

An Announcement of COOEC on Extending the Guarantee Provided to the Subsidiary in Nigeria Dangote Free Trade Zone

Important 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 guaranteed party is the COOEC subsidiary in Nigeria Dangote Free Trade Zone, a subsidiary wholly owned by COOEC
- Adjustment of the guarantee: The maximum term of the performance guarantee was extended from June 30, 2020 to December 31, 2020
- Is there any counter guarantee in this guarantee? None
- Cumulative number of overdue external guarantees: no overdue guarantee

I. Overview of the guarantee

(I) Basic information of the guarantee

Through review and approval on the 27th Meeting of the 5th Board of Directors and the 10th Meeting of the 6th Board of Directors, the Company was approved to provide joint liability guarantee for the subsidiary company 100% indirectly owned by the Company, namely COOEC subsidiary in Nigeria Dangote Free Trade Zone, in order to open bank guarantee and bank advance payment guarantee for undertaking the Marine Transportation and Installation Project of Dangote Petrochemical Engineering, the contract amount of the Project was USD 191 million and the amount guaranteed was USD 38.2 million, where the amount of performance guarantee was USD 19.1 million and that of advance payment guarantee was USD 19.1 million. (For details, please refer to An Announcement on Providing A Guarantee for Nigeria Dangote Free Trade Zone Subsidiary to Open Bank Guarantee disclosed by the Company on April 28, 2017 and An Announcement on Adjusting the Guarantee Provided to Nigeria Dangote Free Trade Zone Subsidiary disclosed on August 21, 2018)

(II) Extension of the guarantee

The maximum term of the performance guarantee was extended from June 30, 2020 to December 31, 2020 this time. Other terms and the joint guarantee and several liabilities of the parent company keep unchanged.

(III) Extension of the previous guarantee

As reviewed and passed by all directors on the 21st Meeting of the 6th Board of Directors, which was convened on December 20, 2019, and approved on the 1st Extraordinary General Meeting, the maximum term of bank performance guarantee and bank advance payment guarantee for the Marine Transportation and Installation Project of Dangote Petrochemical Engineering was extended from September 30, 2019 to June 30, 2020. (For details, please refer to An Announcement on Extending the Guarantee Provided to Nigeria Dangote Free Trade Zone Subsidiary disclosed by the Company on December 24, 2019 and An Announcement on the Resolutions of the 1st 2020 Extraordinary General Meeting disclosed on January 8, 2020)

(IV) Decision-making procedure of the guarantee

The extension of the guarantee was reviewed and passed by all directors on the 24th Meeting of the 6th Board of Directors convened on June 23, 2020. According to related stipulations of Shanghai Stock Exchange and related system of the Company, the guarantee remained to be submitted to the Company's general meeting of shareholders for review and approval.

II. Basic information of the guaranteed party

Name of the guaranteed party: COOEC subsidiary in Nigeria Dangote Free Trade Zone

Place of registration: Nigeria Dangote Free Trade Zone

Legal representative: no legal representative, two directors are set, respectively being Li Xiaowei and Gu Hong, where Li Xiaowei is Vice President of COOEC and Gu Hong is assistant president of COOEC.

Business scope: The company is specially established by the Company to carry out the Marine Transportation and Installation Project of Dangote Petrochemical Engineering, and the business scope is related operation and management work of the Project.

The latest credit rating: no poor credit record

Financial conditions:

Main financial data in 2019 (audited)

Unit: 10 thousand yuan Currency: RMB

Major accounting data	As of December 31, 2019
Total assets	51,244.68
Total liabilities	68,739.07
Total current liabilities	68,739.07
Total amount of bank loans	0
Net assets	-17,494.39
Major accounting data	The whole year 2019
Operating income	62,186.07
Net profit	-17,668.25

Main financial data in the first quarter of 2020 (unaudited)

Unit: 10 thousand yuan Currency: RMB

Major accounting data	As of March 31, 2020
Total assets	62,829.05
Total liabilities	80,616.15
Total current liabilities	77,433.87
Total amount of bank loans	0
Net assets	-17,787.10
Major accounting data	January-March, 2020
Operating income	15,354.09
Net profits	-19.43

Relationship with the Company: The Company holds 100% stock right of its two wholly-owned subsidiaries: COOEC International Co., Ltd and COOEC Nigeria Co., Ltd. The actual shareholding ratio of the Company is 100%.

