

Stock code: 600583

Abbreviation: COOEC

# Half-year Report of COOEC for 2024

## **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 Half-year Report is true, accurate and complete and does not contain false records, misrepresentations or major omissions and bear individual and joint legal liability.**

**II. All directors of COOEC attended the Board Meeting.**

**III. This Half-year Report has not been audited.**

**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 Half-year Report. Wang Zhangling Li Peng Yao Baoqin**

**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**

None

**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 Half-year 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 V (i) Possible Risks in Section III Management Discussion and Analysis.

**XI. Others**

Applicable"  Not applicable"

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List of Reference Documents	A copy of the Half-year Report containing the signature of the Chairman of the Board of Directors;
	The financial statements bearing the signatures and seals of the legal representative, the accounting principal and the head of the accounting department.
	Originals of all documents of COOEC publicly disclosed on the website of the Shanghai Stock Exchange and in the newspaper designated by China Securities Regulatory Commission during the reporting period. Section I Interpretations

## Section 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
Finance Company	refers to	CNOOC Finance Co., Ltd., the subsidiary controlled by China National Offshore Oil Corporation
Zhuhai Company	refers to	Offshore Oil Engineering (Zhuhai) Co., Ltd., the wholly-owned subsidiary of Offshore Oil Engineering Co., Ltd.
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.
CCS	refers to	Abbreviation for carbon capture and storage.
CCUS	refers to	Abbreviation for carbon capture, utilization and storage.

## Section II Company Profile and Major Financial Indicators

### I. Company Information

Chinese name	
Abbreviation in Chinese	COOEC
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 the Board of Directors
Name	Li Peng
Contact address	No. 199, Binhai 15th Road, Tianjin Port Free Trade Zone, Tianjin
TEL	022-59898808
E-mail	tijing@cooec.com.cn

### III. Introduction to Basic Information Changes

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
COOEC Website	<a href="https://www.cnoocengineering.com">https://www.cnoocengineering.com</a>
E-mail	tijing@cooec.com.cn
Index for querying changes during the reporting period	Not applicable

### IV. Briefing on information disclosure and storage location

Name of the newspaper selected by COOEC for disclosure of information	China Securities Journal, Shanghai Securities News and Securities Times
Website address for publishing the Half-year Report	<a href="http://www.sse.com.cn">www.sse.com.cn</a>

Storage location of Half-year Report	Financial Management Department
Index for querying changes during the reporting period	Not applicable

## V. 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

Applicable  Not applicable

## VII. Major accounting data and financial indicators of COOEC

### (i) Major accounting data

Unit: RMB'0,000

Major accounting data	Current reporting period (From January to June)	Same period last year	Increase or decrease in current reporting period compared to the same period last year (%)
Operating revenue	1,342,938.54	1,444,181.94	-7.01
Net profit attributable to shareholders of the listed company	119,657.43	98,331.36	21.69
Net profit after deducting non-recurring profits and losses attributable to shareholders of the listed company	83,901.07	78,097.16	7.43
Net cash flows from operating activities	259,376.57	290,894.74	-10.83
	At the end of current reporting period	At the end of the previous year	Increase or decrease at the end of current reporting period compared to the end of the previous year (%)
Net assets attributable to shareholders of the listed company	2,533,818.42	2,479,459.37	2.19
Total assets	4,621,996.58	4,325,166.35	6.86

### (ii) Major financial indicators

(ii) Major financial indicators	Current reporting period (From January to June)	Same period last year	Increase or decrease in current reporting period compared to the same period last year (%)
Basic earnings per share	0.27	0.22	22.73

(RMB/share)			
Diluted earnings per share (RMB/share)	0.27	0.22	22.73
Basic earnings per share after deducting non-recurring profits and losses (RMB/share)	0.19	0.18	5.56
Return on weighted average net assets (%)	4.77	4.05	Increase of 0.72 ppt
Return on weighted average net assets after the deduction of non-recurring profits and losses (%)	3.35	3.22	Increase of 0.13 ppt

Explanation of major accounting data and financial indicators of COOEC

Applicable  Not applicable

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

Applicable  Not applicable

#### IX. Items and amounts of non-recurring gains and losses

Applicable  Not applicable

Unit: RMB'0,000

Item of non-recurring gain and loss	Amount	Notes (if applicable)
Profit or loss from disposal of non-current assets, including the writing-off part for which the asset impairment provision is made	8.19	
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)	26,028.16	
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	3,515.90	
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	12,021.71	Mainly gains arising from the structured deposits and certificates of deposit
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	484.39	
Other items of profit or loss subject to the definition of non-recurring profit or loss		
Less: income tax effects	6,302.01	
Adjustment to minority equity (after tax)	-0.02	
Total	35,756.36	

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"

#### X. Others

Applicable"  Not applicable"

## Section III Management Discussion and Analysis

### I. Explanation of the COOEC industry and its primary business 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. The overall design level of COOEC has been in line with the world's advanced design standards; It has large marine engineering manufacturing bases in Tianjin Binhai, 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.

#### (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, COOEC is accelerating its transformation into an international engineering general contractor; It is accelerating the transformation of business structures towards low-carbonization and full-industrialization; It is accelerating the transformation of production modes towards standardization and digitization; By enhancing the value creation ability in all aspects, COOEC provide customers with "package" solutions for marine energy engineering.

### **(iii) Industry development**

During the reporting period, the offshore oil and gas engineering industry in which COOEC operates showed positive changes in general, with the domestic market continuing to maintain steady growth and the overseas market gradually recovering.

The domestic offshore oil and gas engineering industry has benefited from the strong promotion of CNOOC's "Seven-Year Action Plan" for increasing reserves and production of offshore oil and gas, and continues to maintain a good growth momentum. According to the 2024 strategic outlook disclosed by China National Offshore Oil Corporation (CNOOC), the capital expenditure budget for 2024 is expected to be RMB 125-135 billion, an increase of approximately RMB 25 billion compared to 2023 capital expenditure. CNOOC continues to launch a number of oil and gas development projects in the South China Sea, the Bohai Sea and other major sea areas, forming a large-scale demand for energy engineering and construction, and a number of new projects are scheduled to be put into operation during the year to support the future growth of production. The projects contracted by COOEC to increase storage and production provide strong support for its domestic marine engineering and construction volume.

The international offshore oil and gas engineering industry is driven by the growth of oil companies' capital expenditure against the backdrop of high oil prices, and the market is gradually recovering and showing growth. According to the China Offshore Energy Development Report released by CNOOC, global investment in offshore oil and gas exploration continues to grow in 2024, with an estimated investment of more than USD 30 billion; Development investment in new offshore oil and gas production projects has increased steadily to approximately USD 78 billion; Offshore oil production is expected to steadily increase, with global offshore oil production projected to grow to 28.5 mb/d, up 3.1% year-on-year. From the perspective of water depth, the production of the entire water area will increase, with the highest increase in production occurring at depths of 1501-3000 meters and 0-300 meters; Regionally, growth originated mainly in South America, the Middle East and North America.

## **II. Analysis of core competitiveness during the reporting period**

√Applicable "□Not applicable"

### **Important changes in core competencies during the reporting period:**

1. Successfully completed the offshore installation of Asia's first deepwater jacket - "Haiji No. 2", upgraded the "Haiji No. 2" deepwater series products, and achieved high-level self-reliance in the design and construction technology of all types of floating production storage and unloading equipment.

2. Successfully built Asia's first cylindrical FPSO, the "Haikui No.1", with a construction period nearly 50% shorter than similar international products, further enhancing COOEC's industry voice in the high-end FPSO construction field.

3. Successfully completed the construction task of the first deepwater high-pressure gas field in China, the "Shenhai Yihao" Phase II Project, effectively helping to increase the peak annual production of the "Shenhai Yihao" ultra-deepwater large gas field by 50%.

4. Successfully promoted the production of Tianjin LNG Phase II and Zhangzhou LNG projects, and efficiently completed the offshore installation of the largest offshore booster station jacket in China - Qingzhou VI project, adding offshore engineering value to the green energy transformation.

#### **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 the most fundamental 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 systems for design, construction, installation and maintenance of offshore oil and gas field development, and is able to provide customers with efficient turnkey projects. Focusing on the main business of offshore engineering, COOEC has continued to expand and diversify its general contracting and subcontracting business, expanding into the fields of FPSO and LNG engineering, and promoting the continuous improvement of its comprehensive competitiveness.

#### **1. 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.

## 2. 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 multi-functional 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	Haiyang Shiyou 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	Haiyang Shiyou 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	Haiyang Shiyou 221	Investment in construction	2004	-	9,555	Deadweight: 29000 tons;
8	Engineering support vessel	Haiyang Shiyou 228	Investment in	2013	-	28,078	Deadweight: 57784 tons;

			constr uction				
9	Engineering support vessel	Haiyang Shiyou 229	Investment in construction	2008	-	58,508	Deadweight: 89000 tons;
10	Engineering support vessel	Haiyang Shiyou 278	Investment in construction	2012	-	84,212	Deadweight: 53500 tons;
11	Engineering support vessel	Haiyang Shiyou 225	Acquisition	2009	2009	23,976	Deadweight: 17289 tons;
12	Engineering support vessel	Haiyang Shiyou 226	Acquisition	2009	2009	24,177	Deadweight: 16800 tons;
13	Engineering support vessel	Haiyang Shiyou 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	Haiyang Shiyou 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	Haiyang Shiyou 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	Haiyang Shiyou 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	Haiyang Shiyou 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	Haiyang Shiyou 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	Haiyang Shiyou 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; Endurance: 12,000 nautical miles

**Capability system:**

**Engineering 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.

**Land construction capacity:** COOEC has built offshore engineering manufacturing bases in Tianjin Binhai, Shandong Qingdao, Guangdong Zhuhai and other places, with a site area of about 4 million square meters, with 30,000-ton super-large jackets and blocks of offshore platform construction capacity. In recent years, relying on strong land-based construction resources and capabilities, COOEC has actively expanded the modular construction market, and contracted and implemented a number of large-scale LNG modular construction projects, such as Yamal in Russia, Gorgon in Australia and Shell LNG in North America. The successful implementation of the North American Shell LNG project marks that COOEC's LNG high-end modular construction capacity has been firmly ranked in the first echelon of the international industry.

**Offshore installation capability:** COOEC has the ability to install 30,000 ton block offshore floating and the ability to slide and launch 30,000 ton jackets, greatly improving the efficiency of China's offshore oil and gas development and accelerating the process of China's offshore oil and gas development. Especially in the past two years, there has been a strong focus on deepwater technology and capacity building around domestic deepwater oil

and gas engineering projects such as Lingshui 17-2, Liuhua 16-2, and Liuhua 29-1, which have initially formed a 1,500 meter deep oil and gas field engineering capability. COOEC also focuses on independent innovation and continuously increases its investment in FPSO technology. It has successively undertaken large-scale FPSO projects at home and abroad, such as Brazil P67/P70 FPSO, Shell Penguin Cylindrical FPSO, and Liuhua 16-2 FPSO, becoming a general contractor for FPSO engineering and a participant in the international FPSO general contracting field.

**Project management capability: COOEC has more than 40 years of experience in offshore oil and gas field engineering and construction, and has rich construction experience and management experience in conventional waters in China.** In recent years, it has provided engineering services for owners in Russia, Australia, Saudi Arabia, Myanmar, Brunei, Malaysia and other countries, and has accumulated a certain amount of international project operation experience.

### **III. Discussion and analysis of operation**

In the first half of 2024, COOEC's engineering volume continued to increase year-on-year, important engineering projects were advanced with high quality and efficiency, safety performance continued to maintain excellent levels, the "Haiji" deepwater series products achieved new upgrades, the industry discourse power in the high-end FPSO construction field was further enhanced, and the transformation of clean energy business and green energy was carried out in an orderly manner.

COOEC has achieved remarkable results in improving quality and efficiency. The supply chain construction has been gradually deepened, and the role of value management in promoting the integration of strategy and business has become more obvious. COOEC has achieved remarkable results in scientific and technological innovation. The construction of industrial chain and the creation of research ecosystem are steadily advancing, intelligent manufacturing is expanding in depth, risk management is deepening to the business end, the construction of human resources is gradually consolidated, the momentum of overseas development is strong, and the role of the identity of the international engineering general contractor continues to be consolidated.

During the reporting period, COOEC achieved an operating revenue of RMB 13.429 billion, a year-on-year decrease of 7.01%, and a net profit attributable to shareholders of the listed company of RMB 1.197 billion, a year-on-year increase of 21.69%. As of the end of June 2024, the total assets amounted to RMB 46.22 billion, and the net assets attributable to shareholders of the listed company amounted to RMB 25.338 billion, with a debt to asset ratio of 40.82%. The assets grew steadily, the efficiency significantly improved, the cash flow was abundant, and the COOEC's development continued to maintain a good trend.

#### **Major work accomplished in the first half of 2024**



**1. The workload has reached a new high in the same period, and major projects have repeatedly achieved breakthroughs**

COOEC actively promoted the construction of oil and gas projects domestically and internationally, and operated a total of 72 projects above scale during the reporting period, of which 7 projects were completed and delivered. Onshore construction of 35 jackets and 11 blocks, offshore installation of 22 jackets and 9 blocks, laying of 168 kilometers of submarine pipelines and 42 kilometers of submarine cables were completed. The construction business completed steel processing of 271,300 tons, an increase of 16% over the same period of the previous year. The investment in offshore operations such as installation was 11,400 ship days, a decrease of 12% compared to the same period last year. However, the number of offshore installations of jackets and blocks increased significantly, and the number of ship days for the installation of large structures increased by 110% year-on-year. During the reporting period, COOEC further improved its efficiency, and the operating rate of its own vessels remained at a high level of 90%, while the number of ship days for chartered vessels decreased year-on-year.

**Major innovations were made in domestic projects.** The offshore installation of "Haiji No. 2", the first deepwater jacket in Asia, was successfully completed, which set a number of Asian records in terms of operating depth, height and weight; "Haikui No.1", the first cylindrical FPSO in Asia, was successfully built. The strong alliance of "Haiji" and "Haikui" has propelled two "Asia's first" heavy vessels towards deepwater oil and gas at full speed, providing a new solution for the efficient development of China's deepwater oil and gas fields and contributing to the increase of reserves and production in the eastern South China Sea. The dynamic umbilical cable of the Phase-II Project of the "Shenhai Yihao", which has the longest distance, deepest water depth, and largest terminal size in China, has been successfully laid in the northern South China Sea. This is a deep-water multi-functional dynamic umbilical cable installation independently designed and equipped by China, and applied to the development of deep-water high-temperature and high-pressure oil and gas reservoirs. The mechanical completion of the first offshore ultra-high temperature and ultra-high pressure gas field Ledong 10-1 project in China will further increase the production capacity of the Dongfang gas field group and provide more favorable energy security for the regional economic development of Hainan Free Trade Port. The first intelligent drilling and production platform in China, the Huizhou 26-6 project block, has completed offshore floating installation. After the project is put into operation, it will effectively enhance the clean energy supply capacity in southern China. The development project of Wushi 23-5 oilfield group, the first all-round green design oilfield in China's offshore, has been put into operation, demonstrating the low-carbon transformation of offshore oil exploration, development and production, and promoting the deep integration of green low-carbon and increased reserves and production. The main works of the secondary adjustment project of Suizhong 36-1/Luda 5-2 oilfield, the largest offshore adjustment project in China, has been fully put into operation. It is one of the "ballast stone" projects with a production capacity of 40 million tons in Bohai oilfield,

which will greatly improve the recovery rate and production capacity of the oilfield, and promote the sustained stable production of old oilfields.

**Steady progress has been made in overseas projects.** The first and second batches of jackets for the Saudi Aramco CRPO122 project, China's first Saudi Aramco offshore oil and gas independent general contracting project, were successfully delivered, and the on-schedule delivery capability, quality and safety control capability of overseas projects were newly improved. The construction of the ISND5-2 project in Qatar has started smoothly, pushing the cooperation between COOEC and Qatar Energy Company to a new level.

**Green engineering has been completely upgraded.** Onshore construction of the Qingzhou 6 Offshore Booster Station, the largest domestic offshore wind power booster station undertaken by COOEC, has been completed and has successfully entered the offshore installation stage. The "Dongfang Fudao Distributed PV Project" undertaken by COOEC has entered the final stage of completion, marking the COOEC's new energy business entering a stage of complementary and simultaneous development of "wind and solar". The successful mechanical completion of Tank D and supporting facilities of Zhuhai LNG Phase II Project marks the full completion of the world's largest 270,000 cubic meters storage tank, the first in the Guangdong - Hong Kong - Macao Greater Bay Area, which is fully independently researched, developed and designed by CNOOC; In 2024, the first new liquefied natural gas receiving station project in China, the Zhangzhou LNG project, will be put into operation, marking the first new LNG receiving station project in the national pipeline network to be implemented with the independent design, management, and construction capabilities of CNOOC.

## **2. Market development progresses in an orderly manner, with good momentum in overseas markets**

COOEC actively promotes market development around its strategic layout and market development strategy, and the overall market situation is good. New contracts signed in the first half of the year amounted to RMB 12.518 billion. Among them, the newly signed overseas contracts amounted to about RMB 4.975 billion, accounting for 39.74% of the total newly signed contracts in the first half of the year, representing a year-on-year increase of 1.2 percentage points, and the development of overseas markets has been steadily progressing, which has provided a strong guarantee for the continuous promotion of the high-quality development of the COOEC's internationalized business, and laid a solid foundation for the realization of the full-year goal. As of the end of the reporting period, the total orders on hand amounted to approximately RMB 38.8 billion, which provides strong support for the continuous development of the COOEC's business.

**Domestic oil and gas business market: The domestic market continued to develop steadily.** During the reporting period, the newly signed contracts for domestic oil and gas business amounted to RMB 7.539 billion. The main domestic projects include the development of Bozhong 26-6 oilfield, Bozhong 19-2 oilfield, Panyu 11-12 oilfield/Panyu 10-1 oilfield/Panyu

10-2 oilfield adjustment joint development project, and Suizhong 36-2 oilfield 36-2 block development project.

**Overseas business market:** COOEC has always maintained its confidence in international development, has continuously strengthened its efforts in expanding overseas markets, and is committed to promoting the high-quality development of the COOEC's overseas business in a stable and far-reaching manner. The newly signed overseas major projects during the reporting period include the POSCO Phase IV development general contracting project, the MSA EPC framework agreement of CNOOC North America, and the Saudi Aramco CRPO125/126 jacket transportation and installation project.

**New energy market:** The newly signed contracts for clean energy business during the reporting period amounted to RMB 4 million. The newly signed project is mainly the engineering design and construction general contracting project of CNOOC Hainan Dongfang Fudao Distributed PV Project.

### **3. Strengthen the implementation of responsibilities, promote the advancement of checkpoints, and build a solid risk control line**

COOEC coordinated the promotion of the three-year special action plan for addressing the root causes of safety production and the 2.0 improvement of contractor safety management. By optimizing the safety production responsibility system for all employees and implementing a dual prevention mechanism for risk and hidden danger investigation, COOEC further strengthened the implementation of responsibilities, enhanced risk management and control capabilities, promoted the advancement of checkpoints, and shifted safety production management towards prevention. COOEC has systematically carried out "world-class" planning work, clarified the goal of "taking the lead in world-class safety and environmental protection", and made the strategic path of safety development clearer. COOEC continued to improve and perfect the QHSE management system, and completed the revision and release of 47 company system documents. The QHSE system information system was officially put into use, realizing the query and feedback functions of the system documents in Chinese and English, and the system execution and continuous improvement measures were continuously enhanced. During the reporting period, COOEC invested a total of approximately 52.15 million man-hours, up 12% year-on-year, with a lost-time incident rate of 0 and a recordable incident rate of 0.0038, a decrease of 11% year-on-year, and a continuation of the good safety performance that has been the best record in the past 10 years.

4. Significant achievements have been made in improving the quality of listed companies, with a variety of highlights

With careful organization and full commitment, COOEC has achieved fruitful results in improving the quality of listed companies. In the field of technological innovation, the key technology and application of the "Shenhai Yihao" ultra-deepwater large gas field development project, for which COOEC is responsible for engineering general contracting, was awarded the

first prize of National Science and Technology Progress Award in 2023; In the field of corporate governance, the Board of Directors has set up the Strategy and Sustainable Development Committee. It has established a three-tier ESG governance structure centered on the Board of Directors with a complete structure, clear hierarchy, and clear powers and responsibilities to form an effective sustainable development management system and operation mechanism, and enhance the COOEC's ESG value creation and risk response capability. After winning the 18th China Listed Company Board of Directors Golden Roundtable Award - “Outstanding Board of Directors” by Board of Directors Magazine in 2023, the Company won the “Special Contribution to Corporate Governance” award this year, and Mr. Zheng Zhongliang, an independent director of COOEC won the Board of Directors Golden Roundtable Award - “Most Influential Independent Director”. Mr. Zheng Zhongliang, an independent director of COOEC, was awarded the “Most Influential Independent Director”, and Mr. Li Peng, the Chief Financial Officer and Secretary of the Board of Directors, was awarded the “Most Innovative Secretary” of the Board of Directors Golden Roundtable Award. In terms of investor relations, COOEC was honored with the “Pegasus Award for Investor Relations of Listed Companies in China” for the second consecutive year for its outstanding performance in the areas of investor relations maintenance, financial quality, investor return and ESG level.

