

Stock Code: 600583

Abbreviation of Securities: COOEC

# Offshore Oil Engineering Co., Ltd.

## First Quarter Report of 2023

The board of directors and all directors of this Company guarantee that the contents of this report is free from any false record, misleading representation or material omission, and that they will bear legal responsibility for the authenticity, accuracy and completeness of these contents.

### Important Contents Reminder

The board of directors, board of supervisors, directors, supervisors and senior managers of This Company guarantee that the contents of the said quarterly report are true, accurate and complete, and free from any false record, misleading representation or material omission, and that they are severally and jointly liable.

Mr. Yu Yi, the head of This Company, Mr. Li Peng who is in charge of accounting, and Ms. Yao Baoqin, the director of accounting department, guarantee that the financial information in the above-mentioned quarterly report is true, accurate and complete.

Have the financial statements of the first quarter been audited?

Yes  No

### I. Primary financial data

(I) Main accounting data and financial indicators

Unit: 10,000 Yuan \_\_\_\_\_ Currency: RMB

Items	Current Reporting Period	Changes of this reporting period from a year earlier (%)
Operating revenue	639,670.71	46.91

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Net profit owned by shareholders of the listed company	44,831.00	279.56	
Net profit owned by shareholders of the listed company after deducting non-recurring profit and loss	32,414.52	496.81	
Net cash flow from operating activities	-8,730.81	-136.01	
Basic earnings per share(yuan/share)	0.10	233.33	
Diluted earnings per share(yuan/share)	0.10	233.33	
Weighted average net assets returns ratio (%)	1.87	1.35 percentage points increase	
	End of this reporting period	End of prior year	Changes of the end of this reporting period from a year earlier (%)
Total assets	4,208,353.04	4,263,867.49	-1.30
Owner's equity of shareholders of the listed company	2,416,601.09	2,370,298.97	1.95

(II) Items and amounts of non-recurring profit and loss

Unit: 10,000 Yuan Currency: RMB

Items	Current amount	Notes
Disposal losses and gains on non-current liability	-65.31	
Ultra vires approval, or lack of documents approved formally, or occasional tax returns, tax reduction and exemption		
Government subsidy included in current profit or loss, which is closely related to normal business activities of This company, apart from that in consistent with national policies and regulations, and constantly provided with a certain amount as per some standards	2,417.71	
Payment for possession of fund acquired from non-financial businesses included in the current profit and loss		
Earnings generated when an enterprise's investment cost acquired from its subsidiaries, associates and joint ventures is		

less than the fair value of the identifiable net assets which it should enjoy from the invested organization upon the acquirement of the investment		
Gains and losses from exchange of non-monetary assets		
Gains or losses acquired by entrusting others to invest or manage the assets	4,598.89	Incomes acquired mainly by purchasing finance products
Assets depreciation reserve accrued due to the force majeure such as natural disasters		
Debts restructuring gains or losses		
Enterprise restructuring expenses, including those on staffing and integrating		
Gains and losses generated from part of a transaction when its obviously unfair price is beyond the fair value		
Current net profit and loss of a subsidiary, merged by a company under the same control, from the beginning of this reporting period to the day when being merged		
Gains and losses unrelated to the normal business activities of the company or generated by some items		
Profit and loss generated from the change in the fair value by holding the trading financial assets, derivative financial assets, trading financial liabilities and financial derivative liabilities, except from the effective hedging business related to the company's normal business; and the income from investments acquired by disposing of the trading financial assets, derivative financial assets, trading financial liabilities, financial derivative liabilities and other creditors' investment	6,668.28	Changes in the fair value generated mainly by purchasing the structured deposit and net worth products
Returns of receivables for an independent impairment test and provision for impairment of contract assets		
Profit and loss acquired by entrusting external loans		
Profit and loss generated from the change in the fair value of investment property by adopting the fair value model for follow-up measurement		

