

Stock Code: 600583

Stock Abbr.: COOEC

Announcement No.: 2017-018

Announcement of 2016 Annual Equities Distribution of Offshore Oil Engineering Co., Ltd

The Board of Directors and all directors of the Company pledge that the announcement contains no false records, misleading statements or major omissions, and bear joint and several liabilities for the authenticity, accuracy and integrity of the announcement.

Important notes:

- Allocation proportion per share

Cash bonus per share for A share: RMB 0.10

- Relevant date

Stock category	Equity rights registration day	Last trading day	Ex-right date (ex-dividend date)	Cash bonus issuing date
A share	2017/6/13	—	2017/6/14	2017/6/14

- Differentiated dividend reversion: No

I. Period and Date of the General Meeting of Shareholders Passing the Distribution Plan

This profit distribution plan was approved upon deliberation in the 2016 annual general meeting of shareholders of the Company on May 19, 2017.

II. Distribution Plan

1. Year of distribution: 2016
2. Distribution recipient:

Up to closing of SSE in the afternoon of equity rights registration date, all shareholders of the Company who have been registered at Shanghai Branch of China Securities Depository and Clearing Company Limited (hereinafter referred to as "Shanghai Branch of CSDCC").

3. Distribution plan:

For this profit distribution, by regarding the Company's general capital 4,421,354,800 prior to the plan implementation as the base number, distribute cash bonus of RMB 0.10 (including tax) per share, totally cash bonus of RMB 442,135,480.00 issued.

III. Relevant Date

Stock category	Equity rights registration date	Last trading day	Ex-right date (ex-dividend date)	Cash bonus issuing date
A share	2017/6/13	—	2017/6/14	2017/6/14

IV. Implementation Method of Distribution

1. Implementation method

The dividends of the circulation shares subject to the unlimited sale shall be distributed to shareholders who registered and handled designated transactions in member units of SSE after the closing of SSE on the equity rights registration day through the funds settlement system by entrusting Shanghai Branch of CSDCC. Investors who have handled the designated transaction may receive cash bonus at the securities business department designated on the dividend date. The bonus of the shareholders who have not handled the designated transaction is temporarily kept by Shanghai Branch of CSDCC, and will be distributed after the designated transaction is processed.

2. Self-distributing recipient

Cash bonus for shares held by CNOOC, CNOOC Nanhai West Corporation and CNOOC Bohai Oil Production Company is directly distributed by the Company.

3. Tax deduction instructions

(1) For natural person shareholders holding shares of the Company and securities investment funds, according to relevant regulations of *Notice on Issues Concerning the Differential Individual Income Tax Policies on Dividends and Bonuses of Listed Companies* (CS [2015] No. 101) and *Notice on Issues Concerning the Implementation of Differential Individual Income Tax Policies on Dividends and Bonuses of Listed Companies* (CS [2012] No. 85), individual income tax will not be temporarily deducted from dividends and bonus if the stock of company obtained from public offering and transferring market is held for more than one year, that is, actual cash bonus per share is RMB 0.10; individual income tax for individual shareholder and securities investment funds with holding period of less than one year (including) will not be temporarily deducted by the Company from their dividends and bonuses, that is, actual cash bonus per share is RMB 0.10. Until the individual shareholders and securities investment funds transfer shares, Shanghai Branch of CSDCC will calculate the tax payable based on holding period and invite stock custody organization, such as Security Company, to deduct the part exceeding the withheld tax from personal fund account and transfer it to Shanghai Branch of CSDCC who shall then transfer to the Company in 5 working days of next month. Then the Company will declare to competent tax authority for tax payment in legal reporting period of the current month. The actual tax bearing is specified as follows: Dividends and bonus for individual shareholder and securities investment funds with holding period of less than 1 month (including) will be all included into taxable income, with actual tax bearing of 20%; those with holding period of 1 month to 1 year (including) will be included into taxable income by 50% temporarily, with actual tax bearing of 10%.

(2) For qualified foreign institutional investor (QFII) shareholders holding the Company's stock, corporate income tax will be withheld by the Company in a unified manner by 10% rate in accordance with *Notice on Issues Concerning the Withholding of Enterprise Income Tax on Dividends, Bonuses and Interests Paid to QFII by Chinese Resident Enterprises* (GSH [2009] No. 47) issued by State Administration of Taxation, viz. actual cash bonus of RMB 0.09 per share after tax. If thinking that dividends and bonuses obtained can be treated according to tax treaty (arrangement), relevant shareholders can file an application by themselves to competent tax authority after receiving dividends and bonuses.

(3) For investors of The Stock Exchange of Hong Kong Ltd. (including both enterprises and individuals) investing A share of the Company ("Shanghai-Hong Kong Connect"), the cash bonus of which will be distributed to stock nominal holder's account in RMB by the Company via Shanghai Branch of CSDCC;

and the tax will be deducted as per *Notice of Ministry of Finance, State Administration of Taxation and China Securities Regulatory Commission on Tax Policies for Shanghai Hong Kong Stock Connect Pilot Program* (CS [2014] No. 81), with income tax withheld by 10% rate, viz. actual cash bonus of RMB 0.09 per share after tax.

(4) For other institutional investors and institutional shareholders holding the shares of the Company, the Company does not withhold the enterprise income tax, and the taxpayer shall pay the income tax on its own according to the tax laws, and the actual cash bonus per share is RMB 0.10.

V. Relevant Consultation Methods

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Announcement is hereby given.

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

June 07, 2017