

# 2023 Interim Results

August 21, 2023



This report contains prospective materials of the company, including the statement of future development of the company's business that are very likely to occur, such as the anticipation of future events, business prospect, or financial results. Terms such as "expect", "plan", "is going to", "predict", "target", and "continuous", as well as similar expressions are used to determine such kind of prospective statement. These statements are based on the hypothesis and analysis arising from the company's experience, trends of historical development, current conditions of development and understanding of future development, as well as other reasonable factors the company is convinced of as of this date. However, it is uncertain that the actual results and development will meet the current anticipation and prediction of the company. The actual performance, and financial status may vary significantly with the company's anticipation. The factors include without limitation macro politics and economy, price fluctuations of crude oil and natural gas, the substantial of high competitiveness of oil and natural gas, climate change and environmental protection policies, as well as corporate governance laws and regulations.

Therefore, prospective statements in this report are all subject to these prudence statements. The company cannot guarantee that the anticipated business performance or development will be realized, or they will product anticipated effects on the company, businesses, or operation even if they are realized to a substantial degree.

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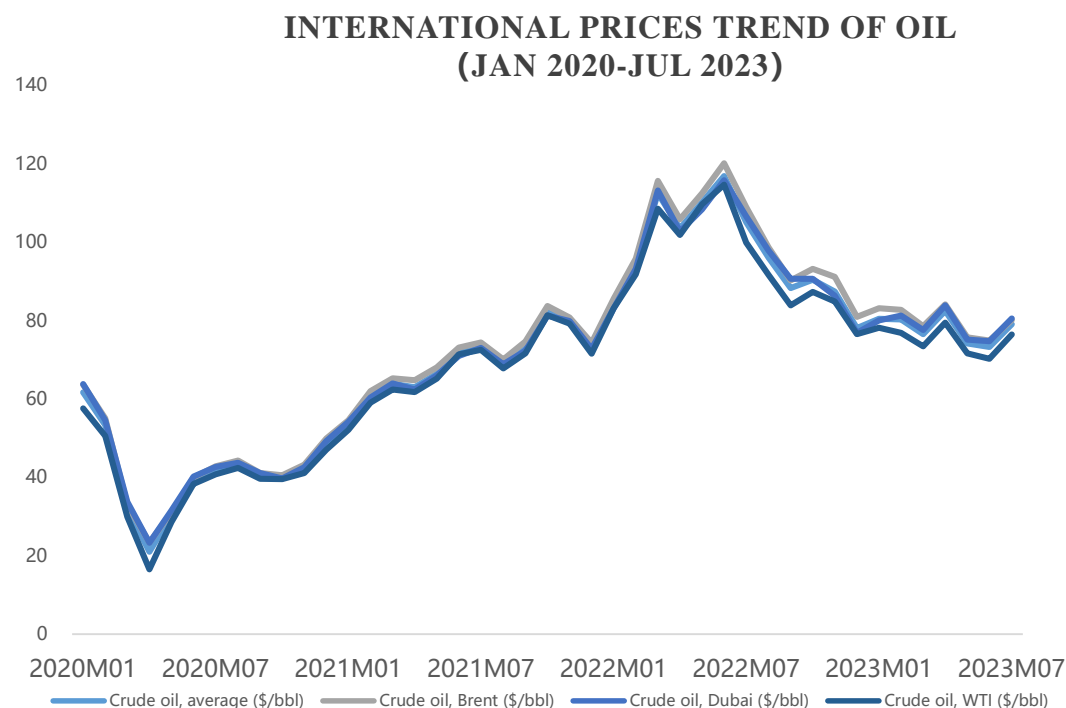
**I. Interim Performance Review**