Impact of one-off adjustments of current profit and loss as per the requirement of laws and regulations on tax and accounting on the current profit and loss		
Income from trustee fee acquired from entrusted management		
Other extraordinary gains and loss apart from all above items	653.97	
Other profit and loss items consistent with the definition of non-recurring profit and loss	244.39	
Less: Amount affected by income tax	1,972.42	
Impact of minority shareholders' equity (after tax)	129.03	
Total	12,416.48	

Reasons why non-recurring profit and loss items listed in *Explanatory Announcement No.1 on Information Disclosure for Companies Offering Their Securities to the Public -- Non-recurring Profit and Loss* are defined as regular profit and loss items

Applicable Not Applicable

(III) Changes in main accounting data and financial indicators and their reasons

Applicable Not Applicable

Names of Items	Change Ratio (%)	Main Reasons
Operating revenue	46.91	It is mainly because this company has actively boosted its oil and gas projects at home and abroad, and achieved sound and constant development of all businesses as well as the year-on-year increase of construction on land, LNG projects and marine installation vessel each day.
Net profit owned by shareholders of the listed company	279.56	Both production and management of this company has been improved steadily, realizing lower cost, higher quality and better results as scheduled. Collective confirmation of project changes has helped to improve this company's capability of controlling and managing costs and expenses. As a result, the operating performance has been improved greatly.
Net profit owned by shareholders of the listed company after deducting non-recurring profit and loss	496.81	The same as the above reasons.

Net cash flow from operating activities	-136.01	Net cash flow from operating activities is negative periodically due to the temporary delay of some item collection.
Basic earnings per share (yuan/share)	233.33	With a year-on-year increase of the net profit owned by shareholders of the listed company, earnings per share grew accordingly.
Diluted earnings per share (yuan/share)	233.33	The same as the above reasons.

## II. Information about Shareholders

(I) Form of total number of common shareholders, the number of preferred shareholders whose voting rights are restored, and shareholdings of top 10 shareholders

Unit: share

Total number of common shareholders at the end of this reporting period	78,520	Total number of preferred shareholders whose voting rights are restored (if any)	Not applicable			
Shareholdings of top 10 shareholders						
Names of shareholders	Nature of shareholders	Number of shares held	Shareholding ratio (%)	Number of shares held under limited sales conditions	Pledged, marked or frozen shares	
					Status of shares	Number
China National Offshore Oil Corporation (CNOOC)	state	2,138,328,954	48.36	0	None	0
Hong Kong Securities Clearing Company (HKSCC)	Overseas legal person	313,548,666	7.09	0	None	0
China National Offshore Oil Nanhai West Corporation	State-owned legal person	294,215,908	6.65	0	None	0
Financial assets management plan of DA CHENG FUND-Agricultural Bank of China-Dacheng Zhongzheng	Unknown	36,704,400	0.83	0	None	0

Financial assets management plan of Harvest Fund- Agricultural Bank of China- Harvest Zhongzheng	Unknown	36,704,400	0.83	0	None	0
Financial assets management plan of GF Fund- Agricultural Bank of China—GF Zhongzheng	Unknown	36,704,400	0.83	0	None	0
Financial assets management plan of Southern Asset Management- Agricultural Bank of China – Southern Zhongzheng	Unknown	36,704,400	0.83	0	None	0
Financial assets management plan of Yinhua Fund- Agricultural Bank of China- Yinhua Zhongzheng	Unknown	36,573,134	0.83	0	None	0
Financial assets management plan of E Fund- Agricultural Bank of China- E Fund Zhongzheng	Unknown	36,510,500	0.83	0	None	0
Financial assets management plan of Bosera Fund- Agricultural Bank of China- Bosera Zhongzheng	Unknown	36,400,900	0.82	0	None	0
Financial assets management plan of ICBC Fund- Agricultural Bank of China- ICBC Zhongzheng	Unknown	36,157,300	0.82	0	None	0
Financial assets management plan of Zhong Ou AMC- Agricultural Bank of China- Zhong Ou AMC Zhongzheng	Unknown	36,029,400	0.81	0	None	0
Financial assets management plan of China Asset Management - Agricultural Bank of China- China Asset Management Zhongzheng	Unknown	35,804,700	0.81	0	None	0
Shareholdings of top 10 shareholders without sales restriction						

