

**Offshore Oil Engineering Co., Ltd.**  
**Special Report on the Custody, Management, and Actual**  
**Use of Proceeds Raised by the Company**

The Board of Directors and all Directors 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.

In accordance with the *Guideline No. 2 for Listed Companies – Regulatory Requirements for the Management and Use of Proceeds Raised by Listed Companies* issued by the China Securities Regulatory Commission and the *Self-Disciplinary Regulatory Guideline No. 1 for Listed Companies on the Shanghai Stock Exchange – Standardized Operations* issued by the Shanghai Stock Exchange, the Board of Directors of Offshore Oil Engineering Co., Ltd. (hereinafter referred to as the “Company” or “this Company”) has prepared the *Special Report of the Board of Directors on the Annual Custody and Actual Use of Proceeds Raised by the Company* for the period ended December 31, 2025.

## **I. Basic Information on Proceeds Raised**

### **(I) Actual Amount of Proceeds Raised and Time of Receipt**

Pursuant to the approval in the *Reply on Approving the Non-Public Offering of Shares by Offshore Oil Engineering Co., Ltd.* (Zheng Jian Xu Ke [2013] No. 1180) issued by the China Securities Regulatory Commission, Offshore Oil Engineering Co., Ltd. (hereinafter referred to as the Company or this Company) issued RMB 531,914,800.00 ordinary shares (A-shares) through a non-public offering at an issue price of RMB 6.58 per share. The total amount of proceeds raised was RMB 3,499,999,384.00. After deducting underwriting fees of RMB 27,123,995.07, the net proceeds of RMB 3,472,875,388.93 were deposited on September 27, 2013, into the Company’s designated special account for proceeds at Bank of Communications Beijing Deshengmen Sub-branch in the amount of RMB 1,772,875,388.93, and into the Company’s designated special account for proceeds at Bank of China Tianjin Binhai

Branch Haiyang Sub-branch in the amount of RMB 1,700,000,000.00. Additionally, the Company incurred other issuance-related expenses totaling RMB 1,379,191.48 for legal and accounting services and registration fees in connection with this non-public offering. After deducting the underwriting fees and other issuance-related expenses, the net proceeds from the offering amounted to RMB 3,471,496,197.45.

The receipt of the aforementioned proceeds was verified by ShineWing Certified Public Accountants LLP (Special General Partnership), which issued the Capital Verification Report XYZH/2013A7012. Details can be found in the *Announcement of Non-Public Offering Results and Changes in Share Capital* disclosed by the Company on October 11, 2013.

## (II) Basic Information Table on Proceeds Raised

Unit: RMB 10,000 Currency: RMB

<b>Offering Name</b>	Non-Public Offering of RMB Ordinary Shares (A-shares) by Offshore Oil Engineering Co., Ltd.
<b>Time of Receipt of Proceeds</b>	September 27, 2013
<b>Current Reporting Period</b>	January 1, 2025 to December 31, 2025
<b>Item</b>	<b>Amount</b>
I. Total Proceeds Raised	349,999.94
Including: Amount of Excess Proceeds	
Less: Direct Payment of Offering Expenses	2,850.32
II. Net Proceeds Raised	347,149.62
Less:	
Amount Used in Prior Years	334,870.64
Amount Used in the Current Year	7,052.98
Amount Temporarily Used to Supplement Working Capital	41,000.00
Amount Used for Cash Management	
Add:	
Cumulative Interest Income Net of Handling Fees	2,912.24
Cumulative Investment Income	32,888.68
III. Balance of Proceeds Raised at End of Reporting Period	26.92

## II. Management of Proceeds Raised

### (I) Strict Management of Proceeds Raised in Accordance with Regulations

To standardize the management and use of the Company's proceeds raised, the

Company has established the *Measures for the Management and Use of Proceeds Raised by Offshore Oil Engineering Co., Ltd.* (hereinafter referred to as the “*Measures for the Management and Use of Proceeds*”) in accordance with the *Company Law of the People’s Republic of China*, the *Securities Law of the People’s Republic of China*, the *Administrative Measures for the Securities Offering of Listed Companies*, the *Shanghai Stock Exchange Listing Rules*, and other relevant laws, regulations, regulatory documents, and the Company’s Articles of Association, taking into account the Company’s actual circumstances. These Measures were last amended with the approval of the Company’s first extraordinary shareholders’ meeting in 2025 on September 4, 2025. The Company maintains a special account for the custody of proceeds. Any expenditure of proceeds must strictly follow the approval procedures for fund utilization as stipulated in the Company’s fund management system. Investment of idle proceeds in financial products must be approved by the Company’s Board of Directors and disclosed promptly after the sponsor provides its explicit opinion.

