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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)

INDICATIVE ANNOUNCEMENT ON THE CHANGE IN CONTROLLING SHAREHOLDER'S EQUITY REACHES 1%

This announcement is made by the board of directors (hereinafter called the “**Board**”) of CSSC Offshore & Marine Engineering (Group) Company Limited (hereinafter called the “**Company**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter called the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Important Notice:

- This equity change is to implement the plan for selling down of shareholdings previously announced and does not involve any takeover, and does not result in change of the controlling shareholder and actual controller of the Company.

- Upon this equity change, the shareholdings ratio of A shares held by CSSC Group, the controlling shareholder of the Company, decreased from 59.97% to 58.97%.

The Company received a “Letter in relation to the progress of share reduction” from China State Shipbuilding Corporation Limited (hereinafter called “**CSSC Group**” or “**Information Disclosure Obligor**”) on 1 December 2020. During the period from 25 August 2020 to 1 December 2020, CSSC Group accumulatively reduced 14,135,000 A shares of the Company held by it through centralized price bidding in the secondary market, representing 1% of the total share capital of the Company. The relevant equity change is hereby announced as follows:

I. INFORMATION OF THE EQUITY CHANGE

Basic information of the Information Disclosure Obligor	Name	China State Shipbuilding Corporation Limited			
	Address	1 Pudong Avenue, China (Shanghai) Pilot Free-Trade Zone			
	Time of the equity change	25 August 2020 to 1 December 2020			
Details of the equity change	Way of change	Date of change	Class of shares	Number of shares changed (shares)	Percentage of change
	Centralized price bidding	2020/8/31	RMB ordinary shares	1,000,000	0.0707%
	Centralized price bidding	2020/9/1	RMB ordinary shares	4,087,600	0.2892%
	Centralized price bidding	2020/9/2	RMB ordinary shares	1,333,748	0.0944%
	Centralized price bidding	2020/11/19	RMB ordinary shares	520,000	0.0368%
	Centralized price bidding	2020/11/20	RMB ordinary shares	1,304,900	0.0923%
	Centralized price bidding	2020/11/23	RMB ordinary shares	2,241,972	0.1586%
	Centralized price bidding	2020/11/24	RMB ordinary shares	1,413,600	0.1000%
	Centralized price bidding	2020/11/27	RMB ordinary shares	1,590,000	0.1125%
	Centralized price bidding	2020/11/30	RMB ordinary shares	400,000	0.0283%
	Centralized price bidding	2020/12/1	RMB ordinary shares	243,180	0.0172%
Total	-	-	-	14,135,000	1%

Notes: 1. Prior to this equity change, CSSC Group directly and indirectly held 847,685,990 shares of the Company, representing 59.97% of the total share capital of the Company of 1,413,506,378 shares, of which, CSSC Group directly held 501,745,100 shares of A shares of the Company, representing 35.50% of the total share capital of the Company, and held 345,940,890 shares of H shares of the Company through CSSC International Holding Company Limited (hereinafter called “**CSSC International**”), its 100% controlling overseas subsidiary, representing 24.47% of the total share capital of the Company.

2. Shares involved in this equity change shall carry voting rights and there is no restriction of rights due to entrustment or restriction of voting rights, or rights transfer being restricted.

3. This equity change caused no violation of the relevant provisions of laws and regulations such as the “Securities Law”, “Measures Governing Acquisitions by Listed Companies” as well as relevant provisions and commitments under the business rules of the Shanghai Stock Exchange.

4. All tables in this announcement contain information that are due to rounding and summing of data.

II. SHAREHOLDING IN THE COMPANY BY THE INFORMATION DISCLOSURE OBLIGOR AND PARTIES ACTING IN CONCERT THEREWITH BEFORE AND AFTER THE EQUITY CHANGE

Name of shareholder	Nature of shares	Shareholdings before the equity change		Shareholdings after the equity change	
		Number of shares (shares)	As a percentage of the total share capital (%)	Number of shares (shares)	As a percentage of the total share capital (%)
CSSC Group	Total shareholding	501,745,100	35.50%	487,610,100	34.50%
	Of which: shares not subject to selling restrictions	501,745,100	35.50%	487,610,100	34.50%
CSSC International	Total shareholding	345,940,890	24.47%	345,940,890	24.47%
	Of which: shares not subject to selling restrictions	345,940,890	24.47%	345,940,890	24.47%
Total	Total shareholding	847,685,990	59.97%	83,550,990	58.97%
	Of which: shares not subject to selling restrictions	847,685,990	59.97%	83,550,990	58.97%

Note: All shares of the Company held after this equity change shall carry voting rights and there is no restriction of rights due to entrustment or restriction of voting rights, or rights transfer being restricted.

III. OTHER CONDITIONS

- This equity change is a selling down of shareholdings and does not involve the source of funds.**
- This equity change is to implement the Company's plan for selling down of shareholdings announced on 3 August 2020:** CSSC Group proposed to sell down its holding of not more than 84,810,382 A shares of the Company by way of centralized price bidding and block trade, representing not more than 6% of the current total share capital of the Company. Among which, it is proposed that within 6 months commencing from 15 trading days after the date of disclosure of the announcement on plan for selling down of shareholdings, i.e. for the period from 25 August 2020 to 19 February 2021, to

sell down its shareholdings of not more than 28,270,127 A shares through centralized price bidding, representing not more than 2% of the current total share capital of the Company. It is proposed that within 6 months commencing from 3 trading days after the date of disclosure of the announcement on plan for selling down of shareholdings, i.e. for the period from 7 August 2020 to 2 February 2021, to reduce its shareholdings of not more than 56,540,255 A shares through block trade, representing not more than 4% of the current total share capital of the Company. During the period from 25 August 2020 to 1 December 2020, CSSC Group accumulatively reduced 14,135,000 A shares of the Company held by it through centralized price bidding, representing 1% of the total share capital of the Company. There was no reduction of the A shares of the Company through block trade.

3. This equity change does not result in change of the controlling shareholder and actual controller of the Company.

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

Guangzhou, 2 December 2020

As at the date of this announcement, the Board comprises eleven Directors, namely executive Directors Mr. Han Guangde, Mr. Chen Liping, Mr. Sheng Jigang and Mr. Xiang Huiming, non-executive Directors Mr. Chen Zhongqian, Mr. Chen Ji and Mr. Gu Yuan and independent non-executive Directors Mr. Yu Shiyou, Mr. Lin Bin, Mr. Nie Wei and Mr. Li ZhiJian.