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Names of shareholders	Number of circulating shares without sales restriction	Share type and number	
		Share type	Number
China National Offshore Oil Corporation (CNOOC)	2,138,328,954	A-shares	2,138,328,954
Hong Kong Securities Clearing Company (HKSCC)	313,548,666	A-shares	313,548,666
China National Offshore Oil Nanhai West Corporation	294,215,908	A-shares	294,215,908
Financial assets management plan of DA CHENG FUND- Agricultural Bank of China-Dacheng Zhongzheng	36,704,400	A-shares	36,704,400
Financial assets management plan of Harvest Fund- Agricultural Bank of China- Harvest Zhongzheng	36,704,400	A-shares	36,704,400
Financial assets management plan of GF Fund- Agricultural Bank of China – GF Zhongzheng	36,704,400	A-shares	36,704,400
Financial assets management plan of Southern Asset Management- Agricultural Bank of China – Southern Zhongzheng	36,704,400	A-shares	36,704,400
Financial assets management plan of Yinhua Fund- Agricultural Bank of China- Yinhua Zhongzheng	36,573,134	A-shares	36,573,134
Financial assets management plan of E Fund- Agricultural Bank of China- E Fund Zhongzheng	36,510,500	A-shares	36,510,500

Financial assets management plan of Bosera Fund- Agricultural Bank of China- Bosera Zhongzheng	36,400,900	A-shares	36,400,900
Financial assets management plan of ICBC Fund- Agricultural Bank of China- ICBC Zhongzheng	36,157,300	A-shares	36,157,300
Financial assets management plan of Zhong Ou AMC- Agricultural Bank of China- Zhong Ou AMC Zhongzheng	36,029,400	A-shares	36,029,400
Financial assets management plan of China Asset Management - Agricultural Bank of China- China Asset Management Zhongzheng	35,804,700	A-shares	35,804,700
Notes for the relationships of above-mentioned shareholders or their concerted actions	As for top 10 shareholders, China National Offshore Oil Nanhai West Corporation is a wholly-owned subsidiary of China National Offshore Oil Corporation (CNOOC), so they are related. It is unknown whether there is any relationship or a person acting in concert among other shareholders.		
Notes for the involvement of top 10 shareholders, and top 10 shareholders without sales restriction in securities margin trading and refinancing (if any)	Not applicable		

### III. Other reminders

Other important information that investors should be reminded about the business condition of this company during the reporting period

Applicable Not Applicable

During the reporting period, this company, committed to its strategy, has expanded its market and acquired more projects. In spite of heavy workload, it has achieved a safety production and a better quality control. As the company is switching to green energy as scheduled, its overall production and business

activities are steadily improved. Guided by a value oriented management concept, the company stays focused on lower cost, higher quality, stabler capital structure and higher efficiency, making its business performance improved greatly.

**(I) Market expansion**

During the reporting period, the company signed new contracts worth 5871 million yuan, 5204 million yuan from domestic contracts and 667 million yuan from overseas ones, realizing a year-on-year increase of 20.66%. While orders for traditional oil and gas remain stable, the company also signed some major new contracts involving projects such as Suizhong–Jinzhou Oil Fields Shore Power Project, abandonment and disposal of in-service facilities in Lihua 11-1 oil field, and EPC at No.5 wellblock, 13-2 block, 19-6 Central Bohai area, etc. The company also saw more overseas projects, including Contract about the Building of ethylene complex and PAU Module under Commencement of BASF & Zhanjiang Verbund Site Project which ranks the first modular building mode of petrochemical project in China. The company also boasts an increasingly stronger competitiveness in LNG industry chain after signing a new order for LNG Phase III Project in Zhejiang Province.

