

Company code: 600583    Company abbreviation: COOEC

# **Offshore Oil Engineering Co., Ltd. 2019 Third Quarter Report**

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**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 All directors of the Company attended the board meeting for deliberation of the quarterly report.

1.3 Yu Yi, the principal of the Company, Li Peng, the principal of accounting and Yao Baoqin, the principal of accounting agency (accountant in charge) guarantee the authenticity, accuracy and completeness of the financial statements in the quarterly report.

1.4 The Company's third 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	30,170,985,696.33	30,149,200,569.79	0.07
Net assets attributable to the shareholders of the listed company	22,038,271,288.28	22,892,941,649.83	-3.73
	From beginning of the year to end of the report period (January to September)	From beginning of the last year to end of the last year's report period (January to September)	Increase or decrease from the same period of last year (%)
Net cash flow from business operation	-15,713,127.21	-1,619,330,397.08	Inapplicable
	From beginning of the year to end of the	From beginning of the last year to end of the	Increase or decrease from the

	report period (January to September)	last year's report period (January to September)	same period of last year (%)
Operating income	8,064,667,114.21	6,652,138,512.85	21.23
Net profit attributable to the shareholders of listed company	-635,154,828.65	-139,634,452.04	Inapplicable
Net profit attributable to shareholders of listed company after deducting non-recurring profit and loss	-805,915,890.08	-257,355,166.69	Inapplicable
Weighted average rate of return on (common shareholders') equity (%)	-2.82	-0.61	Down 2.21 percentage points
Basic earnings per share (EPS) (yuan / share)	-0.14	-0.03	Inapplicable
Diluted EPS (yuan / share)	-0.14	-0.03	Inapplicable

Items and amount of non-recurring profit and loss

"√ Applicable" "□ Inapplicable"

Unit: Yuan

Currency: RMB

Item	Amount in current period (July to September)	Amount from beginning of the year to the end of the report period (January to September)	Remarks
Profit and loss from disposal	0	151,900.93	

of non-current assets			
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	43,851,857.54	59,550,001.28	Government subsidies in the first three quarters mainly cover appropriation for scientific research projects, fund for the use of sea area by the government, and return of land transferring fee.
Profit and loss from investment or assets management by others entrusted	24,067,032.81	89,675,711.30	Profit from investment entrusted to others in first three quarters was mainly earnings from buying bank financial products.
Other non-operating incomes and expenses than the items above	24,446,898.29	29,768,683.33	
Other profit and loss items in conformity with definition of non-recurring profit and loss	8,964,136.63	27,175,840.46	
Affected minority Interest (after-tax)	-61,466.43	-79,471.57	
Affected income tax	-16,757,057.41	-35,481,604.30	
Total	84,511,401.43	170,761,061.43	

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.)					103,924	
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.	187,324,736	4.24	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
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
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			
Hong Kong Securities Clearing Company Ltd.	187,324,736	RMB ordinary shares	187,324,736			
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			



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
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.		

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 Review on the operation conditions in the report period

#### Business performance of the third quarter

The Company has gained operating income of RMB 3.505 billion in the third quarter, including the net profit of RMB 79 million attributable to shareholders of the listed company.

The Company has gained operating income of RMB 8.065 billion in the first three quarters accumulatively, including the net profit of RMB -635 million attributable to shareholders of the listed company.

#### Operation management conditions

In the report period, facing the fierce market competition environment and great production and operation pressure, the Company thoroughly implemented the resolutions and requirements of the Board of Directors, strove to expand the market and took serious measures in production and operation management, to achieve gratifying operating results in the third quarter. From July to September, it gained small profit consecutively, reversing the passive situation in the first half to a certain extent and showing a good momentum.

New achievements were made in market development. In the third quarter, RMB 2.669 billion of new contracts were signed and the accepted contract amount was RMB 4.378 billion, that is, a total market contracting amount of RMB 7.047 billion, including RMB 7.031 billion of domestic projects. It gained a market contracting amount of RMB 18.3 billion accumulatively in the first three quarters, showing a growth of 76% compared with RMB 10.4 billion in the first three quarters of last year. By the end of the report period, the total amount of unfilled orders at hand was RMB 28.7 billion, showing a favorable development trend in market development. Qingdao

Site was included into the list of long-term offshore qualified platform construction sites of Saudi Aramco in September and became one of the several construction sites around the world with the approval of Saudi Aramco, which would play an active role in expanding overseas platform construction business of the Company. Besides, the Company actively docked with the “Seven-year Action Plan” for increasing reserve and production of CNOOC, timely followed up the project progress, ascertained the resources in advance and made all preparations to fully guarantee the continuous promotion of “Seven-year Action Plan”.

Engineering projects were implemented on schedule with high quality. In the third quarter, facing the frequent severe weather such as typhoon, complicated work interface of many projects under construction and the pressure on project operation and risk management and control brought up by great construction difficulty, the Company took serious measures in construction of project execution ability, comprehensively carried out the requirements of safety management and control, quality management and control and project management, to ensure the steady and orderly implementation of 32 engineering projects. Among them, the offshore installation of Saudi Arabia 3648 Project was under recovery with full efforts, and the overall progress tended to be better. For the project, the execution progress of the contract within Saudi Arabia (IK Contract) was 40%, and that of overseas contract (OOK Contract) was 79%. By the end of the report period, laying of the five of the nine sections of subsea pipelines (about 9 km) has been completed, and the recovery of old subsea pipelines and seabed pretreatment of other ships have been completed. In the meanwhile, a series of complicated and advanced technologies, such as floating flexible cable for pipeline laying barge anchoring, internal corrosion control of subsea pipeline and gravity-type starting anchor, were applied for the first time. Despite of a favorable overall trend, the Saudi Arabia 3648 Project was still faced with hardships and challenges. In front of the current construction situation, the management team of the Company will continuously improve management and technology, input advanced equipment and adopt other means to solve difficulties and drive the early completion of project.

