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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **CSSC Offshore & Marine Engineering (Group) Company Limited**, you should at once hand this circular, together with the Proxy Form, to the purchaser(s) or the transferee(s) or to the bank manager, licensed securities dealer or other registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or the transferee(s).

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**ELECTION OF THE NEW SESSION OF THE BOARD
AND
SUPERVISORY COMMITTEE**

Unless the context requires otherwise, capitalized terms used herein shall have the same meanings as defined in the “Definitions” section of this circular.

The EGM will be held at the conference room of the Company at 15th Floor, Marine Tower, No. 137 Gexin Road, Haizhu District, Guangzhou, the PRC at 9:00 a.m. on Friday, 2 February 2024. The notice of the EGM is set out on pages EGM-1 to EGM-2 of this circular. Whether or not you are able to attend the EGM, you are requested to complete and return the accompanying proxy forms in accordance with the instructions printed thereon. As for the H Shareholders, the completed proxy forms and other authorization documents (if any) must be delivered to the H shares registrar of the Company, Hong Kong Registrars Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong and in any event not less than 24 hours before the time scheduled for the holding of the EGM or any adjournment thereof, as the case may be, in order to be valid. Completion and return of the proxy forms will not preclude you from attending and voting in person at the EGM or any adjournment thereof, as the case may be, should you so wish.

15 January 2024

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DEFINITIONS

In this circular, the following expressions shall have the following meanings unless the context indicates otherwise:

“A Share(s)”	domestic shares of the Company with nominal value of RMB1.00 each listed on the Shanghai Stock Exchange
“Article of Association”	the article of association of the Company
“Audit Committee”	the audit committee of the Board
“Board”	the board of Directors of the Company
“China Shipbuilding Group”	China State Shipbuilding Corporation Limited (中國船舶工業集團有限公司). As at the Latest Practicable Date, China Shipbuilding Group held 827,278,590 Shares of the Company directly and indirectly, representing approximately 58.52% of the issued Shares of the Company, and was a controlling shareholder of the Company
“COMECC” or “Company”	CSSC Offshore & Marine Engineering (Group) Company Limited, a joint stock company established in the PRC with limited liability, the H Shares of which are listed on the Hong Kong Stock Exchange and the A Shares of which are listed on the Shanghai Stock Exchange
“controlling shareholder(s)”	has the meaning ascribed to it under the Hong Kong Listing Rules
“CSSC”	China State Shipbuilding Corporation (中國船舶集團有限公司). As at the Latest Practicable Date, CSSC controlled 827,278,590 Shares of the Company indirectly through China Shipbuilding Group, representing approximately 58.52% of the issued Shares of the Company, and was an indirect controlling shareholder of the Company
“CSSC Group”	CSSC and its subsidiaries
“CSSC Holdings”	China CSSC Holdings Limited, a joint stock company incorporated in the PRC with limited liability and controlled by China Shipbuilding Group, the shares of which are listed on the Shanghai Stock Exchange (stock code: 600150)
“Director(s)”	the director(s) of the Company

DEFINITIONS

“EGM”	the extraordinary general meeting to be convened by the Company on 2 February 2024 to consider and, if thought fit, approval of, among others, (i) the re-election and appointment of the Directors and the non-employee representative Supervisors; and (ii) the formulation of the Management Rules for the Remuneration of the Eleventh Session of Directors, Supervisors and Senior Management of COMEC by the Shareholders
“Group”	the Company and its subsidiaries
“H Share(s)”	overseas listed foreign shares of the Company listed on the Hong Kong Stock Exchange
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Huangpu Wenchong”	CSSC Huangpu Wenchong Shipbuilding Company Limited (中船黃埔文沖船舶有限公司), a company established on 1 June 1981 in the PRC and a non-wholly owned subsidiary of the Company and was owned as to 54.5371% by the Company as at the Latest Practicable Date
“Latest Practicable Date”	9 January 2024, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Nomination Committee”	the nomination committee of the Board
“PRC” or “China”	the People’s Republic of China
“Remuneration and Appraisal Committee”	the remuneration and appraisal committee of the Board
“RMB”	Renminbi, the lawful currency of the PRC
“SASAC”	State-owned Assets Supervision and Administration Commission of the State Council of the People’s Republic of China
“SFO”	Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong

DEFINITIONS

“Share(s)”	shares of RMB1.00 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“subsidiary(ies)”	has the meaning ascribed to it under the Hong Kong Listing Rules
“substantial shareholder(s)”	has the meaning ascribed to it under the Hong Kong Listing Rules
“Supervisor(s)”	members of the Supervisory Committee
“Supervisory Committee”	the supervisory committee of the Company
“%”	per cent.

Certain figures set out in this circular have been subject to rounding adjustments. Accordingly, figures shown as the currency conversion or percentage equivalents may not be an arithmetic sum of such figures. Any discrepancy in any table between totals and sums of amounts listed in this circular is due to rounding.

LETTER FROM THE BOARD



Executive Directors:
Mr. Xiang Huiming (*Chairman*)
Mr. Chen Liping

Non-Executive Directors:
Mr. Chen Ji
Mr. Gu Yuan
Mr. Ren Kaijiang
Mr. Yin Lu

Independent Non-Executive Directors:
Mr. Yu Shiyong
Mr. Lin Bin
Mr. Nie Wei
Mr. Li Zhijian

Registered Office:
15th Floor
No. 137 Gexin Road
Haizhu District
Guangzhou
the PRC

Post code:
510250

15 January 2024

To the H Shareholders

Dear Sir or Madam,

**ELECTION OF THE NEW SESSION OF THE BOARD
AND
SUPERVISORY COMMITTEE**

I. INTRODUCTION

Reference is made to the announcement of the Company dated 29 December 2023 in relation to, among others, the proposed re-election and election of Directors and Supervisors.

