

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

## **Announcement of the Resolutions Adopted at the 14<sup>th</sup> Meeting of the 6<sup>th</sup> Term of the Board of Directors**

### **Important Note**

The board of directors and all directors of Offshore Oil Engineering Co., Ltd ensure that the contents of this Announcement are free from any misrepresentation, misleading statement and material omission, and that they will assume joint and several liability for the truthfulness, accuracy and integrity of the contents.

### **I. Convening of the meeting**

Offshore Oil Engineering Co., Ltd (hereinafter referred to as the “Company”) served the *Notice on Convening the 14<sup>th</sup> Meeting of the 6<sup>th</sup> Term of the Board of Directors* to all directors of the Company via email on March 15<sup>th</sup> 2019. The 14<sup>th</sup> Meeting of the 6<sup>th</sup> Term of the Board of Directors was held in Beijing on March 22<sup>nd</sup> 2019 and was presided over by the chairman of the board of directors of the Company, Mr. Jin Xiaojian.

Seven directors should attend this meeting and seven directors attended the meeting. Some supervisors and senior managers of the Company also attended this meeting. This meeting was convened in compliance with all applicable laws, regulations, rules and the Company’s Articles of Association.

### **II. Review at the meeting of the board of directors**

The following resolutions were prudently reviewed and adopted by the directors attending the meeting:

(I) The *Work Report of the Board of Directors of the Company for 2018* was reviewed and adopted with 7 affirmative votes, 0 dissenting vote and 0 abstention.

(II) The *Work Report of the President of the Company for 2018* was reviewed and adopted with 7 affirmative votes, 0 dissenting vote and 0 abstention.

(III) The *Proposal on the Provision for Impairment of Assets of the Company* was reviewed and adopted with 7 affirmative votes, 0 dissenting vote and 0 abstention. (For details, refer to the *Announcement of the Company on the Provision for Impairment of Assets* published on the same date on the official website of Shanghai Stock Exchange, [www.sse.com.cn](http://www.sse.com.cn).)

(IV) The *Final Statement of Account of the Company for 2018* was reviewed and adopted with 7 affirmative votes, 0 dissenting vote and 0 abstention.

(V) The *Profit-sharing Plan of the Company for 2018* was reviewed and adopted with 7 affirmative votes, 0 dissenting vote and 0 abstention.

As audited by BDO China Shu Lun Pan Certified Public Accountants LLP, the net profit achieved by the parent company in 2018 was 1,578,826,266.23 Yuan, from which 157,882,626.62 Yuan was subcontracted at 10% as the statutory surplus reserve, plus 6,875,513,455.07 Yuan as the parent company's undistributed profit at the beginning of the year, and from which 221,067,740.00 Yuan was subtracted as the cash dividend of 2017 distributed in the year. As of the end of 2018, the parent company's profit attributable to equity holders was 8,075,389,354.68 Yuan and the balance of the parent company's capital reserves was 4,245,387,997.87 Yuan.

The Company plans to use the total capital stock of 4,421,354,800 shares as of the end of 2018 as the basis, distribute a cash dividend of 0.50 Yuan per 10 shares (inclusive of tax), not to distribute stock dividend and not to capitalize its capital reserve. The total amount of cash dividends to be distributed is 221,067,740.00 Yuan and the remaining undistributed profit will be carried forward for distribution in the following years.

(VI) The *Social Responsibility Report of the Company for 2018* was reviewed and adopted with 7 affirmative votes, 0 dissenting vote and 0 abstention. (For complete report, visit the official website of Shanghai Stock Exchange, [www.sse.com.cn](http://www.sse.com.cn).)

(VII) The *Special Report on the Deposit and Use of the Annual Raised Fund of the Company* was reviewed and adopted with 7 affirmative votes, 0 dissenting vote and 0 abstention. (For complete

report, visit the official website of Shanghai Stock Exchange, [www.sse.com.cn](http://www.sse.com.cn).)

(VIII) The *Internal Control Evaluation Report of the Company for 2018* was reviewed and adopted with 7 affirmative votes, 0 dissenting vote and 0 abstention. (For complete report, visit the official website of Shanghai Stock Exchange, [www.sse.com.cn](http://www.sse.com.cn).)