#### **Workload and the progress of key projects**

In the third quarter, it has completed onshore construction of 1 jacket and 2 modules, offshore installation of 1 jacket and 4 modules and laying of 123 km subsea pipelines.

In terms of construction, processing of 33,000 tons of structure steels is completed. It has completed 119,000 tons of structure steels accumulatively in the third quarter, showing a year-on-year growth of 32%.

4,552 ship-days are devoted to offshore operation, such as installation. It has devoted 11,052 ship-days accumulatively in the third quarter, showing a year-on-year growth of 30%.

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

No.	Project name	Cumulative progress
1	Penglai 25-6 Oilfield Well Area 3 Project	5%
2	Caofeidian 6-4 Oilfield Development Project	13%
3	Penglai 25-1 Oilfield Well Area 6-11 Development Project	17%
4	Kenli 3-2 Oilfield Expansion Project	19%
5	Lingshui 17-2 Gas field Development Project	23%
6	Nanbao 35-2 Oilfield Well Area S-1 Development Project	26%

7	Zhangzhou LNG Receiving Terminal and Storage Tank Project in Fujian	34%
8	Liuhua 29-1 Project	50%
9	Liuhua 16-2 Oilfields Development Project	63%
10	Ningbo LNG Receiving Terminal Phase II Project in Zhejiang	55%
11	Qinhuangdao 33-1 South Oilfield Phase I Development Project	58%
12	Lvda 21-2 and Lvda 16-3 Oilfield Development Project	60%
13	Penglai 19-3 Oilfield Area 4 Adjustment / Penglai 19-9 Oilfield Phase II Development Project	65%
14	IK Contract for Saudi Arabia CRPO3648 Offshore Transportation and Installation Project	40%
	OOK Contract for Saudi Arabia CRPO3648 Offshore Transportation and Installation Project	79%
15	Nigeria Dangote project	55%
16	Nexen Oil Sand at Long Lake Southwest (LLSW) Project	79%
17	Hull Section of Shell Penguins FPSO Project	87%
	Onshore Construction of Topside for Shell Penguins FPSO Project	15%
18	Topside of Brazil FPSO P70 Project	91%
19	Qatar NFA Project	97%
20	Caofeidian 11-1 and 11-6 Oilfields Comprehensive Adjustment Project	98%
21	Wenchang 13-2 Oilfield Comprehensive Adjustment and Development Project	99%
22	Central Bohai Bay 34-9 Oilfield Development Project	100%

In the report period, the corporate stock was selected as the sample stock of global benchmark index of S&P Dow Jones Indices in the emerging market; gained the best results in history in 2019 Arc Cup International Welding Competition of 2019 Belt & Road and BRICS Skills Development and Technology Innovation Competition, and won the champion and group gold medal in five single events.

In the fourth quarter, the Company will continuously enhance the safety and quality management, try to improve the work efficiency, guarantee the smooth implementation of all projects under construction, work hard to decrease the cost and increase the benefit, and do our best to ensure the fulfillment of the full-year target.

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

"√ Applicable" "□ Inapplicable"

(1) Analysis of profit statement

Unit: Yuan Currency: RMB

Item	January to September of 2019	January to September of 2018	Change ratio (%)
Operating income	8,064,667,114.21	6,652,138,512.85	21.23
Operating cost	7,914,741,770.47	6,361,142,502.76	24.42
Sales cost	19,307,801.40	7,346,119.15	162.83
Financial expense	-31,971,030.41	-68,714,504.90	Inapplicable
Investment income	-8,942,379.30	-54,575,710.42	Inapplicable
Credit impairment loss	-12,592,235.38		Inapplicable
Assets impairment loss	-395,930,275.88	-1,670,444.76	Inapplicable
Income tax expenses	-3,141,007.34	5,682,741.60	-155.27
Net profits attributable to shareholders of the parent company	-635,154,828.65	-139,634,452.04	Inapplicable
Net of tax of other comprehensive income	20,901,820.65	-66,504,104.38	Inapplicable

Cause analysis:

① Operating income

The Company finished the operating income of RMB 8.065 billion in the first three quarters, showing a year-on-year increase of RMB 1.413 billion, viz. 21.23%, mainly because that the workload of the report period increased compared with the same period of last year.

② Operating cost

The operating cost of the Company was RMB 7.915 billion in the first three quarters, showing a year-on-year increase of RMB 1.554 billion, viz. 24.42%, mainly because that the year-on-year workload increase in the report period leads to corresponding increase of operating cost.

③ Net profits attributable to shareholders of the parent company

The net profit attributable to shareholders of the parent company was RMB -635 million, showing a year-on-year decrease of RMB -140 million compared with last year, mainly due to the following reasons: first, the service price of COOEC was at a low level under the periodic impact of industry, leading to no profit growth despite of income increase; second, the loss of Saudi Arabia 3648 Project and the corresponding withdrawing of impairment loss affected the total profit of RMB 560 million.

④ Sales expenses and financial expenses

The sales expense was RMB 19 million, showing a year-on-year growth of RMB 12 million, viz. 162.83%, mainly because that the Company adjusted the original managers structure and expanded the configuration of market development personnel.

The financial expense was RMB -32 million, showing a year-on-year growth of RMB 37 million, mainly for the reasons below: first, the interest income presented a year-on-year decrease of RMB 33 million; second, the exchange net income showed a year-on-year decrease of RMB 7 million under the impact of exchange rate fluctuation.

