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

(H Shares Stock Code: 00317)

**REPORT OF THE BOARD OF DIRECTORS FOR 2024
REPORT OF THE SUPERVISORY COMMITTEE FOR 2024
THE 2024 ANNUAL REPORT
(INCLUDING THE FINANCIAL STATEMENTS FOR 2024)
THE PROFIT DISTRIBUTION PROPOSAL FOR 2024
THE RESOLUTION ON THE INTERIM DIVIDEND
ARRANGEMENTS FOR 2025
THE RESOLUTION ON THE FRAMEWORK FOR THE GUARANTEE
PROPOSED TO BE PROVIDED BY THE SUBSIDIARIES FOR 2025 AND
ITS AMOUNTS
THE RESOLUTION ON THE COMMENCEMENT OF
FOREIGN EXCHANGE DERIVATIVES TRANSACTIONS IN 2025
AND
NOTICE OF THE ANNUAL GENERAL MEETING OF 2024**

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

The AGM of 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 PRC at 10:30 a.m. on Tuesday, 27 May 2025. The notice of the AGM is set out on pages AGM-1 to AGM-2 of this circular.

Whether or not you are able to attend the AGM, you are requested to complete and return the proxy forms (enclosed herewith) in accordance with the instructions printed thereon. In the case of H Shareholders, the completed proxy forms and other authorization document(s) (if any) must be delivered to H Share 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 of the AGM 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 AGM or any adjournment thereof (as the case may be) should you so wish.

30 April 2025

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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 and are listed on the SSE
“AGM” or “Annual General Meeting”	the 2024 Annual General Meeting of the Company to be held at 10:30 a.m. on Tuesday, 27 May 2025, for the Shareholders to consider and approve, as ordinary resolutions, (i) the Report of the Board of Directors for 2024; (ii) the Report of the Supervisory Committee for 2024; (iii) the 2024 Annual Report (including the financial statements for 2024); (iv) the Profit Distribution Proposal for 2024; (v) the Resolution on the Interim Dividend Arrangements for 2025; (vi) the Resolution on the Framework for the Guarantee Proposed to be Provided by the Subsidiaries for 2025 and its Amounts; and (vii) the Resolution on the Commencement of Foreign Exchange Derivatives Transactions in 2025
“Articles of Association”	the articles of association of the Company, as revised, amended or supplemented from time to time
“Board”	the Board of Directors
“COMEC” or “Company”	CSSC Offshore & Marine Engineering (Group) Company Limited (中船海洋與防務裝備股份有限公司), 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
“CSRC”	China Securities Regulatory Commission
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“H Shares”	overseas listed foreign shares of the Company listed on the Stock Exchange
“H Shareholder(s)”	holder(s) of the H Share(s)
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited

DEFINITIONS

“Huangpu Wenchong”	CSSC Huangpu Wenchong Shipbuilding Company Limited (中船黃埔文冲船舶有限公司), a company incorporated in the PRC on 1 June 1981 and a non-wholly owned subsidiary owned as to 54.5371% by the Company as at the Latest Practicable Date
“Latest Practicable Date”	24 April 2025, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“PRC”	the People’s Republic of China
“Reporting period” or “Year”	for the year ended 31 December 2024
“RMB”	Renminbi, the lawful currency of the PRC
“SASAC”	the State-owned Assets Supervision and Administration Commission of the State Council
“Shares”	shares of RMB1.00 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“SSE”	Shanghai Stock Exchange
“USD”	United States Dollars
“Wenchuan Heavy Industrial”	Guangzhou Wenchuan Heavy Industrial Co., Ltd. (廣州文船重工有限公司), a wholly-owned subsidiary of Huangpu Wenchong
“Supervisory Committee”	the Supervisory Committee
“%”	per cent

LETTER FROM THE BOARD



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

(H Shares Stock Code: 00317)

Executive Director:

Mr. Chen Liping

Non-Executive Directors:

Mr. Gu Yuan

Mr. Ren Kaijiang

Mr. Yin Lu

Independent Non-Executive Directors:

Mr. Lin Bin

Mr. Nie Wei

Mr. Li Zhijian

Ms. Xie Xin

Registered Office:

15th Floor

No. 137 Gexin Road

Haizhu District

Guangzhou

the PRC

Post code:

510250

30 April 2025

To the H Shareholders

Dear Sir or Madam,

**REPORT OF THE BOARD OF DIRECTORS FOR 2024
REPORT OF THE SUPERVISORY COMMITTEE FOR 2024
THE 2024 ANNUAL REPORT
(INCLUDING THE FINANCIAL STATEMENTS FOR 2024)
THE PROFIT DISTRIBUTION PROPOSAL FOR 2024
THE RESOLUTION ON THE INTERIM DIVIDEND
ARRANGEMENTS FOR 2025
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ITS AMOUNTS
THE RESOLUTION ON THE COMMENCEMENT OF
FOREIGN EXCHANGE DERIVATIVES TRANSACTIONS IN 2025
AND
NOTICE OF THE ANNUAL GENERAL MEETING OF 2024**

LETTER FROM THE BOARD

I. INTRODUCTION

The purpose of this circular is to set out the notice of the AGM and to provide you with information on the following resolutions to be proposed at the AGM for consideration and approval by the Shareholders.

At the 2024 Annual General Meeting, ordinary resolutions will be proposed to consider and approve (i) the Report of the Board of Directors for 2024; (ii) the Report of the Supervisory Committee for 2024; (iii) the 2024 Annual Report (including the financial statements for 2024); (iv) the Profit Distribution Proposal for 2024; (v) the Resolution on the Interim Dividend Arrangements for 2025; (vi) the Resolution on the Framework for the Guarantee Proposed to be Provided by the Subsidiaries for 2025 and its Amounts; and (vii) the Resolution on the Commencement of Foreign Exchange Derivatives Transactions in 2025.

II. REPORT OF THE BOARD OF DIRECTORS FOR 2024

In accordance with the Articles of Association, the Board has prepared the report of the Board of Directors for 2024 and has been considered and approved by the Board on 28 March 2025. The full text of the above-mentioned report is set out in Appendix I to this circular.

The Company will propose an ordinary resolution at the AGM for Shareholders to consider and approve the report of the Board of Directors for 2024.

III. REPORT OF THE SUPERVISORY COMMITTEE FOR 2024

In accordance with the Articles of Association, the Supervisory Committee has prepared the report of the Supervisory Committee for 2024 and has been considered and approved by the Supervisory Committee on 28 March 2025. The full text of the above-mentioned report is set out in Appendix II to this circular.

The Company will propose an ordinary resolution at the AGM for Shareholders to consider and approve the report of the Supervisory Committee for 2024.

IV. THE 2024 ANNUAL REPORT (INCLUDING THE FINANCIAL STATEMENTS FOR 2024)

The Company will propose an ordinary resolution at the AGM for Shareholders to consider and approve the 2024 Annual Report (including the financial statements for 2024). The 2024 Annual Report (including the financial statements for 2024) was considered and approved by the Board on 28 March 2025 and is published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk), the website of the SSE (www.sse.com.cn) and the website of the Company (comec.cssc.net.cn).