The purpose of this circular is to provide you with, among others, (i) election of the eleventh session of the Board and the Supervisory Committee; and (ii) further details of the formulation of the Management Rules for the Remuneration of the Eleventh Session of Directors, Supervisors and Senior Management of COMEC.

LETTER FROM THE BOARD

II. ELECTION OF THE ELEVENTH SESSION OF THE BOARD AND THE SUPERVISORY COMMITTEE

Reference is made to the announcement of the Company dated 23 October 2023 in relation to, among others, the extension of term of office of the Directors of the tenth session of the Board and the Supervisors of the tenth session of the Supervisory Committee, until the new session of the Board and the Supervisory Committee are elected at the general meeting of the Company.

Proposed Re-election of Directors and Non-employee Representative Supervisors

The Company is informed that the nomination of candidates for Directors of the eleventh session of the Board and Supervisors of the eleventh session of the Supervisory Committee has been completed. Among the members of the tenth session of the Board, except for Mr. Yu Shiyou (an independent non-executive Director) who will step down after the conclusion of the EGM and no longer participate in the re-election for Directors of the eleventh session of the Board, the other nine Directors of the tenth session of the Board confirmed that they would participate in the re-election of Directors at the EGM. All the members of the tenth session of the Supervisory Committee (save for the employee representative Supervisors) have confirmed that they would participate in the re-election of Supervisors at the EGM.

To the best of the knowledge and belief of the Board after having made all reasonable inquiries, the Director and Supervisors who are going to step down have no disagreement with the Board and the Supervisory Committee, and there are no matters which need to be brought to the attention of the Shareholders.

Proposed Election of New Directors

Save for the resolutions for re-election of the Directors, the Board has proposed the following appointment resolutions to form the eleventh session of the Board:

- (i) Mr. Zhang Junxiong as an executive Director; and
- (ii) Ms. Xie Xin as an independent non-executive Director.

The resolutions regarding the election of director candidates for the eleventh session of the Board are set out in Ordinary Resolutions Nos. 2.01 to 2.07 (inclusive) and Ordinary Resolutions Nos. 3.01 to 3.04 (inclusive) contained in the notice of EGM. The resolutions regarding the election of supervisor candidates for the eleventh session of the Supervisory Committee are set out in Ordinary Resolutions Nos. 4.01 to 4.03 (inclusive) contained in the notice of EGM.

Voting of the above ordinary resolutions will be by way of cumulative voting.

LETTER FROM THE BOARD

The biographical details of the candidates proposed to be re-elected and elected as the Directors of the eleventh session of the Board and non-employee representative Supervisors of the eleventh session of the Supervisory Committee as at the Latest Practicable Date were set out below:

Directors

Executive Directors

Xiang Huiming

Mr. Xiang Huiming (向輝明), aged 57, a senior engineer (researcher level). He graduated from Huazhong University of Science and Technology (華中理工大學) in 1988, joined Guangzhou Wenchong Shipyard Co., Ltd. (廣州文沖船廠有限責任公司) in the same year, and obtained a master's degree in business administration in 2004. He successively served as manager of the enterprise management department, assistant to general manager, deputy general manager, party secretary, general manager and chairman of Guangzhou Wenchong Shipyard Co., Ltd. (廣州文沖船廠有限責任公司), and general manager of Huangpu Wenchong. He is currently chairman and party secretary of Huangpu Wenchong; director of CSSC Holdings; and the chairman of the Board of the Company.

Chen Liping

Mr. Chen Liping (陳利平), aged 56, a senior accountant (researcher level) and a senior economist. He graduated from Harbin Institute of Technology, majoring in precision instrument, with a bachelor of engineering in July 1989, and obtained a master of business administration from the School of Business Administration of South China University of Technology in 2002. He successively held positions including deputy manager of the finance department, deputy chief accountant and chief accountant of Guangzhou Wenchong Shipyard Co. Ltd. (廣州文沖船廠有限責任公司); chief accountant, secretary to the Board, and director of Guangzhou Shipyard International Company Limited (廣州廣船國際股份有限公司); deputy director of the audit department of China Shipbuilding Group; and chief accountant of Guangzhou Shipyard International Company Limited (廣船國際有限公司). He is currently a director of Huangpu Wenchong; a director of Guangzhou Shipyard International Company Limited (廣船國際有限公司); and a Director and general manager of the Company.

Zhang Junxiong

Mr. ZHANG Junxiong (張俊雄), aged 59, a senior engineer. He graduated from Jiangsu Zhenjiang Shipbuilding Institute (江蘇鎮江船舶學院) in July 1986 with a bachelor's degree in engineering, majoring in marine electrification, and graduated from Jiangsu University of Science and Technology in 2008 with a master's degree in engineering, majoring in industrial engineering. He successively held positions including manager of ship repairing division, assistant to general manager and general manager of operation division of Guangzhou Huangpu Shipyard Co., Ltd. (廣州中船黃埔造船有限公司); and assistant to general manager, deputy general manager and general

LETTER FROM THE BOARD

counsel of Huangpu Wenchong. He is currently a director and chairman of the board of directors of Wah Loong International Marine Limited and Wah Shun International Marine Limited; and a director of South China Marine Machinery Co., Ltd. (中船華南機械有限公司).