⑤ Investment income, credit impairment loss and assets impairment loss

The Investment income was RMB -8.9424 million, showing a year-on-year decrease of RMB 45.6333 million, mainly because that: (1) bank financing income of the Company in the current period was RMB 90 million, showing a year-on-year increase of RMB 25 million; (2) loss of COOEC Fluor Heavy Industries Co., Ltd. in the report period showed a year-on-year increase, and the investment loss confirmed by Offshore Oil Engineering (Zhuhai) Co., Ltd. according to the shareholding ratio increased by RMB 22 million; (3) Offshore Oil Engineering (Qing Dao) Co., Ltd. had the forward exchange settlement of USD 0.1 billion due and recognized an investment loss of RMB 44 million in the same period of last year. All the above factors jointly led to the decrease in investment income of the current period after offsetting.

Credit impairment loss was RMB -13 million, showing a year-on-year increase of RMB 13 million, mainly because that provision for bad debt in the current period was listed in credit impairment loss item according to new accounting standards of financial instruments, but it was listed in assets impairment loss item in the same period of last year.

The assets impairment loss was RMB -396 million, showing a year-on-year increase of 394 million, mainly because that a contract impairment loss of RMB 394 million was withdrawn for Saudi Arabia 3648 Project according to the standard of construction contracts.

⑥ Income tax expenses

Income tax expense was RMB -3.1410 million, showing a year-on-year decrease of RMB 8.8237 million, viz. 155.27%, mainly due to the year-on-year decrease of total profit.

⑦ Net of tax of other comprehensive income

Net of tax of other comprehensive income was RMB 21 million, showing a year-on-year increase of RMB 87 million, mainly because that the price of the stock of Gansu Lanke Petrochemical Equipment Co., Ltd. owned by the Company showed a year-on-year rise.

(2) Asset liabilities analysis

Unit: Yuan Currency: RMB

Asset item	September 30, 2019	December 31,	Change ratio
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		2018	(%)
Advance payment	261,907,621.25	119,263,733.62	119.60
Other receivables	164,730,593.97	98,783,571.36	66.76
Inventory	4,060,479,826.72	2,898,116,191.04	40.11
Available-for-sale financial assets	0	158,099,778.00	-100.00
Projects under construction	565,696,044.17	2,381,041,517.05	-76.24
<b>Item of liabilities and owners' equity</b>	<b>September 30, 2019</b>	<b>December 31, 2018</b>	<b>Change ratio (%)</b>
Accounts payable	5,253,198,194.58	3,940,765,468.72	33.30
Other current liabilities	12,233,926.44	7,300,330.85	67.58
Estimated liabilities	228,755,329.87	105,746,387.29	116.32
Other comprehensive income	68,417,208.14	47,540,172.61	43.91

Cause analysis:

① Assets item

The advance payment was RMB 262 million, showing an increase of RMB 143 million compared with that at the end of last year, viz. 119.60%, mainly due to the advance payment of purchasing materials for projects under construction.

Other receivables were RMB 165 million, showing an increase of RMB 66 million compared with that at the end of last year, viz. 66.76%, mainly because that the indemnity receivable from Ping An Insurance Company was not actually received.

The inventory was RMB 4.060 billion, showing an increase of RMB 1.162 billion compared with that at the end of last year, viz. 40.11%, mainly because of the increased projects that have been completed but unsettled.

Available-for-sale financial assets was RMB 0, showing a decrease of RMB 0.158 billion compared with that at the end of last year, mainly because that the new accounting standards of financial instruments were implemented since January 1, 2019, and the items listed in available-for-sale financial assets item was transferred to other equity instruments investment in the current period.

The total asset value of projects under construction was RMB 0.566 billion, showing a decrease of RMB 1.815 billion compared with that at the end of last year, viz. 76.24%, mainly because that the net value of RMB 2.084 billion was transferred into fixed asset after the transformation of "Offshore Oil 201" was completed.

② Liabilities item

The account payable was RMB 5.253 billion, showing an increase of RMB 1.312 billion compared with that at the end of last year, viz. 33.30%, mainly because that both the workload and the settlement with suppliers increased.

Other current liabilities were RMB 12.2339 million, showing an increase of RMB 4.9336 million compared with that at the end of last year, viz. 67.58%, mainly because that the government subsidies for the two scientific research projects of COTEC INC. were under deferred income accounting and reclassified into other current liabilities, while no such matter occurred in last period.

The expected liabilities were RMB 229 million, showing an increase of RMB 123 million compared with that at the end of last year, viz. 116.32%, mainly because that the part completed but unsettled beyond Saudi Arabia 3648 Offshore Transportation & Installation Project that has a contract impairment loss of RMB 394 million withdrawn was included into the expected liabilities.

Other comprehensive income was RMB 68 million, showing an increase of RMB 21 million compared with that at the end of last year, viz. 43.91%, mainly because the after-tax price fluctuation of stock of Gansu Lanke Petrochemical Equipment Co., Ltd. owned resulted in RMB 23 million and converted difference in foreign currency statements resulted in RMB -2 million.

### (3) Cash flow analysis

Unit: Yuan      Currency: RMB

Items of cash flow statement	January to September of 2019	January to September of 2018	Change ratio (%)
Net cash flow from business operation	-15,713,127.21	-1,619,330,397.08	Inapplicable
Net cash flow from investment activities	252,045,644.89	-1,038,742,475.10	Inapplicable
Net cash flow from financing activities	-221,555,601.11	-91,067,740.00	Inapplicable

#### Cause analysis:

The net cash flow from business operation was RMB -16 million, showing a year-on-year outflow decrease of RMB 1.604 billion, mainly because that: (1) the Company gradually collected the project fund and advance payment, which made the inflow of business operation increase by RMB 1.847 billion compared with the same period of last year; (2) with the stable progress of projects, cash outflow of business operation increased by RMB 243 million compared with the same period of last year.

