

2025

Annual Report

Stock name COOEC
Stock code 600583

OFFSHORE OIL ENGINEERING CO., LTD.



Engineering >
design



< Onshore
construction

Offshore >
installation



< Submarine
pipeline laying

Contents

Welcome to
COOEC
COOEC

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Important Notices

- I. The Board of Directors, directors, and senior management of the company guarantee that the contents of the annual report are true, accurate, and complete, free from any false records, misleading statements, or material omissions, and shall bear joint and several legal liability.
- II. All directors of the company attended the board meeting.
- III. ZhongShen ZhongHuan Certified Public Accountants (Special General Partnership) has issued an unqualified audit report for the company.
- IV. Declaration made by Wang Zhangling, legal representative, Cai Huaiyu, chief accountant and Yao Baoqin, chief finance officer (accounting director) that: they ensure the truthfulness, accuracy and completeness of the financial report in the annual report.
- V. Resolution of the Board of Directors on approving the proposal on profit distribution or the transfer of capital reserve to share capital for the current reporting period

The Company intends to distribute a cash dividend of 1.96 yuan (pre-tax) for every 10 shares to all shareholders based on the total share capital of 4,421,354,800 shares at the end of 2025, without distributing stock dividends and using capital reserve to increase share capital. The total cash distribution required is approximately RMB 867 million, representing 41.57% of the net profit attributable to shareholders of the listed company in 2025 and the undistributed profit will be carried forward for distribution in future years.

The distribution proposal is subject to consideration and approval at the 2025 Annual General Meeting.

As of the end of the reporting year 2025, the parent

company has accumulated unrecovered losses, and the relevant circumstances and their impact on matters such as dividend distribution are as follows.

Applicable Not applicable

VI. Risk statement in forward-looking statements

Applicable Not applicable

The forward-looking statements in Section 3 of this report, which relate to business plans, business objectives and development strategies, do not constitute actual commitments made by COOEC to investors and investors are advised to pay attention to the investment risks.

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

No

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

No

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

No

X. Major Risk Warning

This report analyzes the possible risks faced by COOEC, and investors are requested to pay attention to them, as detailed in the analysis under 6.(IV) Possible Risks in Section 3 Management's Discussion and Analysis.

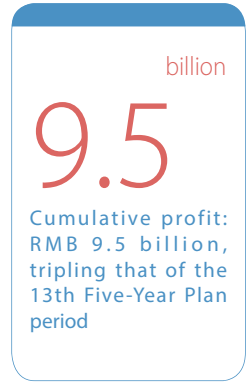
XI. Others

Applicable Not applicable

List of Documents Available for Inspection	The financial statements bearing the signatures and seals of the legal representative, the accounting principal and the head of the accounting department.
	The original audit report bearing the seal of the accounting firm and the signature and seal of the certified public accountant.
	Originals of all documents and announcements of COOEC publicly disclosed on the website of the Shanghai Stock Exchange and in the newspaper designated by the CSRC in the reporting period.



Chairman and Secretary of the Party Committee
| Wang Zhangling



Speech by Chairman

Dear Shareholders and Friends,

On behalf of the Board of Directors, I am pleased to present the 2025 Annual Report of Offshore Oil Engineering Co., Ltd. (COOEC) for your review. I would also like to express my heartfelt gratitude to our shareholders and colleagues from all sectors of society who have shown care and support for the development of COOEC.

The year 2025 marked the successful conclusion of the 14th Five-Year Plan and served as a pivotal year for the strategic transition towards the 15th Five-Year Plan. In a dynamic landscape, the Company proactively identified, adapted to, and embraced changes. With high-quality development as our top priority, we have strived to gain strategic initiative in international competition and gathered momentum as we chart the course for the future. Over the past five years, we have significantly enhanced our core competitiveness, driving a leapfrog transformation in our market position. We have accelerated the cultivation of new quality productive forces, empowering high-level self-reliance and self-improvement in science and technology. Furthermore, we have steadily built up our sustainable growth capabilities, achieving systematic enhancements in operational and management efficiency. These achievements in high-quality development have yielded a series of new milestones, continuously creating exceptional value for our shareholders.



Leading transformations in development through strategic shifts to create a new horizon for high-quality development. Strategy is the core element that steers overall development. At the outset of the 14th Five-Year Plan period, the Company conducted a comprehensive and scientific assessment of the new opportunities and challenges arising from changes in the internal and external environments, leveraging strategic vision, systematic thinking, historical perspectives, and professional expertise. We systematically proposed an action plan centered on the "1235" development strategy, integrating the "begin with the end in mind" philosophy throughout the entire strategic implementation process. As a result, our development model has undergone a fundamental transformation from being "bottom-up business-driven" to "top-down strategy-driven", and our operational logic has shifted from being "opportunity-oriented" to "goal-oriented" in a systematic manner. During the 14th Five-Year Plan period, our annual sales revenue surpassed the RMB 30 billion mark, with a cumulative total profit of RMB 9.5 billion—a threefold increase compared to the 13th Five-Year Plan period. This demonstrates the significantly enhanced role of strategy in steering our direction.

Deepening governance transformations through reform to unleash new vitality for high-efficiency governance. Reform is an intrinsic requirement for enhancing governance effectiveness. During the 14th Five-Year Plan period, the Company seized the opportunities presented by the initiatives to improve the performance of listed companies and the action plans for state-owned enterprise (SOE) reform. We focused on three major tasks: reforming the three internal systems, reshaping the institutional framework, and optimizing the organizational structure. We have fully established a new-type operational responsibility system centered on the "two systems and one contract" model, covering contractual management and tenure-based systems. Furthermore, we systematically built four major institutional frameworks covering corporate governance, Party building, internal control, and QHSE (Quality, Health, Safety, and Environment). By striving to create an organizational architecture that swiftly responds to market changes, we have significantly boosted the Company's operational vitality, decision-making efficiency, and management effectiveness.

Refining corporate identity through competitive evolution to forge new advantages in market-driven competition. Competitiveness is the

cornerstone for elevating market standing. By leveraging historical and strategic foresight, the Company has remained committed to seeking survival through market engagement, growth through competition, and momentum through internal drivers. We have fully implemented the Belt and Road Initiative, actively and steadily expanded our presence in overseas markets, and unswervingly pursued a path of localization and substantive operations overseas, securing a strong foothold in the Middle East. During the 14th Five-Year Plan period, the Company's cumulative overseas contract value exceeded RMB 60 billion, a year-on-year increase of 225%. This robust growth has driven the Company's historic transformation from an engineering subcontractor to an international EPC contractor, and further into a comprehensive provider of integrated international EPC solutions, while initially establishing a development pattern of "dual circulation" between domestic and international markets.

Driving technological transformations through innovation to achieve new breakthroughs in key technologies. Innovation is the primary engine driving scientific and technological progress. The Company has focused on deepening reforms in scientific and technological systems and mechanisms, progressively strengthening its R&D centers and product incubation and manufacturing hubs. We have initially established a sustainable innovation ecosystem characterized by a phased approach of "promoting one generation, developing one next, and reserving another for the future". During the 14th Five-Year Plan period, the Company tackled more than 40 key core technologies, including the design, construction, and installation of deep-water ultra-large jacket platforms. We achieved the commercialization of 159 key scientific findings and spearheaded the industrial application of over 20 sets of domestically produced equipment, accelerating the development of new quality productive forces in offshore oil and gas. We successfully delivered multiple large-scale deep-water units, including the Deep Sea No. 1 Energy Station and Haikui No. 1, initially developing oil and gas engineering capabilities for water depths of 1,500 meters. Currently, the Company has mastered over 500 key technologies in floating and underwater equipment, with the technical autonomy rate and the localization rate of key equipment both exceeding 80%. This has comprehensively enhanced the resilience and security of the industrial chain.

Driving industrial transformations through conceptual innovation to foster new momentum for sustainable development. Concepts serve as the ideological foundation for advancing transformation and upgrading. The Company has faithfully implemented the New Development Philosophy, systematically formulating the "1832" digital transformation blueprint. We are spearheading digital and intelligent transformation across the entire EPCIM (Engineering, Procurement, Construction, Installation, and Management) value chain, steering the industry towards digital, intelligent, and green upgrades. During the 14th Five-Year Plan period, the Company's business digitalization rate surged from 18% at the end of the 13th Five-Year Plan period to 60%. We were also recognized as the 177th organization in China to achieve Level 4 certification under the Data Management Capability Maturity Model (DCMM). The Tianjin Intelligent Manufacturing Base has been fully completed and put into operation, delivering 39% higher production efficiency than traditional models,

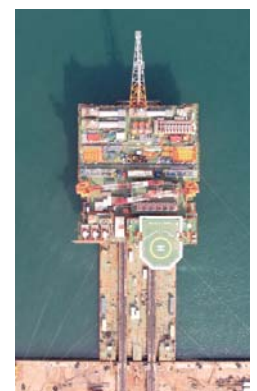
and it was successfully selected as one of China's first "Superior Level" intelligent factories. Meanwhile, the Company has capitalized on opportunities in emerging industries through green and low-carbon energy transitions. We have implemented seven LNG EPC projects in Tianjin, Tangshan, Zhuhai, and other locations with high quality. Furthermore, we commissioned China's first deep-sea floating wind power platform, the first offshore carbon capture, utilization, and storage (CCUS) project, and the largest offshore shore-to-ship power application project in the country. All three of the Company's major yards have been rated as "Green Factories", underscoring the sustained expansion of our emerging industries.

Addressing evolving risks through adaptations in mechanisms to fortify new barriers for systemic security. Mechanisms serve as the fundamental guarantee for preventing and resolving risks. The Company attaches great importance to risk management and compliance, focusing on key risk areas such as fund management, compliant operations, and overseas projects. We have established a "full-hierarchy" corporate risk prevention and control framework, a "full-lifecycle" project risk prevention and control system, an "all-encompassing" compliance risk prevention and control mechanism, and a "full-process" safety risk mitigation approach. We have also developed a comprehensive corporate risk repository covering 356 risks and formulated risk management manuals for the entire lifecycle of engineering projects and supply chains. Our "Three Lines of Defense" work in tandem: business departments prevent risks at the source, compliance departments strengthen professional supervision, and audit departments uphold the bottom line of oversight. Together, they form an organic and collaborative whole that builds a robust barrier for risk prevention and control. Our risk management capabilities in key areas have been significantly enhanced, ensuring steady support for the Company's high-quality development.

The 15th Five-Year Plan period will be five years of international strategic expansion, market-driven transformation, and historic leaps for the Company. We will remain steadfast in pursuing our strategic goals, continuously strengthen our core capabilities, and enhance our core competitiveness to fully evolve into an international EPC contractor capable of providing "all-inclusive" solutions. The performance of corporate development in 2026, the inaugural year of the 15th Five-Year Plan, will directly set the tone for the next five years and shape the progress towards our 2035 vision. The Company will focus on modern governance, market-oriented transformation, lean management, digital and intelligent development, and systematic risk control. We will continue to foster new quality productive forces to drive high-quality and sustainable development.

Strategically positioning for the future and steering development firmly with strategic vision. In 2026, the Company will systematically formulate its 15th Five-Year Plan, ensuring continuity and operability while adopting a development philosophy centered on "creating new models, exploring new business forms, forming new advantages, and advancing into new growth stages". Rooted in the ocean and centered on energy, we will vigorously develop new quality productive forces, prioritize the development of "all-inclusive" EPC capabilities, and accelerate the cultivation of strategic emerging industries and future

- ▼ The Kenli 10-2 Oilfield Phase I Development Project CEPC Module is ready for launch



industries. By driving technological innovation and digital-intelligent empowerment, the Company will lead its way into a new phase of international development.

Daring to make pioneering strategic moves to expand market fundamentals. Amidst the unstoppable wave of globalization in the offshore engineering industry, the Company will spare no effort to drive market breakthroughs and capacity building in key regions, including the Middle East, South America, and the Asia-Pacific. By adopting a regionalized and serialized approach to deploying global yard and vessel resources, we will effectively resolve the bottlenecks currently restricting our global asset allocation. Guided by the philosophy of "global sourcing for global supply" we will coordinate the development of an integrated category system and a global resource pool, actively shaping a new development pattern of dual domestic-international circulation.

Mastering the "strategic game of control" and optimize management with precision. Lean management serves as the "golden key" to cost control and the "source of vitality" for unlocking internal growth momentum. By leveraging internal control quota indicators as a lever, the Company will integrate lean principles across the entire process and lifecycle of design, production, and operations & maintenance (O&M). We will reshape our cost management and control systems at the organizational level and refine cost management and control capabilities at the project level. By transitioning from "passive energy conservation" to "proactive value creation", we aim to achieve profound breakthroughs in "generating benefits from management and efficiency from processes".

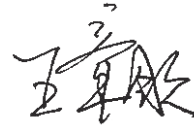
Making the strategic moves to break the deadlock and stimulate the vitality of innovation. Amidst a new round of technological revolution and industrial transformation, the Company has elevated technological innovation to a strategic imperative for survival and development. Centering on the integration of "technology + product", we will foster future-oriented new quality productive forces. Through tiered, targeted R&D initiatives, we will focus on addressing technical gaps identified in our "technology roadmap" to expedite substantive technological breakthroughs in key areas such as floating equipment, underwater products, and emerging businesses. Through continuous innovation that nurtures product incubation, we will establish a virtuous cycle where "products drive technological research, and technology supports product commercialization".

Securing the "first-mover advantage" to build a "driving engine" of digital intelligence. It is widely acknowledged that digital intelligence empowers the development of new quality productive forces. The Company will focus on a dual-engine strategy driven by "hardware upgrades + software empowerment" to progressively cultivate new intelligent manufacturing capabilities characterized by synergy, complementarity, and global responsiveness. Focusing on key areas such as digital twins, collaborative design, intelligent simulation, and dual-delivery models, we will progressively advance the industrialization of integrated digital intelligence services, explore commercializing serialized digital products, and cultivate new drivers for revenue growth.

Adhering to the defensive strategy to closely monitor the risk dashboard. Risk prevention and

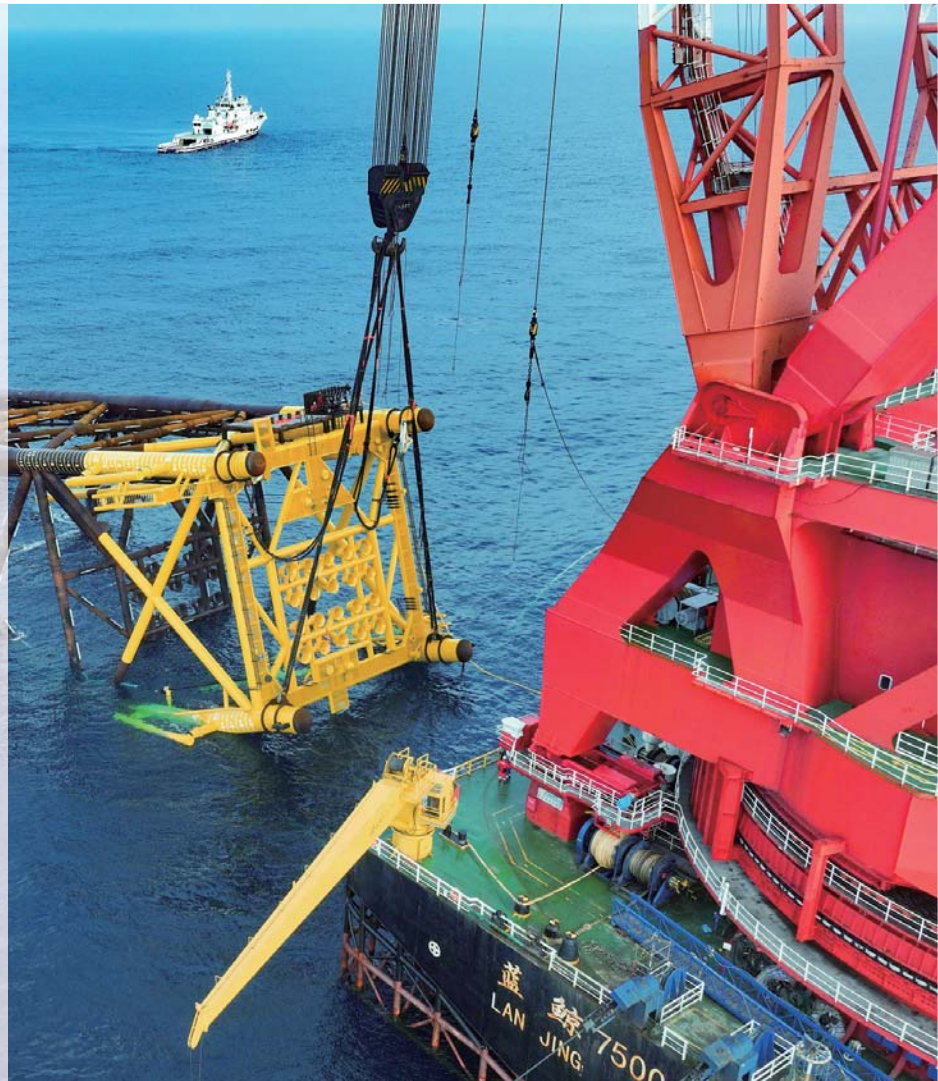
control are integral to high-quality development. The Company remains committed to proactive risk prevention and control, integrating risk control and management into every phase of market development, project execution, and back-office management. We will conduct comprehensive financial and tax planning and systematically advance the construction of "firewalls" to establish a full-coverage, high-precision risk prevention and control system. By driving a profound transformation in risk management from "passive response" to "proactive intervention", we will effectively solidify the foundation for sustainable development.

With wings nurtured for soaring heights, we shall ascend and strive for excellence. The Company will seize the pivotal opportunity for global expansion and navigate this critical period of transformation from quantitative to qualitative change. We will summon the determination to overcome difficulties, uphold a pragmatic and result-oriented approach, foster a pioneering spirit of innovation, and maintain the perseverance to see long-term endeavors through to fruition. Building on past achievements while forging ahead into the future, we are embarking on a new journey of high-quality development under the 15th Five-Year Plan!



Chairman and Secretary of the Party Committee
Wang Zhanglei

▼ The "Blue Whale" vessel in the Wenchang 16-2 Project is currently performing jacket righting



Definitions

> Double-sided & double-arc base welding and double-sided & four-wire filler welding process



I. Definitions

For the purpose of this report, unless the context otherwise requires, the following words have the following meanings:

	Interpretations	
This company, the company, COOEC, this group	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
COOEC-Fluor	refers to	COOEC-Fluor Heavy Industries Co., Ltd., the subsidiary controlled by Offshore Oil Engineering Co., Ltd. (COOEC)
EPCI	refers to	The abbreviation for engineering design, procurement, construction and installation.
EPCM	refers to	The abbreviation for engineering design, procurement, construction and management.
FPSO	refers to	The abbreviation for floating production storage and offloading.
LNG	refers to	The abbreviation for liquefied natural gas.
FEED	refers to	The abbreviation for front-end engineer design.
TLP	refers to	The abbreviation for tension leg platform.
CCUS	refers to	The abbreviation for carbon capture, utilization and storage.
ENR	refers to	The abbreviation for engineering news-record.
Dual carbon goal	refers to	Carbon Peak and Carbon Neutrality
TMCP	refers to	Thermo-Mechanical Control Process, abbreviated as TMCP.
SPMT	refers to	Self-Propelled Modular Transporter, abbreviated as SPMT.

Company Profile and Major Financial Indicators

I. Company Information

Chinese name	Offshore Oil Engineering Co., Ltd.
Abbreviation in Chinese	海油工程
Name in foreign language	OFFSHORE OIL ENGINEERING CO.,LTD.
Abbreviation in foreign language	COOEC
Legal representative	Wang Zhangling

II. Contact and contact information

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

III. Basic Information Introduction

Registered address	No.403-4-3, Building 9, East Zone, Airport Business Park, 80 Huanhe North Road, Tianjin Pilot Free Trade Zone (Airport Economic Area)
Historical changes in 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 15th 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). On September 24, 2025, it was changed to Room 403-4-3, Building 9, East Area of Airport Business Park, No.80 Huanhe North Road, Airport Economic Zone, Tianjin Pilot Free Trade Zone.
Office address	No.199 Binhai 15th Road, Tianjin Port Free Trade Zone, Tianjin
Postal code	300461
Company's website	https://www.cnoocengineering.com
E-mail	tijing@cooec.com.cn

IV. Information disclosure and storage location

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

X. Stocks

Stocks				
Stock type	Stock exchange	Stock abbreviation	Stock code	Stock name before the change
A-share	Shanghai Stock Exchange	COOEC	600583	Not applicable

VI. Other relevant materials

Accounting firm engaged by COOEC (domestic)	name	Zhongshenzhonghuan Certified Public Accountants (Special General Partnership)
	Office address	Floor 8, Tianhong Baojing Building, No.189 Andingmenwai Street, Dongcheng District, Beijing
	Signing accountants	Zhao Yunjie, Li Yan

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

(I) Major accounting data

Unit: (ten thousand yuan) Currency: RMB

Major accounting data	2025	2024	Increase or decrease YoY (%)	2023
Operating revenue	2,716,343.32	2,995,441.59	-9.32	3,075,203.75
Total profits	252,617.93	267,765.64	-5.66	191,193.72
Net profit attributable to shareholders of the listed company	208,443.61	216,139.66	-3.56	162,050.63
Net profit after deducting non-recurring profit or loss attributable to shareholders of the listed company	184,487.53	180,868.61	2.00	123,714.04
Net cash flow from operating activities	359,373.11	385,024.86	-6.66	512,492.41
	As at the end of 2025	As at the end of 2024	Increase or decrease YoY (%)	As at the end of 2023
Net assets attributable to shareholders of the listed company	2,657,784.09	2,626,652.03	1.19	2,479,459.37
Total assets	4,919,213.95	4,823,088.27	1.99	4,325,166.35
Share capital at the end of the period	442,135.48	442,135.48	0	442,135.48

(II) Major financial indicators

Major financial indicators	2025	2024	Increase or decrease YoY (%)	2023
Basic earnings per share (RMB/share)	0.47	0.49	-4.08	0.37
Diluted earnings per share (RMB/share)	0.47	0.49	-4.08	0.37
Basic earnings per share after deducting non-recurring profits and losses (RMB/share)	0.42	0.41	2.44	0.28
Return on weighted average net assets (%)	7.78	8.47	Decrease of 0.69 ppt	6.67
Return on weighted average net assets after the deduction of non-recurring profits and losses (%)	6.89	7.08	Decrease of 0.19 ppt	5.09

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

Applicable Not applicable

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

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

Applicable Not applicable

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

Applicable Not applicable

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

Applicable Not applicable

IX. 2025 quarterly major financial data

Unit: (ten thousand yuan) Currency: RMB

	Q1 (January - March)	Q2 (April - June)	Q3 (July - September)	Q4 (October-December)
Operating revenue	509,612.27	622,154.48	634,346.85	950,229.72
Net profit attributable to shareholders of the listed company	54,081.59	55,748.06	50,660.87	47,953.09
Net profits after deducting non-recurring profit or loss attributable to shareholders of the listed company	47,682.94	48,307.92	44,437.71	44,058.96
Net cash flow from operating activities	201,190.44	22,113.90	29,592.28	106,476.49

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

Applicable Not applicable

X. Items and amounts of non-recurring profit or loss

Applicable Not applicable

Unit: (ten thousand yuan) Currency: RMB

Item of non-recurring profit or loss	Amount in 2025	Note (if applicable)	Amount in 2024	Amount in 2023
Profit or loss from disposal of non-current assets, including the writing-off part for which the provision for asset impairment is made	-926.30		-570.25	670.84
Government grants included in the current profit or loss (except for government grants closely related with the normal business of COOEC, obtained according to established criteria and in accordance with national policies and provisions and those continuously affecting the profit or loss of COOEC)	6,876.42	Mainly government grants such as scientific research subsidies	5,551.41	7,462.38
Profit or loss on fair value changes arising from the holding of financial assets and financial liabilities by non-financial enterprises and the profit or loss arising from the disposal of financial assets and liabilities, except for effective hedging operations associated with COOEC's normal operations	19,114.51	Changes in fair value of financial assets held for trading	11,551.17	11,350.75
Fund possession costs included in the current profit or loss and collected from non-financial enterprises				
Profit or loss from assets which are invested or managed by others entrusted	6,846.00	Mainly gains arising from the purchase of structured deposits, wealth management products and certificates of deposit	19,300.59	25,043.86
Profit or loss from external entrusted loans				
Asset loss arising from force majeure, such as natural disasters	-4,141.27			
Reversal of receivables tested for impairment separately, provision for impairment	428.48		1,401.48	
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				

Item of non-recurring profit or loss	Amount in 2025	Note (if applicable)	Amount in 2024	Amount in 2023
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				
One-off expense arising from discontinued business activities of enterprise, such as the expense of relocating employees				
One-off effect on current profit or 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 or 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	-1,296.46		4,697.10	876.96
Other items of profit or loss subject to the definition of non-recurring profit or loss				
Less: income tax effects	5,151.65		6,327.46	6,390.59
Adjustment to minority equity (after tax)	-2,206.35		332.99	677.61
Total	23,956.08		35,271.05	38,336.59

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 or loss in large amount and the non-recurring profit or loss listed in Explanatory Announcement No.1 on Information Disclosure for Companies Offering their Securities to the Public--Non-Recurring Profit or Loss as recurring profit or loss.

Applicable Not applicable

XI. Companies with equity incentives or employee stock ownership plans may choose to disclose net profit after deducting the impact of share-based payments.

Applicable Not applicable

XII. Items Measured at Fair Value

Applicable Not applicable

Unit: (ten thousand yuan) Currency: RMB

Project name	Beginning Balance	Ending Balance	Current change	Amount of impact on current profit
Financial assets held for trading - structured deposits	1,010,697.32	949,429.23	-61,268.09	19,114.51
Total	1,010,697.32	949,429.23	-61,268.09	19,114.51

XIII. Miscellaneous

Applicable Not applicable

Management Discussion and Analysis

I. 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 in China, 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 and was listed on the Shanghai Stock Exchange in February 2002 (stock abbreviation: COOEC, stock code: 600583).

With more than 10,000 employees, COOEC has formed an all-around, multi-level and broad-field professional team suitable for EPC. With world-class qualifications and design capabilities, the Company has large-scale offshore engineering manufacturing bases in Tianjin Binhai New Area, Qingdao in Shandong Province, Zhuhai in Guangdong Province, among other locations. Covering a total area of about 4 million square meters, these bases form a globally oriented site layout that spans northern and southern China, offers complementary functions, and supports both deep and shallow water operations. 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.

√ "Haiyang Shiyou 285" vessel and "Haiyang Shiyou 116" vessel sail through the winds and waves



After more than 40 years of construction and development, the Company has defined its vision of "building a world-class marine energy engineering company with Chinese characteristics" and its development strategy of "taking marine and energy engineering construction led by design as the sole core, building management capabilities and technological leadership as the two foundations, pursuing internationalization, deep-water operations, and new industrialization as the three development directions, and focusing on talent, market, digital intelligence, cost, and risk control as the five key drivers." It has systematically developed ten major equipment systems centered on "large-scale lifting and pipe-laying vessel series," "1,500-meter-class deep-water operation ROV series," "construction sites and construction equipment," and ten major technologies centered on "deep-water floating production platform technology," "subsea systems and product technology," and "ultra-large offshore structures and modular technology." The Company has provided high-quality products and services to numerous domestic and international clients, including CNOOC, ConocoPhillips, Shell, Saudi Aramco, QatarEnergy, Petrobras, MODEC, and Fluor, with its business spanning over 20 countries and regions.

The Company has been included in ENR's Top 250 International Contractors and Top 250 Global Contractors for three consecutive years.

(II) Business model

The Company undertakes engineering contracts through EPCI or subcontracting, participates in the construction of offshore oil and gas field projects, LNG, FPSO, offshore wind power, and other related projects and provides clients with "turnkey" projects. Driven by market demand, the Company incubates technologies and products, leveraging its "technology + product" soft capabilities along with its comprehensive product system to establish standardized product packages tailored to different regions and client needs.

Driven by technological innovation and industrial model transformation, the Company is accelerating its transformation into a world-class engineering, procurement, and construction contractor. Its business structure is rapidly shifting toward low-carbon and green initiatives, as well as full industrial integration. The



production model is accelerating its transition toward standardization and digital intelligence. The business model is evolving from "project-driven" to "product-driven," and expanding from "single-product-driven" to "series-product-driven." By enhancing value creation capabilities across all dimensions, the Company provides "all-in-one" solutions in marine and energy engineering for its clients.

Explanation of the addition of significant non-core business operations during the reporting period

□ Applicable √ Not applicable

II. Industry status during the reporting period

According to the *China Marine Energy Development Report 2025*, global investment in offshore oil and gas exploration and development reached \$217.55 billion in 2025, accounting for 35.7% of total global oil and gas investment. This marks the fifth consecutive year of growth, with an average annual compound growth rate of 11%. Sustained capital investment has laid a solid project foundation for the global offshore engineering market. High-end sectors such as deep-water, ultra-deep-water, and LNG—with their typical facilities including FPSOs, FLNGs, and subsea production systems—remain the core

segments with the largest market size and the highest technological barriers.

Against the backdrop of an accelerating global transition to low-carbon energy, international oil and gas companies are continuously reducing their traditional crude oil assets while increasing investments in natural gas, LNG, and new energy sources such as offshore wind and hydrogen. This has led to a trend in upstream capital expenditure characterized by "stable overall growth with deep structural adjustments." This shift has reshaped the competitive landscape of the global offshore engineering market, giving rise to a pattern of "high-end concentration and stratified competition." Large-scale and complex deep-water and LNG projects are primarily concentrated among international giants that possess core technologies, EPC capabilities, and financing advantages, setting higher standards for the Company's technology integration, resource coordination, and cost control. Meanwhile, geopolitical conflicts and trade protectionism have increased the uncertainty in global supply chains and project execution costs, posing more severe challenges to the Company's international expansion and overseas operations.

As a major energy consumer, China continues to rely on offshore oil and gas as the core for increasing oil & reserves and output. The country is consistently advancing exploration

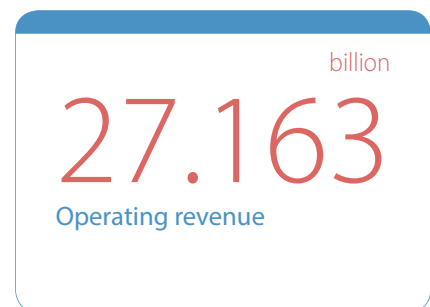
△ China's first "Intelligent Factory" for marine oil and gas equipment manufacturing, the Phase II of the CNOOC Engineering Tianjin Intelligent Manufacturing Base, is put into operation

and development that is "deeper, farther, more innovative, and greener." Its stable capital expenditure and project planning provide ongoing opportunities for the Company's business. Meanwhile, Rapid technological

iterations and intense competition in the deep-sea and new energy fields have also placed higher demands on the Company's capabilities in high-end equipment technology integration and comprehensive solution provision.



▲ Subsea pipeline laying for Penglai 19-3 Oilfield Modules 1/2/3/8/9 Secondary Adjustment Project





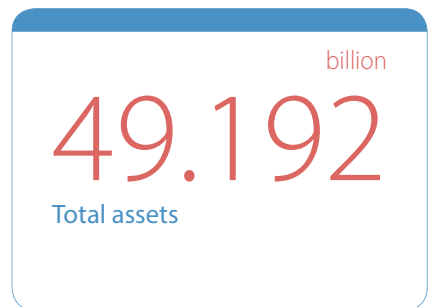
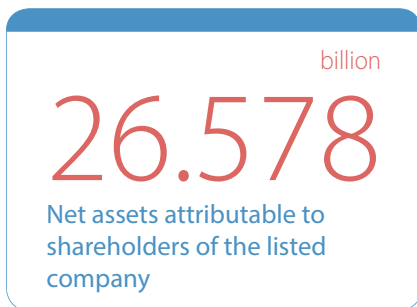
III. Discussion and analysis of operations

▲ On-site crane lifting personnel are confirming the hoisting plan

The year 2025 marks the final year of the Company's "14th Five-Year Plan" and serves as a pivotal year for mapping out and planning its new development under the "15th Five-Year Plan". The global offshore engineering industry landscape is undergoing profound reshaping, driven by the interplay of technological revolution, market competition, and geopolitical dynamics. The complexity of the opportunities and challenges involved is unprecedented.

Under the leadership of the Company's Board of Directors, the management and all employees have successfully advanced production and operational activities, systematically implemented quality and efficiency improvement initiatives, effectively mitigated the adverse impact of reduced workload, and ushered in a new phase of high-quality development.

During the reporting period, the Company secured market contracts worth 48.849 billion yuan, a year-on-year increase of 61.51%; achieved operating revenue of 27.163 billion yuan, a year-on-year decrease of 9.32%; and realized net profit attributable to shareholders of the listed company of 2.084 billion yuan, a year-on-year decrease of 3.56%. As of December 31, 2025, total assets amounted to 49.192 billion yuan; net assets attributable to shareholders of the listed company reached 26.578 billion yuan; the asset-liability ratio stood at 41.83%; and the capital structure remained sound with adequate cash flows.



Major efforts made in 2025:

(I) Anchoring strategic breakthroughs, engineering construction achieves tangible results across multiple fields

During the reporting period, a total of 74 projects above designated size were implemented, of which 31 were completed within the year. Annual steel processing volume reached 336,000 tons, a year-on-year decrease of 25.96%; total vessel operating days amounted to 24,200, a year-on-year decrease of 15.46%, with self-owned vessel operating days remaining largely unchanged from the previous year.

74

74 projects above designated scale implemented, 31 of which are completed within the year

336,000

336,000 tons of steel materials were processed for construction activities

tons

24,200

24,200 ship-days were spent on offshore operations such as installation

ship days

The upper module of the Kenli 6-1 Oilfield 10-1 North Module Phase II Development Project is precisely positioned in the southern Bohai Sea. This lays the foundation for the module's efficient development at the next stage. (Photo: Module Lifting Commanding)



> The first eight-legged jacket at Tianjin Intelligent Manufacturing Base is successfully completed

海洋石油工程股份有限公司
Offshore Oil Engineering Co., Ltd.





Onshore construction completed 26 jackets and 16 topsides, while offshore installation completed 30 jackets and 21 topsides. Subsea pipeline laying totaled 385 kilometers, and subsea cable laying reached 239 kilometers.

▲ The CEPD jacket for the Weizhou 11-4 Project Tianjin Intelligent Manufacturing Base arrives at the ship for loading, transported via SPMT

26

Onshore construction of 26 jackets and 16 modules

unit

16



30

Offshore installation of 30 jackets and 21 modules

unit

21

385

Laying of 385km submarine pipelines and 239km submarine cables

km

239



△ The Kenli 10-2 Oilfield Project, the largest submarine cable laying project in China's lithologic oilfield, has been completed, establishing a "lifeline" for the intelligent operation of this billion-ton-level oilfield

< Strengthen quality management in all production stages

Domestic projects were meticulously executed to set new industry benchmarks

✓ The WHPA wellhead platform of the Kenli 10-2 Oilfield Phase I Project is loaded onto a ship at the Tianjin Intelligent Manufacturing Base dock

The Company continues to advance its domestic engineering project construction, driving efficiency improvements and industrial extension through technological innovation. The Kenli 10-2 project represents the first pilot project in Chinese waters to use domestically produced TMCP high-strength steel, setting a new benchmark for lightweight platform design and construction.



> The Kenli 10-2 Oilfield Project module is being constructed at the Qingdao yard



∨ Offshore Installation of the Kenli 6-1 Oilfield 10-1 North Module Development Project WHPJ Platform





^ Upper module of Huizhou 25-8 B Platform arrives at the designated site, marking the transition from offshore transport to pre-floatover preparation. (Photo: Project personnel adjust vessel approach attitude.)

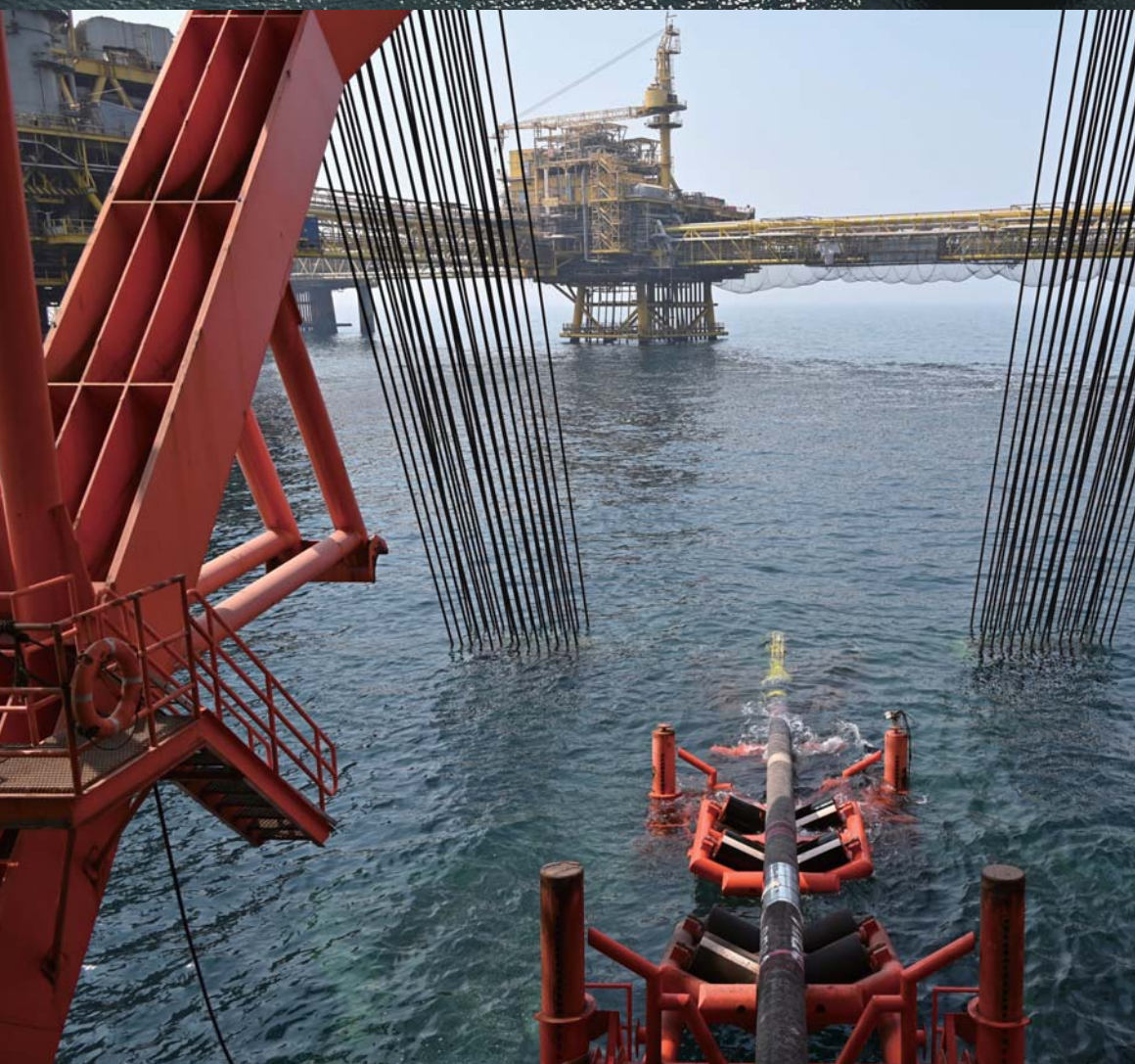
The Dongfang 13-3 gas field development project innovatively adopted vertical construction technology for its 60-meter water depth jacket, enhancing both onshore construction efficiency and offshore installation efficiency. The Huizhou 25-8 oilfield comprehensive adjustment project pioneered the use of a 10,000-ton topside SPMT transfer and secondary relocation technique, providing a novel solution for constructing large structures in non-slipway areas. The Deep-Sea No. 1 Phase II project successfully applied the world's first set of kilometer-class deep-water launch piping manifolds, achieving a significant milestone in the independent research and development capability of deep-water subsea products. The full resumption of production at the Offshore Oil 116 FPSO has set a benchmark for mooring system maintenance in the South China Sea oil and gas field clusters, established a complete set of emergency repair solutions for deep-water facilities, and realized a significant breakthrough in China's full-chain operational capabilities in high-risk offshore engineering fields.

v Offshore installation of the DPPB platform for the Huizhou 25-8 Oilfield Integrated Adjustment Project





^ Dongfang 13-3 Gas
Field Development
Project: Dongfang 1-1
WHPG Unmanned
Platform Offshore
Installation



▲ Lifting crew direct steel pile hoisting at the Qatar ISND 5-2 Project

◀ The first subsea pipeline of the Qatar NOC RUYA EPCI 09 Project is precisely connected to the pre-set seabed anchor point

Overseas business advanced steadily and achieved a holistic leap forward



Overseas projects have delivered breakthroughs in both technology and management, fully demonstrating the Company's exceptional technical expertise and overseas operational capabilities, injecting strong momentum into continuously deepening international energy cooperation and driving the Company's high-quality development. The Nigeria HI project, the first EPC project in cooperation with Shell, has successfully completed its jacket. The complementary "wind power + solar energy" model will help increase local natural gas production capacity by 35%. The Qatar NOC RUYA EPCI 09 project set a new overseas daily pipe-laying record, while the three jackets of the Qatar ISND 5-2 project were efficiently installed offshore. The Qatar NFPS EPC2 project successfully completed an "oversized" pressure test package containing 7,214 nickel alloy welds, laying a critical foundation for subsequent construction.

▲ The Qatar ISND 5-2 Project receives the inspection of the loading status of subsea pipelines at the dock during the national holiday

▼ Qatar ISND 5-2 Project jacket construction is completed





^ Several projects at the Canadian subsidiary, including Overhead Corrosion and Chemical Tank T17T58, are still in operation, with approximately 75 people working on-site. (Photo: Frontline workers assemble the main structural supports in heavy snow at -30°C on the Overhead Corrosion project site)

The PIC Phase IV development project commenced the construction of subsea facilities, marking a "zero-breakthrough" for a Chinese enterprise in a thousand meter deep-water EPC project overseas. Multiple projects in Canada are progressing simultaneously, and the Uganda Kingfisher project is entering its final stages.

v The barge for the Kingfisher project in Uganda is successfully launched



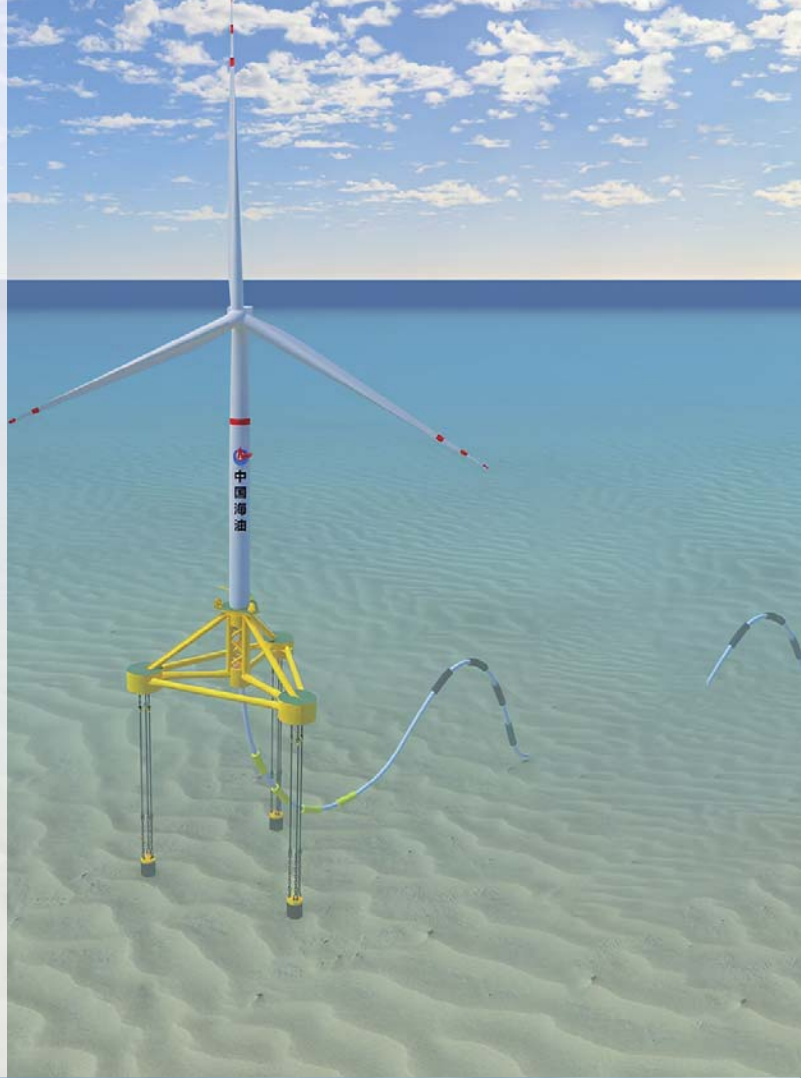
Offshore operations
of the Saudi Aramco
CRPO122 EPC Project



Green engineering gained traction across multiple fronts, marking new steps in transformation

✓ The Ningbo "Green Energy Port" Project, Phase III of the Zhejiang LNG Project

> Lufeng TLP Wind Power Project



The Company resolutely implemented the national "dual carbon" strategy, steadily expanded new markets such as floating wind power, photovoltaics, and LNG, and promoted the in-depth extension of traditional oil and gas businesses into emerging industries. The world's largest-capacity deep-sea tension-leg floating wind power platform has completed its structural topping-out, marking the first application of China's tension-leg platform floating wind power technology in far-reaching deep seas. The Fujian LNG Xiamen Photovoltaic Project completed its first independently designed case, achieving a key breakthrough from reliance on external outsourcing to independent control in the photovoltaic field. The Inch Cape European Offshore Wind Project delivered all its 10,000-ton steel piles, deepening China-Europe cooperation in green energy. The Fujian LNG Pressure Difference Power Generation and Cold Energy Comprehensive Utilization Project innovatively

> Discussing with partners about construction challenges of the ORC waste heat recovery power generation project



combines pressure difference power generation with cold energy cascade utilization, generating over two million kilowatt-hours of electricity annually. The Tangshan LNG and Longkou Nanshan LNG projects received the industry's highest quality and welding management awards. The Zhejiang LNG Phase III Project set a new industry record with a 99.4% first-pass rate for 9% nickel steel welding.

▽ Tangshan LNG Receiving Station Phase II Project





^ CNOOC Engineering's "Qinghai" delivers its first batch of overseas underwater core equipment



billion
48.849

Annual market contracting amount

(II) Deepening the dual-circulation layout, market development capabilities reach a new historical high

Thoroughly implementing the national "Belt and Road" initiative, the Company has guided market development with strategy and taken multiple measures to promote the coordinated growth of domestic and international markets. Throughout the year, it secured market contracts totaling 48.849 billion yuan, with overseas market contracts reaching 30.843 billion yuan—both setting new historical records. With orders on hand amounting to 61.6 billion yuan, the Company has driven its historic transformation

from an engineering subcontractor to an international engineering contractor, and further to a comprehensive "all-in-one" international engineering contractor. This has accumulated substantial momentum for the Company's development during the "15th Five-Year Plan" period, continuously strengthening the new development paradigm of dual circulation, both domestically and internationally.

Domestic business was stabilized and upgraded to consolidate the core business foundation. The Company fully leveraged its professional service capabilities to provide high-quality and efficient support for increasing oil and gas reserves and output, maintaining a steady development trend in the domestic oil and gas market.

During the reporting period, newly contracted projects focused on traditional oil and gas engineering, with key emphasis on the comprehensive adjustment of the Huizhou 25-4 oilfield, the development of the Lihua 28-2/27-1 gas field, the second-phase development of the Bozhong 26-6 oilfield, the first-phase development of Block 29-1 in the Bozhong 29-4 oilfield, the second-phase development of the Bozhong 19-6 gas field, the comprehensive adjustment of the Caofeidian 11-3/5 oilfield,

▼ Land Construction of the BZ 26-6 Project CEPA Project Module





and the power grid infrastructure project in the Huixi area. By optimizing site resource allocation and strengthening vessel resource development, the Company provided integrated and efficient professional services to its clients.

Overseas business expanded at full speed, creating a new engine for growth. The Company firmly pursued the path of overseas localization and physical presence, actively and steadily expanding into overseas markets. It deepened the management of international strategic clients, established a core client network, significantly enhanced strategic mutual trust, continuously increased efforts in global market promotion, and drove substantial improvement in the global recognition and competitiveness of the "COOEC" brand.

During the reporting period, the Company newly secured two packages of the Qatar BH project and the Bundled Phases 4 EPCI turnkey project, setting a record for the contract value of offshore oil and gas development turnkey projects undertaken by Chinese enterprises in the Middle East and Southeast Asia. Projects such as the Shell Nigeria HI project and the TotalEnergies ALK subsea pipeline replacement project successfully landed, marking a new breakthrough in overseas offshore oil and gas engineering construction capabilities, which will further drive

the Company's deeper participation in global oil and gas cooperation.

New energy business accelerated its expansion, unleashing new growth drivers.

The Company actively practiced the concept of green development, intensified market development efforts in the new energy sector, and promoted the continuous expansion and extension of emerging industries.

During the reporting period, the Company secured key projects such as the Zhejiang Offshore Wind Power Converter Station, the Fujian LNG Project No. 7 Storage Tank and Supporting Facilities, the Fujian LNG Xiamen Photovoltaic Project, the Pengbo Oilfield Group Shore Power Application Project, and the Cambodia Receiving

▲ Offshore installation of DPPB platform for the Huizhou 25-8 Oilfield Integrated Adjustment Project

> Groundbreaking ceremony for the CNOOC Engineering and Shell Nigeria HI Project





▲ The jacket structure for the 24-7 phase of the Xijiang 24 District Development Project is successfully launched

Terminal Design/Project Management. These efforts have driven the large-scale development of emerging businesses like floating wind power, offshore photovoltaics, and LNG terminals, significantly advancing the transformation of the Company's business structure toward green, low-carbon, and diversified synergies.

(III) Upholding the bottom line of safety, the safety management system achieves new consolidation

The Company promoted the consolidation and enhancement of work safety at the grassroots level through lean management, establishing a comprehensive, end-to-end safety management system. In 2025, the Company continued to refine and strengthen the work safety responsibility system, ensured compliant and effective investment in work safety, strictly implemented the "equal governance" requirements for contractor management, achieved precise and effective risk identification, graded early warning control, and hazard investigation and management. The Company also continuously consolidated overseas security capabilities and promoted a comprehensive shift of the emergency response system toward proactive prevention. A total of 78.82 million work hours were completed throughout the

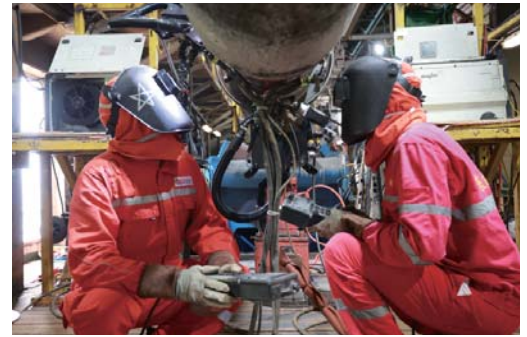
year, with a Recordable Injury Frequency Rate (RIFR) of 0.0076 (per 200,000 work hours). No general or higher-level work safety responsibility accidents occurred, and safety performance continued to maintain a relatively high level in the industry, laying a solid safety foundation for the Company's high-quality development.

(IV) Focusing on innovation-driven development, achieving new breakthroughs in digital and intelligent transformation and technological breakthroughs

The Company thoroughly implemented the innovation-driven development strategy, focusing on breakthroughs in core technologies and the layout of cutting-edge technologies as dual drivers. This advanced key technological breakthroughs in areas such as floating and underwater systems. Simultaneously, the Company leveraged digital and intelligent transformation to unlock the effectiveness of data governance, continuously enhanced industrial control capabilities, and achieved landmark results in cultivating new quality productive forces. These efforts provided solid technological support for the Company to explore new avenues and build new competitive advantages.

Deep-sea technology research achieved milestone breakthroughs. The first underwater robot seven-function manipulator independently developed for the deep-sea oil and gas industry completed land testing, with its performance ranking among the world's best. The domestically produced 1,500-meter-class underwater control system completed coupling testing, and significant progress was made in the development of the first deep-water subsea oil production system. China's first pile-based single-point mooring system was successfully developed, filling a gap in the industry. The research and manufacturing of deep-water 6-inch/8-inch dynamic flexible riser prototype pipes were completed, with demonstration applications carried out in the Offshore Oil 116 FPSO project. The "Haiwei" system, an intelligent monitoring equipment for deep-water pipeline laying, successfully completed sea trials in the Wenchang 16-2 oilfield area, marking a key breakthrough for China in the intelligent and unmanned operation of deep-water offshore oil and gas equipment.

Achieving leapfrog development through the transformation of achievements into products. Seventeen scientific and technological achievements have been applied, including semi-submersible topside float-over installation and deep-sea floating wind power platforms. The



▲ The subsea pipeline laying for the Wenchang 16-2 Oilfield Development Project is successfully completed. This marks the main work vessel, "Haiyang Shiyou 202," operates at a depth of 150 meters for the first time. (Photo: The subsea pipeline welding operation)

▼ The loading system of China's first 50,000-ton-class traction jack ship is successfully applied for the first time during the loading process on the platform





△ China's independently developed intelligent monitoring equipment system for deep-water subsea pipeline laying, "Haiwei," has completed its sea trials, and the remotely operated robot, "Navigator," has entered the water for navigation

▽ China's first batch of independently developed intelligent welding robot equipment systems for flexible manufacturing in marine engineering is integrated and completed

50,000-ton pulling jack ship-loading system was applied for the first time, achieving internationally advanced performance. Low-voltage switchgear obtained the EU CE certification, securing an "entry ticket" to the European market. The Company established a "four-level" product portfolio for the first time, shifting from "single-product"-driven to "series-product"-driven development. It hosted the Deep-water Oil and Gas Equipment Industry Chain Collaboration Conference, launched the "Techigh" subsea brand, collaborated with industry chain partners to overcome key technologies in four categories of critical components, including subsea control modules and subsea wet-mate electrical flying leads, and built an innovative ecosystem for the entire offshore oil and gas equipment industry chain.

Digital transformation achieved a landmark upgrade. The digital intelligence foundation has been systematically reinforced, establishing a unified platform for the construction, operation, and management of digital intelligence systems. Data management capabilities have been systematized, earning the Company a national Data Management Capability Maturity Model (DCMM) Level 4 certification. The Tianjin Intelligent Manufacturing Base has been fully operationalized, achieving a 39% improvement in overall production efficiency compared to traditional models and being selected as one of the country's first batch of outstanding smart factories. A series of intelligent robots for grinding, painting, sandblasting, welding, and other tasks has been developed and deployed in pilot applications. Digital twin and simulation technologies have been continuously upgraded, providing full lifecycle monitoring for multiple deep-water projects such as Lihua and Lufeng. The digitalized delivery platform has been progressively refined and successfully applied in both domestic and international



projects, such as Caofeidian 6-4 and Nigeria H1.

(V) Focusing on lean management, corporate governance and control capabilities achieve new improvements

The Company refined its entire governance system and continuously enhanced management capabilities. In strict accordance with the updated *Company Law* and following the requirements of the "dual regulatory system" for listed company supervision and state-owned asset supervision, the Company completed the restructuring of the Board of Supervisors, upgraded its corporate governance system, and laid a solid institutional foundation for high-quality development during the "15th Five-Year Plan" period. The Board of Directors adhered to the principle of "pooling collective wisdom and exercising democratic decision-making," fully leveraging the professional expertise of the Board's specialized committees and independent directors. It focused on formulating strategies for scientific development, fulfilling its responsibilities in value management through decision-making, and building a solid foundation for safety and compliance in risk prevention. As a result, the Company's governance standards and effectiveness have been further enhanced.

The Wind ESG rating was upgraded from A to AA. The Company consecutively won the Board "Golden Roundtable Award" and the Investor Relations Tianma Award for three years. It was successfully included in the 2025 China Association of Listed Companies' Cash Dividend Ranking, Best Practices in Internal Control Cases, and Best Practices in Listed Company Board of Directors Cases. The Company also received 21 capital market awards, including the "Best Board of Directors Award for Listed Companies" from the Listed Companies Reputation List, the "Corporate Governance Award" from the SSE Eagle · Gold Quality Awards from the Shanghai Stock Exchange, and the Top 100 Main Board Value Awards, continuously enhancing its corporate governance and board brand value.

Lean management is at the core, as the Company continuously deepens internal operational control. It has established a differentiated management model of "strategy + operations" to effectively drive efficient collaboration across the entire project chain. It has also developed a refined risk prevention and control management model and systematically established management mechanisms such as negative list management, project "red-yellow-green light" management, overseas "escort"

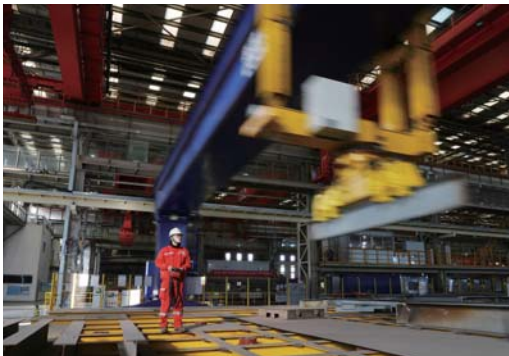
✓ China's first independently developed 2,000-meter-class ultra-deepwater Christmas tree (XT) has completed the assembly in Tianjin and entered the system testing phase. The completion of the Christmas tree main structure is of great significance for building an independent, controllable offshore oil and gas equipment system and for ensuring national energy security





▲ Offshore installation of CEPB module is completed for Caofeidian 6-4 Oilfield Well Area Development Project

support, and integrated supervision. Risk control is embedded into every stage, including market development, project execution, and backend management, driving a profound transformation of risk management from "passive response" to "active intervention."



