

Corporate Social Responsibility (CSR) Report 2019 of Offshore Oil Engineering Co., Ltd

About this Report

Report period:

January 1, 2019 - December 31, 2019.

Frequency of publication:

This is the 12th corporate social responsibility report of Offshore Oil Engineering Co., Ltd. published on an annual basis.

Scope of organization:

Offshore Oil Engineering Co., Ltd and its subsidiaries (organization chart is given in the part "Corporate Governance" of this Report)

Data sources:

Data used in this Report are from the Company's official documents, statistical reports, financial reports, etc., and have passed the review of relevant departments of the Company. The Board of Directors and all directors of the Company guarantee that there are no false records, misleading statements or major omissions in this Report, and will be severally and jointly liable for the authenticity, accuracy and integrity of this Report.

Basis of preparation:

This Report is prepared based on the Notice of Shanghai Stock Exchange on Strengthening CSR Work of Listed Companies & Issuing Guidelines on Environmental Information Disclosure of Listed Companies in SSE.

Description of name:

To facilitate expression and reading, "Offshore Oil Engineering Co., Ltd" is also called "COOEC", "Company" and "We" in this Report.

How to get this Report:

Offshore Oil Engineering Co., Ltd.

Address: No. 199 Haibin 15 Road, Tianjin Port Free Trade Zone

Tel.: 022-59898808

Fax: 022-59898800

E-mail: tijing@cooec.com.cn

I. Company Profile

Offshore Oil Engineering Co., Ltd is a listed company controlled by China National Offshore Oil Corporation, China's sole large project EPC contractor integrating the qualifications for design of offshore oil and natural gas development projects, onshore manufacturing and offshore installation, commissioning and maintenance, and liquefied natural gas and refining projects, as well as one of the largest and most competitive EPCI (engineering, procurement, construction and installation) contractors in the Far East and Southeast Asia regions, with its headquarters located in Tianjin Port Free Trade Zone. The Company was listed on Shanghai Stock Exchange in February 2002 (Stock abbreviation: COOEC, stock code: 600583).



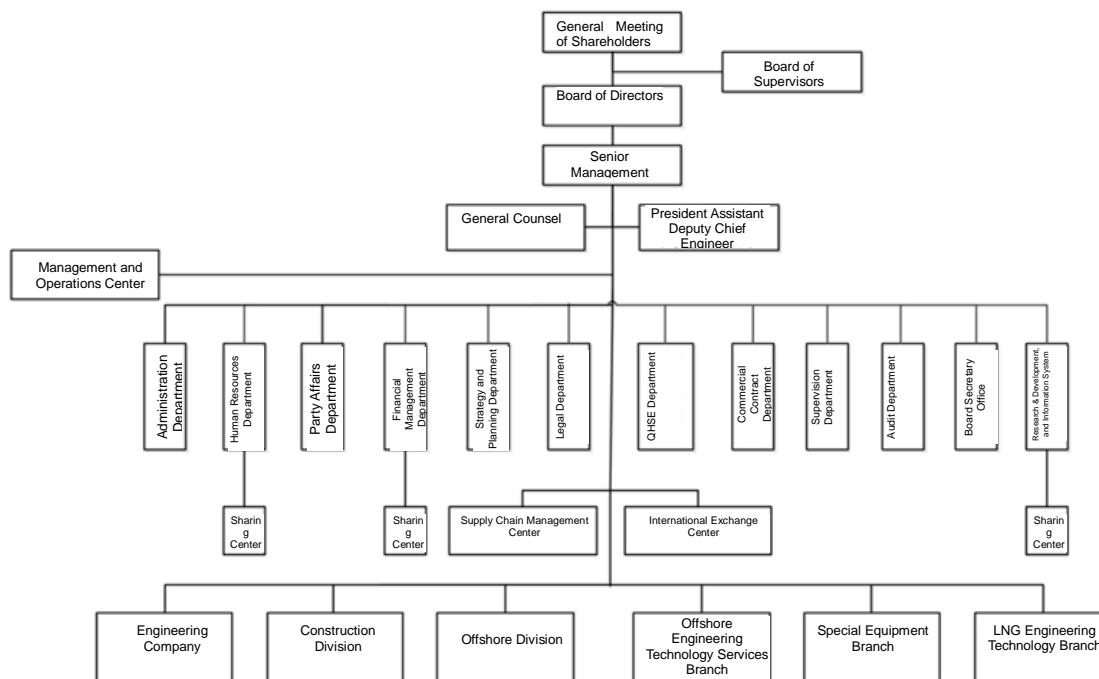
With around 7,805 employees, the Company has formed a multi-level and wide-range professional EPC team, and established a set of internationally compatible operation procedure and management standard. The Company has an offshore engineering manufacturing base of more than 1.2 million m² in Qingdao, Shandong, and has invested a 575,000 m² offshore engineering equipment manufacturing base in Lingang Industrial Area, Binhai New Area, Tianjin, which is under construction. COOEC-Fluor Heavy Industries Co., Ltd., the Company's joint venture in Zhuhai, Guangdong, has a 2.07 million m² offshore engineering manufacturing base, forming a pattern of construction yards that stretch across both South China and North China, have mutually supplementary functions, cover deep and shallow waters and face the entire world. The Company has 21 offshore construction vessels including deep-water pipe-laying vessels, 7,500t floating cranes, underwater engineering vessels, deep-water trenchers, 50,000t semi-submersible self-propelled vessels, etc., and acts as a leader in Asia in terms of offshore installation and pipe laying.



After over 40 years' construction and development, the Company has established a clear development orientation of "taking the service for the national strategy as its mission, being customer-oriented, insisting on high-quality development and building an international first-class energy engineering company with Chinese characteristics" and has formulated the development strategy of "persisting in building the EPCI capability with engineering as the core, persisting in serving the national energy strategy, promoting the international development of COOEC, persisting in serving CNOOC as the first priority, and expanding the integrated service capability in energy projects". The Company established professional management organizations and a diversified industrial layout consisting of COOEC Management and Operations Center, COOEC Engineering Company, COOEC Construction Division, COOEC Offshore Division, Engineering Technology Services Branches, COOEC Special Equipment Branch, COOEC LNG Engineering Technology Branch, COOEC International Exchange Center,

COOEC Supply Chain Management Center, etc., and developed the major capabilities in terms of 9 fields, including offshore project design, offshore project construction, offshore project installation, maintenance of offshore oil and gas fields, underwater inspection and installation, manufacturing of high-end skid-mounted products, offshore project quality inspection, offshore project general contracting & management and liquefied natural gas project construction. The Company has a wide variety of independent core technologies for the engineering, construction and installation of 30,000t super-large jackets and modules, comprehensive offshore float-over installation, laying subsea pipelines in 1,500m-deep waters, underwater structure installation, submarine pipeline repair, and the dismantling of offshore waste platforms.

Organization Chart of Offshore Oil Engineering Co., Ltd.



In recent years, the Company has been implementing the strategy of maritime power and the “Belt and Road” Initiative to accelerate its pace of entering the international market. It has undertaken and implemented a number of influential overseas projects such as the Yamal LNG Modular Construction Project in Russia, the Ichthys LNG Modular Construction Project in Australia, and the FPSO General Contracting Project in Brazil, thereby gradually improving its ability in international operations. By accelerating product structure adjustment and industrial structure transformation and upgrading, the Company has cultivated and formed a batch of important industries to adapt to the major trends of the industry development, such as the LNG industry (including global LNG modular construction, domestic LNG receiving stations and liquefaction plant projects), deep-water and underwater engineering industries, and the FPSO industry. With new core competitiveness and new growth poles, the Company's operational capacity, comprehensive strength and ability to resist risks have been constantly enhanced, and the space for development has been further expanded.