The net cash flow from investment activities was RMB 0.252 billion, showing a year-on-year increase of RMB 1.291 billion, mainly because that: (1) the cash paid for purchasing fixed assets, intangible assets and other long-term assets decreased by RMB 0.644 billion compared with the same period of last year; (2) the cash from investment income in the current period increased by RMB 32 million compared with the same period of last year; (3) the scale of bank financial products became smaller, showing a year-on-year cash outflow of RMB 0.572 billion.

Net cash flow from financing activities was RMB -0.222 billion, showing a year-on-year outflow increase of RMB 0.130 billion, mainly because that the entrusted loan of RMB 0.130 billion allocated by China National Offshore Oil Corporation was received in the same period of last year, but there was no relevant matters in the first three quarters of this year.



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	Yu Yi
Date	October 29, 2019

#### IV. Appendix

##### 4.1 Financial Statements

#### Consolidated Balance Sheet

September 30, 2019

Prepared by Offshore Oil Engineering Co., Ltd.

Unit: Yuan Currency: RMB Audit type: Unaudited

Item	September 30, 2019	December 31, 2018
<b>Current assets:</b>		
Monetary capital	1,970,469,261.08	1,943,895,590.53
Settlement reserves		
Lendings to banks and other financial institutions		
Transactional financial assets		
Financial asset measured at fair value with their changes included in the current profit and loss		
Derivative financial assets		
Notes receivable		
Accounts receivable	3,583,091,916.87	4,186,332,475.43
Accounts receivable financing		
Advance payment	261,907,621.25	119,263,733.62
Premium receivable		
Reinsurance accounts receivable		

Reinsurance contract reserves receivable		
Other receivables	164,730,593.97	98,783,571.36
Wherein: interest receivable	1,238,332.42	4,931,006.22
Dividends receivable		
Redemptory monetary capital for sale		
Inventory	4,060,479,826.72	2,898,116,191.04
Assets held for sale		
Non-current assets due within one year		
Other current assets	4,408,936,453.94	4,661,230,094.25
Total current assets	14,449,615,673.83	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
Other creditors' investment		
Held-to-maturity investment		
Long-term receivables		
Long-term equity investment	2,120,760,546.47	2,226,837,618.49
Other equity instruments investment	185,465,578.00	
Other non-current financial assets		
Investment real estate		

Fixed assets	10,942,856,261.46	9,565,140,378.45
Projects under construction	565,696,044.17	2,381,041,517.05
Productive biological assets		
Oil and gas assets		
Right-of-use asset		
Intangible assets	1,136,367,123.07	1,156,963,479.71
Development expenditure		
Goodwill	13,075,057.26	13,075,057.26
Long-term unamortized expenses	78,590,451.99	87,232,309.27
Deferred income tax assets	678,558,960.08	653,188,775.33
Other non-current assets		
Total non-current assets	15,721,370,022.50	16,241,578,913.56
Total assets	30,170,985,696.33	30,149,200,569.79
<b>Current liabilities:</b>		
Short-term loan		
Loans from the Central Bank		
Borrowings from banks and other financial institutions		
Transactional financial liabilities		
Financial liabilities measured at the fair value with the changes included in the current profit and loss		
Derivative financial liabilities		

Notes payable		
Accounts payable	5,253,198,194.58	3,940,765,468.72
Advance receipts	1,420,445,480.54	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	271,697,568.08	277,872,237.15
Taxes payable	408,714,465.87	449,995,333.01
Other payables	88,412,512.12	74,401,069.57
Wherein: interest payable	0	29,486.11
Dividends payable		
Handling charges and commission payable		
Reinsurance accounts payable		
Liabilities held for sale		
Non-current liabilities due within one year		
Other current liabilities	12,233,926.44	7,300,330.85
Total current liabilities	7,454,702,147.63	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	27,112,403.57	27,316,350.24
Employee salary payable for long-term		
Estimated liabilities	228,755,329.87	105,746,387.29
Deferred income	170,297,042.37	156,163,722.90
Deferred income tax liabilities	22,345,957.93	18,899,268.91
Other non-current liabilities		
Total non-current liabilities	668,510,733.74	528,125,729.34
Total liabilities	8,123,212,881.37	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 comprehensive income	68,417,208.14	47,540,172.61
Special reserve	462,946,074.75	482,270,903.18
Surplus reserves	1,607,827,558.05	1,607,827,558.05
Generic risk reserve		
Undistributed profit	11,229,785,441.23	12,086,008,009.88
Total owners' equity (or shareholders' equity) attributable to the parent company	22,038,271,288.28	22,892,941,649.83
Minority stockholders' interest	9,501,526.68	11,498,104.02
Total owner's equity (or shareholders' equity)	22,047,772,814.96	22,904,439,753.85
Total liabilities and owner's equity (or shareholders' equity)	30,170,985,696.33	30,149,200,569.79

Legal representative: Yu Yi                      Person in charge of accounting affairs: Li Peng  
 Person in charge of accounting department: Yao Baoqin

### Balance Sheet of the Parent Company

September 30, 2019

Prepared by Offshore Oil Engineering Co., Ltd.