**(II) Workload completion**

The company has actively promoted its oil & gas engineering at home and abroad. It totaled 67 large-scale projects at the first quarter, 3 of which have been finished. It completed the building of 7 jackets, 1 block on land, the installation of 1 block on the sea and the laying of 223km-long pipelines on the seabed. With regard to its manufacturing capability, the company processed 120100 tons of structural steels, increasing by 44% compared with 83500 tons a year earlier. In terms of marine installation, 6200 ships were used each day, increasing by 24% compared with 5000 ships a year earlier.

The part of ashore building of Haiyou Guanlan, the first deep-sea floating wind power platform in China under EPCI was completed, which will be installed in waters near Wenchang, Hainan Province. It marked a breakthrough of China’s deep-sea wind power technology, a key step of offshore oil-gas development toward “green electricity era”. Core modules under LNG project of Shell from North America built in Qingdao, China’s Shandong Province, were delivered, making COOEC a constant world-class supplier thanks to its capability of the LNG high-end modular construction. The key module of Hong Kong’s first integrated waste management facility was delivered successfully. The world’s leading integrated waste incineration system adopted at the project for the first time will play a significant role in

improving China’s manufacturing ability of clean power generation equipment and realizing the carbon peaking and carbon neutrality goals. Other projects under construction are being implemented steadily as scheduled. 20-4DPP platform jackets was successfully launched and installed at Enping City, China’s Guangdong Province. The cylindrical FPSO double steel plates under the second Liuhua 11-1/4-1 oil field development project were linked smoothly. 2 LNG storage tanks under Phase II of “green energy port” (Zhuhai LNG) in Jinwan district, China’s Zhuhai City, Guangdong Province were also lifted.

#### IV Quarterly financial statement

(I) Type of audit opinion

Applicable Not Applicable

(II) Financial statement

#### Consolidated Balance Sheet

As of March 31, 2023

Prepared by:Offshore Oil Engineering Co., Ltd.

Unit: 10,000 Yuan Currency: RMB Type of audit: unaudited

Items	Mar. 31, 2023	Dec.31, 2022
<b>Current assets:</b>		
Monetary capital	261,644.40	212,300.69
Settlement funds		
Funds lent		
Trading financial assets	777,841.12	861,172.84
Derivative financial assets		
Notes receivable		
Accounts receivable	610,066.47	627,070.10
Financing of receivables		
Prepayment	82,065.72	96,583.59
Receivable premium		
Reinsurance accounts receivable		
Receivable from subcontracting reserves		
Other receivables	2,284.40	1,620.09
Including: interest receivable		
Dividends receivable		
Buying back the sale of financial assets		
Inventory	138,691.54	130,107.73

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Contract asset	502,266.58	475,253.77
Held assets for sale		
Non-current assets due within one year	162,865.33	129,225.80
Other current assets	25,648.11	25,008.54
Total current assets	2,563,373.67	2,558,343.15
<b>Non-current assets:</b>		
Issuance of loans and advances		
Debt investments		32,228.86
Other debt investments		
Long-term receivables		
Long-term equity investment		
Investment in other equity instruments	7,067.14	7,067.14
Other non-current financial assets		
Investment property		
Fixed assets	1,334,663.45	1,322,000.54
Construction in process	29,410.94	66,085.09
Productive biological asset		
Oil and gas assets		
Right-of-use asset	4,551.01	4,986.14
Intangible assets	224,751.09	226,660.11
Development expenditure		
Business reputation		
Long-term unamortized expenses	20,514.87	21,934.26
Deferred income tax assets	24,020.87	24,562.20
Other non-current assets		
Total non-current assets	1,644,979.37	1,705,524.34
Total assets	4,208,353.04	4,263,867.49
<b>Current liabilities:</b>		
Short-term borrowing	38,969.24	32,974.62
Borrowings from central bank		
Borrowed interbank money		
Trading financial liabilities		
Financial derivative liabilities		
Notes payable	9,778.51	24,431.46
Accounts payable	1,134,790.14	1,142,098.68
Account collected in advance		
Contract liability	169,217.56	200,383.46
Financial assets sold for repurchase		