< At the prefabrication workshop of the CNOOC Engineering Tianjin Intelligent Manufacturing Base, engineers are working on the front line, debugging the intelligent hoisting gantry. The intelligent hoisting gantry can automatically scan QR codes to identify steel profile information and automatically hoist the steel profiles according to the drawings

IV. Core competitiveness during the reporting period

√ Applicable □ Not applicable

Important changes in core competencies during the reporting period:

(I) The first batch of overseas underwater core equipment under the "Techigh" brand has been officially delivered, marking the successful entry of China's independently developed "Techigh" series of underwater equipment into the high-end Middle East market. This provides equipment support for the Company's overseas expansion and international brand building.

(II) The Company successfully facilitated the smooth commissioning of the first 270,000-cubic-meter LNG storage tank at the Jinwan "Green Energy Port," achieving a full-lifecycle technological breakthrough from design and construction to operation and maintenance.

(III) The Company successfully completed the offshore installation of the Kenli 10-2 platform, setting new records for both the size and weight of oil and gas platforms in the Bohai Sea region, marking a new leap forward in the Company's offshore oil and gas engineering construction capabilities.

(IV) The Company independently developed a new TLP foundation floating wind power technology, successfully obtained four AIP certifications from internationally recognized classification societies, and helped establish a distinctive core competitiveness in deep-sea wind power.

(V) The Tianjin Intelligent Manufacturing Base achieved dual growth in production capacity and output value and was successfully selected as one of China's first batch of top-tier smart factories, setting a new benchmark for new quality productive forces in offshore engineering equipment.

Analysis of overall core competitiveness:

The Company's foundation lies in its marine and energy engineering construction capabilities led by design, which sets it apart among numerous offshore oil and gas engineering contractors both domestically and internationally. This unique advantage not only consolidates the Company's leading position in the domestic market but also lays a solid foundation for its participation in international competition and overseas expansion.

After more than 40 years of development and accumulation, the Company has formed a mature system of technologies, equipment and capabilities, covering comprehensive services such as the development and design, construction, installation and maintenance of offshore oil and gas fields. Leveraging this core advantage, the Company efficiently provides customers with "turnkey" projects and diversified engineering services.

With strong technical strength, rich project experience, advanced equipment system, and excellent international competitiveness, the Company continues to consolidate its leading position in the offshore oil and gas engineering field and injects strong impetus into future development. Through continuous technological innovation and business expansion, the Company has helped China's offshore oil and gas development reach new heights.

(I) Domestic offshore oil and gas engineering leader and global market competitiveness

The Company is not only the sole large-scale domestic offshore oil and gas engineering general contracting company, but also an outstanding representative of China's offshore oil engineering technology. As a key force in China's offshore oil and gas engineering construction, the Company has been responsible for the engineering construction of over 200 offshore oil and gas fields across various domestic sea areas for decades, holding leading domestic advantages in capital, technology, and scientific research. The Company has actively responded to the national strategic deployment regarding the construction of a new development pattern, demonstrated outstanding competitiveness in the international market, and achieved a historic leap from an engineering subcontractor to an engineering general contractor, and then to an international turnkey project general contractor, fully demonstrating its competitive advantage as a challenger in the global offshore oil and gas engineering field.

(II) Possessing the technological and equipment advantages to provide "turnkey" engineering solutions

Relatively complete, detailed design capability. The Company boasts a design team of over a thousand professionals, offering specialized services ranging from feasibility studies and conceptual design to FEED design, detailed design, fabrication design, and installation design. It has successfully developed the capability to design offshore oil and gas fields within water depths of up to 1,500 meters, accumulating key design technologies for deep-water products such as deep-water floating production platform systems, subsea pipelines and risers, and subsea systems. The Company is able to provide clients with "turnkey" projects and diversified engineering services. With offshore engineering as the core, the Company continues to expand its EPC business into areas such as onshore LNG projects and clean energy, continuously optimizes organizational efficiency, strengthens technological innovation, reduces overall costs, and consistently provides customers with higher-quality and more efficient services.

Offshore float-over installation capability for 30,000-ton topside and sliding launching capability for 30,000-ton jackets. With profound technical expertise, the Company has fully mastered dynamic positioning and anchor-based float-over installation capabilities in complex sea areas. Currently, the offshore float-over installation of ten-thousand-ton platforms has become a routine operation. The Company has successfully completed landmark projects such as the float-over installation of a 30,000-ton ultra-large platform and the sliding launching of a jacket, significantly enhancing the efficiency of China's offshore oil and gas development. The Company's float-over installation technology has completely revolutionized the traditional construction model for large offshore oil and gas platforms in China, significantly shortening project timelines, reducing resource consumption, effectively controlling development costs, and accelerating the development of China's offshore oil and gas resources. To date, the Company has laid over 1,500 kilometers of subsea pipelines, with a maximum operating water depth of 1,542 meters, achieving a leap from shallow to ultra-deep water and contributing to the total length of China's subsea oil and gas

pipelines exceeding 10,000 kilometers.

Rich experience in offshore oil engineering project management and overseas operation capability. With more than 40 years of rich experience in domestic oil and gas field construction, the Company has successfully implemented the construction of more than 200 offshore oil and gas platform projects, especially in conventional sea areas within water depths of 300 meters, accumulating profound construction experience and management wisdom. In recent years, the Company has delivered high-quality engineering services to customers in many countries such as Australia, Saudi Arabia, Qatar, Myanmar, Brunei, Malaysia, and Brazil. It has continuously strengthened overseas project execution and improved operational efficiency, demonstrating outstanding management and efficient delivery capabilities in complex international engineering environments.

Mature manufacturing sites and ultra-large offshore platform construction capabilities, with initial results in the digital intelligence transformation. The Company has built marine engineering manufacturing bases spanning nearly four million square meters in Tianjin Binhai New Area, Qingdao in Shandong Province, Zhuhai in Guangdong Province, and other locations, forming a globally oriented layout that spans northern and southern China, offers complementary functions, and covers both deep and shallow-water operations. The Company has an annual steel structure processing and manufacturing capacity of over 400,000 tons, as well as the capability to construct 30,000 ton ultra large jackets, topsides, and other offshore platforms, along with large scale module construction capabilities. With the commissioning of the second phase of the Tianjin Intelligent Manufacturing Base, the overall designed production capacity and production line efficiency have been significantly enhanced. Leveraging its engineering contracting capabilities, the Company has successfully deployed and applied a digital twin health management system for offshore oilfields and achieved the effective trial operation of a dual delivery and maintenance system for offshore oil and gas field projects.

(III) Modular construction enters the first echelon of the international industry, with a continuously enhanced reputation

Modular construction is a signature capability of COOEC in overseas business. The Company has vigorously developed modular construction technology and has undertaken and successfully completed a series of large-scale overseas LNG modular construction projects, including Yamal, Gorgon, Ichthys, Shell LNG, Canada LNG, and Hong Kong LNG, as well as multiple domestic LNG EPC projects in Tianjin, Tangshan, and Zhuhai. These projects achieved high-quality operation and on-time delivery, thereby establishing the Company's position in the global modular construction market. Its integrated joint construction capability has now advanced to the forefront of the international industry. Meanwhile, the Company continues to promote the application of modular technology and innovative processes, expanding its business layout from offshore to onshore, injecting strong momentum into the Company's development.

(IV) Deep-water expertise advances by leaps and bounds, providing more stable support for

development

The Company has a robust engineering operations fleet of 19 specialized vessels, including cranes, pipe-laying vessels, subsea engineering vessels, and engineering support vessels. Among them, deep-water equipment includes six dynamic positioning subsea engineering vessels, one dynamic positioning pipe-laying crane vessel, along with 17 underwater robots and large-scale equipment such as deep-water flexible laying systems and plow trenchers, enabling subsea operations at depths of up to 3,000 meters. Through the execution of dozens of projects, the Company has accumulated extensive experience in areas such as subsea production system installation, deep-water flexible laying, seabed trenching, and inspection and maintenance. The Company has developed independent R&D, manufacturing, and EPC capabilities for full-water-depth (500–1,500 meters) subsea production systems, achieved localization of core equipment such as subsea manifolds, control systems, connectors, and umbilicals, and successfully established the "Techigh" subsea brand. The Company was the first to complete demonstration projects such as the world's first kilometer-class deep-water launch piping manifolds. It broke through key technologies for 1,500-meter deep-water operations and obtained international certification. It successfully completed the assembly, testing, and certification of China's first 1,500-meter subsea control modules (SCMs), subsea hydraulic connectors, subsea multi-quick connectors (MQCs), subsea steel tube flying leads with optical connectors and flying leads, as well as electrical connectors and flying leads, all of which received DNV certification. The Company also completed the prototype development, testing, and DNV (Det Norske Veritas) certification of a 1,500-meter deep-water subsea Christmas tree system, achieving operational capability in ultra-deep-water environments at 1,500 meters. This has driven significant breakthroughs for China in the field of deep-water equipment.

(V) Cultivating new drivers and building new advantages for stronger growth momentum

The engineering business continues to grow. The Company keeps up with the market trend and actively explores the emerging marine engineering field. Relying on independent innovation, the Company continues to increase its scientific research investment in the FPSO field, and has successfully undertaken heavyweight FPSO projects at home and abroad, such as the P67/P70 FPSO in Brazil, Shell Penguins cylindrical FPSO, and Lihua 16-2 FPSO. These projects have accumulated rich experience in ultra-large FPSO EPC management and technical strength, positioning the Company an FPSO engineering general contractor and a leader in the field of international FPSO EPC.

Emerging business continues to expand. The Company has undertaken a series of emerging industry projects, including the Qingzhou VI offshore wind power project, the deep-sea Wenchang floating wind power project, the Lufeng oilfield group clean energy project with an underwater data center, and the Hainan Dongfang Fudao distributed photovoltaic project. Among them, the first domestic deep-sea floating wind power platform, "CNOOC Guanlan," was successfully delivered, raising China's independent development capability for offshore wind power to a new height. The Enping 15-1

offshore carbon dioxide storage demonstration project was officially put into operation, with an annual carbon storage capacity of up to 300,000 tons, marking a significant breakthrough for the Company in CCUS technology. The data cabin of the world's first subsea data center was successfully installed after overcoming a series of technical challenges, demonstrating the Company's technological innovation strength. The new TLP-based floating wind power technology has successfully obtained AIP certifications from four internationally authoritative classification societies, forming a comprehensive engineering solution for the economic development of TLP, which further broadens the layout of green integrated development.

Digital intelligence transformation is accelerating. The second phase of the Company's intelligent manufacturing base has been completed and put into operation in Tianjin, achieving dual improvements in production capacity and output value, with overall production efficiency increasing by 39% compared to traditional models. Digital intelligent products have been continuously upgraded, and the digital twin health management system has been extended and applied to projects such as Haiji No. 2 and Lufeng 12-3. The dual delivery and maintenance system for projects was successfully commissioned in the Caofeidian 6-4 Project. China's first offshore pipeline laying information system was launched and put into trial operation, realizing the visual operations and information management of offshore pipeline laying.

V. Primary operations during the reporting period

During the reporting period, the Company achieved operating revenue of 27.163 billion yuan, a year-on-year decrease of 9.32%; and net profit attributable to shareholders of the listed company of 2.084 billion yuan, a year-on-year decrease of 3.56%. As of December 31, 2025, total assets amounted to 49.192 billion yuan; net assets attributable to shareholders of the listed company stood at 26.578 billion yuan; the asset-liability ratio was 41.83%; and the capital structure remained sound with adequate cash flows.

(I) Analysis of primary operations

1. Analysis of changes in related items in the income statement and the statement of cash flows

Unit: '0,000 yuan Currency: RMB

Item	Amount in this period	Previous year	Change (%)
Operating revenue	2,716,343.32	2,995,441.59	-9.32
Operating costs	2,340,154.01	2,627,480.22	-10.94
Taxes and surcharges	15,617.22	13,952.19	11.93
Selling expenses	4,194.48	3,443.84	21.80
Administrative expenses	38,364.95	36,059.72	6.39
Financial expenses	-14,361.32	-14,604.42	Not applicable
Research and development expenses	119,069.09	122,733.73	-2.99
Net cash flow from operating activities	359,373.11	385,024.86	-6.66
Net cash flow from investing activities	15,649.70	-310,465.50	Not applicable
Net cash flow from financing activities	-117,538.23	-77,562.90	Not applicable
Other income	21,438.21	29,235.91	-26.67
Investment income	16,531.29	20,154.44	-17.98
Gains from changes in fair value	9,429.23	10,697.32	-11.85
Losses from asset impairment	-1,579.42	-2,637.02	Not applicable
Non-operating revenue	1,734.99	5,106.31	-66.02
Non-operating expenses	8,111.42	999.14	711.84
Other comprehensive income, net of tax	1,108.23	-1,985.23	Not applicable

Explanation for the change in operating revenue: During the reporting period, the Company achieved operating revenue of 27.163 billion yuan, a decrease of 2.791 billion yuan or 9.32% year-on-year. The decrease was primarily attributable to lower workload.

Explanation for the changes in operating costs: Operating costs were 23.402 billion yuan, a decrease of 2.873 billion yuan or 10.94% year-on-year. The decrease was primarily attributable to lower workload.

Explanation for the change in taxes and surcharges: Taxes and surcharges were 156 million yuan, an increase of 17 million yuan or 11.93% year-on-year. This was mainly due to higher export volume, which led to a year-on-year rise in surcharges generated from exempted and credited taxes, as well as an increase in contracts signed, resulting in higher stamp duty year-on-year.

Explanation for the change in selling expenses: Selling expenses were 42 million yuan, an increase of 8 million or 21.80% year-on-year. The increase was primarily attributable to the Company's active market expansion efforts and increased

investment in selling expenses.

Explanation for the change in administrative expenses: Administrative expenses were 384 million yuan, an increase of 23 million yuan or 6.39% year-on-year. The increase was primarily attributable to higher labor costs, which correspondingly raised administrative expenses.

Explanation for the change in financial expenses: Financial expenses were -144 million yuan, compared to -146 million yuan in the same period last year, representing a year-on-year increase of 2 million yuan. This was mainly attributable to a year-on-year increase of 13 million yuan in exchange gains, a year-on-year decrease of 10 million yuan in net interest income, and a year-on-year increase of 5 million yuan in bank charges.

Explanation for the change in R&D expenses: R&D expenses were 1.191 billion yuan, a decrease of 37 million yuan or 2.99% year-on-year. The intensity of R&D investment remained stable. R&D investment was primarily focused on key core technology research in areas such as subsea production systems and deep-water floating production equipment.

Explanation for the change in net cash flow from operating activities: Net cash flow from operating activities was 3.594 billion yuan, a decrease of 0.257 billion yuan or 6.66% year-on-year. This was primarily attributable to timing differences in receipts and payments, while overall cash flow remained ample.

Explanation for the change in net cash flow from investing activities: Net cash flow from investing activities was 156 million yuan, an increase of 3.261 billion yuan compared to the previous year. The change was primarily attributable to changes in capital expenditure on assets and wealth management amounts.

Explanation for the change in net cash flow from financing activities: Net cash flow from financing activities was -1.175 billion yuan, a decrease of 0.4 billion yuan year-on-year. This was mainly attributable to the impact of dividend distributions and the growth of new long-term lease business.

Explanation for the change in other income: Other income was 214 million yuan, a decrease of 78 million yuan or 26.67% year-on-year. The decrease was primarily attributable to a year-on-year decrease of 89 million yuan in consumption tax refunds due to timing differences.

Explanation for the change in investment income: Investment income was 165 million yuan, a decrease of 36 million yuan or 17.98% year-on-year. The decrease was mainly due to a year-on-year decrease in wealth management income, affected by changes in market interest rates.

Explanation for the change in gains/losses from changes in fair value: Gains from changes in fair value were 94 million yuan, a decrease of 13 million yuan or 11.85% year-on-year, primarily due to the impact of fluctuations in market interest rates.

Explanation for the change in asset impairment losses: Asset impairment losses were -16 million yuan, representing a year-on-year decrease in losses of 11 million yuan. This was mainly attributable to a year-on-year decrease of 24 million yuan in inventory write-down provisions and a year-on-year increase of 13 million yuan in contract asset impairment.

Explanation for the change in non-operating revenue: Non-operating revenue was 17 million yuan, a decrease of 34 million yuan or 66.02% year-on-year, mainly due to a reduction in supplier default compensation.

Explanation for the change in non-operating expenses: Non-operating expenses were 81 million yuan, an increase of 71 million yuan or 711.84% year-on-year. The increase was primarily attributable to: first, a typhoon loss of 41 million yuan at the Zhuhai site during the year; and second, a year-on-year increase of 28 million yuan in accrued overdue interest.

Explanation for the change in other comprehensive income: Other comprehensive income, net of tax, was 11 million yuan, an increase of 31 million yuan year-on-year, primarily due to the impact of foreign currency translation differences.

Significant changes in the Company's business type, profit composition or profit sources during the period

Applicable Not applicable

2. Revenue and cost analysis

Applicable Not applicable

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

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

Unit: 100 million yuan Currency: RMB

Primary business by industry						
By industry	Operating revenue	Operating costs	Gross margin (%)	YoY change in operating revenue (%)	YoY change in operating costs (%)	YoY change in gross margin (ppt)
Offshore engineering	259.47	224.54	13.46	-4.50	-6.15	+1.52 ppt
Non-offshore engineering	12.16	9.48	22.04	-56.32	-59.66	+6.45 ppt
Primary business by region						
By region	Operating revenue	Operating costs	Gross margin (%)	YoY change in operating revenue (%)	YoY change in operating costs (%)	YoY change in gross margin (ppt)
In China	166.06	135.14	18.62	-31.30	-35.71	+5.58 ppt
Overseas	105.57	98.88	6.34	82.59	88.13	-2.76 ppt

Explanation of primary business by industry and region

① Analysis of primary business by industry

From the perspective of primary business by industry, revenue and costs from offshore engineering saw a slight year-on-year decrease, primarily due to a decline in both onshore construction workload and offshore installation workload for offshore engineering projects during the year, leading to a corresponding reduction in the revenue and cost scale of the offshore engineering segment. The gross profit margin of offshore engineering increased compared to the same period last year, primarily due to the Company's continuous advancement of value management and comprehensive efforts to reduce costs, improve quality, and enhance efficiency, resulting in further improved operational management capabilities.

Revenue from the non-offshore engineering segment is primarily derived from the construction of LNG storage tanks and receiving terminal projects in Tangshan, Tianjin, Longkou, Zhangzhou, Zhuhai, and other locations. Due to the decrease in project workload compared with the previous year, both revenue and costs decreased accordingly. However, due to the Company's continuous strengthening of full-cycle project management, the overall gross margin remained largely stable compared to the same period last year.

② Analysis of primary business by region

From a regional perspective, revenue and costs from the domestic market decreased year-on-year. However, the gross margin of domestic engineering projects increased significantly compared to the same period last year. This was mainly due to the Company's continuous efforts to strengthen operational management and comprehensively reduce costs, improve quality, and enhance efficiency, with the high-quality delivery of domestic oil and gas projects contributing to an improvement in profitability.

The Company's internationalization strategy has entered the stage of substantial implementation. The backlog of overseas orders has reached a peak execution period, leading to an 82.59% year-on-year increase in overseas engineering revenue. At the same time, the Company has deployed multiple self-owned vessel assets into overseas projects, resulting in a phased increase in fixed costs for overseas operations. Although the gross margin decreased by 2.76 percentage points year-on-year, overall operational efficiency has steadily improved.

(2) Production and sales analysis

Applicable Not applicable

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

Applicable Not applicable

(4) Cost analysis

Unit: 100 million yuan Currency: RMB

By industry							
By industry	Cost component	Current period amount	Percentage of total costs (%)	Previous period amount	Percentage of total costs (%)	YoY change (%)	Status Notes
Oil and gas engineering	Material costs	63.87	27.29	68.00	25.88	-6.07	
	Labor costs	38.09	16.28	36.88	14.04	3.28	
	Depreciation and amortization costs	16.53	7.06	15.43	5.87	7.13	
	Fuel and power costs	9.71	4.15	11.40	4.34	-14.82	
	Project costs	105.81	45.21	131.04	49.87	-19.25	
	Total	234.02	100.00	262.75	100.00	-10.93	

Other notes on cost analysis

- ① Material costs decreased by 6.07% year-on-year, mainly due to the Company's continuous efforts to reduce costs, improve quality, and increase efficiency, as well as the impact of reduced onshore construction workload.
- ② Fuel and power costs decreased by 14.82% year-on-year, mainly due to a reduction in offshore business volume, which led to a decrease in fuel expenses compared to the same period last year.
- ③ Project costs decreased by 19.25% year-on-year, mainly due to the Company's reduced workload, coupled with strengthened resource coordination and improved construction efficiency.

The breakdown of project costs is shown in the following table:

Unit: 100 million yuan

Cost component	Breakdown	Current period amount	Percentage of project costs (%)	Previous period	Previous period amount	YoY change (%)
Project costs	Subcontracting fees	72.83	68.83	98.45	75.13	-26.02
	Chartered vessel fees	16.82	15.90	15.71	11.99	7.07
	Others	16.16	15.27	16.88	12.88	-4.27
	Total	105.81	100.00	131.04	100.00	-19.25

- (5) Changes in the scope of consolidation due to changes in equity interests in major subsidiaries during the reporting period

Applicable Not applicable

- (6) Significant changes or adjustments in the Company's business, products or services during the reporting period

Applicable Not applicable

- (7) Major sales customers and major suppliers

Customers or suppliers controlled by the same controlling party are considered the same customer or supplier and are presented on a consolidated basis, except when they are under the actual control of the same state-owned asset administration authority.

Explanation of the presentation of the following customer and supplier information on a consolidated basis under the same controlling entity.

Customer—China National Offshore Oil Corporation (CNOOC): Mainly composed of CNOOC Limited and other entities, all controlled by China National Offshore Oil Corporation. During the reporting period, the Company's total sales to the CNOOC Group amounted to 16.386 billion yuan, accounting for 60.46% of the annual total sales.

Supplier—China National Offshore Oil Corporation (CNOOC): Mainly composed of CNOOC Energy Development Co. Ltd. and other entities, all controlled by China National Offshore Oil Corporation. During the reporting period, the Company's total purchases from the CNOOC Group amounted to 1.822 billion yuan, accounting for 7.33% of total annual purchases.

A. Major sales customers and major suppliers of the Company

Applicable Not applicable

Sales to top five customers amounted to 22.292 billion yuan, accounting for 82.26% of the total annual sales. Among these, sales to related parties amounted to 16.386 billion yuan, accounting for 60.46% of the total annual sales.

Purchases from the top five suppliers amounted to 3.756 billion yuan, accounting for 15.10% of total annual purchases. Among these, purchases from the top five suppliers and purchases from related parties amounted to 1.822 billion yuan, accounting for 7.33% of total annual purchases.

B. Situations where sales to a single customer exceeded 50% of total annual sales, new customers appeared among the top five customers, or there was heavy reliance on a limited number of customers

Applicable Not applicable

Unit: 100 million yuan Currency: RMB

S/N	Customer name	Sales amount	Proportion in total annual sales (%)
1	China National Offshore Oil Corporation	163.86	60.46

Situations where purchases from a single supplier exceeded 50% of total annual purchases, new suppliers appeared among the top five suppliers, or there was heavy reliance on a limited number of suppliers

Applicable Not applicable

C. The Company's shares were subject to delisting risk warnings or other risk warnings during the reporting period

Top five sales customers

Applicable Not applicable

Top five suppliers

Applicable Not applicable

D. The Company had trade business revenue during the reporting period

Applicable Not applicable

The top five sales customers whose trade business exceeded 10% of operating revenue

Applicable Not applicable

The top five suppliers whose trade business revenue exceeded 10% of operating revenue

Applicable Not applicable

Other notes:

None

3. Expenses

Applicable Not applicable

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

4. R&D investment

(1) R&D investment

Applicable Not applicable

Unit: '0,000 yuan Currency: RMB

Expensed R&D investment for the period	119,069.09
Capitalized R&D investment for the period	0
Total R&D investment	119,069.09
Ratio of total R&D investment to operating revenue (%)	4.38
Percentage of capitalized R&D investment (%)	0

(2) R&D personnel

√ Applicable Not applicable

Number of R&D personnel	2,313
Proportion of the number of R&D personnel to total employees (%)	23.14
Educational structure of R&D personnel	
Education level	Number of persons
Doctoral degree	47
Bachelor's degree	804
Undergraduate	1,260
Associate degree	143
High school and below	59
Age structure of R&D personnel	
Age group	Number of persons
Under 30	371
30–40 (inclusive of 30, exclusive of 40)	765
40–50 (inclusive of 40, exclusive of 50)	1,072
50–60 (inclusive of 50, exclusive of 60)	105
60 and above	0

(3) Notes

√ Applicable Not applicable

In 2025, the Company continued to strengthen technological innovation in strategic emerging industries and future-focused industries such as floating engineering and subsea engineering. Guided by "product-driven" technological innovation, it achieved a historic milestone by successfully applying for 29 national-level major scientific and technological projects and key research and development programs, including state-level initiatives. The Company actively advanced the research and development of subsea engineering product series, floating product series, and new energy products, driving breakthroughs in a number of key core technologies. Key achievements included: the independent development of a pile based single point RDU slip ring; the engineering demonstration and application of the "Deep-water Oil and Gas High Performance Dynamic Flexible Riser"; the localization of subsea control modules through the "1,500 Meter Subsea Control System"; and the completion of key core tooling for the "400 Meter Deep-water Ultra High Frequency Pulsed Arc In Situ Welding Technology and Equipment." The Company's industrial driving capacity, original innovation capability, and core competitiveness continued to strengthen and improve.

(4) Reasons for the significant changes in the composition of R&D personnel and the impact on the Company's development

 Applicable √ Not applicable

5. Cash flow

√ Applicable Not applicable

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

(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: '0,000 yuan Currency: RMB

Item	Amount at the end of the current period	Ratio of total assets (%)	Amount at the end of the previous period	Ratio of total assets (%)	Change (%)	Notes
Cash and cash equivalents	743,895.56	15.12	606,704.22	12.58	22.61	
Notes receivable	28.80	0.00	893.55	0.02	-96.78	
Non-current assets due within one year	245,317.99	4.99	0.00	0.00	Not applicable	
Other current assets	59,910.65	1.22	43,448.16	0.90	37.89	
Debt investments	20,357.21	0.41	238,829.19	4.95	-91.48	
Other non-current assets	60,039.45	1.22	0.00	0.00	Not applicable	
Notes Payable	2,436.22	0.05	11,560.20	0.24	-78.93	
Contractual liabilities	320,376.01	6.51	231,811.06	4.81	38.21	
Taxes payable	37,961.07	0.77	55,272.52	1.15	-31.32	
Other payables	140,844.83	2.86	65,701.56	1.36	114.37	
Non-current liabilities due within one year	75,489.30	1.53	50,530.59	1.05	49.39	
Long-term loans	9,000.27	0.18	13,000.40	0.27	-30.77	
Special reserves	7,827.96	0.16	11,431.68	0.24	-31.52	
Total assets	4,919,213.95	100.00	4,823,088.27	100.00	1.99	
Total liabilities	2,057,848.06	41.83	1,995,570.48	41.38	3.12	
Net assets attributable to shareholders of the listed company	2,657,784.09	54.03	2,626,652.03	54.46	1.19	

Other notes:

Monetary funds increased by 1.372 billion yuan or 22.61% compared to the end of the previous year, primarily due to enhanced cash flow management and effective collection of receivables.

Notes receivable decreased by 9 million yuan or 96.78%, compared to the end of the previous year, primarily due to the maturity and collection of notes receivable at the end of the previous year.

Non-current assets due within one year increased by 2.453 billion yuan compared to the end of the previous year, primarily due to the reclassification of some large-denomination certificates of deposit maturing within one year.

Other current assets increased by 165 million yuan or 37.89% compared to the end of the previous year, primarily due to the impact of VAT reclassification.

Debt investments decreased by 2.185 billion yuan or 91.48% compared to the end of the previous year, primarily due to the reclassification of large-denomination certificates of deposit maturing within one year.

Other non-current assets increased by 600 million yuan compared to the end of the previous year, primarily due to the reclassification of two-year time deposits purchased during the current year.

Notes payable decreased by 9,100 yuan or 78.93% compared to the end of the previous year, primarily due to the maturity of some notes and payments made to suppliers.

Contract liabilities increased by 886 million yuan or 38.21% compared to the end of the previous year, mainly due to advance receipts for project engineering payments.

Taxes payable decreased by 173 million yuan or 31.32% compared to the end of the previous year, primarily due to a year-on-year reduction in corporate income tax.

Other payables increased by 751 million yuan or 114.37% compared to the end of the previous year, primarily due to the effective agreement for the acquisition of the minority equity of COOEC-Fluor, resulting in an accrued payable for equity acquisition of 859 million yuan.

Non-current liabilities due within one year increased by 250 million yuan or 49.39% compared to the end of the previous year, primarily due to a year-on-year increase in lease liabilities and long-term borrowings maturing within one year.

Long-term borrowings decreased by 40 million yuan or 30.77%, compared to the end of the previous year, primarily due to the reclassification of long-term borrowings maturing within one year.

Special reserves decreased by 36 million yuan or 31.52% compared to the end of the previous year, mainly due to the

amount of work safety expenses utilized during the current period exceeding the amount accrued.

Total assets increased by 961 million yuan or 1.99% from the end of the previous year, mainly due to effective cash flow management and an increase in available funds.

Total liabilities increased by 623 million yuan or 3.12% compared to the end of the previous year, primarily due to the recognition of liabilities arising from the equity acquisition obligation for COOEC FLOUR during the current year.

Net assets attributable to shareholders of the listed company increased by 311 million yuan or 1.19% compared to the end of the previous year, mainly due to: ① distribution of cash dividends of 889 million yuan relating to the previous year; ② accumulated profit for the current year increasing undistributed profits by 2.084 billion yuan; ③ a decrease in special reserves of 36 million yuan; and ④ an increase in other comprehensive income of 11 million yuan.

2. Status of Overseas Assets

Applicable Not applicable

(1) Asset scale

Among which, overseas assets amounted to 1.256 billion yuan (Currency: RMB), accounting for 2.55% of total assets.

(2) Reasons for the high percentage of overseas assets

Applicable Not applicable

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

Applicable Not applicable

4. Other notes

Applicable Not applicable

(IV) Analysis of industry operating information

Applicable Not applicable

(V) Analysis of investment status

Overall analysis of outbound equity investments

Applicable Not applicable

1. Significant equity investments

Applicable Not applicable

2. Significant non-equity investments

Applicable Not applicable

The year 2025 marks the conclusion of the "14th Five-Year Plan", during which the Company actively promoted the implementation of key investment projects outlined in the Plan. The Company continuously strengthened the monitoring and process inspection of key investment projects to ensure the orderly progress of project work and the smooth and efficient operation of major investment projects. The progress of major projects is as follows:

The construction project of the multi-purpose offshore engineering vessel (Offshore Oil 292) focused on completing the installation of large equipment such as the main engine, thrusters, and distribution boards, as well as the installation of the 400-ton crane pedestal. Cumulative project progress: 63.00%.

The construction project of the specialized pipe-laying vessel (Offshore Oil 206) has advanced detailed design work, with a focus on completing the 3D models of 94 steel structure sections. Cumulative project progress: 15.97%.

3. Financial assets measured at fair value

Applicable Not applicable

Unit: '0,000 yuan Currency: RMB

Asset class	Beginning balance	Fair value change gains/losses for the current period	Cumulative fair value changes recognized in equity	Impairment provision for the current period	Purchase amount for the current period	Amount of sale/redemption for the current period	Other changes	Ending balance
Financial assets held for trading—structured deposits	1,010,697.32	9,429.23			1,100,000.00	1,170,697.32		949,429.23
Total	1,010,697.32	9,429.23			1,100,000.00	1,170,697.32		949,429.23

Investment in securities

Applicable Not applicable

Explanations of investment in securities

Applicable Not applicable

Investment in private equity funds

Applicable Not applicable

Investment in derivatives

Applicable Not applicable

4. Specific progress of major asset restructuring and integration during the reporting period

Applicable Not applicable

(VI) Sale of significant assets and equity interests

Applicable Not applicable

(VII) Analysis of major holding and participating companies

Applicable Not applicable

Major subsidiaries and the participating companies whose impact on the Company's net profit exceeds 10%

Applicable Not applicable

1. Basic information of the main subsidiaries in the Company's consolidated statements during the reporting period

Unit: '0,000 yuan Currency: RMB

Company name	Company type	Main business	Registered capital	Total assets	Net assets	Operating revenue	Operating profit	Net profit
Offshore Oil Engineering (Qingdao) Co., Ltd.	Subsidiary	Construction, installation, design and maintenance of offshore oil and gas projects	300,000.00	559,515.07	386,695.51	336,637.61	26,109.13	21,995.18
CNOOC Offshore Engineering Solutions Co., Ltd.	Subsidiary	Offshore oil subsea engineering services and subsea pipe maintenance	228,561.47	807,272.48	401,632.91	470,352.16	31,472.09	20,934.32

(1) Analysis of any subsidiary whose net profit individually accounts for more than 10% of the Company's net profit:

In 2025, Offshore Oil Engineering (Qingdao) Co., Ltd. achieved operating revenue of 3.366 billion yuan and a net profit of 220 million yuan, accounting for more than 10% of the Company's consolidated net profit. However, the net profit decreased by 41.33% compared to the 375 million yuan in the same period last year, primarily due to a reduction in onshore workload.

- (2) Analysis of significant fluctuations in the results of any subsidiary that materially impacted the Company's net profit:

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

In 2025, CNOOC Offshore Engineering Solutions Co., Ltd. achieved operating revenue of 4.704 billion yuan and a net profit of 209 million yuan. The net profit increased by 111.11% compared to 99 million yuan in the same period last year, primarily due to the continuous quality and efficiency improvement efforts, which led to enhanced profitability year-on-year.

2. Major equity participation enterprises during the reporting period

Company name	Registered capital ('0,000 yuan)	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 financing lease of member units	7,067.14	1.77%

Acquisition and disposal of subsidiaries during the reporting period

Applicable Not applicable

Other notes

Applicable Not applicable

(VIII) Structured entities controlled by the Company

Applicable Not applicable

VI. Discussion and analysis of the Company's future development

(I) Industry pattern and trend

Applicable Not applicable

Over the next five years, the global energy system will undergo profound evolution driven by the triple logic of "energy security, low-carbon transition, and technological revolution." Changes in the geopolitical landscape have a profound impact on energy markets, but at the same time, they are also driving the energy transition forward. While continuing to serve as a stabilizing force in energy supply, the offshore oil and gas industry is accelerating its integration and symbiotic development with strategic emerging industries and future-oriented sectors, leading to a systemic reshaping of the industry landscape.

1. Opportunities

- (1) Continued growth in global offshore oil and gas investment. Global investment in offshore oil and gas exploration and development has grown for five consecutive years and is expected to increase by over 3% year-on-year in 2026, accounting for approximately 36% of total global investment. The investment focus is increasingly shifting toward deep-water, ultra-deep-water, and LNG sectors, highlighting the immense market potential for marine energy equipment manufacturing and technical services.
- (2) China's position as the primary contributor to offshore oil and gas reserve and production growth remains stable. The cumulative increase in production over the past five years exceeded 15 million tons, accounting for about 70% of the national total increase over the same period. In 2025, five new discoveries in China's sea areas and the successful evaluation of 22 oil- and gas-bearing structures have further strengthened the resource foundation for future reserve growth and production increase.
- (3) Strategic upgrading of the marine economy. The Company has further expanded its technological leadership in high-end offshore equipment fields such as FPSO, subsea production systems, and deep-water jackets. Meanwhile, the rapid development of offshore wind power has spurred strong demand for high-end equipment such as deep-sea jacket foundations.
- (4) New opportunities arising from the transformation of marine development models. The National Development and Reform Commission has proposed the "development of marine energy and other new energy sources based on local conditions," promoting a shift in marine development from traditional models to a new integrated energy development model. The Company can leverage its advanced offshore engineering design capabilities, comprehensive industrial chain resources, and strong equipment manufacturing capabilities to seize new opportunities in future marine energy development and create new profit growth points.

2. Challenges

- (1) Multidimensional geopolitical risks. Geopolitical conflicts, rising trade protectionism, and security risks in maritime transportation routes are intertwining, leading to reduced stability in global supply chains and increased cost pressures on international projects.
- (2) Transformation of the global energy market landscape. Fluctuations in the crude oil market will affect the pace of investment decisions for international projects. Meanwhile, slowing macroeconomic growth is compressing the profit margins of new energy projects to some extent, and the Company's expansion into new sectors will face multidimensional challenges in cost control, technology selection, and market judgment.
- (3) Expanding boundaries of industry competition. Industry competition is expanding from traditional offshore oil and gas engineering to new energy engineering fields such as offshore wind power and marine energy. Large-scale, complex deep-water and LNG projects are increasingly dominated by international giants with core technologies, EPC capabilities, and substantial capital, leading to increasingly fierce market competition.
- (4) Accelerated technological iteration and industrial transformation. The International Energy Agency points out that the energy sector has fallen behind other fields in the application of digital technologies such as artificial intelligence. Traditional energy companies must accelerate their digital transformation to remain competitive.

Overall, the global energy industry will continue to move forward in a complex and volatile environment. For the Company, it will continue to build its core offshore engineering EPCI capabilities, while closely aligning with the national strategy of becoming a maritime power and the global trend of energy transition to achieve high-quality development.

(II) Development strategy of the Company

√ Applicable □ Not applicable

Key points of the "15th Five-Year" strategic plan:

1. Development approach

With the theme of vigorously developing new quality productive forces in marine energy, and centered on "enhancing core competitiveness and strengthening core functions," the Company will focus on major initiatives such as building a modern industrial chain leader. It will emphasize the development of "all-in-one" EPC capabilities, accelerate the cultivation of strategic emerging industries and future industries, vigorously implement technological innovation and digital intelligence empowerment, fully advance into a new stage of international development, and take greater strides toward becoming a world-class marine energy engineering company.

2. Development positioning

Committed to integrating into national strategies and remaining customer-centric, the Company strives to become an outstanding builder of offshore oil and gas projects, a leader in marine energy equipment manufacturing, and the primary force driving the sustainable development of the marine economy.

3. Development strategy

The Company will firmly implement its "1235" development strategy, which entails adhering to marine and energy engineering construction led by design as the sole core; building on two foundations—management capabilities and technological leadership; pursuing three development directions—internationalization, deep-water operations, and new industrialization; and leveraging five key drivers—talent, market, digital intelligence, cost control, and risk management.

4. Planning and deployment are key tasks for development in the "15th Five-Year Plan" period

Five major planning deployments	12 key tasks
(1) Highlight the development of "all-in-one" EPC capabilities	Shoulder responsibilities and missions, and make every effort to ensure domestic offshore oil and gas reserve and production growth
	Adhere to chain thinking to optimize and strengthen the full business chain of offshore oil and gas engineering
(2) Accelerate the upgrading and renewal of strategic emerging industries	Upgrade the value chain of the offshore oil and gas industry toward high end development
	Extend the natural gas industry chain into industrial modularization
	Strengthen the new energy and new industry chain in the marine sector to drive the green transition
(3) Vigorously pursue scientific and technological innovation to enhance capabilities and empower development.	Develop the digital industry layout to advance toward intelligent development
	Drive industry development through technology and vigorously cultivate new quality productive forces
	Foster digital driven business integration and accelerate digital intelligence transformation

Five major planning deployments	12 key tasks
(4) Comprehensively advance into a new stage of international development	Become market led by strengthening three regional engineering service platforms Establish a global footprint and enhance the allocation of overseas resources and production factors
(5) Actively integrate into major national development strategies	Increase energy cooperation, and integrate into the dual-circulation development pattern Implement the national "dual carbon" requirements and pursue green and low-carbon development

(III) Operation plan

√ Applicable □ Not applicable

The year 2026 marks the beginning of the "15th Five-Year Plan" period. The Company will anchor itself to its strategic goals, focus on tasks such as market-oriented transformation, technological innovation, and management enhancement, advance implementation steadily, and strive to open a new chapter in the Company's high-quality development.

1. Focus on market-oriented transformation and continuously forge industry competitiveness

- (1) Accelerate the enhancement of professional technical support capabilities, systematically improve integrated solution capabilities, provide customers with cost-effective solutions, and expedite the transition to an "all in one" EPC contractor.
- (2) Focusing on international development by continuing to deepen customer exchanges and international cooperation, vigorously expanding into high-end international markets, securing overseas projects, and expanding the Company's global footprint.

2. Focus on innovation-driven development and continuously stimulate the technological momentum

- (1) Improve the chain-driven technological innovation system and continuously enhance industrial control over product series. Advance major innovation strategic initiatives, such as the modern industrial chain and the source of original technologies, in an integrated manner. Deploy research and development in future industries, such as all-scenario floating wind power products, intelligent manufacturing robots, and domestically produced software, with a focus on future energy, future manufacturing, and future information.
- (2) Deepen institutional reforms for diversified collaboration and continuously invigorate the endogenous dynamism of the innovation and research ecosystem. Continuously optimize the operational mechanism of the joint research institute to effectively leverage its role as an innovation platform. Further refine the list of rights and responsibilities for research project leaders and optimize the corresponding supporting systems.

3. Focus on lean management to strengthen the foundation for sustainable development

- (1) Establish a comprehensive cost control indicator system with unified standards and a clear hierarchy to enhance the precision and foresight of the Company's overall cost management, thereby solidifying its cost-competitive advantage.
- (2) Continuously improve global supply chain development, enhance resource coordination, proactively identify various risks, and improve operational efficiency.
- (3) Comprehensively enhance data management capabilities with the goal of unlocking data value, and complete the tasks of digital transformation scenario construction. Focusing on the "intelligent engineering" industry chain, the Company will strengthen the deep integration of digital intelligence technology and intelligent engineering to enhance the efficiency of offshore oil and gas engineering construction.

(IV) Possible risks

√ Applicable □ Not applicable

1. International business risk

The Company has a relatively short history in the international market and lacks sufficient international talent. Its experience in operating international projects and its ability to prevent and control risks require further improvement. Facing an increasingly complex environment marked by escalating geopolitical conflicts and accelerated adjustments in the industry landscape, the Company still faces significant risks in international development and overseas project execution.

Countermeasures: Establish a customer screening mechanism to control risks from the early stages of market development. Regularly monitor country-specific risks, closely track the political and economic strategies of relevant countries, and assess their impact on the strategic development of overseas clients and the business operations of overseas entities. Strengthen foundational capabilities, accelerate the cultivation of international talent, and enhance the Company's business competencies in international commerce, law, procurement, technology, and management. Scientifically and comprehensively identify and analyze risk points in overseas project operations, ensure the effective application of risk

registers, and implement targeted risk responses.

2. Quality, health, safety, and environment (QHSE) risks

As an EPCI general contractor in the marine energy industry, the Company aims to provide customers with high-quality products, so quality management is particularly important. However, the offshore oil and gas field is inherently high-risk, which poses higher challenges to the Company's safety management.

Countermeasures: Continuously improve the Company's QHSE management across grassroots foundations, institutional mechanisms, personnel competence, management models, risk control, emergency response, and other process management of the Company. Clarify the work safety responsibilities of all employees, and enhance the supervision and guidance of the on-site implementation of "six responsibility grid matrices", "four lists", the "responsibility list," and "one person, one card" system. Study and establish the QHSE management systems and mechanisms suitable for the local area (or specific projects). Continue to improve the comprehensive capabilities of professional teams, with a focus on promoting the development of overseas project management teams through specialized safety management training and international talent development programs.

3. Risks arising from oil price fluctuations

Affected by the supply-and-demand dynamics and international geopolitics, oil prices are subject to periodic fluctuations. Such fluctuations increase investment uncertainty. As an EPCI general contractor in the marine energy industry, the Company may certainly be affected in market contracting by large fluctuations in oil prices.

Countermeasures: Strengthen oil price tracking, research, and forecasting to provide guidance and early warning for the Company's business management activities. Continuously optimize the business structure while maintaining sustained business growth. Improve the performance appraisal system and formulate the corresponding supporting policies to facilitate the achievement of the Company's market development goals. Dynamically adjust the *Strategic Map of Market Development* to clarify business directions, business structures, and responsible units, thereby promoting the continuous optimization of the Company's business portfolio.

4. Other risks

In addition to the risks described above, the Company may also face certain risks during its business operations, such as geopolitical conflict risks, procurement and supply chain risks, exchange rate risks, market competition risks, information security risks, and others. The Company will make every effort to effectively avoid and address these risks based on the circumstances.

(V) Others

Applicable Not applicable

The Company's green and low-carbon development approach

1. Overall approach

Committed to promoting the green and low-carbon development of energy, the Company closely follows the pace of global energy transformation. Guided by market demand and centered on technological innovation, it boldly explores business model innovations, strives to cultivate new quality productive forces, and builds green and low-carbon engineering technical service capabilities for offshore oil engineering. The Company deepens its oil and gas engineering business, providing low-carbon engineering technology solutions for offshore oil and gas development. It accelerates the development of new energy engineering business, offering innovative engineering technology services for offshore wind power, shore power, hydrogen energy engineering, and integrated offshore energy development and utilization, etc. It also actively develops carbon reduction engineering business, providing CCUS engineering technology services for energy development and utilization, and high-carbon industries.

Planning and deployment

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

Carry out FEED innovation aimed at emission reduction, providing innovative development solutions for offshore oil and gas field development to reduce CO₂ and methane emissions during the production process. By offering smart oilfield solutions and standardized, lightweight designs, the Company reduces carbon emissions throughout the lifecycle of offshore oilfields. It improves the production and operational efficiency of offshore oil and gas fields through technological innovation, including recommending efficient power generation units in topside design and enhancing processing processes. It reduces routine carbon emissions through technological innovation, including measures such as eliminating flaring, utilizing waste heat, recovering associated gas, and strengthening methane leak detection.

(2) Strengthen the full LNG industry chain and adhere to the EPCM development mode

Strengthen the EPC and O&M business of LNG receiving terminals and storage tanks, build EPC capabilities for natural gas liquefaction plants, and expand high-end businesses such as Floating Storage and Regasification Units (FSRUs) and

Floating Liquefied Natural Gas Units (FLNGs). Adhere to the EPCM development model, strengthen capacity building in design, procurement, and resource management, and vigorously enhance the level of EPC management and technical services. Leverage information and digital technologies to advance the construction of "smart construction sites" and position the Company as a top-tier domestic LNG EPC contractor and technical service provider.

(3) Cultivate full industry chain capabilities for offshore wind power engineering general contracting

Leverage its offshore oil and gas engineering technology and project management capabilities to fully utilize its comparative advantages to accelerate the development of the offshore wind power engineering industry for both domestic and international markets. Focus on deep-water floating wind power, large-scale booster stations, and converter stations to develop comprehensive contracting capabilities based on the Company's strengths in offshore wind power engineering design and project management. Through technological and business model innovation, continuously optimize the cost structure of construction, installation, and other business processes, enhancing the competitiveness of the entire EPCI business chain for offshore wind power. Taking design optimization, modular intelligent manufacturing, digitalized delivery, and innovations in offshore installation methods as entry points, explore feasible pathways to reduce costs and enhance efficiency throughout the entire lifecycle of the offshore wind power industry, creating integrated innovative solutions.

(4) Full industry chain engineering general contracting capabilities for shore power

Vigorously enhance power design qualifications to drive the development of integrated shore power supply capabilities through design leadership. Build an industrial structure supported by design, with a focus on the construction and installation of offshore substations, as well as the laying and maintenance of submarine cables. Prioritize ensuring oil and gas reserves and production growth, as well as green development in the Bohai Sea region, while accelerating the cultivation of other regional markets and international expansion.

(5) Exploring CCUS and hydrogen energy engineering

Accelerate the development of integrated CCUS engineering solution capabilities, advancing from the construction of equipment and facilities to basic design and conceptual design of engineering solutions, and gradually build full-industry-chain capabilities for the CCUS engineering business. Focus on providing engineering and technical solutions for offshore wind power-to-hydrogen production, strengthening capabilities in areas such as EPCI contracting for offshore wind power-to-hydrogen platforms, design and installation of hydrogen/mixed-gas submarine pipelines, modular construction and offshore installation of hydrogen production units, and EPCM contracting for liquid hydrogen/liquid ammonia storage tanks, striving to become a leading domestic enterprise in offshore wind power-to-hydrogen engineering services.

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

Applicable Not applicable

In accordance with relevant regulations such as the *Guidelines No. 1 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Standardized Operations* and the *Offshore Oil Engineering Information Disclosure Deferral and Exemption Management Measures*, certain announcements regarding awarded projects and contract amounts have been temporarily deferred from disclosure after undergoing the Company's relevant procedures, as they involve trade secrets or confidential business information (collectively referred to as "trade secrets").

Corporate Governance, Environment, and Society

I. Explanation of information related to corporate governance

√ Applicable □ Not applicable

The Company has established a standardized and clear corporate governance structure and formed a scientific and effective mechanism of division of duties and checks and balances in accordance with laws and regulations such as the *Company Law*, the *Securities Law*, the *Code of Governance for Listed Companies* and the *Rules Governing the Listing of Stocks on the Shanghai Stock Exchange*, and the requirements of the China Securities Regulatory Commission (CSRC), the Shanghai Stock Exchange (SSE), and other regulatory bodies. The shareholders' meeting of the Company exercises all powers granted by laws, regulations, and the Company's Articles of Association, and holds decision-making authority over major matters such as the Company's operational policies, financing, investments, and profit distribution in accordance with the law. The Board of Directors is accountable to the shareholders' meeting and is responsible for implementing the resolutions of the shareholders' meeting and exercising operational decision-making authority within the prescribed scope in accordance with the law. The management is responsible for organizing and implementing the resolutions of the shareholders' meeting and the Board of Directors, and for overseeing the Company's day-to-day operational management. There are no differences between the Company's corporate governance and the requirements of the *Company Law* and the relevant CSRC regulations.

(I) Establishment and improvement of the corporate governance system

The Company strictly formulates its Articles of Association, Rules of Procedure for Shareholders' Meetings, Rules of Procedure for Board of Directors Meetings, and 42 other corporate governance regulatory documents in accordance with the *Company Law*, the *Securities Law*, the *Guidelines for Articles of Association of Listed Companies*, and relevant regulations of securities regulatory authorities. This establishes a systematic and comprehensive corporate governance system, providing a solid institutional guarantee for the Company's standardized operations. During the reporting period, in accordance with the requirements supporting regulations of the updated *Company Law* issued by the CSRC and the SSE, the Company completed the formulation of revisions to core governance systems, such as the Articles of Association, and organized the formulation or revision of 27 related systems. The restructuring of the Board of Supervisors was successfully completed, clarifying that the Board Audit Committee will assume the supervisory functions previously held by the Board of Supervisors. This further improved the governance structure and fully leveraged the Board of Directors' in risk prevention and control.

(II) Shareholders' meeting

The Company has always strictly adhered to relevant regulations such as the *Company Law*, the *Securities Law*, the *Rules Governing the Listing of Stocks on the Shanghai Stock Exchange*, and the Rules of Procedure for Shareholders' Meetings. In every aspect, including the convening and holding of shareholders' meetings, proposal submission, procedural matters, voting, and information disclosure, the Company rigorously implements regulatory and institutional requirements. This ensures the protection of the legitimate rights and interests of all shareholders, especially minority shareholders, and guarantees equal standing for all shareholders in corporate governance. The Company has consistently invited lawyers to attend all shareholders' meetings to professionally confirm and witness the meeting procedures, the compliance of matters under review, and the validity of attendees' identities. Formal legal opinions are issued to fully ensure the lawful, standardized, and effective conduct of shareholders' meetings.

During the reporting period, the Company held two shareholders' meetings in April and September, respectively, reviewing and approving a total of 15 proposals. These included the 2024 annual report, profit distribution plan, work reports of the Board of Directors and Board of Supervisors, financial final accounts report, appointment of financial and internal control audit institutions, provision of parent company guarantees for the Saudi subsidiary, financial assistance provided by wholly-owned subsidiaries to external parties, dissolution of the Board of Supervisors, changes to the Company's registered address and business scope along with amendments to the articles of association, and revisions to corporate governance systems. All decisions were formulated in compliance with laws and regulations, effectively safeguarding the legitimate rights and interests of all shareholders.

(III) Board of Directors

1. Composition of the Board of Directors

Directors were elected strictly pursuant to the procedures stipulated by the Articles of Association. The number and composition of the Board of Directors complied with all applicable laws and regulations. As of the end of the reporting period, the members of the Board of Directors were Chairman Wang Zhangling, Director Peng Lei, Director Liu Yiyong, Independent Director Xin Wei, Independent Director Zheng Zhongliang, and Independent Director Xing Wenxiang.



▲ The 14th Meeting of the 8th Board of Directors of CNOOC Engineering

2. Performance of duties by the Board of Directors

During the reporting period, the Company's Board of Directors adhered to the guidance of the new development philosophy, actively explored effective pathways for building a "strategic" board of directors, focused on major issues concerning the Company's long-term development, studied and deliberated on the Company's five-year development plan, and clarified the Company's development strategy. At the same time, it promoted the establishment of a closed-loop management system encompassing "plan formulation, process control, implementation feedback, effectiveness evaluation, and target adjustment." It regularly reviewed management's analysis reports on plan execution and improvement measures, and convened a Board of Directors' strategic seminar under the theme of "accelerating the development of new quality productive forces and promoting the Company's high-quality development," offering constructive suggestions for the Company's high-quality growth. The Company integrated ESG principles into its corporate strategy and established a three-tier ESG governance structure centered on the Board of Directors, featuring a complete structure, clear hierarchy, and well-defined responsibilities and authorities across the "decision-making, research, and execution" levels. This framework has formed an effective, sustainable development management system and operational mechanism, enhancing the Company's ability to create ESG value and respond to risks. Over the past three years, the Company has received 20 ESG-related awards from the capital market, with its sustainable development achievements earning high recognition from regulatory authorities and the capital market.

To effectively leverage the board of directors as the central decision-making body, further implement its six key authorities—including decision-making authority over medium- and long-term development, the selection and appointment of management members, performance evaluation of management members, compensation management for management members, employee wage distribution management, and management of major financial matters—and enhance governance capacity and effectiveness, the Company has formulated and strictly implemented the *Implementation Plan for Exercising the Board of Directors' Authorities*. The Board convenes at least five meetings annually, all conducted either in person or via video conference. Directors approach decision-making matters with rigor and responsibility, thoroughly reviewing proposal materials before meetings to fully understand the issues at hand. During meetings, they express their opinions without reservation, make independent and prudent decisions, and fully leverage the Board's role in scientific decision-making. Additionally, a mechanism for supervising and implementing Board resolutions has been established.

The Company's Board Audit Committee fully leverages its professional expertise and experience in corporate governance, internal control, legal affairs, and finance. Adhering to a bottom-line approach, it balances the two major priorities of development and security, consistently evaluates all production and operational activities through the lens of efficiency, effectively prevents and mitigates financial risks, and safeguards the interests of all shareholders, particularly minority

shareholders.

In 2025, the Company convened five Board meetings to deliberate on 49 important matters, including the Company's periodic reports, ESG report, profit distribution plan, financial budget, investment plan, appointment of the Company's president and executive vice presidents, and provision of guarantees. The Board also received reports on key issues such as the requirements and implementation status of Board resolutions and the execution of the Board authorization management measures, thereby providing decision-making support for the high-quality operation of the Company's production and business activities.

(IV) Management and Senior Executives

In accordance with the *Company Law* and the *Articles of Association*, senior executives have clear business divisions and well defined authority and responsibilities, and the Board of Directors exercises effective supervision and oversight over senior executives.

During the "14th Five-Year Plan" period, the management and senior executives guided the Company's development with strategic thinking, anchored the direction of growth, clarified the action plan, and continuously iterated and optimized in practice to ensure that the Company's development strategy remained aligned with its developmental stage and market changes. The management and senior executives have consistently steered the Company by its strategic blueprint, integrating the "begin with the end in mind" philosophy throughout the execution process. With a firm commitment to expanding through international presence, the Company has focused on localized and substantive development overseas, successfully establishing a solid foothold and strengthening its foundation in the Middle East market. Furthermore, the successful acquisition of equity in COOEC-Fluor has provided critical experience for the Company's deeper market-oriented transformation and the advancement of its global strategic layout. Meanwhile, the management and senior executives proactively shifted their management philosophy and restructured their management models, driving a breakthrough improvement in the Company's management performance. By leveraging cultural empowerment, they have continued the legacy of the "Blue Iron Army culture", deepened the spiritual core of the corporate culture, and strengthened the Company's outstanding brand image. This successfully elevated the brands of major national projects such as "Deep Sea," "Offshore Base," "Sea Anemone," and "Guanlan," achieving a comprehensive leap in brand influence and industry reputation.

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

Applicable Not applicable

√ CNOOC Engineering's First Extraordinary General Meeting of Shareholders in 2025



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

Applicable Not applicable

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

Applicable Not applicable

III. Information on directors and senior management

(I) Changes in shareholdings and compensation of current and former directors and senior management during the reporting period

Applicable Not applicable

Unit: Share

Name	Title	Gender	Age	Term start date	Term end date	Number of shares held at the beginning of the year	Number of shares held at the end of the year	Change during the year	Reason for change	Total pre-tax compensation received from the Company during the reporting period ('0,000 yuan)	Receives compensation from related parties?
Wang Zhangling	Chairman	Male	57	2020-12-04	-	0	0	0	/	125.18	No
Peng Lei	Director, President	Male	50	2022-05-20	-	0	0	0	/	125.20	No
Liu Yiyong	Director	Male	54	2023-07-06	-	0	0	0	/	0	Yes
Xin Wei	Independent Director	Male	62	2021-05-21	-	0	0	0	/	12.8	No
Zheng Zhongliang	Independent Director	Male	53	2021-05-21	-	20,000.00	20,000.00	0	/	12.8	No
Xing Wenxiang	Independent Director	Male	62	2022-12-12	-	0	0	0	/	12.8	No
Zhang Chao	Executive Vice President	Male	44	2025-01-23	-	0	0	0	/	122.76	No
Cai Huaiyu	Chief Financial Officer, General Counsel, and Secretary of Board of Directors	Male	47	2024-08-16	-	0	0	0	/	125.66	No
Zhang Haitao	Vice President	Male	54	2021-08-20	-	0	0	0	/	122.30	No
Wang Huifeng	Vice President and Chief Engineer	Male	48	2022-09-15	-	0	0	0	/	121.66	No
Wang Dayong	Vice President	Male	49	2023-08-31	-	0	0	0	/	118.54	No
Total	/	/	/	/	/	20,000.00	20,000.00	0	/	899.70	/

Note: The term start dates indicated above refer to the dates on which the individual began serving as a director or senior executive of the Company.