#### **5. Focused on technological innovation and continuously promoted digital intelligence empowerment**

**Anchor the COOEC's strategy and promote its high-level scientific and technological self-reliance.** During the reporting period, COOEC actively implemented the innovation driven strategy with outstanding results, and carried out 102 scientific and technological research projects around floating production storage offloading (FPSO), underwater production systems and products, clean energy, digital intelligence and other technological directions. Significant breakthroughs have been made in key core technology research and development, and COOEC's first self-designed and constructed cylindrical floating production, storage, and unloading oil device in Asia, "Haikui No.1," has settled at sea, marking a new breakthrough in the COOEC's ability to independently design and construct deepwater oil and gas equipment, as well as install mooring systems for deepwater oil and gas field floating facilities; The large-scale deepwater jacket leveler developed by COOEC has been successfully applied for the first time in Asia's first "Haiji No. 2" jacket, with main performance indicators reaching the international advanced level of similar technology; The national project “Development of Ultra-deepwater Piling Hammer System” of the Ministry of Industry and Information Technology of the People's Republic of China undertaken by COOEC has successfully passed the acceptance; The domestically produced liquid slip ring of the "Nanhai Fenjin Single Point System" has been officially put into use and is operating in good condition. The graded and classified management mechanism for scientific and technological achievements has achieved initial results, promoting

the accelerated transformation and application of scientific and technological achievements. Ten key technologies, including the design and construction of 300 meter water depth jackets, composite umbilical cable installation technology, and jacket skirt pile clamps, have been applied to engineering projects such as Liuhua 11-1 and Lingshui 25-1, achieving a technological cost reduction and efficiency increase of RMB 21.5 million, contributing technological value to the COOEC's completion of production and operation tasks. A batch of scientific and technological research and development achievements have won national, provincial and ministerial level awards. COOEC, as the main completion unit of the Key Technologies and Applications of the “Shenhai Yihao” Ultra-deepwater Large Gas Field Development Project, won the first prize of the 2023 National Science and Technology Progress Award. As the first completion unit of the Key Technologies and Applications of All-Sea Development Engineering for 1500-meter-class Ultra-deepwater Oil and Gas Field Project, it won the first prize of the 2023 Tianjin Science and Technology Progress Award.

**Strengthening digital intelligence empowerment and orderly carrying out digital transformation work.** During the reporting period, COOEC implemented the construction of the "Intelligent Manufacturing Demonstration Factory" by five ministries and commissions and the "Digital Transformation Pilot Enterprise for State owned Enterprises" by the State-owned Assets Supervision and Administration Commission. Based on the "1832" digital transformation blueprint, COOEC continued to promote the construction of "intelligent engineering" and "intelligent manufacturing", deepened the application of collaborative design and intelligent manufacturing, and successfully implemented digital market development, digital procurement, digital installation, digital dual delivery, and digital twin. The efficiency of the intelligent production line has increased by 18%, and the overall assembly efficiency of the site has been significantly improved, promoting the synchronous delivery of digital assets and engineering entities. The preliminary establishment of COOEC Data Asset Catalog and Data Asset Map continuously consolidates the future-oriented digital intelligence foundation.

#### **Business outlook for the second half of the year**

In the second half of 2024, COOEC will still face a heavy workload, with 35 projects scheduled to be completed and commissioned. It is expected that the construction and processing capacity may exceed 140,000 tons, and the number of ship days invested will exceed 15,000. COOEC will focus on capacity building, strengthen project operation control, enhance lean management, scientifically and reasonably deploy and use resources, and efficiently complete various production and construction tasks. COOEC will focus on value creation, increase market development, provide impetus for healthy and sustainable development, go all out to promote double-cycle development to a new stage, and create value for shareholders continuously.

**Significant changes in the COOEC's operations during the reporting period, as well as matters occurring during the reporting period that have had a significant impact on the COOEC's operations and are expected to have a significant impact in the future**

"□ Applicable" "√ Not applicable"

#### IV. Primary operations during the reporting period

##### (i) Analysis of primary business

##### 1. Statement of analysis of changes in subjects relating to the financial statements

Unit: RMB'0,000

Subject	Amount in current period	Previous year	Change (%)
Operating revenue	1,342,938.54	1,444,181.94	-7.01
Operating costs	1,197,595.09	1,266,961.15	-5.47
Financial expenses	-6,834.02	-3,973.06	Not applicable
Research and development expenses	32,349.99	55,792.86	-42.02
Net cash flows from operating activities	259,376.57	290,894.74	-10.83
Net cash flows from the investing activities	66,964.65	-98,902.72	Not applicable
Net cash flows from financing activities	-68,467.07	-91,115.71	Not applicable
Other income	26,396.74	3,188.55	727.86
Credit impairment loss	1,572.84	-8,820.95	Not applicable
Income for changes in fair value	3,515.90	7,290.98	-51.78
Non-operating revenue	1,019.85	1,461.08	-30.20
Other comprehensive income, net of tax	-1,356.54	-3,989.43	Not applicable

Explanation of reasons for changes in operating revenue: During the reporting period, the operating revenue reached RMB 13.429 billion, a year-on-year decrease of RMB 1.013 billion, a decrease of 7.01%. The main reason was the concentrated delivery of overseas projects in the same period last year, and the newly contracted overseas projects in current period were in the start-up stage. The year-on-year decrease in overseas income led to a slight decline in income.

Explanation of reasons for changes in operating costs: Operating costs amounted to RMB 11.976 billion, a year-on-year decrease of RMB 694 million, a decrease of 5.47%. The main reason for this was the natural reduction in operating costs due to the decrease in revenue compared to the same period last year. At the same time, COOEC's efforts to reduce costs and improve quality and efficiency also contributed to further reductions in operating costs.

Explanation of reasons for changes in financial expenses: Financial expenses decreased by RMB 29 million compared to the same period last year, with a decrease of RMB 6.8 million. The main reason is to strengthen proactive cash management, increase the scale of funds, and increase interest income by RMB 19 million. Taking advantage of the stable US dollar exchange rate and the absolute advantage of a 4% interest margin on US dollar deposits, an increase of approximately USD 167 million in deposits was made, and US dollar interest income increased

by RMB 17 million. The total interest income increased by RMB 36 million year-on-year; Secondly, there were no bank loans this year, and interest payments in US dollars were made during the same period last year, resulting in a year-on-year decrease of RMB 3 million in interest expenses; Thirdly, the exchange rate of the US dollar against RMB appreciated by 0.62%, compared to a 3.75% appreciation in the same period last year, resulting in a net decrease of RMB 9 million in exchange gains.

Explanation of reasons for changes in R&D expenses: R&D expenses amounted to RMB 323 million, a year-on-year decrease of RMB 235 million, a decrease of 42.02%. The main reason is that COOEC has further strengthened its technological innovation capabilities, and the R&D of deep-water, new engineering, and intelligent product technology projects during the reporting period is still in the initial stage.

Reasons for change in net cash flow generated from operating activities: The net cash flow generated from operating activities amounted to RMB 2.594 billion, a year-on-year decrease of RMB 315 million in inflows, which was basically the same as the same period last year. The main reason was that COOEC continued to track and manage project cash flow, implemented a dual dimensional cash flow management model for projects and organizations, and maintained a good level of cash flow from operating activities.

Reasons for change in net cash flow generated from investment activities: The net cash flow generated from investment activities amounted to RMB 670 million, an increase of RMB 1.659 billion year-on-year, mainly due to (1) a decrease of RMB 800 million in the scale of wealth management in the current period, an increase of RMB 790 million in the same period last year, and an increase of RMB 1.59 billion year-on-year; (2) Purchased a fixed deposit of RMB 35 million in the same period last year, with no such transaction this year; (3) The expenditure on purchasing and constructing assets increased by RMB 148 million year-on-year; (4) The inflow of investment income increased by RMB 175 million year-on-year; The comprehensive impact of the above reasons has led to a year-on-year increase in cash inflows from investment activities.

Reasons for change in net cash flow generated from financing activities: The net cash flow generated from financing activities amounted to RMB -685 million, and the net cash outflow decreased by RMB 226 million compared to the same period last year. The main reasons are: (1) Repayment of long-term loans of USD 30 million and short-term loans of RMB 224 million in the same period last year, with no such events this year; (2) The amount of dividends distributed increased by RMB 208 million year-on-year, resulting in a decrease in cash outflows from financing activities due to the combination of the above reasons.

Explanation of reasons for changes in other income: Other income amounted to RMB 264 million, an increase of RMB 232 million or 727.86% year-on-year, mainly due to the confirmation of a consumption tax refund of RMB 233 million this year, compared to the same period last year.

Explanation of the reasons for changes in credit impairment losses: The credit impairment loss amounted to RMB 16 million, a decrease of RMB 104 million year-on-year. The main reason was the reversal of impairment losses from the collection of overdue receivables this year, and the comprehensive impact of impairment losses provisioned in the same period last year.

Explanation of the reasons for changes in fair value: The fair value change income amounted to RMB 35 million, a year-on-year decrease of RMB 38 million, a decrease of 51.78%. The main reason was the continuous decrease in market returns due to the impact of loose monetary policy, resulting in a decline in financial income.

Reasons for change in non operating revenue: Non operating revenue amounted to RMB 10 million, a year-on-year decrease of RMB 4 million, a decrease of 30.20%. The main reason was the decrease in penalty income recognized based on contracts for delayed supplier delivery.

Reasons for change in the after tax net amount of other comprehensive income: The after tax net amount of other comprehensive income amounted to RMB -14 million, an increase of RMB 26 million year-on-year, mainly due to the impact of foreign currency translation differences.

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

Applicable"  Not applicable"

### (ii) Significant changes in profit due to non-primary 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 year	Ratio of the amount at the end of the previous year to total assets (%)	Proportion of change in the amount at the end of the current period compared with the end of the previous year (%)	Notes
Monetary funds	692,723.60	14.99	432,081.13	9.99	60.32	The main reason is that COOEC strengthened project cash flow management



						during the reporting period, resulting in a good recovery of accounts receivable this year and an increase in monetary funds compared to the beginning of the year.
Prepayments	83,304.08	1.80	40,745.12	0.94	104.45	The main reason is that the advance payment for purchasing materials increases with the progress of the project, and the advance payment amount has increased compared to the beginning of the year.
Other receivables	12,331.80	0.27	2,090.67	0.05	489.85	The main reason is that the consumption tax refund was confirmed during the reporting period, and other receivables increased compared to the beginning of the period.
Contract assets	422,978.93	9.15	281,211.88	6.50	50.41	The main reason is that with the invoicing of ongoing projects and the transfer of some

						completed projects to accounts receivable estimates, the unsettled amount of completed projects has decreased compared to the beginning of the year.
Non-current assets maturing within one year	-		66,743.01	1.54		The main reason is the reclassification of certificates of deposit due within one year in the same period last year, and there is no such issue in current period.
Other current assets	26,098.09	0.56	51,256.65	1.19	-49.08	The main reason is the impact of the reclassification amount of value-added tax.
Right-of-use assets	91,085.02	1.97	12,099.13	0.28	652.82	The main reason is the impact of the new growth in ship leasing business.
Deferred tax assets	23,677.06	0.51	37,962.48	0.88	-37.63	The main reason is the decrease in accrued expenses corresponding to the absence of invoices in the current year, resulting in a decrease in recognized deferred income tax assets.
Contract	226,107.11	4.89	100,641.06	2.33	124.67	The main

liabilities						reason is the advance payment of some project engineering funds, and the increase in contract liabilities compared to the beginning of the period.
Taxes and surcharges payable	21,817.96	0.47	38,136.48	0.88	-42.79	The main reason is that the provision for value-added tax has decreased compared to the amount provided at the end of the previous year.
Non-current liabilities maturing within one year	32,942.08	0.71	5,367.52	0.12	513.73	The main reason is the reclassification of the portion of long-term loans due within one year this year.
Other current liabilities	31,906.96	0.69	51,937.78	1.20	-38.57	The main reason is the impact of changes in value-added tax pending conversion to output tax.
Long-term borrowings	13,000.36	0.28	22,000.67	0.51	-40.91	The main reason is the reclassification of the portion of long-term loans due within one year this year.
Lease liabilities	67,667.74	1.46	6,686.42	0.15	912.02	The main reason is the impact of the new growth in ship leasing business.
Other comprehensive	-4,904.30	-0.11	-3,547.76	-0.08	Not applicable	The main reason is the

e income					e	impact of foreign currency statement translation differences.
Total assets	4,621,996.58	100.00	4,325,166.35	100.00	6.86	The main reason is the increase in workload and settlement volume with property owners. With the collection of accounts receivables, the amount of monetary funds and wealth management products has increased compared to the beginning of the year.
Total liabilities	1,886,841.62	40.82	1,647,330.89	38.09	14.54	The main reason is the increase in workload, the increase in settlement with owners, and the natural growth of contract liabilities and accounts payable.
Net assets attributable to shareholders of the listed company	2,533,818.42	54.82	2,479,459.37	57.33	2.19	The main reason is that current period achieved profit growth, with a net profit attributable to the parent company increasing by RMB 1.197 billion; The second reason is the distribution of

						dividends of RMB 650 million in current period, which is due to the combined impact of the two.
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Other explanations  
None

## 2. Foreign assets

Applicable Not applicable"

### (1) Asset scale

Including: Foreign Asset 8.44 (Unit: RMB 100 million), accounting for 1.83%。

### (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"

## (v) Analysis of investment status

### 1. Overall analysis of foreign equity investments

Applicable"  Not applicable"

#### (1) Significant equity investments

Applicable"  Not applicable"

#### (2) Significant non-equity investments

Applicable Not applicable"

#### **Construction Project of Offshore Engineering Equipment Manufacturing Base in Tianjin of Offshore Oil Engineering Co., Ltd.**

As deliberated and adopted by the Seventh Meeting of the Sixth Board of Directors held on March 27, 2018, COOEC plans to construct an offshore engineering equipment manufacturing base in the Lingang area of Binhai New Area Free Trade Zone, Tianjin City, with a total planned area of approximately 575,000 square meters (approximately 965 meters in length and 600 meters in width) and a total quay length of 1,631 meters, with a total investment of approximately RMB 3,989 million, which is planned to be constructed in two phases. (For details, please refer to the Announcement on the Investment and Construction of Offshore Engineering Equipment

Manufacturing Base in the Lingang Area of Tianjin Port Free Trade Zone disclosed by COOEC on March 29, 2018 (Announcement No. L2018-011))

As of the end of June 2022, the first phase of the project has been completed, with a total investment amount of RMB 2.495 billion, and the main works include the main production facilities such as intelligent manufacturing of steel structure, machine, pipe and electrical instrumentation manufacturing center, intelligent storage center, spraying workshop, assembly site and wharf, as well as the supporting facilities of research and development, power, environmental protection and so on. The completion of the first phase of the project basically meets the needs of the main facilities and equipment for the manufacture of marine engineering.

The preliminary design and estimate for the second phase of the project was approved on September 15, 2022, with an approved estimate of RMB 670 million. The main construction contents include the intelligent manufacturing workshop for structural pipelines, jointing length and finished product yard, assembly site, No.3 shipping channel and 172-meter wharf, etc. The construction of the second-phase project will release the capacity of the Lingang site to the full extent. The project has officially started construction on July 25, 2023. The survey, design, construction, and procurement of main equipment for the project have been completed, and the construction of the land area and wharf is progressing according to schedule.

#### **Multi-functional ocean engineering ship construction project**

At the Twentieth Meeting of the Seventh Board of Directors held on June 13, 2023, it was agreed that the wholly-owned subsidiary - CNOOC Offshore Engineering Solutions Co., Ltd. would build a multi-functional offshore engineering vessel, which has an overall length of about 126 meters, a molded breadth of about 28 meters, a design draft of about 5.5 meters, a deck cargo area of about 1,800 square meters and a deck lifting capacity of about 400 tons. The total investment is about RMB 48,852,500. (For details, please refer to the Announcement on Overseas Investment of COOEC (Announcement No.: L2023-018) disclosed by COOEC on June 21, 2023). The preliminary design of the project has been completed and the shipyard construction contract has been signed. Currently, equipment procurement work is underway.

**(3) Financial assets measured at fair value**√Applicable Not applicable"

Unit: RMB'0,000

Asset category	Opening balance	Profit and loss from fair value changes in the current period	Accumulated fair value changes recognized in equity	Impairment provision for current period	Purchase amount for current period	Current sale/redemption amount	Other changes	Closing balance
Financial assets held for trading - structured deposits	563,187.59	294.39			760,000.00	510,000.00		813,481.98
Financial assets held for trading - net worth wealth management	309,335.99	-9,216.78			100,000.00	370,000.00		30,119.21
<b>Total</b>	<b>872,523.58</b>	<b>-8,922.39</b>			<b>860,000.00</b>	<b>880,000.00</b>		<b>843,601.19</b>

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"

**(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 products	Total assets	Net assets	Net profit	Shareholding ratio
1	CNOOC Offshore Engineering Solutions Co., Ltd.	228,561.47	Offshore oil underwater engineering services and marine pipe maintenance	827,228.48	492,925.74	23,127.02	100%
2	Offshore Oil Engineering (Qingdao) Co., Ltd.	300,000.00	Construction, installation, design and maintenance of offshore oil and gas projects	640,232.58	375,476.08	14,190.29	100%
3	Offshore Oil Engineering (Zhuhai) Co., Ltd.	395,000.00	Construction, installation, design and maintenance of offshore oil and gas projects	342,382.77	341,243.43	230.99	100%
4	COOEC-Fluor Heavy Industries Co., Ltd.	657,641.38	Construction, installation, design and maintenance of offshore oil and gas projects	605,143.27	396,463.11	6,041.74	51%
5	Offshore International Engineering Co., Ltd	6,000.00	Construction general contracting, specialized contracting	9,645.43	6261.31	116.11	100%
6	COOEC Nigeria Co., Ltd	54.88	Contracting, design, installation, maintenance and related business of offshore oil and gas field development projects	148.28	107.64	7.61	100%
7	Offshore Oil Engineering Co., Ltd. Nigeria Free	0	Established for the implementation of the Dangote	6,589.59	-84,095.00	-37.16	100%



	Trade Zone Company		project in Nigeria				
8	COOEC International Co., Limited	669.11	General engineering contracting, design, construction and installation of oil and gas development projects	38,438.86	-14,387.24	2,940.34	100%
9	Offshore Oil Engineering (Canada) Co., Ltd.	2,067.66	Oil and gas engineering design, procurement, construction, and installation	36,558.33	14,413.38	2,583.22	100%
10	COOEC International Co., Limited Thai Company	283.04	Project contracting	2,838.13	2,749.75	17.20	100%
11	COOEC International Co., Limited Brazilian Company	314.30	Project contracting	477.95	268.57	24.45	100%
12	COOEC Saudi Arabia Co., Ltd.	9, 869.83	Project contracting	37,344.05	7,214.17	692.83	100%

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

In the first half of 2024, Offshore Oil Engineering (Qingdao) Co., Ltd. achieved an operating revenue of RMB 1.927 billion and a net profit of RMB 142 million, a significant decrease from the same period last year, which was RMB 247 million. This was mainly due to the successful delivery of overseas projects in the same period last year, and the newly contracted overseas projects were in the start-up stage.

**(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 Offshore Oil Engineering (Qingdao) Co., Ltd. is the same as above.

**2. Basic information on 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	7,067.14	1.77%

			leasing of member units		
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**(viii) Structured entities controlled by COOEC**

Applicable"  Not applicable"

**V. Other disclosure matters**

**(i) Possible risks**

Applicable  Not applicable"

**(iv) Possible risks**

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.

Countermeasure: Establish a customer list mechanism to control risks from the early stage of market development; Regularly track the country specific risks, closely monitor the political and economic strategies of relevant countries, and evaluate the impact on the strategic development of overseas clients and the business operations of overseas companies; Strengthen basic capacity building, accelerate the cultivation of international talents, and enhance the COOEC's business capabilities in international business, law, procurement, technology, and management; Fully utilize the COOEC's engineering project (contract) life cycle risk manual to scientifically and comprehensively identify and analyze risk points in overseas project operations such as the Middle East, 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; Strengthen the quality, safety, progress and cost control of project management, enhance project red and yellow light warning and control important business indicators; 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

#### **(ii) Other disclosure matters**

√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 CO<sub>2</sub> 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.

## Section IV Corporate Governance

### I. 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
2023 Annual General Meeting of Shareholders	May 16, 2024	<a href="http://www.sse.com.cn">http://www.sse.com.cn</a>	May 17, 2024	<ol style="list-style-type: none"> <li>1. Deliberate and adopt the Report on the Work of the Board of Directors of COOEC for 2023;</li> <li>2. Deliberate and adopt the Report on the Work of the Board of Supervisors of COOEC for 2023;</li> <li>3. Deliberate and adopt the Report on the Financial Accounts of COOEC for 2023;</li> <li>4. Deliberate and adopt the Profit Distribution Plan of COOEC for 2023;</li> <li>5. Deliberate and adopt the Annual Report of COOEC for 2023 and the Summary thereof;</li> <li>6. Deliberate and adopt the Proposal on the Renewal of the Appointment of COOEC's Financial and Internal Control Auditors for 2024</li> <li>7. Deliberate and adopt the Proposal on Amending the Working Rules for Independent Directors of Offshore Oil Engineering Co., Ltd.</li> <li>8. Deliberate and adopt the Proposal on Shareholders' Return Plan for the Next Three Years (2024-2026) of COOEC</li> </ol>

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

Applicable"  Not applicable"

General meetings

Applicable"  Not applicable"

**II. Change in directors, supervisors and senior officers**

Applicable"  Not applicable"

Explanation of change in directors, supervisors and senior officers

Applicable"  Not applicable"

**III. Proposals for profit distribution or capital reserve transfer****Proposals for profit distribution and capitalization of provident fund for the half-year**

Whether to distribute or transfer	No
Number of bonus shares per 10 shares (shares)	Not applicable
Number of dividends per 10 shares (RMB) (including tax)	Not applicable
Number of shares transferred per 10 shares (shares)	Not applicable
Explanation on the proposals for profit distribution or capital reserve transfer	
Not applicable	

**IV. 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"

## Section V Environment and Social Responsibility

### I. Environmental information

#### (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"

##### (1) Lingang Intelligent Manufacturing Base of Offshore Oil Engineering Co., Ltd.

The Marine Engineering Equipment Manufacturing Base ( “ Lingang Intelligent Manufacturing Base” ) belonging to Tianjin Intelligent Manufacturing Branch, a subsidiary of COOEC, has been identified by Tianjin Ecology and Environment Bureau as a key unit for environmental supervision in Tianjin for the year 2024, which involves the category of environmental risk. The main pollutants of Lingang Intelligent Manufacturing Base 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:

a. 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.

b. The exhaust gases mainly include welding fumes generated during the production process, grinding dust generated during polishing, particulate dust generated during sandblasting, and organic exhaust gases generated during painting and drying. The main pollutants in various types of exhaust gases are xylene, non methane total hydrocarbons, volatile organic compounds (TRVOCs), and particulate matter.

c. 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:

a. 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. At present, the online monitoring of sewage has been fully installed. According to the Announcement on the List of Key Environmental Supervision Units in Tianjin in 2024, it is not listed as a key water environment pollutant discharge unit and does not need to be connected to the ecological environment management department system for independent control.

b. 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 the requirements of the local government, a total of nine sets of online monitoring systems for exhaust gases have been installed, of which five sets are for VOCs and four sets are for particulate matter. At present, the online monitoring system has been fully installed. According to the Announcement on the List of Key Environmental Supervision Units in Tianjin in 2023, it is not listed as a key pollutant discharge unit in the atmospheric environment and does not need to be connected to the ecological environment management department system for independent control.

c. 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; All of them are entrusted to third-party units with hazardous waste disposal qualification for disposal; To ensure that no contamination of soil occurs during the generation, collection, temporary storage and disposal of hazardous waste, groundwater monitoring wells have been set up to test groundwater and sudden contamination factors.