Non-executive Directors

Chen Ji

Mr. Chen Ji (陳激), aged 56, a senior engineer (researcher level). He graduated from Shanghai Jiao Tong University with a bachelor of engineering in 1989, majoring in ship engineering, and obtained a master's degree in business administration from the School of Business Administration of South China University of Technology in 2001. He successively held positions including assistant to the manager of the ship repair division and deputy manager of the heavy mechanical engineering division of Guangzhou Shipyard International Company Limited (廣州廣船國際股份有限公司); director, deputy general manager, deputy party secretary, party secretary for the discipline inspection commission, and chairman of the labour union of Guangzhou Shipyard International Company Limited; party secretary for the discipline inspection commission of Guangzhou Shipyard International Company Limited (廣船國際有限公司); party secretary of the Guangzhou Shipyard Company Limited (廣州造船廠有限公司); and chairman of the board of Guangzhou Wencheng Shipbuilding Co., Ltd. (廣州文沖船舶修造有限公司). He is currently the general manager and vice party secretary of Guangzhou Shipyard International Company Limited (廣船國際有限公司); a director of CSSC Holdings; and a Director of the Company.

Gu Yuan

Mr. Gu Yuan (顧遠), aged 54, a senior economist. He graduated from the Beijing Institution of Economics and started working at the China Academy of Launch Vehicle Technology in 1992. He obtained a master's degree in Business Administration from Beijing Institution of Technology in 2001. He successively served as the deputy head and head of the General Office, Finance Office, Economic Management Office of the Civil Products Corporation of China Academy of Launch Vehicle Technology; assistant to the president of China Engin International (Holdings) Limited (中國航天萬源國際(集團)有限公司) and general manager of Beijing Wanyuan Industrial Company Limited (北京萬源工業有限公司), deputy head of the Department of Operation and Investment of the China Academy of Launch Vehicle Technology (中國運載火箭技術研究院), executive vice president, chief party secretary of China Changzheng Rocket Co., Ltd. (中國長征火箭有限公司), and deputy director of the Department of Operation and Management of China Shipbuilding Group. He is currently a deputy director of the Asset Management Department of CSSC, a director of CSSC Science & Technology Co., Ltd. (中船科技股份有限公司); a director of China State Shipbuilding Industrial Holding Corporation Limited (中國船舶集團實業控股有限公司); a director and deputy chairman of Shanghai Yuanwang Shipping Co., Ltd. (上海遠望航運有限公司); and a Director of the Company.

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Ren Kaijiang

Mr. Ren Kaijiang (任開江), aged 56, a senior engineer (researcher level) who holds a master's degree in business administration. He successively served as the deputy director and the director of the sales department of the steel machinery division of Jiangnan Shipyard (Group) Co., Ltd. (江南造船(集團)有限責任公司); the director of the sales department, assistant to the general manager and the deputy general manager of CSSC Jiangnan Heavy Industry Company Limited (中船江南重工股份有限公司); the deputy general manager of CSSC Steel Structure Engineering Co., Ltd. (中船鋼構工程股份有限公司), the deputy general manager of CSSC Science & Technology Company Limited (中船科技股份有限公司); and a supervisor of CSSC Ninth Design and Research Institute Engineering Co., Ltd. (中船第九設計研究院工程有限公司). He is currently a director of Chongqing Chuandong Shipbuilding Heavy Industry Company Limited (重慶川東船舶重工有限責任公司); a director of CSSC Science & Technology Co., Ltd. (中船科技股份有限公司) and a Director of the Company.

Yin Lu

Mr. Yin Lu (尹路), aged 50, a senior engineer (researcher level) with a bachelor's degree. He graduated from the Harbin Engineering University (哈爾濱工程大學) with a bachelor's degree in production process automation in 1996. He then graduated from the Harbin Engineering University with a master's degree in vessel and ocean engineering in 2007. He successively served as the manager of the quality department of Dalian Shipbuilding New Factory (大連造船新廠); the officer-in-charge of the inspection unit of the master assembly and manufacturing division II of the quality department, and the deputy chief and chief of the general management division of the quality department of Dalian New Shipbuilding Heavy Industry Co., Ltd. (大連新船重工有限責任公司); the deputy head of the quality management division II, the deputy head and the head of the quality department of Dalian Shipbuilding Industry Co., Ltd. (大連船舶重工集團有限公司); the deputy officer-in-charge of the quality, safety and environmental protection department of China Shipbuilding Industry Corporation (中國船舶重工集團有限公司); and the deputy officer-in-charge of the quality, safety and environmental protection department and the deputy secretary general of the science and technology committee of CSSC. He is currently the deputy officer-in-charge of the quality, safety and environmental protection department of CSSC; and a Director of the Company.

Independent non-executive Directors

Lin Bin

Mr. Lin Bin (林斌), aged 61, an accounting professor and senior certificated accountant in Australia. He graduated from Jiangxi University of Finance and Economics in 1984, with a bachelor's degree in accounting, and from Xiamen University with a doctorate degree of philosophy in accounting in 1997. He successively served as a teacher in the Department of Economics and Management of East China Jiaotong University, head of the Department of Accounting at the School of Business of Sun Yat-sen University and head of the MPAcc Centre. He is currently a

LETTER FROM THE BOARD

professor at the School of Business of Sun Yat-sen University; independent director of Guangzhou Metro Design & Research Institute Co., Ltd.; and an independent non-executive Director of the Company.