The Company will continue to unswervingly implement the development strategy, insist on serving the national strategy as its own responsibility, be customer-oriented, and strive for high-quality development, so as to build it as an international first-class energy engineering company with Chinese characteristics.

II. Corporate Governance

1. Concept of Responsibility

The Company always upholds that ensuring energy security is the fundamental political task of a state-owned energy enterprise and that increasing reserve and production is an inevitable choice to solve China's excessive dependence on foreign energy. It always responds to the changing times and actual development, and adjusts its development orientation and strategy in due course. Taking

CNOOC's recent development and construction of the "Seven-Year Action Plan" as its central task, the Company proactively assumes and fulfills its responsibilities and obligations to serve the national energy strategy and CNOOC's deployment, builds its core competitiveness and healthy and sustainable development capabilities in serving the overall situation in China and CNOOC's layout, and strives to create greater value for its shareholders.

2. Governance System

The Company has formulated the normative documents for corporate governance (including the Articles of Association, Rules of Procedure of the General Meeting of Shareholders, Rules of Procedure of the Board of Directors, Rules of Procedure of the Board of Supervisors, Working Rules of the President, independent director system, information disclosure and investor relationship management system, investment management system, etc.) in strict accordance with the Company Law, Securities Law, Guidelines for the Articles of Association of Listed Companies and relevant documents and requirements of the securities regulators, forming a relatively systematic corporate governance framework.

| No. Governance System | | No. Governance System | |
|-----------------------|--|-----------------------|---|
| 1 | Articles of Association | 12 | Working System of Board Secretary |
| 2 | Rules of Procedure of the General Meeting of Shareholders | 13 | Annual Audit Working Regulations of the Audit Committee of the Boards of Directors |
| 3 | Rules of Procedure of the Board of Directors | 14 | Information Disclosure Management System |
| 4 | Rules of Procedure of the Board of Supervisors | 15 | Investment Management System |
| 5 | Working Rules of the President | 16 | Management System for the Company's Shares Held by the Directors, Supervisors and Senior Managers and the Changes |
| 6 | Implementation Rules for the Strategic Committee of the Boards of Directors | 17 | Confidentiality System for Insiders of Inside Information |
| 7 | Implementation Rules of the Remuneration and Appraisal Committee of the Board of Directors | 18 | Accountability System for Major Errors in Information Disclosure in Annual Reports |
| 8 | Implementation Rules for the Nomination Committee of the Boards of Directors | | |
| 9 | Implementation Rules for the Audit Committee of the Boards of Directors | 19 | Internal Accountability System of Offshore Oil Engineering Co., Ltd. |
| 10 | Working System of Independent Directors | 20 | Measures for Investor Relations Management |
| 11 | Working System on Annual Report of Independent Directors | 21 | Measures for Management and Use of Funds Raised |

During the reporting period, the Company continuously improved its corporate governance structure in accordance with laws and regulations and the requirements of regulators. In order to ensure the normal collection of funds in the project and the performance of duties by legal representatives in accordance with the law, the Company timely revised and improved the Articles of Association and other governance systems and internal control systems, effectively improved the standard operation level to ensure the Company's legal and compliant operation, and safeguarded the legitimate rights and interests of the Company and its shareholders.

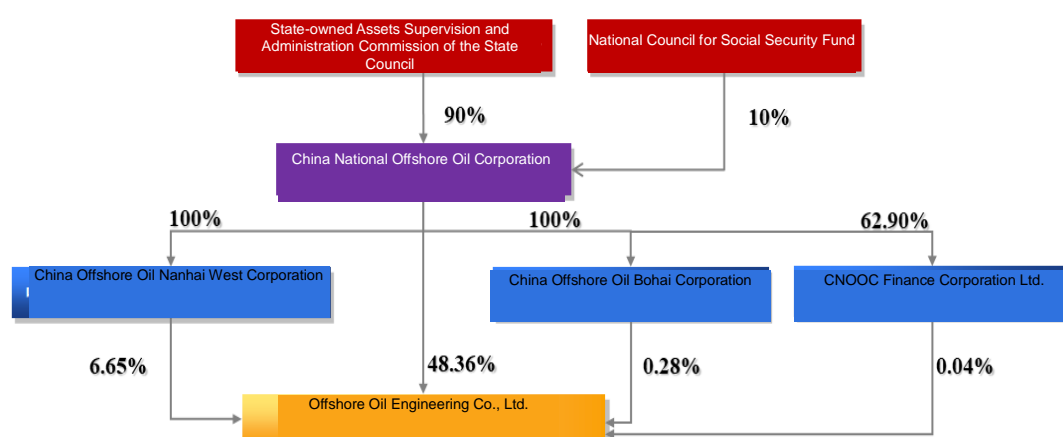
The Company continuously strengthened the construction of internal audit system, conducted internal control audit evaluation in a comprehensive and in-depth manner, promoted the rectification of internal

control defects, and strengthened internal inspection and standardized operation and management. According to the business focus, the Company carried out a special audit for engineering construction project management, an audit for leaving senior managers, an audit for economic responsibility during the tenure, and a special financial audit in a targeted way.

During the reporting period, the Company organized the optimization and simplification of the system in combination with the reform of the organizational structure. The Company and its subsidiaries added/revised 1,324 systems in total. After the overall system optimization, a total of 1,512 internal control systems were established at the two levels of the Company. Compared with the figure before the reform, 826 systems were reduced, with the reduction ratio of 35.32%. A total of 417 systems were established at the company level, covering 15 professional sectors such as engineering project, commercial procurement, human resource management, and financial management.

3. Controlling Shareholder and Actual Controller

China National Offshore Oil Corporation is the controlling shareholder and actual controller of the Company. The property right and control relationship between the Company and the controlling shareholder are shown in the following figure.



4. Shareholders' Equity

The Company's dividend policy. As a listed company, the Company has upgraded the concept of creating value for shareholders and rewarding shareholders from its business philosophy to system assurance. The Company distributed profits for 17 times from 2002 to 2019, with cumulative cash dividends of RMB 4.268 billion. From 2012 to 2019, the proportion of cash dividends in the net profit of the year increased year by year.