V. THE PROFIT DISTRIBUTION PROPOSAL FOR 2024

The Company will propose an ordinary resolution at the AGM for the Shareholders to consider and approve the Profit Distribution Proposal for 2024, details of which are as follows:

LETTER FROM THE BOARD

According to the 2024 financial statements of the Company audited by BDO China Shu Lun Pan Certified Public Accountants LLP, the net profit attributable to owners of the Company in 2024 in the consolidated financial statements of the Company was RMB377,262,684.20, and the undistributed profit at the end of 2024 was RMB2,591,405,648.46; and the net profit in 2024 as set out in the financial statements of the Company was RMB301,280,186.88, and the undistributed profit at the end of 2024 was RMB1,236,146,625.09. According to the requirements of the relevant laws and regulations and the Articles of Association, and after considering the Company's profitability, business development, and reasonable returns to Shareholders, the Board proposes to distribute a cash dividend of RMB0.70 (tax inclusive) for every 10 Shares to all Shareholders, calculated according to the total share capital of 1,413,506,378 Shares as at 31 December 2024, and the total cash dividends to be distributed will be RMB98,945,446.46 (tax inclusive). In the first half of 2024, a cash dividend of RMB16,962,076.54 (tax inclusive) has been distributed, and the total cash dividend amount for the Year was RMB115,907,523.00 (tax inclusive), representing 30.72% of the net profit attributable to Shareholders of the Company for the Year. The remaining undistributed profit of the Company of RMB1,137,201,178.63 will be carried forward to the subsequent period for distribution. The Company did not convert capital reserve into share capital for 2024. If there is a change in the total share capital of the Company prior to the record date of registration of the distribution, it is intended that the distribution ratio per share will remain unchanged and the total amount of distribution will be adjusted accordingly.

The aforesaid Profit Distribution Proposal for 2024 was considered and approved by the Board on 28 March 2025. Subject to the Shareholders' approval of the Profit Distribution Proposal for 2024 at the AGM, the Company expects to complete the cash dividend distribution on or before 18 July 2025. For further details of the Profit Distribution Proposal for 2024, please refer to the notice of Annual General Meeting of the Company dated 30 April 2025.

VI. THE RESOLUTION ON THE INTERIM DIVIDEND ARRANGEMENTS FOR 2025

In order to enhance the return to Shareholders of the Company while balancing the interests of the Company and its Shareholders as a whole, and pursue the sustainable development of the Company, the Company will propose an ordinary resolution at the AGM for the Shareholders to consider and approve the Interim Dividend Arrangements for 2025 of the Company in accordance with the Listed Companies Regulatory Guidance No. 3 – Cash Dividends Distribution of Listed Companies (《上市公司監管指引3號–上市公司現金分紅》), the Rules Governing the Listing of Stocks on Shanghai Stock Exchange and the Self-Regulatory Guideline No. 1 – the Standardized Operation (《上海證券交易所上市公司自律監管指引第1號–規範運作》) and other laws and regulations and the relevant provisions of the Articles of Association, as follows:

On the premise of satisfying the relevant cash dividend conditions set out in the Articles of Association, and taking into account the Company's profitability, business development and reasonable returns to Shareholders, the Company proposes to formulate the interim profit distribution plan of the Company for 2025 based on the interim results for the six months ended 30 June 2025 reviewed by the accounting firm. The total amount of interim cash dividend for 2025 shall not exceed 30% of the net profit attributable to Shareholders of the Company realised in the first half of 2025.

LETTER FROM THE BOARD

In order to improve the efficiency of decision-making, the Company proposes to submit to the Annual General Meeting for consideration and approval to authorize the Board to formulate specific plans for interim profit distribution for 2025 and handle matters related to interim profit distribution.

VII. THE GUARANTEE PROPOSED TO BE PROVIDED BY THE SUBSIDIARIES FOR 2025 AND ITS AMOUNTS

To ensure the launching of smooth production and operations work in each subsidiary of the Group, it is expected that the subsidiaries will be required to provide guarantees in 2025. Pursuant to the Articles of Association and relevant regulations, and taking into account the actual production and operations of the subsidiaries, it is proposed that approval is to be sought in relation to the provision of guarantees by the subsidiaries in 2025, details of which are as follows:

1. Provision of guarantees by the Company and the balances thereof in 2024

The Resolution on the Framework for the Guarantees Proposed to be Provided by the Subsidiaries for 2024 and its Amounts was considered and approved at the 2023 Annual General Meeting of the Company, pursuant to which, authorizations were granted to the subsidiaries on the provision of guarantees of a total amount not exceeding RMB5.630 billion in 2024 based on their capital needs for production and operation.

From 31 May 2024 to 28 March 2025, its subsidiaries increased a guarantee of a total amount of RMB1.870 billion, which was mainly attributable to the parent guarantee and bank guarantee provided by the Company's holding subsidiary Huangpu Wenchong to its wholly-owned subsidiary, Wenchuan Heavy Industrial. The terms and amount of the guarantees fell within the scope authorized at the general meeting of the Company.

As at 28 March 2025, the balance of guarantees of its subsidiaries amounted to RMB2.015 billion which was attributable to the guarantees provided by Huangpu Wenchong to its subsidiaries Wenchong Heavy Industrial. The guarantee items included bank credit facility guarantee, parent guarantee, bank guarantee and other guarantees. There were no overdue guarantees.

2. Status of projected guarantees in 2025

Based on the capital requirements of production and operations and the market financing environment, it is expected that the additional guarantee amount provided by Huangpu Wenchong, a controlling subsidiary of the Company, for its wholly-owned subsidiary Wenchuan Heavy Industrial in 2025 will be RMB2.536 billion. The guarantee will include finance project guarantee, bank credit guarantee, parent guarantee and other guarantees.

LETTER FROM THE BOARD

Guarantor	Guaranteed entity	Shareholding percentage of the guarantor	Latest gearing ratio of the guaranteed entity	Balance of guarantee (RMB100 million)	Additional guarantee amount (RMB100 million)	The percentage of the guarantee amount accounting for the latest net assets of the Company	Projected valid period of the guarantees	Whether related guarantees are provided	Whether counter guarantees are provided
Controlling subsidiary with gearing ratio above 70%						11.98%	From the date of the resolution passed at the 2024 Annual General Meeting until the date when a new resolution is passed at the 2025 annual general meeting or when such resolution is amended	No	No
Huangpu Wenchong	Wenchuan Heavy Industrial	100%	77.67%	20.15	25.36				
Total				20.15	25.36				

3. Basic Conditions of the Guaranteed Entity

Wenchuan Heavy Industrial, a wholly-owned subsidiary of the Company's subsidiary Huangpu Wenchong, was registered in Nansha District, Guangzhou with a registered capital of RMB410,000,000. Its legal representative is Chen Hongling. It is principally engaged in the manufacturing of equipment for railways, ships, aerospace and other transport facilities. As at 31 December 2024, the Company had total assets of RMB2,498,444,300, total liabilities of RMB1,940,612,300 and net assets of RMB557,832,100. In 2024, the Company achieved operating revenue of RMB995,732,600 and net profit of RMB20,938,100 with a gearing ratio of 77.67% (the above data have been audited).