Nie Wei

Mr. Nie Wei (聶煒), aged 54. He graduated from the School of Law of Wuhan University in 1994 with a bachelor's degree in law. He successively served as an officer of the Discipline Inspection Team and Legal Department of the People's Bank of China Guangzhou Branch, deputy general manager of Asset Preservation and officer of Legal Affairs Centre of China Everbright Bank Guangzhou Branch, lawyer and partner at the Chuang Jie Law Firm (創傑律師事務所) and independent director of Zhuhai Rural Commercial Bank. He is currently a lawyer and partner at D&S Law Firm (廣東南國德賽律師事務所); independent director of Jiangmen Rural Commercial Bank Company Limited; and an independent non-executive Director of the Company.

Li Zhijian

Mr. Li Zhijian (李志堅), aged 53, a doctorate at The Hong Kong Polytechnic University. He served as a clerk at Guangdong Province Tobacco Company. He is currently the general manager of Guangzhou Shangdao Consulting Co., Ltd. (廣州市商道諮詢有限公司) and chairman of Guangdong Asia-Pacific Institute of Innovation Economy (廣東亞太創新經濟研究院). He is also an external director of Guangzhou Port Holding Co., Ltd. (廣州港集團有限公司); independent director of Wanlian Securities Co., Ltd.; expert of the National Development and Reform Commission Service Industry Expert Advisory Committee; vice president of the British Branch of the European and American Alumni Association; standing committee member of the 13th session of Guangdong Provincial Committee of Chinese People's Political Consultative Conference; vice chairman (part-time) of Association of the Social and Scientific Sectors of Guangdong; expert of the Fourth Decision-making Consultation of Guangzhou Municipal People's Government; representative of Guangzhou party congress; and an independent non-executive Director of the Company.

Xie Xin

Ms. Xie Xin (謝昕), aged 44. She holds a bachelor's degree in law from Harbin Engineering University and a master's degree in law from South China University of Technology. She successively served as director of the Legal Department and the Risk Management Department of Guangzhou Shipyard International Company Limited (廣州廣船國際股份有限公司); director of legal affairs of Forgame Holdings Limited (雲遊控股有限公司), and lawyer and partner of ETR Law Firm (廣東廣信君達律師事務所). She is currently a partner of ETR Law Firm; a member of the Securities Law Professional Committee of Guangzhou Lawyers Association; a member of the Corporate Law Professional Committee of Guangdong Lawyers Association; a member of the New Talent Pool of Lawyers Specializing in Foreign-related Matters in Guangdong Province; a member of the Intellectual Property Research Committee of the Guangdong Province Law Society; a director of the Guangdong Province Alumni Association of Harbin

LETTER FROM THE BOARD

Engineering University; a deputy director of the Investment and Financing Department of ETR Law Firm; and a deputy director of the Professionalization Construction Committee of ETR Law Firm.

Non-employee Representative Supervisors

Chen Shuofan

Mr. Chen Shuofan (陳朔帆), aged 51, a doctorate and American Certified Management Accountant. He graduated from the Department of International Finance of Fudan University in 1996 with a bachelor's degree in Economics, graduated from the School of Management of the Chinese University of Hong Kong in 2007 with a master's degree in Professional Accounting, and graduated from Shanghai Academy of Social Sciences with a master's degree in Industrial Economics and a PhD in Economics in 2014. He successively served as an investigator of the Department of Western Europe, Ministry of Foreign Affairs of the People's Republic of China; third secretary of the Mission of the People's Republic of China to the European Union; deputy general manager of the Department of Finance of China Shipbuilding Trading Co., Ltd. (中國船舶工業貿易公司); deputy general manager, finance controller and deputy secretary of the party committee of Hudong Heavy Machinery Company Limited (滬東重機股份有限公司); director, vice president and chief financial officer of Winterthur Gas & Diesel Ltd.; and deputy general manager and general counsel of Hudong Heavy Machinery Company Limited (滬東重機有限公司). He is currently the chairman of the Supervisory Committee of Hudong Zhonghua Shipbuilding Co., Ltd. (滬東中華造船(集團)有限公司), chairman of the Supervisory Committee of China Marine Power (Group) Co., Ltd.; and the Chairman of the Supervisory Committee of the Company.

Chen Shu

Ms. Chen Shu (陳舒), aged 69, a senior lawyer with a bachelor's degree in law. She graduated from Sun Yat-sen University in 1990, majoring in law. She successively served as officer and deputy director of Guangzhou Liwan Justice Bureau, lawyer at Guangdong Sino-Win Law Firm (廣東勝倫律師事務所), secretary-general of Guangzhou Lawyer Association, a deputy to the 10th, 11th and 12th National People's Congress. She is currently an external director of Guangzhou Pharmaceutical Holdings Limited, an external director of Guangzhou Yuexiu Holding Limited; and a Supervisor of the Company.

LETTER FROM THE BOARD

Zhu Weibin

Mr. Zhu Weibin (朱維彬), aged 62, a senior accountant, a postgraduate with a master's degree and a senior management accountant. He graduated from Hunan Vocational College for Light Industry in July 1988, majoring in accounting. He obtained a MBA from Lingnan (University) College in July 2001. He successively served as an accountant in the 711 Mine Finance Department of China National Nuclear Company; Supervisor of Guangzhou Economic Commission, Guangzhou Light Industry and Trade Group (廣州輕工工貿集團), an enterprise subordinated by the SASAC, Guangzhou Textile Industrial and Trading Group (廣州紡織工貿集團) and Zhujiang Brewery Group (珠江啤酒集團); deputy chief financial officer, chief financial officer and secretary to the board of Guangzhou Zhujiang Brewery Co., Ltd. (廣州珠江啤酒股份有限公司); director of Guangzhou Zhujiang Brewery Group Co., Ltd. (廣州珠江啤酒集團有限公司); deputy general manager of Guangzhou Huaxin Agricultural Products Group (廣州華新農產品集團); and an independent director of Guangdong MeiShi Technology Co., Ltd. (廣東魅視科技股份有限公司). He is currently an independent director of Bai Ling Information Co., Ltd. (佰玲數據股份有限公司), Guangzhou Totem Information Technology Ltd. (廣州圖騰信息科技股份有限公司) and Guangzhou KingTeller Technology Co., Ltd. (廣州御銀科技股份有限公司); deputy director of Guangzhou Branch of Zhongxi Certified Public Accountants (Special General Partnership) (中喜會計師事務所(特殊普通合夥)); and a Supervisor of the Company.