Unit: Yuan Currency: RMB Audit type: Unaudited

Item	September 30, 2019	December 31, 2018
<b>Current assets:</b>		
Monetary capital	1,038,416,485.51	1,217,322,938.46
Transactional financial assets		

Financial asset measured at fair value with their changes included in the current profit and loss		
Derivative financial assets		
Notes receivable		
Accounts receivable	2,994,237,558.11	3,858,091,286.22
Accounts receivable financing		
Advance payment	113,412,256.32	46,477,628.38
Other receivables	935,393,191.50	674,256,426.03
Wherein: interest receivable	0	340,875.25
Dividends receivable	198,000,000.00	0
Inventory	3,668,682,384.75	2,686,448,143.15
Assets held for sale		
Non-current assets due within one year		
Other current assets	3,415,511,796.97	3,734,113,157.24
Total current assets	12,165,653,673.16	12,216,709,579.48
<b>Non-current assets:</b>		
Creditors' investment		
Available-for-sale financial assets		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	185,465,578.00	
Other non-current financial assets		
Investment real estate		
Fixed assets	5,226,964,448.25	3,417,054,227.08
Projects under construction	188,925,368.21	2,113,313,515.76
Productive biological assets		
Oil and gas assets		
Right-of-use asset		
Intangible assets	392,409,847.94	403,030,394.29
Development expenditure		
Goodwill		
Long-term unamortized expenses	67,312,117.28	71,854,468.44
Deferred income tax assets	460,465,922.07	432,367,280.79
Other non-current assets		
Total non-current assets	15,727,517,452.62	15,801,693,835.23
Total assets	27,893,171,125.78	28,018,403,414.71
<b>Current liabilities:</b>		
Short-term loan		
Transactional financial liabilities		
Financial liabilities measured at the fair value with the changes included in the		

current profit and loss		
Derivative financial liabilities		
Notes payable		
Accounts payable	7,561,827,663.50	6,574,816,227.05
Advance receipts	1,176,662,618.95	1,939,072,850.28
Employee salary payable	192,908,378.01	195,717,732.68
Taxes payable	38,737,331.08	81,545,033.12
Other payables	243,836,836.26	81,822,316.05
Wherein: interest payable	0	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	9,218,006,481.10	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	27,112,403.57	27,316,350.24

Employee salary payable for long-term		
Estimated liabilities	123,008,942.58	
Deferred income	101,527,782.96	85,611,044.64
Deferred income tax liabilities	11,716,513.43	9,394,129.50
Other non-current liabilities		
Total non-current liabilities	483,365,642.54	342,321,524.38
Total liabilities	9,701,372,123.64	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 comprehensive income	24,082,305.06	19,971,616.77
Special reserve	432,805,583.18	438,785,312.37
Surplus reserves	1,598,184,996.16	1,598,184,996.16
Undistributed profit	7,469,983,319.87	8,075,389,354.68
Total owner's equity (or shareholders' equity)	18,191,799,002.14	18,799,074,077.85
Total liabilities and owner's equity (or shareholders' equity)	27,893,171,125.78	28,018,403,414.71

Legal representative: Yu Yi                      Person in charge of accounting affairs: Li Peng  
 Person in charge of accounting department: Yao Baoqin

**Consolidated Profit Statement**

January to September 2019

Prepared by Offshore Oil Engineering Co., Ltd.

Unit: Yuan Currency: RMB    Audit type: Unaudited

Item	The third quarter of 2019 (July to September)	The third quarter of 2018 (July to September)	The first three quarters of 2019 (January to September)	The first three quarters of 2018 (January to September)
I. Gross operating income	3,505,250,926.3 4	3,076,419,335.6 4	8,064,667,114.2 1	6,652,138,512.8 5
Wherein: operating income	3,505,250,926.3 4	3,076,419,335.6 4	8,064,667,114.2 1	6,652,138,512.8 5
Interest income				
Earned premiums				
Income from handling charges and commissions				
II. Gross operating cost	3,452,157,077.0 5	3,058,453,605.2 1	8,376,990,007.6 4	6,826,839,707.8 0
Wherein: operating cost	3,239,792,520.5 9	2,854,183,198.1 6	7,914,741,770.4 7	6,361,142,502.7 6
Interest expenditure				

Expenditure on handling charges and commissions				
Surrender value				
Net amount of compensation payout				
Net amount of policy reserve extracted				
Policyholder dividends				
Reinsurance expenses				
Taxes and surcharges	14,382,433.07	9,138,075.65	51,092,248.71	46,538,148.90
Sales cost	8,761,333.52	2,856,767.59	19,307,801.40	7,346,119.15
Administration expense	51,498,926.72	74,065,413.03	145,810,998.09	180,227,469.87
R&D expense	162,690,632.34	183,409,003.79	278,008,219.38	300,299,972.02
Financial expense	-24,968,769.19	-65,198,853.01	-31,971,030.41	-68,714,504.90
Wherein: interest expense		246,611.11	458,375.00	603,875.00
Interest income	3,105,463.01	6,935,713.06	13,073,830.87	45,796,584.04
Plus: other incomes	44,201,034.40	39,064,004.79	59,899,178.14	65,696,686.56

Investment income (loss indicated with "-")	-18,063,022.89	-51,114,434.04	-8,942,379.30	-54,575,710.42
Wherein: investment income from associates and joint ventures	-42,130,055.70	-31,253,007.50	-106,877,072.02	-84,447,714.24
Derecognition of income for financial assets measured at amortized cost.				
Exchange gain (loss indicated by "-")				
Net exposure hedging income (loss indicated with "-")				
Income from changes in fair value (loss indicated with "-")		22,658,812.72		
Credit impairment loss (loss indicated with "-")	719,422.37		-12,592,235.38	
Assets impairment loss (loss indicated with "-")			-395,930,275.88	-1,670,444.76