## (II) Implementation Entities for the Proceeds

According to the *Non-Public Offering of A-share Plan* approved by the Company’s 16th Meeting of the 4th Board of Directors on October 26, 2012, and the first extraordinary shareholders’ meeting in 2013 on March 11, 2013, the net proceeds from this non-public offering are to be used for the following projects:

Unit: RMB 10,000

Currency: RMB

Project Name	Item Total Investment	Project Filing Status
Zhuhai Deepwater Offshore Engineering Equipment Manufacturing Base Project	1,010,614.00	“Record Filing Certificate for Capital Construction Investment Projects of Guangdong Province” (Filing Project No. 099000361229028), Zhu Gang Huan Jian [2013] No. 39

The above project is to be independently implemented by the Company’s wholly-owned subsidiary, Offshore Oil Engineering (Zhuhai) Co., Ltd. (hereinafter referred to as the “Zhuhai Subsidiary” or “Zhuhai Company”).

In August 2015, based on the Zhuhai Deepwater Offshore Engineering Equipment Manufacturing Base, Zhuhai Company entered into a Sino-foreign joint venture

contract with Fluor International Limited (hereinafter referred to as “Fluor”) to establish COOEC-Fluor Heavy Industries Co., Ltd. (hereinafter referred to as “COOEC-Fluor”) with a total proposed investment of USD 999.6 million. Zhuhai Company contributed USD 509.8 million, representing 51% of the registered capital of the joint venture, through land use rights, physical assets, and partial cash related to the Zhuhai Deepwater Base. The relevant matters regarding the establishment of the joint venture were approved by all Directors at the 13th Meeting of the 5th Board of Directors held on August 19, 2015. Details can be found in the *Announcement on Establishing a Joint Venture Company* (Lin 2015-020) disclosed by the Company on August 21, 2015.

Consequently, the implementation of the Zhuhai Deepwater Offshore Engineering Equipment Manufacturing Base Project was changed from being independently implemented by Zhuhai Company to being jointly implemented by a joint venture established between Zhuhai Company and Fluor. This matter was approved by all Directors at the 13th Meeting of the 5th Board of Directors held on August 19, 2015. Details can be found in the *Announcement on Changing the Proceeds-Raised Investment Project to Joint Venture Operation* (Lin 2015-021) disclosed by the Company on August 21, 2015.

The above matters were approved by the Company’s first extraordinary shareholders’ meeting in 2015.

This change did not constitute a de facto alteration of the construction content of the proceeds-invested project nor harm the interests of shareholders. The construction content of the proceeds-invested project after the change did not materially differ from that before the change. Instead, it introduced Fluor through a joint venture, which is beneficial to the project’s construction and its subsequent performance and profitability.

In December 2025, Zhuhai Company and Fluor entered into an *Equity Transfer Agreement*, pursuant to which Zhuhai Company agreed to acquire Fluor’s entire 49% equity interest in COOEC-Fluor for a consideration of RMB 859.4683 million in cash (hereinafter referred to as the “Transaction”). Prior to the Transaction, Zhuhai Company held 51% of the equity in COOEC-Fluor, maintained actual control, and consolidated it within its financial statements. Following the completion of the Transaction, Zhuhai Company’s equity interest in COOEC-Fluor will increase from 51% to 100%, which will not result in a change in the Company’s scope of consolidation. After the completion of the Transaction, the equity structure of the entity implementing the aforementioned proceeds-invested project will change, from a subsidiary under the

Company’s control to a wholly-owned subsidiary. However, the Transaction does not involve any change in the use of the proceeds. Details can be found in the “Announcement on the Acquisition of the Minority Interest in COOEC-Fluor and the Change in the Equity Structure of the Implementation Entity for the Company’s Non-Public Offering Proceeds-Invested Project” (Lin 2025-041) disclosed by the Company on December 20, 2025.