LETTER FROM THE BOARD

4. Main Contents of the Guarantee Contracts

In the event that Huangpu Wenchong provided guarantee(s) to the above-mentioned guaranteed entity, the following requirements shall be incorporated into the guarantee contract(s):

- (1) Types of the guarantees: financing or loan guarantee arising from the funds being required for working capital of production and operations or basic construction projects, or settlement guarantee, parent company guarantee or bank credit facility and other guarantees arising from the production and operations process;
- (2) Counterparty(ies) of the guarantees: financial or non-financial institutions incorporated by law (including CSSC Finance Company Limited) or buyers of engineering projects;
- (3) Models of the guarantees: general guarantee or joint and several guarantee;
- (4) Maximum term of the guarantees: three years from the day subsequent to the due date of each debt under main contract.

5. Necessity and Rationality of the Guarantees

It is expected that the guarantee amount provided by Huangpu Wenchong for Wenchuan Heavy Industrial in 2025 is to meet the production and operation requirements of Wenchuan Heavy Industrial, which will not adversely affect the Company's ability to continue as a going concern, and there is no transfer of resources or transfer of benefits, and its risks are kept under control without prejudice to the interest of the Company and its Shareholders as a whole.

The above-mentioned resolution will be proposed at the AGM as an ordinary resolution for the Shareholders' consideration and approval.

VIII. RESOLUTION ON THE COMMENCEMENT OF FOREIGN EXCHANGE DERIVATIVES TRANSACTIONS IN 2025

For the purposes of hedging foreign exchange risks, and preventing and reducing financial risks, the Company and its subsidiaries intend to conduct foreign exchange derivatives trading activities in 2025, details of which are as follows:

LETTER FROM THE BOARD

1. An overview of conducting foreign exchange derivatives transactions

(1) *Transaction purposes*

The Company's export of vessels and import of materials are mainly denominated in foreign currencies. The Group proposes to conduct foreign derivatives trading activities in 2025 in order to guard against the adverse impacts of significant exchange rate fluctuations on the Company's performance. The Company's foreign exchange derivatives transactions are conducted based on production and operation needs and carried out for hedging purposes only, and will not engage in speculation and arbitrage only for profits, which will not affect the development of the Company's principal business.

The Company utilizes foreign exchange derivatives such as forward contracts to hedge the risks of exchange rate fluctuations in expected receipt and payment under import and export contracts and foreign currency funds on hand. Foreign exchange derivatives such as forward contracts are hedging instruments and expected receipt and payment under import and export contracts and foreign currency funds on hand are hedged items. The hedging instruments and the hedged items satisfy the effectiveness of hedge in terms of the economic relationship, hedge ratio and time, and are not dominated by credit risks. Changes in the fair value or cash flows of the hedging instruments can offset the changes in fair value or cash flows of the hedged items caused by the hedging risks, and thus achieve the purpose of hedging.

(2) *Transaction amount*

Taking into account the Company's foreign exchange balance measurement and the balance on hand at the beginning of the year, the foreign exchange derivative balance at any point in time shall not exceed US\$5.761 billion (including equivalent foreign currencies).

The balance of transaction deposit and entitlement at any point in time during the term shall not exceed RMB20.0 billion or other equivalent foreign currencies.

(3) *Sources of funds*

The Company's own funds shall be used and the credit funds or raised funds shall not be used to carry out foreign exchange derivatives transactions.

(4) *Transaction methods*

(1) Transaction varieties and terms: foreign exchange forward settlements, foreign exchange options, foreign exchange swaps, forward purchase of foreign exchange etc. The contract terms in general shall be less than eight years.

LETTER FROM THE BOARD

- (2) Transaction instruments: simple and manageable foreign exchange derivatives instruments with market pricing that is easy to calculate and risks that can be effectively assessed shall be chosen, including foreign exchange forwards, foreign exchange options and foreign exchange swaps. The scale and term of foreign exchange derivative trading business, corresponding to the fund position and payment and receipt time related to import and export contracts, shall not exceed 95% of the amount that needs to be hedged.
- (3) Counterparty(ies): bank(s) and related finance company(ies) of the Company as approved by regulators and qualifications to operate in foreign exchange derivatives trading business.

(5) ***Validity period***

It is from the date of the resolution made at the 2024 Annual General Meeting until the date of a new resolution passed at the 2025 annual general meeting or until such resolution is amended.

2. Analysis on the risks of entering into foreign exchange derivative trading business

- (1) Market risks: The foreign exchange derivatives trading to be entered into by the Company are mainly hedging activities related to the principal business, which involve market risks of loss arising from changes in the prices of financial derivatives caused by market price fluctuation.
- (2) Liquidity risks: Sufficient fund is required for settlement on completion, or the derivatives shall be alternately settled on a net basis to reduce the requirement for cash flow at maturity.
- (3) Performance risks: The counterparties to the Company's derivative investments are banks and related finance companies with sound credit ratings and long-standing business relationships with the Company, which basically give rise to no risk in terms of contract performance.
- (4) Other risks: During operation, failure of the personnel in charge to operate the derivative investments in accordance with the stipulated procedures or fully understand the information regarding the derivatives may result in operational risks in actual operation. Obscure terms in the trade contracts may result in legal risks.

3. Risk management measures in relation to foreign exchange derivatives trading activities

- (1) The objective of entering into foreign exchange derivatives trading is to mitigate the impact of foreign exchange fluctuation on the Company. Financial derivatives with simple structure, high liquidity and identifiable risks shall be selected to carry out

LETTER FROM THE BOARD

hedging transactions, and any speculative activities are prohibited. The amount of foreign exchange derivatives trading shall not exceed the authorised limit approved by the Company.

- (2) The Company has formulated the Management Measures for Financial Derivative Activities, which establishes clear regulations on operation principles, authority for approval, management and internal operation procedures, internal risk reporting system and risk handling practices of foreign exchange derivatives trading activities.
- (3) Counterparty management is strengthened. Only those foreign exchange derivatives that are closely related to the Company's principal business shall be selected, and the derivatives shall be matched with the business in terms of the types, scales, directions and durations. The Company shall enter into contracts with clear terms with the counterparties and strictly implement the risk management system so as to mitigate the legal risks.
- (4) The finance department of the Company shall be responsible for monitoring the changes in the open market price or the fair value of the derivatives, and assessing the changes in the risk exposure of the invested derivatives on a timely basis. It shall promptly report any major changes in the market or significant unrealised losses to the Company's management and the Board, which shall establish an emergency mechanism to actively respond and properly deal with the situation.
- (5) The audit department of the Company, acting as the supervision department of the Company's financial derivatives trading, shall be responsible for supervising and inspecting the compliance of the decision-making, management and execution of the financial derivatives trading of the Company.