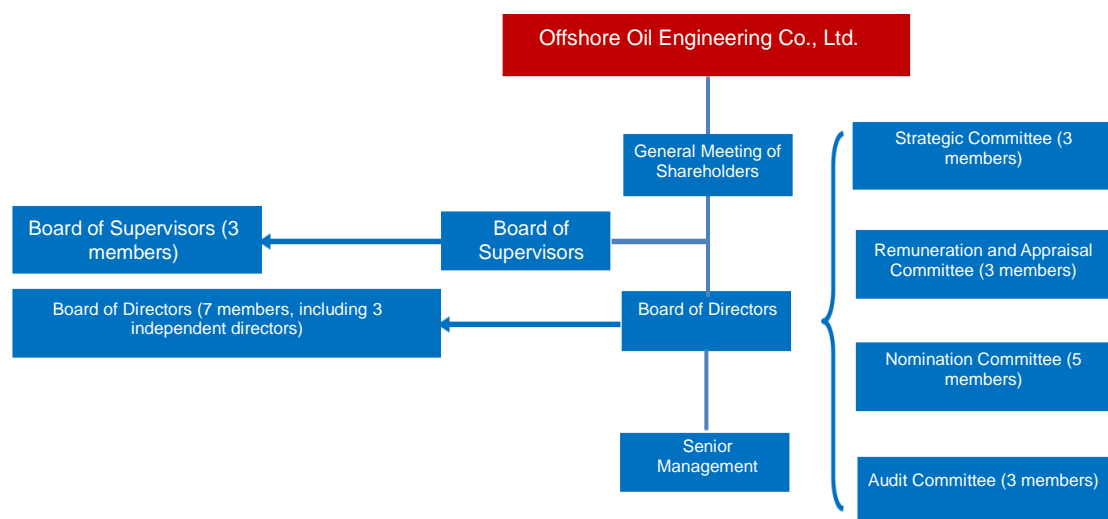
Distribution of COOEC from 2011 to 2019

| No. | Year | Cash dividend per share (tax inclusive) | Total cash dividend (RMB 100 million) | Net profit of the year (RMB 100 million) | Proportion of cash dividends in the net profit of the year |
|-----|------|---|---------------------------------------|--|--|
| 1 | 2011 | 0.035 | 1.36 | 1.81 | 75.14% |
| 2 | 2012 | 0.030 | 1.17 | 8.48 | 13.80% |
| 3 | 2013 | 0.100 | 4.42 | 27.44 | 16.11% |
| 4 | 2014 | 0.230 | 10.17 | 42.67 | 23.83% |
| 5 | 2015 | 0.250 | 11.05 | 34.10 | 32.40% |
| 6 | 2016 | 0.100 | 4.42 | 13.15 | 33.61% |
| 7 | 2017 | 0.050 | 2.21 | 4.91 | 45.01% |
| 8 | 2018 | 0.050 | 2.21 | 0.80 | 276.25% |

| | | | | | |
|---|----------------|-------|------|------|---------|
| 9 | 2019 (plan) | 0.060 | 2.65 | 0.28 | 946.43% |
|---|----------------|-------|------|------|---------|

5. Operation of General Meeting of Shareholders, Board of Directors and Board of Supervisors

The Company has established a standardized and clear corporate governance structure and formed an effective mechanism for scientific assignment of responsibility and checks and balances in accordance with the Company Law, Securities Law, Code of Corporate Governance for Listed Companies, Listing Rules of Shanghai Stock Exchange and other laws and regulations. The General Meeting of Shareholders of the Company shall enjoy all the powers under laws and regulations and the Articles of Association, and shall exercise the decision-making power over the Company's business policies, fundraising, investment, profit distribution and other major matters in accordance with the law. The Board of Directors shall be responsible to the General Meeting of Shareholders and exercise the power to execute the resolutions of the General Meeting of Shareholders and the business decision-making power within the prescribed range according to law. The Board of Supervisors shall be responsible to the General Meeting of Shareholders, and shall inspect and supervise the Company's finance, internal control, and performance of senior managers. The management shall be responsible for organizing and implementing the resolutions of the General Meeting of Shareholders and the Board of Directors, and presiding over the Company's daily operation and management. There is no discrepancy between corporate governance and the requirements of the Company Law and relevant regulations of the China Securities Regulatory Commission.



The first point is about the General Meeting of Shareholders. The Company has always strictly complied with the requirements of the Company Law, Securities Law, Rules Governing the Listing of Stocks, and Rules of Procedure of the General Meeting of Shareholders, as well as relevant regulations and requirements in terms of meeting convening, meeting proposals, proceedings, voting at a meeting and information disclosure; it ensures that all shareholders, especially small and medium shareholders, fully exercise their legal rights and interests and enjoy equal status. The Company invites lawyers to attend all General Meetings of Shareholders to confirm and witness the convening procedures, deliberation matters and the identity of the attendees at the meeting, and to issue legal opinions, which ensures the legality and effectiveness of the General Meeting of Shareholders.

In 2019, the Company held three General Meetings of Shareholders in May, June and September to consider and approve 10 proposals including the annual report, profit distribution plan, work report of the Board of Directors, work report of the Board of Supervisors, financial statements, appointment of the Company's finance and internal control audit organizations, and director election in 2018, effectively safeguarding the legitimate rights and interests of shareholders.



1st Extraordinary General Meeting of Shareholders 2020

The second point is about the Board of Directors. The Company selects and appoints directors in strict accordance with the selection and appointment procedures stipulated in the Articles of Association. The number of members and composition of the Board of Directors conform to laws and regulations. The Board of Directors consists of 7 members, including 3 independent directors, the number of which accounts for more than one third of the total number of the Board of Directors.

The Board of Directors strengthens the concept of standardized operation and operation in accordance with the law, persists in making decisions through collective discussion, and attaches importance to the role of independent directors. All proposals and reported matters at the meeting of the Board of Directors are jointly discussed by directors, which ensures that the Company's major issues are carefully discussed by directors before any decision is made, and safeguards the overall interests of shareholders.



The 18th Meeting of the 6th Board of Directors

In 2019, the Company held 8 meetings of the Board of Directors in March, April, May, August, October and December to consider the Company's periodic reports, profit distribution plans, election of directors, appointment of the Chief Financial Officer, financial budget, capital spending plans, providing guarantees for subsidiaries to perform engineering contracts, use of raised funds, changes in accounting policies, etc. and to discuss important issues such as the Company's development plans, requirements of the resolution by the Board of Directors, and implementation of resolutions. The Company made scientific decisions on its normal production and operation.

The third point is about the Board of Supervisors. The Company's Board of Supervisors is

composed of 3 supervisors in accordance with laws and regulations, including 2 shareholder supervisors and 1 employee representative supervisor. With the professional knowledge and work experience in accounting, auditing, human resource management, etc., the Company's supervisors can perform their duties seriously in accordance with the Articles of Association and the Rules of Procedure of the Board of Supervisors; supervise the Company's production, operation management and internal control, and carry out regular research on the Company and make suggestions for improvement; give full play to the supervision function, and safeguard the legitimate rights and interests of the Company and all shareholders.



During the reporting period, the Board of Supervisors convened 5 meetings. The supervisors actively attended the General Meeting of Shareholders and all meetings of the Board of Directors to consider the Company's periodic reports, internal control evaluation reports, financial statements, provision for impairment, profit distribution plans, changes in accounting policies, use of funds raised, purchase of bank financing products and other important matters, and to issue a written review opinion on the periodic report prepared by the Board of Directors. The supervisors conscientiously performed their duties and paid close attention to the Company's operation in accordance with the law, financial status, periodic reports, performance of duties by the Board of Directors and management, etc.

6. Information Disclosure

By strictly following the laws and regulations such as the Company Law, Securities Law, Code of Corporate Governance for Listed Companies, and relevant requirements of the China Securities Regulatory Commission and Shanghai Stock Exchange on corporate governance, the Company establishes and improves its internal control system, and continuously promotes the standardized and procedural management to improve the level of corporate governance; performs information disclosure obligation in accordance with the law; strengthens investor relations management to fully protect the investors' legitimate rights and interests and promote the Company's sustainable development.

The Company is able to disclose relevant information truthfully, accurately and completely in accordance with laws and regulations, the Articles of Association and the Information Disclosure System, and keep secret before information disclosure to ensure that all shareholders have fair and equitable access to information.

The Company's Board of Directors has a specialized agency with corresponding personnel to perform the obligation of information disclosure, receive visits, answer inquiries, etc. in accordance with the law. On the basis of not involving business secrets, they actively disclosed the information on decisions, business and management on the Company's website, so as to give all investors equal access to information. The Company earnestly conducts the true, accurate, complete, timely and fair information disclosure.

During the reporting period, the Company continually consolidated the foundation of the Company's standardized operation, learned and mastered the new rules and requirements of Shanghai Stock Exchange on information disclosure in a timely manner; completed information disclosure in strict

accordance with relevant regulations and guidelines for preparation in terms of information disclosure of listed companies; and completed the preparation and disclosure of 4 periodic reports and 30 interim notices. It has maintained good disclosure performance for many consecutive years, showing the Company's image of a responsible listed company.