Name	Main work experience
Wang Zhangling	From June 2003 to April 2007, served as Manager of Engineering Construction Office of CNOOC (China) Co., Ltd. Tianjin Branch. From April 2007 to December 2010, served as General Manager of Specially Authorized Projects of CNOOC (China) Co., Ltd. From December 2010 to February 2016, served as Deputy General Manager and Member of the Party Committee of CNOOC Infrastructure Management Co., Ltd. From March 2016 to August 2019, served as Secretary of the Party Committee and General Manager of the Engineering Construction Center of CNOOC Bohai Petroleum Administration. From August 2019 to November 2020, served as Deputy General Manager of the Procurement Department of CNOOC. From December 2020 to January 2025, served as President of Offshore Oil Engineering Co., Ltd. From December 2020, served as a director of Offshore Oil Engineering Co., Ltd. From April 2023 to present, served as Chairman of the Board of Directors of Offshore Oil Engineering Co., Ltd.
Peng Lei	Joined CNOOC in July 1998. From June 2006 to April 2010, served as Deputy Manager and then Manager of the Tanggu Base of Oilfield Chemicals Division of China Oilfield Services Limited. From January 2010 to January 2016, served as Deputy General Manager of Oilfield Chemicals Division of China Oilfield Services Limited. From January 2016 to March 2020, served as General Manager and Deputy Secretary of the Party Committee and later as General Manager and Secretary of the Party Committee of the Oilfield Chemicals Division of China Oilfield Services Limited. From March 2020 to March 2022, served as Deputy General Manager of CNOOC Energy Technology & Services Limited. From March 2022 to January 2025, served as the Deputy Secretary of the Party Committee and Chairman of the Trade Union of Offshore Oil Engineering Co., Ltd. From May 2022, served as a director of Offshore Oil Engineering Co., Ltd. From January 2025, served as President of Offshore Oil Engineering Co., Ltd.
Liu Yiyong	Joined CNOOC Limited in July 1996 and served as an engineer, FPSO Production Supervisor, Operating Mechanism Equipment Supervisor and Equipment Director of Shenzhen Branch of CNOOC (China) Co., Ltd. From May 2008 to December 2014, served as Manager of the Engineering Construction Department of the Shenzhen Branch of CNOOC (China) Co., Ltd. From December 2014 to April 2021, served as General Manager and Secretary of the Party Committee of the Deep-water Engineering Construction Center of the Shenzhen Branch of CNOOC (China) Co., Ltd. From April 2021 to September 2022, served as Deputy General Manager of the Engineering Construction Department of CNOOC Limited. From September 2022 to the present, served as Deputy General Manager of the Engineering Technology Department of CNOOC Limited. Since July 2023, concurrently served as a director of Offshore Oil Engineering Co., Ltd.

Name	Main work experience
Xin Wei	From July 1985 to June 1987, served as an assistant engineer of the Comprehensive Survey Institute of the Ministry of Construction. From June 1987 to May 1997, served as an engineer of the Shanghai Municipal Engineering Design Institute. From May 1997 to June 2003, served as Deputy General Manager and Chief Engineer of Shanghai Shizhen Geotechnical Engineering Co., Ltd. From June 2003 to November 2003, served as Deputy Chief Engineer of Shanghai Geotechnical Engineering Survey, Design and Research Institute. From November 2003 to December 2011, served as Deputy Chief Engineer of Shanghai Geotechnical Engineering Survey, Design and Research Institute Co., Ltd. From December 2011 to March 2018, served as Vice President of Shanghai Geotechnical Engineering Survey, Design and Research Institute Co., Ltd. From March 2018 to November 2023, served as Vice President of Shanghai Survey, Design and Research Institute (Group) Co., Ltd. From November 2023 to the present, served as a consultant of Shanghai Survey, Design and Research Institute (Group) Co., Ltd. Since May 2021, concurrently served as an independent director of Offshore Oil Engineering Co., Ltd.
Zheng Zhongliang	From July 1994 to July 1995, served as an accountant of the Third Machine Tool Factory of Beijing Machinery Bureau. From July 1995 to September 1999, served as Financial Manager and Chief Financial Officer of Effigy International Engineering Company. From September 1999 to July 2006, studied at Beijing Institute of Technology and Wuhan University. From July 2006 to August 2007, served as an Internal Audit Supervisor of CNOOC Limited. From September 2007 to September 2011, conducted postdoctoral research at Antai School of Economics and Management, Shanghai Jiao Tong University. From September 2011 to September 2013, worked as an associate researcher at the Ministry of Commerce of the People's Republic of China. From September 2013 to the present, served as an associate professor in the Department of Accounting, Director of the Department of Accounting, and Director of the Master of Professional Accounting Program at the College of Economics and Management, China Agricultural University. From December 2019 to December 2025, concurrently served as an independent director of Agree Technology. Since May 2025, concurrently served as an independent director of RedSun Pharmaceutical. Since May 2021, concurrently served as an independent director of Offshore Oil Engineering Co., Ltd.
Xing Wenxiang	Successfully taught at Liaoning Youth Cadre College, Chengdu Neusoft University, Chengdu University of Technology, Central University of Finance and Economics, Hebei Agricultural University, City University of Macau and China University of Geosciences. Served as Secretary of the Youth League Committee and Director of the Office of Liaoning Youth Cadre College. Presided over the establishment of Chengdu Neusoft University and served as person in charge of the establishment. Served as Director of Professional Manager Institute of Chengdu University of Technology and leader of project management discipline construction. Served as Director of the Publicity Department and Director of the News Center of Central University of Finance and Economics. Served as Assistant President of Hebei Agricultural University. Served as Vice President, Provost, and Dean of the School of Management, City University of Macau. Served as a member of the Major Project Office of China University of Geosciences. Successfully served as Deputy Director of the Publicity Department of the Municipal Party Committee, Secretary of the Municipal Youth League Committee, and District Head. Served as Secretary of the Party Committee/First Deputy General Manager of Shenyang Jinbei Vehicle Manufacturing Co., Ltd. Served as President of Yida Group Co., Ltd. and Chairman of the Board of Directors of Yida Group Sichuan Investment Development Co., Ltd. Started a business and served as Chairman of the Board of Directors of Hangzhou Jinjiang Group Environmental Sanitation Service Co., Ltd. Currently serves as an independent director of Offshore Oil Engineering Co., Ltd.
Zhang Chao	Joined CNOOC Limited in April 2007, and served as an engineer of the Engineering Department of CNOOC Fujian LNG Co., Ltd., an engineer and chief engineer of Technology R&D Center and manager of General Design Department of CNOOC Gas and Power Group Co., Ltd. From December 2018 to April 2021, served as Deputy Director and Chief Engineer of the Technology R&D Center of CNOOC Gas and Power Group Co., Ltd. From April 2021 to December 2024, served as Chief Engineer and Director of the Technology R&D Center of CNOOC Gas and Power Group Co., Ltd. Since January 2025, served as executive vice president of Offshore Oil Engineering Co., Ltd.
Cai Huaiyu	Joined CNOOC Finance Co., Ltd. in July 2002, and served as Credit Supervisor of the Credit Department, Senior Supervisor of the General Management Department, and Senior Supervisor of the Credit Department. From January 2012 to January 2014, successively served as manager of the financing operation post and the financing post of the Planning and Capital Department of China Oilfield Services Limited. From January 2014 to February 2020, served as Manager and General Manager Assistant of the Customer Service Department, and manager of the General Management Department of CNOOC Finance Co., Ltd. From February 2020 to August 2024, served as Deputy General Manager of CNOOC Finance Co., Ltd. From August 2024 to now, served as Chief Financial Officer, General Counsel and Secretary of Board of Directors of Offshore Oil Engineering Co., Ltd.
Zhang Haitao	From July 1992 to November 1994, served as an assistant engineer of Tianjin Aviation Mechanical and Electrical Company. From November 1994 to April 2000, served as an assistant engineer and engineer of the Mechanical and Electrical Department and Deputy Design Manager of the skid block project team in CNOOC Petroleum Engineering Design Company. From April 2000 to May 2001, served as Deputy Design Manager of the skid block project team in the Design Company of Offshore Oil Engineering Co., Ltd. From May 2001 to June 2007, served as an engineer of PL19-3 design project, Design Manager of Pearl renovation, Deputy Design Manager and Design Manager of BZ25-1 oilfield development project and Design Manager of Bajiaoting, Jinzhou 21-1 and Jinzhou 25-1S projects in Design Company of Offshore Oil Engineering Co., Ltd. From June 2007 to March 2012, successively served as Deputy Manager, General Manager Assistant and Deputy General Manager of Project Management Department in the Design Company of Offshore Oil Engineering Co., Ltd. From March 2012 to February 2013, served as General Manager of the Construction Company of Offshore Oil Engineering Co., Ltd. From February 2013 to February 2015, served as General Manager of the Special Equipment Company of Offshore Oil Engineering Co., Ltd. From February 2015 to March 2018, served as Secretary of the Party Committee and General Manager of Special Equipment Company of Offshore Oil Engineering Co., Ltd. From March 2018 to July 2020, served as General Manager of the Office of Offshore Oil Engineering Co., Ltd., and a director of the Office of the Party Committee of COOEC. From July 2020 to July 2021, served as Secretary of the Party Committee and President of the Design Institute of Offshore Oil Engineering Co., Ltd., and a director of the Offshore Engineering Technology Center. From August 2021 to October 2023, served as Vice President and Chief Engineer of Offshore Oil Engineering Co., Ltd. From October 2023 to present, served as Vice President of Offshore Oil Engineering Co., Ltd.
Wang Huifeng	From July 1999 to April 2013, successively responsible for the engineering design of several projects of Offshore Oil Engineering Co., Ltd., such as Caofeidian, Beipas Natural Gas Liquefaction, Lufeng 7-2, and ZAWTIKA in Thailand, etc., and served as Project Manager of Wenchang 9-2/9-3/10-3 gas field. From April 2013 to December 2016, served as Manager of the Engineering Design Project Management Department of the Design Company of Offshore Oil Engineering Co., Ltd. From December 2016 to September 2018, served as Deputy General Manager of the Design Company of Offshore Oil Engineering Co., Ltd. From September 2018 to February 2020, served as Vice President of the Design Institute of Offshore Oil Engineering Co., Ltd. From February 2020 to June 2020, served as Deputy General Manager of Engineering Project Management Center of Operation Center of Offshore Oil Engineering Co., Ltd. From June 2020 to January 2021, served as Deputy General Manager of the Engineering Project Management Center of Operation Center of Offshore Oil Engineering Co., Ltd. From January 2021 to February 2021, served as Chief Engineer of Offshore Oil Engineering Co., Ltd. From February 2021 to November 2021, served as Deputy Chief Engineer and General Manager of Science and Technology Information Department of Offshore Oil Engineering Co., Ltd. From November 2021 to September 2022, served as Deputy Chief Engineer of Offshore Oil Engineering Co., Ltd., Secretary of the Party Committee, and General Manager of Tianjin Construction Branch. From September 2022 to September 2023, served as Vice President and Deputy Chief Engineer of Offshore Oil Engineering Co., Ltd., and Secretary of the Party Committee, and General Manager of Tianjin Construction Branch. From September 2023 to October 2023, served as Vice President of Offshore Oil Engineering Co., Ltd., and Secretary of the Party Committee and General Manager of Tianjin Construction Branch. From October 2023 to February 2024, served as Vice President and Chief Engineer of Offshore Oil Engineering Co., Ltd., and Secretary of the Party Committee and General Manager of Tianjin Intelligent Manufacturing Branch. From February 2024 to present, served as Vice President and Chief Engineer of Offshore Oil Engineering Co., Ltd.
Wang Dayong	After graduating from university in July 1998, began to work as an engineer in the Process Department of CNOOC Petroleum Engineering Design Company and a Manager in the Marketing Department of Design Company of Offshore Oil Engineering Co., Ltd. From March 2013 to April 2014, served as Acting Deputy General Manager of Special Equipment Company of Offshore Oil Engineering Co., Ltd. From April 2014 to July 2018, served as Deputy General Manager of Special Equipment Company of Offshore Oil Engineering Co., Ltd. From July 2018 to September 2018, served as Deputy General Manager of Design Company of Offshore Oil Engineering Co., Ltd. From September 2018 to December 2018, served as Vice President of the Design Institute of Offshore Oil Engineering Co., Ltd. From December 2018 to February 2020, served as Vice President of Design Institute and Deputy Director of Offshore Engineering Technology Center of Offshore Oil Engineering Co., Ltd. From February 2020 to August 2023, served as Secretary of the Party Committee, General Manager and Director of Product Incubation Manufacturing Center of Special Equipment Branch of Offshore Oil Engineering Co., Ltd. From August 2023 to February 2024, served as Vice President of Offshore Oil Engineering Co., Ltd., and Secretary of the Party Committee, General Manager and Director of Product Incubation Manufacturing Center of Special Equipment Branch. From February 2024 to present, served as Vice President of Offshore Oil Engineering Co., Ltd.

Other circumstances

Applicable Not applicable

(II) Positions of current directors and senior management as well as those who left during the reporting period

1. Positions held in shareholder entities

Applicable Not applicable

Name	Shareholder entity name	Position held in shareholder entity	Term start date	Term end date
Liu Yiyong	CNOOC Limited	Deputy General Manager of Engineering Technology Department	September 2022	Not applicable
Explanation of positions held in shareholder entities		Not applicable		

2. Positions held in other entities

Applicable Not applicable

Name	Other entity name	Position held in other entity	Term start date	Term end date
Xin Wei	Shanghai Survey, Design and Research Institute (Group) Co., Ltd.	Consultant	November 2023	February 2026
Zheng Zhongliang	College of Economics and Management, China Agricultural University	Associate Professor and Head of the Accounting Department, Director of the Master of Professional Accounting Program	September 2013	Not applicable
	Agree Technology	Independent Director	December 2019	December 2025
	Tianjin Chase Sun Pharmaceutical Co., Ltd.	Independent Director	May 2025	Not applicable
Explanation of positions held in shareholder entities		Not applicable		

(III) Compensation of directors and senior management

Applicable Not applicable

Decision-making process for compensation of directors and senior management	The Board Remuneration and Appraisal Committee formulates compensation plans for directors and senior management. The compensation plans for senior management are reviewed and approved by the Board of Directors, while the compensation plans for directors are submitted to the shareholders' meeting for review and decision.
Whether a director abstains from Board discussion of their own compensation	Yes
Specific recommendations made by the Remuneration and Appraisal Committee or the special meeting of independent directors regarding director and senior management compensation	On March 19, 2026, the Company convened its first Board Remuneration and Appraisal Committee meeting of the year. The meeting reviewed the <i>Proposal on the 2025 Compensation Allocation Results for Company Directors and the 2026 Compensation Distribution Plan</i> and the <i>Proposal on the 2025 Business Performance Evaluation and Compensation Allocation Results for Company Senior Management and the 2026 Compensation Distribution Plan</i> .
Basis for determining compensation of directors and senior management	Independent director allowances are distributed quarterly in accordance with the <i>Company's Independent Director Appointment Contract</i> . Internal directors receive their basic monthly salaries based on their rank, with the annual compensation amount proposed by the Board's Remuneration and Appraisal Committee based on the achievement of annual production and operational targets, deliberated and reviewed by the Board of Directors, and approved by the shareholders' meeting. The basic salaries of the Company's senior management are paid monthly based on their rank, with the annual compensation amount proposed by the Board's Remuneration and Appraisal Committee according to the achievement of annual production and operation targets, subject to approval by the Board of Directors.
Actual payment of compensation for directors and senior management personnel	<ol style="list-style-type: none"> The allowance for each of the three independent directors of the Company is 128,000 yuan (pre-tax) per annum. Travel expenses incurred for attending the Board of Directors' meetings and shareholders' meetings, and other expenses required for exercising their powers in accordance with the Articles of Association are reimbursed by the Company on an actual basis. Mr. Liu Yiyong is a director who does not receive compensation or allowances from the Company. The above-mentioned director receives compensation and allowances from the controlling shareholder, China National Offshore Oil Corporation, or subsidiaries of its controlling shareholder.
Total actual compensation received by all directors, supervisors and senior management at the end of the reporting period	8.997 million yuan
Basis for performance assessment and completion status of the actual compensation received by all directors and senior management at the end of the reporting period	During the reporting period, the assessment of compensation for the Company's internal directors and senior management was primarily based on the Company's 2025 operational development goals and individual performance responsibility agreements. The actual compensation disbursed was fully linked to the Company's and individual performance assessment results, with no instances of unsatisfactory assessment or salary deductions.
Deferred payment arrangements for actual compensation received by all directors and senior management at the end of the reporting period	<ol style="list-style-type: none"> The total actual deferred payment amount received by internal directors and senior management during the period was 1,319,200 yuan. The deferred payment period covers the tenure incentive for the 2022–2024 term.

Status of the withholding or recourse of actual compensation received by all directors and senior management at the end of the reporting period	No withholding or recourse
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(IV) Changes in directors and senior management during the reporting period

Applicable Not applicable

Name	Position held	Type of change	Reason for change
Peng Lei	President	Appointment	Job transfer
Zhang Chao	Executive Vice President	Appointment	Job transfer

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

Applicable Not applicable

(VI) Others

Applicable Not applicable

IV. Performance of duties by directors

(I) Participation of directors in the Board meetings and shareholders' meetings

Director Name	Independent director (Yes/No)	Attendance of the board meetings						Attendance of shareholders' meetings
		Number of Board meetings to be attended during the year	Attendance in person	Attendance via electronic means	Attendance by proxy	Absences	Whether failed to attend in person for two consecutive meetings (Yes/No)	Number of shareholders' meetings attended
Wang Zhangling	No	6	6	0	0	0	No	2
Peng Lei	No	6	4	0	2	0	No	2
Liu Yiyong	No	6	6	0	0	0	No	0
Xin Wei	Yes	6	6	0	0	0	No	1
Zheng Zhongliang	Yes	6	6	0	0	0	No	1
Xing Wenxiang	Yes	6	4	0	2	0	No	0

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

Applicable Not applicable

Number of board meetings held during the year	6
Including: Number of on-site meetings	2
Number of meetings held via electronic means	0
Number of meetings held via a combination of on-site and electronic means	4

(II) Directors' objections to relevant matters of the Company

Applicable Not applicable

(III) Others

Applicable Not applicable

V. Specialized committees under the Board of Directors

√ Applicable □ Not applicable

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

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

(II) The Audit Committee held five meetings during the reporting period

Date of meeting	Content of the meeting	Important opinions and suggestions	Performance of other duties
March 14, 2025	<ol style="list-style-type: none"> The Company's Financial Final Accounts Report 2024 Report on the Ongoing Risk Assessment of CNOOC Finance Co., Ltd. Proposal on Providing a Parent Company Guarantee for the Saudi Subsidiary The Company's 2024 Internal Control System Work Report (Annual Major Business Risk Forecast and Assessment Report) The Company's 2024 Internal Control Evaluation Report The Company's 2024 Internal Control Audit Report Report to the Board of Directors on the Performance of Supervisory Duties over Zhongshen Zhonghuan Certified Public Accountants Proposal on Hiring the Company's Financial and Internal Control Audit Firm for 2025 The Company's 2024 Legal Compliance Report Report on the Performance of the Board Audit Committee for 2024 	All proposals were reviewed and approved unanimously, with no dissenting votes.	
April 24, 2025	<ol style="list-style-type: none"> The Company's 2025 First Quarter Financial Report Special Report on the Implementation of the Board Authorization Management Measures 	All proposals were reviewed and approved unanimously, with no dissenting votes.	
August 14, 2025	<ol style="list-style-type: none"> The Company's 2025 Semi-Annual Financial Report Special Report on the Deposit and Actual Use of Proceeds from Fundraising for the First Half of 2025 Proposal on the Use of Part of Temporarily Idle Own Funds to Purchase Wealth Management Products Report on the Ongoing Risk Assessment of CNOOC Finance Co., Ltd. Proposal on Extending the Parent Company Guarantee for the Qingdao Subsidiary Proposal on the Abolition of the Board of Supervisors, Change of Registered Address and Business Scope, and Amendment to the Company's Articles of Association Proposal on the Formulation and Revision of Corporate Governance Systems 	All proposals were reviewed and approved unanimously, with no dissenting votes.	The Committee fully leveraged the professional expertise of the independent directors, providing effective recommendations on the discussion of major matters and assisting the Board in making informed and professional decisions.
October 23, 2025	<ol style="list-style-type: none"> The Company's Q3 2025 Financial Report Proposal on Formulating the <i>Measures for the Management of Temporary Suspension and Exemption of Company Information Disclosure</i> Special Report on the Implementation of the Board Authorization Management Measures 	All proposals were reviewed and approved unanimously, with no dissenting votes.	
December 18, 2025	<ol style="list-style-type: none"> Proposal on the Company's 2026 Operating Budget Proposal on a Wholly Owned Subsidiary Providing a Guarantee for a Wholly Owned Grandchild Company Proposal on Signing the <i>Financial Services Framework Agreement</i> with CNOOC Finance Co., Ltd. Report on the Ongoing Risk Assessment of CNOOC Finance Co., Ltd. Proposal on the Company's Bank Credit Facility for 2026 Proposal on the Extension of Financial Assistance Provided by a Wholly-Owned Subsidiary to a Third Party The Company's 2026 Audit Plan Proposal on the Acquisition of Equity Interest in COOEC-Fluor Heavy Industries Co., Ltd. 	All proposals were reviewed and approved unanimously, with no dissenting votes.	

(III) The Nomination Committee held one meeting during the reporting period

Date of meeting	Content of the meeting	Important opinions and suggestions	Performance of other duties
January 23, 2025	<ol style="list-style-type: none"> Proposal on Nominating Mr. Peng Lei as President of the Company Proposal on Nominating Mr. Zhang Chao as Executive Vice President of the Company 	All proposals were reviewed and approved unanimously, with no dissenting votes.	The Committee fully leveraged the professional expertise of the independent directors, providing effective recommendations on the discussion of major matters and assisting the Board in making informed and professional decisions.

(IV) The Remuneration and Appraisal Committee held three meetings during the reporting period

Date of meeting	Content of the meeting	Important opinions and suggestions	Performance of other duties
March 14, 2025	<ol style="list-style-type: none"> Proposal on the Utilization of the 2024 Total Wage Amount Proposal on the Business Performance Assessment and Performance Based Compensation Distribution for Members of the Company's Management Team for 2024 and for the 2022–2024 Term 	All proposals were reviewed and approved unanimously, with no dissenting votes.	The Committee fully leveraged the professional expertise of the independent directors, providing effective recommendations on the discussion of major matters and assisting the Board in making informed and professional decisions.
April 24, 2025	Proposal on Setting Business Performance Indicators for Members of the Company's Management Team for 2025 and for the 2025–2027 Term	The proposal was reviewed and approved unanimously, with no dissenting votes.	The Committee fully leveraged the professional expertise of the independent directors, providing effective recommendations on the discussion of major matters and assisting the Board in making informed and professional decisions.
December 18, 2025	Proposal on Term Incentives for Members of the Leadership Team for the 2022–2024 Period	The proposal was reviewed and approved unanimously, with no dissenting votes.	

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

Date of meeting	Content of the meeting	Important opinions and suggestions	Performance of other duties
March 14, 2025	The Company's 2024 Environmental, Social, and Governance (ESG) Report	The proposal was considered and passed by unanimous consent, and there were no dissenting matters.	The Committee fully leveraged the professional expertise of the independent directors, providing effective recommendations on the discussion of major matters and assisting the Board in making informed and professional decisions.
April 24, 2025	Comprehensive Plan for Further Deepening the Comprehensive Reform of Offshore Oil Engineering	The proposal was considered and passed by unanimous consent, and there were no dissenting matters.	
December 18, 2025	<ol style="list-style-type: none"> Proposal on the Acquisition of Equity in COOEC-Fluor Heavy Industries Co., Ltd. The Company's 2026 Annual Investment Plan 	The proposal was considered and passed by unanimous consent, and there were no dissenting matters.	

(VI) Specific circumstances of the matters in dispute

Applicable Not applicable

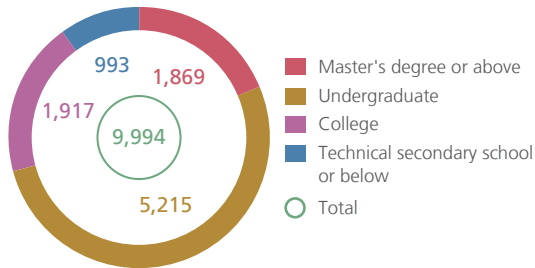
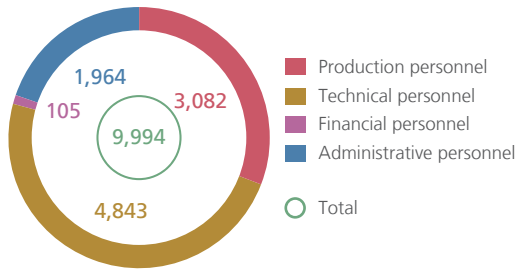
VI. Statement of the Audit Committee on the existence of risks within the Company

Applicable Not applicable

The Audit Committee has no objections to the matters under its supervision during the reporting period.

VII. Employees of the parent company and major subsidiaries at the end of the reporting period**(I) Employees**

Number of employees of the parent company	5,716
Number of employees of major subsidiaries	4,278
Total number of employees	9,994
Number of retired employees whose expenses shall be borne by the parent company and major subsidiaries	0



Professional composition	
Professional category	Number
Production personnel	3,082
Sales personnel	/
Technical personnel	4,843
Financial personnel	105
Administrative personnel	1,964
Total	9,994

Education level	
Education level	Number
Master's degree or above	1,869
Undergraduate	5,215
College	1,917
Technical secondary school or below	993
Total	9,994

(II) Remuneration policy

√ Applicable □ Not applicable

The Company consistently adheres to the principles of legal compliance, efficiency first, and fairness. It continuously improves its compensation management system to align with development needs, optimizes the salary structure, rationalizes distribution relationships, and focuses on key positions and critical personnel. By implementing differentiated and targeted incentive measures, it effectively widens the income distribution gaps and enhances the scientific, systematic, fair, and reasonable nature of compensation distribution, thereby fully stimulating the internal motivation and work enthusiasm of its executives and employees.

√ Offshore installation crew are about to arrive at the "Haiyang Shiyou 228" vessel via a tugboat for jacket unfastening



During the year, the Company further strengthened the guiding role of performance assessment, increased the focus on assessing strategic emerging industries and technological innovation, and worked to enhance value creation capabilities, accelerating the effective implementation of its strategic goals. It deepened differentiated and targeted assessments, continuously optimized the quarterly mechanism linking work efficiency to performance rewards, and fully leveraged the incentive effects of process-based assessments. At the same time, the Company further optimized and improved its compensation and welfare security mechanisms to enhance employee protection. Through the effective alignment of assessment, distribution, and enhanced protection mechanisms, the Company's strategic needs for high quality and rapid development have been effectively aligned with improvements in employee work efficiency, creating a mutually reinforcing dynamic and providing solid support for both the Company's growth and the protection of employee rights and interests.

(III) Training plan

Applicable Not applicable

During the reporting period, the Company continuously improved its talent training system, which is fundamentally aligned with serving the Company's strategy. Emphasizing both theory and practice, the Company deepened the implementation of the "9+N" series of training programs. It conducted 17 key annual training sessions targeting groups such as leadership, expert teams, project management talents, international talents, and new employees, benefiting 1,540 participants, with initial positive results from targeted training. Throughout the year, the Company organized a total of 13,693 training sessions, training 396,200 participants, with a total training duration of 2.6547 million hours.

(IV) Outsourcing of labor services

Applicable Not applicable

VIII. Proposals for profit distribution or conversion of capital reserve into share capital

(I) Formulation, implementation, or adjustment of cash dividend policy

Applicable Not applicable

In 2012, the Company amended the Articles of Association and the Rules of Procedure of the Shareholders' Meeting in accordance with the CSRC's *Notice on Further Implementing Matters Relating to Cash Dividends for Listed Companies*, taking into account its actual operational needs. These amendments further clarified the basic principles and specific policies for profit distribution, as well as the review and decision making procedures, mechanisms, and implementation processes.

In 2025, the Company did not make any adjustment to its cash dividend policy.

The profit distribution policy as stipulated in the Company's Articles of Association is as follows:

1. Basic principles of the Company's profit distribution policy

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

2. Specific profit distribution policies

(1) Form of profit distribution

The Company may distribute profits in the form of cash, stock, a combination of cash and stock, or other methods permitted by laws and regulations. Where conditions permit, the Company may make interim profit distributions.

(2) Specific conditions and ratios for cash dividends

Except under special circumstances, and provided that the Company's cash position is sufficient to support its ongoing operations and long term development, the Company shall distribute cash dividends if it generates a profit for the year and its accumulated undistributed profit (calculated based on net profit attributable to shareholders of the parent company in the consolidated financial statements) is positive, and such distribution does not violate the dividend distribution provisions of the *Company Law*. The amount of profit distributed in cash each year shall not be less than 10% of the net profit attributable to shareholders of the parent company for the year. The cumulative amount of cash dividends distributed by the Company over the most recent three years shall not be less than 30% of the average annual distributable profit realized over those three years.

Special circumstances refer to:

- ① The Company has a major external investment plan or significant cash expenditure (excluding fund raising projects)

occurring within the next twelve months that reaches or exceeds 30% of the Company's latest audited net assets. Investment plans or cash expenditures include, but are not limited to, proposed external investments, asset acquisitions, external debt repayments, or equipment purchases; or

② The auditor has not issued a standard unqualified auditors' report on the Company's financial report for that year.

(3) Specific conditions for the issuing of stock dividends

When the Company's operations are sound, and the Board of Directors believes that the Company's share price does not align with its share capital size and that issuing stock dividends would be beneficial to the overall interests of all shareholders, the Board may propose a stock dividend distribution plan, provided that the above conditions for cash dividends are met.

3. Review and deliberation procedures for the Company's profit distribution plans

(1) The Company's profit distribution plan shall be proposed and formulated by the Company's management in combination with the Articles of Association, the Company's profitability, and its capital requirement plan, and shall be submitted to the Board of Directors for consideration. The Board of Directors shall fully discuss the reasonableness of the profit distribution plan, form a special resolution, and submit it to the Shareholders' Meeting for consideration.

When deliberating on a specific cash dividend proposal, the Company shall fully consider the opinions and demands of minority shareholders. In addition to hearing shareholders' views at the shareholders' meeting, the Company shall communicate and exchange views with shareholders, particularly minority shareholders, through shareholder hotlines and fax, and respond promptly to their concerns.

(2) If, due to the special circumstances described in 2(2) above, the Company is unable to determine a profit distribution plan for the year in accordance with its established cash dividend policy, the Board of Directors shall provide a special explanation of the specific reasons for not distributing cash dividends, the use of the Company's retained earnings, and the expected returns on investments. After the independent directors have expressed their opinions, the proposal shall be submitted to the shareholders' meeting for approval and disclosed through the Company's designated media. When the profit distribution plan for the year is submitted to the annual shareholders' meeting for approval, it shall be approved by at least two thirds of the voting rights held by shareholders present at the meeting.

(3) Decision-making procedures for adjusting or changing the profit distribution policy

In the event of force majeure, such as war or natural disasters, significant changes in the Company's external operating environment that materially affect its production and operations, or substantial changes in the Company's own operating conditions, the Company may, after detailed demonstration and if it deems necessary, adjust or change the cash dividend policy set forth in the Articles of Association. The Board of Directors shall fully discuss the reasonableness of the proposed adjustment or change. After the independent directors have expressed their opinions, a special resolution shall be adopted and submitted to the shareholders' meeting for approval. The resolution shall be approved by at least two thirds of the voting rights held by shareholders present at the shareholders' meeting.

4. Implementation of profit distribution plan

After the shareholders' meeting has made a resolution on the profit distribution plan, the Board of Directors shall complete the distribution of dividends (or shares) within two months after the shareholders' meeting is convened.

(II) Special description of the cash dividend policy

Applicable Not applicable

Whether the policy complies with the provisions of the Articles of Association or the requirements of the shareholders' meeting resolution	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Whether the criteria and ratio for dividend distribution are clear and explicit	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Whether the relevant decision-making procedures and mechanisms are complete	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Whether the independent directors have performed their duties and responsibilities and played their due roles	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Whether minority shareholders have adequate opportunities to express their opinions and demands, and whether their legitimate rights and interests have been adequately protected	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

(III) If the Company generated a profit during the reporting period and the profit available for distribution to shareholders by the parent company was positive, but no cash profit distribution plan was proposed, the Company shall disclose in detail the reasons and the actual and planned use of the undistributed profit

Applicable Not applicable

(IV) Proposals for profit distribution and conversion of capital reserve into share capital for the reporting period√ Applicable Not applicable

Unit: yuan Currency: RMB

Number of bonus shares per 10 shares (shares)	0
Number of dividends per 10 shares (RMB, pre-tax)	1.96
Number of shares converted per 10 shares (shares)	0
Total cash dividend amount (pre-tax)	866,585,540.80
Net profit attributable to ordinary shareholders of the listed company in the consolidated statements	2,084,436,058.90
Ratio of cash dividend amount to net profit attributable to ordinary shareholders of the listed company in the consolidated financial statements (%)	41.57
Amount of shares repurchased in cash and included in cash dividends	0
Total dividend amount (pre-tax)	866,585,540.80
Ratio of the total dividends to the net profit attributable to ordinary shareholders of the listed company in the consolidated statements (%)	41.57

(V) Cash dividends in the last three accounting years√ Applicable Not applicable

Unit: yuan Currency: RMB

Cumulative cash dividends in the last three accounting years (pre-tax) (1)	2,405,217,009.38
Cumulative share repurchases and cancellations over the last three accounting years (2)	0
Cumulative amount of cash dividends and share repurchases and cancellations in the last three accounting years (3) = (1) + (2)	2,405,217,009.38
Average annual net profit over the last three accounting years (4)	1,976,076,119.09
Cash dividend ratio over the last three accounting years (%) (5)=(3)/(4)	121.72
Net profit attributable to ordinary shareholders of the listed company in the consolidated statement for the most recent accounting year	2,084,436,058.90
Undistributed profits at the end of the year in the parent company's statement for the most recent accounting year	14,796,569,889.06

IX. Implementation of the Company's equity incentive plan, employee stock ownership plan, or other employee incentive measures and their impacts**(I) Incentive matters disclosed in interim announcements with no subsequent progress or changes** Applicable Not applicable**(II) Incentive matters not disclosed in interim announcements or with subsequent progress**

Equity incentives

 Applicable Not applicable

Other notes:

 Applicable Not applicable

Employee stock ownership plans

 Applicable Not applicable

Other incentive measures

 Applicable Not applicable**(III) Equity incentives granted to directors and senior management during the reporting period** Applicable Not applicable

(IV) Performance assessment mechanism for senior management and the establishment and implementation of incentive mechanisms during the reporting period

Applicable Not applicable

The Company has established a performance assessment system and an incentive and constraint mechanism for senior management. In strict accordance with relevant regulations, such as the *Performance Management Measures for Leadership Personnel* and the *Compensation Management Measures for Leadership Personnel*, the Company standardizes the performance assessment and compensation distribution processes. Annual compensation is linked to assessment results, reinforcing the balance between incentives and constraints and promoting the effective achievement of performance targets.

X. Establishment and implementation of the internal control system during the reporting period

Applicable Not applicable

During the reporting period, considering its actual production and operations, the Company established a comprehensive institutional framework comprising four major systems: governance, Party building, internal control, and QHSE. This framework, totaling 306 documents, maintains both functional distinctness and organic unity. Furthermore, the Company developed a scientific and rigorous process for the formulation/revision, review, and issuance of system documents. A specialized legal and compliance review by the Company's legal compliance department was integrated into the release procedure to further ensure institutional compliance, thereby comprehensively enhancing the capacity and standards for building a modern enterprise system with Chinese characteristics.

Explanation of significant deficiencies in internal control during the reporting period

Applicable Not applicable

XI. Management and control of subsidiaries during the reporting period

Applicable Not applicable

During the reporting period, the Company exercised management and control over its subsidiaries in accordance with national laws such as the *Company Law*, and the *Securities Law*, as well as various internal management systems, including the Articles of Association. The Company improved the corporate governance structures of its subsidiaries, strengthened the development of their boards of directors, and provided support for the performance of duties by dispatched directors, continuously enhancing the modernization of the subsidiaries' governance systems and capabilities. The Company also supervised and encouraged its subsidiaries to focus on production and operational management, breaking down and reinforcing performance assessment responsibilities in line with the Company's business targets. Following the principles of balancing control with flexibility, appropriate delegation, and goal orientation, the Company implemented differentiated management and control measures for each subsidiary based on their specific businesses, focusing on objectives such as asset value creation, cost reduction and efficiency enhancement, technological innovation, and reform and development. This approach fully mobilizes the initiative of each subsidiary, forming a cohesive community of shared interests. The Company also strengthened the capacity building of value creating units, including design, construction, offshore installation, and LNG engineering, while maintaining lean and efficient management structures and teams, positioning its subsidiaries as a core force in advancing the Company's strategy and business development.

Risk warning regarding abnormal management and control over subsidiaries

Applicable Not applicable

XII. Information statement on the internal control audit report

Applicable Not applicable

Zhongshen Zhonghuan Certified Public Accountants (Special General Partnership) has audited the Company's internal control for 2025 and issued a standard unqualified *Internal Control Audit Report*, which concluded that the Company has maintained effective internal control over financial reporting in all material aspects in accordance with the *Basic Standards for Enterprise Internal Control* and relevant regulations.

The *Internal Control Audit Report* was disclosed on the same date as this annual report. For further details, please refer to the Shanghai Stock Exchange website at <http://www.sse.com.cn>.

Whether to disclose the internal control audit report: Yes

Type of opinion expressed in the internal control audit report: Standard unqualified opinion

Whether a non-standard internal control audit opinion was issued for the reporting period or the previous year?

Yes No

XIII. Rectification of issues identified in the special action on corporate governance of listed companies

None

XIV. Environmental information of listed companies included in the list of enterprises required to disclose environmental information by law

Applicable Not applicable

Number of enterprises included in the list of enterprises required to disclose environmental information by law		3
S/N	Company name	Index for accessing the environmental information disclosure report
1	Offshore Oil Engineering Co., Ltd. Tianjin Intelligent Manufacturing Branch	https://permit.mee.gov.cn/perxxgkinfo/defaults/default-index!getInformation.action
2	Offshore Oil Engineering (Qingdao) Co., Ltd.	http://221.214.62.226:8090/EnvironmentDisclosure/queryComListPage https://permit.mee.gov.cn/perxxgkinfo/defaults/default-index!getInformation.action
3	COOEC-Fluor Heavy Industries Co., Ltd.	https://permit.mee.gov.cn/perxxgkinfo/defaults/default-index!getInformation.action

Other notes

Applicable Not applicable

During the reporting period, the main efforts to protect the environment, prevent pollution, and fulfill environmental responsibilities were as follows:

(I) Implementing environmental protection of overseas projects with high standards

The Company's overseas projects adopt high-level environmental protection standards to strengthen its green and low-carbon transformation and enhance its environmental compliance management. It closely monitors new rules and requirements in host countries regarding environmental governance, ecological protection, climate change response, ESG, and other areas, actively protects the local ecological environment, and practices its green development philosophy through sound environmental actions.

In 2025, the Company, in collaboration with Saudi Aramco, jointly launched a tree planting campaign under the theme of "Promoting Sustainable Development, Protecting Biodiversity, and Creating a Cleaner Earth." A total of 10,000 trees were

√ 10,000 saplings symbolizing friendship and cooperation take root in Saudi Arabia



planted, covering approximately 5.832 hectares of desertified land. It is estimated that over the next decade, these trees will cumulatively absorb 2,400 tons of carbon dioxide, effectively enhancing soil carbon sequestration and water retention, mitigating local sandstorm impacts, and improving the regional ecological environment.

For a long time, Offshore Oil Engineering has actively fulfilled its social responsibilities by organizing various themed activities such as environmental protection events, safety lectures, and health forums. These efforts have consistently enhanced its local management capabilities, demonstrating through concrete actions the responsibility and commitment of Chinese enterprises operating overseas.

(II) Carrying out marine environmental protection actions

In accordance with the requirements of the *Action Plan for Marine Debris Cleanup in Coastal Cities*, the Company actively promotes marine debris prevention and control efforts, implements specialized campaigns for marine debris prevention and management, conducts regular inspections and check-ins along the dockyard, and advances the timely cleanup and routine supervision of marine debris. In 2025, the Company conducted a total of 275 inspections, removing approximately eight tons of floating debris such as plastics. This effort helped purify the marine ecological environment and contributed to the construction of beautiful bays through offshore engineering efforts.

(III) Actively promoting the construction of "waste-free factories."

In January 2025, the Lingang Base of the Company's Tianjin Intelligent Manufacturing Branch was successfully included in Tianjin's "Zero-Waste Cell" list.

As China's first "smart factory" for offshore oil and gas equipment, the Base has adhered to the concept of green production since its operation began. Focusing on the goals of "reduction, resource utilization, and harmlessness," and leveraging over ten green technologies such as sponge factory water recycling, photovoltaic power generation, and intelligent exhaust gas treatment, it has built a green production system centered on "source reduction, resource utilization, and harmless disposal."

(IV) Striving to build a green and low-carbon manufacturing benchmark

The Company has deepened the implementation of policies for the development and utilization of clean energy and actively promoted the integration of renewable energy. In 2025, the construction of the second phase of the Tianjin Lingang photovoltaic project was completed, adding an installed capacity of 1.05 MW. Throughout the year, photovoltaic power generation reached 18 million kWh, with clean electricity consumption accounting for 35.28% of the Company's total electricity usage. This further strengthened the foundation for green and low-carbon development.

(V) Deeply promoting energy conservation and carbon reduction in production processes

During the year, more than 70 energy-saving technical renovation projects were implemented, with 14 group-level "golden idea" projects successfully put into practice. Nine key energy-saving projects, including the renovation and upgrade of air compressor stations in Qingdao and Zhuhai, were successfully completed. The Company's annual key energy-saving and carbon reduction renovation project—the Zhuhai Air Compressor Station Energy-saving Renovation Project—was successfully completed. By adding oil-free screw-type variable frequency air compressors and establishing a centralized control system, a flexible gas supply network was achieved, resulting in energy savings of 195.78 tons of standard coal and a carbon reduction of 619.04 tons.

(VI) Commissioning innovation enabling "zero emission" BOG start up for LNG storage tanks

Adopting a holistic perspective, the Company systematically integrated past experience from commissioning large LNG storage tanks and conducted an in-depth analysis of BOG (boil-off gas) generation patterns during the tank pre-cooling phase, as well as the processing characteristics of the receiving terminal. By incorporating the commissioning of individual tanks into the overall operational system of the receiving terminal for comprehensive planning, a standardized "zero venting" solution for LNG storage tank pre-cooling was successfully developed. Successfully applied in the second phase of the Guangdong Zhuhai LNG expansion project, the solution achieved a reduction of 420 tons in BOG emissions and reached the "zero venting" target for the first time. This achievement not only delivered significant economic benefits but also made outstanding progress in energy conservation and emission reduction, effectively mitigating the impact of greenhouse gas combustion on the surrounding environment and earning widespread industry acclaim.

(VII) Promoting the research, development, and application of green and low-carbon technologies and enhancing the capacity for green and low-carbon solutions

New breakthroughs have been achieved in the application of green and low-carbon technologies in offshore oil and gas development. The "Offshore Platform Intelligent Lighting System" was recognized as an "Outstanding Practice Case for Low-Carbon Leaders in China's Oil and Gas Enterprises in 2025" by the China Petroleum Enterprise Association. The offshore oilfield natural gas dehydration unit has adopted a "zero-carbon" process and is operating stably on the platform. The platform is equipped with CNOOC's first offshore produced water preheating power generation device, along with micro-turbine units and lithium bromide air conditioning systems, which are expected to reduce carbon dioxide emissions by approximately 11,800 tons annually. The first phase of the Tangshan LNG Green Energy Demonstration Station has been successfully completed. Multiple projects, including the "Development of Subsea Control System Master Control Station and Power Supply Unit" and the "Development and Application of New Environmentally Friendly Switchgear for Offshore Oil and Gas Engineering," received the

Special Prize and First Prize, respectively, at the 2025 Carbon Peak and Carbon Neutrality Development Conference of the China Association of Plant Engineering.

XV. Social responsibility work

(I) Whether a social responsibility report, sustainable development report, or ESG report has been disclosed separately

Applicable Not applicable

For details, please refer to the *2025 Environmental, Social and Corporate Governance (ESG) Report of Offshore Oil Engineering Co., Ltd.* disclosed on the website of the Shanghai Stock Exchange at www.sse.com.cn on the same date as this annual report.

(II) Specific social responsibility efforts

Applicable Not applicable

External donations and public welfare projects	Quantity / Content	Notes
Total investment ('0,000 yuan)	46.8	The total amount of invested funds and materials was 0.486 million yuan.
Of which: Funds ('0,000 yuan)	43.5	<ol style="list-style-type: none"> 1. Donated 180,000 yuan to the CNOOC Hope Primary School in Longhua, Hebei, for the renovation and upgrading of two schools, as well as rewards for outstanding teachers and students. 2. Donated 150,000 yuan in charitable funds to the Education and Sports Bureau of Nyima County, Nagqu City, Tibet, for the purchase of sleeping room equipment in village-level kindergartens to improve the quality of children's naps. 3. Offshore Oil Engineering Qingdao Company donated 105,000 yuan to the Qingdao Economic and Technological Development Zone Charity Federation under the Offshore Oil Engineering Named Fund, which will be used for local public welfare activities such as major illness assistance, poverty relief, and disability support.
Material Conversion Amount ('0,000 yuan)	3.3	Donated learning supplies and student clothing to the China National Offshore Oil Corporation Hope Primary School in Longhua, Hebei, with the materials valued at 30,000 yuan; donated 30 company-disposed computers, with the materials valued at 3,000 yuan.
Number of beneficiaries	About 500	China National Offshore Oil Corporation Hope Primary School in Longhua, Hebei, with over 400 teachers and students, and schools and kindergartens in the Nyima region of Tibet, with nearly 100 teachers and students.

Detailed descriptions

Applicable Not applicable

XVI. Consolidation of poverty alleviation achievements and rural revitalization

Applicable Not applicable

Poverty alleviation and rural revitalization projects	Quantity / Content	Notes
Total Investment ('0,000 yuan)	3,786	The total amount of invested funds and materials was 37.86 million yuan.
Of which: Funds ('0,000 yuan)	3,772	<ol style="list-style-type: none"> 1. Purchased products worth 25.98 million yuan from the industries supported by CNOOC in its designated assistance counties and cities. 2. Purchase of labor protection supplies produced in the Gannan region of Gansu Province, totaling 11.42 million yuan. 3. Purchased products such as drinking water and tea produced in Zhuozhi County, Ulanqab City, Inner Mongolia; Wuzhishan City and Baoting Li and Miao Autonomous County, Hainan Province; and Baiyu County, Ganzi Tibetan Autonomous Prefecture, Sichuan Province, totaling 320,000 yuan.
Material Conversion Amount ('0,000 yuan)	14	Supported poverty alleviation through industry in Xizang, and purchased mineral water in the form of consumption assistance, with a cumulative annual consumption of 140,000 yuan.
Number of beneficiaries	About 3,000	Residents of Gannan Prefecture in Gansu Province, Zhuozhi County in Ulanqab City of Inner Mongolia, Wuzhishan City and Baoting Li and Miao Autonomous County in Hainan Province, Baiyu County in Ganzi Tibetan Autonomous Prefecture of Sichuan Province, and Nyima County in Nagqu Prefecture of Tibet.
Forms of assistance (such as poverty alleviation through industry, poverty alleviation through employment, and poverty alleviation through education)	Industrial poverty alleviation, employment poverty alleviation	Industrial Poverty Alleviation: CNOOC assisted in establishing the Gannan District Safety and Environmental Protection Service Co., Ltd. in Gansu Province to promote local employment and production. The Company purchased 11.42 million yuan of annual production labor protection supplies. Employment Poverty Alleviation: Recruited nine college students from assisted areas.

Detailed descriptions

Applicable Not applicable

XVII. Others

Applicable Not applicable

Important Notice

I. Fulfillment of commitments

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

√ Applicable □ Not applicable

Commitment background	Promise Type	Party making commitment	Promise 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	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 completion of this equity change, CNOOC and related parties did not significantly increase related-party transactions with the listed company; CNOOC undertakes to exercise shareholders' rights and perform shareholders' obligations in accordance with relevant laws and regulations and the Articles of Association, and not to damage the interests of the listed company and other shareholders; CNOOC undertakes to strictly fulfill the above commitments, and bears the corresponding liabilities if any loss is caused to the listed company due to the breach of such commitments.	October 31, 2023	No	Long-term	Yes
IPO-related commitments	Solve horizontal competition	China National Offshore Oil Corporation	China National Offshore Oil Corporation and the legal persons under its control do not and will not engage in any business with the same or similar scope of business as COOEC, and do not and will not undertake any activities in any way that may cause damage to the interests of COOEC during the existence of COOEC.	August 15, 2001	No	During the existence of COOEC	Yes
Other commitments	Others	China National Offshore Oil Corporation	It is planned to increase holdings of the Company's A-shares through centralized bidding on the Shanghai Stock Exchange within 12 months starting from April 9, 2025, with a total increase amount of not less than RMB 300 million (inclusive) and not more than RMB 500 million (inclusive). After the announcement of the share increase plan, the controlling shareholder will closely monitor the fluctuations in the company's stock price and overall capital market trends, and gradually implement the plan at an opportune time.	April 09, 2025	Yes	12 months	Yes

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

Achieved" Not achieved" Not applicable

(III) Performance Commitment Status

Applicable Not applicable

Changes

Applicable Not applicable

Other notes

Applicable Not applicable

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

Applicable Not applicable

III. Illegal Guarantee Situation

Applicable Not applicable

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

Applicable Not applicable

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

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

Applicable Not applicable

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

Applicable Not applicable

(III) Communication with the former accounting firm

Applicable Not applicable

(IV) Examination and approval process and other explanations

Applicable Not applicable

VI. Appointment and dismissal of the accounting firm

Unit:(ten thousand yuan) Currency: RMB

	Current appointment
Name of domestic accounting firm	Zhongshenzhonghuan Certified Public Accountants (Special General Partnership)
Compensation of the domestic accounting firm	218
Number of years of audit by the domestic accounting firm	2 years
Names of CPAs of the domestic accounting firm	Zhao Yunjie, Li Yan
Number of consecutive years of audit services of CPAs of the domestic accounting firm	Zhao Yunjie (2 years), Li Yan (2 years)

	Name	Compensation
Internal control audit accounting firm	Zhongshenzhonghuan Certified Public Accountants (Special General Partnership)	27

Appointment and dismissal of the accounting firm

Applicable Not applicable

On March 14, 2025, the company convened the Ninth Meeting of the Eighth Board of Directors, which reviewed and approved the "Proposal on Appointing the Company's Financial and Internal Control Audit Firm for the Year 2025." It was agreed to reappoint ZhongShen ZhongHuan Certified Public Accountants (Special General Partnership) as the company's financial and internal control audit firm for the year 2025. The firm will provide services including financial statement audits, internal control audits primarily focused on financial reporting, and other related audit services, with an appointment term of one year. The aforementioned matters have been reviewed and approved at the 2024 Annual General Meeting of Shareholders held by the company on April 8, 2025.

Change in the accounting firm during the audit period

Applicable Not applicable

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

Applicable Not applicable

VII. Situation facing delisting risk

(I) Causes of the delisting risk warning

Applicable Not applicable

(II) Measures to be taken by COOEC in response

Applicable Not applicable

(III) Situation facing delisting and reasons therefor

Applicable Not applicable

VIII. Matters related to bankruptcy and reorganization

Applicable Not applicable

IX. Significant litigation and arbitration

The company has significant litigation or arbitration matters during the current year." There were no significant litigation or arbitration matters involving the company during the year."

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

Applicable Not applicable

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

Applicable Not applicable

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

XII. Major related-party transactions

(I) Related-party transactions related to daily operations

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

Applicable Not applicable

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

Applicable Not applicable

The disclosure and review procedures of related-party transactions between COOEC, CNOOC and its affiliates and other related parties comply with the Rules Governing the Listing of Stocks on Shanghai Stock Exchange, the Articles of Association and other relevant provisions. At the 18th Meeting of the 7th 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 2025 was capped at RMB 43.573 billion. The company's 2022 annual general meeting of shareholders reviewed and approved the above proposals on May 19, 2023. For details, please refer to the relevant announcements released by the company in the China Securities Journal, Shanghai Securities News, and on the Shanghai Stock Exchange website (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 of the Company. 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 small and medium-sized shareholders, and without affecting the independence of the listed company's business.

The accumulated related-party transactions in 2025 comply with the relevant provisions of the Rules Governing the Listing of Stocks on Shanghai Stock Exchange. As at the end of December 2025, 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 24.2 billion, accounting for 56% of the estimated amount for the year. The actual total amount for the 2023-2025 period accounts for approximately 70% of the overall estimated budget.

Type of related party transactions	Related party	Expected in 2025 Transaction amount (RMB 100 million)	Actual in 2025 Transaction amount (RMB 100 million)
Sales of goods/rendering of services	CNOOC Limited	294.50	159.38
	CNOOC and other subsidiaries	15.50	4.48
Purchase of goods/receipt of services	CNOOC Energy Technology & Services Limited	25.70	16.59
	CNOOC and other subsidiaries	4.18	1.63
Related party leases	Leasee		
	Zhonghai Industry Co., Ltd.	0.39	0.25
	CNOOC and other subsidiaries	0.15	0.28
	Leasor		
	China Oilfield Services Limited	0.005	0
	Other CNOOC subsidiaries	0.003	0.01
Loans from related parties	CNOOC	6.00	2.20
	CNOOC and other subsidiaries	7.00	0
Financial services	Deposits		
	Finance Company	10.00	10.00
	Credit and other financial business		
	Finance Company	65.00	47.00
	CNOOC and other subsidiaries	5.00	0
	Loan interest and various service charges		
	Finance Company	0.50	0.06
Commissioned research	CNOOC Limited	1.60	0.40
	CNOOC and other subsidiaries	0.20	0.10
Total		435.73	242.38

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: (ten thousand yuan) Currency: RMB

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 relationships	100,000.00	0.35%-2.00%	99,446.31	6,841,825.20	6,841,279.62	99,991.89
Total	/	/	/	99,446.31	6,841,825.20	6,841,279.62	99,991.89

Remarks: (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%-2.00% per year; the interest rate of RMB deposits is 0.35%-1.85% per year; the interest rate of USD demand deposits is 2.00% per 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:(ten thousand yuan) Currency: RMB

Related party	Relationship	Business type	Total	Actual amount
CNOOC Finance Co., Ltd.	Finance company with relationships	Credit granting business	470,000.00	94,159.64

4. Other notes

Applicable Not applicable

(VI) Others

Applicable Not applicable

Please refer to "XIV. Related parties and related-party transactions" in Section 8 Financial Reports of this report for details of related parties and related-party transactions within the reporting period.

