

## **Announcement of Offshore Oil Engineering Co., Ltd. on the Ongoing Risk Assessment Report on CNOOC Finance Corporation Limited**

The Board of Directors, all Directors, and relevant shareholders of the Company warrant that there are no false representations, misleading statements, or material omissions in the content of this announcement, and accept legal liability for the authenticity, accuracy, and completeness of its content.

### **I. Basic Information of the Finance Company**

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CNOOC Finance Corporation Limited (hereinafter referred to as the “Finance Company”) was approved for commencement of operations by the People’s Bank of China on May 13, 2002, and completed its industrial and commercial registration on June 14, 2002.

Legal Name (in Chinese): 中海石油财务有限责任公司

Registered Capital: RMB 4.0 billion

Legal Representative: Yang Nan

Financial License Institution Code: L0007H211000002

Unified Social Credit Code: 91110000710929818Y

Registered Address: CNOOC Tower, No. 6 Dongzhimenwai Xiaojie, Dongcheng District, Beijing

Business Scope: Covering various businesses permitted by the National Financial Regulatory Administration for finance companies, including: 1) Accepting deposits from member entities; 2) Providing loans to member entities; 3) Handling discounting of bills for member entities; 4) Facilitating fund settlement and receipts/payments for member entities; 5) Providing entrusted loans, bond underwriting, non-financing guarantees,

financial advisory services, credit verification, and consulting agency services for member entities; 6) Engaging in interbank lending; 7) Handling bill acceptance for member entities; 8) Providing buyer's credit for member entities' products; 9) Investing in fixed-income securities.

(II) Names of Shareholders, Amount of Capital Contribution, and Shareholding Percentage of the Finance Company

In October 2016, following approval from the Beijing Administration for Industry and Commerce and filing with the former Beijing Office of the China Banking Regulatory Commission, the shareholding structure was changed to:

Serial No.	Name of Shareholder	Amount of Capital Subscribed (RMB)	Shareholding Percentage (%)
1	China National Offshore Oil Corporation	2,515,901,060.00	62.90
2	CNOOC China Limited	1,272,084,806.00	31.80
3	CNOOC Refining & Petrochemicals Company Limited	141,342,756.00	3.53
4	Offshore Oil Engineering Co., Ltd.	70,671,378.00	1.77
	Total	4,000,000,000.00	100.00

**II. Basic Information on the Internal Control of the Finance Company**

(I) Risk Management Environment

The Finance Company has established an organizational structure comprising the Shareholders' Meeting, Board of Directors, Board of Supervisors, and Senior Management in accordance with the relevant provisions of the *Company Law of the People's Republic of China* and the *Administrative Measures for Enterprise Group Finance Companies*. The responsibilities and boundaries of governance bodies such as the

Shareholders' Meeting, Board of Directors, and Board of Supervisors are clearly defined, ensuring independent operation and effective checks and balances. The Finance Company has a sound corporate governance structure, forming an organizational framework system based on the Shareholders' Meeting, Board of Directors, Board of Supervisors, Senior Management, various business management departments, the Legal and Risk Management Department, and the Audit and Inspection Department. It has established a risk management framework with a reasonable division of labor, clearly defined responsibilities, mutual checks and balances, and a clear reporting structure, laying a solid foundation for the Finance Company to effectively prevent risks and operate prudently.

The Board of Directors is the highest decision-making body for risk management and bears the ultimate responsibility for overseeing the Company's risk management. It is responsible for promoting the improvement of the Company's risk management system, internal control system, compliance management system, and accountability system for losses arising from operational investment violations, deciding on significant matters in these areas, formulating plans for significant accounting policy and accounting estimate changes, reasonably formulating the Company's capital planning policies, effectively identifying, assessing, and promoting the prevention and mitigation of major risks, and conducting overall monitoring and evaluation of the relevant systems and their effective implementation. Major and high-risk investment projects of the Company must be decided by the Board of Directors.