### (III) Special Accounts for Proceeds and Custody Status

#### 1. Initial Special Accounts for Proceeds

On October 20, 2013, the Company’s headquarters entered into the *Tripartite Custody Agreement for Special Accounts for Proceeds* with Bank of China Co., Ltd. Tianjin Binhai Branch, Bank of Communications Co., Ltd. Beijing Deshengmen Sub-branch, and the sponsor, China International Capital Corporation Limited, and opened special accounts for proceeds. Concurrently, Zhuhai Subsidiary, as the implementation entity for the proceeds-invested project, entered into a *Tripartite Custody Agreement for Special Accounts for Proceeds* with Bank of Communications Co., Ltd. Zhuhai Branch and the sponsor, China International Capital Corporation Limited, and opened a special account for proceeds. Details of the special accounts are as follows:

#### Proceeds Custody Status Table

Unit: RMB 10,000 Currency: RMB

Offering Name		Non-Public Offering of RMB Ordinary Shares (A-shares) by Offshore Oil Engineering Co., Ltd.			
Time of Receipt of Proceeds		September 27, 2013			
Account Name	Depository Bank	Bank Number	Account	Balance at End of Reporting Period	Account Status
Offshore Oil Engineering Co., Ltd.	Bank of China Co., Ltd. Tianjin Binhai Branch	270073124727			Closed
Offshore Oil Engineering Co., Ltd.	Bank of Communications Co., Ltd. Beijing Deshengmen Sub-branch	110060211018010049142			Closed

Offshore Engineering Co., Ltd.	Oil (Zhuhai)	Bank of Communications Co., Ltd. Zhuhai Branch	4440000910181701255 83	26.92	In Use
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## 2. Closure of Special Accounts for Proceeds

Pursuant to the resolution of the 6th Meeting of the 5th Board of Directors held on October 28, 2014, the remaining proceeds in the Company’s headquarters accounts, along with the investment income and interest generated, were injected into Zhuhai Company in a lump sum to be managed and operated centrally by Zhuhai Company, with the entire amount gradually invested in the Zhuhai Deepwater Base Project according to production and construction needs. Following the capital injection, the Company’s headquarters’ special accounts for proceeds were no longer in use. Accordingly, the Company closed the special account for proceeds with the account number “270073124727” at Bank of China Co., Ltd. Tianjin Binhai Branch in November 2014, and closed the special account for proceeds with the account number “110060211018010049142” at Bank of Communications Co., Ltd. Beijing Deshengmen Sub-branch in December 2014.

## 3. Establishment of New Special Accounts for Proceeds

After the implementation of the proceeds-invested project was transferred to the joint venture COOEC-Fluor, a new special account for proceeds was opened at COOEC-Fluor to ensure the dedicated use and compliance of the proceeds within the joint venture, in accordance with relevant laws and regulations, the then applicable *Shanghai Stock Exchange Management Measures for Proceeds of Listed Companies (2013 Revision)*, and the *Measures for the Management and Use of Proceeds*. On December 19, 2017, a tripartite agreement was entered into by the joint venture, the bank, and the sponsor, China International Capital Corporation Limited, for this new special account. The bank account number for the newly established special proceeds account is 444000091018170176829. (Details can be found in the *Announcement on Signing a Tripartite Custody Agreement for the Special Account for Proceeds* disclosed by the Company on December 22, 2017.)

The special account for proceeds with the account number “444000091018170176829” at Bank of Communications Zhuhai Branch was closed on September 5, 2025, with a balance of RMB 0.00 prior to closure.

## 4. Custody Status of Proceeds

The proceeds are deposited in Zhuhai Subsidiary’s special account for proceeds with the account number “444000091018170125583” at Bank of Communications Zhuhai Branch. As of December 31, 2025, the account balance was RMB 269,214.79.

#### **(IV) Tripartite Supervision of Proceeds**

Zhuhai Company entered into a *Tripartite Custody Agreement for the Special Account for Proceeds* with Bank of Communications Co., Ltd. Zhuhai Branch and China International Capital Corporation Limited, which has been performing normally.

The tripartite custody agreement clearly defines the rights and obligations of each party, and its content does not materially differ from the template provided by the Shanghai Stock Exchange. There are no issues with the performance of the tripartite custody agreement.

COOEC-Fluor entered into a *Tripartite Custody Agreement for the Special Account for Proceeds* with Bank of Communications Co., Ltd. Zhuhai Branch and China International Capital Corporation Limited.

The tripartite custody agreement clearly defines the rights and obligations of each party, and its content does not materially differ from the template provided by the Shanghai Stock Exchange. There are no issues with the performance of the tripartite custody agreement.