**II. Future Development Prospects**

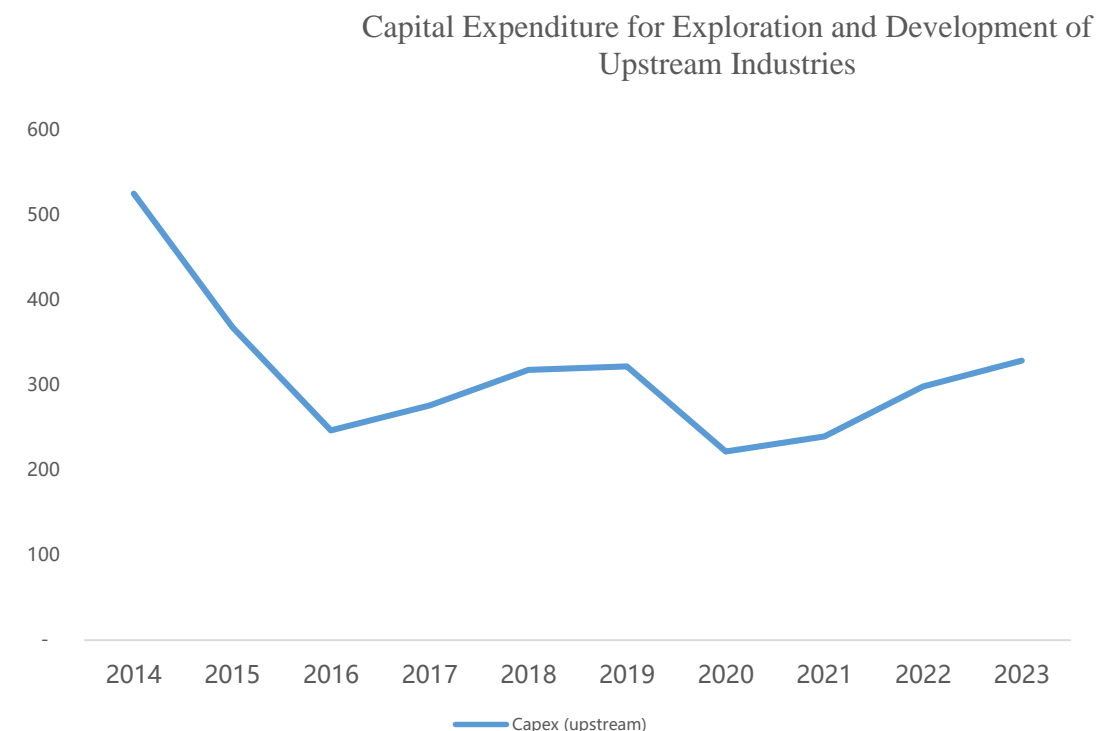


# Review of Operational Environment

- ◆ Affected by a series of measures including geopolitical tensions escalation, interest rates raised by the Federal Reserve, OPEC, and production reduction, **the international oil and gas prices stay high and volatile** with somewhat narrowed amplitude and begin to stabilize.
- ◆ The total capital expenditure of the global upstream industries is continuously growing and **marine engineering industry is gradually recovering**.



