

Announcement on the Resolutions of the 13th Meeting of the 5th Board of Supervisors of China Offshore Oil Engineering Co., Ltd.

The Board of Supervisors and all supervisors of the Company pledge that the announcement contains no false records, misleading statements or major omissions, and assume individual and joint legal responsibilities for the authenticity, accuracy and integrity of the announcement.

I. Meeting Holding

China Offshore Oil Engineering Co., Ltd. (hereinafter referred to as "the Company") sent out Notice about holding the 13th Meeting of the 5th Board of Supervisors to all supervisors in written form on March 10, 2017. On March 17, 2017, the Company held the 13th Meeting of the 5th Board of Supervisors in on-site meeting mode in Beijing.

All the 3 supervisors who should attend the meeting were actually present. The meeting was presided over by Mr. Wei Junchao, Chairman of the Board of Supervisors, and some senior managers attended as nonvoting delegates. The meeting was convened and held in accordance with relevant provisions in laws & regulations such as *Company Law of the People's Republic of China*, etc. and articles of association.

II Deliberation of the Meeting

Upon deliberation of the supervisors present, the following resolutions were approved at the meeting:

(I) The *2016 Work Report of the Board of Supervisors of the Company* was approved upon deliberation with 3 in favor, 0 against and 0 abstention, and then submitted to the 2016 general meeting of shareholders for deliberation.

(II) The *2016 Annual Profit Distribution Plan of the Company* was approved upon deliberation with 3 in favor, 0 against and 0 abstention.

According to *Company Law of the People's Republic of China*, *Securities Law of the People's Republic of China*, *the Notice on Further Implementing Matters concerning Cash Dividends of Listed Companies*, *the Guideline of Shanghai Stock Exchange for Cash Dividends of Listed Companies* and relevant provisions in Articles of Association, we consider that the 2016 annual profit distribution plan proposed by the Board of Directors meets relevant provisions in *Articles of Association* and conforms to practical situation of the Company, which embodies the long-term dividend policy, guarantees stable return of shareholders and contributes to healthy, stable and sustainable development of the Company, without harming the interests of shareholders of the Company, especially the minority shareholders.

Matters on profit distribution of the Company shall be submitted to the 2016 general meeting of shareholders for deliberation.

(III) *The Proposal on Review Opinions for the 2016 Annual Internal Control Self-evaluation Report of the Company* was approved upon deliberation with 3 in favor, 0 against and 0 abstention.

The Board of Supervisors reviewed the 2016 Internal Control Evaluation Report prepared by the Company and considered that:

According to relevant provisions of China Securities Regulatory Commission and Shanghai Stock Exchange, the Company formulated internal control system and formed systematic framework of company governance by following the basic principle of internal control, to guarantee normal business activities and protect the safety and integrity of assets of the Company. Internal control organization was complete and internal audit organization and personnel allocation were in place, and corresponding internal audit has been carried out to guarantee independence of internal audit organization, which is effective for supervision of internal key control activities of the Company.

The *2016 Internal Control Evaluation Report* reflects the actual situation of the Company's internal control and is reasonable and effective. At present, the internal control system of the Company is sound and implemented effectively.

After review, the Board of Supervisors has been without demur on *the 2016 Internal Control Evaluation Report*.

(IV) *Board of Directors' Special Report on Annual Fund Deposit and Using of the Company Raised* was approved upon deliberation with 3 in favor, 0 against and 0 abstention.

Upon verification, the Board of Supervisors considered that deposit and using of the fund raised in 2016 met relevant regulations of China Securities Regulatory Commission and Shanghai Stock Exchange on raised fund management and use of listed companies, without any misuse action, or any action of changing or changing the investing trend of fund raised in another form, or impairing shareholders' interests. *The Board of Directors' Special Report on Annual Fund Deposit and Using of the Company Raised* is authentic, accurate, complete and free from any false record, misleading statement or major omission, conforms to relevant laws and regulations and faithfully reflects the actual conditions of raised fund deposit and use in 2016.

(V) *The Proposal on Written Review Opinions for the Annual Report Prepared by the Board of Directors* was approved upon deliberation with 3 in favor, 0 against and 0 abstention.

The Board of Supervisors carefully reviewed the 2016 Annual Report of the Company prepared by the Board of Directors (hereinafter referred to as the "Annual Report"), and in their view:

1. Preparation and deliberation procedures of the Annual Report comply with laws, regulations, articles of association and the provisions of the Company's internal management systems;
2. Contents and format of the Annual Report comply with relevant provisions of China Securities Regulatory Commission and Shanghai Stock Exchange, and the information contained can objectively and truly reflect operation & management, financial condition, etc. of the Company in 2016;
3. Before putting forward the opinion, the Board of Supervisors did not find any personnel involved in preparation and deliberation of the Annual Report violating against the secrecy provision.

Announcement is hereby given.

Board of Supervisors of China Offshore Oil Engineering Co., Ltd.

March 17, 2017