

卓越工程 赋能未来
Empower the Future with Excellent Engineering



Contents

Welcome to
COOEC

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COOEC

Engineering
design

Offshore
installation

Onshore
construction

Submarine
pipeline laying



Important Notices

- I. The Board of Directors, Board of Supervisors, directors, supervisors and senior officers of Offshore Oil Engineering Co., Ltd. ("COOEC") undertake that the information presented in the report is true, accurate and complete and does not contain false records, misrepresentations or major omissions and bear individual and joint legal liability.

II. Non-attendance of directors

Position of directors not present	Name of director not present	Reasons for non-attendance	Name of the proxy
Director	Liu Yiyong	Business reasons	Xin Wei

- III. BDO China Shu Lun Pan Certified Public Accountants LLP issued a standard unqualified auditors' report for COOEC.

- IV. Declaration by Wang Zhangling, legal representative, Li Peng, chief accountant and Yao Baoqin, chief finance officer (accounting director): they ensure the truthfulness, accuracy and completeness of the financial report in the annual report.

- V. Resolution of the Board of Directors on the proposal for profit distribution or the proposal for transfer of capital reserve to share capital for the current reporting period

COOEC intends to distribute a cash dividend of RMB1.47 (including tax) for every 10 shares to all shareholders based on the total share capital of 4,421,354,800 shares at the end of 2023, without distributing stock dividends and using capital reserve to increase share capital. The total cash distribution required is approximately RMB 650 million, representing 40.11% of the net profit attributable to shareholders of the listed company in 2023 and the

undistributed profit will be carried forward for distribution in future years.

The distribution proposal is subject to the consideration and approval at the 2023 Annual General Meeting.

- VI. Risk statement in forward-looking statements

Applicable " Not applicable"

The forward-looking statements in Section III of this report, which relate to business plans, business objectives and development strategies, do not constitute actual commitments by COOEC to investors and investors are advised to pay attention to the investment risks.

- VII. Is there any non-operating appropriation of funds by controlling shareholders and other related parties

No

- VIII. Is there any violation of the required decision-making procedures in the provision of external guarantees

No

- IX. Is there any situation where more than half of the directors cannot guarantee the truthfulness, accuracy and completeness of the annual report disclosed by COOEC

No

- X. Significant risks

This report analyzes the possible risks faced by COOEC, and investors are requested to pay attention to them, as detailed in the analysis under (IV) Possible Risks in Section III Management Discussion and Analysis.

- XI. Others

Applicable " Not applicable"

List of Reference Documents

The financial statements bearing the signatures and seals of the legal representative, the accounting principal and the head of the accounting department.

The original audit report bearing the seal of the accounting firm and the signature and seal of the certified public accountant.

Originals of all documents and announcements of COOEC publicly disclosed on the website of the Shanghai Stock Exchange and in the newspaper designated by China Securities Regulatory Commission in the reporting period.

Speech by Chairman



Chairman, President and Party Secretary | Wang Zhangling

Esteemed shareholders and friends,

On behalf of the Board of Directors of Offshore Oil Engineering Co., Ltd., it is an honor to present to you the Company's Annual Report 2023 for your review. At the same time, I would like to express my heartfelt gratitude to all shareholders and everyone who cares about and supports the development of COOEC!

In 2023, we firmly took high-quality development as the primary task, adhered to our strategies, maintained our strategic commitments, continuously enhanced the Company's capabilities of value creation, lean execution, reform and innovation, and risk prevention and control, and drove the Company to take a new step forward in its high-quality and sustainable development.

Record-high Capacity and Output Value. COOEC achieved historic breakthroughs in operating performance last year, with record-high sales revenues of RMB 30,752 million. The net profit attributable to shareholders reached RMB 1,621 million, representing a year-on-year increase of 11.08%. We successfully completed construction for projects such as Lingshui 25-1, Lufeng 12-3, and Enping 20-4, completed the main structures of a cylindrical FPSO for the Lihua Oilfield and the "Haiji-2" jacket, and delivered overseas projects such as the LNG projects in Canada and Hong Kong. The cumulative workload reached 472,000 tons, setting a new historical high.

A "Crucial Step" Forward in Role Change. COOEC resolutely follows the development path of "domestic operations driving international operations and international operations boosting domestic operations." The Company is undergoing a historic transformation from an international subcontractor to an international general contractor. Particularly, the groundbreaking projects in Saudi Arabia, Qatar, and other countries have paved the way for the Company's efforts to "create another COOEC" in the Middle East region. Last year, COOEC won contracts with a total

value of RMB 33,986 million, including RMB 14,176 million from overseas markets. Both were unprecedented figures. For the first time, COOEC made it on two ENR lists in 2023, ranking 68th among the Top 250 International Contractors and 98th among the Top 250 Global Contractors.

Green Development in Acceleration. The Company actively responds to the national strategy for "carbon peaking and neutrality" and deeply implements the concept of green development. In 2023, the Company successfully constructed China's first deep-sea floating wind power platform "CNOOC Guanlan," China's first offshore carbon dioxide storage and seabed data cabin, and other demonstration projects, exemplifying our offshore engineering solutions for the green and low-carbon transformation of China's offshore oil and gas development. "China's first offshore one-million-ton carbon dioxide reinjection system" we supplied won the Special Award for Carbon Peaking and Carbon Neutrality Innovation Project from the China Association of Plant Engineering. We successfully ensured grid connection and power generation of the photovoltaic projects in Tianjin Lingang, Qingdao, and Zhuhai. COOEC was also recognized as a Green Supply Chain Management Demonstration Enterprise by the Ministry of Industry and Information Technology and was listed among the "Top 50 Chinese Listed Companies for Carbon Neutrality."

Continuous "Breakthroughs" in Scientific and Technological Innovation. COOEC focuses on achieving high-level technological self-reliance through continuously strengthening the development of key core

technologies and optimizing mechanisms for scientific and technological innovation. Throughout the year, we put 31 key scientific research achievements into applications. Breakthroughs were made in more than ten core technologies, including deep-sea floating wind power development. 12 key equipment and materials, such as single-point liquid slip rings, realized production in China. For the first time, we applied for the establishment of a National Innovation Center and a National Key Laboratory. We kept developing original technology sources and the offshore and subsea industry chain. The key technologies for the design, construction, and installation of deep-water jackets were included in the "Science and Technology Innovation in China" leading technology list by the China Association for Science and Technology. 14 scientific and technological achievements, including the design, construction technology innovation, and engineering application of a 350,000-ton ultra-large deep-water FPSO, received awards from industry associations.

Ongoing "Iterations and Upgrades" for Digitization and Intelligence Convergence. COOEC regards the transformation toward "digitalization" and "intelligentization" as a driving force for implementing intelligent manufacturing and smart engineering. In 2023, we released our first digital universal technology platform, laying a solid foundation for the Company's digital transformation characterized by "unified construction, management, and operation and maintenance." We explored the construction of a data asset center, shared 27 million entries of data across all domains, and created a more comprehensive

data governance system. Our data asset management case successfully won the "Xinghe Award" for Big Data. The digital twin health management system was continuously upgraded and iterated, and the dual delivery and maintenance system's construction progressed steadily. We gradually deepened intelligent manufacturing. The Tianjin Intelligent Manufacturing Base was selected as a 5G demonstration factory by the Ministry of Industry and Information Technology and obtained the 5G Application Industry Matrix certification. It also won the silver award in the benchmark competition of the 6th "Zhanfang Cup" 5G Application Collection and first place in the Tianjin 5G Full-Connectivity Factory competition.

Consolidating "Three Lines of Defense" for Risk Prevention and Control.

COOEC attaches great importance to risk management and compliance, continuously improves its risk management system, and enhances its risk prevention capabilities. Business units guard the "first line of defense," the risk control department maintains the "second line of defense," and the audit department watches the "third line of defense." We developed an internal control system and comprehensive risk management. We established an "all-level" corporate risk prevention and control system, a "life-cycle" project risk prevention and control system, a "multi-dimensional" compliance risk prevention and control system, and an "all-process" safety risk prevention and control system. The Company's risk prevention and control and management performance continued to enhance.

In 2024, we are entering an era of strategic opportunities with great potential while still facing more complex internal and external environments and more challenging production and operation situations. We will resolutely focus on our strategic plans, seize opportunities while addressing challenges, and create new landscapes through action. We will continuously enhance our core competitiveness and strengthen core functions, striving to move on to a new level of high-quality development.

A Balanced Approach to Strategic Management. COOEC's "1-2-3-5" development strategy, goals of the "14th Five-Year Plan," and the 2035 Vision keep the Company on track and depict a new chapter in its transformation and development. We remain unwavering in our strategic direction, strengthen strategy execution, and enhance the guiding role of plans in operating activities. We incorporate strategic plan indicators and tasks into daily operations and management, establish and maintain mechanisms to track plan execution, and ensure plan execution is under control. In the face of increasingly intense market competition and a complex and changing operating environment, we will maintain flexibility in strategic management, adjust

development strategies according to market changes and the Company's developmental dynamics, better seize market opportunities, create first-mover advantages, integrate scientific and technological innovation resources, take the lead of development of strategic emerging industries and future industries, accelerate the formation of new quality productive forces, and promote high-quality development.

Spirit and Substantive Measures of Corporate Governance.

As the new Company Law will take effect on July 1, 2024, COOEC will seize this opportunity to upgrade its corporate governance system. Following the principle of "unity of power and responsibility," we will improve the operating mechanisms of various roles in the corporate governance system and establish a management, service, and support system for external directors to perform their duties. We will enable external directors to better participate in decision-making, supervision and checks and balances, and professional consulting within the Board of Directors, ensuring that the corporate governance system meets the requirements for listed companies while rapidly responding to market demands. We will keep establishing a sound ESG governance architecture and long-term operating mechanisms, empowering the Company's sustainable development. Efforts include the "institutionalization of management, procedure formulation for regulations, form preparation for procedures, and informatization of forms," gradual improvement in the scientific decision-making mechanisms, strict adherence to the bottom line, strengthened inherent governance drivers, and continuous enhancement of effectiveness in corporate governance.

"Integration of Research and Application" in Scientific and Technological Innovation.

Scientific and technological innovation is a driving force behind the Company's growth. The Company focuses on "chain-based" development and continuously strengthens the development of key core technologies. We are accelerating the research and application of cutting-edge technologies in fields such as deep-sea systems, new energy, and new materials to build future development advantages. We work to offer important technologies and products with independent intellectual property rights, particularly striving for new breakthroughs in the field of deep-sea and offshore floating wind power and becoming a leader in deep-sea and offshore wind power. Concurrently, we are empowering and unleashing organizational innovation capabilities and further cultivating a market-oriented research and innovation ecology with efforts centering on reforms in scientific and technological systems and mechanisms.

"Simultaneous Advancement of Soft and Hard Power" in Digital and Intelligent Transformation. COOEC will continue to forge leading advantages in digital and


intelligent transformation. As for software, we are consolidating a future-oriented digital foundation, resolutely increasing digital and local content, deepening data governance in production and operations, enhancing data precision, reliability, and usability, further unlocking data value, and expanding the scope of data services. As for hardware, we are resolutely following the path of standardized engineering and construction, further promoting the "transformation from customized products to standardized products, and the extension of standardized products to standardized components." Through the comprehensive establishment of an "assembly-oriented design, product-oriented manufacturing, and modularized installation" model, we are building intelligent factories to double the efficiency of assembly sites and lead the transformation in construction models and the digital and intelligent transformation of the industry.

A "Two-Pronged Approach" of Risk Prevention and Control.

COOEC will give full play to the BOD Audit Committee's role in coordinating internal control, supervision, and risk prevention and control, focus on the development of the Company's risk management and control system, and promote the integration of risk management and control at the organizational and project dimensions. Based on comprehensively optimizing the risk list, we will improve the risk early warning and monitoring system, risk assessment system, and risk handling system at different levels. We will establish a risk management and control mechanism covering all levels, chains, and cycles, achieving coordinated enhancement, driving, and promotion of risk management and control at the organizational and project dimensions, ensuring that risks are identifiable, preventable, and controllable.

Where ambition beckons, no distance is too far.

2024 is a crucial year for COOEC to achieve the goals and tasks in the 14th Five-Year Plan period, and a critical year for building new capabilities for high-quality development. We will closely focus on the goal of building a world-class offshore energy engineering company with Chinese characteristics. Taking the opportunity to implement measures to improve the quality of listed companies under central state-owned enterprises, we will act to fulfill commitments, achieve breakthroughs in reform, make innovative endeavors, and create greater value for shareholders and society.



Chairman, President and Party Secretary
Wang Zhangling

Interpretations

I. Interpretations

In this report, unless the context otherwise requires, the following words have the following meanings:

Interpretations of commonly used terms		
COOEC	refers to	Offshore Oil Engineering Co., Ltd.
CNOOC, its controlling shareholders and actual controller	refers to	China National Offshore Oil Corporation
CNOOC Limited	refers to	CNOOC Limited, the subsidiary controlled by China National Offshore Oil Corporation
Nanghai West Company	refers to	China National Offshore Oil Nanghai West Company Limited, the wholly-owned subsidiary of CNOOC
Bohai Company	refers to	China National Offshore Oil Bohai Company Limited, the wholly-owned subsidiary of CNOOC
Finance Company	refers to	CNOOC Finance Co., Ltd., the subsidiary controlled by China National Offshore Oil Corporation
COOEC-Fluor	refers to	COOEC-Fluor Heavy Industries Co., Ltd., the subsidiary controlled by Offshore Oil Engineering Co., Ltd. (COOEC)
EPCI	refers to	Abbreviation for engineering design, procurement, construction and installation.
EPCM	refers to	Abbreviation for engineering design, procurement and construction management.
FPSO	refers to	Abbreviation for floating production storage and offloading.
LNG	refers to	Abbreviation for liquefied natural gas.
FEED	refers to	Abbreviation for front end engineer design.
CCUS	refers to	Abbreviation for carbon capture, utilization and storage.
Dual carbon goal	refers to	Carbon Peak and Carbon Neutrality
One profit and five ratios	refers to	One profit: Total profits; five ratios: Asset-liability ratio, operating cash flow ratio, return on equity, total labor productivity and R&D expense input intensity.

Working at heights



- The Barge "Haiyang Shiyou 229" carrying the jacket Haiji-2 set sail for the construction area



Company Profile and Major Financial Indicators

I. Chinese name

Chinese name	海洋石油工程股份有限公司
Abbreviation in Chinese	海油工程
Name in foreign language	OFFSHORE OIL ENGINEERING CO., LTD.
Abbreviation in foreign language	COOEC
Legal representative	Wang Zhangling

II. Contact and contact information

	Secretary of Board of Directors
Name	Li Peng
Contact address	No. 199, Binhai 15th Road, Tianjin Port Free Trade Zone, Tianjin
Tel.	022-59898808
Fax	022-59898800
E-mail	tijing@cooec.com.cn

III. Basic Information

Registered address	Room 202-F105, 2/F, Podium of Ligang Building, No.82 West 2nd Road, Tianjin Pilot Free Trade Zone (Airport Economic Zone)
Historical change of COOEC's registered address	When COOEC was established on April 20, 2000, its registered address was No. 248, Block A, Zhongji Science Park, Huayuan Industrial Zone, Tianjin New Technology Industrial Park. On October 27, 2004, the address was changed to No. 4-396, Hebei Road, Tanggu District, Tianjin. On September 6, 2007, the address was changed to No. 1078, Danjiang Road, Tanggu District, Tianjin. On December 31, 2009, it was changed to No. 199, Binhai 15 Road, Tianjin Port Free Trade Zone. On August 10, 2011, it was changed to Room 202-F105, 2/F, Podium of Ligang Building, No.82 West 2nd Road, Tianjin Airport Economic Zone. On January 10, 2018, it was changed to Room 202-F105, 2/F, Podium of Ligang Building, No.82 West 2nd Road, Tianjin Pilot Free Trade Zone (Airport Economic Zone).
Office address	No. 199, Binhai 15th Road, Tianjin Port Free Trade Zone, Tianjin
Postal code	300461
Website	https://www.cnoocengineering.com
E-mail	tijing@cooec.com.cn

IV. Information disclosure and storage location

Name and website of the media where COOEC discloses its annual report	China Securities Journal, Shanghai Securities News and Securities Times
Website of the stock exchange where COOEC discloses its annual report	www.sse.com.cn
Storage location of annual reports	Financial Management Department

V. Company's stock profile

Company's stock profile				
Stock type	Stock exchange	Abbreviation	Stock code	Stock name before the change
A-share	Shanghai Stock Exchange	COOEC	600583	Not applicable

VI. Other relevant information

Accounting firm engaged by COOEC (domestic)	Name	BDO CHINA Shu Lun Pan Certified Public Accountants LLP
	Office address	17-20/F, Tower A, China Overseas International Center, Building 7, No. 5 Anding Road, Chaoyang District, Beijing
	Signing accountants	Wang Shouyi and Xiu Jun

VII. Key accounting data and financial indicators in recent three years

(I) Major accounting data

Unit: RMB'0,000

Major accounting data	2023	2022		Increase or decrease YoY (%)	2021
		After adjustment	Before adjustment		
Operating revenue	3,075,203.75	2,935,836.83	2,935,836.83	4.75	1,979,548.12
Net profit attributable to shareholders of the listed company	162,050.63	145,888.80	145,740.91	11.08	36,979.89
Net profit after deducting non-recurring profits and losses attributable to shareholders of the listed company	123,714.04	85,405.82	85,257.93	44.85	708.73
Net cash flows from operating activities	512,492.41	331,348.71	331,348.71	54.67	303,321.95

Major accounting data	As at the end of 2023	As at the end of 2022		Increase or decrease YoY (%)	As at the end of 2021
		After adjustment	Before adjustment		
Net assets attributable to shareholders of the listed company	2,479,459.37	2,370,187.89	2,370,298.97	4.61	2,274,207.10
Total assets	4,325,166.35	4,263,896.22	4,263,867.49	1.44	3,465,426.38
Share capital at the end of the period	442,135.48	442,135.48	442,135.48	0	442,135.48

Note: According to the Interpretation on the Accounting Standards for Business Enterprises No. 16, the deferred income tax related to assets and liabilities arising from a single transaction is inapplicable to the accounting treatment of the initial recognition exemption. COOEC, as the lessee, initially recognizes the lease liability on the lease commencement date and includes it into the lease transaction of the right-of-use asset, and separately recognizes the corresponding deferred income tax liabilities and assets at the time of the transaction.

(II) Main financial indicators

Key financial indicators	2023	2022		Increase or decrease YoY (%)	2021
		After adjustment	Before adjustment		
Basic earnings per share (RMB/share)	0.37	0.33	0.33	12.12	0.08
Diluted earnings per share (RMB/share)	0.37	0.33	0.33	12.12	0.08
Basic earnings per share after deducting non-recurring profits and losses (RMB/share)	0.28	0.19	0.19	47.37	2,953.62
Return on weighted average net assets (%)	6.67	6.26	6.30	Increase of 0.41 ppt	1.64
Return on weighted average net assets after the deduction of non-recurring profits and losses (%)	5.09	3.67	3.69	Increase of 1.42 ppt	0.03

Explanations on main accounting data and financial indicators of COOEC for the recent three years

"□ Applicable" "√ Not applicable"

VIII. Differences between accounting data under domestic and foreign accounting standards

(I) Differences between net profit and net assets attributable to shareholders of the listed company in financial reports disclosed in accordance with international accounting standards and those disclosed in accordance with Chinese accounting standards

"□ Applicable" "√ Not applicable"

(II) Differences between net profit and net assets attributable to shareholders of the listed company in financial reports disclosed in accordance with overseas accounting standards and those disclosed in

accordance with Chinese accounting standards

" Applicable " " Not applicable "

(III) Explanation of differences between domestic and foreign accounting standards:

" Applicable " " Not applicable "

IX. 2023 quarterly key financial data

Unit: RMB'0,000

	Q1 (January - March)	Q2 (April - June)	Q3 (July - September)	Q4 (October- December)
Operating revenue	639,670.71	804,511.23	652,152.10	978,869.71
Net profit attributable to shareholders of the listed company	44,831.00	53,500.36	38,920.55	24,798.72
Net profits after deducting non-recurring profits and losses attributable to shareholders of the listed company	32,414.52	45,682.64	29,883.22	15,733.66
Net cash flows from operating activities	-8,730.81	299,625.55	326,128.07	-104,530.40

Explanation of differences between quarterly data and data in disclosed periodic reports

" Applicable " " Not applicable "

X. Items and amounts of non-recurring gains and losses

" Applicable " " Not applicable "

Unit: RMB'0,000

Item of non-recurring gain and loss	Amount in 2023	Notes (if applicable)	Amount in 2022	Amount in 2021
Profit or loss from disposal of non-current assets, including the writing-off part for which the asset impairment provision is made	670.84		51.31	1,406.48
Government grants included in the current profit or loss (except for government grants closely related with the normal business of COOEC, obtained according to established criteria and in accordance with the national policies and provisions and those continuously affecting the profit and loss of COOEC)	7,462.38	Mainly government grants such as consumption tax refunds and research subsidies	-5,957.53	17,394.46
Profit or loss on fair value changes arising from the holding of financial assets and financial liabilities by non-financial enterprises and the profit or loss arising from the disposal of financial assets and liabilities, except for effective hedging operations associated with COOEC's normal operations	11,350.75	Changes in fair value of financial assets held for trading	1,172.84	2,617.90
Fund possession costs included in the current profit or loss and collected from non-financial enterprises				
Profit or loss from the assets which are invested or managed by others entrusted	25,043.86	Mainly gains arising from the purchase of structured deposits, wealth management products and large certificates of deposit	20,600.01	16,394.30
Profit or loss from external entrusted loans				
Asset loss arising from force majeure, such as natural disasters				
Reversal of receivables tested for impairment separately, provision for impairment			259.64	

Item of non-recurring gain and loss	Amount in 2023	Notes (if applicable)	Amount in 2022	Amount in 2021
Gains from the difference between the investment costs of acquisition of subsidiaries, associates and joint ventures and share in the net fair value of the identifiable assets of the investees upon investment			3,431.21	
Current net profit or loss of the subsidiaries from business combination under common control from the beginning of the period to the combination date				
Profit or loss from non-monetary assets exchange				
Profit or loss from debt restructuring				
Non-recurring expense arising from discontinued business activities of enterprise, such as the expense of relocating employees				
One-off effect on current profit and loss due to adjustment of laws and regulations regarding taxation and accounting				
Payment expense of one-off recognized shares due to cancellation or modification of the stock incentive plan				
Profit and loss arising from changes in the fair value of employee compensation payable after the vesting date for cash-settled share payments				
Profit or loss on changes in fair value of investment property subsequently measured by adopting the fair value mode				
Profit generated from the transaction with the unfair transaction price				
Profit or loss on contingencies irrelevant to normal business operation of COOEC				
Income from trustee fees charged for entrusted operation				
Non-operating revenue and expenses other than the above-mentioned items	876.96		1,512.67	1,232.54
Other items of profit or loss subject to the definition of non-recurring profit or loss			55,191.02	4,316.38
Less: income tax effects	6,390.59		-15,728.78	7,052.84
Adjustment to minority equity (after tax)	677.61		-49.41	38.06
Total	38,336.59		60,482.98	36,271.16

Please state reasons for defining the items not listed in the Explanatory Announcement No.1 on Information Disclosure for Companies Offering their Securities to the Public--Non-Recurring Profit or Loss as the non-recurring profit and loss in large amount and the non-recurring profit or loss listed in Explanatory Announcement No.1 on Information Disclosure for Companies Offering their Securities to the Public--Non-Recurring Profit or Loss as recurring profit or loss.

" Applicable " " Not applicable "

XI. Items measured at fair value

" Applicable " " Not applicable "

Unit: RMB'0,000

Item	Beginning balance	Ending balance	Current change	Amount of impact on current profit
Financial assets held for trading - structured deposits	350,936.32	563,187.59	212,251.27	28,563.62
Financial assets held for trading - net worth wealth management	510,236.52	309,335.99	-200,900.53	
Total	861,172.84	872,523.58	11,350.75	28,563.62

XII. Others

" Applicable " " Not applicable "

Management Discussion and Analysis

- Bozhong 19-6 Gas Field Phase-I Development Project - the First 100-billion-level gas field put into production



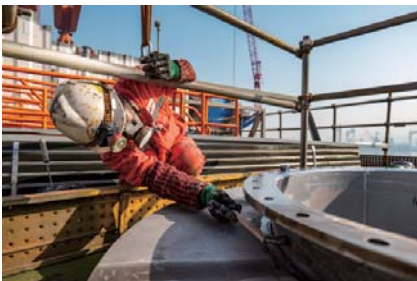
30.752^{billion}
Operating revenue

I. Discussion and analysis of operation

Affected by multiple complex factors such as international geopolitical conflicts, trade frictions between major powers, the recovery of the global oil and gas market, and changes in energy demand patterns, 2023 was a year full of opportunities and challenges for COOEC. The Board of Directors of COOEC led the management and all employees to firmly focus on the primary task of high-quality development, adhere to the strategic guidance, maintain the strategic focus, continuously consolidate the foundation of high-quality development, constantly enhance the high-quality development skills, make every effort to protect the domestic storage and production, steadily expand the foreign market share, and strive to build a new development pattern of dual circulation

of domestic and international markets, so as to make breakthroughs in building a world-class marine energy engineering company with Chinese characteristics.

During the reporting period, COOEC achieved operating revenue of RMB 30.752 billion, an increase of 4.75% year-on-year, and the net profit attributable to shareholders of the listed company of RMB 1.621 billion, an increase of 11.08% year-on-year. As of the end of December 2023, total assets amounted to RMB 43.252 billion; net assets attributable to shareholders of the listed company amounted to RMB 24.795 billion; asset and liability ratio was 38.09%, and the capital structure continued to remain sound with adequate cash flow.



- Operations on construction site

billion

1.621

Net profit attributable to shareholders of the listed company

billion

24.795

Net assets attributable to shareholders of the listed company

billion

43.252

Total assets

Major work accomplished in 2023

(I) The workload hit a new record high and breakthroughs were made in many fields

A total of 72 projects above the scale were implemented during the reporting period, of which 25 were completed within the year, with an annual steel processing volume of 472,000 tons, up 25% on a year-on-year basis, hitting a new record high, and 24,800 ship days were put into operation, down 5% on a year-on-year basis;

- DPP platform float-over operations in Enping 20-4 Development Project



72 A total of 72 projects above designated size were implemented throughout the year



Final assembly site of "CNOOC Guanlan"

472,000

472,000 tons of steel materials were processed for construction activities

tons

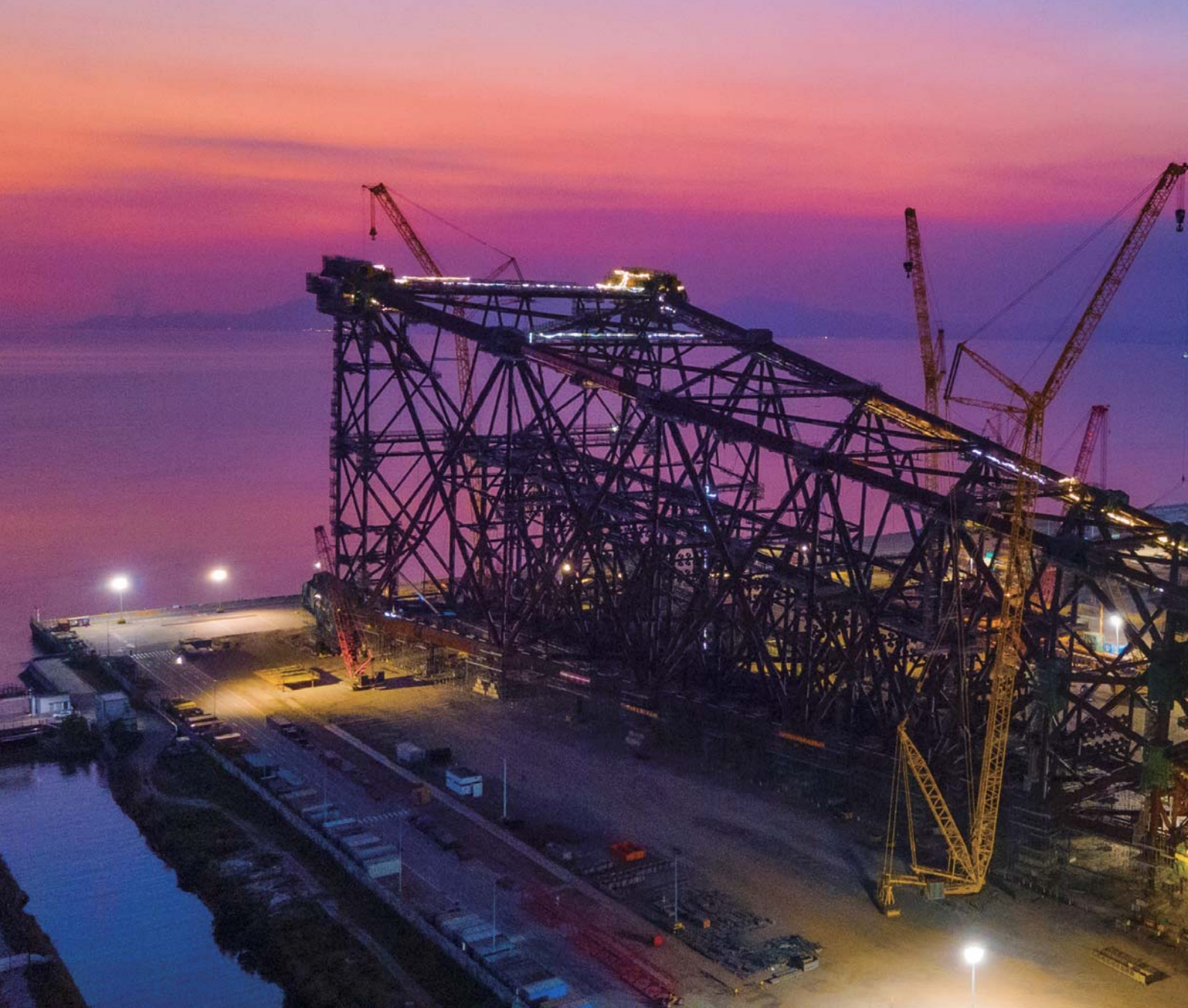
24,800

24,800 ship-days were spent on offshore operations such as installation

ship days

The Phase-II Lingshui 25-1 Project of "Shenhai-1" - Marine pipelaying





- Main structure of deepwater jacket "Haiji-2" project completed

- Working site



23 jackets and 21 modules were built on land, 20 jackets and 21 modules were installed offshore, 544 km of submarine pipelines and 211 km of submarine cables were laid.

23

Onshore construction of 23 jackets and 21 modules

unit

21



Submarine pipeline terminal installation site of "Shenhai-1" Phase-II Project

20

Offshore installation of 20 jackets and 21 modules

unit

21

544

Laying of 544km submarine pipelines and 211km submarine cables

km

211



Major innovations were made in domestic projects. The floating supports was constructed for the 15,000t 20-4 DPP platform of Enping Oilfield Group development Project, setting a new record for the installation weight of the dynamic positioning floating support for domestic offshore oil and gas platforms. The completion of the subsea pipe laying in ultra-deepwater gas field Shenhai-1 Phase-II Project marks an important breakthrough in the construction capacity of deep-water long-distance submarine pipelines and deep-water equipment technology in China.

- Completion of block capping in “Shenhai-1” Phase-II Project

- Suction pile installation of “Shenhai-1” Phase-II Project





□ DPP platform block slippage shipment of Enping 18-6 Development Project



- Land-based construction of “Haiyang Shiyou 122” floating production storage and unloading unit in Liuhua 11-1 / 4-1 Oilfield Secondary Development Project, the first cylindrical “offshore oil and gas processing plant” in Asia

The main body of Asia's first cylindrical FPSO - "HYSY 122", was constructed, symbolizing the high-level independence of China's all-type floating production, storage and unloading unit in terms of the design and construction technology. The main structure of the deepwater jacket "Haiji-2" was completed, setting Asian records in height and weight.

- Main structure of deepwater jacket Haiji-2 Project completed





□ Bozhong 13-1BOP platform and 13-1WHPB platform

□ Offshore installation of WHPC block for Bozhong 19-6 Condensate Field Phase-I Project



The Bozhong 19-6 Condensate Gas Field Project, the first 100-billion-level gas field developed with the cyclic gas injection in Bohai Bay, was completed and put into production ahead of schedule, which is of great significance to ensure the national energy security and help realize the strategic goal of “Carbon Peaking and Carbon Neutrality”. Chengbei Oilfield Adjustment/Caofeidian 21-3 Oilfield Project, the first joint platform of high-voltage onshore power equipment and oil and gas treatment facilities in Asia, was put into operation, making a breakthrough in the joint platform for the domestic production and onshore power facilities, and filling the technical gap in China. The successful installation and commissioning of the second domestic underwater production system in the South China Sea for the Southeast Development Project of Dongfang 1-1 Gas field is of great significance to the economic development of deep-water and marginal oil and gas fields, the formulation of an independent and controllable offshore oil and gas equipment system, and the protection of national energy security.

- Chengbei Oilfield Adjustment/
Caofeidian 21-3 Oilfield
Development Project CEPC
Platform block slippage shipment





- Onshore construction of the Petrobras P79 Project



- Onshore construction site of Marjan Project

Steady progress has been made in overseas projects. The “Defect-free delivery” was achieved for the core module built in Qingdao and the peripheral engineering module constructed in Zhuhai for Shell LNG Project, which indicates that the high-end LNG modular construction capability of COOEC has ranked the first echelon in the international industry. In Qatar NFPS EPC2 Project, multiple ultra-large monomers over 30,000 tons are constructed simultaneously in a single site for the first time, and the structural prefabrication is in progress, marking the successful entry of Qingdao Company into the international large-scale high-end monomer construction market, and the ability to contract equipment and facilities for the high-end, large-scale and large-volume construction projects.

- Delivery of core process modules for the Canadian LNG Project





□ Photovoltaic field construction

Green engineering is fully upgraded.

After the successful delivery of China's first deep-sea floating wind power platform - CNOOC Guanlan, for which COOEC serves as the EPCI contractor, the platform was successfully connected to the grid, officially delivering green electricity for offshore oil and gas fields, promoting the independent development capability of China's offshore wind power facilities from 50 m to the depth over 100 m, expanding the utilization range of offshore wind power resources to over 100 km, and marking a key step to enter the "green electricity era" in terms of the offshore oil and gas development; the successful completion of China's first offshore carbon dioxide storage demonstration project marks an important breakthrough in the CCUS technology; with the commissioning of the world's largest offshore liquefied natural gas receiving terminal in the Hong Kong LNG Project, the proportion of clean energy generation in Hong Kong was significantly increased, which is of great significance to optimizing the energy structure of the Guangdong-

Hong Kong-Macao Greater Bay Area and helping achieve the goal of "dual carbon". The construction, transportation and installation projects of China's largest full-capacity offshore wind power step-up station, undertaken by COOEC, were orderly carried out; breakthroughs were made in Longyuan offshore wind power and aquaculture integration demonstration project in terms of the floating fan and cage coupling analysis technology and the mariculture system design technology, facilitating the new direction of the new energy business integration development with advanced technology.

□ Project completion and delivery of Hong Kong LNG Receiving Terminal, the world's largest offshore LNG receiving station



Successful grid connection after the successful delivery of "CNOOC Guanlan"





□ DPP platform float-over operations in Enping 20-4 Development Project



Construction site of Guangdong Zhuhai LNG Expansion Phase II Project





□ Tianjin LNG Phase II Receiving Terminal Project

China's first 10-million-ton receiving terminal, "Tangshan LNG Phase-I Project " undertaken by COOEC, was successfully delivered and put into operation, effectively improving the regional natural gas emergency peak regulation and supply guarantee capacity in Beijing-Tianjin-Hebei region; two storage tanks and supporting facilities of Tianjin LNG Phase-II Project were delivered and put into operation, further powering the winter supply in North China; in Longkou LNG Project, the mechanical completion of four storage tanks was achieved, helping Shandong Province to replace old growth drivers with new ones; with the operation of Zhuhai LNG Phase-II Project, the gap in the application of TT welding construction technology was filled for 270,000 m³ storage tanks, and a new record was set for the storage tank industry in terms the installation speed of inner tank wallboard. In Zhejiang LNG Phase-III Project, the storage tank infrastructure construction of "semi-seated + pile foundation + double raft + isolation bearing" was completed for the first time, and the main work was fully carried out.

□ Receiving Terminal Phase-II Project of Tangshan LNG Project

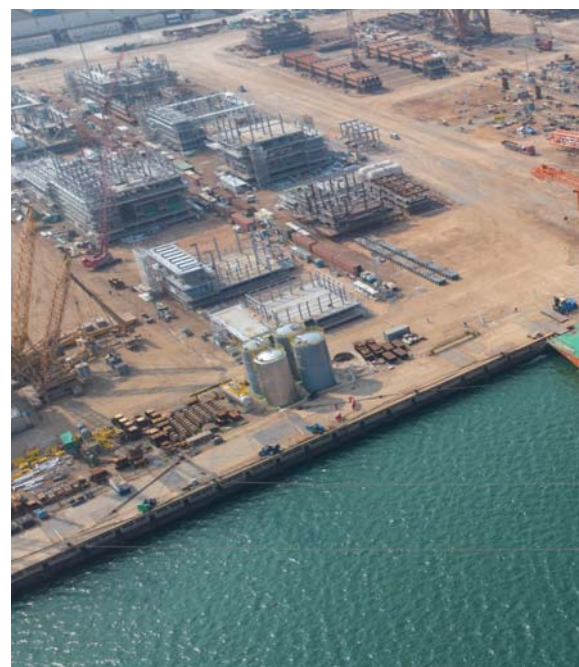


billion
33.986

Annual market contracting amount

billion
14.176

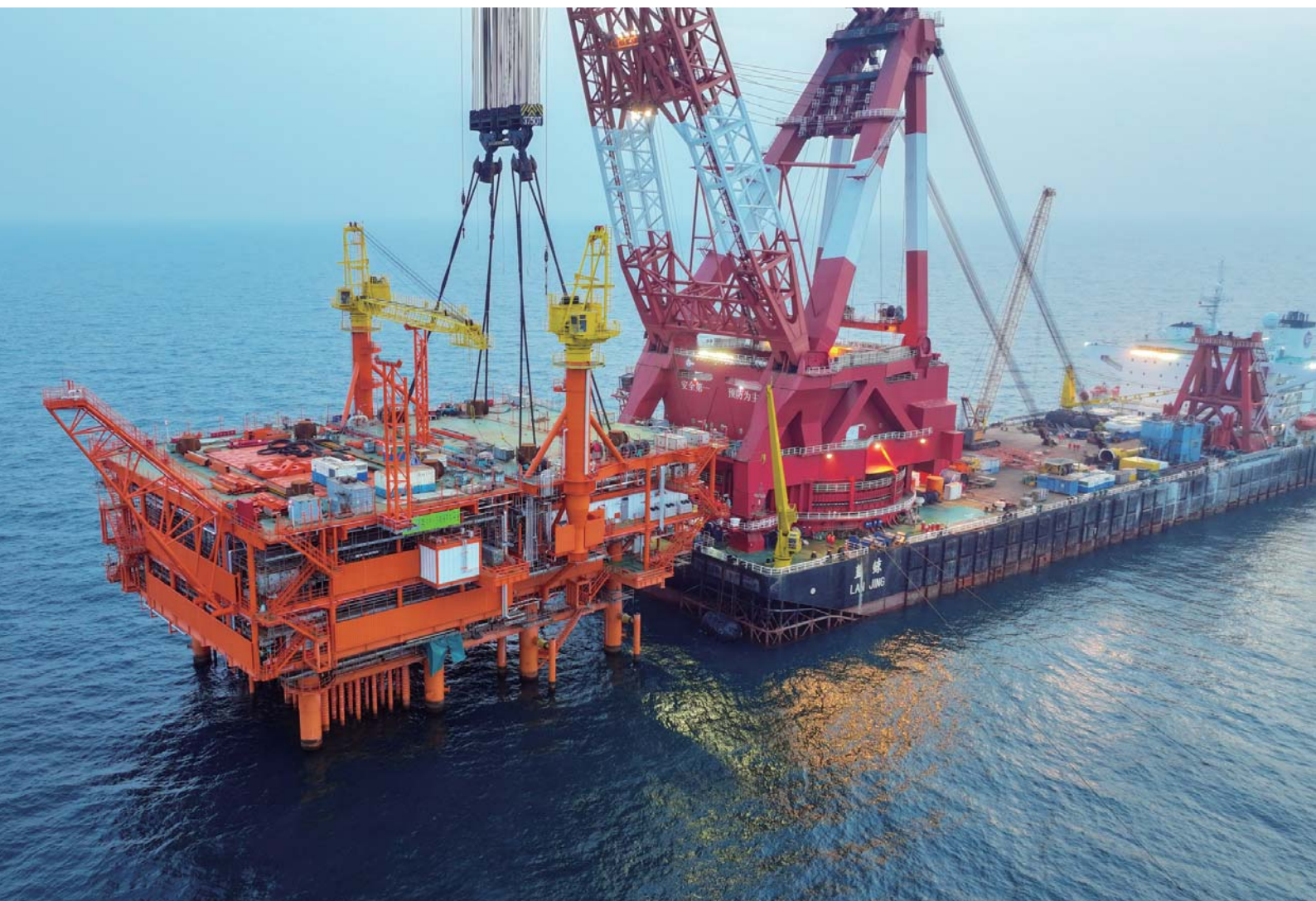
Overseas market contracting amount



(II) The transformation of market identity was accelerated, and market development reached a record high

COOEC firmly implements the national development strategy of “Belt and Road Initiative” and the development concept of “Dual circulation of domestic and international markets”, actively participates in the global market competition, and promotes overseas localized and materialized development. In 2023, COOEC achieved a milestone breakthrough in market development. First, the annual market contracting

- Offshore installation of WHPN block for Penglai 19-3 Block 5/10 Development Project





Module shipment and sailing in Lufeng Oilfield Phase-II Development Project

amount reached RMB 33.986 billion, of which the overseas market contracting amount was up to RMB 14.176 billion, both reaching a record high. Second, a batch of key overseas general contracting projects such as Qatar ISND 5-2 were awarded, achieving an effective transformation from the international engineering subcontractor to the general contractor, and effectively ensuring the landing of strategic objectives through market development. The outstanding orders in hand as of the end of 2023 amounted to about RMB 39.6 billion, which provides strong support for the workload.

Domestic oil and gas business: Under the background of CNOOC's seven-year action plan to steadily increase storage and production, the domestic oil and gas market has developed steadily and the situation is good. Major projects newly contracted during the reporting period include Wenchang 9-7 Oilfield Development Project, Wushi 17-2 Oilfield Development Project, Huizhou 26-6 Oilfield Development Project, Oilfield Development Project in Block 30-1 of Xijiang 30-2, Oilfield Development Project in Block 5/10 of Penglai 19-3, and Wenchang 19-1 Oilfield Phase-II Development Project.

New energy business: COOEC actively follows the international green and low-carbon development trend, implements the national strategy of "Carbon Peaking and Carbon Neutrality", and continues to expand new energy

business. In 2023, the clean energy business projects newly contracted mainly included the receiving terminal works of Zhejiang LNG Phase-III Project and the Shore Power Application Project of Suizhong-Jinzhou Oilfield Group.

Overseas business: COOEC has always maintained the strategic focus, firmly grasped the overseas market opportunities, continued to strengthen the overseas market development efforts, and promoted the high-quality development of overseas business. The main contracted projects include Qatar NOC Ruya EPCI 09 Project, Qatar Energy ISND Phase 5-2 Oilfield Development Project, and Saudi Aramco LTA CRPO 122 Project, which indicates that COOEC's EPCI capability has been recognized and trusted by owners in the Middle East, helping the company take a more solid step in the implementation and promotion of overseas strategies.

The first multi-layer stereoscopic tower-based observation platform in China - "Tongji Hai-1"





Working at heights

(III) The safety awareness is strengthened to enhance the essential security control capabilities

COOEC actively practices the concept of safe development, focusing on the basic level of safety production to deepen and expand the special actions for the annual and major accident potential investigation and rectification, contractor safety management improvement and other special work, adheres to the system guidance, and continues to strengthen the implementation, so as to optimize the system, implement

Onshore construction site of block in Phase-II Project of "Shenhai-1"

the "three management and three must" responsibility, improve the dual prevention work mechanism, promote the information and intelligent construction, and take the contractor safety management as the starting point, constantly strengthen the responsibility, risk control, basic capacity, and digital empowerment, and strictly control the work related to safety production. The total labor hours invested in the year were 95.6 million hours, an increase of 10.13% on year-on-year basis. The incident rate recorded was 0.0063, and the lost-work incident rate was 0.0042. In general, COOEC's production safety situation was stable, and its production safety performance had been maintained at a high level for nearly ten years.

(IV) The corporate governance, operation management, and financial management are consolidated to accelerate the improvement of the quality of the listed company

COOEC continues to improve the modern enterprise system with Chinese

characteristics, build the core value concept of corporate culture, strengthen the internal control line, establish a scientific talent training incentive mechanism, enhance the communication and exchange with the capital market through multiple channels and at high frequency, and disclose the integrity, so as to improve the level of corporate governance constantly. The international strategic cooperation is deepened, the business transformation and upgrading are accelerated, and the investment in scientific research and technology is increased, to effectively utilize resources, and constantly improve the efficiency and result-oriented operation management. With the improvement of basic management work such as the cost reduction, quality and efficiency improvement, capital security and independence, and accounting information quality as the starting point, the financial management driven by control and insight is comprehensively strengthened.

COOEC implements the action requirements of deepening and upgrading the reform of state-owned





CEPQ platform slippage shipment of Suizhong 36-1 Secondary Adjustment Project

enterprises, takes cost leadership strategy and sustainable value creation as the main line, the cost management, resource utilization and profit quality as the key path, and integrates value management indicators into the whole process of the company's operation and management for unified deployment, providing an important guarantee for the strategic goal of entering the first camp of the international first-class marine energy engineering company in the stage of high-quality development.

COOEC focuses on key areas, strengthens risk management and control, and establishes a risk management and control mechanism covering the three levels of "strategy layer, operation layer and operation layer". Additionally, COOEC has initially established a "full cycle" project risk prevention and control system, and through the introduction of "risk scenario bundle" management concepts and tools, in-depth application of negative inventory system, project risk management manual and other management methods, further strengthens the "gate" of project risk prevention and control in the full cycle.

In 2023, COOEC firmly grasped the primary task of high-quality development, focused on the main business, comprehensively deepened reform, and achieved remarkable results in various high-quality development projects, won 18 capital market awards such as the "Golden Roundtable" Award of the Board of Directors of China's Listed Companies, the Outstanding Case Award of the Board of Directors, the Valuable Top 100 Listed Companies Award, the Investor Relations "Tianma Award", the ESG Top 100 Award, and the ESG Excellent Cases, and awarded the Outstanding Business Partner Award of the Top Five International Oil Companies, the AWP Special Award, the ConocoPhillips "Standardized Design" Award, and the Shell China Supply Chain Outstanding Contribution Award. The company's capital market reputation and industry recognition continued to improve.



Offshore installation of the first commercial subsea data center in the world

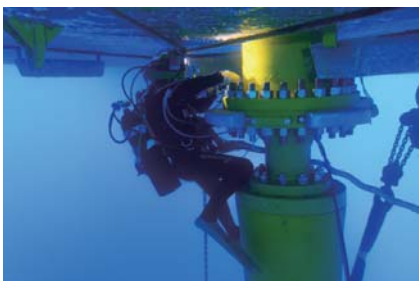
The first offshore oil and gas equipment manufacturing intelligent factory in China – COOEC Tianjin Intelligent Manufacturing Base

(V) Continue to deepen scientific and technological innovation and promote digital intelligence empowerment

COOEC strengthened the technological innovation capacity, focused on the country's major needs and built strategic scientific and technological strength. The company signed agreements with more than 20 domestic key enterprises to jointly strengthen the deep-water oil and gas production equipment floating and underwater equipment industry chain, and was approved as the postdoctoral workstation and the unit supported by the National Natural Science Foundation, enhancing the basic research ability continuously. COOEC anchored the development strategy, and made new breakthroughs in scientific and technological research. Specifically, the company declared 3 national projects; delivered the world's first semi-

submersible far-reaching sea wind power station and connected it to the grid for operation; officially put China's first million-tons offshore carbon dioxide storage project into operation; tackled 16 key core technologies, including the design and construction technology of Asia's first cylindrical FPSO, setting a new record for jacket and floating device in Asia; unblocked and localized 12 key equipment such as the 2500-m super deep water pile hammer, single-point liquid slip ring and offshore mooring steel cable, and made breakthrough in 40 original technologies such as the protection technology of sea-bed mud sub-surface and subsea production systems; promoted the transformation of achievements in 202 projects, reducing costs and increasing efficiency by about RMB 350 million with science and technology. COOEC deepened the ecosystem of innovation and research in science and technology and stimulated innovation; initially set up a

Underwater operation



scientific and technological innovation ecology of “promoting, researching and developing, and reserving for generations”, deepened the work of “unveiling” the ten technical directions, piloted the “horse racing” mechanism in three scientific research projects, and implemented a precise incentive mechanism for scientific researchers.

With more mature digital construction capacity, the digital coverage of the business reached 43%, and the project establishment and implementation of “7+N” key application scenarios were steadily promoted. The collaborative design platform passed acceptance, comprehensively improving the design business and downstream professional efficiency and data standardization level. The project management platform has been put into trial operation, to achieve full coverage of project intelligent management services. With the Harbor Intelligent Manufacturing, the application of intelligent equipment and the improvement of software systems were promoted, greatly shortening

the cycle of product prefabrication and final assembly, and achieving the data integration in the core specialties of intelligent manufacturing and collaborative design. COOEC has made new progress in the construction of “5G+ smart factory”, won the Silver Award of the National Benchmarking Competition of the Sixth “Blooming Cup” 5G Application Collection Competition, awarded the 5G Fully-connected Factory in Tianjin for the intelligent manufacturing base, and was selected as the National Intelligent Manufacturing Demonstration Factory jointly appraised by five national ministries and commissions. The company released the digital technology platform (C-iTechP) for the first time and implemented online application, consolidating the technical foundation of “unified construction, unified management, and unified operation and maintenance” for the digital transformation. COOEC explored the construction of data asset centers and promoted the continuous upgrading and iteration of digital-twin health management systems.

- Successful grid connection after the successful delivery of “CNOOC Guanlan”



II. Industry status during the reporting period

With the strengthening of international oil prices, the global oil and gas market has gradually recovered. According to the *China Marine Energy Development Report in 2023*, the global offshore oil and gas exploration and development investment in 2023 exceeded the level before 2019, and the investment was about USD 186.9 billion, a year-on-year increase of 14%.

From the perspective of global oil and gas engineering segments, the upper module EPC, platform operation and maintenance, LNG liquefaction facilities, FPSO, underwater production systems, and offshore pipe laying markets are large. However, with the global energy low-carbon transition, changes in the

energy demand structure, the increase in the proportion of renewable energy and the increase in the degree of terminal energy electrification, international oil and gas companies remain cautious about the medium and long term oil and gas demand and industry development trends, and have transitioning to integrated energy companies, which has a certain impact on the growth of upstream exploration and development expenditure.

The restructuring of the international political order, the intensification of strategic competition between China and the United States, the accelerated "eastward" of Russian oil and gas, and the intensifying competition for resources in the Middle East/Central Asia have made the industry development environment for international oil and gas engineering companies more complex, the global resource allocation and construction organization of the offshore oil and gas engineering industry face new challenges, and the international offshore oil and gas engineering market is more competitive



- Kenli 6-1 Oilfield
Blocks 5-1, 5-2 and 6-1
Development Project





□ Qingdao construction site

in the process of industry recovery.

China is the world's largest energy consumer, and fossil energy will remain the dominant energy source for a long period of time in the future. CNOOC Limited, as COOEC's main customer in China, continues to carry out the Seven-Year Action Plan to increase reserves and production, which brings good opportunities for COOEC's business development.

III. Business of COOEC during the reporting period

(I) Primary business

COOEC, a listed company controlled by China National Offshore Oil Corporation, is the only large-scale engineering general contracting company integrating the design, procurement, construction, offshore installation, commissioning and maintenance of offshore oil and gas development engineering, as well as liquefied natural gas, offshore wind power, refining and chemical engineering, and is also one of the largest and strongest offshore oil and gas engineering general contracting companies in the Asia-Pacific region. COOEC is headquartered in Binhai New Area, Tianjin. Listed in Shanghai Stock Exchange in February 2002 (stock abbreviation: COOEC, stock code: 600583).

With more than 9,700 employees, COOEC has formed an all-around, multi-level and broad-field professional team adapted to general contracting,

with the world-class qualification level, and established operational procedures and management standards that are in line with international standards. COOEC's overall design level has entered the world's leading ranks. It has large marine engineering manufacturing bases in Tianjin Binhai New Area, Qingdao in Shandong Province, Zhuhai in Guangdong Province and other places, with a total area of nearly 4 million square meters, forming a site layout spanning north and south, complementary functions, covering deep and shallow water and facing the world market; with a professional offshore construction fleet consisting of 19 vessels, including Class-3 dynamic positioning deep-water pipe-laying vessels and 7,500-ton crane vessels, its offshore installation and pipe-laying capabilities are in a leading position in Asia.

After more than 40 years of construction and development, the company has made clear the vision of "building a world-class marine energy engineering company with Chinese characteristics" and the development strategy of "EPCI capacity building with design as the only core, operation management ability and technology leading capacity building as two bases, internationalization, deep water and new industrialization as three development directions, with talent, market, cost, risk control, information construction as the five driving force", systematically forming ten major equipment with the core of "large lifting pipe-laying vessel

sequence", "1500m-class deep water operation ROV sequence", "construction site and construction equipment", and ten major technologies with the core of "deep water floating platform technology", "underwater system and product technology", "super-large offshore structure and modularization technology". COOEC has provided quality products and services for many Chinese and foreign owners such as CNOOC, ConocoPhillips, Shell, Saudi Aramco, Petrobras, Qatar National Energy, JGC, Technip, Fluor, etc., and its business has been involved in more than 20 countries and regions. In 2023, COOEC was included in the ENR double list for the first time, ranked 68th in the "World's Top 250 International Contractors" and the 98th in the "Top 250 Global Contractors".

In recent years, COOEC has consolidated its traditional offshore oil and gas engineering business and expanded its general contracting business to include onshore LNG engineering, offshore wind power and other clean energy fields, which has contributed to the continuous improvement in its comprehensive competitiveness.

(II) Business model

COOEC undertakes engineering contracts in the form of EPCI general contracting or subcontracting, participates in the construction of offshore oil and gas field engineering, LNG, FPSO, offshore wind power and other projects, and provides customers with "turnkey" projects. At present, the company is accelerating the transformation to an international engineering general contractor, speeding up the transformation of business structure to low carbonization and full industrialization, and driving the transformation of production mode to standardization and digitalization. By enhancing the value creation ability in all aspects, COOEC provide customers with "package" solutions for marine energy engineering.

IV. Analysis of core competitiveness during the reporting period

"√ Applicable" "□ Not applicable"

Important changes in core competencies during the reporting period:

1. **The Phase-II Project of the "Shenhai-1" - Marine pipe laying in Lingshui 25-1 project was successfully completed.** The laying efficiency of 20-inch large-wall thick subsea pipeline in China was up to 2.5km/day, reaching a new high in the kilometer-level deepwater subsea pipeline laying.
2. **The main structure of Asia's first deepwater jacket "Haiji-2" was completed.** Major technical problems such as S420 domestic high-strength steel and flexible deformation dimension control of super-large deepwater jacket were overcome.
3. **The Shell LNG project in North America, the world's first integrated construction of LNG modular plant,** was completed and delivered, effectively consolidating the company's position in the international "first echelon" of LNG high-end modular construction.
4. **The first far-reaching offshore floating wind power platform "CNOOC Guanlan" was successfully constructed and installed,** promoting China's offshore wind power independent development capacity from 50 meters deep to more than 100 meters, and expanding the scope of offshore wind power resources to more than 100 kilometers.
5. **A number of overseas projects such as BASF (BASF in Germany), CRPO122 in Saudi Arabia and ISND 5-2 in Qatar were successively contracted,** realizing the historic transformation from an international engineering subcontractor to an international engineering general contractor.

Analysis of core competitiveness:

EPCI's EPC capability, led by design, is the foundation of COOEC's survival. It is a unique advantage that distinguishes COOEC from most domestic and foreign general contractors of offshore oil and gas engineering, and is also a key support for COOEC to participate in international competition. After more than 40 years of development and accumulation, COOEC has formed a complete set of mature technology, equipment and capability system for offshore oil and gas field development, design, construction, installation and maintenance, and is able to provide customers with turnkey and diversified projects more efficiently. COOEC has vigorously developed strategic emerging industries, actively promoted the construction and upgrade of traditional industries to deepwater and underwater high-end marine equipment, achieved a leap in deepwater oil and gas field engineering capacity from 300 meters to 1,500 meters, and made a series of major technological breakthroughs in deep water, subsurface and other fields. COOEC has expanded its traditional offshore oil and gas engineering business to include onshore LNG engineering, offshore wind power and other clean energy fields, which has contributed to the continuous improvement in its comprehensive competitiveness.

(I) Market position as domestic offshore oil and gas engineering leader

COOEC is the only large-scale domestic general contracting company for offshore oil and gas engineering, and is the world's leading enterprise in the offshore oil engineering industry representing the technical level of China's offshore oil engineering, as well as an important force in China's offshore oil and gas engineering construction. Over the past decades, COOEC has been mainly engaged in the construction of more than two hundred offshore oil and gas fields in various domestic waters. It has the advantages of market leader brand and marine engineering turnkey business in China, and has the first-mover advantage in financial support, equipment development and scientific and technological research and development.

(II) With EPCI capability

Strong EPCI capability in conventional waters. COOEC has formed a complete set of mature technology, equipment and capability system for the design, construction, installation and maintenance of offshore oil and gas field development within 300 meters of water depth, and is able to provide customers with turnkey projects and diversified engineering services. Focusing on the main business of offshore engineering, COOEC has been expanding its diversified general contracting business to include onshore LNG engineering, clean energy and other business fields. COOEC insists on building EPCI capacity with design as the leader, continuously improves organizational efficiency, strengthens core technology research, enhances equipment capacity, reduces comprehensive costs, provides better and more efficient services to customers, and promotes the continuous improvement in turnkey capacity.

Relatively complete detailed design capability. With more than one thousand design personnel and services covering feasibility study, concept design, FEED design, detailed design, processing design, installation design and other professional services, it has mature design capabilities for the development of various oil and gas fields in conventional waters within 300 meters water depth. At the same time, it actively builds engineering design capacity for deepwater oil and gas fields above 300 meters water depth, and has gradually accumulated key design technologies for deepwater products such as deepwater floating platform systems, deepwater sea tubes and risers, and subsea systems, and its deepwater design capacity has been continuously improved.

COOEC has the offshore floating support installation capacity for 30,000-t block and 30,000-t jacket sliding launching capacity. Through years of research and development and accumulation, it has the ability to meet the requirements of dynamic positioning float installation and anchor system float installation in different sea areas, different water depths, and different climatic conditions, and the offshore float installation of 10,000 ton platforms has become its normal capacity. Its achievements include 30,000 ton super large offshore platform float installation and 30,000 ton jacket sliding launching projects, greatly improving the efficiency of offshore oil and gas development in China. The application of COOEC's floating support installation technology has completely changed the traditional mode of China's large offshore oil and gas platforms from cutting and construction, offshore assembly to offshore commissioning,

significantly saving the construction period, fleet and resources, significantly reducing the cost of China's offshore oil and gas field development, and greatly advancing the process of China's offshore oil and gas development.

Richer experience in offshore oil engineering project management. COOEC has more than 40 years of experience in domestic oil and gas field engineering construction. It has implemented the construction of more than two hundred offshore oil and gas platforms, and has rich construction experience and management experience in conventional sea areas within 300 meters water depth. In terms of international project operation, COOEC has provided engineering services for owners in Russia, Australia, Saudi Arabia, Myanmar, Brunei, Malaysia, Brazil and other countries in recent years, and have accumulated certain experience in international project management and operation.

Mature manufacturing sites and super-large offshore platform construction capacity. In Tianjin Binhai New Area, Shandong Qingdao, Guangdong Zhuhai and other areas, COOEC has constructed manufacturing sites with an area of more than 4 million square meters, annual processing and manufacturing capacity of more than 400,000 tons of steel structures, 30,000 tons of ultra-large conduit frame, group block and other marine platform construction capacity, and large module construction capacity, forming a site layout spanning north and south, complementary functions, covering deep and shallow water and facing the world market.

(III) Modular construction has entered the first echelon of the international industry and established an international brand

Modular construction is a business card of COOEC in overseas business. In recent years, relying on its strong land-based construction resources and capabilities, COOEC has vigorously developed modular construction technology and undertaken and implemented a number of large-scale LNG modular construction projects such as Yamal in Russia, Gorgon in Australia and Ichthys in Australia. Among them, the contract value of Yamal project reached RMB 10 billion, and COOEC achieved high-quality operation and on-time delivery of the projects, which established its position in the global modular construction market. The North American Shell LNG modular construction project was completed and delivered, marking that China's ultra-large LNG modular plant integrated joint construction technology capability has steadily ranked in the first echelon of the international industry.

(IV) With the FPSO capability, COOEC has become a global market player

Based on the changes in the market environment, COOEC has been actively expanding new offshore engineering business, increasing investment in science and technology in the field of FPSO based on independent innovation, successively undertaking large domestic and international FPSO projects such as P67/P70 FPSO in Brazil, Shell Penguin cylindrical FPSO and Liuhua 16-2 FPSO, and accumulating rich project experience and technology in the field of ultra-large FPSO management, and has become a FPSO contractor and participant in the international FPSO field.

(V) Deepwater capability continues to be developed

COOEC has a fleet of 19 vessels, including cranes, pipe-laying vessels, underwater engineering vessels and engineering auxiliary vessels, which are equipped with 6 power-positioned underwater engineering vessels, 1 power-positioned pipe-laying crane, 17 underwater robots, 1 set of deepwater soft laying system and 1 set of plow trenching machine, and other large equipment, with the capacity of 3,000m-level underwater engineering operations. In recent years, COOEC has accumulated experience in implementing dozens of underwater projects, including underwater production system installation, mooring system treatment, deep water soft laying, subsea trenching and underwater facilities inspection and maintenance. The Liuhua 16-2, Liuhua 29-1 and Lingshui 17-2 projects implemented by COOEC are the first truly large-scale deepwater projects in China, and have initially formed a series of comprehensive deepwater business capabilities such as deepwater semi-submersible platform, deepwater steel suspension line riser, underwater production system, deep-sea pipeline laying. Especially, the successful completion of Shenhai-1, Haiji-1 and other national important equipment has promoted China's offshore oil development capacity to enter the ultra-deepwater era.

(VI) Systematization of major equipment and technical capacity building

In the course of high-speed development, COOEC continues to promote the construction of major equipment and technological capabilities, forms ten major equipment and ten major technologies, and relies on the power of science and technology to make Chinese people stand firm in the sea.

Technical system: Offshore oil and gas development is a typical high-tech industry and COOEC has always firmly guided the design and has cultivated and formed ten major technologies, namely deep water floating production facility design, construction, installation, and commissioning technology, design, construction, and installation technology of ultra large offshore structures and modular, offshore oil and gas platform floating installation technology, LNG full capacity storage tank engineering technology, the design, construction, installation, and commissioning technology for 1500m class subsea pipelines and underwater production systems, design, construction, and installation technology for 300m class deepwater jackets, standardized and serialized design, construction, installation, and commissioning technology for offshore fixed platform engineering facilities, intelligent manufacturing and offshore operation simulation technology for offshore engineering, digital and full life cycle monitoring and evaluation technology for offshore engineering IMR (inspection, maintenance and repair) technology for offshore oil and gas field in-service facilities, which are the core strength of COOEC's development.

Equipment system. Offshore petroleum technology and equipment is the core of offshore oil and gas development and the core of the world's high-end equipment competition in offshore engineering. COOEC plans ahead, reserves in advance, and has formed ten major equipment, namely deepwater multifunctional operation vessels and flexible pipe and cable laying equipment sequence, lifting, pipe-laying vessel sequence and submarine pipeline welding equipment series, construction site and construction equipment,

trenching vessel seabed treatment and trenching equipment series, world advanced ROV equipment, large launch barge, marine engineering operation simulation equipment, deepwater and underwater engineering emergency maintenance and repair center and series of equipment, underwater product R&D and testing center and series of testing equipment, and marine engineering non-destructive testing equipment, which is the core weapon of COOEC's development.

Ship equipment list of COOEC:

No.	Type	Ship name	Acquisition method	Year of completion	Year of acquisition	Investment amount (RMB'0,000)	Capacity
1	Lifting ship	Binhai 108	Acquisition	1979	1979	7,567	Rated lifting capacity: 900 tons
2	Lifting and pipe-laying vessel	Binhai 109	Acquisition	1976	1987	6,272	Rated lifting capacity: 318 t; pipe laying diameter range: 6-60"; tensioner: 67.5 t
3	Lifting and pipe-laying vessel	Lanjiang	Investment in construction	2001	-	105,734	Rated lifting capacity: 3800 t; pipe laying diameter range: 4.5-48"; tensioner: 72.5x2 t
4	Lifting ship	Blue Whale	Acquisition	2009	2009	150,538	Rated lifting capacity: 7500 tons
5	Lifting and pipe-laying vessel	HYSY 201	Investment in construction	2012	-	296,115	Rated lifting capacity: 4000 t; pipe laying diameter range: 6-60"; tensioner: 200x2 t
6	Lifting and pipe-laying vessel	HYSY 202	Investment in construction	2009	-	102,502	Rated lifting capacity: 1200 t; pipe laying diameter range: 4-60"; tensioner: 100x2 t
7	Engineering support vessel	HYSY 221	Investment in construction	2004	-	9,555	Deadweight: 29000 tons;
8	Engineering support vessel	HYSY 228	Investment in construction	2013	-	28,078	Deadweight: 57784 tons;
9	Engineering support vessel	HYSY 229	Investment in construction	2008	-	58,508	Deadweight: 89000 tons;
10	Engineering support vessel	HYSY 278	Investment in construction	2012	-	84,212	Deadweight: 53500 tons;
11	Engineering support vessel	HYSY 225	Acquisition	2009	2009	23,976	Deadweight: 17289 tons;
12	Engineering support vessel	HYSY 226	Acquisition	2009	2009	24,177	Deadweight: 16800 tons;
13	Engineering support vessel	HYSY 698	Acquisition	2009	2009	25,633	Load capacity: 2,940 t; the maximum speed: 14.5 knots; endurance: 12,000 nautical miles
14	Underwater engineering vessel	HYSY 289	Acquisition	2014	2014	95,654	working moon pool 7.2x7.2 m; ROV moon pool: 4.8x5.5 m; rated lifting weight: 250 t
15	Underwater engineering vessel	HYSY 286	Investment in construction	2014	-	104,108	Main crane lifting capacity 400 tons (active lifting and sinking compensation, working water depth 3,000m); equipped with two working ROVs of 3,000m water depth, with one moon pool, with deep water lifting, laying umbilical cable/hose/cable, saturation diving/ROV/IMR operation support capability.
16	Underwater engineering vessel	HYSY 291	Acquisition	2015	2015	111,116	Main crane lifting weight capacity 250 tons (active lifting and sinking compensation; bollard towing force 361 tons; working moon pool 7m×7m; equipped with two 150HP working ROVs; three-reel mooring handling winch.
17	Underwater engineering vessel	HYSY 285	Acquisition	2016	2017	51,475	Main crane lifting capacity 250 tons (active lifting and sinking compensation); moon pool parameters: 7.2x7.2 m.
18	Underwater engineering vessel	HYSY 287	Acquisition	2016	2017	51,484	Main crane lifting capacity 250 tons (active lifting and sinking compensation); moon pool parameters: 7.2x7.2 m.
19	Underwater engineering vessel	HYSY 295	Investment in construction	2017	-	31,447	Main crane lifting weight capacity 100tons (active lifting and sinking compensation, bollard towing force 90t); door crane lifting weight capacity: 100t; the maximum speed: 14 knots; range: 12,000 nautical miles.

