

Offshore Oil Engineering Co., Ltd Announcement on the Plan for Wealth Management with Self-owned Funds in 2022

The Board of Directors and all directors of Offshore Oil Engineering Co., Ltd guarantee that this Announcement contains no false statements, misleading presentations or material omissions and assume joint and several liability for the truthfulness, accuracy and completeness of the information contained herein.

Important matters:

- Amount limit for entrusted wealth management: the maximum daily balance of wealth management products purchased by the Company with temporarily idle self-owned funds is to be adjusted from no more than RMB 8.50 billion to no more than RMB 11 billion.
- Types of entrusted wealth management products: trust wealth management products are no longer within the scope of the Company's wealth management products. The wealth management products that the Company can select include large-denomination certificates of deposit, structured deposits, bank wealth management products, and money market funds.
- Valid period of entrusted wealth management: the original valid period of entrusted wealth management is from the date of adoption of the relevant resolution by the Board of Directors to December 31, 2022, which is to be adjusted to 12 months from the date of adoption of the relevant resolution by the Board of Directors. The valid period of a single wealth management product shall not exceed 12 months (except for large-denomination certificates of deposit).
- The subject matter was deliberated and adopted at the 12th Meeting of the 7th Session of the Board of Directors and does not need to be submitted to the general meeting of shareholders for

deliberation and approval.

At the 7th Meeting of the 7th Session of the Board of Directors convened on December 28, 2021, the *Resolution on Purchasing Wealth Management Products with Temporarily Idle Self-owned Funds Authorizing the Management to Sign Relevant Wealth Management Product Purchase Agreements* was deliberated and adopted, and the Company's management was authorized to use temporarily idle self-owned funds with a total amount of not more than RMB 8.5 billion to purchase wealth management products. The authorization shall be valid from the date of adoption of the relevant resolution by the Board of Directors to December 31, 2022. The authorized amount may be used repeatedly with the valid period of the relevant resolution (for details, please refer to the Company's Announcement on the Purchase of Wealth Management Products with Temporarily Idle Self-owned Funds published on December 30, 2021).

The Company plans to adjust the wealth management plan based on the estimated balance of its funds to improve the efficiency of fund use. This matter was deliberated and adopted at the 12th Meeting of the 7th Session of the Board of Directors convened on August 19, 2022 and does not need to be submitted to the general meeting of shareholders for deliberation and approval.

I. Use of the authorized amount for wealth management

As approved at the 7th Meeting of the 7th Session of the Board of Directors convened on December 28, 2021, the authorized amount for investment in wealth management products in 2022 is no more than RMB 8.5 billion. The scope of wealth management products covers large-denomination certificates of deposits, structured deposits, bank wealth management products, trust wealth management products, and money market funds.

From January to July 2022, the Company has used the amount approved by the Board of Directors repeatedly and purchased 19 terms of bank wealth management products. The maximum daily balance of the

wealth management products purchased by the Company is RMB 85 billion, and the weighted average yearly rate of return is about 3.65%.

II. Adjustment to the wealth management plan

The Company's cash flow improved continuously in the first half of 2022. The estimated peak balance of funds in the second half of 2022 is RMB 10.7 billion. The Company intends to adjust the wealth management plan to further improve the efficiency of fund use and create more benefits for its shareholders while ensuring that the risks associated with its funds are under control. The adjustment is detailed below.

Amount limit for entrusted wealth management: the maximum daily balance of wealth management products purchased by the Company with temporarily idle self-owned funds is to be adjusted from no more than RMB 8.50 billion to no more than RMB 11 billion.

Types of entrusted wealth management products: trust wealth management products are no longer within the scope of the Company's wealth management products. The wealth management products that the Company can select include large-denomination certificates of deposit, structured deposits, bank wealth management products, and money market funds.

Valid period of entrusted wealth management: the original valid period of entrusted wealth management is from the date of adoption of the relevant resolution by the Board of Directors to December 31, 2022, which is to be adjusted to 12 months from the date of adoption of the relevant resolution by the Board of Directors. The valid period of a single wealth management product shall not exceed 12 months (except for large-denomination certificates of deposit).

Investment strategy: the security, fluidity and profitability of funds shall be taken into account. The total amount of transferrable large-denomination certificates of deposit with a term of three years shall not exceed RMB 2 billion. The total amount of investments in non-principal protected wealth management products with a term of no more than one year shall not exceed RMB 5.5 billion. The total amount of

investments in money market funds shall not exceed RMB 1 billion. Structured deposits with a term of no more than one year can be made in a flexible way.

The source of funds for wealth management products, the transferees of wealth management products, the associated risks, and the Company's internal control over the risks associated with entrusted wealth management are consistent with the Company's *Announcement on the Purchase of Wealth Management Products with Temporarily Idle Self-owned Funds* published on December 30, 2021.

III. Execution of the decision-making process and the opinions of the Board of Supervisors and independent directors

(II) Decision-making process

The *Resolution on Adjusting the Plan for Wealth Management with Self-owned Funds* in 2022 was deliberated and adopted at the 12th Meeting of the 7th Session of the Board of Directors convened on August 19, 2022. The Company's independent directors and Board of Supervisors have given their express consent. The relevant decision-making and deliberation procedure complies with applicable laws and regulations. The subject matter does not need to be deliberated at the general meeting of shareholders.

(II) Special opinions

1. Opinion of independent directors

(1) The Company use of idle funds for purchasing safe wealth management products such as large-denomination certificates of deposit, structured deposits, bank wealth management products, and money market funds is favorable for improving the efficiency of fund use, gaining certain returns on investment, and improving the Company's overall performance while ensuring the Company's normal operations and capital security.

(2) According to the estimated balance of funds in 2022, the

Company's independent directors agree to adjust the amount of wealth management with self-owned funds in 2022 from no more than RMB 8.5 billion to no more than RMB 11 billion. Such amount shall be remain valid for 12 months upon the deliberation and adoption of the relevant resolution by the Board of Directors. In addition, the scope of wealth management products is to be adjusted to "large-denomination certificates of deposit, structured deposits, bank wealth management products, and money market funds".

2. Opinion of the Board of Supervisors

The Company's use of temporary idle funds for investment in safe wealth management products such as large-denomination certificates of deposit, structured deposits, bank wealth management products, and money market funds while complying with applicable national laws and regulations and ensuring capital security is favorable for improving the efficiency of fund use and consistent with the interests of the Company and all shareholders, and will not cause damage to the interests of the Company and all shareholders, especially the interests of minority shareholders. The relevant approval procedure complies with all applicable laws and regulations and the Company's *Articles of Association*.

According to the estimated balance of funds in 2022, the Company's Board of Supervisors agrees to adjust the amount of wealth management with self-owned funds in 2022 from no more than RMB 8.5 billion to no more than RMB 11 billion and adjust the scope of wealth management products to "large-denomination certificates of deposit, structured deposits, bank wealth management products, and money market funds".

IV. Reference documents

- (I) *Announcement of the Resolutions Adopted at the 12th Meeting of the 7th Session of the Board of Directors*;
- (II) *Opinions of Independent Directors*;
- (III) *Announcement of the Resolutions Adopted at the 9th Meeting of*

the 7th Session of the Board of Supervisors.

The aforementioned matters are hereby announced.

Board of Directors of Offshore Oil Engineering Co., Ltd

August 19, 2021