Term of Office, Remuneration and Confirmation of the Candidates for the Directors and the Non-employee Representative Supervisors

The appointment of the Directors and the non-employee representative Supervisors to be re-elected and elected will become effective upon approval by the Shareholders by way of ordinary resolutions at the EGM for a term of three years commencing from the date of being elected and ending on the expiry of the eleventh session of the Board and the eleventh session of the Supervisory Committee, respectively.

Mr. Ouyang Beijing and Mr. Zhang Xinglin, the two employee representative Supervisors of the eleventh session of the Supervisory Committee who were elected in the general meeting of employees of the Company and the joint meeting of the labor unions and the staff councils of Huangpu Wenchong, respectively, will form the eleventh session of the Supervisory Committee together with the three Supervisors to be elected at the EGM. The term of office of the aforesaid employee representative Supervisors will commence from the date of the EGM to the expiry of the eleventh session of the Supervisory Committee.

Subject to the Shareholders' approval of the aforesaid appointments at the EGM, the elected Directors and Supervisors will enter into service agreements with the Company.

LETTER FROM THE BOARD

The Company will determine the remuneration and fees of each of the Directors and Supervisors of the eleventh session in accordance with the Remuneration Proposal for the Eleventh Session of Directors, Supervisors and Senior Management of COMEC (subject to the approval of the Remuneration Management System for the Eleventh Session of Directors, Supervisors and Senior Management of COMEC in the proposal by the Shareholders by way of an ordinary resolution at the EGM), of which:

- The annual remuneration of Mr. Xiang Huiming, Mr. Chen Liping and Mr. Zhang Junxiong, being candidates for the executive Directors, comprises basic salary, annual performance-based salary and special incentives, and the annual basic salary to which they will be entitled as executive Directors will be RMB400,000;
- The annual remuneration of Mr. Ren Kaijiang, being a candidate for the non-executive Director, will be determined by the Remuneration and Appraisal Committee in accordance with his performance and time commitment, and the total amount of remuneration that he will personally receive from the Company shall not exceed the maximum level of remuneration for an executive Director or an employee representative Supervisor;
- Mr. Chen Ji, Mr. Gu Yuan and Mr. Yin Lu, the candidates for the non-executive Directors, do not receive Directors' remuneration from the Company. They are subject to performance appraisal by CSSC Group and receive remuneration from CSSC Group;
- The annual fees of Mr. Lin Bin, Mr. Nie Wei, Mr. Li Zhijian and Ms. Xie Xin, being candidates for the independent non-executive Directors, will be RMB200,000 (before tax);
- The annual remuneration of Mr. Chen Shuofan, being a candidate for the Supervisor, will be determined by the Remuneration and Appraisal Committee in accordance with his performance and time commitment, and the total amount of remuneration that he will personally receive from the Company shall not exceed the maximum level of remuneration for an executive Director or an employee representative Supervisor;
- The annual fees of Ms. Chen Shu and Mr. Zhu Weibin, being candidates for the external Supervisors, will be RMB120,000 (before tax); and
- The annual remuneration of the employee representative Supervisors, which comprises basic salary, annual performance-based salary and special incentives, will be in accordance with their original duties.

The Company will disclose the remuneration of Directors and Supervisors in the annual report for each year.

LETTER FROM THE BOARD

Save as disclosed above, none of the above candidates for Directors and non-employee representative Supervisors subject to re-election or election (i) has held any position in the Group or any other directorship in any other listed companies in the past three years; (ii) has any relationships with any Directors, Supervisors, senior management, substantial or controlling Shareholders of the Company; or (iii) has any interest in Shares of the Company within the meaning of Part XV of the SFO.

Save as disclosed above, and to the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, there were no other matters that need to be disclosed in respect of the above candidates for Directors and non-employee representative Supervisors subject to re-election or election pursuant to Rules 13.51(2)(h) to (v) of the Hong Kong Listing Rules, and there are no other matters which are required to be brought to the attention of the Shareholders.

The Nomination Committee is of the view that each candidate for the position of Director is qualified for the position as a Director. The criteria applied in considering whether each candidate for the position of Director is qualified includes his or her ability to devote sufficient time and attention to the affairs of the Company and his or her contribution to the diversity of the Board as well as his or her ability to perform the duties of the Board effectively, the particulars are set out as follows:

- (i) participating in meetings of the Board to make independent judgment on issues of the Company in terms of corporate strategy, policy, performance, accountability, resources, key appointments and standards of conducts;
- (ii) taking the lead when potential conflicts of interests arise;
- (iii) serving on the Audit Committee, the Remuneration and Appraisal Committee and the Nomination Committee of the Board (in the case of candidates for the position of non-executive Directors) and other relevant Board committees, if invited;
- (iv) bringing a variety of business and financial experience to the Board or any committee through regular attendance and participation in meetings of the Board and the committees of which he or she is a member, as well as his or her skills, expertise, different background and qualifications and diversity;
- (v) scrutinising the Company's performance in achieving agreed corporate goals and objectives, and monitoring the reporting of performance;
- (vi) ensuring the committees on which he or she serves perform their powers and functions conferred on them by the Board; and
- (vii) conforming to any requirement, direction and regulation that may from time to time be prescribed by the Board or contained in the constitutional documents of the Company or imposed by legislation or the Hong Kong Listing Rules, where appropriate.

