

Offshore Oil Engineering Co., Ltd

Announcement of the Resolutions Adopted at the 11th Meeting of the 6th Term of the Board of Supervisors

The board of supervisors and all supervisors of Offshore Oil Engineering Co., Ltd ensure that the contents of this Announcement are free from any misrepresentation, misleading statement and material omission, and that they will assume joint and several liability for the truthfulness, accuracy and integrity of the contents.

I. Convening of the meeting

Offshore Oil Engineering Co., Ltd (hereinafter referred to as the “Company”) served the *Notice on Convening the 11th Meeting of the 6th Term of the Board of Directors* to all supervisors of the Company via email on March 15th 2019. The 11th Meeting of the 6th Term of the Board of supervisors was held in Beijing on March 22nd 2019 in the form of on-the-spot meeting.

Three supervisors should attend this meeting and two directors attended the meeting. Supervisor Ms. Zhao Yanbo entrusted supervisor Mr. Rao Shicai to attend the meeting and excise the voting right on behalf of her. The meeting was presided over by the chairman of the board of supervisors, Mr. Gu Hanming. Some senior managers also attended the meeting. This meeting was convened in compliance with all applicable laws and regulations such as the *Company Law*, and the Company’s Articles of Association.

II. Review at the meeting

The following resolutions were prudently reviewed and unanimously adopted by the supervisors attending the meeting:

(I) The Work Report of the Board of Supervisors of the Company for 2018 was reviewed and adopted with 3 affirmative votes, 0 dissenting vote and 0 abstention and was submitted to the 2018 annual general meeting of shareholders for review and discussion.

(II) The Proposal on the Provision for Impairment of Assets of

the Company was reviewed and adopted with 3 affirmative votes, 0 dissenting vote and 0 abstention.

The board of supervisors reviewed the matters related to the provision for impairment of assets of the Company prudently and believed that the Company's provision for impairment of assets was in compliance with the Accounting Standard for Business Enterprises, relevant regulations and the Company's actual conditions, which made the Company's asset value accounting information more truthful, reliable and reasonable; the decision making process during the review and discussion of this provision for impairment of assets made by the board of directors was lawful; and this provision for impairment of assets was agreed.

(III) The Profit-sharing Plan of the Company for 2018 was reviewed and adopted with 3 affirmative votes, 0 dissenting vote and 0 abstention.

According to the Company Law, Securities Law, Circular on Further Implementing the Matters Related to the Cash Dividends of Listed Companies, Guidelines for Cash Dividends of Listed Companies in Shanghai Stock Exchange and the Company's Articles of Association, the board of supervisors believed that the 2018 annual profit-sharing plan proposed by the board of directors was in compliance with relevant regulations, such as the Company's Articles of Association, and the Company's actual conditions, reflected the Company's long-term dividend policy, could ensure stable return to shareholders, was favorable for the Company's healthy, stable and sustainable development and was free from any conditions detrimental to the interests of the Company's shareholders, particularly the minority shareholders.

The Company's profit-sharing plan shall be submitted to the 2018 annual general meeting of shareholders for review and discussion.

(IV) The Proposal on Raising Review Comments on the 2018 Annual Internal Control Evaluation Report of the Company was reviewed and adopted with 3 affirmative votes, 0 dissenting vote and 0 abstention.

The board of supervisors reviewed the 2018 annual internal control evaluation report prepared by the Company and believed that the Company

developed various internal control systems and established a relatively systematic corporate governance framework in accordance with relevant regulations of China Securities Regulatory Commission and Shanghai Stock Exchange and the basic principles for internal control, which ensured the normal performance of the Company's business activities and protected the security and integrity of the Company's assets. The Company's internal control organization was complete, sufficient internal audit organization and personnel were allocated and conducted internal audit activities as required, the independence of the Company's internal audit organization was ensured the supervision over the Company's critical internal control activities was effective.

The 2018 Annual Internal Control Evaluation Report of the Company reflected the actual conditions of the Company's internal control and was reasonable and effective. Currently, the Company's internal control systems are relatively sound and complete, and are being implemented effectively.

After review, the board of supervisors holds no objection to the 2018 Annual Internal Control Evaluation Report of the Company.

(V) The *Special Report of the Board of Directors on the Deposit and Use of the Annual Raised Fund of the Company* was reviewed and adopted with 3 affirmative votes, 0 dissenting vote and 0 abstention.

After verification, the board of supervisor believed that the deposit and use of the raised fund of the Company in 2018 were in compliance with the regulations of China Securities Regulatory Commission and Shanghai Stock Exchange on the management and use of funds raised by listed companies, and no acts of using the raised fund in violation of relevant regulations, acts of changing or changing in disguised form the investment direction of raised funds or acts detrimental to the shareholders' interests were found. The contents of the *Special Report of the Board of Directors on the Deposit and Use of the Annual Raised Fund of the Company* are truthful, accurate, complete, free from any misrepresentation, misleading statement and material omission and in compliance with applicable laws and regulations, and truthfully reflected the actual deposit and use of the raised fund of the Company in 2018.

(VI) The *Proposal on Raising Written Review Comments on the 2018 Annual Report of the Company Prepared by the Board of Directors* was reviewed and adopted with 3 affirmative votes, 0 dissenting vote and 0 abstention.

The board of supervisors reviewed the 2018 Annual Report of the Company Prepared by the Board of Directors (hereinafter referred to as the “annual report”) prudently and believed that:

(1) the annual report was prepared and reviewed in accordance with applicable laws, regulations, the Company’s Articles of Association and various internal management policies;

(2) the content and format of the annual report complied with various regulations of China Securities Regulatory Commission and Shanghai Stock Exchange, and the information contained in the annual report could objectively and truthfully reflect the Company’s operation management and financial condition in 2018; and

(3) before these opinions were given, the board of supervisors did not find any act in violation of confidentiality regulations committed by the personnel involved in the preparation and review of the annual report.

The resolutions above are hereby announced.

Board of Supervisors of Offshore Oil Engineering Co., Ltd

March 22nd 2019