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Deposits from customers and interbank		
Receiving from vicariously traded securities		
Receiving from vicariously sold securities		
Employee pay payable	34,474.76	48,873.57
Tax payable	14,460.47	19,978.60
Other payables	54,385.45	61,886.08
Including: interest payable		
Dividends payable		
Handling charges and commissions payable		
Payable reinsurance		
Liabilities held for sale		
Non-current liabilities due within one year	9,196.17	29,726.02
Other current liability	58,650.43	58,123.63
Total current liability	1,523,922.73	1,618,476.12
<b>Non-current liabilities:</b>		
Provision for insurance contracts		
Long-term loan	15,871.98	15,964.88
Bonds payable		
Including: preferred shares		
Perpetual bond		
Lease liabilities	1,504.31	1,456.31
Long-term payable		
Long-term payroll payable		
Estimated liabilities	26,074.89	33,808.99
Deferred income	15,758.57	16,713.77
Deferred income tax liabilities	10,420.74	9,189.41
Other non-current liabilities		
Total non-current liabilities	69,630.49	77,133.36
Total liabilities	1,593,553.22	1,695,609.48
<b>Owner's equity (or stockholders' equity):</b>		
Paid-up capital(or share capital)	442,135.48	442,135.48
Other equity instruments		
Including: preferred shares		
Perpetual bond		
Capital reserve	424,802.17	424,802.17
Less: treasury share		
Other comprehensive income	-223.19	-1,444.22

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Special reserve	20,222.77	19,861.60
Surplus reserve	193,761.28	193,822.46
General risk preparation		
Undistributed profit	1,335,902.58	1,291,121.48
Total equity of owner of the parent company (or stockholders' equity)	2,416,601.09	2,370,298.97
Minority equity	198,198.73	197,959.04
Total owner's equity (or stockholders' equity)	2,614,799.82	2,568,258.01
Total liabilities and owner's equity (or stockholders' equity)	4,208,353.04	4,263,867.49

Head of the company: Yu Yi

Person in charge of accounting: Li Peng

Director of accounting department: Yao Baoqin

**Consolidated Income Statement**

From Jan. To Mar. 2023

Prepared by: Offshore Oil Engineering Co., Ltd.

Unit: 10,000 yuan    Currency: RMB    Type of audit: unaudited

Items	First quarter of 2023	First quarter of 2022
I. Gross trading income	639,670.71	435,403.71
Including: operating revenue	639,670.71	435,403.71
Interest income		
Earned premium		
Handling charges and commissions income		
II. Total operating cost	600,966.56	423,816.70
Including: operating cost	565,553.37	410,225.02
Interest expense		
Handling charges and commission expenses		
Surrender value		
Net payments for insurance claims		
Net appropriation of deposit for duty		
Policy bonus payment		
Reinsurance expense		
Taxes and surcharges	3,340.94	1,561.10
Selling expenses	312.69	630.97
Handling expense	5,806.33	4,371.49
Research and development expenditure	24,315.48	6,420.12
Financial cost	1,637.75	608.00
Including: interest cost	349.66	286.38
Interest income	838.15	389.04