The tripartite custody agreement stipulates that it shall remain in effect until all funds in the special account have been fully expended and the account is legally closed. COOEC-Fluor closed the special account for proceeds “444000091018170176829” on September 5, 2025, and the *Tripartite Custody Agreement for the Special Account for Proceeds* entered into between COOEC-Fluor, Bank of Communications Co., Ltd. Zhuhai Branch, and China International Capital Corporation Limited became invalid from September 5, 2025.

### **III. Actual Use of Proceeds During the Current Year**

#### **(I) Use of Funds for the Proceeds-Raised Investment Project (hereinafter referred to as the “Proceeds Project”)**

For the use of funds for the Proceeds Project, please refer to the “Comparison Table of Proceeds Usage” (Appendix 1).

#### **(II) Advance Investment and Replacement of Proceeds**

During this reporting period, there was no advance investment replacement.

### (III) Temporary Use of Idle Proceeds to Supplement Working Capital

The Company, at its 9th Meeting of the 8th Board of Directors held on March 14, 2025, deliberated and approved the *Proposal on Using Part of the Idle Proceeds to Temporarily Supplement Working Capital*, agreeing to use no more than RMB 410 million of idle proceeds to temporarily supplement working capital, with a term not exceeding 12 months from the date of Board approval.

Pursuant to the above Board resolution, RMB 410 million of proceeds were used to supplement working capital in 2025.

### Schedule of Temporary Use of Idle Proceeds to Supplement Working Capital

Unit: RMB 10,000 Currency: RMB

Offering Name		Non-Public Offering of RMB Ordinary Shares (A-shares) by Offshore Oil Engineering Co., Ltd.			
Time of Receipt of Proceeds		September 27, 2013			
Amount Temporarily Used to Supplement Working Capital	Start Date of Temporary Working Capital Supplement	Planned Duration for Working Capital Supplement	Board Approval Date	Date of Repayment to Proceeds Account	Amount Repaid to Proceeds Account
41,000	March 19, 2025	Not exceeding 12 months from the date of Board approval	March 14, 2025	March 10, 2026	41,000

### (IV) Cash Management of Idle Proceeds and Investment in Related Products

During the reporting period, the Company did not invest any proceeds in wealth management products.

### (V) Other Use of Proceeds

The Company had no other circumstances such as using excess proceeds to permanently supplement working capital or repay bank loans, using excess proceeds for ongoing construction or new projects, or using remaining proceeds.

## IV. Use of Funds for the Changed Proceeds Project

The implementation of the Zhuhai Deepwater Offshore Engineering Equipment Manufacturing Base Project was changed from being independently implemented by Zhuhai Company to being jointly implemented by a joint venture established between Zhuhai Company and Fluor. This matter was approved by all Directors at the 13th

Meeting of the 5th Board of Directors held on August 19, 2015. Details can be found in the *Announcement on Changing the Proceeds-Raised Investment Project to Joint Venture Operation* (Lin 2015-021) disclosed by the Company on August 21, 2015.

On January 8, 2016, the joint venture “COOEC-Fluor Heavy Industries Co., Ltd.” was established. The implementation of the Zhuhai Deepwater Offshore Engineering Equipment Manufacturing Base Project, along with the operation and management of the base, has since been carried out by the joint venture.

As of December 31, 2025, Phases I, II, and III of the Zhuhai Deepwater Offshore Engineering Equipment Manufacturing Base Project have all been completed and are in operation. The subsequent construction of Phase IV of the base does not involve any change in the use of the proceeds.

## **V. Issues in the Use and Disclosure of Proceeds**

The Company has not had any instances of untimely, untrue, inaccurate, or incomplete disclosure of information related to the use of proceeds, nor has it committed any violations regarding the custody, use, or management of proceeds.

## **VI. Concluding Opinion in the Assurance Report Issued by the Accounting Firm on the Company’s Custody and Use of Proceeds for the Year.**

Zhonghuan Zhonghui Certified Public Accountants LLP believes that the *Special Report of the Board of Directors on the Annual Custody and Actual Use of Proceeds Raised by the Company* of COOEC for the period ended December 31, 2025, has been prepared in accordance with the *Guideline No. 2 for Listed Companies – Regulatory Requirements for the Management and Use of Proceeds Raised by Listed Companies* issued by the China Securities Regulatory Commission and the *Self-Disciplinary Regulatory Guideline No. 1 for Listed Companies on the Shanghai Stock Exchange – Standardized Operations* issued by the Shanghai Stock Exchange, and reflects, in all material respects, the annual custody and actual use of the proceeds raised by COOEC for the period ended December 31, 2025.

