

Announcement of COOEC on Using Part of the Idle Funds Raised to Temporarily Increase the Working Capital

Special 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:

- The Company intends to use idle funds raised not exceeding 410 million yuan to temporarily increase the working capital, with the period not more than 12 months from the date of review and approval by the Company's Board of Directors, and the funds shall be returned when such period expires.

- On March 19, 2021, the Company convened the 2nd Meeting of the 7th Board of Directors, and the Proposal on Continuing to Use Idle Funds Raised to Temporarily Increase the Working Capital was reviewed and passed at the meeting. It was agreed that the Company may use idle funds raised not exceeding 410 million yuan to temporarily increase the working capital, with the period not more than 12 months from the date of review and approval by the Company's Board of Directors, and the funds shall be returned when such period expires.

I. Basic information of the funds raised

With the approval of the China Securities Regulatory Commission by the Approval of the Private Offering of Shares by COOEC (ZJXK [2013] No. 1180), Offshore Oil Engineering Co., Ltd. (hereinafter referred to as COOEC or the Company) made private offering of 531,914,800.00 shares of RMB common shares (A

shares), with an offering price of 6.58 yuan per share. The total funds raised amounted to 3,499,999,384.00 yuan. Netting of the underwriting fee of 27,123,995.07 yuan, the funds raised amounted to 3,472,875,388.93 yuan, with 1,772,875,388.93 yuan deposited into the Company's special account for funds raised at Bank of Communications Beijing Deshengmen Sub-branch and 1,700,000,000.00 yuan deposited into the Company's special account for funds raised at Bank of China Tianjin Haiyang Sub-branch on September 27, 2013. In addition, the Company incurred 1,379,191.48 yuan in aggregate of legal and accountant service fees and registration fees that need to be paid for this private offering. Netting of the underwriting fees and other related offering expenses incurred by the Company, the net funds of the private offering amounted to 3,471,496,197.45 yuan.

The paid-in condition of the above-mentioned fund-raising had been verified by ShineWing Certified Public Accountants (Special General Partnership), with a Capital Verification Report No. XYZH/2013A7012 issued. See the Announcement of the Private Offering Results and Changes in Share Capital disclosed by the Company on October 11, 2013 for details.

II. Basic information of funds raised-funded projects

(i) Funds raised-funded projects and investment entities

According to the 6th Meeting of the 4th Board of Directors of the Company convened on October 26, 2012, and the Plan for the Private Offering of A Shares reviewed and passed at the 2013 First Extraordinary General Meeting convened on March 11, 2013, the net funds of this private offering would be used to fund the following projects:

Project	Investment Amount (10,000 Yuan)	Project Recording

Zhuhai Deepwater Ocean Engineering Equipment Manufacturing Base Project	1,010,614.00	"Guangdong Province Infrastructure Investment Project Recording Certificate for Enterprise (project recording No. 099000361229028), ZGHJ [2013] No. 39"
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The above-mentioned project was executed by Offshore Oil Engineering (Zhuhai) Co., Ltd. (hereinafter referred to as "Zhuhai Subsidiary" or "Zhuhai Company"), a wholly-owned subsidiary of the Company.

In August 2015, Zhuhai Company signed a contract for Sino-foreign joint venture with Fluor Limited on the basis of the Zhuhai Deepwater Ocean Engineering Equipment Manufacturing Base, with the proposal to jointly establish COOEC-Fluor Heavy Industries Co., Ltd. with an investment of USD 999.6 million. Specifically, Zhuhai Company invested USD 509.8 million with the land use rights of the Zhuhai Deepwater Base, physical assets and cash, accounting for 51% of the total registered capital of the joint venture. Matters related to the establishment of the joint venture had been deliberated and approved by all directors at the 13th Meeting of the 5th Board of Directors of the Company convened on August 19, 2015. See the Announcement on the Establishment of a Joint Venture (L2015-020) disclosed by the Company on August 21, 2015 for details.

Accordingly, the execution of the Zhuhai Deepwater Ocean Engineering Equipment Manufacturing Base Project was changed from the sole execution by Zhuhai Company to a JV-based execution mode. A joint venture was established by Zhuhai Company and Fluor Limited, a subsidiary of Fluor Corporation of the United States, to execute the Project. This matter had been deliberated and approved by all directors at the 13th Meeting of the 5th Board of Directors of the Company convened on August 19, 2015. See the Announcement on the Change of an Investment Project to a Joint Venture Mode (L2015-021) disclosed by the

Company on August 21, 2015 for details.

The above matters had been deliberated and approved at the 2015 First Extraordinary General Meeting of the Company.

This change did not cause disguised changes to the construction content of the funds raised-funded project or prejudice the interests of the shareholders. The construction content of the funds raised-funded project after the change did not changed substantially from that before the change. Instead, Fluor was introduced through a joint venture, which was conducive to the construction of the Project and a better function after its completion.

(II) Use of funds raised and balance

As of March 16, 2021, the balance of the funds raised amounted to 578 million yuan, including 410 million yuan deposited in Zhuhai Company, and 168 million yuan deposited in COOEC-Fluor Heavy Industries Co., Ltd.