\*Source: WIND

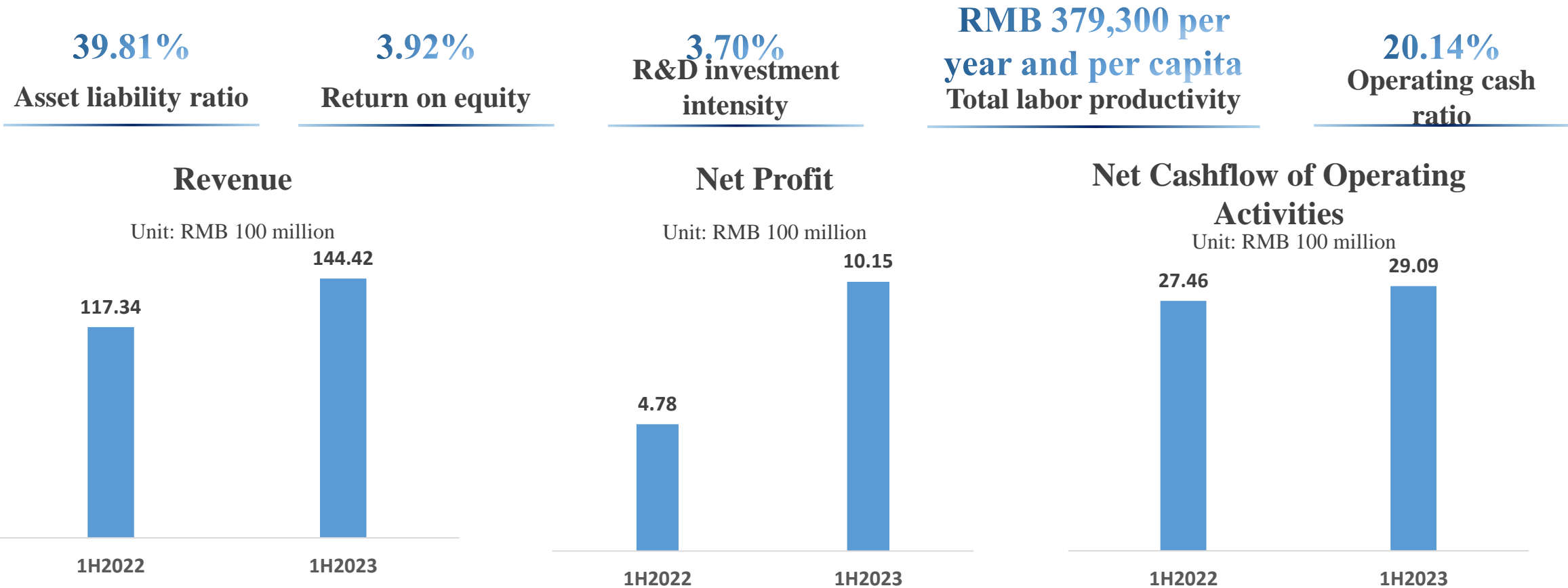


\*Source: Capex(upstream), 2023, Wood Mackenzie



# Higher Goals Achieved for Business Performance

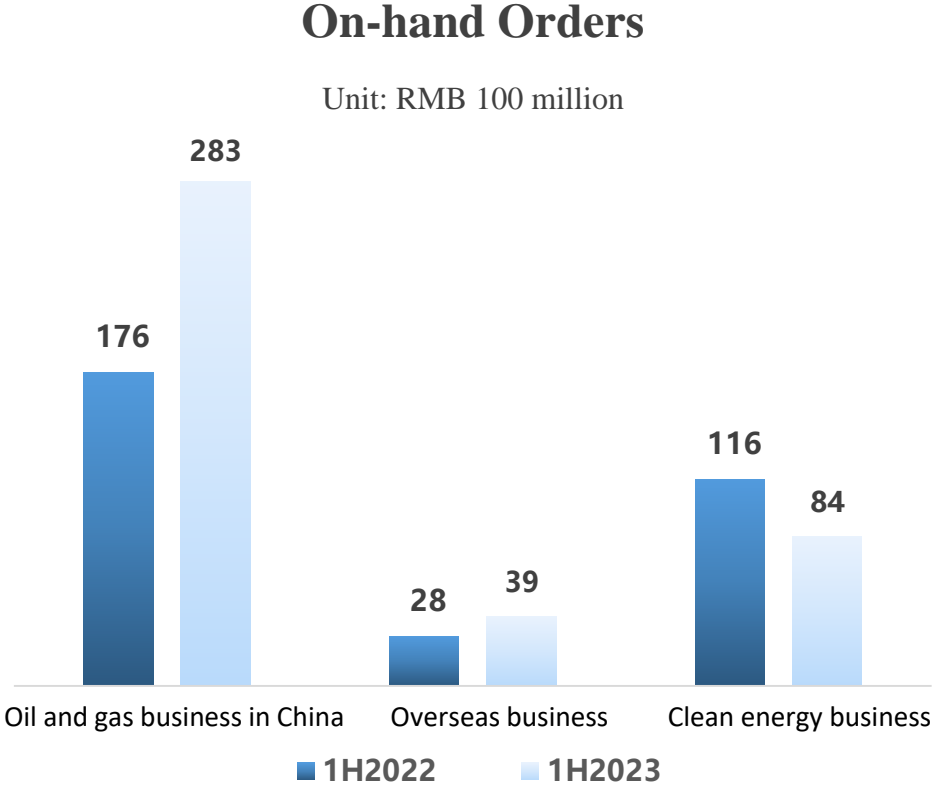
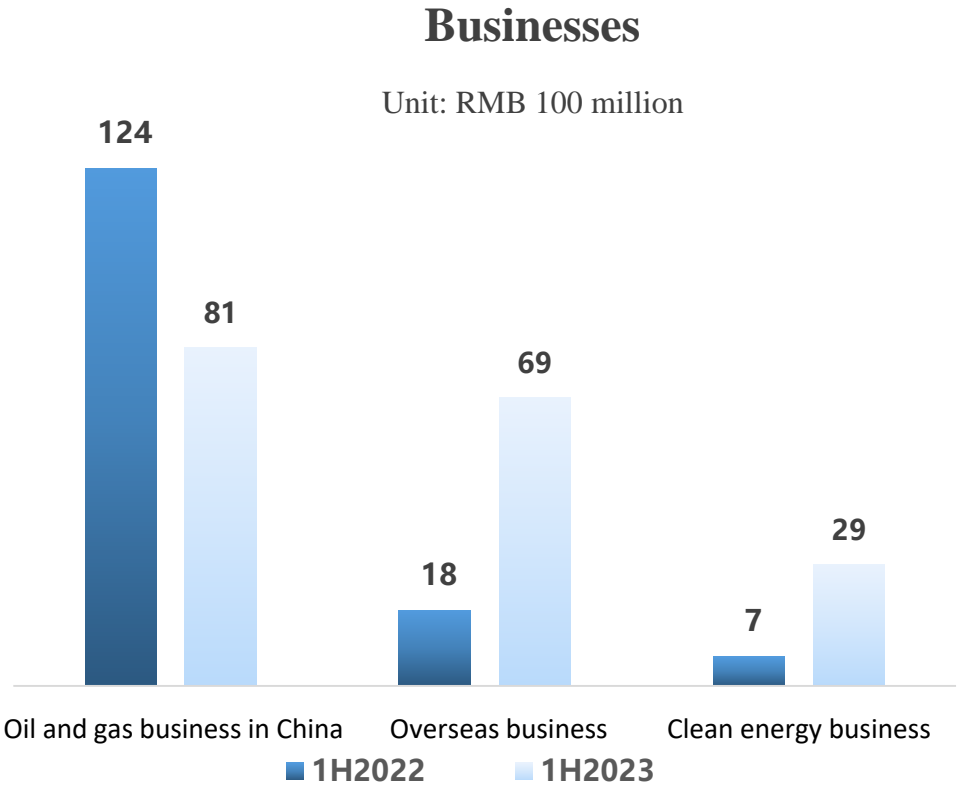
- Targeted on the positioning of “comprehensively building the world-class ocean energy engineering company with Chinese characteristics”, the company earnestly implements its strategy, realizing a more efficient business management and control mechanism, gradually deepening value management concepts, and achieving a new success in the operating performance.
- The company has accomplished the highest revenue over the same period after listed for two decades. It demonstrates improved profitability year by year, a stable and solid capital structure, as well as sufficient cashflow for operating activities.**



Note: Return on equity and total labor productivity are non-annualized data.

# Fruitful Results in Market Development

- ◆ Adhering to the strategy-led policy, the company presents a diversified “new pattern” for market development.
- ◆ In the first half of 2023, the company **won businesses worth of RMB 17.858 billion**, RMB 2.942 billion and 20 percent up year-on-year. In the end of the period, **the on-hand orders were worth of RMB 40.588 billion.**



# Fruitful Results in Market Development

- ◆ The company actively promotes the high-quality development of overseas businesses. In the first half of 2023, it was awarded the Saudi Arabia Aramco CRPO 122 Project and Qatar National Energy Company's ISND 5-2 Project.
- ◆ The company realized substantial development in the Middle East market, and took a critical step to transform to the **general contractor of international engineering projects**.