The Company received an official letter from Shanghai Stock Exchange, Notice on the Evaluation Results of Information Disclosure Work 2018-2019, in August 2019, and the Company was awarded Class A evaluation, reflecting the recognition by the regulator of the quality of information disclosure and standardized operation of the Company, and enhancing the Company's image and credibility in the capital market.

7. Investor Relations

In 2019, the Company strengthened and improved the investor communication system, and fully communicated with investors on the key issues of their interest, such as the Company's development strategy, the positive changes brought by CNOOC's Seven-Year Action Plan, overseas market development, the Company's new orders and orders in hand, and future development trends. With the help of the order structure, workload trend and future industry prospect, investors are guided to pay more attention to the development strategy in the next three years, and positive results have been achieved.

During the reporting period, the Company took the initiative to participate in 12 strategic meetings to communicate with 152 organizations and make phone calls with 167 persons, which doubled the numbers of last year. The Company welcomed institutional investors to visit and investigate, and received a total of 20 batches of 110 institutions to visit the Company for investigation during the year. Through exchanges, the Company's stock was vigorously recommended by many research institutions, and the Company was listed as the core target of the A-share oil and gas service and engineering industry for research, analysis and decision-making, which lays a solid foundation for the Company's use of the capital market in the future.



8. Honors in Capital Market

In June 2019, A share was officially included in the FTSE Russell Global Index System, and COOEC was among its sample stocks. The Company is included in the sample stock system by an internationally well-known index compiling company once again after being included in the A-share MSCI Index sample stocks in 2018. On September 6, 2019, the S&P Dow Jones Indices stated that 1,099 Chinese A shares will be officially included in the S&P Emerging BMI, and COOEC is selected as a sample stock of the S&P Emerging BMI. Since then, COOEC has been included in the A-share sample stocks of the three major international indexes, reflecting the recognition of international capital to the governance structure and development prospect of the Company.

9. Party Building

The Company has achieved new results in consolidating the foundation of party building; convened 60 meetings of the Party Committee to study party building, strategic planning and other matters; and exerted the role of the Party Committee in guiding the direction, managing the overall situation, and ensuring implementation. The Party Committee discussed the implementation of the “Belt and Road” Initiative for three times, and through effective means such as commendation and flag-granting in the “three major activities” of the Party group, effectively combined party building with the Company's cost reduction and efficiency increase to achieve shared goals, shared responsibilities, and working in the same direction.



Yu Yi, Chairman and Secretary of the Party Committee, teaches Party lectures



Site for commendation and flag-granting in the “three major activities” of the Party group

III. Market Responsibility

1. Steady Operation and Return to Shareholders

In 2019, the Company vigorously developed the market, vigorously carried out production and operation management, and realized operating income of RMB 14.71 billion, of which the net profit of shareholders of listed companies is RMB 28 million. As of the end of December 2019, the total assets are RMB 31.857 billion, of which the net assets attributable to shareholders of listed companies are RMB 22.66 billion, and the asset-liability ratio is 28.83%.

During the reporting period, the Company overcame difficulties such as increased workload, a large amount of overseas projects, tight schedules, and complicated working environment, as well as the resulting pressure on safety and quality and the difficulty in project management; simultaneously operated 37 engineering projects, including 30 projects of offshore oil and gas field development and 7 projects of onshore construction. A number of new oilfield development projects, including Penglai, Kenli, and Caofeidian, were started. Seven projects including BZ34-9 Oilfield Development Project, PL19-3 Oilfield 1/3/8/9 Area Comprehensive Adjustment Project and Dongfang 13-2 Project were completed. During the year, a total of 12 jackets and 5 modules were constructed onshore; 10 jackets and 7 modules were installed offshore and subsea pipelines of 373 km were laid. In 2019, the projects were put into operation in advance for a total of 83 days, creating value for customers.



Construction site of Penguin FPSO Project

2. Response to National Strategies and Safeguard for National Energy

Firstly, the building of deep-water capacity started steadily to boost the construction along the “Belt and Road” Initiative. The Company synchronously and smoothly operated five deep-water projects including Lingshui 17-2, Liuhua 29-1, Liuhua 16-2, Penguin FPSO and Brazil FPSO in 2019. The deep-water projects of Lingshui 17-2 and Liuhua 16-2 are the important milestone projects from shallow water to deep water in China, which are of great significance to the development of deep-water energy in China and to the formation of deep-water capacity of COOEC.



In December 2019, P70, the floating production storage and offloading (FPSO) with the world's largest tonnage, which was independently integrated and built by COOEC, was formally departed from the Qingdao base and shipped to Brazil, marking the official delivery of P70 to the Brazilian Owner. This is the FPSO project with the largest quantities, the highest complexity, and the highest technical requirements that China has ever delivered to a foreign country, creating a new speed of delivery of an ultra-large FPSO in China. With the delivery of "sister ships" of P67 and P70, a bridge of friendship for the strategic cooperation between China and Brazil in the energy field is built; the cooperation between China and the countries along the "Belt and Road" Initiative in the energy field will be further strengthened and the pace of "going out" of China's offshore equipment manufacturing industry will be accelerated.



Secondly, the domestic new energy market is explored to respond to the coordinated development of the Beijing-Tianjin-Hebei Region. In 2019, LNG market development was carried out on the basis of the “tripartite agreement” among COOEC, CNOOC Gas & Power Group R&D Center and CNOOC Petrochemical Engineering Co., Ltd, which is used as the working principle. We actively responded to the national energy development strategy of the “Blue Sky Protection Campaign”, continuously promoted the development of COOEC's LNG industry, and continuously strengthened the market development of COOEC's LNG business, and successively undertook the Zhangzhou LNG Receiving Station and Storage Tank Project in Fujian and the Ningbo LNG Receiving Station Project (Phase II) in Zhejiang. With the project amount of more than RMB 1 billion, the two projects are carried out in an orderly manner according to the work plan.





Construction site of Zhangzhou LNG Receiving Station and Storage Tank Project in Fujian

During the reporting period, the Company undertook the receiving station project (Phase I) of Tangshan LNG Project, which is currently the largest LNG receiving station project planned in China. The contract amount exceeded RMB 4 billion, which contributed to the Company's achievement of the annual contracting quota and enabled the Company to get a firm foothold in the LNG market. After completion, the Project will greatly promote the construction of the LNG production, supply, storage and marketing system in the Beijing-Tianjin-Hebei Region, effectively guarantee the regional energy supply, and effectively optimize the regional energy structure, which is of great significance for promoting the integrated construction of the Beijing-Tianjin-Hebei Region.



Promotion Conference of Tangshan LNG Receiving Station Outgoing Pipeline Project

Thirdly, achieve coordinated development by conforming to the development strategy of the Guangdong-Hong Kong-Macao Greater Bay Area. More than half of the Company's assets are located in the Guangdong-Hong Kong-Macao Greater Bay Area, of which the total assets of the three companies of the Offshore Division, Zhuhai Subsidiary and Hong Kong Subsidiary are RMB 14.6 billion, 4.1 billion and 1.4 billion respectively, totaling RMB 20.1 billion and accounting for 67% of the Company's total assets. The net value of fixed assets of the Offshore Division is RMB 7.7 billion, and the net assets of Zhuhai Subsidiary and Hong Kong Subsidiary are RMB 3.9 billion and 400 million respectively, totaling

RMB 12 billion and accounting for 52% of the Company's net assets.