V. Primary operations during the reporting period

During the reporting period, COOEC achieved operating revenue of RMB 30.752 billion, an increase of 4.75% year-on-year, and the net profit attributable to shareholders of the listed company of RMB 1.621 billion, an increase of 11.08% year-on-year. As of the end of December 2023, total assets amounted to RMB 43.252 billion; net assets attributable to shareholders of the listed company amounted to RMB 24.795 billion; asset and liability ratio was 38.09%, and the capital structure continued to remain sound with adequate cash flow.

(I) Analysis of primary business

1. Income statement and cash flow statement: analysis of changes in relevant accounts in the income statement and the statement of cash flows

Unit: RMB'0,000

Subject	Amount in this period	Previous year	Change (%)
Operating revenue	3,075,203.75	2,935,836.83	4.75
Operating costs	2,744,626.19	2,671,927.10	2.72
Selling expenses	2,062.65	1,799.32	14.63
Administrative expenses	32,262.48	24,209.96	33.26
Financial expenses	-5,670.58	-8,775.46	Not applicable
Research and development expenses	118,628.34	112,193.53	5.74
Net cash flows from operating activities	512,492.41	331,348.71	54.67
Net cash flows from the investing activities	-194,997.95	-181,817.58	Not applicable
Net cash flows from financing activities	-105,176.84	-60,642.84	Not applicable
Taxes and surcharges	14,212.95	17,487.13	-18.72
Other income	8,028.96	-5,794.16	Not applicable
Investment income	26,231.80	70,303.16	-62.69
Income for changes in fair value	11,350.75	1,172.84	867.80
Credit impairment loss	-19,753.82	-3,987.48	Not applicable
Losses from asset impairment	-4,567.81	-7,406.35	Not applicable
Non-operating revenue	3,623.29	5,425.57	-33.22
Non-operating expenses	2,746.33	481.69	470.14
Other comprehensive income, net of tax	-2,110.54	-15,584.20	Not applicable

Reasons for the change in operating revenue: COOEC achieved operating revenue of RMB 30.752 billion in the reporting period, a year-on-year increase of RMB 1.394 billion or 4.75%, mainly because the overall workload completed kept growing with the advancement of domestic and international project construction, especially the land construction workload grew faster.

Reasons for change in operating costs: Operating costs were RMB 27.446 billion, an increase of RMB 727 million or 2.72%, mainly due to the fact that the scale of operating cost increased naturally with the workload, and the increase in operating cost was less than the increase in operating revenue due to COOEC's activities to reduce cost and improve quality and efficiency.

Reasons for change in selling expenses: selling expenses were RMB 21 million, an increase of RMB 3 million (14.63%) on year-on-year basis, mainly due to the fact that COOEC increased market development efforts, as a result, the selling expenses increased accordingly with the market contracting amount.

Reasons for change in administrative expenses: administrative expenses were RMB 323 million, an increase of RMB 81 million or 33.26% on year-on-year basis, mainly due to the inclusion of COOEC-Fluor into the scope of consolidation, which increased the administrative expenses.

Reasons for change in financial expenses: Financial expenses were RMB - 57 million, an increase of RMB 31 million year-on-year, mainly due to: (1) with the increase in monetary funds, US dollar high-interest fixed deposits was carried out, the US dollar loans were prepaid, and the net interest income increased by RMB 38 million year-on-year; (2) the appreciation rate of the US dollar against the RMB decreased by 80% year-on-year, and the exchange income decreased by RMB 63 million year-on-year.

Reasons for change in R & D expenses: Research and development expenses were RMB 1.186 billion, a year-on-year increase of RMB 64 million or 5.74%, mainly due to the fact that the independent innovation of science and technology was made to promote the research on key core technology, resulting in the increased research and development expenses.

Reasons for change in net cash flows from operating activities: The net cash flow from operating activities amounted to RMB 5.125 billion, an increase of RMB 1.812 billion year-on-year, mainly due to the strengthened project and organizational dual-dimension cash flow management, resulting in the significantly increased net cash flows.

Reasons for change in net cash flows from investment activities: The net cash flow from investing activities amounted to RMB - 1.950 billion, an increase of RMB 132 million year-on-year, mainly due to: (1) the year-on-year increase of RMB 377 million in the asset investment expenditure; (2) the year-on-year increase of RMB 970 million in the net outflow of financial investment; (3) the cash inflow from investing activities of RMB 751 million as a result of the inclusion of COOEC-Fluor into the scope of consolidation at the end of the previous year (no such incident this year); the combination of the three factors led to a year-on-year increase in cash outflow from investing activities.

Reasons for change in net cash flows from financing activities: The net cash flow from financing activities was RMB - 1.052 billion, an outflow increase of RMB 445 million year-on-year, mainly due to: (1) during the reporting period, COOEC repaid the long-term borrowings of USD 212 million and short-term borrowings of USD 329 million, compared with long-term borrowings of USD 198 million in the same period of the previous year, and the net cash outflow increased by USD 343 million; (2) the amount of dividends paid during the reporting period increased by RMB 88 million year-on-year; (3) the leasing business increased year-on-year, and the cash paid increased by RMB 10 million year-on-year, which jointly led to the increased cash outflow from financing activities year-on-year.

Reasons for change in taxes and sur taxes: Taxes and surtaxes were RMB 142 million, a year-on-year decrease of RMB 33 million or 18.72%, mainly due to the batch export of overseas projects, in other words, exports in the last year were more concentrated than this year, and taxes and surcharges in this year decreased year-on-year.

Reasons for change in other revenues: Other revenues were RMB 80 million, an increase of RMB 138 million, mainly due to the expectation and provision for the return of previous annual consumption tax rebates of RMB 125 million compared with that in the same period of previous year.

Reasons for change in investment income: The investment income was RMB 262 million, a year-on-year decrease of RMB 441 million (62.69%), mainly due to the inclusion of COOEC-Fluor into the scope of consolidation at the end of the year, resulting in the one-time profit increase of RMB 517 million and the increase of RMB 77 million this year after deducting one-off factors.

Reasons for change in profit and loss on fair value changes: The profit and loss on fair value changes is RMB 114 million, an increase of RMB 102 million year on year (867.80%), which is mainly attributable to the increase in the amount of financial management, the strengthened risk management and optimized underlying asset allocation of products, and the financing income increases year-on-year.

Reasons for change in credit impairment loss: The credit impairment loss was RMB198 million, an increase of 158 million year on year, mainly due to the impairment test of overdue accounts receivable at the end of the year, resulting in a single credit impairment loss of RMB -158 million in Nigeria Project.

Reasons for change in asset impairment: The asset impairment loss was RMB -46 million, a decrease of RMB 28 million year-on-year, mainly due to the impairment of ship spare parts decreased by RMB 56 million year-on-year, and the impairment of contract assets increased by RMB 27 million year-on-year.

Reasons for change in non-operating revenue: The non-operating revenue was RMB 36 million, with a year-on-year decrease of RMB 18 million or 33.22%, mainly due to: (1) the inclusion of COOEC-Fluor into the scope of consolidation at the end of the year and the recognition of negative goodwill of RMB 34 million; (2) the payables (need not be paid) increased by RMB 9 million year-on-year; (3) the contract compensation revenue increased by RMB 5 million year-on-year due to supplier default.

Reasons for change in non-operating expenses: The non-operating revenue was RMB 27 million, an increase of RMB 23 million or 470.14%, mainly due to: (1) the overdue interest of RMB 16 million accrued by COOEC-Fluor in accordance with the arbitration application; (2) the loss from disposal of fixed assets increased by RMB 8 million year-on-year.

Reasons for change in other comprehensive income: The net of tax of other comprehensive income was RMB - 21 million, an increase of RMB 135 million, mainly due to the combined impact of the translation of foreign currency statements and the change in the fair value of shares of Lanpec held by COOEC in the same period of the previous year.

Detailed description of significant changes in COOEC's business type, profit composition or profit sources during the period

" Applicable " " Not applicable "

2. Revenue and cost analysis

" Applicable " " Not applicable "

See below for an analysis of the specific components of revenues and costs.

(1) Main business by industry, by product, by region and by sales model

Unit: RMB 100 million

Primary business by industry						
By industry	Operating revenue	Operating costs	Gross margin (%)	Increase/decrease of operating revenue when compared with the previous year (%)	Increase/decrease of operating cost when compared with the previous year (%)	Increase/decrease of gross margin when compared with the previous year (%)
Marine engineering	226.22	206.09	8.90	10.79	13.93	Decrease of 2.51 ppt
Non-marine engineering	81.30	68.37	15.90	-9.06	-20.78	Increase of 12.43 ppt

Primary business by region						
By region	Operating revenue	Operating costs	Gross margin (%)	Increase/decrease of operating revenue when compared with the previous year (%)	Increase/decrease of operating cost when compared with the previous year (%)	Increase/decrease of gross margin when compared with the previous year (%)
In China	247.59	224.21	9.44	11.56	12.36	Decrease of 0.65 ppt
Overseas	59.93	50.25	16.15	-16.35	-25.71	Increase of 10.57 ppt

Description of the main business by industry, by product, by region and by sales mode

1. Primary business by industry

In terms of main business by industry, revenue and cost from marine engineering increased significantly, mainly due to the increase of marine engineering land construction workload in this year compared with the same period of the previous year, and the scale of entry and cost of marine engineering industry increased accordingly. Marine engineering gross margin decreased slightly compared with the same period of the previous year, mainly due to a larger number of new projects commenced in the fourth quarter.

Non-marine engineering industry income mainly comes from the construction income of LNG storage and receiving terminal projects in Tangshan, Tianjin, Longkou, Zhangzhou, Zhuhai, Hong Kong, Canada, etc. Because of the decreased project workload compared with the previous year, the scale of income and cost scale decreased accordingly. However, as COOEC continued to strengthen the whole-cycle management of the project, the project profitability was improved, and the overall gross profit margin increased significantly compared with the same period of last year.

2. Analysis of primary business by regions

From the perspective of main business by region, the revenue and cost from domestic increased significantly, mainly due to the increase of land construction this year compared with the same period of last year, and the gross profit margin of domestic projects was basically unchanged from the same period of last year. Revenue from offshore projects declined year-on-year, mainly due to the peak construction period of Hong Kong LNG and North America Shell LNG projects in the last year and the closure stage this year. The improvement of gross profit margin of overseas projects is mainly due to the company's continuously strengthened project management, the improvement of profitability and the delivery of high-quality overseas projects.

(2) Production and sales analysis

" Applicable " " Not applicable "

(3) Performance of major procurement contracts and major sales contracts

" Applicable " " Not applicable "

(4) Analytical statement on costs

Unit: RMB 100 million

Situation by industry							
By industry	Cost composition items	Current period	Percentage of total costs in the current period (%)	Previous period	Percentage of total costs in the same period of the previous year (%)	Change in the current period compared with the same period of the previous year (%)	Notes
Oil and gas engineering	Materials costs	83.00	30.24	73.34	27.45	13.17	
	Labor costs	33.58	12.23	28.61	10.71	17.37	
	Depreciation and amortization	13.59	4.95	10.99	4.11	23.66	
	Fuel costs	10.79	3.93	10.30	3.85	4.76	
	Project costs	133.50	48.65	143.95	53.88	-7.26	
	Total	274.46	100.00	267.19	100.00	2.72	

Cost analysis other explanations

- 1) Material costs increased by 13.17% on a year-on-year basis, mainly due to the growth of construction workload in the reporting period, which made material costs increase on a year-on-year basis.
- 2) Fuel expenses increased by 4.76% year on year, mainly due to the enhanced refined management of external chartering fuel expenses, and the increase of ship days of chartered ships (oil expenses borne by COOEC) year on year, resulting in a year-on-year increase in fuel expenses.
- 3) The project cost was RMB 13.35 billion, a decrease of 7.26% year-on-year, mainly due to the strengthened resource coordination and the improved construction efficiency, resulting in the project costs decreased year-on-year.

The breakdown of the composition of engineering costs is shown in the following table:

Unit: RMB 100 million

Cost composition items	Cost composition breakdown	Current period	Percentage of cost in the current period (%)	Previous period	Percentage of cost in the same period of the previous year (%)	Change in the current period compared with the same period of the previous year (%)
Engineering costs	Subcontracting fee for land construction work	107.32	80.39	112.95	78.46	-4.98
	Vessel subcontracting fees	12.95	9.70	18.78	13.05	-31.04
	Other expenses such as vessel docking and port miscellaneous	13.23	9.91	12.22	8.49	8.27
	Total	133.50	100.00	143.95	100.00	-7.26

- (5) Changes in the scope of consolidation due to changes in the shareholdings of major subsidiaries during the reporting period
 Applicable " Not applicable "

During the reporting period, COOEC completed the equity transfer of A.E.S. Destructive and Non-Destructive Testing Limited, completed the cancellation and closure of Blue Ocean International Co., Ltd., COTEC, Inc., and COOEC Indonesia Ltd. The above four subsidiaries were no longer included in the scope of consolidation at the end of the year.

- (6) Information about significant changes or adjustments in COOEC's business, products or services during the reporting period
 Applicable " Not applicable "
- (7) Major sales customers and major suppliers

A. Major sales customers of COOEC

Applicable " Not applicable "

Sales to the top five customers amounted to RMB 25.784334 billion, accounting for 83.85% of the total annual sales; among the sales to the top five customers, sales to related parties amounted to RMB 21.1521777 billion, accounting for 68.78 % of the total annual sales.

The proportion of sales to a single customer during the reporting period exceeded 50% of the total, and there were new customers among the top 5 customers or heavy dependence on a few customers

Applicable " Not applicable "

Unit: RMB'0,000

No.	Customer name	Sales amount	Proportion in total annual sales (%)
1	CNOOC Limited	1,993,779.40	64.88

B. Major suppliers of COOEC

Applicable " Not applicable "

Purchases from the top five suppliers amounted to RMB 4.2681079 billion, accounting for 16.28% of the total annual purchases; among the top five suppliers, purchases from related parties amounted to RMB 1.8452277 billion, accounting for 7.04%.

The proportion of purchases from a single supplier exceeded 50% of the total amount during the reporting period, and there were new suppliers among the top 5 suppliers or heavy dependence on a few suppliers

Applicable " Not applicable "

Other explanations

None

3. Costs

Applicable " Not applicable "

For selling expenses, general and administrative expenses and financial expenses, please refer to the corresponding analysis in the "analysis of changes in the income statement and the statement of cash flows" above.

4. R&D investment

(1) R&D investment

Applicable " Not applicable "

Unit: RMB'0,000

Expensed R&D investment for the period	118,628.34
Capitalized R&D investment for the period	0
Total R&D investment	118,628.34
Ratio of total R&D investment to operating revenue (%)	3.86
Share of R&D investment capitalized (%)	0

(2) R&D personnel

Applicable " Not applicable "

Number of R&D personnel of COOEC	1,783
Proportion of the number of R&D personnel to the total number of employees of COOEC (%)	18.28

Educational structure of R&D personnel

Academic structure category	Number of persons
Doctor	23
Postgraduate	525
Undergraduate	1,140
College	65
High school and below	30

Age structure of R&D personnel

Age structure category	Number of persons
Under 30 years old (excluding 30 years old)	204
30-40 years old (including 30 years old, excluding 40 years old)	850
40-50 years old (including 40 years old, excluding 50 years old)	643
50-60 years old (including 50 years old, excluding 60 years old)	74
60 years old and above	12

(3) Description (item name)

Applicable " Not applicable "

In 2023, COOEC strove to consolidate the foundation of innovation and carry out 108 scientific and technological research projects centering the floating production devices, underwater production systems and products, clean energy, digital intelligence and other technical directions, and invested RMB 1.186 billion in scientific and technological research and development. Progress has been made in tackling key and core technologies. The world's first semi-submersible deep-sea floating wind power platform "CNOOC Guanlan" was successfully delivered, connected to the grid and put into commercial operation, promoting China's independent development capability of floating wind power from less than 50 meters to more than 100 meters, marking a key step in the development of deep-sea floating wind power in China. The first self-developed ultra-deep water piling hammer was successfully tested in the sea, achieving a breakthrough from "0" to "1", and boosting China's underwater piling capacity to reach a depth of 2,500 meters. 12 key equipment such as single-point liquid slip ring and offshore mooring steel cable were unblocked and localized, and the self-developed 100-m internal turret single-point mooring system was demonstrated and applied in the South China Sea Fenjin FPSO Project. The first million-ton offshore carbon dioxide storage project was officially put into operation, achieving an important breakthrough in China's key offshore

CO₂ storage units from scratch, and helping the realize the national goal of "dual carbon". 16 key core technologies were tackled, including the design and construction technology of Asia's first cylindrical FPSO, setting a new record for jacket and floating device in Asia. COOEC made a breakthrough in 40 original technologies such as the protection technology of sea-bed mud sub-surface and subsea production systems, comprehensively promoting engineering standardization and intelligent manufacturing research, and achieving phased progress.

(4) Reasons for the significant changes in the composition of R&D personnel and the impact on the future development of COOEC

" Applicable " " Not applicable "

5. Cash flows

" Applicable " " Not applicable "

For the analysis of cash flow indicators such as net cash flow from operating activities, net cash flow from investing activities and net cash flow from financing activities, please refer to the analysis of changes in relevant accounts in the income statement and the statement of cash flows above.

(II) Significant changes in profit due to non-main business

" Applicable " " Not applicable "

(III) Analysis of assets and liabilities

Applicable " Not applicable "

1. Assets and liabilities

Unit: RMB'0,000

Item	Amount as at the end of the period	Ratio of the end of the current period to total assets (%)	Ending balance of the previous period	Ratio of the amount at the end of the previous period to total assets (%)	Proportion of change in the amount at the end of the current period compared with the end of the previous period (%)	Notes
Monetary funds	432,081.13	9.99	212,300.69	4.98	103.52	
Prepayments	40,745.12	0.94	96,583.59	2.27	-57.81	
Contract assets	281,211.88	6.50	475,253.77	11.15	-40.83	
Non-current assets maturing within one year	66,743.01	1.54	129,225.80	3.03	-48.35	
Other current assets	51,256.65	1.19	25,008.54	0.59	104.96	
Debt investments	232,385.80	5.37	32,228.86	0.76	621.05	
Right-of-use assets	12,099.13	0.28	4,986.14	0.12	142.66	
Deferred tax assets	37,962.48	0.88	24,590.93	0.58	54.38	
Short-term borrowings			32,974.62	0.77	-100.00	
Notes payable	41,185.44	0.95	24,431.46	0.57	68.58	
Contract liabilities	100,641.06	2.33	200,383.46	4.70	-49.78	
Taxes and surcharges payable	38,136.48	0.88	19,978.60	0.47	90.89	
Non-current liabilities maturing within one year	5,367.52	0.12	29,726.02	0.70	-81.94	
Long-term borrowings	22,000.67	0.51	15,964.88	0.37	37.81	
Lease liabilities	6,686.42	0.15	1,456.31	0.03	359.13	
Deferred tax liabilities	3,886.00	0.09	9,329.22	0.22	-58.35	
Total assets	4,325,166.35	100.00	4,263,896.22	100.00	1.44	
Total liabilities	1,647,330.89	38.09	1,695,749.29	39.77	-2.86	
Net assets attributable to shareholders of the listed company	2,479,459.37	57.33	2,370,187.89	55.59	4.61	

Other explanations

Monetary funds increased by RMB 2.198 billion from the end of the previous year, an increase of 103.52%, mainly due to the strengthened cash flow management and good project returns.

The prepaid accounts decreased by RMB 558 million from the end of the previous year, down 57.81%, mainly due to the small number of new prepaid accounts and the recognition of work progress on the accrual basis, which writes off some prepayments.

Contract assets decreased by RMB 1.94 billion from the end of the previous year, down 40.83%, mainly because COOEC continued to track project collection, and timely invoiced at the milestone. The contract assets subjects decreased from the beginning of the period.

Non-current assets maturing within one year decreased by RMB 625 million from the end of the previous year, down 48.35%, mainly due to the reclassification of the certificate of deposit to maturity within one year.

Other current assets increased by RMB 262 million from the end of the previous year, an increase of 104.96%, mainly due to the changes in VAT reclassification amount.

Debt investment increased by RMB 2.002 billion, or 621.05%, as compared with the end of the previous year, mainly due to the purchase of new certificates of deposit this year.

The right-of-use assets increased by RMB 71 million from the end of the previous year, an increase of 142.66%, mainly due to the increase in leasing business.

Deferred income tax assets increased by RMB 134 million from the end of the previous year, an increase of 54.38%, mainly due to the deferred income tax assets recognized by withholding provisional expenses.

Short-term borrowings decreased by RMB 330 million, or 100%, from the end of the previous year, mainly due to the repayment of maturing loans.

Notes payable increased by RMB 168 million from the end of the previous year, an increase of 68.58%, mainly due to the issuance of notes to pay subcontractors.

Contract liabilities decreased by RMB 997 million compared with the end of the previous year, down 49.78%, mainly due to the billing on contract carried forward to the income with the progress of the cost as the workload increased.

The tax payable increased by RMB 182 million over the end of the previous year, an increase of 90.89%, mainly due to the amount of corporate income tax, the increase in profits and undistributed deficits fully covered in the previous year.

Non-current liabilities maturing within one year decreased by RMB 244 million, down 81.94%, mainly due to the combined impact of maturing RMB loans of RMB 130 million, maturing US dollar loans of USD 20 million and maturing lease contracts.

Long-term borrowings increased by RMB 60 million, an increase of 37.81%, mainly due to the acquisition of RMB 130 million of loans and the repayment of USD 10 million loans at maturity.

Lease liabilities increased by RMB 52 million, an increase of 359.13%, mainly due to the increase in leasing business during the year, resulting in a higher balance of lease liabilities than that at the end of the previous year.

Deferred income tax liabilities decreased by RMB 54 million, or 58.35%, mainly due to the effect of the presentation of deferred income tax assets and deferred income tax liabilities in the single statement this year by net amount.

Total assets increased by RMB 613 million, an increase of 1.44%, mainly due to enhanced cash flow management and an increase in available funds.

The total liabilities decreased by RMB 484 million, down 2.86%, mainly because with the increase in workload this year, the billing on contract was carried forward to the income along with the cost progress, and the scale of contract liabilities decreased compared with that at the end of last year.

Net assets attributable to shareholders of the listed company increased by RMB 1.093 billion, or 4.61%, compared with the end of the previous year, mainly due to the following: 1) RMB 442 million of cash dividends were paid in the current year; 2) accumulated profits in the current year increased undistributed profits by RMB 1.621 billion; 3) special reserves decreased by RMB 65 million; 4) other comprehensive income decreased by RMB 21 million; the combined impact of the above four factors result in the net assets increase compared with that at the end of the previous year.

2. Overseas assets

Applicable " Not applicable "

(1) Asset scale

Including: Offshore Asset 12.57 (Unit: RMB 100 million), accounting for 2.91%。

(2) Reasons for high percentage of foreign assets

" Applicable " " Not applicable "

3. Major assets with restricted rights as of the end of the reporting period

" Applicable " " Not applicable "

4. Other explanations

Applicable Not applicable

(IV) Analysis of operating information of industry

Applicable Not applicable

(V) Analysis of investment status

Overall analysis of foreign equity investments

Applicable Not applicable

1. Significant equity investments

Applicable Not applicable

2. Significant non-equity investments

Applicable Not applicable

In 2023, COOEC solidly promoted the landing of the "14th Five-Year Plan", actively facilitated the implementation of key investment projects during the "14th Five-Year Plan" period, constantly strengthened the implementation monitoring and process inspection of key investment projects, orderly performed the project work, and ensured the smooth and efficient operation of major investment projects. Among them, the progress of major projects is as follows:

1. The total investment of Tianjin Marine Engineering Equipment Manufacturing Base Construction Project (Phase II) was RMB 610 million. During the reporting period, the consolidation of soft soil foundation of the final assembly site and the construction of pile foundation of gantry crane foundation were 80% completed; production auxiliary building foundation and main construction soil completed; construction of pile foundation and equipment foundation pipe pile in intelligent building workshop of structural pipeline was completed; the main body of the workshop was commenced; the prefabrication of prestressed concrete square pile was completed at wharf; the dredging, mixing pile and casting pile were completed, and the driving of pre-cast pile was started. The planned investment in 2023 was RMB 294 million, and the actual implementation in 2023 was RMB 280 million; the cumulative progress of the project was 50%.
2. The total investment of multi-functional ocean engineering ship construction project was RMB 436 million. The project was approved by the Board of Directors on June 20, 2023, and is currently undergoing the open tendering for major equipment and shipyard tendering. The planned investment in 2023 was RMB 14 million, and the investment in 2023 was RMB 13 million; the cumulative progress of the project was 3%.

3. Financial assets measured at fair value

Applicable Not applicable

Investment in securities

Applicable Not applicable

Description of investment in securities

Applicable Not applicable

Investment in private equity funds

Applicable Not applicable

Investment in derivatives

Applicable Not applicable

4. Specific progress of the reorganization and integration of major assets during the reporting period

Applicable Not applicable

(VI) Sale of significant assets and equity

Applicable Not applicable

(VII) Analysis of major holding and participating companies

Applicable Not applicable

1. Basic information of the subsidiaries of COOEC included in the scope of consolidation during the reporting period

Unit: RMB'0,000

No.	Name of the company	Paid-in capital	Primary business and product	Total assets	Net assets	Net profit	Shareholding ratio
1	CNOOC Shenzhen Offshore Engineering Service Co., Ltd.	228,561.47	Offshore oil underwater engineering services and marine pipe maintenance	745,576.24	529,798.72	47,998.18	100%
2	Offshore Oil Engineering (Qingdao) Co., Ltd.	300,000.00	Construction, installation, design and maintenance of offshore oil and gas projects	646,428.47	382,850.10	23,954.80	100%
3	Offshore Oil Engineering (Zhuhai) Co., Ltd.	395,000.00	Construction, installation, design and maintenance of offshore oil and gas projects	341,686.50	341,012.44	614.29	100%
4	Offshore International Engineering Co., Ltd.	6,000.00	Construction general contracting, specialized contracting	12,385.51	7,020.46	972.51	100%
5	COOEC Nigeria Co., Ltd.	54.88	Contracting, design, installation, maintenance and related business of offshore oil and gas field development projects	138.92	99.37	10.92	100%
6	Offshore Oil Engineering Co., Ltd. Nigeria Free Trade Zone Company	0	Established for the implementation of the Dangote project in Nigeria	6,294.72	-83,537.59	-18,933.19	100%
7	COOEC International Co., Limited	669.11	General engineering contracting, design, construction and installation of oil and gas development projects	115,058.86	64,522.78	2,267.84	100%
8	Offshore Oil Engineering (Canada) Co., Ltd.	2,067.66	Oil and gas engineering design, procurement, construction, and installation	33,226.43	12,153.66	2,483.03	100%
9	COOEC International Co., Limited Thai Company	283.04	Project contracting	3,686.45	2,908.13	85.38	100%
10	COOEC International Co., Limited Brazilian Company	314.30	Project contracting	417.59	263.95	13.76	100%
11	COOEC-Fluor Heavy Industries Co., Ltd.	657,641.38	Construction, installation, design and maintenance of offshore oil and gas projects	584,941.72	390,421.37	2,421.30	51%

(1) Analysis of the net profit of individual subsidiaries accounting for more than 10% of COOEC's net profit:

CNOOC Shenzhen Offshore Engineering Service Co., Ltd. achieved operating revenue of RMB 3.418 billion and net profit of RMB 480 million in 2023, accounting for more than 10% of COOEC's consolidated net profit, mainly due to the stable and orderly offshore work, coupled with the effectiveness of quality improvement and cost reduction measures, resulting in a significant increase in net profit compared with RMB 405 million in the same period of the previous year.

Offshore Oil Engineering (Qingdao) Co., Ltd. achieved operating revenue of RMB 4.947 billion and net profit of RMB 240 million in 2023, accounting for more than 10% of COOEC's consolidated net profit, mainly due to the onshore workload hitting a new high, and the smoothly released capacity on construction site, resulting in an increase of RMB 185 million in net profit compared with the same period of the previous year.

Offshore Oil Engineering Co., Ltd. Nigeria Free Trade Zone Company achieved the net profit of RMB -189 million in 2023, which had a greater impact on the consolidated net profit. The main reason was that the impairment of overdue accounts receivable and contract assets of Dangote Project on a single basis was RMB 188 million this year, and the net profit was much lower than RMB -36 million in the same period last year.

(2) Analysis of the significant fluctuations in the results of individual subsidiaries, which had a significant impact on the net profit of COOEC:

The performance fluctuation analysis of CNOOC Shenzhen Offshore Engineering Service Co., Ltd. is the same as above.

The performance fluctuation analysis of Offshore Oil Engineering (Qingdao) Co., Ltd. is the same as above.

The performance fluctuation analysis of Offshore Oil Engineering Co., Ltd. Nigeria Free Trade Zone Company is the same as above.

2. Basic information of COOEC's major equity participation enterprises during the reporting period

Name of the company	Registered capital (RMB'0,000)	Date of registration	Business scope	Paid-in contributions (RMB'0,000)	Shareholding ratio
CNOOC Finance Co., Ltd.	400,000	June 2002	Handling of deposits, loans and financial leasing of member units	7,067.14	1.77%

(VIII) Structured entities controlled by COOEC

" Applicable " " Not applicable "

VI. Discussion and analysis of COOEC on its future development

(I) Industry pattern and trend

" Applicable " " Not applicable "

Looking ahead to the development trend of the energy industry, the international offshore oil and gas engineering industry is expected to see a gradual recovery, but there is uncertainty about the speed and strength of the recovery. Geopolitical conflicts still face uncertainty and energy tensions will not end abruptly, but as more solutions are proposed and implemented, the trend of the energy industry developing towards a benign track and further promoting clean and low-carbon transformation will become more and more obvious. China's energy economy is on a positive trend, and the new energy and energy integration industry will see new development. The implementation of the strategy of ocean power and ocean economy will provide COOEC with a more favorable development environment, policies and work guidance.

1. Opportunity

- (1) From the perspective of industry development, the global oil and gas market is gradually recovering, the dominant position of oil and gas will not change in the short term, offshore oil and gas exploration and development is expected to hit a new high, and the global offshore equipment products and services market has a large capacity.
- (2) Continuous promotion of national oil and gas reserves and production occurs in China, and the trend of offshore oil and gas as the main force to increase domestic reserves and production has not changed. The most important task for petroleum enterprises is to increase oil and gas exploration and development to ensure the security of China's energy supply, which provides good development opportunities for COOEC.
- (3) The future domestic offshore oil and gas engineering construction workload is abundant. CNOOC Limited has set a new target of 60 million tons of domestic oil production by 2030 and 40 billion cubic meters of domestic natural gas production by 2035, and the workload of CNOOC's oil and gas projects is full, which has laid a solid foundation for COOEC's sustainable development.
- (4) The authority attaches great importance to ensuring national energy security. Xi Jinping, the General Secretary, stressed: It is necessary to promote marine science and technology to achieve a high level of self-reliance, firmly grasp the equipment manufacturing in our own hands, increase the rate of energy self-sufficiency, and ensure national energy security. It provides a good environment for COOEC to perform oil and gas engineering, technology upgrading and scientific and technological research.

2. Challenge

- (1) The international environment is becoming increasingly complex, with increasing instability and uncertainty. The global economic downturn, the restructuring of the international political order and the intensifying strategic competition between China and the United States have increased the instability and uncertainty in the external political, economic and legal macro environment.
- (2) The intensity of energy consumption continues to decline, which has a certain impact on COOEC's market development. Global population and economic growth are driving continued growth in primary energy consumption, but the rate of growth is gradually slowing down.
- (3) The "Carbon Peaking and Carbon Neutrality" goal accelerates the low-carbon energy transition, and the competition in the clean energy and new energy markets becomes more intense, which puts higher requirements on COOEC's future business portfolio. COOEC is therefore under pressure to achieve the carbon peak and neutrality related binding targets.
- (4) The digital economy will affect the accelerated development of various industries and intensify inter-industry competition. The development of information, digital and intelligent technologies may bring fundamental changes to the industry. COOEC will face disruptive changes and challenges from inside and outside the industry.

In the face of challenges and opportunities, COOEC will maintain strategic focus, seize the opportunities brought by the continuous promotion of national oil and gas reserves and production, accelerate the transformation and upgrading of the industry to "green, low-carbon, high-end and intelligent", and make every effort to improve the technical level, continuously improve EPCI general contracting capacity, continue to reduce cost, improve quality and efficiency, and deepen reform, so as

to maintain a relatively stable development trend during the changes and development of energy engineering industry.

(II) COOEC's development strategy

"√ Applicable" " □ Not applicable"

Highlights of the Strategy and Plan of Offshore Oil Engineering for the 14th Five-Year Plan and 2035:

1. Development ideology

Guided by market demand, COOEC will fully support the service of CNOOC Limited to increase storage and production, and seek development opportunities and growth space for the global energy engineering and offshore engineering markets; in line with the green and low-carbon development and digital transformation of the global energy industry, COOEC will accelerate its entry into the green energy engineering industry, accelerate the introduction of intelligent production methods, create intelligent product development and production capacity, and build up its market competitiveness in the intelligent era; drive COOEC's high-quality development by scientific and technological innovation and management innovation; insist on value and goal-led, transforming development methods, continuously improving institutional mechanisms and stimulating corporate vitality.

2. Development orientation

To serve the national strategy as its mission, to focus on customers, to adhere to high-quality development, and to build a world class marine energy engineering company with Chinese characteristics.

3. Development strategy

To firmly implement the 1235 development strategy of COOEC, that is, to insist on the construction of EPCI capacity with design as the leader as the only core; to take operation and management ability and technology leading ability as the two foundations; to take internationalization, deepwater and new industrialization as the three development directions; to take talents, market, cost, risk control and informatization as the five key points.

4. Planning and deployment

Planning and Deployment and key tasks for development in the 14th Five-Year period

Planning and deployment	Key tasks
I. Outstanding engineering service capacity building	(I) Fully support to ensure the increase of domestic oil and gas reserves and production
	(II) Improve and strengthen the value chain of offshore engineering industry
II. Accelerate the upgrading of industry	(III) Transform and upgrade traditional oil and gas engineering to high-end products and services
	(IV) Continue to strengthen LNG engineering and accelerate the development of new energy industries
III. Strive to promote innovation-driven development	(V) Research key core technology of science and technology innovation with technical empowerment
	(VI) Conduct top-down design and accelerate the implementation of digital transformation strategy
	(VII) Undertake the platform and achieve effective construction of digital offshore engineering
IV. Steadily promote international development	(VIII) Under the market-led approach, strengthen the three regional platforms
	(IX) Take multiple measures to enhance international operation and control capability
V. Integrate COOEC into major national development strategies	(X) Integrate COOEC into the national regional development strategy and help the coordinated development of the region
	(XI) Respond to the Belt and Road initiative and expand international cooperation

(III) Operation plan

"√ Applicable" " □ Not applicable"

2024 is a tough year for the full implementation of the "14th Five-Year Plan", and it is also a key year for COOEC to build new high-quality development capabilities. The company will strive to achieve the goal of "ensure stable growth with one profit and continuous optimization of five ratios".

COOEC's revenue is expected to grow steadily in 2024 compared with 2023. COOEC will strive to keep operating costs within 90% of operating revenue and selling expenses, administrative expenses, R&D expenses and financial expenses together within 5% of operating revenue.

Looking ahead to 2024, COOEC still has a full workload, with 33 projects expected to be completed and delivered throughout the year. The onshore construction workload mainly comes from traditional oil and gas engineering business such as Wenchang 9-7 project, Jinzhou 23-2 project, Caofeidian 6-4 project, Bozhong 26-6 project, Xijiang 30-2 project, Wenchang 19-1 project, Kenli 10-2 project, Saudi CRPO122 project, Qatar NFPS EPC 02, Saudi Aramco Marjan, Petrobras P79 project and other overseas business; the offshore installation workload mainly comes from the traditional oil and gas engineering business such as Lihua 11-1/4-1, Huizhou 26-6, Jinzhou 23-2 and the offshore installation business of CRPO122 project in Saudi Arabia.

In the face of extremely challenging production and operation tasks in 2024, COOEC will continue to enhance the core competitiveness, cultivate the driving force of the reform by improving the new ability of international development, focus on the growth-based management by building the high-quality development power, and pay attention to the efficiency-based transformation by enhancing all-round value creativity, meeting the challenges of global market competition with the high-quality development capacity, recovering the financing function with the high-level business performance, thereby further establishing a good image in the capital market.

(IV) Possible risks

"√ Applicable" " □ Not applicable"

1. International business risk

COOEC's entry into the international market is relatively short, international talents are relatively scarce, and international project operation experience and risk prevention and control ability need to be further improved. Facing the complex environment of escalating geopolitical conflicts and accelerating adjustment of industry pattern, the company is still exposed to greater risks in terms of international development and overseas project execution.

Countermeasures: Establish a risk list mechanism to control risks from the front end of market development; regularly track the risks of the host country, closely follow the political and economic strategies of relevant countries, and assess the impact on the business operations of overseas companies, strengthen the basic capacity building, accelerate the training of international talents, improve COOEC's business capabilities in international business, law, procurement, technology and management, scientifically and comprehensively analyze and identify risks in operation of overseas projects by fully utilizing the company's engineering project and contract life cycle risk manual, and respond to risks in a targeted manner;

2. Full life cycle risk management in the engineering project

COOEC's oil and gas field projects are moving to waters over 300 meters or even 1500 meters deep, which makes the project implementation more difficult and technically demanding, and there are construction risks because of COOEC's relatively weak technology, management and construction experience in the field of deepwater engineering. The full life cycle management of engineering project may be exposed to risks, including the quality and safety, schedule, cost, compliance, legal disputes, exchange rate and accounts receivable.

Countermeasures: Continuously enhance the awareness of risk management; strengthen the awareness of law and compliance of project managers, pay attention to project contract management and compliance management; enhance the quality and safety, schedule and cost control concerning project management, carry out project early warning and management and coordination of important business indicators, further refine project "red and yellow lights" warning, and coordinate and promote key project operation issues; strengthen the financial management of exchange rate and accounts receivable; speed up the construction of deep-water technology reserves and deep-water equipment, and continue to raise the level of deep-water engineering technology.

3. Risk of exchange rate fluctuations

COOEC's local currency of account is RMB. With the expansion of COOEC's overseas business and the increase of foreign currency revenue, exchange rate fluctuations may have certain impact on COOEC's profit and loss.

Countermeasures: COOEC takes measures to incorporate exchange rate risk into cost control when quoting contracts, consider import and export hedging and use forward exchange settlement type financial instruments, and continuously improve its ability to prevent the risk of exchange rate fluctuations in its daily capital management.

4. Other risks

In addition to the risks described above, COOEC may also face some other risks in the course of its operation and development, such as the risk of cyclical fluctuations in the offshore oil and gas engineering industry due to large fluctuations in international oil prices, the risk of impact of new energy on the traditional oil industry, the risk of QHSE risk, social/public safety risk, information security risk, etc. COOEC will do its best to effectively avoid and cope with these risks according to the situation.

(V) Others

"√ Applicable" " □ Not applicable"

COOEC's green and low-carbon development ideas (which do not constitute an actual commitment to investors)

(I) General idea

Keeping pace with the development of world energy transformation, and taking market demand as the guide and technological innovation as the main means, COOEC strives to build its green and low-carbon engineering technology service capability. COOEC deepens the oil and gas engineering business, provides low-carbon engineering technology solutions for offshore oil and gas development; accelerates the development of new energy engineering business, and provides innovative engineering technology services for offshore wind power, offshore onshore power, hydrogen engineering, offshore integrated energy

development, etc.; actively develops carbon reduction engineering business, and provides CCUS engineering technology services for energy development and utilization, etc.

(II) Planning and deployment

1. Provide low-carbon solutions based on technological innovation for offshore oil and gas development

Carry out the FEED innovation aimed at reducing emissions, providing innovative development solutions for offshore oil and gas field development and reduce CO₂ and methane emissions during the production; improve the efficiency of offshore oil and gas field production operations through technological innovation, including recommending efficient power generation units and improving treatment processes in block design; through technological innovation, reduce previously normal carbon emissions, including the cancellation of the flare, reducing the exhaust port, strengthening methane leakage detection and other technical measures.

2. Strengthening the whole LNG industry chain and adhering to the EPCM development mode

Focus on the turnkey business of LNG receiving terminals and storage tanks; develop turnkey capacity of natural gas liquefaction plants; expand high-end business such as FSRU (floating storage and regasification unit) and FLNG (floating liquefied natural gas unit). Adhere to the EPCM development mode, promote the integration of internal and external resources, master the core technology; strengthen the design and procurement, strengthen project management, and enhance the project management capability; promote the construction of smart site by means of informatization and digitalization, and build a domestic first-class LNG receiving terminal general contractor.

3. Cultivating the ability of the whole industry chain of offshore wind power engineering general contracting

Relying on offshore engineering experience and comparative advantages, we will accelerate the development of offshore wind power industry by benchmarking the European offshore wind power development model with high quality; focusing on the development of deep-water wind power, large booster stations and converter stations, initially establish an EPCI business chain with offshore wind power design as the core business and construction and installation as business extensions and take design optimization, modular manufacturing, smart manufacturing, digital delivery, and offshore installation innovation as entry points to explore and promote cost reduction throughout the life cycle of the offshore wind power industry. By 2025, COOEC will have established its dominant position in the domestic deepwater floating offshore wind power engineering industry.

4. Cultivating the ability of general contracting for the whole industry chain of offshore and onshore power

Accelerate the acquisition of electric power design qualification and lead the improvement in offshore onshore power turnkey capacity with design; establish a full business chain with design as the core business and offshore transformer station construction and installation, submarine cable laying and repair as business extension; give priority to guaranteeing the Bohai Sea area to increase storage and production and accelerate the cultivation of other regional markets.

5. Exploring CCUS and hydrogen energy engineering

Build modular manufacturing capabilities for carbon capture devices with comprehensive competitive advantages; from the construction of devices and facilities to the basic design and conceptual design of engineering solutions, gradually build the business capabilities of the whole industry chain of CCUS engineering business; providing engineering and technical solutions for offshore wind power hydrogen production, focus on EPCI general contracting of offshore wind power hydrogen production platform, hydrogen/mixed gas submarine pipeline design and installation, modular construction and offshore installation of hydrogen production equipment, and EPCM general contracting of liquid hydrogen/liquid ammonia storage tanks, etc. , becoming a leading enterprise in domestic offshore wind power hydrogen production engineering.

VII. Description of the situation and reasons for no disclosure due to COOEC's non-application of the guidelines or special reasons such as state secrets and commercial secrets

" Applicable " " Not applicable "

Corporate Governance

I. Explanation of information related to corporate governance

"√ Applicable" "□ Not applicable"

COOEC has established a standardized and clear corporate governance structure and formed a scientific and effective mechanism of division of duties and checks and balances in accordance with laws and regulations such as the Company Law, the Securities Law, the Code on Governance of Listed Companies and the Rules for the Listing of Stocks on the Shanghai Stock Exchange, and followed the requirements of the China Securities Regulatory Commission, the Shanghai Stock Exchange and other regulatory bodies. The general meeting enjoys the powers stipulated in laws and regulations and the Articles of Association of COOEC, and exercises the right to make decisions on major matters such as COOEC's operation policy, fund raising, investment and profit distribution in accordance with the law; the Board of Directors is responsible to the general meeting, and exercises the right to implement the resolutions of the general meeting and the right to make business decisions within the scope of regulations in accordance with the law; the Board of Supervisors is responsible to the general meeting, and inspects and supervises COOEC's financial affairs, internal control and the performance of duties by senior officers, etc.; the management is responsible for organizing and implementing the resolutions of the general meeting and the board of directors and presiding over the daily operation and management of COOEC. There is no difference between the corporate governance and the requirements of the Company Law and the relevant regulations of the CSRC.

(I) Regarding the establishment and improvement of the corporate governance system

In strict accordance with the Company Law, the Securities Law, the Guidelines on the Articles of Association of Listed Companies and the relevant documents and requirements of the securities regulatory authorities, COOEC has formulated COOEC's Articles of Association, the rules of procedure of the general meeting, the rules of procedure of the Board of Directors, the rules of procedure of the Board of Supervisors, the working rules of the president, the working system of independent directors, the management system of information disclosure matters and the management system of investor relations, the investment management system and other regulatory documents on corporate governance, forming a relatively systematic corporate governance framework.

(II) About the general meeting

COOEC has consistently and strictly complied with the Company Law, the Securities Law, the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange and the Rules of Procedure, and has strictly implemented the relevant regulations in respect of the convening and holding of meetings, meeting proposals, proceedings, voting at meetings and information disclosure to ensure that all shareholders, especially the small and medium-sized shareholders, fully exercise their legitimate rights and interests and enjoy equal status. COOEC invited lawyers to attend all general meetings to confirm and witness the convening procedures, matters to be considered and the identity of attendees, and issued legal opinions to effectively ensure that the general meetings were legal and effective.

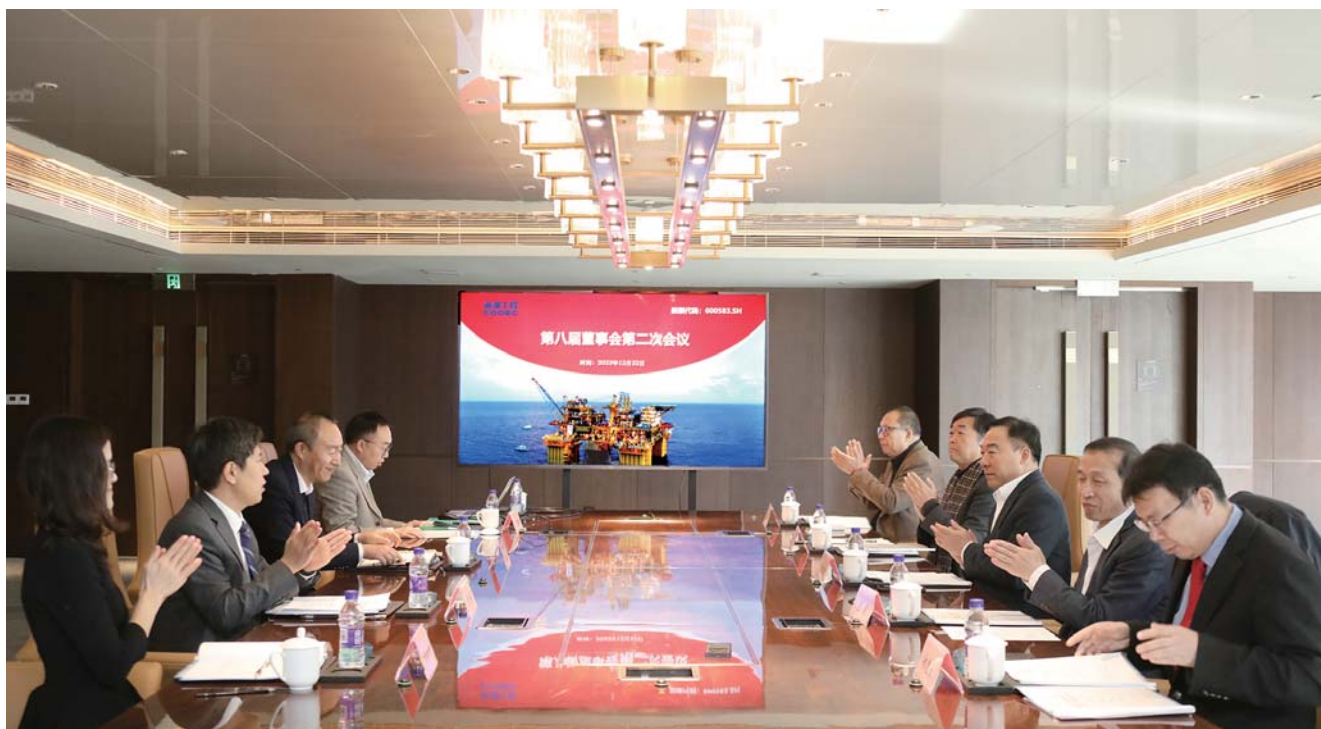
In 2023, COOEC held three general meetings in May, July and November respectively, and approved 14 proposals, including the 2022 annual report, profit distribution plan, work report of the Board of Directors, work report of the Board of Supervisors, financial accounts report, appointment of financial and internal control auditors, prediction of daily related-party transactions, election of directors, proposal to amend the articles of association, election of candidates for non-employee supervisors by the Board of Supervisors, and election of candidates for non-independent and independent directors by the Board of Directors, effectively safeguarding the legitimate rights and interests of shareholders.

(III) About the Board of Directors

1. Composition of the Board of Directors

Directors were elected strictly pursuant to the procedures stipulated by the Articles of Association. The number of the Board of Directors complied with the laws and regulations. During the reporting period, the Board of Directors of COOEC adjusted the members of the Board of Directors in accordance with the business development of COOEC and the actual situation of the term of office of the Directors. Mr. Wang Zhangling was elected as the chairman of COOEC and Mr. Liu Yiyong was elected as a Director of COOEC. The new chairman and director have very rich experience and experience in the fields of operation management and marine engineering respectively, which will play an important role in the scientific and efficient decision-making of the Board of Directors of COOEC and promote the high-quality development of COOEC.

During the reporting period, Mr. Yu Yi, the former Chairman, resigned as a Director and Chairman due to job changes, and Mr. Qiu Jianyong has reached the retirement age and resigned as a Director. COOEC would like to express sincere thanks for their contributions to the development of the company during their tenure.



□ The Second Meeting of the 8th Board of Directors of COOEC

2. Performance of the Board of Directors

During the reporting period, the Board of Directors closely focused on the theme of high-quality development, took the improvement of the quality of listed company as an opportunity, exercised the power scientifically and prudently in accordance with the prescribed rights and the law, and authorized it efficiently and reasonably; they took strategic objectives as a foothold, value creation as a starting point, lean management as an origin of force, reform and innovation as a growth point, and risk prevention and control as an entry point, giving full play to the roles of the Board of Directors in “setting strategy, making decisions and preventing risks” and effectively improving the decision-making efficiency, constantly promoting the modernization of the corporate governance system and capacity, and driving the company to continuously improve the development quality.

In 2023, COOEC held 8 board meetings in March, April, June, August, October, November, and December to consider 59 important matters such as COOEC’s periodic reports, ESG report, profit distribution proposal, financial budget, investment plan, election of chairman and director candidates, management measures for voluntary information disclosure, appointment of vice president, and own funds financing plan. It listened to reports on important matters such as the requirements and implementation of the resolutions of the Board of Directors, the work plan of the Board of Directors and the general meeting, and provided a decision-making guarantee for the normal operation of its production and operation of COOEC.

In 2023, the Board of Directors mainly presented the following performance highlights:

1. Strictly regulating the procedures of the special committee, to provide professional support for the decision-making of the Board of Directors. According to the rules of procedure of each special committee, where the decision-making matters involve the scope of responsibilities of each special committee, a meeting of the special committee shall be held to study the relevant proposals in advance and propose clear opinions as an essential requirement for submitting them to the Board of Directors for decision-making. The Special Committee of the Board of Directors held 14 meetings in 2023, including: six audit committees, three nomination committees, two remuneration and assessment committees, and three strategy committees. At the meetings, professional opinions were proposed on 30 matters such as the financial management, executive appointment, asset investment, and leadership assessment, to ensure the scientific and professional decision-making of the Board of Directors.
2. Regularly evaluating the matters authorized by the Board of Directors, and giving full play to the supervisory role of the Special Committee. In accordance with the principle of semi-annual evaluation, the Audit Committee of the Board of Directors conducted supervision and evaluation twice in 2023 on the decision-making procedure, decision-making efficiency, decision-making quality, and whether there is an act of exceeding authority in the implementation of the matters authorized by the Board of Directors, so as to ensure reasonable and scientific decision-making for the matters

authorized by the Board of Directors.

3. Implementing the pre-meeting communication mechanism of the Board of Directors and putting forward in-depth opinions and suggestions. In accordance with the "Implementation Plan for the Performance Protection of External Directors" formulated COOEC, the Board of Directors earnestly implements the pre-meeting communication mechanism of the Board of Directors. In 2023, for major and complex matters such as major investment of COOEC, independent directors intervened in advance, communicated deeply with the management on major investment proposals to be submitted to the Board of Directors for decision making, and put forward opinions and suggestions on the compliance and feasibility of the plans, so as to ensure that independent directors fully understand the content of the proposal and make scientific and reasonable decisions.
4. Holding a special meeting of independent directors for the first time to arrange the annual audit work. According to the regulations of the China Securities Regulatory Commission on the Administration of Independent Directors of Listed Companies, in December 2023, the first special meeting of independent directors was organized, to communicate with external audit institutions and COOEC's finance and audit management departments regarding the financial and internal control audit plan in 2023, and to conduct in-depth discussions on major changes in accounting policies this year, whether auditors meet the requirements of the annual audit work, whether the annual report can be disclosed on time, whether there are uncertainties and other issues, so as to ensure that the annual audit work is carried out as planned.
5. Adhering to the strategic guidance, and effectively implementing the "strategy development" power. The Board of Directors held a strategic seminar in 2023, inviting all directors to plan COOEC's future development positioning and development strategy, to fully discuss and communicate the formulation, implementation and results of the development strategy, to actively explore effective ways to build a "strategy-oriented" Board of Directors, so as to lead the healthy and high-quality development.
6. Highlighting the value creation and continuously enhancing the "decision-making" ability. The Board of Directors firmly believes that the production and operation goals determined at the beginning of the year will be realized, and based on the value management, take the "One profit and five ratios" improvement goal as a unalterable indicator for assessment, so as to promote the company's lean management, deep exploration potential, cost reduction and efficiency increase. In order to improve quality and efficiency, the Board of Directors made resolutions on the performance assessment and salary distribution of management members in 2022, decomposed and refined the annual business performance assessment indicators in 2023, and established the 2023 business performance assessment indicators respectively according to the main responsibilities and main businesses of management members in their respective areas. The goal setting is scientific and challenging, strengthening the sense of responsibility, and forming a joint force for managers to work together and seek development with one heart. With continuous dividends, and by adhering to the basic principle of maintaining the continuity and stability of the profit distribution policy, COOEC continues to give stable cash returns to shareholders, to enhance the value of the listed company.
7. Building "three lines of defense" to effectively improve the level of "risk prevention". In 2023, the Board of Directors gave full play to professional knowledge and work experience in corporate governance, internal control, law, finance and other aspects, adhered to the bottom-line thinking, coordinated the two major issues of development and security, focused on key areas, and guided business departments to maintain the "first line of defense". The construction of internal control system and comprehensive risk management were conscientiously carried out, COOEC's internal control evaluation report, internal control audit report and compliance management work report and other proposals were reviewed, risk assessment was performed, and the construction of "second line of defense" by the compliance department was supervised. By focusing on risks, problems and strategies, COOEC deliberated the annual audit plan, reviewed the audit progress report and internal audit self-regulatory inspection report every six months, learned the inspection status of eight key areas, such as the funds raising, external guarantees, related-party transactions, securities investment and derivatives transactions, provision of financial assistance, assets buying or selling, foreign equity investment, use of large amounts of funds and appropriation of funds by related parties, and checked that the audit department constructed the "third line of defense".
8. Improving the performance ability of the Board of Directors through "three self-construction ways". External directors reviewed three monthly reports provided by the company, namely, the policy information dynamics, production and operation dynamics and capital market dynamics, so as to keep abreast of industry and company dynamics and provide strong support for scientific decision-making. External directors took the initiative to carry out field research, and went to Tianjin Lingang, Qingdao Huangdao and Zhuhai Gaolan Ports for investigation and guidance, to gain an in-depth understanding of the company's onshore construction capacity as well as the development status of digitalization and intelligence, further enhancing the understanding of the company business, and playing a positive role in putting forward high-quality development suggestions in a targeted manner. In 2023, they participated in the special training of "Interpretation of Comprehensive Registration System Reform Policy", internal control training and independent director follow-up training organized by Shanghai Stock Exchange, Tianjin Securities Regulatory Administration and Listed Companies Association (totaling 18 person-times), laying a solid foundation for the standardized operation of the Board of Directors.

(IV) About the Board of Supervisors

The Board of Supervisors of COOEC meets laws and regulations and consists of three supervisors, including one shareholder supervisor and two employee supervisors. The Supervisors have professional knowledge and working experience in accounting, auditing and human resources management, and are able to conscientiously perform their duties in accordance with the Articles of Association and the Rules of Procedure of the Board of Supervisors, supervise the production and operation management and internal control of COOEC, conduct regular research on COOEC and make suggestions for improvement, giving full play to their supervisory functions and safeguarding the legitimate rights and interests of COOEC and all shareholders.

In 2023, the Board of Supervisors held 6 meetings to consider 15 important matters such as COOEC's periodic reports, internal control evaluation reports, financial statements, provision for impairment, profit distribution proposal, use of proceeds, adjustment to financial management plan of own funds and changes in accounting estimates, and issued the written audit opinions on the periodic reports prepared by the Board of Directors. They also actively took part in the General Meeting of Shareholders and the meeting of the Board of Directors. The Supervisors conscientiously performed their duties great attention to matters such as the financial status, periodic reports, and the performance of duties by the Board of Directors and the management of COOEC.

(V) About the management and senior officers

In accordance with the Company Law and the Articles of Association, the division of business among senior officers is clear, with clear authority and responsibility and the Board of Directors and the Board of Supervisors are able to exercise effective supervision and control over the senior officers.

During the reporting period, the management and all senior officers of COOEC diligently and conscientiously implemented the resolutions of the Board of Directors and the development strategy of COOEC, effectively promoting the quality and efficiency improvement in COOEC's operation and management.

(VI) About information disclosure

In order to regulate COOEC's related-party transactions and voluntary information disclosure, the Board of Directors developed and implemented the Management Measures for Related-party Transactions and the Management Measures for Voluntary Information Disclosure in 2023, continuously improving the standard operation level of the capital market, thereby enhancing the company's influence in the capital market, demonstrating the brand value of COOEC as a responsible listed company, and effectively supporting the strategic development. Meanwhile, COOEC established a long-term mechanism for investor relations, carried out investor relations activities through multiple channels. The Chairman attended the performance conference in person, communicated with capital market investors face to face, and independent directors answered the questions of small

- COOEC's second extraordinary general meeting of Shareholders in 2023



and medium-sized investors through online communication. The attention and recognition of the capital market continued to increase. During the reporting period, COOEC disclosed 4 periodic reports and 53 provisional announcements in strict accordance with the relevant provisions of the "Rules for the Listing of Stocks on the Shanghai Stock Exchange" and other laws and regulations. The information disclosure complied with the three public principles of "openness, fairness and justice", to ensure the truth, accuracy, timeliness, integrity and fairness of the company's information disclosure in 2023.

Whether there are material differences between corporate governance and the laws, administrative regulations and CSRC regulations on the governance of listed companies; if there are material differences, the reasons should be explained.

Applicable Not applicable

II. Specific measures taken by the controlling shareholder and the actual controller of COOEC to ensure the independence of COOEC's assets, personnel, finance, institutions and business, as well as the solutions, work progress and follow-up work plan taken to affect the independence of COOEC

Applicable Not applicable

The controlling shareholder, the actual controller and other entities under their control engaging in the same or similar business as COOEC, as well as the impact on COOEC of competition in the same business or significant changes in the situation of competition in the same business, the measures taken to solve the problem, the progress of the solution and the follow-up solution plan

Applicable Not applicable

III. Brief introduction to the general meetings

Session	Date of meeting	Search index of the designated website where the resolution was published	Date of publication of resolutions	Resolutions made at the meeting
2022 Annual General Meeting	May 19, 2023	http://www.sse.com.cn	May 22, 2023	<ol style="list-style-type: none"> 1. Deliberate and adopt the Report on the Work of the Board of Directors of COOEC for 2022; 2. Deliberate and adopt the Report on the Work of the Board of Supervisors of COOEC for 2022; 3. Deliberate and adopt the Report on the Financial Accounts of COOEC for 2022; 4. Deliberate and adopt the Profit Distribution Plan of COOEC for 2022; 5. Deliberate and adopt the Annual Report of COOEC for 2022 and the Summary thereof; 6. Deliberate and adopt the "Proposal on Developing Management Measures for Related-party Transactions of COOEC"; 7. Deliberate and adopt the "Proposal on Predicting Daily Related-party Transactions During 2023-2025"; 8. Deliberate and adopt the "Proposal on Signing a Financial Services Framework Agreement with CNOOC Finance Co., Ltd."; 9. Deliberate and adopt the Proposal on the Renewal of the Appointment of COOEC's Financial and Internal Control Auditors for 2023.
The first extraordinary general meeting in 2023	July 6, 2023	http://www.sse.com.cn	July 7, 2023	Deliberate and adopt the Proposal for the Election of Mr. Liu Yiyong as a Director of COOEC.
The second extraordinary general meeting in 2023	November 14, 2023	http://www.sse.com.cn	November 15, 2023	<ol style="list-style-type: none"> 1. Deliberate and adopt the Proposal to Amend the Articles of Association of COOEC and to Request the general meeting to Authorize the Board of Directors to Handle the Business Registration; 2. Deliberate and adopt the "Proposal on the Election of Candidates for Non-employee Supervisors by the Board of Supervisors"; 3. Deliberate and adopt the "Proposal on the Election of Candidates for Non-independent Directors by the Board of Directors"; 4. Deliberate and adopt the "Proposal on the Election of Candidates for Independent Directors by the Board of Directors".

Preferred shareholders whose voting rights have been restored requested to hold an extraordinary general meeting

Applicable Not applicable

General meetings

Applicable Not applicable

IV. Members of the directors, supervisors and senior officers

(I) Shareholding variation and remuneration of current directors, supervisors and senior officers as well as those left the post within the reporting period

Applicable Not applicable

Unit: shares

Name	Title	Gender	Age	Beginning date of term	Ending date of term	Number of shares held at the beginning of the year	Number of shares held at the end of the year	Increase/decrease within the year	Reason for increase/decrease	Total remuneration before tax received from COOEC within the reporting period (RMB'0,000)	Whether get paid from related parties of COOEC
Wang Zhangling	Chairman, President, and Secretary of the Party Committee	Male	55	12/4/2020	-	0	0	0	/	132.61	No
Peng Lei	Director, Deputy Secretary of the Party Committee	Male	48	5/20/2022	-	0	0	0	/	102.16	No
Liu Yiyong	Director	Male	52	7/6/2023	-	0	0	0	/	0	Yes
Xin Wei	Independent director	Male	60	5/21/2021	-	0	0	0	/	12.8	No
Zheng Zhongliang	Independent director	Male	51	5/21/2021	-	0	20,000	20,000	Recognition of the company's long-term value and confidence in the company's future development	12.8	No
Xing Wenxiang	Independent director	Male	60	12/12/2022	-	0	0	0	/	12.8	No
Liu Zhenyu	Chairman of the Board of Supervisors	Male	47	11/14/2023	-	0	0	0	/	0	Yes
Li Tao	Employee supervisor	Male	41	8/26/2020	-	0	0	0	/	90.36	No
Xue Meiqing	Employee supervisor	Female	41	11/14/2023	-	0	0	0	/	18.44	No
Li Peng	Chief Financial Officer, General Counsel, and the Board Secretary	Male	46	8/30/2019	-	0	0	0	/	103.83	No
Zhang Haitao	Vice president	Male	52	8/20/2021	-	0	0	0	/	99.73	No
Wang Huifeng	Vice president Chief Engineer	Male	46	9/15/2022	-	0	0	0	/	97.94	No
Wang Dayong	Vice president	Male	47	8/31/2023	-	0	0	0	/	29.33	No
Yu Yi	Chairman, Secretary of the Party Committee (Resigned)	Male	59	5/17/2019	4/26/2023	0	0	0	/	70.64	No
Qiu Jianyong	Director (Resigned)	Male	61	11/16/2021	6/20/2023	0	0	0	/	0	Yes
Peng Wen	Chairman of the Board of Supervisors(Resigned)	Male	54	12/22/2020	11/14/2023	0	0	0	/	0	Yes
Che Yonggang	Supervisor (Resigned)	Male	60	12/22/2020	11/14/2023	0	0	0	/	0	Yes
Kong Linghai	Vice president (Resigned)	Male	51	7/22/2020	8/31/2023	0	0	0	/	70.62	No
Xie Ribin	Vice president (Resigned)	Male	44	8/14/2020	12/22/2023	0	0	0	/	107.74	No
Total	/	/	/	/	/	0	20,000	20,000	/	961.80	/

Name	Main working experience
Wang Zhangling	From June 2003 to April 2007, served as Manager of Engineering Construction Office of Tianjin Branch of CNOOC (China) Co., Ltd. From April 2007 to December 2010, served as the General Manager of Specially Authorized Projects of CNOOC (China) Co., Ltd. From December 2010 to February 2016, served as the Deputy General Manager and Member of the Party Committee of CNOOC Infrastructure Management Co., Ltd. From March 2016 to August 2019, served as the Party Secretary and General Manager of Engineering Construction Center of China National Offshore Oil Bohai Petroleum Administration. From August 2019 to November 2020, served as the deputy general manager of the Procurement Department of China National Offshore Oil Corporation. Since December 2020, served as the president and director of Offshore Oil Engineering Co., Ltd. From April 2023 to present, served as Chairman of Offshore Oil Engineering Co., Ltd.
Peng Lei	Joined CNOOC in July 1998. From June 2006 to April 2010, served as the deputy general manager and general manager of Tanggu Base of Oilfield Chemical Division of China Oilfield Services Company Limited. From January 2010 to January 2016, served as the deputy general manager of Oilfield Chemical Division of China Oilfield Services Company Limited. From January 2016 to March 2020, served as the general manager and deputy secretary of the Party Committee and general manager and secretary of the Party Committee of Oilfield Chemical Division of China Oilfield Services Company Limited. From March 2020 to March 2022, served as the deputy general manager of CNOOC Energy Technology & Services Limited. From March 2022 to present, served as the Deputy Secretary of the Party Committee and Chairman of the Labor Union of Offshore Oil Engineering Co., Ltd. Since May 2022, served as a director of Offshore Oil Engineering Co., Ltd.