➤ The company was awarded **Qatar National Energy Company's ISND 5-2 Project** as the EPC general contractor. The project is worth of more than RMB 4 billion. The tasks include the building of three new platforms and jackets, as well as the laying of submarine pipelines and umbilical cables between platforms.

➤ This project proves that **COOEC's EPCI general contracting capacity has been recognized and trusted by the Middle East owners.**

Qatar



Saudi Arabia

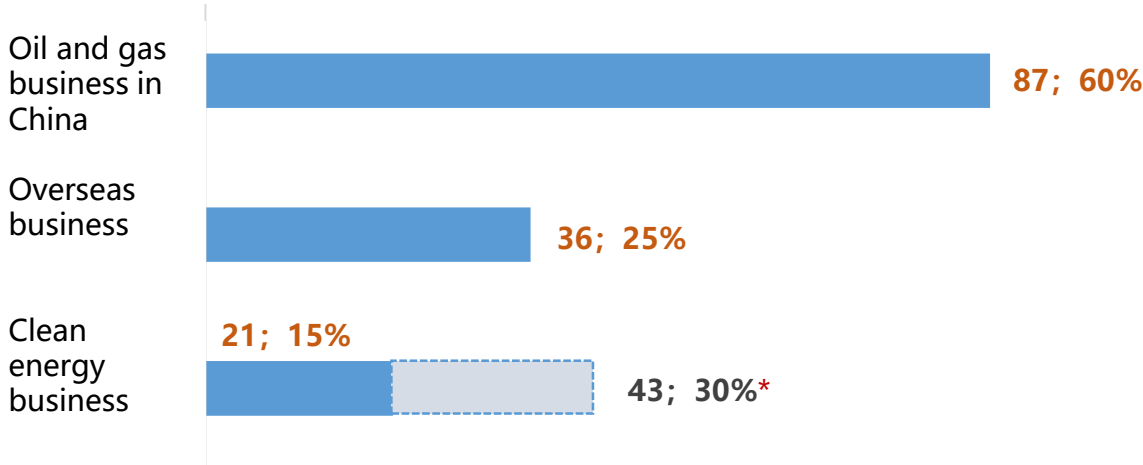
➤ **Saudi Arabia Aramco LTA CRPO 122 Project** was formally signed. The project is worth of about RMB 2 billion. The tasks include design, procurement, construction, and offshore installation of 13 deepwater jackets.

➤ This project is the first one that has been implemented under the Long-term Agreement of Saudi Arabia Aramco, **which marks COOEC's significant breakthrough in the Middle East market.**

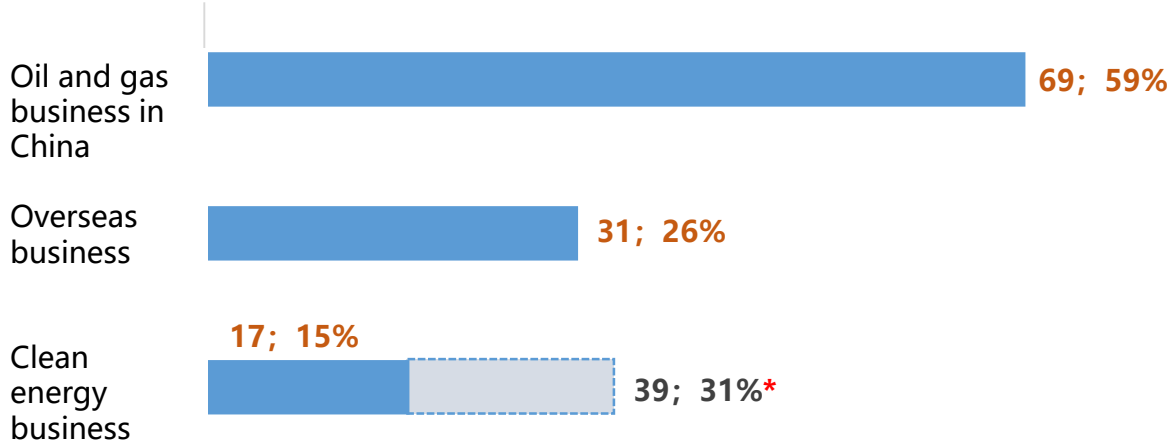
# Significant Revenue Increase in the Three Major Business Areas

- ◆ The company focuses on its development strategy, makes efforts to develop the traditional oil and gas engineering business, and vigorously explore overseas market and clean energy. In the first half of 2023, the revenue increased RMB 2.708 billion, 23 percent up year-on-year. The revenue of **domestic oil and natural gas business** was **27 percent up** year-on-year. The revenue of **overseas business** was **16 percent up** year-on-year. The revenue of **clean energy business** was **22 percent up** year-on-year.