The Company's main business in the Greater Bay Area includes both land construction of offshore engineering and a large number of underwater engineering and deep-water installation business, especially, the deep-water high-end product manufacturing and engineering technology with significant scientific and technological innovation features. While benefiting from the development in the Greater Bay Area, the Company will continue to increase investment in deep-water technology R&D and technological innovation, attract high-end offshore engineering professionals to the area, and strive to build an offshore engineering development commanding height. We continue to improve the Company's business development capabilities through technological innovation. While contributing to the scientific and technological innovation of the Greater Bay Area, the Company also provides a better guarantee for the energy supply in the Greater Bay Area, especially the supply of clean energy, and ultimately achieves the coordinated and high-quality development between the Company and the Greater Bay Area.



Overall view of Zhuhai manufacturing site

Fourthly, overall manage the domestic market by focusing on the “Seven-Year Action Plan”. In order to implement the directives and requirements raised by China on domestic oil and gas reserves and production increase, ensure national energy security, continue to expand oil and gas capital expenditure, and achieve production targets, the Company utilizes the “Seven-Year Action Plan” to actively develop the domestic market and organizes the “Special Work for Bohai Oilfield Standardization and Annual Agreement” to improve the order efficiency of the Bohai market, which contributes to “Bohai Oilfield’s 30,000,000t stable production for another 10 years”. As of the end of 2019, the Company has been striving to provide customers with high-quality and efficient services. The order volume continued to increase, and the market trend continued to improve, with about RMB 24.8 billion of outstanding orders in hand.

IV. Environmental Responsibility

Throughout 2019, the Company followed the spirits of the State on work safety and requirements of the Ministry of Emergency Management and the State-owned Assets Supervision and Administration Commission on work safety, actively carried out the concept of safety development, adhered to the safety and environmental protection concepts of "Safety First, Environment Paramount, People Centric and Equipment Integrity" and COOEC's unique safety culture of "people-oriented implementation and intervention", acted under the guidance of “world-class safety and environmental protection in priority”, adhered to systematic management, focused on upgrading the QHSE management system, enhanced leadership responsibilities and principal responsibilities, deepened the responsibilities of all the employees, laid emphasis on management and control of high-risk operations and emergency capacity improvement, etc.

1. Enhancing safety management and safeguarding enterprise operation

Firstly, adhering to systematic management and continuously strengthening the operation and improvement of the QHSE management system. The Company has always been adhering to the ideas of systematic management and effectively enhancing the systematic implementation of

responsibilities. In 2019, the Company revised, issued, released, publicized and implemented 6 policy documents of the Company, namely Quality Policy, Objectives and Principles, Health and Safety Environmental Policy, Objectives and Principles, Shutdown Policy, Life-Saving Rules, Illegal Drugs and Alcohol Policy and QHSE Management Manual. The Company further streamlined the business management processes and efficiently completed the upgrading of the Company's QHSE management system and external expert review. The Company streamlined 103 level 1 processes, 474 level 2 processes, and 1,176 level 3 processes in total, and upgraded 1,587 QHSE management system documents. The Company publicized and implemented the new version of QHSE management system and translated the QHSE system documents.

Secondly, maintaining stable work safety situation and good OSHA performance. Throughout 2019, the Company had earnestly followed the indicative spirits of the State on work safety, and actively carried out the concept of safety development. With the joint efforts of the Company's leaders and employees at all levels, by continuously enhancing the safety awareness and implementing the safety principal responsibilities, the Company further showed the safety leadership, and successfully responded to dangerous situations and natural disasters so that the overall work safety situation was basically stable and no major or above work safety accident happened. The Company's man-hours reached 50.3 million, with a lost time event rate of 0.02 and recordable event rate of 0.03 according to OSHA statistics. Compared with the same period in 2018, the man-hours increased by 31.9%, and the lost time event rate and recordable event rate decreased by 33.3% and 40% respectively.



Thirdly, carrying out ISRS international safety rating and safety recognition survey, and promoting world-class safety and environmental protection in priority. In 2019, the Company invited DNV GL to conduct ISRS (international safety rating system) international safety rating and safety recognition survey for COOEC Headquarters and the Construction Division COOEC Qingdao. After evaluation and survey, the Construction Division COOEC Qingdao reached level 5 ISRS international safety rating, and the Company's safety culture reached the level of culture compliance. After evaluation and survey, the Company identified good performance in work safety management and management shortcomings, and clarified the improvement direction, which provided guidance for the preparation of the "14th Five-Year" QHSE rolling plans and the promotion of world-class safety and environmental protection in priority.

Fourthly, carrying out in-depth quality safety activities, and continuously strengthening the construction of quality safety culture. The Company strengthened the publicity of work safety themes, and selected and fostered advanced individuals. The Company organized such publicity activities as "Work Safety Month", "Environment Day", Publicity Week for "Law on the Prevention and Control of Occupational Diseases", Fire Awareness Month, knowledge contests for hazardous chemicals & national safety emergency and knowledge contests for emergency management law popularization. Nine employees of the Company won the honorary title of COOEC's Advanced Individual for Work Safety, and 9 pieces of works of the Company won 24 awards in 2019 COOEC's micro-video and essay contest. The Company's efforts in comprehensively promoting quality management were recognized by the industry. At the 40th anniversary for comprehensive quality management promotion - establishment

of China Association for Quality, the Company won the honorary title of "Outstanding Promotion Unit at the 40th Anniversary for Comprehensive Quality Management Promotion"



2. Green operation, energy conservation and consumption reduction

In 2019, the Company firmly established a new concept of "innovative, coordinated, green, open and shared development", established and implemented the resource-based view of economical and intensive recycling, improved the energy resource utilization efficiency, and created a dense atmosphere of energy conservation and carbon reduction throughout the Company.

Firstly, changing ideas, transforming passivity into initiative and actively tackling environmental challenges. The Company actively addressed the haze problem in the Beijing-Tianjin-Hebei Region and made emergency response to heavy pollution. After two months' efforts, through active communication with the environmental protection department, the Company was finally included in the list of strategic emerging industries in Tianjin upon approval before heavy pollution in the fall and winter of 2019. The Company organized and carried out the emergency response to heavy pollution in Tianjin for 6 times in a total of 23 days, without any violations.

Secondly, implementing the green and low-carbon strategy and winning the title of green plant and green supply chain management demonstration enterprise. Since the "13th Five-Year Plan", the Company has been actively implementing the "green and low-carbon" strategy, and promoting the energy-saving and low-carbon upgrading projects such as power distribution system optimization, air compressor operation optimization, energy management system and green supply chain information management system" of COOEC-Fluor Joint Venture in the "Green Supply Chain System Construction Project for Typical Offshore Equipment". On September 12, 2019, the Ministry of Industry and Information Technology officially released the "Notice on Publishing the Fourth Batch of Green Manufacturing Lists". After the self-evaluation, expert evaluation, demonstration, publicity, etc., COOEC-Fluor Joint Venture finally won the titles of green plant and green supply chain management demonstration enterprise. The Company's green and low-carbon practice will provide a model for the green development of China's marine engineering industry and contribute to the promotion of China's green and low-carbon development.



3. Strengthening environmental management of key pollutant discharging units

Firstly, pollutant discharge. The Company's wholly-owned subsidiary, Offshore Oil Engineering (Qingdao) Co., Ltd (hereinafter referred to as "COOEC Qingdao"), was identified by the Qingdao Municipal People's Government of Shandong Province as the key pollutant discharging unit of Qingdao City, Shandong Province in 2019, and water environment, air environment and soil environment were under supervision. Main pollutants from COOEC Qingdao included domestic wastewater from the plant, organic waste gas from painting operations and hazardous wastes from production.