(IX) The *Internal Control Audit Report of the Company for 2018* was reviewed and adopted with 7 affirmative votes, 0 dissenting vote and 0 abstention. (For complete report, visit the official website of Shanghai Stock Exchange, [www.sse.com.cn](http://www.sse.com.cn).)

(X) The *Summary Report of the Audit Committee of the Board of Directors on the Financial and Internal Control Audits of the Company in 2018 Performed by BDO China Shu Lun Pan Certified Public Accountants LLP* was reviewed and adopted with 7 affirmative votes, 0 dissenting vote and 0 abstention.

(XI) The *2018 Annual Report and Its Summary of the Company* was reviewed and adopted with 7 affirmative votes, 0 dissenting vote and 0 abstention. (For complete report, visit the official website of Shanghai Stock Exchange, [www.sse.com.cn](http://www.sse.com.cn).)

(XII) The *Proposal on Renewing the Service Contract with the Agency Performing Financial and Internal Control Audits of the Company in 2019* was reviewed and adopted with 7 affirmative votes, 0 dissenting vote and 0 abstention.

The board of directors agreed to continue to hire BDO China Shu Lun Pan Certified Public Accountants LLP as the Company's financial and internal control audit agency in 2019 to provide internal control and other audit services, mainly including the audits of the Company's accounting statement and financial statements, to the Company for one year. The Company's management was authorized to agree on the total audit expense of 2019 with BDO China Shu Lun Pan Certified Public Accountants LLP.

The independent directors of the Company gave independent opinions on renewing the service contract with the agency performing financial and

internal control audits of the Company in 2019. (For details, refer to the Opinions of Independent Directors of the Company published on the same data on the official website of Shanghai Stock Exchange, [www.sse.com.cn](http://www.sse.com.cn).)

(XIII) The *Proposal on Providing Guarantee to Offshore Oil Engineering International (Thailand) Co., Ltd, A Subsidiary of the Company, for Undertaking the EPC Project of Abandonment of Two Platforms in SKL-C Block* was reviewed and adopted with 7 affirmative votes, 0 dissenting vote and 0 abstention.

Offshore Oil Engineering International (Thailand) Co., Ltd, a third-tier subsidiary of the Company, (hereinafter referred to as the “Thailand Company”), signed the EPC contract for abandonment of two platforms in SKL-C block in November 2018. According to the contract, the Company, as the parent company of the Thailand Company, shall provide a parent company guarantee to the Thailand Company.

It was agreed that the Company would provide a parent company guarantee to the Thailand Company for undertaking the EPC project of abandonment of two platforms in SKL-C block. The Thailand Company shall be responsible for the offshore dismantlement and transport of the platforms and the estimated contract price is approximately 543,630,000 US dollars. According to the contractual provisions, the upper limit of liability shall be 150% of the contract price, meaning that the amount of this guarantee shall be approximately 815,450,000 US dollars. As calculated from the latest date of commencement, the term of this parent company guarantee shall be from the date of its issuance to January 31<sup>st</sup> 2021.

The Company’s management was authorized by the board of directors to handle all affairs related to the issuance of parent company guarantee.

The independent directors of the Company gave independent opinions on the provision of parent company guarantee.

For the details of this guarantee and the opinions of independent directors, refer to the *Announcement of the Company on Providing Guarantee to its Subsidiary Thailand Company* and the *Opinions of Independent Directors of*

*the Company* published on the same date on the official website of Shanghai Stock Exchange, [www.sse.com.cn](http://www.sse.com.cn).

(XIV) The *2019 Investment Plan of the Company* was reviewed and adopted with 7 affirmative votes, 0 dissenting vote and 0 abstention.

The Company plans to invest RMB 1.659 billion Yuan in 2019 mainly to projects such as base construction, specialized technical services and equipment, scientific research projects, information-based construction, energy conservation and emission reduction, office equipment, charity and public welfare undertakings.

The first, fourth, fifth, eleventh and twelfth resolutions adopted at the meeting of the board of directors shall be submitted to the 2018 annual general meeting of shareholders of the Company for review and discussion. The Company will serve the notice on convening the general meeting of shareholders separately.

### **III. Attachments to the online announcement**

*Opinions of Independent Directors.*

The resolutions above are hereby announced.

Board of Directors of Offshore Oil Engineering Co., Ltd

March 22<sup>nd</sup> 2019