Interim Revenue  
Contribution (2023)  
Unit: 100 million RMB



Interim Revenue  
Contribution (2022)  
Unit: 100 million RMB

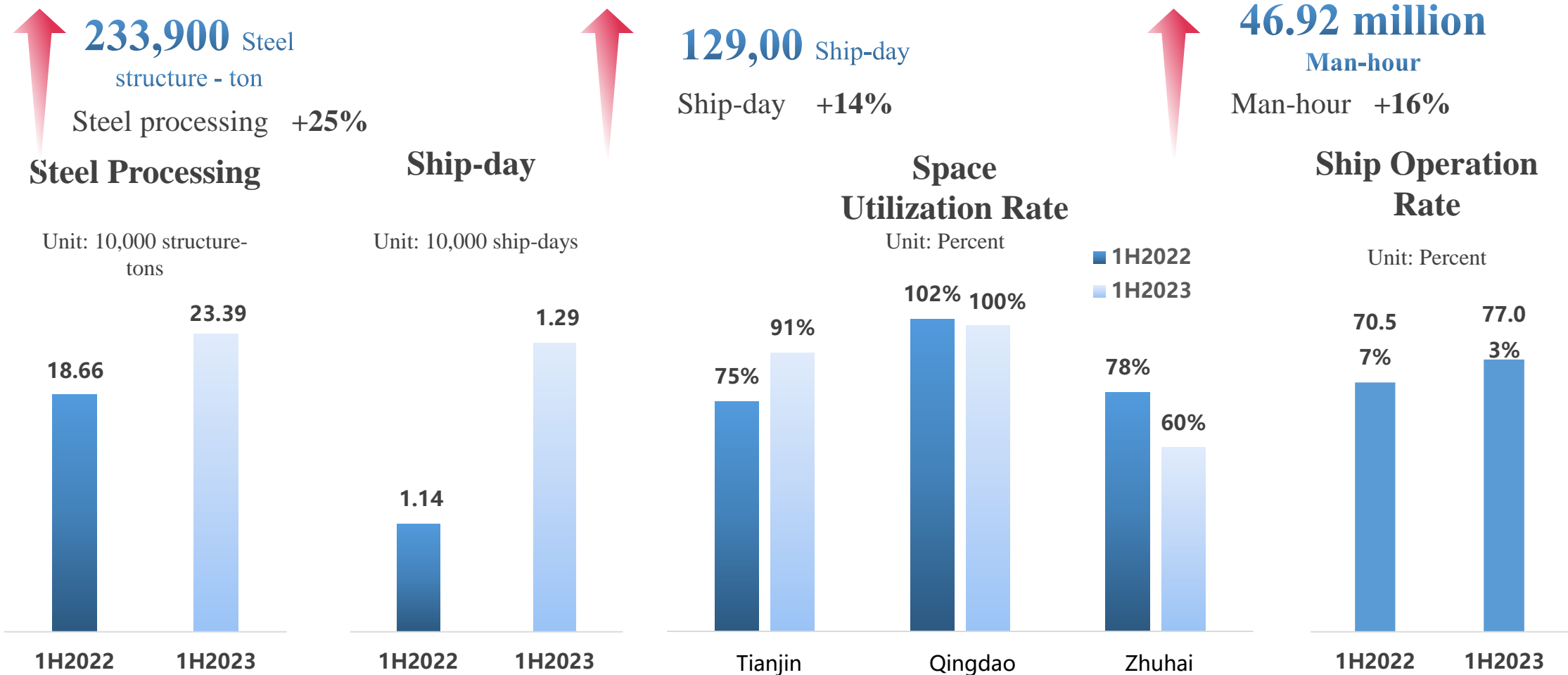


\* Including Hong Kong LNG Project and Canada LNG Project.



# Efficient Promotion of Production Plan

- ◆ The engineering projects are steadily promoted. A total of 70 projects are in progress, including 23 newly initiated projects. 12 projects have been delivered. **The company hit a new height in terms of workload.**
- ◆ **Safety performance** retains the best record over the past decade as 2021. The lost time incident rate was 0.0043 percent, 13 percent down year-on-year.





## ➤ Enping Oilfield Clusters Project

- The first offshore CO<sub>2</sub> capture and storage project in China, facilitating China to achieve a dual carbon national goal.
- The horizontal ship loading and float-over installation were completed for Enping 20-4 Platform by the Offshore Oil 278 Engineering Ship. A new record was created for the horizontal slide loading of blocks and float-over installation of dynamic positioning in terms of weight for China's ocean oil and gas platforms.



## ➤ Liuhua 11-1/4-1 Oilfield Secondary Development Project

- The world's first medium- and deep- water oilfield development project that adopts the mode of “deep-water jacket platform+ cylinder-type FPSO”
- The critical technology difficulty was overcome for the design, construction, and installation of the two major new-type oil and gas development equipment in China, namely, the first 300-meter-deep jacket platform and the first cylinder-type FPSO in China. A total of 16 critical equipment and materials will be localized and applied in the project.



## ➤ North America Shell LNG Project

- The company created the first critical process module and pipeline-corridor integrated construction mode in the world, and new welding process of NBG (No-backing Gas) was realized for the first time.
- 4-D visible technology was applied to the building of LNG key process module for the first time in China.
- In March 7, a total of 35 key modules were delivered, which marked the company's leading status in the international market in terms of LNG high-end modular construction capacity.

# New Breakthroughs in the Critical Key Technologies

- ◆ **The company constantly promotes the building of the key capacity in technology development, and has achieved several new breakthroughs in critical key technologies:** In the first half of 2023, the company conducted development of 108 technologies and achieved iconic breakthrough in the development of key technologies, such as 500-meter underwater production system, ultra-deep water pile hammer, single-point mooring
- ◆ **The company highlights the contribution of technology values and promotes the independent development of high technologies:** 31 key technologies were transformed into industrial application. 23 results were applied in engineering projects, including key technologies for the design and construction of a 300-meter-deep jacket, digital twin technology in marine engineering, and skidding technology for fuel driven high-pressure gas injection compressors.