Name	Main working experience
Liu Yiyong	Joined CNOOC in July 1996 and served as an engineer, FPSO production supervisor, operating mechanism equipment supervisor and equipment director of Shenzhen Branch of CNOOC (China) Co., Ltd. From May 2008 to December 2014, served as the General Manager of the Engineering Construction Department of Shenzhen Branch of CNOOC (China) Co., Ltd. From December 2014 to April 2021, served as the general manager and party secretary of Deepwater Engineering Construction Center of Shenzhen Branch of CNOOC (China) Co., Ltd. From April 2021 to September 2022, served as the deputy general manager of Engineering Construction Department of China National Offshore Oil Corporation. From September 2022 until now, served as the deputy general manager of Engineering Technology Department of China National Offshore Oil Corporation. Since July 2023, also served as a director of Offshore Oil Engineering Co., Ltd.
Xin Wei	From July 1985 to June 1987, served as an assistant engineer of Comprehensive Survey Institute of Ministry of Construction; from June 1987 to May 1997, served as an engineer of Shanghai Municipal Engineering Design and Research Institute; from May 1997 to June 2003, served as Deputy General Manager and Chief Engineer of Shanghai Shizhen Geotechnical Engineering Co., Ltd.; from June 2003 to November 2003, served as the Deputy Chief Engineer of Shanghai Geotechnical Engineering Survey, Design and Research Institute; from November 2003 to December 2011, served as the Deputy Chief Engineer of Shanghai Geotechnical Engineering Survey, Design and Research Institute Co., Ltd.; from December 2011 to March 2018, served as Vice President of Shanghai Geotechnical Engineering Survey, Design and Research Institute Co., Ltd.; from March 2018 to November 2023, served as the Vice President of Shanghai Survey, Design and Research Institute (Group) Co., Ltd.; from November 2023 to now, served as the consultant of Shanghai Survey, Design and Research Institute (Group) Co., Ltd. Since May 2021, also served as an independent director of Offshore Oil Engineering Co., Ltd.
Zheng Zhongliang	From July 1994 to July 1995, served as an accountant of the Third Machine Tool Factory of Beijing Machinery Bureau; from July 1995 to September 1999, served as the financial manager and financial controller of Effigy International Engineering Company; from September 1999 to July 2006, studied at Beijing University of Technology and Wuhan University; from July 2006 to August 2007, served as an internal audit supervisor of CNOOC Limited; from September 2007 to September 2011, conducted postdoctoral research at Antai School of Economics and Management, Shanghai Jiao Tong University; from September 2011 to September 2013, worked as an associate researcher at the Ministry of Commerce of the People's Republic of China. Since September 2013, an associate professor, chief finance officer and director of the accounting special master's program at the School of Economics and Management, China Agricultural University. From December 2019 to present, also served as an independent director of Endorsement Technology. Since May 2021, also served as an independent director of Offshore Oil Engineering Co., Ltd.
Xing Wenxiang	From July 1984 to December 1988, served as Secretary of the Youth League Committee and Director of the Office of Liaoning Youth Cadre College; from December 1988 to December 1990, served as Deputy Director of the Propaganda Department of the CPC Shenyang Municipal Committee; from December 1990 to December 1994, served as Secretary of the Party Committee and First Deputy General Manager of Shenyang Jinbei Bus Manufacturing Co., Ltd.; from December 1994 to August 1996, served as secretary and Party secretary of the Communist Youth League Shenyang Committee; from August 1996 to March 2000, served as mayor of Shenyang Shenhe District People's Government; from March 2000 to March 2002, served as deputy secretary-general of Shenyang People's Government; from March 2002 to December 2003, served as president of Yida Group Co., Ltd.; from December 2003 to November 2005, Professor of Chengdu University of Technology; from November 2005 to July 2008, Professor of China University of Geosciences (Beijing); from July 2008 to September 2011, served as the Publicity Director of the Party Committee of Central University of Finance and Economics; from September 2011 to December 2019, Professor of Central University of Finance and Economics. Since January 2020, Professor of China University of Geosciences (Beijing). Since December 2022, also served as an independent director of Offshore Oil Engineering Co., Ltd.
Liu Zhenyu	Joined CNOOC in July 1998 and has served successively as the accountant of Finance Department of CNOOC North Drilling Company, the chief accountant, supervisor and accounting manager of Finance Department of China Oilfield Services Company Limited. From January 2010 to October 2016, served as the general manager of the Finance Department of China Oilfield Services Company Limited; from October 2016 to November 2017, served as the deputy general manager of the Financial Assets Department of China National Offshore Oil Corporation; from November 2017 to September 2022, served as the deputy general manager of the Financial Assets Department of China National Offshore Oil Corporation; from September 2022 to the present, served as the deputy general manager of the Audit Department of China National Offshore Oil Corporation (CNOOC Limited). Since November 2023, also served as the Chairman of the Board of Supervisors of Offshore Oil Engineering Co., Ltd.
Li Tao	From July 2005 to December 2005, served as an inspector of Inspection Company of Offshore Oil Engineering Co., Ltd. From December 2005 to December 2008, served as office administration and administrative supervisor of Design Company of Offshore Oil Engineering Co., Ltd. From December 2008 to April 2011, served as the supervisor of product system in Quality Management Department of Offshore Oil Engineering Co., Ltd. From April 2011 to January 2012, served as quality engineer and deputy manager of Quality Technology Department of Offshore Oil Engineering Co., Ltd. From January 2012 to September 2016, served as Manager of Human Resources Department and Assistant General Manager of Design Company of Offshore Oil Engineering Co., Ltd. From September 2016 to March 2018, served as the deputy general manager of the office of Offshore Oil Engineering Co., Ltd. and the deputy director of the office of the party committee. From March 2018 to November 2018, served as the Deputy General Manager of Human Resources Department, Deputy Director of the Organization Department of the Party Committee and Secretary of the Organ Party Committee of Offshore Oil Engineering Co., Ltd. (period: from September 2018 to October 2019, also the Deputy General Manager of International Exchange Center). From November 2018 to October 2019, the deputy general manager of the Human Resources Department, the head of the Organization Department of the Party Committee and the secretary of the Organ Party Committee of Offshore Oil Engineering Co., Ltd. (Period: From March 2019 to present, also the deputy director of the Project Management Office). From October 2019 to present, the General Manager of Human Resources Department, the Head of the Organization Department of the Party Committee and the Secretary of the Party Committee of the Organ of Offshore Oil Engineering Co., Ltd. Since August 2020, also served as an employee supervisor of Offshore Oil Engineering Co., Ltd. Since January 2021, also served as the assistant to the president of Offshore Oil Engineering Co., Ltd.
Xue Meiqing	In July 2004, joined Offshore Oil Engineering Co., Ltd., and took the financial analysis post, consolidated statement post, key user of ERP project team, served as the manager of financial analysis post and the manager of budget assessment post in Financial Management Department of Offshore Oil Engineering Co., Ltd.; from April 2014 to August 2017, served as the General Manager Assistant of Engineering Project Management Center of Offshore Oil Engineering Co., Ltd.; from August 2017 to September 2018, served as the Chief Financial Officer of Offshore Oil Engineering (Qingdao) Co., Ltd.; from September 2018 to December 2021, served as the Chief Financial Officer of the Construction Division of Offshore Oil Engineering Co., Ltd., and the Chief Financial Officer of Offshore Oil Engineering (Qingdao) Co., Ltd. Since December 2021, served as the General Manager of Audit Department of Offshore Oil Engineering Co., Ltd. Since November 2023, also served as an employee supervisor of Offshore Oil Engineering Co., Ltd.
Li Peng	From July 2002 to December 2005, served as Senior Financial Manager of Beijing Capital Corporation. From December 2005 to November 2007, served as Senior Director of External Disclosure of CNOOC Limited. From November 2007 to March 2010, served as Senior Director of Financial Reporting and Business Analysis of CNOOC Limited. From March 2010 to January 2012, served as Manager of Financial Reporting and Business Analysis of CNOOC Limited. From January 2012 to June 2013, was the Director of Financial Reporting and External Disclosure Division of CNOOC Limited. From June 2013 to November 2014, served as Director (Manager) of Financial Policy Division, Finance Department of CNOOC Limited. From November 2014 to October 2016, served as Director of Accounting Policy and M&A Support Division, Finance Department, CNOOC Limited. From October 2016 to August 2019, served as the Deputy General Manager of CNOOC Finance Co., Ltd. From August 2019 to present, served as the Financial Director of Offshore Oil Engineering Co., Ltd. Since April 2020, also served as the General Counsel of Offshore Oil Engineering Co., Ltd. Since March 2022, served as a Secretary of Board of Directors of Offshore Oil Engineering Co., Ltd.

Name	Main working experience
Zhang Haitao	From July 1992 to November 1994, served as an Assistant Engineer of Tianjin Aviation Mechanical and Electrical Company; from November 1994 to April 2000, an Assistant Engineer and Engineer of Mechanical and Electrical Department and Deputy Design Manager of skid block project team in CNOOC Petroleum Engineering Design Company; from April 2000 to May 2001, served as the deputy design manager of skid block project team in the design company of Offshore Oil Engineering Co., Ltd; from May 2001 to June 2007, served as the Engineer of PL19-3 design project, the Design Manager of Pearl renovation of the design company of Offshore Oil Engineering Co., Ltd., the Deputy Design Manager and the Design Manager of BZ25-1 oilfield development project and the Design Manager of Bajiaoting, Jinzhou 21-1 and Jinzhou 25-1S projects; from June 2007 to March 2012, in the design company of Offshore Oil Engineering Co. Ltd. served as Deputy Manager of Project Management Department, Assistant to General Manager and Deputy General Manager; from March 2012 to February 2013, General Manager of Construction Company of Offshore Oil Engineering Co., Ltd.; from February 2013 to February 2015, General Manager of special equipment company of Offshore Oil Engineering Co., Ltd.; from February 2015 to March 2018, Party Manager and General Manager of special equipment company of Offshore Oil Engineering Co., Ltd.; from March 2018 to July 2020, served as the General Manager of the office of Offshore Oil Engineering Co., Ltd. and the Director of the office of the Party Committee of COOEC; from July 2020 to July 2021, served as the Secretary of the Party Committee and the President of the Design Institute of Offshore Oil Engineering Co., Ltd. and the Director of the Offshore Engineering Technology Center. From August 2021 to October 2023, served as Vice President and Chief Engineer of Offshore Oil Engineering Co., Ltd. Since October 2023, served as Vice President of Offshore Oil Engineering Co., Ltd.
Wang Huifeng	From July 1999 to April 2013, the engineering design of several projects of Offshore Oil Engineering Co., Ltd., such as Caofeidian, Beipas Natural Gas Liquefaction, Lufeng 7-2, ZAWTIKA in Thailand, etc. and the project manager of Wenchang 9-2/9-3/10-3 gas field; from April 2013 to December 2016, served as Manager of Engineering Design Project Management Department of Design Company of Offshore Oil Engineering Co., Ltd.; from December 2016 to September 2018, served as the deputy general manager of the design company of Offshore Oil Engineering Co., Ltd.; from September 2018 to February 2020, served as Vice President of the Design Institute of Offshore Oil Engineering Co., Ltd; from February 2020 to June 2020, served as the Deputy General Manager of the Engineering Project Management Center of the Operation Center of Offshore Oil Engineering Co., Ltd.; from June 2020 to January 2021, served as the Deputy General Manager of Engineering Project Management Center of Offshore Oil Engineering Co., Ltd.; from January 2021 to February 2021, served as Deputy Chief Engineer of Offshore Oil Engineering Co., Ltd.; from February 2021 to November 2021, served as the Deputy Chief Engineer and General Manager of Science and Technology Information Department of Offshore Oil Engineering Co., Ltd.; from November 2021 to September 2022, served as the Deputy Chief Engineer, Secretary of Party Committee and General Manager of Tianjin Construction Branch of Offshore Oil Engineering Co., Ltd.; from September 2022 to present, served as the Vice President, Secretary of Party Committee and General Manager of Tianjin Construction Branch of Offshore Oil Engineering Co., Ltd. Since October 2023, also served as the Chief Engineer of Offshore Oil Engineering Co., Ltd.
Wang Dayong	After graduating from university in July 1998, began to work as an engineer in the Process Department of CNOOC Petroleum Engineering Design Company and a Manager in the Marketing Department of Design Company of Offshore Oil Engineering Co., Ltd.; from March 2013 to April 2014, served as the Acting Deputy General Manager of Special Equipment Company of Offshore Oil Engineering Co., Ltd.; from April 2014 to July 2018, served as the Deputy General Manager of Special Equipment Company of Offshore Oil Engineering Co., Ltd.; from July 2018 to September 2018, served as the Deputy General Manager of the Design Company of Offshore Oil Engineering Co., Ltd.; from September 2018 to December 2018, served as the Vice President of the Design Institute of Offshore Oil Engineering Co., Ltd.; from December 2018 to February 2020, served as the Vice President of Design Institute and Deputy Director of Offshore Engineering Technology Center of Offshore Oil Engineering Co., Ltd.; from February 2020 to August 2023, served as the Secretary of the Party Committee, General Manager and Director of Product Incubation Manufacturing Center of Special Equipment Branch of Offshore Oil Engineering Co., Ltd. Since August 2023, served as Vice President of Offshore Oil Engineering Co., Ltd.

Other circumstances

" Applicable " Not applicable "

(II) Positions of current directors, supervisors and senior officers as well as those left the post within the reporting period

1. Positions held in shareholders

" Applicable " Not applicable "

Name	Shareholders' name	Positions held in shareholders	Beginning date of term	Ending date of term
Liu Yiyong	CNOOC Limited	Deputy General Manager of Engineering Technology Department	September 2022	Not applicable
Liu Zhenyu	CNOOC Limited	Deputy General Manager of Audit Department	September 2022	Not applicable
Yu Yi	China National Offshore Oil Corporation	Full-time director	April 2023	Not applicable
Qiu Jianyong	China National Offshore Oil Corporation	Full-time director	August 2021	September 2022
Peng Wen	China National Offshore Oil Corporation	Full-time director	September 2022	Not applicable
Che Yonggang	China National Offshore Oil Corporation	Full-time supervisor	July 2020	January 2023
Kong Linghai	CNOOC Limited	General Manager of Engineering Technology Department	August 2023	Not applicable
Xie Ribin	CNOOC (China) Co., Ltd.	Deputy General Manager of Tianjin Branch	December 2023	Not applicable
Description of the positions held in shareholders	Not applicable			

2. Position in other entities

Applicable " Not applicable "

Name	Name of other entities	Positions held in other entities	Beginning date of term	Ending date of term
Xin Wei	SGIDI Engineering Consulting (Group) Co., Ltd.	Vice president	March 2018	Not applicable
Zheng Zhongliang	College of Economics and Management, China Agricultural University	Associate Professor of Accounting Department, Head of Accounting Department, Director of Accounting Specialized Master's Program	September 2013	Not applicable
	Agree Technology	Independent director	December 2019	Not applicable
Xing Wenxiang	China University of Geosciences (Beijing)	Professor	January 2020	Not applicable
Explanation of serving in other entities	Not applicable			

(III) Remuneration of directors, supervisors and senior officers

Applicable " Not applicable "

Decision-making procedures for remuneration of directors, supervisors and senior officers	Based on the responsibilities and complexity of the positions as well as the performance and achievements, the compensation standards are determined in accordance with the principles of facilitating personnel stability and combining incentives and constraints.
Whether a director avoids himself/herself from the Board's discussion of the remuneration	Yes
Specific situations in which the Remuneration and Evaluation Committee or the special meeting of independent directors proposed recommendations on the remuneration of directors, supervisors and senior officers	The Remuneration and Evaluation Committee of the Board of Directors of COOEC held its first meeting on March 15, 2024, deliberated and adopted the "Proposal on the Business Performance Assessment of the Manager Members in 2023, Results of Performance-based Salary Distribution and the Setting of Business Performance Indicators in 2024", agreed to the annual compensation of the directors and senior management personnel in 2023, and submitted to the Third Meeting of the 8th Board of Directors for deliberation.
Basis for determining the remuneration of directors, supervisors and senior officers	Refer to the salary and remuneration of directors, supervisors and senior officers of the industry.
Actual payment of remuneration to directors, supervisors and senior officers	<ol style="list-style-type: none"> The allowances of the three independent directors of COOEC are RMB128,000 (including tax) per annum each and the travel expenses to attend the board of directors' meetings and general meetings and other expenses required for exercising their powers in accordance with the Articles of Association are reimbursed by COOEC on an actual basis. The directors and supervisors who do not receive remuneration and allowances from COOEC are Mr. Liu Yiyong and Mr. Liu Zhenyu. The above-mentioned directors and supervisors receive remuneration and allowances from the controlling shareholder, China National Offshore Oil Corporation, or subsidiaries of the controlling shareholder.
Total actual remuneration received by all directors, supervisors and senior officers at the end of the reporting period	RMB 9,618,000

(IV) Change in directors, supervisors and senior officers

Applicable " Not applicable "

Name	Position held	Change	Reason for change
Liu Yiyong	Director	Election	Newly appointed, according to the management and development needs of COOEC
Liu Zhenyu	Chairman of the Board of Supervisors	Election	Newly appointed, according to the management and development needs of COOEC
Xue Meiqing	Employee supervisor	Election	Newly appointed, according to the management and development needs of COOEC
Wang Dayong	Vice president	Employment	Newly appointed, according to the management and development needs of COOEC
Yu Yi	Former chairman	Resigned	Due to work restructuring
Qiu Jianyong	Former director	Resigned	Due to age
Peng Wen	Former chairman of the Board of Supervisors	Resigned	Due to work restructuring
Che Yonggang	Former supervisor	Resigned	Due to age
Kong Linghai	Former Vice President	Resigned	Due to work restructuring
Xie Ribin	Former Vice President	Resigned	Due to work restructuring

(V) Penalties imposed by securities regulators in the past three years

Applicable " Not applicable "

(VI) Others

" □ Applicable " "√ Not applicable "

V. Information on meetings of the Board of Directors held during the reporting period

Session	Date of meeting	Resolutions made at the meeting
The 18th meeting of the 7th Board of Directors	March 17, 2023	<ol style="list-style-type: none"> 1. Deliberate and adopt the Report on the Work of the Board of Directors of COOEC for 2022; 2. Deliberate and adopt the Report on the Work of the President of COOEC for 2022; 3. Deliberate and adopt the Summary Report of the Audit Committee of the Board of Directors on the Financial and Internal Control Audit by BDO CHINA Shu Lun Pan Certified Public Accountants LLP for 2022; 4. Deliberate and adopt the Report on the Financial Accounts of COOEC for 2022; 5. Deliberate and adopt the Proposal on Provision for Impairment; 6. Deliberate and adopt the Proposal on Profit Distribution for 2022; 7. Deliberate and adopt the Annual Report of COOEC for 2022 and the Summary thereof; 8. Deliberate and adopt the "Environmental, Social and Corporate Governance (ESG) Report in 2022"; 9. Deliberate and adopt the Special Report on the Deposit and Use of COOEC's Annual Proceeds; 10. Deliberate and adopt the Proposal on Using part of the Idle Proceeds to Temporarily Replenish the Working Capital; 11. Deliberate and adopt the "Proposal on Developing Management Measures for Related-party Transactions of COOEC"; 12. Deliberate and adopt the "Proposal on Predicting Daily Related-party Transactions During 2023-2025"; 13. Deliberate and adopt the "Proposal on Signing a Financial Services Framework Agreement with CNOOC Finance Co., Ltd."; 14. Deliberate and adopt the Risk Assessment Report on CNOOC Finance Co., Ltd.; 15. Deliberate and adopt the Proposal on the Risk Disposal of Financial Business with CNOOC Finance Co., Ltd.; 16. Deliberate and adopt the Proposal on the Renewal of the Appointment of COOEC's Financial and Internal Control Auditors for 2023; 17. Deliberate and adopt the "Proposal on the Use of Total Wage Bill in 2022"; 18. Deliberate and adopt COOEC Report on Compliance Management (2022); 19. Deliberate and adopt the Report on the Evaluation of COOEC's Internal Control for 2022; 20. Deliberate and adopt the Report on Internal Control of COOEC for 2022.
The 19th meeting of the 7th Board of Directors	April 26, 2023	<ol style="list-style-type: none"> 1. Deliberate and adopt the First Quarterly Report of COOEC for 2023; 2. Deliberate and adopt the Proposal on the Resignation of Mr. Yu Yi from Chairman and Director of COOEC and Positions of the Relevant Professional Committee of the Board of Directors; 3. Deliberate and adopt the "Proposal on the Election of the COOEC Chairman"; 4. Deliberate and adopt the "Proposal on Adjusting the Members of Some Special Committees of the Seventh Board of Directors"; 5. Deliberate and adopt the "Proposal on the Results of the Business Performance Evaluation of Leadership in 2022"; 6. Deliberate and adopt the "Proposal on the Assessment Indicators for the Business Performance of Leadership in 2023"; 7. Deliberate and adopt the Proposal to Convene the 2022 Annual General Meeting of COOEC.
The 20th meeting of the 7th Board of Directors	June 20, 2023	<ol style="list-style-type: none"> 1. Deliberate and adopt the "Proposal on Changes in Accounting Estimates"; 2. Deliberate and adopt the "Proposal on the Construction of a Multi-purpose Ocean Engineering Vessel"; 3. Deliberate and adopt the Proposal on the Resignation of Mr. Qiu Jianyong from Director of COOEC and Positions of the Relevant Professional Committee of the Board of Directors; 4. Deliberate and adopt the Proposal on the Election of Mr. Liu Yiyong as a Candidate for Director of COOEC. 5. Deliberate and adopt the Proposal to Convene the First Extraordinary general meeting of COOEC in 2023.
The 21st meeting of the 7th Board of Directors	August 18, 2023	<ol style="list-style-type: none"> 1. Deliberate and adopt the Proposal to Add Members of the Strategy Committees of the Board of Directors; 2. Deliberate and adopt the Half-year Report of COOEC for 2023 and its Summary; 3. Deliberate and adopt the Special Report on the Deposit and Actual Use of COOEC's Funds Raised in the Half Year of 2023; 4. Deliberate and adopt the "Proposal on Using Part of the Temporarily Idle Own Funds to Purchase Financial Products and Authorizing the Management to Sign the Relevant Agreement of Purchasing Financial Products"; 5. Deliberate and adopt the Risk Assessment Report on CNOOC Finance Co., Ltd.; 6. Deliberate and adopt the "Proposal on Developing Management Measures for Voluntary Information Disclosure in COOEC".
The 22nd meeting of the 7th Board of Directors	August 31, 2023	<ol style="list-style-type: none"> 1. Deliberate and adopt the Proposal on the Resignation of Mr. Kong Linghai as Vice President of COOEC 2. Deliberate and adopt the Proposal on the Appointment of Mr. Wang Dayong as Vice President of COOEC.
The 23rd meeting of the 7th Board of Directors	October 26, 2023	<ol style="list-style-type: none"> 1. Deliberate and adopt the Third Quarterly Report of COOEC for 2023; 2. Deliberate and adopt the Proposal to Amend the Articles of Association of COOEC and to Request the general meeting to Authorize the Board of Directors to Handle the Business Registration; 3. Deliberate and adopt the "Proposal on the Project of Purchasing One Gantry Crane"; 4. Deliberate and adopt the "Proposal on the Purchase project of #3 Slipway Gantry Crane of Offshore Oil Engineering (Qingdao) Co., Ltd."; 5. Deliberate and adopt the "Proposal on Construction Project of Heavy Load Slipway on Site"; 6. Deliberate and adopt the "Proposal on Mr. Zhang Haitao's Resignation as Chief Engineer of COOEC"; 7. Deliberate and adopt the "Proposal on the Appointment of Mr. Wang Huifeng as Chief Engineer of COOEC". 8. Deliberate and adopt the "Proposal on the Election of Candidates for Non-independent Directors by the Board of Directors"; 9. Deliberate and adopt the "Proposal on the Election of Candidates for Independent Directors by the Board of Directors". 10. Deliberate and adopt the Proposal to Convene the Second Extraordinary general meeting of COOEC in 2023.
The first meeting of the 8th Board of Directors	November 14, 2023	<ol style="list-style-type: none"> 1. Deliberate and adopt the "Proposal on the Election of the COOEC Chairman"; 2. Deliberate and adopt the "Proposal to General Election of the Special Committees of the Board of Directors".
The second meeting of the 8th Board of Directors	December 22, 2023	<ol style="list-style-type: none"> 1. Deliberate and adopt the Proposal on COOEC's Bank Credit Line for 2024; 2. Deliberate and adopt the Proposal on Providing Guarantee for the Subsidiary Offshore Oil Engineering (Qingdao) Co., Ltd.; 3. Deliberate and adopt the "Proposal on the Conversion of COOEC Saudi Subsidiary to COOEC Saudi Branch"; 4. Deliberate and adopt COOEC's Annual Audit Plan for 2024; 5. Deliberate and adopt COOEC's Investment Plan for 2024; 6. Deliberate and adopt the Proposal on the Resignation of Mr. Xie Ribin as Vice President of COOEC.

VI. Duty fulfillment of the directors

(I) Participation of directors in the board meetings and general meetings

Name of directors	Independent director (Yes/No)	Participation in the board meetings						Attendance of the general meetings
		Number of board meetings to be attended during the year	Attendance in person	Number of times to attend by way of communication	Authorized attending	Absence	Failed to attend meetings in person for two consecutive times (Yes/No)	Number of general meetings attended
Wang Zhangling	No	8	7	2	1	0	No	1
Peng Lei	No	8	7	2	1	0	No	3
Liu Yiyong	No	5	4	2	1	0	No	0
Xin Wei	Yes	8	7	3	1	0	No	0
Zheng Zhongliang	Yes	8	8	3	0	0	No	1
Xing Wenxiang	Yes	8	8	3	0	0	No	0
Yu Yi	No	2	2	0	0	0	No	0
Qiu Jianyong	No	3	0	0	3	0	Yes	0

Description of the failure to attend the board meetings in person for two consecutive times

"√ Applicable" "□ Not applicable"

The 18th Meeting of the Seventh Board of Directors was held on March 17, 2023, the 19th Meeting of the Seventh Board of Directors was held on April 26, 2023, and the 20th Meeting of the Seventh Board of Directors was held on June 20, 2023. Due to personal health reasons, Mr. Qiu Jianyong was unable to attend the board meeting in person for more than two consecutive times and entrusted other directors to attend on his behalf.

Number of board meetings held during the year	8
Including: number of on-site meetings	5
Number of meetings held by correspondence	2
Number of meetings held on site combined with communication	1

(II) The directors' objections to the relevant matters of COOEC

"□ Applicable" "√ Not applicable"

(III) Others

"□ Applicable" "√ Not applicable"

VII. Specialized committees under the Board of Directors

√ Applicable "□ Not applicable"

(I) Members of the special committees under the Board of Directors

Type of special committee	Name of members
Audit Committee	Zheng Zhongliang, Xin Wei, Xing Wenxiang
Nomination Committee	Xin Wei, Wang Zhangling, Xing Wenxiang
Remuneration and Evaluation Committee	Xing Wenxiang, Peng Lei, Xin Wei
Strategy Committee	Wang Zhangling and Liu Yiyong

(II) During the reporting period, the Audit Committee convened 6 meetings

Date of meeting	Content of the meeting	Important opinions and suggestions	Performance of other duties
March 17, 2023	Deliberate the Report on the Financial Accounts of COOEC for 2022 and the Proposal on the Provision for Impairment of COOEC, the Proposal on Predicting Daily Related-party Transactions During 2023-2025, Proposal on Signing a Financial Services Framework Agreement with CNOOC Finance Co., Ltd. and Risk Assessment Report and Risk Disposal Plan, Report on the Evaluation of COOEC's Internal Control for 2022, Summary Report to the Board of Directors on the Audit Work of Offshore Engineering, Proposal to Re-appoint COOEC's Financial Auditor and Internal Control Auditor for 2023, COOEC Report on Compliance Management (2022), and Report on the Performance of the Audit Committee of the Board of Directors for 2022.	The resolution was considered and passed by unanimous consent, and there were no dissenting matters.	
April 26, 2023	Deliberate the Financial Report for the First Quarter of 2023 and Special Report on the Implementation of the Administrative Measures for the Authorization of the Board of Directors of COOEC.	The resolution was considered and passed by unanimous consent, and there were no dissenting matters.	The Committee gave full play to the professional expertise of the independent directors, provided effective professional advice on the discussion of material matters and assisted the Board of Directors in making scientific and professional decisions.
June 20, 2023	Deliberate the "Proposal on Changes in Accounting Estimates".	The resolution was considered and passed by unanimous consent, and there were no dissenting matters.	
August 17, 2023	Deliberate and adopt the Half-Year Financial Report of COOEC for 2023 and Risk Assessment Report on CNOOC Finance Co., Ltd.	The resolution was considered and passed by unanimous consent, and there were no dissenting matters.	
October 26, 2023	Deliberate the Financial Report for the Third Quarter of 2023 and Special Report on the Implementation of the Administrative Measures for the Authorization of the Board of Directors of COOEC.	The resolution was considered and passed by unanimous consent, and there were no dissenting matters.	
December 22, 2023	Deliberate COOEC's Annual Audit Plan for 2024.	The resolution was considered and passed by unanimous consent, and there were no dissenting matters.	

(III) During the reporting period, the Nomination Committee convened 3 meetings

Date of meeting	Content of the meeting	Important opinions and suggestions	Performance of other duties
June 20, 2023	Deliberate the Proposal on the Nomination of Mr. Liu Yiyong as a Candidate for Director of COOEC.	The resolution was considered and passed by unanimous consent, and there were no dissenting matters.	The Committee gave full play to the professional expertise of the independent directors, provided effective professional advice on the discussion of material matters and assisted the Board of Directors in making scientific and professional decisions.
August 31, 2023	Deliberate the Proposal on the Nomination of Mr. Wang Dayong as Vice President of COOEC.	The resolution was considered and passed by unanimous consent, and there were no dissenting matters.	
October 26, 2023	Deliberate the "Proposal on the Nomination of Mr. Wang Huifeng as Chief Engineer of COOEC" and "Proposal on the Nomination of Director Candidates for the Eighth Board of Directors of COOEC".	The resolution was considered and passed by unanimous consent, and there were no dissenting matters.	

(IV) The Remuneration and Evaluation Committee held 2 meetings during the reporting period

Date of meeting	Content of the meeting	Important opinions and suggestions	Performance of other duties
March 17, 2023	Deliberate the "Proposal on the Use of Total Wage Bill in 2022".	The resolution was considered and passed by unanimous consent, and there were no dissenting matters.	The Committee gave full play to the professional expertise of the independent directors, provided effective professional advice on the discussion of material matters and assisted the Board of Directors in making scientific and professional decisions.
April 26, 2023	Deliberate "Proposal on the Results of the Business Performance Evaluation of Leadership in 2022" and "Proposal on the Assessment Indicators for the Business Performance of Leadership in 2023".	The resolution was considered and passed by unanimous consent, and there were no dissenting matters.	

(V) The Strategy Committee held three meetings during the reporting period

Date of meeting	Content of the meeting	Important opinions and suggestions	Performance of other duties
June 20, 2023	Deliberate the "Proposal on the Construction of a Multi-purpose Ocean Engineering Vessel".	The resolution was considered and passed by unanimous consent, and there were no dissenting matters.	The Committee gave full play to the professional expertise of the Directors, provided effective professional advice on the discussion of material matters and assisted the Board of Directors in making scientific and professional decisions.
October 26, 2023	Deliberate the "Proposal on Project of Purchasing One Gantry Crane", "Proposal on the Purchase project of #3 Slipway Gantry Crane of Offshore Oil Engineering (Qingdao) Co., Ltd." and "Proposal on Construction Project of Heavy Load Slipway on Site".	The resolution was considered and passed by unanimous consent, and there were no dissenting matters.	
December 22, 2023	Deliberate COOEC's investment plan for 2024.	The resolution was considered and passed by unanimous consent, and there were no dissenting matters.	

(VI) Details of the dissenting matters

" Applicable " " Not applicable "

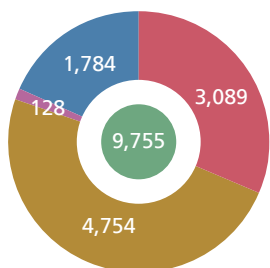
VIII. Risks identified by the Board of Supervisors for COOEC

" Applicable " " Not applicable "

The Board of Supervisors has no objection to the supervision matters during the reporting period.

IX. Employees of the parent company and major subsidiaries at the end of the reporting period

(I) Employees



- Production personnel
- Technical personnel
- Financial personnel
- Management and project management personnel
- Total

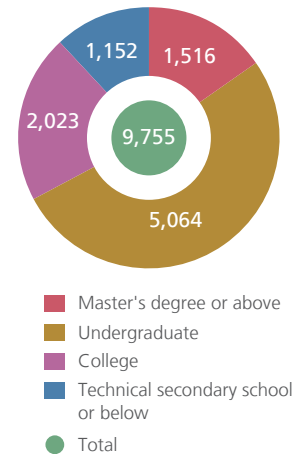
Number of employees in service of the parent company	5,428
Number of employees in service of major subsidiaries	4,327
Total number of employees in service	9,755
Number of retired employees whose expenses shall be borne by the parent company and major subsidiaries	0
Professional composition	
Professional composition category	Number of professional composition
Production personnel	3,089
Technical personnel	4,754
Financial personnel	128
Management and project management personnel	1,784
Total	9,755

- Offshore installation operations





□ Underwater robot central control operating room



Education level

Education level category	Number
Master's degree or above	1,516
Undergraduate	5,064
College	2,023
Technical secondary school or below	1,152
Total	9,755

(II) Remuneration policy

"√ Applicable" " □ Not applicable"

Based on the principle of "classified management, hierarchical regulation, dynamic monitoring and benefit linkage", COOEC has deeply implemented the total salary management mechanism that is in line with the actual management, and has continuously improved the normal growth mechanism of salary income that is based on performance contribution, and is more flexible and competitive in the market.

Moreover, the company further deepened the value-oriented compensation incentive distribution system, anchored the overseas development strategy, focused on the role of incentive incentives, targeted the formulation and classified implementation of supporting incentive measures, encouraged employees to compete for overseas key positions, and promoted the company's overseas market development and overseas project construction. COOEC focused on highlighting the tilted orientation of salary distribution to scientific research personnel, systematically improved the differentiated precise incentive system for scientific research personnel, explored the establishment of a full chain differentiated precise incentive system implemented by stage, created a combination of rewards and incentives, effectively developed a comprehensive and diversified incentive strategy, and constantly strengthened the flow of salary bonus to the key and difficult directions of the company's development, namely, tilting to those who have made outstanding contributions, thus effectively stimulating the vitality of the team, and refueling high-quality development.

(III) Training plan

"√ Applicable" " □ Not applicable"

In 2023, COOEC thoroughly studied the spirit of the 20th National Congress of the Communist Party of China, implemented the important instructions of Xi Jinping, the General Secretary, on talent work in the new era, focused on the company's development strategy and the actual needs of talent team building, and continued to improve the "five-in-one" training system, implemented the "1+4+1" company-level training plan every year; coordinated high-level promotion, special functions, professional sectors, and universal "four-level" training paths, built a training structure focusing on employee ability improvement, and fully tapped into high-quality training resources, carried out key training through school-enterprise cooperation and the daily training for all employees, so as to effectively improve the comprehensive quality and ability level of employees. Throughout the year, the company organized a total of 7,129 training sessions, totaling 243,000 person-times and 1,746,800 hours. The annual per capita class hours (offline + online) reached 215.65 hours. The company constantly innovated training methods, comprehensively improved training efficiency, and provided talent support and guarantee for the construction of a world-class marine energy engineering company with Chinese characteristics.

(IV) Outsourcing of labor services

" Applicable " " Not applicable "

X. Proposals for profit distribution or capital reserve transfer

(I) Formulation and implementation of or adjustment to cash dividend policy

" Applicable " " Not applicable "

COOEC has amended the Articles of Association and the Rules of Procedure of the general meeting in 2012 in accordance with the Notice on Further Implementation of Matters Relating to Cash Dividends for Listed Companies of the CSRC, taking into account the actual operational needs of COOEC, to further clarify the basic principles of the profit distribution policy, specific distribution policies, the consideration and decision-making procedures and mechanisms and the implementation of the program.

In 2023, COOEC did not make any adjustment to the policy relating to cash dividends.

The profit distribution policy as stipulated in the Articles of Association of COOEC is:

1. Basic principles of COOEC's profit distribution policy

- (1) COOEC shall give due consideration to the return to investors and distribute dividends to shareholders annually in accordance with the prescribed percentage of net profit attributable to shareholders of the parent company in the consolidated statements realized in the year, provided that the dividend distribution provisions of the Company Law are not violated.
- (2) COOEC's profit distribution policy shall maintain continuity and stability, while taking into account the long-term interests of COOEC, the overall interests of all shareholders and the sustainable development of COOEC.
- (3) COOEC shall give priority to the distribution of profits in the form of cash dividends.

2. Specific policies on profit distribution of COOEC

(1) Form of profit distribution

COOEC adopts cash, stock, a combination of cash and stock or other methods permitted by laws and regulations to distribute profits, and COOEC may make interim profit distribution when conditions are available.

(2) Specific conditions and ratio of cash dividends

Except under special circumstances, provided that COOEC's cash can satisfy COOEC's continuous operation and long-term development, COOEC shall distribute dividends in cash if the current year's profit and the accumulated undistributed profit (Calculated based on the net profit attributable to shareholders of the parent company in the consolidated statement) is positive and does not violate the Company Law on dividend distribution. The profit distributed in cash each year shall not be less than 10% of the net profit attributable to the shareholders of the parent company. The accumulated profits distributed in cash by COOEC in the last three years shall not be less than 30% of the average annual distributable profits realized in the last three years.

Special circumstances refer to:

- ① The occurrence of significant external investment plans or significant cash expenditures (other than fund-raising projects) of COOEC within the next twelve months reaching or exceeding 30% of COOEC's latest audited net assets; investment plans or cash expenditures include COOEC's proposed external investment, acquisition of assets, external debt repayment or purchase of equipment, etc.
 - ② The auditor has not issued a standard unqualified audit report on COOEC's financial report for the year.
- (3) Specific conditions for the issuance of stock dividends

COOEC may propose a stock dividend distribution plan when COOEC's operation is good and the Board of Directors believes that the price of COOEC's shares does not match the size of COOEC's share capital and the issuance of stock dividends is beneficial to the overall interests of all shareholders of COOEC, provided that the above conditions for cash dividends are met.

3. Procedures for consideration of COOEC's profit distribution plan

- (1) The profit distribution plan of COOEC shall be proposed and formulated by the management of COOEC in combination with the Articles of Association, the profit situation and the capital requirement plan, and submitted to the Board of Directors of COOEC for consideration. The Board of Directors of COOEC shall fully discuss the reasonableness of the profit distribution plan, form a special resolution and submit it to the general meeting for consideration.

COOEC shall fully listen to the opinions and demands of the small and medium-sized shareholders when deliberating on the specific plan for cash dividends. In addition to listening to the opinions of shareholders at the general meeting, COOEC shall also communicate and exchange views with shareholders, especially the small and medium-sized shareholders, through the

shareholders' hotline and fax, and promptly respond to the concerns of the small and medium-sized shareholders.

- (2) If COOEC is unable to determine the profit distribution plan for the year in accordance with the established cash dividend policy due to the special circumstances specified in item 2 above, the Board of Directors shall make a special explanation on the specific reasons for not making cash dividends, the use of COOEC's retained earnings and the expected investment income, and submit the proposal to the general meeting for consideration after the independent directors have expressed their opinions, and disclose it in the designated media of COOEC. When the profit distribution plan for the current year is submitted to the annual general meeting for consideration, it shall be approved by at least two-thirds of the voting rights held by the shareholders present at the general meeting.
- (3) Decision-making procedures for COOEC to adjust or change the profit distribution policy

In the event of force majeure such as war or natural disaster, or changes in the external business environment of COOEC that have a significant impact on the production and operation of COOEC, or major changes in COOEC's own business conditions, COOEC may adjust or change the cash dividend distribution policy determined in the Articles of Association after detailed demonstration and if it is deemed necessary. The board of directors shall fully discuss the reasonableness of the adjustment or change of the profit distribution policy, and after the independent directors have expressed their opinions, a special resolution shall be formed and submitted to the general meeting for consideration. When the general meeting is considered, it shall be approved by at least two-thirds of the voting rights held by the shareholders present at the general meeting.

4. Implementation of COOEC's profit distribution plan

After the general meeting makes a resolution on the profit distribution plan, the Board of Directors of the Bank shall complete the distribution of dividends (or shares) within two months after the general meeting.

(II) Special description of the cash dividend policy

"√ Applicable" " □ Not applicable"

Whether it complies with the provisions of the Articles of Association or the requirements of the resolution of the general meeting	"√ Yes" " □ No"
Whether the criteria and ratio for dividend distribution are clear and explicit	"√ Yes" " □ No"
Whether the relevant decision-making procedures and mechanisms are complete	"√ Yes" " □ No"
Whether the independent directors have performed their duties and responsibilities and played their due roles	"√ Yes" " □ No"
Whether small and medium shareholders have adequate opportunities to express their opinions and demands, and whether their legitimate rights and interests have been adequately protected	"√ Yes" " □ No"

(III) If COOEC made profit in the reporting period and the profit available for distribution to shareholders by the parent company is positive, but no cash profit distribution plan is proposed, COOEC shall disclose in detail the reasons and the use and plan of use of the undistributed profit

" □ Applicable" "√ Not applicable"

(IV) Proposals for profit distribution and the increase of share capital by converting capital reserves during the reporting period

"√ Applicable" " □ Not applicable"

Unit: RMB

Number of bonus shares per 10 shares (shares)	0
Number of dividends per 10 shares (RMB) (including tax)	1.47
Number of shares transferred per 10 shares (shares)	0
Amount of cash dividends (including tax)	649,939,155.6
Net profit attributable to ordinary shareholders of the listed company in the consolidated statements for the year of dividend distribution	1,620,506,288.92
Ratio to net profit attributable to ordinary shareholders of the listed company in the consolidated statements (%)	40.11
Amount of shares repurchased in cash and included in cash dividends	0
Total amount of dividends (including tax)	649,939,155.6

Ratio of the total dividends to the net profit attributable to ordinary shareholders of the listed company in the consolidated statements (%)

40.11

XI. Implementation of COOEC's equity incentive plan, employee stock ownership plan or other employee incentive measures and its impacts

(I) The relevant incentive matters have been disclosed in the interim announcement and there is no progress or change in the subsequent implementation

Applicable " Not applicable "

(II) Incentives not disclosed in the interim announcement or with subsequent progress

Equity incentive

Applicable " Not applicable "

Other explanations

Applicable " Not applicable "

Employee stock ownership

Applicable " Not applicable "

Other incentives

Applicable " Not applicable "

(III) Equity incentives granted to directors and senior officers during the reporting period

Applicable " Not applicable "

(IV) Appraisal mechanism for senior officers during the reporting period, and the establishment and implementation of the incentive mechanism

Applicable " Not applicable "

With reference to the salary and remuneration of directors, supervisors and senior officers in this industry, the appraisal is conducted and the remuneration standard is determined in accordance with the principle of combining incentives and constraints based on the duties and complexity of the positions as well as work performance and achievements.

XII. Construction and implementation of internal control system during the reporting period

Applicable " Not applicable "

In 2023, the company adhered to strategic leadership, took customer needs as the starting point, and broke departmental barriers from end to end. The first is to establish the company's process system framework, including: three major categories of the strategic leading process, core main business process and business support process, covering 12 first-level processes, 58 second-level processes, 191 third-level processes and 467 last-level processes. According to the interaction between processes, a crisscross company process map was drawn. The second is to organize and complete the comprehensive sorting and optimization of the four core business processes. Combined with the characteristics of the company's production and operation, and by focusing on the two lines of "revenue" and "expenditure", the company organized and completed the comprehensive combing and optimization of four core main business processes, including the full life cycle management process of engineering projects, the supply chain management process, the investment management process and the scientific research information management process, and prepared four core main business process manuals.

Explanation of significant deficiencies in internal control during the reporting period

Applicable " Not applicable "

XIII. Management control of subsidiaries during the reporting period

Applicable " Not applicable "

During the reporting period, the company exercised management control over its subsidiaries in accordance with national laws such as the Company Law, the Securities Law, and various internal management systems such as the company's articles of association, improved the corporate governance structure of its subsidiaries, strengthened the construction of the Board of Directors of its subsidiaries, provided security for dispatched directors to perform their duties, and continued to improve the modernization of the governance system and capacity of its subsidiaries. COOEC issues the "Administrative Rules for the Performance of Duties by Directors of the Company (Trial)", which provides institutional basis for the management of the Board of Directors of the subsidiary, continuously strengthens the internal control and risk management of subsidiaries, and improves

the management level and risk prevention ability of subsidiaries; COOEC also urges its subsidiaries to focus on production and operation management, decompose the main responsibility of performance assessment in accordance with COOEC's business objectives, and to fully mobilize the enthusiasm of each subsidiary to form a solid community of interests by applying industry-specific classification and control to each subsidiary in accordance with the principles of decentralization, proper authorization and target orientation, focusing on the objectives of asset creation, cost reduction and efficiency increase, scientific and technological innovation and reform and development; COOEC strengthens the capacity building of value-creating units such as design, construction, offshore installation and LNG engineering, and keep the management structure and team refined and efficient, so that the subsidiaries can become the backbone of COOEC's strategic promotion and business development.

XIV. Information statement on internal control audit report

Applicable " Not applicable"

BDO CHINA Shu Lun Pan Certified Public Accountants LLP has audited COOEC's internal control for 2023 and issued a standard unqualified Internal Control Audit Report, which concluded that COOEC has maintained effective internal control over financial reporting in all material aspects in accordance with the Basic Standard for Enterprise Internal Control and relevant regulations.

The Internal Control Audit Report is disclosed on the same date as this annual report, and the detailed report is available on the website of Shanghai Stock Exchange at <http://www.sse.com.cn>.

Whether to disclose the Internal Control Audit Report: Yes

Type of opinion on the Internal Control Audit Report: Standard unqualified opinion

XV. Status of rectification of self-examination issues of special actions on governance of listed companies

None

XVI. Others

" Applicable " Not applicable"

Environment and Social Responsibility

I. Environmental information

Whether to establish mechanisms related to environmental protection	Yes
Funds invested in environmental protection during the reporting period (Unit: RMB'0,000)	4,726

(I) Description of the environmental protection of COOEC and its major subsidiaries that are key emission units announced by the environmental protection authorities

"√ Applicable" " □ Not applicable"

1. Pollution discharge

"√ Applicable" " □ Not applicable"

A. Offshore Oil Engineering (Qingdao) Co., Ltd.

According to the Notice of Qingdao Ecological Environment Bureau on Issuing the List of Key Units of Environmental Supervision in Qingdao in 2023 issued by Qingdao Ecological Environment Bureau on March 20, 2023 and the Notice of Qingdao Ecological Environment Bureau on Announcing the List of Enterprises Disclosing Environmental Information in Qingdao According to Law issued by Qingdao Ecological Environment Bureau on March 30, 2023, Offshore Oil Engineering (Qingdao) Co., Ltd. ("Qingdao Subsidiary"), a wholly-owned subsidiary of COOEC, was identified by Qingdao authority as a key emission unit in Qingdao City, Shandong Province in 2023 and involved in the following regulatory categories: water environment, air environment, soil pollution supervision, environmental risk control. Meanwhile, the company was identified as the Enterprise Legally Disclosing Environmental Information in Qingdao in 2023. Environmental protection information disclosed in accordance with the law is as follows:

The main pollutants of Qingdao Subsidiary are domestic wastewater from the plant, organic waste gas from the painting operation, and hazardous waste from the production process.

(1) Pollutant formation process and causes:

- ① Wastewater is the domestic wastewater of Qingdao Subsidiary, and there is no production wastewater. The main pollutants in the domestic wastewater are COD (chemical oxygen consumption), ammonia nitrogen, suspended matter, etc. Qingdao Subsidiary is included in the key discharge unit of water environment, mainly because Qingdao site covers an area of 1.2 million square meters, with more production staff and high water consumption leading to a correspondingly larger discharge volume. The pollutants such as ammonia nitrogen and COD in the discharged wastewater are listed as key supervisory units because of the large emissions of ammonia nitrogen and COD, although the discharge concentration meets the standards and complies with the relevant regulations.
- ② Exhaust emission pollutants mainly include benzene, toluene, xylene, non-methane total hydrocarbons and particulate matter. The formation process and causes are welding fume from welding during construction, grinding dust from sanding, particulate dust from sandblasting, and organic waste gas from painting and drying. Although the concentration of emissions meets the standards and complies with the relevant regulations, it is classified as a key regulatory unit due to the large annual average use of paint, resulting in large emissions of exhaust gases.
- ③ Soil pollutants are mainly hazardous waste generated from Qingdao site during the implementation of marine engineering construction that may cause pollution to soil, mainly including waste paint drums, waste paint sludge, waste mineral oil, paint-stained garbage, waste paint, waste thinner, waste antifreeze, etc. The waste has the possibility of leakage and leaking during the process of collection and temporary storage, which may contaminate the soil, so Qingdao Subsidiary is listed as a key unit of soil by the local environmental protection department. However, Qingdao Subsidiary attaches great importance to waste management, and there has not been any case of contamination of soil by waste leakage or leaking.

(2) Pollutant discharge methods:

- ① All domestic sewage generated by Qingdao Subsidiary is pretreated by integrated sewage treatment equipment in the factory to meet the B-level standard of Water Quality Standard for Sewage Discharged into Urban Sewers (GB/T31962-2015) and then discharged into municipal sewage pipeline and enters Nibuwan Sewage Treatment Plant. A sewage online monitoring system has been installed in the plant of Qingdao Subsidiary and realized 24-hour networking with the local environmental protection bureau.
- ② The welding fume and grinding dust generated in the production process of Qingdao Subsidiary is filtered and de-dusted by two ways: fume capture arm mobile welding purification unit and self-circulating filter cartridge

filter dust removal device. The metal oxide dust generated by shot blasting is de-dusted by cyclone filter cartridge, which is discharged by 25m-height exhaust pipe after the treatment reaches the standard. The paint spraying dust is purified by adsorption of zeolite rotor adsorption device, and the organic waste gas is treated by regenerative catalytic combustion (RCO), and the purified waste gas is discharged by 25m-height exhaust pipe. The VOCs online monitoring system is installed in the plant of Qingdao Subsidiary and is connected to the local environmental protection bureau 24 hours a day.

- ③ For the disposal of waste that may cause soil pollution, Qingdao Subsidiary has entrusted all of the waste to third-party units qualified for hazardous waste disposal in accordance with relevant laws and regulations, and before disposal, the waste is temporarily stored in the temporary storage of hazardous waste, which has undergone ground leakage and overflow prevention treatment in accordance with relevant technical requirements and has set up overflow prevention tanks and recovery tanks to ensure that hazardous waste will not pollute the soil during the temporary storage period.
- (3) Emission concentration and total amount:
- ① Organized emissions of exhaust gases:
Benzene: 0.007 t; toluene: 0.008 t; xylene: 0.142 t; non-methane total hydrocarbons: 8.164 t; total particulate matter emissions: 2.526 t; The emission concentration of each emission outlet is lower than the prescribed emission concentration.
 - ② Wastewater discharge:
The displacement of 31,300 t; the average COD emission concentration of 40.70mg/L, total COD emission of 2.85 tons; the average emission concentration of ammonia nitrogen 2.45mg/L, and total emission of ammonia nitrogen 0.07 tons.
It should be especially noted that all domestic sewage of Qingdao Subsidiary is discharged to the sewage treatment plant through the municipal pipe network, and the emissions of COD and ammonia nitrogen are the quantities discharged to the sewage treatment plant, not the quantities discharged directly into the environment, which will not cause pollution to the water environment.
- (4) Total approved emissions: no total approved emissions (no relevant requirements from the local environmental protection bureau).
- (5) Excess emissions: none.
- (6) Emission standards of pollutants implemented: Organic waste gas emissions, subject to the relevant standards in Table 1 of Emission Standards for Volatile Organic Compounds Part 5 Surface Coating Industry (DB37/2801.5-2018); organized emissions of particulate matter, subject to Table 1 of Comprehensive Emission Standards for Regional Air Pollutants in Shandong Province (DB37/2376-2022) (emission concentration limits of air pollutants (Phase III)); the unorganized emission of particulate matter, subject to the relevant standards in Table 2 of the Comprehensive Emission Standards for Air Pollutants (GB16297-1996); the wastewater discharge, subject to Class B standard of the Water Quality Standards for Sewage Discharge into Urban Sewers (GB/T31962-2015).

During the reporting period, no environmental pollution accident occurred in Qingdao Subsidiary, and no administrative punishment related to environmental protection was imposed.

B. COOEC-Fluor Heavy Industries Co., Ltd.

COOEC-Fluor Heavy Industries Co., Ltd. (hereinafter referred to as "COOEC-Fluor"), a joint venture company established by Offshore Oil Engineering (Zhuhai) Co., Ltd, a subsidiary of the COOEC, and FLUOR INTERNATIONAL LIMITED (FLUOR), was identified as a key emission unit in Zhuhai City, Guangdong Province in 2023 according to the Notice of Zhuhai Ecological Environment Bureau on Issuing the List of Key Units of Environmental Supervision in Zhuhai in 2023 issued by Zhuhai Ecological Environment Bureau on March 27, 2023 and the Notice of Zhuhai Ecological Environment Bureau on Announcing the List of Enterprises Disclosing Environmental Information in Zhuhai According to Law issued by Zhuhai Ecological Environment Bureau on March 30, 2023, and involved in the following regulatory category: atmospheric environment. Meanwhile, COOEC-Fluor was recognized as the enterprise with environmental information legally disclosed in Zhuhai in 2023. Environmental protection information disclosed in accordance with the law is as follows:

The main pollutants of COOEC-Fluor include the domestic wastewater from the plant, initial rainwater, pressure test wastewater, organized and unorganized exhaust gas from the painting and other operations, general industrial solid waste and hazardous waste from the production process.

- (1) Pollutant formation process and causes:
- ① Wastewater includes the domestic wastewater, initial rainwater, and pressure test wastewater. The main pollutants in the wastewater are COD (chemical oxygen consumption), ammonia nitrogen, suspended matter, etc.
 - ② Waste gas emission pollutants are classified into the organized emission pollutants and unorganized emission pollutants. Organized emission pollutants mainly include particulate matter, benzene, toluene, xylene, and total volatile organic matter (VOCs), while the unorganized emission pollutants mainly include the particulate matter, benzene, xylene, non-methane total hydrocarbon, and total volatile organic matter (VOCs). The formation process

and causes are welding fume from welding during construction, grinding dust from sanding, particulate dust from sandblasting, and organic waste gas from painting and curing. The concentration of both organized and unorganized pollutants discharged by the company meets the local and national emission standards of Guangdong Province. Due to the large annual amount of paint used by the company and exhaust gas emissions, it was listed as the key supervision unit of atmospheric environment in Zhuhai for the first time in 2023.

- ③ Soil pollutants mainly come from the general industrial solid waste and hazardous waste generated in the process of production and business activities, and these wastes lead to the risks of pollution, seepage and leakage in the production, collection and temporary storage process, which may cause environmental impacts on the soil and groundwater environment. These wastes include the waste metal, industrial dust, waste wood, waste plastics, waste rubber and other general industrial solid waste, as well as waste paint drums, waste paint residue, waste organic solvents, paint, oil and other contaminated wastes, pressure test wastewater, pickling waste liquid, waste mineral oil, oily waste liquid, used batteries and other hazardous waste.
- (2) Pollutant discharge methods:
- ① The wastewater discharged includes the domestic sewage, canteen sewage, initial rainwater and pressure test wastewater. After settling in the septic tank, the domestic sewage is discharged into the local municipal sewage network through the domestic sewage network in the plant area and then into the Nanshui Water Purification Plant of Zhuhai Urban Drainage Co., Ltd. (hereinafter referred to as "Nanshui Water Purification Plant") for further treatment. After oil and slag separation, the canteen sewage is discharged into the local municipal sewage network through the domestic sewage network of the plant, and sent to the Nanshui Water Purification Plant for further treatment. After the initial rainwater is treated in the oil isolation and sedimentation tank, it is discharged into Huangmaohai through the rainwater pipe network of the plant and then into the South China Sea. The pressure test wastewater is entrusted to a qualified unit for disposal.
 - ② The discharged organized waste gas and unorganized waste gas are treated by the treatment device and then discharged after meeting the standards. The processing and grinding dust generated in the blanking and prefabrication production activities are collected by the mobile suction and treated by the filter cartridge dust collector for the unorganized discharge. The welding dust produced in prefabrication process is collected and filtered by a high vacuum welding dust purification system. The exhaust gas of shot blasting is collected and removed by "cyclone + filter cylinder" and discharged by 30-m high exhaust cylinder after meeting the standards. Pretreatment spray painting, drying and curing exhaust gas is disposed by "adsorption + catalytic combustion" method, and it is discharged from 30m high exhaust cylinder after treatment. The local and vacuum sand blasting workshop adopts cyclone + filter cartridge dust removal treatment method, and is discharged by 20m high exhaust pipe after reaching the standard. The dust removal exhaust from the whole room of sand blasting workshop adopts cyclone + canister dust removal treatment method, and is discharged from the 30-meter high exhaust pipe after reaching the standard. The paint spraying and curing exhaust gas from the paint spraying workshop is purified by "adsorption desorption + catalytic combustion" + "zeolite rotor + regenerative catalytic combustion (RCO)", and the purified exhaust gas is discharged by 30-m high exhaust pipe.
 - ③ Waste that may cause soil pollution shall be collected and supervised in strict classification in the production process, temporary solid waste stations and hazardous waste warehouses shall be established in a timely manner, and qualified enterprises shall be entrusted for disposal according to the waste production conditions. The construction and daily management of solid waste stations and hazardous waste warehouses were carried out in accordance with the storage standards of solid waste and hazardous waste, to ensure that general industrial solid waste and hazardous waste would not pollute the soil during the production, collection, temporary storage and disposal.
- (3) Emission concentration and total amount:
- ① Organized emission of exhaust gas:
Benzene: 0.178 t; toluene: 0.637 t; xylene: 1.494 t; non-methane total hydrocarbons: 5.681 t; particulate matters: 5.981 t. The emission concentration of each emission outlet is lower than the prescribed emission concentration.
 - ② Wastewater discharge:
The displacement of 38,300 t; the average COD emission concentration of 64.00mg/L, total COD emission of 2.45 tons; the average emission concentration of ammonia nitrogen 14.80mg/L, and total emission of ammonia nitrogen 0.57 tons.
The domestic sewage is sent to the Nanshui Water Purification Plant through the municipal sewage pipe network for treatment, and is then discharged after meeting the standards. The discharge concentration of initial rainwater pollutants meets the Period-II and Level-II provisions of "Water Pollutant Discharge Limit" (DB44/26-2001), a Guangdong provincial standard.
- (4) Total approved emissions: no total approved emissions (no relevant requirements from the local environmental protection bureau).
 - (5) Excess emissions: none.
 - (6) Emission standards of pollutants applied: Emissions of sulfur dioxide, nitrogen oxides, Ringelman emittance and

particulate matter from hot blast furnaces are subject to the emission limits for gas-fired boilers in Table 2 of the "Emission Standard for Boiler Air Pollutants" (DB 44/765-2019) in Guangdong Province; the emissions of organic exhaust gas are subject to the emission limits for Period II in Table 2 of "Volatile Organic Compound Emission Standards for Surface Coating (Automotive Manufacturing Industry)" (DB 44/816-2010) in Guangdong Province; the organized emissions of particulate matter are subject to the Period-II and Level-II provisions of the "Air Pollutant Emission Limits" (DB 44/27-2001) in Guangdong Province; the unorganized emissions of organic exhaust gas are subject to the concentration limits in Table 3 of "Volatile Organic Compound Emission Standards for Surface Coating (Automotive Manufacturing Industry)" (DB 44/816-2010) in Guangdong Province; the unorganized emissions of particulate matter are subject to the Period-II unorganized emission limits in Table 2 of the "Air Pollutant Emission Limits" (DB 44/27-2001) in Guangdong Province; the discharge of initial rainwater is subject to the Period-II and Level-II provisions of "Water Pollutant Discharge Limit" (DB44/26-2001); the emissions of kitchen fumes and exhaust gas are subject to the "Emission Standard of Cooking Fume" (GB 18483-2001).

During the reporting period, no environmental pollution accident occurred in COOEC-Fluor, and no administrative punishment related to environmental protection was imposed.

2. Construction and operation of pollution prevention and control facilities

"√ Applicable" " □ Not applicable"

A. Offshore Oil Engineering (Qingdao) Co., Ltd.

There is one set of integrated sewage treatment equipment in the plant of Qingdao Subsidiary, which has a sewage treatment capacity of 200 tons/day, and the effluent standard meets the requirements of Grade B standard of Water Quality Standard for Sewage Discharge into Urban Sewers (GB/T31962-2015).

The painting workshops in the factory are equipped with organic waste gas purification and dust removal equipment, and the environmental protection equipment is regularly maintained and the corresponding maintenance records are filled in. All the environmental protection facilities are in normal operation, and all the organic waste gases meet the standard emission.

B. COOEC-Fluor Heavy Industries Co., Ltd.

The initial rainwater and domestic sewage pipe network in the COOEC-Fluor's plant area is constructed according to the principle of "rain and sewage diversion", and the oil separation and settling pond is built for treatment. The effluent of initial rainwater meets the requirements of Period-II Level-II provisions of the "Water Pollutant Discharge Limit" (DB44/26-2001) in Guangdong Province, and the effluent of domestic sewage meets the requirements of Period-II Level-III provisions of "Water Pollutant Discharge Limit" (DB44/26-2001) in Guangdong Province.

In COOEC-Fluor's plant area, the coating workshops are equipped with organic waste gas purification and dust removal equipment for the painting and sand blasting processes, the environmental protection equipment is regularly serviced and the corresponding maintenance records are made. All the environmental protection facilities are in normal operation, and all the organic and dusty waste gases meet the standard emission.

3. Environmental impact assessment of construction projects and other administrative authorizations for environmental protection

"√ Applicable" " □ Not applicable"

A. Offshore Oil Engineering (Qingdao) Co., Ltd.

- (1) Reply of Qingdao Municipal Environmental Protection Bureau on the Environmental Impact Report of the Qingdao Site Project Phase I of Offshore Oil Engineering (Qingdao) Co., Ltd.
- (2) Reply of Qingdao Municipal Environmental Protection Bureau on the Environmental Impact Report of the Qingdao Site Project Phase II of Offshore Oil Engineering (Qingdao) Co., Ltd.
- (3) Approval of Environmental Impact Report of Qingdao Municipal Environmental Protection Bureau on Phase III Project of Qingdao Manufacturing Base of Offshore Oil Engineering.

B. COOEC-Fluor Heavy Industries Co., Ltd.

- (1) The Opinion of Environmental Protection Bureau of Zhuhai Gaolan Port Economic Zone Management Committee on the Approval of the Environmental Impact Report of COOEC's Project of Zhuhai Deep Water Marine Engineering Equipment Manufacturing Base.
- (2) Reply of Zhuhai Ecological Environment Bureau to the Environmental Impact Statement on the Construction of the #3 Coating Workshop Expansion Project in Zhuhai Deep Water Marine Engineering Equipment Manufacturing Base of COOEC-Fluor Heavy Industries Co., Ltd.

4. Emergency plan for environmental emergencies

"√ Applicable" " □ Not applicable"

Qingdao Subsidiary has prepared emergency response plans for unexpected environmental events, including special emergency response plans for toxic and hazardous substances leakage and special emergency response plans for oil spills at terminals.

COOEC-Fluor has prepared emergency response plans for unexpected environmental events, including the special emergency response plans for hazardous waste and environmental pollution incident and special emergency response plans for oleochemical storage fire and explosion accidents.

5. Environmental self-monitoring scheme

Applicable " Not applicable "

Qingdao Subsidiary and COOEC-Fluor prepares the environmental self-monitoring plan every year and submits it to the local ecological environment department and the headquarters of COOEC for record.

6. Administrative penalties for environmental issues during the reporting period

Applicable " Not applicable "

7. Other environmental information that should be disclosed

Applicable " Not applicable "

(II) Description of environmental protection of companies other than key emission units

Applicable " Not applicable "

1. Administrative penalties for environmental issues

Applicable " Not applicable "

2. Disclosure of other environmental information with reference to key emission units

Applicable " Not applicable "

A. Lingang site of Tianjin Intelligent Manufacturing Branch of China National Offshore Oil Corporation

1. Pollution discharge

According to the "Announcement on the List of Key Units of Environmental Supervision in Tianjin in 2023" and the "Announcement on the List of Enterprises with Environmental Information Legally Disclosed in Tianjin for 2023", issued by Tianjin Ecological Environment Bureau on March 30, 2023, the Lingang site of Tianjin Intelligent Manufacturing Branch of COOEC (hereinafter referred to as the "Lingang site") was identified by Tianjin Ecological Environment Bureau as the key pollutant discharge unit of Tianjin in 2023, and was involved in the following regulatory category: the risk source, excluding the water environment, atmospheric environment, soil pollution supervision and environmental risk control. Therefore, the Branch was not included in the "List of Enterprises with Environmental Information Legally Disclosed in Tianjin for 2023".

In order to fulfill social responsibility and promote green transformation and development, the company independently disclosed the sewage discharge information of the Lingang site:

The main pollutants of Lingang site are domestic wastewater from the plant, organic waste gas from the painting operation, and hazardous waste from the production process.

(1) Pollutant formation process and causes:

- ① Outgoing wastewater is mainly domestic wastewater, winter boiler discharge water, wastewater from deionized water purification equipment, pipeline test pressure wastewater, etc. , and the main pollutants in all kinds of wastewater are COD (chemical oxygen consumption), ammonia nitrogen, suspended matter, etc.
- ② Exhaust emission pollutants mainly include xylene, non-methane total hydrocarbons, volatile organic compounds (TRVOC) and particulate matter, the formation process and causes are welding fume from welding during production operations, grinding dust from sanding, particulate dust from sandblasting process, organic waste gas from painting and drying.
- ③ The risk of soil pollution mainly comes from the hazardous waste generated during the production process. There is a possibility of leakage and leaking in the process of hazardous waste collection and temporary storage, and once it is not properly managed, there is a risk of contamination to the soil. The hazardous waste mainly includes waste paint drums, waste paint sludge, waste mineral oil, paint-stained garbage, waste paint, waste thinner and waste antifreeze.

(2) Pollutant discharge methods:

- ① The discharged wastewater includes domestic sewage and production wastewater. Among them, domestic wastewater includes employees' domestic wastewater and heating boiler discharge water, and production wastewater includes high brine and backwash water discharged from deionization preparation system, test pressure water from general assembly site, cleaning wastewater after test pressure of pipelines and ground washing wastewater from disassembly site.

According to the drainage design, the oily wastewater from the staff canteen restaurant is treated by grease trap; the staff washing wastewater is precipitated and treated by septic tank, and the cleaning wastewater is precipitated and treated by sedimentation tank and discharged to the second sewage treatment plant of Lingang Economic Zone through municipal sewage network for further treatment. In accordance with the requirements of the EIA, a flow meter is installed in the total discharge of sewage to measure the flow and do online monitoring. Currently

in the sewage online monitoring has been fully installed, is in accordance with the requirements of the local environmental protection bureau to promote commissioning and acceptance-related work.

- ② The welding fume and grinding dust generated from the production process at the Lingang site are filtered and dusted by high negative pressure welding fume purification, central cartridge dust purification, mobile welding fume purifier and cartridge filter dust removal device. Pretreatment shot blasting exhaust gas adopts cyclone + cartridge dust removal method, pretreatment paint spraying and drying exhaust gas adopts dry filtration + RTO treatment method, and is discharged by 30m high exhaust pipe after treatment. The local and vacuum sand blasting workshop adopts cyclone + filter cartridge dust removal treatment method, and is discharged by 20m high exhaust pipe after reaching the standard. The dust removal exhaust from the whole room of sand blasting workshop adopts cyclone + canister dust removal treatment method, and is discharged from the 20-meter high exhaust pipe after reaching the standard. The paint spraying and drying exhaust gas from the paint spraying workshop is purified by dry filtration + zeolite rotor + CO adsorption device, and the purified exhaust gas is discharged by 30m high exhaust pipe.

In accordance with the EIA and local government requirements, a total of 9 sets of exhaust gas online detection facilities have been installed, including 5 sets of VOC online monitoring facilities and 4 sets of particulate matter online monitoring facilities. At present, all online monitoring has been installed and is being promoted in accordance with the requirements of the local environmental protection bureau for commissioning and acceptance-related work.