Plus: other incomes	2,417.71	881.08
Investment income (loss is marked by “-”(minus))	5,324.57	2,908.37
Including: income from joint venture		-1,397.29
Income from derecognition of financial assets measured at amortized cost		
Exchange gain (loss is marked by “-”(minus))		
Net exposure hedging gain (loss is marked by “-”(minus))		
Gain on changes in fair value (loss is marked by “-”(minus))	6,668.28	1,345.07
Loss on credit impairment (loss is marked by “-”(minus))	-702.46	-1,962.09
Loss from asset devaluation (loss is marked by “-”(minus))	-36.74	
Gain on disposal of assets (loss is marked by “-”(minus))	-65.31	
III. Operating profit (loss is marked by “-”(minus))	52,310.20	14,759.44
Add: non-operating income	853.05	433.65
Less: non-operating expenses	199.08	50.42
IV. Total profit (loss is marked by “-”(minus))	52,964.17	15,142.67
Less: income tax expense	7,834.15	3,474.55
V. Net profit (net loss is marked by “-”(minus))	45,130.02	11,668.12
(I) Classified by business continuity		
1. Net profit of continuing operation (net loss is marked by “-”(minus))	45,130.02	11,668.12
2. Net profit from discontinued operations (net loss is marked by “-”(minus))		
(II) Classification by ownership		
1. Net profit owned by shareholders of parent company (net loss is marked by “-”(minus))	44,831.00	11,811.30
2. Minority interest income (net loss is marked by “-”(minus))	299.02	-143.18
VI. Net amount of other comprehensive income after tax	1,216.28	-2,008.29
(I) Net amount of other comprehensive income attributable to the owner of the parent company after tax	1,221.03	-2,005.24
1. Other comprehensive income that cannot be reclassified into profit or loss		-2,531.49
(1) Remeasure the change in the benefit plan		

(2) Other comprehensive income that cannot be transferred to profit and loss under the Equity method Other comprehensive income that cannot be transferred to profit and loss under the equity method		
(3) Changes in fair value of investments in other equity instruments		-2,531.49
(4) Change of fair value of enterprise's own credit risk		
2. Other comprehensive income reclassified into profit and loss	1,221.03	526.25
(1) Other comprehensive income that can be transferred to profit or loss under the equity method		
(2) Changes in fair value of other debt investments		
(3) Amount of financial assets reclassified into other comprehensive income		
(4) Reserve for credit impairment of other investment on bonds		
(5) Cash flow hedge reserve		
(6) Balance arising from the translation of foreign currency financial statements	1,221.03	526.25
(7) Other items		
(II) Net amount of other comprehensive income attributed to minority shareholders after tax	-4.75	-3.05
VII. Total comprehensive income	46,346.30	9,659.83
(I) Total comprehensive income attributable to the owner of the parent company	46,052.03	9,806.06
(II) Total comprehensive income attributable to minority shareholders	294.27	-146.23
VIII. Earnings per share:		
(I) Basic earnings per share (yuan/share)	0.10	0.03
(II) Diluted earnings per share (yuan/share)	0.10	0.03

No company is merged during this reporting period under control by the same company.

Head of the company: Yu Yi

Person in charge of accounting: Li Peng

Director of accounting department: Yao Baoqin

### Consolidated Statement of Cash Flow

From January to March 2023

Prepared by: Offshore Oil Engineering Co., Ltd.

Unit: 10,000 yuan    Currency: RMB    Type of audit: unaudited

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Items	First quarter of 2023	First quarter of 2022
<b>I. Cash flow from operating activities:</b>		
Cash received from sales of goods and services provided	644,314.71	568,485.12
Net increase in customer deposits and interbank deposits		
Net increase in borrowing from the Central Bank		
Net increase in borrowing money from other financial institutions		
Cash from receipt of premiums from the original insurance contract		
Net cash received from reinsurance operations		
Net increase in deposits and investments from insurers		
Cash received for interest, handling fees, and commissions		
Net increase in borrowed funds		
Net increase in repurchase funds		
Net cash received by buying and selling securities as agents		
Refund of tax and levies	5,337.15	70.35
Other cashes received in connection with operating activities	7,671.29	4,728.51
Subtotal of cash inflow from operating activities	657,323.15	573,283.98
Cash paid for goods purchased or services received	546,064.17	441,491.05
Net increase in customer loans and advances		
Net increase in central bank and interbank deposits		
Cash payable on the original insurance contract		
Net increase of funds lent		
Cash to pay interest, fees and commissions		
Cash to pay dividends on policies		
Cash paid to and for employees	98,516.60	82,431.17
Tax payments	13,923.60	16,334.49
Other cash payments related to operating activities	7,549.59	8,779.91

