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**中船海洋与防务装备股份有限公司**

CSSC OFFSHORE & MARINE ENGINEERING (GROUP) COMPANY LIMITED

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

**(H Shares Stock Code: 00317)**

**ANNOUNCEMENT ON THE ESTIMATED POSITIVE PROFIT ALERT  
FOR THE ANNUAL RESULT OF 2019**

This announcement is made by the Company pursuant to the requirement of Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) for the purpose of providing shareholders of the Company and the public with the financial information of the Company. This announcement is also published in accordance with Rule 13.10B of the Listing Rules as it is also published on the Shanghai Stock Exchange.

The estimated data stated in this announcement is only the preliminary accounting data of the financial department of the Company. Please refer to the audited 2019 annual report to be officially disclosed by the Company for specific and accurate financial information. Investors are reminded to exercise caution when making investment decisions.

The board of directors and all directors of the Company hereby warrant that the contents of this announcement do not contain any false representation, misleading statement or material omission, and accept full responsibility, individually and jointly, for the truthfulness, accuracy and completeness of the information contained in this announcement.

It is estimated that CSSC Offshore & Marine Engineering (Group) Company Limited (the "Company") will record net profit attributable to shareholders of the Company between RMB480 million and RMB620 million and net profit(loss) attributable to shareholders of the Company, net of non-recurring gains and losses, between RMB-920 million and RMB-1,060 million.

**I. ESTIMATED RESULTS FOR THE CURRENT PERIOD**

### **(I) Period covered by the estimated results**

From 1 January 2019 to 31 December 2019.

### **(II) Estimated results**

1. Based on the preliminary estimation by the financial department of the Company, it is estimated that the Company will record net profit attributable to shareholders of the Company for the year 2019. Compared with the corresponding period of the previous year, the Company will realize a turnaround and record net profit attributable to shareholders of the Company between RMB480 million and RMB620 million.

2. The net profit(loss) attributable to shareholders of the Company, net of non-recurring gains and losses, will be between RMB-920 million and RMB-1,060 million.

3. This estimated results have not been audited by certified public accountants.

## **II. RESULTS OF THE CORRESPONDING PERIOD OF THE PREVIOUS YEAR**

(I) The net profit(loss) attributable to shareholders of the Company for the year 2018: RMB-1,869 million; the net profit(loss) attributable to shareholders of the Company, net of non-recurring gains and losses for the year 2018: RMB-1,758 million.

(II) The earnings per share: RMB-1.3223.

## **III. MAIN REASONS FOR THE ESTIMATED POSITIVE PROFIT FOR THE CURRENT PERIOD**

(I) Principal business impact. During the current period, the operating income of the Company has slightly increased and the recognized consolidated gross profit has also increased compared with the same period of last year.

(II) Non-operating profit or loss. During the current period, Guangzhou Wenchong Shipyard Co., Ltd., a subsidiary of the Company, achieved net income of relocation compensation of RMB999 million and Guangzhou Shipyard International Company Limited gained net income of land resumption compensation of RMB1,279 million. For details, please refer to the Announcement on Connected and Discloseable Transaction in Relation to the Relocation Agreement, and the Announcement on Connected and Discloseable Transaction in Relation to the Entering into the Land Resumption Compensation Agreement of the Company published on the website of The Stock Exchange of Hong Kong Limited on 26 April 2019 and 18 November 2019.

#### **IV. RISK WARNING**

The Company has no material uncertain factor that may affect the accuracy of the contents of these estimated results.

#### **V. OTHER MATTERS**

The estimated data above is only the preliminary accounting data of the financial department of the Company. Please refer to the audited 2019 annual report to be officially disclosed by the Company for specific and accurate financial information. Investors are reminded to exercise caution when making investment decisions.

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

Guangzhou, 17 January 2020

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