4. Impact of conducting foreign exchange derivative trading activities on the Company and the related accounting treatment

The Company conducts foreign exchange derivative trading activities for hedging and preventing exchange rate risks and reducing risk exposures, which serves to enhance the Company's ability to manage the risks of foreign exchange fluctuations and improve the Company's financial soundness. Conducting foreign exchange derivative trading activities is in line with the actual needs of the Company's production and operation and is determined in compliance with the regulatory requirements for listing in Shanghai and Hong Kong and the relevant provisions of the Articles of Association. The risks for conducting foreign exchange derivative trading activities are kept under control without prejudice to the interests of the Shareholders of the Company and the Company as a whole.

The Company accounts for and reports the foreign exchange derivative trading activities in accordance with the relevant requirement and guidelines of the Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments, the Accounting Standards for Business Enterprises No. 24 – Hedge Accounting, the Accounting Standards for Business Enterprises No. 37 – Presentation and Reporting of Financial

LETTER FROM THE BOARD

Instruments and the Accounting Standards for Business Enterprises No. 39 – Measurement of Fair Values, which are reflected in relevant items in the Company’s balance sheet and income statement.

The above-mentioned resolution shall be proposed at the AGM as an ordinary resolution for the Shareholders’ consideration and approval.

IX. AGM

The AGM 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 10:30 a.m. on Tuesday, 27 May 2025. The notice of the AGM is set out on pages AGM-1 to AGM-2 of this circular.

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

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. The proxy needs not be a Shareholder. To ensure validity, H Shareholders 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 AGM and vote in person if they wish.

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

X. CLOSURE OF REGISTER OF MEMBERS AND RECORD DATE

In order to determine the entitlement of the H Shareholders to attend the AGM, the register of members of the Company will be closed from 22 May 2025 to 27 May 2025 (both days inclusive). H Shareholders 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 by 4:30 p.m. on 21 May 2025, 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. H Shareholders whose names are recorded in the register of member of the Company on 27 May 2025 are entitled to attend the AGM.

XI. RECOMMENDATIONS

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

LETTER FROM THE BOARD

XII. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Hong Kong Listing Rules for the purpose of giving information with regard to the Company, for which the Directors collectively and individually accept full responsibility. 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.

XIII. FURTHER INFORMATION

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

Yours faithfully,

For and on behalf of the Board

CSSC Offshore & Marine Engineering (Group) Company Limited

Li Zhidong

Company Secretary

REPORT OF THE BOARD OF DIRECTORS FOR 2024

In 2024, the Board of Directors of CSSC Offshore & Marine Engineering (Group) Company Limited (hereinafter referred to as the “**Company**”) seriously studied and implemented the Xi Jinping thought on socialism with Chinese characteristics for a new era and the guiding principles of General Secretary Xi Jinping’s important instructions and directives, comprehensively deepened the implementation of the spirit of the 20th National Congress of the Communist Party of China, and closely centered on the work deployment of China Shipbuilding Group Co., Ltd., and in strict compliance with the Company Law, the Securities Law, the listing rules of the stock exchange(s) where the Company’s shares are listed and other laws, regulations, regulatory documents as well as relevant provisions of the Articles of Association. Guided by high-quality development, the Board diligently and faithfully performed its duties, continuously promoted the standardized operation of the Company and enhanced the governance level of the Company, so as to adequately safeguard the legitimate rights and interests of the Company and all Shareholders. The work of the Board in 2024 and the work ideologies of the Board in 2025 are now reported as follows:

PART 1 WORK OF THE BOARD IN 2024**I. Strengthening the Leadership of the Party and Playing the Political Core Role of the Party Organization**

In 2024, the Board thoroughly implemented General Secretary Xi Jinping’s upholding to the “Two Consistences” and important exposition on the reform and development of state-owned enterprises and Party building. Anchored in the Company’s actual circumstances, Party leadership was integrated into all aspects of corporate governance. The party branch committee of the Company advanced its role in reviewing Board proposals in a pre-decisional manner, providing direction, ensuring overall coordination, and overseeing implementation, thus fully embodying the legal status of the Party organization in the corporate governance structure and continuously strengthening the political core role of the Party organization in corporate governance.

II. Anchoring Itself on High-quality Development and Promoting Steady Improvement in Business Performance

In 2024, the global new shipbuilding market continued to exhibit a thriving and active trend, with the transaction volume of new vessels reaching a new high since the previous peak. Amidst the backdrop of the overall positive medium- to long-term demand for shipbuilding, the Group anchored itself on the objectives of the “14th Five-Year Plan” by focusing on annual targets and tasks, grasping development opportunities, tapping into potential and enhancing efficiency, resulting in a continuous improvement in the economic indicators for the Year, key products being delivered consecutively, and the value creation capability steadily improving. During the Year, the Group achieved operating income of RMB19.402 billion, representing a year-on-year increase of 20.17%. The net profit attributable to the Shareholders of the Company after deduction of non-recurring gains and losses was RMB336 million, representing a year-on-year increase of RMB337 million.

Adhering to innovation and leadership, the Group achieved another record in contracted orders. The Group achieved operating orders of RMB25 billion throughout the Year, fulfilling 165.6% of its annual plan. The Group’s product structure continued to be upgraded, with key vessel

types being contracted in batches, totaling 56 new shipbuilding orders for 12 different types. The Group made a breakthrough in the self-designed methanol dual-fuel vessels and signed contracts for six 2400 TEU methanol dual-fuel container vessels, further expanding the influence of the “Honghu” brand of feeder containerships. The Group contracted the PRC’s first ammonia dual-fuel gas carrier and a total of 12 gas carriers during the Reporting Period, thereby further consolidating the industry position in the field of medium-sized gas carrier construction. To expand the portfolio of its main vessel types, the Group secured 16 series orders for 4300TEU containerships, making a successful entry into the medium-sized containership market. The Group’s green transformation has achieved remarkable results, with 24 new energy vessels of 7 different types contracted. In terms of emerging industries, the Group successfully signed contracts for offshore wind power monopiles and transition sections in the UK, achieving an important breakthrough in the overseas market of steel structures for offshore wind power.

Deepening lean management, the Group steadily advanced an increase in volume and quality.

The Group continued to deepen lean management, and continuously strengthened the management of the whole production process through measures such as enhancing the technical preparation for production, strengthening the control of production planning, improving the product construction process and optimising the allocation of production resources, etc, achieving significant enhancements in efficiency and quality of shipbuilding, a continuous improvement in the key cycles for the main vessel types, and a continuously positive trend in efficiency indicators. During the Reporting Period, the Group delivered 37 vessels with a total of 1.0844 million DWT. These included several important defense equipment products covering multiple types, as well as a series of bulk-built main vessel types such as feeder containerships, bulk carriers, and heavy lift vessels, and other key products such as offshore wind power towers. The PRC’s first “Dream” ocean drilling vessel was commissioned, which helped enhance the PRC’s capabilities in “deep-sea access, deep-sea exploration, and deep-sea development”.