The Board of Directors has an Audit and Risk Committee, which is responsible for guiding the development of the Company's risk management system, internal control system, compliance management system, and accountability system for losses arising from operational

investment violations, overseeing the formulation and implementation of internal audit systems, inspecting and evaluating the relevant systems and their implementation, reviewing the Company's financial reports and internal control evaluation reports, considering the Company's accounting policies and their changes, and providing recommendations to the Board of Directors.

The Board of Supervisors is responsible for supervising and inspecting the Company's overall risk management, monitoring the performance of duties by the Board of Directors and Senior Management in the area of risk management, and urging corrective actions.

The Senior Management is responsible for formulating, reviewing, and supervising the implementation of risk management systems, procedures, and specific operational processes, and for amending the risk management system in a timely manner based on changes in the risk management situation and the operating environment. It is responsible for keeping abreast of the levels of various risks and the status of risk management, ensuring that the Company has sufficient human and material resources, as well as appropriate organizational structures, management information systems, and technical capabilities to effectively identify, monitor, and control various risks assumed by its business operations. It is also responsible for promptly reporting any significant risks to the Board of Directors, its Audit and Risk Committee, or the Board of Supervisors.

The Finance Company has established a Risk Review Committee, which is responsible for reviewing risk management policies, reviewing business in accordance with the *Authority Manual*, and considering other significant matters affecting the risk profile.

The Finance Company has an independent risk management department—the Legal and Risk Management Department—which is responsible for establishing and maintaining the Company's risk

prevention and monitoring system, inspecting and supervising the risk management and control work of various business departments, conducting risk reviews, monitoring, and early warning for important business activities such as investments and credit facilities, as well as new business activities, regularly analyzing the Company's risk profile, providing risk consulting for daily business, organizing risk management training for the Company, and promoting the continuous optimization of the Company's risk management efforts.

The Finance Company has an independent internal audit department—the Audit and Inspection Department—responsible for assisting the Company in identifying and evaluating major risk issues, auditing the Company's internal control and risk management, and helping the Company maintain an effective control system by evaluating the efficiency and effectiveness of controls and promoting their continuous improvement.

Each business department of the Finance Company is the primary responsible party for risk management, responsible for performing risk control functions, identifying, monitoring, and controlling business-related risks, monitoring risk changes and risk events in relevant business areas and reporting them promptly, identifying major risks within their department, proposing response strategies, and being responsible for their implementation.

The Finance Company has established three lines of defense for risk management. Each business department serves as the first line of defense for risk management, the Legal and Risk Management Department serves as the second line of defense, and the Audit and Inspection Department serves as the third line of defense, continuously enhancing the capacity to manage liquidity risk, credit risk, market risk, compliance risk, information technology risk, and operational risk, thereby providing a strong guarantee

for safe, stable, and compliant operations.

## (II) Risk Identification, Assessment, and Monitoring

The Finance Company has established a comprehensive hierarchical authorization management system. Responsibilities are clearly divided among departments and positions, with a clear reporting structure at each level. Through the reasonable definition of departmental and position responsibilities, a risk control mechanism characterized by mutual supervision and mutual checks among departments and positions has been established. Each department, based on its functional division, identifies and assesses the business risks within its scope of responsibility and, based on the assessment results, formulates its own risk control systems, standardized operating procedures, and corresponding risk response measures.

Concurrently, the Finance Company has established a customer credit rating indicator system, conducts credit risk reviews and unified credit granting for customers, completed the development of a risk early warning system, achieved real-time monitoring of the liquidity ratio, completed the construction of a standardized regulatory data platform, and continuously improves the efficiency, quality, and technical level of risk identification, assessment, monitoring, and reporting.