III. Previous temporary increase of the working capital with part of idle funds raised

On April 24, 2020, the Company convened the 23th Meeting of the 6th Board of Directors, and the Proposal on Continuing to Use Idle Funds Raised to Temporarily Increase the Working Capital was reviewed and passed at the meeting. It was agreed that the Company may use idle funds raised not exceeding 580 million yuan to temporarily increase the working capital, with the period not more than 12 months from the date of review and approval by the Company's Board of Directors, and the funds shall be returned when such period expires. See the Announcement of COOEC on Using Some Idle Funds Raised to Temporarily Increase the Working Capital (L2020-010) disclosed by the Company on April 28, 2020 for details.

Based on the above-mentioned resolution of the Board of Directors, the Company used 580 million yuan in aggregate of idle funds raised to temporarily increase the working capital during the

validity period of the resolution. As of March 16, 2021, the Company had returned all the funds raised previously used to temporarily increase the working capital.

IV. Plan for this temporary increase of the working capital with part of idle funds raised

As of March 16, 2021, the balance of the Company's funds raised amounted to 578 million yuan. In order to improve the utilization of the funds raised, reduce the Company's operating costs, and safeguard the interests of the Company and the shareholders, the Company plans to use idle funds raised of not exceeding 410 million yuan in 2021 to temporarily increase the working capital on the premise of ensuring the capital needs in the construction of the funds raised-funded project and the normal progress of the project. The use period shall not exceed 12 months from the date of deliberation and approval of the proposal by the Company's Board of Directors. This temporary use will not change the purpose of the funds raised and will not affect the normal progress of the investment plans for the funds raised.

V. Deliberation procedures for this increase of the working capital

On March 19, 2021, the Company convened the 2nd Meeting of the 7th Board of Directors, and the Proposal on Continuing to Use Idle Funds Raised to Temporarily Increase the Working Capital was reviewed and passed at the meeting. It was agreed that the Company may use idle funds raised not exceeding 410 million yuan to temporarily increase the working capital , with the period not more than 12 months from the date of review and approval by the Company's Board of Directors, and the funds shall be returned when such period expires.

VI. Explanation of special opinions

(i) Opinions of independent directors

Upon review of the relevant documents, the independent directors of the Company have issued their "agreed" opinions as follows:

1. This temporary increase of the working capital with part of idle funds raised was carried out in accordance with necessary approval procedures. It did not cause disguised change in the use of funds raised or affect the normal progress of the investment plans for funds raised.

2. This temporary increase of the working capital with part of idle funds raised can improve the utilization of funds and is in the interests of the Company and all shareholders.

3. This temporary increase of the working capital with part of idle funds raised is in compliance with the relevant provisions of the Regulatory Guidelines for Listed Companies No.2 - Regulatory Requirements in Respect of Management and Use of Funds Raised by Listed Companies, the Listing Rules of the Shanghai Stock Exchange, the Measures for the Management of Funds Raised by Listed Companies of Shanghai Stock Exchange, relevant laws and regulations and the Company's Articles of Association.

4. It is agreed to temporarily increase the working capital with part of the idle funds raised this time. The use period shall not exceed 12 months from the date of approval by the Company's Board of Directors, and the funds shall be returned to the special account for the funds raised upon expiration.

(ii) Review opinions of the Board of Supervisors

Opinions of the Company's Board of Supervisors: In order to maximize the utilization of funds, in accordance with relevant provisions of the Regulatory Guidelines for Listed Companies No.2 - Regulatory Requirements in Respect of Management and Use of Funds Raised by Listed Companies, the Measures for the Management of Funds Raised by Listed Companies of Shanghai

Stock Exchange (Revised in 2013), and the Measures for the Management of Funds Raised of the Company, it is agreed that Offshore Oil Engineering (Zhuhai) Co., Ltd., a wholly-owned subsidiary, temporarily increase the working capital with part of idle funds raised with a total amount not exceeding 410 million yuan. The use period shall not be longer than 12 months from the date of approval by the Board of Directors.

(iii) Inspection opinions of the Sponsor

The Sponsor, China International Capital Corporation Limited, conducted a special inspection on the Company's temporary increase of the working capital with part of idle funds raised, and issued the Inspection Opinions of China International Capital Corporation Limited on COOEC Using Some Idle Funds Raised to Temporarily Increase the Working Capital. The inspection conclusion is as follows:

Under the premise of not affecting the normal progress of the funds raised-funded project, COOEC temporarily increased the working capital with part of idle funds raised not exceeding 410 million yuan, conducive to improving the utilization of funds raised. This did not cause disguised change in the use and investment of funds raised or prejudice the interests of the shareholders, and there was no use of funds raised in violation of regulations. The Company's temporary increase of the working capital with idle funds raised not exceeding 410 million yuan this time has been deliberated and approved at the Company's 2nd Meeting of the 7th Board of Directors and the 2nd Meeting of the 7th Board of Supervisors, respectively. Independent directors have issued their "agreed" opinions, and necessary decision-making procedures have been fulfilled. It complies with the Regulatory Guidelines for Listed Companies No.2 - Regulatory Requirements in Respect of Management and Use of Funds Raised by Listed Companies, and the Measures for the Management of Funds Raised by Listed Companies of Shanghai Stock Exchange (revised in 2013).

In summary, China International Capital Corporation has no objection to the matter of using some idle funds raised by COOEC to temporarily increase the working capital.

VII. Documents for Future Reference

- (i) Resolutions of the Board of Directors
- (ii) Resolutions of the Board of Supervisors
- (iii) Opinions of Independent Directors
- (iv) Special inspection opinions issued by the Sponsor on using some idle funds raised by COOEC to temporarily increase the working capital.

The announcement is hereby given.

Board of Directors of COOEC
March 19, 2021