**VII. Concluding Opinion in the Special Verification Report  
Issued by the Sponsor or Independent Financial Advisor on the  
Company's Custody and Use of Proceeds for the Year.**

After verification, CICC believes that the custody and use of proceeds by Offshore Oil Engineering Co., Ltd. for the year 2025 comply with the provisions of regulations and documents such as the *Administrative Measures for the Sponsorship of Securities Issuance and Listing*, the *Regulatory Rules for Proceeds of Listed Companies*, and the *Shanghai Stock Exchange Listing Rules*. The Company has maintained a special account and dedicated use for the proceeds, entered into a tripartite agreement with the implementing entity, the bank, and the sponsor, and all parties to the agreement have exercised their rights and fulfilled their obligations in accordance with the terms of the tripartite supervisory agreement. There has been no de facto change in the use of the proceeds or any improper use of the proceeds.

This announcement is hereby made.

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

March 19, 2026

Appendix 1:

**Comparison Table of Proceeds Usage**

2025

Unit: RMB 10,000 Currency: RMB

Offering Name			Non-Public Offering of RMB Ordinary Shares (A-shares) by Offshore Oil Engineering Co., Ltd.										
Date of Proceeds Receipt			September 27, 2013										
Total Amount of Proceeds Invested in the Current Year			7,052.98										
Total Cumulative Amount of Proceeds Invested			341,923.62										
Total Amount of Proceeds with Changed Use													
Percentage of Proceeds with Changed Use													
Committed Investment Projects and Use of Excess	Nature of Proceeds-Raised Investment Project	Projects with Changed Use (including partial changes, if any)	Total Committed Investment from Proceeds	Total Adjusted Investment	Committed Investment Amount as of Period-End (1)	Amount Invested in the Current Year	Cumulative Amount Invested as of Period-End (2)	Difference Between Cumulative Investment and Committed Investment as of Period-End (3) = (2) - (1)	Investment Progress as of Period-End (%) (4) = (2) / (1)	Date When the Project Reaches the Expected Usable State (specify month)	Benefits Achieved in the Current Year	Whether Expected Benefits Have Been Achieved	Whether Significant Changes Have Occurred in Project Feasibility

Proceeds													
Zhuhai Deepwater Offshore Engineering Equipment Manufacturing Base Project	Committed Investment Projects	No	347,149.62	347,149.62	347,149.62	7,052.98	341,923.62	-5,226.00	98.49%	Phases I, II, and III of the Base Completed and Put into Use as of Period-End	Net profit of COOEC-Fluor Heavy Industries Co., Ltd. for 2025 was RMB 55.4293 million. Calculated based on the Company's 51% shareholding in the joint venture during 2025, the investment income generated for the Company was RMB 28.2689 million.	Due to industry-wide conditions, the base has insufficient workload, coupled with lower order prices; therefore, the expected benefits projected in the feasibility study report have not been achieved.	No
Total			347,149.62	347,149.62	347,149.62	7,052.98	341,923.62	-5,226.00					
Reasons for Not Meeting Planned Progress (Specify for Each Proceeds Project)			Due to industry-wide conditions, the base has insufficient workload, coupled with lower order prices; therefore, the expected benefits projected in the feasibility study report have not been achieved.										
Explanation of Significant Changes in Project Feasibility			No significant changes have occurred in project feasibility.										

Advance Investment and Replacement of Proceeds-Raised Investment Projects	No replacement occurred during the current year.
Temporary Use of Idle Proceeds to Supplement Working Capital	RMB 410 million
Cash Management of Idle Proceeds and Investment in Related Products	Unused proceeds are held in accounts under tripartite supervision.
Use of Excess Proceeds to Permanently Supplement Working Capital or Repay Bank Loans	No such situation.
Balance of Proceeds and Reasons for Its Formation	The Proceeds Project is continuously being advanced, and the proceeds are being consistently invested.
Other Use of Proceeds	No

Note: According to the Company's non-public offering A-share plan, all proceeds, after deducting issuance expenses, are to be used for the Zhuhai Deepwater Offshore Engineering Equipment Manufacturing Base Project. The committed investment amount as of the period-end is the net proceeds of RMB 3,471,496,200.00.