XIII. Major Contracts and Their Performance Status

(I) Custody, contracting and leases

1. Hosting situation

Applicable Not applicable

2. Contracting situation

Applicable Not applicable

3. Leasing status

Applicable Not applicable

(II) Guarantees

Applicable Not applicable

Unit:(RMB 100 million) Currency: USD

External guarantees of COOEC (excluding guarantees for subsidiaries)														
Guarantor	Relationship between the guarantor and the listed company	The guaranteed party	Guarantee amount	Date of occurrence of guarantee (agreement signing date)	Guarantee Start date	Guarantee Maturity date	Type of guarantee	Collateral (if any)	Whether the guarantee has been fulfilled	Whether the guarantee is overdue	Amount overdue on guarantee	Counter-guarantees	Whether to guarantee for a related party	Correlation relationship
Total amount of guarantees incurred during the reporting period (excluding guarantees for subsidiaries)														0.00
Total guarantee balance at the end of the reporting period (A) (excluding guarantees for subsidiaries)														0.00
Guarantees of COOEC and its subsidiaries for subsidiaries														
Total amount of guarantees for subsidiaries during the reporting period														8.25
Total balance of guarantees for subsidiaries as at the end of the reporting period (B)														14.39
Total guarantees of COOEC (including guarantees for subsidiaries)														
Total amount of guarantees (A+B)														14.39
Ratio of the total guarantee amount to COOEC's net assets (%)														38.07
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)	5.17
Amount of total guarantees exceeding 50% of net assets (E)	0.00
Total amount of the above three guarantees (C+D+E)	5.17
Possible joint and several liability for unexpired guarantees	None

As at the end of the reporting period, COOEC had 7 guarantees in the process of fulfillment, as follows:

- (1) As deliberated and adopted at the 10th 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, Nigeria Free Trade Zone Company, 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 24th meeting of the 6th Board of Directors of COOEC held on June 23, 2020 and the 28th 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 in 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 in 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 at 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.
- (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 First Extraordinary General Meeting in 2019 held by the Company on June 25, 2019. Subsequently, at the 11th meeting of the 8th Board of Directors held on August 14, 2025, it was reviewed and approved that, considering the comprehensive factors affecting the project execution period, the Qingdao subsidiary signed a contract amendment agreement with the client to confirm a new project delivery date and warranty period. The parent company's guarantee period has been extended to March 10, 2026, after which the guarantee will be terminated. (For details, please refer to the announcements of the board resolution and guarantee disclosed by the company on the Shanghai Stock Exchange website on June 7, 2019, as well as the announcement of the shareholders' meeting resolution disclosed on June 26; and the announcements of the board resolution and guarantee extension disclosed on August 16, 2025.)
- (3) As deliberated and adopted at the 9th Meeting of the 7th Board of Directors of COOEC held on March 18, 2022, COOEC provided a parent company guarantee for the contract 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 USD 72 million. The guarantee period 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)
- (4) As deliberated and adopted at the 2nd Meeting of the 8th 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 guarantee period 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 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 December 25, 2023)
- (5) Approved by the 8th meeting of the 8th Board of Directors of the Company held on January 23, 2025, the Company provided a parent company guarantee for its wholly-owned subsidiary, Offshore Oil Engineering (Qingdao) Co., Ltd., which, as a subcontractor, entered into a contract with the main contractor SINGLE BUOY MOORINGS OFFSHORE CONTRACTORS INC. for the SBM Gulf of Mexico TRION FSO and FPU Suction Anchor Construction Project. The guarantee amount is RMB 50,918,030. The guarantee period is from the date of issuance of the guarantee until the actual fulfillment of all obligations under the contracts of the Qingdao subsidiary (expected to be until January 29, 2030). (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 January 24, 2025)
- (6) Approved at the Ninth Meeting of the Eighth Board of Directors of the Company held on March 14, 2025, the Company has renewed the LTA contract extension agreement for its wholly-owned subsidiary Offshore Oil Engineering Arabia Limited with the general contractor Saudi Arabian Oil Company. The Company will provide a parent company guarantee to the owner for each specific business order obtained by the wholly-owned subsidiary under the LTA contract, with a guarantee limit of RMB 3.5 billion (of which RMB 620 million was actually utilized as of the end of 2025). The guarantee period for each parent company guarantee shall be from the date of issuance until the date when the obligations under the corresponding order of the Saudi subsidiary are fully fulfilled. (For details, please refer to the resolution announcement and guarantee announcement disclosed on the website of Shanghai Stock Exchange on March 18, 2025 and the resolution announcement of the general meeting disclosed on April 9)
- (7) Approved at the 13th meeting of the 8th Board of Directors held on December 18, 2025, the Company's wholly-owned subsidiary, Offshore Oil Engineering International Co., Ltd., will provide a parent company guarantee for the contract of the wellhead platform and subsea pipeline construction work package under the Bundled Phases 4 EPCI general contract project (referred to as "Bundled 4") signed between its wholly-owned subsidiary, Thailand Company, and PTTEP (PTTEPED). The guarantee amount is based on the specific business order amounts under the Bundled 4 project contract, with the cumulative outstanding guarantee amount of the parent company not exceeding USD 320 million at any given time. The guarantee period shall be from the date of approval by the company's board of directors until the actual fulfillment of the obligations under the Bundled 4 project contract. (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 20, 2025)

Notes to
guarantees

(III) Entrustment of others for cash asset management

1. Entrusted Wealth Management Status

(1) General information on entrusted wealth management

√ Applicable Not applicable

Unit: (ten thousand yuan) Currency: RMB

Type	Risk profile	Unmatured balance	Amount overdue for collection
Bank wealth management products	Capital-guaranteed fixed-income type	250,000	0
Bank wealth management products	Principal-guaranteed floating income type	940,000	0

Others

 Applicable Not applicable

(2) Individual entrusted wealth management

√ Applicable Not applicable

Unit: (ten thousand yuan) Currency: RMB

Trustee	Type of entrusted wealth management	Risk profile	Amount of entrusted wealth management	Start date of entrusted wealth management	End date of entrusted wealth management	Funds Invested in	Whether there is a restricted situation	Actual Profit or loss	Unmatured amount	Amount overdue for collection
Guangfa Bank, Tianjin Branch	Bank wealth management products	Capital-guaranteed fixed-income type	50,000	2023/05/08	2026/05/08	Certificate of Deposit	No	1,533.02	50,000	0
ICBC Tianjin Branch	Bank wealth management products	Capital-guaranteed fixed-income type	10,000	2023/08/31	2026/08/31	Certificate of Deposit	No	273.58	10,000	0
Construction Bank of China, Tianjin Development Branch	Bank wealth management products	Capital-guaranteed fixed-income type	20,000	2023/08/31	2026/08/31	Certificate of Deposit	No	547.17	20,000	0
Construction Bank of China, Tianjin Development Branch	Bank wealth management products	Capital-guaranteed fixed-income type	30,000	2023/08/31	2026/08/31	Certificate of Deposit	No	820.75	30,000	0
Guangfa Bank, Tianjin Branch	Bank wealth management products	Capital-guaranteed fixed-income type	30,000	2023/09/11	2026/09/11	Certificate of Deposit	No	820.75	30,000	0
Industrial Bank Beijing Branch	Bank wealth management products	Capital-guaranteed fixed-income type	30,000	2023/09/12	2026/09/12	Certificate of Deposit	No	820.75	30,000	0
Industrial Bank Beijing Branch	Bank wealth management products	Capital-guaranteed fixed-income type	30,000	2023/10/11	2026/10/11	Certificate of Deposit	No	806.60	30,000	0
Guangfa Bank, Tianjin Branch	Bank wealth management products	Capital-guaranteed fixed-income type	10,000	2023/10/16	2026/10/16	Certificate of Deposit	No	273.58	10,000	0
Guangfa Bank, Tianjin Branch	Bank wealth management products	Capital-guaranteed fixed-income type	20,000	2023/11/22	2026/11/22	Certificate of Deposit	No	547.17	20,000	0
Guangfa Bank, Tianjin Branch	Bank wealth management products	Capital-guaranteed fixed-income type	20,000	2025/2/18	2028/02/18	Certificate of Deposit	No	351.2	20,000	0

Trustee	Type of entrusted wealth management	Risk profile	Amount of entrusted wealth management	Start date of entrusted wealth management	End date of entrusted wealth management	Funds Invested in	Whether there is a restricted situation	Actual Profit or loss	Unmatured amount	Amount overdue for collection
ICBC Tianjin Branch	Bank wealth management products	Principal-guaranteed floating income type	80,000	2024/04/29	2025/04/29	Structural deposits	No	1,954.72	0	0
Guangfa Bank, Tianjin Branch	Bank wealth management products	Principal-guaranteed floating income type	60,000	2024/05/24	2025/02/18	Structural deposits	No	1,084.22	0	0
ICBC Tianjin Branch	Bank wealth management products	Principal-guaranteed floating income type	60,000	2024/05/23	2025/05/23	Structural deposits	No	1,466.04	0	0
Beijing Branch of the Bank of Communications	Bank wealth management products	Principal-guaranteed floating income type	80,000	2024/06/17	2025/03/14	Structural deposits	No	1,507.37	0	0
Beijing Branch of the Bank of Communications	Bank wealth management products	Principal-guaranteed floating income type	80,000	2024/06/20	2025/03/21	Structural deposits	No	1,529.70	0	0
Agricultural Bank of China, Tianjin Tanggu Branch	Bank wealth management products	Principal-guaranteed floating income type	60,000	2024/06/18	2025/06/18	Structural deposits	No	1,069.36	0	0
ICBC Tianjin Branch	Bank wealth management products	Principal-guaranteed floating income type	80,000	2024/07/01	2025/07/01	Structural deposits	No	2,025.21	0	0
Guangfa Bank, Tianjin Branch	Bank wealth management products	Principal-guaranteed floating income type	40,000	2024/07/24	2025/04/10	Structural deposits	No	663.00	0	0
Guangfa Bank, Tianjin Branch	Bank wealth management products	Principal-guaranteed floating income type	40,000	2024/07/24	2025/04/10	Structural deposits	No	663.00	0	0
Agricultural Bank of China, Tianjin Tanggu Branch	Bank wealth management products	Principal-guaranteed floating income type	60,000	2024/07/25	2025/07/25	Structural deposits	No	808.13	0	0
Agricultural Bank of China, Tianjin Tanggu Branch	Bank wealth management products	Principal-guaranteed floating income type	60,000	2024/07/30	2025/07/30	Structural deposits	No	773.32	0	0
ICBC Tianjin Branch	Bank wealth management products	Principal-guaranteed floating income type	60,000	2024/08/26	2025/08/26	Structural deposits	No	1,511.49	0	0
Guangfa Bank, Tianjin Branch	Bank wealth management products	Principal-guaranteed floating income type	60,000	2024/08/27	2025/05/23	Structural deposits	No	881.46	0	0
ICBC Tianjin Branch	Bank wealth management products	Principal-guaranteed floating income type	60,000	2024/09/23	2025/09/23	Structural deposits	No	1,440.45	0	0
Bank of China Tianjin Branch	Bank wealth management products	Principal-guaranteed floating income type	30,000	2024/10/30	2025/10/30	Structural deposits	No	693.40	0	0
Guangfa Bank, Tianjin Branch	Bank wealth management products	Principal-guaranteed floating income type	40,000	2024/12/17	2025/06/13	Structural deposits	No	437.86	0	0

Trustee	Type of entrusted wealth management	Risk profile	Amount of entrusted wealth management	Start date of entrusted wealth management	End date of entrusted wealth management	Funds Invested in	Whether there is a restricted situation	Actual Profit or loss	Unmatured amount	Amount overdue for collection
Bank of China Tianjin Branch	Bank wealth management products	Principal-guaranteed floating income type	30,000	2024/12/19	2025/12/19	Structural deposits	No	693.40	0	0
Construction Bank of China, Tianjin Development Branch	Bank wealth management products	Principal-guaranteed floating income type	20,000	2024/12/20	2025/06/23	Structural deposits	No	151.53	0	0
Bank of China Tianjin Branch	Bank wealth management products	Principal-guaranteed floating income type	70,000	2025/3/21	2025/12/16	Structural deposits	No	512.92	0	0
Guangfa Bank, Tianjin Branch	Bank wealth management products	Principal-guaranteed floating income type	50,000	2025/4/25	2025/7/21	Structural deposits	No	264.22	0	0
Guangfa Bank, Tianjin Branch	Bank wealth management products	Principal-guaranteed floating income type	40,000	2025/2/21	2025/11/18	Structural deposits	No	251.81	0	0
ICBC Tianjin Branch	Bank wealth management products	Principal-guaranteed floating income type	90,000	2025/3/25	2026/3/25	Structural deposits	No	0	90,000	0
Construction Bank of China, Tianjin Development Branch	Bank wealth management products	Principal-guaranteed floating income type	80,000	2025/4/29	2026/4/29	Structural deposits	No	0	80,000	0
ICBC Tianjin Branch	Bank wealth management products	Principal-guaranteed floating income type	30,000	2025/5/9	2026/5/8	Structural deposits	No	0	30,000	0
Construction Bank of China, Tianjin Development Branch	Bank wealth management products	Principal-guaranteed floating income type	60,000	2025/5/29	2026/5/29	Structural deposits	No	0	60,000	0
ICBC Tianjin Branch	Bank wealth management products	Principal-guaranteed floating income type	60,000	2025/6/4	2026/6/4	Structural deposits	No	0	60,000	0
Construction Bank of China, Tianjin Development Branch	Bank wealth management products	Principal-guaranteed floating income type	80,000	2025/6/23	2026/6/23	Structural deposits	No	0	80,000	0
Agricultural Bank of China, Tianjin Tanggu Branch	Bank wealth management products	Principal-guaranteed floating income type	40,000	2025/6/25	2026/6/25	Structural deposits	No	0	40,000	0
Agricultural Bank of China, Tianjin Tanggu Branch	Bank wealth management products	Principal-guaranteed floating income type	80,000	2025/7/3	2026/7/3	Structural deposits	No	0	80,000	0
Agricultural Bank of China, Tianjin Tanggu Branch	Bank wealth management products	Principal-guaranteed floating income type	100,000	2025/7/28	2026/7/28	Structural deposits	No	0	100,000	0
Construction Bank of China, Tianjin Development Branch	Bank wealth management products	Principal-guaranteed floating income type	70,000	2025/7/31	2026/7/31	Structural deposits	No	0	70,000	0

Trustee	Type of entrusted wealth management	Risk profile	Amount of entrusted wealth management	Start date of entrusted wealth management	End date of entrusted wealth management	Funds Invested in	Whether there is a restricted situation	Actual Profit or loss	Unmatured amount	Amount overdue for collection
Construction Bank of China, Tianjin Development Branch	Bank wealth management products	Principal-guaranteed floating income type	100,000	2025/8/28	2026/8/28	Structural deposits	No	0	100,000	0
Agricultural Bank of China, Tianjin Tanggu Branch	Bank wealth management products	Principal-guaranteed floating income type	20,000	2025/12/24	2026/3/31	Structural deposits	No	0	20,000	0
Guangfa Bank, Tianjin Branch	Bank wealth management products	Principal-guaranteed floating income type	30,000	2025/12/24	2026/6/22	Structural deposits	No	0	30,000	0
Everbright Bank, Tianjin Branch	Bank wealth management products	Principal-guaranteed floating income type	50,000	2025/12/26	2026/1/25	Structural deposits	No	0	50,000	0
Everbright Bank, Tianjin Branch	Bank wealth management products	Principal-guaranteed floating income type	50,000	2025/12/26	2026/1/25	Structural deposits	No	0	50,000	0
Total	/	/	2,350,000	/	/	/	/	27,177.18	1,190,000	0

Others

Applicable Not applicable

(3) Provision for impairment of entrusted wealth management

Applicable Not applicable

2. Entrusted Loan Status

(1) Entrusted loans on the whole

Applicable Not applicable

Others

Applicable Not applicable

(2) Individual entrusted loans

Applicable Not applicable

Others

Applicable Not applicable

(3) Provision for impairment of entrusted loan

Applicable Not applicable

3. Others

Applicable Not applicable

(IV) Other significant contracts

Applicable Not applicable

To fully demonstrate the company's achievements in implementing and advancing its overseas strategy, the company disclosed on August 30, 2025, that it had won the bid for Qatar Energy's BH-EPIC1 and BH-EPIC2 projects, with a contract value of approximately \$4 billion. On October 22, 2025, the company further disclosed the progress of formally signing the contract for the awarded projects. On October 25, 2025, a voluntary disclosure was made regarding the formal signing of the Bundled Phases 4 EPCI turnkey project contract for the wellhead platform and new subsea pipeline work package with Thailand's PTTEP company, with a contract value of approximately \$800 million.

For specific details, please refer to the announcements disclosed by the company on designated information disclosure media: "Offshore Oil Engineering Announcement on Winning Overseas Project Bids" (August 30, 2025), "Offshore Oil Engineering Announcement on Progress in Signing Contracts for Awarded Projects" (October 22, 2025), and "Offshore Oil Engineering

Voluntary Announcement on Overseas Projects” (October 25, 2025) (Announcement Numbers: 2025-027, 2025-032, and 2025-034).

The performance of the above projects reflects the Company’s continuous strengthening of overseas market development and promotion of high-quality development of overseas business, and is an important manifestation of the Company’s strategic determination.

XIV. Explanation on the Progress of Fund Utilization

Applicable Not applicable

(I) Overall use of proceeds

Applicable Not applicable

Unit: (ten thousand yuan)

Source of proceeds	Fully-funded time	Total proceeds	Net proceeds (1)	Total committed investment of proceeds in the prospectus or fundraising prospectus (2)	Total excess proceeds (3) = (1) - (2)	Cumulative total proceeds invested as at the end of the reporting period (4)	Including: cumulative total excess proceeds invested as at the end of the reporting period (5)	Cumulative investment progress of proceeds as at the end of the reporting period (%) (6) = (4)/(1)	Cumulative investment progress of excess proceeds as at the end of the reporting period (%) (7) = (5)/(3)	Amount invested in the current year (8)	Proportion of amount invested in the current year (%) (9) = (8)/(1)	Total proceeds with changed purpose
Others	September 27, 2013	349,999.94	347,149.62	347,149.62	0.00	341,923.62	0	98.49	0.00	7,052.98	2.03	0.00
Total	/	349,999.94	347,149.62	347,149.62	0.00	341,923.62	0	98.49	0.00	7,052.98	2.03	0.00

Other notes

Applicable Not applicable

(II) Details of the equity investment project

Applicable Not applicable

1. Detailed use of proceeds

Applicable Not applicable

Unit: (ten thousand yuan)

Source of proceeds	Project name	Project nature	Whether it is a committed investment project in the prospectus or fundraising prospectus	Whether it involves change in committed investment	Total planned investment of proceeds (1)	Amount invested in the current year	Cumulative total proceeds invested as at the end of the reporting period (2)	Cumulative investment progress as at 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 investment progress is as planned	Specific reasons why the investment progress fails to meet the plan	Benefits achieved in the current year	Achieved benefits or research and development results of the project	Whether the project feasibility has changed significantly, if so, please specify	Balance
Others	Project of Zhuhai Deep Water Marine Engineering Equipment Manufacturing Base	Production and construction	Yes	No	347,149.62	7,052.98	341,923.62	98.49	As at the end of the period, Phases I, II and III of the Base were completed and put into use	No	Yes	Not applicable	2,826.89	-122,873.40	No	0
Total	/	/	/	/	347,149.62	7,052.98	341,923.62	98.49	/	/	/	/	2,826.89	-122,873.40	/	0

2. Detailed use of excess proceeds Applicable Not applicable**3. Specific circumstances of the re-evaluation of fundraising projects during the reporting period** Applicable Not applicable**(III) Change or termination of the equity investment during the reporting period** Applicable Not applicable**(IV) Other use of proceeds during the reporting period****1. Pre-investment and replacement of the project invested with proceeds** Applicable Not applicable**2. Using part of the idle proceeds to temporarily replenish the working capital** Applicable Not applicable**3. Cash management of idle proceeds, and investment-related products** Applicable Not applicable**4. Others** Applicable Not applicable**(V) The intermediary agency's conclusionary opinions on the special verification and attestation regarding the storage and use of the raised funds.** Applicable Not applicable

The company's disclosed information regarding the use of raised funds has been timely, truthful, accurate, and complete, with no violations in the storage, use, or management of the raised funds.

Explanation of the relevant situation regarding the verification anomaly.

 Applicable Not applicable**(VI) Subsequent rectification of unauthorized changes in the use of raised funds and illegal appropriation of raised funds** Applicable Not applicable**XV. Other significant matters that have significant impact on investors' value judgments and investment decisions** Applicable Not applicable**Regarding financial assistance**

The company held the 7th meeting of the 8th Board of Directors on December 18, 2024, and the 2024 Annual General Meeting of Shareholders on April 8, 2025. At these meetings, the "Proposal on Providing Financial Assistance by a Wholly-Owned Subsidiary" was reviewed and approved. To meet the funding needs for project construction, it was agreed that, in accordance with the consortium agreement, the Uganda Branch of International Co., Ltd., a subsidiary under the company's wholly-owned subsidiary Offshore Oil Engineering International Co., Ltd., and the other party of the consortium would each provide financial support not exceeding US\$6.5 million to the consortium based on their respective equity shares in the consortium. The support will have a term of one year with an annualized interest rate of 6% per annum. On April 22, 2025, the company announced that, in accordance with the production and operational funding requirements of the consortium, the Uganda Branch of International Co., Ltd. and the consortium have signed a loan agreement (for specific details, please refer to the "Offshore Oil Engineering Announcement Regarding the Progress of Financial Assistance Provided by a Wholly-Owned Subsidiary" (Lin 2025-016) disclosed by the company on the Shanghai Stock Exchange website on April 22, 2025). To meet the project funding requirements, on December 18, 2025, the company's 8th 13th meeting approved the extension of financial support provided by the Uganda branch of the company's wholly-owned subsidiary, Offshore Oil Engineering International Co., Ltd., to the consortium in the amount of USD 6.5 million. The extension period runs from the day after the original agreement's expiration date to December 31, 2027, with an annualized interest rate of 6%. and authorizes the company's management to handle the specific procedures for extending the provision of financial assistance (for details, please refer to the "Announcement on the Extension of Financial Assistance Provided by a Wholly-Owned Subsidiary of Offshore Oil Engineering" (Lin 2025-040) disclosed by the company on the Shanghai Stock Exchange website on December 20, 2025).

As of December 31, 2025, both parties will provide financial support according to their respective equity shares in the

consortium, with COOEC International Co., Ltd. Uganda Branch providing a loan of US\$2 million.

Regarding COOEC-Fluor

To strengthen the management of the holding company and improve operational decision-making efficiency, the company's 13th meeting of the 8th Board of Directors on December 18, 2025 reviewed and approved the "Proposal on the Acquisition of Equity in COOEC-Fluor Heavy Industries Co., Ltd." Agree that the company's wholly-owned subsidiary, Offshore Oil Engineering (Zhuhai) Co., Ltd. (hereinafter referred to as "COOEC Zhuhai"), will invest approximately RMB 865.398 million (including an equity acquisition consideration of RMB 859.4683 million) to acquire all 49% equity in COOEC-Fluor Heavy Industries Co., Ltd. held by Fluor International Limited, with all investment funds coming from COOEC Zhuhai's own capital. The company is currently handling the relevant acquisition procedures.

After the acquisition is completed, COOEC Zhuhai's equity stake in COOEC-Fluor will change from 51% to 100%. Meanwhile, COOEC-Fluor was the implementing entity for the company's 2013 private placement stock-funded project, the "Zhuhai Deepwater Offshore Engineering Equipment Manufacturing Base Project." Upon completion of this transaction, the equity structure of the entity implementing the fundraising project will change. The company will indirectly hold 100% equity in COOEC-Fluor through COOEC Zhuhai, and COOEC-Fluor will be transformed from a controlled subsidiary of the company into a wholly-owned subsidiary, remaining within the scope of the company's consolidated financial statements.

For specific details, please refer to the announcement "Announcement of Offshore Oil Engineering Regarding the Acquisition of Minority Equity in COOEC-Fluor and Changes in the Equity Structure of the Implementation Entity for the Company's Non-Public Issuance of Shares Project" (Provisional 2025-041) disclosed by the company on the Shanghai Stock Exchange website on December 20, 2025.

Changes in Shares and Shareholder Information

I. Changes in Share Capital

(I) Changes in shares

1. Changes in shares

During the reporting year 2025, the total number of shares of the company did not change, but the share capital structure underwent changes.

Name	Before the change		After the change	
	Quantity (shares)	Ratio	Quantity (shares)	Ratio
CNOOC	2,446,340,509	55.33%	2,448,900,709	55.39%
Public shareholders	1,975,014,291	44.67%	1,972,454,091	44.61%
Total	4,421,354,800	100%	4,421,354,800	100%

2. Notes to changes in shares

Applicable Not applicable

The company disclosed the "Announcement on the Shareholding Increase Plan by the Controlling Shareholder" on April 9, 2025. The controlling shareholder of the company plans to increase its holdings of the company's A-shares through centralized bidding on the Shanghai Stock Exchange over a 12-month period starting from April 9, 2025. The total amount of the share increase will be no less than RMB 300 million (inclusive) and no more than RMB 500 million (inclusive). After the announcement of the share increase plan, the controlling shareholder will closely monitor the fluctuations in the company's stock price and overall capital market trends, and gradually implement the plan at an opportune time.

On April 16, 2025, the controlling shareholder made its first share purchase increase of 2.5602 million A-shares of the company through the block trading system of the Shanghai Stock Exchange, with an increase amount of 13.4643 million yuan (excluding taxes and fees). Following the implementation of this share purchase increase, the controlling shareholder's total shareholding stands at 2,448,900,709 shares, representing a 55.39% stake.

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

Applicable Not applicable

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

Applicable Not applicable

(II) Changes in restricted shares

Applicable Not applicable

II. Securities issuance and listing

(I) Issuance of securities during the reporting period

Applicable Not applicable

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

Applicable Not applicable

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

Applicable Not applicable

(III) Existing internal employee shares

□ Applicable √ Not applicable

III. Shareholders and actual controller**(I) Total number of shareholders**

Total number of common shareholders as at the end of the reporting period	85,856
Total number of common shareholders as at the end of the latest month before the date of disclosure of the annual report	94,560
Total of preferred shareholders whose voting rights have been restored as at the end of the reporting period	0
Total number of preferred shareholders whose voting rights have been restored as at the end of the previous month prior to the disclosure date of the annual report	0

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

Unit: Share

Top 10 shareholders' holdings (excluding shares lent through refinancing)							
Shareholder's name (full name)	Increase or decrease during the reporting period	Number of shares held at the end of the period	Ratio (%)	Number of restrictive stocks held	Pledged, tagged or frozen		Shareholder Nature
					Status	Quantity	
China National Offshore Oil Corporation	2,560,200	2,448,900,709	55.39	0	None	0	State
Hong Kong Securities Clearing Company Ltd.	-5,361,876	117,341,183	2.65	0	None	0	Overseas Legal person
Agricultural Bank of China Co., Ltd. - CSI 500 ETF	-3,425,370	32,599,830	0.74	0	None	0	Unknown
Yuan Fengliu	-6,204,981	29,283,519	0.66	0	None	0	Unknown
Lang Junwei	-14,701,234	19,985,000	0.45	0	None	0	Unknown
National Social Security Fund 402 Portfolio	-16,127,200	17,000,000	0.38	0	None	0	Unknown
Yan Ruigang	-15,630,618	15,981,682	0.36	0	None	0	Unknown
Industrial and Commercial Bank of China Limited - Orient Red New Power Flexible Allocation Mixed Securities Investment Fund	-16,190,320	14,999,340	0.34	0	None	0	Unknown
Yang Ruifen	-17,219,650	13,880,100	0.31	0	None	0	Unknown
Basic Old-age Insurance Fund Portfolio 2102	-18,393,392	12,437,508	0.28	0	None	0	Unknown

Shareholdings of top ten non-restrictive shareholders (excluding shares loaned through refinancing facilities)			
Shareholder's name	Number of non-restrictive tradable shares held	Type and number of stocks	
		Category	Quantity
China National Offshore Oil Corporation	2,448,900,709	RMB common stocks	2,448,900,709
Hong Kong Securities Clearing Company Ltd.	117,341,183	RMB common stocks	117,341,183
Agricultural Bank of China Co., Ltd. - CSI 500 ETF	32,599,830	RMB common stocks	32,599,830
Yuan Fengliu	29,283,519	RMB common stocks	29,283,519
Lang Junwei	19,985,000	RMB common stocks	19,985,000
National Social Security Fund 402 Portfolio	17,000,000	RMB common stocks	17,000,000
Yan Ruigang	15,981,682	RMB common stocks	15,981,682
Industrial and Commercial Bank of China Limited - Orient Red New Power Flexible Allocation Mixed Securities Investment Fund	14,999,340	RMB common stocks	14,999,340
Yang Ruifen	13,880,100	RMB common stocks	13,880,100
Basic Old-age Insurance Fund Portfolio 2102	12,437,508	RMB common stocks	12,437,508
Special repurchase accounts among the top ten shareholders			Not applicable
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
Preferred shareholders with recovered voting rights and number of stocks held by them			Not applicable

Participation of shareholders holding more than 5% of the shares, the top 10 shareholders and the top 10 shareholders of unrestricted tradable shares in lending shares through refinancing business

Applicable Not applicable

Changes of the top 10 shareholders and the top 10 shareholders of unrestricted tradable shares compared with the previous period due to refinancing lending/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

IV. Controlling shareholders and actual controller

(I) Controlling shareholders

1. Legal person

Applicable Not applicable

Name	China National Offshore Oil Corporation
Person in charge or legal representative	Zhang Chuanjiang
Date of establishment	February 15, 1982
Main operating business	Licensing Items: Offshore Oil Extraction; Offshore Natural Gas Extraction; Onshore Oil and Natural Gas Extraction; Mineral Resource Exploration; Fertilizer Production; Construction Project Survey; Construction Project Design; Construction Project Construction; Import and Export of Goods under State Trading Management; Power Generation Business, Power Transmission Business, Power Supply (Distribution) Business; Gas Operations. (Projects subject to approval according to law may only be carried out after approval by relevant departments. Specific business activities shall be subject to the approval documents or permits issued by relevant departments.) General Projects: Manufacture of petroleum products (excluding hazardous chemicals); Sales of petroleum products (excluding hazardous chemicals); Processing and manufacturing of lubricants (excluding hazardous chemicals); Sales of lubricants; Production of chemical products (excluding licensed chemical products); Sales of chemical products (excluding licensed chemical products); Fertilizer sales; Chemical fertilizer sales; Research and development of offshore engineering equipment; sales of offshore engineering equipment; Overseas contracted projects; Undertaking construction business of the parent company; Engineering management services; Engineering technical services (excluding planning management, surveying, design, and supervision); Research and experimental development in engineering and technology; Mineral resource reserve assessment services; Mineral resource reserve estimation and report preparation services; Mineral processing; Oil and gas technical services; Technical services, technical development, technical consultation, technical exchange, technology transfer, and technology promotion; Import and export of goods; Research and development of offshore wind power related systems; Biomass energy technical services; Research and development of unconventional water source utilization technologies; Research and development of emerging energy technologies. (Except for projects that require approval according to law, carry out business activities independently in accordance with the law with the business license.) (Not to engage in business activities in projects prohibited or restricted by national and municipal industrial policies.)
Equities of other domestic and overseas public companies during the reporting period	Other domestic and foreign listed companies controlled by China National Offshore Oil Corporation during the reporting period are: CNOOC Limited, China Oilfield Services Limited, CNOOC Energy Technology & Services Limited and CNOOC Petrochemical Company Limited.
Other circumstances	China National Offshore Oil Corporation is a central enterprise controlled by the State-owned Assets Supervision and Administration Commission of the State Council. The State-owned Assets Supervision and Administration Commission of the State Council holds 90% of the shares of China National Offshore Oil Corporation and the National Council for Social Security Fund holds 10% of the shares of China National Offshore Oil Corporation.

2. Natural person

Applicable Not applicable

3. Special note on the absence of controlling shareholders of COOEC

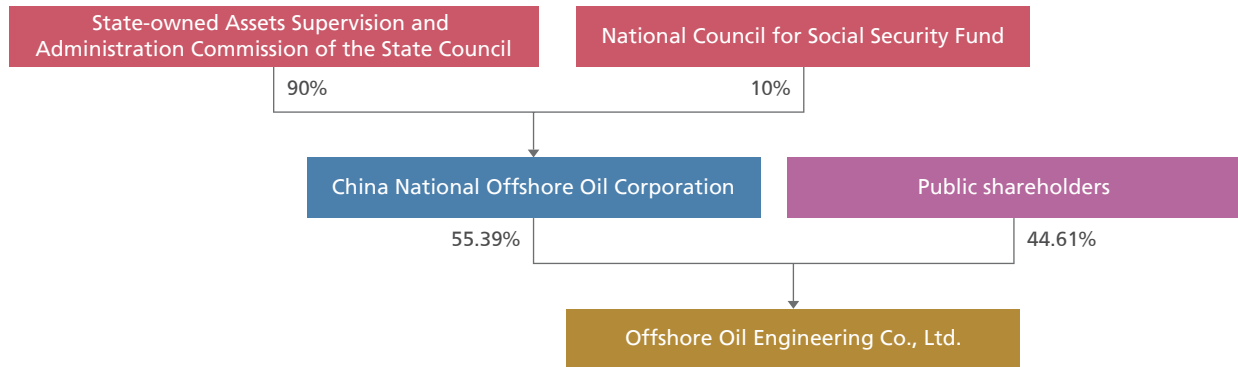
Applicable Not applicable

4. Changes in controlling shareholders during the reporting period

Applicable Not applicable

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

Applicable Not applicable



(II) Actual controller

1. Legal person

Applicable Not applicable

Name	China National Offshore Oil Corporation
Person in charge or legal representative	Zhang Chuanjiang
Date of establishment	February 15, 1982
Main operating business	Licensing Items: Offshore Oil Extraction; Offshore Natural Gas Extraction; Onshore Oil and Natural Gas Extraction; Mineral Resource Exploration; Fertilizer Production; Construction Project Survey; Construction Project Design; Construction Project Construction; Import and Export of Goods under State Trading Management; Power Generation Business, Power Transmission Business, Power Supply (Distribution) Business; Gas Operations. (Projects subject to approval according to law may only be carried out after approval by relevant departments. Specific business activities shall be subject to the approval documents or permits issued by relevant departments.) General Projects: Manufacture of petroleum products (excluding hazardous chemicals); Sales of petroleum products (excluding hazardous chemicals); Processing and manufacturing of lubricants (excluding hazardous chemicals); Sales of lubricants; Production of chemical products (excluding licensed chemical products); Sales of chemical products (excluding licensed chemical products); Fertilizer sales; Chemical fertilizer sales; Research and development of offshore engineering equipment; sales of offshore engineering equipment; Overseas contracted projects; Undertaking construction business of the parent company; Engineering management services; Engineering technical services (excluding planning management, surveying, design, and supervision); Research and experimental development in engineering and technology; Mineral resource reserve assessment services; Mineral resource reserve estimation and report preparation services; Mineral processing; Oil and gas technical services; Technical services, technical development, technical consultation, technical exchange, technology transfer, and technology promotion; Import and export of goods; Research and development of offshore wind power related systems; Biomass energy technical services; Research and development of unconventional water source utilization technologies; Research and development of emerging energy technologies. (Except for projects that require approval according to law, carry out business activities independently in accordance with the law with the business license.) (Not to engage in business activities in projects prohibited or restricted by national and municipal industrial policies.)
Equities of other domestic and overseas public companies during the reporting period	Other domestic and foreign listed companies controlled by China National Offshore Oil Corporation during the reporting period are: CNOOC Limited, China Oilfield Services Limited, CNOOC Energy Technology & Services Limited and CNOOC Petrochemical Company Limited.
Other circumstances	China National Offshore Oil Corporation is a central enterprise controlled by the State-owned Assets Supervision and Administration Commission of the State Council. The State-owned Assets Supervision and Administration Commission of the State Council holds 90% of the shares of China National Offshore Oil Corporation and the National Council for Social Security Fund holds 10% of the shares of China National Offshore Oil Corporation.

2. Natural person

Applicable Not applicable

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

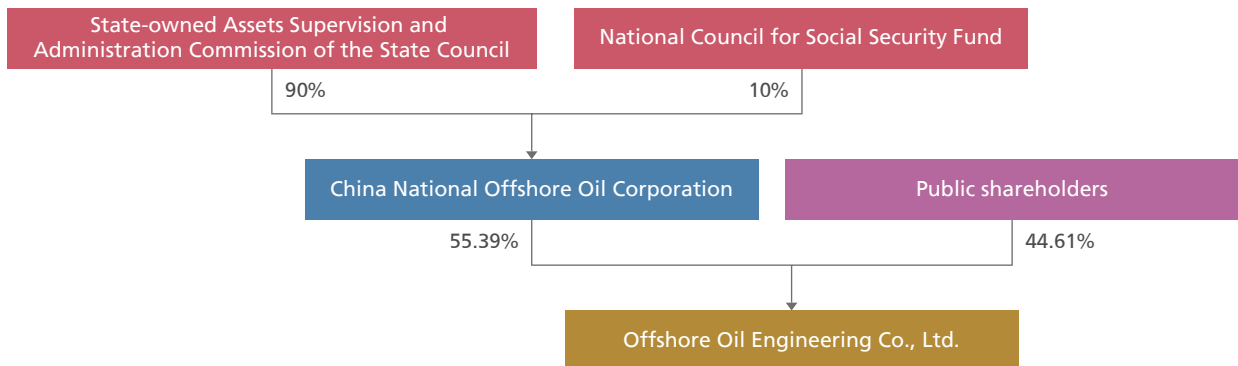
Applicable Not applicable

4. Change in control of COOEC during the reporting period

Applicable Not applicable

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

Applicable Not applicable



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

Applicable Not applicable

(III) Other information on controlling shareholders and actual controller

Applicable Not applicable

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

Applicable Not applicable

VI. Other institutional shareholder holding more than 10%

Applicable Not applicable

VII. Notes to limitation on selling shares

Applicable Not applicable

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

Applicable Not applicable

IX. Information on Preferred Shares

Applicable Not applicable

Bond-related situation

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

Applicable ✓ Not applicable

II. Convertible corporate bonds

Applicable ✓ Not applicable

Financial Report



I. Audit Report

Applicable Not applicable

ZHSZ (2026) No. 0200124

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

(I) Opinion

We have audited the accompanying financial statements of Offshore Oil Engineering Co., Ltd. (hereinafter referred to as "COOEC"), which comprise the consolidated balance sheet and the Company's balance sheet as at December 31, 2025, the consolidated income statement and the Company's income statement, the consolidated statement of cash flows and the Company's statement of cash flows, and the consolidated statement of changes in shareholders' equity and the Company's statement of changes in shareholders' equity for the year ended December 31, 2024 as well as the notes to the relevant financial statements for the year then ended.

In our opinion, the financial statements attached are prepared in accordance with Accounting Standards for Business Enterprises and present fairly, in all material respects, the consolidated financial position of COOEC and the Company's financial position as at December 31, 2025 and the consolidated operating results and cash flows and the Company's operating results and cash flows for the year then ended.

(II) Basis for Opinion

We conducted our audit in accordance with China Standards on Auditing ("CSAs"). The section of the Responsibilities of Certified Public Accountants for the Audit of Financial Statements in the audit report further elaborates on our responsibilities under these standards. In accordance with the Chinese Code of Independence for Certified Public Accountants and the Chinese Code of Ethics for Certified Public Accountants, we are independent of Offshore Oil Engineering Co., Ltd. and have fulfilled other professional ethics responsibilities. We have also complied with the independence requirements applicable to public interest entities. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

(III) Key Audit Matters

Key matters are matters we deem the most significant to the audit of financial statements based on our professional judgment. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have identified the following matters as key audit matters to be communicated in the auditors' report.

1. Revenue recognition of engineering contracting business

Key audit matters	How the audit addressed the matter
<p>Revenue recognition of engineering contracting business</p> <p>For the disclosure of the accounting policy on revenue recognition, please refer to Note V. 34, and for the disclosure of revenue categories, please refer to Note VII. 61.</p> <p>In 2025, the consolidated operating revenue of COOEC was RMB 27.1634332 billion, of which RMB 27.0511957 billion, or 99.59% of the consolidated operating revenue, was recognized from the engineering contracting business, which is material to the financial statements as a whole.</p> <p>The engineering contracting business of COOEC is mainly a performance obligation to be performed within a certain period of time in accordance with the provisions of ASBE No. 14 - Revenue, and revenue is recognized over the contract period in accordance with the performance progress determined by the input method. The management of COOEC makes reasonable estimates of the expected total contract revenue and expected total contract cost to determine the contract performance schedule based on the contract budget of the contracted projects, and evaluates and revises them continuously during the contract execution process, which involves the use of significant accounting estimates and judgments by management, and such estimates this involves management applying significant accounting estimates and judgments that are affected by judgments about future markets and economic conditions, which in turn may affect whether COOEC recognizes revenue in the appropriate accounting period in accordance with the performance progress. For the above reasons, we recognize the revenue from engineering contracting business as a key audit matter.</p>	<p>For the revenue recognition of engineering contracting business, the main audit procedures we implemented include:</p> <ol style="list-style-type: none"> (1) Testing and evaluating the effectiveness of key internal controls related to the preparation of estimated total costs and revenue recognition for engineering contracting projects; (2) Sampling and reviewing project contracts in the engineering contracting contract ledger, inspecting the main trading terms, evaluating the correctness of the management's performance judgment at a certain time or within a certain period of time, and evaluating the reasonableness of transaction price and variable consideration evaluated by the management; (3) Selecting the contracting projects by sampling, checking project contracts and cost budget data on which the estimated total revenue and estimated total cost are based, and evaluating whether the estimates made by the management are reasonable and sufficiently grounded; (4) Selecting the contracting projects by sampling to test the contract costs incurred in the current period; (5) Sampling and selecting projects in the engineering contracting contract ledger, and recalculating the performance progress to verify their accuracy; (6) Selecting major engineering projects, confirming the image progress of the project by checking the monthly project report and the project image progress on site, comparing it with the performance progress recorded in the book, and performing further inspection procedures for abnormal deviations.

(IV) Other Information

The management of Offshore Oil Engineering is responsible for other information. The other information comprises information of the 2025 annual report of COOEC, but excludes the financial statements and our auditors' report.

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

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

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

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

The management of COOEC (hereinafter referred to as "management") is responsible for preparing financial statements in accordance with the provisions of accounting standards to ensure that they reflect the true financial position fairly, and for designing, implementing and maintaining necessary internal controls to ensure that the financial statements are free from material misstatement due to fraud or error.

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

The governance is responsible for overseeing the financial reporting process of COOEC.

(VI) Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but it does not guarantee that an audit performed in accordance with auditing standards will always detect a material misstatement when it exists. Misstatements may result from fraud or error and are generally considered material misstatement if they are individually or in the aggregate likely to influence the economic decisions of users based on the financial statements.

In performing our audits in accordance with auditing standards, we exercise professional judgment and maintain professional

skepticism. At the same time, we also perform the following tasks:

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

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

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

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

Zhongshenzhonghuan Certified Public Accountants
(Special General Partnership)



Wuhan, China

Certified Public Accountant of China:
Zhao Yunjie
(Project partner):



Certified Public Accountant of China:
Li Yan



March 19, 2026

II. Financial Statements

Consolidated Balance Sheet

December 31, 2025

Preparing unit: Offshore Oil Engineering Co., Ltd.

Unit: (ten thousand yuan) Currency: RMB

Items	Notes	December 31, 2025	December 31, 2024
Current assets:			
Cash and cash equivalents	VII. 1	743,895.56	606,704.22
Balances with clearing companies			
Loans to other banks and financial institutions			
Trading financial assets	VII. 2	949,429.23	1,010,697.32
Derivative financial assets			
Notes receivable	VII. 4	28.80	893.55
Accounts receivable	VII. 5	749,144.91	755,681.84
Accounts receivable financing			
Prepayment	VII. 8	90,344.82	95,845.25
Premium receivable			
Reinsurance accounts receivable			
Provision of cession receivable			
Other receivables	VII. 9	19,548.21	23,230.55
Including: interest receivable			
Dividends receivable			
Financial assets purchased under resale agreements			
Stock	VII. 10	69,967.77	75,410.26
Including: data resources			
Contract assets	VII. 6	243,455.81	290,054.08
Assets held for sale			
Non-current assets due within one year	VII. 12	245,317.99	
Other current assets	VII. 13	59,910.65	43,448.16
Total current assets		3,171,043.75	2,901,965.23
Non-current assets:			
Loans and advances			
Debt investment	VII. 14	20,357.21	238,829.19
Other debt investments			
Long-term receivables			
Long-term equity investment			
Other equity instrument investments	VII. 18	7,067.14	7,067.14
Other non-current financial assets			
Investment property			
Fixed assets	VII. 21	1,234,081.83	1,244,686.85
Construction in progress	VII. 22	52,727.49	59,330.27
Productive biological assets			
Oil and gas assets			
Right-of-use assets	VII. 25	85,361.13	85,754.97
Intangible assets	VII. 26	215,320.23	217,211.59
Including: data resources			
Development expenditure			

Items	Notes	December 31, 2025	December 31, 2024
Including: data resources			
Goodwill			
Long-term deferred expenses	VII. 28	27,149.68	22,168.44
Deferred tax assets	VII. 29	46,066.04	46,074.59
Other non-current assets	VII. 30	60,039.45	
Total non-current assets		1,748,170.20	1,921,123.04
Total assets		4,919,213.95	4,823,088.27
Current liabilities:			
short-term loans			
Borrowings from central bank			
Loans from other banks and other financial institutions			
Trading financial liabilities			
Derivative financial liabilities			
Notes Payable	VII. 35	2,436.22	11,560.20
Accounts payable	VII. 36	1,222,597.20	1,314,462.55
Advance payments	VII. 37	1.89	
Contractual liabilities	VII. 38	320,376.01	231,811.06
Financial assets sold under repurchase agreements			
Absorption of deposits and interbank deposits			
Receivings from vicariously traded securities			
Receivings from vicariously sold securities			
Employee compensation payable	VII. 39	49,889.00	54,684.53
Taxes payable	VII. 40	37,961.07	55,272.52
Other payables	VII. 41	140,844.83	65,701.56
Including: interest payable			
Dividends payable			
Handling charges and commissions payable			
Reinsurance accounts payable			
Liabilities held for sale			
Non-current liabilities due within one year	VII. 43	75,489.30	50,530.59
Other current liabilities	VII. 44	62,125.67	58,455.73
Total current liabilities		1,911,721.19	1,842,478.74
Non-current liabilities:			
Reserves for insurance contracts			
Long-term loans	VII. 45	9,000.27	13,000.40
Bonds Payable			
Of which: Preferred shares			
Perpetual bonds			
Lease liabilities	VII. 47	52,565.41	59,651.54
Long-term payables			
Long-term employee compensation payable			
Estimated liabilities	VII. 50	61,259.93	59,985.96
Deferred revenue	VII. 51	19,765.02	16,756.47
Deferred tax liabilities	VII. 52	3,536.24	3,697.37
Other non-current liabilities			
Total non-current liabilities		146,126.87	153,091.74

Items	Notes	December 31, 2025	December 31, 2024
Total Liabilities		2,057,848.06	1,995,570.48
Owners' equity (or shareholders' equity):			
Paid-in capital (or share capital)	VII. 53	442,135.48	442,135.48
Other equity instruments			
Of which: Preferred shares			
Perpetual bonds			
Capital reserve	VII. 55	424,802.17	424,802.17
Minus: Treasury stocks			
Other comprehensive income	VII. 57	-4,424.76	-5,532.99
Special reserves	VII. 58	7,827.96	11,431.68
Surplus reserve	VII. 59	258,448.36	230,410.06
General risk reserves			
Undistributed profit	VII. 60	1,528,994.88	1,523,405.63
Total equity attributable to owners (shareholders) of the parent company		2,657,784.09	2,626,652.03
Minority shareholders' interests		203,581.80	200,865.76
Total owners' equity (or shareholders' equity)		2,861,365.89	2,827,517.79
Total liabilities and owners' (or shareholders') equity		4,919,213.95	4,823,088.27

Legal representative: Wang Zhangling Chief accountant: Cai Huaiyu Chief finance officer: Yao Baoqin

Company's Balance Sheet

December 31, 2025

Preparing unit: Offshore Oil Engineering Co., Ltd.

Unit: (ten thousand yuan) Currency: RMB

Items	Notes	December 31, 2025	December 31, 2024
Current assets:			
Cash and cash equivalents		540,391.83	422,004.74
Trading financial assets		949,429.23	1,010,697.32
Derivative financial assets			
Notes receivable		28.80	893.55
Accounts receivable	XIX. 1	722,193.90	723,526.14
Accounts receivable financing			
Prepayment		109,040.23	83,576.75
Other receivables	XIX. 2	33,015.59	34,715.95
Including: interest receivable			
Dividends receivable			12.29
Stock		30,538.96	31,823.14
Including: data resources			
Contract assets		204,820.80	194,878.83
Assets held for sale			
Non-current assets due within one year		245,317.99	
Other current assets		23,121.75	21,748.78
Total current assets		2,857,899.08	2,523,865.20
Non-current assets:			
Debt investment		20,357.21	238,829.19
Other debt investments			
Long-term receivables			
Long-term equity investment	XIX. 3	1,005,062.04	1,004,048.85
Other equity instrument investments		7,067.14	7,067.14
Other non-current financial assets			
Investment property			
Fixed assets		542,270.75	550,924.06
Construction in progress		16,282.01	38,900.14
Productive biological assets			
Oil and gas assets			
Right-of-use assets		77,083.15	11,934.11
Intangible assets		44,941.74	41,265.18
Including: data resources			
Development expenditure			
Including: data resources			
Goodwill			
Long-term deferred expenses		18,521.45	13,157.89
Deferred tax assets		23,194.76	33,576.33
Other non-current assets		60,039.45	
Total non-current assets		1,814,819.70	1,939,702.89
Total assets		4,672,718.78	4,463,568.09
Current liabilities:			

Items	Notes	December 31, 2025	December 31, 2024
short-term loans		356,878.18	520,016.74
Trading financial liabilities			
Derivative financial liabilities			
Notes Payable		2,436.22	11,560.20
Accounts payable		1,046,393.39	1,046,706.12
Advance payments		1.89	
Contractual liabilities		316,236.20	218,857.82
Employee compensation payable		26,986.18	27,525.20
Taxes payable		16,021.28	37,890.66
Other payables		79,924.11	54,344.29
Including: interest payable			
Dividends payable			
Liabilities held for sale			
Non-current liabilities due within one year		59,583.98	20,423.73
Other current liabilities		60,724.64	55,413.48
Total current liabilities		1,965,186.07	1,992,738.24
Non-current liabilities:			
Long-term loans		9,000.27	13,000.40
Bonds Payable			
Of which: Preferred shares			
Perpetual bonds			
Lease liabilities		49,174.96	2,003.57
Long-term payables			
Long-term employee compensation payable			
Estimated liabilities		25,837.21	23,410.38
Deferred revenue		11,849.03	8,961.52
Deferred tax liabilities			
Other non-current liabilities			
Total non-current liabilities		95,861.47	47,375.87
Total Liabilities		2,061,047.54	2,040,114.11
Owners' equity (or shareholders' equity):			
Paid-in capital (or share capital)		442,135.48	442,135.48
Other equity instruments			
Of which: Preferred shares			
Perpetual bonds			
Capital reserve		424,538.80	424,538.80
Minus: Treasury stocks			
Other comprehensive income		28.23	54.38
Special reserves		7,827.96	11,098.28
Surplus reserve		257,483.78	229,445.48
Undistributed profit		1,479,656.99	1,316,181.56
Total owners' equity (or shareholders' equity)		2,611,671.24	2,423,453.98
Total liabilities and owners' (or shareholders') equity		4,672,718.78	4,463,568.09

Legal representative: Wang Zhangling Chief accountant: Cai Huaiyu Chief finance officer: Yao Baoqin

Consolidated Income Statement

January-December 2025

Unit:(ten thousand yuan) Currency: RMB

Items	Notes	2025	2024
I. Total Operating Revenue	VII. 61	2,716,343.32	2,995,441.59
Of which: Operating revenue	VII. 61	2,716,343.32	2,995,441.59
Interest income			
Premiums earned			
Income from handling charges and commissions:			
II. Total Operating Costs		2,503,038.43	2,789,065.28
Of which: Operating costs	VII. 61	2,340,154.01	2,627,480.22
Interest expenditures			
Handling charges and commission expenditures			
Surrender value			
Net amount of compensation payout			
Net insurance liability reserves withdrawn			
Policy dividend payment			
Reinsurance costs			
Taxes and surcharges	VII. 62	15,617.22	13,952.19
Sales expenses	VII. 63	4,194.48	3,443.84
Management expenses	VII. 64	38,364.95	36,059.72
Research and development expenses	VII. 65	119,069.09	122,733.73
Financial expenses	VII. 66	-14,361.32	-14,604.42
Of which: interest expense	VII. 66	2,213.70	1,984.19
Interest income	VII. 66	11,641.57	12,457.09
Add: Other income	VII. 67	21,438.21	29,235.91
Investment income ("-" for losses)	VII. 68	16,531.29	20,154.44
Of which: Investment income from joint ventures and associates			
Gains from derecognition of financial assets measured at amortized cost			
Gains on foreign exchange ("-" for losses)			
Income from net exposure hedging ("-" for losses)			
Gains from changes in fair value ("-" for losses)	VII. 70	9,429.23	10,697.32
Credit loss ("-" for loss)	VII. 71	-142.24	-188.17
Losses from asset impairment ("-" for loss)	VII. 72	-1,579.42	-2,637.02
Gains from disposal of assets ("-" for losses)	VII. 73	12.40	19.68
III. Operating profit ("-" for loss)		258,994.36	263,658.47
Add: Non-operating income	VII. 74	1,734.99	5,106.31
Minus: Non-operating expenses	VII. 75	8,111.42	999.14
IV. Total profits ("-" for total losses)		252,617.93	267,765.64
Minus: Income tax expense	VII. 76	41,458.28	49,136.31
V. Net profit ("-" for net loss)		211,159.65	218,629.33
(I) Classified by operating sustainability			
1. Net profit from continued operation ("-" for net loss)		211,159.65	218,629.33
2. Net profit from discontinued operations ("-" for net loss)			
(II) Classified by ownership			
1. Net profit attributable to shareholders of the parent company ("-" for net loss)		208,443.61	216,139.66
2. Minority interest income/expense ("-" for net loss)		2,716.04	2,489.67

Items	Notes	2025	2024
VI. Net Amount of Other Comprehensive Income after Tax		1,108.23	-1,985.23
(I) Other comprehensive income, net of tax, attributable to owners of the parent company		1,108.23	-1,985.23
1. Other comprehensive income that cannot be reclassified into profit or loss			
(1) Remeasurement of changes in defined benefit plans			
(2) Other comprehensive income that cannot be transferred to profit or loss under the equity method			
(2) Changes in the fair value of other equity instrument investments			
(4) Changes in the fair value of the enterprise's own credit risk			
2. Other comprehensive income reclassified into profit or loss		1,108.23	-1,985.23
(1) Other comprehensive income that can be transferred under the equity method			
(2) Changes in the fair value of other debt investments			
(3) Amount of financial assets reclassified and included in other comprehensive income			
(4) Credit impairment provision for other debt investments			
(5) Reserve for cash flow hedges			
(6) Translation differences of foreign currency financial statements		1,108.23	-1,985.23
(7) Others			
(II) Other comprehensive income, net of tax, attributable to minority shareholders			
VII. Total Comprehensive Income		212,267.88	216,644.10
(I) Total comprehensive income attributable to owners of the parent company		209,551.84	214,154.43
(II) Total comprehensive income attributable to minority shareholders		2,716.04	2,489.67
VIII. Earnings Per Share:			
(I) Basic earnings per share (RMB/share)	XX.2	0.47	0.49
(II) Diluted earnings per share (RMB/share)	XX.2	0.47	0.49

Legal representative: Wang Zhangling Chief accountant: Cai Huaiyu Chief finance officer: Yao Baoqin

Company's Income Statement

January-December 2025

Unit:(ten thousand yuan) Currency: RMB

Items	Notes	2025	2024
I. Operating revenue	XIX. 4	2,206,004.85	2,494,768.96
Less: operating costs	XIX. 4	1,969,766.93	2,263,168.24
Taxes and surcharges		10,651.21	8,759.77
Sales expenses		1,694.33	744.86
Management expenses		21,379.70	19,388.20
Research and development expenses		81,214.75	85,804.86
Financial expenses		-6,830.43	-4,683.06
Of which: interest expense		6,783.29	5,781.17
Interest income		6,809.65	7,732.01
Add: Other income		16,532.72	21,299.58
Investment income ("-" for losses)	XIX. 5	150,005.99	102,385.72
Of which: Investment income from joint ventures and associates			
Gains from derecognition of financial assets measured at amortized cost			
Income from net exposure hedging ("-" for losses)			
Gains from changes in fair value ("-" for losses)		9,429.23	10,697.32
Credit loss ("-" for loss)		-570.72	-264.24
Losses from asset impairment ("-" for loss)		-915.08	-665.78
Gains from disposal of assets ("-" for losses)			277.86
II. Operating profits ("-" for loss)		302,610.50	255,316.55
Add: Non-operating income		1,097.70	3,344.04
Minus: Non-operating expenses		480.93	456.11
III. Total profit ("for" total loss)		303,227.27	258,204.48
Minus: Income tax expense		22,844.31	23,912.15
IV. Net profit ("-" for net loss)		280,382.96	234,292.33
(I) Net profit from continued operation ("-" for net loss)		280,382.96	234,292.33
(II) Net profit from discontinued operations ("-" for net loss)			
V. Other comprehensive income, net of tax		-26.15	6,176.14
(I) Other comprehensive income that cannot be reclassified into profit or loss			
1. Remeasure the changes in the defined benefit plan			
2. Other comprehensive income that cannot be transferred to profit or loss under the equity method			
3. Changes in the fair value of other equity instrument investments			
4. Changes in the fair value of the enterprise's own credit risk			
(II) Other comprehensive income reclassified into profit or loss		-26.15	6,176.14
1. Other comprehensive income that can be transferred under the equity method			
2. Changes in the fair value of other debt investments			
3. Amount of financial assets reclassified and included in other comprehensive income			
4. Credit impairment provision for other debt investments			
5. Reserve for cash flow hedges			
6. Translation differences of foreign currency financial statements		-26.15	6,176.14
7. Others			
VI. Total comprehensive income		280,356.81	240,468.47

Items	Notes	2025	2024
VII. Earnings per share:			
(I) Basic earnings per share (RMB/share)			
(II) Diluted earnings per share (RMB/share)			

Legal representative: Wang Zhangling Chief accountant: Cai Huaiyu Chief finance officer: Yao Baoqin

Consolidated Statement of Cash Flows

January-December 2025

Unit: (ten thousand yuan) Currency: RMB

Items	Notes	2025	2024
I. Cash Flows from Operating Activities:			
Cash received from the sale of goods and provision of services		3,011,259.48	3,203,916.12
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			
Tax refund received		40,358.70	42,449.88
Other cash received related to operating activities	VII. 78	64,835.19	44,136.85
Subtotal of cash inflows from operating activities		3,116,453.37	3,290,502.85
Cash paid for purchasing goods or receiving services		2,139,129.54	2,317,139.57
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		437,540.84	424,660.87
Various taxes and fees paid		127,111.61	133,362.01
Other cash payments related to operating activities	VII. 78	53,298.27	30,315.54
Subtotal of cash outflows from operating activities		2,757,080.26	2,905,477.99
Net cash flow from operating activities		359,373.11	385,024.86
II. Cash Flows from Investing Activities:			
Cash received from the recovery of investment		1,370,000.00	1,388,000.00
Cash received from investment income		24,411.84	34,171.60
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		7.95	81.02
Net cash received from disposal of subsidiaries and other business units			

Items	Notes	2025	2024
Cash received from other investing activities			
Subtotal of cash inflows from investing activities		1,394,419.79	1,422,252.62
Cash paid for the purchase and construction of fixed assets, intangible assets and other long-term assets		108,770.09	94,718.12
Cash paid for investment		1,270,000.00	1,638,000.00
Net increase in pledge loans			
Net cash paid for acquisition of subsidiaries and other business units			
Cash payments related to other investing activities			
Subtotal of cash outflows from investing activities		1,378,770.09	1,732,718.12
Net cash flow from investing activities		15,649.70	-310,465.50
III. Cash Flows from Financing Activities:			
Cash received from investments			
Including: cash received by subsidiaries from investments of minority shareholders			
Cash received from loans			
Other cash related to fundraising activities			
Subtotal of cash inflows from financing activities			
Cash paid to repay debt			
Cash paid for dividends, profits or interest		88,891.54	65,016.28
Of which: Dividends and profits paid by subsidiaries to minority shareholders			
Other cash payments related to financing activities	VII. 78	28,646.69	12,546.62
Subtotal of cash outflows from financing activities		117,538.23	77,562.90
Net cash flow from financing activities		-117,538.23	-77,562.90
IV. The Impact of Exchange Rate Fluctuations on Cash and Cash Equivalents		-2,081.03	4,569.72
V. Net Increase in Cash and Cash Equivalents	VII. 79	255,403.55	1,566.18
Add: Beginning balance of cash and cash equivalents	VII. 79	424,476.33	422,910.15
VI. Cash and Cash Equivalents Balance at the End of the Period	VII. 79	679,879.88	424,476.33