LETTER FROM THE BOARD

The Nomination Committee is satisfied with the independence of each candidate for the position of independent non-executive Director in accordance with, among others, the factors set out in Rule 3.13 of the Hong Kong Listing Rules. The Nomination Committee has also comprehensively evaluated the education, qualifications and experience of each candidate for the position of independent non-executive Director and is of the view that they possess appropriate professional qualifications or accounting or relevant financial management expertise for filling the office of an independent non-executive Director and possess the expertise as required under Rule 3.10(2) of the Hong Kong Listing Rules. Ms. Xie Xin, being a new independent non-executive director candidate to be appointed to the eleventh session of the Board, has confirmed her independence pursuant to Rule 3.13 of the Hong Kong Listing Rules.

III. RESOLUTION ON THE FORMULATION OF MANAGEMENT RULES FOR THE REMUNERATION OF THE ELEVENTH SESSION OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT OF COMEC

In accordance with the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China and other laws, regulations, normative documents and Articles of Association of the Company, in order to regulate the Management Rules for the Remuneration of the Eleventh Session of Directors, Supervisors and Senior Management, to further improve the incentive and restraint mechanism of the Company, and to promote proper operation of the Company, the Management Rules for the Remuneration of the Eleventh Session of Directors, Supervisors and Senior Management of COMEC are formulated in light of the actual situations of the Company. The full text of which is set out in Appendix I to this circular.

The above resolution shall be submitted to the EGM as an ordinary resolution for consideration and approval by the Shareholders.

IV. EGM

The EGM will be held at the conference room of the Company at 15th Floor, Marine Tower, No. 137 Gexin Road, Haizhu District, Guangzhou, the PRC at 9:00 a.m. on Friday, 2 February 2024. The notice convening the EGM is set out on pages EGM-1 to EGM-2 of this circular.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, none of the Shareholders has a material interest in the resolutions to be proposed at the EGM and will abstain from voting at the EGM.

Any Shareholder who is entitled to attend and vote at the EGM has the right to appoint one or more proxies to do so on behalf of himself. The proxy need not be a Shareholder. To ensure validity, holders of H shares must deliver the completed proxy forms and other authorization documents (if any) to the Company's H share registrar, Hong Kong Registrars Limited at Hopewell Center at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong. A Shareholder who has completed and delivered a proxy form can still attend the EGM and vote in person.

LETTER FROM THE BOARD

All resolutions to be proposed at the EGM will be voted on by way of poll in accordance with the Hong Kong Listing Rules.

V. CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 30 January 2024 to Friday, 2 February 2024 (both days inclusive), during which period no transfer of Shares will be registered.

VI. RECOMMENDATIONS

The Board considers that the resolutions to be proposed at the EGM are in the interest of the Company and the Shareholders as a whole. Accordingly, the Board recommends all Shareholders to vote in favor of all resolutions to be proposed at the EGM.

VII. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Hong Kong Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

VIII. FURTHER INFORMATION

Your attention is also drawn to the additional information set out in the appendix to this circular.

Yours faithfully,
For and on behalf of the Board
CSSC Offshore & Marine Engineering (Group) Company Limited
Li Zhidong
Company Secretary

**APPENDIX I MANAGEMENT RULES FOR THE REMUNERATION OF
THE ELEVENTH SESSION OF DIRECTORS, SUPERVISORS
AND SENIOR MANAGEMENT OF COMEC**

**THE MANAGEMENT RULES FOR THE REMUNERATION OF
THE ELEVENTH SESSION OF DIRECTORS, SUPERVISORS AND
SENIOR MANAGEMENT OF COMEC**

CHAPTER 1 GENERAL PROVISIONS

Article 1 In order to meet the requirements for corporate management under the market-oriented economy environment, to fully discharge the obligations imposed by the Company Law, the Securities Law and the Articles of Association, to safeguard the interests of Shareholders and implement the decisions of the Board, to fully motivate the enthusiasm and creativity of corporate managers, to continue to enhance the financial performance of the Company and promote the high-quality development of the Company, to maintain and increase the value of state-owned assets, and to further improve the incentive and restraint mechanism of the Company, these rules have been formulated in light of the actual situations of the Company.

Article 2 These management rules are applicable to the Directors, Supervisors, senior management (general manager, deputy general managers, chief accountant and secretary to the Board of the Company and other senior management hired by the Board) (the “**Directors, Supervisors and Senior Management**”).

Article 3 The management of the remuneration of the Directors, Supervisors and Senior Management shall follow the principles below:

- (1) distribution mainly according to work, with reference to market standards and in compliance with the laws and regulations;
- (2) efficiency first while focusing on equality to protect the lawful interests of the shareholder representatives, corporate management and staff;
- (3) combination of incentives and restraints, responsibilities, rights and obligations;
- (4) combination of remuneration incentives and benefits and regulating duty and consumption, motivating the Directors, Supervisors and Senior Management, and promoting the high-quality development of the Company; and
- (5) combination of material incentives and mental inspiration, coordination of the growth of remuneration of the Directors, Supervisors and Senior Management and employees, creating a reasonable and balanced income allocation system.