③ Emission concentration and total amount:

a. Organized emissions of exhaust gases:

3.5 tons of particulate matter, 0.1 tons of sulfur dioxide, 1.02 tons of nitrogen oxides, 0.05 tons of xylene, and 0.43 tons of VOCs;

The emission concentration of each emission outlet is lower than the prescribed emission concentration.

b. Wastewater discharge:

The drainage volume in the first half of 2024 is 9000 m<sup>3</sup>;

The average COD emission concentration is 126mg/L, and the total COD emission is 1.13 tons;

The average emission concentration of ammonia nitrogen is 15.1mg/L, and the total emission of ammonia nitrogen is 0.14 tons;

The average discharge concentration of five-day biochemical oxygen demand is 48.6 mg/L, and the total discharge of five-day biochemical oxygen demand is 0.44 tons.

The discharge concentration of sewage pollutants in various places can meet the third level limit requirements of the Comprehensive Wastewater Discharge Standards (Tianjin) (DB12/356-2008). It should be especially noted that all domestic sewage of the Base 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.

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 and various environmental information systems, while the monitoring results are uploaded into the Tianjin pollution source monitoring data management system.

④ Total approved emissions: no total approved emissions (no relevant requirements from the local environmental protection bureau).

⑤ Excess emission: no excess emission.

⑥ Emission standards for 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 (DB 12-059-2018); The organized emission of particulate matter, the Comprehensive Emission Standard for Air Pollutants (GB 16297-1996) secondary standards for

particulate matter, and the relevant standards in Table 2 of the Comprehensive Emission Standards for Air Pollutants (GB 16297-1996) for particulate matter inorganic emissions and the relevant requirements in DB 12/356-2018 tertiary standard limits of Tianjin Comprehensive Emission Standards for Wastewater for wastewater emissions.

During the current reporting period, no environmental pollution accident occurred at Lingang Intelligent Manufacturing Base, and no administrative punishment related to environmental protection was imposed.

## **(2) Offshore Oil Engineering (Qingdao) Co., Ltd.**

Offshore Oil Engineering (Qingdao) Co., Ltd. (hereinafter referred to as "Qingdao Company"), a wholly-owned subsidiary of COOEC, has been identified by the Qingdao Ecology and Environment Bureau as a key unit for environmental supervision in Qingdao in 2024, involving regulatory categories such as atmospheric environment, soil pollution supervision, and environmental risk control. The main pollutants of Qingdao Company 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:

a. 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.

b. 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 Company is listed as a key unit of soil by the local environmental protection department. However, Qingdao Company 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:

b. All domestic sewage generated by Qingdao Company 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/T 31962-2015) 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 Company and realized 24-hour networking with the local environmental protection bureau.

b. The welding fume and grinding dust generated in the production process of Qingdao

Company 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 Company and is connected to the local environmental protection bureau 24 hours a day.

c. For the disposal of waste that may cause soil pollution, Qingdao Company 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:

a. Organized emissions of exhaust gases:

Benzene: 0.0028 t; toluene: 0.0028 t; xylene: 0.1429 t; non-methane total hydrocarbons: 3.051 t; total particulate matter emissions: 0.71 t;

The emission concentration of each emission outlet is lower than the prescribed emission concentration.

b. Wastewater discharge:

Drainage volume 14182m<sup>3</sup>;

the average COD emission concentration of 53.6mg/L, total COD emission of 0.758 tons;

the average emission concentration of ammonia nitrogen 2.26mg/L, and total emission of ammonia nitrogen 0.0294 tons.

It should be especially noted that all domestic sewage of Qingdao Company 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.

c. Emission standards for 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 (DB 37/2801.5-2018); 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 current reporting period, no environmental pollution accident occurred in Qingdao Company, and no administrative punishment related to environmental protection was imposed.

### **(3) COOEC-Fluor Heavy Industries Co., Ltd.**

COOEC-Fluor Heavy Industries Co., Ltd. (hereinafter referred to as "COOEC-Fluor"), a joint venture company under Offshore Oil Engineering (Zhuhai) Co., Ltd., a wholly-owned subsidiary of COOEC, has been identified by Guangdong Zhuhai Ecology and Environment Bureau as a key pollutant discharge unit for 2024. The key regulatory categories involved are atmospheric environment and environmental risk control. 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:**

a. 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.

b. 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, exhaust gas emissions, and relatively high emissions of pollutants, it was listed as the key supervision unit of atmospheric environment in Zhuhai in 2024.

c. 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, adsorptive filtration paint and oil

materials, pressure test wastewater, pickling waste liquid, waste mineral oil, oily waste liquid, used batteries and other hazardous waste.

② Pollutant discharge methods:

a. 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.

b. 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.

c. 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:

a. Organized emissions of exhaust gases:

Benzene: 0.014903 t; toluene: 0.094723 t; xylene: 0.108131 t; Total volatile organic compounds: 0.225578 tons; total particulate matter emissions: 19.59053 t;

The emission concentration of each emission outlet is lower than the prescribed emission concentration.

b. Wastewater discharge:

The average discharge of domestic sewage is 667m<sup>3</sup>/d, and the initial rainwater is discharged intermittently. 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.

Drainage volume 48830 m<sup>3</sup>;

The average discharge concentration of rainwater in the initial COD stage is 14 mg/L, the average discharge concentration of domestic sewage is 125 mg/L, and the total COD discharge is 3.8769 tons;

The average discharge concentration of initial rainwater for ammonia nitrogen is 0.515 mg/L, the average discharge concentration of domestic sewage is 19.7 mg/L, and the total discharge of ammonia nitrogen is 0.578 tons.

It should be especially noted that all domestic sewage from COOEC-Fluor is discharged through the municipal pipeline network to the Nanshui Sewage Treatment Plant, and the emissions of COD, ammonia nitrogen, etc. are the quantities discharged to the Sewage Treatment Plant, which are discharged to meet the discharge standards after treatment at the Nanshui Sewage Treatment Plant, and not the quantities discharged directly to 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 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 emission of organic waste gas shall comply with the emission limits of volatile organic compounds in Table 1 of Comprehensive Emission Standards for Volatile Organic Compounds from Fixed Pollution Sources (DB 44/2367-2022) of 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 emission of organic waste gas shall comply with the Comprehensive Emission Standards for Volatile Organic Compounds from Fixed Pollution Sources (DB 44/2367-2022) of Guangdong Province, including the unorganized emission limits for VOCs within the factory area in Table 3 and the unorganized emission limits for VOCs at the boundary of enterprises in Table 4; 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"

### ① Lingang Intelligent Manufacturing Base

The four painting workshops in the base are equipped with organic waste gas purification and dust removal equipment, and the environmental protection equipment is regularly maintained. All the environmental protection equipment and facilities are in normal operation, and all the organic waste gases meet the standard emission. At present, all online monitoring has been installed and is being comprehensively promoted in accordance with the requirements of the local environmental protection bureau for commissioning and acceptance-related work.

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 accident pool is used for painting workshop; to meet the emergency disposal needs and further reduce the risk of environmental pollution.

### ② Qingdao Company

There is one set of integrated sewage treatment equipment in the plant, which has a sewage treatment capacity of 200 tons/day, and the effluent standard meets the requirements of Grade A 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.

### ③ COOEC-Fluor Heavy Industries Co., Ltd.



The four painting workshops in the factory are equipped with organic waste gas purification and dust removal equipment, and the environmental protection equipment is regularly maintained. All environmental protection facilities are operating normally, and online detection equipment has been installed at the discharge outlet in accordance with national and local standards. According to inspection and maintenance requirements, professional organizations conduct maintenance inspections to ensure the effective operation of the online monitoring equipment. Third party detection agencies regularly test the concentration of the discharge outlet and issue reports, and all organic waste gases are discharged in compliance with standards.

Set up a domestic sewage outlet in the factory, connect to the municipal sewage pipe network, install oil separation and sedimentation facilities and domestic sewage pipe network, and discharge domestic sewage through the domestic sewage outlet; Set up 4 initial rainwater discharge outlets, install oil separation sediment facilities and rainwater pipe network, and discharge initial rainwater through the rainwater pipe network when there is rainwater; Set up six emergency accident water tanks, namely the 1, 2, and 3 # painting workshops, pipe painting room, and oil chemical hazardous waste storage emergency accident water tanks, to meet the needs of emergency disposal and control environmental pollution risks.

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

√Applicable "□Not applicable"

(1) Approval of Tianjin Binhai New Area Administrative Examination and Approval Bureau on the 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).

(2) Approval of Tianjin Binhai New Area Administrative Examination and Approval Bureau on the Environmental Impact Report on the Terminal Engineering Construction of Offshore Engineering Equipment Manufacturing Base in Tianjin (JBLSP [2018] No. 32).

(3) 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. (QHPZ [2005] No. 124)

(4) 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. (QHPZ [2006] No. 5)

(5) Reply of Qingdao Municipal Environmental Protection Bureau on the Environmental Impact Report of the Qingdao Manufacturing Base Project Phase III of Offshore Oil Engineering Co., Ltd. (QHPZ [2007] No. 60)

(6) 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 (ZGHJ [2013] No. 39).

(7) 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. (ZHJS [2022] No. 9)

#### **4. Emergency plan for environmental emergencies**

Applicable Not applicable"

Tianjin Intelligent Manufacturing Branch, Qingdao Company, and COOEC-Fluor Heavy Industries Co., Ltd. have all prepared emergency plans for sudden environmental incidents and reported them to the local ecological environment bureau for filing. At the same time, emergency supplies have been provided in accordance with the requirements of the emergency plan, training and publicity have been organized, and emergency drills have been conducted regularly.

#### **5. Environmental self-monitoring scheme**

Applicable Not applicable"

Lingang Intelligent Manufacturing Base, Qingdao Company, and COOEC-Fluor Heavy Industries Co., Ltd. prepare an annual environmental self-monitoring plan, report it to the local environmental protection department and COOEC Headquarters for filing, and regularly conduct environmental monitoring according to the monitoring plan.

#### **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"

###### **③ Environmental protection management of own vessels**

As of the end of the reporting period, COOEC owns 19 engineering construction vessels, COOEC has always attached great importance to the environmental protection management of vessels, focuses on the control of vessels from the source, actively promotes advanced environmental protection 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 current reporting period, COOEC did not have any ship environmental pollution accident due to negligence.

a. 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. The renovation project of domestic sewage tanks for a total of 9 vessels, including Haiyang Shiyou 225, Haiyang Shiyou 226, Binhai 108, Blue Whale, Lanjiang, Haiyang Shiyou 228, Haiyang Shiyou 229, Haiyang Shiyou 221, and Binhai 109, has been completed, meeting the zero discharge requirements for domestic sewage in the prohibited discharge areas. All collected domestic sewage shall be received and disposed of by qualified units.

b. 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 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%<sub>m/m</sub> (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.

c. 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.

d. 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. According to its system requirements, COOEC strictly 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) Explanation of the subsequent progress or changes in the disclosure of environmental information during the reporting period**

Applicable" " Not applicable"

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

Applicable" " Not applicable"

**1. High standard implementation of ecological environment protection for overseas projects**

COOEC adopts high-quality environmental protection standards in its overseas projects to strengthen its green low-carbon transformation and improve its eco-environmental compliance management, pays close attention to the new rules and requirements of the countries where the projects are located in terms of environmental governance, eco-protection, response to climate change, ESG, etc., and actively protects the local eco-environment and enhances its global competitiveness through good eco-environmental protection actions.

For the Kingfisher project in Uganda, COOEC actively implements General Secretary Xi Jinping's ecological civilization ideology and the concept of a community with a shared future for mankind, strengthens the level of ecological environment management during the project construction process, and effectively prevents and identifies potential ecological and climate change risks that may arise from the project. The project is equipped with an environmental protection specialist, who takes environmental protection as one of the important links in project implementation, regularly carries out environmental protection inspections, vehicle oil drain inspections, emergency response drills for environmental emergencies, goes into the local community to carry out environmental protection concepts, planting of trees in the camp, building watering points for wildlife at the construction site, etc., and organizes the planting of trees together with Chinese and foreign operators in the camp, so as to contribute to the preservation of biodiversity. The environmental protection actions of the project team have received widespread praise from the surrounding community residents and oilfield workers, which not only directly demonstrates the project team's high attention to environmental protection and harmonious and friendly community relations, but also enhances the COOEC's good foreign-related image.

## **2. Implementation of marine environmental protection actions**

According to the requirements of the Action Plan for Cleaning up Marine Garbage in Coastal Cities, COOEC actively promotes the prevention and control of marine garbage, implements marine garbage prevention and control and special rectification, regularly conducts inspections and clock ins along the dock, and promotes timely cleaning and regular supervision of marine garbage. From January to June 2024, COOEC conducted a total of 627 inspections and salvaged 1520 KG of marine debris, contributing to the construction of a beautiful bay.

The Blue Whale vessel purchased and installed a plastic garbage crushing equipment, which quickly crushes all kinds of plastic products into small particles for centralized storage, to guard against the risk of plastic garbage occupying a large amount of space and easily drifting down into the sea. As of the first half of 2024, a total of over 18000 m<sup>3</sup> of plastic waste has been crushed, which not only protects the marine environment but also saves millions of yuan in plastic waste transportation costs, achieving a synergistic effect of pollution reduction and cost reduction.

## **3. Construction of a mobile source environmental access control system**

Tianjin Intelligent Manufacturing Branch has developed and applied a mobile source environmental protection intelligent access control system to intelligently control vehicle emission information. The system automatically inputs information such as factory entry and exit, vehicle information, etc., and interfaces with the National Transportation Commission system platform to achieve vehicle interaction query function. It can automatically identify the emission stage of vehicles, conduct real-time remote verification, and alarm and record abnormal data. It also imposes a ban on non compliant vehicles.

While reducing labor costs, the system greatly improves vehicle traffic efficiency and utilizes smart brains to assist in mobile pollution source control. The application of this system effectively ensures the B-level improvement of heavy pollution performance rating in the Lingang base, which helps to enhance the intelligence level of environmental management and build a solid foundation for "green factories".

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

√Applicable Not applicable

COOEC firmly implements the national green development strategy, deeply practices the vision of "being a powerful practitioner of low-carbon production mode and an effective provider of low-carbon solutions", vigorously promotes the utilization of clean energy, solidly carries out the renovation and transformation of old and high energy consuming equipment, focuses on improving energy utilization efficiency, and strives to build a green manufacturing base. In the first half of 2024, a total of 4600 tons of carbon reduction through technical measures has been achieved by implementing 42 energy-saving and carbon reduction measures.

**The main tasks completed during the reporting period are described below:**

**1. Accelerate the establishment of a green manufacturing system**

On June 25, Tianjin Industrial and Information Technology Bureau released the list of green manufacturing units in Tianjin for the year 2023. COOEC Tianjin Intelligent Manufacturing Branch was awarded the title of "Green Factory" in Tianjin. In the future, COOEC will continue to promote the construction of "Green Factory" and "Green Supply Chain Management Enterprise" by Tianjin Intelligent Manufacturing Branch and Qingdao Company in accordance with the relevant requirements of the Ministry of Industry and Information Technology.

**2. Continuously carry out the construction PV projects**

On the basis of the completed PV projects in Tianjin, Qingdao, and Zhuhai in 2023, COOEC will continue to carry out the Phase II of the PV project in Zhuhai, which has an installed capacity of 10MW, with the main construction already completed, and is expected to be completed and connected to the grid for power generation by the end of July. After the completion of the project, COOEC will have a total PV self-generation capacity of nearly 19MW, which can produce 19 million kilowatt hours of green electricity annually, achieve an annual energy saving of 2,300 tons of standard coal, and reduce carbon emissions by 11,200 tons.

### **3. Implement renewable energy consumption and practice green and clean production**

COOEC actively practices green and clean production, and solidly carries out the utilization of clean and renewable energy. It consumed 10.78 million kWh of green power in the first half of 2024, and its self-built PV projects cumulatively generated power of 4.36 million kWh, with a total utilization of 15.14 million kWh of clean power, which accounted for 18% of COOEC's total power consumption in the first half of the year, and achieved a new breakthrough in the utilization of clean energy. Subsequently, COOEC will further increase the purchase of green power, continue to carry out the construction of PV projects, and continue to promote the proportion of clean energy utilization.

#### **4. Promote the use of high-efficiency equipment to enhance production efficiency**

It implemented and completed the sandblasting robot project for the coating workshop in Zhuhai. The project adopts a "remote control cabin+cockpit+driving robot" approach to achieve sandblasting treatment of loose parts, which has the characteristics of high efficiency, energy saving, and low emissions; It can save 50% -70% of energy consumption and reduce pollutant emissions, greatly reducing the harm of noise, dust, and other factors to human health.

#### **5. China's first offshore all-around green-designed oil field goes on production**

The "Wushi 23-5 Oilfield Group Development Project", the first all-round green designed oilfield in China's offshore area constructed by COOEC, has been successfully put into operation. The project adheres to the idea of integrating high-efficiency development and green and low-carbon, attacks the problem from the source, and carries the strategic orientation and target requirements of "green and low-carbon" through the design, construction and production periods of the oilfield, and integrates a wealth of green treatment processes in Wushi Terminal, which minimizes the impact on the marine environment and opens up a new mode of high-efficiency design and green construction for the oilfield. It has opened a new model of efficient design and green construction for the oilfield.

## **II. Consolidation of poverty alleviation achievements and rural revitalization**

√Applicable "□Not applicable"

COOEC attaches great importance to consolidating and expanding the results of poverty alleviation and rural revitalization. COOEC, based on its own business reality, conscientiously fulfills its corporate social responsibility, establishes a good corporate image, and extensively carries out work in poverty alleviation, public welfare and charity, volunteer services, etc., to make positive contributions to conveying corporate love, promoting the development of rural characteristic industries, continuously expanding channels for farmers to increase income and become prosperous, and promoting social harmony.

First, COOEC continued to consolidate and expand the results of poverty eradication. COOEC continued to provide assistance to disadvantaged workers, and in combination with the difficulties faced by their families, COOEC carried out the Spring Festival special activity of

"Entering Difficult Workers' Families to Send Warmth", provided assistance to disabled people, and offered one-time condolences for serious illnesses. A total of 297 people received assistance, with a total amount of RMB 1.184 million.

Secondly, COOEC continued to carry out in-depth work on rural revitalization and charity. In 2024, COOEC launched a public welfare and charity donation fund plan of RMB 1.955 million, and has completed a donation of RMB 1.8 million. COOEC dispatched resident work teams to key villages in Tianjin to carry out various tasks in accordance with the 34 indicators of "five increases and five improvements", actively participate in expanding sales channels for agricultural products, and continuously improve the popularity of Tianjin's characteristic agricultural products "Xiaozhan Rice" and "Six petal Red" garlic. During the current reporting period, the resident work teams helped to assist in the sales of agricultural products in the villages, with a total sales revenue of about RMB 300,000. On festivals such as the Dragon Boat Festival, COOEC labor union purchased characteristic agricultural products and other products for staff condolences, and invested more than RMB 3.5 million in response to the call for consumption assistance in rural revitalization; It purchased RMB 251,000 of mineral water, work clothes and other commodities from the counterpart areas, effectively helping the areas to increase their income. COOEC launched the "Blue Power" youth volunteer service team to go to targeted assistance villages to carry out activities such as assisting farmers in spring plowing, environmental enhancement, and hair cutting; COOEC organized internal public welfare activities, donated computers to schools and kindergartens in Nyima County, Tibet, and helped set up information-based classrooms to improve local information-based teaching conditions.

COOEC continues to fulfill its corporate social responsibility, and actively contributes to consolidating and expanding the results of poverty alleviation and rural revitalization.



## Section VI Important Matters

### I. Fulfillment of commitments

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

√Applicable "□Not applicable"

Commitment background	Commitment type	Party making commitment	Commitment content	Commitment date	Whether there is a fulfillment term	Commitment period	Whether the commitment is fulfilled in a strict and timely manner
Commitments made in the acquisition report or report on changes in equity	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
	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	2023 October 31, 2023	No	Long-term	Yes

			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.				
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.	2001 August 15, 2001	No	During the existence of COOEC	Yes

**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. Audit of Half-year Report**

Applicable"  Not applicable"

**V. Changes and handling of non-standard audit opinions in the previous year's annual report**

Applicable"  Not applicable"

**VI. Matters related to bankruptcy and reorganization**

Applicable"  Not applicable"

**VII. Significant litigation and arbitration**

COOEC had significant litigation and arbitration during the current reporting period"  
 COOEC had no significant litigation and arbitration during the current reporting period"

**VIII. 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"

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

Applicable"  Not applicable"

**X. 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 June 2024 comply with the relevant provisions of Rules Governing the Listing of Stocks on the Shanghai Stock Exchange. As of the end of June 2024, 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 17 billion, accounting for 42% of the estimated amount for the year.

