

# Offshore Oil Engineering Co., Ltd.

## Announcement on Resolutions of the 21st Meeting of the 6th Board of Directors

### Important Notes

**The Board of Directors and all the directors of the Company pledge that the announcement contains no false records, misleading statements or major omissions, and bear joint and several liabilities for the authenticity, accuracy and integrity of the announcement.**

### I. Meeting Holding

On December 13, 2019, Offshore Oil Engineering Co., Ltd. (hereinafter referred to as "the Company" or "COOEC") sent the Notice on Holding the 21st Meeting of the 6th Board of Directors to all directors by e-mail. On December 20, 2019, the Company convened the 21st Meeting of the 6th Board of Directors in Beijing and the Meeting was presided over by Mr. Yu Yi, the President of the Company.

All the 7 directors who should attend the meeting were actually present; supervisors and some senior managers of the Company attended the meeting as nonvoting delegates, and the meeting was convened and held in accordance with laws, regulations, rules and relevant provisions in *Articles of Association of the Company*.

### II. Deliberation on Board Meeting

Upon deliberation, the directors present unanimously voted through the following resolutions:

(I) The *Proposal on Bank Line of Credit of 2020* was adopted upon deliberation with 7 in favor, 0 against and 0 abstention.

It was agreed that the Company can sign the agreement on bank line of credit with 13 banks including Bank of China, with total line of RMB 23.85 billion.

(II) The *Proposal on Using Some Temporary Idle Raised Funds and Idle Self-owned Funds to Purchase Principal-guaranteed Bank Financial Products and Authorizing Management Layer to Sign Related Financial Product Purchase Agreement* was adopted upon deliberation with 7 in favor, 0 against and 0 abstention.

To increase the use efficiency of the funds, under the premise of ensuring normal operation and fund safety and no effect on fund-raising project construction and no change of use of raised funds, management layer of the Company is authorized to use temporary idle raised funds not more than RMB 600 million and temporary idle self-owned funds not more than RMB 4 billion to invest in principle-guaranteed bank financial products with high security and great liquidity, and such amount is available for cycle use within validity period of the proposal. The authorization will be valid since date of approval by Board of Directors upon deliberation till December 31, 2020.

The independent directors of the Company presented independent opinions on using some temporary idle raised funds and idle self-owned funds to purchase principal-guaranteed bank financial products.

China International Capital Corporation, as sponsor institution of the Company, reviewed the matters regarding using some temporary idle raised funds and idle self-owned funds to purchase principal-guaranteed bank financial products and presented opinions as follows:

COOEC's using idle raised funds of not more than RMB 600 million and idle self-owned funds of not more than RMB 4 billion to purchase principal-guaranteed bank financial products has been adopted respectively upon deliberation at the 21st Meeting of the 6th Board of Directors and the 15th Meeting of the 6th Board of Supervisors held on December 20, 2019, and independent directors have presented consent opinions, which complies with relevant provisions in *Regulatory Guidelines for Listed Companies No. 2 - Regulatory Requirements for the Management and Use of the Funds Raised by Listed Companies* and *Measures for the Administration of Raised Funds of Companies Listed in Shanghai Stock Exchange (Revised in 2013)*, etc.

Using some idle raised funds and some idle self-owned funds to purchase principal-guaranteed bank financial products helps to improve the use efficiency of idle funds and gain certain investment income, and it has no effect on normal operation of Company's main business, or fund-raising project construction and use of raised funds. There is no inconformity with raised funds use schedule, or change of raised funds investment trend and damage of shareholder interests in disguised form in the Company's use of the raised funds.

CICC agrees COOEC's use plan for investing some temporary idle raised funds and idle self-owned funds in principal-guaranteed bank financial products.

Refer to *Announcement of Offshore Oil Engineering Co., Ltd. on Using Some Temporary Idle Raised Funds to Purchase Principal-guaranteed Bank Financial Products and Opinions of the Company's Independent Directors* disclosed by the Company on website of Shanghai Stock Exchange [www.sse.com.cn](http://www.sse.com.cn) on the same day for details of the above matters.

(III) The *Proposal on Extension of Bank Guarantee Provided for COOEC Nigeria FZE with Joint Liability* was adopted upon deliberation with 7 in favor, 0 against and 0 abstention.

As approved by the 27th Meeting of the 5th Board of Directors and the 10th Meeting of the 6th Board of Directors, the Company can provide its subsidiary (whose 100% shares are held indirectly by the Company) COOEC Nigeria FZE with performance guarantee and advance payment guarantee for Dangote petrochemical offshore transport installation project, with joint and several liability guarantee. The guarantee amount is USD 38.2 million. Of which, the amount of the performance guarantee and advance payment guarantee are USD 19.1 million respectively.

The validity period for the performance guarantee is as follows:

From the issuing date of the performance guarantee to the earlier date of the following: (1) issuing date of completion certificate; (2) date on which the guarantor has paid the maximum amount guaranteed; (3) September 30, 2019.

The validity period for the advance payment guarantee is as follows:

From the receipt date of the advance payment to the earlier date of the following: (1) date on which the amount guaranteed is decreased to zero; (2) date on which the guarantor has paid the maximum amount guaranteed; (3) issuing date of completion certificate; (4) September 30, 2019.

According to the latest work plan, it is expected that offshore transportation and installation project of Dangote will be completed in May 2020 and the completion certificate will be

obtained in June 2020. Therefore, the parent company joint and several liability guarantee for the above performance guarantee and advance payment guarantee is agreed to be extended, with details as follows:

The validity period for the performance guarantee is as follows:

From the issuing date of the performance guarantee to the earlier date of the following: (1) issuing date of completion certificate; (2) date on which the guarantor has paid the maximum amount guaranteed; (3) June 30, 2020.

The validity period for the advance payment guarantee is as follows:

From the receipt date of the advance payment to the earlier date of the following: (1) date on which the amount guaranteed is decreased to zero; (2) date on which the guarantor has paid the maximum amount guaranteed; (3) issuing date of completion certificate; (4) June 30, 2020.

The management layer is authorized to handle the matters related to the extension of the guarantee by the Board of Directors.

The independent directors of the Company declared independent opinions for the guarantee extension.

The proposal shall be submitted to the 1st Extraordinary Shareholders Meeting in 2020 for approval.

Please refer to the *Announcement on Extension of Subsidiary Guarantee Provided for COOEC Nigeria FZE by the Company and Opinions of the Company's Independent Directors* disclosed on [www.sse.com.cn](http://www.sse.com.cn) (website of Shanghai Stock Exchange) on the same day for the details in terms of this guarantee and opinions of the Company's independent directors.

(IV) *The 2020 Investment Plan of the Company* was adopted upon deliberation with 7 in favor, 0 against and 0 abstention.

In 2020, the Company plans to invest RMB 1.41 billion mainly in base construction, professional technical services and equipment, scientific research projects, informatization development, energy conservation and emission reduction, office equipment, charity utility, etc.

(V) *The Proposal on Convening the 1st Extraordinary Shareholders Meeting in 2020* was adopted upon deliberation with 7 in favor, 0 against and 0 abstention. (Refer to the *Notice of the Company on Convening the 1st Extraordinary Shareholders Meeting in 2020* disclosed on [www.sse.com.cn](http://www.sse.com.cn), the website of the Shanghai Stock Exchange on the same day for details.)

### **III. Annex of Internet Announcement**

Opinions of Independent Directors of the Company.

The Announcement is hereby made.

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

December 20, 2019