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Subtotal of cash outflow from operating activities	666,053.96	549,036.62
Net cash flow from operating activities	-8,730.81	24,247.36
<b>II. Cash flow from investment:</b>		
Cash received from investment recovery	305,000.00	294,913.13
Cash received from investment income	3,211.06	3,031.65
Net cash recovered from disposal of fixed assets, intangible assets and other long-term assets		
Net cash received on disposal of subsidiaries and other operating organizations		
Other cash received in connection with investment		
Subtotal of cash inflows from investment	308,211.06	297,944.78
Cash paid for the purchase of fixed assets, intangible assets and other long-term assets	18,492.92	16,591.16
Cash paid by investment	218,475.95	296,000.00
Net increase in pledged loans		
Obtain net cash paid by subsidiaries and other business organizations		
Disburse cash in connection with other investments	610.99	
Subtotal of cash outflows from investment	237,579.86	312,591.16
Net cash flow from investment	70,631.20	-14,646.38
<b>III. Cash flow from financing activities:</b>		
Absorb cash received from investments		
Including: Cash received from minority shareholder investment by subsidiaries		
Cash received from borrowings	6,000.00	
Cash received relating to other financing activities		
Subtotal of cash inflows from financing activities	6,000.00	

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Cash repayments of amounts borrowed	19,853.95	9,000.00
Cash disbursed to distribute dividends, profits, or interest payments	551.72	130.80
Including: dividends and profits paid by subsidiaries to minority shareholders		
Other cash payments related to financing activities	918.29	7,281.02
Subtotal of cash outflows from financing activities	21,323.96	16,411.82
Net cash flow generated from financing activities	-15,323.96	-16,411.82
<b>IV. Impact of exchange rate changes on cash and cash equivalents</b>	-55.05	-316.33
<b>V. Net increase in cash and cash equivalents</b>	46,521.37	-7,127.17
Add: balance of cash and cash equivalents at the beginning of the period	208,671.98	117,078.06
<b>VI. Balance of cash and cash equivalents at the end of the period</b>	255,193.35	109,950.89

Head of the company: Yu Yi  
 Director of accounting department: Yao Baoqin

Person in charge of accounting: Li Peng

(III) First implementation of financial statements at the beginning of current year after adjustment in accordance with new accounting standard or its interpretation enacted in 2023.

Applicable Not Applicable

Reasons for the adjustment of financial statements at the beginning of current year

The company began to implement Accounting Standard for Business Enterprises No.16 from Jan.1,2023. In accordance with Accounting Standard for Business Enterprises No.16, deferred income taxes related to assets and liabilities arising from individual transaction do not apply to the accounting treatment of initial recognition exemption. If the taxable temporary differences and deductible temporary differences arise from lease liabilities and right-of-use asset confirmed through individual transaction, deferred income tax liabilities and deferred income tax assets shall be confirmed separately and be listed as per their net amounts. Meanwhile, the cumulative effects will be adjusted to the retained earnings at the beginning of earliest period for presentation of financial statements and other items in the financial statement.

After adjustment, total assets at the beginning in the consolidated statements increased to 287,300 yuan; total liabilities at the beginning increased to 1,398,100 yuan; total owners' equity at the beginning increased to 1,110,800 yuan.

**Consolidated Balance Sheet**

Unit:10,000 yuan Currency: RMB

Items	Dec. 31, 2023	Jan.1, 2023	Amount Adjusted
<b>Current assets:</b>			
Monetary capital	212,300.69	212,300.69	
Settlement funds			
Funds lent			
Trading financial assets	861,172.84	861,172.84	
Derivative financial assets			
Notes receivable			
Accounts receivable	627,070.10	627,070.10	
Financing of receivables			
Prepayment	96,583.59	96,583.59	
Receivable premium			
Reinsurance accounts receivable			
Receivable from subcontracting reserves			
Other receivables	1,620.09	1,620.09	
Including: interest receivable			
Dividends receivable			
Buying back the sale of financial assets			
Inventory	130,107.73	130,107.73	
Contract assets	475,253.77	475,253.77	
Held assets for sale			
Non-current assets due within one year	129,225.80	129,225.80	
Other current assets	25,008.54	25,008.54	
Total current assets	2,558,343.15	2,558,343.15	
<b>Non-current assets:</b>			
Issuance of loans and advances			
Debt investment	32,228.86	32,228.86	
Other debt investments			
Long-term receivables			
Long-term equity investment			