- ③ For hazardous waste that may cause soil pollution, it is collected in the production process, strictly supervised and transferred to the temporary storage in time; the temporary storage of hazardous waste has been treated with anti-leakage and anti-overflow on the ground in accordance with relevant technical requirements, and facilities such as anti-overflow tank and recycling tank have been set up; finally, all of them are entrusted to third-party units with hazardous waste disposal qualification for disposal. Ensure that no pollution of soil will occur during the generation, collection, temporary storage and disposal of hazardous waste.

(3) Emission concentration and total amount:

- ① Organized emission of exhaust gas:

Strictly implement the environmental protection regulations, and the emission concentration of each emission outlet is lower than the prescribed emission concentration. In accordance with the environmental protection requirements of the local government, comprehensive statistics of various types of organized emissions of exhaust gases are compiled and filled in the annual report of emission permits, while the monitoring results are uploaded into the Tianjin pollution source monitoring data management system.

- ② Total emissions of exhaust gases

After taking measures of filtration, adsorption, RTO, etc. for the emission of exhaust gases, the total amount of pollutants finally discharged into the atmosphere is as follows:

Xylene: 1.070 t; non-methane total hydrocarbons: 2.099 t; particulate matters: 0.551 t. The emission concentration of each emission outlet is lower than the prescribed emission concentration.

- ③ Wastewater emission situation:

The displacement of 7,100 t; the average COD emission concentration of 260.25mg/L, total COD emission of 1.85 tons; the average emission concentration of ammonia nitrogen 17.51mg/L, and total emission of ammonia nitrogen 0.125 tons.

The emission concentration of each emission outlet is lower than the prescribed emission concentration, and the total emission is lower than the total approved emission of this phase of the project as stipulated in the EIA.

(4) Excess emission: no excess emission.

(5) Emission standards of pollutants applied:

The emission of organic waste gas is in accordance with the standards related to surface coating in Table 1 of Emission Control Standards for Volatile Organic Compounds of Industrial Enterprises (DB12/524-2020) of Tianjin; the emission of unorganized non-methane total hydrocarbon is in accordance with Emission Control Standards for Volatile Organic Compounds of Industrial Enterprises (DB12/524-2020) of Tianjin; the emission of gas drying waste gas, the relevant requirements in Table 3 of the Tianjin Emission Standard for Industrial Furnace (DB12/556-2015) and Table 3 of the Emission Standard for Boiler Air Pollutants (DB12/151-2020); the concentration of odor, the relevant requirements in the Tianjin Emission Standard for Odor Pollutants (DB12/059-2018); the organized emission of particulate matter, the Comprehensive Emission Standard for Air Pollutants (GB16297-1996) secondary standards for particulate matter, and the relevant standards in Table 2 of the Comprehensive Emission Standards for Air Pollutants (GB16297-1996) for particulate matter inorganic emissions and the relevant requirements in DB12/356-2018 tertiary standard limits of Tianjin Comprehensive Emission Standards for Wastewater for wastewater emissions.

2. Construction and operation of pollution prevention and control facilities

The painting workshops in the factory are equipped with organic waste gas purification and dust removal equipment,

and the environmental protection equipment is regularly maintained and the corresponding maintenance records are filled in. All the environmental protection facilities are in normal operation, and all the organic waste gases meet the standard emission.

The base set rainwater total discharge gate and rainwater regulating pool can be used as a secondary prevention and control system; set up two accident pools, of which one accident pool is shared by hazardous waste storage and oleochemical storage, and one 4 accident pool is used for painting workshop; to meet the emergency disposal needs and further reduce the risk of environmental pollution.

3. Construction project environmental impact report (table) and its approval department approval decision
 - (1) Environmental Impact Report on the Construction Project of Tianjin Offshore Engineering Equipment Manufacturing Base of Offshore Petroleum Engineering Company Limited (August 2017).
 - (2) Approval of Environmental Impact Report on the Construction Project of Offshore Engineering Equipment Manufacturing Base in Tianjin of Offshore Oil Engineering Co., Ltd. (JBLSP [2017] No. 118).
4. During the reporting period, no environmental pollution accident occurred on Lingang site, and no administrative punishment related to environmental protection was imposed.
5. Change of ecological and environmental protection related licenses
 - (1) On August 10, 2023, Offshore Oil Engineering Co., Ltd. changed the Radiation Safety License (certificate number: JHFZ [00017] (valid until October 10, 2026)
 - (2) On December 14, 2023, Tianjin Intelligent Manufacturing Branch changed the Pollutant Discharging License (certificate number: 91120116722950227Y007Q, valid from December 14, 2023 to December 13, 2028).

B. Vessel environmental protection management

1. Environmental protection management of own vessels

As of the end of the reporting period, COOEC owns 19 engineering construction vessels, COOEC continues to pay attention to the environmental protection management of vessels, focuses on the control of vessels from the source, actively introduces leading environmental protection ideas and concepts, and continuously improves the level of environmental protection management of COOEC by optimizing equipment structure, scientific and technological innovation and other effective management means to ensure the compliant operation of COOEC's vessels and the harmonious development of environmental protection. During this reporting period, COOEC did not have any ship environmental pollution accident due to negligence.

(1) Prevention and control of ship water pollutants

COOEC strictly implements the relevant provisions of the Ship Water Pollutant Discharge Control Standard (GB 3552-2018) and MARPOL 73/78 Convention Annex IV Rules for the Prevention of Pollution by Domestic Sewage from Ships. COOEC has installed domestic sewage treatment devices for 19 vessels and disposal in strict accordance with the Emission Control Standards for Water Pollutants from Ships (GB 3552-2018) and MARPOL 73/78 Convention Annex IV Rules for the Prevention of Pollution by Domestic Sewage from Ships.

(2) Air pollutant emission control

COOEC's ships strictly implement the International Convention for the Prevention of Pollution from Ships (MARPOL Convention), the Implementation Plan for the Ship Emission Control Zone in the Waters of Pearl River Delta, Yangtze River Delta and Bohai Sea Rim (Beijing, Tianjin and Hebei) issued by the Ministry of Transport (JHF [2015] No. 177) and the Implementation Plan for the Ship Air Pollutant Emission Control Zone issued by the Ministry of Transport (JHF [2018] No. 168). The sulfur content of fuel oil of COOEC's vessels using light oil is lower than 0.1%_{m/m} (lower than the requirements of the Convention and the Chinese government), and the vessels using heavy oil are equipped with high and low sulfur oil conversion devices and strictly implement the high and low sulfur oil conversion procedures.

(3) Disposal of ship's dirty oil water, oily sewage and garbage

COOEC has established ship safety management system in accordance with the requirements of relevant maritime laws and regulations, and has clear requirements on the disposal of ship's dirty oil water, oily sewage and garbage. The ship's oily water is discharged in accordance with the requirements of Regulations on the Administration of Lead Seals for Ship Discharge Equipment in Coastal Waters (JHF [2007] No. 165), and all of it is handed over to an organization with pollutant treatment qualification that has signed a recycling agreement with COOEC for recycling and treatment. All the oily sewage and garbage are received by the qualified professional company for counterpart, and provide the receiving certificate which meets the requirements of maritime authorities.

(4) Emergency management

COOEC's vessels are equipped with the Garbage Management Plan (GMP) and the Oil Pollution Emergency Plan (SOPEP) approved by the China Maritime Safety Administration, and all operations of the vessels strictly implement the GMP and SOPEP. COOEC and the vessels regularly conduct drills to continuously improve the emergency response and on-site disposal capabilities.

2. Environmental management of chartered vessels

COOEC takes chartered vessels as the focus of ship pollution prevention management. COOEC established a professional management organization for foreign chartered vessels, which is responsible for the inspection of foreign chartered vessels before chartering and supervision of safety and pollution prevention during the chartering process, and established a system to form the Comprehensive Management Manual for Foreign Chartered Vessels to clarify the requirements of safety and pollution prevention management for the whole process of inspection, access, chartering, process supervision and surrender of chartered vessels.

In strict accordance with the requirements of anti-pollution conventions and laws and regulations, during the chartering inspection process, COOEC inspects key environmental matters such as the validity of anti-pollution certificates, the operation records and maintenance of anti-pollution equipment and facilities, the sealing of sewage equipment, the completeness of records in the oil record book/garbage record book, and the proof of receiving documents for sewage/oil water and garbage disposal, and organizes timely rectification when problems are found. COOEC effectively ensures the legal compliance of the chartered vessels in terms of pollution prevention by organizing timely rectification after all rectification is completed.

During the chartering process, COOEC strengthens the supervision of the process of chartered vessels and sign on-site safety production management agreement to clarify the interface of responsibilities and management requirements for safety and pollution prevention. COOEC strictly supervises and supervises chartered vessels, conducts supervision and inspection from time to time, and regularly organizes warning education and training for crew members and shore-based management personnel of chartered vessels to enhance the awareness of environmental protection and pollution prevention management ability.

3. Reasons for not disclosing other environmental information

" Applicable " " Not applicable "

(III) Information related to the protection of ecology, prevention of pollution and fulfillment of environmental responsibilities

" Applicable " " Not applicable "

Strengthen the control of air pollution and improve the performance ratings of key industries in heavy pollution weather

COOEC strengthened the construction of environmental infrastructure, improved the basic management of environmental protection, strengthened the sandblasting and painting workshop VOC treatment, actively promoted the construction of environmental online monitoring, motor vehicle access control intelligent management system and improved the proportion of motor vehicles in the field of national IV or higher exhaust emission standards, which improved the environmental management level of the site. Tianjin Tanggu site and Lingang site were rated as the "Livelihood Exemption - Class B" of Tianjin's performance for heavy pollution weather, with the granted right of independent emission reduction in heavy pollution weather; the Lingang site was included in the positive list of ecological environment supervision and law enforcement of Tianjin Port Free Trade Zone, achieving the synergistic effect of environmental protection and production and management.

Strengthen ecological and biodiversity protection and build green environmental protection projects

In the process of construction of domestic engineering projects, the company comprehensively compared the ecological environmental impact assessment report of the project, formulated a detailed HSE plan, strictly implemented the protection measures for the atmosphere, water, soil, sound and marine environment and ecosystem, so as to strictly fulfilled the social responsibilities. In addition, COOEC carried over good practices to overseas projects. In the process of implementing overseas projects, COOEC strictly abided by local environmental regulations and tried its best to minimize the impact of construction activities on the ecological environment. In the Reconstruction Project of K1A Pipeline in Canada, the birds' living and breeding areas were strictly avoided, and the local soil and vegetation ecology were carefully protected. In Kingfisher Project in Uganda, in view of the local climate characteristics in the dry season, COOEC scientifically controlled the dust produced during the operation, overcame the difficulties of limited local water supply and drainage conditions, and built its own sewage treatment system. Meanwhile, the company actively promoted the environmental protection culture concept, and always adhered to the environmental protection concept of "green mountains before and after project", which has been highly recognized and praised by the local government and people.

(IV) Measures taken to reduce its carbon emissions during the reporting period and their effects

Whether to take carbon reduction measures	Yes
Reduction of carbon dioxide equivalent emissions (unit: tons)	11,789
Type of carbon reduction measures (e.g. using clean energy to generate electricity, using carbon reduction technologies in the production process, developing and producing new products that contribute to carbon reduction, etc.)	Roof distributed photovoltaic project, wind turbine booster system, integrated construction mode, and application of digital intelligent means.

Detailed descriptions

" Applicable " " Not applicable "

COOEC actively implemented the national green development strategy, conformed to the international green and low-carbon development trend, systematically built green factories and green supply chains, closely focused on the goal of "Carbon Peak

and Carbon Neutrality”, vigorously promoted the utilization of clean energy, steadily carried out the renewal and transformation of old and energy-consuming equipment, strengthened digital intelligence enabling, and strove to improve energy utilization efficiency. The company implemented more than 100 energy-saving and carbon reduction measures throughout the year, reducing 11,789 tons of carbon emissions by technological measures.

1. In terms of the systematic construction of green supply chain, COOEC conscientiously implemented the CNOOC’s deployment requirements on “Carbon Peak and Carbon Neutrality”, guided the procurement supply chain to implement the green low-carbon strategy, and accelerated the green transformation and high-quality development of the supply chain, supporting the green low-carbon development transformation. Through the decomposition and implementation of 17 sub-tasks and 31 initiatives in “six aspects”, including the green supply resource development, green procurement, green logistics warehousing, resource recycling, strategic supplier decarbonization cooperation, and green information disclosure, the green supply resource database has been established, the green procurement process has been improved, and the construction of green warehousing and logistics has been strengthened; green information sharing and collaborative management have been enhanced, and the green supply chain has been connected. In March 2023, COOEC was awarded the title of “Green Supply Chain Management Enterprise” by the Ministry of Industry and Information Technology.
2. The company vigorously promoted the construction of photovoltaic projects, implemented three roof distributed photovoltaic projects, namely, Tianjin Lingang roof distributed photovoltaic project, Qingdao roof distributed photovoltaic project, Zhuhai roof distributed photovoltaic Phase-I project in 2023, which had all been completed and connected to the grid for power generation. The company used idle resources such as office buildings, factory roofs and parking lot roofs to adapt to local conditions, organically combining photovoltaic power generation and buildings to achieve “efficient use of resources”, with a total paved area of 145,000 square meters and an installed capacity of nearly 9 MW. Based on the inclined surface irradiation, system efficiency and nominal efficiency attenuation of photovoltaic modules, the average annual power generation is expected to be about 9.3 million kWh, and the annual carbon reduction is about 7,500 t.
3. COOEC had explored the utilization of offshore clean wind energy, jointly developed and implemented the first commercial project of a wind turbine booster system in Asia, and completed the installation on the Ship “Haiyang Shiyou 226”. Two 18-meter high and 4-meter diameter spinning sails were installed on the Ship “Haiyang Shiyou 226”. Due to the Magnus effect, the lateral wind of the ship produced a pressure difference on the surface of the spinning drum, to provide auxiliary power for the ship. Through the calculation, it is estimated that the annual fuel saving rate is about 12%, the annual fuel saving is about 132 t, and the carbon dioxide emissions are reduced by about 412 t.
4. In terms of energy conservation and efficiency increase by digital and intelligent means, Tianjin Lingang kinetic energy monitoring system and Qingdao site intelligent water supply system have been built recently. Relying on the monitoring instrument and sensor system installed on site, the real-time monitoring of energy and water use have been achieved, to realize the data analysis and statistics for key links. In 2023, on the Tianjin Lingang site, 3.05 million kWh of electricity and 7,000 cubic meters of water were saved through the application of kinetic energy monitoring system, timely abnormal alarm, problem diagnosis, optimization process and adaptive working conditions; with the intelligent water supply system, on Qingdao site, close attention was paid to “running, emitting, dripping or leaking”, hidden leakage points were timely repaired, and the quota management was optimized, realizing the lean management, saving 131,000 cubic meters of water in the whole year, and further improving the company’s energy and water efficiency.
5. COOEC promoted the energy saving and efficiency increase through the integrated construction, actively practiced the concept of module construction, changed the production and manufacturing modes, and vigorously facilitated the modular and integrated construction of projects. Compared with the traditional construction process, the integrated construction cost is significantly reduced, the final assembly efficiency is greatly improved, the construction period is further shortened, the product quality is improved, the paint spraying workload is reduced, and the high-altitude hoisting machinery work shift is also reduced. Taking an LNG construction project as an example, the integration of joint construction for the core process module and pipe gallery module was realized for the first time in the world, with the module integration rate as high as 94%. Compared with similar projects in the past, the efficiency was increased by 28%, and the material and energy saving, pollution and carbon emission reduction were achieved synchronously.
6. COOEC strove to expand the offshore wind power business, built the world’s first “double hundred” floating semi-submersible wind power platform “CNOOC Guanlan” making breakthroughs in water depth and offshore distance. In May 2023, the company successfully incorporated the platform into the oil field complex grid, marking that the first deep-sea floating wind power platform is used to directly supply power to the offshore oil and gas field cluster in China. In this project, the company has made a breakthrough and mastered 13 key technologies, applied for 7 patents, compiled 6 standards, and fully realized localization and independence of equipment and facilities. With a total draft of 11,000 tons and a height of more than 200 meters, the platform has an installed capacity of 7.25 megawatts, and will generate 22 million kWh of electricity per year, reducing CO₂ emissions by 22,000 t.
7. COOEC realized the offshore demonstration application of CCUS, and completed the Enping 15-1 carbon dioxide storage project, which was successfully put into operation in June 2023. With the first offshore carbon dioxide storage demonstration project in China, the carbon dioxide associated with the oil field can be captured and treated and then injected back into the seabed in a certain burial depth for permanent storage, achieving zero carbon dioxide emissions. The annual storage reaches 300,000 tons, equivalent to nearly 14 million trees planted every year, filling the gap in China’s marine carbon dioxide storage technology.

8. COOEC deepened the development strategy of national marine economy and stereoscopic sea development, and completed the detailed design of China's first floating wind power and cage aquaculture integration demonstration project of CHN Energy Investment Group. In the implementation process, the company solved the integration design problems of practical aerodynamics (fan), fluid mechanics (mooring), aeroelasticity (blade), structural dynamics (semi-submersible basis), control management (digital monitoring) and fishing gear mechanics theory (aquaculture cage), and realized the integrated design innovation of deep-sea floating fan and fishery aquaculture, forming a new model of integrated development of marine economy of "green energy + blue granary".

II. Social responsibility

(I) Whether social responsibility report, sustainable development report or ESG report is disclosed separately

Applicable " Not applicable"

For details, please refer to the Environmental, Social and Corporate Governance (ESG) Report 2023 of Offshore Oil Engineering Co., Ltd disclosed on the website of Shanghai Stock Exchange at www.sse.com.cn on the same date of this annual report.

(II) Details of social responsibility

Applicable " Not applicable"

Detailed descriptions

Applicable " Not applicable"

III. Consolidation of poverty alleviation achievements and rural revitalization

Applicable " Not applicable"

Poverty alleviation and rural revitalization projects	Quantity / Content	Notes
Total investment (RMB'0,000)	263	
Including: funds (RMB'0,000)	150	In 2023, COOEC invested RMB 1.5 million in helping the two villages for beautifying the environment, improving people's livelihood, industrial assistance and increasing production and income
Materials (RMB'0,000)	113	Used for beautifying the environment, improving people's livelihood, industrial assistance, increasing production and income, with RMB 1.13 million of special agricultural products such as six petals of red garlic, small station rice, seasonal fruits and vegetables for the whole year
Number of beneficiaries	500	
Forms of assistance (such as industrial poverty alleviation, employment poverty alleviation, and education poverty alleviation)	Purchasing special agricultural products, visiting needy families and disabled people, and a series of activities such as free TCM diagnosis, haircuts, and fire training	With the power of trade unions, COOEC purchased special agricultural products such as six petals of red garlic and small station rice, and carried out a series of activities such as free TCM consultation, haircuts and fire training; regularly visited the households enjoying the five guarantees, poor households and disabled families, gave gifts of popular science books and school supplies to children, and signed a targeted assistance agreement for poor children, and organized village students to visit the China Offshore Oil Industry Exhibition Hall; built a points supermarket in the village, actively implemented the points system management model, and further enhanced the ability of primary party organizations to lead rural grassroots governance.

Detailed descriptions

Applicable " Not applicable"

COOEC attaches great importance to consolidating and expanding the achievements of poverty eradication and rural revitalization, combining its own operational reality, earnestly fulfilling the social responsibility of central enterprises, actively carrying out work in poverty alleviation, public charity and volunteer services, making positive contributions to transmitting corporate love, establishing a good corporate image and promoting social harmony.

COOEC's multiple efforts and measures have formed a new situation of charity development with everyone's participation, multiple donations and two-way benefits. Focusing on the work of rural revitalization, COOEC has been promoting hope schools, volunteer services, helping students and the disabled, and overseas donations. In 2023, COOEC invested RMB 1.5 million in helping the two villages, which was used to beautify the environment, improve people's livelihood, help the industry and increase production and income, and made substantial progress in rural revitalization by providing RMB 1.13 million of special agricultural products such as six-petal red garlic, small station rice and seasonal fruits and vegetables.

The work team in the village closely focused on the five revitalization of "industrial revitalization, talent revitalization, cultural revitalization, ecological revitalization, and organizational revitalization", and in accordance with the general requirements of "industrial prosperity, ecological livable, rural civilization, effective governance, and rich life", established a large help pattern of "Party committee leadership, unity, multi-party interaction, and full participation", enhancing the social responsibility of the company employees. By adhering to the "going-down, integrating, and good practice", the company made a variety of exploration and laid a certain foundation in the industry, preliminarily improved the village appearance, and gradually standardized the village governance and development, which have been affirmed by local villagers, village cadres and local governments.

Significant matters

I. Fulfillment of commitments

(I) Commitments of actual controller, shareholders, affiliates, acquirer, COOEC and other related parties making commitments during or lasting in the reporting period

"√ Applicable" "□ Not applicable"

Commitment background	Commitment type	Party making commitment	Commitment contents	Commitment date	Whether there is a fulfillment term	Commitment period	Whether the commitment is fulfilled in a strict and timely manner
	Restricted sale of shares	China National Offshore Oil Corporation	There are no plans to increase or dispose of the shares in which it already has an interest in the next 12 months and the shares acquired in this change of interest.	October 31, 2023	Yes	12 months	Yes
Commitments made in the acquisition report or report on changes in equity	Others	China National Offshore Oil Corporation	CNOOC and its affiliates undertake that the related-party transactions with the listed company shall always be conducted at a fair and reasonable market price in accordance with the requirements of relevant laws and regulations and market principles, and protect the legitimate rights and interests of the listed company and shareholders; undertake to fulfill the obligation of information disclosure of related-party transactions according to relevant laws, regulations and articles of association. After the change in equity, CNOOC and its affiliates have not significantly increased their related-party transactions with listed companies, undertaking to exercise the rights and obligations of shareholders in accordance with relevant laws and regulations and the articles of association, not to harm the interests of the listed company and other shareholders; to strictly fulfill the above commitments, and bear the corresponding liabilities if any loss is caused to the listed company due to the breach of such commitments.	October 31, 2023	No	Long-term	Yes
IPO-related commitments	Solve horizontal competition	China National Offshore Oil Corporation	China National Offshore Oil Corporation and the legal persons under its control do not and will not engage in any business with the same or similar scope of business as COOEC, and do not or will not undertake any activities in any way that may cause damage to the interests of COOEC during the existence of COOEC.	August 15, 2001	No	During the existence of COOEC	Yes

(II) If there is a profit forecast for COOEC's assets or projects, and the reporting period is still in the profit forecast period, COOEC explains whether the assets or projects have met the original profit forecast and the reasons

Fulfilled" Unfulfilled" Not applicable"

(III) Completion of performance commitments and its impact on goodwill impairment test

Applicable" Not applicable"

II. Non-operational appropriation of funds by the controlling shareholder and other related parties during the reporting period

Applicable" Not applicable"

III. Violation of guarantees

Applicable" Not applicable"

IV. Explanation by the Board of Directors of COOEC on the non-standard opinion audit report of the accounting firm

Applicable" Not applicable"

V. COOEC's analysis of the reasons for and impacts of changes in accounting policies and accounting estimates and corrections of significant accounting errors

(I) COOEC's analysis of the reasons for and impacts of changes in accounting policies and accounting estimates

Applicable" Not applicable"

For the company's analysis of the causes and effects of changes in accounting policies and accounting estimates, please refer to "V. 40. Changes in significant accounting policies and accounting estimates" of Section X "Financial Reports" in this report.

(II) COOEC's analysis of the reasons for and impacts of the corrections of significant accounting errors

Applicable" Not applicable"

(III) Communication with the former accounting firm

Applicable" Not applicable"

(IV) Examination and approval process and other explanations

Applicable" Not applicable"

On June 20, 2023, the 20th Meeting of the 7th Board of Directors of COOEC deliberated and adopted the "Proposal on Changes in Accounting Estimates", and the independent directors, the Board of Supervisors and BDO CHINA Shu Lun Pan Certified Public Accountants LLP expressed their opinions. The "Announcement on Changes in Accounting Estimates" was disclosed on the website of the Shanghai Stock Exchange (www.sse.com.cn) on June 21, 2023.

VI. Appointment and dismissal of the accounting firm

Unit: RMB'0,000

	Current appointment
Name of domestic accounting firm	BDO CHINA Shu Lun Pan Certified Public Accountants LLP
Compensation of the domestic accounting firm	218
Number of years of audit by the domestic accounting firm	8
Names of CPAs of the domestic accounting firm	Wang Shouyi and Xiu Jun
Number of consecutive years of audit services of CPAs of the domestic accounting firm	Wang Shouyi: 3 years; Xiu Jun: 5 years

	Name	Compensation
Internal control audit accounting firm	BDO CHINA Shu Lun Pan Certified Public Accountants LLP	26.43

Appointment and dismissal of the accounting firm

Applicable " Not applicable "

At the 18th meeting of the 7th Board of Directors held on March 17, 2023, COOEC deliberated and adopted the Proposal on the Renewal of the Appointment of COOEC's Financial and Internal Control Auditors for 2023, and renewed the appointment of BDO CHINA Shu Lun Pan Certified Public Accountants LLP as COOEC's financial and internal control auditor for 2023 to provide COOEC with accounting statement audit and internal control audit services mainly for financial reports and other related audit services for a period of one year.

The above matter was deliberated and adopted at COOEC's 2022 Annual General Meeting held on May 19, 2023.

Description of the change of the accounting firm during the audit period

Applicable " Not applicable "

Description of audit fees decreased by 20% (inclusive) compared to the last year

Applicable " Not applicable "

VII. Situation facing delisting risk

(I) Causes of the delisting risk warning

Applicable " Not applicable "

(II) Measures to be taken by COOEC in response

Applicable " Not applicable "

(III) Situation facing delisting and reasons therefor

Applicable " Not applicable "

VIII. Matters related to bankruptcy and reorganization

Applicable " Not applicable "

IX. Significant litigation and arbitration

Significant litigation or arbitration in the year " No significant litigation and arbitration in the year "

X. Suspected violations of law, punishment and rectification by the listed company and its directors, supervisors, senior officers, controlling shareholders and actual controllers

Applicable " Not applicable "

XI. Credit status of COOEC, its controlling shareholders and actual controllers during the reporting period

Applicable " Not applicable "

During the reporting period, the company and its controlling shareholders and actual controllers had good integrity, and no dishonest records were issued by regulators.

XII. Major related-party transactions

(I) Related-party transactions related to daily operations

1. Matters that have been disclosed in the interim announcement without progress or changes in the subsequent implementation

Applicable " Not applicable "

2. Matters that have been disclosed in the interim announcement with progress or changes in the subsequent implementation

Applicable " Not applicable "

The disclosure and review procedures of related transactions between COOEC, CNOOC and its affiliated units and other related parties comply with the Rules for the Listing of Stocks on the Shanghai Stock Exchange, Articles of Association and other relevant provisions. At the 18th Meeting of the Seventh Board of Directors on March 17, 2023, COOEC deliberated and adopted the "Management Measures for Related-party Transactions of COOEC", and the "Proposal on Predicting Daily Related-party Transactions During 2023-2025", and agreed that the amount of daily related-party transactions in 2023 was capped at RMB 39.188 billion. The above proposals were deliberated and adopted at COOEC's 2022 Annual General

Meeting held on May 19, 2023. For details, please refer to the relevant announcements published by the company in the China Securities Journal, Shanghai Securities News and on the website of the Shanghai Stock Exchange (www.sse.com.cn) on March 21, 2023 and May 22, 2023.

The independent directors of COOEC believe that: COOEC's related-party transactions provide a long-term stable market for the company and are an integral part of promoting the development. The pricing of related-party transactions follows the principle of fair and just market price and the principle of contract freedom through equal negotiation. COOEC's prediction for daily related-party transactions in 2023-2025 is made according to the needs of the company's daily production and operation, and the pricing of related-party transactions is determined with reference to the market price, which is conducive to realizing complementary advantages and in line with the company's interests, without harming the interests of the company and all shareholders, especially minority shareholders, and without affecting the independence of the listed company's business.

The accumulated related-party transactions from January to December 2023 comply with the relevant provisions of the Rules for the Listing of Stocks on the Shanghai Stock Exchange. As of the end of December 2023, COOEC and its controlling shareholder, China National Offshore Oil Corporation, and its subsidiaries (excluding COOEC and its subsidiaries) actually incurred the amount of approximately RMB 29.9 billion, accounting for 76% of the estimated amount for the year.

Type of related-party transactions	Related party	Predicted amount in 2023 (100 million yuan)	Actual amount in 2023 (100 million yuan)	
Sales of goods/rendering of services CNOOC and other subsidiaries	CNOOC Limited	266.44	199.38	
	14.02	15.61		
Purchase of goods/receipt of services CNOOC and other subsidiaries	CNOOC Energy Technology & Services Limited	23.31	18.45	
	3.80	2.31		
Related party leases	Zhonghai Industry Co., Ltd.	0.32	0.24	
	Accepting leases	CNOOC and other subsidiaries	0.12	0.18
	Leasing	China Oilfield Services Limited	0.003	0
		Other CNOOC subsidiaries	0.002	0.005
Loans from related parties CNOOC and other subsidiaries	CNOOC	6.00	2.2	
	7.00	0		
Financial services	Deposit	Finance Co., Ltd.	8.00	9.94
	Credit and other financial business	Finance Co., Ltd.	55.00	50
		CNOOC and other subsidiaries	5.00	0
	Loan interest and various service charges	Finance Co., Ltd.	0.30	0.0287
Commissioned research CNOOC and other subsidiaries	CNOOC Limited	2.36	0.8148	
	0.20	0.26		
Total		391.88	299.42	

Note: At the 2022 Annual General Meeting of Shareholders on May 19, 2023, the Financial Services Framework Agreement signed between COOEC and the Finance Company was reviewed and approved, and the deposit limit was adjusted to RMB 1 billion. The amount of credit granted by the finance company and other financial business shall be the amount signed in the contract.

3. Matters not disclosed in the interim announcement

" Applicable " " Not applicable "

(II) Related-party transactions related to the acquisition or sale of assets or equity

1. Matters that have been disclosed in the interim announcement without progress or changes in the subsequent implementation

" Applicable " " Not applicable "

2. Matters that have been disclosed in the interim announcement with progress or changes in the subsequent implementation

" Applicable " " Not applicable "

3. Matters not disclosed in the interim announcement

" Applicable " " Not applicable "

4. Where performance engagements are involved, the achievement of performance during the reporting period should be disclosed

" Applicable " " Not applicable "

(III) Major related-party transactions related to joint foreign investment

1. Matters that have been disclosed in the interim announcement without progress or changes in the subsequent implementation

" Applicable " " Not applicable "

2. Matters that have been disclosed in the interim announcement with progress or changes in the subsequent implementation

" Applicable " " Not applicable "

3. Matters not disclosed in the interim announcement

" Applicable " " Not applicable "

(IV) Related claims and debts

1. Matters that have been disclosed in the interim announcement without progress or changes in the subsequent implementation

" Applicable " " Not applicable "

2. Matters that have been disclosed in the interim announcement with progress or changes in the subsequent implementation

" Applicable " " Not applicable "

3. Matters not disclosed in the interim announcement

" Applicable " " Not applicable "

(V) Financial business between COOEC and the related financial companies, or between the financial companies controlled by COOEC and the related parties.

" Applicable " " Not applicable "

1. Deposit business

" Applicable " " Not applicable "

Unit: RMB'0,000

Related party	Relationship	Maximum daily deposit limit	Deposit interest rate range	Beginning balance	Amount in the current period		Ending balance
					Total amount deposited during the period	Total amount withdrawn during the period	
CNOOC Finance Co., Ltd.	Finance company with affiliated relationships	100,000.00	0.35%-1.55%	58,319.09	6,077,487.18	6,036,376.23	99,430.04
Total	/	/	/	58,319.09	6,077,487.18	6,036,376.23	99,430.04

1. The daily maximum deposit limit took effect from the signing of the Financial Services Framework Agreement between COOEC and CNOOC Finance Co., Ltd. on June 12, 2023;

2. The deposit interest rate range is 0.35%-1.55%; 0.35% refers to demand deposit interest rate and 1.55% refers to notice deposit interest rate. The interest rate of COOEC's deposits with CNOOC Finance Co., Ltd. is the comparable level of commercial bank deposit rates.

2. Loan business

" Applicable " " Not applicable "

3. Credit business or other financial business

"√ Applicable" " Not applicable"

Unit: RMB'0,000

Related party	Relationship	Business type	Total	Actual amount
CNOOC Finance Co., Ltd.	Finance company with affiliated relationships	Credit granting business	500,000.00	331,346.09

Note: Actual amount incurred refers to the balance of COOEC's credit line with CNOOC Finance Co., Ltd. at the end of the reporting period. The business of using credit line is letter of guarantee business.

4. Other explanations

" Applicable" "√ Not applicable"

(VI) Others

"√ Applicable" " Not applicable"

Please refer to XII "Related-parties and Related-party Transactions" in Section X Financial Reports of this report for details within the reporting period.

XIII. Major contracts and performance thereof

(I) Significant custody, contracting and leases

1. Custody

" Applicable" "√ Not applicable"

2. Contracting

" Applicable" "√ Not applicable"

3. Leases

" Applicable" "√ Not applicable"

(II) Guarantees

√ Applicable " Not applicable"

Unit: USD 100 million

External guarantees of COOEC (excluding guarantees for subsidiaries)														
Guarantee	Relationship between the guarantee and the listed company	The secured party	Amount guaranteed	Date of occurrence of guarantee (agreement signing date)	Start date of guarantee	Maturity date of guarantee	Type of guarantee	Collateral (if any)	Whether the guarantee has been fulfilled	Whether the guarantee is overdue	Amount overdue on guarantee	Counter-guarantees	Whether to guarantee for a related party	Association
Total amount of guarantees incurred during the reporting period (excluding guarantees for subsidiaries)														0
Total guarantee balance at the end of the reporting period (A) (excluding guarantees for subsidiaries)														0
Guarantees of COOEC and its subsidiaries for subsidiaries														
Total amount of guarantees for subsidiaries during the reporting period														1.75
Total balance of guarantees for subsidiaries as at the end of the reporting period (B)														6.68
Total guarantees of COOEC (including guarantees for subsidiaries)														
Total amount of guarantees (A+B)														6.68
Ratio of the total guarantee amount to COOEC's net assets (%)														19.09
Including:														
Amount of guarantees provided for shareholders, actual controllers and their related parties (C)														0

Amount of debt guarantees provided directly or indirectly for the guaranteed object whose asset-liability ratio exceeds 70% (D)	0.19
Amount of total guarantees exceeding 50% of net assets (E)	0
Total amount of the above three guarantees (C+D+E)	0.19
Explanation of possible joint and several liability for unexpired guarantees	

I. As of the end of the reporting period, COOEC had five guarantees in the process of fulfillment, as follows:

- (1) As deliberated and adopted by the ninth meeting of the 6th Board of Directors of COOEC held on May 21, 2018, COOEC issued a parent company guarantee for the performance of the contract for the Long Lake Southwest Turnkey Project by a Canadian subsidiary in the amount of CAD75 million, for a guarantee period from the issuance of the guarantee to December 20, 2026. The above guarantee is not subject to the consideration and approval by COOEC's shareholders at the general meeting. (For details, please refer to the announcement on the resolution of the Board of Directors and the announcement on the guarantee disclosed by COOEC on the website of the Shanghai Stock Exchange on May 22, 2018)
- (2) As deliberated and adopted at the tenth meeting of the 6th Board of Directors of COOEC held on August 17, 2018, COOEC opened a bank performance guarantee and a prepayment guarantee for the performance of the contract for the Dangote Petrochemical Offshore Transportation and Installation Project by its subsidiary, FTA Nigeria, and the guarantee amount was adjusted from USD 33.2 million to USD 38.2 million due to the increase in the contract amount, of which the amount of the performance guarantee was USD 19.1 million and the amount of prepayment guarantee was USD 19.1 million. The maximum guarantee period was extended from December 31, 2018 to June 30, 2020. The guarantees were later adjusted accordingly as approved by the twenty-fourth meeting of the 6th Board of Directors of COOEC held on June 23, 2020 and the twenty-eighth meeting of the 6th Board of Directors of COOEC held on December 4, 2020. First, the parent company guarantee of the performance guarantee was extended from December 31, 2020 to April 30, 2021, and the parent company guarantee will be adjusted accordingly with the change of the validity period of the bank guarantee if the project duration changes. Second, the parent company guarantee of the prepayment guarantee was restarted with a guarantee amount of USD 19.1 million and the guarantee period was extended to April 30, 2021. If the project duration changes, the parent company guarantee will be adjusted accordingly with the change of the validity period of the bank guarantee. Third, the parent company guarantee of the quality guarantee was provided, and the performance guarantee will end when the project is completed and the quality guarantee will be activated accordingly, with the guarantee amount of USD 19.1 million and the validity period of the quality guarantee being 24 months from the date of issuance of the completion certificate by the owner (for details, please refer to the announcement on the resolution of the Board of Directors and the announcement of adjustment to the guarantee disclosed by COOEC on the website of Shanghai Stock Exchange on December 7, 2020). As of the end of the reporting period, the prepayment guarantee had expired and been released, and only the quality guarantee in the amount of USD 19.1 million remained to be fulfilled.
- (3) As deliberated and adopted at the 17th meeting of the 6th Board of Directors of COOEC held on June 6, 2019, COOEC issued a parent company guarantee for the performance of the LNG module construction contract between Qingdao Subsidiary and JGC Fluor. The guarantee amount is RMB 2.449 billion and the guarantee period is from the issuance of the guarantee to September 15, 2025. The above guarantee was deliberated and adopted at the COOEC's first extraordinary general meeting of 2019 held on June 25, 2019. (For details, please refer to the resolution announcement and the guarantee announcement disclosed on the website of the Shanghai Stock Exchange on June 7, 2019 and the announcement on the resolution of the general meeting disclosed on June 26)
- (4) As approved by the Ninth Meeting of the 7th Board of Directors of COOEC held on March 18, 2022, COOEC provided a parent company guarantee for the contract for Buzios VIII (FPSOP79) module construction project in Brazil signed between Offshore Oil Engineering (Qingdao) Co., Ltd., a wholly-owned subsidiary, as a subcontractor, and SAIPEMSA, a general contractor, in the amount of USD72 million. The term of the guarantee is 48 months from the date of issuance of the guarantee to the date of issuance of the provisional acceptance certificate of the project by the general contractor. (For details, please refer to the announcement on the resolution of the Board of Directors and the announcement on the guarantee disclosed by COOEC on the website of the Shanghai Stock Exchange on March 22, 2022)
- (5) As approved by the Second Meeting of the 9th Board of Directors of COOEC held on December 22, 2023, COOEC provided a parent company guarantee for the contract for Qatar NFPSEPC2 Project signed between Offshore Oil Engineering (Qingdao) Co., Ltd., a wholly-owned subsidiary, as a subcontractor, and SERVIZI ENERGIA ITALIA S.P.A., a general contractor, at the amount of USD 175 million. The term of the guarantee is 40 months from the date of issuance of the guarantee to the date of issuance of the provisional acceptance certificate of the project by the main contractor. (For details, please refer to the announcement on the resolution of the Board of Directors and the announcement on the guarantee disclosed by COOEC on the website of the Shanghai Stock Exchange on December 22, 2023)

II. Guarantees released during the reporting period:

- (1) As deliberated and adopted at the third meeting of the 7th Board of Directors of COOEC held on April 28, 2021, COOEC provided a parent company guarantee for the application of Offshore Engineering International Limited (a Hong Kong subsidiary) for a 3-year total bank loan of up to USD 60 million from a Chinese bank, with the guarantee amount not exceeding USD 64 million. Finally, the actual guarantee was provided in the form of a financing guarantee in the amount of USD 62 million (loan principal + interest). As of the end of this reporting period, the principal and interest of the loan have been fully paid and the guarantee obligation has been discharged. (For details, please refer to the announcement on the resolution of the Board of Directors and the announcement on the guarantee disclosed by COOEC on the website of the Shanghai Stock Exchange on April 30, 2021)
- (2) As deliberated and adopted at the 7th meeting of the 7th Board of Directors of COOEC held on December 28, 2021, COOEC issued a bank guarantee and a letter of credit for Shenzhen COOEC Subsea Technology Co., Ltd. (renamed as CNOOC Shenzhen Offshore Engineering Service Co., Ltd.) and Offshore Oil Engineering (Qingdao) Co., Ltd. for the use of COOEC's credit facilities for daily operation business such as bidding, performance and payment. The amount of guarantee for the Shenzhen subsidiary does not exceed RMB 500 million and the amount of guarantee for Qingdao Subsidiary does not exceed RMB 100 million, with the total amount not exceeding RMB 600 million. As of the end of this reporting period, the guarantee obligation has been discharged. (For details, please refer to the announcement on the resolution of the Board of Directors and the announcement on the guarantee disclosed by COOEC on the website of the Shanghai Stock Exchange on December 30, 2021)

Note: the mid-price of RMB exchange rate in the interbank foreign exchange market on December 31, 2023 was USD1 to RMB 7.0827 and CAD1 to USD0.7578.

(III) Entrustment of others for cash asset management**1. Entrusted wealth management****(1) General information on entrusted wealth management**

"√ Applicable" "□ Not applicable"

Unit: RMB'0,000

Type	Capital source	Amount incurred	Outstanding balance	Amount overdue for collection
Bank wealth management products and publicly offered fund products	Proprietary funds	1,150,000.00	1,150,000.00	0.00

Note: The incurred amount refers to the highest single-day balance of wealth management, and the balance on December 31, 2023 is the highest.

Others

"□ Applicable" "√ Not applicable"

(2) Individual entrusted wealth management

"√ Applicable" "□ Not applicable"

Unit: RMB'0,000

Trustee	Type of entrusted wealth management	Amount of entrusted wealth management	Starting date of entrusted wealth management	Entrustment termination date	Capital source	Investment of funds	Whether there is a restricted situation	Way to determine remuneration	Annualized return rate	Actual profits or losses	Unmatured amount	Amount overdue for collection	Whether to go through legal procedures	Is there any entrusted wealth management plan in the future
Agricultural Bank, Tianjin Tanggu Branch	Bank wealth management products	20,000.00	12/4/2020	12/4/2023	Proprietary funds	Certificate of Deposit	No	Fixed Income	3.99%	693.84	0	0	Yes	Yes
Agricultural Bank, Tianjin Tanggu Branch	Bank wealth management products	30,000.00	12/4/2020	12/4/2023	Proprietary funds	Certificate of Deposit	No	Fixed Income	3.99%	1,040.76	0	0	Yes	Yes
ICBC Tianjin Branch	Bank wealth management products	20,000.00	12/21/2020	12/21/2023	Proprietary funds	Certificate of Deposit	No	Fixed Income	3.99%	729.37	0	0	Yes	Yes
ICBC Tianjin Branch	Bank wealth management products	20,000.00	12/21/2020	12/21/2023	Proprietary funds	Certificate of Deposit	No	Fixed Income	3.99%	729.37	0	0	Yes	Yes
ICBC Tianjin Branch	Bank wealth management products	20,000.00	12/30/2020	12/30/2023	Proprietary funds	Certificate of Deposit	No	Fixed Income	3.99%	748.18	20,000.00	0	Yes	Yes
ICBC Tianjin Branch	Bank wealth management products	10,000.00	12/31/2020	12/31/2023	Proprietary funds	Certificate of Deposit	No	Fixed Income	3.99%	375.13	10,000.00	0	Yes	Yes
Agricultural Bank, Tianjin Tanggu Branch	Bank wealth management products	30,000.00	1/15/2021	1/15/2024	Proprietary funds	Certificate of Deposit	No	Fixed Income	3.99%	1,128.54	30,000.00	0	Yes	Yes
Guangfa Bank, Tianjin Branch	Bank wealth management products	50,000.00	5/8/2023	5/8/2026	Proprietary funds	Certificate of Deposit	No	Fixed Income	3.25%	1,013.50	50,000.00	0	Yes	Yes
ICBC Tianjin Branch	Bank wealth management products	10,000.00	8/31/2023	8/31/2026	Proprietary funds	Certificate of Deposit	No	Fixed Income	2.90%	93.47	10,000.00	0	Yes	Yes
Construction Bank of China, Tianjin Development Branch	Bank wealth management products	20,000.00	8/31/2023	8/31/2026	Proprietary funds	Certificate of Deposit	No	Fixed Income	2.90%	186.95	20,000.00	0	Yes	Yes
Construction Bank of China, Tianjin Development Branch	Bank wealth management products	30,000.00	8/31/2023	8/31/2026	Proprietary funds	Certificate of Deposit	No	Fixed Income	2.90%	280.42	30,000.00	0	Yes	Yes

Trustee	Type of entrusted wealth management	Amount of entrusted wealth management	Starting date of entrusted wealth management	Entrustment termination date	Capital source	Investment of funds	Whether there is a restricted situation	Way to determine remuneration	Annualized return rate	Actual profits or losses	Unmatured amount	Amount overdue for collection	Whether to go through legal procedures	Is there any entrusted wealth management plan in the future
Guangfa Bank, Tianjin Branch	Bank wealth management products	30,000.00	9/11/2023	9/11/2026	Proprietary funds	Certificate of Deposit	No	Fixed Income	2.90%	255.35	30,000.00	0	Yes	Yes
Industrial Bank Beijing Branch	Bank wealth management products	30,000.00	9/12/2023	9/12/2026	Proprietary funds	Certificate of Deposit	No	Fixed Income	2.90%	253.07	30,000.00	0	Yes	Yes
Guangfa Bank, Tianjin Branch	Bank wealth management products	10,000.00	10/16/2023	10/16/2026	Proprietary funds	Certificate of Deposit	No	Fixed Income	2.90%	58.52	10,000.00	0	Yes	Yes
Industrial Bank Beijing Branch	Bank wealth management products	30,000.00	10/11/2023	10/11/2026	Proprietary funds	Certificate of Deposit	No	Fixed Income	2.85%	183.73	30,000.00	0	Yes	Yes
Guangfa Bank, Tianjin Branch	Bank wealth management products	20,000.00	11/22/2023	11/22/2026	Proprietary funds	Certificate of Deposit	No	Fixed Income	2.90%	60.80	20,000.00	0	Yes	Yes
Bank of China Tianjin Branch	Bank wealth management products	60,000.00	7/21/2022	2/1/2023	Proprietary funds	Bank financing	No	Floating Income	3.40%	1,089.86	0	0	Yes	Yes
Industrial Bank Beijing Branch	Bank wealth management products	80,000.00	7/21/2022	1/31/2024	Proprietary funds	Bank financing	No	Floating Income	3.50%	0	80,000.00	0	Yes	Yes
CITIC Bank Tianjin Branch	Bank wealth management products	30,000.00	8/30/2022	4/26/2023	Proprietary funds	Bank financing	No	Floating Income	2.87%	563.43	0	0	Yes	Yes
Construction Bank of China, Tianjin Branch	Bank wealth management products	80,000.00	8/30/2022	6/7/2023	Proprietary funds	Bank financing	No	Floating Income	3.23%	1,981.68	0	0	Yes	Yes
Bank of China Tianjin Branch	Bank wealth management products	40,000.00	8/25/2022	6/2/2023	Proprietary funds	Bank financing	No	Floating Income	3.55%	1,089.32	0	0	Yes	Yes
Bank of China Tianjin Branch	Bank wealth management products	30,000.00	9/30/2022	5/10/2023	Proprietary funds	Bank financing	No	Floating Income	3.40%	620.38	0	0	Yes	Yes
CITIC Bank Tianjin Branch	Bank wealth management products	50,000.00	9/30/2022	4/11/2023	Proprietary funds	Bank financing	No	Floating Income	3.03%	801.10	0	0	Yes	Yes
Bank of China Tianjin Branch	Bank wealth management products	40,000.00	10/31/2022	4/19/2023	Proprietary funds	Bank financing	No	Floating Income	3.30%	614.79	0	0	Yes	Yes
CITIC Bank Tianjin Branch	Bank wealth management products	60,000.00	11/18/2022	10/17/2023	Proprietary funds	Bank financing	No	Floating Income	3.96%	2,169.86	0	0	Yes	Yes
Everbright Bank, Tianjin Branch	Bank wealth management products	40,000.00	12/7/2022	9/8/2023	Proprietary funds	Bank financing	No	Floating Income	2.77%	834.40	0	0	Yes	Yes
Bank of China Tianjin Branch	Bank wealth management products	30,000.00	3/31/2023	3/29/2024	Proprietary funds	Bank financing	No	Floating Income	3.70%	0	30,000.00	0	Yes	Yes
Agricultural Bank, Tianjin Tanggu Branch	Bank wealth management products	80,000.00	4/17/2023	4/16/2024	Proprietary funds	Bank financing	No	Floating Income	3.72%	0	80,000.00	0	Yes	Yes
Bank of China Tianjin Branch	Bank wealth management products	50,000.00	4/27/2023	4/26/2024	Proprietary funds	Bank financing	No	Floating Income	3.70%	0	50,000.00	0	Yes	Yes
CITIC Bank Tianjin Branch	Bank wealth management products	40,000.00	4/28/2023	4/17/2024	Proprietary funds	Bank financing	No	Floating Income	3.50%	0	40,000.00	0	Yes	Yes
China Merchants Bank, Tianjin Branch	Bank wealth management products	20,000.00	4/28/2023	4/24/2024	Proprietary funds	Bank financing	No	Floating Income	3.70%	0	20,000.00	0	Yes	Yes
Industrial Bank Qingdao Branch	Bank wealth management products	5,000.00	5/31/2023	11/27/2023	Proprietary funds	Bank financing	No	Floating Income	3.45%	86.49	0	0	Yes	Yes

Trustee	Type of entrusted wealth management	Amount of entrusted wealth management	Starting date of entrusted wealth management	Entrustment termination date	Capital source	Investment of funds	Whether there is a restricted situation	Way to determine remuneration	Annualized return rate	Actual profits or losses	Unmatured amount	Amount overdue for collection	Whether to go through legal procedures	Is there any entrusted wealth management plan in the future
China Universal Asset Management	Publicly offered fund products	50,000.00	1/12/2023	1/18/2023	Proprietary funds	Money fund	No	Floating-income	2.08%	17.07	0	0	Yes	Yes
China Universal Asset Management	Publicly offered fund products	20,000.00	1/31/2023	2/20/2023	Proprietary funds	Money fund	No	Floating Income	2.06%	22.52	0	0	Yes	Yes
China Universal Asset Management	Publicly offered fund products	25,000.00	2/28/2023	3/13/2023	Proprietary funds	Money fund	No	Floating Income	2.12%	18.89	0	0	Yes	Yes
China Life AMP Asset Management Fund	Publicly offered fund products	30,000.00	4/28/2023	6/7/2023	Proprietary funds	Money fund	No	Floating Income	1.91%	62.69	0	0	Yes	Yes
Yinhua Fund	Publicly offered fund products	10,000.00	4/28/2023	5/8/2023	Proprietary funds	Money fund	No	Floating Income	2.34%	6.41	0	0	Yes	Yes
Ping An Fund	Publicly offered fund products	30,000.00	10/26/2023	11/24/2023	Proprietary funds	Money fund	No	Floating Income	2.18%	51.99	0	0	Yes	Yes
ICBC Tianjin Branch	Bank wealth management products	40,000.00	8/11/2022	1/10/2023	Proprietary funds	Structural deposits	No	Floating Income	2.83%	445.42	0	0	Yes	Yes
Guangfa Bank, Tianjin Branch	Bank wealth management products	30,000.00	9/19/2022	1/5/2023	Proprietary funds	Structural deposits	No	Floating Income	3.40%	284.72	0	0	Yes	Yes
Bank of China Tianjin Branch	Bank wealth management products	80,000.00	9/19/2022	3/6/2023	Proprietary funds	Structural deposits	No	Floating Income	3.50%	1,215.82	0	0	Yes	Yes
Guangfa Bank, Tianjin Branch	Bank wealth management products	30,000.00	10/28/2022	4/14/2023	Proprietary funds	Structural deposits	No	Floating Income	3.30%	429.88	0	0	Yes	Yes
Bank of China Tianjin Branch	Bank wealth management products	50,000.00	11/30/2022	5/29/2023	Proprietary funds	Structural deposits	No	Floating Income	1.30%	302.40	0	0	Yes	Yes
Guangfa Bank, Tianjin Branch	Bank wealth management products	60,000.00	12/23/2022	7/10/2023	Proprietary funds	Structural deposits	No	Floating Income	3.14%	970.20	0	0	Yes	Yes
Bank of China Tianjin Branch	Bank wealth management products	60,000.00	12/27/2022	9/25/2023	Proprietary funds	Structural deposits	No	Floating Income	3.50%	1,476.35	0	0	Yes	Yes
ICBC Tianjin Branch	Bank wealth management products	40,000.00	1/30/2023	8/14/2023	Proprietary funds	Structural deposits	No	Floating Income	3.08%	605.40	0	0	Yes	Yes
Guangfa Bank, Tianjin Branch	Bank wealth management products	50,000.00	3/29/2023	11/3/2023	Proprietary funds	Structural deposits	No	Floating Income	1.82%	516.42	0	0	Yes	Yes
ICBC Tianjin Branch	Bank wealth management products	24,000.00	5/26/2023	12/4/2023	Proprietary funds	Structural deposits	No	Floating Income	3.19%	380.05	0	0	Yes	Yes
Guangfa Bank, Tianjin Branch	Bank wealth management products	50,000.00	5/25/2023	11/21/2023	Proprietary funds	Structural deposits	No	Floating Income	2.39%	555.33	0	0	Yes	Yes
Bank of China Tianjin Branch	Bank wealth management products	50,000.00	5/31/2023	4/15/2024	Proprietary funds	Structural deposits	No	Floating Income	3.40%	0	50,000.00	0	Yes	Yes
Guangfa Bank, Tianjin Branch	Bank wealth management products	30,000.00	6/20/2023	1/5/2024	Proprietary funds	Structural deposits	No	Floating Income	3.20%	0	30,000.00	0	Yes	Yes
Construction Bank of China, Tianjin Branch	Bank wealth management products	40,000.00	6/29/2023	1/15/2024	Proprietary funds	Structural deposits	No	Floating Income	2.90%	0	40,000.00	0	Yes	Yes

Trustee	Type of entrusted wealth management	Amount of entrusted wealth management	Starting date of entrusted wealth management	Entrustment termination date	Capital source	Investment of funds	Whether there is a restricted situation	Way to determine remuneration	Annualized return rate	Actual profits or losses	Unmatured amount	Amount overdue for collection	Whether to go through legal procedures	Is there any entrusted wealth management plan in the future
Beijing Branch of the Bank of Communications	Bank wealth management products	80,000.00	6/30/2023	6/28/2024	Proprietary funds	Structural deposits	No	Floating Income	2.85%	0	80,000.00	0	Yes	Yes
Guangfa Bank, Tianjin Branch	Bank wealth management products	40,000.00	7/31/2023	5/6/2024	Proprietary funds	Structural deposits	No	Floating Income	3.10%	0	40,000.00	0	Yes	Yes
ICBC Tianjin Branch	Bank wealth management products	40,000.00	8/28/2023	2/23/2024	Proprietary funds	Structural deposits	No	Floating Income	3.04%	0	40,000.00	0	Yes	Yes
Guangfa Bank, Tianjin Branch	Bank wealth management products	50,000.00	10/27/2023	7/19/2024	Proprietary funds	Structural deposits	No	Floating Income	2.80%	0	50,000.00	0	Yes	Yes
Construction Bank of China, Tianjin Branch	Bank wealth management products	30,000.00	11/9/2023	5/10/2024	Proprietary funds	Structural deposits	No	Floating Income	2.70%	0	30,000.00	0	Yes	Yes
ICBC Tianjin Branch	Bank wealth management products	30,000.00	11/29/2023	5/24/2024	Proprietary funds	Structural deposits	No	Floating Income	2.79%	0	30,000.00	0	Yes	Yes
Beijing Branch of the Bank of Communications	Bank wealth management products	20,000.00	11/30/2023	6/3/2024	Proprietary funds	Structural deposits	No	Floating Income	2.70%	0	20,000.00	0	Yes	Yes
Beijing Branch of the Bank of Communications	Bank wealth management products	30,000.00	11/30/2023	6/3/2024	Proprietary funds	Structural deposits	No	Floating Income	2.70%	0	30,000.00	0	Yes	Yes
Everbright Bank, Tianjin Branch	Bank wealth management products	60,000.00	12/14/2023	6/13/2024	Proprietary funds	Structural deposits	No	Floating Income	2.85%	0	60,000.00	0	Yes	Yes
ICBC Tianjin Branch	Bank wealth management products	60,000.00	12/22/2023	6/12/2024	Proprietary funds	Structural deposits	No	Floating Income	2.79%	0	60,000.00	0	Yes	Yes
Total	/	2,354,000.00	/	/	/	/	/	/	/	25,043.86	1,150,000.00	0	/	/

Others

" Applicable " " Not applicable "

(3) Provision for impairment of entrusted financial assets

" Applicable " " Not applicable "

2. Entrusted loans

(1) Overall situation of entrusted loans

" Applicable " " Not applicable "

Others

" Applicable " " Not applicable "

(2) Individual entrusted loans

" Applicable " " Not applicable "

Others

" Applicable " " Not applicable "

(3) Provision for impairment of entrusted loan

" Applicable " " Not applicable "

3. Others

" Applicable " " Not applicable "

(IV) Other significant contracts

" Applicable " " Not applicable "

In order to fully demonstrate the company's core competitiveness and diversified market development pattern and other positive changes, the company voluntarily disclosed the ISND Phase 5-2 oilfield development project signed with Qatar National Energy Company on December 20, 2023, with the contract amount of about 2.216 billion Qatari riyals, equivalent to about RMB 4.437 billion. The performance of the project marks that the company's total contracting capability has been recognized and trusted by owners in the Middle East, which has promoted the company to take a more solid step in the implementation and promotion of overseas strategy, reflecting the company's continuous strengthening efforts in overseas market development and promoting the high-quality development of overseas business, which is an important performance of the company's strategic focus. For details, please refer to the 2023-048 Announcement of COOEC Voluntary Disclosure on Overseas Projects disclosed by the company in the designated information disclosure media on December 20, 2023.

XIV. Use of proceeds

"√ Applicable" "□ Not applicable"

(I) Overall use of proceeds

"√ Applicable" "□ Not applicable"

Unit: RMB'0,000

Source of raised funds	Fully-funded time	Total funds raised	Including: Amount of over-raised funds	Net funds raised after issuance expenses	Total funds raised for investment	Total funds raised for investment after adjustment (1)	Cumulative total funds invested as of the end of the reporting period (2)	Cumulative input progress as of the end of the reporting period (%) (3) = (2)/(1)	Amount invested this year (4)	Proportion of investment in this year (%) (5) = (4)/(1)	Total funds raised with changed purpose
Others	September 27, 2013	349,999.94	0	347,149.62	347,149.62	347,149.62	327,997.89	94.48%	1,873.60	0.54%	0

(II) Details of the equity investment project

"√ Applicable" "□ Not applicable"

Unit: RMB'0,000

Project	Project nature	Whether it involves change of committed investment	Source of raised funds	Fully-funded time	Whether to use over-raised funds	Total funds raised for investment in project	Total investment of raised funds after adjustment (1)	Amount invested this year	Cumulative total funds invested as of the end of the reporting period (2)	Cumulative input progress as of the end of the reporting period (%) (3) = (2)/(1)	Date when the project reaches the scheduled usable status	Whether the project has been closed	Whether the input progress is as planned	Specific reasons why the investment progress fails to meet the plan	Benefits achieved this year	Achieved benefits or research and development results of the project	Whether the project feasibility has changed significantly, if so, please specify	Balance
Project of Zhuhai Deep Water Marine Engineering Equipment Manufacturing Base	Production and construction	No	Others	September 27, 2013	No	347,149.62	347,149.62	1,873.60	327,997.89	94.48	As of the end of the period, Phases I, II and III have been completed and put into operation	No	Yes	/	1,234.86	When Offshore Oil Engineering (Zhuhai) Co., Ltd, and COOEC-Fluor acted as the implementation entities of the equity investment project, the cumulative investment income created by the project to COOEC was RMB -1.2829159 billion calculated at the shareholding ratio.	No	0

(III) Change or termination of the equity investment during the reporting period

(IV) Other use of proceeds during the reporting period

1. Pre-investment and replacement of equity investment project

" Applicable " " Not applicable "

2. Using part of the idle proceeds to temporarily replenish the working capital

" Applicable " " Not applicable "

At the 18th Meeting of the Seventh Board of Directors held on March 17, 2023, COOEC deliberated and adopted the " Proposal on Using part of the Idle Proceeds to Temporarily Replenish the Working Capital", and agreed that no more than RMB 410 million of idle raised funds could be used to temporarily supplement the working capital within one year according to the board resolution. According to the above board resolution, the raised funds of RMB 410 million were used in 2023 to temporarily supplement the working capital.

3. Cash management of idle proceeds, and investment-related products

" Applicable " " Not applicable "

4. Using the over-raised funds to permanently replenish the working capital or repay bank loan

" Applicable " " Not applicable "

5. Others

" Applicable " " Not applicable "

XV. Description of other significant matters that have significant impact on investors' value judgment and investment decisions

" Applicable " " Not applicable "

Changes in Shares and Shareholders' Information

I. Changes in share capital

(I) Changes in shares

1. Changes in shares

During the reporting period, the total number of shares was unchanged and the share capital structure of COOEC varied.

Name	Before change		After change	
	Quantity (shares)	Ratio	Quantity (shares)	Ratio
CNOOC	2,138,328,954	48.36%	2,446,340,509	55.33%
Nanhai West Company	294,215,908	6.65%	0	0%
Bohai Company	12,223,847	0.28%	0	0%
Finance Co., Ltd.	1,571,800	0.04%	0	0%
Public shareholders	1,975,014,291	44.67%	1,975,014,291	44.67%
Total	4,421,354,800	100%	4,421,354,800	100%

2. Notes to changes in shares

Applicable " Not applicable "

In order to optimize the company's equity structure, on October 30, 2023, CNOOC received 1,571,800 ordinary shares held by the Finance Company through a block transaction, with an average trading price of 6.33 yuan/share. On October 31, 2023, CNOOC signed the "Agreement on Share Transferring Without Compensation" with Nanhai West Company and Bohai Company respectively, intending to receive 294,215,908 ordinary shares and 12,223,847 ordinary shares held by Nanhai West Company and Bohai Company respectively through free transfer. On November 30, 2023, COOEC received the "Transfer Registration Confirmation" issued by China Securities Depository and Clearing Corporation Limited and provided by CNOOC, and learned that for the transfer of state-owned shares without compensation, the securities transfer registration formalities had been secured on November 29, 2023, and the nature of the shares was the non-restrictive tradable shares.

After the change in equity, CNOOC directly holds 2,446,340,509 shares of COOEC, accounting for 55.33% of the total share capital. Nanhai West Company, Bohai Company and Finance Company will no longer hold the shares of COOEC. The controlling shareholder and actual controller of COOEC remain unchanged, and CNOOC still acts as the controlling shareholder of COOEC.

3. Effect of changes in shares on financial indicators such as earnings per share and net assets per share for the latest year and the latest period (if any)

Applicable " Not applicable "

4. Other content that COOEC deems necessary or required to be disclosed by securities regulators

Applicable " Not applicable "

(II) Changes in restricted shares

Applicable " Not applicable "

II. Securities issuance and listing

(I) Issuance of securities during the reporting period

Applicable " Not applicable "

Description of issuance of securities during the reporting period (please separately describe bonds with different interest rates during the duration):

Applicable " Not applicable "

(II) Changes in the total number of shares and shareholder structure of COOEC and changes in the structure of COOEC's assets and liabilities

" Applicable " " Not applicable "

(III) Existing internal employee shares

" Applicable " " Not applicable "

III. Shareholders and actual controller

(I) Total number of shareholders

Total number of ordinary shareholders as at the end of the reporting period	73,562
Total number of ordinary shareholders at the end of the latest month before the date of disclosure of the annual report	72,151
Total of preferred shareholders whose voting rights have been restored at the end of the reporting period	0
Total number of preferred shareholders whose voting rights have been restored at the end of the previous month prior to the disclosure date of the annual report	0

(II) Shareholdings of top ten shareholders and top ten floating shareholders (or non-restrictive shareholders) as at the end of the reporting period

Unit: shares

Top 10 shareholders' holdings (excluding shares lent through refinancing)							
Name of shareholders (full name)	Increase/ Decrease in the reporting period	Number of shares held at the end of the period	Ratio (%)	Number of restrictive stocks held	Pledged, tagged or frozen		Nature
					Status	Number	
China National Offshore Oil Corporation	308,011,555	2,446,340,509	55.33	0	None	0	State
Hong Kong Securities Clearing Company Ltd.	-45,229,045	217,955,324	4.93	0	None	0	Overseas legal person
Harvest Fund - Agricultural Bank of China - Harvest CSI Asset Management Plan	0	36,704,400	0.83	0	None	0	Unknown
Dacheng Fund- Agricultural Bank of China - Dacheng China Securities Financial Asset Management Plan	-128,800	36,575,600	0.83	0	None	0	Unknown
Yinhua Fund- Agricultural Bank of China - Yinhua China Securities Financial Asset Management Plan	-1,659,700	34,913,434	0.79	0	None	0	Unknown
China Southern Asset Management- Agricultural Bank of China - China Southern Asset Management China Securities Financial Asset Management Plan	-1,799,000	34,905,400	0.79	0	None	0	Unknown
ICBC Credit Suisse Fund- Agricultural Bank of China - ICBC Credit Suisse China Securities Financial Asset Management Plan	-3,475,000	32,682,300	0.74	0	None	0	Unknown
GF Fund- Agricultural Bank of China - GF China Securities Financial Asset Management Plan	-4,328,600	32,375,800	0.73	0	None	0	Unknown
E Fund- Agricultural Bank of China - E Fund China Securities Financial Asset Management Plan	-4,994,800	31,515,700	0.71	0	None	0	Unknown
Bosera Fund - Agricultural Bank of China - Bosera China Securities Financial Assets Management Plan	-5,060,140	31,340,760	0.71	0	None	0	Unknown

Shareholding of the top 10 non-restrictive shareholders			
Shareholder's name	Number of non-restrictive floating stocks held	Type and number of stocks	
		Category	Number
China National Offshore Oil Corporation	2,446,340,509	RMB common share	2,446,340,509
Hong Kong Securities Clearing Company Ltd.	217,955,324	RMB common share	217,955,324
Harvest Fund - Agricultural Bank of China - Harvest CSI Asset Management Plan	36,704,400	RMB common share	36,704,400
Dacheng Fund- Agricultural Bank of China - Dacheng China Securities Financial Asset Management Plan	36,575,600	RMB common share	36,575,600
Yinhua Fund- Agricultural Bank of China - Yinhua China Securities Financial Asset Management Plan	34,913,434	RMB common share	34,913,434
China Southern Asset Management- Agricultural Bank of China - China Southern Asset Management China Securities Financial Asset Management Plan	34,905,400	RMB common share	34,905,400

Shareholding of the top 10 non-restrictive shareholders

Shareholder's name	Number of non-restrictive floating stocks held	Type and number of stocks	
		Category	Number
ICBC Credit Suisse Fund- Agricultural Bank of China - ICBC Credit Suisse China Securities Financial Asset Management Plan	32,682,300	RMB common share	32,682,300
GF Fund- Agricultural Bank of China - GF China Securities Financial Asset Management Plan	32,375,800	RMB common share	32,375,800
E Fund- Agricultural Bank of China - E Fund China Securities Financial Asset Management Plan	31,515,700	RMB common share	31,515,700
Bosera Fund - Agricultural Bank of China - Bosera China Securities Financial Assets Management Plan	31,340,760	RMB common share	31,340,760
Description of special repurchase accounts among the top ten shareholders			Not applicable
Description of the above shareholders' proxy voting rights, proxy voting rights and abstention from voting rights			Not applicable
Notes to shareholders' related relationship or persons acting in concert			Unknown
Explanation on preferred stock holders with recovered voting rights and number of stocks held by them			Not applicable

Top 10 shareholders participating in the refinancing business to lend shares

" Applicable " " Not applicable "

Change in Top 10 shareholders compared to the previous period

" Applicable " " Not applicable "

Shareholding quantity of top ten shareholders with sales restriction and the sales restriction

" Applicable " " Not applicable "

(III) Strategic investors or legal persons becoming the top ten shareholders due to placement of new shares

" Applicable " " Not applicable "

IV. Controlling shareholders and actual controller

(I) Controlling shareholders

1 Legal person

" Applicable " " Not applicable "

Name	China National Offshore Oil Corporation
Person in charge or legal representative	Wang Dongjin
Date of establishment	February 15, 1982
Main operating business	Organization of exploration, development, production and sales of petroleum, natural gas, coalbed methane, shale oil, shale gas; oil refining, processing and utilization of petrochemical engineering and natural gas and product sales and storage, the development and utilization of liquefied natural gas (LNG) project, pipeline network transmission of oil and natural gas; development, production and sales and related business of fertilizers and chemical products; provision of services for exploration and mining of oil, natural gas and other geological mining products; engineering general contracting; science and technology research, technology consulting, technology services and technology transfer related to the exploration, development and production of the oil and natural gas; import of crude oil and refined products; compensation trade or transit trade; wholesale of gasoline, kerosene and diesel oil (the operation limited to the sales branches and valid until February 20, 2022); undertaking of Sino-foreign joint venture; cooperative production; international bidding for mechanical and electrical products; wind energy, biomass energy, hydrate, coal chemical and solar energy and other new energy production, sales and related services.
Equities of other domestic and overseas public companies during the reporting period	Other domestic and foreign listed companies controlled by China National Offshore Oil Corporation during the reporting period are: CNOOC Limited, China Oilfield Services Company Limited, CNOOC Energy Development Company Limited and CNOOC Petrochemical Company Limited.
Other circumstances	China National Offshore Oil Corporation is a central enterprise controlled by the State-owned Assets Supervision and Administration Commission of the State Council. The State-owned Assets Supervision and Administration Commission of the State Council holds 90% of the shares of China National Offshore Oil Corporation and the National Council for Social Security Fund holds 10% of the shares of China National Offshore Oil Corporation.