Legal representative: Wang Zhangling Chief accountant: Cai Huaiyu Chief finance officer: Yao Baoqin

Company's Statement of Cash Flows

January-December 2025

Unit: (ten thousand yuan) Currency: RMB

Items	Notes	2025	2024
I. Cash Flows from Operating Activities:			
Cash received from the sale of goods and provision of services		2,435,822.55	2,809,288.09
Tax refund received		26,056.32	26,124.13
Other cash received related to operating activities		49,579.83	59,095.29
Subtotal of cash inflows from operating activities		2,511,458.70	2,894,507.51
Cash paid for purchasing goods or receiving services		1,828,972.23	2,290,789.56
Cash paid to and on behalf of employees		273,486.83	284,714.64
Various taxes and fees paid		79,491.47	85,032.11
Other cash payments related to operating activities		31,442.28	24,127.71
Subtotal of cash outflows from operating activities		2,213,392.81	2,684,664.02
Net cash flow from operating activities		298,065.89	209,843.49
II. Cash Flows from Investing Activities:			
Cash received from the recovery of investment		1,360,000.00	1,388,000.00
Cash received from investment income		157,899.51	116,555.26
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		7.95	2.13
Net cash received from disposal of subsidiaries and other business units			
Cash received from other investing activities		21,151.68	77,724.03
Subtotal of cash inflows from investing activities		1,539,059.14	1,582,281.42
Cash paid for the purchase and construction of fixed assets, intangible assets and other long-term assets		70,930.09	65,442.69
Cash paid for investment		1,260,000.00	1,696,636.46
Net cash paid for acquisition of subsidiaries and other business units			
Cash payments related to other investing activities		23,147.69	43,751.50
Subtotal of cash outflows from investing activities		1,354,077.78	1,805,830.65
Net cash flow from investing activities		184,981.36	-223,549.23
III. Cash Flows from Financing Activities:			
Cash received from investments			
Cash received from loans			
Other cash related to fundraising activities		962,528.95	885,911.31
Subtotal of cash inflows from financing activities		962,528.95	885,911.31
Cash paid to repay debt			
Cash paid for dividends, profits or interest		94,428.49	70,412.65
Other cash payments related to financing activities		1,112,642.89	804,210.51
Subtotal of cash outflows from financing activities		1,207,071.38	874,623.16
Net cash flow from financing activities		-244,542.43	11,288.15
IV. The Impact of Exchange Rate Fluctuations on Cash and Cash Equivalents		-1,085.32	3,482.87
V. Net Increase in Cash and Cash Equivalents		237,419.50	1,065.28
Add: Beginning balance of cash and cash equivalents		251,710.20	250,644.93
VI. Cash and Cash Equivalents Balance at the End of the Period		489,129.70	251,710.21

Legal representative: Wang Zhangling Chief accountant: Cai Huaiyu Chief finance officer: Yao Baoqin

Consolidated Statement of Changes in Owners' Equity

January-December 2025

Unit: (ten thousand yuan) Currency: RMB

Items	2025														
	Equity attributable to owners of the parent company										Minority shareholders' interests	Total equity			
	Paid-in capital (or share capital)	Preferred stock	Perpetual bonds	Others	Capital reserve	Minus: Treasury stocks	Other comprehensive income	Special reserves	Surplus reserve	General risk reserves			Undistributed profit	Others	Sub-total
I. Balance at the End of Last Year	442,135.48				424,802.17		-5,532.99	11,431.68	230,410.06		1,523,405.63		2,626,652.03	200,865.76	2,827,517.79
Add: Accounting policy change															
Early error correction															
Others															
II. Balance as at the beginning of this year	442,135.48				424,802.17		-5,532.99	11,431.68	230,410.06		1,523,405.63		2,626,652.03	200,865.76	2,827,517.79
III. Increases/decreases in the current period ("-" for decreases)							1,108.23	-3,603.72	28,038.30		5,589.25		31,132.06	2,716.04	33,848.10
(I) Total Comprehensive Income							1,108.23				208,443.61		209,551.84	2,716.04	212,267.88
(II) Capital contributed or reduced by owners											-85,946.83		-85,946.83		-85,946.83
1. Common stock invested by owners															
2. Capital contributed by holders of other equity instruments															
3. Amount of share-based payments included in owners' equity															
4. Others											-85,946.83		-85,946.83		-85,946.83
(III) Profit distribution									28,038.30		-116,907.53		-88,869.23		-88,869.23
1. Withdrawal of surplus reserve									28,038.30		-28,038.30				
2. Withdrawal of general risk reserves															
3. Profit distributed to owners (or shareholders)											-88,869.23		-88,869.23		-88,869.23
4. Others															
(IV) Internal carry-forward of owners' equity															
1. Capital reserve converted into capital (or share capital)															
2. Transfer of surplus reserve to capital (or share capital)															
3. Surplus reserves to cover losses															
4. Changes in the designated benefit plan are carried forward to retained earnings.															
5. Other comprehensive income was transferred to retained earnings.															
6. Others															
(V) Special reserves															
1. This issue's extract								-3,603.72					-3,603.72		-3,603.72
2. Utilized in this period								38,843.54					38,843.54		38,843.54
Others								42,447.26					42,447.26		42,447.26
IV. Balance as at the end of this period	442,135.48				424,802.17		-4,424.76	7,827.96	258,448.36		1,528,994.88		2,657,784.09	203,581.80	2,861,365.89

Items	2024														
	Equity attributable to owners of the parent company														
	Paid-in capital (or share capital)	Preferred stock	Perpetual bonds	Others	Capital reserve	Minus: Treasury stocks	Other comprehensive income	Special reserves	Surplus reserve	General risk reserves	Undistributed profit	Others	Sub-total	Minority shareholders' interests	Total equity
I. Balance at the End of Last 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
Add: Accounting policy change															
Early error correction															
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)															
(I) Total Comprehensive income							-1,985.23	-1,967.86	23,429.23		127,716.52		147,192.66	2,489.67	149,682.33
(II) Capital contributed or reduced by owners							-1,985.23				216,139.66		214,154.43	2,489.67	216,644.10
1. Common stock invested by owners															
2. Capital contributed by holders of other equity instruments															
3. Amount of share-based payments included in owners' equity															
4. Others															
(III) Profit distribution									23,429.23		-88,423.14		-64,993.91		-64,993.91
1. Withdrawal of surplus reserve									23,429.23		-23,429.23				
2. Withdrawal of general risk reserves															
3. Profit distributed to owners (or shareholders)															
4. Others															
(IV) Internal carry-forward of owners' equity															
1. Capital reserve converted into capital (or share capital)															
2. Transfer of surplus reserve to capital (or share capital)															
3. Surplus reserves to cover losses															
4. Changes in the designated benefit plan are carried forward to retained earnings.															
5. Other comprehensive income was transferred to retained earnings.															
6. Others															
(V) Special reserves															
1. This issue's extract															
2. Utilized in this period															
(VI) Others															
IV. Balance as at the end of this period	442,135.48				424,802.17		-5,532.99	11,431.68	230,410.06		1,523,405.63		2,626,652.03	200,865.76	2,827,517.79

Legal representative: Wang Zhangling Chief accountant: Cai Huaiyu Chief finance officer: Yao Baoqin

Company's Statement of Changes in Owners' Equity

January-December 2025

Unit: (ten thousand yuan) Currency: RMB

Items	2025										
	Paid-in capital (or share capital)	Other equity instruments			Capital reserve	Minus: Treasury stocks	Other comprehensive income	Special reserves	Surplus reserve	Undistributed profit	Total equity
		Preferred stock	Perpetual bonds	Others							
I. Balance at the End of Last Year	442,135.48				424,538.80		54.38	11,098.28	229,445.48	1,316,181.56	2,423,453.98
Add: Accounting policy change											
Early error correction											
Others											
II. Balance as at the beginning of this year	442,135.48				424,538.80		54.38	11,098.28	229,445.48	1,316,181.56	2,423,453.98
III. Increases/decreases in the current period ("-" for decreases)											
(I) Total Comprehensive Income							-26.15	-3,270.32	28,038.30	163,475.43	188,217.26
(II) Capital contributed or reduced by owners							-26.15			280,382.96	280,356.81
1. Common stock invested by owners											
2. Capital contributed by holders of other equity instruments											
3. Amount of share-based payments included in owners' equity											
4. Others											
(III) Profit distribution									28,038.30	-116,907.53	-88,869.23
1. Withdrawal of surplus reserve									28,038.30	-28,038.30	
2. Profit distributed to owners (or shareholders)										-88,869.23	-88,869.23
3. Others											
(IV) Internal carry-forward of owners' equity											
1. Capital reserve converted into capital (or share capital)											
2. Transfer of surplus reserve to capital (or share capital)											
3. Surplus reserves to cover losses											
4. Changes in the designated benefit plan are carried forward to retained earnings.											
5. Other comprehensive income was transferred to retained earnings.											
6. Others											
(V) Special reserves											
1. This issue's extract								-3,270.32			-3,270.32
2. Utilized in this period								31,716.35			31,716.35
(VI) Others								34,986.67			34,986.67
IV. Balance as at the end of this period	442,135.48				424,538.80		28.23	7,827.96	257,483.78	1,479,656.99	2,611,671.24

Items	2024										
	Paid-in capital (or share capital)	Other equity instruments			Capital reserve	Minus: Treasury stocks	Other comprehensive income	Special reserves	Surplus reserve	Undistributed profit	Total equity
		Preferred stock	Perpetual bonds	Others							
I. Balance at the End of Last Year	442,135.48			424,538.80		-6,121.76	13,045.04	206,016.25	1,063,876.97	2,143,490.78	
Add: Accounting policy change											
Early error correction											
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)						6,176.14	-1,946.76	23,429.23	252,304.59	279,963.20	
(I) Total Comprehensive Income						6,176.14			234,292.33	240,468.47	
(II) Capital contributed or reduced by owners									106,435.41	106,435.41	
1. Common stock invested by owners											
2. Capital contributed by holders of other equity instruments											
3. Amount of share-based payments included in owners' equity											
4. Others									106,435.41	106,435.41	
(III) Profit distribution								23,429.23	-88,423.15	-64,993.92	
1. Withdrawal of surplus reserve								23,429.23	-23,429.23		
2. Profit distributed to owners (or shareholders)									-64,993.92	-64,993.92	
3. Others											
(IV) Internal carry-forward of owners' equity											
1. Capital reserve converted into capital (or share capital)											
2. Transfer of surplus reserve to capital (or share capital)											
3. Surplus reserves to cover losses											
4. Changes in the designated benefit plan are carried forward to retained earnings.											
5. Other comprehensive income was transferred to retained earnings.											
6. Others											
(V) Special reserves							-1,946.76			-1,946.76	
1. This issue's extract							37,819.55			37,819.55	
2. Utilized in this period							39,766.31			39,766.31	
(VI) Others											
IV. Balance as at the end of this period	442,135.48			424,538.80		54.38	11,098.28	229,445.48	1,316,181.56	2,423,453.98	

Legal representative: Wang Zhangling Chief accountant: Cai Huaiyu Chief finance officer: Yao Baoqin

III. Company Basic Information

1. Company Overview

√ Applicable □ Not applicable

(1) Incorporation

Offshore Oil Engineering Co., Ltd. (hereinafter referred to as “COOEC” or the “Company”) was established on April 20, 2000 by CNOOC Petroleum Engineering Design Company, CNOOC Platform Manufacturing Corporation, CNOOC Offshore Engineering Company, 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. The company was listed on the Shanghai Stock Exchange on February 5, 2002. The industry belongs to the mining support activities sector. As of December 31, 2025, the company's total issued share capital is 4,421,354,800 shares, with a registered capital of RMB 4,421,354,800. Registered Address: Room 403-4-3, Building 9, East Zone, Airport Business Park, No.80 North Huanhe Road, Airport Economic Zone, China (Tianjin) Pilot Free Trade Zone. Headquarters Address: No.199 Haibin 15th Road, Tianjin Port Free Trade Zone. Legal Representative: Wang Zhangling.

The Company and its subsidiaries (collectively referred to as the “Group”) are mainly engaged in the general contracting business.

(2) Business scope of the Company

Licensing Items: Construction project construction; Construction project design; Special equipment design; Special equipment manufacturing; Special equipment inspection and testing; Construction project survey; Construction project quality inspection; Ship design; Ship manufacturing; Ship modification; Ship repair; Ship dismantling; Labor dispatch services; Building demolition operations (excluding blasting operations); Specialized construction operations; Port operations; General waterway freight transport; Road freight transport (excluding hazardous goods); International road freight transport; Construction cost consulting services; Customs supervised goods warehousing services (excluding hazardous chemicals and hazardous goods). (Projects subject to approval according to law may only be carried out after approval by relevant departments. Specific business activities are subject to the approval documents or permits issued by relevant departments.) General Projects: Oil and gas technical services; Engineering technical services (excluding planning management, surveying, design, and supervision); Offshore engineering design and module design and manufacturing services; Offshore engineering equipment manufacturing; Offshore engineering equipment sales; Development of key supporting systems for offshore engineering; Offshore engineering platform equipment manufacturing; Overseas contracted projects; Engineering management services; Metal structure manufacturing; Metal structure sales; Manufacturing of transport equipment and production counting instruments; Import and export of goods; Import and export of technology; Import and export agency; Technical services, technical development, technical consulting, technical exchanges, technology transfer, and technology promotion; Power generation technical services; Wind power generation technical services; Solar power generation technical services; Energy storage technical services; Software development; Information technology consulting services; General application systems for artificial intelligence; Big data services; Information system integration services; Conference and exhibition services; Special equipment manufacturing (excluding licensed specialized equipment manufacturing); Port facility equipment and machinery leasing and maintenance services; Industrial engineering design services; Sales of offshore wind power-related equipment; Engineering and technology research and experimental development; Research and development of offshore wind power-related systems; Marine energy systems and equipment manufacturing; Marine energy systems and equipment sales; International container ship and general cargo ship transportation; Land-based international freight forwarding; Domestic freight forwarding; International ship management business; Road freight transport station operations; Housing leasing; Non-residential real estate leasing; Leasing services (excluding licensed leasing services); Ship sales; Ship leasing; Ship port services; Instrument and meter sales; Metal material sales; Metal product sales; Communication equipment sales; Internet sales (excluding sales of goods requiring permits); General cargo warehousing services (excluding items requiring permits such as hazardous chemicals); Business training (excluding training requiring permits such as education and vocational skills training). (Except for projects subject to approval according to law, carry out business activities independently in accordance with the law based on the business license).

(3) COOEC's initial issue of shares

COOEC issued 80 million shares of public stock on January 21, 2002, as approved by the CSRC (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 in 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 Proposal 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 in business registration, and the changed registered capital is RMB 275 million.

- ② At the 2003 Annual General Meeting, COOEC adopted the Proposal for the Transfer of Capital Reserve 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, implying a total increase in share capital by 55 million shares. On October 27, 2004, COOEC completed the registration of the change in 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 Capitalization of the COOEC's Capital Provident Fund, under which 330 million bonus shares were distributed to all shareholders from undistributed profits on the basis of the total share capital of 330 million shares at a ratio of 1 share per 10 shares as stock dividends, and 330 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 in the document ZJXK [2008] No. 1091, the Company issued 260 million RMB ordinary shares (A-shares) through a non-public offering to eight specific investors, including China National Offshore Oil Group Co., Ltd. After the raised funds were received, the shares from this private placement were registered for A-shares and underwent share lock-up procedures at the China Securities Depository and Clearing Corporation Limited Shanghai Branch on December 29, 2008. The industrial and commercial registration change was completed on February 16, 2009, with the updated registered capital amounting to RMB 2,160,080,000.
- 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 approved the Proposal for Capital Reserve Transfer to Share Capital for 2009, under which, based on the total share capital of 3,241.2 million shares, 648.24 million shares were transferred to all shareholders from capital reserve at a ratio of 2 shares for every 10 shares, thereby increasing the share capital by 648.24 million shares. The registered capital after the change is RMB three billion eight hundred and eighty-nine million four hundred and forty thousand only.
- ⑩ As approved by the China Securities Regulatory Commission with ZJXK [2013] No. 1180 Document, COOEC issued 531,914,800 RMB common stocks (A shares) by way of non-public offering to six specific investors including China National Offshore Oil Corporation. After the availability of the proceeds, the registration of the A shares and the share restriction procedures of the non-public offering were completed on October 9, 2013 at Shanghai Branch of China Securities Depository and Clearing Corporation Limited, and the registration of industrial and commercial changes 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 Petroleum 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 Petroleum 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.
- ③ As approved by the China Securities Regulatory Commission in the document ZJXKe [2008] No. 1091, the Company issued 260 million RMB ordinary shares (A-shares) through a non-public offering to eight specific investors, including China National Offshore Oil Group Co., Ltd. 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 were 105,431.8252 shares, 16,345.3282 shares and 679.1026 shares respectively, with the shareholding ratio of 48.79%, 7.56% and 0.32% respectively.
- ④ As approved by the China Securities Regulatory Commission with ZJXK [2013] No. 1180 Document, COOEC issued 531,914,800 RMB common stocks (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 CNOOC Finance Co., Ltd., 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 arrangements made by the State, China National Offshore Oil Corporation transferred in October 2018 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, Bosera 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%. The parent company and actual controller of the Company is China National Offshore Oil Corporation.
- 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 RMB 6.33/share. On October 31, 2023, China National Offshore Oil Corporation signed the "Agreement on Share Transferring Without Compensation" with China National Offshore Oil Nanhai West Company Limited and China National Offshore Oil Bohai Company Limited, receiving 294,215,900 shares and 12,223,800 shares of COOEC held by China National Offshore Oil Nanhai West Company Limited and China National Offshore Oil Bohai Company Limited respectively through the free transfer, for which the securities transfer registration formalities have been secured on November 29, 2023. COOEC has received the Transfer Registration

Confirmation issued by China Securities Depository and Clearing Corporation Limited. After the change in equity, China National Offshore Oil Corporation 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 China National Offshore Oil Corporation still acts as the controlling shareholder of COOEC.

- ⑧ In 2025, the company's controlling shareholder, China National Offshore Oil Corporation, increased its shareholding in the company by 2,560,200 shares through a centralized bidding transaction on the Shanghai Stock Exchange system on April 16, 2025. After this increase, the controlling shareholder's total shareholding amounted to 2,448,900,709 shares, representing 55.39% of the total.

The financial statements were approved by the Board of Directors of COOEC for disclosure on March 19, 2026.

IV. Basis of preparation for financial statements

1. Basis of preparation

The Group's financial statements are prepared on a going concern basis of accounting, based on actual transactions and events, in accordance with the Accounting Standards for Business Enterprises - Basic Standards (issued by Order of the Ministry of Finance No.33 and revised by Order of the Ministry of Finance No.76) issued by the Ministry of Finance, 40 specific accounting standards, Interpretation on the Accounting Standards for Business Enterprises and other relevant provisions (collectively referred to as the "Accounting Standards for Business Enterprises") issued and revised on and after February 15, 2006, and the disclosure provisions of the China Securities Regulatory Commission's Rules for the Compilation and Reporting of Information Disclosure of Companies Issuing Securities to the Public No.15 - General Provisions on Financial Reports (Revised in 2023).

In accordance with the relevant provisions of the Accounting Standards for Business Enterprises, the Group's accounting is based on the accrual basis. Except for certain financial instruments, the financial statements are measured on the basis of historical cost. In the event of any asset impairment, a provision for impairment will be made in accordance with relevant provisions.

2. Going concern

Applicable Not applicable

The Group's financial statements are based on the going concern basis of accounting.

V. Significant accounting policies and accounting estimates

Tips of specific accounting policies and accounting estimates:

Applicable Not applicable

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

The financial statements prepared by the Company meet the requirements of the Accounting Standards for Business Enterprises and truly and completely reflect the Company and the Group's financial position as at December 31, 2025, and the operating results, cash flows and other relevant information for the year then ended. In addition, the financial statements of the Group comply with the disclosure requirements of the China Securities Regulatory Commission's Rules for the Compilation and Reporting of Information Disclosure of Companies Issuing Securities to the Public No.15 - General Provisions on Financial Reports (Revised in 2023) in all material respects.

2. Accounting period

The accounting period of the Group is divided into annual and interim period. Interim period refers to the reporting period shorter than a full accounting year. The calendar year is adopted for the accounting year of the Group, namely, from January 1 to December 31 of each year.

3. Operating cycle

Applicable Not applicable

The Group takes 12 months as a normal operating cycle, and as the classification standard for the liquidity of assets and liabilities.

4. Recording currency

RMB is the currency in the main economic environment in which the Company and its domestic subsidiaries operate. The Company and its domestic subsidiaries adopt RMB as the recording currency.

The recording currency of the Group's overseas subsidiaries, COOEC International Co., Ltd., COOEC Nigeria Limited, Nigeria

Free Trade Zone Company of Offshore Oil Engineering Co., Ltd. and COOEC Saudi Limited, is USD.

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 COOEC International Co., Ltd. uses the Brazilian real as the recording currency.

The currency used in the preparation of the financial statements by the Group is RMB.

5. Determining methods and selection criteria for importance standards

Applicable Not applicable

Items	Importance standard (RMB'0,000)
Receivables for significant single provision for bad debts	1,000.00
Significant amounts of recovery or reversal of provision for bad debts for receivables in the current year	1,000.00
Write-off of significant receivables in the current year	1,000.00
Significant changes in the book value of contract assets	1,000.00
Important debt investments	1,000.00
Significant construction in process	1,000.00
Major non-wholly-owned subsidiaries	1,000.00
Significant capitalized R & D projects	1,000.00

Remarks: the importance judgment index is mainly the book balance corresponding to the item, and the importance judgment index of important non-wholly-owned subsidiary is the total assets.

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

Applicable Not applicable

The term "business combination" refers to a transaction or event that combines two or more separate business combination into one reporting entity. Business combination can be divided into business combination under common control and business combination not under common control.

(1) Business combination under common control

If the enterprises involved in the combination are subject to the ultimate control of the same party or the same parties before and after the combination, and the control is not temporary, it is a business combination under common control. For business combination under common control, the party that obtained the control over the other enterprises involved in the combination at the combination date is the combining party, and the other enterprises involved in a combination are the combinee. The combination date refers to the date when the combining party has actually obtained control over the combinee.

The assets and liabilities acquired by the combining party shall be measured at the book value thereof in the combinee on the combination date. Capital reserves (share premiums) shall be adjusted according to the difference between the book value of the net assets acquired by the combining party and the book value of the consideration paid for the combination (or the total par value of the issued shares); Where the capital reserves (share premiums) are insufficient to offset, the retained earnings shall be adjusted.

Various direct costs incurred by the combining party for the business combination shall be included in the current profit or loss when incurred.

(2) Business combination not under common control

If the enterprises participating in the business combination are not ultimately controlled by the same party or the same parties before and after the combination, it is business combination not under common control. For business combination not under common control, the party that obtains control over other enterprises participating in the business combination on the acquisition date is the acquirer, and the other enterprises participating in the combination are acquirees. The acquisition date refers to the date on which the acquirer actually obtains control over the acquiree.

For business combination not under common control, the combination costs, including the fair values of the assets paid, liabilities incurred or assumed and equity securities issued by the acquirer to obtain the control over the acquiree on the acquisition date, intermediary service charges such as audit fee, legal service fee, appraisal and consultancy fee and other general and administrative expenses incurred for the business combination, are included in the current profit or loss when incurred. Transaction expenses incurred by the acquirer for issuance of equity or debt securities as consideration for business combination shall be included in the initial recognition amount of those equity securities or

debt securities. The contingent consideration involved shall be included in the combination costs at the fair value on the acquisition date. If the contingent consideration needs to be adjusted due to new or further evidence of any situation existing on the acquisition date within 12 months after the acquisition date, the consolidated goodwill shall be adjusted accordingly. The combination cost incurred by the acquirer and the net identifiable assets acquired in the combination shall be measured at the fair value on the acquisition date. The difference between the combination cost and the fair value of net identifiable assets of the acquiree on the acquisition date obtained through the combination is recognized as the goodwill. If the combination cost is less than the fair value of net identifiable assets of the acquiree obtained through the combination, the Company shall firstly review the fair values of such identifiable assets, liabilities and contingent liabilities obtained from the acquiree and the measurement of the combination cost. If the combination cost is still less than the fair value of net identifiable assets of the acquiree obtained after the review, the difference shall be included in the current profit or loss.

If the deductible temporary differences obtained by the acquirer from the acquiree are not recognized on the acquisition date as they do not meet the recognition conditions for deferred tax assets, within 12 months after the acquisition date, if new or further information is obtained, indicating that relevant circumstances on the acquisition date have existed and it is expected that the economic benefits brought by the acquiree's deductible temporary differences on the acquisition date can be realized, relevant deferred tax assets will be recognized and goodwill will be reduced at the same time. If the goodwill is insufficient to offset, the balance will be recognized as the current profit or loss; in addition to the above circumstances, the deferred tax assets related to the business combination recognized shall be included in the current profit or loss.

For business combination not under common control realized step by step through multiple transactions, according to the "Notice of the Ministry of Finance on Issuing the Interpretation on the Accounting Standards for Business Enterprises No. 5" (CK [2012] No. 19) and Article 51 of the "Accounting Standards for Business Enterprises No. 33 - Consolidated Financial Statements" on the judgment criteria of "package transactions" (see Note V.7 "Preparation Method of Consolidated Financial Statements"), it is judged whether the multiple transactions belong to "package transactions". If they belong to "package transactions", refer to the preceding paragraphs of this part and Note V.19 "long-term equity investment" for accounting treatment; if they do not belong to "package transactions", they shall be subject to relevant accounting treatment by distinguishing individual financial statements from consolidated financial statements:

In individual financial statements, the sum of the book value of the acquiree's equity investments held before the acquisition date and the newly increased investment costs on the acquisition date shall be recognized as the initial investment cost of such investment; if the equity of the acquiree held before the acquisition date involves other comprehensive income, the other comprehensive income related to it shall be accounted for on the same basis as the acquiree's direct disposal of the relevant assets or liabilities when the investment is disposed of.

In the consolidated financial statements, the equity of the acquiree held before the acquisition date shall be re-measured according to the fair value of the equity on the acquisition date, and the difference between the fair value and its book value shall be included in the current investment income. If the equity of the acquiree held before the acquisition date involves other comprehensive income, the other comprehensive income related to it will be accounted for on the same basis as the acquiree's direct disposal of the relevant assets or liabilities.

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

Applicable Not applicable

(1) Judgment criteria for control

The scope of consolidation of the consolidated financial statements is determined on the basis of control. Control means that the Group has the power over the investee, enjoys the variable return through participating in activities related to the investee, and has the ability to affect the amount of the return by using the power over the investees. If the Group has the current right that enables it to dominate the relevant activities of the investee, regardless of whether the Group actually exercises such right, it is considered that the Group has power over the investee. The Group is deemed to enjoy variable returns if the returns obtained from the investee may change with the performance of the investee; where the Group exercises the decision-making power as the principal responsible person, it is deemed that the Group has the ability to use the power over the investee to affect the amount of such return. The scope of consolidation includes the Company and all its subsidiaries. The term "subsidiary" refers to the entity controlled by the Group.

The Group makes a judgment on whether to control the investee based on a comprehensive consideration of all relevant facts and circumstances. Relevant facts and circumstances mainly include: the purpose of the investee; relevant activities of the investee and how to make decisions on relevant activities; whether the rights enjoyed by the Group enable the Group to lead the relevant activities of the investee at present; whether the Group enjoys variable returns by participating in the investee's related activities; whether the Group has the ability to use its power over the investee to affect the amount of its return; relationship between the Group and other parties. Once relevant facts and circumstances change, leading to changes in factors relating to the definition of the aforesaid control, the Group will carry out a reappraisal.

(2) Preparation method of consolidated financial statements

From the date when the Group obtains the net assets and the actual control over the production and operation decisions of the subsidiary, the Group begins to include the subsidiary in the scope of consolidation; the Group will cease to include such subsidiary in the scope of consolidation as of the date when it loses the actual control. The operating results and cash flows of the subsidiary disposed of before the disposal date have been properly included in the consolidated income statement and the consolidated statement of cash flows; the beginning amount of the subsidiary disposed of in the current period in the consolidated balance sheet will not be adjusted. The operating results and cash flows after the acquisition date of the subsidiary added under the business combination not under common control have been properly included in the consolidated income statement and the consolidated statement of cash flows, and the beginning amount and comparison amount of the same in the consolidated financial statements will not be adjusted. The operating results and cash flows of the subsidiary added under the business combination under common control from the beginning of the combination period to the combination date have been properly included in the consolidated income statement and the consolidated statement of cash flows, and the comparison amounts in the consolidated financial statements are adjusted at the same time.

When preparing the consolidated financial statements, if the accounting policies or accounting period adopted by the subsidiaries are inconsistent with those adopted by the Company, the financial statements of the subsidiaries will be adjusted according to the accounting policies and accounting period of the Company. For subsidiaries acquired from business combinations not under common control, the financial statements will be adjusted on the basis of the fair value of the identifiable net assets on the acquisition date.

All major current balances, transactions and unrealized profits within the group are offset in the preparation of consolidated financial statements.

Shareholders' equity of the subsidiary and the part of the current net profit or loss not owned by the Company will be separately presented as minority equity and minority interest income/expense under shareholders' equity and net profit in the consolidated financial statements. The share attributable to minority equity in the current net profit or loss of the subsidiary will be presented under the item of "minority interest income/expense" in the consolidated income statement. If the loss of a subsidiary shared by minority shareholders exceeds the share enjoyed by minority shareholders in the shareholders' equity of the subsidiary at the beginning of the period, minority equity will still be offset.

When the Company loses the control over the original subsidiary due to disposal of part of the equity investments or for other reasons, the remaining equity will be re-measured at the fair value on the date of loss of control. The difference between the sum of the consideration received from the disposal of equity and the fair value of the remaining equity, and the share of the net assets of the original subsidiary calculated based on the original equity holding ratio from the acquisition date, is recognized in the investment income of the period in which control is lost. For other comprehensive income related to the original subsidiary's equity investments, accounting treatment will be made on the same basis for direct disposal of relevant assets or liabilities by the subsidiary when the control is lost. Subsequently, the remaining equity will be measured in accordance with the Accounting Standards for Business Enterprises No. 2 - Long-term Equity Investment or the Accounting Standards for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments and other relevant provisions. See Note V.19 "Long-term Equity Investment" or Note V.11 "Financial Instruments" for details.

Where the Group disposes of the equity investments to the subsidiary by stages through multiple transactions until the loss of control, it is necessary to distinguish whether the transactions of disposing the equity investments of subsidiaries until the loss of control belong to package transactions. If the terms, conditions and economic impact of various transactions of disposing the equity investments of subsidiaries meet one or more of the following circumstances, it usually indicates that multiple transaction events should be accounted for as package transactions: ① these transactions are concluded at the same time or under the consideration of mutual impact; ② these transactions can reach a complete business result only when they are taken as a whole; ③ the occurrence of one transaction depends on the occurrence of at least one other transaction; ④ a single transaction is uneconomical but it is economical when considered together with other transactions. If it does not belong to package transactions, each transaction will be accounted for according to the applicable principles of "partial disposal of long-term equity investment in subsidiaries without losing control" (see Note V.19 "long-term equity investment" (2) ④) and "loss of control over the original subsidiary due to disposal of part of equity investment or other reasons" (see the preceding paragraph for details). Where the transactions of disposing equity investments of subsidiaries until the loss of control belong to package transactions, the accounting treatment will be made by taking them as one transaction of disposing subsidiaries till the loss of control; However, before loss of control, the difference between each disposal price and the share of the subsidiary's net assets corresponding to the disposal investment is recognized as other comprehensive income in consolidated financial statements, and is transferred into the current profit or loss on the loss of control.

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

Applicable Not applicable

Joint venture arrangements refer to the arrangements under the joint control of two or more parties. The Group divides joint

venture arrangements into joint operation and joint ventures according to the rights enjoyed and obligations assumed in the joint venture arrangements. Joint operation refers to the joint venture arrangements under which the Group enjoys relevant assets and assumes relevant liabilities of the arrangements. Joint ventures refer to the joint venture arrangements in which the Group is only entitled to the net assets of the arrangements.

The Group's investment in joint ventures is accounted for by the equity method and treated in accordance with the accounting policies described in Note V. 19 "Long-term equity investment" "Long-term equity investment accounted for by the equity method".

For the joint operation, the Group, as a party to the joint venture, recognizes the assets and liabilities it solely holds and assumes, and recognizes the assets and liabilities jointly held and jointly assumed based on its share; recognizes the revenue arising from the sale of output enjoyed by the Group from the joint operation; recognizes the revenue arising from sale of output enjoyed by the Group from the joint operation based on its share; recognizes separate expenses incurred by the Group and expenses for the joint operation based on its share.

When the Group, as a joint venture, invests or sells assets (such assets do not constitute business, hereinafter the same) to the joint operation, or purchases assets from the joint operation, before such assets are sold to a third party, the Group only recognizes the part of the profit or loss arising from the transaction attributable to other parties to the joint operation. If such assets incur losses from asset impairment in accordance with the Accounting Standards for Business Enterprises No. 8 - Asset Impairment, the Group shall recognize the losses in full in the case of assets invested or sold by the Group to the joint operation. For the purchase of assets by the Group from the joint operation, the Group recognizes the loss based on its share.

9. Criteria for determining cash and cash equivalents

The Group's cash and cash equivalents include cash on hand, unrestricted deposits and short-term (generally maturing within three months from the acquisition date) and highly liquid investments that are readily convertible to known amounts of 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) Recognition method of conversion exchange rate when foreign currency transactions occur

At the initial recognition of foreign currency transactions of the Group, the middle exchange rate of the RMB exchange rate published by the People's Bank of China on the last trading day of the previous month on which the business occurs shall be taken as the conversion exchange rate, and the foreign currency shall be converted into the amount of recording currency.

(2) Conversion method used for foreign currency monetary item and treatment method of exchange profit or loss on the balance sheet date

On the balance sheet date, the foreign currency monetary item is converted at the spot exchange rate on the balance sheet date, and the resulting exchange difference is: ① The exchange difference arising from foreign currency special borrowings related to the acquisition and construction of assets eligible for capitalization shall be treated in accordance with the principle of borrowing costs capitalization; ② foreign currency monetary items classified as measured at fair value through other comprehensive income are included in the current profit or loss, except for the exchange differences arising from changes in other book balances other than amortized cost (including impairment), which are included in other comprehensive income.

Foreign currency non-monetary items measured at historical cost shall still be measured at the amount of recording currency translated at the spot exchange rate on the date when the transaction occurs. Foreign currency non-monetary items measured in fair value shall be translated at the spot exchange rates on the date when the fair value is determined. The difference between the translated amount in recording currency and the original amount in recording currency shall be treated as change in fair value (including fluctuation in exchange rate) and included in the current profit or loss or recognized as other comprehensive income.

(3) Conversion method of foreign currency financial statements

Foreign currency financial statements of overseas business shall be translated into the statements in RMB by the following methods: the assets and liabilities items in the balance sheet shall be translated at the spot exchange rate on the balance sheet date; shareholders' equity items, except for the item of "undistributed profits", are translated at the spot exchange rate when they 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. Undistributed profits at the beginning of the year refers to the undistributed profits at the end of the year after translation in the previous year; the undistributed profits at the end of the period shall be calculated and presented according to the translated profit distribution items; the difference between the translated assets and the total of the translated liabilities and shareholders' equity is recognized as translation

differences of foreign currency statements and recognized as other comprehensive income. When disposing of an overseas operation and losing control, the translation differences of foreign currency statements related to the overseas operation shown in the balance sheet under the shareholders' equity item shall be transferred to the current profit or loss in whole or in proportion to the disposal of the overseas operation.

Foreign currency cash flows and cash flows of overseas subsidiaries shall be translated at the average exchange rate of the month in which the cash flows occur. Effect of fluctuation in exchange rate on cash shall be separately presented as an adjustment item in the statement of cash flows.

The beginning-of-year figures and the actual figures for the previous year shall be presented based on the amounts converted from the financial statements of the previous year.

When the Group loses control over the overseas operations due to the disposal of all the owners' equity or part of the equity investment or other reasons, the translation differences of foreign currency statements of the owners' equity attributable to the parent company related to the overseas operations listed below in the balance sheet will be transferred to the current profit or loss of the disposal.

When the proportion of the overseas business interests held decreases due to the partial disposal of equity investments or for other reasons, without the loss of control over the overseas business, the translation differences of foreign currency statements related to the disposal of the overseas business shall be attributable to minority equity and shall not be transferred to the current profit or loss. Where the Company disposes of part of the equity of an overseas business as associates or joint ventures, the translation differences of foreign currency statements related to the overseas business shall be transferred to the current profit or loss at the proportion of disposal of the overseas business.

If there are foreign currency monetary items that substantially constitute net investment in an overseas business, the exchange difference arising from fluctuation in exchange rate shall be recognized as "translation differences of foreign currency statements" and included in other comprehensive income in the consolidated financial statements; When the overseas operation is disposed of, the difference therefrom shall be included in the current profit or loss.

11. Financial instrument

Applicable Not applicable

A financial asset or a financial liability is recognized when the Group becomes a party to a financial instruments contract.

(1) Classification, recognition and measurement of financial assets

According to the business model of managing financial assets and the contractual cash flows characteristics of the financial assets, the Group classifies the financial assets into: Financial assets measured by amortized cost; financial assets measured at fair value through other comprehensive income; financial assets measured at fair value through the current profit or loss.

The financial assets are measured at fair value upon initial recognition. For financial assets measured at fair value through the current profit or loss, relevant transaction costs are directly included in the current profit or loss; for other categories of financial assets, relevant transaction costs are included in the initial recognition amount. The Group initially recognizes accounts receivable or notes receivable arising from the sales of goods or rendering of services and not containing or considering any significant financing component at the amount of the consideration it is expected to be entitled to.

① Financial assets measured at amortized cost

The Group manages financial assets measured at amortized cost for the purpose of collecting contractual cash flows, and the contractual cash flows characteristics of such financial assets are consistent with the underlying lending arrangements, which means that cash flows generated on specified dates can only be used to pay for the principal and the interest for the outstanding principal. The Group adopts the effective interest method for the subsequent measurement of such financial assets at amortized cost, and the gains or losses arising from amortization or impairment are included in the current profit or loss.

② Financial assets at fair value through other comprehensive income

The Group manages such kind of financial assets for both collection of contractual cash flows and sales, and the contractual cash flows characteristics of these financial assets are consistent with the underlying lending arrangements. The Group measures such financial assets at the fair value with changes included in the other comprehensive income, but the impairment losses or gains, exchange profit or loss and interest income calculated at the effective interest method are included in the current profit or loss revenue.

In addition, the Group designates part of non-trading investments in equity instruments as financial assets measured at fair value through other comprehensive income. The Group includes the relevant dividends of such financial assets in the current profit or loss revenue, and includes the changes in fair value in the other comprehensive income. When the financial assets are derecognized, the accumulated profit or loss previously included in other

comprehensive income will be transferred from other comprehensive income to retained earnings and will not be included in the current profit or loss.

③ Financial assets measured at fair value through current profit or loss

The Group classifies the above financial assets measured at amortized cost and financial assets other than those measured at fair value through other comprehensive income as financial assets measured at fair value through the current profit or loss. In addition, at the time of initial recognition, in order to eliminate or significantly reduce accounting mismatches, the Group designates part of financial assets as financial assets measured at fair value through the current profit or loss. For such financial assets, the Group makes the subsequent measurement at fair value, and the changes in fair value are included in the current profit or loss.

(2) Classification, recognition and measurement of financial liabilities

Financial liabilities are classified into financial liabilities measured at fair value through the current profit or loss and other financial liabilities, at the initial recognition. For financial liabilities measured at fair value through the current profits and losses, the relevant transaction costs are directly included in the current profits and losses, and the relevant transaction costs of other financial liabilities are included in their initial recognition amount.

① Financial liabilities measured at fair value through profit or loss

Financial liabilities measured at fair value through current profits and losses include financial liabilities held for trading (including derivative instruments belonging to financial liabilities) and financial liabilities designated to be measured at fair value through current profits and losses upon initial recognition.

Financial liabilities held for trading (including derivative instruments belonging to financial liabilities) will be subsequently measured at fair value. Except for those related to hedge accounting, changes in fair value will be included in the current profit or loss.

For financial liabilities designated to be measured at fair value through the current profit or loss, the changes in the fair value of such liabilities caused by changes in the Group's own credit risk are included in other comprehensive income; and when the liabilities are derecognized, the accumulated changes in the fair value caused by changes in its own credit risk and included in other comprehensive income will be transferred to retained earnings. Other changes in fair value will be included in the current profit or loss. If the treatment for the impact of changes in own credit risk of the financial liabilities in the above manner will cause or enlarge the accounting mismatch in the profit or loss, the Group will include all the gains or losses of the financial liabilities (including the amount affected by changes in the enterprise's own credit risk) in the current profit or loss.

② Other Financial Liabilities

Financial liabilities other than the financial liabilities arising from the inconformity of financial assets with the derecognition conditions or the continuous involvement of financial assets transferred and financial guarantee contracts are classified as the financial liabilities measured at amortized cost initially and subsequently, and the profit or loss from the derecognition or amortization are included in the current profit or loss.

(3) Recognition basis and measurement method of transfer of financial assets

Financial assets meeting any of the following conditions will be derecognized: ① the contractual rights to receive the cash flows of the financial assets are terminated; ② the financial assets have been transferred, and nearly all the risks and rewards associated with the ownership of the financial assets have been transferred to the transferee; ③ the financial assets have been transferred, and although the enterprise has neither transferred nor retained nearly all the risks and rewards related to the ownership of the financial assets, it has waived the control over the financial assets.

If the enterprise neither transfers nor retains nearly all the risks and rewards associated with the ownership of the financial assets, and does not waive the control over the financial assets, relevant financial assets shall be recognized according to the extent of its continuous involvement in the transferred financial assets, and relevant liabilities shall be recognized accordingly. The degree of continuous involvement in the financial assets transferred refers to the risk level faced by the enterprise due to the change in the value of financial assets.

If the overall transfer of financial assets meets the conditions for derecognition, the difference between book value of the transferred financial assets and the sum of the consideration received due to the transfer and the cumulative amount of changes in fair value originally included in other comprehensive income is included in the current profit or loss.

If the partial transfer financial assets satisfies the conditions for derecognition, book value of the transferred financial assets shall be apportioned between the derecognized part and the part not derecognized according to the relative fair value, and the difference between the sum of the consideration received due to the transfer and the accumulative amount of change in fair value that should be apportioned to the derecognized part and originally included in other comprehensive income and the aforesaid book amount apportioned is included in the current profit or loss.

For the financial assets sold with recourse or the endorsement transfer of the financial assets held by the Group, it is

necessary to determine whether nearly all the risks and rewards of the ownership of the financial assets have been transferred. Where nearly all the risks and rewards related to the ownership of the financial assets have been transferred to the transferee, the financial assets shall be derecognized; If the Company retains nearly all the risks and rewards related to the ownership of the financial assets, it shall not derecognize the financial assets; If it neither transfers nor retains nearly all the risks and rewards related to the ownership of the financial assets, it shall continue to judge whether the enterprise retains control over the assets, and make accounting treatment according to the principles described in the preceding paragraphs.

(4) Derecognition of financial liabilities

If the present obligations of the financial liabilities (or part thereof) have been discharged, the Group derecognizes the financial liabilities (or part thereof). If the Group (the borrower) enters into an agreement with the lender to replace the original financial liabilities by assuming new financial liabilities, and the new financial liabilities are substantially different from the contractual terms of the original financial liabilities, the original financial liabilities shall be derecognized and a new financial liability shall be recognized at the same time. If the Group substantially modifies the contractual terms of the original financial liabilities (or part thereof), it derecognizes the original financial liabilities and recognizes a new financial liability in accordance with the modified terms.

If the financial liabilities (or part thereof) are derecognized, the Group shall include the difference between its book value and the consideration paid (including non-cash assets transferred out or liabilities assumed) in the current profit or loss.

(5) Offset of financial assets and financial liabilities

When the Group has the legal right to offset the financial assets and financial liabilities with recognized amounts, and such legal right is currently enforceable, and the Group plans to settle in net amount or realize the financial assets and pay off the financial liabilities at the same time, the net amount after mutual offsetting of the financial assets and financial liabilities shall be presented in the balance sheet. In addition, financial assets and financial liabilities shall be separately presented in the balance sheet without mutual offset.

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

Fair value refers to the price that a market participant can receive from selling an asset or pay for transferring a liability in an orderly transaction on the measurement date. Where there is an active market for financial instruments, the Group determines their fair value based on the quoted prices in the active market. Quoted prices in active market are prices that are readily available on a regular basis from exchanges, brokers, industry associations, pricing services, etc., and represent the prices of actual market transactions in arm's length transactions. Where there is no active market for financial instruments, the Group uses valuation technique to determine their fair value. Valuation techniques include using prices from recent market transactions between market participants who are familiar with the situation and voluntarily engaged in the transactions, referring to the current fair value of other financial instruments that are substantially identical, discounted cash flow methods, and option pricing models, etc. At the time of valuation, the Group 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. When relevant observable inputs cannot be obtained or are impracticable to obtain, non-observable inputs are used.

(7) Equity instrument

An equity instrument refers to a contract that can prove the ownership of the remaining equity in the Group's assets after deducting all liabilities. The Group issues (including refinancing), repurchases, sells or cancels equity instruments as changes in equity, and transaction costs related to equity transactions are deducted from equity. The Group does not recognize changes in the fair value of equity instruments.

If the Group's equity instruments distribute dividends (including "interest" generated by instruments classified as equity instruments) during the existence period, it will be treated as profit distribution.

(8) Impairment of financial assets

The Group's financial assets where the impairment losses should be recognized refer to the financial assets measured at amortized cost, debt instruments measured at fair value through other comprehensive income, and lease receivables, mainly including notes receivable, accounts receivable, receivable financing, other receivables, debt investments, other debt investments, and long-term receivables, etc. In addition, for contract assets and some financial guarantee contracts, provision for impairment and credit loss are recognized in accordance with the accounting policies described in this section.

① Methods for the recognition of provision for impairment

Based on the expected credit losses, the Group makes provision for impairment of the above items and recognizes

the credit impairment loss by the measurement method for the applicable expected credit loss (general method or simplified method).

Credit loss refers to the difference between all contractual cash flows receivable under the contract and all cash flows expected to be received by the Group discounted at the original effective interest rate, that is, the present value of all cash shortfalls. The Group discounts the purchased or original financial assets with credit impairment at the credit-adjusted effective interest rate of such financial assets.

The general method of measurement of expected credit losses refers to that the Group assesses on each balance sheet date whether the credit risk of financial assets (including contract assets and other applicable items, the same below) has increased significantly since the initial recognition. If the credit risk has increased significantly since the initial recognition, the Group measures the provision for losses at the amount equivalent to the lifetime expected credit losses. If the credit risk has not increased significantly since initial recognition, the Group measures the provision for losses at an amount equal to the 12-month expected credit losses. In assessing the expected credit losses, the Group considers all reasonable and well-founded information, including forward-looking information.

For financial instruments with low credit risk at the balance sheet date, the Group measures loss provisions based on expected credit losses over the next 12 months or over the entire remaining lifetime, depending on whether there has been a significant increase in credit risk since initial recognition.

② Judgment criteria of whether credit risk has increased significantly since initial recognition

If the probability of default of a financial asset during the expected life determined at the balance sheet date is significantly higher than the probability of default during the expected life determined at initial recognition, this indicates a significant increase in the credit risk of that financial asset.

③ A portfolio approach to assessing expected credit risk on a portfolio basis

The Group evaluates the credit risk of financial assets with significantly different credit risk, such as: receivables in dispute with the other party or involving litigation or arbitration; receivables where there are clear indications that the debtor is likely to be unable to meet its repayment obligations.

Except for financial assets with individual assessment credit risk, the Group divides financial assets into different groups based on common risk characteristics and assesses credit risk on a portfolio basis.

④ Accounting treatment for impairment of financial assets

At the end of the period, the Group calculates the estimated credit losses of various financial assets. If the estimated credit losses are greater than the book value of the current provision for impairment, the difference is recognized as impairment losses; if it is less than the book amount of the current provision for impairment, the difference is recognized as an impairment gain.

12. Notes receivable

Applicable Not applicable

Categories and determination basis of provision for bad debts based on credit risk characteristic portfolio

Applicable Not applicable

The Group measures the provision for losses of notes receivable at an amount equal to the expected credit losses over the entire duration. Based on the credit risk characteristics of notes receivable, they are divided into different portfolios:

Items	Basis for determining the portfolio
Bank acceptance bills	The acceptor is a bank with relatively low credit risk.
Commercial acceptance bills	Recognize the credit risk characteristic portfolio based on aging

Aging calculation method of credit risk characteristic portfolio based on aging

Applicable Not applicable

Judgment criteria for provision for bad debts made on an individual basis

Applicable Not applicable

13. Accounts receivable

Applicable Not applicable

Categories and determination basis of provision for bad debts based on credit risk characteristic portfolio

Applicable Not applicable

For accounts receivable and contract assets that do not contain significant financing components, the Group measures the provision for losses at an amount equivalent to the expected credit losses over the entire duration.

For accounts receivable, contract assets and lease receivables that contain significant financing components, the Group chooses to always measure the provision for losses at an amount equivalent to the expected credit losses during the duration.

Except for the accounts receivable of the individual appraisal credit risk, based on its credit risk characteristic, it is divided into different portfolios:

Items	Basis for determining the portfolio
Portfolio of related parties	The Group classifies receivables from the parent company and its affiliated branches and subsidiaries based on capital ties and management relationships.
Aging portfolio	Recognize the credit risk characteristic portfolio based on aging.

Aging calculation method of credit risk characteristic portfolio based on aging

Applicable Not applicable

Aging	Provision ratio (%)
Within 1 year (including 1 year)	0
1-2 years (including 2 years)	30
2-3 years (including 3 years)	60
Over 3 years	100

Judgment criteria for recognition of provision for bad debts made on an individual basis

Applicable Not applicable

The Group conducts separate impairment test on accounts receivable with significantly different credit risk characteristics such as obvious deterioration of the debtor's credit status, low possibility of future repayment, and credit impairment that has already occurred.

14. Accounts receivable financing

Applicable Not applicable

15. Other receivables

Applicable Not applicable

Categories and determination basis of provision for bad debts based on credit risk characteristic portfolio

Applicable Not applicable

The Group measures impairment losses at an amount equal to the expected credit losses in the next 12 months or the entire duration based on whether the credit risk of other receivables has increased significantly since the initial recognition. Except for other receivables with individual appraisal credit risk, they are divided into different portfolios based on their credit risk characteristics:

Items	Basis for determining the portfolio
Portfolio of related parties	The Group classifies receivables from the parent company and its affiliated branches and subsidiaries based on capital ties and management relationships.
Aging portfolio	Recognize the credit risk characteristic portfolio based on aging
Other specific portfolios	Quality guarantee, margin, advance payment and other receivables

Aging calculation method of credit risk characteristic portfolio based on aging

Applicable Not applicable

Aging	Provision ratio (%)
Within 1 year (including 1 year)	0
1-2 years (including 2 years)	30
2-3 years (including 3 years)	60
Over 3 years	100

Judgment criteria for provision for bad debts made on an individual basis

Applicable Not applicable

16. Stock

Applicable Not applicable

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

Applicable Not applicable

Inventory primarily consists of raw materials, consumable supplies, and other items. Contract fulfillment costs that are amortized over a period not exceeding one year or one operating cycle are also reported as inventory.

(1) Measurement method of inventory acquisition and dispatch

Inventory is valued at actual cost when acquired, and inventory cost includes purchase cost, processing cost and other costs. Measured at weighted average method when received and dispatched

(2) The inventory system is the perpetual inventory system.**(3) Amortization method of low-value consumables and packing materials**

Amortization of low-value consumables is subject to one-off amortization method when received for use; packaging materials are amortized at the one-off amortization method when received for use.

Recognition standard and calculation method of provision for inventory depreciation reserve

Applicable Not applicable

During routine activities, net realizable value of inventory refers to the amounts of the estimated selling prices of inventories minus the estimated costs to completion, estimated selling expenses and relevant taxes and surcharges. When determining the net realizable value of inventory, the Company shall take the conclusive evidence obtained as the basis, and consider the purpose of holding the inventories and the impact of post balance sheet events.

On the balance sheet date, the inventory shall be measured at the lower of the cost and the net realizable value. When the net realizable value is lower than the cost, the provision for inventory depreciation reserves shall be made. Provision for inventory depreciation is usually made for the difference between the cost and the net realizable value of individual inventory items.

After the provision for inventory depreciation is 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.

The combination category and determination basis of provision for inventory depreciation made on a combination basis, and the determination basis of net realizable value of different categories of inventory

Applicable Not applicable

Calculation method and determination basis of net realizable value of each inventory age combination based on net realizable value of inventory

Applicable Not applicable

17. Contract assets

Applicable Not applicable

Recognition method and standards for contract assets

Applicable Not applicable

If the customer has not paid the consideration, but the Group has fulfilled its performance obligations according to the contract, and it is not an unconditional right (only depending on the time lapses) to collect money from the customer, the Group presents such right as contract assets in the balance sheet. Contract assets and contract liabilities under the same contract should be presented at net value; contract assets and contract liabilities under different contracts should not be offset. For the determination method and accounting treatment of expected credit losses of contract assets, please refer to Note V. 11. Impairment of financial assets.

Categories and determination basis of provision for bad debts based on credit risk characteristic portfolio

Applicable Not applicable

Except for the contract assets of the individual appraisal credit risk, based on its credit risk characteristic, it is divided into different portfolios:

Items	Basis for determining the portfolio
Engineering services portfolio	Contract assets arising from engineering project services
Product sales portfolio	Contract assets arising from the sale of products

Aging calculation method of credit risk characteristic portfolio based on aging

Applicable Not applicable

Judgment criteria for recognition of provision for bad debts made on an individual basis

Applicable Not applicable

The Group conducts separate impairment test on contract assets with significantly different credit risk characteristics such as obvious deterioration of the debtor's credit status, low possibility of future repayment, and credit impairment that has already occurred.

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

Applicable Not applicable

If the Group recovers its book value mainly by selling (including non-monetary asset exchange with commercial substance, the same below) rather than continuous use of non-current assets or disposal group, it shall be classified as held for sale. The specific criteria are that the following conditions are met at the same time: a non-current asset or disposal group can be sold immediately under the current conditions according to the practice of selling such assets or disposal groups in similar transactions; the Group has made a resolution on the sale plan and obtained a firm purchase commitment; the sale is expected to be completed within one year. The disposal group refers to a group of assets disposed of as a whole through sale or other means in a transaction, and the liabilities directly related to these assets transferred in the transaction. If the asset group or asset group portfolio to which the disposal group belongs has amortized the goodwill obtained in the business combination in accordance with the Accounting Standards for Business Enterprises No. 8 - Asset Impairment, the disposal group shall include the goodwill amortized to the disposal group.

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

Applicable Not applicable

When the Group initially measures or re-measures the non-current assets and disposal groups classified as held for sale on the balance sheet date, if the book value is higher than the net amount of fair value minus selling expenses, the book value shall be written down to the net amount of fair value minus selling expenses, and the amount written down shall be recognized as losses from asset impairment and included in the current profit or loss, and the provision for impairment of assets held for sale shall be made at the same time. For the disposal group, the recognized losses from asset impairment shall first offset the book value of goodwill in the disposal group, and then offset the book value of each non-current assets in the disposal group that is subject to the measurement provisions of the Accounting Standards for Business Enterprises No. 42 - Non-current Assets and Disposal Group Held for Sale and Discontinued Operations (hereinafter referred to as the "Held-for-Sale Standard") in proportion. If the net amount of the fair value of the disposal group held for sale minus the selling expenses increases on the subsequent balance sheet date, the amount previously written down shall be restored and reversed within the amount of losses from asset impairment recognized by the non-current assets applicable to the measurement provisions of the held-for-sale standard after being classified as held for sale, and the reversed amount shall be included in the current profit or loss, and the book value of each non-current asset in the disposal group except goodwill shall be increased in proportion to the proportion of the book value of the held-for-sale standard measurement provisions; The goodwill book value that has been offset and the losses from asset impairment recognized before the non-current assets subject to the measurement provisions of the applicable held-for-sale standard are classified as held for sale shall not be reversed.

No provision for depreciation or amortization shall be made for non-current assets held for sale or non-current assets in the disposal group, and the interest and other expenses of liabilities in the disposal group held for sale shall continue to be recognized.

When the non-current assets or disposal group no longer meets the classification conditions of the held-for-sale category, the Group will no longer continue to classify it as held for sale or remove the non-current assets from the held-for-sale disposal group, and measure it at the lower of: (1) the book value before being classified as held for sale, which is the amount adjusted for depreciation, amortization or impairment that would have been recognized if it had not been classified as held for sale; (2) Recoverable amount.

Identification criteria and presentation methods for discontinued operations

Applicable Not applicable

Discontinued operations refer to the components that can be separately distinguished and have been disposed of or classified as held for sale by the Group and meet one of the following conditions: the component represents an independent main business or a separate main business area; the component is a part of the plan on intended disposal of an independent major business or a sole major business area; or the component is a subsidiary acquired exclusively for resale.

The Group separately presents the profit or loss of discontinued operations in the income statement, and the operating profit or loss and disposal profit or loss of the discontinued operations such as the impairment losses and reversal amount are presented as the profit or loss of discontinued operations.

19. Long-term equity investment

Applicable Not applicable

The long-term equity investments referred to in this part are those where the Group has control, joint control, or significant influence over the investee. The Group's long-term equity investment that has no control, joint control or significant influence on the investee is accounted for as a financial asset measured at fair value through current profit or loss. If it is non-trading, the Group may choose to designate it as a financial asset measured at fair value through other comprehensive income at the time of initial recognition. See Note V.11 "Financial Instruments" for its accounting policies.