III. Main content of guarantee agreement adjustment

Main content of adjustment: The maximum term of the performance guarantee was extended from June 30, 2020 to December 31, 2020, and other terms were unchanged, so was the joint guarantee liability undertaken by the parent company.

Main content of the guarantee: The Company provided a guarantee for Nigeria Dangote Free Trade Zone Subsidiary. If the subsidiary company violates responsibilities stipulated in the contract, the Company will perform or take requisite measures to undertake related responsibilities.

Guarantee style: The Company provided joint liability guarantee for Nigeria Dangote Free Trade Zone Subsidiary to perform the contract.

Guarantee type: performance guarantee.

IV. Opinions of the Board of Directors

The Company's Board of Directors believes that the above extension of the guarantee is for normal production and operation arrangement. The guaranteed party is a subsidiary company 100% indirectly owned by the Company and the guarantee risk is controllable.

V. Opinions of independent directors

1. The Company extends the guarantee provided to the COOEC subsidiary located in Nigeria Dangote Free Trade Zone for its daily production and operation.
2. The guarantee object is the subsidiary company 100% indirectly owned by the Company so that the Company can master its credit status at any time and strictly control and prevent guarantee risks.
3. The guarantee and decision-making procedure conform to the provisions of relevant documents such as Notice Concerning Some Issues on Regulating the Funds between Listed Companies and Associated Parties and Listed Companies' Provision of Guaranty to Other Parties (No. 56 [2003] promulgated by CSRC) and Notice on External Security by Listed Companies (No. 120 [2005] promulgated by CSRC and Rules Governing the Listing of Stocks on the Shanghai Stock Exchange and Articles of Association and other relevant regulations.
4. The guarantee is fair and reasonable, and no damage is found to the interests of the Company and small and medium shareholders.
5. Unanimously agree to the extension of the guarantee.

VI. Cumulative amounts of external guarantees and accumulative amount of overdue guarantees

After the guarantee comes into effect, the Company has provided a total nine external guarantees, all of which are provided to the subsidiaries, and the cumulative amount guaranteed is USD 126,500,000, accounting for 39.61% of audited net assets of the Company in the nearest period (calculated at the exchange rate of US\$ to RMB of 1:7.0960 on June 15, 2020). All guaranteed matters are as follows:

Unit: 100 million yuan Currency: USD

No.	Major guarantee contents	Amount guaranteed
1	Provide the guarantee for Offshore Oil Engineering (Qingdao) Co., Ltd to perform Yamal Project	5.75
2	Provide the guarantee for Offshore Oil Engineering (Qingdao) Co., Ltd to issue a bank guarantee for Yamal Project	1.31
3	Provide the guarantee for Nigeria Dangote Free Trade Zone Subsidiary to issue a bank guarantee for the Dangote Project	0.38

4	Provide a guarantee of the parent company for Canada Subsidiary to perform Long Lake Project	0.55
5	Provide a guarantee of the parent company for Thailand Subsidiary to perform Platform Dismantling Project	0.08
6	Provide a guarantee for Qingdao Subsidiary to perform North America Shell LNG Module Construction Project	3.45
7	Provide a credit guarantee for Shenzhen Subsidiary	Not exceed RMB 700 million, converted into USD 99 million
8	Provide a credit guarantee for Qingdao Subsidiary	Not exceed RMB 80 million, converted into USD 11 million
9	Provide a credit guarantee for Beijing Gaotai Subsidiary	Not exceed RMB 20 million, converted into USD 3 million
Cumulative amount guaranteed		12.65

The Company has no any other guarantee except for the above guarantees, or any overdue guarantee.

VII. Documents for future reference

1. The resolutions of the 24th Meeting of the 6th Board of Directors of COOEC
2. Financial statement of Nigeria Dangote Free Trade Zone Subsidiary in the nearest period (main financial statements during January-March, 2020)
3. Copy of business license of Nigeria Dangote Free Trade Zone Subsidiary

Announcement is hereby given.

Board of Directors of COOEC

June 23, 2020