

Announcement of COOEC on Providing Credit Guarantee for Its Subsidiaries

Important Notes

The board of directors and all directors of the Company guarantee that this announcement contains no false records, misleading statements or major omissions, and undertake joint and several liabilities for the authenticity, accuracy and integrity of the announcement.

Important contents:

- Name of the guaranteed party: COOEC Subsea Technology (Shenzhen) Co., Ltd., Offshore Oil Engineering Qingdao Co., Ltd., and Beijing Gaotai Deep-sea Technology Co., Ltd.
- Guarantee amount: The total amount of this guarantee shall not exceed 800 million yuan.
- Guarantee period: From the date of approval by the board of directors to December 31, 2021
- Is there any counter guarantee in this guarantee? N/A
- Cumulative number of overdue external guarantees: No overdue guarantee

I. Overview of Guarantee

(1) Profile

To meet the needs of daily operation and management, the wholly-owned subsidiaries of Offshore Oil Engineering Co., Ltd. (hereinafter referred to as "the Company") and the non-wholly-owned subsidiaries of the Company that has actual control shall use bank credit to issue bank guarantee and letter of credit or obtain bank loans.

To support the business development of the wholly-owned subsidiaries and holding subsidiaries of the Company, strengthen centralized credit management, give full play to the Group's credit advantages and save the Company's overall financial costs, the Company agrees to issue bank guarantees and letters of credit for the three subsidiaries, namely COOEC Subsea Technology (Shenzhen) Co., Ltd., Offshore Oil Engineering Qingdao Co., Ltd., and Beijing Gaotai Deep-sea Technology Co., Ltd. to use its line of credit and for daily business operations such as bidding, performance and payment, or to provide reasonable and necessary guarantees for the above three subsidiaries to obtain independent bank credit. The Company shall assume corresponding joint and several guarantee responsibilities.

The total amount of guarantee shall not exceed the equivalent of 800 million yuan, as follows:

Unit: 100 million yuan Currency: RMB

S/N	Guaranteed party	Company shareholding ratio	December 31, 2019			Guarantee amount
			Total assets	Total liabilities	Asset-liability ratio	
1	COOEC Subsea Technology (Shenzhen) Co., Ltd.	100%	65.25	23.48	35.99%	No more than 700 million yuan
2	Offshore Oil Engineering (Qingdao) Co., Ltd.	100%	70.23	24.92	35.48%	No more than 80 million yuan
3	Beijing Gaotai Deep-sea Technology Co., Ltd.	70%	0.72	0.46	64.28%	No more than 20 million yuan

In total	No more than 800 million yuan
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The guarantee period is from the date of approval by the board of directors to December 31, 2021.

(2) Internal Decision-making Procedures of the Company

This guarantee has been deliberated and approved by all directors at the 22nd Meeting of the 6th Board of Directors of the Company held on March 20, 2020. According to the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange and the Company's relevant systems, there is no need to submit this guarantee to the shareholders meeting of the Company for deliberation and approval.

II. Basic Information of the Guaranteed Party

(1) COOEC Subsea Technology (Shenzhen) Co., Ltd.

Founding time: 1993.07.13

Registered capital: 2,285,614,700 yuan

Registered address: B2903, CNOOC Building, 3168 Houhaibin Road, Blue Coast Community, Yuehai Street, Nanshan District, Shenzhen City

Company type: Limited liability company

Legal representative: Chen Yong

Scope of business: The design and construction of underwater projects (including diving and ROV (underwater robot) projects) and the inspection, maintenance and safety assessment of underwater facilities (excluding the items that require preliminary approval and are prohibited as stipulated by laws, administrative regulations and decisions of the State Council); import and export business (except for items prohibited by laws, administrative regulations and decisions of the State Council. Restricted items can only be operated after obtaining permission); manufacture and installation of jacket and steel structure of offshore oil platform; laying of offshore oil submarine pipelines, manufacture and installation of common metal structural parts; machine repair, electrical instrument repair, pipeline repair, equipment installation and debugging for offshore oil and gas field platforms; installation, commissioning, renovation and maintenance of oil and gas pipelines and related equipment and facilities such as onshore oil and gas terminal processing plants, chemical plants, LNG, LPG and power plants; offshore oil and gas, ship maintenance, non-destructive inspection of production facilities and oil production equipment; civil engineering; painting (excluding restricted items). Scaffolding services. (Sites are set up separately for the above manufacture, installation and maintenance projects) port business; domestic and international ship management; international shipping; domestic costal transportation of ordinary goods.

