

## **Offshore Oil Engineering Co., Ltd. Announcement on Provision of External Financial Assistance by Wholly-owned Subsidiaries**

The Board of Directors and all Directors of COOEC warrant that there are no false records, misleading statements or material omissions in the contents of this announcement and shall be legally responsible for the truthfulness, accuracy and completeness of its contents.

### **Important Notices:**

- Sponsor: COOEC International Co., Limited Uganda Branch (hereinafter referred to as: COOEC International Uganda Branch) is a branch registered in Uganda by COOEC International Co., Limited, a wholly-owned subsidiary of Offshore Oil Engineering Co., Ltd. (hereinafter referred to as: COOEC).
- Sponsoring subject: COOEC AND CPECC JOINT VENTURE (hereinafter referred to as: Kingfisher Consortium), which is composed of COOEC International Uganda Branch and CHINA PETROLEUM ENGINEERING & CONSTRUCTION CORPORATION (CPECC) Uganda Limited (hereinafter referred to as: CPECC Uganda Subsidiary), with the equity share of both parties in the

Consortium of 50%-50%.

- Sponsorship method, amount, term, interest: COOEC International Uganda Branch will provide Kingfisher Consortium with a loan of no more than USD 6.5 million, with a term of one year and an interest rate of 6%/year. The repayment funds will come from the income from the projects implemented by Kingfisher Consortium. In the case of a default, Kingfisher Consortium will pay a penalty interest of 0.15%/day on the loan principal.
- Deliberation procedures: COOEC held the Seventh Meeting of the Eighth Board of Directors on December 18, 2024, and deliberated and adopted the *Proposal on Provision of External Financial Assistance by Wholly-owned Subsidiaries*. Since Kingfisher Consortium is not a holding subsidiary within the scope of consolidated financial statements of COOEC, and the asset-liability ratio of Kingfisher Consortium exceeds 70%, it still needs to be submitted to COOEC's General Meeting of Shareholders for deliberation according to the *Rules Governing the Listing of Stocks on the Shanghai Stock Exchange* and other relevant regulations.
- Special risk warning: CPECC Uganda Subsidiary will also provide financial assistance of the same amount to Kingfisher Consortium, and COOEC will closely monitor the

subsequent operating conditions, financial status and solvency of Kingfisher Consortium. If any adverse factors are discovered or judged, COOEC will take corresponding measures in a timely manner to control the risks of this financial assistance. COOEC will strictly comply with relevant provisions of the *Rules Governing the Listing of Stocks on the Shanghai Stock Exchange* and promptly fulfill its information disclosure obligations.

## **I. Overview of financial assistance matters**

### **1. Basic information on this financial assistance**

COOEC International Uganda Branch and CPECC Uganda Subsidiary form a close-knit consortium to implement the EPC3 project of Kingfisher Oilfield Consortium in Uganda. In order to ensure the capital demand of Kingfisher Consortium for project construction, according to the stipulation in the consortium agreement that each party of the consortium shall bear 50% of the rights and obligations, COOEC International Uganda Branch and CPECC Uganda Subsidiary shall each provide an equal amount of financial support not exceeding USD 6.5 million to the Consortium, with a term of one year and an interest rate of 6%/year.

### **2. Deliberation procedures for this financial assistance**

COOEC held the Seventh Meeting of the Eighth Board of Directors on December 18, 2024, and deliberated and adopted the *Proposal on Provision of External Financial Assistance by Wholly-*

*owned Subsidiaries*. Since Kingfisher Consortium is not a holding subsidiary within the scope of consolidated financial statements of COOEC, and the asset-liability ratio of Kingfisher Consortium exceeds 70%, it still needs to be submitted to COOEC's General Meeting of Shareholders for deliberation according to the *Rules Governing the Listing of Stocks on the Shanghai Stock Exchange* and other relevant regulations.

### 3. Main reason for providing this financial assistance

COOEC International Uganda Branch provides financial assistance to Kingfisher Consortium mainly to ensure the smooth implementation of the EPC3 project of Kingfisher Oilfield Consortium in Uganda. This financial assistance does not constitute a related-party transaction, nor affect the normal business development and fund use of COOEC, nor fall under the circumstances under which financial assistance shall not be provided as stipulated in the *Rules Governing the Listing of Stocks on the Shanghai Stock Exchange*.

### 4. Relevant risk prevention measures

CPECC Uganda Subsidiary will also provide financial assistance of the same amount to Kingfisher Consortium, and COOEC will closely monitor the subsequent operating conditions, financial status and solvency of Kingfisher Consortium. If any adverse factors are discovered or judged, COOEC will take corresponding measures in a timely manner to control the risks of

this financial assistance. COOEC will strictly comply with relevant provisions of the *Rules Governing the Listing of Stocks on the Shanghai Stock Exchange* and promptly fulfill its information disclosure obligations.