**APPENDIX I MANAGEMENT RULES FOR THE REMUNERATION OF
THE ELEVENTH SESSION OF DIRECTORS, SUPERVISORS
AND SENIOR MANAGEMENT OF COMEC**

CHAPTER 2 ANNUAL REMUNERATION

Article 4 Independent Directors and external Supervisors shall receive annual fees of RMB200,000 and RMB120,000, respectively, excluding the travelling and accommodation expenses incurred in attending meetings or events of the Company or reasonable expenses required for performing normal duties as independent Directors or Supervisors. The annual fees of independent Directors and external Supervisors represent income before tax, whose individual income tax shall be withheld and paid by the Company on behalf of them.

Article 5 Full-time Directors and Supervisors serving in China State Shipbuilding Corporation Limited, the controlling shareholder, and its subsidiaries (the “**CSSC Group**”) are determined by the Remuneration and Appraisal Committee of the Board of the Company in accordance with their performance and time commitment, and the total amount of remuneration that they will personally receive from the Company shall not exceed the maximum level of remuneration for executive Directors or employee representative Supervisors of the Company.

Article 6 The remuneration of executive Directors, employee representative Supervisors and Senior Management who receive remuneration from the Company and its subsidiaries shall comprise of annual remuneration, special rewards, mid- to long-term incentives, and benefits.

1. The annual remuneration shall comprise base salary and performance salary.

(1) The base salary represents the basic income for a year and will be paid monthly. Base salary = Base x Enterprise coefficient x Position coefficient. The base of the Directors, Supervisors and Senior Management is RMB400,000.

The enterprise coefficient shall be determined based on the strategic responsibilities undertaken, scope of operation, difficulties in operation and management, economic performance and staff salary level of the enterprise where the Directors, Supervisors and Senior Management work and range from 0.6 to 1.5, subject to the approval of the Remuneration and Appraisal Committee.

The position coefficient of the chief executives (chairman and general manager, similarly hereinafter) of the Company shall be 1, and the position coefficient of other Directors, Supervisors and Senior Management shall range from 0.6 to 1.0 based on the responsibilities and risks of the position, subject to the approval of the Remuneration and Appraisal Committee.

(2) The performance salary represents annual variable income to be determined based on the results of operation of the Company and the results of annual assessment of the individual.

**APPENDIX I MANAGEMENT RULES FOR THE REMUNERATION OF
THE ELEVENTH SESSION OF DIRECTORS, SUPERVISORS
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Annual performance salary = Base salary x Performance coefficient. The performance coefficient ranges from 0 to 2.0 based on the performance of duties by the Directors, Supervisors and Senior Management, and is determined by the Remuneration and Appraisal Committee of the Company in accordance with the Rules for the Performance Appraisal of the Eleventh Session of Directors, Supervisors and Senior Management of COMEC.

2. Based on the annual results of production and operation of the Company and its financial performance, the Company may grant special bonus to the Directors, Supervisors and Senior Management who have made considerable contribution to the growth of financial performance, significant strategic development and promotion of high-quality development of the Company.
3. The Company may grant mid- and long-term incentives to the Directors, Supervisors and Senior Management in accordance with the need to motivate them in the relevant national policies.

CHAPTER 3 WELFARE PROTECTION

Article 7 The welfares of the Directors, Supervisors and Senior Management shall comprise basic social insurance, housing funds, enterprise annuity (supplementary pension) and medical security. The Company shall make contributions to various basic social insurance and housing funds for the Directors, Supervisors and Senior Management in accordance with the relevant national and local policies, and shall establish enterprise annuity (supplementary pension) and medical security according to the financial position of the Company. The Directors, Supervisors and Senior Management shall make contributions that shall be borne by individuals to various basic social insurance, housing funds, enterprise annuity (supplementary pension) and medical security in accordance with the relevant rules. The enterprises where the Directors, Supervisors and Senior Management work shall pay for the portion which shall be borne by such enterprises.

CHAPTER 4 REMUNERATION MANAGEMENT

Article 8 The monetary income of the Directors, Supervisors and Senior Management in addition to annual salary shall include: new and high-tech project allowance, special government allowance from the State Council, various allowances and special awards from the Group or governments at provincial or departmental level or above, confidentiality allowance, cooling fees, transportation subsidies and housing subsidies. The housing allowance is subject to the approval of the controlling shareholder of the Company, and the other items shall be filed with the controlling shareholder of the Company for record. Save for the above, the Directors, Supervisors and Senior Management shall not be entitled to any other monetary income unless with the specific approval of the controlling shareholder of the Company.

**APPENDIX I MANAGEMENT RULES FOR THE REMUNERATION OF
THE ELEVENTH SESSION OF DIRECTORS, SUPERVISORS
AND SENIOR MANAGEMENT OF COMEC**

Article 9 For the awards granted by the government where the Directors, Supervisors and Senior Management are located, their utilisation plan shall be filed with the controlling shareholder of the Company for approval, and their utilisation shall follow such plan.

Article 10 If the position held by any member of the Directors, Supervisors and Senior Management changes within a year of assessment due to the needs of work, their remuneration for the year shall be calculated and paid according to the different periods of service.

Article 11 The remuneration of the Directors, Supervisors and Senior Management whose tenure have expired or who have been transferred away or removed from position shall be redetermined according to their new positions. The deferred remuneration (if any) of the Directors, Supervisors and Senior Management who are retired shall be paid after his/her resignation and being audited.