## (III) Control Activities

Based on its development strategy and operational management realities, the Finance Company has established practical and achievable internal control objectives: ensuring compliance with relevant national laws, regulations, and rules; ensuring the realization of the Company's development strategy and operational objectives; ensuring the truthfulness, accuracy, completeness, and timeliness of the Company's business records, accounting information, financial information, and other management information; and ensuring the effectiveness of the Company's risk

management. The internal control policy is characterized by comprehensive coverage, materiality, checks and balances, alignment, prudence, and a balance between cost and benefit.

In terms of major operational risk assessment and review, the Finance Company continuously improves its risk review mechanisms for significant operational matters such as credit business, investment business, and interbank credit business. Regarding compliance risk management, the Finance Company has established a pre-emptive compliance review mechanism, clearly defining a one-veto system for compliance to ensure the independence and effectiveness of compliance reviews. For quarterly major risk monitoring, the Finance Company has established a quarterly risk management reporting mechanism, conducting detailed analysis of the Company's overall risk from multiple dimensions including credit risk, market risk, operational risk, information technology risk, liquidity risk, legal risk, and compliance risk, providing information support for the Company's global and trend-based judgment of the risks it faces. Regarding the reporting, follow-up, and handling of major risk events, an interconnected and horizontally coordinated reporting mechanism has been established to ensure early detection, early reporting, and early response to major risks, creating conditions for taking timely and effective measures to reduce asset losses, eliminate adverse consequences, and avoid systemic operational risks. In terms of information system control, the Finance Company continuously promotes the informatization of internal control, achieving full-chain online business approval processes, which further controls the risk of interrupted approvals while improving business processing efficiency. Through data governance projects, it has established a company-wide data governance system. It continuously improves information system security incident management and strengthens the information security assurance of the internal control system. In terms of

audit supervision, the Finance Company regularly inspects and evaluates the reasonableness, soundness, and effectiveness of internal controls, regularly conducts audit supervision of the implementation of internal control systems, and proposes recommendations for improvement on existing internal control issues while supervising their implementation. The Finance Company has unimpeded information communication channels, and any hidden risks or deficiencies in internal controls can be reported to senior management, the Board of Directors, and the Board of Supervisors through convenient channels.

#### (IV) Overall Risk Management Assessment

The Finance Company has established a prudent and cautious risk appetite. Adhering to the risk management philosophy of “prudent, rational, proactive, and company-wide,” it conducts various businesses within the Company’s overall risk tolerance. Its risk management systems are sound and effectively implemented, with overall risk controlled at a relatively low level.

In 2025, the Finance Company maintained a credit rating of A+ from Standard & Poor’s and A1 from Moody’s, representing the highest rating levels for Chinese commercial financial institutions. Since commencing operations, the Finance Company has consistently maintained a record of zero non-performing assets and zero non-performing loans.

### **III. Operations, Management, and Risk Management of CNOOC Finance Corporation Limited**

#### (I) Key Financial Data of the Finance Company

Unit: RMB 100 million

	<b>As of December 31, 2024 (Audited)</b>	<b>As of December 31, 2025 (Audited)</b>
Total Assets	2,711.42	2,215.73

Total Liabilities	2,550.58	2,042.95
Net Assets	160.84	172.78
Asset-Liability Ratio	94%	92%
	<b>Year 2024 (Audited)</b>	<b>January to December 2025 (Audited)</b>
Operating Revenue	18.76	15.14
Net Profit	13.72	10.39

## (II) Management of the Finance Company

Since its establishment, the Finance Company has consistently adhered to the principle of prudent operations, strictly complying with the *Company Law of the People's Republic of China*, the *Implementation Measures for Administrative Licensing Matters of Non-Bank Financial Institutions of the China Banking and Insurance Regulatory Commission*, the *Accounting Standards for Business Enterprises*, the *Administrative Measures for Enterprise Group Finance Companies*, and relevant national financial laws and regulations, as well as its Articles of Association, in regulating its operational conduct and strengthening internal management. Based on the assessment and evaluation of the Finance Company's risk management, the Company has not identified any material deficiencies in the risk control systems related to funds, credit, audit, information management, etc., associated with the financial statements as of December 31, 2025.