The world's biggest LNG storage tank (270,000 m3)



China's longest deep-water oil and gas pipeline



China's biggest dynamic float-over technology



The world's biggest offshore LPG receiving station



China's first deep-sea floating wind power station



The world's first integrated LNG module



Asia's first cylinder-type FPSO



Bohai's first 10,000-ton platform





# A New Driving Force Formed by Energy Saving and Cardon Reduction

## “New Benchmark”

The company was selected as the 2022 Demonstration Enterprise for Green Supply Chain Management by the Ministry of Industry and Information Technology, and is actively building itself into a demonstration enterprise for “**green benchmark**”.

## “New Blueprint”

The company works together with Shell (China) in the design of the *White Book for Low Carbon Development of Lingang Intelligent Manufacturing Base* and they have developed a new blueprint for “green and intelligent” manufacturing.

## “New Green Energy”

The three major PV projects are progressing as expected. It is predicted that the construction will be completed and the three projects will be connected to the grid for power generation. The electric energy as much **as 9.5 million kWh** will be generated per year so that energy consumption will become greener.

## “New Technologies”

The company intensifies the technology’s role, and promotes the research and development of technologies and equipment including offshore new energy comprehensive utilization platforms, offshore hydrogen production, and torch gas recovery, enhancing technologies for the green and high-quality development of marine engineering.



# Various Market Honors

- ◆ From 2018 to 2022, the company's stocks entered the three major international benchmark stocks, namely, MSCI Mingsheng Index, FTSE Russell Index, and S&P Dow Jones Index.
- ◆ The company has maintained **a industry's high-level in MSCI ESG BBB Ratings (updated in June 2023).**
- ◆ It was granted the 18th Golden Round Table Award of the Board of Directors for China's Listed Companies.
- ◆ It was granted the "Best Investor Relations Award" of the 14th China Listed Company Investor Relations Tianma Awards in 2022.
- ◆ It was included in the Top 500 Listed Companies in China by Fortune 2023
- ◆ In 2023, COOEC applied for the ENR ranking (a list of the world's largest 250 international contractors) and was awarded the 28th place in the Top 100 Chinese Foreign Contracting Engineering Enterprises.



The "Best Investor Relations Award" of the 14th China Listed Company Investor Relations Tianma Awards in 2022

MSCI ESG BBB



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Included in the Top 500 Listed Companies in China by Fortune 2023



Top 100 Chinese Foreign Contracting Engineering Enterprises and Top 30 Chinese Contractors in Europe in 2022



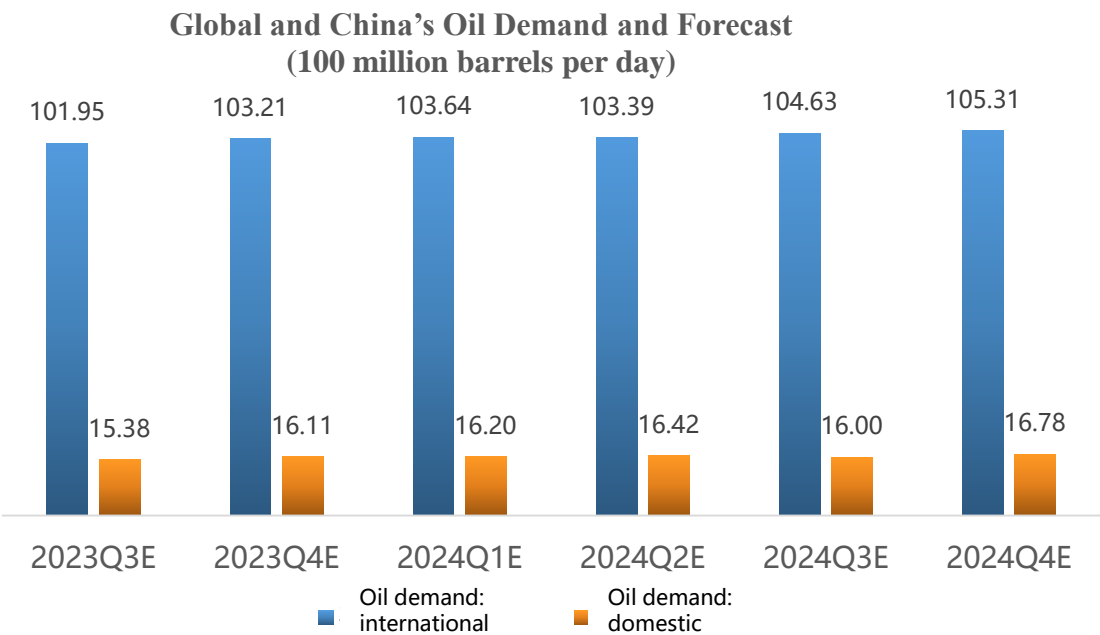
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**I. Interim Performance Review**