Financial situation:

Main financial data for 2019 (Audited)

Unit: Ten thousand yuan Currency: RMB

Major accounting data	December 31, 2019
Total assets	652,509.14
Total liabilities	234,825.22
Total current liabilities	163,658.50
Total bank loans	0
Net assets	417,683.92
Major accounting data	The whole year of 2019
Operating income	211,524.25
Net profit	892.24

Relations with the Company: The Company holds 100% equity of COOEC Subsea Technology (Shenzhen) Co., Ltd.

(2) Offshore Oil Engineering (Qingdao) Co., Ltd.

Founding time: March 8, 2005

Registered capital: 3 million yuan

Registered address: 492 Lianjiang Road, Economic and Technological Development District, Qingdao, Shandong Province

Company type: Limited liability company

Legal representative: Lv Yi

Scope of business: EPC; construction of various offshore oil projects and other offshore engineering projects; construction of onshore petrochemical engineering (excluding hazardous chemicals and Class I precursor chemicals); construction and installation of offshore oil and gas development projects and supporting projects, and construction of petroleum industry projects; oil and gas engineering design, outfitting, oil and gas treatment engineering construction and repair; construction and installation of industrial and civil steel structures; construction of reel pipes; anode casting; quality control and inspection; NDT, physical and chemical, surveying and mapping and related technical services; inspection services; installation of offshore structures; engineering inspection, monitoring, safety assessment of marine engineering, construction engineering, foundation design and maintenance; overhaul of water structures and pipelines; underwater detection and diving engineering services; export of the self-produced products and technologies of the enterprise; import of raw and auxiliary materials, instruments and meters, mechanical equipment, spare parts and technologies needed by the enterprise for production; the feed processing business; contracting offshore oil projects and domestic and international bidding projects; contracting survey, consultation, design and supervision projects of the above overseas projects; export of equipment and materials needed for the above overseas projects; ship manufacturing (excluding fishing vessels and vessels specially approved by the state); rental of all kinds of mechanical equipment and related services required for construction of office buildings, factory buildings, ships and offshore structures; sales of steel, pipe fittings, cables, valves, instruments and meters, hardware and electrical equipment, insulation materials, fire fighting equipment, welding materials; transport of goods by water; port services; general cargo handling services; warehousing services (excluding cold storage, hazardous chemicals and Class I precursor chemicals); computer network technology service.

Financial situation:

Main financial data for 2019 (Audited)

Unit: Ten thousand yuan Currency: RMB

Major accounting data	December 31, 2019
Total assets	702,267.09
Total liabilities	249,191.01
Total current liabilities	231,734.39
Total bank loans	0
Net assets	453,076.08
Major accounting data	The whole year of 2019
Operating income	302,575.12
Net profit	3,783.85

Relations with the Company: The Company holds 100% equity of Offshore Oil Engineering (Qingdao) Co., Ltd.

(3) Beijing Gaotai Deep-sea Technology Co., Ltd.

Founding time: October 19, 2010

Registered capital: 5 million yuan

Registered address: Room 1111, Building 5, Yard 1, Penglaiyuan South Street, Southern Future Science City, Changping District, Beijing

Company type: Limited liability company

Scope of business: Deep-sea engineering technology services; Providing technical consulting services for deep-water oil and gas field development platform, equipment installation of deep-water platform, deep-water platform transportation and construction; natural science research and experimental development; sales of instruments and meters, computers, software and auxiliary equipment, mechanical equipment, and electronic products; software development; commissioned processing; import and export of goods and technologies; human resources services. (Enterprises independently choose business projects and carry out business activities according to law; human resources services and projects subject to approval according to law shall carry out business activities in accordance with the approved contents after approval by relevant departments; do not engage in the business activities that are prohibited or restricted according to the city's industrial policies.)

