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(a joint stock company with limited liability incorporated in the People's Republic of China)
(H Share Stock Code: 00317)

ANNOUNCEMENT ON THE RESULT OF SHARE REDUCTION BY CONTROLLING SHAREHOLDER

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:

- Before the implementation of the plan for selling down of shareholdings, China State Shipbuilding Corporation Limited (hereinafter called “**CSSC Group**”), a controlling shareholder of the Company, 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 share 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, its 100% controlling overseas subsidiary, representing 24.47% of the total share capital of the Company.
- Implementation result of the plan for selling down of shareholdings

According to the “Announcement on Plan for Reduction of Shareholdings by Controlling Shareholder of CSSC Offshore & Marine Engineering (Group) Company Limited” disclosed by the Company on 3 August 2020, CSSC Group proposed to sell down its holding in aggregate of not more than 84,810,382 A shares of the Company, representing not more than 6% of the total share capital of the Company. Among which, 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, it was to sell down its shareholdings of not more than 28,270,127 shares through centralised price bidding, representing not more than 2% of the total share capital of the Company. It was 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 shares

through block trades, representing not more than 4% of the total share capital of the Company.

The Company received the Letter on the situation regarding share reduction from CSSC Group on 19 February 2021. During the period from 25 August 2020 to 19 February 2021, CSSC Group accumulatively reduced 20,521,400 A shares of the Company held by it through centralized price bidding, representing 1.45% of the total share capital of the Company. There was no reduction of the A shares of the Company through block trade. The time period for the implementation of the plan for selling down of shareholdings has expired.

I. BASIC INFORMATION OF THE ENTITY BEFORE AND AFTER THE SELLING DOWN OF SHAREHOLDINGS

Name of shareholder	Identity of shareholder	Number of shares held (A shares)	Proportion of shareholdings	Source of current shareholdings
China State Shipbuilding Corporation Limited	The largest shareholder above 5%	501,745,100	35.50%	Acquired before IPO: 210,800,080 shares Acquired through other methods: 18,845,720 shares Acquired by issuing shares to purchase assets: 272,099,300 shares

The above-mentioned entity to sell down shareholdings did not involve any parties acting in concert.

Explanation: Before the implementation of the plan for selling down of shareholdings, 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, its 100% controlling overseas subsidiary, representing 24.47% of the total share capital of the Company.

Substantial shareholders and its parties acting in concert have not reduced their shareholdings in our Company since the listing.

II. IMPLEMENTATION RESULTS OF THE PLAN FOR SELLING DOWN OF SHAREHOLDINGS

(1) Substantial shareholder discloses the implementation result of the plan for selling down of shareholdings due to the following reason:

The completion of the plan for selling down of shareholdings

Name of shareholder	Quantity of holdings reduced	Proportion of holding reduced	Period of selling down of shareholdings	Methods of selling down of shareholdings	Price range of reduction of shareholdings (RMB/share)	Total amount of reduction of shareholdings (RMB)	Completion of selling down	Current number of shares held (shares)	Current proportion of shareholdings
China State Shipbuilding Corporation Limited	20,521,400	1.45%	2020/8/25– 2021/2/19	Centralised price bidding	26.01–33.90	595,735,103	Uncompleted: 7,748,727 shares	481,337,700	34.05%

Note: There was no reduction of the A shares of the Company through block trade by CSSC Group

(2) Whether the reduction of shareholdings is consistent with the plans and undertakings previously disclosed by substantial shareholders, directors, supervisors or senior management

Yes No

(3) Whether the reduction has not been implemented when the reduction period has expired

Not implemented Implemented

(4) Whether the actual shareholding reduction has not reached the minimum shareholding reduction plan (proportion)

Not reached Reached

(5) Whether to terminate the reduction plan early

Yes No

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

Guangzhou, 19 February 2021

As at the date of this announcement, the Board comprises ten Directors, namely executive Directors Mr. Han Guangde, Mr. Chen Liping and Mr. Xiang Huiming, non-executive Directors Mr. Chen Zhongqian, Mr. Chen Ji and Mr. Gu Yuan and independent nonexecutive Directors Mr. Yu Shiyong, Mr. Lin Bin, Mr. Nie Wei and Mr. Li Zhijian.