash flow from operating activities	-139,510,883.12	-44,759,372.70
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	242,936.63	2,158.12
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	242,936.63	2,559,205.31
Cash paid to acquire and construct fixed assets, intangible assets and other long-term assets	270,879,041.99	61,049,317.72
Cash paid to acquire investments	168,454,432.34	3,586,261.05
Net cash amount paid to acquire the subcompanies and other operating units		
Cash paid related to other investment activities	9,600,000.00	
Cash outflow subtotal of investment activities	448,933,474.33	64,635,578.77
Net amount of cash flow received from the investment activities	-448,690,537.70	-62,076,373.46
III. Cash flow from financing activities:		
Cash received by investors	4,440,000.00	1,701,467,500.00
Cash received from borrowings	263,226,762.14	63,822,728.00
Cash received from other financing activities	15,095,000.00	3,803,000.00
Subtotal of cash inflow from the financing activities	282,761,762.14	1,769,093,228.00
Cash repayments of borrowings	134,322,768.74	90,000,000.00
Cash payments for interest expenses and distribution of dividends or profits	92,178,242.30	72,459,996.75
Cash payments related to other financing activities	159,245,746.70	15,003,537.59
Subtotal of cash outflow from the financing activities	385,746,757.74	177,463,534.34
Net cash flow from financing activities	-102,984,995.60	1,591,629,693.66
IV. Effect of foreign exchange rate changes on cash and cash equivalents	-5,100,325.11	-43,684.72
V. Net increase amount of cash and cash equivalents	-696,286,741.53	1,484,750,262.78
Plus: Balance of cash and cash equivalents at the beginning of the period	1,613,246,836.96	128,496,574.18
VI. Balance of cash and cash equivalents at the end of the period	916,960,095.43	1,613,246,836.96

Chief Executive Officer:

Chief Financial Officer:

Financial Manager: