

Company code: 600583    Company abbr.: COOEC

# **Offshore Oil Engineering Co., Ltd.**

## **2019 First Quarter Report**

## **Table of Contents**

<b>I. Important Notes</b>	<b>3</b>
<b>II. Basic Information of the Company</b>	<b>3</b>
<b>III. Important Matters</b>	<b>6</b>
<b>IV. Appendix</b>	<b>11</b>

## I. Important Notes

1.1 The Company's Board of Directors, Board of Supervisors and directors, supervisors and senior managers guarantee the contents of the quarterly report are true, accurate and complete, without false records, misleading statements or major omissions, and assume joint and several liabilities.

### 1.2 Absent directors

Name	Title	Reasons for absence	Entrustee name
Qiu Xiaohua	Independent director	Unable to attend due to other official duties	Guo Tao

1.3 Jin Xiaojian, the principal of the Company, Chen Yonghong, the principal of accounting and Wang Yajun, the principal of accounting agency (accountant in charge) secured the authenticity, accuracy and completeness of financial statements in the quarterly report.

1.4 The Company's first quarter report hasn't been audited.

## II. Basic Information of the Company

### 2.1 Major financial data

Unit: Yuan      Currency: RMB

	At the end of the report period	End of last year	Increase or decrease at end of report period compared with end of last year (%)
Total assets	29,139,359,322.53	30,149,200,569.79	-3.35
Net assets attributable to the shareholders of the listed company	22,654,542,290.17	22,892,941,649.83	-1.04
	From beginning of the year to end of the report period	From beginning of the last year to end of the last year's report period	Increase or decrease from the same period of last year (%)
Net cash flow from business operation	-47,723,710.00	-858,173,597.55	Inapplicable
	From beginning of the year to end of the report period	From beginning of the last year to end of the last year's report period	Increase or decrease from the same period of last year (%)

**2019 First Quarter Report of COOEC**

Operating income	1,793,651,795.06	1,256,190,911.81	42.78
Net profit attributable to the shareholders of listed company	-260,991,833.36	-360,247,681.91	Inapplicable
Net profit attributable to shareholders of listed company after deducting non-recurring profits/losses	-302,064,791.90	-401,206,113.79	Inapplicable
Weighted average rate of return on equity (%)	-1.15	-1.57	Increase by 0.42 percentage points
Basic earnings per share (EPS) (yuan / share)	-0.06	-0.08	Inapplicable
Diluted EPS (yuan / share)	-0.06	-0.08	Inapplicable

Items and amount of non-recurring profit and loss

√Applicable    □Inapplicable

Unit: Yuan      Currency: RMB

Item	Amount in current period
Profit and loss from disposal of non-current assets	151,900.93
Government subsidies included in the current profit and loss, except those which are closely related to the Company's normal business operations and in compliance with applicable national policies, and to which the Company is continuously entitled on the basis of a certain standard quota or fixed amount	10,160,640.49
Profit and loss from investment or assets management by others entrusted	28,397,344.81
Other non-operating incomes and expenses than the items	2,198,340.19

**2019 First Quarter Report of COOEC**

above	
Other profit and loss items in conformity with definition of non-recurring profit and loss	9,131,784.94
Affected minority Interest (after-tax)	-5,049.60
Affected income tax	-8,962,003.22
<b>Total</b>	<b>41,072,958.54</b>

2.2 Table of total shareholders, shareholding of top ten shareholders, and top ten floating shareholders (or shareholders not subject to restriction on sales) by the end of report period

Unit: share

Total number of shareholders (No.)				109,716		
Shareholding of Top 10 Shareholders						
Shareholders' name (full name)	Amount of holding shares by the end of period	Percentage (%)	Number of held shares subject to the restrictions on sales	Pledge or freezing conditions		Nature of shareholder
				Share status	Quantity	
China National Offshore Oil Corporation	2,138,328,954	48.36	0	None	0	State
CNOOC Nanhai West Corporation	294,215,908	6.65	0	None	0	State-owned legal-person
Hong Kong Securities Clearing Company Ltd.	186,296,191	4.21	0	None	0	Overseas legal person
China Securities Finance Co., Ltd.	124,653,942	2.82	0	None	0	State-owned legal-person
Central Huijin Asset Management Co., Ltd.	89,714,500	2.03	0	None	0	State-owned legal-person

**2019 First Quarter Report of COOEC**

Agricultural Bank of China-China AMC CSI Central Enterprise Structure Adjustment ETF	39,673,345	0.90	0	None	0	Unknown
China Merchants Bank Co., Ltd.-Bosera CSI Central Enterprise Structure Adjustment ETF	38,599,019	0.87	0	None	0	Unknown
Bosera Funds - Agricultural Bank of China - Bosera CSF Financial Assets Management Plan	36,704,400	0.83	0	None	0	Unknown
E Fund - Agricultural Bank of China - E Fund CSF Financial Assets Management Plan	36,704,400	0.83	0	None	0	Unknown
Dacheng Funds - Agricultural Bank of China - Dacheng CSF Financial Assets Management Plan	36,704,400	0.83	0	None	0	Unknown
Harvest Fund - Agricultural Bank of China - Harvest Fund CSF Financial Assets Management Plan	36,704,400	0.83	0	None	0	Unknown
Guangdong Development Fund - Agricultural Bank of China - Guangdong Development Fund CSF Financial Assets Management Plan	36,704,400	0.83	0	None	0	Unknown

**2019 First Quarter Report of COOEC**

2019 First Quarter Report

Lombarda China Fund - Agricultural Bank of China - Lombarda China Fund CSF Financial Assets Management Plan	36,704,400	0.83	0	None	0	Unknown
China Asset Management - Agricultural Bank of China - China Asset Management CSF Financial Assets Management Plan	36,704,400	0.83	0	None	0	Unknown
Yinhua Fund - Agricultural Bank of China - Yinhua Fund CSF Financial Assets Management Plan	36,704,400	0.83	0	None	0	Unknown
China Southern Fund - Agricultural Bank of China - China Southern Fund CSF Financial Assets Management Plan	36,704,400	0.83	0	None	0	Unknown
ICBCCS Funds - Agricultural Bank of China - ICBCCS CSF Financial Assets Management Plan	36,704,400	0.83	0	None	0	Unknown
Shareholding of top 10 shareholders not subject to restrictions on sales						
Shareholders' name	Amount of held circulating shares not subject to restriction on sales	Types and number of shares				
		Type	Quantity			
China National Offshore Oil Corporation	2,138,328,954	RMB ordinary shares	2,138,328,954			
CNOOC Nanhai West Corporation	294,215,908	RMB ordinary shares	294,215,908			

**2019 First Quarter Report of COOEC**

Hong Kong Securities Clearing Company Ltd.	186,296,191	RMB ordinary shares	186,296,191
China Securities Finance Co., Ltd.	124,653,942	RMB ordinary shares	124,653,942
Central Huijin Asset Management Co., Ltd.	89,714,500	RMB ordinary shares	89,714,500
Agricultural Bank of China-China AMC CSI Central Enterprise Structure Adjustment ETF	39,673,345	RMB ordinary shares	39,673,345
China Merchants Bank Co., Ltd.-Bosera CSI Central Enterprise Structure Adjustment ETF	38,599,019	RMB ordinary shares	38,599,019
Bosera Funds - Agricultural Bank of China - Bosera CSF Financial Assets Management Plan	36,704,400	RMB ordinary shares	36,704,400
E Fund - Agricultural Bank of China - E Fund CSF Financial Assets Management Plan	36,704,400	RMB ordinary shares	36,704,400
Dacheng Funds - Agricultural Bank of China - Dacheng CSF Financial Assets Management Plan	36,704,400	RMB ordinary shares	36,704,400
Harvest Fund - Agricultural Bank of China - Harvest Fund CSF Financial Assets Management Plan	36,704,400	RMB ordinary shares	36,704,400



**2019 First Quarter Report of COOEC**

Guangdong Development Fund - Agricultural Bank of China - Guangdong Development Fund CSF Financial Assets Management Plan	36,704,400	RMB ordinary shares	36,704,400
Lombarda China Fund - Agricultural Bank of China - Lombarda China Fund CSF Financial Assets Management Plan	36,704,400	RMB ordinary shares	36,704,400
China Asset Management - Agricultural Bank of China - China Asset Management CSF Financial Assets Management Plan	36,704,400	RMB ordinary shares	36,704,400
Yinhua Fund - Agricultural Bank of China - Yinhua Fund CSF Financial Assets Management Plan	36,704,400	RMB ordinary shares	36,704,400
China Southern Fund - Agricultural Bank of China - China Southern Fund CSF Financial Assets Management Plan	36,704,400	RMB ordinary shares	36,704,400
ICBCCS Funds - Agricultural Bank of China - ICBCCS CSF Financial Assets Management Plan	36,704,400	RMB ordinary shares	36,704,400
Particulars about connected relation or concerted action among the shareholders mentioned above	Among the top 10 shareholders, CNOOC Nanhai West Corporation is a wholly-owned subsidiary of and connected to CNOOC. It is unknown that whether there is connected relation or concerted action among other shareholders.		

Particulars about preferred shareholders with restored voting rights and the amount of shareholdings	Inapplicable.
------------------------------------------------------------------------------------------------------	---------------

2.3 Table of total preferred shareholders and shareholding condition of top ten preferred shareholders and top ten preferred shareholders not subject to restrictions on sales by the end of report period

☐ Applicable ☒ Inapplicable

### III. Important Matters

#### 3.1 Production and management conditions in the report period

After entering 2019, the positive factors for the Company's development are gradually increasing. Just as being expected in 2018 Annual Report, the industry development trend of oil and gas production and storage increase in China brought new projects for the Company, the number of projects under operation and the overall workload kept increasing and the reserve projects to be commenced increased; as for the overseas market, an order of RMB 5 billion LNG module was newly signed, and other overseas projects are under tracking; deepwater project were successfully carried out and Liuhua and Lingshui projects were also implemented as scheduled.

In the first quarter, the workload kept increasing compared with that of the same period of last year, esp. offshore working ship-day obviously increased by 59%, however with operation pressure. For example, as we have mentioned in the Annual Report, orders of the Company in early stage were mainly signed based on the price of low ebb in the industry with relatively low gross rate of order, so it requires certain time to absorb these orders. Meanwhile, it still requires times to realize significant change in the gross rate of newly-signed orders. In addition, traditional business of the Company was in low ebb in the first quarter, with both the workload and operating income occupying a small part in the annual income. All these factors jointly brought certain pressure to the operation of the Company in the first quarter.

Facing the operation pressure, the Company, on one hand, vigorously expanded the market, esp. the acquisition of LNG modular order, which would improve the order structure, on the other hand, the Company strengthened the project management, safety quality management and cost control as always, to ensure the operation of all engineering projects as scheduled.

The Company has gained operating income of RMB 1.794 billion in the first quarter, showing a year-on-year increase of 43%, including the net profit of RMB -261 million attributable to shareholders of the listed company, showing a year-on-year decrease of RMB 100 million. By the end of the report period, the Company had the total assets of RMB 29.139 billion, including net assets of RMB 22.655 billion attributable to shareholders of listed company, with asset-liability ratio of 22%.

#### (1) Actively exploiting domestic and overseas markets

The Company vigorously explored the market and achieved contract amount of RMB 5.114 billion in domestic and overseas markets, including contract amount of RMB 5.024 billion from overseas market. With the aid of rich experiences and traditional advantages in modular construction field, the Company kept close tracking on overseas LNG modular projects and obtained expected results. In March 2019, the wholly-owned subsidiary Offshore Oil Engineering (Qing Dao) Co., Ltd. signed the onshore LNG module construction contract. This contract refers to another onshore LNG module project contracted by the Company after successful delivery of Russia Yamal Project, through which the Company will have its comprehensive capability in modular construction and its international influence further improved, with yard use rate and working efficiency promoted, hence strengthening the cooperation with large international oil companies.

The Company will continue to vigorously expand the domestic and overseas markets to achieve better results in the second quarter and the second half.

(2) Stable and orderly implementation of engineering projects

**Progress of key projects (as of the end of report period):**

No	Project name	Cumulative progress
1	Lingshui 17-2 Gas field Development Project	13%
2	Liuhua 29-1 Project	14%
3	Qinhuangdao 33-1 South Oilfield Phase I Development Project	18%
4	Lvda 21-2 and Lvda 16-3 Oilfield Development Project	31%
5	Penglai 19-3 Oilfield zone 4 adjustment / Penglai 19-9 Oilfield Phase II Development Project	31%
6	Zhangzhou LNG Receiving Terminal and Storage Tank Project in Fujian	22%
7	Nigeria Dangote project	30%
8	Liuhua 16-2 Oilfields Development Project	36%
9	Ningbo LNG Receiving Terminal Phase II Project in Zhejiang	34%
10	Nexen Oil Sand at Long Lake Southwest (LLSW) Project	44%
11	Hull Section of Shell Penguins FPSO Project	53%
12	Caofeidian 11-1 and 11-6 Oilfields Comprehensive Adjustment Project	67%
13	Topside of Brazil FPSO P70 Project	74%
14	Wenchang 13-2 Oilfield Comprehensive Adjustment and Development Project	73%
15	Qatar NFA Project	85%
16	Central Bohai Bay 34-9 oilfield development project	94%
17	Dongfang 13-2 project	98%

It is designed to input 224,000 man-hours into the business.

For construction business, the processing of 35,200 t structural steel was completed, showing an increase of 10% compared with the same period of last year; the construction of two jackets was finished and another seven jackets and six modules are under construction.

2,700 ship-days were input into offshore installation, showing a year-on-year increase of 59%, the offshore installation of one jacket and two modules as well as the laying of 46 km subsea pipelines were finished.

### 3.2 Significant changes in major accounting statements and financial indicators as well as the reasons

√Applicable    □Inapplicable

#### Analysis of Profit Statement

Unit: Yuan

Currency: RMB

Main items of profit statement	January to March 2019	January to March 2018	Increase or decrease	Increase or decrease (%)
Operating income	1,793,651,795.06	1,256,190,911.81	537,460,883.25	42.78
Operating cost	1,965,102,881.37	1,408,721,241.98	556,381,639.39	39.50
Taxes and surcharges	11,879,927.95	7,983,811.86	3,896,116.09	48.80
Sales cost	5,258,556.53	2,080,914.87	3,177,641.66	152.70
Financial expense	15,628,856.47	141,724,027.33	-126,095,170.86	-88.97
Other incomes	9,819,359.23	1,117,195.34	8,702,163.89	778.93
Investment income	-12,286,162.69	-30,843,465.92	18,557,303.23	Inapplicable
Net profit attributable to owners of the parent company	-260,991,833.36	-360,247,681.91	99,255,848.55	Inapplicable

#### Cause analysis:

In the report period, the Company realized operation income of RMB 1.794 billion, showing a year-on-year increase of RMB 537 million, viz. 42.78%, mainly due to the increased workload on onshore construction and offshore installation.

The operating cost was RMB 1.965 billion, showing a year-on-year increase of RMB 556 million, viz. 39.50%, mainly due to the corresponding cost increase arising from the increase of workload and income scale.

The taxes and surcharges were RMB 12 million, showing a year-on-year increase of RMB 4 million, viz. 48.80%, mainly due to the corresponding VAT surcharge increase resulted from the increase of VAT paid by the Company in the report period and stamp tax paid for newly-signed contracts.

The sales cost was RMB 5.2586 million, showing a year-on-year increase of RMB 3.1776 million, viz. 152.70%, mainly due to increase in market development expenses arising from the increased market development intensity of the Company.

The Financial expense was RMB 16 million, showing a year-on-year decrease of RMB 126 million, viz. 88.97%, mainly due to that the exchange rate of US dollar dropped from 6.5342 to 6.2881 in the same period of last year, causing exchange net loss of RMB 164 million; but the exchange rate of US dollar dropped from 6.8632 to 6.7335 in the report period, causing exchange net loss of RMB 16 million, showing a significant year-on-year decrease.

Other incomes were RMB 9.8194 million, showing a year-on-year increase of RMB 8.7022 million, viz. 778.93%, mainly due to the increase in the subsidies for R&D innovation received by the Company compared with the same period of last year.

The Investment income was RMB -12 million, showing a year-on-year decrease of RMB 19 million, mainly because (1) bank financing income of the Company in the report period was RMB 28 million, showing a year-on-year increase of RMB 10 million; (2) loss of COOEC Fluor Heavy Industries Co., Ltd. in the report period showed a year-on-year decrease, and the investment loss confirmed by Offshore Oil Engineering (Zhuhai) Co., Ltd. according to the 51% shares held decreased by RMB 8 million. All the above factors jointly led to the loss in investment income.

The net profit attributable to the owners of parent company was RMB -261 million, showing a year-on-year decrease of RMB 99 million, mainly due to the integrated impact of exchange loss and workload recovery of the current period.

### Analysis of Balance Sheet

Unit: Yuan      Currency: RMB

Asset item	March 31, 2019	December 31, 2018	Increase or decrease	Increase or decrease (%)
Notes and accounts receivable	2,324,461,409 .76	4,186,332,475. 43	-1,861,871,065.6 7	-44.47
Advance payment	205,047,001.6 9	119,263,733.62	85,783,268.07	71.93
Inventory	3,784,931,857 .98	2,898,116,191. 04	886,815,666.94	30.60
Liabilities and owner' s equity	March 31, 2019	December 31, 2018	Increase or decrease	Increase or decrease (%)
Employee salary payable	130,065,680. 67	277,872,237.1 5	-147,806,556.48	-53.19
Other composite	66,379,597.7	47,540,172.61	18,839,425.09	39.63

**2019 First Quarter Report of COOEC**

incomes	0			
---------	---	--	--	--

**Cause analysis:**

The notes and accounts receivable were RMB 2.324 billion, showing a year-on-year decrease of RMB 1.862 billion, viz. 44.47%, mainly due to the corresponding decrease in receivables resulted from successive collection and settlement of engineering projects.

The advance payment was RMB 205 million, showing a year-on-year increase of RMB 86 million, viz. 71.93%, mainly due to the advance payment of purchasing materials for production projects.

The inventory was RMB 3.785 billion, showing a year-on-year increase of RMB 887 million, viz. 30.60%, mainly because of the increased projects that have been completed but unsettled.

The employee salary payable was RMB 130 million, showing a year-on-year decrease of RMB 148 million, mainly due to the decreased employee salary payable resulted from the withdrawn year-end bonus of last year issued in the report period.

Other comprehensive incomes were RMB 66 million, showing a year-on-year increase of RMB 19 million, viz. 39.63%, mainly because the after-tax price fluctuation of stock of Lanpec Technologies held resulted in RMB 22 million and converted difference in foreign currency statements resulted in RMB -3 million.

**Analysis of Cash Flow Statement**

Unit: Yuan      Currency: RMB

Items of cash flow statement	January to March 2019	January to March 2018	Increase or decrease	Increase or decrease (%)
Net cash flow from business operation	-47,723,710.00	-858,173,597.55	810,449,887.55	Inapplicable
Net cash flow from investment activities	-296,799,251.13	671,651,278.04	-968,450,529.17	-144.19
Net cash flow from financing activities	0	130,000,000.00	-130,000,000.00	-100.00

**Cause analysis:**

Net cash flow from business operation was RMB -48 million, showing a year-on-year decrease of RMB 810 million, mainly because that, on one hand, corresponding collection was made as some projects reached the milestone, and the Company timely collected the project fund and advance payment, which jointly made the inflow of business operation increase by RMB 1.083 billion compared with the same period of last year; on the other hand, with the stable progress of projects, cash outflow of business operation increased by RMB 272 million compared with the same period of last year.

Net cash flow from investment activities was RMB -297 million, showing a year-on-year decrease of RMB 968 million, mainly because that (1) the cash paid for purchasing fixed assets, intangible assets and other long-term assets decreased by RMB 102 million compared with that of the same period of last year; (2) net increase of bank financing products in the report period was RMB 290 million and net recovery of bank financing products investment in the same period of last year was RMB 792 million, showing a year-on-year outflow increase of RMB 1.082 billion. After the two are offset, the net cash inflow decreased by RMB 980 million.

Net cash flow from financing activities was RMB 0, showing a year-on-year decrease of RMB 130 million, mainly because that the entrusted loan of RMB 130 million allocated by China National Offshore Oil Corporation was received in the same period of last year, but there was no relevant matters in the report period.

### 3.3 Progress of major items and analysis & specification for the impacts and solutions

☐ Applicable ☒ Inapplicable

### 3.4 Overdue unfulfilled commitments in the report period

☐ Applicable ☒ Inapplicable

### 3.5 Warning and cause description for expected loss or major year-on-year change of cumulative net profit from the beginning of the year to the end of next report period

☐ Applicable ☒ Inapplicable

Company name	Offshore Oil Engineering Co., Ltd.
Legal representative	Jin Xiaojian
Date	April 24, 2019

**IV. Appendix**

## 4.1 Financial Statements

**Consolidated Balance Sheet**

March 31, 2019

Prepared by: Offshore Oil Engineering Co., Ltd.

Unit: Yuan    Currency: RMB    Audit type: Unaudited

Item	March 31, 2019	December 31, 2018
<b>Current assets:</b>		
Monetary capital	1,589,331,260.36	1,943,895,590.53
Settlement reserves		
Lendings to banks and other financial institutions		
Trading financial assets		
Financial asset accounted with fair value with their changes included in the current profit and loss		
Derivative financial assets		
Notes and accounts receivable	2,324,461,409.76	4,186,332,475.43
Wherein: notes receivable		
Accounts receivable	2,324,461,409.76	4,186,332,475.43
Advance payment	205,047,001.69	119,263,733.62
Premium receivable		
Reinsurance accounts receivable		
Reinsurance contract reserves receivable		
Other Receivables	89,171,855.28	98,783,571.36



**2019 First Quarter Report of COOEC**

Wherein: interest receivable	3,123,287.67	4,931,006.22
Dividends receivable		
Redemptory monetary capital for sale		
Inventory	3,784,931,857.98	2,898,116,191.04
Contract assets		
Assets held for sale		
Non-current assets due within one year		
Other current assets	5,080,344,269.28	4,661,230,094.25
Total current assets	13,073,287,654.35	13,907,621,656.23
<b>Non-current assets:</b>		
Issued loans and advances		
Creditors' investment		
Available-for-sale Financial Assets	Inapplicable	158,099,778.00
Other creditors' investment		
Held-to-maturity investment		
Long-term receivables		
Long-term equity investment	2,186,154,110.99	2,226,837,618.49
Other equity instruments investment	183,688,578.00	Inapplicable
Other non-current financial assets		
Investment real estate		
Fixed assets	9,273,502,723.19	9,565,140,378.45
Projects under construction	2,484,216,515.14	2,381,041,517.05

**2019 First Quarter Report of COOEC**

Productive biological assets		
Oil and gas assets		
Right-of-use asset		
Intangible assets	1,149,713,854.02	1,156,963,479.71
Development expenditure		
Business reputation	13,075,057.26	13,075,057.26
Long-term unamortized expenses	84,468,384.84	87,232,309.27
Deferred income tax assets	691,252,444.74	653,188,775.33
Other non-current assets		
Total non-current assets	16,066,071,668.18	16,241,578,913.56
Total assets	29,139,359,322.53	30,149,200,569.79
<b>Current liabilities:</b>		
Short-term loan		
Loans from the Central Bank		
Loans from other banks		
Trading financial liabilities		
Financial liabilities which are accounted at the fair value and of which the fluctuations are included in the current profit and loss		
Derivative financial Liabilities		
Notes and accounts payable	3,360,848,476.30	3,940,765,468.72
Advance receipts	2,006,573,240.85	1,966,300,647.30
Financial assets sold for repurchase		

## 2019 First Quarter Report of COOEC

Accepting money deposits and due from banks		
Receiving from vicariously traded securities		
Receiving from vicariously sold securities		
Employee salary payable	130,065,680.67	277,872,237.15
Taxes payable	380,387,695.60	449,995,333.01
Other payables	65,882,936.62	74,401,069.57
Wherein: interest payable		29,486.11
Dividends payable		
Handling charges and commission payable		
Reinsurance accounts payable		
Contract liabilities		
Liabilities held for sale		
Non-current liabilities due within one year		
Other current liabilities	7,300,330.85	7,300,330.85
Total current liabilities	5,951,058,360.89	6,716,635,086.60
<b>Non-current liabilities:</b>		
Insurance contract reserves		
Long-term loans	220,000,000.00	220,000,000.00
Bond payables		
Wherein: preferred shares		
Perpetual bond		
Lease liabilities		

**2019 First Quarter Report of COOEC**

Long-term payables	27,316,350.24	27,316,350.24
Estimated liabilities	105,746,387.29	105,746,387.29
Deferred income	147,072,014.98	156,163,722.90
Deferred income tax liabilities	23,466,021.48	18,899,268.91
Other non-current liabilities		
Total non-current liabilities	523,600,773.99	528,125,729.34
Total liabilities	6,474,659,134.88	7,244,760,815.94
<b>Owner's equity (or shareholders' equity):</b>		
Paid-in capital (or share capital)	4,421,354,800.00	4,421,354,800.00
Other equity instruments		
Wherein: preferred shares		
Perpetual bond		
Capital reserves	4,247,940,206.11	4,247,940,206.11
Less: treasury stock		
Other composite incomes	66,379,597.70	47,540,172.61
Special reserve	486,023,951.79	482,270,903.18
Surplus reserves	1,607,827,558.05	1,607,827,558.05
Generic risk reserve		
Undistributed profit	11,825,016,176.52	12,086,008,009.88
Total owners' equity attributable to the parent company (or shareholders' equity)	22,654,542,290.17	22,892,941,649.83
Minority stockholders' interest	10,157,897.48	11,498,104.02
Total owner's equity (or shareholders'	22,664,700,187.65	22,904,439,753.85

**2019 First Quarter Report of COOEC**

equity)		
Total liabilities and owner's equity (or shareholders' equity)	29,139,359,322.53	30,149,200,569.79

Legal representative: Jin Xiaojian

Person in charge of accounting affairs: Chen Yonghong

Person in charge of accounting department: Wang Yajun

**Balance Sheet of the Parent Company**

March 31, 2019

Prepared by Offshore Oil Engineering Co., Ltd.

Unit: Yuan    Currency: RMB    Audit type: Unaudited

Item	March 31, 2019	December 31, 2018
<b>Current assets:</b>		
Monetary capital	889,849,873.11	1,217,322,938.46
Trading financial assets		
Financial asset accounted with fair value with their changes included in the current profit and loss		
Derivative financial assets		
Notes and accounts receivable	2,553,352,979.75	3,858,091,286.22
Wherein: notes receivable		
Accounts receivable	2,553,352,979.75	3,858,091,286.22
Advance payment	83,016,009.19	46,477,628.38
Other Receivables	635,272,371.68	674,256,426.03
Wherein: interest receivable		340,875.25
Dividends receivable		
Inventory	3,206,255,375.86	2,686,448,143.15
Contract assets		

**2019 First Quarter Report of COOEC**

Assets held for sale		
Non-current assets due within one year		
Other current assets	4,331,944,634.33	3,734,113,157.24
Total current assets	11,699,691,243.92	12,216,709,579.48
<b>Non-current assets:</b>		
Creditors' investment		
Available-for-sale Financial Assets	Inapplicable	158,099,778.00
Other creditors' investment		
Held-to-maturity investment		
Long-term receivables		
Long-term equity investment	9,205,974,170.87	9,205,974,170.87
Other equity instruments investment	183,688,578.00	Inapplicable
Other non-current financial assets		
Investment real estate		
Fixed assets	3,342,652,427.61	3,417,054,227.08
Projects under construction	2,137,122,287.60	2,113,313,515.76
Productive biological assets		
Oil and gas assets		
Right-of-use asset		
Intangible assets	399,087,863.40	403,030,394.29
Development expenditure		
Business reputation		

**2019 First Quarter Report of COOEC**

Long-term unamortized expenses	70,500,603.68	71,854,468.44
Deferred income tax assets	449,955,006.24	432,367,280.79
Other non-current assets		
Total non-current assets	15,788,980,937.40	15,801,693,835.23
Total assets	27,488,672,181.32	28,018,403,414.71
<b>Current liabilities:</b>		
Short-term loan		
Trading financial liabilities		
Financial liabilities which are accounted at the fair value and of which the fluctuations are included in the current profit and loss		
Derivative financial Liabilities		
Notes and accounts payable	6,187,723,038.95	6,574,816,227.05
Advance receipts	1,988,496,058.02	1,939,072,850.28
Contract liabilities		
Employee salary payable	94,418,026.47	195,717,732.68
Taxes payable	40,362,738.26	81,545,033.12
Other payables	98,574,442.36	81,822,316.05
Wherein: interest payable		29,486.11
Dividends payable		
Liabilities held for sale		
Non-current liabilities due within one year		
Other current liabilities	4,033,653.30	4,033,653.30

**2019 First Quarter Report of COOEC**

Total current liabilities	8,413,607,957.36	8,877,007,812.48
<b>Non-current liabilities:</b>		
Long-term loans	220,000,000.00	220,000,000.00
Bond payables		
Wherein: preferred shares		
Perpetual bond		
Lease liabilities		
Long-term payables	27,316,350.24	27,316,350.24
Estimated liabilities		
Deferred income	77,623,459.29	85,611,044.64
Deferred income tax liabilities	13,232,449.50	9,394,129.50
Other non-current liabilities		
Total non-current liabilities	338,172,259.03	342,321,524.38
Total liabilities	8,751,780,216.39	9,219,329,336.86
<b>Owner's equity (or shareholders' equity):</b>		
Paid-in capital (or share capital)	4,421,354,800.00	4,421,354,800.00
Other equity instruments		
Wherein: preferred shares		
Perpetual bond		
Capital reserves	4,245,387,997.87	4,245,387,997.87
Less: treasury stock		
Other composite incomes	45,736,118.39	19,971,616.77



**2019 First Quarter Report of COOEC**

Special reserve	451,029,027.43	438,785,312.37
Surplus reserves	1,598,184,996.16	1,598,184,996.16
Undistributed profit	7,975,199,025.08	8,075,389,354.68
Total owner's equity (or shareholders' equity)	18,736,891,964.93	18,799,074,077.85
Total liabilities and owner's equity (or shareholders' equity)	27,488,672,181.32	28,018,403,414.71

Legal representative: Jin Xiaojian

Person in charge of accounting affairs: Chen Yonghong

Person in charge of accounting department: Wang Yajun

**Consolidated Profit Statement**

January to March 2019

Prepared by: Offshore Oil Engineering Co., Ltd.

Unit: Yuan    Currency: RMB    Audit type: Unaudited

Item	First quarter of 2019	First quarter of 2018
I. Gross operating income	1,793,651,795.06	1,256,190,911.81
Wherein: operating income	1,793,651,795.06	1,256,190,911.81
Interest income		
Earned premiums		
Income from handling charges and commissions		
II. Gross operating cost	2,089,800,566.89	1,650,316,125.90
Wherein: operating costs	1,965,102,881.37	1,408,721,241.98
Interest expenditure		
Expenditure on handling charges and commissions		
Surrender value		

**2019 First Quarter Report of COOEC**

Net amount of compensation payout		
Net amount of reserves for reinsurance contract		
Policyholder dividends		
Reinsurance expenses		
Taxes and surcharges	11,879,927.95	7,983,811.86
Sales cost	5,258,556.53	2,080,914.87
Administration expense	52,408,687.21	57,080,896.78
R&D expense	39,636,657.36	33,017,763.03
Financial expense	15,628,856.47	141,724,027.33
Wherein: interest expense	211,763.89	110,652.78
Interest income	4,836,957.24	26,106,938.32
Assets impairment loss		-292,529.95
Credit impairment loss	-115,000.00	Inapplicable
Plus: other incomes	9,819,359.23	1,117,195.34
Investment income (loss indicated with "-")	-12,286,162.69	-30,843,465.92
Wherein: investment income from associates and joint ventures	-40,683,507.50	-48,978,520.49
Exchange gain (loss indicated by "-")		
Net income from exposure to hedging (loss indicated with "-")		
Income from changes in fair value (loss indicated with "-")		
Profit from disposal of assets (loss indicated by "-")	151,900.93	

**2019 First Quarter Report of COOEC**

III. Operation profit (loss indicated with "—")	-298,463,674.36	-423,851,484.67
Plus: non-operating income	2,500,270.01	24,399,210.36
Less: non-operating expenses	-39,351.44	274,310.88
IV Total profit (total loss indicated with "-")	-295,924,052.91	-399,726,585.19
Less: income tax expense	-33,685,405.49	-38,052,439.74
V. Net profit (net loss indicated with "-")	-262,238,647.42	-361,674,145.45
(i) Classified as per business continuity		
1. Net profit from continuing operation (net loss indicated by "-")	-262,238,647.42	-361,674,145.45
2. Net profit from discontinuing operation (Net loss indicated by "-")		
(ii) Classified as per attribution of ownership		
1. Net profits attributable to shareholders of the parent company (net loss indicated with "-")	-260,991,833.36	-360,247,681.91
2. Profit and loss of minority shareholders (net loss indicated with "-")	-1,246,814.06	-1,426,463.54
VI. Net of tax of other composite incomes	18,746,032.61	-25,107,397.48
After-tax net of other comprehensive incomes attributable to owners of parent company	18,839,425.09	-24,944,614.50
(i) Other comprehensive incomes which cannot be reclassified into the profit and loss in future	21,750,480.00	
1. Change due to re-measurement of defined benefit plans		
2. Other comprehensive incomes that cannot be reclassified into the profit and loss under the Equity Method		
3. Fair value change in other equity instruments	21,750,480.00	Inapplicable

**2019 First Quarter Report of COOEC**

investment		
4. Fair value change in the credit risk of the Company		
(ii) Other comprehensive income which will be reclassified into the profit and loss	-2,911,054.91	-24,944,614.50
1. Other comprehensive incomes that can be reclassified into the profit and loss under the Equity Method		
2. Fair value change in other creditor's investment		
3. Change of fair value recognized in profit and loss of available-for-sale financial assets	Inapplicable	-13,896,140.00
4. Amount of financial assets reclassified and included into other comprehensive income		
5. Held-to-maturity financial investment reclassified as available for sale investments profit and loss account		
6. Credit depreciation reserves for other creditors' investment		
7. Hedging reserve for cash flow (the effective portion of hedging profit and loss for cash flow)		
8. Translation differences in foreign currency financial statements	-2,911,054.91	-11,048,474.50
9. Others		
After-tax net of other comprehensive incomes attributable to minority shareholders	-93,392.48	-162,782.98
VII. Total consolidated Income	-243,492,614.81	-386,781,542.93
Total consolidated income attributable to holding company	-242,152,408.27	-385,192,296.41
Total consolidated income attributable to minority shareholder	-1,340,206.54	-1,589,246.52

**2019 First Quarter Report of COOEC**

VIII. Earnings per share:		
(i) Basic earnings per share (EPS) (RMB /share)	-0.06	-0.08
(ii) Diluted Earnings Per Share (yuan/share)	-0.06	-0.08

Merger of enterprises under same control doesn't exist in current period

Legal representative: Jin Xiaojian

Person in charge of accounting affairs: Chen Yonghong

Person in charge of accounting department: Wang Yajun

**Profit Statement of Parent Company**

January to March 2019

Prepared by: Offshore Oil Engineering Co., Ltd.

Unit: Yuan    Currency: RMB    Audit type: Unaudited

<b>Item</b>	<b>First quarter of 2019</b>	<b>First quarter of 2018</b>
I. Operating income	1,407,292,441.82	1,147,400,731.90
Less: operating costs	1,497,288,219.52	1,264,719,462.13
Taxes and surcharges	6,167,118.76	736,237.27
Sales cost	102,494.60	191,841.20
Administration expense	28,521,139.41	35,088,800.10
R&D expense	12,935,127.51	21,530,585.21
Financial expense	12,512,789.16	32,592,131.72
Wherein: interest expense	211,763.89	146,014.94
Interest income	4,126,785.26	3,263,069.25
Assets impairment loss		
Credit impairment loss		
Plus: other incomes	8,888,015.55	70,705.65
Investment income (loss indicated with "-")	22,688,679.25	8,028,560.35

**2019 First Quarter Report of COOEC**

Wherein: investment income from associates and joint ventures		
Net income from exposure to hedging (loss indicated with "-")		
Income from changes in fair value (loss indicated with "-")		
Profit from disposal of assets (loss indicated by "-")		
II. Operating profit (loss indicated with "-")	-118,657,752.34	-199,359,059.73
Plus: non-operating income	877,806.90	784,251.30
Less: non-operating expenses	535.46	281,706.38
III. Total profits (loss indicated with "-")	-117,780,480.90	-198,856,514.81
Less: income tax expense	-17,590,151.30	-30,801,364.10
IV. Net Profits (net loss indicated with "-")	-100,190,329.60	-168,055,150.71
(i) Net profit from continuing operation (net loss indicated with "-".)	-100,190,329.60	-168,055,150.71
(ii) Net profit from discontinuing operation (net loss indicated by "-".)		
V. Net of tax of other composite incomes	25,764,501.62	-6,109,405.34
(i) Other comprehensive incomes which cannot be reclassified into the profit and loss in future	21,750,480.00	
1. Change due to re-measurement of defined benefit plans		
2. Other comprehensive incomes that cannot be reclassified into the profit and loss under the Equity Method		
3. Fair value change in other equity instruments investment	21,750,480.00	Inapplicable

**2019 First Quarter Report of COOEC**

4. Fair value change in the credit risk of the Company		
(ii) Other comprehensive income which will be reclassified into the profit and loss	4,014,021.62	-6,109,405.34
1. Other comprehensive incomes that can be reclassified into the profit and loss under the Equity Method		
2. Fair value change in other creditor's investment		
3. Change of fair value recognized in profit and loss of available-for-sale financial assets	Inapplicable	-13,896,140.00
4. Amount of financial assets reclassified and included into other comprehensive income		
5. Held-to-maturity financial investment reclassified as available for sale investments profit and loss account		
6. Credit depreciation reserves for other creditors' investment		
7. Hedging reserve for cash flow (the effective portion of hedging profit and loss for cash flow)		
8. Translation differences in foreign currency financial statements	4,014,021.62	7,786,734.66
9. Others		
VI. Total consolidated income	-74,425,827.98	-174,164,556.05
VII. Earnings per share		
(i) Basic earnings per share (EPS) (RMB /share)		
(ii) Diluted Earnings Per Share (yuan/share)		

Legal representative: Jin Xiaojian

Person in charge of accounting affairs: Chen Yonghong

Person in charge of accounting department: Wang Yajun

## Consolidated Cash Flow Statement

January to March 2019

Prepared by: Offshore Oil Engineering Co., Ltd.

Unit: Yuan Currency: RMB Audit type: Unaudited

Item	First quarter of 2019	First quarter of 2018
<b>I. Cash flows from operating activities:</b>		
Cash received from sale of goods or provisions of services	2,973,521,382.18	1,735,328,078.83
Net increases from customer's deposit and Deposit from other banks		
Net increase in borrowings from Central Bank		
Net increases from borrowing funds to other financial institutions		
Cash received from premium of original insurance contract		
Net cash received from reinsurance business		
Net increase from policyholder deposit and investment		
Cash received as interest, handling charges and commission		
Net increase in capital borrowed		
Net increase in capital from repurchase business		
Net cash from vicariously traded securities		
Refund of tax and fare received	238,306.29	146,392,458.84
Other cash received relating to operating	23,458,113.56	32,723,606.91



**2019 First Quarter Report of COOEC**

activities		
Sub-total of cash inflows from operating activities	2,997,217,802.03	1,914,444,144.58
Cash paid for goods and services	2,201,930,405.29	1,977,856,666.09
Net increases from customer lending and advances		
Net increases from deposits in the Central Bank and deposits of the same trade or business		
Cash paid as compensation under the original insurance contract		
Net increase in financial assets held for trading		
Net increase in lendings to banks and other financial institutions		
Cash paid as interest, handling charges and commission		
Cash paid for policy dividend		
Cash paid to and for staff and workers	643,844,949.22	613,113,824.53
Payments for various taxes	157,019,400.11	143,492,066.59
Other cash paid relating to operating activities	42,146,757.41	38,155,184.92
Sub-total of cash outflows from operating activities	3,044,941,512.03	2,772,617,742.13
Net cash flow from business operation	-47,723,710.00	-858,173,597.55
<b>II. Cash Flows from Investment Activities:</b>		
Cash received from disposal of investments	3,110,000,000.00	2,892,052,000.00

**2019 First Quarter Report of COOEC**

Cash received from returns on investments	30,785,676.94	18,394,130.81
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		892,675.00
Net cash received from disposing subsidiaries and other business units		
Other cashes received relating to investment activities		
Subtotal of cash inflows of investment activity	3,140,785,676.94	2,911,338,805.81
Cash paid to acquire fixed assets, intangible assets and other long-term assets	37,584,928.07	139,687,527.77
Cash paid to acquire investments	3,400,000,000.00	2,100,000,000.00
Net increase in pledge loan		
Net cash used for acquiring subsidiaries and other business units		
Other cashes paid relating to investment activities		
Sub-total of cash outflows from investment activities	3,437,584,928.07	2,239,687,527.77
Net cash flow from investment activities	-296,799,251.13	671,651,278.04
<b>III. Cash flows from financing activities:</b>		
Cash received from absorbing investment		
Wherein: Cash received from increase in minority interest by subsidiary		
Cash received from borrowings		130,000,000.00
Cash received from issuing debentures		

**2019 First Quarter Report of COOEC**

Other cash received relating to financing activities		
Sub-total of cash inflows from financing activities		130,000,000.00
Cash paid for debt repayment		
Cash paid for distribution of dividends, profits and repayment of interests		
Wherein: Cash paid for distribution of dividends or profit or reimbursing interests by subsidiary		
Other cashes paid relating to financing activities		
Sub-total of cash outflows from financing activities		
Net cash flow from financing activities		130,000,000.00
<b>IV. Effect of exchange rate changes on cash and cash equivalents</b>	-10,041,369.04	-142,181,251.78
<b>V. Net increase in cash and cash equivalents</b>	-354,564,330.17	-198,703,571.29
Plus: Balance of cash and cash equivalents at the beginning of period	1,943,763,661.27	4,628,562,169.78
<b>VI. Balance of cash and cash equivalents at end of period</b>	1,589,199,331.10	4,429,858,598.49

Legal representative: Jin Xiaojian

Person in charge of accounting affairs: Chen Yonghong

Person in charge of accounting department: Wang Yajun

**Cash Flow Statement of the Parent Company**

January to March 2019

Prepared by: Offshore Oil Engineering Co., Ltd.

Unit: Yuan    Currency: RMB    Audit type: Unaudited

**2019 First Quarter Report of COOEC**

<b>Item</b>	<b>First quarter of 2019</b>	<b>First quarter of 2018</b>
<b>I. Cash flows from operating activities:</b>		
Cash received from sale of goods or provisions of services	2,380,339,383.08	1,634,275,488.41
Refund of tax and fare received		51,068,960.31
Other cash received relating to operating activities	37,499,240.29	6,327,094.37
Sub-total of cash inflows from operating activities	2,417,838,623.37	1,691,671,543.09
Cash paid for goods and services	1,648,568,297.14	1,711,075,981.31
Cash paid to and for staff and workers	480,427,660.05	450,356,855.91
Payments for various taxes	115,147,192.03	4,911,026.67
Other cash paid relating to operating activities	27,667,729.46	15,730,817.34
Sub-total of cash outflows from operating activities	2,271,810,878.68	2,182,074,681.23
Net cash flow from business operation	146,027,744.69	-490,403,138.14
<b>II. Cash Flows from Investment Activities:</b>		
Cash received from disposal of investments	2,333,450,500.00	1,563,294,000.00
Cash received from returns on investments	24,066,666.67	8,510,273.97
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		892,675.00
Net cash received from disposing subsidiaries and other business units		
Other cashes received relating to		

**2019 First Quarter Report of COOEC**

investment activities		
Subtotal of cash inflows of investment activity	2,357,517,166.67	1,572,696,948.97
Cash paid to acquire fixed assets, intangible assets and other long-term assets	26,234,779.04	4,991,928.60
Cash paid to acquire investments	2,800,000,000.00	1,130,000,000.00
Net cash used for acquiring subsidiaries and other business units		
Other cashes paid relating to investment activities		
Sub-total of cash outflows from investment activities	2,826,234,779.04	1,134,991,928.60
Net cash flow from investment activities	-468,717,612.37	437,705,020.37
<b>III. Cash flows from financing activities:</b>		
Cash received from absorbing investment		
Cash received from borrowings		130,000,000.00
Other cash received relating to financing activities		
Sub-total of cash inflows from financing activities		130,000,000.00
Cash paid for debt repayment		
Cash paid for distribution of dividends, profits and repayment of interests		
Other cashes paid relating to financing activities		
Sub-total of cash outflows from financing activities		
Net cash flow from financing activities		130,000,000.00

**2019 First Quarter Report of COOEC**

<b>IV. Effect of exchange rate changes on cash and cash equivalents</b>	-4,783,197.67	-13,522,897.88
<b>V. Net increase in cash and cash equivalents</b>	-327,473,065.35	63,778,984.35
Plus: Balance of cash and cash equivalents at the beginning of period	1,217,322,938.46	1,012,305,301.10
<b>VI. Balance of cash and cash equivalents at end of period</b>	889,849,873.11	1,076,084,285.45

Legal representative: Jin Xiaojian                      Person in charge of accounting affairs: Chen Yonghong  
 Person in charge of accounting department: Wang Yajun

4.2 Conditions of implementing the adjustment of new accounting standards of financial instruments, new revenue accounting standards and new leasing standards, and implementing relevant items in the financial statement at the beginning of the year for the first time

√Applicable    □Inapplicable

**Consolidated Balance Sheet**

Unit: Yuan              Currency: RMB

<b>Item</b>	<b>December 31, 2018</b>	<b>January 1, 2019</b>	<b>Adjusted number</b>
<b>Current assets:</b>			
Monetary capital	1,943,895,590.53	1,943,895,590.53	
Settlement reserves			
Lendings to banks and other financial institutions			
Trading financial assets			
Financial asset accounted with fair value with their changes included in the current profit and loss			
Derivative financial assets			
Notes and accounts receivable	4,186,332,475.43	4,186,332,475.43	
Wherein: notes receivable			

**2019 First Quarter Report of COOEC**

Accounts receivable	4,186,332,475.43	4,186,332,475.43	
Advance payment	119,263,733.62	119,263,733.62	
Premium receivable			
Reinsurance accounts receivable			
Reinsurance contract reserves receivable			
Other Receivables	98,783,571.36	98,783,571.36	
Wherein: interest receivable	4,931,006.22	4,931,006.22	
Dividends receivable			
Redemptory monetary capital for sale			
Inventory	2,898,116,191.04	2,898,116,191.04	
Contract assets			
Assets held for sale			
Non-current assets due within one year			
Other current assets	4,661,230,094.25	4,661,230,094.25	
Total current assets	13,907,621,656.23	13,907,621,656.23	
<b>Non-current assets:</b>			
Issued loans and advances			
Creditors' investment			
Available-for-sale Financial Assets	158,099,778.00	Inapplicable	-158,099,778.00
Other creditors' investment			
Held-to-maturity investment			

**2019 First Quarter Report of COOEC**

Long-term receivables			
Long-term equity investment	2,226,837,618.49	2,226,837,618.49	
Other equity instruments investment	Inapplicable	158,099,778.00	158,099,778.00
Other non-current financial assets			
Investment real estate			
Fixed assets	9,565,140,378.45	9,565,140,378.45	
Projects under construction	2,381,041,517.05	2,381,041,517.05	
Productive biological assets			
Oil and gas assets			
Right-of-use asset			
Intangible assets	1,156,963,479.71	1,156,963,479.71	
Development expenditure			
Business reputation	13,075,057.26	13,075,057.26	
Long-term unamortized expenses	87,232,309.27	87,232,309.27	
Deferred income tax assets	653,188,775.33	653,188,775.33	
Other non-current assets			
Total non-current assets	16,241,578,913.56	16,241,578,913.56	
Total assets	30,149,200,569.79	30,149,200,569.79	
<b>Current liabilities:</b>			
Short-term loan			
Loans from the Central Bank			
Loans from other banks			



**2019 First Quarter Report of COOEC**

Trading financial liabilities			
Financial liabilities which are accounted at the fair value and of which the fluctuations are included in the current profit and loss			
Derivative financial Liabilities			
Notes and accounts payable	3,940,765,468.72	3,940,765,468.72	
Advance receipts	1,966,300,647.30	1,966,300,647.30	
Financial assets sold for repurchase			
Accepting money deposits and due from banks			
Receiving from vicariously traded securities			
Receiving from vicariously sold securities			
Employee salary payable	277,872,237.15	277,872,237.15	
Taxes payable	449,995,333.01	449,995,333.01	
Other payables	74,401,069.57	74,401,069.57	
Wherein: interest payable	29,486.11	29,486.11	
Dividends payable			
Handling charges and commission payable			
Reinsurance accounts payable			
Contract liabilities			
Liabilities held for sale			

**2019 First Quarter Report of COOEC**

Non-current liabilities due within one year			
Other current liabilities	7,300,330.85	7,300,330.85	
Total current liabilities	6,716,635,086.60	6,716,635,086.60	
<b>Non-current liabilities:</b>			
Insurance contract reserves			
Long-term loans	220,000,000.00	220,000,000.00	
Bond payables			
Wherein: preferred shares			
Perpetual bond			
Lease liabilities			
Long-term payables	27,316,350.24	27,316,350.24	
Estimated liabilities	105,746,387.29	105,746,387.29	
Deferred income	156,163,722.90	156,163,722.90	
Deferred income tax liabilities	18,899,268.91	18,899,268.91	
Other non-current liabilities			
Total non-current liabilities	528,125,729.34	528,125,729.34	
Total liabilities	7,244,760,815.94	7,244,760,815.94	
<b>Owner's equity (or shareholders' equity):</b>			
Paid-in capital (or share capital)	4,421,354,800.00	4,421,354,800.00	
Other equity instruments			
Wherein: preferred shares			
Perpetual bond			

