

## **Offshore Oil Engineering Co., Ltd. Announcement on External Investment for Building a Specialized Pipe-laying Vessel**

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:**

● COOEC's branch, Offshore Oil Engineering Co., Ltd. Installation Branch (hereinafter referred to as "Installation Branch"), plans to build a specialized pipe-laying vessel, with a total estimated investment (including value-added tax) of RMB 1,375,256,800 from the self-own funds of COOEC.

#### I. Overview of external investment

On December 18, 2024, COOEC held the Seventh Meeting of the Eighth Board of Directors, deliberated and adopted the *Proposal on Building a Specialized Pipe-laying Vessel*, and agreed that the Installation Branch would build a specialized pipe-laying vessel, with a total estimated investment (including value-added tax) of RMB 1,375,256,800 from the self-own funds of COOEC.

This investment is within the scope of deliberation authority of the Board of Directors and does not require deliberation by the General Meeting of Shareholders. This investment does not constitute a related-party transaction, nor does it constitute a material asset reorganization under the *Administrative Measures for*

## *Material Asset Reorganization of Listed Companies.*

### II. Basic information on investment subject

1. Investment subject and project content: The Installation Branch intends to build a specialized pipe-laying vessel

2. Investment scale: The total estimated investment of the project is RMB 1,375,256,800 (including value-added tax)

3. Source of funds: Self-own funds of COOEC

4. Project construction period: It is planned to be delivered in June 2028

5. Market positioning: Specialized pipe-laying vessels mainly serve domestic waters, with the international market taken into account. Main functional positioning: It can lay sea pipes with a diameter of 4 to 60 inches in the corresponding water depth, and has functions such as double-node pipeline laying and submarine pipeline maintenance.

6. Economic evaluation: According to the financial evaluation and analysis, the after-tax financial internal rate of return of the project is 8.07%, the after-tax financial net present value ( $i=8\%$ ) is RMB 7,654,900, and the after-income tax payback period is 13.65 years, indicating good economic feasibility.

7. Feasibility analysis: The project of building a specialized pipe-laying vessel is in line with COOEC's development planning and business positioning, meets COOEC's development needs, and is technically and economically feasible.

### III. Impact on COOEC

The smooth implementation of the project is conducive to strengthening the service support capacity for increasing domestic oil and gas reserves and production, solidly promoting the upgrading of old equipment of COOEC and the international

development of major marine equipment, enhancing the resource support and market competitiveness of self-owned equipment, and improving the laying service capacity of submarine pipelines.

#### IV. Risk analysis of external investment

The process of this external investment may be uncertain due to factors such as macro-economy, industry policies, market environment and business management. COOEC will strictly control the construction progress during the project construction process and actively implement relevant risk prevention and control measures.

This announcement is hereby made.

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

December 18, 2024

- **Reference document**

*Summary of Feasibility Study Report on Building a Specialized Pipe-laying Vessel*