## (II) Regulatory Indicators of the Finance Company

According to the *Administrative Measures for Enterprise Group Finance Companies* and the *Measures for Regulatory Rating of Enterprise Group Finance Companies*, as of December 31, 2025, all key regulatory indicators of the Finance Company complied with the prescribed requirements:

Serial No.	Regulatory Indicator	Prescribed Value	Actual Indicator at the End of Reporting Period
1	Capital Adequacy Ratio	$\geq 10.5\%$	14.39%
2	Liquidity Ratio	$\geq 25\%$	60.98%
3	Ratio of Loan Balance to Total of Deposit Balance and Paid-in Capital	$\leq 80\%$	23.71%
4	Ratio of External Group Liabilities to Net Capital	$\leq 100\%$	0.00%
5	Ratio of Total Investment to Net Capital	$\leq 70\%$	40.75%
6	Ratio of Bill Acceptance Balance to Total Assets	$\leq 15\%$	0.00%
7	Ratio of Bill Acceptance Balance to Balance of Interbank Deposits	$\leq 300\%$	0.00%
8	Ratio of Total Bills Accepted and Rediscounted to Net Capital	$\leq 100\%$	0.00%
9	Ratio of Acceptance Bill Margin Balance to Total Deposit Balance	$\leq 10\%$	0.00%
10	Ratio of Net Fixed Assets to Net Capital	$\leq 20\%$	0.03%

#### **IV. Deposits and Loans of the Listed Company with the Finance Company**

As of December 31, 2025, the Company had a cash balance of RMB 7.439 billion, of which RMB 1.000 billion was deposited with the Finance Company and RMB 6.439 billion was deposited with commercial banks, representing a deposit ratio with the Finance Company of 13.44%. During the reporting period, the Company's daily deposit balance with the Finance Company remained within the specified limits and did not exceed the daily maximum deposit balance cap set in the *Financial Services Framework Agreement* signed between the Company and the Finance Company. During the reporting period, the Finance Company did not experience any

payment delays due to cash shortages, and the Company's normal production and operations were not affected.

As of December 31, 2025, the Company had no outstanding borrowings from financial institutions.

The safety and liquidity of the Company's deposits with the Finance Company are good. The pricing of financial services provided by the Finance Company complies with the fee standards prescribed by the People's Bank of China or the National Financial Regulatory Administration for such services, and is fair and reasonable, fully protecting the interests of the Company and the legitimate rights and interests of minority shareholders.

#### **V. Ongoing Risk Assessment Measures**

The Company evaluates the operational qualifications, business, and risk profile of the Finance Company by reviewing its Financial License, Business License, and other documents, as well as examining the Finance Company's periodic financial reports, including the balance sheet, income statement, and cash flow statement, and issues a risk assessment report accordingly.

#### **VI. Risk Assessment Opinion**

CNOOC Finance Corporation Limited holds a valid Financial License and Business License, has established a relatively complete and reasonable internal control system, and can effectively control risks. Based on the assessment and evaluation of the Finance Company's risk management, up to the date of this report, the Company has not identified any circumstances where the Finance Company violated the *Banking Supervision and Administration Law of the People's Republic of China*, the *Administrative Measures for Enterprise Group Finance Companies*, or other laws,

regulations, or rules. The Company has not identified any material deficiencies in the risk control systems related to funds, credit, audit, information management, etc., associated with the financial statements as of December 31, 2025.

In conclusion, the Company believes that CNOOC Finance Corporation Limited operates in compliance with regulations, has ample funds, maintains sound internal controls, possesses good asset quality, and has a relatively high capital adequacy ratio. The risks associated with related-party financial transactions such as deposits and loans between the Company and the Finance Company are controllable.

This announcement is hereby made.

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

March 19, 2026