Secondly, construction and operation of pollution control facilities. ① Domestic sewage from COOEC Qingdao was pre-treated by integrated sewage treatment equipment in the plant according to Class A standard of the Water Quality Standards of Sewage Discharged into Urban Sewer (GB/T31962-2015), and then discharged into municipal sewers and Nibuwan Sewage Treatment Plant. COOEC Qingdao installed a sewage on-line monitoring system in the plant, which was networked to the local environmental protection bureau for 24 hours. ② The welding fume and milling dust from the production of the COOEC Qingdao shall be treated by mobile welding purification unit with smoke collector arms, equipped with electrostatic precipitator. Metal oxide dust from shot blasting was subject to secondary dedusting using cyclone filter cartridge, and was discharged by a 25m high exhaust funnel until up to standard after treatment. Paint mist from paint spraying was purified by dry-type filter in the paint spraying line. Treated organic waste gas and organic waste gas from the drying segment flowed into the combustion device with propane as the heat source for catalytic combustion. In this case, the heat energy was reused and dried, and waste gas was exhausted by 25m high exhaust funnel. ③ For the treatment of waste that may cause soil pollution, COOEC Qingdao entrusted a third party with the corresponding qualification to dispose of all waste. Before disposal, the wastes were temporarily stored in the hazardous-waste storage. Ground anti-leakage and anti-overflow measures were taken, and anti-overflow tanks, recovery tanks and other relevant measures were provided in accordance with the relevant technical requirements, so as to ensure that the soil was not polluted by hazardous waste during temporary storage.

Thirdly, emission concentration and total emissions. ① Organized exhaust emission: benzene: 0.21t; toluene: 0.13t; xylene: 0.83t; non-methane hydrocarbon: 9.39t; total particulate matter emissions: 12.18t. The emission concentration was lower than the average specified in the standard. ② Wastewater discharge: water discharge: 58,100t; daily average concentration of COD emission: 105mg / L, daily average concentration of ammonia nitrogen emission: 19.9mg / L, and daily average PH value: 8.14.

Fourthly, approved total emission. The total emissions were not approved, and the local environmental protection bureau made no relevant requirements.

Fifthly, applicable pollutant discharge standards. Organic waste gas emission was subject to relevant standards in Table 1 of the Emission standard of Volatile Organic compounds Part 5: Surface

Coating Industry (DB37/2801.5-2018); organized particulate matter emission was subject to relevant standards in Table 1 (Air Pollutants Emission Concentration Limits (Phase 3) of Integrated Emission Standards of Regional Air Pollutants in Shandong Province (DB37/2376-2013); unorganized particulate matter emission was subject to relevant standards in Table 2 of the Integrated Emission Standard of Air Pollutants (GB16297-1996); wastewater discharge should reach Class A of the Wastewater Quality Standards for Discharge to Municipal Sewers (GB / T31962-2015).

Sixthly, no environmental pollution accident was found in COOEC Qingdao during the reporting period.

1. Focusing on Source Control, and Strengthening Ship Environmental Protection Management

Promote the reconstruction for zero discharge of domestic sewage from large ships. No oily water from the Company's ships was not discharged in accordance with the *Leading Seal Management Regulations on Pollutant Discharge Equipment for Vessels in Coastal Waters* (JHF [2007] No. 165), all of which shall be recycled by an organization with the qualification for pollutant treatment which signed a recycling agreement with the Company. The Company shall strictly implement the *Discharge Standard for Water Pollutants from Ships* (GB3552-2018), and is currently implementing the renovation plan for the Company's system for domestic sewage from 5 ships.

During the reporting period, the system for domestic sewage from HAIYANG SHIYOU 225, HAIYANG SHIYOU 226, Lan Jing and Binhai 108 was renovated. The Company actively introduced the leading environmental protection ideas and concepts, and continuously improved the Company's environmental protection management level by optimizing equipment structure and technological innovation and taking other effective management means for harmonious development of the Company's ship operations according to laws & regulations and environmental protection. During the reporting period, the Company had no ship environmental pollution accident.



5. Technology Leading, R&D and Innovation

Throughout 2019, the Company had continuously improved the technological innovation and information management mechanism under the guidance of the national strategies of "Maritime Great Power", "the Belt and Road Initiative" and "Cyberpower", with the Company's industrial planning and technology information development strategic planning as the direction. With the joint efforts of all the scientific & technological workers and information workers, all the staff changed their understanding and innovation consciousness & thinking, reached a consensus, and systematically consolidated the new foundation for the development of scientific and technological information, thereby promoting the Company's sustainable and healthy development.

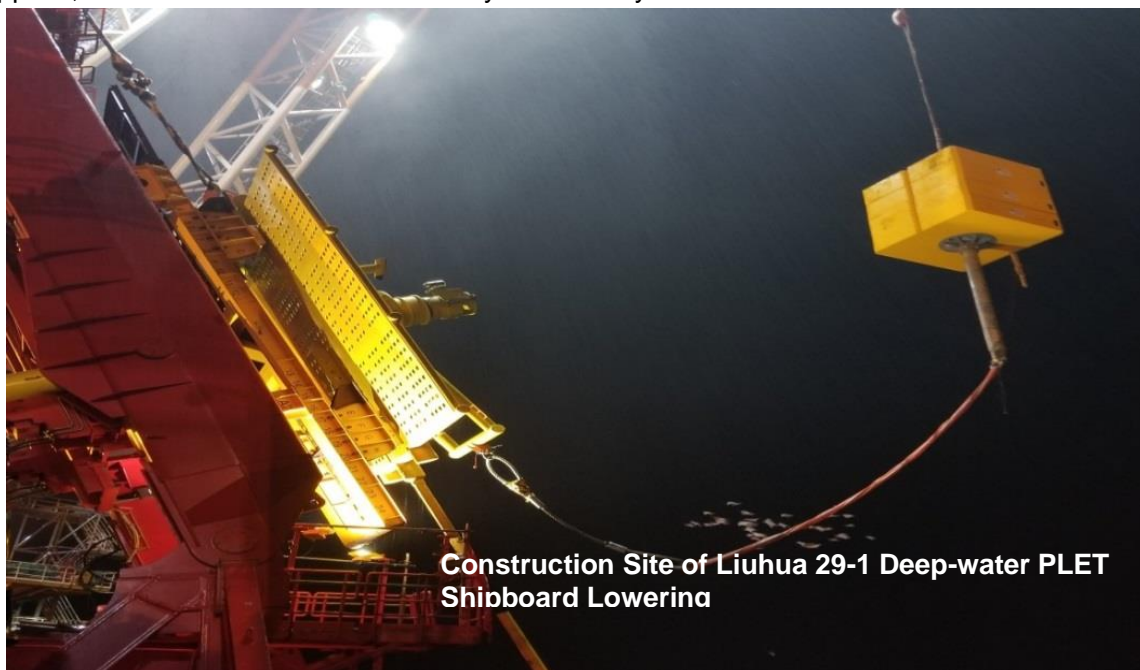
Firstly, multiple key technologies made phased breakthroughs with the construction of 8 abilities centered. In 2019, the Company made 75 scientific research breakthroughs in the deep-water underwater production systems, deep-water FPSO, traditional shallow water oil and gas field

development projects, and localization of key facilities and equipment for marine engineering at the company level or above in strict accordance with production needs, and made dramatic breakthroughs in multiple technologies. The Company mastered the installation plan design and analysis technology for vertical laying of deep-water flexible pipes. The project results had been applied in the Wenchang Project, so that CNOOC can lay deep-water flexible pipes in deep-water areas of 1,000m or more (originally 100m), thus providing technical reserves for the installation of flexible pipes in the Liuhua 16-2/Lingshui 17-2 Deep-water and UDW Oil and Gas Field Development Projects.