Type of related-party transactions		Related party	Expected amount incurred in 2024	Actual amount incurred in 2024
			RMB 100mn	RMB 100mn
Sales goods/rendering services	of of	CNOOC Limited	265	91.79
		CNOOC and other subsidiaries	15.52	6.60
Purchase goods/receipt services	of of	CNOOC Energy Technology & Services Limited	24.48	8.16
		CNOOC and other subsidiaries	3.98	0.76
Related party leases	Accepting leases	Zhonghai Industry Co., Ltd.	0.35	0.12
		CNOOC and other subsidiaries	0.13	0.08
	Leasing	China Oilfield Services Limited	0.004	0.001
		Other CNOOC subsidiaries	0.003	0.001
Loans from related parties		CNOOC	6	2.2
		CNOOC and other subsidiaries	7	0
Financial service	Deposit	Finance Company	10	9.94
	Credit and other financial business	Finance Company	60	50
		CNOOC and other subsidiaries	5	0
	Loan interest and various	Finance Company	0.4	0.0294

	service charges		
Commissioned research	CNOOC Limited	1.4	0.1784
	CNOOC and other subsidiaries	0.2	0
<b>Total</b>		<b>399.47</b>	<b>169.86</b>

**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% - 3.00%	99,430.04	2,555,486.03	2,555,564.60	99,351.47
Total	/	/	/	99,430.04	2,555,486.03	2,555,564.60	99,351.47

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% -3.00%/year, the RMB deposit interest rate is 0.35% -1.15%/year, and the USD current deposit interest rate is 3.00%/year. 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	312,181.78

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 operations that utilize the credit line are letter of guarantee operations and acceptance bill operations.

**4. Other explanations**

Applicable"  Not applicable"

**(vi) Other major related-party transactions**

Applicable"  Not applicable"

**(vii) Others**

Applicable"  Not applicable"

**XI. Major contracts and performance thereof**

**1. Significant custody, contracting and leases**

Applicable"  Not applicable"

## 2. Significant guarantees fulfilled and not yet fulfilled during the reporting period

√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	Principal debt	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 for subsidiaries															
Total amount of guarantees for subsidiaries during the reporting period							0								
Total balance of guarantees for subsidiaries as at the end of the reporting period (B)							6.09								
Total guarantees of COOEC (including guarantees for subsidiaries)															
Total amount of guarantees (A+B)							6.09								
Ratio of the total guarantee amount to COOEC's net assets (%)							17.14%								
Including:															
Amount of guarantees provided for shareholders, actual controllers and their related parties (C)							0.00								
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)							0.00								



Total amount of the above three guarantees (C+D+E)	0.19
Explanation of possible joint and several liability for unexpired guarantees	None
Notes to guarantees	<p><b>I. As of the end of the reporting period, COOEC had four guarantees in the process of fulfillment, as follows:</b></p> <p>(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.</p>

	<p>(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 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)</p> <p>(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)</p> <p>(4) As approved by the Second Meeting of the Eighth 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 25, 2023)</p> <p><b>II. Guarantees released during the reporting period:</b></p> <p>(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</p>
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	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. As of the end of current reporting period, COOEC has reached an agreement with the project owner to terminate the parent company's guarantee responsibility in advance, and the guarantee matters have been correspondingly released. (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)
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Note: On June 30, 2024, the China Foreign Exchange Trading Center announced that the central parity rate of the RMB exchange rate was USD 1 to RMB 7.1268.

**3 Other significant contracts**

" Applicable" " Not applicable"

**XII. Use of raised funds**

Applicable " Not applicable"

**(i) Overall use of raised funds**

Applicable " Not applicable"

Unit: RMB'0,000

Source of raised funds	Fully-funded time	Raised funds Total	Net funds raised after issuance expenses (1)	Total committed investment of raised funds in the prospectus or offering memorandum (2)	Total amount of over raised funds (3)=(1) - (2)	Cumulative total funds invested as of the end of the reporting period (4)	Including: As of the end of the reporting period, the cumulative total amount of over raised funds invested (5)	Cumulative input progress of raised funds as of the end of the reporting period (%) (6)=(4)/(1)	Cumulative input progress of over raised funds as of the end of the reporting period (%) (7)=(5)/(3)	Amount invested this year (8)	Proportion of investment in this year (%) (9) = (8)/(1)	Total funds raised with changed purpose
Others	September 27, 2013	349,999.94	347,149.62	347,149.62	/	331,142.27	/	95.39	/	3,144.38	0.91	0.00
Total	/	349,999.94	347,149.62	347,149.62	/	331,142.27	/	95.39	/	3,144.38	0.91	0.00

**(ii) Details of the equity investment project**

√Applicable "□Not applicable"

1. Details of the use of raised funds

√Applicable "□Not applicable"

Unit: RMB'0,000

Source of raised funds	Item	Project nature	Whether it is a committed investment project in the prospectus or offering memorandum	Whether it involves change of committed investment	Total planned investment amount for raised funds (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

				m e n t												
Others	Project of Zhuhai Deep Water Marine Engineering Equipment Manufacturing Base	Production and construction	Yes	No	347,149.62	3,144.38	331,142.27	95.39	As of the end of the period, Phases I, II and III have been completed and put into operation	No	Yes	Not applicable	3,081.29	When Zhuhai Company 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 - 1252.103 million calculated at the shareholding ratio.	No	0.00

Tot al	/	/	/	/	347,149.62	3,144.38	331,142.27	95.39	/	/	/	/	3,081.29	/	/	0.00
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2. Details of the use of over raised funds

Applicable"  Not applicable"

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

Applicable"  Not applicable"

**(iv) Other use of raised funds during the reporting period**

1. Pre-investment and replacement of raised funds investment project

Applicable"  Not applicable"

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

Applicable  Not applicable"

At the Third Meeting of the Eighth Board of Directors held on March 15, 2024, COOEC deliberated and adopted the Proposal on the Use of Idle raised funds 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 from the date of the resolution made by the Board of Directors. Pursuant to the above resolution made by the Board of Directors, the raised funds of RMB 410 million were utilized in the first half of 2024 to temporarily replenish the working capital.

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

Applicable"  Not applicable"

4. Others

Applicable"  Not applicable"

**XIII. Explanation of other significant matters**

Applicable"  Not applicable"



## Section VII Changes in Shares and Shareholders' Information

### I. Changes in share capital

#### (i) Changes in shares

##### 1. Changes in shares

During the reporting period, there were no changes in the total number of shares and share capital structure of COOEC.

##### 2. Notes to changes in shares

Applicable  Not applicable

##### 3. The impact of stock changes on financial indicators such as earnings per share and net assets per share between the reporting period and the Half-year Report disclosure date (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. Shareholders

#### (i) Total number of shareholders:

Total number of ordinary shareholders as at the end of the reporting period	76,995
Total of preferred shareholders whose voting rights have been restored at the end of the reporting period	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)							
Shareholder's name (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	0	2,446,340,509	55.33	0	None	0	State

Hong Kong Securities Clearing Company Ltd.	949,828	218,905,152	4.95	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	0	36,575,600	0.83	0	None	0	Unknown
Yinhua Fund- Agricultural Bank of China - Yinhua China Securities Financial Asset Management Plan	0	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	0	34,905,400	0.79	0	None	0	Unknown

China Everbright Bank Co., Ltd. - Xingquan Business Model Optimal Hybrid Securities Investment Fund (LOF)	0	33,291,834	0.75	0	None	0	Unknown
ICBC Credit Suisse Fund-Agricultural Bank of China - ICBC Credit Suisse China Securities Financial Asset Management Plan	0	32,682,300	0.74	0	None	0	Unknown
GF Fund-Agricultural Bank of China - GF China Securities Financial Asset Management Plan	0	32,375,800	0.73	0	None	0	Unknown
E Fund-Agricultural Bank of China - E Fund China Securities Financial Asset Management Plan	0	31,515,700	0.71	0	None	0	Unknown
Shareholding of the top 10 non-restrictive shareholders (excluding shares lent through refinancing)							
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.	218,905,152	RMB common share				218,905,152	

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
China Everbright Bank Co., Ltd. - Xingquan Business Model Optimal Hybrid Securities Investment Fund (LOF)	33,291,834	RMB common share	33,291,834
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
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		

Participation of shareholders holding more than 5% of the shares, top ten shareholders, and top ten shareholders with unlimited tradable shares in the lending of shares through the refinancing business

"□ Applicable" "√ Not applicable"

The top ten shareholders and the top ten shareholders with unlimited tradable shares have changed compared to the previous period due to the reasons of refinancing, lending, and repayment

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"

### **III. Members of the directors, supervisors and senior officers**

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

Applicable"  Not applicable"

Other circumstances

Applicable"  Not applicable"

**(ii) Equity incentives granted to directors, supervisors and senior officers during the reporting period**

Applicable"  Not applicable"

**(iii) Other explanations**

Applicable"  Not applicable"

### **IV. Change of controlling shareholder or actual controller**

Applicable"  Not applicable"

## Section VIII Bond-related Information

Applicable"  Not applicable"

## **Section IX Bond-related Information**

### **I. Corporate bonds (including enterprise bonds) and non-financial enterprise debt financing instruments**

Applicable"  Not applicable"

### **II. Convertible corporate bonds**

Applicable"  Not applicable"

## Section X Financial Reports

### I. Audit report

"□ Applicable" "√ Not applicable"

### II. Financial statements

#### 1. Consolidated Balance Sheet

June 30, 2024

Prepared by: Offshore Oil Engineering Co., Ltd.

Unit: RMB'0,000

Item	Notes	June 30, 2024	December 31, 2023
<b>Current assets:</b>			
Monetary funds	VII.1	692,723.60	432,081.13
Balances with clearing companies			
Loans to other banks and financial institutions			
Financial assets held for trading	VII.2	843,601.19	872,523.58
Derivative financial assets			
Notes receivable			
Accounts receivable	VII.3	549,598.30	614,740.03
Receivable financing			
Prepayments	VII.4	83,304.08	40,745.12
Premium receivable			
Reinsurance accounts receivable			
Provision of cession receivable			
Other receivables	VII.5	12,331.80	2,090.67
Including: interest receivable			
Dividends receivable			
Financial assets purchased under resale agreements			
Inventories	VII.6	100,055.69	98,279.37
Including: data resources			
Contract assets	VII.7	422,978.93	281,211.88
Assets held for sale			
Non-current assets maturing within one year	VII.8		66,743.01
Other current assets	VII.9	26,098.09	51,256.65
Total current assets		2,730,691.68	2,459,671.44
<b>Non-current assets:</b>			
Loans and advances			
Debt investments	VII.10	235,617.74	232,385.80
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	1,246,850.94	1,281,758.11
Construction in progress	VII.13	43,145.80	46,651.73
Productive biological assets			
Oil and gas assets			
Right-of-use assets	VII.14	91,085.02	12,099.13
Intangible assets	VII.15	219,931.40	223,580.16
Including: data resources			
Development expenses			
Including: data resources			
Goodwill			
Long-term deferred expenses	VII.16	23,929.80	23,990.36
Deferred tax assets	VII.17	23,677.06	37,962.48
Other non-current assets			
Total non-current assets		1,891,304.90	1,865,494.91
Total assets		4,621,996.58	4,325,166.35
<b>Current liabilities:</b>			
Short-term borrowings			
Borrowings from central bank			
Loans from other banks and other financial institutions			
Financial liabilities held for trading			
Derivative financial liabilities			
Notes payable	VII. 19	31,458.67	41,185.44
Accounts payable	VII.20	1,324,490.29	1,211,690.46
Advances from customers			
Contract liabilities	VII.21	226,107.11	100,641.06
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.22	45,319.54	53,232.03
Taxes and surcharges payable	VII.23	21,817.96	38,136.48
Other payables	VII.24	46,434.46	60,687.03
Including: interest payable			
Dividends payable			

Handling charges and commissions payable			
Reinsurance accounts payable			
Liabilities held for sale			
Non-current liabilities maturing within one year	VII.25	32,942.08	5,367.52
Other current liabilities	VII. 26	31,906.96	51,937.78
Total current liabilities		1,760,477.07	1,562,877.80
<b>Non-current liabilities:</b>			
Reserves for insurance contracts			
Long-term borrowings	VII. 27	13,000.36	22,000.67
Bonds payable			
Including: preferred shares			
Perpetual bond			
Lease liabilities	VII.28	67,667.74	6,686.42
Long-term payables			
Long-term salary payable			
Estimated liabilities	VII.29	27,579.84	34,172.24
Deferred income	VII.30	14,363.04	17,707.76
Deferred tax liabilities	VII.17	3,753.57	3,886.00
Other non-current liabilities			
Total non-current liabilities		126,364.55	84,453.09
Total liabilities		1,886,841.62	1,647,330.89
<b>Owners' equity (or shareholders' equity):</b>			
Paid-in capital (or share capital)	VII.31	442,135.48	442,135.48
Other equity instruments			
Including: preferred shares			
Perpetual bond			
Capital reserve	VII.32	424,802.17	424,802.17
Less: treasury stock			
Other comprehensive income	VII.33	-4,904.30	-3,547.76
Special reserves	VII.34	14,451.61	13,399.54
Surplus reserves	VII.35	206,980.83	206,980.83
General risk reserves			
Undistributed profits	VII.36	1,450,352.63	1,395,689.11
Total equity attributable to owners (shareholders) of the parent company		2,533,818.42	2,479,459.37
Minority equity		201,336.54	198,376.09
Total owners' equity (or shareholders' equity)		2,735,154.96	2,677,835.46
Total liabilities and owners' (or shareholders') equity		4,621,996.58	4,325,166.35

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

**2. Balance Sheet of the Parent Company**

June 30, 2024

Prepared by: Offshore Oil Engineering Co., Ltd.

Unit: RMB'0,000

Item	Notes	June 30, 2024	December 31, 2023
<b>Current assets:</b>			
Monetary funds		470,411.70	250,670.97
Financial assets held for trading		843,601.19	872,523.58
Derivative financial assets			
Notes receivable			
Accounts receivable	XVIII. 1	557,400.59	633,563.43
Receivable financing			
Prepayments		60,822.13	37,449.99
Other receivables	XVIII. 2	46,423.88	33,562.74
Including: interest receivable			
Dividends receivable			
Inventories		36,839.87	44,267.59
Including: data resources			
Contract assets		353,079.26	261,602.14
Assets held for sale			
Non-current assets maturing within one year			66,743.01
Other current assets		11,977.29	16,405.12
Total current assets		2,380,555.91	2,216,788.57
<b>Non-current assets:</b>			
Debt investments		235,617.74	232,385.80
Other debt investments			
Long-term receivables			
Long-term equity investments	XVIII. 3	927,156.99	917,918.15
Investments in other equity instruments		7,067.14	7,067.14
Other non-current financial assets			
Investment properties			
Fixed assets		534,582.33	549,546.40
Construction in progress		38,411.35	38,398.75
Productive biological assets			
Oil and gas assets			
Right-of-use assets		8,945.80	9,960.15
Intangible assets		40,954.05	41,723.88
Including: data resources			
Development expenses			
Including: data resources			
Goodwill			
Long-term deferred expenses		15,945.58	15,133.44
Deferred tax assets		13,252.93	27,292.44

Other non-current assets			
Total non-current assets		1,821,933.91	1,839,426.15
Total assets		4,202,489.82	4,056,214.72
<b>Current liabilities:</b>			
Short-term borrowings		418,040.00	423,940.00
Financial liabilities held for trading			
Derivative financial liabilities			
Notes payable		31,458.67	34,187.26
Accounts payable		1,112,502.39	1,069,412.70
Advances from customers			
Contract liabilities		178,703.28	82,115.76
Employee remuneration payable		23,303.14	25,307.19
Taxes and surcharges payable		8,318.27	29,633.39
Other payables		29,115.43	137,205.24
Including: interest payable			
Dividends payable			
Liabilities held for sale			
Non-current liabilities maturing within one year		14,200.85	5,554.34
Other current liabilities		37,974.64	51,573.66
Total current liabilities		1,853,616.67	1,858,929.54
<b>Non-current liabilities:</b>			
Long-term borrowings		13,000.36	22,000.67
Bonds payable			
Including: preferred shares			
Perpetual bond			
Lease liabilities		3,767.30	3,498.35
Long-term payables			
Long-term salary payable			
Estimated liabilities		8,263.42	18,858.27
Deferred income		6,902.76	9,437.11
Deferred tax liabilities			
Other non-current liabilities			
Total non-current liabilities		31,933.84	53,794.40
Total liabilities		1,885,550.51	1,912,723.94
<b>Owners' equity (or shareholders' equity):</b>			
Paid-in capital (or share capital)		442,135.48	442,135.48
Other equity instruments			
Including: preferred shares			
Perpetual bond			
Capital reserve		396,523.30	424,538.80
Less: treasury stock			
Other comprehensive income		51.66	-6,121.76

Special reserves		14,102.09	13,045.04
Surplus reserves		206,016.25	206,016.25
Undistributed profits		1,258,110.53	1,063,876.97
Total owners' equity (or shareholders' equity)		2,316,939.31	2,143,490.78
Total liabilities and owners' (or shareholders') equity		4,202,489.82	4,056,214.72

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

### 3.Consolidated Income Statement

January to June 2024

Unit: RMB'0,000

Item	Notes	Semi-annual 2024	Semi-annual 2023
I. Total operating revenue		1,342,938.54	1,444,181.94
Including: operating revenue	VII. 37	1,342,938.54	1,444,181.94
Interest income			
Premiums earned			
Income from handling charges and commissions:			
II. Total operating costs		1,244,418.84	1,341,387.67
Including: operating costs	VII. 37	1,197,595.09	1,266,961.15
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. 38	6,886.14	8,545.78
Selling expenses	VII. 39	721.52	729.18
Administrative expenses	VII.40	13,700.12	13,331.76
Research and development expenses	VII. 41	32,349.99	55,792.86
Financial expenses	VII. 42	-6,834.02	-3,973.06
Including: interest expenses	VII. 42	418.79	768.56
Interest income	VII. 42	5,856.73	2,216.01
Plus: other income	VII. 43	26,396.74	3,188.55
Investment income ("-" for losses)	VII. 44	12,021.71	13,805.62
Including: income from investment in associates and joint ventures			
Income from derecognition of financial asset measured at amortized cost (Loss is indicated by a "-" sign)			
Gains on foreign exchange ("-" for losses)			

Income from net exposure hedging ("- for losses)			
Gains from changes in fair value ("- for losses)	VII. 45	3,515.90	7,290.98
Credit loss ("- for loss)	VII. 46	1,572.84	-8,820.95
Impairment on assets ("- for loss)	VII.47	-923.34	-646.49
Gains from disposal of assets ("- for losses)	VII. 48	8.19	-64.74
III. Operating profit ("- for loss)		141,111.74	117,547.24
Plus: non-operating revenue	VII. 49	1,019.85	1,461.08
Less: non-operating expenses	VII. 50	535.46	630.42
IV. Total profits ("- for total losses)		141,596.13	118,377.90
Less: income tax expenses	VII. 51	18,978.25	16,890.81
V. Net profit ("- for net loss)		122,617.88	101,487.09
(i) Classified by operating sustainability			
1. Net profit from continued operation ("- for net loss)		122,617.88	101,487.09
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)		119,657.43	98,331.36
2. Minority interest income ("- for net loss)		2,960.45	3,155.73
VI. Other comprehensive income, net of tax		-1,356.54	-3,989.43
(i) Net Amount of Other Comprehensive Incomes after Tax Attributable to Parent Company		-1,356.54	-3,994.92
1. Other comprehensive income that cannot be reclassified into profit or loss			
(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			
(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		-1,356.54	-3,994.92
(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.33	-1,356.54	-3,994.92
(7) Others			
(ii) Net amount of other comprehensive incomes after tax attributable to minority shareholders			5.49
VII. Total comprehensive income		121,261.34	97,497.66
(i) Total comprehensive income attributable to owners of the parent company		118,300.89	94,336.44
(ii) Total comprehensive incomes attributable to minority shareholders		2,960.45	3,161.22
VIII. Earnings per share:			
(i) Basic earnings per share (RMB/share)	VII.56	0.27	0.22
(ii) Diluted earnings per share (RMB/share)	VII.56	0.27	0.22

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

#### 4. Income Statement of the Parent Company

January to June 2024

Unit: RMB'0,000

Item	Notes	Semi-annual 2024	Semi-annual 2023
I. Operating revenue	XVIII. 4	1,136,687.80	1,100,575.28
Less: operating cost	XVIII. 4	1,063,184.96	1,002,342.04
Taxes and surcharges		4,810.49	3,875.24
Selling expenses		83.63	71.74
Administrative expenses		6,690.89	6,166.41
Research and development expenses		17,813.90	38,251.16
Financial expenses		-1,593.53	-107.60
Including: interest expenses		2,732.55	3,210.43
Interest income		3,710.45	957.25
Plus: other income		19,395.37	955.81
Investment income ("-" for losses)	XVIII. 5	94,240.70	49,299.72
Including: income from investment in associates and joint ventures			
Income from derecognition of financial asset measured at amortized cost (Loss is indicated by a "-" sign)			
Income from net exposure hedging ("-" for losses)			
Gains from changes in fair value ("-" for losses)		3,515.90	7,276.33
Credit loss ("-" for loss)		313.67	-2,103.53
Impairment on assets ("-" for loss)		-454.21	-673.20

Gains from disposal of assets ("-" for losses)	266.44	-5.01
II. Operating profits ("-" for loss)	162,975.33	104,726.41
Plus: non-operating revenue	762.13	673.10
Less: non-operating expenses	213.03	401.93
III. Total profit ("for" total loss)	163,524.43	104,997.58
Less: income tax expenses	10,732.35	9,992.26
IV. Net profit ("-" for net loss)	152,792.08	95,005.32
(i) Net profit from continued operation ("-" for net loss)	152,792.08	95,005.32
(ii) Net profit from termination of operation ("-" for net loss)		
V. Other comprehensive income, net of tax	6,173.42	-4,126.46
(i) Other comprehensive income that cannot be reclassified into profit or loss later		
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		
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	6,173.42	-4,126.46
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	6,173.42	-4,126.46
7. Others		
VI. Total comprehensive income	158,965.50	90,878.86
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 to June 2024

Unit: RMB'0,000

Item	Notes	Semi-annual 2024	Semi-annual 2023
<b>I. Cash flows from operating activities:</b>			
Cash received from sale of goods and rendering of services		1,499,364.89	1,605,902.56
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		24,048.76	16,889.76
Cash from other operating activities	VII. 51	16,976.16	11,837.65
Sub-total of cash inflows from operating activities		1,540,389.81	1,634,629.97
Cash paid for purchase of goods or accepting services		1,014,007.59	1,096,036.90
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		183,801.82	170,591.36
Cash paid for taxes and surcharges		66,177.54	54,227.57
Cash paid for other operating activities	VII. 51	17,026.29	22,879.40
Sub-total of cash outflows from operating activities		1,281,013.24	1,343,735.23
Net cash flows from operating activities	VII. 52	259,376.57	290,894.74