2 Natural persons

" Applicable " " Not applicable "

3 Special note on the absence of controlling shareholders of COOEC

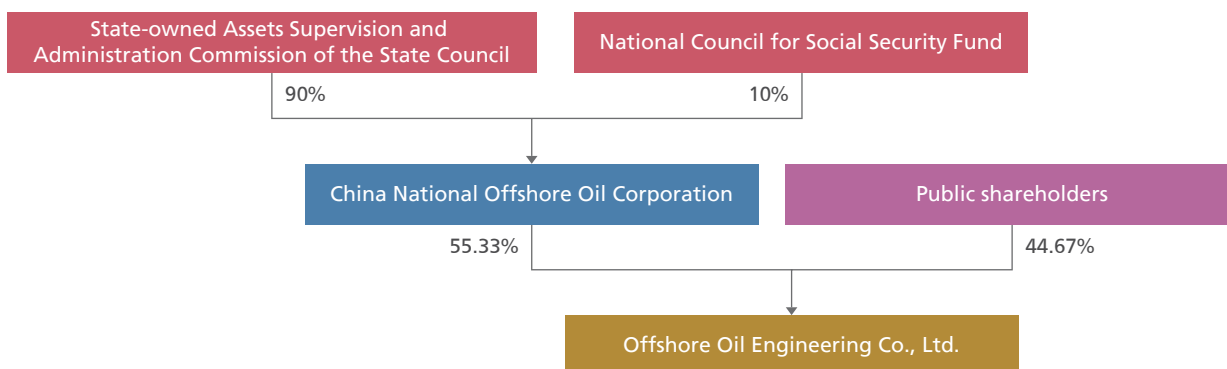
" Applicable " " Not applicable "

4 Description of the change of controlling shareholders during the reporting period

" Applicable " " Not applicable "

5 Chart for the property and controlling relationships between COOEC and the controlling shareholders

" Applicable " " Not applicable "



(II) Actual controller

1 Legal person

" Applicable " " Not applicable "

Name	China National Offshore Oil Corporation
Person in charge or legal representative	Wang Dongjin
Date of establishment	February 15, 1982
Main operating business	Organization of exploration, development, production and sales of petroleum, natural gas, coalbed methane, shale oil, shale gas; oil refining, processing and utilization of petrochemical engineering and natural gas and product sales and storage, the development and utilization of liquefied natural gas (LNG) project, pipeline network transmission of oil and natural gas; development, production and sales and related business of fertilizers and chemical products; provision of services for exploration and mining of oil, natural gas and other geological mining products; engineering general contracting; science and technology research, technology consulting, technology services and technology transfer related to the exploration, development and production of the oil and natural gas; import of crude oil and refined products; compensation trade or transit trade; wholesale of gasoline, kerosene and diesel oil (the operation limited to the sales branches and valid until February 20, 2022); undertaking of Sino-foreign joint venture; cooperative production; international bidding for mechanical and electrical products; wind energy, biomass energy, hydrate, coal chemical and solar energy and other new energy production, sales and related services.
Equities of other domestic and overseas public companies during the reporting period	Other domestic and foreign listed companies controlled by China National Offshore Oil Corporation during the reporting period are: CNOOC Limited, China Oilfield Services Company Limited, CNOOC Energy Development Company Limited and CNOOC Petrochemical Company Limited.
Other circumstances	China National Offshore Oil Corporation is a central enterprise controlled by the State-owned Assets Supervision and Administration Commission of the State Council. The State-owned Assets Supervision and Administration Commission of the State Council holds 90% of the shares of China National Offshore Oil Corporation and the National Council for Social Security Fund holds 10% of the shares of China National Offshore Oil Corporation.

2 Natural persons

" Applicable " "√ Not applicable"

3 Special note on the absence of the actual controller of COOEC

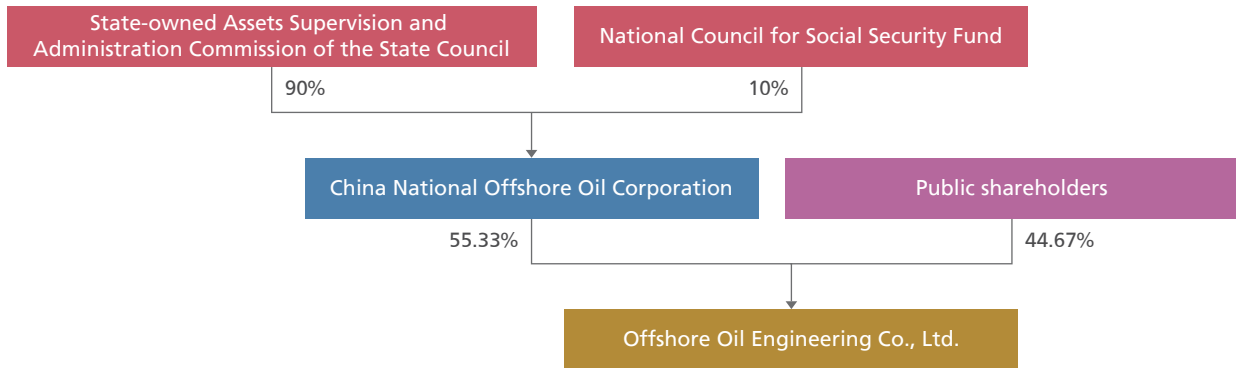
" Applicable " "√ Not applicable"

4 Description of the change of control of COOEC during the reporting period

" Applicable " "√ Not applicable"

5 Chart for the property and controlling relationships between COOEC and the actual controllers

"√ Applicable" " Not applicable"



6 The actual controller controls COOEC by way of trust or other asset management methods

" Applicable " "√ Not applicable"

(III) Other information on controlling shareholders and actual controller

" Applicable " "√ Not applicable"

V. The cumulative number of shares pledged by the controlling shareholder or the largest shareholder of COOEC and persons acting in concert therewith accounted for more than 80% of the number of shares held by COOEC

" Applicable " "√ Not applicable"

VI. Other institutional shareholder holding more than 10%

" Applicable " "√ Not applicable"

VII. Notes to limitation on selling shares

" Applicable " "√ Not applicable"

VIII. Specific implementation of share re-purchase in the reporting period

" Applicable " "√ Not applicable"

Preferred shares

" Applicable " " Not applicable "

Bond-related information

I. Enterprise bonds, corporate bonds and non-financial enterprise debt financing instruments

" Applicable " "√ Not applicable"

II. Convertible corporate bonds

" Applicable " "√ Not applicable"

Financial Reports



I. Audit report

PCPAR [2024] No. ZG10046

All shareholders of Offshore Oil Engineering Co., Ltd.:

I. Opinion

We have audited the accompanying financial statements of Offshore Oil Engineering Co., Ltd. (hereinafter referred to as “the COOEC”), which comprise the consolidated balance sheet and the parent company’s balance sheet as at December 31, 2023, the consolidated income statement and the parent company’s income statement, the consolidated statement of cash flows and the parent company’s statement of cash flows, and the consolidated statement of changes in shareholders’ equity and the parent company’s statement of changes in shareholders’ equity for the year ended December 31, 2023 as well as the notes to the relevant financial statements for the year then ended.

In our opinion, the financial statements attached are prepared in accordance with Accounting Standards for Business Enterprises and present fairly, in all material respects, the consolidated financial position of the COOEC and the parent company’s financial position as at December 31, 2023 and the consolidated operating results and the parent company’s operating results and cash flows for the year then ended.

II. Basis for Opinion

We conducted our audit in accordance with China Standards on Auditing (“CSAs”). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of this audit report. We are independent of the COOEC in accordance with the Code of Ethics for Professional Accountants of the Chinese Institute of Certified Public Accountants (“CICPA Code”), and we have fulfilled our other ethical responsibilities in accordance with the CICPA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

III. Key Audit Matters

Key matters are matters we deem the most significant to the audit of financial statements based on our professional judgment. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We identified the following key audit matters in our audit:

Key audit matters	How the audit addressed the matter
<p>Revenue recognition of engineering contracting business</p> <p>For the disclosure of the accounting policy on revenue recognition, please refer to Note V. 34, and for the disclosure of revenue categories, please refer to Note VII.39.</p> <p>In 2023, the consolidated operating revenue of COOEC was RMB 30,752.0375 million, of which RMB 30,632.5288 million, or 99.61% of the consolidated operating revenue, was recognized from the engineering contracting business, which is material to the financial statements as a whole.</p> <p>The construction contracting business of COOEC is mainly a performance obligation to be performed within a certain period of time in accordance with the provisions of ASBE No. 14 - Revenue, and revenue is recognized over the contract period in accordance with the performance schedule determined by the input method. The management of COOEC makes reasonable estimates of the expected total contract revenue and expected total contract cost to determine the contract performance schedule based on the contract budget of the contracted projects, and evaluates and revises them continuously during the contract execution process, which involves the use of significant accounting estimates and judgments by management, and such estimates this involves management applying significant accounting estimates and judgments that are affected by judgments about future markets and economic conditions, which in turn may affect whether COOEC recognizes revenue in the appropriate accounting period in accordance with the performance schedule. For the above reasons, we recognize the revenue from contracting projects as a key audit item.</p>	<p>The procedures we performed included, among other things, the following:</p> <ol style="list-style-type: none"> 1. Testing and evaluating the effectiveness of key internal controls related to the preparation of estimated total costs and revenue recognition for engineering contracting projects; 2. Sampling and reviewing project contracts in the project contracting contract ledger, evaluating the correctness of the management's performance judgment at a certain time or within a certain period of time, and evaluating the reasonableness of transaction price and variable consideration evaluated by the management; 3. Selecting the samples of contracting projects by sampling, checking project contracts and cost budget data on which the estimated total revenue and estimated total cost are based, and evaluating whether the estimates made by the management are reasonable and sufficiently grounded; 4. Selecting samples to test the cost price incurred in the current period; 5. Sampling and selecting construction projects in the ledger of projects contracting contracts, and recalculating the performance progress to verify their accuracy; 6. Selecting major projects, checking the project image progress on site, discuss and confirming the image progress of the project with the project management department, comparing it with the performance progress recorded in the book, and performing further inspection procedures for abnormal deviations.

IV. Other Information

The management is responsible for the other information. The other information comprises information of the 2023 annual report, but excludes the financial statements and our audit report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

V. Responsibilities of Management and Those Charged with Governance for the Financial Statements

The COOEC's management is responsible for preparing the financial statements in accordance with the requirements of Accounting Standards for Business Enterprises to achieve a fair presentation, and for designing, implementing and maintaining internal control that is necessary to ensure that the financial statements are free from material misstatements, whether due to frauds or errors.

In preparing the financial statements, the management is responsible for assessing the COOEC's ability to continue as a going concern, disclosing matters related to going concern (if applicable) and using the going concern basis of accounting unless management either intends to liquidate the COOEC or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the COOEC's financial reporting process.

VI. Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with CSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with CSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- (I) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (II) Understand the internal control related to auditing as a way to design appropriate audit procedures.
- (III) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- (IV) Conclude on the appropriateness of the Management’s use of the going concern basis of accounting. Meanwhile, based on the audit evidence obtained, we come to a conclusion on whether a material uncertainty exists in events or conditions that may cause significant doubt on the COOEC’s going-concern ability. If we conclude that a material uncertainty exists, we are required to, in our audit report, draw attention of the users of statements to the related disclosures in the financial statements; if such disclosures are inadequate, we should modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the COOEC to cease to continue as a going concern.
- (V) Evaluate the overall presentation (including the disclosures), structure and contents of the financial statements, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- (VI) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the COOEC to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding the planned scope and timing of the audit, significant audit findings and other matters, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of this period and are therefore the key audit matters. We describe these matters in our audit report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Shanghai, China

Certified Public Accountant of China:
Wang Shouyi
(Project Partner)



Certified Public Accountant of China:
Xiu Jun



March 15, 2024

II. Financial statements

Consolidated Balance Sheet

December 31, 2023

Preparing unit: Offshore Oil Engineering Co., Ltd.

Unit: RMB'0,000

Item	Notes	December 31, 2023	December 31, 2022
Current assets:			
Monetary funds	VII.1	432,081.13	212,300.69
Balances with clearing companies			
Loans to other banks and financial institutions			
Financial assets held for trading	VII.2	872,523.58	861,172.84
Derivative financial assets			
Notes receivable			
Accounts receivable	VII.3	614,740.03	627,070.10
Receivable financing			
Prepayments	VII.5	40,745.12	96,583.59
Premium receivable			
Reinsurance accounts receivable			
Provision of cession receivable			
Other receivables	VII.6	2,090.67	1,620.09
Including: interest receivable			
Dividends receivable			
Financial assets purchased under resale agreements			
Inventories	VII.7	98,279.37	130,107.73
Contract assets	VII.4	281,211.88	475,253.77
Assets held for sale			
Non-current assets maturing within one year	VII.8	66,743.01	129,225.80
Other current assets	VII.9	51,256.65	25,008.54
Total current assets		2,459,671.44	2,558,343.15
Non-current assets:			
Loans and advances			
Debt investments	VII.10	232,385.80	32,228.86
Other debt investments			
Long-term receivables			
Long-term equity investments			
Investments in other equity instruments	VII.11	7,067.14	7,067.14
Other non-current financial assets			
Investment properties			
Fixed assets	VII.12	1,281,758.11	1,322,000.54
Construction in progress	VII.13	46,651.73	66,085.09
Productive biological assets			
Oil and gas assets			
Right-of-use assets	VII.14	12,099.13	4,986.14
Intangible assets	VII.15	223,580.16	226,660.11
Development expenses			
Goodwill	VII.16		
Long-term deferred expenses	VII.17	23,990.36	21,934.26

Item	Notes	December 31, 2023	December 31, 2022
Deferred tax assets	VII.18	37,962.48	24,590.93
Other non-current assets			
Total non-current assets		1,865,494.91	1,705,553.07
Total assets		4,325,166.35	4,263,896.22
Current liabilities:			
Short-term borrowings	VII.20		32,974.62
Borrowings from central bank			
Loans from other banks and other financial institutions			
Financial liabilities held for trading			
Derivative financial liabilities			
Notes payable	VII.21	41,185.44	24,431.46
Accounts payable	VII.22	1,211,690.46	1,142,098.68
Advances from customers			
Contract liabilities	VII.23	100,641.06	200,383.46
Financial assets sold under repurchase agreements			
Absorption of deposits and interbank deposits			
Receivings from vicariously traded securities			
Receivings from vicariously sold securities			
Employee remuneration payable	VII.24	53,232.03	48,873.57
Taxes and surcharges payable	VII.25	38,136.48	19,978.60
Other payables	VII.26	60,687.03	61,886.08
Including: interest payable			
Dividends payable			0.31
Handling charges and commissions payable			
Reinsurance accounts payable			
Liabilities held for sale			
Non-current liabilities maturing within one year	VII.27	5,367.52	29,726.02
Other current liabilities	VII.28	51,937.78	58,123.63
Total current liabilities		1,562,877.80	1,618,476.12
Non-current liabilities:			
Reserves for insurance contracts			
Long-term borrowings	VII.29	22,000.67	15,964.88
Bonds payable			
Including: preferred shares			
Perpetual bond			
Lease liabilities	VII.30	6,686.42	1,456.31
Long-term payables			
Long-term salary payable			
Estimated liabilities	VII.31	34,172.24	33,808.99
Deferred income	VII.32	17,707.76	16,713.77
Deferred tax liabilities	VII.18	3,886.00	9,329.22
Other non-current liabilities			
Total non-current liabilities		84,453.09	77,273.17
Total liabilities		1,647,330.89	1,695,749.29
Owners' equity (or shareholders' equity):			
Paid-in capital (or share capital)	VII.33	442,135.48	442,135.48

Item	Notes	December 31, 2023	December 31, 2022
Other equity instruments			
Including: preferred shares			
Perpetual bond			
Capital reserve	VII.34	424,802.17	424,802.17
Less: treasury stock			
Other comprehensive income	VII.35	-3,547.76	-1,444.22
Special reserves	VII.36	13,399.54	19,861.60
Surplus reserves	VII.37	206,980.83	193,761.28
General risk reserves			
Undistributed profits	VII.38	1,395,689.11	1,291,071.58
Total equity attributable to owners (shareholders) of the parent company		2,479,459.37	2,370,187.89
Minority equity		198,376.09	197,959.04
Total owners' equity (or shareholders' equity)		2,677,835.46	2,568,146.93
Total liabilities and owners' (or shareholders') equity		4,325,166.35	4,263,896.22

Legal representative: Wang Zhangling Chief accountant: Li Peng Chief finance officer: Yao Baoqin

Balance Sheet of the Parent Company

December 31, 2023

Prepared by: Offshore Oil Engineering Co., Ltd.

Unit: RMB'0,000

Item	Notes	December 31, 2023	December 31, 2022
Current assets:			
Monetary funds		250,670.97	102,084.55
Financial assets held for trading		872,523.58	861,172.84
Derivative financial assets			
Notes receivable			
Accounts receivable	XVII.1	633,563.43	523,272.33
Receivable financing			
Prepayments		37,449.99	85,885.98
Other receivables	XVII.2	33,562.74	79,901.20
Including: interest receivable			
Dividends receivable			
Inventories		44,267.59	56,987.93
Contract assets		261,602.14	415,593.21
Assets held for sale			
Non-current assets maturing within one year		66,743.01	129,225.80
Other current assets		16,405.12	12,637.43
Total current assets		2,216,788.57	2,266,761.27
Non-current assets:			
Debt investments		232,385.80	32,228.86
Other debt investments			
Long-term receivables			
Long-term equity investments	XVII.3	917,918.15	920,597.42
Investments in other equity instruments		7,067.14	7,067.14
Other non-current financial assets			

Item	Notes	December 31, 2023	December 31, 2022
Investment properties			
Fixed assets		549,546.40	525,293.22
Construction in progress		38,398.75	59,320.69
Productive biological assets			
Oil and gas assets			
Right-of-use assets		9,960.15	44,289.29
Intangible assets		41,723.88	38,968.43
Development expenses			
Goodwill			
Long-term deferred expenses		15,133.44	12,350.76
Deferred tax assets		27,292.44	11,391.73
Other non-current assets			
Total non-current assets		1,839,426.15	1,651,507.54
Total assets		4,056,214.72	3,918,268.81
Current liabilities:			
Short-term borrowings		423,940.00	382,479.41
Financial liabilities held for trading			
Derivative financial liabilities			
Notes payable		34,187.26	24,431.46
Accounts payable		1,069,412.70	983,940.51
Advances from customers			
Contract liabilities		82,115.76	182,572.73
Employee remuneration payable		25,307.19	26,735.22
Taxes and surcharges payable		29,633.39	6,376.43
Other payables		137,205.24	107,626.27
Including: interest payable			
Dividends payable			
Liabilities held for sale			
Non-current liabilities maturing within one year		5,554.34	26,622.48
Other current liabilities		51,573.66	61,599.71
Total current liabilities		1,858,929.54	1,802,384.22
Non-current liabilities:			
Long-term borrowings		22,000.67	9,000.28
Bonds payable			
Including: preferred shares			
Perpetual bond			
Lease liabilities		3,498.35	26,590.32
Long-term payables			
Long-term salary payable			
Estimated liabilities		18,858.27	4,700.71
Deferred income		9,437.11	9,391.58
Deferred tax liabilities			3,188.45
Other non-current liabilities			
Total non-current liabilities		53,794.40	52,871.34
Total liabilities		1,912,723.94	1,855,255.56
Owners' equity (or shareholders' equity):			

Item	Notes	December 31, 2023	December 31, 2022
Paid-in capital (or share capital)		442,135.48	442,135.48
Other equity instruments			
Including: preferred shares			
Perpetual bond			
Capital reserve		424,538.80	424,538.80
Less: treasury stock			
Other comprehensive income		-6,121.76	-4,263.27
Special reserves		13,045.04	18,690.94
Surplus reserves		206,016.25	192,796.70
Undistributed profits		1,063,876.97	989,114.60
Total owners' equity (or shareholders' equity)		2,143,490.78	2,063,013.25
Total liabilities and owners' (or shareholders') equity		4,056,214.72	3,918,268.81

Legal representative: Wang Zhangling Chief accountant: Li Peng Chief finance officer: Yao Baoqin

Consolidated Income Statement

January-December 2023

Unit: RMB'0,000

Item	Notes	2023	2022
I. Total operating revenue		3,075,203.75	2,935,836.83
Including: operating revenue	VII.39	3,075,203.75	2,935,836.83
Interest income			
Premiums earned			
Income from handling charges and commissions:			
II. Total operating costs		2,906,122.03	2,818,841.58
Including: operating costs	VII.39	2,744,626.19	2,671,927.10
Interest expenditures			
Handling charge and commission expenditures			
Surrender value			
Net amount of compensation payout			
Net insurance liability reserves withdrawn			
Policy dividend payment			
Reinsurance costs			
Taxes and surcharges	VII.40	14,212.95	17,487.13
Selling expenses	VII.41	2,062.65	1,799.32
Administrative expenses	VII.42	32,262.48	24,209.96
Research and development expenses	VII.43	118,628.34	112,193.53
Financial expenses	VII.44	-5,670.58	-8,775.46
Including: interest expenses	VII.44	1,109.03	1,176.71
Interest income	VII.44	5,931.66	2,216.44
Plus: other income	VII.45	8,028.96	-5,794.16
Investment income ("-" for losses)	VII.46	26,231.80	70,303.16
Including: income from investment in associates and joint ventures	VII.46		-2,767.09
Income from derecognition of financial asset measured at amortized cost			
Gains on foreign exchange ("-" for losses)			
Income from net exposure hedging ("-" for losses)			

Item	Notes	2023	2022
Gains from changes in fair value ("-" for losses)	VII.47	11,350.75	1,172.84
Credit loss ("-" for loss)	VII.48	-19,753.82	-3,987.48
Impairment on assets ("-" for loss)	VII.49	-4,567.81	-7,406.35
Gains from disposal of assets ("-" for losses)	VII.50	-54.84	11.30
III. Operating profit ("-" for loss)		190,316.76	171,294.56
Plus: non-operating revenue	VII.51	3,623.29	5,425.57
Less: non-operating expenses	VII.52	2,746.33	481.69
IV. Total profits ("-" for total losses)		191,193.72	176,238.44
Less: income tax expenses	VII.53	28,159.86	31,121.57
V. Net profit ("-" for net loss)		163,033.86	145,116.87
(I) Classified by operating sustainability			
1. Net profit from continued operation ("-" for net loss)		163,033.86	145,116.87
2. Net profit from discontinued operation ("-" for net loss)			
(II) Classified by ownership			
1. Net profit attributable to shareholders of the parent company ("-" for net loss)		162,050.63	145,888.80
2. Minority interest income ("-" for net loss)		983.23	-771.93
VI. Other comprehensive income, net of tax		-2,110.54	-15,584.20
(I) Net Amount of Other Comprehensive Incomes after Tax Attributable to Parent Company	VII.54	-2,103.54	-15,622.29
1. Other comprehensive income that cannot be reclassified into profit or loss	VII.54		-6,025.00
(1) Changes in re-measurement of the defined benefit plan			
(2) Other comprehensive income that cannot be transferred to profit or loss under the equity method			
(3) Changes in fair value of investments in other equity instruments	VII.54		-6,025.00
(4) Changes in the fair value of the enterprise's own credit risk			
2. Other comprehensive income to be reclassified into profit or loss later	VII.54	-2,103.54	-9,597.29
(1) Other comprehensive income that can be transferred to profit or loss under the equity method			
(2) Changes in the fair value of other debt investment			
(3) Amount of financial assets reclassified into other comprehensive income			
(4) Provision for credit impairment of other debt investment			
(5) Reserve for cash flow hedges			
(6) Translation differences of financial statements denominated in foreign currency	VII.54	-2,103.54	-9,597.29
(7) Others			
(II) Net amount of other comprehensive incomes after tax attributable to minority shareholders	VII.54	-7.00	38.09
VII. Total comprehensive income	VII.54	160,923.32	129,532.67
(I) Total comprehensive income attributable to owners of the parent company		159,947.09	130,266.51
(II) Total comprehensive incomes attributable to minority shareholders		976.23	-733.84
VIII. Earnings per share:			
(I) Basic earnings per share (RMB/share)		0.37	0.33
(II) Diluted earnings per share (RMB/share)		0.37	0.33

Legal representative: Wang Zhangling Chief accountant: Li Peng Chief finance officer: Yao Baoqin

Income Statement of the Parent Company

January-December 2023

Unit: RMB'0,000

Item	Notes	2023	2022
I. Operating revenue	XVII.4	2,542,262.63	2,348,409.55
Less: operating cost	XVII.4	2,353,233.74	2,208,890.35
Taxes and surcharges		7,445.55	7,632.39
Selling expenses		415.06	57.83
Administrative expenses		16,454.58	14,117.80
Research and development expenses		78,911.94	75,808.29
Financial expenses		1,575.01	-2,771.42
Including: interest expenses		6,467.73	5,877.05
Interest income		3,237.34	2,182.39
Plus: other income		3,287.92	-3,039.18
Investment income ("-" for losses)	XVII.5	61,949.05	122,189.94
Including: income from investment in associates and joint ventures			
Income from derecognition of financial asset measured at amortized cost			
Income from net exposure hedging ("-" for losses)			
Gains from changes in fair value ("-" for losses)		11,350.75	1,172.84
Credit loss ("-" for loss)		-2,402.24	-1,598.40
Impairment on assets ("-" for loss)		-1,429.20	-4,251.53
Gains from disposal of assets ("-" for losses)		-11,676.54	
II. Operating profits ("-" for loss)		145,306.49	159,147.98
Plus: non-operating revenue		1,083.80	1,595.33
Less: non-operating expenses		774.86	344.13
III. Total profit ("for" total loss)		145,615.43	160,399.18
Less: income tax expenses		13,419.96	9,119.20
IV. Net profit ("-" for net loss)		132,195.47	151,279.98
(I) Net profit from continued operation ("-" for net loss)		132,195.47	151,279.98
(II) Net profit from termination of operation ("-" for net loss)			
V. Other comprehensive income, net of tax		-1,858.49	-15,229.51
(I) Other comprehensive income that cannot be reclassified into profit or loss later			-6,025.00
1. Changes in remeasurement of defined benefit plans			
2. Other comprehensive income that cannot be transferred to profit or loss under the equity method			
3. Changes in fair value of other equity instruments investment			-6,025.00
4. Changes in the fair value of the enterprise's own credit risk			
(II) Other comprehensive income that will be reclassified into profit or loss		-1,858.49	-9,204.51
1. Other comprehensive income that can be transferred to profit or loss under the equity method			
2. Changes in fair value of other creditor's right investment			
3. Amount of financial assets reclassified into other comprehensive income			
4. Provision for credit impairment of other creditor's rights investment			
5. Reserve for cash flow hedges			
6. Differences arising from translation of foreign-currency financial statements		-1,858.49	-9,204.51
7. Others			

Item	Notes	2023	2022
VI. Total comprehensive income		130,336.98	136,050.47
VII. Earnings per share:			
(I) Basic earnings per share (RMB/share)			
(II) Diluted earnings per share (RMB/share)			

Legal representative: Wang Zhangling Chief accountant: Li Peng Chief finance officer: Yao Baoqin

Consolidated Statement of Cash Flows

January-December 2023

Unit: RMB'0,000

Item	Notes	2023	2022
I. Cash flows from operating activities:			
Cash received from sale of goods and rendering of services		3,409,336.47	3,107,001.51
Net increase in deposits from customers and deposits with banks and other financial institutions			
Net increase in borrowings from central bank			
Net increase in loans from other financial institutions			
Cash received from receiving insurance premium of original insurance contract			
Net cash received from reinsurance business			
Net increase in deposits and investments from policyholders			
Cash received from interests, handling charges and commissions			
Net increase in loans from banks and other financial institutions			
Net capital increase in repurchase business			
Net cash received from vicariously traded securities			
Refunds of taxes and surcharges		20,407.05	29,638.22
Cash from other operating activities	VII.55	39,437.78	20,261.58
Sub-total of cash inflows from operating activities		3,469,181.30	3,156,901.31
Cash paid for purchase of goods or accepting services		2,435,173.05	2,404,771.18
Net increase in loans and advances to customers			
Net increase in deposits with central bank and with banks and other financial institutions			
Cash paid for original insurance contract claims			
Net increase in loans to banks and other financial institutions			
Cash paid for interests, handling charges and commissions			
Cash paid for policy dividends			
Cash paid to and on behalf of employees		377,812.22	325,102.19
Cash paid for taxes and surcharges		95,624.27	79,303.97
Cash paid for other operating activities	VII.55	48,079.35	16,375.26
Sub-total of cash outflows from operating activities		2,956,688.89	2,825,552.60
Net cash flows from operating activities	VII.56	512,492.41	331,348.71
II. Cash flows from investing activities:			
Cash received from disposal of investments		1,207,590.55	1,426,205.09
Cash received from investment income		28,989.01	19,014.92
Net cash received from disposal of fixed assets, intangible assets and other long-term assets			295.07
Net cash from disposal of subsidiaries and other business units		605.98	
Cash received from other investing activities	VII.55		75,144.31

Item	Notes	2023	2022
Subtotal of cash inflows from investing activities		1,237,185.54	1,520,659.39
Cash paid to acquire and construct fixed assets, intangible assets and other long-term assets		84,707.54	46,976.97
Cash paid for investments		1,347,475.95	1,655,500.00
Net increase in pledge loans			
Net cash paid to acquire subsidiaries and other business units			
Cash paid for other investing activities			
Sub-total of cash outflows from investing activities		1,432,183.49	1,702,476.97
Net cash flows from the investing activities		-194,997.95	-181,817.58
III. Cash flows from financing activities:			
Cash received from investors			
Including: cash received by subsidiaries from investments of minority shareholders			
Cash received from borrowings		22,194.40	9,000.00
Cash received from other financing activities			
Subtotal of cash inflows from financing activities		22,194.40	9,000.00
Cash paid for debt repayments		76,302.58	28,797.40
Cash paid for distribution of dividends and profits or payment of interests		45,271.71	36,347.07
Including: dividends and profit paid to minority shareholders by subsidiaries		217.53	119.00
Cash paid for other financing activities	VII.55	5,796.95	4,498.37
Sub-total of cash outflows from financing activities		127,371.24	69,642.84
Net cash flows from financing activities		-105,176.84	-60,642.84
IV. Effect of fluctuation in exchange rate on cash and cash equivalents		1,920.55	2,705.63
V. Net increase in cash and cash equivalents	VII.56	214,238.17	91,593.92
Plus: beginning balance of cash and cash equivalents	VII.56	208,671.98	117,078.06
VI. Ending balance of cash and cash equivalents	VII.56	422,910.15	208,671.98

Legal representative: Wang Zhangling Chief accountant: Li Peng Chief finance officer: Yao Baoqin

Statement of Cash Flows of the Parent Company

January-December 2023

Unit: RMB'0,000

Item	Notes	2023	2022
I. Cash flows from operating activities:			
Cash received from sale of goods and rendering of services		2,728,206.77	2,631,632.73
Refunds of taxes and surcharges		11,464.83	4,438.39
Cash from other operating activities		76,565.58	40,042.01
Sub-total of cash inflows from operating activities		2,816,237.18	2,676,113.13
Cash paid for purchase of goods or accepting services		2,194,256.76	2,311,020.62
Cash paid to and on behalf of employees		255,637.43	239,301.87
Cash paid for taxes and surcharges		61,804.28	58,878.58
Cash paid for other operating activities		29,829.52	13,342.38
Sub-total of cash outflows from operating activities		2,541,527.99	2,622,543.45
Net cash flows from operating activities		274,709.19	53,569.68
II. Cash flows from investing activities:			
Cash received from disposal of investments		1,260,455.67	1,454,055.24
Cash received from investment income		67,445.71	120,032.11

Item	Notes	2023	2022
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		10,521.70	33.49
Net cash from disposal of subsidiaries and other business units		407.54	
Cash received from other investing activities		36,724.35	
Subtotal of cash inflows from investing activities		1,375,554.97	1,574,120.84
Cash paid to acquire and construct fixed assets, intangible assets and other long-term assets		77,728.32	34,869.08
Cash paid for investments		1,353,373.03	1,726,354.12
Net cash paid to acquire subsidiaries and other business units			
Cash paid for other investing activities		19,083.95	
Sub-total of cash outflows from investing activities		1,450,185.30	1,761,223.20
Net cash flows from the investing activities		-74,630.33	-187,102.36
III. Cash flows from financing activities:			
Cash received from investors			
Cash received from borrowings		13,000.00	9,000.00
Cash received from other financing activities		694,740.59	814,379.14
Subtotal of cash inflows from financing activities		707,740.59	823,379.14
Cash paid for debt repayments		13,000.00	9,000.00
Cash paid for distribution of dividends and profits or payment of interests		49,288.31	38,888.18
Cash paid for other financing activities		698,236.16	633,983.45
Sub-total of cash outflows from financing activities		760,524.47	681,871.63
Net cash flows from financing activities		-52,783.88	141,507.51
IV. Effect of fluctuation in exchange rate on cash and cash equivalents		1,280.39	1,911.11
V. Net increase in cash and cash equivalents		148,575.37	9,885.94
Plus: beginning balance of cash and cash equivalents		102,069.56	92,183.62
VI. Ending balance of cash and cash equivalents		250,644.93	102,069.56

Legal representative: Wang Zhangling Chief accountant: Li Peng Chief finance officer: Yao Baoqin

Consolidated Statement of Changes in Owners' Equity

January-December 2023

Unit: RMB'0,000

Item	2023												
	Equity attributable to owners of the parent company										Total owners' equity		
	Paid-in capital (or share capital)	Other equity instruments	Capital reserve	Less: treasury stock	Other comprehensive income	Special reserves	Surplus reserves	General risk reserves	Undistributed profits	Others		Sub-total	Minority equity
I. Balance as at the end of the last year	442,135.48		424,802.17		-1,444.22	19,861.60	193,761.28		1,291,071.58		2,370,187.89	197,959.04	2,568,146.93
Plus: changes in accounting policies													
Correction of accounting errors in prior periods													
Others													
II. Balance as at the beginning of this year	442,135.48		424,802.17		-1,444.22	19,861.60	193,761.28		1,291,071.58		2,370,187.89	197,959.04	2,568,146.93
III. Increases/decreases in the current period ("-" for decreases)					-2,103.54	-6,462.06	13,219.55		104,617.53		109,271.48	417.05	109,688.53
(I) Total comprehensive income					-2,103.54				162,050.63		159,947.09	976.23	160,923.32
(II) Capital contributed or reduced by owners												-341.65	-341.65
1. Common stock contributed by owners													
2. Capital invested by the holders of other equity instruments													
3. Amounts of share-based payments recognized in owner's equity													
4. Others													
(III) Profit distribution							13,219.55		-57,433.10		-44,213.55	-217.53	-44,431.08
1. Withdrawal of surplus reserves							13,219.55		-13,219.55				
2. Withdrawal of general risk reserves													
3. Profit distributed to owners (or shareholders)									-44,213.55		-44,213.55	-217.53	-44,431.08
4. Others													
(IV) Internal carry-forward of owners' equity													
1. Conversion of capital reserves into paid-in capital (or share capital)													
2. Conversion of surplus reserves into paid-in capital (or share capital)													
3. Surplus reserves offsetting losses													
4. Forwarding of retained gains from changes in remeasurement of defined benefit plans													
5. Transfer of other comprehensive income into retained earnings													
6. Others													
(V) Special reserves						-6,462.06					-6,462.06		-6,462.06
1. Withdrawal in this period						42,188.78					42,188.78		42,188.78
2. Amount used in this period						48,650.84					48,650.84		48,650.84
(VI) Others													
IV. Balance as at the end of this period	442,135.48		424,802.17		-3,547.76	13,399.54	206,980.83		1,395,689.11		2,479,459.37	198,376.09	2,677,835.46

2022

Item	Equity attributable to owners of the parent company											Total owners' equity			
	Paid-in capital (or share capital)	Other equity instruments			Capital reserve	Less: treasury stock	Other comprehensive income	Special reserves	Surplus reserves	General risk reserves	Undistributed profits		Others	Sub-total	Minority equity
		Preferred shares	Perpetual bond	Others											
I. Balance as at the end of the last year	442,135.48				424,802.17		14,178.07	24,035.68	178,083.31		1,190,972.39		2,274,207.10	1,622.36	2,275,829.46
Plus: changes in accounting policies									-1.84		-257.13		-258.97		-258.97
Correction of accounting errors in prior periods															
Others															
II. Balance as at the beginning of this year	442,135.48				424,802.17		14,178.07	24,035.68	178,081.47		1,190,715.26		2,273,948.13	1,622.36	2,275,570.49
III. Increases/decreases in the current period ("-" for decreases)							-15,622.29	-4,174.08	15,679.81		100,356.32		96,239.76	196,336.68	292,576.44
(I) Total comprehensive income							-10,205.46				145,888.80		135,683.34	-733.84	134,949.50
(II) Capital contributed or reduced by owners														197,189.65	197,189.65
1. Common stock contributed by owners															
2. Capital invested by the holders of other equity instruments															
3. Amounts of share-based payments recognized in owner's equity															
4. Others															
(III) Profit distribution									15,127.99		-50,498.83		-35,370.84	-119.13	-35,489.97
1. Withdrawal of surplus reserves									15,127.99		-15,127.99				
2. Withdrawal of general risk reserves															
3. Profit distributed to owners (or shareholders)											-35,370.84		-35,370.84	-119.13	-35,489.97
4. Others															
(IV) Internal carry-forward of owners' equity							-5,416.83		541.68		4,875.15				
1. Conversion of capital reserves into paid-in capital (or share capital)															
2. Conversion of surplus reserves into paid-in capital (or share capital)															
3. Surplus reserves offsetting losses															
4. Forwarding of retained gains from changes in remeasurement of defined benefit plans															
5. Transfer of other comprehensive income into retained earnings							-5,416.83		541.68		4,875.15				
6. Others															
(V) Special reserves								-4,174.08					-4,174.08		-4,174.08
1. Withdrawal in this period								44,150.31					44,150.31		44,150.31
2. Amount used in this period								48,324.39					48,324.39		48,324.39
(VI) Others									10.14		91.20		101.34		101.34
IV. Balance as at the end of this period	442,135.48				424,802.17		-1,444.22	19,861.60	193,761.28		1,291,071.58		2,370,187.89	197,959.04	2,568,146.93

Legal representative: Wang Zhangling Chief accountant: Li Peng Chief finance officer: Yao Baoqin

Statement of Changes in Owners' Equity of the Parent Company

January-December 2023

Unit: RMB'0,000

Item	2023						Total owners' equity		
	Paid-in capital (or share capital)	Other equity instruments	Capital reserve	Less: treasury stock	Other comprehensive income	Special reserves		Surplus reserves	Undistributed profits
I. Balance as at the end of the last year	442,135.48		424,538.80		-4,263.27	18,690.94	192,796.70	989,114.60	2,063,013.25
Plus: changes in accounting policies									
Correction of accounting errors in prior periods									
Others									
II. Balance as at the beginning of this year	442,135.48		424,538.80		-4,263.27	18,690.94	192,796.70	989,114.60	2,063,013.25
III. Increases/decreases in the current period ("-" for decreases)									
(I) Total comprehensive income					-1,858.49	-5,645.90	13,219.55	74,762.37	80,477.53
(II) Capital contributed or reduced by owners					-1,858.49			132,195.47	130,336.98
1. Common stock contributed by owners									
2. Capital invested by the holders of other equity instruments									
3. Amounts of share-based payments recognized in owner's equity									
4. Others									
(III) Profit distribution							13,219.55	-57,433.10	-44,213.55
1. Withdrawal of surplus reserves							13,219.55	-13,219.55	
2. Profit distributed to owners (or shareholders)								-44,213.55	-44,213.55
3. Others									
(IV) Internal carry-forward of owners' equity									
1. Conversion of capital reserves into paid-in capital (or share capital)									
2. Conversion of surplus reserves into paid-in capital (or share capital)									
3. Surplus reserves offsetting losses									
4. Forwarding of retained gains from changes in remeasurement of defined benefit plans									
5. Transfer of other comprehensive income into retained earnings									
6. Others									
(V) Special reserves						-5,645.90			-5,645.90
1. Withdrawal in this period						36,551.47			36,551.47
2. Amount used in this period						42,197.37			42,197.37
(VI) Others									
IV. Balance as at the end of this period	442,135.48		424,538.80		-6,121.76	13,045.04	206,016.25	1,063,876.97	2,143,490.78

2022

Item	Paid-in capital (or share capital)			Other equity instruments			Capital reserve	Less: treasury stock	Other comprehensive income	Special reserves	Surplus reserves	Undistributed profits	Total owners' equity
	Preferred shares	Perpetual bond	Others										
I. Balance as at the end of the last year	442,135.48			424,538.80			10,966.24	22,730.29	177,118.73	883,383.68	1,960,873.22		
Plus: changes in accounting policies									-1.84				-18.42
Correction of accounting errors in prior periods													
Others													
II. Balance as at the beginning of this year	442,135.48			424,538.80			10,966.24	22,730.29	177,116.89	883,367.10	1,960,854.80		
III. Increases/decreases in the current period ("-" for decreases)							-15,229.51	-4,039.35	15,679.81	105,747.50	102,158.45		
(I) Total comprehensive income							-9,812.68			151,279.98	141,467.30		
(II) Capital contributed or reduced by owners													
1. Common stock contributed by owners													
2. Capital invested by the holders of other equity instruments													
3. Amounts of share-based payments recognized in owner's equity													
4. Others													
(III) Profit distribution									15,127.99	-50,498.83	-35,370.84		
1. Withdrawal of surplus reserves									15,127.99	-15,127.99			
2. Profit distributed to owners (or shareholders)										-35,370.84	-35,370.84		
3. Others													
(IV) Internal carry-forward of owners' equity									-5,416.83	4,875.15			
1. Conversion of capital reserves into paid-in capital (or share capital)													
2. Conversion of surplus reserves into paid-in capital (or share capital)													
3. Surplus reserves offsetting losses													
4. Forwarding of retained gains from changes in remeasurement of defined benefit plans													
5. Transfer of other comprehensive income into retained earnings							-5,416.83		541.68	4,875.15			
6. Others													
(V) Special reserves									-4,039.35		-4,039.35		
1. Withdrawal in this period									36,773.88		36,773.88		
2. Amount used in this period									40,813.23		40,813.23		
(VI) Others									10.14	91.20	101.34		
IV. Balance as at the end of this period	442,135.48			424,538.80			-4,263.27	18,690.94	192,796.70	989,114.60	2,063,013.25		

Legal representative: Wang Zhangling Chief accountant: Li Peng Chief finance officer: Yao Baoqin

III. Company profile

1. Company profile

"√ Applicable" " □ Not applicable"

(1) Incorporation

Offshore Oil Engineering Co., Ltd. (COOEC) was established on April 20, 2000 by China National Petroleum Engineering Design Corporation, China National Petroleum Platform Manufacturing Corporation, China National Petroleum Offshore Engineering Corporation, China National Offshore Oil Bohai Company Limited and China National Offshore Oil Nanhai West Company Limited. The Unified Social Credit Code of COOEC is 91120116722950227Y. COOEC was listed on the Shanghai Stock Exchange on February 5, 2002, and operates in mining auxiliary activities. As of December 31, 2023, the total accumulated issued share capital of COOEC was 4,421,354,800 shares with a registered capital of RMB 4,421,354,800. Its registered office is at Room 202-F105, 2nd Floor, Podium of Ligang Building, No. 82 West 2nd Road, Tianjin Pilot Free Trade Zone (Airport Economic Zone), and its head office is located at No. 199, Binhai 15th Road, Tianjin Port Free Trade Zone, legal representative: Wang Zhangling.

(2) Main business activities

COOEC's main business activities are general contracting; design of oil and gas (offshore oil) and construction projects; planning and evaluation consulting of oil and gas projects; construction of various types of offshore oil construction projects and other marine projects; construction of land-based petrochemical projects; production and installation of various types of steel structures and grids; design and manufacture of pressure vessels, design of pressure pipelines; research and development, manufacture and sales of electric and instrumentation automation products, quality control and inspection, physical and chemical, measurement and mapping and related technical services; the export business of the enterprise's own products and technologies; the import of raw and auxiliary materials, instruments and meters, machinery equipment, spare parts and technologies required for the production of the enterprise; the import processing; contracting of offshore oil projects and domestic international bidding projects; contracting survey, consultation, design and supervision of the above overseas projects; exporting equipment and materials required for the above overseas projects; dispatching laborers required for the implementation of the above overseas projects; domestic coastal general cargo ship transportation; international general cargo transportation; leasing of owned houses; the sale of steel, pipe fittings, cables, valves, instruments, hardware and electricity (projects that are subject to approval according to the law can only be operated with the approval by relevant departments).

(3) COOEC's initial issue of shares

COOEC issued 80 million shares of public stock on January 21, 2002, as approved by the China Securities Regulatory Commission (ZJFXZ [2002] No. 2 Document). After the fund raising, COOEC's shares were listed on the Shanghai Stock Exchange on February 5, 2002 with the stock code: 600583. The change of business registration was completed on July 9, 2002, and the changed business license number is 1200001000326, with registered capital of RMB 250 million.

(4) The successive capital increases after the initial issue of COOEC's shares

- 1) At the first extraordinary General Meeting in 2003, COOEC adopted the Plan to Increase the Capital Stock of COOEC by Transferring Capital Stock to 1 share for every 10 shares of capital stock, based on the total share capital of 250,000,000 shares. After the completion of the capital transfer program, the total share capital of COOEC was 275 million shares, of which 88 million shares were outstanding. On January 12, 2004, COOEC completed the registration of the change of industrial and commercial registration, and the changed registered capital is RMB 275 million.
- 2) At the 2003 Annual General Meeting, COOEC adopted the Plan for the Transfer of Capital Stock and Undistributed Profits to Share Capital, whereby 275,000,000 shares were transferred to all shareholders from capital stock at a ratio of 1 share for every 10 shares, and 27.5 million bonus shares were distributed to all shareholders from undistributed profits at a ratio of 1 share for every 10 shares and 27.5 million shares were transferred to all shareholders from undistributed profit at the ratio of 1 share per 10 shares, implying a total increase in share capital by 55 million shares. On October 27, 2004, COOEC completed the registration of the change of business registration, and the changed registered capital was RMB 330 million.
- 3) At the 2004 annual general meeting, COOEC approved the 2004 Profit Distribution Plan and the 2004 Capital Stock Transfer Plan, whereby 330 million shares were distributed as bonus shares to all shareholders on the basis of the total share capital of 330 million shares at the ratio of 1 share for every 10 shares and 330 million shares were transferred to all shareholders from undistributed profits at the ratio of 1 share for every 10 shares and 33 million shares were transferred to all shareholders from capital reserve at the ratio of 1 share per 10 shares. The profit distribution and transfer program increased the share capital by 66 million shares in total. COOEC completed the registration of industrial and commercial changes on July 15, 2005, and the changed registered capital was RMB 396 million.
- 4) At the 2005 annual general meeting, COOEC approved the 2005 Profit Distribution Plan and the 2005 Capitalization of COOEC's Capital Provident Fund, under which 277.2 million bonus shares were distributed to all shareholders from undistributed profits on the basis of the total share capital of 396 million shares at a ratio of 7 shares per 10 shares

as stock dividends, and 118.8 million shares were transferred to all shareholders from capital reserve at the ratio of 3 shares per 10 shares. The profit distribution and transfer program increased the share capital by 396 million shares in total. COOEC completed the registration of industrial and commercial changes on January 31, 2007, and the changed registered capital was RMB 792 million.

- 5) At the 2006 annual general meeting, COOEC approved the 2006 Profit Distribution Plan of COOEC, under which bonus shares of 158.4 million shares were distributed as stock dividends to all shareholders with undistributed profits based on the total share capital of 792 million shares at a ratio of 2 shares for every 10 shares. COOEC completed the registration of industrial and commercial changes on September 6, 2007, and the changed registered capital was RMB 950.4 million.
- 6) At the 2007 annual general meeting, COOEC approved the 2007 Profit Distribution Plan of COOEC, under which 475.2 million bonus shares were distributed to all shareholders from undistributed profits based on the total share capital of 950.4 million shares at the ratio of 5 shares per 10 shares as stock dividends, and 475.2 million shares were transferred to all shareholders from capital reserve at the ratio of 5 shares per 10 shares. The profit distribution and transfer program increased the share capital by a total of 950.4 million shares. COOEC completed the registration of industrial and commercial changes on July 31, 2008, and the changed registered capital is RMB 1,900,800,000.
- 7) As approved by the China Securities Regulatory Commission under ZJXK [2008] No. 1091 document, COOEC issued 260,000,000 ordinary shares (A shares) to eight specific investors, including China National Offshore Oil Corporation, by way of non-public offering of shares. After the funds were raised, the registration of the A shares and the restriction of sale of shares were completed on December 29, 2008 at the Shanghai Branch of China Securities Depository and Clearing Corporation, and the registration of industrial and commercial changes was completed on February 16, 2009, with the changed registered capital of RMB 2,160,800,000.
- 8) At the 2008 annual general meeting, COOEC approved the 2008 Profit Distribution Plan of COOEC, under which 2160.8 million bonus shares were distributed to all shareholders from undistributed profits at the ratio of 1 share for every 10 shares based on the total share capital of 216.08 million shares, and 864.32 million shares were transferred to all shareholders from the capital reserve at the ratio of 4 shares for every 10 shares. The profit distribution and transfer program increased the share capital by a total of 1,080,400,000 shares. COOEC completed the registration of industrial and commercial changes on December 31, 2009, and the changed registered capital was RMB 3,241,200,000.
- 9) At the 2009 annual general meeting, COOEC adopted the 2009 Annual Capital Transfer Plan, whereby COOEC increased its share capital by 648,240,000 shares to all shareholders by transferring 2 shares for every 10 shares to a total share capital of 3,241,200,000 shares, increased capital stock by 648.24 million shares. The registered capital after the change is RMB 3,889,440,000.
- 10) As approved by the China Securities Regulatory Commission with ZJXK [2013] No. 1180 Document, COOEC issued 531,914,800 RMB ordinary shares (A shares) by way of non-public offering to six specific investors including China National Offshore Oil Corporation. After the availability of the proceeds, the registration of the A shares and the share restriction procedures of the non-public offering were completed on October 9, 2013 at the Shanghai Branch of China Securities Depository and Clearing Corporation, and the industrial and commercial change of registration was completed on October 14, 2013, with the changed registered capital of RMB 4,421,354,800.

(5) Changes in the shareholdings of COOEC's promoters

- 1) On September 28, 2003, China National Offshore Oil Corporation (CNOOC), the actual controller of COOEC, became the largest shareholder of COOEC by acquiring a total of 159,233,800 shares held by CNOOC Platform Manufacturing Company, CNOOC Offshore Engineering Company and CNOOC Engineering Design Company, the founders of COOEC, by agreement without compensation, accounting for 57.91% of the total number of shares of COOEC at that time. The transfer of shares was completed on February 13, 2004. The three founding companies, CNOOC Platform Manufacturing Company, CNOOC Offshore Engineering Company and CNOOC Engineering Design Company, no longer held shares of COOEC.
- 2) With the Approval on Issues Relating to the Equity Subdivision Reform of Offshore Oil Engineering Co., Ltd. by the State-owned Assets Supervision and Administration Commission of the State Council (GZCQ [2006] No.2) and the shareholder's meeting held on January 16, 2006 to consider and approve the share subdivision reform plan of COOEC, the shareholders of COOEC's non-circulating shares paid their shares to the shareholders of COOEC registered with the China Securities Depository and Clearing Corporation Shanghai Branch on January 20, 2006, the non-circulating shareholders of COOEC paid 2.4 shares of stock for every 10 shares of COOEC, and the non-circulating shareholders paid a total of 30,412,800 shares. After the implementation of the consideration, the number of shares held by non-circulating shareholders of COOEC were 203,399,600 shares, 1,414,800 shares and 34,052,800 shares, with the shareholding ratio of 51.36%, 0.36% and 8.60%, respectively, of China National Offshore Oil Corporation, China National Offshore Oil Bohai Company Limited and China National Offshore Oil Nanhai West Company Limited. On the first trading day after the implementation of the stock split reform, the non-floating shares held by all non-floating shareholders of COOEC were granted the right to be listed and circulated.
- 3) As approved by the China Securities Regulatory Commission under ZJXK [2008] No. 1091 document, COOEC issued

260,000,000 RMB ordinary shares (A shares) to eight specific investors, including China National Offshore Oil Corporation, by way of non-public offering of shares. After the funds were raised, the registration of the A shares and the share restriction procedures of the non-public offering were completed on December 29, 2008 at the Shanghai Branch of China Securities Depository and Clearing Corporation Limited. After the completion of this directed issue, the number of shares held by China National Offshore Oil Corporation, China National Offshore Oil Nanhai West Company Limited and China National Offshore Oil Bohai Company Limited are 1,054,318,252 shares, 163,453,282 shares and 6,791,026 shares respectively, with the shareholding ratio of 48.79%, 7.56% and 0.32% respectively.

- 4) As approved by the China Securities Regulatory Commission with ZJXK [2013] No. 1180 Document, COOEC issued 531,914,800 RMB ordinary shares (A shares) by way of non-public offering to six specific investors including China National Offshore Oil Corporation. After the funds were raised, the registration of the A shares and the share restriction procedures of the non-public offering were completed on October 9, 2013 at the Shanghai Branch of China Securities Depository and Clearing Corporation Limited. After the completion of this directed issue, the number of shares held by China National Offshore Oil Corporation, China National Offshore Oil Nanhai West Company Limited and China National Offshore Oil Bohai Company Limited were 2,270,113,454 shares, 294,215,908 shares and 12,223,847 shares respectively, with the shareholding ratio of 51.34%, 6.65% and 0.28% respectively.
- 5) In 2015, China National Offshore Oil Corporation, the controlling shareholder of COOEC, and China National Offshore Oil Finance Company Limited, a person acting in concert, bought 856,100 shares and 1,571,800 shares of COOEC through the trading system of Shanghai Stock Exchange from July 9, 2015 to August 25, 2015, respectively. After the purchase, the number of shares held by China National Offshore Oil Corporation and CNOOC Finance Co., Ltd. were 2,270,969,554 shares and 1,571,800 shares respectively, with the shareholding ratio of 51.36% and 0.04% respectively.
- 6) In accordance with the relevant state arrangements, in October 2018, China National Offshore Oil Corporation transferred its 3% shares of COOEC of 132,640,600 shares to the CSI Central Enterprises Structure Adjustment Trading Open-ended Index Securities Investment Fund managed by Huaxia Fund, Boshi Fund and Yinhua Fund, respectively, in exchange for the Central Enterprises Structure Adjustment ETF Fund. Upon completion of the subscription, the shareholding of China National Offshore Oil Corporation in COOEC was reduced from 2,270,969,554 shares to 2,138,328,954 shares, and the shareholding ratio was reduced from 51.36% to 48.36%.
- 7) In order to optimize COOEC's equity structure, on October 30, 2023, China National Offshore Oil Corporation received 1,571,800 shares of COOEC held by CNOOC Finance Co., Ltd. through a block transaction at an average transaction price of 6.33 yuan/share. On October 31, 2023, China National Offshore Oil Corporation signed the "Agreement on Share Transferring Without Compensation" with China National Offshore Oil Nanhai West Company Limited and China National Offshore Oil Bohai Company Limited, receiving 294,215,900 shares and 12,223,800 shares of COOEC held by China National Offshore Oil Nanhai West Company Limited and China National Offshore Oil Bohai Company Limited respectively through the free transfer, for which the securities transfer registration formalities have been secured on November 29, 2023. COOEC has received the Transfer Registration Confirmation issued by China Securities Depository and Clearing Corporation Limited. After the change of equity, CNOOC directly holds 2,446,340,500 shares of COOEC, accounting for 55.33% of the total share capital. The controlling shareholder and actual controller of COOEC remain unchanged, and CNOOC still acts as the controlling shareholder of COOEC.

The financial statements were approved by the Board of Directors of COOEC for disclosure on March 15, 2024.

2. Scope of consolidated financial statements

See "Note VIII Changes in the scope of consolidation" for details of changes in the scope of consolidation in the reporting period.

See "Note IX Equity in other entities" for details about subsidiaries of COOEC.

IV. Basis of preparation for financial statements

1. Preparation basis

The financial statements are prepared in accordance with the Accounting Standards for Business Enterprises — Basic Standards issued by the Ministry of Finance and all the specific accounting standards, Application Guidance to the Accounting Standards for Business Enterprises, the interpretation of the Accounting Standards for Business Enterprises and other relevant provisions (hereinafter referred to as the "Accounting Standards for Business Enterprises"), as well as the disclosure provisions of the Rules for the Compilation and Submission of Information Disclosure by Companies Offering Securities to the Public No.15 - General Requirements for Financial Reports issued by the China Securities Regulatory Commission.

2. Going concern

"√ Applicable" " Not applicable"

The financial statements are prepared on a going-concern basis.

V. Significant accounting policies and accounting estimates

Tips of specific accounting policies and accounting estimates:

" Applicable " " Not applicable "

1. Statement on compliance with the Accounting Standards for Business Enterprises

The financial statements prepared by the company comply with the requirements of accounting standards for business enterprises and truly and completely reflect the company's financial position, operating results, changes in shareholders' equity and cash flows.

2. Accounting period

The accounting year of COOEC is from January 1 to December 31 in calendar year.

3. Business cycle

" Applicable " " Not applicable "

COOEC's operating cycle is 12 months.

4. Recording currency

The bookkeeping base currency of COOEC and its domestic subsidiaries, CNOOC Shenzhen Offshore Engineering Service Co., Ltd., Offshore Oil Engineering (Qingdao) Co., Ltd., Offshore International Engineering Co., Ltd., Offshore Oil Engineering (Zhuhai) Co., Ltd., and COOEC-Fluor Heavy Industries Co., Ltd. is RMB.

The local currency of COOEC's overseas subsidiaries, Offshore Engineering International Limited, COOEC Nigeria Limited, Offshore Oil Engineering Co., Ltd. And Nigeria Free Trade Zone Company, is in US dollars.

COOEC Canada Co., Ltd. uses the Canadian dollar as the recording currency.

The Thai company of COOEC International Co., Ltd. uses the Thai baht as the recording currency.

The Brazilian company of Offshore Oil Engineering International Co., Ltd. uses the Brazilian real as the recording currency.

The financial statements are shown in RMB.

5. Importance criteria determination method and selection basis

" Applicable " " Not applicable "

Item	Importance criteria
Receivables for significant single provision for bad debts	1,000.00
Significant amounts of bad debt recovery or reversal for receivables in the current period	1,000.00
Write-off of significant receivables in the current period	1,000.00
Significant changes in the book value of contract assets	1,000.00
Important debt investments	1,000.00
Significant construction in progress	1,000.00
Major non-wholly-owned subsidiaries	1,000.00
Significant capitalized R & D projects	1,000.00

6. Accounting treatment of business combinations under and not under common control

" Applicable " " Not applicable "

Business combination under common control: Assets and liabilities acquired from business combination by the acquirer (including the goodwill formed by the ultimate controller's acquisition of the acquiree) are measured at the book value of assets and liabilities of the acquiree in the financial statements of the ultimate controller on the combination date. Capital stock premium in the capital reserves should be adjusted according to the difference between the book value of net asset acquired from the combination and that of consideration (total face value of the shares issued) paid for the combination. In case the capital stock premium is not enough, the retained earnings need to be adjusted.

For the business combination not under common control, the combination costs are the fair value, on the acquisition date, of any assets acquired, any liabilities incurred or assumed, and any equity securities issued by the acquirer, in exchanges for the right of control over the acquiree. COOEC shall recognize the difference of the combination costs in excess of the fair value of the identifiable net assets acquired from the acquiree as goodwill and recognize the difference of the combination costs in short of the fair value of the identifiable net assets acquired from the acquiree in the current profit or loss. The identifiable assets, liabilities and contingent liabilities of the acquiree that are obtained from combination and satisfy the recognition criteria shall be measured at their fair values.

Direct expenses arising from the business combination shall be included in current profit or loss on the occurrence date. Transaction expenses on equity or debt securities issued by the acquirer for the purpose of the combination consideration will be included in the initially recognized amount of equity or debt securities.

7. Judgment criteria for control measures and preparation of the consolidated financial statements

"√ Applicable" " □ Not applicable"

(1) Judgment criteria for control

The consolidation scope of consolidated financial statements is determined on the basis of control, including COOEC and all the subsidiaries. Control means the power owned over the investee by COOEC which enjoys the variable return through participating in activities related to the investee, and has the ability to affect the return by using the power over the investee.

(2) Consolidation procedures

COOEC deems the whole enterprise group as a single accounting entity and prepares consolidated financial statements in accordance with unified accounting policies to reflect the overall financial position, operating results and cash flows. The influence of internal transactions between COOEC and its subsidiaries and between subsidiaries shall be offset. When internal trading indicates that related assets are impaired, they will be fully recognized. If the accounting policy and the accounting period adopted by a subsidiary are inconsistent with that of COOEC, in preparing consolidated financial statements, necessary adjustments shall be made in accordance with COOEC's accounting policy and accounting period.

The share of owners' equity, current net profit or loss, and current comprehensive income of subsidiaries attributable to minority owners shall be respectively and separately listed in the owners' equity of the consolidated balance sheet, the net profit and the total comprehensive income item of the consolidated income statement. If the share of the current losses attributable to the minority shareholders of a subsidiary exceeds the share of the owners' equity attributable to minority shareholders of the subsidiary at the beginning of the period, the balance is allocated against the minority equity.

1) Increase of subsidiaries or business

During the reporting period, if a subsidiary or business is included as a result of a business combination under common control, the operating results and cash flows of the subsidiary or business combination from the beginning of the period to the end of the reporting year are included in the consolidated financial statements, while the beginning of the consolidated financial statements and the related items in the comparative statements are adjusted as if the consolidated reporting entity had existed since the point when the ultimate controller began to control it.

If COOEC is able to exercise control over an investee under common control due to additional investment, etc., equity investments held before the control over the combinee is obtained, the related gains and losses, other comprehensive income as well as other changes in net assets recognized from the later of the date when the original equity is obtained or the date when the acquirer and the acquiree are under common control, to the combination date will respectively write down the retained earnings or current profit or loss in the comparative statements.

During the reporting period, if COOEC acquires subsidiaries or business from the business combination not under common control, such subsidiaries or business shall be included in consolidated financial statements from the acquisition date at the fair value of identifiable assets, liabilities and contingent liabilities determined on the acquisition date.

If there is control over the investee not under the common control due to additional investments or other reasons, for the equity of the acquiree held before the acquisition date, COOEC will re-measure the equity on the acquisition date at its fair value and include the difference between the fair value and book value in current investment income. Other comprehensive income and other changes in owners' equity under the equity method that are involved in the equity of the acquiree held prior to the acquisition date and can be reclassified into profit or loss later are transferred to investment income of the period to which the acquisition date belongs.

2) Disposal of subsidiaries

① General method of disposal

For the remaining equity investments after the disposal, COOEC will re-measure the same at the fair value on the date when it loses control over the investee due to disposal of partial equity investment or other reasons. The sum of the consideration of equity disposal and the fair value of the remaining equity, less the sum of the share of net assets of the subsidiary attributable to COOEC calculated continuously since the acquisition date or the combination date according to the original shareholding ratio and the goodwill, shall be included in the investment income for this period when the control is lost. Other comprehensive income and other changes in owners' equity under the equity method that are related to the equity investment of original subsidiaries and can be reclassified into profit or loss later are transferred to investment income for this period upon the loss of control power.

② Disposal of subsidiaries by stages

Where COOEC disposes the equity investments in subsidiary through multiple transactions and by stages until it loses the control, if the effect of the disposal on the terms and conditions of all transactions of equity investments

in subsidiary and economic effect meet one or more of the following circumstance, it usually indicates that the multiple transactions should be accounted for as a package deal:

- i. The transactions are concluded at the same time or under the consideration of mutual effect;
- ii. The transactions as a whole can reach a complete business result.
- iii. The occurrence of a transaction depends on that of at least one other transactions;
- iv. A single transaction is uneconomical but it is economical when considered together with other transactions.

If the transactions for the disposal of equity investment in subsidiaries that leads to the loss of control are under a package of transactions, COOEC treats all such transactions as one transaction through which COOEC disposes of its equity in the subsidiary and loses its control over such subsidiary; the difference between the proceeds from each transaction before COOEC loses its control over the subsidiary and the corresponding share in the net assets of the subsidiary of the disposed-of investment shall be recognized as other comprehensive income in the consolidated financial statements, and shall be included into the loss and profit in this period when COOEC loses its control over the subsidiary.

If the transactions are not package transactions, before the control loses, related policies governing the partial disposal of equity investments in subsidiaries without losing control will apply; when the control loses, general accounting method for the disposal of subsidiaries will govern.

3) Purchase of minority equity of subsidiary

The difference between long-term equity investments acquired by COOEC through purchase of minority interest and the subsidiary's identifiable net assets attributable to COOEC calculated continuously from the acquisition date (or the combination date) in accordance with the increased shareholding ratio shall be charged against stock premium within capital reserves in the consolidated balance sheet; when stock premium within capital reserves is insufficient to offset, the retained earnings shall be adjusted.