Financial situation:

Main financial data for 2019 (Audited)

Unit: Ten thousand yuan Currency: RMB

Major accounting data	December 31, 2019
Total assets	7,191.14
Total liabilities	4,622.21
Total current liabilities	4,144.12
Total bank loans	0
Net assets	2,508.92
Major accounting data	The whole year of 2019
Operating income	9,292.88
Net profit	200.66

Relations with the Company: The Company holds 70% equity of Beijing Gaotai Deep-sea Technology Co., Ltd.

III. Opinions of the Board of Directors

The board of directors of the Company believes that the above guarantee is for normal production and operation arrangement, and the guaranteed party is a wholly-owned or holding subsidiary of the Company, with normal operation and controllable guarantee risks.

IV. Opinions of Independent Directors

1. The Company provides credit guarantee for wholly-owned or holding subsidiaries, thus guarantying their business development and reducing financial expenses.
2. The guaranteed person is a wholly-owned or holding subsidiary of the Company. The Company can keep track of its credit status at any time, thus to strictly control and prevent guarantee risks.
3. The guarantee and decision-making procedures conform to the provisions of relevant documents such as Notice Concerning Some Issues on Regulating the Funds between Listed Companies and Associated Parties and Listed Companies' Provision of Guaranty to Other Parties (No. 56 [2003] promulgated by CSRC) and Notice on External Security by Listed Companies (No. 120 [2005]

promulgated by CSRC and Rules Governing the Listing of Stocks on the Shanghai Stock Exchange and Articles of Association and other relevant regulations.

4. The guarantee is fair and reasonable, and no damage is found to the interests of the Company and small and medium shareholders.

5. Unanimously agree to this guarantee.

V. Cumulative Amount of External Guarantees and of Overdue Guarantees

After this credit guarantee comes into effect, the Company has provided a total of 10 external guarantees to subsidiaries. The cumulative amount of guarantees reaches US\$1.282 billion, accounting for 39.38% of the Company's audited net assets in 2019 (calculated at the exchange rate of US\$ to RMB of 1:6.9612 on March 11, 2020). All guarantees are as follows:

Unit: 100 million yuan Currency: US Dollar

S/N	Main contents of guarantee	Guarantee amount
1	Provide the guarantee for performing Yamal Project of Offshore Oil Engineering (Qingdao) Co., Ltd.	5.75
2	Provide the guarantee for undertaking and performing Shell SDA Project of Offshore Oil Engineering (Qingdao) Co., Ltd.	0.03
3	Provide the guarantee for issuing a bank guarantee for Yamal Project of Offshore Oil Engineering (Qingdao) Co., Ltd.	1.31
4	Provide the guarantee for issuing a bank guarantee for the performance of Dangote Project of Nigeria Free Trade Zone Company.	0.38
5	Provide the guarantee for performing Lake Changhu Project of its Canadian subsidiary.	0.57
6	Provide the guarantee for performing the platform demolition project of its Thai subsidiary.	0.08
7	Provide the guarantee for performing the module construction project of Offshore Oil Engineering (Qingdao) Co., Ltd.	3.55
8	Provide credit guarantee for COOEC Subsea Technology (Shenzhen) Co., Ltd.	No more than 700 million yuan About US\$ 101 million
9	Provide credit guarantee for Offshore Oil Engineering (Qingdao) Co., Ltd.	No more than 80 million yuan About US\$ 11 million
10	Provide credit guarantee for Beijing Gaotai Deep-sea Technology Co., Ltd.	No more than 20 million yuan About US\$ 3 million
Cumulative amount of guarantees		No more than US\$1.282 billion

Apart from the above guarantees, the Company has no other guarantees. There is no overdue guarantee.

Reference documents

1. Resolution of the 22nd Meeting of the 6th Board of Directors of Offshore Oil Engineering Co., Ltd.
2. Opinions of independent directors
3. Copy of the business license of the guaranteed party and the latest financial statement

Announcement is hereby given.

Board of Directors of Offshore Oil Engineering Co., Ltd.

March 20, 2020