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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 Share Stock Code : 00317)

**OVERSEAS REGULATORY ANNOUNCEMENT
ANNOUNCEMENT ON UNUSUAL MOVEMENTS IN THE TRADING OF
THE A SHARES**

This overseas regulatory announcement is made by CSSC Offshore & Marine Engineering (Group) Company Limited (hereinafter the “Company”) pursuant to Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”).

I. DETAILS OF UNUSUAL MOVEMENT IN THE TRADING OF THE A SHARES

The deviation value of the increase in the closing prices of the A Shares of the Company accumulated more than 20% in three consecutive trading days from 8 July 2020 to 10 July 2020, which reached the relevant required standards of the “Trading Rules of the Shanghai Stock Exchange” and constituted unusual movements in the trading of shares.

II. RELEVANT SITUATIONS CONCERNED AND VERIFIED BY THE COMPANY

(I) Production and Operation

As verified by the Company, there has been no significant change in the market environment and industry policies in where the Company operates, the Company has been producing and operating normally, and there are no disclosable material matters which remains undisclosed.

(II) Significant Events

As verified by the Company and written enquiries with China State Shipbuilding Corporation, the

controlling shareholder, and remained up to date that the Company and the controlling shareholder do not in possession of any disclosable material information related to the Company which remains undisclosed, including but not limited to, material assets reorganization, issue of shares, acquisition, debt restructuring, business restructuring, assets divestment and injection, repurchase of shares, equity incentive, bankruptcy reorganization, major business cooperation, introduction of strategic investor(s) and other significant events.

(III) Media Coverage, Market Rumors, Hot Topics

As self-verification by the Company, the Company is not aware of any media coverage, market rumors or hot topics which may possibly have a material impact on the trading prices of the Company's shares.

(IV) Other Price-sensitive Information

As verified by the Company, there were no other events which may have a relatively significant impact on the Company's share price within the Company; the controlling shareholder of the company and the directors, supervisors, senior management of the Company did not sell or purchase the shares of the Company during such unusual movements in the trading of the A shares of the Company.

III. STATEMENT OF THE BOARD OF DIRECTORS

The board of directors of the Company confirms that the Company does not have any disclosable matters which remain undisclosed pursuant to related regulations of the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange or any planning, negotiation, intention and agreement, etc., relating to such matters, nor is the board of directors aware of any disclosable information which remains undisclosed pursuant to related regulations of the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange and may have a relatively material impact on the trading prices of the A shares of the Company and their derivatives; there is no need to clarify or supplement the information disclosed previously by the Company.

IV. RELEVANT RISK WARNING

The board of directors of the Company hereby reminds the investors that: China Securities Journal, Securities Daily, Securities Times, the website of the Company (comec.cssc.net.cn), the website of the Shanghai Stock Exchange (www.sse.com.cn) and the website of the Hong Kong Stock

Exchange (www.hkexnews.hk) are the designated newspapers and websites for information disclosure of the Company, the information related to the Company and designated newspapers and websites for information disclosure of the Company shall prevail. Investors are advised to beware of investment risks.

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

Guangzhou, 10 July 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.