4) Partial disposal of equity investments in subsidiaries without losing control

Share premium in the capital reserve under the consolidated balance sheet will be adjusted at the difference between the proceeds achieved from the partial disposal of equity investments in subsidiaries and the share of net assets of subsidiaries attributable to COOEC corresponding to the disposal of long-term equity investments and calculated constantly from the acquisition date or combination date without losing the control rights. Where the share premium in capital reserve is insufficient to offset, retained earnings will be adjusted.

8. Classification of joint venture arrangements and accounting treatment of joint operation

"√ Applicable" " □ Not applicable"

Joint venture arrangements are classified into joint operation and joint venture.

Joint operation refers to those joint venture arrangements under which the joint venture is entitled to relevant assets and be responsible for relevant liabilities.

COOEC recognizes the following items relating to the interests share in joint operation:

- (1) Assets it solely holds and its share of jointly-held assets based on its percentage;
- (2) Liabilities it solely assumes and its share of jointly-assumed liabilities based on its percentage;
- (3) Incomes from sale of output enjoyed by it from the joint operation;
- (4) Income from selling the production of the joint operation recognized based on the shares held by COOEC;
- (5) Separate costs and costs for the joint operation based on the shares held by COOEC.

COOEC's investments in its joint ventures are calculated under the equity method. For details, please refer to "Note III.14 Long-term equity investments".

9. Recognition criteria of cash and cash equivalents

Cash equivalents refer to the short-term (generally due within three months from the date of purchase) and highly liquid investments that are readily convertible to known amounts cash and which are subject to an insignificant risk of change in value.

10. Foreign currency transactions and translation of foreign currency financial statements

"√ Applicable" " □ Not applicable"

(1) Foreign currency transactions

Foreign currency transactions are recorded in RMB using the market exchange rate announced by the People's Bank of China

on the last business day of the previous month when the transactions occur.

The balance of foreign currency monetary items as at the balance sheet date are translated at the spot exchange rate on the balance sheet date and the exchange differences arising therefrom shall be included in the current profit or loss, except those exchange differences arising from the special borrowings of foreign currency related to the acquired and constructed assets qualified for capitalization that will be capitalized at the borrowing expenses.

(2) Translation of foreign currency financial statements

Assets and liabilities in the balance sheet are translated at the spot exchange rates on balance sheet date; owners' equity items, except for the item of "undistributed profits", are translated at the spot exchange rates on the dates when the transactions occur. Income and expense items in the income statement are translated using the arithmetic average of the market exchange rates published by the People's Bank of China on the first and last business days of the month when the transactions occur.

Where COOEC disposes of an overseas business, it shall transfer the exchange difference relating to the overseas business to the current profit or loss.

11. Financial Instruments

"√ Applicable" " □ Not applicable"

When COOEC becomes a party to a financial instrument, it shall recognize a financial asset or financial liability or an equity instrument.

(1) Classification

Based on the business model of managing financial assets and the contractual cash flow characteristics of financial assets, COOEC classifies upon initial recognition financial assets into financial assets measured at amortized cost, financial assets measured at fair value through other comprehensive income, and financial assets measured at fair value through current profit or loss.

COOEC classifies financial assets that are not designated as those measured at fair value through current profit or loss as financial assets measured at amortized cost if they both meet the following conditions:

- A business model is to collect contractual cash flows;
- The contractual terms are only payments of principal and interest based on the outstanding principal.

COOEC classifies as financial assets at fair value through other comprehensive income financial assets (debt instruments) that are not designated those measured at fair value through current profit or loss if they meet the following criteria:

- The business model is both to collect the contractual cash flows and to sell the financial asset;
- The contractual terms are only payments of principal and interest based on the outstanding principal.

For investments in equity instrument not held for trading, COOEC will upon initial recognition designate them as financial assets (equity instrument) measured at fair value through other comprehensive income. This designation is made on an individual investment basis and the related investment meets the definition of an equity instrument from the perspective of the issuer.

COOEC classifies financial assets except financial assets measured at amortized cost and financial assets measured at fair value through other comprehensive income, as financial assets measured at fair value through current profit or loss. On initial recognition, if it can eliminate or significantly reduce accounting mismatch, COOEC irrevocably designates some financial assets that should be measured at amortized cost or at fair value through other comprehensive income as financial assets at fair value through current profit or loss.

Financial liabilities at their initial recognition, are divided into the financial liabilities measured at fair value through current profit or loss and financial liabilities measured at amortized cost.

Financial liabilities meeting one of the following conditions can, at the time carrying out the initial recognition, be designated to the financial liabilities measured at fair value through the current profit or loss:

- 1) The designation eliminates or significantly reduces accounting mismatches.
- 2) Management and performance evaluation of the financial liability portfolio or portfolio of financial assets and financial liabilities on a fair value basis in accordance with the enterprise risk management or investment strategy as set out in a formal written document, and reporting to key officers on this basis within COOEC.

The financial liability contains embedded derivative needed to be separated.

(2) Recognition basis and measurement methods of financial instruments

- 1) Financial assets measured at amortized cost

Financial assets measured at amortized cost include notes receivable, accounts receivable, other receivables, long-term receivables, and debt investments, etc., which are initially measured at fair value, and related transaction expenses are included in the amount upon initial recognition; accounts receivable that do not contain a significant financing component and that COOEC decides not to consider those with a financing component not exceeding one year are initially measured at the contract transaction price.

During the holding period, the interest calculated with the effective interest method shall be included in the current profit or loss.

Upon recovery or disposal, the difference between the purchase price obtained and the book value of such financial asset is included in current profit or loss.

2) Financial assets (debt instruments) measured at fair value through other comprehensive income

Financial assets (debt instruments) measured at fair value through other comprehensive income include financing of accounts receivable, other debt investments, etc., which are initially measured at fair value, and related transaction expenses are included in the initial recognition amount. The financial assets are subsequently measured at fair value. Changes in fair value, except for interest calculated with the effective interest method, impairment or gains and exchange gains and losses, shall be included in other comprehensive income.

At derecognition, the accumulated gains or losses previously included in other comprehensive income will be transferred from the other comprehensive income to current profit or loss.

3) Financial assets (equity instruments) measured at fair value through other comprehensive income

Financial assets (equity instruments) measured at fair value through the other comprehensive income include other equity instrument investment, of which initial measurement is made at fair value, and relevant transaction costs are included in the initially recognized amount. The financial assets are subsequently measured at fair value. Changes in fair value shall be included in other comprehensive income. The dividends obtained are included in the current profit or loss.

When a financial asset is derecognized, the accumulated gains or losses previously included in other comprehensive income shall be transferred from other comprehensive income and included in retained earnings.

4) Financial assets measured at fair values through current profit or loss

Financial liabilities measured at fair value through current profit or loss include financial liabilities held for trading, derivative financial liabilities and other non-current financial assets, and are measured at fair value upon initial recognition, with the related transaction expenses being included into current profit or loss. The financial assets are subsequently measured at fair value. Changes in fair value shall be included in current profit or loss.

5) Financial liabilities measured at fair value through current profit or loss

Financial liabilities measured at fair value through current profit or loss include financial liabilities held for trading, derivative financial liabilities etc., which are initially measured at fair value, and related transaction expenses are included in current profit or loss. The financial liabilities are subsequently measured at fair value. Changes in fair value shall be included in current profit or loss.

Difference between the fair value and the consideration paid is included in investment income upon derecognition.

6) Financial liabilities measured at amortized cost

Financial assets measured at amortized cost include short-term borrowings, notes receivable, accounts receivable, other receivables, long-term borrowings, bonds payable, long-term payables, etc., which are initially measured at fair value, and related transaction expenses are included in the amount upon initial recognition.

During the holding period, the interest calculated with the effective interest method shall be included in the current profit or loss.

Difference between the consideration paid and the fair value of such financial liabilities is included in current profit or loss upon derecognition.

(3) Derecognition of financial assets and recognition basis and measurement methods of financial assets transfer

COOEC will terminate the recognition of the financial assets if:

- Where the contractual rights for collecting the cash flow of the said financial asset are terminated;
- The financial asset has been transferred, and nearly all the risks and rewards associated with ownership of the financial assets have been transferred to the transferee;
- The financial asset has been transferred and the Group has neither transferred nor retained nearly all the risks and rewards associated with the ownership of the financial asset but does not retain the control over the financial asset.

If the company and the counter-party modify or renegotiate the contract, which constitutes a substantial amendment, the

original financial asset shall be terminated and a new financial asset shall be recognized in accordance with the revised terms.

In the event of a transfer of financial asset, COOEC shall not de-recognize the financial asset if nearly all the risks and rewards associated with the ownership of the financial assets are retained.

The principle of substance over form is adopted to determine whether a financial asset meets the above de-recognition conditions for the financial asset.

The transfer of a financial asset of COOEC is classified into the entire transfer and the partial transfer of financial asset. If the entire transfer of financial asset satisfies the criteria for de-recognition, the difference between the amounts of the following two items shall be included in the current profit or loss:

- 1) The book value of the financial asset transferred;
- 2) The sum of the consideration received from the transfer and the accumulated amount of the changes in fair value originally and directly included in owners' equity (where the financial asset transferred is a financial asset (debt instrument) measured at fair value through other comprehensive income is involved).

If the partial transfer of financial asset satisfies the criteria for derecognition, the entire book value of the transferred financial asset shall be split into the derecognized and recognized parts according to their respective fair values and the difference between the amounts of the following two items shall be included in the current profit or loss:

- 1) The book value of derecognized part;
- 2) The sum of the consideration received from the derecognition and the amount of the derecognized part in the accumulated amount of the changes in fair value originally and directly included in owners' equity (where the financial asset transferred is a financial asset (debt instrument) measured at fair value through other comprehensive income is involved).

Where the financial assets transfer does not meet the derecognition conditions, the financial asset will be recognized and the consideration received is recognized as a financial liability.

(4) Derecognition of financial liabilities

A financial liability shall be wholly or partly derecognized if its present obligations are wholly or partly dissolved. Where COOEC enters into an agreement with a creditor so as to substitute the existing financial liabilities with any new financial liability, and the new financial liability is substantially different from the contractual stipulations regarding the existing financial liability, it shall derecognize the existing financial liability, and recognize a new one at the same time.

Where substantive changes are made to the contractual terms of an existing financial liability in whole or in part, the existing financial liability or part thereof will be derecognized, and the financial liability the terms of which have been modified will be recognized as a new financial liability.

Where financial liabilities are de-recognized in whole or in part, the difference between the book value of the financial liabilities derecognized and the consideration paid (including non-cash assets transferred out or new financial liabilities borne) shall be included in the current profit or loss.

Where COOEC repurchases part of a financial liability, the entire book value of the financial liability shall be split into the derecognized part and continuously-recognized part according to their respective relatively fair values on the repurchase date. The difference between the book value of the derecognized part and the consideration paid (including non-cash assets surrendered or new financial liabilities assumed) shall be included in the current profit or loss.

(5) Determination method for the fair value of financial assets and financial liabilities

Fair value of a financial instrument having an active market is determined on the basis of quoted prices in the active market. The fair value of a financial instrument, for which there is no active market, is determined by using valuation techniques. At the time of valuation, COOEC adopts the valuation techniques that are applicable in the current situation and supported by enough available data and other information, selects the input values that are consistent with the features of assets or liabilities as considered by market participants in relevant asset or liability transactions, and gives priority to use relevant observable inputs. Unobservable input values are used only when relevant observable input values cannot be available or such values obtained are infeasible.

(6) Testing method and accounting treatment of depreciation of financial instruments

COOEC performs impairment accounting based on the expected credit losses for the financial assets measured at amortized cost, financial assets (debt instruments) measured at fair value through other comprehensive income and finance guarantee contract.

COOEC recognizes expected credit losses by calculating the probability-weighted amount of the present value of the difference between the cash flows receivable under the contract and the cash flows expected to be received, taking into account reasonable and substantiated information about past events, current conditions and forecasts of future economic

conditions, weighted by the risk of default.

For receivables and contract assets resulting from transactions governed by the Accounting Standards for Business Enterprises No. 14 - Revenue, COOEC consistently measures its allowance for losses at an amount equal to the expected credit loss over the entire life of the asset, whether or not it contains a significant financing component.

For lease receivables resulting from transactions governed by the Accounting Standards for Business Enterprises No. 21 - Leasing, COOEC has chosen to always measure its loss allowance at an amount equal to the expected credit loss over the entire life of the receivables.

For other financial instruments, the company assesses at each balance sheet date the changes in the credit risk of the relevant financial instruments since their initial recognition.

COOEC assesses whether the credit risk of a financial instrument has increased significantly since initial recognition by comparing the risk of default of the financial instrument at the balance sheet date with the risk of default at the date of initial recognition to determine the relative change in the risk of default over the expected life of the financial instrument. Generally, once the overdue period is more than 30 days, COOEC may consider that there is obvious increase in credit risk of such financial instrument, unless there is unambiguous evidence that there is no obvious increase in credit risk of such financial instrument following the initial recognition.

If the credit risk of the financial instrument is low on the balance sheet date, COOEC will immediately consider that there is no obvious increase in credit risk of such financial instrument following the initial recognition.

If the credit risk of the financial instrument has increased significantly since the initial recognition, COOEC measures its loss provision at the expected credit losses for the whole duration of the financial instrument; if the credit risk of the financial instrument has not significantly increased since the initial recognition, COOEC measures its loss provision at the expected credit losses of the financial instrument within the next 12 months. The increase or reversal of the loss provision is included in the current profit or loss as an impairment loss or gain. For financial assets (debt instruments) that are measured at fair value through other comprehensive income financial assets, the loss provision will be recognized in other comprehensive income and the impairment loss or gain will be included in current profit or loss without reducing the book value of the financial asset as shown in the balance sheet.

When COOEC no longer reasonably expects the contractual cash flows of a financial asset to be recovered in whole or in part, it directly writes down the book balance of that financial asset.

12. Notes receivable

Determination method and accounting treatment of expected credit losses for notes receivable

" Applicable " " Not applicable "

13. Accounts receivable

Recognition and accounting treatment of expected credit losses of accounts receivable

" Applicable " " Not applicable "

The method of determining expected credit losses and accounting treatment for accounts receivable are detailed in Note V.11. (6) Methods of testing and accounting for impairment of financial assets".

14. Receivable financing

" Applicable " " Not applicable "

15. Other receivables

Determination method and accounting treatment of expected credit losses

" Applicable " " Not applicable "

The method of determining expected credit losses and accounting treatment for other receivable are detailed in Note V.11. (6) Methods of testing and accounting for impairment of financial assets".

16. Inventories

" Applicable " " Not applicable "

Inventory category, measurement method of dispatched inventories, inventory system, amortization method of low-cost consumables and packing materials

" Applicable " " Not applicable "

(1) Classification and cost of inventories

Inventories are classified as follows: construction provision and contract performance costs with an amortization period of not more than one year or one normal operating cycle at initial recognition.

Inventories are initially measured at cost, and the inventory cost includes the procurement cost, processing cost and other expenses arising from making the inventory at their present location and condition.

(2) Measurement method of dispatched inventories

The inventories are measured at weighted average method when dispatched.

(3) Recognition basis of the net realizable value of different types of inventories

On the balance sheet date, the inventories shall be valued at the lower of their costs or net realizable values. When the inventory costs are higher than the net realizable values, the provision for inventory depreciation reserves shall be made. The net realizable values of inventories refer to the amounts of the estimated selling prices of inventories minus the estimated costs to completion, estimated selling expenses and relevant taxes and surcharges.

In normal operation process, for merchandise inventories held directly for sale, including finished goods, stock commodities and held-for-sale materials, their net realizable values are determined at the estimated selling prices minus the estimated selling expenses and relevant taxes and surcharges; in normal production and operation process, for material inventories that need further processing, their net realizable values are determined at the estimated selling prices of finished goods minus estimated costs to completion, estimated selling expenses and relevant taxes and surcharges; for inventories held to execute sales contract or service contract, their net realizable values are calculated on the basis of contract price. If the quantities of inventories held by COOEC are more than those specified in sales contracts, the net realizable value of the excess portion of inventories are calculated on the basis of general selling prices.

After the provisions for the inventory depreciation are made, the factors causing any write-down of inventory value have disappeared, leading to the net realizable values of inventories higher than its book value, the amount of write-down shall be resumed and be reversed from the original provision for inventory devaluation with the reversal being included in current profit or loss.

(4) Inventory system

Perpetual inventory system is adopted.

(5) Amortization method of low-cost consumables and packing materials

- 1) Low-cost consumables: lump-sum amortization method;
- 2) Packaging materials are amortized at lump-sum method.

Recognition standard and calculation method of provision for inventory depreciation reserve

"√ Applicable" " Not applicable"

On the balance sheet date, the inventories shall be valued at the lower of their costs or net realizable values. When the inventory costs are higher than the net realizable values, the provision for inventory depreciation reserves shall be made. The net realizable values of inventories refer to the amounts of the estimated selling prices of inventories minus the estimated costs to completion, estimated selling expenses and relevant taxes and surcharges.

In normal operation process, for merchandise inventories held directly for sale, including finished goods, stock commodities and held-for-sale materials, their net realizable values are determined at the estimated selling prices minus the estimated selling expenses and relevant taxes and surcharges; in normal production and operation process, for material inventories that need further processing, their net realizable values are determined at the estimated selling prices of finished goods minus estimated costs to completion, estimated selling expenses and relevant taxes and surcharges; for inventories held to execute sales contract or service contract, their net realizable values are calculated on the basis of contract price. If the quantities of inventories held by COOEC are more than those specified in sales contracts, the net realizable value of the excess portion of inventories are calculated on the basis of general selling prices.

After the provisions for the inventory depreciation are made, the factors causing any write-down of inventory value have disappeared, leading to the net realizable values of inventories higher than its book value, the amount of write-down shall be resumed and be reversed from the original provision for inventory devaluation with the reversal being included in current profit or loss.

17. Contract assets

(1) Recognition method and standards for contract assets

"√ Applicable" " Not applicable"

COOEC presents contract assets or contract liabilities in the balance sheet based on the relationship between its performance of fulfillment obligations and customer payments. If COOEC has transferred the right to receive consideration for goods transferred or services provided to customers and the right depends on factors other than the passage of time, it is presented as a contract asset. Contract assets and contract liabilities under the same contract are presented by their net amounts. COOEC's unconditional (only subject to the passage of time) rights to receive consideration from customers are individually presented as receivables.

(2) Determination method and accounting treatment of expected credit losses of contract assets

"√ Applicable" " Not applicable"

The method of determining expected credit losses and accounting treatment for contract assets are detailed in Note V.11(6) Methods of testing and accounting for impairment of financial assets".

18. Non-current assets held for sale or disposal group

"√ Applicable" " Not applicable"

COOEC classifies a non-current asset or disposal group as held for sale if COOEC recovers its book value primarily through sale (including the exchange of non-monetary assets of a commercial nature) rather than ongoing use.

COOEC recognizes non-current assets or disposed asset portfolios meeting the following conditions at the same time as assets held for sale:

- 1) According to the general practice for selling such kind of asset or disposed asset portfolio in the similar transaction, the asset or portfolio can be immediately sold in the prevailing circumstance;
- 2) The sale of the asset or portfolio is very likely to happen, which means that COOEC has made a resolution for one selling plan and had acquired decided purchase commitment, and it is estimated that the sale will be completed within one year. Where the sale can be done only upon the approval of relevant authorities or regulatory authorities of COOEC as required by relevant provisions, the approval has been obtained.

If the book value of non-current assets (excluding financial assets, deferred tax assets and assets resulting from salary) or disposal groups classified as held for sale is higher than the net fair value less costs to sell, the book value is written down to the net fair value less costs to sell, and the write-down is recognized as impairment on assets and charged to current profit or loss, together with a provision for impairment of assets held for sale.

Criteria for the recognition and accounting treatment of non-current assets held for sale or disposal groups

Identification criteria and presentation methods for discontinued operations

"√ Applicable" " Not applicable"

Discontinued operations refer to the component meeting any of the following conditions that can be separately distinguished and that has been disposed by COOEC or classified as held for sale by COOEC:

- 1) The component represents a separate major business or a sole major business area;
- 2) The component is a part of the plan on intended disposal of an independent major business or a sole major business area; or
- 3) The component is a subsidiary acquired only for re-sale.

The profit or loss from continued operations and the profit or loss from discontinued operations are separately listed in the income statement. The impairment loss from discontinued operation, reversed amount and other profit or loss from operation as well as profit or loss from disposal shall be presented as profit or loss from discontinued operation. For the discontinued operation presented in this period, the information originally presented as profit or loss from continued operation will be presented as profit or loss from discontinued operation once more in the comparable accounting period in the current financial statements.

19. Long-term equity investments

"√ Applicable" " Not applicable"

(1) Judgment criteria for common control and significant influence

Common control refers to the control shared over an arrangement in accordance with the relevant stipulations, and the decision-making of related activities of the arrangement should not be made before the party sharing the control right agrees the same. Where COOEC and other investors exert common control over the investee and COOEC is entitled to net assets of the investee, the investee is the joint venture of COOEC.

Significant influence refers to the power to participate in making decisions on the financial and operating policies of the investee, but not the power to control, or jointly control, the formulation of such policies with other parties. Where COOEC is able to have significant influences on an investee, the investee is its associate.

(2) Determination of initial investment costs

- 1) A long-term equity investment as a result of business combination

For long-term equity investments acquired from business combinations under common control, the investment initial cost thereof shall be recognized at the share of book value of the owners' equity of the combine in the consolidated financial statements of the ultimate controller on the acquisition date. The capital premium in the capital reserve is

adjusted according to the difference between the initial investment cost of long-term equity investment and the book value of consideration. If the capital premium in the capital reserves is insufficient to cover the difference, the retained earnings shall be adjusted. In case COOEC can exercise control over the investee under common control for additional investment or other reasons, the share premium will be adjusted at the difference between the initial investment cost of long-term equity investments recognized in accordance with the above principles and the sum of the book value of long-term equity investments before the combination plus the book value of the new consideration paid for further acquisition of shares on the combination date. If the share premium is insufficient to offset, retained earnings will be offset.

For long-term equity investment as a result of business combination not under common control, COOEC determines the combination cost determined on the purchase date as the initial cost of long-term equity investments. Where additional investment or other reasons make the control over the investee not under common control possible, the initial investment cost will be the sum of the book value of the equity investments previously held and the newly increased investment costs.

2) Long-term equity investments obtained by means other than business combination

For long-term equity investments acquired from cash payment, the initial investment cost is the actually paid purchasing cost.

For a long-term equity investment acquired from issuance of equity securities, its initial cost is the fair value of the issued equity securities.

(3) Subsequent measurements and recognition of profit or loss

1) Long-term equity investments calculated under cost method

Long-term equity investments of COOEC in its subsidiaries are accounted for at cost, unless the investments meet the conditions for holding for sale. Except for the actual price paid for acquisition of investment or the cash dividends or profits contained in the consideration which have been declared but not yet distributed, COOEC recognizes the investment income in the current year at the cash dividends or profits declared by the investee.

2) Long-term equity investments calculated under equity method

COOEC's long-term equity investments in its associates and joint ventures are calculated under the equity method. If the cost of initial investment is in excess of the proportion of the fair value of the net identifiable assets in the investee when the investment is made, the difference will not be adjusted to the initial investment cost of long-term equity investment; if the cost of initial investment is in short of the proportion of the fair value of the net identifiable assets in the investee when the investment is made, the difference will be included in the current profit or loss, meanwhile the costs of long-term equity investments will be adjusted.

COOEC shall recognize the investment income and other comprehensive income at the shares of net profit or loss and other comprehensive income realized by the investee which COOEC shall enjoy or bear and adjust the book value of long-term equity investments at the same time; COOEC shall calculate the shares according to profits or cash dividends declared by the investee and correspondingly reduce the book value of long-term equity investments; the book value of long-term equity investments shall be adjusted according to the investee's other changes in owners' equity other than net profit or loss, other comprehensive income and profit distribution, which should be included in owners' equity.

The share of the investee's net profit or loss, other comprehensive income and changes in other owners' equity should be recognized after adjustments are made to net profit and other comprehensive income of the investee based on the fair value of identifiable net assets of the investee upon acquisition of investments and according to accounting policies and accounting period of COOEC.

COOEC shall write off the part of incomes from internal unrealized transactions between COOEC and associates and joint ventures which are attributable to COOEC according to the corresponding ratio and recognize the profit or loss on investments on such basis except that the assets invested or sold constitute business. Where the losses from internal transactions between COOEC and the investee fall into the scope of assets impairment loss, the full amount of such losses should be recognized.

For net losses incurred by joint ventures or associates, COOEC shall, in addition to its obligation to bear additional losses, write down to zero the book value of long-term equity investments and other long-term equity that essentially constitutes net investment in such joint ventures or associates. If a joint venture or an associate realizes net profits in the future, COOEC shall resume recognizing its share of profits after the share of profits makes up for the share of unrecognized losses.

3) Disposal of long-term equity investments

For disposal of long-term equity investments, the difference between the book value and the actual price shall be included in the current investment income.

For partial disposal of long-term equity investments accounted for under the equity method, if the remaining equity is

still accounted for under the equity method, other comprehensive income originally accounted for and recognized under the equity method shall be carried forward in proportion on the basis same as that for the direct disposal of related assets or liabilities by the investee, and other changes in owners' equity shall be carried forward to current profit or loss in proportion.

In case the joint control or significant influence over the investee is lost for disposing of equity investments or other reasons, other comprehensive income recognized from original equity investments by using the equity method shall be subject to accounting treatment on the basis same as that for the direct disposal of related assets or liabilities by the investee when the equity method is terminated, and other changes in owners' equity shall be transferred to current profits or losses when the equity method is terminated.

Where COOEC loses the control over the investee due to disposal of partial equity investments or other reasons, when it prepares individual financial statements, if the remaining equity can exercise joint control or significant influence on the investee, such investments should be changed to be accounted for under the equity method and the remaining equity should be deemed to have been accounted for by adopting the equity method on acquisition and adjusted; other comprehensive income recognized before the control of the investee is obtained will be carried forward on the basis same as that for the direct disposal of related assets or liabilities by the investee, and other changes in owner's equity accounted for and recognized under the equity method will be carried forward to current profits or losses in proportion; if the remaining equity cannot exercise joint control or significant influence on the investee, such equity will be recognized as financial assets, and the difference between fair value and book value on the date of loss of the control should be included in current profits or losses; other comprehensive income and other changes in owner's equity recognized before the control of the investee is obtained will be carried forward.

Where COOEC disposes of equity investments in subsidiaries through multiple transactions and by stages until loss of the control, if the above transactions belong to a package deal, accounting treatment shall be made on the transactions as a transaction to dispose equity investments of subsidiaries and lose the control. The difference between each disposal cost and the book value of long-term equity investments corresponding to disposed equities before the loss of the control should be firstly recognized as other comprehensive income in individual financial statements and then transferred into the current profit or loss at the loss of the control. If the transactions are not under a package of transactions, each transaction shall be subject to accounting treatment separately.

20. Investment properties

(1) Investment properties measured at cost:

Depreciation and amortization methods

An investment property is the property to earn rentals or for capital appreciation or both. Examples include land leased out under operating leases, land held for long-term capital appreciation, buildings leased out under operating leases (including buildings that have been constructed or developed for future lease out under operating leases, and buildings that are being constructed or developed for future lease out under operating leases). Subsequent expenses related to investment properties, if the economic benefits associated with such assets are likely to flow in COOEC and its cost can be measured reliably, should be recorded in the cost of investment property; otherwise, they should be recorded into the current profit or loss when occur. COOEC measures the existing investment properties with the cost model. For investment properties measured with the cost model - in terms of buildings for renting, the same depreciation policy as that for fixed assets of COOEC is adopted and land use rights for renting are implemented with the same amortization policy as that for intangible assets. 23. Fixed assets (1) Recognition criteria

21. Fixed assets

(1) Recognition conditions

Applicable " " Not applicable "

Fixed assets are tangible assets that are held for the purpose of producing goods, providing services, leasing or operating management, and having a life span of more than one fiscal year. Fixed assets are recognized when they simultaneously meet the following conditions:

- 1) It is probable that the economic benefits relating to the fixed assets will flow into COOEC;
- 2) The costs of the fixed asset can be measured reliably.

A fixed asset shall be initially measured at its cost with the consideration of the expected discard expenses.

The subsequent expenditures relating to fixed assets shall be included in the costs of fixed assets when the relevant economic interests are much likely to flow in COOEC and their costs may be measured reliably; as for the party replaced, the book value shall be derecognized; all other subsequent expenditures shall be included in the current profit or loss when incurred.

(2) Depreciation method

Applicable " " Not applicable "

Type	Depreciation method	Depreciation life (year)	Residual value rate	Annual depreciation rate
Houses and buildings	Straight-line method	20-30	5-10	3-4.75
Machinery equipment	Straight-line method	5-10	5-10	9-19
Transportation facilities	Straight-line method	5-20	5-10	4.5-19
Electronic equipment	Straight-line method	5-10	5-10	9-19
Office facilities	Straight-line method	2-5	0-5	19-50

22. Construction in progress

"√ Applicable" " □ Not applicable"

According to the costs actually incurred, the Group measures its construction in progress. The actual costs include building costs, installation costs, borrowing costs eligible for capitalization and other necessary expenditures to make the construction in progress achieve the working condition for its intended use. Constructions in progress are transferred to fixed assets when they reach the condition for its intended use, and the provision of depreciation will be provided since the next month.

23. Borrowing costs

"√ Applicable" " □ Not applicable"

(1) Recognition principles of capitalization

The borrowing costs incurred to COOEC and directly attributable to the acquisition and construction or production of assets eligible for capitalization should be capitalized and recorded into relevant asset costs; other borrowing costs should be recognized as costs according to the amount incurred and be included into the current profit or loss.

Assets meeting the capitalization requirements refers to fixed assets, investment properties and inventories, etc. that need to be purchased, constructed or produced for a long time to be available for intended use or sale.

(2) Capitalization period

Capitalization period refers to the period from commencement of capitalization of borrowing costs to its cessation. The period of capitalization suspension of borrowing costs is excluded.

Capitalization should commence when all the following three conditions are satisfied:

- 1) asset disbursements, which include those incurred by cash payment, the transfer of non-cash assets or the undertaking of interest-bearing debts for acquiring and constructing or producing assets eligible for capitalization, have already been incurred;
- 2) the borrowing costs has already incurred; and
- 3) purchase, construction or manufacturing activities that are necessary to prepare the assets for their intended use are in progress.

Capitalization of borrowing costs should be ceased when the acquired and constructed or produced assets eligible for capitalization have reached their intended use or sale condition.

(3) Period of capitalization suspension of borrowing costs

If the acquisition and construction or production activities of assets eligible for capitalization are abnormally interrupted and such condition lasts for more than three months, the capitalization of borrowing costs should be suspended; if the interruption is necessary procedures for the acquired, constructed or produced assets eligible for capitalization to reach their intended use or sale status, the borrowing costs continue to be capitalized. Borrowing costs incurred during the interruption are recognized as the current profit or loss and continue to be capitalized until the acquisition, construction or production of the asset restarts.

(4) Calculation method of capitalization rate and capitalization amount of borrowing costs

As for special borrowings borrowed for acquiring and constructing or producing assets eligible for capitalization, borrowing costs of special borrowing actually incurred in this period less the interest income of the borrowings unused and deposited in bank or return on temporary investment shall be recognized as the capitalization amount of borrowing costs.

As for general borrowings used for acquiring and constructing or producing assets eligible for capitalization, the interest of general borrowings to be capitalized should be calculated by multiplying the weighted average of asset disbursements of the part of accumulated asset disbursements exceeding special borrowings by the capitalization rate of used general borrowings. The capitalization rate is determined via the calculation at the weighted average actual interest rate of general borrowings.

During capitalization period, exchange differences of principal and interest on foreign currency special borrowings shall be capitalized and included in the cost of assets eligible for capitalization. Exchange differences arising from the principal and

interest of foreign currency borrowings other than special foreign currency borrowings are included in current profits or losses.

24. Biological assets

" Applicable " " Not applicable "

25. Oil and gas assets

" Applicable " " Not applicable "

26. Intangible assets

(1) Service life and its basis for determination, estimate, amortization method or review procedure

" Applicable " " Not applicable "

1) Measurement

① COOEC initially measures intangible assets at cost on acquisition;

The costs of externally acquired intangible assets include their purchase prices, related taxes and surcharges and any other directly attributable expenditure incurred to prepare the asset for its intended use.

② Subsequent measurement

The useful lives of intangible assets are analyzed on acquisition.

As for intangible assets with limited useful life, they will be amortized during the period when the intangible assets generate economic benefit for enterprise; if the period when the intangible assets generate economic benefit for enterprise cannot be predicted, the intangible assets will be deemed as those with indefinite useful life and should not be amortized.

2) Estimate of the useful lives of the intangible assets with definite useful lives

Land use rights are evenly amortized according to the transfer period as of the date of transfer; other intangible assets are evenly amortized at the shortest of estimated useful lives, benefit period stipulated in contracts and effective period stipulated by law in stages. Amortization amount should be included into the relevant asset cost and the current profit or loss by beneficiaries.

3) Determining basis of intangible assets with indefinite useful lives and procedures for reexamining its useful lives

COOEC recognizes an asset for which the period it can bring economic benefits to COOEC cannot be predicted or the useful life cannot be ascertained as an intangible asset with indefinite useful life.

Determining basis of intangible assets with indefinite useful life:

① The asset comes from a contractual right or other legal rights, but the contractual terms or legal provisions states that there is no specific useful life;

② It still cannot ascertain the period when the intangible asset can bring benefit to COOEC after giving comprehensive consideration to the industry status or related professional evidence.

At the end of each year, COOEC reviews the useful lives of those intangible assets with indefinite useful lives by using the top-down testing method, which means the fundamental reviews are made by relevant departments using the intangible assets, and assesses whether there is any change in the determination basis of indefinite useful life.

(2) The scope of research and development expenditure and related accounting treatment

" Applicable " " Not applicable "

1) Specific criteria for classifying research and development stages

Expenditure on an internal research and development project shall be classified into expenditure on the research phase and expenditure on development phase.

Research stage: it is the stage when creative and planned investigation and research activities are conducted to acquire and understand new scientific or technological knowledge.

Development phase: development phase is the stage when the research achievements and other knowledge are applied to a plan or design, prior to the commercial production or use, so as to produce any new or substantially improved material, device or product.

2) Specific criteria for qualifying expenditure for capitalization on the development stage

The expenditures in research phase will be included in current profit or loss on occurrence. Expenditures in the development stage will be recognized as intangible assets only when the following conditions are simultaneously

satisfied, and included in current profit or loss if the following conditions are not satisfied:

- ① It is feasible technically to finish intangible assets for use or sale;
- ② It is intended to finish and use or sell the intangible assets;
- ③ The usefulness of methods for intangible assets to generate economic benefits shall be proved, including being able to prove that there is a potential market for the products manufactured by applying the intangible assets or there is a potential market for the intangible assets themselves or the intangible assets will be used internally;
- ④ It is able to finish the development of the intangible assets and able to use or sell the intangible assets, with the support of sufficient technologies, financial resources and other resources;
- ⑤ The expenditure attributable to the intangible asset during its development phase can be measured reliably.

Where the research expenditures and the development expenditures are indistinguishable, COOEC shall include research expenditures and development expenditures incurred in current profit or loss.

27. Long-term assets impairment

Applicable " Not applicable "

For the long-term equity investments, investment property, fixed assets, construction in progress, use-of-right assets, intangible assets, oil and gas assets and other long-term assets measured at cost model, if there are signs of impairment, an impairment test will be conducted on the balance sheet date. If the recoverable amount of the asset is less than its book value after test, assets impairment provision will be made at the difference and included into impairment loss. The recoverable amount is determined at the higher of the net of the fair value less disposal costs and the present value of the expected future cash flows. The asset impairment provision shall be calculated and recognized on the basis of single asset, if it is difficult to estimate the recoverable amount of the individual asset, COOEC shall estimate the recoverable amount of the asset group that the individual asset belongs to. Asset group is the minimum combination of assets that can independently generate cash inflows.

For goodwill arising from a business combination, intangible assets with indefinite useful lives and intangible assets that have not yet reached a usable state, impairment tests are performed at least at the end of each year, regardless of whether there is an indication of impairment. COOEC conducts impairment tests for goodwill.

The book value of goodwill arising from a business combination is allocated to the relevant assets group in a reasonable way since the acquisition date; where it is difficult to be allocated to the relevant assets group, it will be allocated to the relevant combination of assets groups. The related asset group or combination of asset groups shall be the asset group or combination of asset groups that can benefit from the synergy effect of business combination.

When making an impairment test on the relevant assets groups or combination of assets groups containing goodwill, if any indication shows that the assets groups or combinations of assets groups may be impaired, COOEC shall first conduct an impairment test on the assets groups or combinations of assets groups not containing goodwill, calculate the recoverable amount and compare it with the relevant book value to recognize the corresponding impairment loss. Then, the Group shall conduct an impairment test on the asset groups or asset groups portfolio containing goodwill, and compare it book value and recoverable amount: if the recoverable amount is lower than book value, the amount of impairment losses should be firstly used to deduct book value of goodwill allocated to the asset group or the asset group portfolio, and then deduct book value of other assets according to the proportion of the book value of other assets other than the goodwill in the asset group or the asset group portfolio.

The above losses from assets impairment will not be reversed in subsequent accounting periods once recognized.

28. Long-term deferred expenses

Applicable " Not applicable "

Long-term deferred expenses refer to the expenses which have been already incurred but will be borne in this period and in the future with an amortization period of over 1 year. Long-term deferred expenses are amortized by stages over the period of benefit. If long-term deferred expenses cannot benefit the following accounting periods, the amortized value of the expenses that have not been amortized shall be fully included in current profit or loss.

29. Contract liabilities

Applicable " Not applicable "

COOEC presents contract assets or contract liabilities in the balance sheet based on the relationship between its performance of fulfillment obligations and customer payments. COOEC's obligation to transfer goods or provide services to customers for consideration receivable for goods received is presented as contract liabilities. Contract assets and contract liabilities under the same contract are presented by their net amounts.

30. Employee salary

(1) Accounting treatment of short-term compensation

Applicable " Not applicable "

During the accounting period in which employees provide service to COOEC, the short-term compensation actually incurred is recognized as liabilities and charged to the current profit or loss or the relevant assets cost.

The social insurance premiums and housing fund paid for employees by COOEC, as well as the labor union expense and employee education expense accrued according to the provisions, shall be calculated according to the stipulated contribution base and proportion to determine the amount of corresponding salary during the accounting period of employees providing services to COOEC.

Employee benefits incurred by COOEC are charged to current income or loss or the cost of related assets based on the actual amount incurred, of which non-monetary benefits are measured at fair value.

(2) Accounting treatment of post-employment benefits

Applicable " Not applicable "

1) Defined contribution plans

COOEC pays the basic endowment insurance premiums and unemployment insurance for employees according to the relevant provisions of the local governments. During the accounting period when employees serve COOEC, the paid amount which is calculated based on the payment base and proportion as stipulated in the provisions of the local place is recognized as liabilities and included in the current profit or loss or costs associated with assets. In addition, COOEC participates in an enterprise annuity plan/supplemental pension fund approved by the relevant state authorities. COOEC makes payments to the annuity plan/local social insurance institutions in a certain proportion to the total employee wage, with corresponding expense included in the current profit or loss or related asset cost.

2) Defined benefit plans

COOEC, according to the formula determined based on estimated total welfare unit method, recognizes the welfare obligations arising from defined benefit plan to the period of receiving services from employees and includes them into the current profit or loss or relevant asset costs.

The deficit or surplus formed by the difference between the present value under defined benefit plan and the fair value of assets under defined benefit plan is recognized as a net defined benefit liability or asset. For a surplus of defined benefit plans, COOEC should measure the net asset of such defined benefit plans at the lower of the surplus of such defined benefit plans and the asset thereof.

All obligations under the defined benefit plan, including the estimated payment obligation within 12 months following the annual report period during which the employees provide service, are discounted to the present value at the market return of the national debt corresponding to the period and currencies of the obligations under the defined benefit plan or high-quality corporate bonds active on the market on the balance sheet date.

Service costs arising from defined benefit plan and net interest of net liabilities or assets of defined benefit plan are included in current profit or loss or relevant asset costs; changes arising from re-measurement of net liabilities or assets of defined benefit plan are included in other comprehensive income, and will not be transferred to profit or loss in the subsequent accounting period. When the original defined benefit plan terminates, the portion originally included in other comprehensive income will all be transferred to undistributed profit.

At the time of the settlement of defined benefit plan, the profit or loss is determined according to the difference between the present value of the defined benefit plan obligations and settlement price confirmed on the settlement date.

(3) Accounting treatment of dismissal benefits

Applicable " Not applicable "

As to providing employees dismissal benefits, salary incurred from dismissal benefits should be recognized as liabilities and included in the current profit or loss at the date when COOEC is unable to unilaterally withdraw the dismissal benefits provided in the plan on the cancellation of labor relationship or the layoff proposal or when COOEC recognizes the cost related to restructuring concerning payment of dismissal benefits (whichever is earlier).

(4) Accounting treatment of other long-term employee's welfare

Applicable " Not applicable "

31. Estimated liabilities

Applicable " Not applicable "

Where the obligation related to contingency meets all the following conditions simultaneously, it may be recognized as estimated liabilities by COOEC:

- (1) This obligation is a present obligation of COOEC;
- (2) The performance of such obligation is likely to result in outflow of economic benefits from COOEC;
- (3) The amount of the obligation can be measured reliably.

Estimated liabilities of COOEC are initially measured as the best estimate of expenses required for the performance of relevant present obligations.

When determining the best estimates, COOEC comprehensively considers the risks, uncertainties, time value of money, and other factors relating to the contingencies. If the time value of money is significant, the best estimate shall be determined after discounting the relevant future outflow of cash.

If there is continuous range for the necessary expenses, and probabilities of occurrence of all the outcomes within this range are equal, the best estimate shall be determined at the median range within the range; in other cases, the best estimate shall be accounted for as follows in different circumstances:

- If contingencies involve a single item, the best estimate shall be determined at the amount most likely incurred.
- If contingencies involve multiple items, the best estimate shall be calculated and determined at possible outcomes and related probabilities.

When all or part of the expenses necessary for the settlement of an estimated liability of COOEC is expected to be compensated by a third party, the compensation should be separately recognized as an asset only when it is virtually certain that the compensation will be received. The amount recognized for the compensation should not exceed the book value of the estimated liability.

On the balance sheet date, the book value of estimated liabilities shall be reviewed. If there is conclusive evidence that the best estimate cannot be reflected, the book value shall be adjusted based on the current best estimate.

32. Share-based payments

Applicable " Not applicable"

COOEC's share-based payments are transactions in which COOEC grants equity instruments or undertakes equity-instrument-based liabilities in return for services from employees (or other parties). The share-based payments of COOEC consist of equity-settled share-based payments and cash-settled share-based payments.

(1) Equity-settled share-based payments and equity instruments

The equity-settled share-based payment in return for services from employees shall be measured at the fair value of the equity instruments granted to the employees. As to share-based payments that can be vested upon grant, the fair value of the equity instruments shall, on the date of the grant, be included in the relevant cost or expense and the capital reserves shall be increased accordingly. As to a share-based payment transaction, if the right cannot be exercised until the vesting period comes to an end or until the prescribed performance conditions are met, then on each balance sheet date within the vesting period, the services obtained in this period shall, based on the best estimate of the number of vested equity instruments, be included in the relevant costs or expenses at the fair value of the equity instruments on the date of the grant, and the capital reserves (other capital reserves) shall be increased accordingly.

If the terms of the equity-settled share-based payments were modified, the services received should be recognized at least in accordance with the unmodified terms. Moreover, the modification of fair value of equity instruments granted from any increase, or beneficial changes to the employee on the modification date should be recognized as increases in services obtained.

If COOEC canceled equity instruments granted during the waiting period, it shall treat such cancellation as acceleration of the exercisable rights and shall immediately include the amount that should be recognized during the remaining waiting period in the current profit or loss. Capital reserves should be also recognized. However, if new equity instruments are granted, which are recognized as the replacement of the canceled equity instrument on the grant date, the granted equity instrument for replacement shall be handled in the same way with the disposal of revision of provisions on the original equity instrument and conditions.

(2) Cash-settled share-based payment and equity instruments

A cash-settled share-based payment shall be measured in accordance with the fair value of liability calculated and confirmed based on the shares or other equity instruments undertaken by COOEC. As to a share-based payment transaction, if the right may be exercised immediately after the grant, the fair value of the liabilities undertaken by COOEC shall, on the date of the grant, be included in the relevant cost or expense and the liabilities shall be increased accordingly. As to a share-based payment, if the right may not be exercised until the vesting period comes to an end or until the specified performance conditions are met, on each balance sheet date within the vesting period, the services obtained in this period shall, based

on the best estimate of the information about the exercisable right, be included in the relevant costs or expenses and the corresponding liabilities at the fair value of the liability undertaken by the enterprise. The Group shall, on each balance sheet date and on each account date prior to the settlement of the relevant liabilities, re-measure the fair values of the liabilities and include the changes in the current profit or loss.

If COOEC modifies the terms and conditions in a cash-settled share-based payment agreement to make it an equity-settled share-based payment, on the date of modification (whether occurring during or after the end of the waiting period), COOEC measures the equity-settled share-based payment at the fair value of the equity instrument granted on the date of the modification, recognizes the acquired services in capital surplus, and derecognizes the liability of the cash-settled share-based payment recognized on the adjustment date. The difference between the two is recognized in the current profit or loss. If the waiting period is extended or shortened as a result of the modification, COOEC accounts for the difference according to the modified waiting period.

33. Preferred shares, perpetual bonds and other financial instruments

" Applicable " " Not applicable "

34. Revenue

(1) Accounting policies adopted for revenue recognition and measurement disclosed by business type

" Applicable " " Not applicable "

COOEC recognizes revenue when its performance obligations as stipulated in the contract are fulfilled, that is, when the customer obtained control of the related goods or services. The acquisition of control over the related goods or services is defined as the ability to dominate the use of the goods or services and derive substantially all of the economic benefits therefrom.

Where the contract contains two or more performance obligations, COOEC will, on the contract start date, allocate the transaction price to each individual performance obligation in the proportion of the individual selling price of the goods or services for which each individual performance obligation is committed. COOEC measures revenue based on the transaction price apportioned to each individual performance obligation.

The transaction price is the consideration to which COOEC expects to be entitled as a result of the transfer of goods or provision of services to the customer, excluding amounts collected on behalf of third parties and amounts that COOEC expects to refund to the customer. COOEC determines the transaction price based on the terms of the contract, taking into account its past customary practice, and considers the impact of variable consideration, the existence of significant financing components in the contract, non-cash consideration, and consideration payable to the customer in determining the transaction price. COOEC determines the transaction price that includes variable consideration by an amount not exceeding the amount for which it is highly probable that there will be no material reversal of the cumulative recognized revenue at the time the relevant uncertainty is removed. For contracts with a significant financing component, COOEC determines the transaction price based on the amount payable in cash assuming that the customer will pay for the goods or services as soon as control is obtained, and amortizes the difference between this transaction price and the contract consideration over the term of the contract using the effective interest rate method.

If COOEC meets one of the following conditions, it is deemed to fulfill the performance obligations within a certain period of time; otherwise, it is deemed to so at a certain point of time:

- The customer obtains and consumes the economic benefits brought by COOEC's performance while COOEC is performing the contract.
- The customer can control the commodities under construction during COOEC's performance.
- The commodities produced by COOEC during the performance of the contract have irreplaceable uses, and COOEC has the right to receive payment for the accumulated performance of the contract so far throughout the contract period.

For performance obligations within a certain period, the company recognized revenue in accordance with the performance progress during that period of time, except where the performance progress cannot be reasonably recognized. Considering the nature of the goods or services, the company adopted the output method or the input method to recognize the performance progress. When there is no reasonable certainty of the progress of performance, revenue is recognized at the costs incurred when the costs incurred are expected to be reimbursed until the progress of performance can be reasonably determined.

For performance obligations performed at a certain point in time, the company recognized revenue when the customer acquired the control over the relevant goods or services. When determining whether the customer has acquired control over the goods or services, the company considers the following indications:

- The company has a current collection right in respect of the goods or services, that is, the customer has a current payment obligation in respect of the goods or services.
- The company has transferred the legal ownership of the goods to the customer, that is, the customer has the legal

ownership of the goods.

- The company has physically transferred the goods to the customer, that is, the customer has physically taken possession of the goods.
- The company has transferred the main risks and rewards of the ownership of the goods to the customer, that is, the customer has accepted the main risks and rewards of the ownership of the goods.
- The customer has accepted the goods or services.

Whether the company is the principal responsible person or agent in a transaction is determined by whether the company has control over the goods or services before the transfer to the customer. If the company is able to control the goods or services before the transfer of the goods or services to the customer, the company is the main responsible person, and the revenue is recognized on the basis of the total consideration received or receivable. Otherwise, the company, acting as the agent, recognizes revenue in the amount of the commission or commission it is expected to be entitled to receive.

(2) Similar businesses using different business models involve different revenue recognition methods and measurement methods

" Applicable " " Not applicable "

35. Contract costs

" Applicable " " Not applicable "

Contract costs include contract performance costs and contract acquisition costs.

Costs incurred by COOEC to perform a contract that are not regulated by the relevant standards, such as inventories, fixed assets or intangible assets, are recognized as a contract performance cost as an asset when the following conditions are met:

- Where such cost is directly related to a current or expected contract.
- Where such cost increases the resources of COOEC for fulfilling its performance obligations in the future.
- Where such cost is expected to be recovered.

If the incremental cost incurred by COOEC for obtaining the contract is expected to be recovered, the contract acquisition cost is recognized as an asset.

Assets related to the contract costs are amortized on the same basis as the recognition of the revenue of the goods or services related to the asset; however, if the amortization period of the contract acquisition costs is less than one year, COOEC will include such costs in the current profit or loss when incurred.

For the assets related to contract costs whose book value is higher than the difference between the following two items, COOEC will make provision for impairment for the excess and recognize it as asset impairment loss:

- (1) Where the remaining consideration is expected to be obtained by the transfer of goods or services related to the asset;
- (2) Where the costs are estimated to occur for the transfer of the relevant goods or services.

If the said difference is higher than the book value of the asset due to changes in the impairment factors in the previous period, the originally accrued impairment reserve shall be reversed and included in the current profit or loss, but the reversed asset book value shall not exceed the book value of the asset on the date of reversal assuming that the impairment reserve is not accrued.

36. Government grants

" Applicable " " Not applicable "

(1) Type

Government grants are monetary assets and non-monetary assets freely obtained by COOEC from the government for free, which are classified into government grants related to assets and government grants related to income.

Asset-related government grants refer to government grants obtained by COOEC for forming long-term assets by acquisition, construction or other manners. Government grants related to income refer to government grants other than those related to assets.

The specific criteria for COOEC to classify government grants as asset-related are: Grants from the government that have the nature of assets.

The specific criteria of COOEC to classify the government grants as income-related are: the government grants other than the assets-related government grants.

Where government documents fail to clearly define subsidy objects, the judgment basis for COOEC to divide government grants into those related to assets or those related to income are as follows: Whether they are used for the acquisition and

construction or formation of long-term assets by other means.

(2) Recognition timing

Government grants shall be recognized only if COOEC is able to comply with the conditions for the government grants, and is likely to receive the government grants.

(3) Accounting treatment

Government grants related to assets shall be used to offset the book value of relevant assets or recognized as deferred income. Where such grants are recognized as the deferred income, they will be included in current profit or loss in accordance with the reasonable and systematic methods within useful lives of related assets (where such grants are related to the daily activities of COOEC, they will be included in other income; where such grants are not related to the daily activities of COOEC, they will be included in non-operating revenue);

Government grants relating to income used to compensate for relevant costs or losses which will occur in the following period in COOEC shall be recognized as deferred income, and, during the period when relevant costs or losses are recognized, be included in current profit or loss (where government grants relating to income are relevant to routine activities of COOEC, such grants shall be included in other income; where government grants relating to income are irrelevant to routine activities of COOEC, such grants shall be included in non-operating revenue) or used to offset relevant costs or losses; government grants relating to income used to compensate for relevant costs or losses incurred in COOEC shall be included in current profit or loss (where such grants are related to daily activities of COOEC, they will be included in other income; where such grants are related to the daily activities of COOEC, they will be included in non-operating revenue) or used to offset relevant costs or losses.

The discounted interest of policy-based preferential loan obtained by COOEC is divided into two situations and subject to accounting treatment separately:

- 1) When the finance department appropriates the discounted interest to the loan bank, then the loan bank provides the loans at the policy-based preferential interest rate to COOEC, COOEC will take the book-entry value at the loan amount actually received, and relevant loan expenses are calculated based on the principal of the loan and the policy-based preferential interest rate.
- 2) Where the finance department directly appropriates the discount funds to COOEC, COOEC will use the corresponding interest discount to offset related borrowing costs.

37. Deferred tax assets and deferred tax liabilities

"√ Applicable" " □ Not applicable "

Income tax includes the current income tax and deferred income tax. Except for the income tax arising from business combinations and such transactions or items as are directly included in owners' equity (including other comprehensive income), COOEC shall include the current income tax and the deferred income tax in the current profit or loss.

Deferred tax assets and deferred tax liabilities are calculated and recognized based on differences (temporary differences) between tax base and book value of the assets and liabilities.

Deferred tax assets are recognized at deductible temporary differences to the extent that it shall not exceed the taxable income probably obtained in future periods to be against the deductible temporary difference. For deductible losses and tax credits that can be carried forward to subsequent periods, COOEC recognized deferred tax assets to the extent that it is probable that taxable profit will be available against which the deductible losses and tax credits can be utilized.

Taxable temporary differences are recognized as deferred tax liabilities except in special circumstances.

Such special circumstances include:

- The initial recognition of goodwill;
- Transactions or events that are neither a business combination nor affect accounting profit and taxable income (or deductible losses) at the time of occurrence, and the assets and liabilities initially recognized lead to no transactions or events that cause the temporary differences in equal amounts of taxable and deductible temporary differences.

For the taxable temporary differences related to the investments in subsidiaries, associates and joint ventures, the deferred tax liabilities should be recognized, unless that the timing of the reversal of the temporary differences is able to be controlled by COOEC and the temporary differences will be probable not to be reversed in the foreseeable future. For deductible temporary differences arising from investments in subsidiaries, associates and joint ventures, when the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the deductible temporary differences can be used, the deferred tax asset will be recognized.

On the balance sheet date, deferred tax assets and deferred tax liabilities should be measured at the applicable tax rate during the period of expected recovery of the relevant assets or liquidation of the relevant assets according to the provisions of tax laws.

On the balance sheet date, COOEC reviews the book value of deferred tax assets. If it is unlikely to obtain sufficient taxable income taxes to offset the benefit of the deferred tax assets, the book value of the deferred tax assets shall be written down. When it is likely to earn sufficient taxable income, the write-down amount should be reversed.

If COOEC has the legal right of netting and intends to settle in net amount or to obtain assets and discharge liabilities simultaneously, the current tax assets and current tax liabilities of COOEC shall be presented based on the net amount after offset.

On the balance sheet date, deferred tax assets and deferred tax liabilities shall be listed by the net amount after offset if:

- The taxpayer has the statutory right to settle the current tax assets and current tax liabilities with net amount;
- Deferred tax assets and deferred tax liabilities are related to the income tax which are imposed on the same taxpayer by the same tax collection authority or on different taxpayers, but, in each important future period in connection with the reverse of deferred tax assets and liabilities, the involved taxpayer intends to balance tax assets and liabilities for this period with net settlement at the time of obtaining assets and discharging liabilities, deferred tax assets and deferred tax liabilities shall be presented based on the net amount after offset.

38. Leasing

"√ Applicable" " Not applicable"

Judgment basis and accounting method for simplified treatment of short-term lease and low value asset leasing as the lessee

"√ Applicable" " Not applicable"

(1) Right-of-use assets

At the lease commencement date, COOEC recognizes the right-of-use assets for leases other than short-term and low-value asset leases. Right-of-use assets are initially measured at cost. The cost includes:

- The initial measurement amount of the lease liability;
- The lease payment made on or before the lease commencement date, or the relevant amount after deducting the lease incentive already enjoyed if any;
- Initial direct costs incurred by COOEC;
- COOEC expects to incur costs for dismantling and removing leased assets, restoring the site of the leased assets to its original condition, or restoring leased assets to their original condition, excluding costs incurred for the production of inventories.

COOEC subsequently adopts the straight-line method to accrue depreciation for the right-to-use assets. If ownership of the leased assets can be obtained with reasonable certainty at the end of the lease term, COOEC depreciates the leased assets over their remaining useful lives; otherwise, the leased assets are depreciated over the shorter of the lease term and the remaining useful life of the leased assets.

COOEC determines whether a right-of-use asset is impaired and accounts for the identified impairment loss in accordance with the principles described in Note V.27, "Impairment of long-term assets".

(2) Lease liability

At the lease commencement date, COOEC recognizes lease liabilities for leases other than short-term and low-value asset leases. The lease liabilities are initially measured at the present value of the unpaid lease payments. Lease payments include:

- Fixed payment (including substantial fixed payment), and the relevant amount after deducting the lease incentive if any;
- Variable lease payments depending on index or ratio;
- Estimated payments due according to the guaranteed residual value provided by COOEC;
- Exercise price of the purchased option, provided that COOEC reasonably determines that the option will be exercised;
- The amount to be paid for the exercise of the lease termination options, provided that the lease term reflects that COOEC will exercise the options to terminate the lease;

COOEC uses the interest rate implicit in lease as the discount rate, but if the interest rate implicit in the lease cannot be reasonably determined, COOEC uses the incremental borrowing rate as the discount rate.

COOEC calculates the interest expense of the lease liabilities in each the lease term at a fixed periodic interest rate, and includes it in the current profit or loss or related asset costs.

Variable lease payments that are not included in the lease liabilities are included in current profit or loss or related asset costs when incurred.

COOEC remeasures the lease liability and adjusts the corresponding right-of-use asset if, after the lease commencement

date, the following circumstances occur. If the book value of the right-of-use asset is reduced to zero, but the lease liability is still subject to further reduction, the difference is recognized in profit or loss:

- When the appraisal results of the purchase option, lease renewal option or termination option change, or when the actual exercise of the aforementioned options is inconsistent with the original appraisal results, COOEC re-measures the lease liability at the present value calculated by the changed lease payments and the revised discount rate;
- When there is a change in the substantive fixed payment amount, a change in the amount expected to be payable for the guaranteed residual value or a change in the index or rate used to determine the lease payment amount, COOEC re-measures the lease liability at the present value calculated from the changed lease payment amount and the original discount rate. However, if the change in the lease payment amount results from a change in the floating interest rate, the present value is calculated using the revised discount rate.

(3) Short-term and low-value asset leases

COOEC chooses not to recognize the right-of-use assets and lease liabilities for short-term and low-value asset leases, and includes the related lease payments in the current profit or loss or related asset costs with the straight-line method in each lease term. Short-term lease refers to a lease that lasts for no more than 12 months and includes no purchase options at the lease commencement date. Low-value asset lease refers to a lease with lower value when the individual leased assets are brand new assets. If COOEC sublets or anticipates subletting the leased assets, the original lease is not a low-value asset lease.

(4) Lease change

If a lease changes and meets all the following conditions, COOEC will account for the lease change as a separate lease:

- The lease change expands the scope of the lease by adding one or more rights to use the leased assets;
- The increased consideration is equivalent to the individual price of the expanded part adjusted according to the contract.

If the lease change is not accounted for as a separate lease, COOEC shall, on the effective date of the lease change, re-allocate the consideration of the changed contract, re-determine the lease term, and remeasure the lease liabilities at the present value calculated based on the changed lease payment and the revised discount rate.

If a lease change results in a reduction in the scope of the lease or a shortening of the lease term, COOEC reduces the book value of the right-of-use asset accordingly and recognizes the gain or loss related to the partial or complete termination of the lease in current profit or loss. If other lease changes result in a remeasurement of the lease liability, COOEC adjusts the book value of the right-of-use asset accordingly.

Lease classification standard and accounting treatment method as the lessor

"√ Applicable" " □ Not applicable"

The leases of COOEC are classified as financing lease and operating lease on the lease commence date. Finance lease refers to the lease under which all the risks and rewards relevant to the ownership of assets are materially transferred, regardless of whether the ownership is ultimately transferred. Operating lease refers to the leases other than financing lease. When COOEC is a sublessor, it classifies the sublease based on the right-of-use assets generated from the original lease.

1) Accounting treatment of operating leases

Lease receipts from operating leases during each lease term shall be recognized as rental income with the straight-line method. COOEC capitalizes the initial direct costs incurred in relation to operating leases, and allocates the same to the current profit or loss on the same basis as that for rental income recognition during the lease term. Variable lease payments that are not included in the lease receipts are included in current profit or loss when incurred. If a change in an operating lease occurs, COOEC accounts for it as a new lease from the effective date of the change, and the amount of lease receipts received in advance or receivable in connection with the lease prior to the change is considered as the amount received under the new lease.

2) Accounting treatment of financing leases

On the lease beginning date, COOEC recognizes the finance lease receivables and derecognizes the assets acquired under finance lease. When COOEC initially measures the finance lease receivables, the net lease investment is taken as the book-entry value of the finance lease receivables. The net lease investment is the sum of the unguaranteed residual value and the present value of the lease receipts that have not been received at the lease commencement date, discounted at the interest rate implicit in lease.

COOEC calculates and recognizes the interest income in each lease term at a fixed periodic interest rate. The derecognition and impairment of finance lease receivables shall be accounted for in accordance with Note "V.21 Financial instruments".

Variable lease payments that are not included in the net lease investment are included in current profit or loss when incurred.

If a financial lease changes and meets all the following conditions, COOEC will account for the lease change as a separate lease:

- The change expands the scope of the lease by adding one or more rights to use the leased assets;
- The increased consideration is equivalent to the individual price of the expanded part adjusted according to the contract.

If a change in a finance lease is not accounted for as a separate lease, COOEC treats the changed lease separately in the following circumstances:

- If the change becomes effective on the lease commencement date and the lease would have been classified as an operating lease, COOEC accounts for it as a new lease from the effective date of the lease change and uses the net investment in the lease prior to the effective date of the lease change as the book value of the leased asset;
- If the change becomes effective on the lease commencement date and the lease is classified as a finance lease, COOEC accounts for the lease in accordance with the policy on modification or renegotiation of contracts as described in Note V.21 "Financial instruments".

Sale-and-leaseback deals

COOEC evaluates and determines whether the asset transfer in the sale-and-leaseback deals is a sale in accordance with the principles described in Note "V.34 Financial instruments".

1) As a lessee

If the asset transfer in the sale-and-leaseback deal is a sale, COOEC, as the lessee, measures the right-of-use asset formed by the sale-and-leaseback deal according to the part, in the book value of original assets, related to the use right obtained from the leaseback, and only recognizes the relevant gains or losses for the rights transferred to lessor.

if the asset transfer in the sale-and-leaseback deal is not a sale, COOEC, as the lessee, continues to recognize the transferred assets and a financial liability equal to the transfer income. Refer to Note "V.21. Financial instruments" for the accounting treatment of financial liabilities.

2) As a lessor

Where the asset transfer in the sale-leaseback transactions belongs to sales, COOEC as the lessor conducts the accounting treatment for purchase of assets, and conducts the lease of assets in accordance with the policies on "2. COOEC as a lessor" stated above; where the asset transfer in the sale-leaseback transactions belongs to sales, COOEC as the lessor does not recognize the transferred assets, but confirms a financial asset equivalent to the transfer revenue. Refer to Note "V.21. Financial instruments" for the accounting treatment of financial assets.

39. Other significant accounting policies and accounting estimates

" Applicable " " Not applicable "

40. Changes in significant accounting policies and accounting estimates

(1) Adjustments for changes in significant accounting policies

Applicable " Not applicable "

Unit: RMB'0,000

Changes in accounting policies and reasons thereof	Names of statement items materially affected	Amount affected
Deferred income tax treatment by the company as the lessee upon initial recognition of the lease transaction	Deferred tax assets	28.45
	Deferred tax liabilities	
	Surplus reserves	8.26
	Undistributed profits	20.19
	Income tax expenses	-139.53

Other explanations

The provision that "the deferred income tax related to assets and liabilities arising from a single transaction is inapplicable to the accounting treatment of the initial recognition exemption" in the Interpretation on the Accounting Standards for Business Enterprises No. 16 is applicable.

On November 30, 2022, the Ministry of Finance issued the Interpretation on the Accounting Standards for Business Enterprises No. 16 (CK [2022] No. 31, hereinafter referred to as "Interpretation No. 16"), among which the provision of "the deferred income tax related to assets and liabilities arising from a single transaction is inapplicable to the accounting treatment of the initial recognition exemption" has taken effect since January 1, 2023

According to "Interpretation No. 16", for a single transaction that is not a business combination, does not affect accounting profit or taxable income (or deductible loss) at the time of the transaction, and the initial recognition of assets and liabilities results in an equal amount of taxable temporary difference and deductible temporary difference (including a lease

transaction in which the lessee initially recognizes the lease liability on the beginning date of the lease term and credits the right to use assets), as well as individual transactions such as transactions in which estimated liabilities are recognized and included in related asset costs due to the existence of disposal obligations such as fixed assets), the provisions of exempting deferred income tax liabilities and deferred income tax assets from initial recognition are not applicable, and the enterprise shall comply with the relevant provisions of "Accounting Standards for Business Enterprises No. 18 - Income Tax" when the transaction occurs, to recognize the corresponding deferred tax liabilities and deferred tax assets separately.

For individual transactions to which the provision applies that occurred between the beginning of the earliest period for which the provision is first applied and the date of implementation of the provision, as well as lease liabilities and use rights assets recognized as a result of the individual transactions to which the provision applies at the beginning of the earliest period for which the provision is presented in the financial statements, as well as recognized anticipated liabilities related to the disposal obligation and corresponding related assets, where there is a taxable temporary difference or a deductible temporary difference, the enterprise shall make adjustments in accordance with the provisions.

(2) Changes in significant accounting estimates

Applicable " Not applicable "

Unit: RMB'0,000

Changes in accounting estimate and reasons thereof	The point at which it begins to apply	Names of statement items materially affected	Amount affected
Remaining value ratio of office equipment	July 1, 2023	Fixed assets	1,251.21

Other explanations

In order to accurately reflect the disposal of the company's office equipment, in accordance with the "Accounting Standards for Enterprises" and the actual disposal of the company's office equipment, the company adjusted the remaining value ratio of office equipment (including office furniture) from 5%-10% to 0%-5%, which was implemented from July 1, 2023. For this change in accounting estimate, the prospective application is adopted, and there is no need to retroactively adjust the disclosed financial reports, which will not affect the company's financial position and operating results in previous years, and the impact on the net profit of 2023 is RMB 12.5121 million.