Construction Site for Subsea Pipeline Laying
in Liuhua Project

Secondly, steadily promoting the result transformation and "Three News Three Principles", and highlighting the core value of technology-based cost reduction. In 2019, 280 "Three News and Three Principles" results were applied in 12 general contract projects, overseas projects and self-contracting projects. The results such as design and installation technology of PLET shipboard lowering and single-point mooring systems, wellhead monitoring technology of the Bohai Thermal Recovery Platform, and research & development of newly welded plugging soluble paper products were well applied, with cost reduction and efficiency increase by about RMB 150 million.



Construction Site of Liuhua 29-1 Deep-water PLET
Shipboard Lowering

Thirdly, standard and patent operation achieved fruitful results which enhanced the Company's

soft power and protected the Company's proprietary technology. In 2019, we organized the formulation of 45 standards at all levels, and accepted 163 patents, of which 106 were authorized, thus effectively protecting the Company's proprietary technology. Among them, offshore lifting of large valves on the FPSO risers as independently designed by COOEC Design Institute officially passed the review of the State Intellectual Property Office and obtained the national invention patent license. Under the trends of deep-water and international development, deep-water and UDW marine engineering would be more concerned with offshore lifting & maintenance of risers and large valves on the risers, so this patent would provide reference for more international projects.

Fourthly, the innovation ability and brand were recognized by CNOOC and the industry, and won several industry awards. In 2019, the Company won 15 scientific and technological awards of CNOOC and the Industry Association, of which the "Research and Engineering Application of Ultra-large LNG Core Process Module Construction in Polar Regions" won CNOOC's first prize of technological progress, and was the only one to win the title of national advanced unit for petroleum and petrochemical technology innovation in CNOOC. Moreover, the Company organized the evaluation of 101 outstanding results in scientific and technological progress, technological inventions, technological transformation, excellent engineering design, standard construction and information projects, and encouraged employees at all levels to actively get involve in technological innovation and transformation.

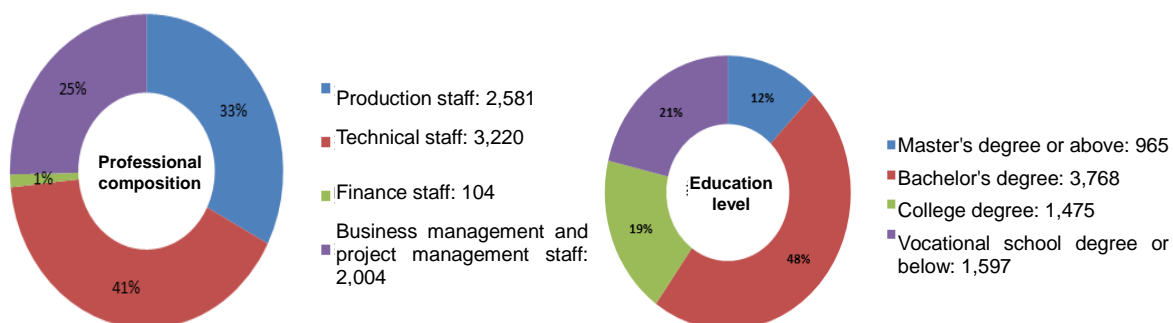


Commendation Site of CNOOC's Science and Technology Conference

V. Social Responsibility

1. Caring for Employees for Growing Together

Firstly, employee structure. As of the end of 2019, the Company had 7,805 employees, including 2,581 production staff, 3,220 technical staff, 104 financial staff, and 2,004 business management and project management staff. Among them, 965 employees had a master degree or above; 3,768 employees had an undergraduate degree; 1,475 employees had a college degree; and 1,597 employees had a vocational school degree or below.



Secondly, salary and welfare. The Company implemented the salary system in which the job

performance-based pay system was centered and other allocation systems coexisted. While establishing a performance bonus allocation model that combined the Company's operating performance and employees' individual performance, the Company explored diversified salary incentives, strengthened differentiated salary allocation, highlighted the incentives for the staff in important and key positions and established the incentive mechanism which focused on performance and contribution and by which the resources were mainly allocated to outstanding talents and key positions in various forms.

In 2019, the Company optimized the evaluation system and gave play to the role of salary incentives. The Company strengthened differentiated evaluation of its subordinates in strict accordance with primary business, development positioning, profitability and other characteristics of the concerned units; the Company took the per capita profit as the adjustment coefficient and highlighted economic benefits in strict accordance with key indicators such as finance, market, project, Party building and anti-corruption; the Company explored and innovated the incentive mechanism, and highlighted the "pertinence" and "timeliness" of the incentives. The Company gave immediate incentives for the employees with outstanding performance in the Dongfang 13-2 Project and "ARC Cup" Competition.



Company's leaders giving immediate rewards to the representatives of the winners of the ARC Cup

Thirdly, talent development. The Company established the employee training and re-education mechanism, and developed and implemented the training plan based on employee growth and enterprise development needs. In order to ensure expected training effects, the Company established the training management system to strengthen the guidance, supervision and management on employee training, carry out various trainings on demand in an orderly manner, and ensure the timeliness, pertinence and effectiveness of employee training. During the reporting period, the Company built the "COOEC Forum" and "COOEC Classroom" training platforms, integrated high-quality training resources, expanded the scope of training, and maximized the shared value in strict accordance with the reform & transformation and "comprehensive international" development strategy.



New employee learning at construction site

In 2019, the Company's Party Committee earnestly implemented the overall requirements for Party management talents concerning "macro-management, policy-based management, coordinated management and service management", grasped the overall direction of the Company's talent work and talent team construction, fully implemented the annual training plan, and organized 2,621 trainings in which the training hours per capita reached the target.



Teaching Site of "COOEC Forum"

Fourthly, cultural construction. In 2019, the Company actively did practical things for the employees and carried out cultural and sports activities when needed, including condolence activities & heatstroke prevention, inviting experts to occupational health lectures and first-aid training courses and integration of employee labor protection and prevention & control of occupational diseases through league construction, QHSE safety training and other activities.

Employee-related cultural activities are planned well. The Company organized spring long-distance running events, badminton games, football games, basketball league matches, etc., carried out rice dumplings making activities, special lectures, calligraphy and painting competitions, etc. at seasonal festivals, laid emphasis on the activities of caring for woman and attracted the female employees to take part in beneficial activities in an acceptable way such as hand making and knowledge lecture. The Company consolidated the mechanism of caring. The Company regularly visited the employees in difficulty, offered more supports, solved the temporary difficulties of the staff's families, and offered the most-needed help to the staff.



Employees' badminton competition site

2. Combating Pandemic and Shouldering Social Responsibilities

Faced with the unanticipated pandemic of COVID-19, the Company faithfully complies with requirements of the State in respect of epidemic prevention and control as well as production and operation, adhering to the goal of ensuring victory in both epidemic prevention and control as well as resumption of production and operation by vigorously promoting the resumption of work and production on the basis of effective epidemic prevention and control.

CNOOC's work in 2020 is essential to the **Combating pandemic** and the Company is coordinating and paying special attention to its production, operation, reform, development, and stabilization efforts; actively promoting the resumption of work and production; and providing constant support to overcome difficulties arising out of such resumption. Specifically speaking, efforts have been made to promote the construction and operation of 10 offshore projects, including Liuhua 16-2, Liuhua 29-1, Lueda 21-2 / 16-3, Bozhong 19-6, Qinhuangdao 33-1, and Penglai 25-6 Project. We are trying to do a good job in all aspects of our work such as engineering, procurement, and construction, and we will ensure that our customers' offshore projects are put into operation on schedule with all their oil and gas production targets achieved, and make as much contribution as possible to the course of increasing national oil and gas inventory, improving oil and gas productivity, and ensuring national energy security.



