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中船海洋与防务装备股份有限公司

CSSC OFFSHORE & MARINE ENGINEERING (GROUP) COMPANY LIMITED

(a joint stock company with limited liability incorporated in the People's Republic of China)

(H Shares Stock Code: 00317)

NOTICE OF THE ANNUAL GENERAL MEETING OF 2019 AND CLOSURE OF REGISTERS OF MEMBERS

NOTICE IS HEREBY GIVEN that the annual general meeting of 2019 (the “**AGM**”) of CSSC Offshore & Marine Engineering (Group) Company Limited (the “**Company**”) will be held at conference room of the Company, 15th Floor, Ship Building, No.137 Gexin Road, Haizhu District, Guangzhou, the People’s Republic of China (the “**PRC**”) at 10:00 a.m. on Friday, 12 June 2020, at which the following matters will be proposed for consideration:

ORDINARY RESOLUTIONS

1. To consider and approve the report of the board of directors for 2019;
2. To consider and approve the report of the supervisory committee for 2019;
3. To consider and approve the annual report for 2019 (including the financial statements for 2019);
4. To consider and approve the proposal for profit distribution for 2019 (note 1);
5. To consider and approve the resolution on the provision of guarantee(s) by the Company for its subsidiary(ies) and vice versa and the maximum amount of guarantee for 2020 (note 2); and
6. To consider and approve the resolution regarding the purchase of liability insurance of the Company for the directors, supervisors and senior management (note 3).

In order to determine the shareholders of overseas listed foreign shares (“**H Shares**”) entitled to attend the AGM, the register of members of Shares of the Company will be closed from 14 May 2020 to 12 June 2020 (both days inclusive). Holders of H Shares who have lodged the duly completed transfer documents accompanied by the relevant share certificates with the Company’s H share registrar, Hong Kong Registrars Limited, at Rooms 1712-16, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong by 4:30 p.m. on 13 May 2020, the transferee but not the transferor shall be regarded as holder of the relevant H Shares and will be entitled to attend and vote at the AGM.

By order of the Board
CSSC Offshore & Marine Engineering (Group) Company Limited
Li Zhidong
Company Secretary

Guangzhou, 27 April 2020

As at the date of this announcement, the Board comprises eleven Directors, namely executive Directors Mr. Han Guangde, Mr. Chen Zhongqian, Mr. Chen Liping, Mr. Sheng Jigang, Mr. Xiang Huiming and Mr. Chen Ji, non-executive Director Mr. Shi Jun and independent non-executive Directors Mr. Wang Yichu, Mr. Min Weiguo, Mr. Liu Renhuai and Mr. Yu Shiyou.

Notes:

1. In accordance with the relevant provisions under the Articles of Association of the Company, the Company may proceed dividend distribution in cash when the Company's asset-liability ratio does not exceed 70% and the cumulative undistributed profits in the consolidated financial statement is positive. The asset-liability ratio of the Company was 70.27% as at 31 December 2019, the undistributed profit in financial statements of the parent company was RMB721,076,162.84 and the undistributed profit in the consolidated financial statements was RMB-1,605,393,084.53 at the end of 2019. Therefore, the Company will not distribute dividends for 2019, nor implement any capitalization of common reserve.
2. In view of the estimation on the needs for its production and operation as well as the market financing environment, the Company and its subsidiaries are expected to provide additional guarantee(s) of not more than RMB3,911 million in 2020. The guarantees are provided by the Company for its subsidiaries or among its subsidiaries. The guarantees to be provided shall be in the form of financing project guarantee(s), bank credit facilities guarantee, letter(s) of credit issued by parent company and other guarantee projects. Under the same guarantor, the total range for guarantees can be adjusted among the individual range for each guarantee. If the resolution is passed at the AGM, the life of guarantee shall remain effective from the date of the resolution being passed at the AGM until a new or revised resolution is passed at the annual general meeting of 2020.
3. To improve the risk management system of the Company, and to enhance the decision-making, monitoring and management functions of directors, supervisors and senior management of the Company in their respective duty scope, the Company agreed to purchase liability insurance for all directors, supervisors and senior management with the limits of liability of USD10 million, the insurance expenses not exceeding RMB200,000 (subject to the approved amount of the final quote by the insurance company) and the insurance period is 1 year (may subsequently renew annually). At the same time, the management are authorised to deal with matters concerning the purchase of the liability insurance for directors, supervisors and senior management within the abovementioned condition and scope (including but not limited to the determination of the insurance company, insurance amount, insurance premiums and other insurance terms; the selection and appointment of the insurance agency or other intermediary; the execution of relevant legal documents and to handle other matters related to the purchase of insurance), and to handle matters concerning insurance renewal or taking out a new insurance policy on or before the expiry of the liability insurance policy for directors, supervisors and senior management.
4. Shareholders who intend to attend the AGM are requested to send a written reply, whether in person, by post, by cable or by fax to the registered office of the Company at least 20 days before the AGM (i.e. before 23 May 2020). Completion and return of such written reply will not preclude the shareholders who are entitled from attending the AGM.
5. Any shareholder who is entitled to attend and vote at the AGM has the right to appoint one or more proxies to do so on behalf of himself, and the proxy need not be a shareholder of the Company. In order to ensure validity, a completed proxy form and other authorization documents (if any) must be delivered to the registered office of the Company not less than 24 hours before the time scheduled for the holding of the AGM. Holders of H shares must deliver completed proxy forms and other authorization documents (if any) to the Company's H share registrar, Hong Kong Registrars Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong. Completion and return of the proxy form will not preclude the shareholders from attending and voting in person at AGM should they so wish.
6. All resolutions at the AGM will be voted on by poll.
7. Shareholders and proxies must show their identification documents when attending the AGM.
8. The AGM will last for half a day. Shareholders and proxies attending the AGM shall be responsible for their own traveling and accommodation expenses.
9. The registered office of the Company is at the Board of Directors' Office of CSSC Offshore & Marine Engineering (Group) Company Limited at 15th Floor, Ship Building, No.137 Gexin Road, Haizhu District, Guangzhou, the PRC (Post code: 510250).

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