<b>II. Cash flows from investing activities:</b>			
Cash received from disposal of investments		940,000.00	695,000.00
Cash received from investment income		28,877.64	10,184.61
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		39.19	
Net cash from disposal of subsidiaries and other business units			605.98
Cash received from other investing activities			
Subtotal of cash inflows from investing activities		968,916.83	705,790.59
Cash paid to acquire and construct fixed assets, intangible assets and other long-term assets		41,952.18	27,217.36
Cash paid for investments		860,000.00	777,475.95
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		901,952.18	804,693.31
Net cash flows from the investing activities		66,964.65	-98,902.72
<b>III. Cash flows from financing activities:</b>			
Cash received from investors			
Including: cash received by subsidiaries from investments of minority shareholders			
Cash received from borrowings			19,000.00
Cash received from other financing activities			
Subtotal of cash inflows from financing activities			19,000.00
Cash paid for debt repayments			62,526.79
Cash paid for distribution of dividends and profits or payment of interests		65,005.10	45,107.24
Including: dividends and profit paid to minority shareholders by subsidiaries			
Cash paid for other financing activities	VII. 51	3,461.97	2,481.68
Sub-total of cash outflows from financing activities		68,467.07	110,115.71
Net cash flows from financing activities		-68,467.07	-91,115.71
<b>IV. Effect of fluctuation in exchange rate on cash and cash equivalents</b>		1,967.02	3,872.84
<b>V. Net increase in cash and cash equivalents</b>	VII. 52	259,841.17	104,749.15

Plus: beginning balance of cash and cash equivalents	VII. 52	422,910.15	208,671.98
<b>VI. Ending balance of cash and cash equivalents</b>	VII. 52	682,751.32	313,421.13

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

### Statement of Cash Flows of the Parent Company

January to June 2024

Unit: RMB'0,000

Item	Notes	Semi-annual 2024	Semi-annual 2023
<b>I. Cash flows from operating activities:</b>			
Cash received from sale of goods and rendering of services		1,320,469.83	1,228,630.47
Refunds of taxes and surcharges		9,515.62	8,568.03
Cash from other operating activities		61,026.68	24,216.98
Sub-total of cash inflows from operating activities		1,391,012.13	1,261,415.48
Cash paid for purchase of goods or accepting services		1,004,942.59	1,000,004.69
Cash paid to and on behalf of employees		121,517.05	114,694.54
Cash paid for taxes and surcharges		48,945.59	31,017.78
Cash paid for other operating activities		46,381.98	17,739.29
Sub-total of cash outflows from operating activities		1,221,787.21	1,163,456.30
Net cash flows from operating activities		169,224.92	97,959.18
<b>II. Cash flows from investing activities:</b>			
Cash received from disposal of investments		940,000.00	755,785.86
Cash received from investment income		111,163.63	48,471.38
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		1.07	10,521.70
Net cash from disposal of subsidiaries and other business units			
Cash received from other investing activities		5,609.81	
Subtotal of cash inflows from investing activities		1,056,774.51	814,778.94
Cash paid to acquire and construct fixed assets, intangible assets and other long-term assets		32,179.38	19,192.54
Cash paid for investments		869,760.10	783,373.03
Net cash paid to acquire subsidiaries and other business units			
Cash paid for other investing activities		15,389.70	1,216.58
Sub-total of cash outflows from investing activities		917,329.18	803,782.15
Net cash flows from the investing activities		139,445.33	10,996.79
<b>III. Cash flows from financing activities:</b>			

Cash received from investors			
Cash received from borrowings			13,000.00
Cash received from other financing activities		421,761.37	358,232.71
Subtotal of cash inflows from financing activities		421,761.37	371,232.71
Cash paid for debt repayments			13,000.00
Cash paid for distribution of dividends and profits or payment of interests		67,515.16	44,213.55
Cash paid for other financing activities		444,844.08	337,474.88
Sub-total of cash outflows from financing activities		512,359.24	394,688.43
Net cash flows from financing activities		-90,597.87	-23,455.72
<b>IV. Effect of fluctuation in exchange rate on cash and cash equivalents</b>		1,334.72	1,788.77
<b>V. Net increase in cash and cash equivalents</b>		219,407.10	87,289.02
Plus: beginning balance of cash and cash equivalents		250,644.93	102,069.56
<b>VI. Ending balance of cash and cash equivalents</b>		470,052.03	189,358.58

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

**Consolidated Statement of Changes in Owners' Equity**

January to June 2024

Unit: RMB'0,000

Item	Semi-annual 2024														
	Equity attributable to owners of the parent company												Minority equity	Total owners' equity	
	Paid-in capital (or share capital)	Other instruments equity			Capital reserve	Less: treasury stock	Other comprehensive income	Special reserves	Surplus reserves	General risk reserves	Undistributed profits	Others			Sub-total
Preferred shares		Perpetual bond	Others												
I. Closing balance of the previous year	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
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		-3,547.76	13,399.54	206,980.83		1,395,689.11		2,479,459.37	198,376.09	2,677,835.46
III. Increases/decreases in the current period ("-" for decreases)							-1,356.54	1,052.07			54,663.52		54,359.05	2,960.44	57,319.50
(i) Total comprehensive income							-1,356.54				119,657.43		118,300.89	2,960.45	121,261.34
(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										-	-	-	-	-	-
1. Withdrawal of surplus reserves										64,993.9	64,993.9	64,993.9	64,993.9	64,993.9	64,993.9
2. Withdrawal of general risk reserves										1	1	1	1	1	1
3. Profit distributed to owners (or shareholders)										-	-	-	-	-	-
4. Others										64,993.9	64,993.9	64,993.9	64,993.9	64,993.9	64,993.9
(iv) Internal carry-forward of owners' equity										1	1	1	1	1	1
1. Conversion of capital reserves into paid-in capital															

Half-year Report of COOEC for 2024

(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								1,052.07					1,052.07		1,052.07
1. Withdrawal in current period								18,084.99					18,084.99		18,084.99
2. Amount used in current period								17,032.92					17,032.92		17,032.92
(vi) Others															
IV. Balance as at the end of this period	442,135.48				424,802.17		-4,904.30	14,451.61	206,980.83		1,450,352.63		2,533,818.42	201,336.54	2,735,154.96

Item	Semi-annual 2023
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	Equity attributable to owners of the parent company												Minority equity	Total owners' equity	
	Paid-in capital (or share capital)	Other instruments equity			Capital reserve	Less: treasury stock	Other comprehensive income	Special reserves	Surplus reserves	General risk reserves	Undistributed profits	Others			Sub-total
		Preferred shares	Perpetual bond	Others											
I. Closing balance of the previous 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)							-3,994.92	-291.79			54,117.81		49,831.10	2,806.63	52,637.73
(i) Total comprehensive income							-3,994.92				98,331.36		94,336.44	3,161.22	97,497.66
(ii) Capital contributed or reduced by owners														-54.59	-54.59
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														-54.59	-54.59
(iii) Profit distribution										-44,213.55		-44,213.55	-300.00	-44,513.55	
1. Withdrawal of surplus reserves															
2. Withdrawal of general risk reserves															
3. Profit distributed to owners (or shareholders)										-44,213.55		-44,213.55	-300.00	-44,513.55	
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								-291.79					-291.79		-291.79
1. Withdrawal in current period								23,632.21					23,632.21		23,632.21
2. Amount used in current period								23,924.00					23,924.00		23,924.00
(vi) Others															
IV. Balance as at the end of this period	442,135.48				424,802.17		-5,439.14	19,569.81	193,761.28		1,345,189.39		2,420,018.99	200,765.67	2,620,784.66

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

**Statement of Changes in Owners' Equity of the Parent Company**

January to June 2024

Unit: RMB'0,000

Item	Semi-annual 2024									
	Paid-in capital (or	Other equity instruments	Capital reserve			Special reserves	Surplus reserves	Undistributed profits	Total equity	owners'

	share capital)	Pr ef er re d sh ar es	P er pe tu al bo nd	Ot he rs		Less: treasur y stock	Other comprehensiv e income				
I. Closing balance of the previous year	442,135.48				424,538.80		-6,121.76	13,045.04	206,016.25	1,063,876.97	2,143,490.78
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		-6,121.76	13,045.04	206,016.25	1,063,876.97	2,143,490.78
III. Increases/decreases in the current period ("-" for decreases)					-28,015.50		6,173.42	1,057.05		194,233.56	173,448.53
(i) Total comprehensive income							6,173.42			152,792.07	158,965.49
(ii) Capital contributed or reduced by owners					-28,015.50					106,435.41	78,419.91
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					-28,015.50					106,435.41	78,419.91
(iii) Profit distribution										-64,993.92	-64,993.92
1. Withdrawal of surplus reserves											
2. Profit distributed to owners (or shareholders)										-64,993.92	-64,993.92
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								1,057.05			1,057.05
1. Withdrawal in current period								16,307.32			16,307.32
2. Amount used in current period								15,250.27			15,250.27
(vi) Others											
IV. Balance as at the end of this period	442,135.48				396,523.30		51.66	14,102.09	206,016.25	1,258,110.53	2,316,939.31

Item	Semi-annual 2023											
	Paid-in capital (or share capital)	Other equity instruments			Capital reserve	Less: treasury stock	Other comprehensive income	Special reserves	Surplus reserves	Undistributed profits	Total equity	owners'
		Preferred shares	Perpetual bonds	Others								

I. Closing balance of the previous 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)							-4,126.46	-319.67		50,791.77	46,345.64
(i) Total comprehensive income							-4,126.46			95,005.32	90,878.86
(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										-44,213.55	-44,213.55
1. Withdrawal of surplus reserves											
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								-319.67			-319.67
1. Withdrawal in current period								19,611.34			19,611.34
2. Amount used in current period								19,931.01			19,931.01
(vi) Others											
IV. Balance as at the end of this period	442,135.48				424,538.80		-8,389.73	18,371.27	192,796.70	1,039,906.37	2,109,358.89

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 June 30, 2024, 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 the 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 raised funds, 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 the COOEC's promoters**

(1) On September 28, 2003, China National Offshore Oil Corporation (CNOOC), the actual controller of the 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 the 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.

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 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 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 the 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 the COOEC for disclosure on August 16, 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 of 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"

The COOEC's operating cycle is 12 months.

### **4. Recording currency**

The bookkeeping base currency of COOEC and its domestic subsidiaries, CNOOC Offshore

Engineering Solutions 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 the COOEC's overseas subsidiaries, including COOEC International Co., Limited, COOEC Nigeria Co., Ltd., Offshore Oil Engineering Co., Ltd. Nigeria Free Trade Zone Company, and CNOOC Saudi Arabia Limited 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

② 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 circumstances, 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 raised funds 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 current 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 raised funds 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;

and (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 V. (19) Long-term equity investments".

## **9. Recognition criteria for 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 the 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 of financial instruments

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

Applicable Not applicable"

### Combination categories and determination criteria for bad debt provision based on credit risk characteristics

Applicable"  Not applicable"

### Aging calculation method based on the combination of credit risk characteristics confirmed by aging

Applicable"  Not applicable"

**Judgment criteria for single provision of bad debt reserves based on individual provision**  
" Applicable" " Not applicable"

### **13. Accounts receivable**

√Applicable "Not applicable"

**Combination categories and determination criteria for bad debt provision based on credit risk characteristics**

√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".

**Aging calculation method based on the combination of credit risk characteristics confirmed by aging**

" Applicable" " Not applicable"

**Recognition criteria for single provision of bad debt reserves**

" Applicable" " Not applicable"

### **14. Receivable financing**

" Applicable" " Not applicable"

### **15. Other receivables**

√Applicable "Not applicable"

**Combination categories and determination criteria for bad debt provision based on credit risk characteristics**

√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

**Aging calculation method based on the combination of credit risk characteristics confirmed by aging**

" Applicable" " Not applicable"

**Judgment criteria for single provision of bad debt reserves based on individual provision**

" Applicable" " Not applicable"

### **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.

**Combination categories and determination criteria for the provision of inventory depreciation reserves based on the combination, and the determination criteria for the net realizable value of different categories of inventory**

Applicable"  Not applicable"

**Calculation method and basis for determining the net realizable value of inventory based on inventory age for each inventory age combination**

Applicable"  Not applicable"

**17. Contract assets**

Applicable"  Not applicable"

**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.

**Combination categories and determination criteria for bad debt provision based on credit risk characteristics**

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".

**Aging calculation method based on the combination of credit risk characteristics confirmed by aging**

Applicable"  Not applicable"

### **Recognition criteria for single provision of bad debt reserves**

Applicable"  Not applicable"

### **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**

Applicable"  Not applicable"

### **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 current 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.

## **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 the COOEC;

and (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 the 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 current 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:

② The asset comes from a contractual right or other legal rights, but the contractual terms or legal provisions state 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 live.

**(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:

It is feasible technically to finish intangible assets for use or sale;

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, the 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 current 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. The 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;

and (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 current 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 data, 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 current 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 re-measures 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"

#### Other explanations

(1) Implementation of Interpretation No. 17 of the Accounting Standards for Business Enterprises

The Ministry of Finance issued the Interpretation No. 17 of the Accounting Standards for Business Enterprises (CK [2023] No. 21, hereinafter referred to as "Interpretation No. 17" ) on October 25, 2023.

① Classification of current liabilities and non-current liabilities

Interpretation No. 17 specifies:

- If an enterprise does not have a substantive right at the balance sheet date to defer settlement of a liability for more than one year after the balance sheet date, the liability should be classified as a current liability.

- With respect to liabilities arising from an enterprise's loan arrangement, the enterprise's right to defer settlement of the liabilities for more than one year after the balance sheet date may depend on the enterprise's compliance with the conditions set forth in the loan arrangement (hereinafter referred to as contractual conditions), and the enterprise, in determining the existence of its substantive right to defer settlement of the liabilities, should consider only the contractual conditions that would have been satisfied at or before the balance sheet date and should not take into account contractual conditions that would have been satisfied at or after the balance sheet date.

- Settlement of liabilities in the context of the liquidity segmentation of liabilities means that an enterprise discharges a liability by transferring cash, other economic resources (e.g. goods or services) or the enterprise's own equity instruments to a counterparty. If the terms of the liability result in the enterprise settling it by delivering its own equity instrument at the option of the counterparty, and if the enterprise classifies the above option as an equity instrument and recognizes it separately as an equity component of a compound financial instrument in accordance with ASBE No. 37 - Presentation of Financial Instruments, such terms does not affect the liquidity classification of the liability.

The provisions of the Interpretation are effective from January 1, 2024, and companies should adjust the comparable period information in accordance with the provisions of the Interpretation when the provisions of the Interpretation are implemented for the first time.

② Disclosure of supplier financing arrangements

Interpretation No. 17 requires that when making note disclosures, an enterprise should summarize the information disclosed in relation to supplier financing arrangements in a manner that will assist users of the statements in assessing the impact of those arrangements on the enterprise's liabilities, cash flows, and the enterprise's exposure to liquidity risk. The impact of supplier financing arrangements should also be considered when identifying and disclosing liquidity risk information. This disclosure requirement only applies to supplier financing arrangements. A supplier financing arrangement is a transaction characterized by the provision of funds by one or more finance providers for the payment by an enterprise of amounts due to its suppliers, with an agreement that the enterprise will repay the finance providers on or after

the date on which its suppliers receive the payments, in accordance with the terms and conditions of the arrangement. The supplier financing arrangement extends the payment period for the business or advances the collection period for the business's suppliers compared to the original payment due date.

The provisions of the Interpretation are effective from January 1, 2024, and companies are not required to disclose the information required by the provision in the interim report in which the provisions of the Interpretation are implemented for the first time.

③ Accounting for sale and leaseback transactions

Interpretation No. 17 provides that a lessee, in its subsequent measurement of a lease liability arising from a sale and leaseback, shall not determine the lease payments or vary the lease payments in a manner that would cause it to recognize a gain or loss related to the right to use the leaseback acquired. When an enterprise first implements this provision, it should retrospectively adjust for sale and leaseback transactions entered into after the date of initial implementation of Accounting Standards for Business Enterprises No. 21- Leases.

The provisions of the Interpretation are effective from January 1, 2024, and allow companies to execute earlier from the year of issuance. The implementation of this provision did not have a material impact on the COOEC's financial position and results of operations.

(2) Implementation of the Interim Provisions on Accounting Treatment Related to Enterprise Data Resources

The Ministry of Finance ( “MOF” ) issued the Interim Provisions on Accounting Treatment Related to Enterprise Data Resources (CK [2023] No. 11) on August 1, 2023, which applies to the data resources that are recognized as assets, such as intangible assets or inventories in compliance with the relevant provisions of the Accounting Standards for Business Enterprises ( “ASBE” ), as well as data resources legally owned or controlled by an enterprise, and are expected to bring economic benefits to the enterprise, but do not satisfy the conditions for recognition of an asset without recognition of the relevant accounting treatment and specific requirements for disclosure of data resources.

This provision is effective from January 1, 2024, and enterprises should adopt the prospective application method, and expenditures related to data resources that have already been expensed to profit or loss before the implementation of this provision will not be adjusted. The implementation of this provision did not have a material impact on the COOEC's financial position and results of operations.

(3) Reclassification of warranty fees for guarantee category

The Ministry of Finance released the Compilation of Application Guidelines for Enterprise Accounting Standards 2024 in March 2024, which stipulates that warranty fees should be included in operating costs. The implementation of this provision did not have a material impact on the COOEC's financial position and results of operations.

**(2) Changes in significant accounting estimates**

√Applicable "□Not applicable"

Other explanations

There has been no change in COOEC's main accounting estimates during current reporting period.

**(3) First-time implementation of new accounting standards or interpretations of standards, etc. from 2024 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	
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 (%)
The COOEC	15
Offshore Oil Engineering (Qingdao) Co., Ltd.	15

CNOOC Offshore Engineering Solutions 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
COOEC Saudi Arabia Co., Ltd.	20
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 Offshore Engineering Solutions 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	692,722.60	432,080.13
Other monetary funds		
Deposit with a financial company		
Total	692,723.60	432,081.13
Including: total amount deposited abroad	21,240.77	46,618.00

#### 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	8,942.06
Total	8,942.06	8,942.06

**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	843,601.19	872,523.58	/
Including:			
Structured deposits	813,481.98	563,187.59	/
Non-principal-protected floating-income financial products	30,119.21	309,335.99	/
Total	843,601.19	872,523.58	/

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	546,654.14	611,260.21
Within 1 year Subtotal	546,654.14	611,260.21
1-2 years	3,451.24	5,570.67
2-3 years	3,254.88	22,371.78
Over 3 years	25,853.60	6,578.60
Total	579,213.86	645,781.26



**(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		
	Amount	Ratio (%)	Amount	Proportion of provision (%)	Book value	Amount	Ratio (%)	Amount	Proportion of provision (%)	Book value
Provision for bad debts accrued on an individual basis	27,856.09	4.81	22,284.87	80.00	5,571.22	27,683.72	4.29	22,146.98	80.00	5,536.74
Including:										
DANGOTE OIL REFINING COMPANY LIMITE	27,856.09	4.81	22,284.87	80.00	5,571.22	27,683.72	4.29	22,146.98	80.00	5,536.74
Provision for bad debts made by portfolio	551,357.77	95.19	7,330.69	1.33	544,027.08	618,097.54	95.71	8,894.25	1.44	609,203.29
Including:										
Credit risk characteristic portfolio	551,357.77	95.19	7,330.69	1.33	544,027.08	618,097.54	95.71	8,894.25	1.44	609,203.29
Total	579,213.86	/	29,615.56	/	549,598.3	645,781.26	/	31,041.23	/	614,740.03

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	27,856.09	22,284.87	80.00	Expected credit losses
Total	27,856.09	22,284.87	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	117,862.36	7,330.68	6.22
Portfolio of related parties	433,495.41		
Total	551,357.77	7,330.68	

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 current 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				137.89	22,284.87
Provision for bad debts made by portfolio	8,894.25	-1,572.84			9.28	7,330.69

Total	31,041.23	-1,572.84			147.17	29,615.56
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Significant amounts of bad debt recovery or reversal in the current period:

Applicable"  Not applicable"

#### (4) Accounts receivable actually charged-off in this period

Applicable"  Not applicable"

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	428,847.74	126,096.87	554,944.61	51.75	189.15
SK Earthon Shenzhen	36,798.37		36,798.37	3.43	
DANGOTE OIL REFINING COMPANY LIMITED	27,856.09	3,784.00	31,640.09	2.95	25,312.07
Saipem SA	19,730.90		19,730.90	1.84	
National Pipeline Network Group Tianjin LNG Co., Ltd.	13,712.51	42,013.33	55,725.84	5.20	63.02
Total	526,945.61	171,894.20	698,839.81	65.16	25,564.24

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	426,639.92	3,660.99	422,978.93	284,664.03	3,452.15	281,211.88

Total	426,639.92	3,660.99	422,978.93	284,664.03	3,452.15	281,211.88
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**(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	3,784.00	0.89	3,027.20	80.00	756.80	3,788.47	1.33	3,030.84	80.00	757.63
Provision for bad debts made by portfolio	422,855.92	99.11	633.79	0.15	422,222.13	280,875.56	98.67	421.31	0.15	280,454.25
Total	426,639.92	/	3,660.99	/	422,978.93	284,664.03	/	3,452.15	/	281,211.88

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	3,784.00	3,027.20	80.00	Expected credit losses
Total	3,784.00	3,027.20	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	422,855.92	633.79	0.15
Total	422,855.92	633.79	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 current period	Recovery or reversal in current period	Write-off/cancellation after verification in current period	Reasons
Completed and unsettled assets formed by project contracting business	190.45		-18.39	
Total	190.45		-18.39	/

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. Advances to suppliers****(1) Presentation by aging**

Applicable  Not applicable

Unit: RMB'0,000

Aging	Ending balance		Beginning balance	
	Amount	Ratio (%)	Amount	Ratio (%)
Within 1 year	83,063.53	99.71	39,455.48	96.83
1-2 years	36.40	0.04	120.23	0.30
2-3 years			11.15	0.03
Over 3 years	204.15	0.25	1,158.26	2.84
Total	83,304.08	100.00	40,745.12	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	27,383.86	32.87
Shenyang Turbine Machinery Co., Ltd.	15,517.57	18.63
Hunan Hualing Xiangtan Iron and Steel Co., Ltd.	8,256.12	9.91
Tianjin Taigang Sales Co., Ltd.	7,558.85	9.07
Jiangsu Jinmao Gangbao E-commerce Co., Ltd.	5,806.96	6.97
Total	64,523.36	77.45

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	12,331.80	2,090.67
Total	12,331.80	2,090.67

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	11,849.73	1,621.27
Within 1 year Subtotal	11,849.73	1,621.27
1-2 years	24.85	80.88
2-3 years	101.56	227.46
Over 3 years	355.66	161.06
Total	12,331.80	2,090.67

#### (1) 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
Government grants receivable	10,782.26	
Deposits, reserve funds, security deposits	1,466.03	893.50
Insurance compensation		1,021.22
Advances and others	83.51	175.95
Total	12,331.80	2,090.67

#### (2) Provision for bad debts

适用  不适用

#### (3) 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

#### (4) 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

#### (5) 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	Provision for bad debts Ending balance
Ministry of Finance of the People's Republic of China	10,782.26	87.43	Export refund tax	Within 1 year	
China Huanqiu Contracting & Engineering Co., Ltd.	539.47	4.37	Margin security deposit	Within 1 year	
Tianjin Port Power Co., Ltd.	120.00	0.97	Margin security deposit	3-4 years	
Shenzhen investment condominium development Co.	89.18	0.72	Margin security deposit	Note	
Huadian Tendering Co., Ltd.	80.00	0.65	Margin security deposit	Within 1 year	
Total	11,610.91	94.14	/	/	

Note: Other receivables of Shenzhen Merchants Apartment Development Co., Ltd. with an age of less than 1 year of RMB 23,400 and 4-5 years of RMB 868,400.