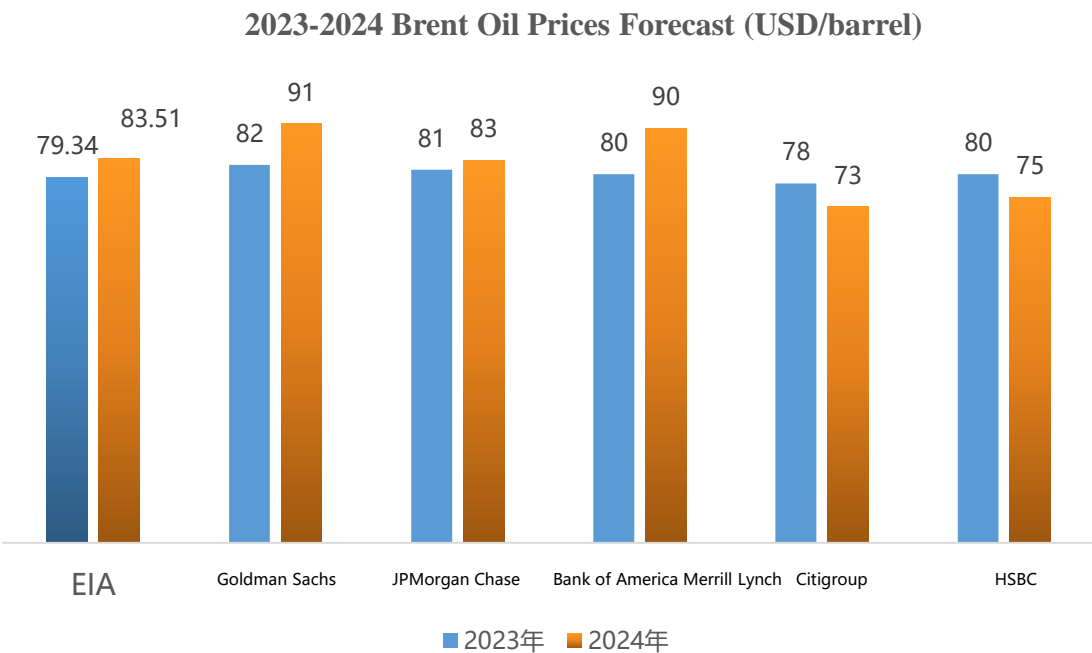
**II. Future Development Prospects**



- ◆ The global crude oil is under supply and the overlapped demand is increasing. It is predicted that the international oil prices will stay high and maritime engineering industry is expected to maintain prosperous.
- ◆ Domestic policies on energy safety, storage increase, and production enhancement are constantly promoted. The oil and gas production capacity building is accelerating, which will drive the maritime engineering market to expand.



\*Source: Energy Information Administration (EIA), WIND



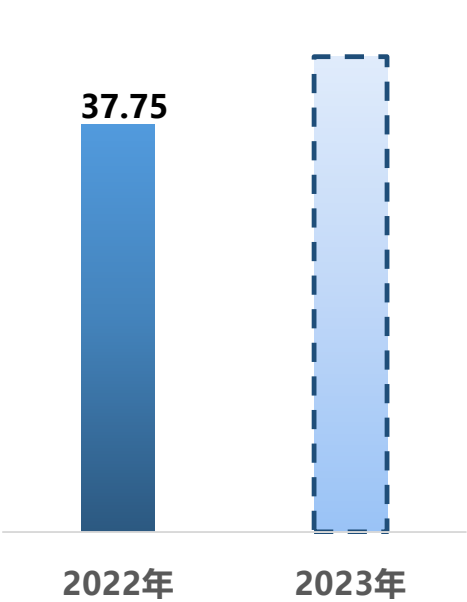
\*Source: Energy Information Administration (EIA), institutional research report

# Business Prospect in the Second Half of 2023

- ◆ According to the plan, a total of 13 engineering projects will be completed and put into production.
- ◆ According to the plan, a total of 200,000 tons of construction and processing will be completed and it is forecasted that the total construction and processing volume will hit a new height in 2023.
- ◆ According to the plan, a total of 13,000 ship-days will be invested and it is forecasted that the total investment of ship-days in 2023 will remain roughly the same as the goal set in the beginning of the year.