抗击疫情

Well-organized
resumption of work

有序复工

In February 2020, workers of the Company overcame all hardship and completed the hoisting of east and west block of the WHPK platform of Penglai 19-3 Oilfield 4th Zone Adjustment/Penglai 19-9 Oilfield Phase-II Development Project. As the first large-scale offshore hoisting operation of the Company during the time of epidemic prevention and control, it was completed one day earlier than the planned date of closure. The project team cooperated with all relevant entities to do a good job in epidemic prevention

and control and production arrangement and ensured safe and smooth completion of the offshore construction through safe and efficient operation, thereby contributing to the stable yield of Bohai Oilfield.



Block hoisting of the WHPK platform of Penglai 19-3 Oilfield 4th Zone Project was completed

3. Targeted Poverty Alleviation and Rescue of the Distressed

Targeted poverty alleviation is one of the three major battles proposed by the 19th CPC National Congress to secure a decisive victory in building a moderately prosperous society in all respects. As a state-owned listed company, Offshore Oil Engineering Co., Ltd is duty bound to make a difference. In 2019, the Company faithfully fulfilled the social responsibilities assigned to it as a state-owned enterprise within its financial capacity, and did a lot of work in social assistance activities such as poverty alleviation and education aid; programs for public good such as supporting science, education, health care and sports enterprise; and youth volunteer activities such as community service. Such efforts make positive contribution to delivering the care of enterprises, establishing a sound image of CNOOC and promoting social harmony.

During the "Visiting Needy Staffs with Financial Support" special spring festival campaign and needy staff consolation before the spring festival of 2019, COOEC visited 32 families in need with a total of RMB 163,000 of financial aid. In 2019, 4 children of CNOOC's needy employees received RMB 14,000 of student grant; 4 children received one-time aids in a total amount of RMB 80,000 for six kinds of critical illness; 40 disabled persons were provided with subsidies in a total sum of RMB 93,000. The total expenditure for poverty alleviation was RMB 350,000 in 2019.



Yang Jinghong, Deputy Secretary of the Party committee and Chairman of the labor union of the Company, visited the needy employees

4. Heart-warming Donation as a Token of Kinship

In 2019, the Company implemented a targeted poverty alleviation strategy in an all-round way: 617 sets of school uniforms and 100 sets of school supplies were donated to two CNOOC hope primary schools at Longhua County, Hebei Province to commend and reward 27 excellent teachers and 55 merit students, and 4 poverty-stricken students were provided with RMB 20,900 of subsidies. The donation was of a total value of RMB 99,640.

In 2019-2021, COOEC Qingdao established a COOEC-named fund valued at RMB 3.5 million. The fund donates 3% of its added value (i.e. RMB 105,000) to the Charity Federation of Qingdao Economic and Technological Development Area on a yearly basis to support preschool education. An amount of RMB 105,000 was donated in 2019.

"Azure Power" youth volunteer service team of COOEC carried out 21 volunteer service activities including "Tribute to Motherland - Volunteers in Action" theme activity, "3.5" Learn-from-Lei Feng activity, "6.8" World Oceans Day and China Ocean Day activity, "Azure Power Protecting Coastal Environments for Public Welfare" activity, involving the participation of volunteers for over 420 person-times.



VI. Stakeholders

The Company continues to strengthen its communication and exchange with stakeholders. By preparing and releasing high-quality social responsibility performance reports, timely disclosing important enterprise information, and responding to public concerns and hot issues, the Company allows stakeholder participation in enterprise operation and management to improve operation transparency and further achieve win-win results and common development.

| Stakeholders | Expectations and Requirements | Communication and Responses |
|--------------|---|---|
| Government | Compliance with relevant disciplines and laws | Compliance management Implementation of international policies Acceptance of regulatory assessment |
| | Maintaining and increasing the value of state-owned assets Payment of taxes by law | Work reports and collection of opinions Improvement of governance structure Active payment of taxes |

| | | |
|----------------------------|--|---|
| Shareholders | Return on earnings Satisfactory market value Protection of rights and interests Transparency in respect of business conditions | Improvement of profitability Improvement of market value management Disclosure of business information |
| Financial institutions | Performance in good faith Risk prevention and control Win-win cooperation | Coordinated implementation Risk management Strategic cooperation |
| Staff | Common growth Salary and welfare guarantee Health and security Humanistic care | Career planning Protection of rights and interests Democratic communication Education and training Labor protection |
| Customers | Performance in good faith Information transparency Privacy protection High-quality products High-quality services | Technological innovation Contract performance Demand investigation Service maintenance Delicate management |
| Strategic partners | Win-win cooperation Common development Resource sharing | Agreement performance Visits among senior officers Regular meetings Multi-channel cooperation Prospective study |
| Supply chains | Common development Open, fair, and just procurement Fulfillment of promises Payment guarantee | Suggestions and support Disclosure of procurement information Contract performance Acceptance of feedback Negotiation and communication |
| Communities and the public | Consequential development of local industries Promotion of the development of public utilities Employment promotion Education and training Contribution to charity Participation of communities | Support and guidance Request investigation Training and education Communication activities Public welfare actions |

VII. Prospects

In 2020, COOEC, driven by the enterprise development orientation of "taking serving the national strategies as our own responsibility, being customer-centric, insisting on high-quality development, and building a world-class energy engineering company with Chinese characteristics", will make concerted efforts and strive forward to promote the implementation of the enterprise development strategy of "developing a design-centered EPC capacity of offshore oil projects, being based on services for national energy strategies, promoting the internationalization of COOEC, prioritizing the task of serving CNOOC, and expanding the capacity to provide integrated energy engineering services" while performing the task of being international, diversified, high-end-oriented, digital, and collaborative.

We will keep our visions in mind and pursue world-wide presence, which means to take the initiative to play a role in the global development and join hands with our partners for a new start; and make constant

contribution to a higher level of reform and opening up in this new era and push COOEC forward to the international community by providing users around the world with our products, technologies, and solutions and demonstrating to them our style, quality and sense of responsibility.

We are determined to transcend limits and be a persistent innovator, which means to make scientific top-level designs centering on "five strategies", and pursue balance between total and partial, short-term and long-term, and collective and individual interests; faithfully improve the mechanism of strategic management & control, resource coordination, risk management & control, co-construction & sharing, and incentive & constraint, respectively, and build up a system of comprehensive budget management, technological innovation, information management, training for four types of talents, global management & control, and supervision & assessment, respectively; and adhere to new development concepts and unswervingly follow the requirement of high-quality development.

We will be innovation-driven and forge world-leading technologies, which means to build a core technology system with international competitiveness and an "Iron Army of COOEC" that meets requirements of this new era to provide COOEC wisdom for technological progress and sustainable development of the society; be driven by the four wheels of technological innovation, management innovation, system innovation and operation mode innovation to promote the reforming of enterprise quality, efficiency, and driving force and cultivate new impetus for the development of COOEC.

We will keep pace with the times and take on our mission, which means to proactively practice green concepts, strengthen our targeted poverty alleviation efforts, improve risk prevention and compliance management, and be determined to win the tough battles of preventing and defusing financial risks, targeted poverty alleviation and pollution control; be people-oriented, strive for the well-being of employees, carry forward the "Oil Spirit" and "Iron Man Spirit", and give employees a stronger sense of belonging, gain and happiness; build high quality, win respect and step towards the future with our sense of responsibility.

We will actively respond to each and every concern of all stakeholders, and make new and greater contributions to ensuring national energy security and creating value for shareholders.

Offshore Oil Engineering Co., Ltd

March 20, 2020