**First Quarter Report of 2023**

Investment in other equity instruments	7,067.14	7,067.14	
Other non-current financial assets			
Investment property			
Fixed assets	1,322,000.54	1,322,000.54	
Construction in process	66,085.09	66,085.09	
Productive biological asset			
Oil and gas assets			
Right-of-use asset	4,986.14	4,986.14	
Intangible assets	226,660.11	226,660.11	
Development expenditure			
Business reputation			
Long-term unamortized expenses	21,934.26	21,934.26	
Deferred income tax assets	24,562.20	24,590.93	28.73
Other non-current assets			
Total non-current assets	1,705,524.34	1,705,553.07	28.73
Total assets	4,263,867.49	4,263,896.22	28.73
<b>Current liabilities:</b>			
Short-term borrowing	32,974.62	32,974.62	
Borrowings from central bank			
Borrowed interbank money			
Trading financial liabilities			
Financial derivative liabilities			
Notes payable	24,431.46	24,431.46	
Accounts payable	1,142,098.68	1,142,098.68	
Account collected in advance			
Contract liabilities	200,383.46	200,383.46	
Financial assets sold for repurchase			
Deposits from customers and interbank			
Receiving from vicariously traded securities			
Receiving from vicariously sold securities			
Employee pay payable	48,873.57	48,873.57	
Tax payable	19,978.60	19,978.60	
Other payables	61,886.08	61,886.08	
Including: interest payable			
Dividends payable			

**First Quarter Report of 2023**

Handling charges and missions payable			
Payable reinsurance			
Liabilities held for sale			
Non-current liabilities due within one year	29,726.02	29,726.02	
Other current liabilities	58,123.63	58,123.63	
Total current liabilities	1,618,476.12	1,618,476.12	
<b>Non-current liabilities:</b>			
Reserve fund for insurance contracts			
Long-term loan	15,964.88	15,964.88	
Bonds payable			
Including: preferred shares			
Perpetual bond			
Lease liabilities	1,456.31	1,456.31	
Long-term payables			
Long-term payroll payable			
Estimated liabilities	33,808.99	33,808.99	
Deferred income	16,713.77	16,713.77	
Deferred income tax liabilities	9,189.41	9,329.22	139.81
Other non-current liabilities			
Total non-current liabilities	77,133.36	77,273.17	139.81
Total liabilities	1,695,609.48	1,695,749.29	139.81
<b>Owner's equity (or shareholder's equities):</b>			
Paid-in capital (or equity)	442,135.48	442,135.48	
Other equity instruments			
Including: preferred shares			
Perpetual bond			
Capital reserve	424,802.17	424,802.17	
Less: treasury share			
Other comprehensive income	-1,444.22	-1,444.22	
Special reserve	19,861.60	19,861.60	
Earned surplus	193,822.46	193,761.28	-61.18
General risk preparation			
Undistributed profit	1,291,121.48	1,291,071.58	-49.90
Total owner's equity (or shareholders' equity) attributable to parent company	2,370,298.97	2,370,187.89	-111.08
Minority stockholder's interest	197,959.04	197,959.04	
Total owners' equity (or shareholders' equity)	2,568,258.01	2,568,146.93	-111.08

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Total liabilities and owners' equity (or shareholders' equity)	4,263,867.49	4,263,896.22	28.73
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It is hereby notified the above.

Offshore Oil Engineering Co., Ltd.  
Board of Directors

April 26, 2023