As at the end of the Reporting Period, the Group held orders with the total contract value of approximately RMB61.6 billion, of which the total contract value of shipbuilding orders was approximately RMB58.7 billion, including 130 ship products and 2 offshore engineering equipment with a total of 4,776,700 DWT.

III. Actively Performing Its Functions and Duties and Playing the Key Role of Corporate Governance

In 2024, in strict compliance with the Company Law, the Securities Law, the Administrative Measures for the Information Disclosure of the Listed Companies, the Rules Governing the Listing of Stocks on Shanghai Stock Exchange, the Hong Kong Listing Rules and other laws, regulations, regulatory documents as well as the requirements of the Articles of Association, the Board continuously strengthened their own capacity building, improved the level of decision-making ability, and standardized the daily operation of the Board and all specialized committees. During the Reporting Period, the relevant work of the Board was highly recognized by regulators and investors, and was awarded the Grade A Evaluation for Annual Information Disclosure by the Shanghai Stock Exchange for three consecutive years, as well as the Best Practice in Investor Relations Management by the Association of Listed Companies in China, the Best Practice in Annual Report Presentation by

Listed Companies, the “Most Valuable Industrial Manufacturing Company Award” by Zhitongcaijing, and the Golden Bull Award – Golden Information Disclosure Award for Listed Companies by China Securities Journal.

(1) *Continuously improving the corporate governance structure and strengthening the corporate governance system*

During the Reporting Period, the Company further improved its corporate governance structure and convened the first extraordinary general meeting of 2024 on 2 February 2024 to complete the re-election. As at the end of the Reporting Period, the eleventh session of the Board has a total of 8 Directors, including one executive Director, three non-executive Directors and four independent non-executive Directors, including one female Director. The members of the Board have different industry backgrounds and possess deep expertise in areas such as corporate management, financial accounting, investment strategy, ocean engineering and equipment and legal affairs. The composition of the Board complies with the requirements of the Company Law and the listing rules of Shanghai and Hong Kong.

In 2024, in conjunction with the promulgation and amendments of relevant laws and regulations on corporate governance in both domestic and international jurisdictions, the Board completed the systematic amendment of the Articles of Association, the Rules of Procedure for Shareholders’ Meetings, the Rules of Procedure for Board Meetings, the Working Rules for Independent Directors and the Implementation Rules of all specialized committees of the Board, and formulated the Implementation Rules for Specialized Meetings of Independent Directors, so as to abide by the new regulatory rules and requirements both domestically and internationally, and further realize the scientific decision-making, efficient operation and effective control of corporate governance.

In addition, the Directors have actively enhanced their understanding of the requirements of securities regulation, the dynamics of the capital market and the production and operation of the Company through attending securities regulatory training, improving communication with the management of the Company and reading the monthly reports of the Board and regulatory developments in the domestic and overseas on a regular basis, so as to constantly increase their awareness of the rules and enhance their ability to perform duties.

(2) *Performing duties in compliance with laws and regulations, and executing meeting’s resolutions fully and efficiently*

1. *Convening of general meetings and relevant considerations*

In 2024, strictly abiding by the relevant provisions of the Articles of Association and the Rules of Proceedings for General Meetings, the Board improved the procedures for convening, holding and voting of general meetings, invited lawyers to attend and witness the meetings, and invited auditors, minority Shareholders and supervisors of the Company to count the votes and scrutinize the voting, so as to ensure that all Shareholders, especially the minority Shareholders, enjoy equal rights to information. During the Year, the Company organized and held 4 general meetings to consider 20

resolutions, each of which was passed with a high approval rate. After the meetings, the Board, in strict compliance with the duties conferred by the general meetings, maintained good communication with the management of the Company, and implemented the resolutions of general meetings in an active, prudent, comprehensive and effective manner, so as to adequately safeguard the interests of the Company as a whole and the legitimate rights and interests of all Shareholders.

2. *Convening of Board meetings and meetings of each specialized committee, as well as relevant considerations*

During the Reporting Period, all Directors performed their duties and responsibilities, actively attended Board meetings of the Company to consider and make decisions on material matters. In 2024, the Board convened a total of 8 meetings and considered and unanimously approved 49 resolutions, and issued 4 regular reports and 54 interim announcements throughout the Year.

In 2024, the Audit Committee under the eleventh session of the Board convened a total of 6 meetings, the Emolument and Examination Committee convened a total of 3 meetings, the Nomination Committee convened a total of 2 meetings and the Strategy Committee convened 2 meetings. The members of all specialized committees were diligent and responsible, actively attended meetings, took the initiative to offer advice and suggestions, and gave full play to their important roles in auditing supervision, remuneration appraisal, personnel nomination, strategic planning and other duties, so as to solidly support the Board in making decisions in a professional and scientific manner.

(3) *Strengthening the system of independent Directors and enhancing the performance of their duties*

In 2024, the Company adopted the newly revised Working Rules for Independent Directors of COMEC and formulated the Implementation Rules for Specialized Meetings of Independent Directors, and newly established the Specialized Meeting of Independent Board of Directors. During the Reporting Period, the Specialized Meeting of Independent Directors held a total of 3 meetings to analyze in-depth the connected transaction matters and review the current status of the Company's compliance operation from the perspective of the long-term interests of the Company and minority Shareholders. The independent Directors gave full play to their roles of participation in decision-making, supervision and checks and balances, as well as professional consulting in the Board, which provided a strong guarantee for the standardized operation and sound development of the Company. During the Reporting Period, the independent Directors of the Company did not raise any objection to the proposals and related matters considered by the Board.

During the Year, the Company formulated and actively carried out an Independent Directors' Performance Improvement Plan strictly according to the requirements relating to independent Directors' performance of duties and responsibilities. Firstly, the independent Directors actively conducted field research by focusing on the Company's production, operation and strategic development direction to gain an in-depth understanding of the development of the

shipping industry, offshore wind power and its related industrial chain. Secondly, the Company organized independent Directors to participate in the results presentations convened by China Shipbuilding Group Co., Ltd. and the Company to further smooth the communication channels between independent Directors and minority Shareholders. Thirdly, the Company organized independent Directors to participate in learning and training organized by domestic and overseas regulatory bodies such as the SSE, China Association for Public Companies, Guangdong Securities Regulatory Bureau and the Hong Kong Corporate Governance Association, etc., so as to continuously enhance the independent Directors' ability to perform their duties and professional competence.

IV. Strengthening Investor Relations Management and Sharing the Fruits of Corporate Growth with Shareholders

The Board places great emphasis on strengthening investor relations management, and continues to communicate the Company's investment value to the market. In 2024, the Company responded to a total of 76 inquiries via the SSE e-interaction platform, received over 600 visits or calls from institutional investors for on-site or telephonic research, convened 5 presentations of regular report results including annual and interim result presentations held offline in Hong Kong, attended 30 strategy meetings of major brokerage houses; a total of 4 research institutions issued 8 research reports for the Company, including 2 in-depth reports.