Joint 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 agrees the same. 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.

(1) Determination of investment cost

For the long-term equity investments acquired from business combination under common control, the share of book value of its owners' equity in the combinee in the consolidated financial statements of the ultimate controller shall be recognized, on the combination date, as the initial investment cost of the long-term equity investment. If there is a difference between the initial investment cost of the long-term equity investment and the book value of the paid cash, transferred non-cash assets and assumed debts, the difference shall be used to adjust the capital reserves; if capital reserve is insufficient for offset, retained earnings shall be adjusted. If the Company pays a consideration to the combinee by issuing equity securities, the share of book value of its owners' equity in the combinee in the consolidated financial statements of the ultimate controlling party shall be regarded, on the combination date, as the initial cost of the long-term equity investment, and the capital reserves are adjusted according to the difference between the initial investment cost of the long-term equity investment and the total amount of the equity issued, with the total amount of the equity issued as the share capital; if capital reserve is insufficient for offset, retained earnings shall be adjusted.

For long-term equity investments acquired from business combinations not under common control, the initial investment cost of long-term equity investments shall be the combination cost on the acquisition date. The combination cost includes the sum of the fair value of the assets paid by the acquirer, liabilities incurred or assumed and equity securities issued. If the equity of the acquiree is acquired step by step through multiple transactions and finally forms a business combination not under common control, it shall be treated according to whether it belongs to "package transactions": if it belongs to "package transactions", the transactions shall be accounted for as a transaction with control. If it does not belong to "package transactions", the sum of the book value of the equity investments originally held by the acquiree and the newly increased investment cost shall be recognized as the initial investment cost of the long-term equity investments accounted for under the cost method. Where the equity originally held is accounted for under the equity method, the relevant other comprehensive income shall not be subject to accounting treatment temporarily.

The intermediary service charges, including audit, legal service, evaluation and consultancy fees and other relevant administrative expenses incurred by the combining party or the acquirer for business combination, shall be charged to the current profit or loss when they are incurred.

Other equity investments (excluding long-term equity investments formed by business combination) shall be initially measured at cost. Such cost shall be determined in accordance with the purchase price actually paid by the Group in cash, the fair value of the equity securities issued by the Group, the value agreed in the investment contract or agreement, the fair value or original book value of the assets traded out in the exchange of non-monetary assets, and the fair value of the long-term equity investments, depending on the different acquisition methods of the long-term equity investments. The expenses, taxes and other necessary expenses that are directly related to the acquisition of long-term equity investments are also included in investment costs. For additional investment that can have significant influence on the investee or implement joint control but does not constitute control, the long-term equity investment cost is the sum of the fair value of the original equity investment determined in accordance with the Accounting Standards for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments plus the cost of the new investment.

(2) Subsequent measurements and recognition of profit or loss

The equity method shall be adopted for accounting of long-term equity investments that have joint control (except

for those constituting joint operators) or significant influence on the investee. In addition, the Company uses the cost method to account for long-term equity investments in investees over which it has control in its financial statements.

① Long-term equity investments calculated under cost method

When the cost method is adopted for accounting, the Company shall measure the long-term equity investments at the initial investment cost and increase or recover the investment to adjust the cost of long-term equity investments. 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, the Group recognizes the current investment income based on the cash dividends or profits enjoyed by the Company and declared to be distributed by the investee.

② Long-term equity investments calculated under equity method

When the equity method is adopted for accounting, if the cost of initial investment of long-term equity investments is in excess of the proportion of the fair value of the identifiable net assets in the investee when the investment is made, the initial investment cost of long-term equity investment will not be adjusted; if the initial investment cost is in short of the share of the fair value of the identifiable net assets in the investee when the investment is made, the difference will be included in the current profit or loss, and will be adjusted to the cost of long-term equity investment.

When the equity method is adopted for accounting, the Group, based on its attributable share of the net profit or loss and other comprehensive income realized by the investee, respectively recognizes the investment income and other comprehensive income, and simultaneously adjust the book value of the long-term equity investment. 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; As to any change in owners' equity of the investee other than net profit or loss, other comprehensive income and profit distribution, the Group shall adjust the book value of the long-term equity investment and include such change in capital reserves. When recognizing the attributable share of net profit or loss of the investee, the Group should, based on the fair value of identifiable net asset of the investee when it obtains the investment, recognize the net profits of the investee after adjustment. If accounting policies and accounting periods adopted by the investee are inconsistent with those of the Group, the financial statements of the investee should be adjusted according to the accounting policies and accounting periods of the Group and investment income and other comprehensive income etc. should be recognized on such basis. For transactions between the Group and associates and joint ventures, if the invested or sold assets do not constitute business, the unrealized profit or loss from internal transactions will be offset at the part attributable to the Group and the investment profit or loss will be recognized on that basis. However, the unrealized internal transaction losses incurred between the Group and the investee shall not be offset if they belong to the transferred losses from asset impairment. If the assets invested by the Group in joint ventures or associates constitute any business, and the investor obtains long-term equity investments but does not obtain control, the fair value of the invested business shall be taken as the initial investment cost of the newly increased long-term equity investments, and the difference between the initial investment cost and the book value of the invested business shall all be included in the current profit or loss. Where the assets sold by the Group to joint ventures or associates constitute a business, the difference between the consideration obtained and the book value of the business shall be fully included in the current profit or loss. If the assets purchased by the Group from associates and joint ventures constitute a business, they shall be accounted for in accordance with the Accounting Standards for Business Enterprises No. 20 - Business Combination, and the gains or losses related to the transaction shall be fully recognized.

When recognizing the net losses occurred in the investee that should be shared, the reduction value of book value of long-term equity investments and other long-term equities that constitute net investments in the investee will be the limit until it becomes zero. In addition, if the Group has the obligation to assume extra-amount losses for the investee, the estimated liabilities are recognized according to the estimated obligations and included in the current investment losses. Where the investee realizes net profits in the subsequent period, the Group shall restore the income shared after making up for unrecognized losses undertaken by such income.

③ Acquisition of minority equity

In the preparation of the consolidated financial statements, the capital reserve will be adjusted at the difference between the long-term equity investments acquired by the Company for the purchase of minority equities and the share of net assets of subsidiaries calculated constantly from the acquisition date (or combination date) according to the newly increased shareholding ratio; in case the capital reserve is insufficient to cover the difference, retained earnings will be adjusted.

④ Disposal of long-term equity investment

In the consolidated financial statements, the parent company partially disposes of the long-term equity investments in the subsidiary without losing control, and the difference between the disposal price and the share of net assets of subsidiaries corresponding to the disposal of long-term equity investments shall be included in the shareholders'

equity; if the parent company partially disposes of the long-term equity investment of the subsidiary and loses control over the subsidiary, it shall be treated according to the relevant accounting policies described in (2) of Note V.7. "Method of preparation of consolidated financial statements".

For the disposal of long-term equity investments under other circumstances, the difference between the book value of the disposed equity and the actual purchase price is included in the current profit or loss.

For long-term equity investment accounted for under the equity method, if the remaining equity after disposal is still accounted for under the equity method, the other comprehensive income originally included in shareholders' equity shall be accounted for on the same basis as the investee directly disposes of the relevant assets or liabilities. Owners' equity recognized from changes in other owners' equity of the investee other than net profit or loss, other comprehensive income and profit distribution shall be included in the current profit or loss according to the proportion.

For the long-term equity investments accounted for under the cost method, if the remaining equity after disposal is still accounted for by the cost method, other comprehensive income recognized by using the equity method or financial instruments recognition and measurement standards before obtaining the control over the investee shall be accounted for on the same basis as that for the direct disposal of the relevant assets or liabilities by the investee, and shall be carried forward to the current profit or loss in proportion; changes in other owners' equity other than net profit or loss, other comprehensive income and profit distribution in net assets of the investee accounted for and recognized by using the equity method shall be carried forward to the current profit or loss.

When the Group disposes of a portion of its equity investment and thereby loses control over the investee, in the preparation of individual financial statements, if the remaining equity after disposal allows the Group to exercise joint control or significant influence over the investee, the remaining equity is accounted for using the equity method. The remaining equity is retrospectively adjusted as if it had been accounted for using the equity method since the date of acquisition; if the remaining equity after disposal can not exercise joint control or significant influence on the investee, such equity will be changed to be accounted for according to recognition and measurement standards of financial instruments and the difference between fair value and book value on the date of loss of the control should be included in the current profit or loss. For other comprehensive income recognized by using the equity method or financial instruments recognition and measurement standards before the Group obtains the control over the investee, accounting treatment shall be made on the same basis as that for direct disposal of relevant assets or liabilities by the investee when the Group loses the control over the investee. Changes in other owners' equity other than net profit or loss, other comprehensive income and profit distribution in net assets of the investee recognized by using the equity method shall be carried forward to the current profit or loss when the control over the investee is lost. Where the remaining equities after disposal are accounted for under the equity method, the other comprehensive income and other owners' equity shall be carried forward in proportion; The remaining equities after the disposal are changed to be made in accordance with the relevant provisions in the recognition and measurement criteria of financial instruments while other comprehensive income and other owners' equity are carried forward in full.

In case the joint control or significant influence over the investee is lost for disposing part of equity investments, the remaining equity will be changed to be accounted for according to the recognition and measurement principles of financial instruments. The difference between the fair value and the book value on the date of the loss of joint control or significant influence should be included in the current profit or loss. When the accounting by the equity method is terminated, other comprehensive income recognized upon the accounting by the equity method from the original equity investment should be subject to the accounting treatment which is made on the basis same with that for the direct disposal of relevant assets or liabilities by the investee. Owner's equity recognized from changes in other owner's equity of the investee other than net profit or loss, other comprehensive income and the profit distribution should be included in the current investment income when the equity method is terminated.

Where the Group disposes of equity investments in subsidiaries through multiple transactions and by stages until loss of the control, if the above transactions belong to package transactions, 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 and then transferred into the current profit or loss at the loss of the control.

20. Investment property

Investment property refers to real estate held for the purpose of earning rental income, capital appreciation, or both. Including leased land use rights, land use rights held for appreciation and subsequent transfer, and leased buildings.

The investment properties shall be initially measured at the cost. Subsequent expenses related to the investment property, if the economic benefits related to the asset are likely to flow in and the cost can be measured reliably, should be included in the cost of the investment properties. Other subsequent expenses should be included in the current profit or loss when incurred.

The Group adopts the cost model for the subsequent measurement of investment properties, and depreciates or amortizes the investment properties in accordance with the policies consistent with those for houses and buildings or land use right.

See Note V. 27 "Impairment of long-term assets" for the impairment test method and provision for impairment method of investment properties.

When the self-use property or the inventory is converted into investment properties or the investment properties are converted into the self-use property, the book-entry value after the conversion shall be the book value before the conversion.

When the use of the investment properties is changed to self-use, the investment properties shall be converted into fixed assets or intangible assets from the date of change. When the use of self-use real estate is changed to earn rent or capital appreciation, the fixed assets or intangible assets shall be converted into investment properties from the date of change. When the conversion occurs, the Group records the book value of the fixed assets or intangible assets before the conversion as the book value of the investment properties after the conversion.

When investment properties are being disposed of or permanently withdraws from use without any economic benefits expected from the disposal, the investment property shall be derecognized. The difference between the disposal proceeds arising from sales, transfer, scrapping or damage of the investment properties and the sum of the book values and related taxes and surcharges shall be recognized in the current profit or loss.

21. Fixed assets

(1) Recognition conditions

Applicable Not applicable

Fixed assets refer to tangible assets held for the purpose of producing goods, providing services, renting or operating management, with a service life exceeding one accounting year. Fixed assets will only be recognized when the economic benefits associated with such assets are likely to flow into the Group and the cost can be measured reliably. Fixed assets are initially measured at cost, taking into account the impact of estimated abandonment costs.

(2) Method of depreciation

Applicable Not applicable

Type	Depreciation method	Depreciation life (year)	Residual value rate	Annual depreciation rate
Buildings and constructions	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%

The fixed assets shall be depreciated within the service life using the straight-line method, commencing from the month following the date when the assets are ready for their intended use. Estimated net residual value refers to the amount obtained by the Group from the disposal of the fixed assets at present after deducting the estimated disposal expenses, assuming that the estimated service life of the fixed asset has expired and the fixed asset is in the expected state at the end of its service life.

22. Construction in progress

Applicable Not applicable

The cost of the construction in process is determined according to the actual project expenditures, including various project expenditures incurred during the construction period, capitalized borrowing costs before the project reaches the working condition for its intended use and other relevant expenses.

The construction in process shall be carried forward to the fixed assets after it reaches the working condition for its intended use.

See Note V. 27 "Impairment of long-term assets" for the impairment test method and provision for impairment method of the construction in process.

23. Borrowing costs

Applicable Not applicable

Borrowing costs include the interest of borrowings, the amortization of discount or premium, auxiliary expenses, exchange differences incurred by foreign currency borrowings, etc. The capitalization of the borrowing costs that can be directly attributable to the acquisition, construction or production of assets that meet the capitalization conditions will start when the asset expenditure has incurred, the borrowing costs have incurred, and the acquisition, construction or production activities necessary for the asset to reach the intended usable or salable state have begun; the capitalization should be ceased when the acquired and constructed or produced assets eligible for capitalization have reached their intended use or sale condition. The remaining borrowing costs are recognized as expenses on occurrence.

The actual interest expenses incurred in the current period of special borrowings shall be capitalized after deducting the interest income obtained by depositing unused borrowing funds in the bank or the investment income obtained by making temporary investments. As for general borrowings, the amount of capitalization should be determined by multiplying the weighted average of asset disbursements of the part of accumulated asset disbursements exceeding special borrowings by the capitalization rate for the used general borrowings. The capitalization rate is determined based on the weighted average interest rate for general borrowings.

During the capitalization period, the exchange differences of special borrowings in foreign currencies shall be fully capitalized. The exchange difference of general borrowings in foreign currency shall be included in the current profit or loss.

Assets eligible for capitalization refer to fixed assets, investment properties, inventory and other assets that may reach the working condition for their intended use or sale only after long-time acquisition and construction or production activities.

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 until the restart of the acquisition and construction or production activities of the assets.

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

Intangible assets refer to the identifiable non-monetary assets without physical substance owned or controlled by the Group.

The intangible assets shall be initially measured at the cost. Expenditures related to intangible assets are included in the costs of intangible assets if it is probable that the relevant economic benefits will flow into the Group and the cost can be measured reliably. The expenses except for those mentioned above are included in the current profit or loss at the occurrence.

The land use right obtained is usually accounted for as intangible assets. For self-developed and constructed plants and other buildings, relevant land use right expenditure and cost of building construction shall be accounted for as intangible assets and fixed assets respectively. For externally purchased houses and buildings, the related payments are distributed in the land use right and buildings; those difficult to be distributed shall be all handled as fixed assets.

For intangible assets with definite service life, the accumulated amount of its original value less estimated net residual value and accrued provision for impairment shall be evenly amortized by using the straight-line method within the estimated service life from the date when it is available for use. Intangible assets with uncertain service life shall not be amortized. All intangible assets of the Group mainly include land use right, with the service life of the land use right certificate. 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.

At the end of the period, the service life and amortization method of the intangible assets with definite service life shall be reviewed, and any change shall be handled as a change in accounting estimates. In addition, the service life of intangible assets with uncertain service life is reviewed. If there is evidence that the period for which the intangible assets will bring economic benefits to the enterprise is foreseeable, the service life is estimated and amortized in accordance with the amortization policy of intangible assets with limited service life.

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

Applicable Not applicable

The Group's expenditures for its internal research and development projects are classified into research expenditures and development expenditures.

The expenditures in research phase will be included in current profit or loss on occurrence.

Expenditures in the development stage will be recognized as intangible assets only when the following conditions are simultaneously satisfied, and included in current profit or loss if the following conditions are not satisfied:

- ① It is technically feasible to complete the intangible asset so that it can be used or sold.
- ② The intention is to complete the intangible asset and use or sell it;
- ③ The ability to generate future economic benefits from the intangible asset is demonstrated, including proof of the existence of a market for the products produced using the intangible asset or for the intangible asset itself; if the intangible asset is to be used internally, the usefulness of the asset is demonstrated.
- ④ The availability of adequate technical, financial and other resources to support the development of the intangible asset and the ability to use or sell the intangible asset are confirmed.
- ⑤ Expenditures attributable to the development phase of the intangible asset can be reliably measured.

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. Impairment of long-term assets

Applicable Not applicable

For non-current non-financial assets such as fixed assets, construction in process, right-of-use assets, intangible assets with limited service life, investment properties measured in cost mode and long-term equity investment to subsidiaries, joint ventures and associates, the Group determines whether there is any indication of impairment on the balance sheet date. If there is any indication that the assets may be impaired, the Company will estimate the recoverable amount and carry out an impairment test. Impairment tests for goodwill, intangible assets with uncertain service life and intangible assets not reaching serviceable condition shall be conducted every year whether they have indication of impairment or not.

If the recoverable amount of the asset is less than its book value after the impairment test, provision for impairment will be made at the difference and included into impairment losses. 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 fair value of the assets shall be determined according to the sales agreement price in the fair transaction; where there is no sales contract but an active market, the fair value of assets shall be determined at the bid price of the assets; where there is neither sales contract nor an active market, the fair value of assets may be estimated based on the accessible optimum information. Disposal expenses include legal expenses related to the asset disposal, relevant taxes and surcharges and carriage expenses and direct costs incurred to make such assets reach the conditions for sales. Present value of assets in expected future cash flows shall be determined by discounting the expected future cash flow generated during the continuous use and final disposal of assets at appropriate discount rate. The provision for asset impairment shall be calculated and recognized on the basis of single asset, if it is difficult to estimate the recoverable amount of the individual asset, the Company will 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 the goodwill separately listed in the financial statements, the book value of the goodwill will be amortized to the asset group or asset group portfolio expected to benefit from the synergistic effect of the business combination when the impairment test is conducted. If the test result shows that the recoverable amount of the asset group or asset group portfolio containing the apportioned goodwill is lower than the book value, the corresponding impairment losses shall be recognized. 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.

Once the above-mentioned losses from asset impairment are recognized, the part whose value can be recovered shall not be reversed in subsequent periods.

28. Long-term deferred expenses

Applicable Not applicable

Long-term deferred expenses refer to all expenses with an amortization period of more than one year that have occurred but should be borne by the reporting period and subsequent periods. Long-term deferred expenses are amortized on a straight-line basis over the expected benefit period.

29. Contractual liabilities

Applicable Not applicable

Contract liabilities refer to the Group's obligation to transfer goods to customers for which consideration has been received or is receivable from customers. If the customer has already paid the contract consideration or the Group has obtained an unconditional right to receive payment before the Group transfers goods to the customer, the Group records the amount received or receivable as contract liabilities at the earlier of when the customer actually makes the payment or when the payment becomes due. Contract assets and contract liabilities under the same contract should be presented at net value; contract assets and contract liabilities under different contracts should not be offset.

30. Employee salary

(1) Accounting treatment of short-term compensation

Applicable Not applicable

The short-term compensation mainly includes wages, bonuses, allowances and subsidies, employee benefits, medical insurance premium, maternity insurance premium, industrial injury insurance premium, housing provident fund, labor union funds and employee education fund, non-monetary welfare, etc. During the accounting period when employees provide services to the Group, the Group recognizes the short-term employee compensation actually incurred as liabilities and includes it in the current profit or loss or the related asset cost. Among them, the non-monetary benefits are measured at the fair value.

(2) Accounting treatment of post-employment benefits

Applicable Not applicable

The post-employment benefits mainly include basic endowment insurance, unemployment insurance and annuity, etc. Post-employment benefit plan includes defined contribution plan. If the defined contribution plan is adopted, the corresponding amount payable shall be included in the relevant asset cost or current profit or loss when incurred.

(3) Accounting treatment of dismissal benefits

Applicable Not applicable

The employee compensation liabilities arising from dismissal benefits are recognized and included in the current profit or loss on the earlier date of the date when the Group cannot unilaterally withdraw the dismissal benefits provided by the plan for the termination of the labor relationship or the proposal for the reduction and the date when the Group recognizes the costs related to the restructuring involving the payment of dismissal benefits. However, if the dismissal benefits are not expected to be fully paid within twelve months after the end of the annual reporting period, it shall be treated as other long-term employee compensation.

Internal retirement plan for employees shall be handled by using the same principles of dismissal benefits above. The Group will include the wages and social insurance premiums to be paid for early retirees during the period from the date when employees stop providing services to the normal retirement date into the current profit or loss (dismissal benefits) when the conditions for recognition of estimated liabilities are met.

(4) Accounting treatment of other long-term employee's benefits

Applicable Not applicable

Where other long-term employee benefits provided by the Group to employees conform to the defined contribution plans, they shall be accounted for according to the defined contribution plans. In addition, they shall be accounting for according to the defined benefit plans.

31. Estimated liabilities

Applicable Not applicable

When the obligation related to the contingency meets the following conditions at the same time, it is recognized as estimated liabilities: (1) the obligation is a current obligation of the Group; (2) the performance of the obligation is likely to result in an outflow of economic benefits; and (3) the amount of the obligation can be measured reliably.

On the balance sheet date, by considering the risks, uncertainty and time value of money and other factors related to contingency, the estimated liabilities will be measured according to the best estimate of the required expenditures for performance of relevant present obligation.

If all or part of the expenses required for the settlement of estimated liabilities are expected to be compensated by a third party, the compensation amount shall be separately recognized as an asset when it is basically certain that it can be received, and the recognized compensation amount shall not exceed the book value of estimated liabilities.

① Loss-making contract

A loss-making contract is a contract where the cost of performing contractual obligations exceeds the expected economic benefits. If a contract to be executed becomes a loss-making contract and the obligation arising from the loss-making contract meets the above recognition criteria for estimated liabilities, the portion of the estimated loss of the

contract in excess of the recognized impairment losses (if any) of the subject asset of the contract shall be recognized as estimated liabilities.

② Quality assurance

The quality assurance is to ensure to the customer that the goods sold meet the established standards. If the obligations arising from the quality assurance clause meet the relevant conditions, the estimated liabilities shall be recognized for the quality assurance.

32. Share-based payment

Applicable Not applicable

(1) Accounting treatment of share-based payment

The Company's share-based payments are transactions in which it grants equity instruments or undertakes equity-instrument-based liabilities in return for services from employees (or other parties). Share-based payment is divided into equity-settled share-based payment and cash-settled share-based payment.

① Equity-settled share-based payment

Equity-settled share-based payment used in exchange for services rendered by employees are measured at the fair value of the equity instrument granted to employees on the grant date. If the amount of the fair value is only feasible when the service in the waiting period is completed or the specified performance conditions are met, the best estimate of the number of equity instrument that can be exercised is based on the waiting period, and the right is immediately feasible after the grant, the relevant costs or expenses are included on the grant date, and the capital reserves are increased accordingly.

On each balance sheet date during the waiting period, the Group makes the best estimate based on the latest subsequent information such as the change in the number of employees with exercisable rights, and revises the estimated number of equity instruments with exercisable rights. The impact of the above estimates is included in the relevant costs or expenses of the current period, and the capital reserves are adjusted accordingly.

For equity-settled share-based payments in exchange for services from other parties, if the fair value of the services received can be reliably measured, the services are measured at their fair value on the date of receipt. If the fair value of the services received cannot be reliably measured, but the fair value of the equity instruments can be reliably measured, the equity instruments are measured at their fair value on the date the services are received. The measured amount is recognized as part of the relevant costs or expenses and correspondingly increases shareholders' equity.

② Cash-settled share-based payment

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 the Group. If the right is exercised immediately after the grant, it shall be included in the relevant costs or expenses on the grant date, and the liabilities shall be increased accordingly. If it is necessary to complete the service within the waiting period or reach the specified performance conditions before the right is exercisable, on each balance sheet date of the waiting period, based on the best estimate of the exercisable right, the service obtained in the current period shall be included in the cost or expense according to the fair value amount of the Group's assumed liabilities, and the liabilities shall be increased accordingly.

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.

(2) Accounting treatment for modification and termination of share-based payment plans

When the Group modifies the share-based payment plan, if the modification increases the fair value of the equity instrument granted, the increase in services obtained shall be recognized correspondingly according to the increase in the fair value of the equity instrument. The increase in the fair value of the equity instrument refers to the difference between the fair value of the equity instrument before and after the modification on the modification date. If the modification reduces the total fair value of the share-based payment or adopts other methods that are not beneficial to the employees, the accounting treatment for the services obtained will continue to be carried out, and the change will be deemed as if it had never occurred, unless the Group cancels part or all of the granted equity instrument.

If the Group 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 and shall simultaneously recognize the capital reserve. If employees or other parties can choose to meet the conditions for non-vesting but fail to meet them during the waiting period, the Group will treat them as the cancellation of the granted equity instrument.

33. Preferred stocks, perpetual bonds, and other financial instruments

√ Applicable □ Not applicable

(1) The distinction between perpetual bond and preferred shares

Financial instruments such as perpetual bond and preferred shares issued by the Group shall be regarded as equity instrument if they meet the following conditions simultaneously:

- ① The financial instruments do not include the contractual obligations to deliver cash or other financial assets to other parties, or to exchange financial assets or financial liabilities with other parties under potentially adverse conditions;
- ② If the financial instruments must be or can be settled with the enterprise's own equity instrument in the future, if the financial instruments is non-derivative, it does not include the contractual obligation to deliver a variable quantity of its own equity instrument for settlement. In the case of derivatives, the Group can only settle the financial instruments by exchanging a fixed amount of its own equity instrument for a fixed amount of cash or other financial assets.

Except for financial instruments that can be classified as equity instruments according to the above conditions, other financial instruments issued by the Group shall be classified as financial liabilities.

If the financial instruments issued by the Group are composite financial instruments, they are recognized as a liability according to the fair value of the liability component, and recognized as "other equity instrument" according to the amount of the actually received amount deducting the fair value of the liability component. Transaction expenses incurred in the issuance of composite financial instruments are allocated between the liability component and the equity component in proportion to their respective share of the total issue price.

(2) Accounting treatment of perpetual bond and preferred shares

Financial instruments such as perpetual bond and preferred shares classified as financial liabilities, their related interest, dividends (or dividend), gains or losses, and gains or losses arising from redemption or refinancing, are included in the current profit or loss, except for borrowing costs eligible for capitalization (see Note V. 23 "Borrowing costs").

When financial instruments such as perpetual bond and preferred shares classified as equity instrument are issued (including refinancing), repurchased, sold or canceled, the Group treats them as changes in equity, and the relevant transaction costs are also deducted from equity. The Group treats the distribution to equity instrument holders as profit distribution.

The Group does not recognize changes in the fair value of equity instruments.

34. Revenue

(1) Accounting policies adopted for revenue recognition and measurement disclosed by business type

√ Applicable □ Not applicable

Revenue is the total inflow of economic benefits formed in the daily activities of the Group, which will lead to an increase in shareholders' equity and has nothing to do with the capital invested by shareholders. When the contract between the Group and the customer meets the following conditions at the same time, the revenue is recognized when the customer obtains the control of the relevant goods (including labor services, the same below): the parties to the contract have approved the contract and promised to perform their respective obligations; the contract specifies the rights and obligations of the parties to the contract in relation to the goods transferred or services provided; the contract has clear payment terms related to the transferred goods; the contract has commercial substance, that is, the performance of the contract will change the risks, time distribution or amount of the Group's future cash flows. The consideration that the Group is entitled to obtain due to the transfer of goods to customers is likely to be recovered. Specifically, obtaining the control of relevant goods means being able to dominate the use of the goods and obtain almost all the economic benefits from it.

On the starting date of the contract, the Group identifies each individual performance obligation in the contract, and allocates the transaction price to each individual performance obligation in the relative proportion of the individual selling price of the goods for which each individual performance obligation is committed. In determining the transaction price, the impact of variable consideration, significant financing elements in the contract, non-cash consideration, consideration payable to customers and other factors has been considered.

For each individual performance obligation in the contract, if one of the following conditions is met, the Group recognizes the transaction price allocated to the individual performance obligation in accordance with the performance progress during the relevant performance period as the revenue: the customer obtains and consumes the economic benefits brought by the Group's performance at the same time when the Group performs the contract; the customer is able to control the goods under construction in the course of the Group's performance; the goods produced in the course of the Group's performance are of irreplaceable use and the Group is entitled to receive payment for the cumulative portion of performance completed to date throughout the term of the contract. The performance progress

is determined by the input method or the output method according to the nature of the transferred goods. When the performance progress cannot be reasonably determined, if the Company's costs incurred are expected to be compensated, the revenue shall be recognized based on the amount of costs incurred, until the performance progress can be determined reasonably.

If one of the above conditions is not met, the Group recognizes revenue at the point when the customer obtains control of the relevant goods in accordance with the transaction price allocated to the individual performance obligation. When determining whether the customer has obtained the right of control over goods, the Group considers the following indications: the enterprise has the current right to receive payment for the goods, that is, the customer has the current payment obligation for the goods; the enterprise has transferred the legal ownership of the goods to the customer, that is, the customer already owns the legal ownership of the goods; the enterprise has transferred the goods to the customer in kind, that is, the customer has taken physical possession of the goods; the enterprise has transferred the principal risks and rewards of ownership of the goods to the customer; that is, the customer has obtained the principal risks and rewards of ownership of the goods; the customer has accepted the goods; other indications that the customer has obtained the control over the goods.

The Group provides EPC services to customers. As the customer obtains and consumes the economic benefits brought by the Group's performance while the Group is performing the contract, and the customer can control the goods under construction during the Group's performance of the contract, which belongs to the performance obligation performed within a certain period of time, the revenue is recognized according to the performance progress. The method for determining the performance progress is the input method, which is determined according to the proportion of the accumulated incurred cost to the estimated total cost. When the performance progress can be reasonably determined, on the balance sheet date, the amount of the total contract revenue multiplied by the performance progress minus the accumulated recognized revenue in previous accounting periods is recognized as the current contract revenue. When the performance progress cannot be reasonably determined, revenue is recognized at the costs incurred when the costs incurred are expected to be reimbursed until the performance progress can be reasonably determined.

(2) Similar services using different business models involve different revenue recognition methods and measurement methods

Applicable Not applicable

35. Contract cost

Applicable Not applicable

If the incremental costs incurred by the Group for obtaining the contract is expected to be recovered, they, as contract acquisition costs, are recognized as an asset. However, if the amortization period of the asset does not exceed one year, it is included in the current profit or loss when it occurs. Costs incurred to fulfill a contract that are not within the scope of other accounting standards besides the Accounting Standards for Business Enterprises No.14—Revenue (Revised 2017) and that simultaneously meet the following conditions are recognized as an asset as contract fulfillment costs: The cost is directly related to a current or anticipated contract, including direct labor, direct materials, manufacturing overhead (or similar expenses), costs explicitly borne by the customer, and other costs incurred solely because of that contract; The cost increases the Group's resources for fulfilling performance obligations in the future; The cost is expected to be recoverable. Assets related to contract costs are amortized on the same basis as the recognition of commodity revenue related to the asset, and included in the current profit or loss. When the book value of the assets related to the contract costs is higher than the difference between the following two items, the provision for impairment shall be made for the excess and the losses from asset impairment shall be recognized: (I) the remaining consideration expected to be obtained due to the transfer of the goods related to the assets; (II) the estimated costs to be incurred for the transfer of the relevant goods. When the difference between (I) and (II) in the preceding paragraph is higher than the book value of the asset due to changes in the factors of impairment in previous periods, the provision for asset impairment that has been withdrawn shall be reversed and included in the current profit or loss, but the book value of the asset after reversal shall not exceed the book value of the asset on the reversal date under the assumption that no provision for impairment is made.

36. Government grants

Applicable Not applicable

Government grants refer to the monetary assets and non-monetary assets obtained free of charge by the Group from the government, excluding the capital invested by the government as an investor with corresponding owners' equity. Government grants are classified into asset-related government grants and income-related government grants.

The Group defines government grants obtained for the acquisition or construction of long-term assets, or for the formation of such assets by other means, as government grants related to assets; all other government grants are defined as government grants related to income. If government documents do not clearly specify the recipients of subsidies, the following method is used to classify the subsidies into government grants related to income and government grants related to assets:

- (1) if the government document specifies the specific project for which the subsidy is aimed, it shall be divided according to the relative proportion of the expenditure amount that will form assets and the expenditure amount that will be included in expenses in the budget of the specific project. The division ratio shall be reviewed on each balance sheet date and changed if necessary;
- (2) if the government document only makes a general statement on the use and does not specify a specific project, the Group's judgment basis for classifying the government grants as asset-related or income-related is whether it is used for acquisition and construction or otherwise forms long-term assets. Government grants considered as monetary assets are measured at the amount received or receivable. Government grants considered as non-monetary assets are measured at fair value; if the fair value cannot be obtained in a reliable way, it shall be measured at nominal amount. Government grants measured at the nominal amount are directly included in current profit or loss.

The Group usually recognizes and measures government grants at the actually received amount upon receipt. However, if there is conclusive evidence at the end of the period that the relevant conditions stipulated in the financial support policies can be met and the financial support funds are expected to be received, they shall be measured at the amount receivable. Government grants measured at the amount receivable shall meet the following conditions at the same time:

- (1) the amount of subsidy receivable has been confirmed by the competent government department, or can be reasonably measured according to the relevant provisions of the officially issued financial fund management measures, and it is estimated that there is no major uncertainty in its amount;
- (2) it is based on the financial support projects and their financial fund management measures officially issued by the local finance department and actively disclosed in accordance with the Regulations on the Disclosure of Government Information, and the management measures shall be inclusive (any enterprise that meets the prescribed conditions can apply), rather than specifically for specific enterprises;
- (3) the disbursement period has been clearly promised in the relevant grant approval, and the disbursement of the amount is guaranteed by the corresponding budget, so there is reasonable assurance that it will be received within the specified period;
- (4) other relevant conditions (if any) that shall be met according to the specific circumstances of the Group and the subsidy.

Asset-related government grants are recognized as deferred income and included in the current profit or loss by stages within the service life of the relevant assets according to a reasonable and systematic method. Income-related government grants used as compensation for relevant costs or losses in subsequent periods are recognized as deferred income, and are included in the current profit or loss or used to offset relevant costs during the period when the relevant costs or losses are recognized; those used for compensating the relevant costs or losses incurred shall be directly included in the current profit or loss or used to offset the relevant costs.

Where both asset-related government grants and income-related government grants are covered, the accounting treatment should be done respectively by distinguishing between asset-related government grants and income-related government grants; if it is difficult to distinguish them, they shall be classified as income-related government grants as a whole.

Government grants related to the daily activities of the Group shall be included in other income or used to offset the relevant costs according to the essence of economic business; government grants unrelated to daily activities are included in non-operating revenue and expenditure.

When the recognized government grants need to be returned, if there is relevant deferred income balance, the book balance of relevant deferred income shall be offset, and the excess shall be included in the current profit or loss; if it falls under other circumstances, it shall be directly included in the current profit or loss.

37. Deferred income tax assets / Deferred income tax liabilities

Applicable Not applicable

(1) Current income tax

On the balance sheet date, the current income tax liabilities (or assets) incurred in the current and prior periods shall be measured at the amount of income tax that is expected to be paid (or returned) and calculated in accordance with the tax law. The taxable income on which the current income tax expense is calculated is calculated after making corresponding adjustments to the pre-tax accounting profit for the reporting period in accordance with the relevant tax laws.

(2) Deferred tax assets and deferred tax liabilities

For the temporary differences arising from the difference between the book values and tax bases of certain assets and liabilities, as well as the difference between the book value and the tax bases of items that have not been recognized as assets and liabilities but whose tax bases can be determined in accordance with the tax law, the balance sheet liability method is adopted to recognize the deferred tax assets and deferred tax liabilities.

Deferred tax liabilities are not recognized for taxable temporary differences associated with the initial recognition of goodwill and for taxable temporary differences associated with the initial recognition of assets or liabilities arising from transactions that are neither business combination nor, when incurred, affect accounting profit or taxable income (or deductible losses) (except for individual transactions in which the initially recognized assets and liabilities result in equal taxable temporary differences and deductible temporary differences). In addition, for the taxable temporary differences related to the investments in subsidiaries, associates and joint ventures, if the timing of the reversal of the temporary differences is able to be controlled by the Group and the temporary differences are unlikely to be reversed in the foreseeable future, the relevant deferred tax liabilities should not be recognized. Except for the above exceptions, the Group recognizes the deferred tax liabilities arising from all other taxable temporary differences.

Deductible temporary differences related to the initial recognition of assets or liabilities arising from transactions that are neither business combination nor affect accounting profits and taxable income (or deductible losses) are not recognized as relevant deferred tax assets (except for individual transactions where the initially recognized assets and liabilities result in equal taxable temporary differences and deductible temporary differences). In addition, for the deductible temporary differences related to the investments in subsidiaries, associates and joint ventures, if the temporary differences are not likely to be reversed in the foreseeable future or the taxable income are not likely to be obtained to offset the deductible temporary differences in the future, the relevant deferred tax assets should not be recognized. Except for the above exceptions, the Group recognizes the deferred tax assets arising from other deductible temporary differences to the extent of the taxable income that is likely to be obtained and used to offset the deductible temporary differences,

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.

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, the book value of the deferred tax assets shall be reviewed. If it is unlikely to obtain sufficient taxable income to offset the benefit of the deferred tax assets in the future, 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.

(3) Income tax expenses

Income tax expenses include current income tax and deferred income tax.

Except for the current income tax and deferred income tax related to transactions and events recognized as other comprehensive income or directly included in shareholders' equity, which are included in other comprehensive income or shareholders' equity, and the deferred income tax arising from business combination to adjust the book value of goodwill, the remaining current income tax and deferred income tax expenses or income are included in the current profit or loss.

(4) Offset of income tax

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 income tax liabilities of COOEC shall be presented based on the net amount after offset.

When the Company has the legal right to settle current income tax assets and current income tax liabilities on a net basis, and the deferred tax assets and deferred tax liabilities are related to the income tax levied by the same tax collection authority on the same taxpayer or on different taxpayers, but in each important future period of reversal of deferred tax assets and liabilities, the involved taxpayer intends to settle current income tax assets and liabilities on a net basis or to obtain assets and settle liabilities at the same time, the deferred tax assets and deferred tax liabilities of the Group are presented at the net amount after offset.

38. Lease

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) Initial measurement

On the commencement date of the lease term, the Group recognizes the right to use the leased asset during the lease term as the right-of-use assets, and recognizes the present value of the unpaid lease payment as the lease liabilities, except for short-term lease and low-value asset lease. In calculating the present value of the lease payment, the Group adopts the implicit rate of lease as the discount rate; if the implicit rate of lease cannot be determined, the lessee's

incremental borrowing interest rate shall be adopted as the discount rate.

(2) Subsequent measurement

The Group makes provision for depreciation of right-of-use assets with reference to the relevant depreciation provisions of the Accounting Standards for Business Enterprises No. 4 - Fixed Assets (see Note V. 21 "Fixed Assets" for details). If it can be reasonably determined that the ownership of the leased asset will be obtained at the expiration of the lease term, the Group shall make provision for depreciation within the remaining service life of the leased asset. If it cannot be reasonably determined that the ownership of the leased assets will be obtained at the expiration of the lease term, the Group shall make provision for depreciation within the shorter period of the lease term or the remaining service life of the leased asset.

For lease liabilities, the Group calculates the interest expenses in each period of the lease term at a fixed periodic interest rate and includes them in the current profit or loss or the cost of related assets. Variable lease payments that are not included in the lease liabilities are included in current profit or loss or related asset costs when incurred.

After the commencement date of the lease term, when there are changes in the substantially fixed lease payments, estimated payable amounts for the guaranteed residual value, indices or ratios used to determine lease payments, or when there are changes in the assessment results or actual exercise of purchase options, renewal options, or termination options, the Group remeasures the lease liability based on the present value of the revised lease payments and adjusts the carrying amount of the right-of-use asset accordingly. The carrying amount of the right-of-use asset has been reduced to zero, but if the lease liability still requires further reduction, the Group will recognize the remaining amount in the current period's profit or loss.

(3) Short-term and low-value asset leases

For short-term lease with a lease term of not more than 12 months on the lease commencement date and low-value asset lease, the Group adopts a simplified treatment method and does not recognize right-of-use assets and lease liabilities, and includes the lease payment in the relevant asset cost or current profit or loss according to the straight-line method or other systematic and reasonable methods during each period of the lease term.

Lease classification standard and accounting treatment method as the lessor

Applicable Not applicable

On the lease commencement date, the Group divides the lease into financing lease and operating lease based on the substance of the transaction. Financing lease refers to the lease under which nearly all the risks and rewards related to the ownership of the leased asset have been transferred in substance. Operating lease refers to the leases other than financing lease.

(1) Operating lease

The Group adopts the straight-line method to recognize the lease receipt of the operating lease as the rental revenue for each period during the lease term. The variable lease payment related to the operating lease but not included in the lease receipt shall be included in the current profit or loss when it actually occurs.

(2) Financing lease

On the commencement date of the lease term, the Group recognizes the financing lease receivables and derecognizes the financing lease assets. Financing lease receivables are initially measured at the net amount of lease investment (the sum of the unguaranteed residual value and the present value of the lease receipt not received on the lease commencement date discounted at the implicit rate of lease), and the interest income during the lease term is calculated and recognized at a fixed periodic interest rates. The variable lease payment acquired by the Group but not included in the measurement of net lease investment shall be included in the current profit or loss when actually incurred.

39. Other significant accounting policies and accounting estimates

Applicable Not applicable

(1) Hedge accounting

In order to avoid certain risks, the Group uses certain financial instruments as hedging instruments for hedging. For the hedges that meet the prescribed conditions, the Group adopts the hedge accounting method for processing. Hedging includes fair value hedge, cash flow hedge and hedge of net investment in foreign operations.

At the beginning of the hedge, the Group formally designates the hedging instruments and the hedged item, and prepares written documents on the hedge relationship and the Group's risk management strategy and risk management objectives for the hedge. In addition, the Group continuously evaluates the hedge effectiveness at the inception of the hedge and thereafter.

① Fair Value Hedge

Gains or losses arising from hedging instruments designated as fair value hedges and meeting the conditions are included in the current profit or loss. If the hedging instruments are used to hedge non-trading investments in equity instruments (or part thereof) that are measured at fair value through other comprehensive income, the profit or loss arising from the hedging instruments are included in other comprehensive income. Gains or losses arising from the hedged risk exposure of the hedged item are included in the current profit or loss, and the book value of the hedged item is adjusted at the same time. If the hedged item is measured at fair value, the book value of the hedged item does not need to be adjusted for the gains or losses arising from the hedged risk, and the relevant profit or loss are included in the current profit or loss or other comprehensive income.

The hedge accounting shall be terminated when the Group revokes the designation of the hedging relationship, the hedging instruments has expired or been sold, the contract has been terminated or exercised, or no longer meets the conditions for the application of hedge accounting.

② Cash Flow Hedge

For the hedging instruments designated as cash flow hedge and meeting the conditions, the part of the gains or losses arising therefrom that is valid for the hedging shall be recognized as the reserve for cash flow hedges and included in the other comprehensive income, and the part of the invalid hedging shall be included in the current profit or loss.

If the expected transaction causes the Group to subsequently recognize a non-financial asset or non-financial liability, or the expected transaction of the non-financial asset or non-financial liability forms a firm commitment for fair value hedge accounting, the Group shall transfer the amount of the reserve for cash flow hedges recognized in other comprehensive income to the initial recognition amount of the asset or liability. For cash flow hedges other than these, the Group transfers the amount of the reserve for cash flow hedges originally recognized in other comprehensive income to the current profit or loss in the same period as the expected cash flow of the hedged item affects profit or loss.

If it is expected that all or part of the net loss originally included in the other comprehensive income cannot be compensated in the future accounting period, the irrecoverable part shall be transferred out and included in the current profit or loss.

When the Group terminates the application of hedge accounting for cash flow hedges, the accumulated reserve for cash flow hedges included in other comprehensive income shall be retained when the future cash flow is expected to occur, and shall be transferred out of other comprehensive income and included in the current profit or loss when the future cash flow is expected not to occur.

③ Net investment hedging of overseas operations

Net investment hedging of overseas operations is accounted for using a method similar to that of cash flow hedge. The portion of the gain or loss on the hedging instruments that is effective for the hedge is recognized as other comprehensive income, and the portion of the gain or loss that is not effective for the hedge is recognized in the current profit or loss.

profit or loss that have been included in other comprehensive income shall be transferred out of other comprehensive income and included in the current profit or loss when the overseas operation is disposed of.

(2) Debt restructuring

When the Group participates in debt restructuring as a creditor, and pays off debts with assets or converts debts into equity instruments for debt restructuring, the relevant assets shall be recognized when they meet the definition and recognition conditions. If the acquired debt assets are financial assets, the recognition principle of amount at initial measurement is shown in “(1) Classification, Recognition and Measurement of Financial Assets” in “Financial Instruments” of Note V.11; if the debt assets obtained are non-financial assets, the initial measurement amount is the sum of the fair value of the waived creditor’s rights and other directly attributable costs. The difference between the fair value and the book value of the creditor’s right waived shall be included in the current profit or loss. If the debt restructuring is carried out by modifying other terms, the Group shall, according to the substantial modification of the contract, judge whether to derecognize the original creditor’s rights, and at the same time recognize a new creditor’s rights according to the modified terms, or recalculate the book balance of the creditor’s rights.

When the Group participates in debt restructuring as a debtor, and the debt is settled with assets or converted into equity instrument for debt restructuring, the relevant assets and liabilities shall be derecognized when they meet the conditions for derecognition (see the relevant contents of the conditions for derecognition of relevant assets and liabilities in Note V), and shall be measured at the fair value of the equity instrument converted (measured at the fair value of the debt settled when the fair value cannot be reliably estimated). The difference between the book value of the debt discharged and the book value of the transferred asset (or the recognized amount of the equity instrument) is included in the current profit or loss. If the debt restructuring is carried out by modifying other terms, the Group shall judge whether to derecognize the original debt according to the substantive modification of the contract, and at the

same time recognize a new debt according to the modified terms, or recalculate the book balance of the debt. For the debt exempted in the debt restructuring, the Group can derecognize the exempted debt and recognize the debt restructuring gain only when it is no longer obliged to repay the debt.

40. Changes in significant accounting policies and accounting estimates

For details, refer to the "Analysis and Explanation of the Company's Reasons and Impact for Changes in Accounting Policies, Accounting Estimates, or Corrections of Significant Accounting Errors" under "Important Matters."

41. The first implementation of new accounting standards or interpretation of standards since 2025 involves adjusting the financial statements at the beginning of the year when the first implementation is carried out.

Applicable Not applicable

42. Others

Applicable Not applicable

VI. Taxes

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%, 1%
Enterprise income tax	Calculated and paid on the basis of amount of taxable income	See details in the Explanation.
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 International Engineering Co., Ltd	25
Offshore Oil Engineering (Qingdao) Co., Ltd.	15
CNOOC Offshore Engineering Solutions Co., Ltd.	15
COOEC Nigeria Co., Ltd	20
Offshore Oil Engineering Co., Ltd. Nigeria Free Trade Zone Company	Duty-free
COOEC International Co., Ltd.	25
Offshore Oil Engineering (Canada) Co., Ltd.	23
COOEC International Co., Limited Thai Company	20
COOEC International Co., Limited Brazilian Company	34
Offshore Oil Engineering (Zhuhai) Co., Ltd.	25
COOEC-Fluor Heavy Industries Co., Ltd.	25
COOEC Saudi Limited	20

2. Tax incentives

Applicable Not applicable

- (1) On December 3, 2024, the Company was jointly recognized as a high-tech enterprise by the Tianjin Municipal Bureau of Science and Technology, the Tianjin Finance Bureau and the Tianjin Municipal Tax Service, State Taxation Administration and obtained the High-tech Enterprise Certificate with the number GR202412001965, which is valid for 3 years, with an income tax rate of 15%.
- (2) In December 2024, Offshore Oil Engineering (Qingdao) Co., Ltd. was jointly recognized as a high-tech enterprise by the Qingdao Municipal Bureau of Science and Technology, the Finance Bureau of Qingdao and the Qingdao Tax Service, State Taxation Administration, and obtained the High-tech Enterprise Certificate with the number GR202437100091, which is valid for 3 years, with an income tax rate of 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%.
- (4) The registered address of the Nigeria Free Trade Zone Company of Offshore Oil Engineering Co., Ltd. is in Lekki Free Trade Zone. According to Nigerian law, enterprises in Lekki Free Trade Zone can enter Lekki Free Trade Zone first when importing raw materials and finished products. Lekki Free Trade Zone has bonded function. After paying relevant taxes according to Nigerian government regulations, it can be sold in the Nigerian market and all tax types of the enterprise will be exempted.

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. Cash and cash equivalents

Applicable Not applicable

Unit:(ten thousand yuan) Currency: RMB

Items	Ending Balance	Beginning Balance
Cash on hand		1.00
Bank deposit	703,876.19	507,256.91
Other monetary funds	17.01	
Deposits with financial companies	40,002.36	99,446.31
Total	743,895.56	606,704.22
Including: total amount deposited abroad	105,806.07	39,270.26

Other notes:

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:

Project (in ten thousand yuan)	Ending Balance	Beginning Balance
Frozen funds involved in lawsuits	11,136.94	10,731.20
Security deposit	17.01	
Total	11,153.95	10,731.20

2. Trading financial assets

Applicable Not applicable

Unit: (ten thousand yuan) Currency: RMB

Items	Ending Balance	Beginning Balance	Specify reasons and basis
Financial assets measured at fair value through profit or loss	949,429.23	1,010,697.32	/
Including:			
Structural deposits	949,429.23	1,010,697.32	/
Total	949,429.23	1,010,697.32	/

Other notes:

Applicable Not applicable

3. Derivative financial assets

Applicable Not applicable

4. Notes receivable

(1) Presentation of notes receivable by category

Applicable Not applicable

Unit: (ten thousand yuan) Currency: RMB

Items	Ending Balance	Beginning Balance
Bank acceptance bill	28.80	893.55
Commercial acceptance bill		
Total	28.80	893.55

(2) The Company's pledged notes receivable at the end of the period

Applicable Not applicable

(3) Notes receivable endorsed or discounted by the Company and not yet due on the balance sheet date at the end of the period

Applicable Not applicable

(4) Classified disclosure by provision of bad debts

√ Applicable □ Not applicable

Unit: (ten thousand yuan) Currency: RMB

Type	Ending Balance					Beginning Balance				
	Book balance		Provision for bad debts		Book Value	Book balance		Provision for bad debts		Book Value
	Amount	Ratio (%)	Amount	Proportion of provision (%)		Amount	Ratio (%)	Amount	Proportion of provision (%)	
Provision for bad debts accrued on an individual basis										
Provision for bad debts made by portfolio	28.80	100.00			28.80	893.55	100.00			893.55
Including:										
Bank acceptance bills	28.80	100.00			28.80	893.55	100.00			893.55
Total	28.80	/		/	28.80	893.55	/		/	893.55

Individual provision for bad debts:

□ Applicable √ Not applicable

Provision for bad debts made by portfolio:

√ Applicable □ Not applicable

Combined Provision Items: Bank acceptance bills

Unit: (ten thousand yuan) Currency: RMB

Name	Ending Balance		
	Book balance	Provision for bad debts	Provision ratio (%)
Bank acceptance bills	28.80		
Total	28.80		

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 notes receivables with changes in provision for losses in the current period:

□ 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) Actual notes receivable written off in the current period

□ Applicable √ Not applicable

Write-off of significant notes receivable:

Applicable Not applicable

Write-off of notes receivable:

Applicable Not applicable

Other notes:

Applicable Not applicable

5. Accounts receivable

(1) Disclosure by aging

Applicable Not applicable

Unit: (ten thousand yuan) Currency: RMB

Aging	Book balance as at the end of the year	Book balance as at the beginning of the year
Within 1 year (including 1 year)	742,933.61	748,041.61
Including: items within 1 year		
Subtotal within 1 year	742,933.61	748,041.61
1-2 years	812.85	8,245.94
2-3 years	6,712.50	3,746.60
Over 3 years	29,937.10	27,257.84
Total	780,396.06	787,291.99

(2) Classified disclosure by provision of bad debts

Applicable Not applicable

Unit: (ten thousand yuan) Currency: RMB

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	29,979.92	3.84	24,581.47	81.99	5,398.45	31,032.22	3.94	25,511.19	82.21	5,521.03
Provision for bad debts made by portfolio	750,416.14	96.16	6,669.68	0.89	743,746.46	756,259.77	96.06	6,098.96	0.81	750,160.81
Including:										
Portfolio of related parties	649,607.79	86.57			649,607.79	682,380.62	90.23			682,380.62
Aging portfolio	100,808.35	13.43	6,669.68	6.62	94,138.67	73,879.15	9.77	6,098.96	8.26	67,780.19
Total	780,396.06		31,251.15		749,144.91	787,291.99		31,610.15		755,681.84

Individual provision for bad debts:

Applicable Not applicable

Unit: (ten thousand yuan) Currency: RMB

Name	Ending Balance			Reasons for provision
	Book balance	Provision for bad debts	Provision ratio (%)	
DANGOTE OIL REFINING COMPANY LIMITED	27,473.04	22,074.59	80.35	Pending litigation
Haifu Industrial (Shanghai) Co., Ltd.	2,506.88	2,506.88	100.00	Litigation has no enforceable property
Total	29,979.92	24,581.47	81.99	/

Individual provision for bad debts:

Applicable Not applicable

See Note XVI Commitments and Contingencies for the specific reasons for the provision made by DANGOTE OIL REFINING COMPANY LIMITED.

The reason for the provision of Haifu Industrial (Shanghai) Co., Ltd. is that the debtor has no enforceable property after litigation and compulsory execution, and the creditor's rights cannot be recovered.

Provision for bad debts made by portfolio:

Applicable Not applicable

Combined Provision Items: Credit risk portfolio

Unit:(ten thousand yuan) Currency: RMB

Name	Ending Balance		
	Book balance	Provision for bad debts	Provision ratio (%)
Portfolio of related parties	649,607.79		
Aging portfolio	100,808.35	6,669.68	6.62
Total	750,416.14	6,669.68	0.89

Provision for bad debts made by portfolio:

Applicable Not applicable

Provision for impairment by aging combination:

Unit:(ten thousand yuan) Currency: RMB

Aging	Book balance as at the end of the year	Provision for impairment at the end of the period
Within 1 year	94,138.67	
1-2 years		
2-3 years		
Over 3 years	6,669.68	6,669.68
Total	100,808.35	6,669.68

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: (ten thousand yuan) Currency: RMB

Type	Beginning Balance	Change in this period				Ending Balance
		Provision	Recovery or reversal	Resale or write-off	Other changes	
Provision for bad debts accrued on an individual basis	25,511.19		-428.48		-501.24	24,581.47
Provision for bad debts made by portfolio	6,098.96	570.72				6,669.68
Total	31,610.15	570.72	-428.48		-501.24	31,251.15

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

√ Applicable □ Not applicable

Unit:(ten thousand yuan) Currency: RMB

Entity name	Recovered or reversed amount	Reason for reversal	Recovery method	Determine the basis and rationality of the original provision for bad debts accrual ratio
Haifu Industrial (Shanghai) Co., Ltd.	428.48	Court enforcement recovery	Cash and cash equivalents	Litigation has no enforceable property
Total	428.48	/	/	/

(4) Accounts receivable actually written 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: (ten thousand yuan) Currency: RMB

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	628,792.58	78,566.87	707,359.45	68.93	196.42
CNOOC Green Energy Port Zhejiang Ningbo Energy Co., Ltd.	56,071.67	11,743.93	67,815.60	6.61	29.36
DANGOTE OIL REFINING COMPANY LIMITED	27,473.04	2,113.44	29,586.48	2.88	23,772.74
CNOOC Gas & Electricity Group Co., Ltd.	15,622.59	2,336.18	17,958.77	1.75	5.84
Caofeidian Xintian Liquefied Natural Gas Co., Ltd.	10,015.92	26,946.92	36,962.84	3.60	81.11
Total	737,975.80	121,707.34	859,683.14	83.77	24,085.47

Other notes:

Applicable Not applicable

6. Contract assets

(1) Contract assets

Applicable Not applicable

Unit: (ten thousand yuan) Currency: RMB

Items	Ending Balance			Beginning Balance		
	Book balance	Provision for bad debts	Book value	Book balance	Provision for bad debts	Book value
Engineering services	245,777.17	2,321.36	243,455.81	292,299.88	2,245.80	290,054.08
Total	245,777.17	2,321.36	243,455.81	292,299.88	2,245.80	290,054.08

(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: (ten thousand yuan) Currency: RMB

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	2,113.44	0.86	1,698.15	80.35	415.29	2,161.43	0.74	1,736.71	80.35	424.72
Provision for bad debts made by portfolio	243,663.73	99.14	623.21	0.25	243,040.52	290,138.45	99.26	509.09	0.17	289,629.36
Including:										
Credit risk characteristic portfolio	243,663.73	100.00	623.21	0.25	243,040.52	290,138.45	100.00	509.09	0.17	289,629.36
Total	245,777.17	/	2,321.36	/	243,455.81	292,299.88	/	2,245.80	/	290,054.08

Individual provision for bad debts:

Applicable Not applicable

Unit: (ten thousand yuan) Currency: RMB

Name	Ending Balance			
	Book balance	Provision for bad debts	Provision ratio (%)	Reasons for provision
DANGOTE OIL REFINING COMPANY LIMITED	2,113.44	1,698.15	80.35	Pending litigation
Total	2,113.44	1,698.15	80.35	/

Individual provision for bad debts:

Applicable Not applicable

See Note XVI Commitments and Contingencies for the specific reasons for the provision made by DANGOTE OIL REFINING COMPANY LIMITED.

