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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)

**SUPPLEMENTAL NOTICE OF
THE SECOND EXTRAORDINARY GENERAL MEETING OF 2019**

Reference is made to the notice (the “**Original EGM Notice**”) of the second extraordinary general meeting of 2019 of CSSC Offshore & Marine Engineering (Group) Company Limited (the “**Company**”) dated 7 November 2019. The second extraordinary general meeting of 2019 of the Company will be held at Conference Room, 15/F Shipping Building, 137 Gexin Road, Haizhu District, Guangzhou, the People’s Republic of China (the “**PRC**”) at 10:00 a.m. on Monday 23, December 2019.

On 15 November 2019, the Company received a letter from China State Shipbuilding Corporation Limited, the controlling shareholder of the Company which holds directly and indirectly 59.97% of the shares of the Company, regarding the resolutions on the resolutions on (1) the connected transaction in relation to the entering into the Land Resumption Compensation Agreement by the Company’s holding subsidiary; and (2) the resolution in relation to the 2020-2022 Framework Agreement relating to the Continuing Connected Transactions for the period from 1 January 2020 to 31 December 2022 and the transactions contemplated thereunder including the Proposed Annual Caps (the “**Proposed New Resolutions**”).

Pursuant to the articles of association of the Company and the relevant requirements under the Company Law of the PRC which stipulates that “shareholder(s) individually or in aggregate holding more than 5% of the shares of the Company shall have the right to propose additional resolution(s) prior to the general meeting”, the Company will present the Proposed New Resolutions as ordinary resolutions for shareholders’ consideration and approval at the EGM.

SUPPLEMENTAL NOTICE IS HEREBY GIVEN that the EGM, which will be held on the same date, at the same time and at the same place as originally scheduled in the Original EGM Notice, will consider and, if thought fit, pass the following supplemental resolutions as ordinary resolutions in addition to the resolutions set out in the Original EGM Notice:

ORDINARY RESOLUTIONS

2. To consider and approve the resolution on the connected transaction in relation to the entering into the Land Resumption Compensation Agreement by the Company’s holding subsidiary. (Note 1)

3. To consider and approve the resolution in relation to the 2020-2022 Framework Agreement relating to the Continuing Connected Transactions for the period from 1 January 2020 to 31 December 2022 and the transactions contemplated thereunder including the Proposed Annual Caps. (Note 1)

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

Guangzhou, 18 November 2019

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.

Notes:

1. Save for the proposed new ordinary resolutions, there are no other changes to the resolutions set out in the Original EGM Notice. For details of the resolutions to be considered at the EGM and other relevant matters, please refer to the announcements of the Company dated 7 November 2019 and 18 November 2019 published on the website of The Stock Exchange of Hong Kong Limited and the website of the Company and the circular to be dispatched by the Company in due course.
2. Since the proxy form for the EGM enclosed with the Original EGM Notice dated 7 November 2019 (the “**First Proxy Form**”) does not contain the additional resolutions set out in this supplemental notice, a new proxy form (the “**Revised Proxy Form**”) has been prepared and is enclosed with this supplemental notice.
3. The Revised Proxy Form for use at the EGM is enclosed and published on the website of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the website of the Company (comec.cssc.net.cn). Whether or not you intend to attend the EGM, you are requested to complete the accompanying Revised Proxy Form in accordance with the instructions printed thereon and return the same 24 hours before the time for holding the EGM or any adjournment thereof (as the case maybe) (the “**Closing Time**”).
4. Attention: A shareholder who has lodged the First Proxy Form with the Company or the Company’s H share registrar should note that:
 - (1) the completed Revised Proxy Form will be treated as the valid proxy form lodged by such shareholder;
 - (2) if such shareholder fails to lodge the Revised Proxy Form with the Company or the Company’s H share registrar, Hong Kong Registrars Limited, the lodged First Proxy Form, if duly completed, will remain effective and applicable to the extent permissible. For the additional resolutions not set out in the First Proxy Form, the proxy appointed under the First Proxy Form shall have the right to vote at his/her discretion if no relevant instruction is received;
 - (3) any Revised Proxy Form which is lodged with the Company or the Company’s H share registrar after the Closing Time shall be invalid. Any vote that may be cast by the purported proxy/proxies (whether appointed under the First Proxy Form or the Revised Proxy Form) will not be counted in any poll taken on a proposed resolution. Accordingly, shareholders are advised to lodge the Revised Proxy Form before the Closing Time.
5. Shareholders are reminded that completion and return of the Revised Proxy Form will not preclude them from attending and voting in person at the Second Extraordinary General Meeting of 2019 or any adjournment thereof and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
6. Shareholders are reminded to refer to other notes contained in the Original EGM Notice.
7. Unless otherwise stated, capitalized terms used herein shall have the same meanings as defined in the announcements of the Company dated 7 November 2019 and 18 November 2019.