#### (6) Other reported receivables of due to centralized management of funds of parent company

Applicable  Not applicable

Other explanations:

Applicable  Not applicable

### 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	107,845.67	8,692.69	99,152.98	107,033.22	8,753.85	98,279.37
Including:						
General steel	27,420.28	788.22	26,632.06	38,511.48	654.66	37,856.82
Imported materials	6,552.65	2,992.44	3,560.21	6,907.58	2,992.44	3,915.14

Electrical materials	4,919.21	583.88	4,335.33	6,207.45	641.34	5,566.11
Other materials	68,953.53	4,328.15	64,625.38	55,406.71	4,465.41	50,941.30
Contract performance costs	902.71		902.71			
Total	108,748.38	8,692.69	100,055.69	107,033.22	8,753.85	98,279.37

**(2) Data resources recognized as inventory**

Applicable"  Not applicable"

**(3) 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 current period		Decrease in current period		Ending balance
		Provision	Others	Reversal or write-off	Others	
Project preparation	8,753.85	732.89		794.05		8,692.69
Including:						
General steel	654.66	135.26		1.70		788.22
Imported materials	2,992.44					2,992.44
Electrical materials	641.34	21.42		78.88		583.88
Other materials	4,465.41	576.21		713.47		4,328.15
Contract performance costs						
Total	8,753.85	732.89		794.05		8,692.69

Reasons for the reversal or cancellation of inventory impairment provisions in current period

Applicable"  Not applicable"

Provision for inventory depreciation by combination

Applicable"  Not applicable"

Provision standard for inventory impairment reserves based on combinations

Applicable"  Not applicable"

**(4) Ending balance of stock which contains capitalized the borrowing costs and calculation criteria and basis**

Applicable"  Not applicable"

**(5) 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
Total		66,743.01

**Debt investments maturing within one year**

Applicable"  Not applicable"

**Other debt investments maturing within one year**

Applicable"  Not applicable"

**9. Other current assets**

Applicable  Not applicable"

Unit: RMB'0,000

Item	Ending balance	Beginning balance
Reclassification of value-added tax	21,862.82	47,420.23
Prepayment of enterprise income tax	437.06	1,352.64
Prepaid and deferred expenses	3,745.59	2,483.78
Wait deal intangible assets loss or income	52.62	
Total	26,098.09	51,256.65

**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	235,617.74		235,617.74	299,128.81		299,128.81
Sub-total	235,617.74		235,617.74	299,128.81		299,128.81
Less: Part due within one year				66,743.01		66,743.01
Total	235,617.74		235,617.74	232,385.80		232,385.80

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	2.900%	2.900%	2026/8/31		10,000.00	2.900%	2.900%	2026/8/31	
Tianjin Xinkailu Subbranch, China Guangfa Bank	10,000.00	2.900%	2.900%	2026/10/16		10,000.00	2.900%	2.900%	2026/10/16	
Construction Bank of China, Tianjin Development Branch	20,000.00	2.900%	2.900%	2026/8/31		20,000.00	2.900%	2.900%	2026/8/31	
Tianjin Xinkailu Subbranch, China Guangfa Bank	20,000.00	2.900%	2.900%	2026/11/22		20,000.00	2.900%	2.900%	2026/11/22	
Construction Bank of China, Tianjin Development Branch	30,000.00	2.900%	2.900%	2026/8/31		30,000.00	2.900%	2.900%	2026/8/31	

Tianjin Xinkailu Subbranch, China Guangfa Bank	30,000.00	2.900%	2.900%	2026/9/11		30,000.00	2.900%	2.900%	2026/9/11	
Beijing Chaowai Subbranch, Industrial Bank	30,000.00	2.900%	2.900%	2026/9/12		30,000.00	2.900%	2.900%	2026/9/12	
Beijing Chaowai Subbranch, Industrial Bank	30,000.00	2.850%	2.850%	2026/10/11		30,000.00	2.850%	2.850%	2026/10/11	
Tianjin Xinkailu Subbranch, China Guangfa Bank	50,000.00	3.250%	3.250%	2026/5/8		50,000.00	3.250%	3.250%	2026/5/8	
Tianjin Shipping Center Subbranch, ICBC	10,000.00	2.900%	2.900%	2026/8/31		10,000.00	2.900%	2.900%	2026/8/31	
Total	230,000.00	/	/	/		230,000.00	/	/	/	

**(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"

**(4) Actual write-off of debt investments in current period**

Applicable"  Not applicable"

Write-off of important debt investments

Applicable"  Not applicable"

Explanation for write-off of debt investments:

Applicable"  Not applicable"

**11. Other equity instruments**

**(1) Investment in other equity instruments**

√Applicable Not applicable"

Unit: RMB'0,000

Item	Beginning balance	Increase/decrease in current 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				
Total	7,067.14						7,067.14				/

**(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	1,245,713.92	1,280,833.37
Liquidation of fixed assets	1,137.02	924.74
Total	1,246,850.94	1,281,758.11

**Fixed assets****(1) Fixed assets**

√Applicable "□Not applicable"

Unit: RMB'0,000

Item	Houses and buildings	Machinery equipment	Transportation facilities	Electronic equipment	Office facilities	Total
<b>I. Total original book value:</b>						
1. Beginning balance	874,625.60	488,543.01	1,291,290.53	14,050.63	25,948.04	2,694,457.81
2. Increase in current period	2,483.28	16,739.21	194.13	42.49	1,366.03	20,825.14
(1) Purchase	3.72	7,456.89	29.04	-4.19	1,364.37	8,849.83
(2) Transfer from construction in progress	2,479.56	9,282.30		46.68	7.66	11,816.20
(3) Translation of foreign currency financial statements		0.02	165.09		-6.00	159.11
3. Decrease in current period		6,741.00	938.42	739.75	497.83	8,917.00
(1) Disposal or scrapping		6,741.00	938.42	739.75	167.60	8,586.77
(2) Others					330.23	330.23
4. Ending balance	877,108.88	498,541.22	1,290,546.24	13,353.37	26,816.24	2,706,365.95
<b>II. Accumulated depreciation</b>						
1. Beginning balance	300,694.58	329,632.97	709,153.87	9,966.30	17,037.01	1,366,484.73
2. Increase in current period	14,129.56	11,892.25	27,013.77	473.48	1,407.87	54,916.93
(1) Provision	14,129.56	11,892.09	26,864.85	473.48	1,413.61	54,773.59
(2) Translation of foreign currency financial statements		0.16	148.92		-5.74	143.34
3. Decrease in current period		6,066.90	844.58	738.97	238.89	7,889.34
(1) Disposal or scrapping		6,066.90	844.58	738.97	167.34	7,817.79



(2) Others					71.55	71.55
4. Ending balance	314,824.14	335,458.32	735,323.06	9,700.81	18,205.99	1,413,512.32
III. Provision for impairment						
1. Beginning balance	44,971.52	2,168.19				47,139.71
2. Increase in current period						
3. Decrease in current 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	517,313.22	160,914.71	555,223.18	3,652.56	8,610.25	1,245,713.92
2. Book value as at the beginning of the period	528,959.50	156,741.85	582,136.66	4,084.33	8,911.03	1,280,833.37

**(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	17,479.91	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
Machinery equipment	710.54	528.87
Transportation facilities	184.35	134.87
Electronic equipment	142.25	143.86
Office facilities	99.88	100.16
Total	1,137.02	924.74

**13. Construction in progress****Presentation**

√Applicable "□Not applicable"

Unit: RMB'0,000

Item	Ending balance	Beginning balance
Construction in progress	43,145.80	46,651.73
Project materials		
Total	43,145.80	46,651.73

**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
Lingang base construction project (Phase II)	24,643.43		24,643.43	19,316.50		19,316.50
Ultra-deepwater piling hammer	5,587.98		5,587.98	5,536.13		5,536.13
Large deepwater jacket leveler	1,275.47		1,275.47	1,054.27		1,054.27
Intelligent monitoring system for deep water pipe laying	1,132.35		1,132.35	894.79		894.79
226 Marine wind turbine booster system project				778.77		778.77
#3 Slipway extension				2,436.43		2,436.43
Other projects	10,506.57		10,506.57	11,171.08		11,171.08
Total	43,145.80		43,145.80	46,651.73		46,651.73

**(2) Changes in significant construction in progress in the current period**

√Applicable "□Not applicable"

Unit: RMB'0,000

Item	Budget	Beginning balance	Increase in current period	Transfer into fixed assets in current period	Other decrease in current period	Ending balance	Proportion of accumulated project investment in budget (%)	Progress of construction (%)	Accumulated capitalization amount of interest	Including: Capitalized amount of interest in current period	Capitalization rate of interest in current period	Capital source
Lingang base construction project (Phase I)	249,514.30	5,463.76		5,463.76			98.30	100.00				All self-raised
Lingang base construction project (Phase II)	66,987.00	19,316.50	5,326.93			24,643.43	36.79	55.00				All self-raised
Ultra-deepwater piling hammer	17,262.00	5,536.13	51.84			5,587.97	97.88	98.00				All self-raised
Large deepwater jacket leveler	4,979.00	1,054.27	221.20			1,275.47	25.62	35.00				All self-raised
Intelligent monitoring system for deep water pipe laying	13,426.00	894.79	237.56			1,132.35	48.43	45.00				All self-raised

226 Marine wind turbine booster system project	778.77	778.77		778.77			100.00	100.00				All self-raised
#3 Slipway extension	3,142.90	2,436.43	90.16	2,526.59			80.39	100.00				All self-raised
Other projects		11,171.08	2,390.97	3,047.08	8.39	10,506.58						All self-raised
Total		46,651.73	8,318.66	11,816.20	8.39	43,145.80	/	/			/	/

**(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**

Applicable  Not applicable

**14. Right-of-use assets****(1) Right-of-use assets status**

Applicable  Not applicable

Unit: RMB'0,000

Item	Land	Site and constructions	Vessel	Machinery equipment	Total
<b>I. Total original book value</b>					
1. Beginning balance	6,011.47	15,426.23		164.58	21,602.28
2. Increase in current period		2,872.64	84,013.11		86,885.75
- New lease		2,872.64	84,013.11		86,885.75
- Translation of foreign currency financial statements					
3. Decrease in current period		1,595.90			1,595.90
- Contract expiration or termination		1,595.90			1,595.90
4. Ending balance	6,011.47	16,702.97	84,013.11	164.58	106,892.13
<b>II. Accumulated depreciation</b>					
1. Beginning balance	4,971.54	4,405.55		126.06	9,503.15
2. Increase in current period	194.99	3,120.75	4,271.85	21.01	7,608.60
(1) Provision	194.99	3,120.75	4,271.85	21.01	7,608.60
(2) Translation of foreign currency financial statements					
3. Decrease in current period		1,304.64			1,304.64
- Contract expiration or termination		1,304.64			1,304.64
4. Ending balance	5,166.53	6,221.66	4,271.85	147.07	15,807.11
<b>III. Provision for impairment</b>					
1. Beginning balance					

2. Increase in current period					
3. Decrease in current period					
4. Ending balance					
IV. Book value					
1. Book value as at the end of the period	844.94	10,481.31	79,741.26	17.51	91,085.02
2. Book value as at the beginning of the period	1,039.93	11,020.68		38.52	12,099.13

**(2) Impairment test of right-of-use assets**

Applicable"  Not applicable"

**15. Intangible assets****(1) 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	32,378.90	301,057.53
2. Increase in current period			846.36	846.36
(1) Purchase			838.19	838.19
(2) Internal R&D			8.39	8.39
(3) Translation of foreign currency financial statements			-0.22	-0.22
3. Decrease in current period			5,182.60	5,182.60
(1) Scrap			5,182.60	5,182.60
4. Ending balance	267,148.46	1,530.17	28,042.66	296,721.29
II. Accumulated accumulation				
1. Beginning balance	53,749.48	270.03	23,457.86	77,477.37
2. Increase in current period	2,888.10	135.02	1,472.00	4,495.12
(1) Provision	2,888.10	135.02	1,472.00	4,495.12
3. Decrease in current period			5,182.60	5,182.60
(1) Scrap			5,182.60	5,182.60
4. Ending balance	56,637.58	405.05	19,747.26	76,789.89
III. Provision for impairment				
1. Beginning balance				
2. Increase in current period				
3. Decrease in current period				

4. Ending balance				
IV. Book value				
1. Book value as at the end of the period	210,510.88	1,125.12	8,295.40	219,931.40
2. Book value as at the beginning of the period	213,398.98	1,260.14	8,921.04	223,580.16

**(2) Data resources recognized as intangible assets**

Applicable  Not applicable

**(3) Status of land use rights for which no title deeds have been issued**

Applicable  Not applicable

**(4) Impairment test of intangible assets**

Applicable  Not applicable

Other explanations:

Applicable  Not applicable

**16. Long-term deferred expenses**

Applicable  Not applicable

Unit: RMB'0,000

Item	Beginning balance	Increase in current period	Amount amortized in current period	Other decreases	Ending balance
Car parking space usage fees	5,405.27		92.66		5,312.61
Ship docking repair fees	7,786.34	1,238.66	1,793.09		7,231.91
Dredging of terminal waters	6,401.09		417.46		5,983.63
Operating expenses for improving leased fixed assets		198.42	12.80		185.62
Insurance premiums	4,144.64	4,606.36	3,740.28		5,010.72
Software usage fee	253.02		47.71		205.31
Total	23,990.36	6,043.44	6,104.00		23,929.80

**17. 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
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	Deductible temporary differences	Deferred tax Assets	Deductible temporary differences	Deferred tax Assets
Provision for asset impairment	21,940.15	3,292.06	23,960.92	3,653.10
Unrealized profits from internal transactions	7,219.13	1,082.87	8,777.40	1,316.61
Deductible loss	29,370.53	7,342.63	29,276.04	7,319.01
Estimated liabilities	19,557.17	3,047.82	28,015.72	4,244.42
Costs not invoiced are pending	86,855.64	13,028.35	167,813.73	25,172.07
Leasing matters	90,214.49	13,599.05	10,163.06	1,551.69
Deferred income	14,363.04	2,154.46	17,707.76	2,656.16
Total	269,520.15	43,547.24	285,714.63	45,913.06

**(2) Deferred tax liabilities without offset**

√Applicable "□Not applicable"

Unit: RMB'0,000

Item	Ending balance		Beginning balance	
	Taxable temporary differences	Deferred tax Liabilities	Taxable temporary differences	Deferred tax Liabilities
Asset evaluation increment from business combination not under common control	15,014.29	3,753.57	15,543.99	3,886.00
Accrued interest on debt investments	5,617.74	842.66	9,128.81	1,369.32
Depreciation, amortization or depletion difference of assets	20,929.72	3,139.47	21,196.54	3,179.48
Leasing matters	89,479.78	13,482.13	10,006.57	1,523.24
Changes in fair value of financial assets held for trading	16,039.48	2,405.92	12,523.59	1,878.54
Total	147,081.01	23,623.75	68,399.50	11,836.58

**(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	19,870.18	23,677.06	7,950.58	37,962.48
Deferred tax liabilities	19,870.18	3,753.57	7,950.58	3,886.00



**(4) Unrecognized deferred tax assets**√Applicable Not applicable"

Unit: RMB'0,000

Item	Ending balance	Beginning balance
Deductible temporary differences	57,303.71	63,627.36
Deductible loss	99,003.74	99,003.74
Total	156,307.45	162,631.10

**(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			
2024	41,187.17	41,187.17	
2025	18,115.93	18,115.93	
2026	25,888.42	25,888.42	
2027	13,812.22	13,812.22	
Indefinitely			
Total	99,003.74	99,003.74	/

Other explanations:

 Applicable"  Not applicable"**18. 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	8,942.06	8,942.06	Frozen	Frozen
Total	8,942.06	8,942.06	/	/	8,942.06	8,942.06	/	/

**19. Notes payable**√Applicable Not applicable"

Unit: RMB'0,000

Category	Ending balance	Beginning balance
Bank acceptance bills	31,458.67	41,185.44
Total	31,458.67	41,185.44

**20. Accounts payable****(1) Presentation of accounts payable**√Applicable Not applicable"

Unit: RMB'0,000

Item	Ending balance	Beginning balance
Within 1 year	1,277,484.93	1,173,086.75

1-2 years	25,144.67	21,601.41
2-3 years	11,860.96	10,902.79
Over 3 years	9,999.73	6,099.51
Total	1,324,490.29	1,211,690.46

**(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
Sinopec Nanjing Engineering Co., Ltd.	14,484.35	Not finished yet
Nanjing Chemical Construction Co., Ltd.	10,468.59	Not finished yet
Shanghai Salvage Bureau, Ministry of Transportation and Communications	6,375.51	Not finished yet
MARINE PLATFORMS LIMITED	4,445.76	Not finished yet
Tianjin Huali Thermal Insulation Building Materials Co., Ltd.	4,234.67	Not finished yet
Power China Henan Engineering Co., Ltd.	1,146.67	Not finished yet
EPIC International FZN	1,116.68	Not finished yet
Total	42,272.23	/

Other explanations:

"□ Applicable" "√ Not applicable"

**21. 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	226,107.11	100,641.06
Total	226,107.11	100,641.06

**(2) Important contract liabilities with an aging of over 1 year**

"□ Applicable" "√ Not applicable"

**(3) Amount and reasons for significant changes in book value during the reporting period**

"□ Applicable" "√ Not applicable"

Other explanations:

"□ Applicable" "√ Not applicable"

**22. Employee remuneration payable****(1) Presentation of salary payable**

√Applicable "□Not applicable"

Unit: RMB'0,000

Item	Beginning balance	Increase in current period	Decrease in current period	Ending balance
I. Short-term compensation	50,031.11	146,869.80	154,781.39	42,119.52

II. Post-employment benefits-defined contribution plans	3,119.10	27,197.27	27,197.27	3,119.10
III. Dismissal welfare	81.82	10.82	11.72	80.92
IV. Other benefits maturing within one year				
Total	53,232.03	174,077.89	181,990.38	45,319.54

**(2) Presentation of short-term compensation**

√Applicable "□Not applicable"

Unit: RMB'0,000

Item	Beginning balance	Increase in current period	Decrease in current period	Ending balance
I. Salary, bonus, allowance and subsidy	38,431.29	107,375.74	115,101.28	30,705.75
II. Employee welfare fees		6,308.37	6,308.37	
III. Social insurance premiums	0.04	10,802.93	10,802.94	0.03
Including: medical insurance premiums	0.04	9,667.15	9,667.16	0.03
Work-related injury insurance premiums		743.78	743.78	
Maternity insurance premiums		392.00	392.00	
IV. Housing fund	127.23	13,950.72	13,951.72	126.23
V. Labor union expenditures and employee education expenses	11,472.55	3,548.16	3,733.20	11,287.51
VI. Short-term compensated absences				
VII. Short-term profit sharing plan				
VIII. Others		4,883.88	4,883.88	
Total	50,031.11	146,869.80	154,781.39	42,119.52

**(3) Presentation of defined contribution plans**

√Applicable "□Not applicable"

Unit: RMB'0,000

Item	Beginning balance	Increase in current period	Decrease in current period	Ending balance
1. Basic endowment insurance premiums	0.10	17,679.67	17,679.67	0.10
2. Unemployment insurance premiums		673.72	673.72	
3. Enterprise annuity payment	3,119.00	8,843.88	8,843.88	3,119.00

Total	3,119.10	27,197.27	27,197.27	3,119.10
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Other explanations:

Applicable  Not applicable

### 23. Taxes and surcharges payable

Applicable  Not applicable

Unit: RMB'0,000

Item	Ending balance	Beginning balance
Value added tax (VAT)	6,463.23	1,655.73
Enterprise income tax	11,278.80	29,387.86
Individual income tax	1,057.27	3,860.00
Property taxes	1,079.31	1,856.31
Urban maintenance and construction tax	55.65	11.57
Stamp tax	306.13	501.84
Education surcharge	40.11	8.63
Land use taxes	242.28	344.99
Others	1,295.18	509.55
Total	21,817.96	38,136.48

### 24. Other payables

#### (1) Presentation

Applicable  Not applicable

Unit: RMB'0,000

Item	Ending balance	Beginning balance
Interest payable		
Dividends payable		
Other payables	46,434.46	60,687.03
Total	46,434.46	60,687.03

#### (2) Interest payable

Applicable  Not applicable

#### (3) Dividends payable

Applicable  Not applicable

#### (4) Other payables

##### Other payables by nature

Applicable  Not applicable

Unit: RMB'0,000

Item	Ending balance	Beginning balance
Warranty and security deposit	38,607.80	39,428.92
Employee reimbursement and others	5,996.84	8,608.88
Temporary credits	379.36	141.27
Funds receivable and payable	1,450.46	
Consumption tax rebate		12,507.96
Total	46,434.46	60,687.03

**Other significant payables aged over 1 year or overdue**

Applicable"  Not applicable"

Other explanations:

Applicable"  Not applicable"

**25. 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	9,000.25	
Lease liabilities maturing within 1 year	23,941.83	5,367.52
Total	32,942.08	5,367.52

Other explanations:

None

**26. Other current liabilities**

Applicable"  Not applicable"

Unit: RMB'0,000

Item	Ending balance	Beginning balance
Output tax to be carried forward	31,906.96	51,937.78
Total	31,906.96	51,937.78

Increases or decreases in short-term bonds payable:

Applicable"  Not applicable"

Other explanations:

Applicable"  Not applicable"

**27. Long-term borrowings****(1) Classification**

Applicable"  Not applicable"

Unit: RMB'0,000

Item	Ending balance	Beginning balance
Pledged loan		
Mortgage loan		
Guaranteed borrowings		
Fiduciary loans	13,000.36	22,000.67
Total	13,000.36	22,000.67

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 3200 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 March 2017 to March 2022, with an

annual interest rate of 0.35%, and the subsequent loan term for repayment upon maturity is from May 2022 to May 2025, with an annual interest rate of 0.1%; RMB 130 million is borrowed from June 2023 to June 2026, with the annual interest rate of 0.1%.