Provision for bad debts made by portfolio:

Applicable Not applicable

Combined Provision Items: Credit risk characteristic portfolio

Unit:(ten thousand yuan) Currency: RMB

Name	Ending Balance		
	Book balance	Provision for bad debts	Provision ratio (%)
Credit risk characteristic portfolio	243,663.73	623.21	0.25
Total	243,663.73	623.21	0.25

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 debts of contract assets during the period

Applicable Not applicable

Unit: (ten thousand yuan) Currency: RMB

Items	Beginning Balance	Change in this period				Ending Balance	Reasons
		Provision in this period	Recovery or reversal in this period	Write-off/cancellation after verification in this period	Other changes		
Engineering services	2,245.80	114.93			-39.37	2,321.36	
Total	2,245.80	114.93			-39.37	2,321.36	/

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

Contract asset write-off:

Applicable Not applicable

Other notes:

Applicable Not applicable

7. Accounts receivable financing

(1) Presentation of receivable financing by category

Applicable Not applicable

(2) The Company's pledged receivable financing at the end of the period

Applicable Not applicable

(3) Receivable financing endorsed or discounted by the Company and not yet due on the balance sheet date at the end of the period

Applicable Not applicable

(4) Classified disclosure by provision of bad debts

Applicable Not applicable

Individual provision for bad debts:

Applicable Not applicable

Individual provision for bad debts:

Applicable Not applicable

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

Significant changes in the book balance of receivable financing with changes in provision for losses in the current period:

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) Actual receivable financing written off in the current period

Applicable Not applicable

Write-off of significant receivable financing

Applicable Not applicable

Notes to write-off:

Applicable Not applicable

(7) Increase/decrease and change in fair value of receivable financing in the current period:

Applicable Not applicable

(8) Other notes

Applicable Not applicable

8. Prepayment

(1) Presentation of advances to suppliers by aging

Applicable Not applicable

Unit: (ten thousand yuan) Currency: RMB

Aging	Ending Balance		Beginning Balance	
	Amount	Ratio (%)	Amount	Ratio (%)
Within 1 year	86,440.48	95.68	95,493.58	99.63
1-2 years	3,563.47	3.94	351.67	0.37
2-3 years	340.87	0.38		
Over 3 years				
Total	90,344.82	100.00	95,845.25	100.00

Explanation of reasons for the delay in settling prepayments with an aging period exceeding one year and significant amounts:

Mainly for the advance payment of RMB 27.3566 million for steel products from Tianjin Taigang Sales Co., Ltd. Due to project delays caused by the owner, an agreement has been reached with the supplier to postpone the delivery.

(2) Top five prepayments in terms of their balance as at the end of the period presented by the payee

Applicable Not applicable

Unit: (ten thousand yuan) Currency: RMB

Entity name	Ending Balance	Proportion in the total ending balance (%)
JDR Cable Systems Ltd	14,248.61	15.77
WELSPUN CORP LIMITED	11,795.82	13.06
Baowu Echeng Iron & Steel Group Co., Ltd.	11,526.75	12.76
Cameron Solutions Sdn Bhd	8,667.59	9.59
Wuyang Iron and Steel Co., Ltd.	6,774.99	7.50
Total	53,013.76	58.68

Other notes:

Applicable Not applicable

9. Other receivables

Presentation

Applicable Not applicable

Unit: (ten thousand yuan) Currency: RMB

Items	Ending Balance	Beginning Balance
Interest receivable		
Dividends receivable		
Other receivables	19,548.21	23,230.55
Total	19,548.21	23,230.55

Other notes:

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

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

Notes to the obvious changes in the book balance of interest receivable with changes in provision for losses in the current period:

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) Actual interest receivable written off in the current period

Applicable Not applicable

Write-off of significant interest receivable

Applicable Not applicable

Notes to write-off:

Applicable Not applicable

Other notes:

Applicable Not applicable

Dividends receivable**(1) Dividends receivable**

Applicable Not applicable

(2) Significant dividends receivable aged over one year

Applicable Not applicable

(3) Classified disclosure by provision of bad debts

Applicable Not applicable

Individual provision for bad debts:

Applicable Not applicable

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

Notes to the obvious changes in the book balance of dividends receivable with changes in provision for losses in the current period:

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) Actual write-off of dividends receivable in the current period

Applicable Not applicable

Write-off of significant dividends receivable

Applicable Not applicable

Notes to write-off:

Applicable Not applicable

Other notes:

Applicable Not applicable

Other receivables**(1) Disclosure by aging**

Applicable Not applicable

Unit:(ten thousand yuan) Currency: RMB

Aging	Book balance as at the end of the year	Book balance as at the beginning of the year
Within 1 year (including 1 year)	19,416.62	22,791.16
Including: items within 1 year		
Subtotal within 1 year	19,416.62	22,791.16
1-2 years	31.26	113.12
2-3 years	75.55	28.02
Over 3 years	24.78	298.25
Total	19,548.21	23,230.55

(2) Classification by nature of payment

Applicable Not applicable

Unit: (ten thousand yuan) Currency: RMB

Nature of payment	Book balance as at the end of the year	Book balance as at the beginning of the year
Deposits, reserve funds, security deposits	1,227.07	757.24
Compensation payment	170.27	214.98
Joint venture development funds	18,001.55	21,816.88
Advances and others	149.32	441.45
Total	19,548.21	23,230.55

(3) Provision for bad debts

Applicable Not applicable

Notes to the obvious changes in the book balance of other receivables with changes in provision for losses in the current period:

Applicable Not applicable

The basis for the provision for bad debts in the current period and the assessment of whether the credit risk of financial instruments has increased significantly:

Applicable Not applicable

(4) Provision for bad debts

Applicable Not applicable

Reversal or recovery of significant amount of provision for bad debts in the current period:

Applicable Not applicable

(5) Other receivables actually written off during the period

Applicable Not applicable

Other significant receivables actually written off:

Applicable Not applicable

Explanations on writing off other receivables:

Applicable Not applicable

(6) Other receivables of the top five in terms of ending balances by debtors

Applicable Not applicable

Unit: (ten thousand yuan) Currency: RMB

Entity name	Ending Balance	Proportion in the total ending balance of other receivables (%)	Nature of amount	Aging	Provision for bad debts Ending Balance
China Petroleum Engineering & Construction Corporation	18,001.55	92.09	Joint venture development funds	Within 1 year	
GULF AGENCY COMPANY QATAR	385.77	1.97	Margin and security deposit	Within 1 year	
Canada Border Services Agency	204.57	1.05	Margin and security deposit	Within 1 year	
Jiangyin Nanfang Stainless Steel Pipe Co., Ltd.	166.00	0.85	Compensation receivable	Over 1 years	
Fluor International Limited	101.41	0.52	Advances	Within 1 year	
Total	18,859.30	96.48	/	/	

(7) Reported in other receivables due to centralized management of funds

Applicable Not applicable

Other notes:

Applicable Not applicable

10. Stock

(1) Classification of inventory

Applicable Not applicable

Unit: (ten thousand yuan) Currency: RMB

Items	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
Raw materials	66,278.85	6,428.58	59,850.27	72,229.81	9,871.74	62,358.07
Circular materials	10,117.50		10,117.50	13,052.19		13,052.19
Total	76,396.35	6,428.58	69,967.77	85,282.00	9,871.74	75,410.26

(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: (ten thousand yuan) Currency: RMB

Items	Beginning Balance	Increase in this period		Decrease in this period		Ending Balance
		Provision	Others	Reversal or write-off	Others	
Raw materials	9,871.74	1,464.49		4,907.65		6,428.58
Total	9,871.74	1,464.49		4,907.65		6,428.58

Reasons for reversing or writing off provision for inventory depreciation in the current period

Applicable Not applicable

The provision for inventory depreciation reversed or written off in the current period is mainly due to the use and consumption of raw materials.

Provision for inventory depreciation made on a portfolio basis

Applicable Not applicable

Provision criteria for provision for inventory depreciation by portfolio

Applicable Not applicable

(4) Capitalized amount of borrowing costs included in ending balance of inventory and calculation criteria and basis

Applicable Not applicable

(5) Contract performance costs amortized in the current period

Applicable Not applicable

Other notes:

Applicable Not applicable

11. Assets held for sale

Applicable Not applicable

12. Non-current assets due within one year

Applicable Not applicable

Unit: (ten thousand yuan) Currency: RMB

Items	Ending Balance	Beginning Balance
Debt investments maturing within one year	245,317.99	
Total	245,317.99	

Debt investments maturing within one year

Applicable Not applicable

(1) Debt investment maturing within one year

Applicable Not applicable

Unit: (ten thousand yuan) Currency: RMB

Items	Ending Balance			Beginning Balance		
	Book balance	Provisions for impairment	Book value	Book balance	Provisions for impairment	Book value
Certificates of deposit convertible within three years	245,317.99		245,317.99			
Total	245,317.99		245,317.99			

Changes in the impairment provision for debt investments due within one year during the current period

Applicable Not applicable

(2) Important debt investments due within one year at the end of the period

Applicable Not applicable

Unit: (ten thousand yuan) Currency: RMB

Items	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
Construction Bank of China, Tianjin Development Branch	50,000.00	2.90%	2.90%	2026-08-31						
Tianjin Xinkailu Subbranch, China Guangfa Bank	50,000.00	3.25%	3.25%	2026-05-08						
Tianjin Xinkailu Subbranch, China Guangfa Bank	30,000.00	2.90%	2.90%	2026-09-11						
Beijing Chaowai Subbranch, Industrial Bank	30,000.00	2.90%	2.90%	2026-09-12						
Beijing Chaowai Subbranch, Industrial Bank	30,000.00	2.85%	2.85%	2026-10-11						

Items	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 Xinkailu Subbranch, China Guangfa Bank	20,000.00	2.90%	2.90%	2026-11-22						
Tianjin Shipping Center Subbranch, ICBC	10,000.00	2.90%	2.90%	2026-08-31						
Tianjin Xinkailu Subbranch, China Guangfa Bank	10,000.00	2.90%	2.90%	2026-10-16						
Total	230,000.00	/	/	/			/	/	/	

(3) Provision for impairment

Applicable Not applicable

Notes to the obvious changes in the book balance of notes receivables 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-offs of debt investments due within one year during the current period

Applicable Not applicable

The write-off status of debt investments maturing within one year, among which are significant.

Applicable Not applicable

Write-off Explanation for Debt Investments Due within One Year

Applicable Not applicable

Other notes:

Applicable Not applicable

(5) Other debt investments maturing within one year

Applicable Not applicable

13. Other current assets

Applicable Not applicable

Unit:(ten thousand yuan) Currency: RMB

Items	Ending Balance	Beginning Balance
VAT to be deducted and certified	51,712.83	40,031.11
Prepayment of enterprise income tax	5,518.54	1,449.72
Prepaid and deferred expenses	2,679.28	1,967.33
Total	59,910.65	43,448.16

14. Debt investment

(1) Information of debt investment

Applicable Not applicable

Unit: (ten thousand yuan) Currency: RMB

Items	Ending Balance			Beginning Balance		
	Book balance	Provisions for impairment	Book value	Book balance	Provisions for impairment	Book value
Certificates of deposit convertible within three years	265,675.20		265,675.20	238,829.19		238,829.19
Less: Debt investments maturing within one year	245,317.99		245,317.99			
Total	20,357.21		20,357.21	238,829.19		238,829.19

Changes in provision for impairment of debt investment in the current period

Applicable Not applicable

(2) Significant debt investments at the end of the period

Applicable Not applicable

Unit: (ten thousand yuan) Currency: RMB

Items	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
China Guangfa Bank Tianjin Binhai Sub-branch	20,000.00	2.15%	2.15%	2028-02-18						
Construction Bank of China, Tianjin Development Branch						50,000.00	2.90%	2.90%	2026-08-31	
Tianjin Xinkailu Subbranch, China Guangfa Bank						50,000.00	3.25%	3.25%	2026-05-08	
Tianjin Xinkailu Subbranch, China Guangfa Bank						30,000.00	2.90%	2.90%	2026-09-11	
Beijing Chaowai Subbranch, Industrial Bank						30,000.00	2.90%	2.90%	2026-09-12	

Items	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
Beijing Chaowai Subbranch, Industrial Bank						30,000.00	2.85%	2.85%	2026-10-11	
Tianjin Xinkailu Subbranch, China Guangfa Bank						20,000.00	2.90%	2.90%	2026-11-22	
Tianjin Shipping Center Subbranch, ICBC						10,000.00	2.90%	2.90%	2026-08-31	
Tianjin Xinkailu Subbranch, China Guangfa Bank						10,000.00	2.90%	2.90%	2026-10-16	
Total	20,000.00	/	/	/		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 investment in the current period

Applicable Not applicable

Significant debt investment and write-off

Applicable Not applicable

Write-off of debt investment:

Applicable Not applicable

Other notes:

Applicable Not applicable

15. Other debt investments**(1) Information of other debt investments**

Applicable Not applicable

Changes in provision for impairment of other debt investments in the current period

Applicable Not applicable

(2) Other significant debt investments at the end of the period

Applicable Not applicable

(3) Provision for impairment

Applicable Not applicable

Notes to the obvious changes in the book balance of other debt investments 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) Information of other debt investments actually written off in the current period

Applicable Not applicable

Write-off of other significant debt investments

Applicable Not applicable

Write-off of other debt investments:

Applicable Not applicable

Other notes:

Applicable Not applicable

16. Long-term receivables**(1) Long-term receivables**

Applicable Not applicable

(2) Classified disclosure by provision of bad debts

Applicable Not applicable

Individual provision for bad debts:

Applicable Not applicable

Individual provision for bad debts:

Applicable Not applicable

Provision for bad debts made by portfolio:

Applicable Not applicable

(3) 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 long-term receivables with changes in provision for losses in the current period:

Applicable Not applicable

The basis for the provision for bad debts in the current period and the assessment of whether the credit risk of financial instruments has increased significantly:

Applicable Not applicable

(4) Provision for bad debts

Applicable Not applicable

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

Applicable Not applicable

(5) Information of long-term receivables actually written off in the current period

Applicable Not applicable

Verification of significant long-term receivables

Applicable Not applicable

Write-off of long-term receivables:

Applicable Not applicable

Other notes:

Applicable Not applicable

17. Long-term equity investment

(1) Information of long-term equity investment

Applicable Not applicable

(2) Impairment test of long-term equity investment

Applicable Not applicable

18. Other equity instrument investments

(1) Investment in other equity instruments

Applicable Not applicable

Unit: (ten thousand yuan) Currency: RMB

Items	Beginning Balance	Increase/decrease in this period					End of the period 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 notes:

Applicable Not applicable

19. Other non-current financial assets

Applicable Not applicable

Other notes:

Applicable Not applicable

20. Investment property

Measurement mode of investment properties

(1) Investment properties measured at cost

Applicable Not applicable

(2) Investment properties without a certificate of title

Applicable Not applicable

(3) Impairment test of investment properties measured by cost

Applicable Not applicable

Other notes:

Applicable Not applicable

21. Fixed assets

Presentation

Applicable Not applicable

Unit: (ten thousand yuan) Currency: RMB

Items	Ending Balance	Beginning Balance
Fixed assets	1,232,273.11	1,243,187.65
Liquidation of fixed assets	1,808.72	1,499.20
Total	1,234,081.83	1,244,686.85

Other notes:

Applicable Not applicable

Fixed assets

(1) Fixed assets

Applicable Not applicable

Unit:(ten thousand yuan) Currency: RMB

Items	Buildings and constructions	Machinery equipment	Means of transportation	Electronic equipment	Office facilities	Total
I. Total original book value:						
1. Beginning balance	903,937.82	516,727.78	1,290,530.54	13,149.46	26,997.89	2,751,343.49
2. Increase in this period	25,427.92	72,232.94	382.66	1,617.39	1,157.81	100,818.72
(1) Purchase	633.94	8,311.19	999.47	1,601.15	1,130.06	12,675.81
(2) Transfer from construction in process	24,793.98	63,894.74		16.24	25.74	88,730.70
(3) Translation of foreign currency financial statements		-0.49	-616.81		2.01	-615.29
(4) Other increases		27.50				27.50
3. Decrease in this period	1,223.98	5,716.03	399.77	7.99	801.48	8,149.25
(1) Scrap	729.44	5,546.42	399.77	7.99	801.48	7,485.10
(2) Disposal						
(3) Other decreases	494.54	169.61				664.15
4. Ending balance	928,141.76	583,244.69	1,290,513.43	14,758.86	27,354.22	2,844,012.96
II. Accumulated depreciation						
1. Beginning balance	329,748.60	340,936.77	762,132.78	9,683.86	18,630.96	1,461,132.97
2. Increase in this period	30,473.82	26,417.42	49,579.86	1,073.68	3,160.70	110,705.48
(1) Provision	30,473.82	26,417.91	50,146.32	1,073.68	3,158.18	111,269.91

Items	Buildings and constructions	Machinery equipment	Means of transportation	Electronic equipment	Office facilities	Total
(2) Translation of foreign currency financial statements		-0.49	-566.46		2.52	-564.43
3. Decrease in this period	817.36	5,143.73	359.79	7.19	793.40	7,121.47
(1) Scrap	392.67	4,991.08	359.79	7.19	793.40	6,544.13
(2) Disposal						
(3) Other decreases	424.69	152.65				577.34
4. Ending balance	359,405.06	362,210.46	811,352.85	10,750.35	20,998.26	1,564,716.98
III. Provision for impairment						
1. Beginning balance	44,971.52	2,051.35				47,022.87
2. Increase in this period						
(1) Provision						
3. Decrease in this period						
(1) Disposal or scrapping						
4. Ending balance	44,971.52	2,051.35				47,022.87
IV. Book value						
1. Book value as at the end of the period	523,765.18	218,982.88	479,160.58	4,008.51	6,355.96	1,232,273.11
2. Book value as at the beginning of the period	529,217.70	173,739.66	528,397.76	3,465.60	8,366.93	1,243,187.65

(2) Temporarily idle fixed assets

Applicable Not applicable

(3) Fixed assets leased out through operating lease

Applicable Not applicable

(4) Fixed assets without a certificate of title

Applicable Not applicable

Unit: (ten thousand yuan) Currency: RMB

Items	Book value	Reason for failure to properly handle the certificates of title
Houses and buildings	14,319.79	In handling

(5) Impairment test of fixed assets

Applicable Not applicable

Other notes:

Applicable Not applicable

Liquidation of fixed assets√ Applicable Not applicable

Unit: (ten thousand yuan) Currency: RMB

Items	Ending Balance	Beginning Balance
Buildings and constructions	336.78	
Machinery equipment	1,278.26	1,108.70
Transportation facilities	79.40	56.54
Office facilities	41.88	74.03
Electronic equipment	72.40	259.93
Total	1,808.72	1,499.20

22. Construction in progress**Presentation**√ Applicable Not applicable

Unit: (ten thousand yuan) Currency: RMB

Items	Ending Balance	Beginning Balance
Construction in progress	52,727.49	59,330.27
Project materials		
Total	52,727.49	59,330.27

Other notes:

 Applicable Not applicable**Construction in progress****(1) Construction in process**√ Applicable Not applicable

Unit: (ten thousand yuan) Currency: RMB

Items	Ending Balance			Beginning Balance		
	Book balance	Provisions for impairment	Book value	Book balance	Provisions for impairment	Book value
Multi-functional marine engineering vessel	30,922.93		30,922.93	7,183.12		7,183.12
Professional pipe-laying vessel	6,621.74		6,621.74	27.26		27.26
Intelligent monitoring system for deep water pipe laying	3,458.06		3,458.06	2,623.20		2,623.20
Large deepwater jacket leveler	1,311.53		1,311.53	1,290.72		1,290.72
Underwater installation of key equipment: Localized development of underwater robot (ROV) manipulators.	849.00		849.00	537.19		537.19
High-efficiency deep trenching equipment for subsea pipelines	680.42		680.42	1,102.10		1,102.10
Development and Application of Deepwater Heave Compensation System	590.75		590.75	544.65		544.65

Items	Ending Balance			Beginning Balance		
	Book balance	Provisions for impairment	Book value	Book balance	Provisions for impairment	Book value
Adjustable Leveling Deep Water Anchor Pile Guiding Device	587.83		587.83	385.46		385.46
Research on Key Technologies for Floating Wind Turbine Installation	548.69		548.69	401.77		401.77
Port infrastructure project				24,168.33		24,168.33
#3 Slideway Gantry Crane Purchase Project				4,235.79		4,235.79
Site Heavy-duty Slideway Construction Project				2,326.32		2,326.32
Site fixed assets investment - equipment, etc.				1,702.48		1,702.48
Intelligent robot welding system for reinforcing rings				784.93		784.93
Offshore Oil201 Middle East Regional Adaptability Improvement Project				674.11		674.11
Intelligent welding equipment system for T/K/Y pipe nodes				619.14		619.14
Intelligent welding equipment for block node robots				605.51		605.51
Other projects	7,156.54		7,156.54	10,118.19		10,118.19
Total	52,727.49		52,727.49	59,330.27		59,330.27

(2) Changes in significant construction in process in the current period

√ Applicable □ Not applicable

Unit: (ten thousand yuan) Currency: RMB

Project name	Budget	Beginning Balance	Increase in this period	Transfer into fixed assets in this period	Other decreases in this period	End of the period Balance	Proportion of accumulated project investment in budget (%)	Progress of construction (%)	Accumulated capitalization amount of interest	Including: Capitalized amount of interest in this period	Capitalization rate of interest in this period (%)	Capital source
Multi-functional marine engineering vessel	48,859.25	7,183.12	23,739.81			30,922.93	63.29	63.00				All Self-financing
Professional pipe-laying vessel	137,525.68	27.26	6,594.48			6,621.74	4.81	15.97				All Self-financing
Intelligent monitoring system for deep water pipe laying	3,718.00	2,623.20	834.86			3,458.06	93.01	95.00				All Self-financing
Large deepwater jacket leveler	1,410.00	1,290.72	20.81			1,311.53	93.02	95.00				All Self-financing

Project name	Budget	Beginning Balance	Increase in this period	Transfer into fixed assets in this period	Other decreases in this period	End of the period Balance	Proportion of accumulated project investment in budget (%)	Progress of construction (%)	Accumulated capitalization amount of interest	Including: Capitalized amount of interest in this period	Capitalization rate of interest in this period (%)	Capital source
Underwater installation of key equipment: Localized development of underwater robot (ROV) manipulators.	1,102.40	537.19	311.81			849.00	77.01	77.00				All Self-financing
High-efficiency deep trenching equipment for subsea pipelines	1,240.00	1,102.10	62.72	484.40		680.42	93.94	96.00				All Self-financing
Development and Application of Deepwater Heave Compensation System	630.00	544.65	46.10			590.75	93.77	94.00				All Self-financing
Adjustable Leveling Deep Water Anchor Pile Guiding Device	634.00	385.46	202.37			587.83	92.72	94.00				All Self-financing
Research on Key Technologies for Floating Wind Turbine Installation	660.00	401.77	146.92			548.69	83.13	83.00				All Self-financing
Port infrastructure project	246,501.30	24,168.33		22,157.44	2,010.89		88.25	100.00				All Self-financing
#3 Slideway Gantry Crane Purchase Project	14,977.31	4,235.79	8,442.31	12,678.10			84.65	100.00				All Self-financing
Site Heavy-duty Slideway Construction Project	12,644.93	2,326.32	7,033.28	9,359.60			74.02	100.00				All Self-financing
Site fixed assets investment - equipment, etc.	12,495.49	1,702.48	9,933.54	11,636.02			93.12	100.00				All Self-financing
Intelligent robot welding system for reinforcing rings	830.00	784.93	-7.22	777.71			93.70	100.00				All Self-financing

Project name	Budget	Beginning Balance	Increase in this period	Transfer into fixed assets in this period	Other decreases in this period	End of the period Balance	Proportion of accumulated project investment in budget (%)	Progress of construction (%)	Accumulated capitalization amount of interest	Including: Capitalized amount of interest in this period	Capitalization rate of interest in this period (%)	Capital source
Offshore Oil201 Middle East Regional Adaptability Improvement Project	5,373.21	674.11	3,974.69	4,648.80			86.52	100.00				All Self-financing
Intelligent welding equipment system for T/K/Y pipe nodes	851.46	619.14	225.61	844.75			99.21	100.00				All Self-financing
Intelligent welding equipment for block node robots	664.00	605.51	54.91	660.42			99.50	100.00				All Self-financing
Total	490,117.03	49,212.08	61,617.00	63,247.24	2,010.89	45,570.95	/	/			/	/

(3) Provision for impairment of construction in process in the current period

Applicable Not applicable

(4) Impairment test of construction in process

Applicable Not applicable

Other notes:

Applicable Not applicable

Project materials

(1) Project materials

Applicable Not applicable

23. Productive biological assets

(1) Productive biological assets measured at cost

Applicable Not applicable

(2) Impairment test of productive biological assets measured at cost

Applicable Not applicable

(3) Productive biological assets measured at fair value

Applicable Not applicable

Other notes:

Applicable Not applicable

24. Oil and gas assets

(1) Oil and gas assets

Applicable Not applicable

(2) Impairment test of oil and gas assets

Applicable Not applicable

Other notes:

Not applicable

25. Right-of-use assets

(1) Right-of-use assets

√ Applicable □ Not applicable

Unit: (ten thousand yuan) Currency: RMB

Items	Land	Buildings and constructions	Means of transportation	Machinery equipment	Total
I. Total original book value					
1. Beginning balance	6,011.47	20,551.97	90,863.56	294.46	117,721.46
2. Increase in this period	4,333.06	9,229.48	23,944.01	205.71	37,712.26
(1) New contract	4,333.06	9,272.20	20,354.84	205.71	34,165.81
(2) Contract change		31.66	3,589.17		3,620.83
(3) Translation of foreign currency financial statements		-74.38			-74.38
3. Decrease in this period		6,669.35		164.76	6,834.11
(1) Transfer-out upon maturity		6,556.01		164.58	6,720.59
(2) Contract change				0.18	0.18
(3) Termination of contract		113.34			113.34
4. Ending balance	10,344.53	23,112.10	114,807.57	335.41	148,599.61
II. Accumulated depreciation					
1. Beginning balance	5,361.51	10,404.39	15,992.72	207.87	31,966.49
2. Increase in this period	1,520.34	7,442.80	28,891.81	197.45	38,052.40
(1) Provision	1,520.34	7,492.30	28,891.81	197.45	38,101.90
(2) Contract change					
(3) Translation of foreign currency financial statements		-49.50			-49.50
3. Decrease in this period		6,615.83		164.58	6,780.41
(1) Transfer-out upon maturity		6,556.01		164.58	6,720.59
(2) Contract change					
(3) Termination of contract		59.82			59.82
4. Ending balance	6,881.85	11,231.36	44,884.53	240.74	63,238.48
III. Provision for impairment					
1. Beginning balance					
2. Increase in this period					
3. Decrease in this period					
4. Ending balance					
IV. Book value					
1. Book value as at the end of the period	3,462.68	11,880.74	69,923.04	94.67	85,361.13
2. Book value as at the beginning of the period	649.96	10,147.58	74,870.84	86.59	85,754.97

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

□ Applicable √ Not applicable

26. Intangible assets

(1) Intangible assets

√ Applicable □ Not applicable

Unit: (ten thousand yuan) Currency: RMB

Items	Land use rights	Patent right	Non-patented technology	Software	Total
I. Total original book value					
1. Beginning balance	267,148.20	1,530.17		29,974.54	298,652.91
2. Increase in this period				8,650.89	8,650.89
(1) Purchase				3,995.19	3,995.19
(2) Self-developed				1,285.52	1,285.52
(3) Co-developed				3,370.18	3,370.18
(4) Translation of foreign currency financial statements					
(5) Others					
3. Decrease in this period				6,233.43	6,233.43
(1) Disposal					
(2) Expiration and derecognition				6,233.43	6,233.43
(3) Others					
4. Ending balance	267,148.20	1,530.17		32,392.00	301,070.37
II. Accumulated accumulation					
1. Beginning balance	59,525.43	540.06		21,375.83	81,441.32
2. Increase in this period	5,776.20	270.03		4,041.04	10,087.27
(1) Provision	5,776.20	270.03		4,041.04	10,087.27
(2) Translation of foreign currency financial statements					
(3) Others					
3. Decrease in this period				5,778.45	5,778.45
(1) Disposal					
(2) Expiration and derecognition				5,778.45	5,778.45
(3) Translation of foreign currency financial statements					
(4) Others					
4. Ending balance	65,301.63	810.09		19,638.42	85,750.14
III. Provision for impairment					
1. Beginning balance					
2. Increase in this period					
3. Decrease in this period					
4. Ending balance					
IV. Book value					
1. Book value as at the end of the period	201,846.57	720.08		12,753.58	215,320.23
2. Book value as at the beginning of the period	207,622.77	990.11		8,598.71	217,211.59

(2) Data resources recognized as intangible assets

Applicable Not applicable

(3) Land use right without a certificate of title

Applicable Not applicable

(4) Impairment testing of intangible assets

Applicable Not applicable

Other notes:

Applicable Not applicable

27. Goodwill**(1) Original book value of goodwill**

Applicable Not applicable

(2) Impairment provision of goodwill

Applicable Not applicable

(3) Asset group or asset group portfolio the goodwill belongs to

Applicable Not applicable

Changes in asset group or asset group combination

Applicable Not applicable

Other notes:

Applicable Not applicable

(4) Specific recognition method of recoverable amount

The recoverable amount is determined at the net amount of the fair value minus the disposal expenses

Applicable Not applicable

The recoverable amount is determined based on the present value of the estimated future cash flows

Applicable Not applicable

Reasons for the obvious inconsistency between the above information and the information used in previous impairment test or external information

Applicable Not applicable

Reasons for the difference between the information used in the impairment test of the Company in previous years and the actual situation of the current year

Applicable Not applicable

(5) Performance commitments and corresponding goodwill impairment

There is a performance commitment when the goodwill is formed and the reporting period or the previous period of the reporting period is within the performance commitment period

Applicable Not applicable

Other notes:

Applicable Not applicable

28. Long-term deferred expenses

√ Applicable □ Not applicable

Unit: (ten thousand yuan) Currency: RMB

Items	Beginning Balance	Increase in this period	Amount amortized in this period	Other decreases	Ending Balance
Car parking space usage fees	5,219.93		185.33		5,034.60
Ship docking repair fees	6,058.60	8,764.55	3,955.51	0.07	10,867.57
Dredging of terminal waters	5,566.17		834.92		4,731.25
Insurance premiums	2,711.76	5,005.24	3,792.90		3,924.10
Improvement expenses of operating leased-in fixed assets	2,454.38	763.20	687.47	0.13	2,529.98
Software usage fee	157.60		95.42		62.18
Total	22,168.44	14,532.99	9,551.55	0.20	27,149.68

29. Deferred tax assets/deferred income tax liabilities

(1) Deferred tax assets without offset

√ Applicable □ Not applicable

Unit: (ten thousand yuan) Currency: RMB

Items	Ending Balance		Beginning Balance	
	Deductible temporary differences	Deferred tax Assets	Deductible temporary differences	Deferred tax Assets
Provision for asset impairment	20,085.49	3,014.30	23,781.52	3,564.39
Deductible loss	15,068.13	3,767.03	22,501.42	5,625.35
Estimated liabilities	48,695.49	7,634.10	47,669.17	7,157.07
Costs not invoiced are pending	211,160.74	31,655.62	201,367.63	30,315.52
Right-of-use assets/lease liabilities	111,747.16	16,912.19	96,916.50	14,626.08
Unrealized profit or loss of internal transactions	2,556.94	383.54	5,667.66	850.15
Deferred revenue	19,711.78	2,956.77	16,733.23	2,509.98
Total	429,025.73	66,323.55	414,637.13	64,648.54

(2) Deferred tax liabilities without offset

√ Applicable □ Not applicable

Unit: (ten thousand yuan) Currency: RMB

Items	Ending Balance		Beginning Balance	
	Taxable temporary differences	Deferred tax Liabilities	Taxable temporary differences	Deferred tax Liabilities
Accrued interest on debt investments	15,675.20	2,351.28	8,829.19	1,324.38
Asset evaluation increment from business combination not under common control	14,144.98	3,536.24	14,704.39	3,676.10
Depreciation, depletion and amortization of assets	24,122.65	3,618.40	20,929.72	3,139.46
Right-of-use assets/lease liabilities	84,980.04	12,873.46	82,981.82	12,526.79
Changes in fair value of financial assets held for trading	9,429.23	1,414.38	10,697.32	1,604.60
Total	148,352.10	23,793.76	138,142.44	22,271.33

(3) Deferred tax assets or liabilities listed net amount after write-offs√ Applicable Not applicable

Unit: (ten thousand yuan) Currency: RMB

Items	Ending Balance		Beginning Balance	
	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 at the end of the period	Ending balance of deferred tax assets or liabilities after write-off
Deferred tax assets	20,257.52	46,066.04	18,573.95	46,074.59
Deferred tax liabilities	20,257.52	3,536.24	18,573.95	3,697.37

(4) Unrecognized deferred tax assets√ Applicable Not applicable

Unit: (ten thousand yuan) Currency: RMB

Items	Ending Balance	Beginning Balance
Deductible temporary differences	74,350.97	59,191.56
Deductible loss	22,978.78	35,315.15
Total	97,329.75	94,506.71

(5) Deductible losses from unrecognized deferred tax assets will be expired in the following years√ Applicable Not applicable

Unit: (ten thousand yuan) Currency: RMB

Year	Ending amount	Beginning amount	Remark
2025		14,093.30	
2026	13,683.19	15,199.69	
2027	9,295.59	6,022.16	
Total	22,978.78	35,315.15	/

Other notes:

 Applicable Not applicable**30. Other non-current assets**√ Applicable Not applicable

Unit: (ten thousand yuan) Currency: RMB

Items	Ending Balance			Beginning Balance		
	Book balance	Provisions for impairment	Book value	Book balance	Provisions for impairment	Book value
Time deposit for more than one year	60,039.45		60,039.45			
Total	60,039.45		60,039.45			

31. Assets with restricted ownership or use right

Applicable Not applicable

Unit: (ten thousand yuan) Currency: RMB

Items	End of the period				Beginning			
	Book balance	Book value	Restricted type	Restricted condition	Book balance	Book value	Restricted Type	Restricted condition
Cash and cash equivalents	11,136.94	11,136.94	Frozen	Frozen	10,731.20	10,731.20	Frozen	Frozen
Cash and cash equivalents	17.01	17.01	Others	Cash Security Guarantee				
Total	11,153.95	11,153.95	/	/	10,731.20	10,731.20	/	/

32. short-term loans

(1) Classification

Applicable Not applicable

(2) Unpaid short-term borrowings in maturity

Applicable Not applicable

Overdue and outstanding short-term borrowings:

Applicable Not applicable

Other notes:

Applicable Not applicable

33. Trading financial liabilities

Applicable Not applicable

Other notes:

Applicable Not applicable

34. Derivative financial liabilities

Applicable Not applicable

35. Notes Payable

(1) Presentation of notes payable

Applicable Not applicable

Unit: (ten thousand yuan) Currency: RMB

Category	Ending Balance	Beginning Balance
Commercial acceptance bills		
Bank acceptance bills	2,436.22	11,560.20
Total	2,436.22	11,560.20

There are no matured and unpaid promissory notes at the end of this period.

36. Accounts payable

(1) Presentation of accounts payable

Applicable Not applicable

Unit: (ten thousand yuan) Currency: RMB

Items	Ending Balance	Beginning Balance
Within 1 year	1,195,134.57	1,294,142.14
1-2 years	19,670.72	5,902.82
2-3 years	549.03	8,766.56
Over 3 years	7,242.88	5,651.03
Total	1,222,597.20	1,314,462.55

(2) Significant accounts payable aged over one year or overdue

Applicable Not applicable

Unit: (ten thousand yuan) Currency: RMB

Items	Ending Balance	Reason for no settlement or carrying-forward
Sinopec Fourth Construction Co., Ltd.	2,501.54	Not yet settled
Sinopec Nanjing Engineering Co., Ltd.	10,498.93	Not yet settled
Shanghai Baoye Group Co., Ltd.	2,695.76	Not yet settled
Total	15,696.23	/

Other notes:

Applicable Not applicable

37. Advance payments

(1) Presentation of advances from customers

Applicable Not applicable

Unit: (ten thousand yuan) Currency: RMB

Items	Ending Balance	Beginning Balance
Advance rent	1.89	
Total	1.89	

(2) Significant advances from customers aged over one year

Applicable Not applicable

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

Applicable Not applicable

Other notes:

Applicable Not applicable

38. Contractual liabilities

(1) Contractual liabilities

Applicable Not applicable

Unit: (ten thousand yuan) Currency: RMB

Items	Ending Balance	Beginning Balance
Engineering services	319,248.37	231,016.33
Product sales	1,127.64	794.73
Total	320,376.01	231,811.06

(2) Significant contract liabilities aged over one year

Applicable Not applicable

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

Applicable Not applicable

Other notes:

Applicable Not applicable

39. Employee compensation payable

(1) Presentation of employee compensation payable

Applicable Not applicable

Unit: (ten thousand yuan) Currency: RMB

Items	Beginning Balance	Increase in this period	Decrease in this period	Ending Balance
I. Short-term compensation	51,187.21	378,207.03	379,664.05	49,730.19
II. Post-employment benefits-defined contribution plans	3,428.15	62,054.59	65,397.63	85.11
III. Dismissal welfare	69.17	220.82	216.29	73.70
IV. Other benefits maturing within one year				
Total	54,684.53	440,482.44	445,277.97	49,889.00

(2) Presentation of short-term compensation

Applicable Not applicable

Unit: (ten thousand yuan) Currency: RMB

Items	Beginning Balance	Increase in this period	Decrease in this period	Ending Balance
I. Salary, bonus, allowance and subsidy	37,959.90	288,852.01	290,393.39	36,418.52
II. Employee welfare fees		16,739.93	16,739.93	
III. Social insurance premiums	88.25	25,320.17	25,408.34	0.08
Including: medical insurance premium and maternity insurance premium	81.15	23,624.88	23,705.95	0.08
Work-related injury insurance premiums	7.10	1,695.29	1,702.39	
Others				
IV. Housing fund		30,489.33	30,489.33	
V. Labor union expenditures and employee education expenses	13,139.06	10,052.82	9,880.29	13,311.59
VI. Short-term compensated absences				
VII. Short-term profit sharing plan				
VIII. Others		6,752.77	6,752.77	
Total	51,187.21	378,207.03	379,664.05	49,730.19

(3) Presentation of defined contribution plans√ Applicable Not applicable

Unit: (ten thousand yuan) Currency: RMB

Items	Beginning Balance	Increase in this period	Decrease in this period	Ending Balance
I. Basic Pension Insurance	289.79	40,372.38	40,652.10	10.07
II. Unemployment Insurance Premium	19.36	1,482.63	1,501.99	
III. Enterprise Annuity Contributions	3,119.00	20,199.58	23,243.54	75.04
Total	3,428.15	62,054.59	65,397.63	85.11

Other notes:

 Applicable Not applicable**40. Taxes payable**√ Applicable Not applicable

Unit: (ten thousand yuan) Currency: RMB

Items	Ending Balance	Beginning Balance
Value added tax (VAT)	1,986.81	1,012.96
Enterprise income tax	23,843.38	44,031.97
Individual income tax	7,350.77	7,674.74
Property taxes	1,851.14	320.06
Urban maintenance and construction costs	55.76	257.18
Stamp tax	1,185.11	438.00
Land use taxes	345.00	139.56
Educational surtax (including local educational surtax)	39.83	183.70
Other taxes	1,303.27	1,214.35
Total	37,961.07	55,272.52

41. Other payables**(1) Presentation of items**√ Applicable Not applicable

Unit: (ten thousand yuan) Currency: RMB

Items	Ending Balance	Beginning Balance
Interest payable		
Dividends payable		
Other payables	140,844.83	65,701.56
Total	140,844.83	65,701.56

Other notes:

 Applicable Not applicable**(2) Interest payable**

Presentation by classification

 Applicable Not applicable

Significant overdue interest payable:

 Applicable Not applicable

Other notes:

Applicable Not applicable

(3) Dividends payable

Presentation by classification

Applicable Not applicable

(4) Other payables

Other payables by nature

Applicable Not applicable

Unit: (ten thousand yuan) Currency: RMB

Items	Ending Balance	Beginning Balance
Guarantee and margin payable	45,261.34	55,030.05
Payable for acquisition of equity transfer	85,946.83	
Temporary receipts	261.39	1,184.52
Employee reimbursement and others	9,375.27	9,486.99
Total	140,844.83	65,701.56

Other significant payables aged over one year or overdue

Applicable Not applicable

Unit:(ten thousand yuan) Currency: :RMB

Items	Ending Balance	Reason for no settlement or carrying-forward
Nanjing Nanhua Construction Co., Ltd.	2,357.52	Quality assurance deposit
PowerChina Henan Engineering Co., Ltd.	1,146.67	Quality assurance deposit
Total	3,504.19	/

Other notes:

Applicable Not applicable

42. Liabilities held for sale

Applicable Not applicable

43. Non-current liabilities maturing within one year

Applicable Not applicable

Unit:(ten thousand yuan) Currency: RMB

Items	Ending Balance	Beginning Balance
Long-term borrowings maturing within one year	13,000.40	9,000.27
Lease liabilities maturing within one year	59,628.45	39,389.77
Estimated liabilities maturing within one year	2,860.45	2,140.55
Total	75,489.30	50,530.59

44. Other current liabilities

Other current liabilities

 Applicable Not applicable

Unit:(ten thousand yuan) Currency:RMB

Items	Ending Balance	Beginning Balance
Output tax to be carried forward	59,192.82	55,096.90
Estimated liabilities - quality deposit	2,932.85	3,358.83
Total	62,125.67	58,455.73

Increases or decreases in short-term bonds payable:

 Applicable Not applicable

Other notes:

 Applicable Not applicable**45. Long-term loans****(1) Classification** Applicable Not applicable

Unit: (ten thousand yuan) Currency: RMB

Items	Ending Balance	Beginning Balance
Pledged loan		
Mortgage loan		
Guaranteed borrowings		
Fiduciary loans	9,000.27	13,000.40
Total	9,000.27	13,000.40

Other notes:

 Applicable Not applicable

The Company signed a tripartite entrusted loan contract with China National Offshore Oil Corporation and CNOOC Finance Co., Ltd. According to the contract, China National Offshore Oil Corporation would entrust CNOOC Finance Co., Ltd. to lend RMB 220 million to the Company, and the balance at the end of the year included an interest payable of RMB 6,700. Among them, a loan of RMB 90 million has a term from May 2025 to May 2030, with an annual interest rate of 0.1%; a loan of RMB 130 million has a term from June 2023 to June 2026, with an annual interest rate of 0.1%.

46. Bonds payable**(1) Bonds payable** Applicable Not applicable**(2) Details of bonds payable: (excluding preferred shares, perpetual bond and other financial instruments classified as financial liabilities)** Applicable Not applicable**(3) Notes to convertible corporate bonds** Applicable Not applicable

Accounting treatment and judgment basis for equity conversion

 Applicable Not applicable**(4) Other financial instruments classified as financial liabilities**

Basic information on preferred shares, perpetual bond and other financial instruments issued at the end of the period

 Applicable Not applicable

Changes in preferred shares, perpetual bond and other financial instruments issued at the end of the period

Applicable Not applicable

Basis for classifying other financial instruments as financial liabilities

Applicable Not applicable

Other notes:

Applicable Not applicable

47. Lease liabilities

Applicable Not applicable

Unit:(ten thousand yuan) Currency: RMB

Items	Ending Balance	Beginning Balance
Land	1,379.32	765.17
Site and constructions	11,905.17	9,875.65
Ship	98,892.62	88,394.21
Machinery equipment	16.75	6.28
Less: Lease liabilities maturing within one year	59,628.45	39,389.77
Total	52,565.41	59,651.54

48. Long-term payables

Presentation

Applicable Not applicable

Other notes:

Applicable Not applicable

Long-term payables

(1) **Presentation by nature of payment**

Applicable Not applicable

Special payables

(1) **Presentation of special payables by nature of payment**

Applicable Not applicable

49. Long-term employee compensation payable

Applicable Not applicable

50. Estimated liabilities

Applicable Not applicable

Unit:(ten thousand yuan) Currency: RMB

Items	Ending Balance	Beginning Balance	Formation causes
Pending litigation	2,874.03	1,370.86	Note 1
Product quality guarantee	10,444.38	11,097.77	Note 2
Loss-making contracts to be executed	43,954.84	47,517.33	Note 3
Others	3,986.68		Note 4
Total	61,259.93	59,985.96	/

Note 1: For details of "estimated liabilities - pending litigation", please see "Note XIV. Commitments and Contingencies".

Note 2: According to the requirements of the Accounting Standards for Business Enterprises No.14-Revenue and the Accounting Standards for Business Enterprises No.13-Contingencies, quality assurance is to assure customers that the goods sold meet the established standards. If the obligations arising from this quality assurance clause meet the relevant conditions, the estimated liabilities shall be confirmed for quality assurance.

Note 3: According to the requirements of the Accounting Standards for Business Enterprises No.14-Revenue and the Accounting Standards for Business Enterprises No.13-Contingencies, if the contract to be executed becomes a loss-making one, and the obligations generated by the loss-making contract meet the relevant conditions, the estimated liabilities shall be confirmed to the loss-making contract. The closing balance of RMB 439.5484 million is the projected loss to be incurred for the remaining, uncompleted work to be recognized based on the performance progress for projects where the total projected cost of the contract exceeds the total contract revenue.

Note 4: Others primarily consist of the estimated loss amount accrued due to typhoons.

51. Deferred revenue

Deferred revenue

Applicable Not applicable

Unit: (ten thousand yuan) Currency: RMB

Items	Beginning Balance	Increase in this period	Decrease in this period	Ending Balance	Formation causes
Government grants	16,756.47	14,254.22	11,245.67	19,765.02	Government grants
Total	16,756.47	14,254.22	11,245.67	19,765.02	/

Other notes:

Applicable Not applicable

Liability Items (in ten thousand yuan)	Balance as at the end of last year	New grants in the current period	Amounts included in other income in the current period	Other changes	Ending Balance	Related to assets/related to income
Appropriation for scientific research projects	433.51		301.41		132.10	Related to assets
Appropriation for special equipment assets	682.50	600.00	250.00		1,032.50	Related to assets
Tax refund	273.58		35.30		238.28	Related to assets
Government-supported funds	5.00	30.00			35.00	Related to income
Return of supporting land	4,413.91		136.51		4,277.40	Related to assets
Recycling and transformation funds	18.24				18.24	Related to assets
National scientific research projects, etc.	10,929.73	13,624.22	6,106.79	-4,415.66	14,031.50	Related to income
Total	16,756.47	14,254.22	6,830.01	-4,415.66	19,765.02	

52. Other non-current liabilities

Applicable Not applicable

53. Share capital

Applicable Not applicable

Unit:(ten thousand yuan) Currency: RMB

	Beginning Balance	Increase/decrease (+, -)					Ending Balance
		Issuance New shares	Share donation	Provident fund Transfer of shares	Others	Sub-total	
Total shares	442,135.48						442,135.48

Items	Beginning Balance	Amount in the current period						End of the period 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 earning included in other comprehensive income in prior periods and transferred to current profit or loss	Minus: Income tax expense	Attributable to parent company after tax	Attributable to minority shareholders after tax	
Changes in the fair value of the enterprise's own credit risk								
II. Other comprehensive income reclassified into profit or loss	-5,532.99	1,108.23				1,108.23		-4,424.76
Including: other comprehensive income that can be transferred to profit or loss under the equity method								
Changes in the fair value of other debt investments								
Amount of financial assets reclassified into other comprehensive income								
Provision for credit impairment of other debt investments								
Reserve for cash flow hedges								
Foreign currency translation differences	-5,532.99	1,108.23				1,108.23		-4,424.76
Total of other comprehensive income	-5,532.99	1,108.23				1,108.23		-4,424.76

58. Special reserves

Applicable Not applicable

Unit: (ten thousand yuan) Currency: RMB

Items	Beginning Balance	Increase in this period	Decrease in this period	Ending Balance
Work safety expenses	11,431.68	38,843.54	42,447.26	7,827.96
Total	11,431.68	38,843.54	42,447.26	7,827.96

59. Surplus reserve

Applicable Not applicable

Unit: (ten thousand yuan) Currency: RMB

Items	Beginning Balance	Increase in this period	Decrease in this period	Ending Balance
Statutory surplus reserve	221,495.47	28,038.30		249,533.77
Discretionary surplus reserve	8,914.59			8,914.59
Total	230,410.06	28,038.30		258,448.36

60. Undistributed profit

Applicable Not applicable

Unit:(ten thousand yuan) Currency: RMB

Items	Current period	Previous period
Retained earnings as at the end of the previous period before the adjustment	1,523,405.63	1,395,689.11
Total adjusted opening undistributed profits (increase is indicated by "+" and decrease is indicated by "-")		
Undistributed profits at the beginning of the period after adjustment	1,523,405.63	1,395,689.11
Plus: Net profit attributable to owners of the parent company in this period	208,443.61	216,139.66
Less: Withdrawal of statutory surplus reserves	28,038.30	23,429.23
Withdrawal of discretionary surplus reserves		
Withdrawal of general risk reserves		
Common share dividends payable	88,869.23	64,993.91
Common share dividends transferred to share capital		
Other (Note)	85,946.83	
Undistributed profits as at the end of the period	1,528,994.88	1,523,405.63

Note: Other includes the acquisition of a 49% equity stake in COOEC-Fluor Heavy Industries Co., Ltd. held by Fluor International Limited by the company's subsidiary, Offshore Oil Engineering (Zhuhai) Co., Ltd. As of December 31, 2025, the parties have signed an equity transfer agreement with a transfer amount of RMB 859.4683 million. However, the equity transfer has not yet been completed, resulting in the recognition of a liability of RMB 859.4683 million and a corresponding reduction in retained earnings.

61. Operating revenue and operating cost

(1) Operating revenue and operating cost

Applicable Not applicable

Unit: (ten thousand yuan) Currency: RMB

Items	Amount in the current period		Amount in the previous period	
	Revenue	Cost	Revenue	Cost
Primary business	2,705,119.57	2,335,425.35	2,984,421.37	2,618,875.04
Other business	11,223.75	4,728.66	11,020.22	8,605.18
Total	2,716,343.32	2,340,154.01	2,995,441.59	2,627,480.22

Main business income by products:

Project (in ten thousand yuan)	Current period	Amount for last period
Revenue from marine engineering general contracting projects	2,017,619.63	2,166,727.94
Revenue from marine engineering non-general contracting projects	565,872.45	539,244.35
Including: Offshore installation and sea pipe laying income	230,602.18	152,713.69
Maintenance income	61,453.49	34,864.99
Land-based construction revenue	237,338.19	327,497.72
Revenues from design	36,478.59	24,167.95
Revenue from non-marine engineering projects	121,627.49	278,449.08
Total	2,705,119.57	2,984,421.37

(2) Breakdown of operating revenue and operating cost

Applicable Not applicable

Other notes:

Applicable Not applicable

(3) Performance obligations

Applicable Not applicable

(4) Allocation to remaining performance obligations

Applicable Not applicable

(5) Major contract change or major transaction price adjustment

Applicable Not applicable

62. Taxes and surcharges

Applicable Not applicable

Unit: (ten thousand yuan) Currency: RMB

Items	Amount in the current period	Amount in the previous period
Urban maintenance and construction tax	3,940.03	3,699.39
Property taxes	4,510.96	4,550.92
Land use taxes	814.69	817.93
Education surcharge	1,958.63	1,793.45
Local education surcharges	1,305.75	1,196.15
Stamp tax	2,824.48	1,789.17
Vehicle and vessel tax	81.23	77.86
Others	181.45	27.32
Total	15,617.22	13,952.19

63. Sales expenses

Applicable Not applicable

Unit: (ten thousand yuan) Currency: RMB

Items	Amount in the current period	Amount in the previous period
Employee salary	1,680.48	1,657.07
Publicity and exhibition expenses	321.72	433.89
Traveling expenses	264.58	295.07
Low-value consumables	4.83	0.87
Depreciation and amortization of intangible assets	45.35	44.69
Office and utilities communication fees	23.54	30.32
Rental	17.04	11.12
Consulting fee	545.81	398.70
Outsourcing service fee	1,172.33	416.45
Others	118.80	155.66
Total	4,194.48	3,443.84

64. Management expenses

Applicable Not applicable

Unit: (ten thousand yuan) Currency: RMB

Items	Amount in the current period	Amount in the previous period
Employee salary	22,917.84	21,330.64
Depreciation and amortization of intangible assets	4,124.37	3,484.58
Audit and consulting fees	1,986.17	1,992.45

Items	Amount in the current period	Amount in the previous period
Rental	141.69	329.82
Property management fees and greening fees	1,045.13	1,004.68
Traveling expenses	890.15	901.27
Operation and maintenance cost of information system	496.02	613.64
Transportation expenses	382.87	327.72
Office and utilities communication fees	332.24	396.60
Low-value consumables	125.63	143.30
Outsourcing service fee	526.10	1,296.05
Caucus association fees	895.11	466.00
Legal fare	516.32	441.33
Administrative charges	1,487.90	1,479.94
Publicity expenses	1,310.27	936.10
Others	1,187.14	915.60
Total	38,364.95	36,059.72

65. Research and development expenses

Applicable Not applicable

Unit:(ten thousand yuan) Currency: RMB

Items	Amount in the current period	Amount in the previous period
Employee salary	31,964.57	39,648.59
Vessel service fee	28,408.21	35,074.00
Material consumption cost	26,227.04	24,161.23
Outsourced research and development expenses	21,286.98	9,847.57
Manufacturing expenses	2,093.34	2,190.05
Technical service fee	1,817.01	1,852.67
Traveling expenses	944.47	847.55
Others	6,327.47	9,112.07
Total	119,069.09	122,733.73

66. Financial expenses

Applicable Not applicable

Unit: (ten thousand yuan) Currency: RMB

Items	Amount in the current period	Amount in the previous period
Interest expenses	2,213.70	1,984.19
Including: Interest expense on lease liabilities	2,191.39	1,961.83
Less: interest income	11,641.57	12,457.09
Profit or loss on exchange	-7,540.32	-6,236.12
Others	2,606.87	2,104.60
Total	-14,361.32	-14,604.42

67. Other income√ Applicable Not applicable

Unit:(ten thousand yuan) Currency: RMB

Classification by nature	Amount in the current period	Amount in the previous period
Consumption tax rebate	14,387.48	23,290.23
Government grants	6,876.42	5,551.41
Refund of handling charges related to individual income tax	174.21	194.07
Allowance of input tax		128.15
Others	0.10	72.05
Total	21,438.21	29,235.91

Government grants included in other income

Subsidy Project (10,000 yuan)	Current period	Amount for last period	Related to assets/related to income
Appropriation for scientific research projects	301.41	301.41	Related to assets
Appropriation for special equipment assets	250.00	110.00	Related to assets
Tax refund	35.30	35.30	Related to assets
Return of supporting land	136.51	136.51	Related to assets
National scientific research projects	5,434.37	3,907.67	Related to income
Financial incentives		48.36	Related to income
Others	718.83	1,012.16	Related to income
Total	6,876.42	5,551.41	

68. Investment income√ Applicable Not applicable

Unit:(ten thousand yuan) Currency: RMB

Items	Amount in the current period	Amount in the previous period
Investment income obtained during holding the financial assets held for trading	9,685.29	12,828.98
Interest income in debt investment during the holding period	6,846.00	6,471.61
Investment income from disposal of financial assets held for trading		853.85
Total	16,531.29	20,154.44

69. Net exposure hedging gains Applicable √ Not applicable**70. Gains from changes in fair value**√ Applicable Not applicable

Unit: (ten thousand yuan) Currency: RMB

Sources of gains from changes in fair value	Amount in the current period	Amount in the previous period
Trading financial assets	9,429.23	10,697.32
Total	9,429.23	10,697.32

71. Credit loss

Applicable Not applicable

Unit: (ten thousand yuan) Currency: RMB

Items	Amount in the current period	Amount in the previous period
Losses from bad debts of accounts receivable	-142.24	-162.07
Bad debt loss of other receivables		-26.10
Total	-142.24	-188.17

Note: In the above table, losses are filled in with "-" and gains with "+".

72. Losses from asset impairment

Applicable Not applicable

Unit:(ten thousand yuan) Currency: RMB

Items	Amount in the current period	Amount in the previous period
I. Losses from contract asset impairment	-114.93	1,233.75
II. Losses from inventory depreciation and impairment losses of contract performance cost	-1,464.49	-3,870.77
Total	-1,579.42	-2,637.02

Note: In the above table, losses are filled in with "-" and gains with "+".