(3) First-time implementation of new accounting standards or interpretations of standards, etc. from 2023 onwards involves adjustments to the financial statements at the beginning of the year of first-time implementation

" Applicable " " Not applicable "

41. Others

" Applicable " " Not applicable "

VI. Taxation

1. Main tax types and tax rates

Main tax types and tax rates

" Applicable " " Not applicable "

Tax type	Tax basis	Tax rate
Value added tax (VAT)	Output VAT is calculated based on taxable sales revenue and service revenue calculated in accordance with tax laws, and VAT payable shall be the difference between the output VAT and input VAT deductible in the same period;	13%, 9%, 6%
Urban maintenance and construction tax	Based on the value-added tax payable and the current tax exemption amount approved by the State Taxation Administration after formal review and approval	7%
Enterprise income tax	Calculated and paid on the basis of amount of taxable income	See the instructions
Education surcharge	Based on the value-added tax payable and the current tax exemption amount approved by the State Taxation Administration after formal review and approval	3%
Local education surtax	Based on the value-added tax payable and the current tax exemption amount approved by the State Taxation Administration after formal review and approval	2%
Property taxes	70% of the original value of the property / property rental income	1.2%/12%

Notes to disclosure of enterprises with different enterprise income tax rates

Applicable " Not applicable "

Name of taxpayer	Income tax rate (%)
COOEC	15
Offshore Oil Engineering (Qingdao) Co., Ltd.	15
CNOOC Shenzhen Offshore Engineering Service Co., Ltd.	15
COOEC Nigeria Co., Ltd	30
COOEC International Co., Limited	25
Offshore International Engineering Co., Ltd	25
Offshore Oil Engineering (Zhuhai) Co., Ltd.	25
Offshore Oil Engineering Co., Ltd. Nigeria Free Trade Zone Company	30
Offshore Oil Engineering (Canada) Co., Ltd.	23
COOEC International Co., Limited Thai Company	20
COOEC International Co., Limited Brazilian Company	34
COOEC-Fluor Heavy Industries Co., Ltd.	25

2. Tax preference

Applicable " Not applicable "

- (1) In October 2021, COOEC was jointly recognized as a high-tech enterprise by the Tianjin Bureau of Science and Technology, the Tianjin Bureau of Finance and the Tianjin Taxation Bureau of the State Taxation Administration and obtained the High-tech Enterprise Certificate with the number GR202112000342, which is valid for 3 years and has an income tax rate of 15%.
- (2) In November 2021, Offshore Oil Engineering (Qingdao) Co., Ltd. was jointly recognized as a high-tech enterprise by Qingdao Science and Technology Bureau, Qingdao Finance Bureau and Qingdao Taxation Bureau of the State Taxation Administration, and obtained the Certificate of High-tech Enterprise with the number GR202137100184, which is valid for 3 years and the income tax rate is 15%.
- (3) In November 2023, CNOOC Shenzhen Offshore Engineering Service Co., Ltd. was jointly recognized as a high-tech enterprise by Shenzhen Science and Technology Innovation Committee, Shenzhen Finance Committee, Shenzhen State Taxation Bureau and Shenzhen Local Taxation Bureau, and obtained the High-tech Enterprise Certificate with the number GR202344205284, which is valid for 3 years and the income tax rate is 15%.

3. Others

Applicable " Not applicable "

- (1) According to the Circular of the Ministry of Finance and the State Taxation Administration on the Policy of VAT and Consumption Tax on Exported Goods and Services (CS [2012] No. 39), the self-produced offshore engineering structures sold by COOEC and its subsidiaries, Offshore Oil Engineering (Qingdao) Co., Ltd. and Offshore Petroleum Engineering (Zhuhai) Co., Ltd., to offshore oil and gas exploration enterprises are treated as exported goods and are subject to Tax exemption, credit and refund management method. According to the Notice of the Ministry of Finance and the State Taxation Administration on the Clarification of VAT Policies on Finance, Real Estate Development and Educational Auxiliary Services (CS [2016] No. 140), the sales contracts on the sales of self-produced offshore engineering structures signed by COOEC and its subsidiaries, Offshore Oil Engineering (Qingdao) Co., Ltd. and Offshore Oil Engineering (Zhuhai) Co., Ltd. after January 1, 2017 are no longer subject to the credit exemption policy.
- (2) Pursuant to the Notice on the Full-scale Implementation of the Pilot Program of Business Tax Reform and Value-added Tax (2016) issued by the Ministry of Finance and the State Taxation Administration with the approval of the State Council, COOEC and its domestic subsidiaries have been subject to the provision on value added tax in lieu of business tax since May 1, 2016. According to Article 1 of the Announcement of the State Taxation Administration No. 11 of 2017 Announcement of the State Taxation Administration on Further Clarification of Issues Relating to Collection and Administration of Business Tax Conversion, taxpayers who provide construction and installation services while selling self-produced goods such as activity rooms, machinery and equipment and steel structure parts do not fall under mixed sales as set forth in Article 40 of the Implementation Measures for the Pilot Scheme of Business Tax Conversion and Value-added Tax (CS [2016] No. 36 Document) and sales of goods and construction services shall be accounted for separately and different tax or levy rates shall be applied respectively, and the general contracting or subcontracting contracts entered into by COOEC apply different tax or levy rates to the price of construction labor, the price of self-produced goods and the price of providing VAT taxable services respectively.

VII. Notes to consolidated financial statements items

1. Monetary funds

"√ Applicable" "□ Not applicable"

Unit: RMB'0,000

Item	Ending balance	Beginning balance
Cash on hand	1.00	1.00
Bank deposit	432,080.13	212,299.69
Other monetary funds		
Total	432,081.13	212,300.69
Including: total amount deposited abroad	46,618.00	18,899.87

Other explanations

Cash or cash equivalents being restricted for use due to mortgage, pledge or freezing, being subject to restriction on withdrawal due to unified management, or being placed overseas with restrictions on fund repatriation are listed as follows:

Item	Ending balance	Balance as at the end of last year
Frozen funds involved in lawsuits	8,942.06	2,953.62
Total	8,942.06	2,953.62

2. Financial assets held for trading

"√ Applicable" "□ Not applicable"

Unit: RMB'0,000

Item	Ending balance	Beginning balance	Specify reasons and basis
Financial assets measured at fair value through current profit or loss	872,523.58	861,172.84	/
Including:			
Structural deposits	563,187.59	350,936.32	/
Non-principal-protected floating-income financial products	309,335.99	510,236.52	/
Total	872,523.58	861,172.84	/

Other explanations:

"□ Applicable" "√ Not applicable"

3. Accounts receivable

(1) Disclosure by aging

"√ Applicable" "□ Not applicable"

Unit: RMB'0,000

Aging	Book balance as at the end of the year	Book balance as at the beginning of the year
Within 1 year		
Including: items within 1 year		
Within 1 year	611,260.21	606,702.35
Within 1 year Subtotal	611,260.21	606,702.35
1-2 years	5,570.67	24,912.76
2-3 years	22,371.78	6,578.60
Over 3 years	6,578.60	311.54
Total	645,781.26	638,505.25

(2) Classified disclosure by provision of bad debts

"√ Applicable" " Not applicable"

Unit: RMB'0,000

Type	Ending balance					Beginning balance					
	Book balance		Provision for bad debts			Book balance		Provision for bad debts			Book value
	Amount	Ratio (%)	Amount	Proportion of provision (%)	Book value	Amount	Ratio (%)	Amount	Proportion of provision (%)		
Provision for bad debts accrued on an individual basis	27,683.72	4.29	22,146.98	80.00	5,536.74						
Provision for bad debts made by portfolio	618,097.54	95.71	8,894.25	1.44	609,203.29	638,505.25	100.00	11,435.15	1.79	627,070.10	
Total	645,781.26	100.00	31,041.23		614,740.03	638,505.25	100.00	11,435.15		627,070.10	

Individual provision for bad debts:

"√ Applicable" " Not applicable"

Unit: RMB'0,000

Name	Ending balance			
	Book balance	Provision for bad debts	Provision ratio (%)	Reason for provision
DANGOTE OIL REFINING COMPANY LIMITE	27,683.72	22,146.98	80.00	Expected credit losses
Total	27,683.72	22,146.98	80.00	

Description of individual provision for bad debts:

"√ Applicable" " Not applicable"

DANGOTE OIL REFINING COMPANY LIMITE is affected by the Nigerian national currency reform and foreign exchange controls, and the credit risk has significantly increased.

Provision for bad debts made by portfolio:

√ Applicable " Not applicable"

Provision made on portfolio basis: Aging portfolio

Unit: RMB'0,000

Name	Ending balance		
	Accounts receivable	Provision for bad debts	Provision ratio (%)
Aging portfolio	61,972.64	8,894.25	14.35
Portfolio of related parties	556,124.90		
Total	618,097.54	8,894.25	

Description of provision for bad debts made by portfolio:

" Applicable " "√ Not applicable"

The provision for bad debts made according to the general model of expected credit losses

" Applicable " " Not applicable "

(3) Provision for bad debts

" Applicable " " Not applicable "

Unit: RMB'0,000

Type	Beginning balance	Change in this period				Ending balance
		Provision	Recovery or reversal	Resale or write-off	Other changes	
Provision for bad debts accrued on an individual basis		22,146.98				22,146.98
Provision for bad debts made by portfolio	11,435.15	-1,794.15	599.01	311.36	163.62	8,894.25
Total	11,435.15	20,352.83	599.01	311.36	163.62	31,041.23

(4) Accounts receivable actually charged-off in this period

" Applicable " " Not applicable "

Unit: RMB'0,000

Item	Amount for write-off
Actual write-off of accounts receivable	311.36

Writ-off of significant receivables

" Applicable " " Not applicable "

Explanations on writing off receivables:

" Applicable " " Not applicable "

(5) Top five accounts receivable by the debtor in terms of the ending balance and contract assets

" Applicable " " Not applicable "

Unit: RMB'0,000

Entity name	Ending balance of accounts receivable	Ending balance of contract assets	Ending balances of accounts receivable and contract assets	Proportion to total amount of ending balance of receivable and contract assets (%)	Balance of provision for bad debts as at the end of the year
CNOOC Limited	548,897.21	21,939.02	570,836.23	61.35	32.91
SK Earthon Shenzhen	36,798.37		36,798.37	3.95	
DANGOTE OIL REFINING COMPANY LIMITE	27,683.72	3,788.47	31,472.19	3.38	25,177.81
CNOOC Energy Technology & Services Limited	6,231.27	1,280.27	7,511.54	0.81	1.92
Saipem SA	3,844.76	567.44	4,412.2	0.47	0.85
Total	623,455.33	27,575.2	651,030.53	69.96	25,213.49

Other explanations

None

4. Contract assets

(1) Contract assets

"√ Applicable" "□ Not applicable"

Unit: RMB'0,000

Item	Ending balance			Beginning balance		
	Book balance	Provision for bad debts	Book value	Book balance	Provision for bad debts	Book value
Completed and unsettled assets formed by project contracting business	284,664.03	3,452.15	281,211.88	475,760.06	506.29	475,253.77
Total	284,664.03	3,452.15	281,211.88	475,760.06	506.29	475,253.77

(2) Amount and reasons for significant changes in book value during the reporting period

"□ Applicable" "√ Not applicable"

(3) Classified disclosure by provision of bad debts

"√ Applicable" "□ Not applicable"

Unit: RMB'0,000

Type	Ending balance					Beginning balance				
	Book balance		Provision for bad debts		Book value	Book balance		Provision for bad debts		Book value
	Amount	Ratio (%)	Amount	Proportion of provision (%)		Amount	Ratio (%)	Amount	Proportion of provision (%)	
Provision for bad debts accrued on an individual basis	3,788.47	1.33	3,030.84	80.00	757.63					
Provision for bad debts made by portfolio	280,875.56	98.67	421.31	0.15	280,454.25	475,760.06	100	506.29	0.11	475,253.77
Including:										
Credit risk characteristic portfolio	280,875.56	98.67	421.31	0.15	280,454.25	475,760.06	100.00	506.29	0.11	475,253.77
Total	284,664.03	100.00	3,452.15		281,211.88	475,760.06	100.00	506.29		475,253.77

Individual provision for bad debts:

"√ Applicable" "□ Not applicable"

Unit: RMB'0,000

Name	Ending balance			Reason for provision
	Book balance	Provision for bad debts	Provision ratio (%)	
DANGOTE OIL REFINING COMPANY LIMITE	3,788.47	3,030.84	80.00	Expected credit loss method
Total	3,788.47	3,030.84	80.00	/

Description of individual provision for bad debts:

Applicable " Not applicable "

DANGOTE OIL REFINING COMPANY LIMITE is affected by the Nigerian national currency reform and foreign exchange controls, and the credit risk has significantly increased.

Provision for bad debts made by portfolio:

Applicable " Not applicable "

Provision made on portfolio basis: Credit risk characteristic portfolio

Unit: RMB'0,000

Name	Ending balance		
	Contract assets	Provision for bad debts	Provision ratio (%)
Credit risk characteristic portfolio	280,875.56	421.31	0.15
Total	280,875.56	421.31	0.15

Description of provision for bad debts made by portfolio:

Applicable " Not applicable "

The provision for bad debts made according to the general model of expected credit losses

Applicable " Not applicable "

Notes to the obvious changes in the book balance of contract assets with changes in provision for losses in the current period

Applicable " Not applicable "

(4) Provision for bad debt of contract assets during the period

Applicable " Not applicable "

Unit: RMB'0,000

Item	Provision in this period	Recovery or reversal in this period	Write-off/cancellation after verification in this period	Other changes	Reasons
Completed and unsettled assets formed by project contracting business	2,947.50			-1.64	
Total	2,947.50			-1.64	/

Significant amounts of bad debt recovery or reversal in the current period:

Applicable " Not applicable "

(5) Contract assets actually written off during the current period

Applicable " Not applicable "

Write-off of significant contract assets

Applicable " Not applicable "

Description of contract asset write-off:

Applicable " Not applicable "

Other explanations:

Applicable " Not applicable "

5. Prepayments

(1) Presentation by aging

"√ Applicable" " □ Not applicable"

Unit: RMB'0,000

Aging	Ending balance		Beginning balance	
	Amount	Ratio (%)	Amount	Ratio (%)
Within 1 year	39,455.48	96.83	79,672.23	82.50
1-2 years	120.23	0.30	9,576.02	9.91
2-3 years	11.15	0.03	7,325.34	7.58
Over 3 years	1,158.26	2.84	10.00	0.01
Total	40,745.12	100.00	96,583.59	100.00

(2) Top five prepayments in terms of their balance as at the end of the period presented by the payee

"√ Applicable" " □ Not applicable"

Entity name	Ending balance	Proportion in the total ending balance (%)
CITIC Pacific Special Steel International Trading Company Limited	16,525.15	40.56
VIKING NORSAFE LIFE-SAVING EQUIPMEN	3,254.42	7.99
Ariel Corporation	2,308.33	5.67
Tianjin Hongji Great Exploits Technology Development Co., Ltd.	2,150.39	5.28
Guangdong Guangwu Zhongnan Building Materials Group Co., Ltd.	1,938.06	4.76
Total	26,176.35	64.26

Other explanations

" □ Applicable" "√ Not applicable"

6. Other receivables

Presentation

"√ Applicable" " □ Not applicable"

Unit: RMB'0,000

Item	Ending balance	Beginning balance
Interest receivable		
Dividends receivable		
Other receivables	2,090.67	1,620.09
Total	2,090.67	1,620.09

Other explanations:

" □ Applicable" "√ Not applicable"

Other receivables**(1) Disclosure by aging**

Applicable " Not applicable "

Unit: RMB'0,000

Aging	Book balance as at the end of the year	Book balance as at the beginning of the year
Within 1 year		
Including: items within 1 year		
Within 1 year	1,621.27	1,073.65
Within 1 year Subtotal	1,621.27	1,073.65
1-2 years	80.88	303.24
2-3 years	227.46	16.88
Over 3 years	161.06	226.32
Total	2,090.67	1,620.09

(2) Classification by nature of payment

Applicable " Not applicable "

Unit: RMB'0,000

Nature of payment	Book balance as at the end of the year	Book balance as at the beginning of the year
Deposits, reserve funds, security deposits	893.51	955.42
Insurance compensation	1,021.22	252.35
Advances and others	175.94	412.32
Total	2,090.67	1,620.09

(3) Provision for bad debts

Applicable " Not applicable "

Notes to the obvious changes in the book balance of other receivables with changes in provision for losses in the current period:

Applicable " Not applicable "

The basis for the provision for bad debts in the current period and the assessment of whether the credit risk of financial instruments has increased significantly:

Applicable " Not applicable "

(4) Provision for bad debts

Applicable " Not applicable "

Reversal or recovery of significant amount of provision for bad debts in the current period:

Applicable " Not applicable "

(5) Other receivables actually written off during the period

Applicable " Not applicable "

Other significant receivables actually written off:

Applicable " Not applicable "

Explanations on writing off other receivables:

Applicable " Not applicable "

(6) Information about top 5 other receivables in terms of ending balances by debtors

"√ Applicable" "□ Not applicable"

Unit: RMB'0,000

Entity name	Ending balance	Proportion in the total ending balance of other receivables (%)	Nature of amount	Aging	Balance of provision for bad debts as at the end of the year
PPG (Kunshan) Coating Co., Ltd.	1,021.22	48.85	Insurance compensation	Within 1 year	
China Huanqiu Contracting & Engineering Co., Ltd.	145.80	6.97	Margin and security deposit	Within 1 year	
Tianjin Port Power Co., Ltd.	120.00	5.74	Margin and security deposit	2-3 years	
CNOOC Energy Technology & Services Limited	118.89	5.69	Advances	RMB 1,173,900 within 1 year, RMB 15,000 within 2-3 years	
Shenzhen investment condominium development Co.	89.18	4.27	Margin and security deposit	RMB 23,400 within 1 year, RMB 868,400 within 2-3 years	
Total	1,495.09	71.52	/	/	

7. Inventories

(1) Classification

"√ Applicable" "□ Not applicable"

Unit: RMB'0,000

Item	Ending balance			Beginning balance		
	Book balance	Provision for inventory depreciation reserve/provision for impairment of contract performance costs	Book value	Book balance	Provision for inventory depreciation reserve/provision for impairment of contract performance costs	Book value
Project preparation	107,033.22	8,753.85	98,279.37	139,961.10	11,651.17	128,309.93
Including: General steel	38,511.48	654.66	37,856.82	49,416.62	1,408.65	48,007.97
Imported materials	6,907.58	2,992.44	3,915.14	13,355.13	3,322.69	10,032.44
Electrical materials	6,207.45	641.34	5,566.11	8,626.10	833.13	7,792.97
Other materials	55,406.71	4,465.41	50,941.30	68,563.25	6,086.70	62,476.55
Contract performance costs				1,797.80		1,797.80
Total	107,033.22	8,753.85	98,279.37	141,758.90	11,651.17	130,107.73

(2) Provision for inventory depreciation reserve and provision for impairment of contract performance costs

"√ Applicable" "□ Not applicable"

Unit: RMB'0,000

Item	Beginning balance	Increase in this period		Decrease in this period		Ending balance
		Provision	Others	Reversal or write-off	Others	
Project preparation	11,651.17	1,620.31		4,517.63		8,753.85
Including: General steel	1,408.65	58.67		812.66		654.66

Item	Beginning balance	Increase in this period		Decrease in this period		Ending balance
		Provision	Others	Reversal or write-off	Others	
Imported materials	3,322.69	327.64		657.89		2,992.44
Electrical materials	833.13	9.66		201.45		641.34
Other materials	6,086.70	1,224.34		2,845.63		4,465.41
Contract performance costs						
Total	11,651.17	1,620.31		4,517.63		8,753.85

(3) Ending balance of stock which contains capitalized the borrowing costs and calculation criteria and basis

" Applicable " " Not applicable "

(4) Contract performance costs amortized in the current period

" Applicable " " Not applicable "

Other explanations

" Applicable " " Not applicable "

8. Non-current assets maturing within one year

" Applicable " " Not applicable "

Unit: RMB'0,000

Item	Ending balance	Beginning balance
Debt investments maturing within one year	66,743.01	129,225.80
Other debt investments maturing within one year		
Total	66,743.01	129,225.80

Debt investments maturing within one year

" Applicable " " Not applicable "

(1) Significant debt investments maturing within one year as at the end of the period

" Applicable " " Not applicable "

Unit: RMB'0,000

Item	Ending balance					Beginning balance				
	Book value	Nominal interest rate	Effective interest rate	Maturity date	Overdue principal	Book value	Nominal interest rate	Effective interest rate	Maturity date	Overdue principal
ICBC Tianjin Branch	10,000.00	3.9875%	3.9875%	1/2/2024		10,000.00	3.9875%	3.9875%	12/31/2023	
ICBC Tianjin Branch	20,000.00	3.9875%	3.9875%	1/2/2024		20,000.00	3.9875%	3.9875%	12/30/2023	
Agricultural Bank, Tianjin Tanggu Branch	30,000.00	3.9875%	3.9875%	1/15/2024		30,000.00	3.9875%	3.9875%	12/4/2023	
Agricultural Bank, Tianjin Tanggu Branch						20,000.00	3.9875%	3.9875%	12/4/2023	
ICBC Tianjin Branch						20,000.00	3.9875%	3.9875%	12/21/2023	
ICBC Tianjin Branch						20,000.00	3.9875%	3.9875%	12/21/2023	
Total	60,000.00	/	/	/		120,000.00	/	/	/	

9. Other current assets

"√ Applicable" "□ Not applicable"

Unit: RMB'0,000

Item	Ending balance	Beginning balance
Reclassification of value-added tax	47,420.23	22,896.94
Prepayment of enterprise income tax	1,352.64	456.93
Prepaid and deferred expenses	2,483.78	1,654.67
Total	51,256.65	25,008.54

10. Debt investments

(1) Debt investments

"√ Applicable" "□ Not applicable"

Unit: RMB'0,000

Item	Ending balance			Beginning balance		
	Book balance	Provisions for impairment	Book value	Book balance	Provisions for impairment	Book value
Three-year negotiable large deposit certificates	232,385.80		232,385.80	32,228.86		32,228.86
Total	232,385.80		232,385.80	32,228.86		32,228.86

Changes in provision for impairment of debt investment in the current period

"□ Applicable" "√ Not applicable"

(2) Important debt investments as at the end of the period

"√ Applicable" "□ Not applicable"

Unit: RMB'0,000

Item	Ending balance					Beginning balance				
	Book value	Nominal interest rate	Effective interest rate	Maturity date	Overdue principal	Book value	Nominal interest rate	Effective interest rate	Maturity date	Overdue principal
Tianjin Shipping Center Subbranch, ICBC	10,000.00	2.90%	2.90%	8/31/2026						
Tianjin Xinkailu Subbranch, China Guangfa Bank	10,000.00	2.90%	2.90%	10/16/2026						
Construction Bank of China, Tianjin Development Branch	20,000.00	2.90%	2.90%	8/31/2026						
Tianjin Xinkailu Subbranch, China Guangfa Bank	20,000.00	2.90%	2.90%	11/22/2026						
Construction Bank of China, Tianjin Development Branch	30,000.00	2.90%	2.90%	8/31/2026						
Tianjin Xinkailu Subbranch, China Guangfa Bank	30,000.00	2.90%	2.90%	9/11/2026						
Beijing Chaowai Subbranch, Industrial Bank	30,000.00	2.90%	2.90%	9/12/2026						
Beijing Chaowai Subbranch, Industrial Bank	30,000.00	2.85%	2.85%	10/11/2026						
Tianjin Xinkailu Subbranch, China Guangfa Bank	50,000.00	3.25%	3.25%	5/8/2026						
Agricultural Bank, Tianjin Tanggu Branch						30,000.00	3.9875%	3.9875%	1/15/2024	
Total	230,000.00	/	/	/		30,000.00			/	/

(3) Provision for impairment

Applicable Not applicable

Notes to the obvious changes in the book balance of debt investment with changes in provision for losses in the current period

Applicable Not applicable

The basis for the provision for impairment in the current period and the assessment of whether the credit risk of financial instruments has increased significantly

Applicable Not applicable

11. Investments in other equity instruments**(1) Investment in other equity instruments**

Applicable Not applicable

Unit: RMB'0,000

Item	Beginning balance	Increase/decrease in this period					Ending balance	Dividend income recognized during the period	Accumulative gains accrued to other comprehensive income	Accumulative losses accrued to other comprehensive income	Reasons designated as being measured at fair value through other comprehensive income
		Additional investment	Reduced investment	Gains accrued to other comprehensive income in the current period	Loss accrued to other comprehensive income in the current period	Others					
CNOOC Finance Co., Ltd.	7,067.14					7,067.14	462.26				
Total	7,067.14					7,067.14	462.26				/

(2) Derecognition in this period

Applicable Not applicable

Other explanations:

Applicable Not applicable

12. Fixed assets**Presentation**

Applicable Not applicable

Unit: RMB'0,000

Item	Ending balance	Beginning balance
Fixed assets	1,280,833.37	1,320,568.82
Liquidation of fixed assets	924.74	1,431.72
Total	1,281,758.11	1,322,000.54

Other explanations:

Applicable Not applicable

Fixed assets

(1) Fixed assets

"√ Applicable" "□ Not applicable"

Unit: RMB'0,000

Item	Buildings and constructions	Machinery equipment	Means of transportation	Electronic equipment	Office facilities	Total
I. Total original book value:						
1. Beginning balance	874,222.19	465,841.00	1,243,806.86	14,458.62	17,413.04	2,615,741.71
2. Increase in this period	874.84	27,428.24	47,983.82	-328.81	9,378.83	85,336.92
(1)Purchase		10,496.39	638.58	256.72	4,134.56	15,526.25
(2)Transfer from construction in progress	874.84	20,221.28	42,263.94	440.99	875.79	64,676.84
(3)Translation of foreign currency financial statements		42.73	5,081.30		9.8	5,133.83
(4)Reclassification		-3,332.16		-1,026.52	4,358.68	
3. Decrease in this period	471.43	4,726.23	500.15	79.18	843.83	6,620.82
(1)Disposal or scrapping	254.99	3,897.33	500.15	79.18	843.83	5,575.48
(2)Others	216.44	828.9				1,045.34
4. Ending balance	874,625.60	488,543.01	1,291,290.53	14,050.63	25,948.04	2,694,457.81
II. Accumulated depreciation						
1. Beginning balance	272,881.68	308,859.73	645,861.26	10,044.78	10,385.73	1,248,033.18
2. Increase in this period	28,103.82	24,983.66	63,742.75	-4.79	7,447.05	124,272.49
(1)Provision	28,103.82	27,827.14	58,993.13	917.82	3,643.27	119,485.18
(2)Translation of foreign currency financial statements		25.27	4,749.62	-7.13	19.55	4,787.31
(3)Reclassification		-2,868.75		-915.48	3,784.23	
3. Decrease in this period	290.92	4,210.42	450.14	73.69	795.77	5,820.94
(1)Disposal or scrapping	156.18	3,481.18	450.14	73.69	795.77	4,956.96
(2)Others	134.74	729.24				863.98
4. Ending balance	300,694.58	329,632.97	709,153.87	9,966.30	17,037.01	1,366,484.73
III. Provision for impairment						
1. Beginning balance	44,971.52	2,168.19				47,139.71
2. Increase in this period						
3. Decrease in this period						
4. Ending balance	44,971.52	2,168.19				47,139.71
IV. Book value						
1. Book value as at the end of the period	528,959.50	156,741.85	582,136.66	4,084.33	8,911.03	1,280,833.37
2. Book value as at the beginning of the period	556,368.99	154,813.08	597,945.60	4,413.84	7,027.31	1,320,568.82

(2) Temporarily idle fixed assets

"□ Applicable" "√ Not applicable"

(3) Fixed assets leased out through operating lease

"□ Applicable" "√ Not applicable"

(4) Fixed assets without certificate of title"√ Applicable" " Not applicable "

Unit: RMB'0,000

Item	Book value	Reason for failure to properly handle the certificates of title
Houses and buildings	18,960.98	In handling

(5) Impairment test of fixed assets" Applicable" "√ Not applicable "

Other explanations:

" Applicable" "√ Not applicable "**Liquidation of fixed assets**"√ Applicable" " Not applicable "

Unit: RMB'0,000

Item	Ending balance	Beginning balance
Houses and buildings	16.98	0.08
Machinery equipment	528.87	1,099.59
Transportation facilities	134.87	118.36
Electronic equipment	143.86	152.74
Office facilities	100.16	60.95
Total	924.74	1,431.72

13. Construction in progress**Presentation**"√ Applicable" " Not applicable "

Unit: RMB'0,000

Item	Ending balance	Beginning balance
Construction in progress	46,651.73	66,085.09
Project materials		
Total	46,651.73	66,085.09

Other explanations:

" Applicable" "√ Not applicable "**Construction in progress****(1) Construction in progress**"√ Applicable" " Not applicable "

Unit: RMB'0,000

Item	Ending balance			Beginning balance		
	Book balance	Provisions for impairment	Book value	Book balance	Provisions for impairment	Book value
Lingang base construction project (Phase I)	5,463.76		5,463.76	12,530.42		12,530.42

Item	Ending balance			Beginning balance		
	Book balance	Provisions for impairment	Book value	Book balance	Provisions for impairment	Book value
Lingang base construction project (Phase II)	19,316.50		19,316.50			
Ultra-deepwater piling hammer	5,536.13		5,536.13	5,381.19		5,381.19
Large deepwater jacket leveler	1,054.27		1,054.27			
Intelligent monitoring system for deep water pipe laying	894.79		894.79			
226 Marine wind turbine booster system project	778.77		778.77			
#3 Slipway extension	2,436.43		2,436.43			
HYSY278 soft pavement renovation				40,770.28		40,770.28
National oil and gas pipeline emergency rescue project				2,746.49		2,746.49
Blue whale hook head renovation project				1,736.35		1,736.35
Other projects	11,171.08		11,171.08	2,920.36		2,920.36
Total	46,651.73		46,651.73	66,085.09		66,085.09

(2) Changes of significant construction in progress in the current period

"√ Applicable" "□ Not applicable"

Unit: RMB'0,000

Item	Budget	Beginning balance	Increase in this period	Transfer into fixed assets in this period	Other decreases in this period	Ending balance	Proportion of accumulated project investment in budget (%)	Progress of construction	Accumulated capitalization amount of interest	Including: Capitalized amount of interest in this period	Capitalization rate of interest in this period	Capital source
Lingang base construction project (Phase I)	249,514.30	12,530.42		1,501.91	5,564.75	5,463.76	98.30	99.99				All self-financing
Lingang base construction project (Phase II)	66,987.00		19,316.50			19,316.50	28.84	50.00				All self-financing
Ultra-deepwater piling hammer	17,262.00	5,381.19	154.94			5,536.13	97.95	96.00				A combination of self-financing and government compensation
Large deepwater jacket leveler	4,979.00		1,054.27			1,054.27	21.17	49.00				All self-financing
#3 Slipway extension	3,142.90		2,436.43			2,436.43	90.00	98.00				All self-financing
HYSY278 soft pavement renovation	5,540.43	40,770.28	470.44	41,240.72			83.80	100.00				All self-financing
National oil and gas pipeline emergency rescue project	22,000.00	2,746.49	-682.82	1,971.51	92.16		97.69	100.00				All self-financing
Blue whale hook head renovation project	2,505.09	1,736.35	494.90	2,231.25			100.00	100.00				All self-financing
Total		63,164.73	23,244.66	46,945.39	5,656.91	33,807.09	/	/			/	/

(3) Provision for impairment of construction in progress in the current period

" Applicable " "√ Not applicable "

(4) Impairment test of construction in progress

" Applicable " "√ Not applicable "

Other explanations

" Applicable " "√ Not applicable "

Project materials

(5) Project materials

" Applicable " "√ Not applicable "

14. Right-of-use assets

Right-of-use assets status

"√ Applicable " " Not applicable "

Unit: RMB'0,000

Item	Land	Site and constructions	Machinery equipment	Total
I. Total original book value				
1. Beginning balance	6,011.47	8,850.43	164.58	15,026.48
2. Increase in this period		12,769.93		12,769.93
- New lease		12,781.97		12,781.97
- Change in contract added		2.00		2.00
- Translation of foreign currency financial statements		-14.04		-14.04
3. Decrease in this period		6,194.13		6,194.13
- Transfer upon maturity		6,194.13		6,194.13
- Disposal				
4. Ending balance	6,011.47	15,426.23	164.58	21,602.28
II. Accumulated depreciation				
1. Beginning balance	4,581.56	5,374.74	84.04	10,040.34
2. Increase in this period	389.97	5,224.95	42.02	5,656.94
- Provision	389.97	5,216.12	42.02	5,648.11
- Translation of foreign currency financial statements		8.83		8.83
3. Decrease in this period		6,194.13		6,194.13
- Transfer upon maturity		6,194.13		6,194.13
4. Ending balance	4,971.53	4,405.56	126.06	9,503.15
III. Provision for impairment				
1. Beginning balance				
2. Increase in this period				
3. Decrease in this period				
4. Ending balance				
IV. Book value				
1. Book value as at the end of the period	1,039.94	11,020.67	38.52	12,099.13
2. Book value as at the beginning of the period	1,429.91	3,475.69	80.54	4,986.14

15. Intangible assets

Details of intangible assets

"√ Applicable" " □ Not applicable"

Unit: RMB'0,000

Item	Land use rights	Patent right	Software	Total
I. Total original book value				
1. Beginning balance	267,148.46	1,530.17	28,099.37	296,778.00
2. Increase in this period			5,180.78	5,180.78
(1)Purchase			5,180.69	5,180.69
(2)Increase in business combination			0.09	0.09
3. Decrease in this period			901.25	901.25
(1)Disposal			901.25	901.25
4. Ending balance	267,148.46	1,530.17	32,378.90	301,057.53
II. Accumulated accumulation				
1. Beginning balance	47,973.28		22,144.61	70,117.89
2. Increase in this period	5,776.20	270.03	2,214.50	8,260.73
(1)Provision	5,776.20	270.03	2,214.62	8,260.85
(2)Translation of foreign currency financial statements			-0.12	-0.12
3. Decrease in this period			901.25	901.25
(1)Disposal			901.25	901.25
4. Ending balance	53,749.48	270.03	23,457.86	77,477.37
III. Provision for impairment				
1. Beginning balance				
2. Increase in this period				
3. Decrease in this period				
4. Ending balance				
IV. Book value				
1. Book value as at the end of the period	213,398.98	1,260.14	8,921.04	223,580.16
2. Book value as at the beginning of the period	219,175.18	1,530.17	5,954.76	226,660.11

16. Goodwill

(1) Original book value of goodwill

"√ Applicable" " □ Not applicable"

Unit: RMB'0,000

Name of the investee or matters forming goodwill	Beginning balance	Increase in this period		Decrease in this period		Ending balance
		Amount formed through business combination		Disposal		
A.E.S. Destructive and Non-Destructive Testing Limited	1,307.51			1,307.51		
Total	1,307.51			1,307.51		

(2) Impairment provision of goodwill"√ Applicable" " Not applicable "

Unit: RMB'0,000

Name of the investee or matters forming goodwill	Beginning balance	Increase in this period		Decrease in this period		Ending balance
		Provision		Disposal		
A.E.S. Destructive and Non-Destructive Testing Limited	1,307.51			1,307.51		
Total	1,307.51			1,307.51		

(3) Asset group or combination of asset groups the goodwill belongs to" Applicable" "√ Not applicable "

Changes in asset group or asset group combination

" Applicable" "√ Not applicable "

Other explanations

"√ Applicable" " Not applicable "

In December 2022, the Board of Directors of COOEC agreed to transfer 90% of the equity of A.E.S. Destructive and Non-Destructive Testing Limited through the listing of the equity exchange at the listing price of no lower than the assessed price of RMB 12,169,600. In March 2023, COOEC transferred 90% of the equity of A.E.S. Destructive and Non-Destructive Testing Limited through the listing on Beijing Equity Exchange at a transfer price of RMB 12,169,650, and the corresponding goodwill was terminated for the current period after the equity disposal.

17. Long-term deferred expenses"√ Applicable" " Not applicable "

Unit: RMB'0,000

Item	Beginning balance	Increase in this period	Amount amortized in this period	Other decreases	Ending balance
Car parking space usage fees	5,590.59		185.33		5,405.26
Ship docking repair fees	6,488.93	4,660.97	3,376.52	-12.96	7,786.34
Dredging of terminal waters	7,236.01		834.92		6,401.09
Insurance premiums	2,538.99	6,779.80	5,174.14		4,144.65
Renovation costs	56.16		56.16		
Software usage fee	23.58	286.27	56.83		253.02
Total	21,934.26	11,727.04	9,683.90	-12.96	23,990.36

18. Deferred tax assets and deferred tax liabilities**(1) Deferred tax assets without offset**"√ Applicable" " Not applicable "

Unit: RMB'0,000

Item	Ending balance		Beginning balance	
	Deductible temporary differences	Deferred tax Assets	Deductible temporary differences	Deferred tax Assets
Provision for asset impairment	23,960.92	3,653.10	24,317.18	3,690.02

Item	Ending balance		Beginning balance	
	Deductible temporary differences	Deferred tax Assets	Deductible temporary differences	Deferred tax Assets
Deductible loss	29,276.04	7,319.01	34,301.83	8,458.63
Estimated liabilities	28,015.72	4,244.42	15,997.03	2,399.55
Costs not invoiced are pending	167,813.73	25,172.07	50,046.23	7,506.94
Leasing matters	10,163.06	1,551.69	4,220.35	655.64
Unrealized profit and loss of internal transactions	8,777.40	1,316.61		
Deferred income	17,707.76	2,656.16	16,713.77	2,507.06
Total	285,714.63	45,913.06	145,596.39	25,217.84

(2) Deferred tax liabilities without offset

"√ Applicable" " □ Not applicable"

Unit: RMB

Item	Ending balance		Beginning balance	
	Taxable temporary differences	Deferred tax Liabilities	Taxable temporary differences	Deferred tax Liabilities
Accrued interest on debt investments	9,128.81	1,369.32	11,454.66	1,718.20
Asset evaluation increment from business combination not under common control	15,543.99	3,886.00	19,237.06	4,809.27
Depreciation, amortization or depletion difference of assets	21,196.54	3,179.48	16,573.46	2,486.02
Leasing matters	10,006.57	1,523.24	4,986.14	766.71
Changes in fair value of financial assets held for trading	12,523.59	1,878.54	1,172.84	175.93
Total	68,399.50	11,836.58	53,424.16	9,956.13

(3) Deferred tax assets or liabilities listed net amount after write-offs

"√ Applicable" " □ Not applicable"

Unit: RMB'0,000

Item	Deduction amount of deferred tax assets and liabilities at the end of the period	Ending balance of deferred tax assets or liabilities after write-off	Deduction amount of deferred tax assets and liabilities from the beginning of the period	Initial balance of deferred tax assets or liabilities after write-off
Deferred tax assets	7,950.58	37,962.48	626.91	24,590.93
Deferred tax liabilities	7,950.58	3,886.00	626.91	9,329.22

(4) Unrecognized deferred tax assets

"√ Applicable" " □ Not applicable"

Unit: RMB'0,000

Item	Ending balance	Beginning balance
Deductible temporary differences	63,627.36	57,574.41
Deductible loss	99,003.74	124,527.23
Total	162,631.10	182,101.64

(5) Deductible losses from unrecognized deferred tax assets will be expired in the following years

Applicable " Not applicable "

Unit: RMB'0,000

Year	Ending amount	Beginning amount	Remark
2023		32,487.36	
2024	41,187.17	56,074.69	
2025	18,115.93		
2026	25,888.42	25,888.42	
2027	13,812.22	10,076.76	
Indefinitely			
Total	99,003.74	124,527.23	/

Other explanations:

Applicable " Not applicable "

19. Assets with restrictions on the ownership or right of use

Applicable " Not applicable "

Unit: RMB'0,000

Item	Ending				Beginning			
	Book balance	Book value	Restricted type	Restricted condition	Book balance	Book value	Restricted type	Restricted condition
Monetary funds	8,942.06	8,942.06	Frozen	Frozen	2,953.62	2,953.62	Frozen	Frozen
Total	8,942.06	8,942.06	/	/	2,953.62	2,953.62	/	/

20. Short-term borrowings**(1) Classification of short-term borrowings**

Applicable " Not applicable "

Unit: RMB'0,000

Item	Ending balance	Beginning balance
Fiduciary loans		32,974.62
Total		32,974.62

(2) Unpaid short-term borrowings in maturity

Applicable " Not applicable "

Overdue and outstanding short-term borrowings:

Applicable " Not applicable "

Other explanations

Applicable " Not applicable "

21. Notes payable

Presentation of notes payable

Applicable " Not applicable"

Unit: RMB'0,000

Category	Ending balance	Beginning balance
Commercial acceptance bills		
Bank acceptance bills	41,185.44	24,431.46
Total	41,185.44	24,431.46

22. Accounts payable

(1) Presentation of accounts payable

Applicable " Not applicable"

Unit: RMB'0,000

Item	Ending balance	Beginning balance
Within 1 year	1,173,086.75	1,108,469.67
1-2 years	21,601.41	20,412.43
2-3 years	10,902.79	5,659.32
Over 3 years	6,099.51	7,557.26
Total	1,211,690.46	1,142,098.68

(2) Significant account payables aging more than one year or overdue

Applicable " Not applicable"

Unit: RMB'0,000

Item	Ending balance	Reason for no settlement or carrying-forward
Nanjing Chemical Construction Co., Ltd.	3,288.09	Not finished yet
MARINE PLATFORMS LIMITED	4,418.25	Not finished yet
Shanghai Salvage Bureau, Ministry of Transportation and Communications	2,202.56	Not finished yet
Power China Henan Engineering Co., Ltd.	1,061.41	Not finished yet
EPIC International FZN	1,109.77	Not finished yet
Total	12,080.08	/

Other explanations

Applicable " Not applicable"

23. Contract liabilities

(1) Contract liabilities

Applicable " Not applicable "

Unit: RMB'0,000

Item	Ending balance	Beginning balance
Settled uncompleted funds formed by project contracting business	100,641.06	200,383.46
Total	100,641.06	200,383.46

(2) Amount and reasons for significant changes in book value during the reporting period

Applicable " Not applicable "

Other explanations:

Applicable " Not applicable "

24. Employee remuneration payable

(1) Presentation of salary payable

Applicable " Not applicable "

Unit: RMB'0,000

Item	Beginning balance	Increase in this period	Decrease in this period	Ending balance
I. Short-term compensation	44,892.63	331,938.53	326,800.05	50,031.11
II. Post-employment benefits-defined contribution plans	3,956.47	50,785.80	51,623.17	3,119.10
III. Dismissal welfare	24.47	593.36	536.01	81.82
IV. Other benefits maturing within one year				
Total	48,873.57	383,317.69	378,959.23	53,232.03

(2) Presentation of short-term compensation

Applicable " Not applicable "

Unit: RMB'0,000

Item	Beginning balance	Increase in this period	Decrease in this period	Ending balance
I. Salary, bonus, allowance and subsidy	33,893.43	255,817.89	251,280.03	38,431.29
II. Employee welfare fees		14,032.60	14,032.60	
III. Social insurance premiums		21,802.31	21,802.27	0.04
Including: medical insurance premiums		19,650.06	19,650.02	0.04
Work-related injury insurance premiums		1,397.05	1,397.05	
Maternity insurance premiums		755.20	755.20	
IV. Housing fund		25,861.07	25,733.84	127.23
V. Labor union expenditures and employee education expenses	10,999.20	8,632.39	8,159.04	11,472.55
VI. Short-term compensated absences				
VII. Short-term profit sharing plan				
VIII. Others		5,792.27	5,792.27	
Total	44,892.63	331,938.53	326,800.05	50,031.11

(3) Presentation of defined contribution plans

"√ Applicable" "□ Not applicable"

Unit: RMB'0,000

Item	Beginning balance	Increase in this period	Decrease in this period	Ending balance
1. Basic endowment insurance premiums		34,788.16	34,788.06	0.10
2. Unemployment insurance premiums		1,187.12	1,187.12	
3. Enterprise annuity payment	3,956.47	14,810.52	15,647.99	3,119.00
Total	3,956.47	50,785.80	51,623.17	3,119.10

Other explanations:

"□ Applicable" "√ Not applicable"

25. Taxes and surcharges payable

"√ Applicable" "□ Not applicable"

Unit: RMB'0,000

Item	Ending balance	Beginning balance
Value added tax (VAT)	1,655.73	2,736.74
Enterprise income tax	29,387.86	3,580.40
Individual income tax	3,860.00	4,602.78
Property taxes	1,856.31	1,852.61
Urban maintenance and construction tax	11.57	3,353.55
Stamp tax	501.84	331.65
Education surcharge	8.63	2,395.75
Land use taxes	344.99	344.99
Others	509.55	780.13
Total	38,136.48	19,978.60

26. Other payables**(1) Presentation**

"√ Applicable" "□ Not applicable"

Unit: RMB'0,000

Item	Ending balance	Beginning balance
Interest payable		
Dividends payable		0.31
Other payables	60,687.03	61,885.77
Total	60,687.03	61,886.08

Other explanations:

"□ Applicable" "√ Not applicable"

(2) Interest payable

Presentation by classification

" Applicable " " Not applicable "

Significant overdue interest payable:

" Applicable " " Not applicable "

Other explanations:

" Applicable " " Not applicable "**(3) Dividends payable**

Presentation by classification

" Applicable " " Not applicable "

Unit: RMB'0,000

Item	Ending balance	Beginning balance
Ordinary share dividends		0.31
Total		0.31

(4) Other payables

Other payables by nature

" Applicable " " Not applicable "

Unit: RMB'0,000

Item	Ending balance	Beginning balance
Temporary credits	141.27	4,053.46
Warranty and security deposit	39,428.92	35,422.55
Consumption tax rebate	12,507.96	12,507.96
Employee reimbursement and others	8,608.88	9,901.80
Total	60,687.03	61,885.77

Other significant payables aged over 1 year or overdue

" Applicable " " Not applicable "

Unit: RMB'0,000

Item	Ending balance	Reason for no settlement or carrying-forward
China Construction Third Engineering Bureau Group Co., Ltd.	1,075.33	Quality bond
Total	1,075.33	/

Other explanations:

" Applicable " " Not applicable "**27. Non-current liabilities maturing within 1 year**" Applicable " " Not applicable "

Unit: RMB'0,000

Item	Ending balance	Beginning balance
Long-term borrowings maturing within one year		26,961.98
Bonds payable maturing within 1 year		

Item	Ending balance	Beginning balance
Long-term payables maturing within one year		
Lease liabilities maturing within 1 year	5,367.52	2,764.04
Total	5,367.52	29,726.02

28. Other current liabilities

Other current liabilities

"√ Applicable" " Not applicable"

Unit: RMB'0,000

Item	Ending balance	Beginning balance
Output tax to be carried forward	51,937.78	58,123.63
Total	51,937.78	58,123.63

Increases or decreases in short-term bonds payable:

" Applicable" "√ Not applicable"

Other explanations:

" Applicable" "√ Not applicable"

29. Long-term borrowings

(1) Classification

"√ Applicable" " Not applicable"

Unit: RMB'0,000

Item	Ending balance	Beginning balance
Pledged loan		
Mortgage loan		
Guaranteed borrowings		6,964.60
Fiduciary loans	22,000.67	9,000.28
Total	22,000.67	15,964.88

Other explanations:

"√ Applicable" " Not applicable"

Note: COOEC entered into a tripartite entrusted loan contract with China National Offshore Oil Corporation and CNOOC Finance Co., Ltd. Liability Company, under which CNOOC entrusted CNOOC Finance Co., Ltd. Liability Company to provide a loan of RMB 220 million to COOEC, and the ending balance included RMB 6700 of interest payable. The loan funds are all used for the construction of the National Oil and Gas Pipeline Emergency Rescue Project on South China Sea Base, of which RMB 90.00 million is borrowed from May 2022 to May 2025, with an annual interest rate of 0.1%, and RMB 130 million is borrowed from June 2023 to June 2026, with the annual interest rate is 0.1%.

30. Lease liabilities

"√ Applicable" " Not applicable"

Unit: RMB'0,000

Item	Ending balance	Beginning balance
Land	1,162.09	1,536.00
Site and constructions	10,891.85	2,684.35
Sub-total	12,053.94	4,220.35
Less: Lease liability maturing within one year	5,367.52	2,764.04
Total	6,686.42	1,456.31

31. Estimated liabilities

Applicable " " Not applicable "

Unit: RMB'0,000

Item	Beginning balance	Ending balance	Formation causes
Product quality guarantee	793.60	4,175.84	Note 1
Expected contract loss	33,015.39	29,996.40	Note 2
Total	33,808.99	34,172.24	/

Note 1: According to the ASBE No. 14 - Revenue and ASBE No. 13 - Contingencies, quality assurance is to guarantee to customers that the goods sold meet the established standards, and if the obligations arising from such quality assurance terms satisfy the relevant conditions, a projected liability should be recognized for quality assurance.

Note 2: According to the ASBE No. 14 - Revenue and ASBE No. 13 - Contingencies, if a contract to be performed becomes a loss-making contract, a projected liability shall be recognized for the loss-making contract if the obligation arising from such loss-making contract satisfies the relevant conditions. The closing balance of RMB 299,964,000 is the projected loss to be incurred for the remaining, uncompleted work to be recognized based on the performance schedule for projects where the total projected cost of the contract exceeds the total contract revenue.

32. Deferred income

Deferred income

Applicable " " Not applicable "

Unit: RMB'0,000

Item	Beginning balance	Increase in this period	Decrease in this period	Ending balance	Formation causes
Government grants	16,713.77	9,676.73	8,682.74	17,707.76	Government grants
Total	16,713.77	9,676.73	8,682.74	17,707.76	/

Other explanations:

Applicable " " Not applicable "

Items involving government grants:

Liabilities	Balance as at the end of last year	New grants in the current period	Amounts included in other income in the current period	Other changes	Ending balance	Related to assets/related to income
Refund of site support facilities fees	4,686.93		136.51		4,550.42	Related to assets
Refund of deed tax for office building in bonded area	344.18		35.30		308.88	Related to assets
Central special funds for air pollution prevention and control	387.50		50.00		337.50	Related to assets
863 Deepwater submarine pipeline laying technology	611.88		301.41		310.47	Related to assets
Equipment investment based rewards and subsidies for technology transformation of enterprises		145.00	145.00			Related to assets
Grant for scientific research on major national issues	10,683.28	9,531.73	6,794.16	-1,220.36	12,200.49	Related to income
Total	16,713.77	9,676.73	7,462.38	-1,220.36	17,707.76	

33. Share capital

"√ Applicable" " □ Not applicable"

Unit: RMB'0,000

	Beginning balance	Changes in this period ("+", "-")				Sub-total	Ending balance
		Issuance New shares	Share donation	Provident fund Transfer of shares	Others		
Total shares	442,135.48						442,135.48

34. Capital reserve

"√ Applicable" " □ Not applicable"

Unit: RMB'0,000

Item	Beginning balance	Increase in this period	Decrease in this period	Ending balance
Capital premium (share premium)	422,970.20			422,970.20
Other capital reserves	1,831.97			1,831.97
Total	424,802.17			424,802.17

35. Other comprehensive income

"√ Applicable" " □ Not applicable"

Unit: RMB'0,000

Item	Beginning balance	Amount in the current period						Ending balance
		Amount before income tax in the current period	Less: the amount included in other comprehensive income in prior period and transferred to current profit or loss	Less: retained income included in other comprehensive income in prior periods and transferred to current profit or loss	Less: income tax expenses	Attributable to parent company after tax	Attributable to minority shareholders after tax	
I. Other comprehensive income that cannot be reclassified into profit or loss								
II. Other comprehensive income to be reclassified into profit or loss later	-1,444.22	-2,103.54				-2,103.54	-7.00	-3,547.76
Foreign currency translation differences	-1,444.22	-2,103.54				-2,103.54	-7.00	-3,547.76
Total of other comprehensive income	-1,444.22	-2,103.54				-2,103.54	-7.00	-3,547.76

36. Special reserves

"√ Applicable" " □ Not applicable"

Unit: RMB'0,000

Item	Beginning balance	Increase in this period	Decrease in this period	Ending balance
Work safety expenses	19,861.60	42,188.78	48,650.84	13,399.54
Total	19,861.60	42,188.78	48,650.84	13,399.54

37. Surplus reserves

"√ Applicable" " □ Not applicable"

Unit: RMB'0,000

Item	Beginning balance	Increase in this period	Decrease in this period	Ending balance
Statutory surplus reserve	184,846.69	13,219.55		198,066.24
Discretionary surplus reserve	8,914.59			8,914.59
Total	193,761.28	13,219.55		206,980.83

38. Undistributed profits

"√ Applicable" " □ Not applicable"

Unit: RMB'0,000

Item	Current period	Previous period
Retained earnings as at the end of the previous period before the adjustment	1,291,071.58	1,190,972.39
Total adjusted opening undistributed profits (increase is indicated by "+" and decrease is indicated by "-")		-257.13
Undistributed profits at the beginning of the period after adjustment	1,291,071.58	1,190,715.26
Plus: Net profit attributable to owners of the parent company in this period	162,050.63	145,888.80
Less: Withdrawal of statutory surplus reserves	13,219.55	15,127.99
Withdrawal of discretionary surplus reserves		
Withdrawal of general risk reserves		
Common stock dividends payable	44,213.55	35,370.84
Ordinary share dividends transferred to share capital		
Others		-4,966.35
Undistributed profits as at the end of the period	1,395,689.11	1,291,071.58

39. Operating revenue and operating costs**(1) Operating revenue and operating costs**

"√ Applicable" " □ Not applicable"

Unit: RMB'0,000

Item	Amount in the current period		Amount in the previous period	
	Revenue	Cost	Revenue	Cost
Primary business	3,063,252.88	2,739,304.33	2,927,028.44	2,667,599.07
Other business	11,950.87	5,321.86	8,808.39	4,328.03
Total	3,075,203.75	2,744,626.19	2,935,836.83	2,671,927.10

(2) Operating revenue of top five customers

Item	Current period	Proportion in total operating revenue (%)
CNOOC Limited	1,993,779.40	64.83
JGC Fluor BC LNG Joint Venture	245,669.38	7.99
China Oil & Gas Pipeline Network Corporation	225,003.23	7.32
CNOOC Gas & Electricity Group Co., Ltd.	121,438.37	3.95
SK Innovation Co., Ltd.	88,045.21	2.86
Total	2,673,935.59	86.95

Main business income by products:

Item	Current period	Prior period
(1) Income from marine engineering general contracting projects	1,925,897.43	1,754,000.37
(2) Revenue from marine engineering non-general contracting projects	324,378.58	281,120.20
Including: Offshore installation and sea pipe laying income	242,992.46	139,606.77
Maintenance income	55,232.63	36,551.12
Land-based construction revenue	31.52	78,429.32
Revenues from design	26,121.97	26,532.99
(3) Revenue from non-marine projects	812,976.87	891,907.87
Total	3,063,252.88	2,927,028.44

(3) Description of performance obligations

" Applicable " " Not applicable "

(4) Description of allocation to remaining performance obligations

" Applicable " " Not applicable "

40. Taxes and surcharges

" Applicable " " Not applicable "

Unit: RMB'0,000

Item	Amount in the current period	Amount in the previous period
Urban maintenance and construction tax	3,863.38	6,792.17
Property taxes	4,489.73	2,906.08
Land use taxes	817.35	611.92
Education surcharge	1,663.85	2,913.73
Local education surtax	1,109.24	1,942.99
Stamp tax	2,141.49	2,248.11
Vehicle and vessel tax	68.10	64.64
Others	59.81	7.49
Total	14,212.95	17,487.13

41. Selling expenses

Applicable " " Not applicable "

Unit: RMB'0,000

Item	Amount in the current period	Amount in the previous period
Employee salary	1,155.44	1,319.60
Publicity and exhibition expenses	130.09	148.65
Traveling expenses	157.08	48.91
Amortization of long-term deferred expenses	56.16	96.27
Low-value consumables	0.34	1.20
Depreciation and amortization of intangible assets	68.21	104.47
Office and utilities communication fees	373.02	18.92
Rental	2.67	4.50
Others	119.64	56.80
Total	2,062.65	1,799.32

42. Administrative expenses

Applicable " " Not applicable "

Unit: RMB'0,000

Item	Amount in the current period	Amount in the previous period
Employee salary	20,094.34	16,621.18
Depreciation and amortization of intangible assets	3,161.68	1,561.46
Audit and consulting fees	1,739.19	1,479.69
Rental	171.19	219.50
Property management fees and greening fees	1,077.15	752.25
Traveling expenses	857.73	191.40
Taxes	397.38	388.42
Transportation expenses	280.51	302.63
Office and utilities communication fees	380.43	343.94
Low-value consumables	59.83	394.29
Outsourcing service fee	1,433.15	180.17
Caucus association fees	1,002.93	386.67
Legal fare	544.51	18.28
Others	1,062.46	1,370.08
Total	32,262.48	24,209.96

43. Research and development expenses

"√ Applicable" " □ Not applicable"

Unit: RMB'0,000

Item	Amount in the current period	Amount in the previous period
External study fees	29,058.80	34,051.77
Employee salary	24,859.32	21,682.34
Vessel service fee	20,191.90	16,904.80
Machinery material consumption	31,277.92	20,679.56
manufacturing expenses	6,984.05	7,111.71
Technical service fee	993.13	701.07
Traveling expenses	752.60	401.49
Design fee		713.64
Others	4,510.62	9,947.15
Total	118,628.34	112,193.53

44. Financial expenses

"√ Applicable" " □ Not applicable"

Unit: RMB'0,000

Item	Amount in the current period	Amount in the previous period
Interest expenses	1,109.03	1,176.71
Including: Interest expense on lease liabilities	299.40	265.87
Less: interest income	5,931.66	2,216.44
Profit or loss on exchange	-2,901.92	-9,160.15
Others	2,053.97	1,424.42
Total	-5,670.58	-8,775.46

45. Other income

"√ Applicable" " □ Not applicable"

Unit: RMB'0,000

Classification by nature	Amount in the current period	Amount in the previous period
Consumption tax rebate		-12,507.96
Government grants	7,462.38	6,550.43
Refund of handling charges related to individual income tax	147.14	142.86
Allowance of input tax	412.75	20.37
Others	6.69	0.14
Total	8,028.96	-5,794.16

Other explanations:

Government grants included in other income

Grants	Current period	Prior period	Related to assets/related to income
Land support facility fee refund	136.51	136.51	Related to assets
Refund of deed tax for office building in bonded area	35.30	35.30	Related to assets
Central special funds for air pollution prevention and control	50.00	50.00	Related to assets
863 Deepwater submarine pipeline laying technology	301.41	40.79	Related to assets
Equipment investment based rewards and subsidies for technology transformation of enterprises	145.00		Related to assets
Scientific research subsidy	2,458.58	4,536.44	Related to income
Special fund to promote high-quality development of industries in Nanshan District	1,773.73	200.00	Related to income
Industrial Value Added Incentive Program	779.00	200.00	Related to income
Subsidies to promote the steady growth of foreign trade	709.40	391.08	Related to income
Subsidies from Binhai New Area Management Committee for talents	298.40	391.08	Related to income
Subsidies from Nanshan Area for reserve talents' housing and living	64.00		Related to income
Subsidy for stabilizing posts	43.75	528.40	Related to income
Incentive for growth stabilization		200.00	Related to income
Help enterprises to relieve their difficulties		142.30	Related to income
Relocation subsidy		85.27	Related to income
Subsidy for talent settlement		72.00	Related to income
Funds of West Coast New Area to make strong chain of marine industry		30.00	Related to income
Others	667.30	102.34	Related to income
Total	7,462.38	6,550.43	

46. Investment income

"√ Applicable" " □ Not applicable"

Unit: RMB'0,000

Item	Amount in the current period	Amount in the previous period
Long-term equity investment income calculated under the equity method		-2,767.09
Investment income from disposal of long-term equity investments	725.68	40.01
Investment income obtained during holding the financial assets held for trading	17,212.87	14,957.32
Interest income in debt investment during the holding period	7,830.99	5,642.69
Dividend income from investments in other equity instrument during the holding period	462.26	764.35
Gains from equities re-measured at the fair value upon obtainment of control right		51,665.88
Total	26,231.80	70,303.16

47. Income for changes in fair value

"√ Applicable" " □ Not applicable"

Unit: RMB'0,000

Sources of gains from changes in fair value	Amount in the current period	Amount in the previous period
Financial assets held for trading	11,350.75	1,172.84
Total	11,350.75	1,172.84

Other explanations:

48. Credit impairment loss

"√ Applicable" " Not applicable"

Unit: RMB'0,000

Item	Amount in the current period	Amount in the previous period
Losses from bad debts of accounts receivable	19,753.82	4,265.12
Bad debt loss of other receivables		-277.64
Total	19,753.82	3,987.48

49. Losses from asset impairment

"√ Applicable" " Not applicable"

Unit: RMB'0,000

Item	Amount in the current period	Amount in the previous period
I. Losses from assets impairment	2,947.50	185.69
II. Losses from inventory depreciation and impairment loss of contract performance cost	1,620.31	7,220.66
Total	4,567.81	7,406.35

50. Incomes from disposal of assets

"√ Applicable" " Not applicable"

Unit: RMB'0,000

Item	Amount in the current period	Amount in the previous period
Incomes from disposal of fixed assets	-63.42	-24.20
Profits from lease contract change	8.58	35.50
Total	-54.84	11.30

51. Non-operating revenue

Non-operating revenue

"√ Applicable" " Not applicable"

Unit: RMB'0,000

Item	Amount in the current period	Amount in the previous period	Amount included in the current non-recurring profit or loss
Business combination not under common control		3,431.21	
Net amercement income	515.42	264.02	515.42
Compensation for contract breach	2,075.98	1,552.04	2,075.98
Gains from the damage and scrapping of non-current assets		38.27	
Payables need not be paid	946.20	73.60	946.20
Insurance claims income	65.18		65.18
Others	20.51	66.43	20.51
Total	3,623.29	5,425.57	3,623.29

Other explanations:

" Applicable" "√ Not applicable"

52. Non-operating expenses

Applicable " Not applicable "

Unit: RMB'0,000

Item	Amount in the current period	Amount in the previous period	Amount included in the current non-recurring profit or loss
Donations made	180.50	175.50	180.50
Loss from the damage and scrapping of non-current assets	873.96	104.78	873.96
Liquidated damages and compensation	57.42	181.23	57.42
Others	1,634.45	20.18	1,634.45
Total	2,746.33	481.69	2,746.33

53. Income tax expenses**(1) List of income tax expenses**

Applicable " Not applicable "

Unit: RMB'0,000

Item	Amount in the current period	Amount in the previous period
Income tax expenses for the current period	46,933.38	13,659.81
Deferred tax expenses	-18,773.52	17,461.76
Total	28,159.86	31,121.57

(2) Accounting profit and income tax expense adjustment process

Applicable " Not applicable "

Unit: RMB'0,000

Item	Amount in the current period
Total profits	191,193.72
Income tax expenses calculated at the statutory [or applicable tax rate]	28,679.06
Influence of different tax rates applicable to subsidiaries	4,116.43
Influence of adjustments to the income tax for the prior years	-271.50
Influence of non-taxable income	69.34
Influence of nondeductible costs, expenses and losses	618.18
Influence of deductible losses on the use of preliminarily unrecognized deferred tax assets in previous periods	
Effect of deductible temporary differences or deductible losses from deferred tax assets unrecognized in the current period	
Others	-5,051.65
Income tax expenses	28,159.86

Other explanations:

Applicable " Not applicable "

54. Other comprehensive income

Applicable " Not applicable "

See Note 35 in this section

55. Items in the statement of cash flows

(1) Cash related to operating activities

Cash received from other operating activities

"√ Applicable" "□ Not applicable"

Unit: RMB'0,000

Item	Amount in the current period	Amount in the previous period
Scientific research and government grants	18,891.78	16,735.79
Insurance claims	4,510.10	284.51
Interest income	5,931.66	2,216.44
Reserves, margin and security deposit	5,883.03	891.37
Deblocking of funds	3,800.28	
Others	420.93	133.47
Total	39,437.78	20,261.58

Cash paid for other operating activities

"√ Applicable" "□ Not applicable"

Unit: RMB'0,000

Item	Amount in the current period	Amount in the previous period
Short-term and low-value lease expenses	7,872.26	2,592.06
Reserves, margin and security deposit	5,760.75	488.70
Audit and consulting fees	1,736.60	1,479.69
Handling charges	2,053.97	1,424.42
Traveling expenses	12,893.75	8,556.75
Property management fees and greening fees	897.52	752.25
Publicity and advertising expenses	100.82	148.65
Office costs	355.44	362.86
Transportation expenses	290.74	302.63
Increased frozen funds this year	9,788.72	
Others	6,328.78	267.25
Total	48,079.35	16,375.26

(2) Cash related to investing activities

Cash received from significant investing activities

"□ Applicable" "√ Not applicable"

Cash paid for significant investing activities

"□ Applicable" "√ Not applicable"

Cash received from other investing activities

Applicable " Not applicable "

Unit: RMB'0,000

Item	Amount in the current period	Amount in the previous period
Net cash paid for acquiring subsidiaries		75,144.31
Total		75,144.31

Cash paid for other investing activities

Applicable " Not applicable "

(3) Cash related to financing activities

Cash received from other financing activities

Applicable " Not applicable "

Cash paid for other financing activities

Applicable " Not applicable "

Unit: RMB'0,000

Item	Amount in the current period	Amount in the previous period
Return of investment funds to minority shareholders	313.31	
Cash paid for lease liabilities	5,483.64	4,498.37
Total	5,796.95	4,498.37

Changes in various liabilities arising from financing activities

Applicable " Not applicable "

(4) Notes to cash flow expressed in net amount

Applicable " Not applicable "

(5) Significant activities and financial impacts that do not involve current cash receipts and payments, but affect the financial position of the enterprise or may affect the cash flow in the future

Applicable " Not applicable "

56. Additional information about the statement of cash flows

(1) Supplementary information to the statement of cash flows

Applicable " Not applicable "

Unit: RMB'0,000

Supplementary information	Current period	Prior period
1. Net profit adjusted to cash flows from operating activities:		
Net profit	163,033.86	145,116.87
Plus: provision for assets impairment	4,567.81	7,406.35
Credit impairment loss	19,753.82	3,987.48
Depreciation of fixed assets, depletion of oil and gas assets, depreciation of productive biological assets	119,485.18	99,983.68
Amortization of right-of-use assets	5,648.11	4,807.94
Amortization of intangible assets	8,260.85	4,743.83
Amortization of long-term deferred expenses	9,683.90	6,203.96
Losses from disposal of fixed assets, intangible assets and other long-term assets ("-" for gains)	54.84	-11.30
Losses on write-off of fixed assets ("-" for gains)	873.96	66.51
Losses from changes in fair value ("-" for gains)	-11,350.75	-1,172.84
Financial expenses ("-" for gains)	-1,792.89	-7,983.44
Investments losses ("-" for gains)	-26,231.80	-70,303.16
Decreases in deferred tax assets ("-" for increases)	-13,371.55	15,245.11
Increase in deferred tax liabilities ("-" for decreases)	-5,443.22	2,187.77
Decreases in inventories ("-" for increases)	34,725.68	7,713.14
Decreases in operating receivables ("-" for increases)	83,607.04	-92,344.16
Increases in operating payables ("-" for decreases)	126,841.77	213,306.26
Others	-5,854.20	-7,605.29
Net cash flows from operating activities	512,492.41	331,348.71
2. Significant investing and financing activities not involving in cash receipts and payments:		
Transfer of debts into capital		
Convertible corporate bonds maturing within 1 year		
Fixed assets leased from financing		
3. Net change in cash and cash equivalents:		
Ending balance of cash	422,910.15	208,671.98
Less: beginning balance of cash	208,671.98	117,078.06
Plus: ending balance of cash equivalents		
Less: beginning balance of cash equivalents		
Net increase of cash and cash equivalents	214,238.17	91,593.92

(2) Net cash paid for acquisition of subsidiaries in the current period

" Applicable " " Not applicable "

(3) Net cash received for disposal of subsidiaries in this period

" Applicable " " Not applicable "

Unit: RMB'0,000

	Amount
Cash or cash equivalents received from disposal of subsidiaries during the current period	1,216.97
Minus: Cash and cash equivalents held by subsidiaries on the date of losing control	610.99
Plus: Cash or cash equivalents received from previous disposal of subsidiaries during the current period	
Net cash from disposal of subsidiaries	605.98

(4) Breakdowns of cash and cash equivalents"√ Applicable" " Not applicable"