Profit from disposal of assets (loss indicated with "—")			151,900.93	137,719.49
III. Operating profit (loss indicated with "—")	79,951,283.17	28,574,113.90	-669,736,704.92	-165,112,944.08
Plus: non-operating income	27,366,918.21	18,881,552.28	32,751,951.56	30,906,057.67
Less: non-operating expenses	3,269,196.78	655,214.35	3,332,445.09	2,329,099.80
IV Total profit (total loss indicated with "-")	104,049,004.60	46,800,451.83	-640,317,198.45	-136,535,986.21
Less: income tax expense	25,206,770.47	4,673,216.55	-3,141,007.34	5,682,741.60
V. Net profit (net loss indicated with "-")	78,842,234.13	42,127,235.28	-637,176,191.11	-142,218,727.81
(i) Classified as per business continuity				
1. Net profit from continuing operation (net loss indicated by "-")	78,842,234.13	42,127,235.28	-637,176,191.11	-142,218,727.81
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 "-")	78,941,397.21	42,775,870.84	-635,154,828.65	-139,634,452.04
2. Profit and loss of minority shareholders (net loss indicated with "-")	-99,163.08	-648,635.56	-2,021,362.46	-2,584,275.77
VI. Net of tax of other comprehensive income	2,075,900.42	6,580,202.01	20,901,820.65	-66,504,104.38
Net of tax of other comprehensive income attributable to owners of parent company	2,019,347.67	6,420,403.26	20,877,035.53	-66,674,927.49
(i) Other comprehensive income which cannot be reclassified into the profit and loss in future	6,645,980.00		23,260,930.00	



1. Change due to re-measurement of defined benefit plans				
2. Other comprehensive income that cannot be reclassified into the profit and loss under the Equity Method				
3. Fair value change in other equity instruments investment	6,645,980.00		23,260,930.00	
4. Fair value change in the credit risk of the Company				
(ii) Other comprehensive income which will be reclassified into the profit and loss	-4,626,632.33	6,420,403.26	-2,383,894.47	-66,674,927.49
1. Other comprehensive income that can be reclassified into the profit and loss under the Equity Method				

2. Fair value change in other creditors' investment				
3. Change of fair value recognized in profit and loss of available-for-sale financial assets		755,225.00		-72,350,555.00
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	-4,626,632.33	5,665,178.26	-2,383,894.47	5,675,627.51
9. Others				
Net of tax of other comprehensive income attributable to minority shareholders	56,552.75	159,798.75	24,785.12	170,823.11
VII. Total consolidated income	80,918,134.55	48,707,437.29	-616,274,370.46	-208,722,832.19
Total consolidated income attributable to holding company	80,960,744.88	49,196,274.10	-614,277,793.12	-206,309,379.53
Total consolidated income attributable to minority shareholder	-42,610.33	-488,836.81	-1,996,577.34	-2,413,452.66
VIII. Earnings per share:				
(i) Basic earnings per share (EPS) (RMB /share)	0.02	0.01	-0.14	-0.03

(ii) Diluted earnings per share (yuan/share)	0.02	0.01	-0.14	-0.03
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Merger of enterprises under same control doesn't exist in current period.

Legal representative: Yu Yi                      Person in charge of accounting affairs: Li Peng  
 Person in charge of accounting department: Yao Baoqin

### Profit Statement of Parent Company

January to September 2019

Prepared by Offshore Oil Engineering Co., Ltd.

Unit: Yuan Currency: RMB    Audit type: Unaudited

Item	The third quarter of 2019 (July to September)	The third quarter of 2018 (July to September)	The first three quarters of 2019 (January to September)	The first three quarters of 2018 (January to September)
I. Operating income	2,707,619,887.67	2,509,457,620.98	6,230,162,292.49	5,568,532,274.64
Less: operating cost	2,703,944,888.31	2,369,268,214.36	6,320,548,575.54	5,497,198,375.24
Taxes and surcharges	6,941,362.95	1,459,688.79	27,196,169.87	8,237,951.04
Sales cost	1,786,549.14	202,790.55	2,316,661.85	903,964.17
Administration expense	26,667,324.80	40,256,369.53	81,426,766.56	104,990,447.10
R&D expense	86,041,965.80	149,705,653.08	148,736,875.79	245,224,091.68
Financial expense	-20,399,557.81	-33,579,435.93	-26,000,285.19	-42,117,061.61

Wherein: interest expense	981,580.28	246,611.11	1,439,955.28	676,128.32
Interest income	3,047,746.75	1,569,141.64	11,184,824.80	7,619,420.43
Plus: other incomes	5,846,309.17	20,330,855.24	17,846,200.03	30,409,914.52
Investment income (loss indicated with “-”)	216,129,038.51	2,110,062.90	278,817,652.90	1,510,239,072.1 8
Wherein: investment income from associates and joint ventures				
Derecognition of income for financial assets measured at amortized cost.				
Net exposure hedging income (loss indicated with “-”)				
Income from changes in fair value (loss indicated with “-”)				
Credit impairment loss (loss indicated with “-”)			1,935,636.65	
Assets impairment loss			-394,292,680.77	-1,962,974.71