**2019 First Quarter Report of COOEC**

Capital reserves	4,247,940,206.11	4,247,940,206.11	
Less: treasury stock			
Other composite incomes	47,540,172.61	47,540,172.61	
Special reserve	482,270,903.18	482,270,903.18	
Surplus reserves	1,607,827,558.05	1,607,827,558.05	
Generic risk reserve			
Undistributed profit	12,086,008,009.88	12,086,008,009.88	
Total owners' equity attributable to the parent company	22,892,941,649.83	22,892,941,649.83	
Minority stockholders' interest	11,498,104.02	11,498,104.02	
Total owner's equity (or shareholders' equity)	22,904,439,753.85	22,904,439,753.85	
Total liabilities and owner's equity (or shareholders' equity)	30,149,200,569.79	30,149,200,569.79	

Description to the adjustment of each item

√Applicable    □Inapplicable

The Company carried out the new accounting standards of financial instruments on January 1, 2019 for the first time, reclassified the financial instruments and reclassified the financial instruments for the available-for-sale financial assets into other equity instruments investment.

**Balance Sheet of the Parent Company**

Unit: Yuan

Currency: RMB

Item	December 31, 2018	January 1, 2019	Adjusted number
<b>Current assets:</b>			
Monetary capital	1,217,322,938.46	1,217,322,938.46	
Trading financial assets			

**2019 First Quarter Report of COOEC**

Financial asset accounted with fair value with their changes included in the current profit and loss			
Derivative financial assets			
Notes and accounts receivable	3,858,091,286.22	3,858,091,286.22	
Wherein: notes receivable			
Accounts receivable	3,858,091,286.22	3,858,091,286.22	
Advance payment	46,477,628.38	46,477,628.38	
Other Receivables	674,256,426.03	674,256,426.03	
Wherein: interest receivable	340,875.25	340,875.25	
Dividends receivable			
Inventory	2,686,448,143.15	2,686,448,143.15	
Contract assets			
Assets held for sale			
Non-current assets due within one year			
Other current assets	3,734,113,157.24	3,734,113,157.24	
Total current assets	12,216,709,579.48	12,216,709,579.48	
<b>Non-current assets:</b>			
Creditors' investment			
Available-for-sale Financial Assets	158,099,778.00	Inapplicable	-158,099,778.00
Other creditors' investment			
Held-to-maturity investment			
Long-term receivables			

**2019 First Quarter Report of COOEC**

Long-term equity investment	9,205,974,170.87	9,205,974,170.87	
Other equity instruments investment	Inapplicable	158,099,778.00	158,099,778.00
Other non-current financial assets			
Investment real estate			
Fixed assets	3,417,054,227.08	3,417,054,227.08	
Projects under construction	2,113,313,515.76	2,113,313,515.76	
Productive biological assets			
Oil and gas assets			
Right-of-use asset			
Intangible assets	403,030,394.29	403,030,394.29	
Development expenditure			
Business reputation			
Long-term unamortized expenses	71,854,468.44	71,854,468.44	
Deferred income tax assets	432,367,280.79	432,367,280.79	
Other non-current assets			
Total non-current assets	15,801,693,835.23	15,801,693,835.23	
Total assets	28,018,403,414.71	28,018,403,414.71	
<b>Current liabilities:</b>			
Short-term loan			
Trading financial liabilities			
Financial liabilities which are accounted at the fair value and of which the fluctuations are included in the current profit and loss			

**2019 First Quarter Report of COOEC**

Derivative financial Liabilities			
Notes and accounts payable	6,574,816,227.05	6,574,816,227.05	
Advance receipts	1,939,072,850.28	1,939,072,850.28	
Contract liabilities			
Employee salary payable	195,717,732.68	195,717,732.68	
Taxes payable	81,545,033.12	81,545,033.12	
Other payables	81,822,316.05	81,822,316.05	
Wherein: interest payable	29,486.11	29,486.11	
Dividends payable			
Liabilities held for sale			
Non-current liabilities due within one year			
Other current liabilities	4,033,653.30	4,033,653.30	
Total current liabilities	8,877,007,812.48	8,877,007,812.48	
<b>Non-current liabilities:</b>			
Long-term loans	220,000,000.00	220,000,000.00	
Bond payables			
Wherein: preferred shares			
Perpetual bond			
Lease liabilities			
Long-term payables	27,316,350.24	27,316,350.24	
Estimated liabilities			
Deferred income	85,611,044.64	85,611,044.64	

**2019 First Quarter Report of COOEC**

Deferred income tax liabilities	9,394,129.50	9,394,129.50	
Other non-current liabilities			
Total non-current liabilities	342,321,524.38	342,321,524.38	
Total liabilities	9,219,329,336.86	9,219,329,336.86	
<b>Owner's equity (or shareholders' equity):</b>			
Paid-in capital (or share capital)	4,421,354,800.00	4,421,354,800.00	
Other equity instruments			
Wherein: preferred shares			
Perpetual bond			
Capital reserves	4,245,387,997.87	4,245,387,997.87	
Less: treasury stock			
Other composite incomes	19,971,616.77	19,971,616.77	
Special reserve	438,785,312.37	438,785,312.37	
Surplus reserves	1,598,184,996.16	1,598,184,996.16	
Undistributed profit	8,075,389,354.68	8,075,389,354.68	
Total owner's equity (or shareholders' equity)	18,799,074,077.85	18,799,074,077.85	
Total liabilities and owner's equity (or shareholders' equity)	28,018,403,414.71	28,018,403,414.71	

Description to the adjustment of each item

√Applicable    □Inapplicable

The Company carried out the new accounting standards of financial instruments on January 1, 2019 for the first time, reclassified the financial instruments and reclassified the financial instruments for the available-for-sale financial assets into other equity instruments investment.

#### 4.3 Description for retroactive adjustment of early comparative data upon first implementation of the new accounting standards of financial instruments and new leasing standards

☒Applicable    ☐Inapplicable

As required by relevant criteria of Ministry of Finance, related enterprises shall carry out *Accounting Standards for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments* (Accounting [2017] No. 7), *Accounting Standards for Enterprises No. 23 - Transfer of Financial Assets* (Accounting [2017] No. 8), *Accounting Standards for Business Enterprises No. 24 - Hedge Accounting* (Accounting [2017] No. 9), and *Accounting Standards for Business Enterprises No. 37 - Presentation of Financial Instruments* (Accounting [2017] No. 14) in stages since January 1, 2018. As a domestic listed company, COOEC carried out the new accounting standards of financial instruments for the first time on January 1, 2019. According to the cohesion rules in the new accounting standards of financial instruments, for adjustment of retained income at the beginning of the year and other comprehensive incomes due to cumulative affected amount resulted from changes in accounting policies, the amount in the current period or at the end of the period in financial statements of the report period of first implementation shall be listed and reported as new statement, and the comparative data in comparative accounting period shall be listed and reported according to the items in the statements of last period. In order to improve the comparativeness of information in accounting period and provide the statement user with the comparative data more related to understanding the financial statement of the current period, the Company increases the listing and reporting of the Balance Sheet at the beginning of the year when the new accounting standards of financial instruments are implemented.

#### 4.4 Audit report

☐ Applicable    ☒Inapplicable