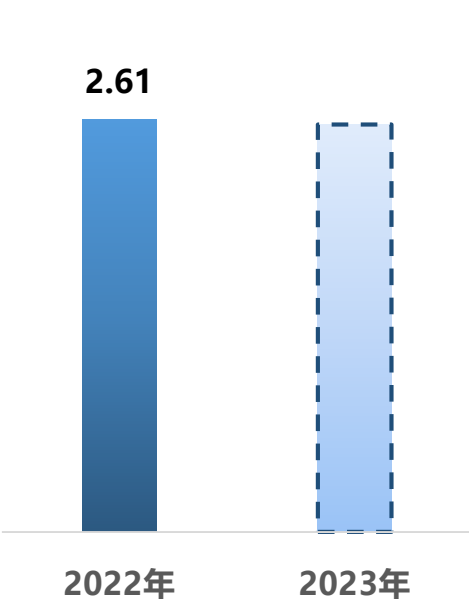
### Steel Processing Volume

Unit: 10,000  
structure-tons



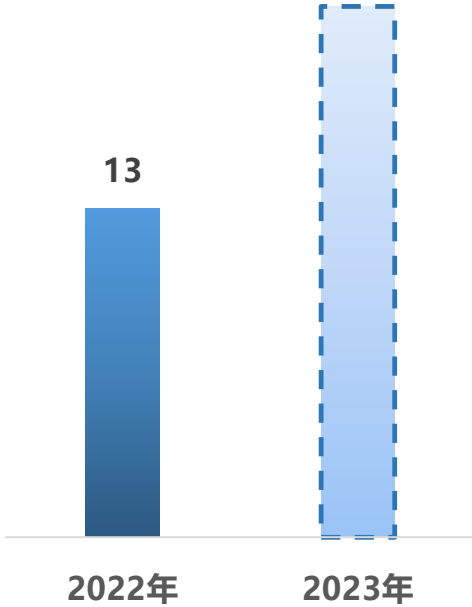
### Ship-days investment

Unit: 10,000 ship-  
days



### Number of Completed Projects in 2023

Unit: piece



# Continuous Enhancement of Market Values

## ◆ The company advances the development of domestic and international markets at the same time and strives to optimize the layout of traditional business and emerging markets

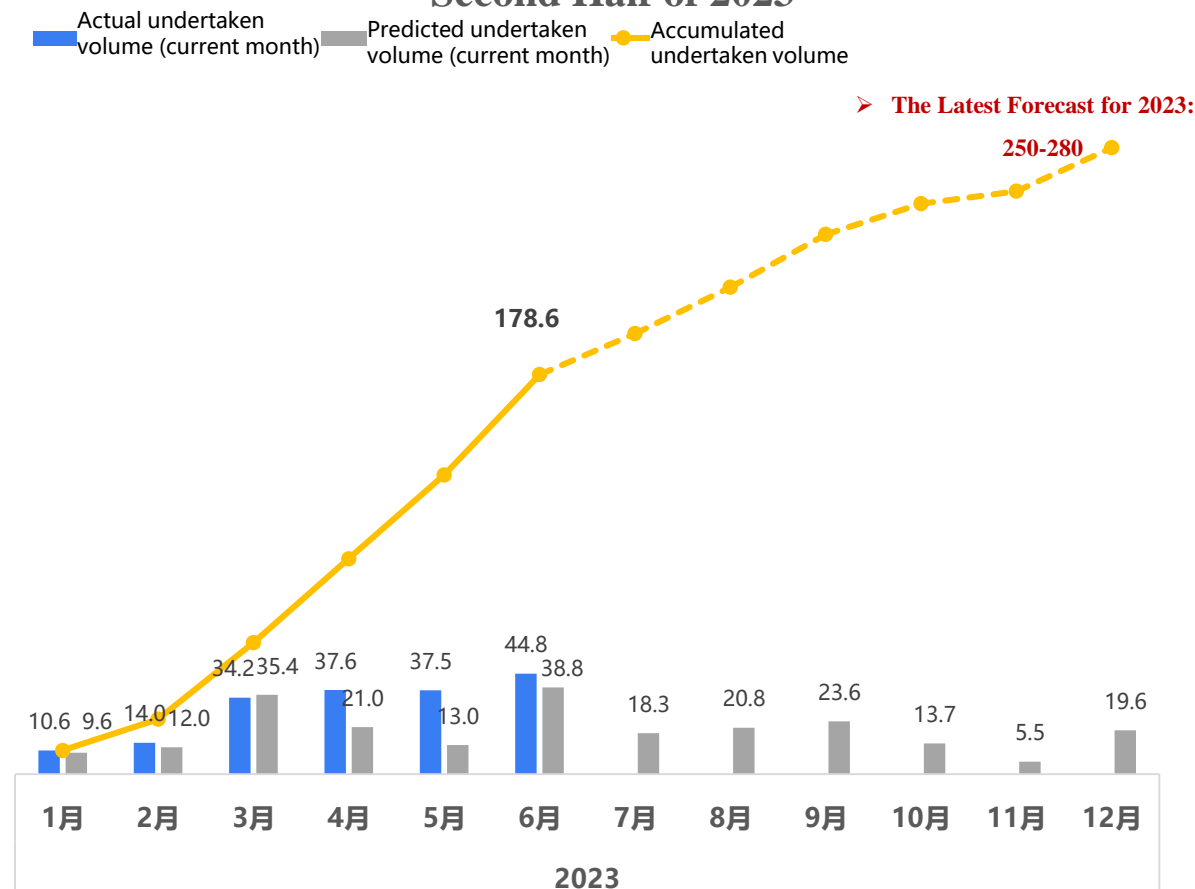
### ➤ The company vigorously conducts overseas market exploration

- ✓ It continues to develop regional markets in the Middle East and South America, focusing on tracking overseas projects such as Pakistan State Oil, Saudi Arabia, Qatar, Guyana, and striving for bigger breakthroughs in overseas markets;
- ✓ It systematically drafts supporting policies for the development of international markets, accelerates the promotion of overseas localization and physical development, improves coordination of resources and engineering implementation capacity.

### ➤ The company continues to expand new energy market

- ✓ It actively develops hydro and wind power business, and follows up the subsequent projects such as East Guangdong Float-over Wind Power Project;
- ✓ It continues to strengthen the LNG clean energy market, strives for bigger success and extends to overseas market gradually;
- ✓ It accelerates technology storage such as CCUS, hydrogen energy engineering, and ocean ranching, as well as capacity development in undertaking projects, thus creating differentiated development advantages.

## The Trend in Business Undertaking in the Second Half of 2023





Create a forever-  
standing platform!