Unit: RMB'0,000

Item	Ending balance	Beginning balance
I. Cash	422,910.15	208,671.98
Including: cash on hand	1.00	1.00
Unrestricted bank deposits	422,909.15	208,670.98
Other unrestricted monetary funds		
Available-for-payment deposits in the central bank		
II. Cash equivalents		
Including: Bond investment maturing within three months		
III. Ending balance of cash and cash equivalents	422,910.15	208,671.98
Including: cash and cash equivalents with restricted use right by parent company or subsidiaries of the Group		

(5) Limited use but still presented as cash and cash equivalents" Applicable" "√ Not applicable"**(6) Monetary capital other than cash and cash equivalents**"√ Applicable" " Not applicable"

Unit: RMB'0,000

Item	Current period	Prior period	Reason
Frozen funds	8,942.06	2,953.62	Not withdrawn at any time
Interest accrued on fixed time deposits	190.86	653.16	Not withdrawn at any time
Interest accrued on deposits of Finance Company	38.06	21.93	Not withdrawn at any time
Total	9,170.98	3,628.71	/

Other explanations:

" Applicable" "√ Not applicable"**57. Notes to items of the statement of changes in owners' equity**

Specify the name of the item of "others" adjusted for the ending balance of the previous year, the adjusted amount and other matters:

" Applicable" "√ Not applicable"**58. Foreign currency monetary item****(1) Foreign currency monetary items**"√ Applicable" " Not applicable"

Unit: RMB'0,000

Item	Ending balance of foreign currency	Exchange rate of conversion	Closing converted CNY Balance balance
Monetary funds	-	-	70,723.81
Including: USD	7,654.04	7.08270	54,211.27
HKD	5,836.21	0.90622	5,288.89
CAD	1,702.44	5.36730	9,137.53
Saudi riyal	888.17	1.89260	1,680.95
THB	60.93	0.20736	12.63
NGN	36.52	0.00789	0.29
Brazilian real	2.51	1.46580	3.68
Dirham	24.25	1.93250	46.85
UGX	174,952.04	0.00188	329.61
Brunei dollar	2.26	5.36934	12.11
Accounts receivable	-	-	38,202.12
Including: USD	5,041.75	7.08270	35,709.23
CAD	463.90	5.36730	2,489.87
THB	14.56	0.20736	3.02
Other receivables	-	-	145,092.00
Including: USD	17,181.79	7.08270	121,693.45
HKD	3.10	0.90622	2.81
CAD	4,356.19	5.36730	23,380.97
THB	59.52	0.20736	12.34
Brazilian real	1.39	1.46580	2.04
Dirham	0.20	1.93250	0.39
Accounts payable			131,610.35
Including: USD	15,571.63	7.08270	110,289.16
EUR	91.28	7.85920	717.42
HKD	108.90	0.90622	98.68
GBP	2.07	9.04110	18.75
CAD	2,997.23	5.36730	16,087.02
Saudi riyal	2,270.78	1.89260	4,297.68
THB	41.36	0.20736	8.58
Brazilian real	50.76	1.46580	74.40
Dirham	9.66	1.93250	18.66
Other payables			148,161.96
Including: USD	17,407.42	7.08270	123,291.53
EUR	10.46	7.85920	82.19
HKD	847.12	0.90622	767.68
GBP	34.70	9.04110	313.76
CAD	4,412.02	5.36730	23,680.65
Saudi riyal	0.23	1.89260	0.43
Brazilian real	2.04	1.46580	2.99
THB	10.23	0.20736	2.12
Dirham	10.67	1.93250	20.61

(2) Description of foreign operating entities, including, for significant foreign operating entities, disclosure of their principal place of business outside of the country, the recording currency and the basis of selection, and disclosure of the reasons for any change in the recording currency

"√ Applicable" " □ Not applicable"

Important overseas operational entity	Main premise overseas	Recording currency	Basis for selection
COOEC International Co., Limited	Hong Kong	USD	Business mainly priced and settled in such currency
A.E.S. Destructive and Non-Destructive Testing Limited	Hong Kong	HKD	Business mainly priced and settled in such currency
COOEC Nigeria Co., Ltd	Nigeria	USD	Business mainly priced and settled in such currency
Offshore Oil Engineering Co., Ltd. Nigeria Free Trade Zone Company	Nigeria	USD	Business mainly priced and settled in such currency
Offshore Oil Engineering (Canada) Co., Ltd.	Canada	CAD	Business mainly priced and settled in such currency
COOEC International Co., Limited Thai Company	Thailand	THB	Business mainly priced and settled in such currency
COOEC International Co., Limited Brazilian Company	Brazil	Real	Business mainly priced and settled in such currency

59. Leasing

(1) As a lessee

√ Applicable " □ Not applicable"

Variable lease payments not included in the measurement of lease liabilities

"√ Applicable" " □ Not applicable"

Item	Current period	Prior period
Interest expense on lease liability	299.40	265.87
Short-term lease expenses charged to the cost of the related assets or to current profit or loss as a simplified treatment	7,872.26	2,592.06
Lease payments for low-value assets included in the cost of the relevant asset or in current profit or loss as a simplified treatment (other than short-term lease payments for low-value assets)		
Variable lease payments included in relevant asset costs or current profit or loss but not included in the measurement of lease liabilities		
Including: part arising from sale and leaseback transactions		
Revenue from subletting right-of-use assets	161.95	14.53
Total cash outflows related to leases	13,355.89	7,090.43
Related profit or loss from sale and leaseback transactions		
Cash inflows from sale and leaseback transactions		
Cash outflows from sale and leaseback transactions		

(2) As a lessor

Operating lease as lessor

"√ Applicable" "□ Not applicable"

Unit: RMB'0,000

Item	Lease income	Including: income related to variable lease payments not included in lease receipts
Operating lease income	579.93	36.61
Total	579.93	36.61

60. Others

"√ Applicable" "□ Not applicable"

(1) Earnings per share

1) Basic earnings per share

Basic earnings per share are calculated by dividing the consolidated net profit attributable to ordinary shareholders of the parent company by weighted average number of outstanding ordinary shares of COOEC:

Item	Current period	Prior period
Consolidated net profit attributable to ordinary shareholders of the parent company	162,050.63	145,888.80
Weighted average of outstanding common shares of COOEC	442,135.48	442,135.48
Basic earnings per share (yuan)	0.37	0.33
Including: basic earnings per share from continuing operations	0.37	0.33
Basic earnings per share from discontinued operations		

2) Diluted earnings per share

Diluted earnings per share is calculated by dividing consolidated net profit attributable to common shareholders of the parent company (diluted) by the weighted average of outstanding common shares of COOEC (diluted):

Item	Current period	Prior period
consolidated net profit attributable to common shareholders of the parent company (diluted)	162,050.63	145,888.80
Weighted average of outstanding common shares of COOEC (diluted)	442,135.48	442,135.48
Diluted earnings per share (yuan)	0.37	0.33
Including: diluted earnings per share from continuing operations	0.37	0.33
Diluted earnings per share from discontinued operations		

VIII. Change of consolidation scope

1. Business combination not under common control

"□ Applicable" "√ Not applicable"

2. Business combination under common control

"□ Applicable" "√ Not applicable"

3. Counter purchase

"□ Applicable" "√ Not applicable"

4. Disposal of subsidiaries

Whether there were any transactions or events during the period in which control over the subsidiary is lost

"√ Applicable" "□ Not applicable"

Unit: RMB'0,000

Name of subsidiaries	The point of losing control	Disposal price at the point of losing control	Percentage of disposal at the point of losing control (%)	Disposal method at the point of losing control	The basis for judging the point of losing control	The difference between the disposal price and the net asset share at the level of the consolidated financial statements corresponding to the disposal investment	Percentage of residual equity at the point of losing control (%)	Book value of residual equity at the level of consolidated financial statement at the point of losing control	The fair value of the residual equity at the level of consolidated financial statement at the point of losing control	Profits and losses from the re-measurement of the residual equity at the fair value	Determination method and main assumptions of the fair value of residual equity at the level of consolidated financial statement at the point of losing control	Amount of other comprehensive income related to the equity investment of the original subsidiaries and transferred into the profit and loss on investments or retained earnings
A.E.S. Destructive and Non-Destructive Testing Limited	3/1/2023	1,216.97	90.00	Publicly-listed transfer at the assets and equity exchange	Publicly-listed transfer	725.68					Publicly-listed transfer	

Other explanations:

"□ Applicable" "√ Not applicable"

Whether there are multiple transactions and step-by-step disposal of the investment in a subsidiary leading the loss of the control right over the subsidiary in the current period

"□ Applicable" "√ Not applicable"

Other explanations:

"□ Applicable" "√ Not applicable"

5. Change of consolidation scope due to other reasons

Describe changes in the scope of consolidation due to other reasons (e.g., establishment of new subsidiaries, liquidation of subsidiaries, etc.) and the related situations:

"√ Applicable" "□ Not applicable"

Name of acquiree	Registration place	Business nature	Shareholding ratio (%)	Voting rights ratio (%)	Reasons for being not included in the scope of consolidation this period
Gothic Deep Offshore Technology Co., Ltd	Hong Kong	Testing	100.00	100.00	Completion of cancellation liquidation
COOEC Indonesia Co., Ltd	Indonesia	Project contracting	100.00	100.00	Completion of cancellation liquidation
Lanhai International Co., Ltd.	British Virgin Islands	Project contracting	100.00	100.00	Completion of cancellation liquidation

6. Others

"□ Applicable" "√ Not applicable"

IX. Equities in other entities

1. Equity in the subsidiaries

(1) Structure of the enterprise group

"√ Applicable" "□ Not applicable"

Unit: RMB'0,000

Subsidiaries	Main premise	Registered capital	Registration place	Business nature	Shareholding ratio (%)		Method of acquisition Direct
					Direct	Indirect	
Offshore Oil Engineering (Qingdao) Co., Ltd.	Qingdao	300,000.00	Qingdao	Project contracting	99.00	1.00	Establishment
CNOOC Shenzhen Offshore Engineering Service Co., Ltd.	Shenzhen	228,561.47	Shenzhen	Project contracting and labor services	100.00		Establishment
COOEC Nigeria Co., Ltd.	Nigeria	54.88	Nigeria	Project contracting	95.00	5.00	Establishment
COOEC International Co., Limited	Hong Kong	669.11	Hong Kong	Project contracting	100.00		Establishment
Offshore International Engineering Co., Ltd.	Beijing	6,000.00	Beijing	Project contracting	100.00		Establishment
Offshore Oil Engineering (Zhuhai) Co., Ltd.	Zhuhai City	395,000.00	Zhuhai City	Project contracting	100.00		Establishment
Offshore Oil Engineering Co., Ltd. Nigeria Free Trade Zone Company	Nigeria	344.03	Nigeria	Project contracting		100.00	Establishment
Offshore Oil Engineering (Canada) Co., Ltd.	Canada	2,067.66	Canada	Project contracting and labor services		100.00	Establishment
COOEC International Co., Limited Brazilian Company	Brazil	314.30	Brazil	Project contracting and labor services		100.00	Establishment
COOEC International Co., Limited Thai Company	Thailand	283.04	Thailand	Project contracting		100.00	Establishment
COOEC-Fluor Heavy Industries Co., Ltd.	Zhuhai City	657,641.38	Zhuhai City	Project contracting		51.00	Subsidiary acquired from the business combination not under common control

(2) Major non-wholly-owned subsidiaries

"√ Applicable" "□ Not applicable"

Unit: RMB'0,000

Name of subsidiaries	Shareholding ratio by minority shareholders	Profit or loss attributable to minority shareholders in this period	Dividends declared to be distributed to minority shareholders in this period	Balance of minority equity as at the end of the period
COOEC-Fluor Heavy Industries Co., Ltd.	49.00	1,186.44		198,376.09

Notes to the differences between the shareholding ratios by minority shareholders in subsidiaries and the corresponding voting ratios:

"□ Applicable" "√ Not applicable"

Other explanations:

"□ Applicable" "√ Not applicable"

(3) Main financial information of major non-wholly-owned subsidiaries"√ Applicable" " Not applicable "

Unit: RMB'0,000

Name of subsidiaries	Ending balance						Beginning balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
COOEC-Fluor Heavy Industries Co., Ltd.	208,368.12	376,573.59	584,941.71	189,186.26	5,334.09	194,520.35	207,587.90	392,347.79	599,935.69	194,756.58	17,179.05	211,935.63
Total	208,368.12	376,573.59	584,941.71	189,186.26	5,334.09	194,520.35	207,587.90	392,347.79	599,935.69	194,756.58	17,179.05	211,935.63

Name of subsidiaries	Amount in the current period				Amount in the previous period			
	Operating revenue	Net profit	Total comprehensive income	Cash flows from operating activities	Operating revenue	Net profit	Total comprehensive income	Cash flows from operating activities
COOEC-Fluor Heavy Industries Co., Ltd.	311,865.30	2,421.30	2,421.30	87,288.83				
Total	311,865.30	2,421.30	2,421.30	87,288.83				

(4) Major restrictions on the use of assets of the Group by subsidiaries and liquidation of debts of the Group" Applicable " "√ Not applicable "**(5) Financial support or other supports provided to structural entities included into the scope of consolidated financial statement**" Applicable " "√ Not applicable "

Other explanations:

" Applicable " "√ Not applicable "**2. Transactions leading to changes in the share of owners' equity in subsidiaries and still controlling the subsidiaries**" Applicable " "√ Not applicable "**3. Equity in joint ventures or associates**" Applicable " "√ Not applicable "**4. Important joint operation**"√ Applicable" " Not applicable "

Joint operation	Main premise	Registration place	Business nature	Shareholding ratio/share enjoyed (%)	
				Direct	Indirect
COOEC AND CPECC JOINT VENTURE	Uganda	Uganda	Project contracting	50.00	

5. Equity in the structured entities not included in the scope of consolidated financial statements

Related notes to structuring subjects not included in the scope of consolidated financial statements in the current period:

" Applicable " "√ Not applicable "**6. Others**" Applicable " "√ Not applicable "

X. Government grants

1. Government grants not recognized by amounts receivable at the end of the reporting period

Applicable " Not applicable "

Reasons for not receiving the expected amounts of government grants at the expected time

Applicable " Not applicable "

2. Liability items involving government grants

Applicable " Not applicable "

Unit: RMB'0,000

Financial statement items	Beginning balance	New grants in the current period	Amount included in non-operating revenue in the current period	Other income transferred in the current period	Other changes in the current period	Ending balance	Related to assets/income
Government grants related to daily business activities	16,713.77	9,676.73		7,462.38	-1,220.36	17,707.76	
Government grants irrelevant with daily business activities							
Total	16,713.77	9,676.73		7,462.38	-1,220.36	17,707.76	/

3. Government grants included in the current profit or loss

Applicable " Not applicable "

Unit: RMB'0,000

Type	Amount in the current period	Amount in the previous period
Related to income	6,794.16	-6,220.13
Total	6,794.16	-6,220.13

XI. Risk related to financial instruments

Applicable " Not applicable "

COOEC faces financial risks in the course of operation: credit risk, liquidity risk and market risk (including exchange rate risk, interest rate risk and other price risks). The above financial risks and the risk management policies taken by COOEC to mitigate these risks are as set out below:

COOEC diversifies the risks of financial instruments through appropriate diversified investments and business portfolios, and reduces risk concentrated on a single industry, a specific region, or a specific counterparty by formulating appropriate risk management policies.

(I) Credit risk

Credit risk refers to the risk of financial losses incurred by COOEC due to the counterparty's failure to perform its contractual obligations.

COOEC's credit risks mainly arise from monetary funds, notes receivable, accounts receivable, receivables financing, contract assets, other receivables, debt investments, other debt investments, financial guarantee contract, etc., as well as debt instrument investments measured at fair value through current profit or loss and derivative financial assets not included in the scope of impairment assessment.

COOEC's cash and cash equivalents are mainly bank deposits with state-owned banks and other large and medium-sized listed banks with good reputation and high credit rating. COOEC believes that there is no significant credit risk and there is almost no significant loss due to bank default.

In addition, for notes receivable, accounts receivable, receivables financing, contract assets and other receivables, COOEC has set relevant policies to control credit risk exposure. COOEC, based on the customers' financial positions, the possibility of obtaining guarantees from the third party, credit records and other factors such as the current market conditions, evaluated the credit qualifications of customers and set credit term. COOEC would monitor the customers' credit records periodically; as for the customers with bad credit records, COOEC would adopt the methods including requesting a payment in writing or shortening or canceling credit term so as to keep COOEC's overall credit risks within controllable scope.

(II) Liquidity risk

Liquidity risk refers to a risk that an enterprise suffers funds shortage in performing the obligations of settlement in cash or other financial assets.

Policies of COOEC are to ensure sufficient cash to pay matured debts. Liquidity risk is under centralized control of the financial department of COOEC. The financial department monitors cash balance and readily realizable and marketable securities and makes rolling forecast on cash flows of the next 12 months to ensure that COOEC has sufficient funds to repay debts in all cases of reasonable prediction. Also continuously monitor COOEC's compliance with the provisions of the loan agreement to obtain commitments from major financial institutions to provide sufficient standby funds to meet short and long-term funding needs.

Various financial liabilities of COOEC should be presented at undiscounted contractual cash flows on the maturity date as follows:

Item	Ending balance					Undiscounted contract amount in total	Book value
	Immediate repayment	Within 1 year	1-2 years	2-5 years	Over 5 years		
Notes payable		41,185.44				41,185.44	41,185.44
Accounts payable		1,211,690.46				1,211,690.46	1,211,690.46
Other payables		60,687.03				60,687.03	60,687.03
Long-term borrowings maturing within one year							
Long-term borrowings			9,000.67	13,000.00		22,000.67	22,000.67
Total		1,313,562.93	9,000.67	13,000.00		1,335,563.60	1,335,563.60

Item	Balance as at the end of last year					Undiscounted contract amount in total	Book value
	Immediate repayment	Within 1 year	1-2 years	2-5 years	Over 5 years		
Short-term borrowings		32,974.62				32,974.62	32,974.62
Notes payable		24,431.46				24,431.46	24,431.46
Accounts payable		1,142,098.68				1,142,098.68	1,142,098.68
Other payables		61,886.08				61,886.08	61,886.08
Long-term borrowings maturing within one year		26,961.98				26,961.98	26,961.98
Long-term borrowings			6,964.60	9,000.28		15,964.88	15,964.88
Total		1,288,352.82	6,964.60	9,000.28		1,304,317.70	1,304,317.70

(III) Market risk

Market risk associated with financial instruments refers to the risk that fair value or future cash flows of financial instruments fluctuate due to variations in market prices, and it includes exchange rate risk, interest rate risk and other price risks.

1. Interest rate risk

Interest rate risks refer to the risks of fluctuation in the fair value or future cash flows of financial instruments due to changes in market interest rate.

Fixed rate and floating rate interest bearing financial instruments expose COOEC to fair value interest rate risk and cash flow interest rate risk, respectively. COOEC determines the ratio of fixed-rate to floating-rate instruments based on market conditions and maintains an appropriate mix of fixed- and floating-rate instruments through regular review and monitoring. When necessary, COOEC uses interest rate swap instruments to hedge interest rate risk.

Until December 31, 2023, in case other variables remain the same, if the loan interest rate calculated at a floating interest rate rises or falls 100 basis points, COOEC's net profit will be unchanged (December 31, 2022: RMB 213.23). The management believes that 100 base points reasonably reflects the scope of potential changes in the interest rate for the next year.

2. Exchange rate risk

Exchange rate risk refers to the risk that fair value or future cash flows of financial instruments fluctuates due to variations in foreign exchange rate.

COOEC continuously monitors the scale of foreign currency transactions and foreign currency assets and liabilities to minimize its exposure to foreign exchange risks. In addition, COOEC also signed forward foreign exchange contracts or currency swap contracts to avoid exchange rate risk. In this period and the previous period, COOEC did not sign any forward foreign exchange contract or currency swap contract.

Exchange rate risk faced by COOEC mainly comes from dollar-denominated financial assets and financial liabilities. Foreign financial assets and foreign financial liabilities are converted into amount in RMB as follows:

Item	Ending balance			Balance as at the end of last year		
	USD	Other foreign currencies	Total	USD	Other foreign currencies	Total
Monetary funds	54,211.27	16,512.54	70,723.81	31,867.72	2,045.30	33,913.02
Accounts receivable	35,709.23	2,492.89	38,202.12	25,513.62	7,069.47	32,583.09
Other receivables	121,693.45	23,398.55	145,092.00	46,674.30	28,111.46	74,785.76
Total assets	211,613.95	42,403.98	254,017.93	104,055.64	37,226.23	141,281.87
Accounts payable	110,289.16	21,321.19	131,610.35	23,172.60	7,499.50	30,672.10
Other payables	123,291.53	24,870.43	148,161.96	3,547.79	82.26	3,630.05
Total liabilities	233,580.69	46,191.62	279,772.31	26,720.39	7,581.76	34,302.15

Until December 31, 2023, when all other variables remain unchanged, the net profits of COOEC would increase or decrease by RMB 9,335,900 (December 31, 2022: RMB -32,867,500) supposing that RMB to USD appreciates or depreciates by 5%. The management thinks that 5% reflect the reasonable range of the possible changes of RMB to USD in the next year.

3. Other price risks

Other price risk refers to the risk that the fair value or future cash flows of financial instruments fluctuate due to changes in market prices other than exchange rate risk and interest rate risk.

COOEC's other price risk arises mainly from investments in various types of equity instruments, which are subject to the risk of changes in the prices of equity instruments.

Until December 31, 2023, when all other variables remain unchanged, a 5% increase or decrease in the value of equity instruments would not affect the net profit and other comprehensive income of COOEC (December 31, 2022: not affecting the net profit and other comprehensive income). The management believes that 5% reasonably reflects the scope of potential changes in the equity instruments for the next year.

XII. Fair value

1. Ending fair value of assets and liabilities measured at fair value

"√ Applicable" " □ Not applicable"

Unit: RMB'0,000

Item	Fair value as at the end of the period			Total
	Measured at the fair value of the 1st level	Measured at the fair value of the 2nd level	Measured at the fair value of the 3rd level	
I. Continuous measurement of fair value				
(I) Financial assets held for trading		872,523.58		872,523.58
1. Financial assets measured at fair values through current profit or loss		872,523.58		872,523.58
(1) Non-principal-protected floating-income financial products		309,335.99		309,335.99
(2) Structural deposits		563,187.59		563,187.59
(3) Derivative financial assets				
2. Designated financial assets measured at fair value through current profit or loss				
(1) Debt instrument investment				
(2) Equity instrument investment				
(II) Other debt investments				
(III) Investments in other equity instruments			7,067.14	7,067.14
(IV) Investment properties				
1. Use right of leased land				
2. Leased buildings				
3. Land use right held for transfer upon appreciation				
(V) Biological assets				
1. Consumable biological assets				
2. Productive biological assets				
Total assets constantly measured at fair value		872,523.58	7,067.14	879,590.72
(VI) Financial liabilities held for trading				
1. Financial liabilities measured at fair value through current profit or loss				
Including: issued bonds held for trading				
Derivative financial liabilities				
Others				
2. Financial liabilities designated to be measured at fair value through current profit or loss				
Total liabilities constantly measured at fair value				
II. Measurement at fair value not on a going concern				
(I) Assets held for trading				
Total amount of assets measured at fair value not on a going concern				

Item	Fair value as at the end of the period			Total
	Measured at the fair value of the 1st level	Measured at the fair value of the 2nd level	Measured at the fair value of the 3rd level	
Total amount of liabilities measured at fair value not on a going concern				

2. Basis for recognition of the market price of items measured at fair value of Level 1 on a going and non-going concern

" Applicable " " Not applicable "

3. Qualitative and quantitative valuation techniques and important parameters of sustainable and non-sustainable items measured on the basis of fair value of level 2

" Applicable " " Not applicable "

4. Qualitative and quantitative valuation techniques and important parameters of sustainable and non-sustainable items measured on the basis of fair value of level 3

" Applicable " " Not applicable "

The fair value is determined using level 3 inputs. If the recent information used to determine fair value is insufficient, or the possible estimated amount of fair value is widely distributed, and the cost represents the best estimate of fair value within this range, the cost may represent its appropriate estimates of fair value within this range.

5. The information of adjustment between the beginning and the end of the book value and analysis on the sensitivity of the unobservable parameters of sustainable and non-sustainable items measured on the basis of fair value of tier three

" Applicable " " Not applicable "

6. Continuous measurement items by fair value, reason for conversion among all levels in the current period and policies for determining the time of conversion

" Applicable " " Not applicable "

7. Change of valuation technique in the current period and reason for change

" Applicable " " Not applicable "

8. Condition of fair value of financial assets and financial liabilities not measured at fair value

" Applicable " " Not applicable "

9. Others

" Applicable " " Not applicable "

XIII. Related party and related party transactions

1. Parent company

" Applicable " " Not applicable "

Unit: RMB'0,000

Name	Registration place	Business nature	Registered capital	Shareholding ratio in COOEC (%)	Voting ratio in COOEC (%)
China National Offshore Oil Corporation	Beijing	Organization of exploration, development and production of offshore oil and natural gas and oil refining; sales of petroleum and chemical products, etc.	11,380,000.00	55.33	55.33

Parent company

On October 30, 2023, China National Offshore Oil Corporation received 1,571,800 shares of COOEC held by CNOOC Finance Co., Ltd. through a block transaction at an average transaction price of 6.33 yuan/share. On October 31, 2023, China National Offshore Oil Corporation signed the "Agreement on Share Transferring Without Compensation" with China National Offshore Oil Nanhai West Company Limited and China National Offshore Oil Bohai Company Limited, receiving 294,215,900 shares and 12,223,800 shares of COOEC held by China National Offshore Oil Nanhai West Company Limited and China National Offshore Oil Bohai Company Limited respectively through the free transfer, for which the securities transfer registration formalities have been secured on November 29, 2023. COOEC has received the Transfer Registration Confirmation issued by China Securities Depository and Clearing Corporation Limited. After the change in equity, CNOOC directly holds 2,446,340,500 shares of CNOOC, accounting for 55.33% of COOEC's total share capital.

The ultimate controller of COOEC is China National Offshore Oil Corporation

2. Subsidiaries

COOEC's subsidiaries

Applicable " Not applicable "

See Note "IX Equity in other entities" for details about subsidiaries of COOEC.

3. Joint ventures and associates

Significant joint ventures or associates

Applicable " Not applicable "

COOEC's significant joint ventures or associates are detailed in the Note "IX. Equities in Other Entities".

Joint ventures and associated involved in the related-party transactions with COOEC, or leading to balance due to the related party transaction they had with COOEC

Applicable " Not applicable "

Other explanations

Applicable " Not applicable "

4. Other related parties

Applicable " Not applicable "

Other related parties	Relationship between other related parties with COOEC
China Offshore Oil Bohai Corporation	Wholly-owned subsidiary of the parent company
China Offshore Oil Nanhai West Corporation	Wholly-owned subsidiary of the parent company
CNOOC Limited	Holding subsidiary of the parent company
China Oilfield Services Limited	Holding subsidiary of the parent company
CNOOC Finance Co., Ltd.	Holding subsidiary of the parent company
China Offshore Oil Nanhai East Corporation	Wholly-owned subsidiary of the parent company
Zhonghai Industry Co., Ltd.	Wholly-owned subsidiary of the parent company
CNOOC Gas & Electricity Group Co., Ltd.	Wholly-owned subsidiary of the parent company
CNOOC Energy Technology & Services Limited	Holding subsidiary of the parent company
CNOOC Refining and Chemical Co., Ltd.	Wholly-owned subsidiary of the parent company
China Ocean Oilfields Services (Hong Kong) Limited	Wholly-owned subsidiary of the parent company
CNOOC Research Institute Co., Ltd.	Wholly-owned subsidiary of the parent company
CNCCC International Bidding Co., Ltd.	Wholly-owned subsidiary of the parent company
China National Offshore Petrochemical Corporation	Holding subsidiary of the parent company
China Offshore Oil Donghai Corporation	Wholly-owned subsidiary of the parent company
China Shipping Petrochemical Import & Export Co., Ltd.	Wholly-owned subsidiary of the parent company

5. Related party transactions

(1) Related party transactions on purchase and sales of goods, rendering and receipt of services

Purchase of goods/receipt of services

"√ Applicable" "□ Not applicable"

Unit: RMB'0,000

Related party	Related-party transactions	Amount in the current period	Approved trading quotas (if applicable)	Trading quotas exceeded or not (if applicable)	Amount in the previous period
China Offshore Oil Bohai Corporation	Services such as utilities, employee medical checkups	3,293.36			3,621.90
China Offshore Oil Donghai Corporation	Project subcontracting services	4.84			1.44
China National Offshore Oil Corporation	Services such as employee insurance, software usage	2,344.47			1,961.81
China Offshore Oil Nanhai East Corporation	Project subcontracting services	44.12			210.48
CNOOC Limited	Terminal services	11.64			46.62
China Ocean Oilfields Services (Hong Kong) Limited	Project subcontracting services	752.51			18,910.35
China National Offshore Petrochemical Corporation	Project subcontracting services	25.68			7.99
CNOOC Refining and Chemical Co., Ltd.	Project subcontracting services	770.90			179.21
China Offshore Oil Nanhai West Corporation	Project subcontracting services	6.90			
CNOOC Gas & Electricity Group Co., Ltd.	Project subcontracting services	10,123.91			7,648.70
Zhonghai Industry Co., Ltd.	Property services, engineering subcontracting, fuel and utilities, etc.	1,390.90			1,417.88
CNOOC Energy Technology & Services Limited	Services such as engineering subcontracting, material procurement, transportation, fuel and property	184,522.77			192,941.02
China Oilfield Services Limited	Services such as transportation, ship	4,269.79			6,725.60
CNCCC International Bidding Co., Ltd.	Bidding and tendering services	45.86			28.59
COOEC-Fluor Heavy Industries Co., Ltd.	Project subcontracting services				59,843.81
Joint ventures or associates of other members of the Group to which COOEC belongs	Project subcontracting services	88,566.20			117,918.89

Sales of goods/ rendering of services

"√ Applicable" "□ Not applicable"

Unit: RMB'0,000

Related party	Related-party transactions	Amount in the current period	Amount in the previous period
CNOOC Limited	Design, installation, construction and other specialized production services	1,993,779.40	1,807,498.88
CNOOC Gas & Electricity Group Co., Ltd.	Design, installation, construction and other specialized production services	121,438.37	60,700.22
CNOOC Energy Technology & Services Limited	Design, installation, construction and other specialized production services	33,804.01	9,090.70
China Oilfield Services Limited	Transportation and ship services	628.90	

Related party	Related-party transactions	Amount in the current period	Amount in the previous period
China National Offshore Oil Corporation	Design, installation, construction and other specialized production services	207.55	1,790.29
China Ocean Oilfields Services (Hong Kong) Limited	Design, installation, construction and other specialized production services	2.73	29.35
China Shipping Petrochemical Import & Export Co., Ltd.	Labor services		76.08
CNOOC Refining and Chemical Co., Ltd.	Design, installation, construction and other specialized production services		359.96
China Offshore Oil Bohai Corporation	Design, installation, construction and other specialized production services	9.75	
Zhonghai Industry Co., Ltd.	Design, installation, construction and other specialized production services	1.33	
CNOOC Research Institute Co., Ltd.	Design, installation, construction and other specialized production services	50.29	
COOEC-Fluor Heavy Industries Co., Ltd.	Provision of expatriate laborers, material sales, testing		987.73
Joint ventures or associates of other members of the Group to which COOEC belongs	Design, installation, construction and other specialized production services	29,387.66	11,344.09

Purchase or sale of goods, and rendering or receipt of labor services

" Applicable " " Not applicable "

(2) Management on commission/ contract and commissioned management/ sub-contract

Information on the trusteeship management and contracting by COOEC:

" Applicable " " Not applicable "

Custody/contracting of related parties

" Applicable " " Not applicable "

Information on the entrustment management/contracting of COOEC

" Applicable " " Not applicable "

Information on the related-party management/contracting

" Applicable " " Not applicable "

(3) Related party leases

COOEC acted as the lessor:

" Applicable " " Not applicable "

Unit: RMB'0,000

Lessee	Type of leased asset	Lease income recognized in this period	Lease income recognized in previous period
CNOOC Energy Technology & Services Limited	Machinery equipment	19.07	9.61
China Oilfield Services Limited	Buildings and constructions	34.46	14.53

COOEC acted as lessee:

" Applicable " " Not applicable "

Unit: RMB'0,000

Lessor	Type of leased asset	Rental costs for short-term leases and low-value asset leases for simplified processing (if applicable)		Variable lease payments not included in the measurement of lease liabilities (if applicable)		Paid rents		Interest expense on lease liabilities assumed		Increase in right-of-use assets	
		Amount in the current period	Amount in the previous period	Amount in the current period	Amount in the previous period	Amount in the current period	Amount in the previous period	Amount in the current period	Amount in the previous period	Amount in the current period	Amount in the previous period
China Offshore Oil Bohai Corporation	Site and constructions					41.17	73.68	1.04	5.67		
China Offshore Oil Nanhai East Corporation	Site and constructions		199.16			118.22	217.08	7.97	0.59	524.05	
China Offshore Oil Nanhai West Corporation	Site and constructions	45.53	26.92			6.69	29.34	0.32	1.44	19.03	
Zhonghai Industry Co., Ltd.	Site and constructions	221.94	91.05			2,014.49	2,711.18	66.48	142.15	5,106.15	168.95
CNOOC Energy Technology & Services Limited	Site and constructions	30.53	151.12			11.33	739.73	0.62	17.62	21.82	155.01

Related-party leases

" Applicable " " Not applicable "

(4) Related party guarantees

Notes to related party guarantee

" Applicable " " Not applicable "

For details of COOEC's guarantees for subsidiaries, please refer to Note XV. Commitments and Contingencies.

(5) Loans from and to related parties

" Applicable " " Not applicable "

Unit: RMB'0,000

Related party	Amount borrowed	Start date	Maturity date	Notes
Borrowed from				
China National Offshore Oil Corporation	9,000.00	5/1/2022	3/1/2025	
China National Offshore Oil Corporation	13,000.00	2/1/2018	6/1/2026	

(6) Assets transfer and debt restructuring of related parties

" Applicable " " Not applicable "

(7) Remuneration of key officers

" Applicable " " Not applicable "

Unit: RMB'0,000

Item	Amount in the current period	Amount in the previous period
Remuneration of key officers	961.80	1,069.00

(8) Other related party transactions

"√ Applicable" " □ Not applicable"

1) Related financial services

Related party	Related-party transactions	Current period	Prior period
CNOOC Finance Co., Ltd.	Interest income	885.93	591.44
CNOOC Finance Co., Ltd.	Handling charges	287.15	175.11
China National Offshore Oil Corporation	Interest expenses	25.23	78.98
Total		1,198.31	845.53

2) Investment income from related parties

Related party	Current period	Prior period
CNOOC Finance Co., Ltd.	462.26	764.35
COOEC-Fluor Heavy Industries Co., Ltd.		-2,767.09
Total	462.26	-2,002.74

6. Accounts receivable, accounts payable to related parties and other unsettled items**(1) Receivables**

"√ Applicable" " □ Not applicable"

Unit: RMB'0,000

Item	Related party	Ending balance		Beginning balance	
		Book balance	Provision for bad debts	Book balance	Provision for bad debts
Accounts receivable	Joint ventures or associates of other members of the Group to which COOEC belongs			1,235.72	
	China National Offshore Oil Corporation	29.64		1,401.97	
	CNOOC Limited	548,897.21		540,642.90	
	CNOOC Refining and Chemical Co., Ltd.			70.71	
	CNOOC Gas & Electricity Group Co., Ltd.	280.35		4,919.58	
	CNOOC Energy Technology & Services Limited	6,231.27		645.40	
	China Oilfield Services Limited	633.12		14.49	
	CNOOC Research Institute Co., Ltd.	53.31			
Prepayment	CNOOC Energy Technology & Services Limited	11.10		51.44	
	China National Offshore Oil Corporation				
	Joint ventures or associates of other members of the Group to which COOEC belongs			149.55	
Other receivables	China National Offshore Oil Corporation			10.00	
	CNOOC Limited	7.73		153.22	
	Zhonghai Industry Co., Ltd.			0.71	
	CNOOC Energy Technology & Services Limited	118.89		6.50	
	CNCCC International Bidding Co., Ltd.			29.31	
Contract assets	CNOOC Limited	21,939.02	32.91	95,833.35	105.42
	CNOOC Gas & Electricity Group Co., Ltd.	38.27	0.06		
	CNOOC Energy Technology & Services Limited	1,280.27	1.92	3,901.44	4.29
	Joint ventures or associates of other members of the Group to which COOEC belongs			11,058.15	12.16

(2) Payables

"√ Applicable" "□ Not applicable"

Unit: RMB'0,000

Item	Related party	Book balance as at the end of the year	Book balance as at the beginning of the year
Accounts payable	China Offshore Oil Bohai Corporation	425.08	665.35
	China Offshore Oil Donghai Corporation	4.88	1.48
	China National Offshore Oil Corporation	139.66	715.11
	China Offshore Oil Nanhai East Corporation	1.22	24.19
	CNOOC Limited	12.37	2.47
	China Ocean Oilfields Services (Hong Kong) Limited	402.10	4,023.04
	China National Offshore Petrochemical Corporation	25.49	205.67
	CNOOC Refining and Chemical Co., Ltd.	542.52	151.10
	China Offshore Oil Nanhai West Corporation	35.57	31.67
	CNOOC Gas & Electricity Group Co., Ltd.	266.74	198.15
	Zhonghai Industry Co., Ltd.	205.26	211.58
	CNOOC Energy Technology & Services Limited	43,302.34	70,355.70
	China Oilfield Services Limited	3,764.87	6,583.88
	Joint ventures or associates of other members of the Group to which COOEC belongs	60,473.40	63,649.77
Other payables	China Offshore Oil Donghai Corporation	1.09	
	CNOOC Limited		21.86
	CNOOC Energy Technology & Services Limited	1,201.74	1,195.30
	China Oilfield Services Limited	69.55	16.44
	Joint ventures or associates of other members of the Group to which COOEC belongs	42.12	27.13
Contract liabilities	China National Offshore Oil Corporation	7,401.58	4,317.61
	CNOOC Limited	46,881.36	111,002.11
	CNOOC Gas & Electricity Group Co., Ltd.	20,364.25	40,881.84
	Joint ventures or associates of other members of the Group to which COOEC belongs	1,978.38	
Lease liability maturing within one year	China Offshore Oil Bohai Corporation		40.13
	China Offshore Oil Nanhai East Corporation	261.36	
	COOEC-Fluor Heavy Industries Co., Ltd.	14.66	
	China Offshore Oil Nanhai West Corporation	46.82	27.79
	Zhonghai Industry Co., Ltd.	1,948.26	1,899.01
	CNOOC Energy Technology & Services Limited	1,355.18	180.53
	China Oilfield Services Limited	106.34	119.83
Lease liabilities	China Offshore Oil Bohai Corporation		
	China Offshore Oil Nanhai East Corporation	205.46	
	COOEC-Fluor Heavy Industries Co., Ltd.		52.06
	China Offshore Oil Nanhai West Corporation	71.43	
	Zhonghai Industry Co., Ltd.	3,823.06	
	CNOOC Energy Technology & Services Limited	1,873.26	
	China Oilfield Services Limited	87.24	175.32
Long-term borrowings maturing within one year	China National Offshore Oil Corporation		13,001.99
Long-term borrowings	China National Offshore Oil Corporation	22,000.67	9,000.28

7. Commitments from related parties

" Applicable " " Not applicable "

8. Others

" Applicable " " Not applicable "

Centralized management of funds

(1) Main contents of the centralized fund management arrangements participated and implemented by COOEC are as follows:

The ending balance of the funds collected by COOEC to CNOOC Finance Co., Ltd. was RMB 994,300,400 (the opening balance was RMB 583,190,900), which was presented as monetary funds, with interest income of RMB 8,859,300 for the year (RMB 5,914,400 for the previous year).

On May 11, 2020, COOEC entered into a fund pooling service agreement with CNOOC Finance Co., Ltd. and opened a fund pooling account for the pooling and transfer of funds between COOEC and its subsidiaries, which is valid from the date of signing to May 10, 2021 and can be extended indefinitely upon expiration.

COOEC entered into a tripartite entrusted loan contract with China National Offshore Oil Corporation and CNOOC Finance Co., Ltd. Liability Company, under which CNOOC entrusted CNOOC Finance Co., Ltd. Liability Company to provide a loan of RMB 220 million to COOEC, see Note VII. 29 Long-term borrowings for details.

(2) Funds pooled by COOEC to the Group

Funds deposited directly into the finance company without being collected in the account of the parent company of the Group

Item	Ending balance		Balance as at the end of last year	
	Book balance	Provision for bad debts	Book balance	Provision for bad debts
Monetary funds	99,430.04		58,319.09	
Total	99,430.04		58,319.09	

Including: funds restricted from being withdrawn due to centralized management of funds

(3) Funds borrowed from the Group's parent company or member units

Item	Ending balance	Balance as at the end of last year
Long-term borrowings	22,000.67	22,002.26
Total	22,000.67	22,002.26

XIV. Share-based payments

1. Various equity instruments

" Applicable " " Not applicable "

Outstanding stock option at the end of the period or other equity instruments

" Applicable " " Not applicable "

2. Share-based payments settled by equity

" Applicable " " Not applicable "

3. Share-based payments settled by cash

" Applicable " " Not applicable "

4. Current share payment expenses

" Applicable " " Not applicable "

5. Modification and termination of share-based payment

" Applicable " " Not applicable "

6. Others

" Applicable " " Not applicable "

XV. Commitments or contingencies

1. Significant commitments

" Applicable " " Not applicable "

2. Contingencies

(1) Guarantees for subsidiaries

As of December 31, 2023, COOEC's guarantees were in the process of performance:

- 1) As approved at the ninth meeting of the 6th Board of Directors of COOEC held on May 21, 2018, COOEC issued a parent company guarantee to Nexen for its subsidiary, COOEC Canada Limited, to undertake the Nexen LLSW turnkey project with a contract amount of CAD 150 million and a guarantee amount of CAD 75 million for the period from the issuance of the guarantee to December 20, 2026. The guarantee is not subject to the approval of COOEC's shareholders in general meeting. (For details, please refer to the announcement on the resolution of the Board of Directors and the announcement on the guarantee disclosed by COOEC on the website of the Shanghai Stock Exchange on May 22, 2018).
- 2) As deliberated and adopted at the 17th meeting of the 6th Board of Directors of COOEC held on June 6, 2019, COOEC issued a parent company guarantee to the JV of Nikko Fluor for the contract amount of RMB 4,898 million and the guarantee amount of RMB 2,449 million for the LNG module construction project undertaken by its subsidiary, Offshore Oil Engineering (Qingdao) Co., Ltd., with a period from the issue date to September 15, 2025. The above guarantee was deliberated and adopted at COOEC's first extraordinary general meeting of 2019 held on June 25, 2019. (For details, please refer to the resolution announcement and the guarantee announcement disclosed on the website of the Shanghai Stock Exchange on June 7, 2019 and the announcement on the resolution of the general meeting disclosed on June 26)
- 3) As deliberated and adopted at the tenth meeting of the 6th Board of Directors of COOEC held on August 17, 2018, COOEC opened a bank performance guarantee and a prepayment guarantee for the performance of the contract for the Dangote Petrochemical Offshore Transportation and Installation Project by its subsidiary, FTA Nigeria, and the guarantee amount was adjusted from USD 33.2 million to USD 38.2 million due to the increase in the contract amount, of which the amount of the performance guarantee was USD 19.1 million and the amount of prepayment guarantee was USD 19.1 million. The maximum guarantee period was extended from December 31, 2018 to June 30, 2020. The maximum term of the performance bond guarantee was subsequently extended from June 30, 2020 to December 31, 2020 with the guarantee amount of USD 19.1 million remaining unchanged, as approved by the Twenty-fourth Meeting of the 6th Board of Directors of COOEC held on June 23, 2020. The advance payment guarantee expired and was released on June 30, 2020. (For details, please refer to the announcement on the resolution of the Board of Directors and the announcement on the extension of guarantee disclosed by COOEC on the website of the Shanghai Stock Exchange on June 24, 2020). Subsequently, at the 28th Meeting of the 6th Board of Directors of COOEC held on December 4, 2020, the maximum term of the performance bond guarantee was extended from December 31, 2020 to April 30, 2021, and the guarantee amount of USD 19.1 million remained unchanged. Reinstated the prepayment bond with a guarantee amount of USD 19.1 million and a guarantee period until April 30, 2021, and if the project duration changes, the parent company's guarantee will be adjusted accordingly with the change in the validity of the bank guarantee. On June 30, 2021, the project completion performance bond will end and the quality assurance bond will commence with a guarantee amount of USD 19.1 million, which will be valid for 24 months from the date of issuance of the completion certificate by the owner, with the expiry date in 2023 extended to December 29, 2023. (For details, please refer to the announcement on the resolution of the Board of Directors and the announcement on the guarantee disclosed by COOEC on the website of the Shanghai Stock Exchange on December 7, 2020).
- 4) As deliberated and adopted by the 9th Meeting of the 7th Board of Directors of COOEC held on March 18, 2022, COOEC provided a parent company guarantee for the contract of Buzios VIII (FPSO P79) module construction project in Brazil signed between Offshore Oil Engineering (Qingdao) Co., Ltd., a wholly-owned subsidiary, as a subcontractor, and SAIPEM SA, a general contractor, in the amount of USD 72 million. The term of the guarantee is 48 months from the date of issuance of the guarantee to the date of issuance of the provisional acceptance certificate of the project by the general contractor. (For details, please refer to the announcement on the resolution of the Board of Directors and the announcement on the guarantee disclosed by COOEC on the website of the Shanghai Stock Exchange on March 22, 2022).

- 5) As approved by the Second Meeting of the 9th Board of Directors of COOEC, COOEC provided a parent company guarantee for the contract for Qatar NFPS EPC2 Project signed between Offshore Oil Engineering (Qingdao) Co., Ltd., a wholly-owned subsidiary, as a subcontractor, and SERVIZI ENERGIA ITALIA S.P.A., a general contractor, at the amount of USD 175 million. The term of the guarantee is 40 months from the date of issuance of the guarantee to the date of issuance of the provisional acceptance certificate of the project by the main contractor. (For details, please refer to the announcement on the resolution of the Board of Directors and the announcement on the guarantee disclosed by COOEC on the website of the Shanghai Stock Exchange on December 22, 2023).

(2) Pending litigation and arbitration matters

- 1) On July 13, 2021, Branch of Maridive Offshore Projects Company filed an arbitration claim with the Dubai Arbitration Center in relation to the subcontract payments for the Saudi Arabia 3648 project, demanding the Saudi branch of COOEC to pay for the standby costs and change of schedule claims incurred by the Saudi branch of COOEC during the execution of the subcontract of the project, etc. , in response to the arbitration claim, the Saudi branch of COOEC the Saudi branch of COOEC has retained Prudential Mason to defend and counter-claim for payment of losses incurred by the Saudi branch of COOEC as a result of the termination of the project. The arbitration matter is still in the preliminary stage and the outcome of the arbitration matter is uncertain according to the letter of opinion from the lawyers of Price Waterhouse Coopers Mason. As of the date of approval of this financial report, there has been no definite progress in this arbitration matter.
- 2) COOEC-Fluor Heavy Industries Co., Ltd., the subsidiary of COOEC, was involved in arbitration matters with Jiangsu Tianmu Construction Group Co., Ltd., Sinopec Fourth Construction Co., Ltd., Tianjin Huali Thermal Insulation Building Material Co. Ltd., Shenzhen Yuanming Industrial Co., Ltd., Sinopec Tenth Construction Co., Ltd., and the alleged amount was about RMB 140.92 million. Except the cases filed as the third party, all accounts payable was accrued, with a total of RMB 139.43 million.

As of December 31, 2023, COOEC had no other significant contingencies other than the existence of the above contingencies.

3. Notes to be given even though there were no contingencies required to be disclosed by COOEC:

" Applicable " " Not applicable "

4. Others

" Applicable " " Not applicable "

XVI. Events after the balance sheet date

1. Significant non-adjustment matters

" Applicable " " Not applicable "

2. Profit distribution

" Applicable " " Not applicable "

Unit: RMB'0,000

Profit or dividend to be distributed	
Profit or dividend declared to be granted upon deliberation and approval	64,993.92

3. Sales return

" Applicable " " Not applicable "

4. Events after the balance sheet date

" Applicable " " Not applicable "

XVII. Notes to the main items of the parent company's financial statements

1. Accounts receivable

(1) Disclosure by aging

"√ Applicable" " □ Not applicable"

Unit: RMB'0,000

Aging	Book balance as at the end of the year	Book balance as at the beginning of the year
Within 1 year		
Including: items within 1 year		
Within 1 year	623,402.27	518,761.62
Within 1 year Subtotal	623,402.27	518,761.62
1-2 years	10,054.56	3,138.65
2-3 years	1,227.84	4,803.60
Over 3 years	4,803.60	361.27
Total	639,488.27	527,065.14

(2) Classified disclosure by provision of bad debts

"√ Applicable" " □ Not applicable"

Unit: RMB'0,000

Type	Ending balance					Beginning balance				
	Book balance		Provision for bad debts		Book value	Book balance		Provision for bad debts		Book value
	Amount	Ratio (%)	Amount	Proportion of provision (%)		Amount	Ratio (%)	Amount	Proportion of provision (%)	
Provision for bad debts accrued on an individual basis										
Provision for bad debts made by portfolio	639,488.27	100.00	5,924.84	0.93	633,563.43	527,065.14	100.00	3,792.81	0.72	523,272.33
Total	639,488.27	/	5,924.84	/	633,563.43	527,065.14	/	3,792.81	/	523,272.33

Individual provision for bad debts:

" □ Applicable" "√ Not applicable"

Provision for bad debts made by portfolio:

√ Applicable " □ Not applicable"

Provision made on portfolio basis: Credit risk portfolio

Unit: RMB'0,000

Name	Ending balance		
	Accounts receivable	Provision for bad debts	Provision ratio (%)
Aging portfolio	52,907.94	5,924.84	11.20

Name	Ending balance		
	Accounts receivable	Provision for bad debts	Provision ratio (%)
Portfolio of related parties	586,580.33		
Total	639,488.27	5,924.84	

Description of provision for bad debts made by portfolio:

" Applicable " " Not applicable "

The provision for bad debts made according to the general model of expected credit losses

" Applicable " " Not applicable "

Notes to the obvious changes in the book balance of receivables with changes in provision for losses in the current period:

" Applicable " " Not applicable "

(3) Provision for bad debts

" Applicable " " Not applicable "

Unit: RMB'0,000

Type	Beginning balance	Change in this period				Ending balance
		Provision	Recovery or reversal	Resale or write-off	Other changes	
Provision for bad debts made by portfolio	3,792.81	2,946.86	544.62	270.17	-0.04	5,924.84
Total	3,792.81	2,946.86	544.62	270.17	-0.04	5,924.84

(4) Accounts receivable actually charged-off in this period

" Applicable " " Not applicable "

Unit: RMB'0,000

Item	Amount for write-off
Actual write-off of accounts receivable	270.17

(5) Top five accounts receivable by the debtor in terms of the ending balance and contract assets

" Applicable " " Not applicable "

Unit: RMB'0,000

Entity name	Ending balance of accounts receivable	Ending balance of contract assets	Ending balances of accounts receivable and contract assets	Proportion to total amount of ending balance of receivable and contract assets (%)	Balance of provision for bad debts as at the end of the year
CNOOC Limited	472,851.90	15,997.85	488,849.75	54.23	24.00
COOEC NIGERIA FZE	56,168.56		56,168.56	6.23	
SK Earthon Shenzhen	36,798.37		36,798.37	4.08	
Zhejiang Petroleum & Chemical Co., Ltd.	3,430.32	149.22	3,579.54	0.40	3,430.54
Offshore Oil Engineering (Qingdao) Co., Ltd.	3,147.46		3,147.46	0.35	

Entity name	Ending balance of accounts receivable	Ending balance of contract assets	Ending balances of accounts receivable and contract assets	Proportion to total amount of ending balance of receivable and contract assets (%)	Balance of provision for bad debts as at the end of the year
Total	572,396.61	16,147.07	588,543.68	65.29	3,454.54

Other explanations:

Applicable" Not applicable"

2. Other receivables

Presentation

Applicable" Not applicable"

Unit: RMB'0,000

Item	Ending balance	Beginning balance
Interest receivable		
Dividends receivable		
Other receivables	33,562.74	79,901.20
Total	33,562.74	79,901.20

Other explanations:

Applicable" Not applicable"

Interest receivable

(1) Classification of interest receivable

Applicable" Not applicable"

(2) Significant overdue interest

Applicable" Not applicable"

(3) Provision for bad debts

Applicable" Not applicable"

Significant amounts of bad debt recovery or reversal in the current period:

Applicable" Not applicable"

Dividends receivable

(4) Dividends receivable

Applicable" Not applicable"

(5) Significant dividends receivable aging over 1 year

Applicable" Not applicable"

(6) Provision for bad debts

Applicable" Not applicable"

Significant amounts of bad debt recovery or reversal in the current period:

Applicable" Not applicable"

Other receivables**(7) Disclosure by aging**

"√ Applicable" " □ Not applicable"

Unit: RMB'0,000

Aging	Book balance as at the end of the year	Book balance as at the beginning of the year
Within 1 year		
Including: items within 1 year		
Within 1 year	27,753.17	77,011.55
Within 1 year Subtotal	27,753.17	77,011.55
1-2 years	4,968.92	422.42
2-3 years	175.00	
Over 3 years	665.65	2,467.23
Total	33,562.74	79,901.20

(8) Classification by nature of payment

"√ Applicable" " □ Not applicable"

Unit: RMB'0,000

Nature of payment	Book balance as at the end of the year	Book balance as at the beginning of the year
Reserves and deposit combination	485.20	387.16
Portfolio of related parties	33,077.54	50,576.43
Advances		28,685.26
Insurance compensation		252.35
Total	33,562.74	79,901.20

(9) Provision for bad debts

"√ Applicable" " □ Not applicable"

Unit: RMB'0,000

Provision for bad debts	Phase I	Phase II	Phase III	Total
	Expected credit losses over the next 12 months	Expected credit losses throughout the duration (without credit impairment)	Expected credit losses throughout the duration (with credit impairment)	
Balance as at January 1, 2023	79,901.20			79,901.20
Balance as at January 1, 2023 in the current period				
- Transfer to phase II				
- Transfer to phase III				
- Reversal to phase II				
- Reversal to phase I				
Provision in this period				
Reversal in this period				
Charge-off in this period				
Write-off in this period	27,753.17			27,753.17
Other changes	74,091.63			74,091.63
Balance as at December 31, 2023	33,562.74			33,562.74

Notes to the obvious changes in the book balance of other receivables with changes in provision for losses in the current period:

Applicable" Not applicable"

The basis for the provision for bad debts in the current period and the assessment of whether the credit risk of financial instruments has increased significantly:

Applicable" Not applicable"

(10) Provision for bad debts

Applicable" Not applicable"

Reversal or recovery of significant amount of provision for bad debts in the current period:

Applicable" Not applicable"

(11) Other receivables actually written off during the period

Applicable" Not applicable"

Other significant receivables actually written off:

Applicable" Not applicable"

Explanations on writing off other receivables:

Applicable" Not applicable"

(12) Information about top 5 other receivables in terms of ending balances by debtors

Applicable" Not applicable"

Unit: RMB'0,000

Entity name	Ending balance	Proportion in the total ending balance of other receivables (%)	Nature of amount	Aging	Ending balance of provision for bad debts
COOEC International Co., Limited	17,289.93	51.52	Related transactions	Within 1 year	
CNOOC Shenzhen Offshore Engineering Service Co., Ltd.	8,863.71	26.41	Related transactions	RMB 39,567,900 within 1 year, RMB 49,069,200 within 1-2 years	
COOEC NIGERIA FZE	4,497.51	13.40	Related transactions	Within 1 year	
Offshore International Engineering Co., Ltd	1,845.66	5.50	Related transactions	Within 1 year	
Offshore Oil Engineering (Qingdao) Co., Ltd.	456.99	1.36	Related transactions	Within 1 year	
Total	32,953.80	98.19	/	/	

(13) Other reported receivables of due to centralized management of funds of parent company

Applicable" Not applicable"

Other explanations:

Applicable" Not applicable"

3. Long-term equity investments

√ Applicable " Not applicable "

Unit: RMB'0,000

Item	Ending balance			Beginning balance		
	Book balance	Provisions for impairment	Book value	Book balance	Provisions for impairment	Book value
Investment in subsidiaries	917,918.15		917,918.15	920,597.42		920,597.42
Investments in associates and joint ventures						
Total	917,918.15		917,918.15	920,597.42		920,597.42

(1) Investment in subsidiaries

"√ Applicable" " Not applicable "

Unit: RMB'0,000

Investee	Beginning balance	Increase in this period	Decrease in this period	Ending balance	Provision for impairment in this period	Balance of provision for impairment as at the end of the period
Offshore Oil Engineering (Zhuhai) Co., Ltd.	395,000.00			395,000.00		
Offshore Oil Engineering (Qingdao) Co., Ltd.	297,000.00			297,000.00		
CNOOC Shenzhen Offshore Engineering Service Co., Ltd.	219,247.36			219,247.36		
Offshore International Engineering Co., Ltd	6,000.00			6,000.00		
COOEC International Co., Limited	618.65			618.65		
COOEC Nigeria Co., Ltd	52.14			52.14		
A.E.S. Destructive and Non-Destructive Testing Limited	2,009.46		2,009.46			
Lanhai International Co., Ltd.	669.81		669.81			
Total	920,597.42		2,679.27	917,918.15		

(2) Investments in associates and joint ventures

" Applicable" "√ Not applicable "

(3) Impairment test of long-term equity investment

" Applicable" "√ Not applicable "

4. Operating revenue and operating costs

(1) Operating revenue and operating costs

"√ Applicable" " Not applicable "

Unit: RMB'0,000

Item	Amount in the current period		Amount in the previous period	
	Revenue	Cost	Revenue	Cost
Primary business	2,534,699.44	2,351,128.88	2,343,303.23	2,207,680.45
Other business	7,563.19	2,104.86	5,106.32	1,209.90
Total	2,542,262.63	2,353,233.74	2,348,409.55	2,208,890.35

(2) Breakdown of operating revenue and operating cost" Applicable " " Not applicable "

Other explanations

" Applicable " " Not applicable "

Including: Operating revenue of top five customers

Item	Current period	Proportion in total operating revenue (%)
CNOOC Limited	1,860,899.04	73.20
CNOOC Gas & Electricity Group Co., Ltd.	121,438.37	4.78
China Oil & Gas Pipeline Network Corporation	225,003.23	8.85
SK Innovation Co., Ltd.	88,045.21	3.46
Caofeidian Xintian LNG Co., Ltd.	79,157.47	3.11
Total	2,374,543.32	93.40

(3) Description of performance obligations" Applicable " " Not applicable "**(4) Description of allocation to remaining performance obligations**" Applicable " " Not applicable "**(5) Major contract change or major transaction price adjustment of parent company**" Applicable " " Not applicable "**5. Investment income**" Applicable " " Not applicable "

Unit: RMB'0,000

Item	Amount in the current period	Amount in the previous period
Income from long-term equity investment under cost method	37,269.71	100,825.58
Investment income from disposal of long-term equity investments	-740.30	
Investment income obtained during holding the financial assets held for trading	17,126.39	14,957.32
Dividend income from investments in other equity instrument during the holding period	462.26	764.35
Interest income in debt investment during the holding period	7,830.99	5,642.69
Total	61,949.05	122,189.94

6. Others" Applicable " " Not applicable "

XVIII. Supplementary information

1. Breakdown of current non-recurring profit or loss

"√ Applicable" "□ Not applicable"

Unit: RMB'0,000

Item	Amount	Notes
Profit or loss from disposal of non-current assets, including the writing-off part for which the asset impairment provision is made	670.84	
Government grants included in the current profit or loss (except for government grants closely related with the normal business of COOEC, obtained according to established criteria and in accordance with the national policies and provisions and those continuously affecting the profit and loss of COOEC)	7,462.38	
Profit or loss on fair value changes arising from the holding of financial assets and financial liabilities by non-financial enterprises and the profit or loss arising from the disposal of financial assets and liabilities, except for effective hedging operations associated with COOEC's normal operations	11,350.75	
Fund possession costs included in the current profit or loss and collected from non-financial enterprises		
Profit or loss from the assets which are invested or managed by others entrusted	25,043.86	
Profit or loss from external entrusted loans		
Asset loss arising from force majeure, such as natural disasters		
Reversal of receivables tested for impairment separately, provision for impairment		
Gains from the difference between the investment costs of acquisition of subsidiaries, associates and joint ventures and share in the net fair value of the identifiable assets of the investees upon investment		
Current net profit or loss of the subsidiaries from business combination under common control from the beginning of the period to the combination date		
Profit or loss from non-monetary assets exchange		
Profit or loss from debt restructuring		
Non-recurring expense arising from discontinued business activities of enterprise, such as the expense of relocating employees		
One-off effect on current profit and loss due to adjustment of laws and regulations regarding taxation and accounting		
Payment expense of one-off recognized shares due to cancellation or modification of the stock incentive plan		
Profit and loss arising from changes in the fair value of employee compensation payable after the vesting date for cash-settled share payments		
Profit or loss on changes in fair value of investment property subsequently measured by adopting the fair value mode		
Profit generated from the transaction with the unfair transaction price		
Profit or loss on contingencies irrelevant to normal business operation of COOEC		
Income from trustee fees charged for entrusted operation		
Non-operating revenue and expenses other than the above-mentioned items	876.96	
Other items of profit or loss subject to the definition of non-recurring profit or loss		
Less: income tax effects	-6,390.59	
Adjustment to minority equity (after tax)	-677.61	
Total	38,336.59	

Other explanations

"□ Applicable" "√ Not applicable"

2. Return on net assets and earnings per share

"√ Applicable" " □ Not applicable"

Profit in the reporting period	Return on weighted average net assets (%)	Earnings per share	
		Basic earnings per share	Diluted earnings per share
Net profit attributable to ordinary shareholders of COOEC	6.67	0.37	0.37
Net profits attributable to ordinary shareholders of COOEC after deducting non-recurring profit or loss	5.09	0.28	0.28

3. Differences between accounting data under domestic and foreign accounting standards

" □ Applicable" "√ Not applicable"

4. Others

"√ Applicable" " □ Not applicable"



Supplementary information on changes in accounting policies

According to the Interpretation on the Accounting Standards for Business Enterprises No. 16 "the deferred income tax related to assets and liabilities arising from a single transaction is inapplicable to the accounting treatment of the initial recognition exemption", COOEC changed the relevant accounting policies and retroactively restated the comparative financial statements. The consolidated balance sheet at the beginning and end of the previous year after the restatement is as follows:

Item	Balance at beginning of the previous year	Balance as at the end of last year	Balance at the end of the period
Current assets:			
Monetary funds	117,078.06	212,300.69	432,081.13
Balances with clearing companies			
Loans to other banks and financial institutions			
Financial assets held for trading	625,617.90	861,172.84	872,523.58
Derivative financial assets			
Notes receivable			
Accounts receivable	565,721.97	627,070.10	614,740.03
Receivable financing			
Advances to suppliers	63,428.24	96,583.59	40,745.12
Premium receivable			
Reinsurance accounts receivable			
Provision of cession receivable			
Other receivables	1,790.19	1,620.09	2,090.67
Financial assets purchased under resale agreements			
Inventories	115,109.66	130,107.73	98,279.37
Contract assets	291,266.84	475,253.77	281,211.88
Assets held for sale			
Non-current assets maturing within one year		129,225.80	66,743.01
Other current assets	24,821.26	25,008.54	51,256.65
Total current assets	1,804,834.12	2,558,343.15	2,459,671.44
Non-current assets:			
Loans and advances			
Debt investments	155,811.97	32,228.86	232,385.80
Other debt investments			

Item	Balance at beginning of the previous year	Balance as at the end of last year	Balance at the end of the period
Long-term receivables			
Long-term equity investments	152,908.21		
Other equity instruments	16,302.34	7,067.14	7,067.14
Other non-current financial assets			
Investment properties			
Fixed assets	1,071,041.58	1,322,000.54	1,281,758.11
Construction in progress	93,920.99	66,085.09	46,651.73
Productive biological assets			
Oil and gas assets			
Right-of-use assets	9,509.82	4,986.14	12,099.13
Intangible assets	109,515.43	226,660.11	223,580.16
Development expenses			
Goodwill			
Long-term deferred expenses	19,754.09	21,934.26	23,990.36
Deferred tax assets	31,836.78	24,590.93	37,962.48
Other non-current assets			
Total non-current assets	1,660,601.21	1,705,553.07	1,865,494.91
Total assets	3,465,435.33	4,263,896.22	4,325,166.35
Current liabilities:			
Short-term borrowings		32,974.62	
Borrowings from central bank			
Loans from other banks and other financial institutions			
Financial liabilities held for trading			
Derivative financial liabilities			
Notes payable	18,267.37	24,431.46	41,185.44
Accounts payable	833,710.71	1,142,098.68	1,211,690.46
Advances from customers	154.86		
Contract liabilities	98,447.47	200,383.46	100,641.06
Financial assets sold under repurchase agreements			
Absorption of deposits and interbank deposits			
Receiving from vicariously traded securities			
Receiving from vicariously sold securities			
Employee remuneration payable	37,839.59	48,873.57	53,232.03
Taxes and surcharges payable	14,057.34	19,978.60	38,136.48
Other payables	41,956.47	61,886.08	60,687.03
Handling charges and commissions payable			
Reinsurance accounts payable			
Liabilities held for sale			
Non-current liabilities maturing within one year	16,498.45	29,726.02	5,367.52
Other current liabilities	48,824.58	58,123.63	51,937.78
Total current liabilities	1,109,756.84	1,618,476.12	1,562,877.80
Non-current liabilities:			
Reserves for insurance contracts			
Long-term borrowings	47,505.75	15,964.88	22,000.67
Bonds payable			

Item	Balance at beginning of the previous year	Balance as at the end of last year	Balance at the end of the period
Including: preferred shares			
Perpetual bond			
Lease liability	3,965.89	1,456.31	6,686.42
Long-term payables			
Long-term salary payable			
Estimated liabilities	9,106.93	33,808.99	34,172.24
Deferred income	16,005.90	16,713.77	17,707.76
Deferred tax liabilities	3,523.53	9,329.22	3,886.00
Other non-current liabilities			
Total non-current liabilities	80,108.00	77,273.17	84,453.09
Total liabilities	1,189,864.84	1,695,749.29	1,647,330.89
Owners' equity:			
Share capital	442,135.48	442,135.48	442,135.48
Other equity instruments			
Including: preferred shares			
Perpetual bond			
Capital reserves	424,802.17	424,802.17	424,802.17
Less: treasury stock			
Other comprehensive income	14,178.07	-1,444.22	-3,547.76
Special reserve	24,035.68	19,861.60	13,399.54
Surplus reserve	178,081.47	193,761.28	206,980.83
General risk reserves			
Undistributed profit	1,190,715.26	1,291,071.58	1,395,689.11
Total equity attributable to owners of the parent company	2,273,948.13	2,370,187.89	2,479,459.37
Minority equity	1,622.36	197,959.04	198,376.09
Total owners' equity	2,275,570.49	2,568,146.93	2,677,835.46
Total liabilities and owners' equity	3,465,435.33	4,263,896.22	4,325,166.35


 Chairman: Wang Zhangling
 Date of approval by the Board of Directors for
 filing: March 15, 2024


Amendment history

" Applicable " " Not applicable "

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