Article 12 The remuneration and other monetary income of the Directors, Supervisors and Senior Management represent income before tax, for which individual income tax shall be paid in accordance with the law.

Article 13 The remuneration of the Directors, Supervisors and Senior Management is subject to the information disclosure in accordance with the information disclosure system of listed companies and requirements of regulatory authorities.

CHAPTER 5 SUPPLEMENTARY PROVISIONS

Article 14 These management rules shall be interpreted by the Remuneration and Appraisal Committee.

Article 15 These management rules shall become effective on the date on which they are considered and passed at the general meeting.

NOTICE OF THE EXTRAORDINARY GENERAL MEETING



NOTICE OF THE FIRST EXTRAORDINARY GENERAL MEETING OF 2024 AND CLOSURE OF REGISTER OF MEMBERS

NOTICE IS HEREBY GIVEN that the first extraordinary general meeting of 2024 (the “EGM”) of CSSC Offshore & Marine Engineering (Group) Company Limited (the “Company”) will be held at the conference room of the Company at 15th Floor, Marine Tower, No. 137 Gexin Road, Haizhu District, Guangzhou, The People’s Republic of China (the “PRC”) at 9:00 a.m. on Friday, 2 February 2024, at which the following matters will be proposed for consideration:

ORDINARY RESOLUTION

1. To consider and approve the resolution in relation to the formulation of the Management Rules for the Remuneration of the Eleventh Session of Directors, Supervisors and Senior Management of COMEC;

ORDINARY RESOLUTIONS ADOPTING CUMULATIVE VOTING

- 2.00 To consider and approve the resolutions in relation to the election of directors of the Company
 - 2.01 To consider and approve the resolution in relation to the election of Mr. Xiang Huiming as an executive director of the Company;
 - 2.02 To consider and approve the resolution in relation to the election of Mr. Chen Liping as an executive director of the Company;
 - 2.03 To consider and approve the resolution in relation to the election of Mr. Zhang Junxiong as an executive director of the Company;
 - 2.04 To consider and approve the resolution in relation to the election of Mr. Chen Ji as a non-executive director of the Company;
 - 2.05 To consider and approve the resolution in relation to the election of Mr. Gu Yuan as a non-executive director of the Company;
 - 2.06 To consider and approve the resolution in relation to the election of Mr. Ren Kaijiang as a non-executive director of the Company; and
 - 2.07 To consider and approve the resolution in relation to the election of Mr. Yin Lu as a non-executive director of the Company.

NOTICE OF THE EXTRAORDINARY GENERAL MEETING

- 3.00 To consider and approve the resolutions in relation to the election of independent non-executive directors of the Company
- 3.01 To consider and approve the resolution in relation to the election of Mr. Lin Bin as an independent non-executive director of the Company;
- 3.02 To consider and approve the resolution in relation to the election of Mr. Nie Wei as an independent non-executive director of the Company;
- 3.03 To consider and approve the resolution in relation to the election of Mr. Li Zhijian as an independent non-executive director of the Company; and
- 3.04 To consider and approve the resolution in relation to the election of Ms. Xie Xin as an independent non-executive director of the Company.
- 4.00 To consider and approve the resolutions in relation to the election of supervisors of the Company
- 4.01 To consider and approve the resolution in relation to the election of Mr. Chen Shuofan as a supervisor of the Company;
- 4.02 To consider and approve the resolution in relation to the election of Ms. Chen Shu as a supervisor of the Company; and
- 4.03 To consider and approve the resolution in relation to the election of Mr. Zhu Weibin as a supervisor of the Company.

In order to determine the entitlement of the shareholders of overseas listed foreign shares (“**H Shares**”) to attend the EGM, the register of members of the Company will be closed from 30 January 2024 to 2 February 2024 (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 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong before 4:30 p.m. on 29 January 2024, 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 EGM. Holders of H Shares whose names are recorded in the register of member of the Company on 2 February 2024 are entitled to attend the EGM.

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

Guangzhou, 15 January 2024

As at the date of this notice, the Board comprises ten Directors, namely executive Directors Mr. Xiang Huiming and Mr. Chen Liping; non-executive Directors Mr. Chen Ji, Mr. Gu Yuan, Mr. Ren Kaijiang and Mr. Yin Lu; and independent non-executive Directors Mr. Yu Shiyou, Mr. Lin Bin, Mr. Nie Wei and Mr. Li Zhijian.

NOTICE OF THE EXTRAORDINARY GENERAL MEETING

Notes:

1. For details of the resolutions to be considered at the EGM and other related matters, please refer to the announcement of the Company dated 29 December 2023 published on the website of The Stock Exchange of Hong Kong Limited and the circular despatched on 15 January 2024.
2. Any shareholder who is entitled to attend and vote at the EGM has the right to appoint one or more proxies to do so on behalf of himself, and the proxy needs not be a shareholder of the Company. In order to ensure validity, completed proxy forms 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 EGM (in case of holders of A shares). 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, Wan Chai, Hong Kong. Completion and return of the proxy form will not preclude the shareholders from attending and voting in person at the EGM should they so wish.
3. The resolutions at the EGM will be voted on by poll.
4. Shareholders and proxies must show their identification documents when attending the EGM.
5. The EGM will last for half a day. Shareholders and proxies attending the EGM shall be responsible for their own traveling and accommodation expenses.
6. The registered office of the Company is at the Board of Directors' Office of CSSC Offshore & Marine Engineering (Group) Company Limited at 15th Floor, Marine Tower, No. 137 Gexin Road, Haizhu District, Guangzhou, the PRC (post code: 510250).

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