The Board lays emphasis on rewarding Shareholders and sharing the fruits of corporate growth with them. During the Reporting Period, the Company distributed a total cash dividend for the year 2023 of RMB16 million (tax inclusive) to all Shareholders, and the above profit distribution was implemented in July 2024. In addition, as a positive response to the initiatives of the SASAC, the SSE and the Group, the Company distributed a total cash dividend of RMB17 million (tax inclusive) to all Shareholders in the half-year of 2024, which was implemented in November 2024.

V. Strengthening Risk Prevention and Continuously Enhancing Compliance Operation Capabilities

In 2024, the Board earnestly studied and implemented the spirit of the 20th National Congress of the Communist Party of China, the 2nd Plenary Session of the 20th Central Committee of the Communist Party of China, the 3rd Plenary Session of the 20th Central Committee of the Communist Party of China and Xi Jinping's thought on the rule of law, and carried out the decisions and deployments of the CPC Central Committee on law-based governance on all fronts. Concentrating on the objectives and tasks of the construction of "Shipbuilding under the Rule of Law" initiative, the Company continuously optimized the operation mechanism of law-based corporate governance, solidly promoted the law-based governance work, and constantly improved the level of law-based corporate governance.

Firstly, the Board strengthened internal control and risk prevention. The Board promoted the strict implementation of the internal control system and the improvement of the auditing, internal control, compliance and risk control systems by focusing on the key aspects of corporate governance, such as related party transactions and material guarantees. Secondly, the Board strengthened compliance management. The Board continued to promote the implementation of the "Shipbuilding under the Rule of Law" initiative, strengthened the legal compliance review of rules and regulations, economic

contracts and major decisions, effectively solidified the management of legal compliance affairs, and enhanced the level of legal compliance of the Company's operations, striving to build an enterprise governed by the rule of law. Thirdly, the Board regularly received reports on the progress of the Company's rule-of-law development. During the Year, the Board listened to the Work Report of the General Manager for 2023, the Report of the Board of Directors for 2023, and the Internal Control Evaluation Report for 2023, as well as the quarterly internal audit and internal control supervision work, and integrated the rule of law policies, rule of law theories with the Company's actual situation and work practices to explore the development direction of legal compliance, standardized governance and the rule of law construction, driving the high-quality development of the Company. In 2024, the Company had no material compliance issues or significant compliance risks, and maintained sound operations.

VI. Deeply Engaging in ESG Governance and Actively Fulfilling Social Responsibilities with All Parties

The Board placed high importance on and encouraged the Company to align with the national development strategy, implement the new development concept, and fulfill the responsibilities of a central state-owned enterprise. In 2024, COMEC remained committed to its principal responsibilities and core business, upheld its mission of strengthening national defense and serving the country. With the main line of promoting high-quality development, the Company has been steadfastly following the road of sustainable development with Chinese characteristics, from strengthening the foundation of responsibility to supporting green development, from serving the real economy to contributing to rural revitalization. In response to the global challenge of climate change, the Company actively followed national initiatives by deeply ingraining the low-carbon and environmentally-friendly concept into the entire process of ship design, building, and operation. The Company adopted advanced scientific and technological means to enhance energy efficiency. The Company also prioritised well-being of its employees, talent training, and offering high-quality products and services to its customers, while actively promoting community development, supporting public welfare undertakings, and contributing to regional economic development. Furthermore, the Company proactively promoted ESG management, integrated it into its corporate strategic planning and daily operations, with the goal of achieving first-class international standards in terms of environmental protection, social responsibility fulfillment, and corporate governance.

In 2024, the Company was honored as one of the "ESG Pioneer 100 of Central Enterprises" by the Research Group on the Research Report on the ESG of Listed Companies Controlled by Central Enterprises of the SASAC for the fourth consecutive year; was awarded the "2024 Most Socially Responsible Listed Company" by the Daily Economic News, and was selected as one of the Golden Bee's 2024 Outstanding Corporate Sustainability Report List in the Greater Bay Area. The operating entity, Huangpu Wenchong, was also honored as the "2024 Carbon Peak Pioneer Enterprise in China's Industry", demonstrating high recognition from regulators and industry associations for the Company's ESG practices.

PART 2 WORK IDEOLOGIES OF THE BOARD IN 2025

In 2025, the Board will remain firmly confident in development, maintain strategic focus, and actively strive for progress. Centering on its core responsibilities of “formulating strategies, making decisions, and preventing risks”, the Board will contribute to the Company’s high-quality development under the market fluctuations and deliver superior returns to our Shareholders and all stakeholders.

I. Strengthening Top-Level Planning and Scientific Decision-Making to Ensure the Production and Operation of the Company

In 2025, the Board will conscientiously perform its duties, strengthen top-level planning and scientific decision-making, closely align our efforts with the strategic outline of our high-quality development and key tasks outlined in the “Fourteenth Five-Year Plan”, and ensure that the Company will continue to optimize its spatial layout, scientifically plan its development, solidly push forward lean management, and strengthen risk prevention, so as to ensure the full completion of the annual production and operation tasks in 2025 and enhance its core competitiveness.

II. Continuously Strengthening the Standardized Operation of the Board and Further Enhancing the Corporate Governance

In 2025, the Board will strictly adhere to the latest legal and regulatory requirements in Shanghai and Hong Kong, conduct a comprehensive review and formulation or revision of the Company’s governance systems, and continuously strengthen its own construction. The Board will fully enhance its performance capabilities and improve the standardized operation of the Board and its specialized committees, with the aim of establishing a more standardized and efficient operating system. Meanwhile, the Company will continue to improve the risk management system, strengthen the construction of internal control system, facilitate the internal control and management process, and continuously improve the risk prevention mechanism to promote its high-quality development.

III. Enhancing Capital Market Engagement to Foster Market Recognition and Value Realization

In 2025, the Board will strengthen the analysis and assessment of the shipbuilding industry, focus on the goal of “Fourteenth Five-Year Plan”, maintain strategic focus, and take a more proactive approach in "going global" to respond the concerns of the capital market. Firstly, it will continue to hold overseas annual and interim results presentations meetings with high efficiency and quality to strengthen engagement with overseas investors and enhance the image of the Company in overseas capital market. Secondly, it will engage with investors in multi-level and multi-dimension through participating in brokerage strategy meetings, organizing large-scale reverse roadshow activities, receiving telephone calls and on-site surveys from institutional investors, etc., to further optimize the structure of the Shareholders of the Company. Through the above positive interaction mechanism, the Board will strengthen engagement with all parties in the capital market, convey the intrinsic value of the Company to the capital market, and strengthen the attractiveness of the Company’s long-term value investment, thereby creating a more favorable environment for the Company’s development.

IV. Actively Promoting ESG Management to Improve the Sustainable Development Capability

In 2025, the Company will continue to firmly follow the route of high-quality development, improve its sustainable development management system and structure, and fully implement the stakeholder-centered development idea, as well as commit itself to realizing sound and innovative development and green and low-carbon transition, constructing a sustainable development model that is mutually beneficial to all stakeholders, and enhancing its sustainable development capability.