## 28. Lease liability

√Applicable Not applicable"

Unit: RMB'0,000

Item	Ending balance	Beginning balance
Land	977.18	1,162.09
Site and constructions	10,399.28	10,891.85
Vessel	80,233.11	
Sub-total	91,609.57	12,053.94
Less: Lease liability maturing within one year	23,941.83	5,367.52
Total	67,667.74	6,686.42

## 29. Estimated liabilities

√Applicable Not applicable"

Unit: RMB'0,000

Item	Beginning balance	Ending balance	Formation causes
Product quality guarantee	29,996.40	20,150.67	Note 1
Pending loss contracts	4,175.84	7,429.17	Note 2
Total	34,172.24	27,579.84	/

Other explanations, including important assumptions and estimation explanations related to significant estimated liabilities:

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 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.

## 30. Deferred income

Deferred income

√Applicable Not applicable"

Unit: RMB'0,000

Item	Beginning balance	Increase in current period	Decrease in current period	Ending balance	Formation causes
Government grants	17,707.76	688.75	4,033.47	14,363.04	Government grants

Total	17,707.76	688.75	4,033.47	14,363.04	/
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√Applicable Not applicable"

Items involving government grants:

Unit: RMB'0,000

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
Refund of site support facilities fees	4,550.42		68.26		4,482.16
Refund of deed tax for office building in bonded area	308.88		17.65		291.23
Central special funds for air pollution prevention and control	337.50		25.00		312.50
863 Deepwater submarine pipeline laying technology	310.47		20.39		290.08
Equipment investment based rewards and subsidies for technology transformation of enterprises		30.00	30.00		
Grant for scientific research on major national issues	12,200.49	658.75	2,594.59	-1,277.58	8,987.07
Total	17,707.76	688.75	2,755.89	-1,277.58	14,363.04

### 31. Share capital

√Applicable Not applicable"

Unit: RMB'0,000

	Beginning balance	Changes in current period ( "+", "-")					Ending balance
		Issuance New shares	Share donation	Provident fund Transfer of shares	Others	Sub-total	
Total shares	442,135.48						442,135.48

### 32. Capital reserves

√Applicable Not applicable"

Unit: RMB'0,000

Item	Beginning balance	Increase in current period	Decrease in current 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



**33. 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	-3,547.76	-1,356.54				-1,356.54		-4,904.30
Foreign currency translation differences	-3,547.76	-1,356.54				-1,356.54		-4,904.30
Total of other comprehensive income	-3,547.76	-1,356.54				-1,356.54		-4,904.30

**34. Special reserve**√Applicable Not applicable"

Unit: RMB'0,000

Item	Beginning balance	Increase in current period	Decrease in current period	Ending balance
Work safety expenses	13,399.54	18,084.99	17,032.92	14,451.61
Total	13,399.54	18,084.99	17,032.92	14,451.61

**35. Surplus reserve**√Applicable Not applicable"

Unit: RMB'0,000

Item	Beginning balance	Increase in current period	Decrease in current period	Ending balance
Statutory surplus reserve	198,066.24			198,066.24
Discretionary surplus reserve	8,914.59			8,914.59
Total	206,980.83			206,980.83

**36. Undistributed profit**√Applicable Not applicable"

Unit: RMB'0,000

Item	Current period	Previous year
Retained earnings as at the end of the previous period before the adjustment	1,395,689.11	1,291,071.58
Total adjusted opening undistributed profits (increase is indicated by “+” and decrease is indicated by “-” )		
Undistributed profits at the beginning of the period after adjustment	1,395,689.11	1,291,071.58
Plus: Net profit attributable to owners of the parent company in current period	119,657.43	162,050.63
Less: Withdrawal of statutory surplus reserves		13,219.55
Withdrawal of discretionary surplus reserves		
Withdrawal of general risk reserves		
Common stock dividends payable	64,993.91	44,213.55
Ordinary share dividends transferred to share capital		
Others		
Undistributed profits as at the end of the period	1,450,352.63	1,395,689.11

**37. 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	1,337,657.56	1,195,501.94	1,439,470.81	1,263,407.38
Other business	5,280.98	2,093.15	4,711.13	3,553.77
Total	1,342,938.54	1,197,595.09	1,444,181.94	1,266,961.15

**(1) Breakdown of operating revenue and operating costs** Applicable"  Not applicable"

Unit: RMB'0,000

Contract classification	Amount in the current period	Amount in the previous period
Product type		
(1) Income from marine engineering general contracting projects	985,678.98	856,100.23
(2) Revenue from marine engineering non-general contracting projects	144,292.69	100,887.47
Including: Offshore installation and sea pipe laying income	90,397.27	78,860.88
Maintenance income	40,770.76	12,820.08
Land-based construction revenue		278.32
Revenues from design	13,124.66	8,928.19
(3) Revenue from non-marine projects	207,685.89	482,483.11
Total	1,337,657.56	1,439,470.81

Explanation of income generated from the contract: operating revenue of top five customers

Unit: RMB'0,000

Item	Current period	Proportion in total operating revenue (%)
CNOOC Limited	917,930.76	68.35
Saudi Aramco Oil Company	63,756.87	4.75
CNOOC Gas & Electricity Group Co., Ltd.	58,730.83	4.37
CNOOC Green Energy Port Zhejiang Ningbo Energy Co., Ltd.	37,740.07	2.81
National Pipeline Network Group Nanshan (Shandong) Natural Gas Co., Ltd.	33,682.25	2.51
Total	1,111,840.78	82.79

**(2) Description of performance obligations** Applicable"  Not applicable"

**(3) Description of allocation to remaining performance obligations**

Applicable"  Not applicable"

**(4) Major contract change or major transaction price adjustment of parent company**

Applicable"  Not applicable"

**38. 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	2,011.77	2,830.81
Education surcharge	903.50	1,217.95
Property taxes	2,222.35	2,207.91
Land use taxes	390.90	493.62
Vehicle and vessel tax	5.48	5.70
Stamp tax	740.10	925.12
Local education surtax	602.33	811.97
Others	9.71	52.70
Total	6,886.14	8,545.78

**39. Selling expenses**

Applicable"  Not applicable"

Unit: RMB'0,000

Item	Amount in the current period	Amount in the previous period
30. Employee salary	542.12	475.88
Office and utilities communication fees	40.16	75.69
Amortization of long-term deferred expenses		48.13
Depreciation and amortization of intangible assets	21.68	44.26
Others	117.56	85.22
Total	721.52	729.18

**40. Administrative expenses**

Applicable"  Not applicable"

Unit: RMB'0,000

Item	Amount in the current period	Amount in the previous period
30. Employee salary	9,382.14	9,897.97
Depreciation and amortization of intangible assets	1,705.20	1,429.70
Audit and consulting fees	478.52	220.32
Rental	50.79	52.32
Property management fees and greening fees	485.51	351.56
Traveling expenses	244.30	289.80
Taxes	134.43	3.84
Transportation expenses	145.22	82.86
Office and utilities communication fees	220.33	454.48
Others	853.68	548.91
Total	13,700.12	13,331.76

**41. Research and development expenses**√Applicable Not applicable"

Unit: RMB'0,000

Item	Amount in the current period	Amount in the previous period
Machinery material consumption	1,715.96	17,196.66
Outsourcing service fee	3,692.14	11,938.10
30. Employee salary	13,785.64	10,232.12
Vessel service fee	10,797.51	9,226.40
Traveling expenses	366.27	6,857.49
Expert consultation fee	6.22	283.38
Others	1,986.25	58.71
Total	32,349.99	55,792.86

**42. Financial expenses**√Applicable Not applicable"

Unit: RMB'0,000

Item	Amount in the current period	Amount in the previous period
Interest expenses	418.79	768.56
Including: Interest expense on lease liabilities	407.67	110.26
Less: interest income	5,856.73	2,216.01
Profit or loss on exchange	-2,674.27	-3,584.28
Others	1,278.19	1,058.67
Total	-6,834.02	-3,973.06

**43. 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	23,272.27	
Government grants	2,755.89	3,041.81
Refund of handling charges related to individual income tax	240.43	146.74
Allowance of input tax	128.15	
Others		
Total	26,396.74	3,188.55

**44. Investment income**√Applicable Not applicable"

Unit: RMB'0,000

Item	Amount in the current period	Amount in the previous period
Investment income from disposal of long-term equity investments		725.68
Investment income obtained during holding the financial assets held for trading	8,761.55	9,566.38
Dividend income from investments in other equity instrument during the holding period		462.26

Interest income in debt investment during the holding period	3,260.16	3,051.30
Total	12,021.71	13,805.62

**45. 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	3,515.90	7,290.98
Total	3,515.90	7,290.98

**46. 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	-1,572.84	8,820.95
Total	-1,572.84	8,820.95

**47. 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	190.45	-168.70
II. Losses from inventory depreciation and impairment loss of contract performance cost	732.89	815.19
Total	923.34	646.49

**48. 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		-59.73
Profits from lease contract change	8.19	-5.01
Total	8.19	-64.74

Other explanations:

 Applicable"  Not applicable"**49. 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
Gains from disposal of non-current assets	1.41		1.41

Compensation for contract breach	721.43	1,107.86	721.43
Penalty income	51.81	291.84	51.81
Payables not required to be paid	238.20	48.83	238.20
Others	7.00	12.55	7.00
Total	1,019.85	1,461.08	1,019.85

Other explanations:

Applicable  Not applicable

## 50. 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
Loss on disposal of non current assets	386.65	438.78	386.65
Donations made	150.00	150.00	150.00
Late fee	0.02	5.77	0.02
Inventory loss		0.87	
Others	-1.21	35.00	-1.21
Total	535.46	630.42	535.46

## 51. 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	4,825.95	18,092.28
Deferred tax expenses	14,152.30	-1,201.47
Total	18,978.25	16,890.81

### (2) Accounting profit and income tax expense adjustment process

Applicable  Not applicable

Unit: RMB'0,000

Item	Amount in the current period
Total profits	141,596.13
Income tax expenses calculated at the statutory/applicable tax rate	21,239.42
Influence of different tax rates applicable to subsidiaries	-1,017.74
Influence of adjustments to the income tax for the prior years	-667.67
Influence of non-taxable income	
Influence of nondeductible costs, expenses and losses	632.43
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	-1,208.19
Income tax expenses	18,978.25

Other explanations:

Applicable Not applicable"

## 52. 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	704.31	5,716.16
Insurance claims	4,232.41	852.35
Compensation income	1,021.22	
Interest income	5,856.73	2,216.01
Reserves, margin and security deposit	1,954.37	1,462.74
Scrap auction proceeds	2,490.70	1,326.32
Others	716.42	264.07
Total	16,976.16	11,837.65

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	1,751.51	2,150.18
Reserves, margin and security deposit	1,519.52	803.40
Audit and consulting fees	478.52	220.32
Handling charges	1,278.19	1,058.67
Traveling expenses	10,373.45	6,573.18
Property management fees and greening fees	485.51	351.56
Others	1,139.59	11,722.09
Total	17,026.29	22,879.40

### (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"

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
Cash paid for lease liabilities	3,461.97	2,481.68
Total	3,461.97	2,481.68

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**53. Supplementary information to 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
<b>1. Net profit adjusted to cash flows from operating activities:</b>		
Net profit	122,617.88	101,487.09
Plus: provision for assets impairment	-1,572.84	8,820.95
Credit impairment loss	923.34	646.49
Depreciation of fixed assets, depletion of oil and gas assets, depreciation of productive biological assets	54,773.59	61,409.70
Amortization of right-of-use assets	7,608.60	2,027.14
Amortization of intangible assets	4,495.12	4,174.34
Amortization of long-term deferred expenses	6,104.00	4,315.57
Losses from disposal of fixed assets, intangible assets and other long-term assets ("-" for gains)	-8.19	64.74
Losses on write-off of fixed assets ("-" for gains)	385.24	438.78
Losses from changes in fair value ("-" for gains)	-3,515.90	-7,290.98
Financial expenses ("-" for gains)	-2,255.48	-2,815.72
Investments losses ("-" for gains)	-12,021.71	-13,805.62
Decreases in deferred tax assets ("-" for increases)	-14,285.42	3,582.22

Increase in deferred tax liabilities ("-" for decreases)	-132.43	-4,727.46
Decreases in inventories ("-" for increases)	-1,715.16	-3,515.02
Decreases in operating receivables ("-" for increases)	39,816.43	29,549.29
Increases in operating payables ("-" for decreases)	57,107.43	106,825.02
Others	1,052.07	-291.79
Net cash flows from operating activities	259,376.57	290,894.74
<b>2. Significant investing and financing activities not involving in cash receipts and payments:</b>		
Transfer of debts into capital		
Convertible corporate bonds maturing within 1 year		
Fixed assets leased from financing		
<b>3. Net change in cash and cash equivalents:</b>		
Ending balance of cash	682,751.32	313,421.13
Less: beginning balance of cash	422,910.15	208,671.98
Plus: ending balance of cash equivalents		
Less: beginning balance of cash equivalents		
Net increase of cash and cash equivalents	259,841.17	104,749.15

**(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

**(4) Breakdowns of cash and cash equivalents**

Applicable  Not applicable

Unit: RMB'0,000

Item	Ending balance	Beginning balance
I. Cash	682,751.32	422,910.15
Including: cash on hand	1.00	1.00
Unrestricted bank deposits	682,750.32	422,909.15
Other unrestricted monetary funds		
Available-for-payment deposits in the central bank		
Deposit interbank funds		
Interbank lending of funds		
II. Cash equivalents		
Including: Bond investment maturing within three months		
III. Ending balance of cash and cash equivalents	682,751.32	422,910.15

Including: cash and cash equivalents with restricted use right by parent company or subsidiaries of the Group		
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**(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"

Other explanations:

Applicable"  Not applicable"

**54. 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"

**55. Foreign currency monetary items****(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			166,874.00
Including: USD	21,548.58	7.1268	153,572.42
HKD	2,733.44	0.9127	2,494.81
CAD	1,115.98	5.2274	5,833.67
Saudi riyal	2,521.64	1.9057	4,805.49
THB	62.85	0.1952	12.27
NGN	7.91	0.004673	0.04
Brazilian real	40.67	1.3696	55.70
Dirham	14.93	1.9462	29.06
UGX	30,586.88	0.001921	58.76
Brunei dollar	2.25	5.2432	11.78
Accounts receivable			63,228.51
Including: USD	7,593.20	7.1268	54,115.18
CAD	1,743.38	5.2274	9,113.33
Other receivables			34,712.60
Including: USD	4,861.74	7.1268	34,648.62
HKD	3.10	0.9127	2.83
CAD	5.38	5.2274	28.12
THB	59.52	0.1952	11.62
Dirham	0.50	1.9462	0.97
Brazilian real	14.93	1.3696	20.44
Accounts payable			122,621.04
Including: USD	14,141.77	7.1268	100,785.56
EUR	194.03	7.6617	1,486.63
HKD	53.86	0.9127	49.16
GBP	58.01	9.0430	524.54

CAD	2,766.73	5.2274	14,462.80
Qatari Riyal	2.33	1.9548	4.55
Saudi riyal	2,729.07	1.9057	5,200.79
THB	223.23	0.1952	43.57
Norwegian Kroner	14.17	0.6706	9.50
Brazilian real	35.65	1.3696	48.83
Dirham	2.63	1.9462	5.11
Other payables			45,773.28
Including: USD	5,126.58	7.1268	36,536.08
EUR	10.46	7.1268	74.53
HKD	846.93	7.6617	6,488.92
GBP	34.70	0.9127	31.67
CAD	291.36	9.0430	2,634.81
THB	6.68	0.1952	1.30
Dirham	3.07	1.9462	5.97

**(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	4. Recording currency	Basis for selection
COOEC International Co., Limited	Hong Kong	USD	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
COOEC Saudi Arabia Co., Ltd.	Saudi Arabia	USD	Business mainly priced and settled in such currency

## 56. Leasing

### (1) As a lessee

√Applicable "□Not applicable"

Unit: RMB'0,000

Item	Current period	Prior period
Interest expense on lease liability	407.67	110.26

Short-term lease expenses charged to the cost of the related assets or to current profit or loss as a simplified treatment	1,751.51	2,150.18
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		
Total cash outflows related to leases	5,213.48	4,631.86
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	401.51	
Total	401.51	

**57. Others**

"□ Applicable" "√ Not applicable"

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 the COOEC:

Item	Current period	Prior period
Consolidated net profit attributable to ordinary shareholders of the parent company	119,657.43	98,331.36
Weighted average of outstanding common shares of the COOEC	442,135.48	442,135.48
Basic earnings per share	0.27	0.22
Including: basic earnings per share from continuing operations	0.27	0.22
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 the COOEC (diluted):

Item	Current period	Prior period
consolidated net profit attributable to common shareholders of the parent company (diluted)	119,657.43	98,331.36

Weighted average of outstanding common shares of the COOEC (diluted)	442,135.48	442,135.48
Diluted earnings per share	0.27	0.22
Including: diluted earnings per share from continuing operations	0.27	0.22
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"

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"

COOEC Saudi Branch, a subsidiary of COOEC, was established in 2011, focusing on the Saudi Aramco project. In order to further implement the company's development strategy in the Middle East, accelerate the physical and localized development of the Saudi company, enhance the "firewall" function of overseas operations, COOEC Saudi Branch was converted into COOEC Saudi Arabia Subsidiary in accordance with local laws, regulations, and policies in Saudi Arabia.

COOEC held the Second Meeting of the Eighth Board of Directors on 22 December 2023 to deliberate and adopt the Proposal on the Conversion of COOEC Saudi Branch to COOEC Saudi Arabia Subsidiary and to authorize the management of COOEC to go through the procedures for the establishment of the Saudi Subsidiary, and on 15 April 2024, COOEC completed the procedures for the establishment of the Subsidiary.

**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 Name	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 Offshore Engineering Solutions 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
COOEC Saudi Arabia Co., Ltd.	Saudi Arabia	9,869.83	Saudi Arabia	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	Canada	2,067.66	Canada	Project contracting	100.00		Establishment

Engineering (Canada) Co., Ltd.				g and labor services			
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		Profit or loss attributable to minority shareholders in current period	Dividends declared to be distributed to minority shareholders in current period	Balance of minority equity as at the end of the period
COOEC-Fluor Heavy Industries Co., Ltd.	49.00	2,960.45		201,336.54

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.	237,428.08	367,715.19	605,143.27	201,537.97	7,142.19	208,680.16	208,368.12	376,573.59	584,941.71	189,186.26	5,334.09	194,520.35

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.	144,993.59	6,041.74	6,041.74	21,162.84	176,541.01	6,834.17	6,834.17	34,441.54

**(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 support provided to structural entities included in 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
Deferred income	5,507.27	30.00		161.30		5,375.97	Related to assets
Deferred income	12,200.49	658.75		2,594.59	-1,277.58	8,987.07	Related to income

Total	17,707.7 6	688.7 5		2,755.89	- 1,277.5 8	14,363.0 4	/
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### 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 assets	161.30	131.30
Related to income	2,594.59	2,910.51
Total	2,755.89	3,041.81

## XI. Risk related to financial instruments

### Risk of financial instruments

√Applicable Not applicable"

The 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 the COOEC to mitigate these risks are as set out below:

The 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 the COOEC due to the counterparty's failure to perform its contractual obligations.

The COOEC's credit risks mainly arise from monetary funds, 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.

The 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. The COOEC believes that there is no significant credit risk and there is almost no significant loss due to bank default.

In addition, for accounts receivable, contract assets and other receivables, the COOEC has set relevant policies to control credit risk exposure. The 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. The COOEC would monitor the customers' credit records periodically; as for the customers with bad credit records, the COOEC would adopt the methods including

requesting a payment in writing or shortening or canceling credit term so as to keep the 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 the COOEC are to ensure sufficient cash to pay matured debts. Liquidity risk is under centralized control of the financial department of the 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 the COOEC has sufficient funds to repay debts in all cases of reasonable prediction. Also continuously monitor the 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 the COOEC should be presented at undiscounted contractual cash flows on the maturity date as follows:

Item	Ending balance					
	Immediate repayment	Within 1 year	1-2 years	2-5 years	Over 5 years	Total
Notes payable		31,458.67				31,458.67
Accounts payable		1,324,490.29				1,324,490.29
Other payables		46,434.46				46,434.46
Long-term borrowings maturing within one year		9,000.25				9,000.25
Long-term borrowings			13,000.36			13,000.36
<b>Total</b>		<b>1,411,383.67</b>	<b>13,000.36</b>			<b>1,424,384.03</b>

Item	Ending balance of previous period					
	Immediate repayment	Within 1 year	1-2 years	2-5 years	Over 5 years	Total
Notes payable		41,185.44				41,185.44
Accounts payable		1,211,690.46				1,211,690.46
Other payables		60,687.03				60,687.03
Long-term borrowings			9,000.67	13,000.00		22,000.67
<b>Total</b>		<b>1,313,562.93</b>	<b>9,000.67</b>	<b>13,000.00</b>		<b>1,335,563.60</b>

**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. i. Interest rate risk

**1. Interest rate risk**

Interest rate risk refers to the risk of fluctuations in the fair value or future cash flows of financial instruments due to changes in market interest rates.