(loss indicated with "-")				
Profit from disposal of assets (loss indicated with "-")				137,719.49
II. Operating profit (loss indicated with "-")	124,612,702.16	4,585,258.74	-419,755,663.12	1,292,918,238.50
Plus: non-operating income	4,476,916.25	840,841.96	7,779,941.98	2,050,114.99
Less: non-operating expenses	2,004,359.13	210,038.85	2,066,827.46	693,623.83
III. Total profits (loss indicated with "-")	127,085,259.28	5,216,061.85	-414,042,548.60	1,294,274,729.66
Less: income tax expense	-14,489,952.40	-4,978,918.40	-29,704,253.79	-34,472,585.04
IV. Net Profits (net loss indicated with "-")	141,575,211.68	10,194,980.25	-384,338,294.81	1,328,747,314.70
(i) Net profit from continuing operation (net loss indicated with "-")	141,575,211.68	10,194,980.25	-384,338,294.81	1,328,747,314.70
(ii) Net profit from discontinuing				

operation (net loss indicated by "-".)				
V. Net of tax of other comprehensive income	-12,588,279.68	-7,440,515.20	4,110,688.29	-83,033,172.70
(i) Other comprehensive income which cannot be reclassified into the profit and loss in future	6,645,980.00		23,260,930.00	
1. Change due to re-measurement of defined benefit plans				
2. Other comprehensive income that cannot be reclassified into the profit and loss under the Equity Method				
3. Fair value change in other equity instruments investment	6,645,980.00		23,260,930.00	
4. Fair value change in the credit risk of the Company				

(ii) Other comprehensive income which will be reclassified into the profit and loss	-19,234,259.68	-7,440,515.20	-19,150,241.71	-83,033,172.70
1. Other comprehensive income that can be reclassified into the profit and loss under the Equity Method				
2. Fair value change in other creditors' investment				
3. Change of fair value recognized in profit and loss of available-for-sale financial assets		755,225.00		-72,350,555.00
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	-19,234,259.68	-8,195,740.20	-19,150,241.71	-10,682,617.70
9. Others				
VI. Total consolidated income	128,986,932.00	2,754,465.05	-380,227,606.52	1,245,714,142.00
VII. Earnings per share				
(i) Basic earnings per share (EPS) (RMB /share)				
(ii) Diluted earnings per share (yuan/share)				

Legal representative: Yu Yi                      Person in charge of accounting affairs: Li Peng  
 Person in charge of accounting department: Yao Baoqin

**Consolidated Cash Flow Statement**

January to September 2019

Prepared by Offshore Oil Engineering Co., Ltd.

Unit: Yuan Currency: RMB    Audit type: Unaudited

Item	The first three quarters of 2019  (January to September)	The first three quarters of 2018  (January to September)
<b>I. Cash flows from operating activities:</b>		
Cash received from sale of goods or provisions of services	7,656,183,120.17	5,833,537,370.38
Net increases from customer's deposit and deposit from other banks		
Net increase in borrowings from Central Bank		
Net increase in borrowings from other financial institutions		
Cash received from premium of original insurance contract		
Net cash received from reinsurance business		
Net increase in policyholder deposit and investment		
Cash received as interest, handling charges and commission		

Net increase in borrowings from banks and other financial institutions		
Net increase in capital from repurchase business		
Net cash from vicariously traded securities		
Refund of tax and fare received	170,601,313.54	187,772,519.71
Other cash received relating to operating activities	285,131,071.87	244,041,646.29
Sub-total of cash inflows from operating activities	8,111,915,505.58	6,265,351,536.38
Cash paid for goods and services	5,998,203,996.60	5,950,269,261.72
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 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	1,618,296,420.56	1,491,247,095.41
Payments for various taxes	377,752,598.07	328,706,379.46
Other cash paid relating to operating	133,375,617.56	114,459,196.87

activities		
Sub-total of cash outflows from operating activities	8,127,628,632.79	7,884,681,933.46
Net cash flow from business operation	-15,713,127.21	-1,619,330,397.08
<b>II. Cash flows from investment activities:</b>		
Cash received from disposal of investments	9,110,000,000.00	8,158,052,000.00
Cash received from investment income	104,017,480.28	71,786,832.47
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		1,213,829.00
Net cash received from disposing subsidiaries and other business units		
Other cashes received relating to investment activities		
Subtotal of cash inflows of investment activity	9,214,017,480.28	8,231,052,661.47
Cash paid to acquire fixed assets, intangible assets and other long-term assets	121,171,835.39	764,810,136.57
Cash paid to acquire investments	8,840,800,000.00	8,461,000,000.00
Net increase in pledge loan		
Net cash used for acquiring subsidiaries and other business units		
Other cashes paid relating to investment activities		43,985,000.00
Sub-total of cash outflows from	8,961,971,835.39	9,269,795,136.57

investment activities		
Net cash flow from investment activities	252,045,644.89	-1,038,742,475.10
<b>III. Cash flow 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
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	221,555,601.11	221,067,740.00
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	221,555,601.11	221,067,740.00
Net cash flow from financing activities	-221,555,601.11	-91,067,740.00
<b>IV. Effect of exchange rate changes on cash and cash equivalents</b>	11,796,753.98	-5,641,603.06
<b>V. Net increase in cash and cash equivalents</b>	26,573,670.55	-2,754,782,215.24

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>	<b>1,970,337,331.82</b>	<b>1,873,779,954.54</b>

Legal representative: Yu Yi                      Person in charge of accounting affairs: Li Peng  
 Person in charge of accounting department: Yao Baoqin

### Cash Flow Statement of the Parent Company

January to September 2019

Prepared by Offshore Oil Engineering Co., Ltd.