73. Gains from disposal of assets

Applicable Not applicable

Unit:(ten thousand yuan) Currency: RMB

Items	Amount in the current period	Amount in the previous period
Incomes from disposal of fixed assets		0.06
Profits from lease contract change	12.40	19.62
Total	12.40	19.68

74. Non-operating revenue

Non-operating revenue

Applicable Not applicable

Unit:(ten thousand yuan) Currency: RMB

Items	Amount in the current period	Amount in the previous period	Amount included in the current non-recurring profit or loss
Net amercement income	3.30	507.03	3.30
Compensation for contract breach	5.55	3,128.89	5.55
Gains from the damage and scrapping of non-current assets	2.66	1.46	2.66
Payables need not be paid	638.32	1,341.33	638.32
Insurance claims income	103.29	68.01	103.29
Compensation for Unsuccessful Bidding	981.87		981.87
Others		59.59	
Total	1,734.99	5,106.31	1,734.99

Other notes:

Applicable Not applicable

75. Non-operating expenses√ Applicable Not applicable

Unit:(ten thousand yuan) Currency: RMB

Items	Amount in the current period	Amount in the previous period	Amount included in the current non-recurring profit or loss
Donations made	43.50	193.50	43.50
Loss from the damage and scrapping of non-current assets	941.36	591.39	941.36
Liquidated damages and compensation	2,783.48	19.26	2,783.48
Natural disasters cause asset losses.	4,141.27		4,141.27
Others	201.81	194.99	201.81
Total	8,111.42	999.14	8,111.42

76. Income tax expenses**(1) List of income tax expenses**√ Applicable Not applicable

Unit: (ten thousand yuan) Currency: RMB

Items	Amount in the current period	Amount in the previous period
Income tax expenses for the current period	41,606.11	57,448.32
Deferred tax expenses	-147.83	-8,312.01
Total	41,458.28	49,136.31

(2) Accounting profit and income tax expenses adjustment process√ Applicable Not applicable

Unit: (ten thousand yuan) Currency: RMB

Items	Amount in the current period
Total profits	252,617.93
Income tax expenses calculated at statutory/applicable tax rate	37,892.69
Influence of different tax rates applicable to subsidiaries	1,434.31
Influence of adjustments to the income tax for the prior years	-1,438.02
Influence of non-taxable income	
Influence of nondeductible costs, expenses and losses	6,427.13
Influence of deductible losses on the use of preliminarily unrecognized deferred tax assets in previous periods	-76.08
Impact of deductible temporary differences or deductible losses for which no deferred income tax assets are recognized in the current year	-493.27
The adjustment in tax rates leads to changes in the balance of deferred tax assets/liabilities at the beginning of the year.	
Others	-2,288.48
Income tax expenses	41,458.28

Other notes:

 Applicable √ Not applicable**77. Other comprehensive income**√ Applicable Not applicable

See Note 57 in this Section

78. Items of statement of cash flows

(1) Cash related to operating activities

Cash from other operating activities

Applicable Not applicable

Unit: (ten thousand yuan) Currency: RMB

Items	Amount in the current period	Amount in the previous period
Scientific research and government grants	13,634.95	11,779.04
Insurance claims	29,609.55	6,500.88
Interest income	6,929.56	12,457.09
Reserves, margin and security deposit	4,201.87	5,463.16
Income from waste materials	4,110.10	4,398.45
Payments and receipts		1,275.14
Deblocking of funds	6,291.29	
Others	57.87	2,263.09
Total	64,835.19	44,136.85

Cash paid for other operating activities

Applicable Not applicable

Unit:(ten thousand yuan) Currency: RMB

Items	Amount in the current period	Amount in the previous period
Short-term and low-value lease expenses	11,696.02	4,135.39
Reserves, margin and security deposit	5,785.35	4,059.79
Audit and consulting fees	2,204.41	2,112.00
Handling charges	2,290.66	1,808.88
Traveling expenses	17,582.34	12,357.20
Property management fees and greening fees	1,262.63	1,064.96
Publicity and advertising expenses	1,630.91	536.10
Office costs	46.94	432.29
Transportation expenses	340.36	327.72
Increased frozen funds this year	6,697.03	1,789.14
Others	3,761.62	1,692.07
Total	53,298.27	30,315.54

(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: (ten thousand yuan) Currency: RMB

Items	Amount in the current period	Amount in the previous period
Cash paid for lease liabilities	28,646.69	12,546.62
Total	28,646.69	12,546.62

Changes in various liabilities arising from financing activities

 Applicable Not applicable

Unit: (ten thousand yuan) Currency: RMB

Items	Beginning Balance	Increase in this period		Decrease in this period		Ending Balance
		Changes in cash	Non-cash changes	Changes in cash	Non-cash changes	
Dividends payable			88,869.23	88,869.23		
Non-current liabilities maturing within one year - long-term borrowings maturing within one year	9,000.27		4,000.13			13,000.40
Non-current liabilities maturing within one year - lease liabilities maturing within one year	39,389.77		20,238.68			59,628.45
Long-term loans	13,000.40		22.31	22.31	4,000.13	9,000.27
Lease liabilities	59,651.54		37,786.44	24,633.89	20,238.68	52,565.41
Total	121,041.98		150,916.79	113,525.43	24,238.81	134,194.53

(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

79. Supplementary information to the statement of cash flows

(1) Supplementary information to the statement of cash flows

√ Applicable Not applicable

Unit: (ten thousand yuan) Currency: RMB

Additional information:	Current period	Amount for last period
1. Net profit adjusted to cash flows from operating activities:		
Net profit	211,159.65	218,629.33
Plus: provision for assets impairment	1,579.42	2,637.02
Credit loss	142.24	188.17
Depreciation of fixed assets, depletion of oil and gas assets, depreciation of productive biological assets	111,269.91	111,744.42
Amortization of right-of-use assets	38,101.90	23,206.17
Amortization of intangible assets	10,087.27	9,146.83
Amortization of long-term deferred expenses	9,487.26	10,848.48
Losses from disposal of fixed assets, intangible assets and other long-term assets ("-" for gains)	-12.40	-19.68
Losses on write-off of fixed assets ("-" for gains)	938.70	589.93
Losses from changes in fair value ("-" for gains)	-9,429.23	-10,697.32
Financial expenses ("-" for gains)	-8,132.82	-4,251.93
Investments losses ("-" for gains)	-16,531.29	-20,154.44
Decreases in deferred tax assets ("-" for increases)	8.55	-8,112.11
Increase in deferred tax liabilities ("-" for decreases)	-161.13	-188.63
Decreases in inventories ("-" for increases)	8,885.66	18,998.35
Decreases in operating receivables ("-" for increases)	47,003.67	-218,471.66
Increases in operating payables ("-" for decreases)	-41,420.53	252,899.79
Others	-3,603.72	-1,967.86
Net cash flow from operating activities	359,373.11	385,024.86
2. Significant investing and financing activities not involving in cash receipts and payments:		
Transfer of debts into capital		
Convertible corporate bonds maturing within one year		
Fixed assets leased from financing		
3. Net change in cash and cash equivalents:		
Ending balance of cash	679,879.88	424,476.33
Less: beginning balance of cash	424,476.33	422,910.15
Plus: ending balance of cash equivalents		
Less: beginning balance of cash equivalents		
Net increase of cash and cash equivalents	255,403.55	1,566.18

(1) Net cash paid for acquisition of subsidiaries in the current period

 Applicable Not applicable

(2) Net cash received for disposal of subsidiaries in this period

 Applicable Not applicable

(3) Composition of cash and cash equivalents√ Applicable Not applicable

Unit:(ten thousand yuan) Currency: RMB

Items	Ending Balance	Beginning Balance
I. Cash	679,879.88	424,476.33
Including: cash on hand		1.00
Unrestricted bank deposits	679,879.88	424,475.33
Other unrestricted monetary funds		
Available-for-payment deposits in the central bank		
Interbank deposits		
Interbank lending and borrowing		
II. Cash equivalents		
Including: Bond investment maturing within three months		
III. Ending balance of cash and cash equivalents	679,879.88	424,476.33
Including: cash and cash equivalents with restricted use right by parent company or subsidiaries of the Group		

(1) Limited use but still presented as cash and cash equivalents Applicable √ Not applicable**(2) Monetary funds other than cash and cash equivalents**√ Applicable Not applicable

Unit:(ten thousand yuan) Currency: RMB

Items	Ending Balance	Beginning Balance	Reason
Time deposits of more than three months	50,000.00	170,000.00	Purpose is held to maturity
Frozen funds	11,136.94	10,731.20	Not withdrawn at any time
Interest accrued on fixed time deposits	2,477.95	1,461.85	Not withdrawn at any time
Interest accrued on deposits of Finance Company	10.47	34.84	Not withdrawn at any time
Interest accrued on deposits from non-finance companies	373.31		Not withdrawn at any time
Bid bond deposit	17.01		Not withdrawn at any time
Total	64,015.68	182,227.89	/

Other notes:

 Applicable √ Not applicable**80. 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

81. Foreign currency monetary items

(1) Foreign currency monetary items

√ Applicable □ Not applicable

Unit: (ten thousand yuan)

Items	Ending balance of foreign currency	Exchange rate of conversion	End-of-period converted RMB balance
Cash and cash equivalents			207,255.50
Including: USD	26,273.02	7.0288	184,667.84
HKD	2,394.07	0.9032	2,162.32
CAD	3,800.17	5.1142	19,434.83
Qatari Riyal	497.93	1.9288	960.40
Saudi riyal	14.68	1.8680	27.41
NGN	550.03	0.0049	2.70
Accounts receivable			20,889.15
Including: USD	2,349.88	7.0288	16,516.84
CAD	272.27	5.1142	1,392.42
Brunei dollar	549.74	5.4205	2,979.89
Other receivables			6,864.00
Including: USD	915.79	7.0288	6,436.92
HKD	2.04	0.9032	1.84
UAE Dirham	10.81	1.9133	20.68
Brunei dollar	3.47	5.4205	18.80
Qatari Riyal	200.00	1.9288	385.76
Accounts payable			128,323.19
Including: USD	14,635.13	7.0288	102,867.37
EUR	56.76	8.2355	467.46
HKD	38.16	0.9032	34.46
UAE Dirham	2.20	1.9133	4.20
Brazilian real	51.09	1.3122	67.04
CAD	49.03	5.1142	250.73
Sterling	30.48	9.4346	287.61
Singapore Dollar	1.87	5.4586	10.18
Qatari Riyal	8,479.72	1.9288	16,355.69
Saudi riyal	2,417.41	1.8680	4,515.72
Brunei dollar	550.36	5.4205	2,983.25
THB	2,154.98	0.2225	479.48
Taxes payable			897.23
Including: USD	127.65	7.0288	897.23
Other payables			33,879.09
Including: USD	2,041.18	7.0288	14,347.07
EUR	7.49	8.2355	61.64
UAE Dirham	12.97	1.9133	24.82
CAD	3,800.00	5.1142	19,433.96
Qatari Riyal	6.02	1.9288	11.60

(2) Foreign operating entities, including, for significant foreign operating entities, disclosure of their principal place of business outside of the country, the recording currency and the basis of selection, and disclosure of the reasons for any change in the recording currency

√ Applicable □ Not applicable

Important overseas operational entity	Main premise overseas	Recording currency	Basis for selection
COOEC International Co., Ltd.	Hong Kong	USD	Operating business is mainly denominated and settled in such currencies
COOEC Nigeria Co., Ltd	Nigeria	USD	Operating business is mainly denominated and settled in such currencies
Offshore Oil Engineering Co., Ltd. Nigeria Free Trade Zone Company	Nigeria	USD	Operating business is mainly denominated and settled in such currencies
Offshore Oil Engineering (Canada) Co., Ltd.	Canada	CAD	Operating business is mainly denominated and settled in such currencies
COOEC International Co., Limited Thai Company	Thailand	THB	Operating business is mainly denominated and settled in such currencies
COOEC International Co., Limited Brazilian Company	Brazil	Real	Operating business is mainly denominated and settled in such currencies
Saudi Company of COOEC International Co., Ltd.	Saudi Arabia	USD	Operating business is mainly denominated and settled in such currencies

82. Lease

(1) As a lessee

√ Applicable □ Not applicable

Variable lease payments not included in the measurement of lease liabilities

□ Applicable √ Not applicable

Lease expense of short-term lease or low-value assets with simplified treatment

√ Applicable □ Not applicable

Unit: (ten thousand yuan) Currency: RMB

Items	Current period	Amount for last period
Interest expense on lease liability	2,191.39	1,961.83
Short-term lease expenses charged to the cost of the related assets or to current profit or loss as a simplified treatment	11,501.24	3,763.98

Items	Current period	Amount for last period
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)	194.78	371.41
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		13.93
Total cash outflows related to leases	40,342.71	16,682.01
Related profit or loss from sale and leaseback transactions		
Cash inflows from sale and leaseback transactions		
Cash outflows from sale and leaseback transactions		

After-sales and leaseback transactions and judgment basis

Applicable Not applicable

(2) As a lessor

Operating lease as lessor

Applicable Not applicable

Unit: (ten thousand yuan) Currency: RMB

Items	Lease income	Including: income related to variable lease payments not included in lease receipts
Operating lease income	402.33	
Total	402.33	

Financing lease as lessor

Applicable Not applicable

Reconciliation of undiscounted lease receipt and net lease investment

Applicable Not applicable

Undiscounted lease receipt for the next five years

Applicable Not applicable

(3) Recognition of profit or loss from sales of financing lease as a manufacturer or distributor

Applicable Not applicable

83. Data resources

Applicable Not applicable

84. Others

Applicable Not applicable

VIII. Research and development expenditure

1. Presentation by nature of expenses

Applicable Not applicable

2. Development expenditures of R&D projects eligible for capitalization

Applicable Not applicable

Significant capitalized R & D projects

Applicable Not applicable

Provision for impairment of development expenditures

Applicable Not applicable

3. Important outsourced projects under research

Applicable Not applicable

IX. Changes in the scope of consolidation

1. Business combination not under common control

Applicable Not applicable

2. Business combination under common control

Applicable Not applicable

(1) Business combinations under common control occurring in the current period

Applicable Not applicable

(2) Merger cost

Applicable Not applicable

(3) The book value of the assets and liabilities of the merged party on the merger date

Applicable Not applicable

3. Reverse takeover

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 notes:

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 notes:

Applicable Not applicable

5. Changes in 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

6. Others

Applicable Not applicable

X. Equity in other entities

1. Interests in subsidiaries

(1) Composition of enterprise groups

√ Applicable □ Not applicable

Unit: (ten thousand yuan) Currency: RMB

Subsidiary Name	Main premise	Registered capital	Registration place	Business nature	Shareholding ratio (%)		Method of acquisition Method
					Direct	Indirect	
Offshore International Engineering Co., Ltd	Beijing	6,000.00	Beijing	Project contracting	100.00		Establishment
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
Offshore Oil Engineering Co., Ltd. Nigeria Free Trade Zone Company	Nigeria	344.03	Nigeria	Project contracting		100.00	Establishment
COOEC International Co., Ltd.	Hong Kong	669.11	Hong Kong	Project contracting	100.00		Establishment
Offshore Oil Engineering (Canada) Co., Ltd.	Canada	2,067.66	Canada	Project contracting and labor services		100.00	Establishment
COOEC International Co., Limited Thai Company	Thailand	283.04	Thailand	Project contracting		100.00	Establishment
COOEC International Co., Limited Brazilian Company	Brazil	314.30	Brazil	Project contracting and labor services		100.00	Establishment
Offshore Oil Engineering (Zhuhai) Co., Ltd.	Zhuhai City	395,000.00	Zhuhai City	Project contracting	100.00		Establishment
COOEC-Fluor Heavy Industries Co., Ltd.	Zhuhai City	657,641.38	Zhuhai City	Project contracting		51.00	Business combination not under common control
Saudi Company of COOEC International Co., Ltd.	Saudi Arabia	9,869.83	Saudi Arabia	Project contracting	100.00		Establishment

(2) Major non-wholly-owned subsidiaries

√ Applicable □ Not applicable

Unit:(ten thousand yuan) Currency: RMB

Name of subsidiaries	Shareholding by a minority of shareholders (%) Ratio	Profit or loss attributable to minority shareholders in this period	Dividends declared to be distributed to minority shareholders in this period	Balance of minority equity as at the end of the period
COOEC-Fluor Heavy Industries Co., Ltd.	49.00	2,716.04		203,581.80

Notes to the differences between the shareholding ratios by minority shareholders in subsidiaries and the corresponding voting ratios:

Applicable Not applicable

Other notes:

Applicable Not applicable

(3) Main financial information of major non-wholly-owned subsidiaries

Applicable Not applicable

Unit:(ten thousand yuan) Currency:RMB

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.	183,326.03	355,852.04	539,178.07	122,420.79	15,712.01	138,132.80	209,736.14	362,340.05	572,076.19	162,940.52	13,633.34	176,573.86

Unit:(ten thousand yuan) Currency: RMB

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.	209,378.05	5,542.93	5,542.93	16,716.57	227,620.98	5,080.97	5,080.97	-7,603.22

(4) Major restrictions on the use of assets of the Group by subsidiaries and liquidation of debts of the Group

Applicable Not applicable

(5) Financial support or other supports provided to a structured entity included into the scope of consolidated financial statements

Applicable Not applicable

Other notes:

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. Interests in joint ventures or associates

Applicable Not applicable

4. Important joint operation

Applicable Not applicable

Joint operation name	Main premise	Registration place	Business nature	Shareholding ratio/share enjoyed (%)	
				Direct	Indirect
COOEC AND CPECC JOINT VENTURE	Uganda	Uganda	Project contracting	50.00	

To meet the construction funding needs of the COOEC and CPECC Joint Venture project, in accordance with the consortium agreement, the Uganda branch of Offshore Oil Engineering International Limited, a wholly-owned subsidiary of the company, and the other party of the consortium will each provide funding support of no more than USD 6.5 million to the consortium based on their respective equity shares in the consortium, with an annualized interest rate of 6% per year. As of December 31, 2025, each member party shall provide loans according to their equity proportion, among which COOEC

International Limited Uganda Company shall provide a loan of USD 2 million.

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

XI. 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:(ten thousand yuan) Currency: RMB

Financial Statements 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 in this issue Change	Ending Balance	Related to assets/income
Deferred revenue	5,826.73	630.00		723.22		5,733.51	Related to assets
Deferred revenue	10,929.74	13,624.22		6,106.79	-4,415.66	14,031.51	Related to income
Total	16,756.47	14,254.22		6,830.01	-4,415.66	19,765.02	/

3. Government grants included in the current profit or loss

Applicable Not applicable

Unit:(ten thousand yuan) Currency: RMB

Type	Amount in the current period	Amount in the previous period
Related to assets	723.22	583.22
Related to income	6,153.20	4,968.19
Total	6,876.42	5,551.41

XII. Risk related to financial instruments

1. Risks of financial instruments

Applicable Not applicable

The Group's main financial instruments include equity investment, debt investment, borrowings, receivables, accounts payable, etc. See related items in Note V for details of each financial instrument. The Group's objective in risk management is to strike an appropriate balance between risks and returns, minimize the negative impact of risks on the Group's operating results, and maximize the interests of shareholders and other equity investors. Based on this risk management objective, the basic strategy of the Group's risk management is to determine and analyze various risks faced by the Group, establish an appropriate risk tolerance bottom line and carry out risk management, and supervise various risks in a timely and reliable manner to control risks within a limited range.

(1) 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.

The Group uses sensitivity analysis techniques to analyze the possible impact of reasonable and possible changes in market risk-related variables on the current profit or loss or shareholders' equity. Since any risk variable rarely changes in isolation, and the correlation between variables will have a significant effect on the final impact amount of the change of a risk variable, the following contents are carried out under the assumption that the change of each variable is independent.

① Exchange rate risk

Exchange rate risk refers to the risk that the fair value or future cash flow of the financial instruments will fluctuate due to fluctuation in foreign exchange rates. The Group's foreign exchange risk is mainly related to US dollars. Except for several subsidiaries of the Group that purchase and sell in US dollars, other major business activities of the Group are denominated and settled in RMB. Exchange rate risk has an impact on the Group's transactions and the performance of overseas operations. As at December 31, 2025, the balance of the Group's foreign currency monetary item refers to Note VII. 81 "Foreign Currency Monetary Item".

The Group closely monitors the impact of exchange rate fluctuations on its currency risk exposure, aiming to minimize the foreign exchange risks faced. In addition, the COOEC also signed forward foreign exchange contracts or currency swap contracts to avoid exchange rate risk. During the current and prior periods, the Group did not enter into any forward foreign exchange contracts or currency swap contracts.

As at December 31, 2025, holding all other variables constant, if RMB appreciates or depreciates by 5% against USD, the net profit of the Group would increase or decrease by RMB 38.4230 million (December 31, 2024: RMB 30.8037 million). The management thinks that 5% reflect the reasonable range of the possible changes of RMB to USD in the next year.

② Interest rate risk

Interest rate risk refers to the risk that the fair value or future cash flow of the financial instruments will fluctuate due to changes in market interest rates. The Group's interest rate risk arises from interest-bearing debts such as bank borrowings and bonds payable. Financial liabilities with floating interest rates expose the Group to cash flow interest rate risk, and financial liabilities with fixed interest rates expose the Group to fair value interest rate risk. The Group determines the relative proportion of fixed-rate and floating-rate contracts according to the prevailing market environment. As at December 31, 2025, the Group's interest-bearing debts were mainly fixed interest rate contracts denominated in RMB, in an amount of RMB 220 million (end of last year: RMB 220 million).

On December 31, 2025, with other variables unchanged, if the borrowing rate calculated at the floating rate increases or decreases by 100 basis points, the Group's net profit will not change (the net profit on December 31, 2024 will not change). The management believes that 100 base points reasonably reflects the scope of potential changes in the interest rate for the next year.

③ Other price risks

Other price risks refer to the risk that the fair value or future cash flow of financial instruments fluctuates due to market price changes other than exchange rate risks and interest rate risks, whether these changes are caused by factors related to a single financial instrument or its issuer, or by factors related to all similar financial instruments traded in the market. The Group's investments classified as financial assets measured at fair value through current profit or loss and financial assets measured at fair value through other comprehensive income are measured at fair value on the balance sheet date. The Group therefore bears the risk of changes in the market prices of securities. The Group reduces the price risk of equity securities investments by holding multiple equity securities portfolios.

Since the fair value of some financial instruments is determined by a general pricing model or other valuation techniques based on the discounted cash flow method in the future, and the valuation technique itself is based on certain valuation assumptions, the valuation results are highly sensitive to the valuation assumptions.

As at December 31, 2025, 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 the Group (December 31, 2024: not affecting the Group's 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.

(2) Credit risk

Credit risk refers to the risk of financial losses incurred by the Group due to the counterparty's failure to perform its contractual obligations.

The Group's credit risk mainly arises from monetary funds, accounts receivable, contract assets, other receivables, debt investments, other debt investments and financial guarantee contracts, as well as debt instrument investments and derivative financial assets measured at fair value through current profit or loss that are not included in the impairment assessment.

The Group's monetary funds are mainly bank deposits deposited in state-owned banks and other large and medium-sized listed banks with good reputation and high credit rating. The Group believes that there is no significant credit risk and there will be almost no major losses caused by bank default.

In addition, for accounts receivable, contract assets and other receivables, the Group has set up relevant policies to control the credit risk exposure. The Group evaluates customers' credit qualifications and sets corresponding credit periods based on their financial conditions, the possibility of obtaining guarantees from third parties, credit records and other factors such as current market conditions. The Group monitors the customers' credit records periodically. As for the customers with bad credit records, the Group adopts the methods including requesting a payment in writing or shortening or canceling credit term so as to keep its overall credit risks within a controllable scope.

(3) 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.

The Group's policy is to secure sufficient cash to meet its debts as they fall due. Liquidity risk is centrally controlled by the finance department of the Group. 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. Continuously monitor the group's compliance with the terms of the loan agreements and secure commitments from major financial institutions to provide sufficient standby funding to meet both short-term and long-term capital needs.

Financial liabilities of the Group are presented at undiscounted contractual cash flows on the maturity date as follows:

Unit: (ten thousand yuan) Currency: RMB

Items	Ending Balance					Undiscounted contract amount in total	Book value
	Instant Repay	Within 1 year	1-2 years	2-5 years	Over 5 years		
Notes Payable		2,436.22				2,436.22	2,436.22
Accounts payable		1,222,597.20				1,222,597.20	1,222,597.20
Other payables		140,844.83				140,844.83	140,844.83
Long-term borrowings maturing within one year		13,000.40				13,000.40	13,000.40
Long-term loans				9,000.27		9,000.27	9,000.27
Total		1,378,878.65		9,000.27		1,387,878.92	1,387,878.92

2. Hedging

(1) The Company carries out hedging business for risk management

Applicable Not applicable

Other notes:

Applicable Not applicable

(2) The Company conducts eligible hedging business and applies hedge accounting

Applicable Not applicable

Other notes:

Applicable Not applicable

(3) The Company conducts hedging business for risk management, expects to achieve risk management objectives but does not apply hedge accounting

Applicable Not applicable

Other notes:

Applicable Not applicable

3. Transfer of financial assets

(1) Classification of transfer modes

Applicable Not applicable

(2) Financial assets derecognized due to transfer

Applicable Not applicable

(3) Transfer of financial assets with continued involvement

Applicable Not applicable

Other notes:

Applicable Not applicable

XIII. Disclosure of fair value

1. Ending fair value of assets and liabilities measured at fair value

Applicable Not applicable

Unit: (ten thousand yuan) Currency: RMB

Items	Fair value as at the end of the period			Total
	Measured at the fair value of the 1st level	Measured at the fair value of the 2nd level	Measured at the fair value of the 3rd level	
I. Continuous measurement of fair value				
(I) Financial assets held for trading		949,429.23		949,429.23
1. Financial assets measured at fair values through current profit or loss		949,429.23		949,429.23
Structural deposits		949,429.23		949,429.23
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				
(V) Biological assets				
Total assets constantly measured at fair value		949,429.23	7,067.14	956,496.37
(VI) Financial liabilities held for trading				
Total liabilities constantly measured at fair value				
II. Measurement at fair value not on a going concern				
(I) Assets held for trading				
Total amount of assets measured at fair value not on a going concern				
Total amount of liabilities measured at fair value not on a going concern				

2. **Basis for recognition of the market price of items measured at fair value of level 1 on a going and non-going concern**
 Applicable Not applicable
3. **Qualitative and quantitative valuation techniques and important parameters of sustainable and non-sustainable items measured on the basis of fair value of level 2**
 Applicable Not applicable
4. **Continuous and non-continuous third-level fair value measurement projects, the valuation techniques adopted and the qualitative and quantitative information of important parameters**
 Applicable Not applicable
 The fair value is determined using level 3 inputs. If the recent information used to determine fair value is insufficient, or the possible estimated amount of fair value is widely distributed, and the cost represents the best estimate of fair value within this range, the cost may represent its appropriate estimates of fair value within this range.
5. **The information of adjustment between the beginning and the end of the book value and analysis on the sensitivity of the unobservable parameters of sustainable and non-sustainable items measured on the basis of fair value of tier three**
 Applicable Not applicable
6. **Continuous measurement items by fair value, reason for conversion among all levels in the current period and policies for determining the time of conversion**
 Applicable Not applicable
7. **Changes in 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

XIV. Related parties and related party transactions

1. Parent company

Applicable Not applicable

Unit: (ten thousand yuan) Currency: RMB

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	55.39	55.39

The ultimate controller of the enterprise is China National Offshore Oil Corporation

2. Subsidiaries

For details of the subsidiaries of this enterprise, please refer to the notes.

Applicable Not applicable

See "Note X. Equity in Other Entities" for details of subsidiaries of the Company.

3. Joint ventures and associates

See the notes for details of the important joint ventures or associates of the Company

Applicable Not applicable

See "Note X. Equity in Other Entities" for details of the important joint ventures or associates of the Group.

The details of other joint ventures or associated enterprises that had related party transactions with the company during this period, or had balances arising from related party transactions with the company in prior periods, are as follows:

Applicable Not applicable

Other notes:

Applicable Not applicable

4. Other related parties

Applicable Not applicable

Other related parties	Relationship between other related parties with the COOEC
China National Offshore Oil Bohai Company Limited	Wholly-owned subsidiary of the parent company
China National Offshore Oil Nanhai West Company Limited	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
CNOOC Insurance Co., Ltd.	Wholly-owned subsidiary of the parent company
China Offshore Oil Donghai Corporation	Wholly-owned subsidiary of the parent company
China Shipping Petrochemical Import & Export Co., Ltd.	Wholly-owned subsidiary of the parent company

5. Related party transactions

(1) Related party transactions on purchase and sales of goods, rendering and receipt of services

Purchase of goods/receipt of services

Applicable Not applicable

Unit:(ten thousand yuan) Currency: RMB

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
CNOOC Energy Technology & Services Limited	Services such as engineering subcontracting, material procurement, transportation, fuel and property	165,940.55			186,126.15
China Oilfield Services Limited	Services such as transportation, ship	4,153.97			3,665.10
China National Offshore Oil Corporation	Services such as employee insurance, software usage	2,846.13			2,745.12

Related party	Related-party transactions	Amount in the current period	Approved trading quotas (if applicable)	Trading quotas exceeded or not (if applicable)	Amount in the previous period
China National Offshore Oil Bohai Company Limited	Services such as utilities, employee medical checkups	2,788.52			3,321.71
China Ocean Oilfields Services (Hong Kong) Limited	Project subcontracting services	1,832.42			4,084.22
Zhonghai Industry Co., Ltd.	Property services, engineering subcontracting, fuel and utilities, etc.	1,770.87			1,458.55
CNOOC Gas & Electricity Group Co., Ltd.	Project subcontracting services	1,538.61			12,370.98
CNOOC Limited	Terminal services	757.11			267.38
CNOOC Refining and Chemical Co., Ltd.	Project subcontracting services	305.37			1,028.24
CNOOC Insurance Co., Ltd.	Project subcontracting services	103.56			77.75
CNOOC Research Institute Co., Ltd.	Project subcontracting services	83.96			197.17
CNCCC International Bidding Co., Ltd.	Bidding and tendering services	66.00			64.90
China National Offshore Petrochemical Corporation	Project subcontracting services	31.60			572.86
China National Offshore Oil Nanhai West Company Limited	Project subcontracting services	17.03			38.68
China Offshore Oil Donghai Corporation	Project subcontracting services	7.45			6.33
China Offshore Oil Nanhai East Corporation	Project subcontracting services	3.94			3.60
Joint ventures or associates of other members of the Group to which the COOEC belongs	Project subcontracting services	16,930.39			36,852.05

Sales of goods/ rendering of services

√ Applicable □ Not applicable

Unit:(ten thousand yuan) Currency: RMB

Related party	Related-party transactions	Amount in the current period	Amount in the previous period
CNOOC Limited	Engineering services	1,593,801.30	2,119,490.38
CNOOC Energy Technology & Services Limited	Engineering services	30,968.19	33,046.17
CNOOC Gas & Electricity Group Co., Ltd.	Engineering services	11,474.26	100,521.37
China National Offshore Oil Corporation	Engineering services	556.60	56.60
CNOOC Research Institute Co., Ltd.	Engineering services	1,643.82	33.49
China Oilfield Services Limited	Engineering services	154.15	280.30
China Ocean Oilfields Services (Hong Kong) Limited	Engineering services		1.45
Joint ventures or associates of other members of the Group to which the COOEC belongs	Engineering services	59,455.07	77,906.28

Purchase or sale of goods, and rendering or receipt of labor services

Applicable Not applicable

(2) **Associated entrusted management/contracting and entrusting management/contracting-out**

Statement of Entrusted Management/Contracting Status of the Company:

Applicable Not applicable

Custody/contracting of related parties

Applicable Not applicable

Company Entrusted Management/Contracting Status Report

Applicable Not applicable

Information on the related-party management/contracting

Applicable Not applicable

(3) **Related party leases**

This company, as the lessor:

Applicable Not applicable

Unit: (ten thousand yuan) Currency: RMB

Lessee	Type of leased asset	Lease income recognized in this period	Lease income recognized in previous period
CNOOC Energy Technology & Services Limited	Houses and buildings	68.23	19.12
China Oilfield Services Limited	Houses and buildings		13.93

This company, as the lessee:

Applicable Not applicable

Unit: (ten thousand yuan) Currency: RMB

Lessor	Type of leased asset	Amount in the current period					Amount in the previous period				
		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	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
China Offshore Oil Nanhai East Corporation	Houses and buildings			266.27	3.39	522.56			266.18	10.02	
China National Offshore Oil Nanhai West Company Limited	Houses and buildings	27.30		77.16	1.53		8.83		45.98	2.85	
China Ocean Oilfields Services (Hong Kong) Limited	Houses and buildings			66.07	3.17						

Lessor	Type of leased asset	Amount in the current period					Amount in the previous period				
		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	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
Zhonghai Industry Co., Ltd.	Houses and buildings	29.71		2,721.08	113.72	295.93	13.42		2,696.73	183.77	337.92
CNOOC Refining and Chemical Co., Ltd.	Land			3,632.02	62.63	4,333.06					
CNOOC Energy Technology & Services Limited	Houses and buildings	43.12		1,379.09	32.48	721.78	35.35		2,321.76	52.75	
CNOOC Energy Technology & Services Limited	Machinery equipment						29.73				

Related-party leases

Applicable Not applicable

(4) Related party guarantees

This company serves as the guarantor.

Applicable Not applicable

This company, as the guaranteed party

Applicable Not applicable

Notes to related party guarantee

Applicable Not applicable

See "Note XVI. 1. Significant Commitments" for details of the Company's guarantees to subsidiaries

(5) Loans from and to related parties

Applicable Not applicable

Unit: (ten thousand yuan) Currency: RMB

Related party	Amount borrowed	Start date	Maturity date	Notes
Borrowed from				
China National Offshore Oil Corporation	9,000.00	2025/5/29	2030-05-28	
China National Offshore Oil Corporation	13,000.00	2023/6/29	2026/6/28	

(6) Assets transfer and debt restructuring of related parties

Applicable Not applicable

(7) Remuneration of key management personnel

√ Applicable □ Not applicable

Unit: (ten thousand yuan) Currency: RMB

Items	Amount in the current period	Amount in the previous period
Remuneration of key officers	899.70	937.00

(8) Other related party transactions

√ Applicable □ Not applicable

① Related Financial Services

Unit: (ten thousand yuan) Currency: RMB

Related party	Related-party transactions	Current period	Amount for last period
CNOOC Finance Co., Ltd.	Interest income	956.46	1,217.54
CNOOC Finance Co., Ltd.	Handling charges	305.61	429.17
China National Offshore Oil Corporation	Interest expenses	22.31	22.37

6. Accounts receivable, accounts payable to related parties and other unsettled items**(1) Receivables**

√ Applicable □ Not applicable

Unit: (ten thousand yuan) Currency: RMB

Project name	Related party	Ending Balance		Beginning Balance	
		Book balance	Provision for bad debts	Book balance	Provision for bad debts
Accounts receivable	CNOOC Limited	628,792.58		630,737.43	
	CNOOC Energy Technology & Services Limited	3,184.91		28,369.98	
	CNOOC Gas & Electricity Group Co., Ltd.	15,622.59		22,975.04	
	China Oilfield Services Limited	312.27		298.17	
	CNOOC Research Institute Co., Ltd.	1,695.44			
	Joint ventures or associates of other members of the Group to which the COOEC belongs	56,071.67		11,377.12	
	Total	705,679.46		693,757.74	
Prepayment	CNOOC Energy Technology & Services Limited	536.38		274.47	
	CNOOC Limited			27.05	
	CNOOC Gas & Electricity Group Co., Ltd.	79.88			
	Total	616.26		301.52	
Other receivables	CNOOC Energy Technology & Services Limited	1.50		183.18	
	CNCCC International Bidding Co., Ltd.	10.00		10.00	
	CNOOC Limited	0.01			
	CNOOC Refining and Chemical Co., Ltd.	0.53			
	Total	12.04		193.18	
Contract assets	CNOOC Limited	78,566.87	196.42	40,212.27	68.37
	CNOOC Energy Technology & Services Limited	36.58	0.09	4.30	0.01
	CNOOC Gas & Electricity Group Co., Ltd.	2,336.18	5.84	9,019.79	15.33
	CNOOC Research Institute Co., Ltd.	46.19	0.12		
	Joint ventures or associates of other members of the Group to which the COOEC belongs	12,923.30	32.30	12,157.19	20.66
	Total	93,909.12	234.77	61,393.55	104.37

(2) Payables

√ Applicable □ Not applicable

Unit: (ten thousand yuan) Currency: RMB

Project name	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	40,071.94	37,520.07
	China Oilfield Services Limited	1,729.23	2,182.40
	CNOOC Gas & Electricity Group Co., Ltd.	333.68	5,690.25
	China National Offshore Petrochemical Corporation	260.77	582.30
	China National Offshore Oil Corporation	320.02	83.73
	China Ocean Oilfields Services (Hong Kong) Limited	220.65	2,962.93
	China National Offshore Oil Bohai Company Limited	142.86	343.09
	CNOOC Refining and Chemical Co., Ltd.	229.52	455.03
	CNOOC Limited	167.85	49.19
	Zhonghai Industry Co., Ltd.	166.44	449.00
	China National Offshore Oil Nanhai West Company Limited	8.15	66.07
	China Offshore Oil Donghai Corporation	1.32	3.07
	China Offshore Oil Nanhai East Corporation	0.75	0.91
	Joint ventures or associates of other members of the Group to which the COOEC belongs	39,598.72	37,435.28
	Total	83,251.90	87,823.32
Other payables	CNOOC Energy Technology & Services Limited	204.78	507.04
	China Oilfield Services Limited		30.62
	Joint ventures or associates of other members of the Group to which the COOEC belongs	34.10	87.37
	Total	238.88	625.03
Contractual liabilities	CNOOC Limited	33,922.39	66,448.55
	China National Offshore Oil Corporation	11,367.23	10,685.34
	CNOOC Gas & Electricity Group Co., Ltd.	134.94	
	Total	45,424.56	77,133.89
Lease liabilities maturing within one year	China National Offshore Oil Nanhai West Company Limited	3.83	64.65
	CNOOC Energy Technology & Services Limited	463.47	1,126.10
	Zhonghai Industry Co., Ltd.	2,265.73	2,258.79
	China Ocean Oilfields Services (Hong Kong) Limited	63.42	62.50
	China Offshore Oil Nanhai East Corporation	266.90	156.56
	CNOOC Refining and Chemical Co., Ltd.	346.35	
Total	3,409.70	3,668.60	
Lease liabilities	China National Offshore Oil Nanhai West Company Limited	1.59	81.15
	CNOOC Energy Technology & Services Limited	1,271.92	1,126.10
	Zhonghai Industry Co., Ltd.	2,492.11	4,291.60
	China Ocean Oilfields Services (Hong Kong) Limited	61.10	164.57
	China Offshore Oil Nanhai East Corporation	262.22	156.56
	CNOOC Refining and Chemical Co., Ltd.	1,192.99	
	Total	5,281.93	5,819.98
Long-term borrowings maturing within one year	China National Offshore Oil Corporation	13,000.40	9,000.27
	Total	13,000.40	9,000.27

Project name	Related party	Book balance as at the end of the year	Book balance as at the beginning of the year
Long-term loans	China National Offshore Oil Corporation	9,000.27	13,000.40
	Total	9,000.27	13,000.40

(3) Other projects

Applicable Not applicable

7. Related Party Commitments

Applicable Not applicable

8. Others

Applicable Not applicable

XV. Share-based payment**1. Various equity instruments****(1) Detailed circumstances**

Applicable Not applicable

(2) 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

Funds collected by the Group to the Group:

Unit: (ten thousand yuan) Currency: RMB

Project name	Ending Balance		Previous period ending balance	
	Book balance	Provision for bad debts	Book balance	Provision for bad debts
Cash and cash equivalents	100,041.81		99,446.31	
Total	100,041.81		99,446.31	
Including: funds restricted from being withdrawn due to centralized management of funds				

XVI. Commitments and contingencies

1. Significant commitment matters

Applicable Not applicable

2. Contingent events

(1) Significant contingencies on the balance sheet date

Applicable Not applicable

Guarantees for subsidiaries:

As of the reporting date, the company has 7 guarantees in effect, as detailed below:

- ① As reviewed and approved at the 10th meeting of the 6th Board of Directors of the Company held on August 17, 2018, the Company opened a bank performance bond and an advance payment bond for its subsidiary Offshore Oil Engineering Co., Ltd. Nigeria Free Trade Zone Company, to fulfill the Dangote Petrochemical Marine Transportation and Installation Project Contract. Due to the increase in the contract amount, the guarantee amount was adjusted from USD 33.2 million to USD 38.2 million, of which the guarantee amount of the performance bond was USD 19.1 million and the guarantee amount of the advance payment bond 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 24th meeting of the 6th Board of Directors of COOEC held on June 23, 2020 and the 28th 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 in 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 in the validity period of the bank guarantee. Third, the parent company guarantee of the warranty guarantee shall be provided. When the project is completed, the performance guarantee will be terminated, and the warranty guarantee shall be started accordingly. The warranty guarantee amount shall be USD 19.1 million, and the warranty guarantee is valid for 24 months from the date when the owner issues the completion certificate. As at 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.
- ② Approved at the 17th meeting of the sixth board of directors of the company held on June 6, 2019, the company provided a parent company guarantee for its wholly-owned subsidiary Offshore Oil Engineering (Qingdao) Co., Ltd. to fulfill the LNG module construction contract signed with JGC Fluor. The guarantee amount is RMB 2.449 billion, and the guarantee period is from the date of issuance to September 15, 2025. The above guarantee was deliberated and adopted at the First Extraordinary General Meeting in 2019 held by the Company on June 25, 2019. Subsequently, at the 11th meeting of the 8th Board of Directors held on August 14, 2025, it was reviewed and approved that, considering the comprehensive factors affecting the project execution period, the Qingdao subsidiary signed a contract amendment agreement with the client to confirm a new project delivery date and warranty period. The parent company's guarantee period has been extended to March 10, 2026, after which the guarantee will be terminated.
- ③ As approved by the 9th Meeting of the 7th Board of Directors of the Company held on March 18, 2022, the Company provided a parent company guarantee for the contract for the Buzios VIII (FPSOP79) module construction project in Brazil signed between Offshore Oil Engineering (Qingdao) Co., Ltd., a wholly-owned subsidiary of the Company, as a subcontractor, and SAIPEMSA, a general contractor, in a guarantee amount of USD 72 million. The guarantee period 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 2nd meeting of the 8th Board of Directors of the Company held on December 22, 2023, the Company provided a parent company guarantee for the contract for Qatar NFPSEPC2 Project signed between Offshore Oil Engineering (Qingdao) Co., Ltd., a wholly-owned subsidiary of the Company, as a subcontractor, and SERVIZI ENERGIA ITALIA S.p.A., a general contractor, at a guarantee amount of USD 175 million. The guarantee period 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 general contractor.
- ⑤ Approved at the 8th Meeting of the 8th Board of Directors of the Company held on January 23, 2025, the Company provided a parent company guarantee for its wholly-owned subsidiary Offshore Oil Engineering (Qingdao) Co., Ltd. to sign a contract as a subcontractor with the main contractor SINGLE BUOY MOORINGS OFFSHORE CONTRACTORS INC. for the SBM Gulf of Mexico TRION FSO and FPU Suction Anchor Construction Project, with a guarantee amount of RMB 50,918,030. The guarantee period is from the date of issuance of the guarantee until the actual fulfillment of all obligations under the contracts of the Qingdao subsidiary (expected to be until January

29, 2030).

- ⑥ Approved at the Ninth Meeting of the Eighth Board of Directors of the Company held on March 14, 2025, the Company will renew the LTA contract extension agreement for its wholly-owned subsidiary Offshore Oil Engineering Arabia Limited with the general contractor Saudi Arabian Oil Company, and provide parent company guarantees to the owner for each specific business order obtained by the wholly-owned subsidiary under the LTA contract. The guarantee amount is RMB 3.5 billion (with an actual utilized amount of RMB 620 million as of the end of 2025), and the guarantee period for each parent company guarantee is from the date of issuance until the date when the obligations under the corresponding order of the Saudi subsidiary are fully performed.
- ⑦ Approved at the 13th meeting of the 8th Board of Directors held on December 18, 2025, the company's wholly-owned subsidiary, Offshore Oil Engineering International Co., Ltd., will provide a parent company guarantee for its wholly-owned subsidiary, Thailand Company, in connection with the contract for the new wellhead platform and subsea pipeline work package under the Bundled Phases 4 EPCI general contract project (referred to as "Bundled 4") signed with Thailand's national oil company PTTEP (PTTEPED). The guarantee amount is based on the specific business order amounts under the Bundled 4 project contract, with the cumulative utilized amount of the parent company guarantee for all orders not exceeding USD 320 million at any given time. The guarantee period shall be from the date of approval by the company's board of directors until the actual fulfillment of the obligations under the Bundled 4 project contract.

Pending litigation and arbitration matters

- ① During the offshore commissioning phase of the Petrobras P67/P70 project, our company signed technical service and logistics service agreements with the overseas contractor STNP in November 2021 and February 2022, respectively, and recognized related costs based on the contracts and business volume. In January 2025, STNP filed an arbitration with the Hong Kong Arbitration Centre regarding the project payment, demanding that our company pay for night shift allowances, weekend overtime fees, and employee severance costs due to project delays. The latest claimed amount is USD 3.7972 million. Regarding this arbitration claim, the company has engaged the UK law firm Pinsent Masons. Based on the lawyers' assessment of the litigation matter, the company has recognized accounts payable and estimated liabilities. Currently, this arbitration matter remains unresolved.
- ② In 2024, due to project delays and disputes over engineering payments related to the Dangote Petroleum Refinery and Polypropylene Plant project, the company has initiated arbitration against Dangote Petroleum Refinery and Petrochemicals Free Zone Enterprise and Dangote Oil Refining Company Limited. The Nigerian free trade zone company claims that the other party should pay approximately \$48.63 million in contract payments, about \$10.67 million in overdue interest, and seeks compensation for approximately \$79.65 million in additional costs allegedly incurred due to the other party's responsibility. At the same time, the company requested an extension of the contract period, exemption from its delay liability, and related declarations. In 2025, both parties submitted materials and engaged in multiple rounds of negotiations for a settlement, but no agreement was reached. The arbitration process is currently still ongoing.
- ③ As of December 31, 2025, COOEC-Fluor Heavy Industries Co., Ltd. is involved in arbitration matters with entities including Sinopec Nanjing Engineering Co., Ltd., Tianjin Huali Thermal Insulation Building Materials Co., Ltd., and Guangdong Bo Ying Special Welding Technology Co., Ltd. The claimed amount involved is approximately RMB 572.2476 million, and the frozen monetary funds related to the litigation amount to approximately RMB 111.3694 million. The company has accrued accounts payable of approximately RMB 246.65 million, other payables of approximately RMB 19.76 million, and estimated liabilities of approximately RMB 19.16 million.

(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

XVII. Events after the balance sheet date

1. Significant non-adjustment matters

Applicable Not applicable

2. Profit distribution situation

Applicable Not applicable

Unit:(ten thousand yuan) Currency: RMB

Profit or dividend to be distributed	86,658.55
Profit or dividend declared to be granted upon deliberation and approval	86,658.55

Note: The Company intends to distribute a cash dividend of 1.96 yuan (pre-tax) for every 10 shares to all shareholders based on the total share capital of 4,421,354,800 shares at the end of 2025, without distributing stock dividends and using capital reserve to increase share capital. The total cash distribution required is approximately RMB 867 million, representing 41.57% of the net profit attributable to shareholders of the listed company in 2025 and the undistributed profit will be carried forward for distribution in future years. The distribution proposal is subject to the consideration and approval at the 2025 Annual General Meeting.

3. Sales return

Applicable Not applicable

4. Events after the balance sheet date

Applicable Not applicable

XVIII. Other significant events

1. Correction of accounting errors in prior periods

Applicable Not applicable

2. Important Debt Restructuring

Applicable Not applicable

3. Asset swap

(1) Exchange of non-monetary assets

Applicable Not applicable

(2) Replacement of other assets

Applicable Not applicable

4. Annuity plan

Applicable Not applicable

5. Discontinued operations

Applicable Not applicable

6. Segment Information

(1) Determination basis and accounting policies of reporting segments

Applicable Not applicable

(2) Financial information of reporting segments

Applicable Not applicable

(3) If the Company has no reporting segments, or cannot disclose the total assets and total liabilities of each reporting segment, it shall explain the reasons.

Applicable Not applicable

(4) Other notes

Applicable Not applicable

7. Other important transactions and events that affect the decision-making of investors

Applicable Not applicable

8. Others

Applicable Not applicable

XIX. Notes to the main items of the Company's financial statements

1. Accounts receivable

(1) Disclosure by aging

√ Applicable □ Not applicable

Unit: (ten thousand yuan) Currency: RMB

Aging	Book balance as at the end of the year	Book balance as at the beginning of the year
Within 1 year (including 1 year)	665,271.36	722,665.76
Including: items within 1 year		
Subtotal within 1 year	665,271.36	722,665.76
1-2 years	56,922.54	122.20
2-3 years		1,915.16
Over 3 years	6,739.40	4,991.70
Total	728,933.30	729,694.82

(2) Classified disclosure by provision of bad debts

√ Applicable □ Not applicable

Unit: (ten thousand yuan) Currency: RMB

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	69.72	0.01	69.72	100.00			69.72	0.01	69.72	100.00
Provision for bad debts made by portfolio	728,863.58	99.99	6,669.68	0.92	722,193.90	729,625.10	99.99	6,098.96	0.84	723,526.14
Including:										
Aging portfolio	84,789.65	11.63	6,669.68	7.87	78,119.97	59,427.67	8.14	6,098.96	10.26	53,328.71
Portfolio of related parties	644,073.93	88.37			644,073.93	670,197.43	91.85			670,197.43
Total	728,933.30	/	6,739.40	/	722,193.90	729,694.82	/	6,168.68	/	723,526.14

Individual provision for bad debts:

Applicable Not applicable

Unit: (ten thousand yuan) Currency: RMB

Name	Ending Balance			Reasons for provision
	Book balance	Provision for bad debts	Provision ratio (%)	
Haifu Industrial (Shanghai) Co., Ltd.	69.72	69.72	100.00	Litigation has no enforceable property
Total	69.72	69.72	100.00	/

Individual provision for bad debts:

Applicable Not applicable

Provision for bad debts made by portfolio:

Applicable Not applicable

Combined Provision Items: Credit risk portfolio

Unit: (ten thousand yuan) Currency: RMB

Name	Ending Balance		
	Book balance	Provision for bad debts	Provision ratio (%)
Aging portfolio	84,789.65	6,669.68	7.87
Portfolio of related parties	644,073.93		
Total	728,863.58	6,669.68	7.87

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: (ten thousand yuan) Currency: RMB

Type	Beginning Balance	Change in this period				Ending Balance
		Provision	Recovery or reversal	Resale or write-off	Other changes	
Individual provision	69.72					69.72
Portfolio provision	6,098.96	570.72				6,669.68
Total	6,168.68	570.72				6,739.40

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

Applicable Not applicable

(4) Accounts receivable actually written 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: (ten thousand yuan) Currency: RMB

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	554,069.27	59,183.09	613,252.36	65.59	147.96
COOEC NIGERIA FZE	56,109.69		56,109.69	6.00	
CNOOC Green Energy Port Zhejiang Ningbo Energy Co., Ltd.	56,071.67	11,743.93	67,815.60	7.25	29.36
CNOOC Gas & Electricity Group Co., Ltd.	15,622.59	2,336.18	17,958.77	1.92	5.84
Caofeidian Xintian Liquefied Natural Gas Co., Ltd.	10,015.92	26,946.92	36,962.84	3.95	81.11
Total	691,889.14	100,210.12	792,099.26	84.71	264.27

Other notes:

Applicable Not applicable

2. Other receivables**Presentation**

Applicable Not applicable

Unit: (ten thousand yuan) Currency: RMB

Items	Ending Balance	Beginning Balance
Interest receivable		
Dividends receivable		12.29
Other receivables	33,015.59	34,703.66
Total	33,015.59	34,715.95

Other notes:

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

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

Notes to the obvious changes in the book balance of interest receivable with changes in provision for losses in the current period:

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) Actual interest receivable written off in the current period

Applicable Not applicable

Write-off of significant interest receivable

Applicable Not applicable

Notes to write-off:

Applicable Not applicable

Other notes:

Applicable Not applicable

Dividends receivable**(1) Dividends receivable**

Applicable Not applicable

Unit:(ten thousand yuan) Currency: RMB

Project (or investee)	Ending Balance	Beginning Balance
COOEC Nigeria Limited		12.29
Total		12.29

(2) Significant dividends receivable aged over one year

Applicable Not applicable

(3) Classified disclosure by provision of bad debts

Applicable Not applicable

Individual provision for bad debts:

Applicable Not applicable

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

Notes to the obvious changes in the book balance of dividends receivable with changes in provision for losses in the current period:

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) Actual write-off of dividends receivable in the current period

Applicable Not applicable

Write-off of significant dividends receivable

Applicable Not applicable

Notes to write-off:

Applicable Not applicable

Other notes:

Applicable Not applicable

Other receivables

(1) Disclosure by aging

Applicable Not applicable

Unit:(ten thousand yuan) Currency: RMB

Aging	Book balance as at the end of the year	Book balance as at the beginning of the year
Within 1 year (including 1 year)	32,362.06	33,682.41
Of which: Within 1 year		
Subtotal within 1 year	32,362.06	33,682.41
1-2 years		95.45
2-3 years	72.33	10.26
Over 3 years	581.20	915.54
Total	33,015.59	34,703.66

(2) Classification by nature of payment

Applicable Not applicable

Unit: (ten thousand yuan) Currency: RMB

Nature of payment	Book balance as at the end of the year	Book balance as at the beginning of the year
Petty cash	42.87	22.87
Advances	13,413.94	12,221.86
Margin and security deposit	1,349.23	385.25
Compensation receivable	166.00	214.98
Joint venture development funds	18,001.55	21,816.88
Others	42.00	41.82
Total	33,015.59	34,703.66

(3) Provision for bad debts

Applicable Not applicable

Notes to the obvious changes in the book balance of other receivables with changes in provision for losses in the current period:

Applicable Not applicable

The basis for the provision for bad debts in the current period and the assessment of whether the credit risk of financial instruments has increased significantly:

Applicable Not applicable

(4) Provision for bad debts

Applicable Not applicable

Reversal or recovery of significant amount of provision for bad debts in the current period:

Applicable Not applicable

(5) Other receivables actually written off during the period

Applicable Not applicable

Other significant receivables actually written off:

Applicable Not applicable

Explanations on writing off other receivables:

Applicable Not applicable

(6) Other receivables of the top five in terms of ending balances by debtors

√ Applicable □ Not applicable

Unit:(ten thousand yuan) Currency: RMB

Entity name	Ending Balance	Proportion in the total ending balance of other receivables (%)	Nature of amount	Aging	Provision for bad debts Ending Balance
China Petroleum Engineering & Construction Corporation	18,001.54	54.52	Joint venture development funds	Within 1 year	
CNOOC Offshore Engineering Solutions Co., Ltd.	7,741.05	23.45	Advances	Within 1 year	
COOEC NIGERIA FZE	4,308.65	13.05	Advances	Within 1 year	
Offshore International Engineering Co., Ltd	1,284.60	3.89	Advances	Within 1 year	
COOEC International Co., Ltd. Abu Dhabi Branch	693.07	2.10	Margin and security deposit	Within one year; Over 3 years	
Total	32,028.91	97.01	/	/	

(7) Reported in other receivables due to centralized management of funds

□ Applicable √ Not applicable

Other notes:

□ Applicable √ Not applicable

3. Long-term equity investment

√ Applicable □ Not applicable

Unit: (ten thousand yuan) Currency: RMB

Items	Ending Balance			Beginning Balance		
	Book balance	Provisions for impairment	Book value	Book balance	Provisions for impairment	Book value
Investment in subsidiaries	1,005,062.04		1,005,062.04	1,004,048.85		1,004,048.85
Investments in associates and joint ventures						
Total	1,005,062.04		1,005,062.04	1,004,048.85		1,004,048.85

(1) Investment in subsidiaries

√ Applicable □ Not applicable

Unit: (ten thousand yuan) Currency: RMB

Investee	Beginning balance (book value)	Beginning balance of provision for impairment	Increase/decrease in this period				Ending balance (book value)	Balance of provision for impairment as at the end of the period
			Additional investment	Reduced investment	Provision for impairment	Others		
Offshore Oil Engineering (Zhuhai) Co., Ltd.	395,000.00						395,000.00	

Investee	Beginning balance (book value)	Beginning balance of provision for impairment	Increase/decrease in this period				Ending balance (book value)	Balance of provision for impairment as at the end of the period
			Additional investment	Reduced investment	Provision for impairment	Others		
Offshore Oil Engineering (Qingdao) Co., Ltd.	297,000.00						297,000.00	
CNOOC Offshore Engineering Solutions Co., Ltd.	219,247.36		1,013.19				220,260.55	
Offshore International Engineering Co., Ltd	6,000.00						6,000.00	
COOEC International Co., Ltd.	48,876.36						48,876.36	
COOEC Nigeria Co., Ltd	52.14						52.14	
COOEC Saudi Limited	37,872.99						37,872.99	
Total	1,004,048.85		1,013.19				1,005,062.04	

(2) Investments in associates and joint ventures

Applicable Not applicable

(3) Impairment test of long-term equity investment

Applicable Not applicable

4. Operating revenue and operating cost

(1) Operating revenue and operating cost

Applicable Not applicable

Unit: (ten thousand yuan) Currency: RMB

Items	Amount in the current period		Amount in the previous period	
	Revenue	Cost	Revenue	Cost
Primary business	2,196,956.50	1,966,994.79	2,489,004.99	2,258,153.96
Other business	9,048.35	2,772.14	5,763.97	5,014.28
Total	2,206,004.85	1,969,766.93	2,494,768.96	2,263,168.24

(2) Breakdown of operating revenue and operating cost

Applicable Not applicable

Other notes:

Applicable Not applicable

(3) Performance obligations

Applicable Not applicable

(4) Allocation to remaining performance obligations

Applicable Not applicable

(5) Major contract change or major transaction price adjustment

Applicable Not applicable

5. Investment income

Applicable Not applicable

Unit:(ten thousand yuan) Currency: RMB

Items	Amount in the current period	Amount in the previous period
Income from long-term equity investment under cost method	133,474.71	82,231.28
Investment income obtained during holding the financial assets held for trading	9,685.28	12,828.98
Interest income in debt investment during the holding period	6,846.00	6,471.61
Investment income from disposal of financial assets held for trading		853.85
Total	150,005.99	102,385.72

6. Others

Applicable Not applicable

XX. Supplementary information

1. Breakdown of current non-recurring profit or loss

Applicable Not applicable

Unit:(ten thousand yuan) Currency: RMB

Items	Amount	Notes
Profit or loss from disposal of non-current assets, including the writing-off part for which the provision for asset impairment is made	-926.30	
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 or loss of COOEC)	6,876.42	
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	19,114.51	
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	6,846.00	
Profit or loss from external entrusted loans		
Asset loss arising from force majeure, such as natural disasters	-4,141.27	
Reversal of receivables tested for impairment separately, provision for impairment	428.48	
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		
One-off expense arising from discontinued business activities of enterprise, such as the expense of relocating employees		
One-off effect on current profit or 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 or 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	-1,296.46	
Other items of profit or loss subject to the definition of non-recurring profit or loss		
Less: income tax effects	5,151.65	
Adjustment to minority equity (after tax)	-2,206.35	
Total	23,956.08	

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 or loss in a 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

Other notes:

Applicable Not applicable

2. Return on net assets and earnings per share

Applicable Not applicable

Profit in the reporting period	Return on weighted average net assets (%)	Earnings per share (RMB/share)	
		Basic earnings per share	Diluted earnings per share
Net profit attributable to common shareholders of the COOEC	7.78	0.47	0.47
Net profits attributable to common shareholders of the COOEC after deducting non-recurring profit or loss	6.89	0.42	0.42

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



Applicable Not applicable

4. Others

Applicable Not applicable

Amendment history

Applicable Not applicable


 Chairman: Wang Zhangling
 Board of Directors Approval Submission Date:
 March 19, 2026


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