Fixed rate and floating rate interest bearing financial instruments expose the COOEC to fair value interest rate risk and cash flow interest rate risk, respectively. The 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, the COOEC uses interest rate swap instruments to hedge interest rate risk. Until June 30, 2024, in case other variables remain the same, if the loan interest rate calculated at a floating interest rate rises or falls 100 basis points, the COOEC's net profit will be unchanged. 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.

The 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, the COOEC also signed forward foreign exchange contracts or currency swap contracts to avoid exchange rate risk. In current period and the previous period, the COOEC did not sign any forward foreign exchange contract or currency swap contract.

Exchange rate risk faced by the 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	153,572.42	13,301.58	166,874.00	54,211.27	16,512.54	70,723.81
Accounts receivable	54,115.18	9,113.33	63,228.51	35,709.23	2,492.89	38,202.12
Other receivables	34,648.62	63.98	34,712.60	121,693.45	23,398.55	145,092.00
Total assets	242,336.22	22,478.89	264,815.11	211,613.95	42,403.98	254,017.93
Accounts payable	100,785.56	21,835.48	122,621.04	110,289.16	21,321.19	131,610.35
Other payables	36,536.08	9,237.20	45,773.28	123,291.53	24,870.43	148,161.96
Total liabilities	137,321.64	31,072.68	168,394.32	233,580.69	46,191.62	279,772.31

At June 30, 2024, with all other variables held constant, if the RMB had appreciated or depreciated by 5% against the USD, COOEC would have decreased or increased its net profit

by RMB 44,631,200 (December 31, 2023: RMB -9,335,900). 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.

The 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 June 30, 2024, 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, 2023: 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			
	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
<b>I. Continuous measurement of fair value</b>				
(i) Financial assets held for trading		843,601.19		843,601.19
1. Financial assets measured at fair values through current profit or loss		843,601.19		843,601.19
(1) Non-principal-protected floating-income wealth management products		30,119.21		30,119.21
(2) Structural deposits		813,481.98		813,481.98
(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				
<b>Total assets constantly measured at fair value</b>		843,601.19	7,067.14	850,668.33
(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				
<b>Total liabilities constantly measured at fair value</b>				
<b>II. Measurement at fair value not on a going concern</b>				
(i) Assets held for trading				
<b>Total amount of assets measured at fair value not on a going concern</b>				
<b>Total amount of liabilities measured at fair value not on a going concern</b>				

**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"

**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

Parent company name	Registration place	Business nature	Registered capital	Shareholding ratio in the COOEC (%)	Voting ratio in the 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



**2. Subsidiaries**

Please refer to the notes for details of our subsidiaries

Applicable Not applicable"

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

**3. Joint ventures and associates**

Please refer to the notes for details of our important joint ventures or associates

Applicable Not applicable"

COOEC's significant joint ventures and associates are detailed in the Note "IX. Equities in Other Entities".

Joint ventures and associated involved in the related-party transactions with the COOEC, or leading to balance due to the related party transaction they had with the COOEC

Applicable"  Not applicable"

**4. Other related parties**

Applicable Not applicable"

Other related parties	Relationship between other related parties with the 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

**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
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CNOOC Energy Technology & Services Limited	Services such as engineering subcontracting, material procurement, transportation, fuel and property	81,648.35			86,111.68
China Oilfield Services Limited	Services such as transportation, ship	68.27			4,199.32
China Offshore Oil Bohai Corporation	Services such as utilities, employee medical checkups	547.48			1,107.70
China National Offshore Oil Corporation	Services such as employee insurance, software usage	1,055.51			893.73
Zhonghai Industry Co., Ltd.	Property services, engineering subcontracting, fuel and utilities, etc.	564.00			678.50
China Ocean Oilfields Services (Hong Kong) Limited	Material procurement services	626.30			307.19
CNOOC Gas & Electricity Group Co., Ltd.	Project subcontracting services	3,524.71			431.39
CNOOC Refining and Chemical Co., Ltd.	Project subcontracting services	457.95			87.93
China Offshore Oil Nanhai East Corporation	Project subcontracting services				33.73
China National Offshore Petrochemical Corporation	Project subcontracting services	359.06			18.72
CNOOC Limited	Terminal services	241.27			11.68
China Offshore Oil Donghai Corporation	Outsourcing services	0.05			0.06
China Offshore Oil Nanhai West Corporation	Property services	-0.29			-41.52
CNOOC Research Institute Co., Ltd.	Project subcontracting services	141.51			
China Offshore Oil Nanhai East Corporation	Project subcontracting services	0.14			
CNCCC International Bidding Co., Ltd.	Project subcontracting services	18.77			

Joint ventures or associates of other members of the Group to which the COOEC belongs	Project subcontracting services	53,778.70			57,493.14
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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	917,943.15	876,368.16
CNOOC Energy Technology & Services Limited	Design, installation, construction and other specialized production services	4,809.52	10,827.15
CNOOC Gas & Electricity Group Co., Ltd.	Design, installation, construction and other specialized production services	58,730.83	37,488.74
CNOOC Research Institute Co., Ltd.	Transportation and ship services	31.98	
China Oilfield Services Limited	Transportation and ship services		14.28
China Ocean Oilfields Services (Hong Kong) Limited	Equipment sales		0.70
Joint ventures or associates of other members of the Group to which the COOEC belongs	Design, installation, construction and other specialized production services	37,740.07	11,170.94

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 the COOEC:

Applicable"  Not applicable"

Custody/contracting of related parties

Applicable"  Not applicable"

Information on the entrustment management/contracting of the COOEC:

Applicable"  Not applicable"

Information on the related-party management/contracting

Applicable"  Not applicable"

**(3) Related party leases**

The COOEC acted as the lessor:

Applicable"  Not applicable"

The 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									0.73	
CNOOC Limited	Site and constructions			39.03	4.98	606.31					
China Offshore Oil Nanhai East Corporation	Site and constructions			87.43	6.86						
China Offshore Oil Nanhai West Corporation	Site and constructions			19.98	1.64		26.08			0.16	
Zhonghai Industry Co., Ltd.	Site and constructions			1,272.92	102.69	1,160.78	118.82		1,094.58	48.43	
CNOOC Energy Technology & Services Limited	Site and constructions			1,310.25	38.02	961.85	30.53		290.15	29.03	

Related-party leases

Applicable"  Not applicable"

**(4) Related party guarantees**

COOEC acted as the guarantee

 Applicable  Not applicable

COOEC acted as the secured party

 Applicable  Not applicable

Notes to related party guarantee

 Applicable  Not applicable

For details of the 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	2022/5/1	2025/3/1	
China National Offshore Oil Corporation	13,000.00	2018/2/1	2026/6/1	

**(6) Assets transfer and debt restructuring of related parties** Applicable  Not applicable**(7) Remuneration of key officers** Applicable  Not applicable**(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	637.07	267.56
China National Offshore Oil Corporation	Interest expenses	11.12	25.23
Total	/	648.19	292.79

**2) Investment income from related parties**

Related party	Current period	Prior period
CNOOC Finance Co., Ltd.		462.26
Total		462.26

**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
Monetary funds	CNOOC Finance Co., Ltd.	99,351.47		99,430.04	
Accounts receivable	CNOOC Limited	428,847.74		548,897.21	
Accounts receivable	CNOOC Energy Technology & Services Limited	3,766.70		6,231.27	
Accounts receivable	CNOOC Gas & Electricity Group Co., Ltd.	793.76		280.35	
Accounts receivable	CNOOC Research Institute Co., Ltd.	87.20		53.31	
Accounts receivable	China Oilfield Services Limited			633.12	
Accounts receivable	China National Offshore Oil Corporation			29.64	
Prepayments	CNOOC Energy Technology & Services Limited	2.26		11.10	
Prepayments	CNOOC Limited	13.66			
Other receivables	CNCCC International Bidding Co., Ltd.	60.00			
Other receivables	CNOOC Limited	7.73		7.73	
Other receivables	CNOOC Energy Technology & Services Limited	1.50		118.89	
Contract assets	CNOOC Limited	126,096.87	189.15	21,939.02	32.91
Contract assets	CNOOC Energy Technology & Services Limited	239.28	0.36	1,280.27	1.92
Contract assets	CNOOC Gas & Electricity Group Co., Ltd.	51.40	0.08	38.27	0.06
Contract assets	Joint ventures or associates of other members of the Group to which the COOEC belongs	10,003.88	15.01		

**(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	CNOOC Energy Technology & Services Limited	55,020.56	43,302.34
Accounts payable	CNOOC Gas & Electricity Group Co., Ltd.	3,736.19	266.74

Accounts payable	China National Offshore Oil Corporation	1,102.71	139.66
Accounts payable	China Ocean Oilfields Services (Hong Kong) Limited	865.60	402.10
Accounts payable	China National Offshore Petrochemical Corporation	368.49	25.49
Accounts payable	CNOOC Refining and Chemical Co., Ltd.	490.47	542.52
Accounts payable	China Offshore Oil Bohai Corporation	225.98	425.08
Accounts payable	Zhonghai Industry Co., Ltd.	158.25	205.26
Accounts payable	China Oilfield Services Limited	133.46	3,764.87
Accounts payable	CNOOC Limited	23.08	12.37
Accounts payable	China Offshore Oil Nanhai West Corporation	17.68	35.57
Accounts payable	CNOOC Research Institute Co., Ltd.	56.60	
Accounts payable	China Offshore Oil Donghai Corporation	0.05	4.88
Accounts payable	China Offshore Oil Nanhai East Corporation	2.05	1.22
Accounts payable	Joint ventures or associates of other members of the Group to which the COOEC belongs	53,863.19	60,473.40
Other payables	CNOOC Energy Technology & Services Limited	1,116.85	1,201.74
Other payables	China Oilfield Services Limited	56.10	69.55
Other payables	Joint ventures or associates of other members of the Group to which the COOEC belongs	49.40	42.12
Other payables	China Offshore Oil Donghai Corporation	0.55	1.09
Contract liabilities	CNOOC Limited	90,851.05	46,881.36
Contract liabilities	China National Offshore Oil Corporation	4,926.71	7,401.58
Contract liabilities	CNOOC Gas & Electricity Group Co., Ltd.		20,364.25
Contract liabilities	Joint ventures or associates of other members of the Group to which the COOEC belongs		1,978.38
Lease liability maturing within one year	Zhonghai Industry Co., Ltd.	1,899.41	1,948.26
Lease liability maturing within one year	CNOOC Energy Technology & Services Limited	1,148.47	1,355.18
Lease liability maturing within one year	CNOOC Limited	139.40	
Lease liability maturing within one year	China Offshore Oil Nanhai East Corporation	266.13	261.36
Lease liability maturing within one year	China Offshore Oil Nanhai West Corporation	37.88	46.82
Lease liability maturing within one year	China Oilfield Services Limited		106.34
Lease liabilities	Zhonghai Industry Co., Ltd.	2,711.42	3,823.06
Lease liabilities	China Offshore Oil Bohai Corporation	475.66	



Lease liabilities	China Offshore Oil Nanhai East Corporation	67.09	205.46
Lease liabilities	China Offshore Oil Nanhai West Corporation	49.28	71.43
Lease liabilities	CNOOC Energy Technology & Services Limited	624.41	1,873.26
Lease liabilities	China Oilfield Services Limited		87.24
Long-term borrowings maturing within one year	China National Offshore Oil Corporation	9,000.25	
Long-term borrowings	China National Offshore Oil Corporation	13,000.36	22,000.67

**7. Commitments from related parties**

Applicable  Not applicable

**8. Others**

Applicable  Not applicable

**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) Important contingencies on the balance sheet date**

Applicable  Not applicable

(1) Guarantees for subsidiaries

**As of June 30, 2024, the COOEC's guarantees were in the process of performance:**

2) As deliberated and adopted at the 17th meeting of the 6th Board of Directors of the COOEC held on June 6, 2019, the 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. As of June 30, 2024, Offshore Oil Engineering (Qingdao) Co., Ltd. has completed the contract for the LNG module construction project. The above guarantee was deliberated and adopted at the COOEC's first extraordinary general meeting of 2019 held on June 25, 2019.

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 Sixth Board of Directors of the COOEC held on June 23, 2020. The advance payment guarantee has 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 the guarantee disclosed by the 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 the 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 June 28, 2024.

4) As deliberated and adopted by the 9th Meeting of the 7th Board of Directors of the COOEC held on March 18, 2022, the 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.

4) As approved by the Second Meeting of the Ninth 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.

(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 the COOEC to pay for the standby costs and change of schedule claims incurred by the Saudi branch of the COOEC during the execution of the subcontract of the project, etc. , in response to the arbitration claim, the Saudi branch of the COOEC the Saudi branch of the COOEC has retained Prudential Mason to defend and counter-claim for payment of losses incurred by the Saudi branch of the 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 June 30, 2024, the COOEC had no other significant contingencies other than the existence of the above contingencies.

**(2) Notes to be given even though there were no contingencies required to be disclosed by the COOEC:**

Applicable" " Not applicable"

**3. 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"

**3. Sales return**

Applicable"  Not applicable"

**4. Events after the balance sheet date**

Applicable"  Not applicable"

**XVII. Other important matters**

**1. Correction of accounting errors in the previous period**

**(1) Retrospective restatement**

Applicable"  Not applicable"

**(2) Prospective application**

Applicable"  Not applicable"

**2. Important debt restructuring**

Applicable"  Not applicable"

**3. Asset swap**

**(1) Non-monetary assets exchange**

Applicable"  Not applicable"

**(2) Other asset swaps**

Applicable"  Not applicable"

**4. Pension plan**

Applicable"  Not applicable"

**5. Discontinued operations**

Applicable"  Not applicable"

**6. Segment information**

**(1) Basis for determining reportable segments and accounting policies**

Applicable"  Not applicable"

**(2) Financial information on reportable segments**

Applicable"  Not applicable"

**(3) If COOEC has no reportable segments, or if it is not possible to disclose the total assets and total liabilities of each reportable segment, the reasons should be stated**

Applicable"  Not applicable"

**(4) Other explanations**

Applicable"  Not applicable"

**7. Other important transactions and matters that have an impact on investor decision-making**

Applicable"  Not applicable"

**8. Others**

Applicable"  Not applicable"

**XVIII. 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	554,706.06	623,402.27
Within 1 year Subtotal	554,706.06	623,402.27
1-2 years	2,564.69	10,054.56
2-3 years	917.01	1,227.84
Over 3 years	4,803.60	4,803.60
Total	562,991.36	639,488.27

**(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		
	Amount	Ratio (%)	Amount	Proportion of provision (%)	Book value	Amount	Ratio (%)	Amount	Proportion of provision (%)	Book value
Provision for bad debts accrued on an individual basis										
Provision for bad debts made by portfolio	562,991.36	100.00	5,590.77	0.99	557,400.59	639,488.27	100.00	5,924.84	0.93	633,563.43
Including:										
Credit risk characteristic portfolio	562,991.36	100.00	5,590.77	0.99	557,400.59	639,488.27	100.00	5,924.84	0.93	633,563.43
Total	562,991.36	/	5,590.77	/	557,400.59	639,488.27	/	5,924.84	/	633,563.43

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	91,238.55	5,590.77	6.13
Portfolio of related parties	471,752.81		
Total	562,991.36	5,590.77	

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 current period				Ending balance
		Provision	Recovery or reversal	Resale or write-off	Other changes	
Provision for bad debts accrued on an individual basis						
Provision for bad debts based on the combination of credit risk characteristics	5,924.84	-313.67			20.40	5,590.77
Total	5,924.84	-313.67			20.40	5,590.77

### (4) Accounts receivable actually charged-off in this period

Applicable"  Not applicable"

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	390,122.05	99,086.93	489,208.98	53.37	148.63
SK Earthon Shenzhen	36,798.37		36,798.37	4.01	
National Pipeline Network Group Tianjin LNG Co., Ltd.	13,712.51	42,013.33	55,725.84	6.08	63.02
Caofeidian Xintian LNG Co., Ltd.	12,790.38	61,516.53	74,306.91	8.11	92.27
National Pipeline Network Group Nanshan (Shandong) Natural Gas Co., Ltd.	6,607.57		6,607.57	0.72	
Total	460,030.88	202,616.79	662,647.67	72.29	303.92

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	46,423.88	33,562.74
Total	46,423.88	33,562.74

Other explanations:

 Applicable"  Not applicable"**Interest receivable****(1) Classification of interest receivable** Applicable"  Not applicable"



**(2) Significant overdue interest**

Applicable"  Not applicable"

**(3) Classified disclosure by provision of bad debts**

Applicable"  Not applicable"

Individual provision for bad debts:

Applicable"  Not applicable"

Description of individual provision for bad debts:

Applicable"  Not applicable"

Provision for bad debts made by portfolio:

Applicable"  Not applicable"

**(4) The provision for bad debts made according to the general model of expected credit losses**

Applicable"  Not applicable"

**(5) Provision for bad debts**

Applicable"  Not applicable"

Significant amounts of bad debt recovery or reversal in the current period:

Applicable"  Not applicable"

**(6) Interest receivable actually written off in current period**

Applicable"  Not applicable"

Writ-off of significant interest receivable

Applicable"  Not applicable"

Explanations on writing off:

Applicable"  Not applicable"

Other explanations:

Applicable"  Not applicable"

**Dividends receivable**

**(1) Dividends receivable**

Applicable"  Not applicable"

**(2) Significant dividends receivable aging over 1 year**

Applicable"  Not applicable"

**(3) Classified disclosure by provision of bad debts**

Applicable"  Not applicable"

Individual provision for bad debts:

Applicable"  Not applicable"

Description of individual provision for bad debts:

Applicable"  Not applicable"

Provision for bad debts made by portfolio:

Applicable"  Not applicable"

**(4) The provision for bad debts made according to the general model of expected credit losses**

Applicable"  Not applicable"

**(5) Provision for bad debts**

Applicable"  Not applicable"

Significant amounts of bad debt recovery or reversal in the current period:

Applicable"  Not applicable"

**(6) Dividends receivable actually written off in current period**

Applicable"  Not applicable"

Writ-off of significant dividends receivable

Applicable"  Not applicable"

Explanations on writing off:

Applicable"  Not applicable"

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	45,522.97	27,753.17
Within 1 year Subtotal	45,522.97	27,753.17
1-2 years		4,968.92
2-3 years	90.26	175
Over 3 years	810.65	665.65
Total	46,423.88	33,562.74

**(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
Related party loans and interest, other related transactions	35,066.53	33,077.54

Reserves, margin and security deposit	575.09	485.21
Tax refunds receivable	10,782.26	
Total	46,423.88	33,562.75

**(3) Provision for bad debts**

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	Provision for bad debts Ending balance
COOEC International Co., Limited	27,581.78	59.41	Related transactions	Within 1 year	
Ministry of Finance of the People's Republic of China	10,782.26	23.23	Tax refunds receivable	Within 1 year	
CNOOC Offshore Engineering Solutions Co., Ltd.	905.18	1.95	Related transactions	Within 1 year	
Offshore International Engineering Co., Ltd	363.98	0.78	Related transactions	Within 1 year	
Offshore Oil Engineering (Zhuhai) Co., Ltd.	122.57	0.26	Related transactions	Within 1 year	
Total	39,755.77	85.63	/	/	

**(7) 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 subsidiaries in	927,156.99		927,156.99	917,918.15		917,918.15
Investments in associates and joint ventures						
<b>Total</b>	<b>927,156.99</b>		<b>927,156.99</b>	<b>917,918.15</b>		<b>917,918.15</b>

**(1) Investment in subsidiaries**

Applicable  Not applicable

Unit: RMB'0,000

Investee	Beginning balance	Increase in current period	Decrease in current period	Ending balance	Provision for impairment in current 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 Offshore Engineering Solutions 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		

COOEC Saudi Arabia Co., Ltd.		9,857.49		9,857.49		
Total	917,918.15	9,857.49	618.65	927,156.99		

**(2) Investments in associates and joint ventures**

Applicable  Not applicable

**(1) Impairment test of long-term equity investment**

Applicable  Not applicable

Other explanations:

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	1,133,406.00	1,062,387.90	1,096,280.91	1,000,913.44
Other business	3,281.80	797.06	4,294.37	1,428.60
Total	1,136,687.80	1,063,184.96	1,100,575.28	1,002,342.04

**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	824,888.41	72.57
Saudi Aramco Oil Company	63,756.87	5.61
CNOOC Gas & Electricity Group Co., Ltd.	58,730.83	5.17
CNOOC Green Energy Port Zhejiang Ningbo Energy Co., Ltd.	37,740.07	3.32
National Pipeline Network Group Nanshan (Shandong) Natural Gas Co., Ltd.	33,682.25	2.96
Total	1,018,798.43	89.63

**(2) Description of performance obligations**

Applicable  Not applicable

**(3) Description of allocation to remaining performance obligations**

Applicable  Not applicable

**(4) 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	82,218.99	37,376.05
Investment income from disposal of long-term equity investments		-792.50
Investment income obtained during holding the financial assets held for trading	8,761.55	9,566.38
Interest income in debt investment during the holding period	3,260.16	3,051.30
Entrusted loan income		98.49
Total	94,240.70	49,299.72

**6. Others**

Applicable  Not applicable

**XIX. 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	8.19	
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)	26,028.16	
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	3,515.90	
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	12,021.71	
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	484.39	
Other items of profit or loss subject to the definition of non-recurring profit or loss		
Less: income tax effects	6,302.01	
Adjustment to minority equity (after tax)	0.02	
Total	35,756.36	

Other explanations

Applicable  Not applicable

## 2. Return on net assets and earnings per share

Applicable  Not applicable

Profit in the reporting period	Return weighted average assets (%)	on net	Earnings per share	
			Basic earnings per share	Diluted earnings per share

Net profit attributable to ordinary shareholders of the COOEC	4.77	0.27	0.27
Net profits attributable to ordinary shareholders of the COOEC after deducting non-recurring profit or loss	3.35	0.19	0.19

### 3. Differences between accounting data under domestic and foreign accounting standards

Applicable"  Not applicable"

### 4. Others

Applicable"  Not applicable"

Chairman: Wang Zhangling

Date of approval by the Board of Directors for filing: March 15, 20242024年8月16日

### Amendment history

Applicable"  Not applicable"