Unit: Yuan Currency: RMB Audit type: Unaudited

Item	The first three quarters of 2019 (January to September)	The first three quarters of 2018 Amount (January to September)
<b>I. Cash flows from operating activities:</b>		
Cash received from sale of goods or provisions of services	5,872,286,852.03	4,832,911,382.91
Refund of tax and fare received	11,701,804.31	91,131,464.93
Other cash received relating to operating activities	331,914,683.90	116,753,097.10
Sub-total of cash inflows from operating activities	6,215,903,340.24	5,040,795,944.94
Cash paid for goods and services	5,141,095,350.74	4,517,316,832.90
Cash paid to and for staff and workers	1,147,802,996.51	1,081,870,941.34
Payments for various taxes	161,026,579.63	45,699,226.09

Other cash paid relating to operating activities	69,068,398.24	57,095,048.97
Sub-total of cash outflows from operating activities	6,518,993,325.12	5,701,982,049.30
Net cash flow from business operation	-303,089,984.88	-661,186,104.36
<b>II. Cash flows from investment activities:</b>		
Cash received from disposal of investments	7,133,450,500.00	3,231,459,000.00
Cash received from investment income	85,187,839.87	1,214,213,006.86
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	7,218,638,339.87	4,446,564,681.86
Cash paid to acquire fixed assets, intangible assets and other long-term assets	74,613,967.41	514,755,288.80
Cash paid to acquire investments	6,800,000,000.00	3,030,000,000.00
Net cash used for acquiring subsidiaries and other business units		
Other cashes paid relating to investment activities		
Sub-total of cash outflows from	6,874,613,967.41	3,544,755,288.80

investment activities		
Net cash flow from investment activities	344,024,372.46	901,809,393.06
<b>III. Cash flow 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	221,555,601.11	221,067,740.00
Other cashes paid relating to financing activities		
Sub-total of cash outflows from financing activities	221,555,601.11	221,067,740.00
Net cash flow from financing activities	-221,555,601.11	-91,067,740.00
<b>IV. Effect of exchange rate changes on cash and cash equivalents</b>	1,714,760.58	5,440,371.93
<b>V. Net increase in cash and cash equivalents</b>	-178,906,452.95	154,995,920.63
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>	1,038,416,485.51	1,167,301,221.73



Legal representative: Yu Yi                      Person in charge of accounting affairs: Li Peng  
 Person in charge of accounting department: Yao Baoqin

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 statements at the beginning of the year for the first time

"√ Applicable" "□ Inapplicable"

Consolidated Balance Sheet

Unit: Yuan

Currency: RMB

Item	December 31, 2018	January 01, 2019	Amount adjusted
<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			
Transactional financial assets	Inapplicable		
Financial asset measured at fair value with their changes included in the current profit and loss		Inapplicable	
Derivative financial assets			
Notes receivable			
Accounts receivable	4,186,332,475.43	4,186,332,475.43	
Accounts receivable financing	Inapplicable		
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	
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	Inapplicable		
Available-for-sale financial assets	158,099,778.00	Inapplicable	-158,099,778.00
Other creditors' investment	Inapplicable		
Held-to-maturity investment		Inapplicable	
Long-term receivables			
Long-term equity investment	2,226,837,618.49	2,226,837,618.49	
Other equity instruments	Inapplicable	158,099,778.00	158,099,778.00

investment			
Other non-current financial assets	Inapplicable		
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			
Goodwill	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			
Borrowings from banks and other financial institutions			

Transactional financial liabilities	Inapplicable		
Financial liabilities measured at the fair value with the changes included in the current profit and loss		Inapplicable	
Derivative financial liabilities			
Notes payable			
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			
Dividends payable			
Handling charges and commission payable			
Reinsurance accounts payable			

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	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	
Employee salary payable for long-term			
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			
Capital reserves	4,247,940,206.11	4,247,940,206.11	
Less: treasury stock			
Other comprehensive income	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 (or shareholders' 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 applied the new accounting standards of financial instruments since January 1, 2019, and designated some equity instruments investment originally included into available-for-sale financial instrument as the financial instruments with the changes of fair value

included into other comprehensive income according to the provisions therein. Accordingly, such equity instruments investment was adjusted and included into other equity instrument investment.

## Balance Sheet of the Parent Company

Unit: Yuan

Currency: RMB

Item	December 31, 2018	January 01, 2019	Amount adjusted
<b>Current assets:</b>			
Monetary capital	1,217,322,938.46	1,217,322,938.46	
Transactional financial assets	Inapplicable		
Financial asset measured at fair value with their changes included in the current profit and loss		Inapplicable	
Derivative financial assets			
Notes receivable			
Accounts receivable	3,858,091,286.22	3,858,091,286.22	
Accounts receivable financing	Inapplicable		
Advance payment	46,477,628.38	46,477,628.38	
Other receivables	674,256,426.03	674,256,426.03	
Wherein: interest receivable			
Dividends receivable			
Inventory	2,686,448,143.15	2,686,448,143.15	
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	Inapplicable		
Available-for-sale financial assets	158,099,778.00	Inapplicable	-158,099,778.00
Other creditors' investment	Inapplicable		
Held-to-maturity investment		Inapplicable	
Long-term receivables			
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	Inapplicable		
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			
Goodwill			
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			
Transactional financial liabilities	Inapplicable		
Financial liabilities measured at the fair value with the changes included in the current profit and loss		Inapplicable	
Derivative financial liabilities			
Notes payable			
Accounts payable	6,574,816,227.05	6,574,816,227.05	
Advance receipts	1,939,072,850.28	1,939,072,850.28	
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			

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	
Employee salary payable for long-term			
Estimated liabilities			
Deferred income	85,611,044.64	85,611,044.64	
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 comprehensive income	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 applied the new accounting standards of financial instruments since January 1, 2019, and designated some equity instruments investment originally included into available-for-sale financial instrument as the financial instruments with the changes of fair value included into other comprehensive income according to the provisions therein. Accordingly, such equity instruments investment was adjusted and included into other equity instrument 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"

4.4 Audit Report

Applicable"  Inapplicable"