REPORT OF THE SUPERVISORY COMMITTEE FOR 2024

In 2024, all members of the Supervisory Committee of the Company, in accordance with the requirements of the Company Law, the Securities Law and other relevant laws, regulations and regulatory documents as well as the Articles of Association and the Rules of Proceedings for the Supervisory Committee of the Company, in the spirit of being responsible to all Shareholders, fulfilled their duties conscientiously, earnestly performed their various powers and obligations, fully exercised their supervisory functions over the production and operation, financial status, and the conduct of Directors and senior management of the Company, and played a positive role in the standardized operation and development of the Company. The main work report of the Supervisory Committee in 2024 is as follows:

I. Overall Performance of Duties by the Supervisory Committee

During the Reporting Period, the Supervisory Committee faithfully and diligently performed its duties, actively carried out its work in a standardized manner, completed the election of the chairman of the Supervisory Committee and the revision of the rules of procedure in accordance with laws and regulations, conducted prior review of the proposals of the Board such as the appointment of accountants and the provision for impairment of assets, actively attended the Shareholders' meetings and the Board meetings, and supervised the legality and compliance of the meetings. Additionally, the Supervisory Committee took the initiative to follow up and review the financial statements and operations of the Company, and obtained relevant data and information through reviewing audit reports, meetings and exchanges and making routine inquiries, etc. The Supervisory Committee strictly procured the Company to establish and implement its internal control system, strengthened communication with independent Directors and internal auditors of the Company, integrated supervision resources, and safeguarded the legitimate rights of the Company and all Shareholders.

During the Year, the Supervisory Committee adhered to the working principle of "supervision through research, development through supervision" and actively carried out in-depth research in multiple factories and fields. Members of the Supervisory Committee visited the Company's Guangzhou Longxue factory and Guangxi wind power base to understand the operation status of the Company's shipbuilding and offshore engineering businesses and emerging industries, and exchanged views with relevant persons in charge on key issues such as innovation-driven strategy, implementation of quality improvement and efficiency enhancement measures, and construction of new productive forces. Centering on the main responsibilities and businesses of the Company, members of the Supervisory Committee visited Chongqing and other locations to conduct thematic research on upstream and downstream enterprises in the ship accessories and wind power industry, so as to keep abreast of the overall industry trend, continuously improve the ability to identify industrial opportunities and risks, and actively provide suggestions and insights for the development of the Company.

II. Meetings of the Supervisory Committee in 2024

In 2024, the Supervisory Committee held 9 meetings. The notices, convening and voting procedures of the meetings of the Supervisory Committee complied with the requirements of the Company Law, the Articles of Association and the Rules of Proceedings for the Supervisory Committee. The convening of the meetings of the Supervisory Committee is set out below:

1. On 2 February 2024, the first meeting of the eleventh session of the Supervisory Committee was held by on-site voting, at which 5 supervisors should be present and 5 supervisors actually participated. The Proposal on the Election of the Chairman of the Eleventh Session of the Supervisory Committee of the Company was considered and approved at the meeting.
2. On 27 March 2024, the second meeting of the eleventh session of the Supervisory Committee was held by on-site voting, at which 5 supervisors should be present and 5 supervisors actually participated. The Work Report of General Manager for 2023, the Report of the Board of Directors for 2023, the Proposal on Provision for Asset Impairment, the 2023 Annual Report and Its Summary (including the financial statements for 2023), the Profit Distribution Proposal for 2023, the Internal Control Evaluation Report for 2023, the Environmental, Social and Governance Report for 2023, the Proposal on Consolidated Credit Line and Financing Plan of the Company for 2024, the Resolution on the Framework for the Guarantee Proposed to be Provided by the Subsidiaries for 2024 and its Amounts, the Resolution on Carrying Out Foreign Exchange Derivative Transactions in 2024, the Report on the Risk Continuous Assessment of CSSC Finance Company Limited in 2023, the Report on the Assessment of the Performance of Accounting Firms in 2023, the Report on the Audit Committee of the Board on the Performance of Supervisory Duties by the Accounting Firms in 2023, and the 2023 Work Report of the Supervisory Committee were considered and approved at the meeting.
3. On 8 April 2024, the third meeting of the eleventh session of the Supervisory Committee was held by communication voting. All supervisors of the Company participated in the voting. The Proposal on Formulating the Appointment System of Accounting Firms of CSSC Offshore & Marine Engineering (Group) Company Limited was considered and approved at the meeting.
4. On 25 April 2024, the fourth meeting of the eleventh session of the Supervisory Committee was held by on-site voting, at which 5 supervisors should be present, 4 participated in person and 1 attended by proxy. The First Quarterly Report of 2024 was considered and approved at the meeting.
5. On 12 July 2024, the fifth meeting of the eleventh session of the Supervisory Committee was held by communication voting. All supervisors of the Company participated in the voting. The Proposal on Formulating the Action Plan of “Improving Quality, Increasing Efficiency and Enhancing Returns” of COMEC in 2024 was considered and approved at the meeting.
6. On 2 August 2024, the sixth meeting of the eleventh session of the Supervisory Committee was held by communication voting. All supervisors of the Company participated in the voting. The Proposal on Supplementing Candidates for Supervisors of the Eleventh Session of the Supervisory Committee was considered and approved at the meeting.

7. On 29 August 2024, the seventh meeting of the eleventh session of the Supervisory Committee was held by on-site voting, at which 4 supervisors should be present, 3 participated in person and 1 attended by proxy. The Proposal on Provision for Asset Impairment, the 2024 Interim Report and its Summary, the 2024 Interim Profit Distribution Plan and the Proposal on the Risk Continuous Assessment Report of CSSC Finance Company Limited in the First Half of 2024 were considered and approved at the meeting.
8. On 27 September 2024, the eighth meeting of the eleventh session of the Supervisory Committee was held by on-site voting, at which 5 supervisors should be present, 4 participated in person and 1 attended by proxy. The Proposal on Election of Chairman of the Eleventh Session of the Supervisory Committee of the Company, the Proposal on Signing the 2024 Supplementary Agreement to the Framework Agreement for Continuing Connected Transactions between the Company and China Shipbuilding Group Co., Ltd., the Proposal on Signing the 2025 Framework Agreement for Continuing Connected Transactions between the Company and China Shipbuilding Group Co., Ltd., and the Proposal on Signing the 2025 Framework Agreement for Financial Services between the Company and CSSC Finance Company Limited were considered and approved at the meeting.
9. On 29 October 2024, the ninth meeting of the eleventh session of the Supervisory Committee was held by on-site voting, at which 5 supervisors should be present, 4 participated in person and 1 attended by proxy. The Proposal on Provision for Asset Impairment, the Third Quarterly Report of 2024 and the Proposal on the Board Authorizing the General Manager of the Company to Sign Daily Operation and Management Documents and Other Related Matters were considered and approved at the meeting.