## **II. Basic information on sponsoring subject**

### 1. Information on sponsoring subject

Name of consortium: COOEC AND CPECC JOINT VENTURE  
(Kingfisher Consortium)

Date of establishment: December 7, 2021

Registered address: Uganda, Kampala, Nakawa Division,  
BUGOLOBI, BLOCK 1-8

Scope of business: Oilfield surface engineering construction

Cooperation structure: COOEC International Uganda Branch  
and CPECC Uganda Subsidiary each bear 50% of the rights and  
obligations

As of the end of December 2023, total assets were USD 10.72 million, liabilities were USD 10.30 million, owners' equity was USD 0.42 million, and asset-liability ratio was 96%; with the recognized cumulative revenue of USD 15.97 million and net profit of USD 0.35 million.

As of the end of September 2024, total assets were USD 13.68 million, liabilities were USD 12.75 million, owners' equity was USD 0.93 million, and asset-liability ratio was 93%; with the recognized

cumulative revenue of USD 19.92 million and net profit of USD 0.50 million.

Up to now, Kingfisher Consortium has no major contingencies affecting its solvency, and its credit standing is good. COOEC did not provide financial assistance to Kingfisher Consortium in previous fiscal years, and there was no case where the financial assistance was not repaid in time after maturity.

2. Information on interested party: The basic information on CPECC Uganda Subsidiary is as follows

Company name: CHINA PETROLEUM ENGINEERING & CONSTRUCTION CORPORATION (CPECC) Uganda Limited

Legal representative: Geng Hongjie

Date of establishment: February 5, 2018

Registered capital: UGX 2,000,000,000

Registered address: Prince Charles, Drive Plot 90, Kololo Kampala, Uganda

Scope of business: Oil and gas infrastructure development, general contracting; design, engineering, procurement and construction; technical services, energy projects.

Equity structure: China Petroleum Engineering & Construction Corp., a wholly-owned subsidiary of China Petroleum Engineering Corp., Ltd., holds 99% of the shares, and Geng Hongjie holds 1% of the shares.

As of the end of December 2023, the audited financial data of

CPECC Uganda Subsidiary are: total assets were USD 6.55 million, liabilities were USD 6.10 million, owners' equity was USD 0.45 million, and asset-liability ratio was 93%; with the recognized cumulative revenue of USD 8.08 million and net profit of USD 0.58 million.

As of the end of September 2024, the audited financial data of CPECC Uganda Subsidiary are: total assets were USD 9.63 million, liabilities were USD 8.72 million, owners' equity was USD 0.91 million, and asset-liability ratio was 91%; with the recognized cumulative revenue of USD 10.26 million and net profit of USD 0.45 million.

There is no relationship between CPECC Uganda Subsidiary and COOEC.

### **III. Main content of financial assistance agreement**

COOEC International Uganda Branch intends to sign a loan agreement with Kingfisher Consortium, with the amount of no more than USD 6.5 million, the term of one year, the interest rate of 6%/year, and the funds used for contract payment and other operation payments of Kingfisher Consortium projects. In the case of a default, Kingfisher Consortium will pay a penalty interest of 0.15‰/day on the loan principal.

### **IV. Risk analysis and risk control measures of financial assistance**

According to the project cash flow forecast, the Consortium has

normal operation, good project profitability and performance ability. Both parties have clearly stipulated in the agreement the special purpose, repayment time, liability for breach and dispute resolution for the loan, and the risks are controllable. The Consortium's partner, CPECC Uganda Subsidiary, will also provide financial assistance to Kingfisher Consortium on the same terms.

COOEC will closely monitor the subsequent operating conditions, financial status and solvency of Kingfisher Consortium. If any adverse factors are discovered or judged, COOEC will take corresponding measures in a timely manner to control the risks of this financial assistance. COOEC will strictly comply with relevant provisions of the *Rules Governing the Listing of Stocks on the Shanghai Stock Exchange* and promptly fulfill its information disclosure obligations.

#### **V. Opinion of the Board of Directors**

The Uganda Branch of COOEC's wholly-owned subsidiary (COOEC International Co., Limited) and the partner of COOEC AND CPECC JOINT VENTURE (CHINA PETROLEUM ENGINEERING & CONSTRUCTION CORPORATION (CPECC) Uganda Limited) shall each provide an equal amount of financial support not exceeding USD 6.5 million to the Consortium, in order to meet the capital demand of the Consortium for project construction and protect the economic interests of all partners of the Consortium. Kingfisher Consortium has good credit and solvency, and the



financial assistance risk is within a controllable range, therefore, the Board of Directors agrees to this external financial assistance.

## **VI. Cumulative financial assistance amount and overdue amount**

Up to now, except for the above-mentioned financial assistance to Kingfisher Consortium, COOEC has not provided other external financial assistance and there is no overdue amount. After this financial assistance, the total amount of financial assistance provided by COOEC is USD 6.5 million, accounting for 0.19% of COOEC's latest audited net assets.

This announcement is hereby made.

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

December 18, 2024

### **● Reporting documents**

COOEC INTERNATIONAL LOAN AGREEMENT  
CONTRACT