III. Independent Opinions of the Supervisory Committee

1. Operation of the Company according to law

The Supervisory Committee supervised the decision-making process, internal control management and performance of duties by Directors and senior management of the Company through various means such as participating in Shareholders' meetings, attending Board meetings, and reviewing regular reports and proposals. The Supervisory Committee is of the opinion that during the Reporting Period, the decision-making procedures of the Company were operated in a standard manner, the Board strictly implemented the resolutions of the Shareholders' meetings, and senior management earnestly implemented the relevant decisions of the Board and Shareholders' meetings of the Company; the Directors and senior management of the Company were diligent and responsible, and there were no violations of laws and regulations and the Articles of Association, nor were there any acts detrimental to the interests of the Company and Shareholders' rights and interests; the Company's information disclosure met the regulatory requirements of "truthfulness, accuracy, completeness, timeliness and fairness", there were no material errors or omissions, nor was any leakage of inside information or inside trading identified.

2. Review of the preparation of the Company's financial report

After reviewing the Company's financial reports, the Supervisory Committee believes that the preparation of the financial report of the Company complied with the relevant requirements of the Accounting Standards for Business Enterprises and the financial accounting system of the Company; and the content and format of these reports comply with the regulations of the CSRC and stock exchanges in Shanghai and Hong Kong, and the information disclosed are true, accurate, and complete. No breaches of confidentiality and violations of securities trading rules by personnel involved in the preparation and review of financial reports have been identified.

3. Opinions on the audit report issued by the accounting firm

The Company's 2024 financial report was audited by BDO China Shu Lun Pan Certified Public Accountants (Special General Partnership), which issued a standard unqualified audit report. The Company's 2024 annual financial report reflects its financial conditions and operating results in an objective, true and fair manner.

4. Connected transactions and connected financial services of the Company

Connected transactions between the Company and related parties such as China Shipbuilding Group Co., Ltd. and CSSC Finance Company Limited have fulfilled the relevant decision-making procedures in accordance with the Articles of Association and the Regulations on the Administration of Related Party Transactions. In the ordinary course of transactions, the Company follows the principle of fairness and reasonableness, and makes decisions independently without being controlled by, or being dependent on, related parties. The pricing of the connected transactions follows market principles and no detriment to the interests of the Company and other Shareholders has been identified.

5. Internal control evaluation

The Company has established internal control over the operations and matters included in the scope of evaluation, which has been effectively implemented to achieve the objectives of internal control without material and significant deficiencies. The Supervisory Committee approved the 2024 Internal Control Evaluation Report and the 2024 Internal Control Audit Report issued by BDO China Shu Lun Pan Certified Public Accountants (Special General Partnership).

6. Profit distribution of the Company

In strict accordance with the national laws and regulations, the Articles of Association and relevant regulations, the Company formulated the 2024 interim and annual distribution plan by taking into account the actual situation of the Company, the requirements of business operations and the profit distribution in the past three years, which is in line with the interests of the Company and all Shareholders.

7. External guarantees by the Company

During the Reporting Period, the decision-making procedures of the Company for external guarantees complied with the relevant laws and regulations and Articles of Association, and there were no overdue or irregular guarantees, and there were no cases of damage to the interests of the Company and its Shareholders.

IV. Work Plan of the Supervisory Committee for 2025

Focusing on the strategic goal of high-quality development, strictly abiding by the provisions of the Company Law and other laws and regulations as well as the Articles of Association, and based on safeguarding the interests of the Company and the rights and interests of Shareholders, the Supervisory Committee of the Company will continue to exercise its supervisory and inspection functions over the Company's legal operation, performance of duties by Directors and senior management, financial management and internal control, etc. In addition, the Supervisory Committee will strengthen communication and coordination with the Board and management, closely focus on key and difficult issues in the process of the Company's operation, reform and development, focus on the future development strategy and empowerment of the entity and other fields, carefully plan with a scientific and rigorous attitude, carry out research activities in a prudent and orderly manner, provide the Company with reasonable suggestions for the high-quality development, and strive to promote the sound and stable development of the Company.

NOTICE OF THE ANNUAL GENERAL MEETING



NOTICE OF THE ANNUAL GENERAL MEETING OF 2024 AND CLOSURE OF REGISTERS OF MEMBERS

NOTICE IS HEREBY GIVEN that the Annual General Meeting of 2024 (the “AGM”) 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 10:30 a.m. on Tuesday, 27 May 2025, 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 2024;
2. To consider and approve the Report of the Supervisory Committee for 2024;
3. To consider and approve the 2024 Annual Report (including the financial statements for 2024);
4. To consider and approve the Profit Distribution Proposal for 2024;
5. To consider and approve the Resolution on the Interim Dividend Arrangements for 2025;
6. To consider and approve the Resolution on the Framework for the Guarantee Proposed to be Provided by the Subsidiaries for 2025 and its Amounts; and
7. To consider and approve the Resolution on the Commencement of Foreign Exchange Derivatives Transactions in 2025.

CLOSURE OF REGISTER OF MEMBERS AND RECORD DATE – ANNUAL GENERAL MEETING

In order to determine the entitlement of the shareholders of overseas listed foreign shares (“**H Shares**”) to attend the AGM, the register of members of the Company will be closed from 22 May 2025 to 27 May 2025 (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 Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong by 4:30 p.m. on 21 May 2025, 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. H Shareholders whose names are recorded in the register of member of the Company on 27 May 2025 are entitled to attend the AGM.

NOTICE OF THE ANNUAL GENERAL MEETING

CLOSURE OF REGISTER OF MEMBERS AND RECORD DATE – PAYMENT OF FINAL DIVIDEND

In order to qualify Shareholders for the proposed final dividend, the register of members of the Company will be closed from 3 June 2025 to 6 June 2025 (both days inclusive). All completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's H share registrar, Hong Kong Registrars Limited, at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong by 4:30 p.m. on 2 June 2025. Shareholders whose names appear on the register of members of the Company on 6 June 2025 are entitled to receive the final dividend in cash for the year ended 31 December 2024.

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

Guangzhou, 30 April 2025

As at the date of this notice, the Board consists of eight members, namely an executive Director Mr. Chen Liping; non-executive Directors Mr. Gu Yuan, Mr. Ren Kaijiang and Mr. Yin Lu; and independent non-executive Directors Mr. Lin Bin, Mr. Nie Wei, Mr. Li Zhijian and Ms. Xie Xin.

Notes:

1. For details of the resolutions to be considered at the AGM and other related matters, please refer to the announcement of the Company dated 25 April 2025 published on the website of The Stock Exchange of Hong Kong Limited and the circular despatched on 30 April 2025.
2. 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 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 AGM (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 forms will not preclude the shareholders from attending and voting in person at the AGM should they so wish.
3. All resolutions at the AGM will be voted on by poll.
4. Shareholders and proxies must show their identification documents when attending the AGM.
5. The AGM will last for half a day. Shareholders and proxies attending the AGM 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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