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

(H Shares Stock Code: 00317)

ANNOUNCEMENT ON THE CONTROLLING SHAREHOLDER'S REQUEST TO REVISE THE UNDERTAKING TO AVOID HORIZONTAL COMPETITION

This announcement is made by CSSC Offshore & Marine Engineering (Group) Company Limited (the “**Company**” or “**COMEC**”) pursuant to the requirements under Rule 13.09(2) of the Rules (the “**Hong Kong Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). This announcement is also published in accordance with the requirements under Rule 13.10B of the Hong Kong Listing Rules as it is also published on the Shanghai Stock Exchange.

The board (the “**Board**”) of directors (the “**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 for the truthfulness, accuracy and completeness of the information contained in this announcement.

On 24 January 2025, the Company received the “Letter on the Request to Revise the Content of Letter of Undertaking Issued by China Shipbuilding Group on Avoiding Horizontal Competition with COMEC” from its controlling shareholder China Shipbuilding Group Co., Ltd. (中國船舶集團有限公司) (“**China Shipbuilding Group**”) which requested for the revision of the time limit for the resolution of the issue of horizontal competition as set out in the “Letter of Undertaking issued by China Shipbuilding Group Co., Ltd. on Avoiding Horizontal Competition with CSSC Offshore & Marine Engineering (Group) Company Limited” (the “**Original Undertaking**”) issued by China Shipbuilding Group on 30 June 2021, and issued the “Letter of Undertaking Issued by China Shipbuilding Group Co., Ltd. on Avoiding Horizontal Competition” (the “**New Undertaking**”) in lieu of the Original Undertaking.

On 24 January 2025, the Company held the Ninth Meeting of the Eleventh Session of the Board of Directors and the Tenth Meeting of the Eleventh Session of the supervisory committee, and considered and approved the “Proposal on the Controlling Shareholder’s Request to revise the ‘Letter of Undertaking on Avoiding Horizontal Competition with COMEC’”, which shall be submitted to the general meeting of the Company for consideration.

The relevant information regarding the Original Undertaking and the New Undertaking is set out below:

I. BACKGROUND AND CONTENT OF THE ISSUANCE OF THE ORIGINAL UNDERTAKING

In July 2021, China Shipbuilding Group acquired 100% equity interest in China State Shipbuilding Corporation Limited (中國船舶工業集團有限公司) by way of gratuitous transfer of state-owned stock equity, thereby resulting in indirect acquisition of the shares of COMEC held by China State Shipbuilding Corporation Limited and its parties acting in concert, and holding the controlling rights in COMEC. During the progress of the aforesaid, in order to ensure the legitimate rights and interests of the listed company and its minority Shareholders, and to eliminate and avoid the horizontal competition between the listed company and other entities controlled by China Shipbuilding Group (the “**Affiliate Entities**”), China Shipbuilding Group issued the Original Undertaking on 30 June 2021. The content of the Original Undertaking is as follows:

- “1. With regard to the horizontal competition between the Affiliate Entities of the Company and the listed company before or as a result of the Transfer, the Company will, in accordance with the requirements of the relevant securities regulatory authorities and to the extent permitted by applicable laws and regulations and relevant regulatory rules, within five years from the date of this letter of undertaking, and on the principle of facilitating the development of the listed company and safeguarding the interests of shareholders, in particular the interests of minority shareholders, make comprehensive use of entrustment management, asset restructuring, equity exchange/transfer, asset transfer/sale, business combination, business adjustment or other lawful means to steadily promote the integration of the relevant assets and businesses in line with the injection into the listed company in order to resolve the issue of horizontal competition.
2. Before the elimination of horizontal competition between the listed company and the Affiliate Entities of the Company, the Company will strictly comply with the provisions of relevant laws, regulations and regulatory documents as well as the internal management system such as the articles of association of the listed company, exercise the rights of shareholders through shareholding relationship in accordance with the principle that state-owned assets are owned by the State and managed in a hierarchical manner, properly handle matters involving the interests of the listed company, not make use of its control position to obtain improper benefits or engage in transfer of benefits, and not engage in any acts that are detrimental to the legitimate interests of the listed company and its minority shareholders.

The aforesaid undertakings shall remain effective during the period in which the company has control over the listed company. If the listed company incurred loss for the company’s failure to fulfill such undertakings, the company shall bear the liability on an indemnity basis accordingly.”

II. REASONS FOR THE CONTROLLING SHAREHOLDER’S REVISION OF UNDERTAKING AND CONTENTS OF THE NEW UNDERTAKING

Since the issuance of the original undertaking letter, China Shipbuilding Group has actively pushed forward the proposal demonstration work and promoted its Affiliate Entities to gradually resolve the horizontal competition. As at date of issuance of the New Undertaking, based on the actual progress of the relevant work, China Shipbuilding Group expects that it will be difficult to achieve the resolution of the issue of horizontal competition with COMEC within the timeframe of the Original Undertaking.

In accordance with the relevant provisions of the “Guideline No. 4 on Supervision and Administration of Listed Companies – Commitments by Listed Companies and their Related Parties” issued by the China Securities Regulatory Commission, China Shipbuilding Group, upon its careful study and deliberation, requested to revise the time limit for the resolution of the issue of horizontal competition in the Original Undertaking, and issued the New Undertaking on 24 January 2025 in lieu of the Original Undertaking. The specific contents of the New Undertaking are as follows:

“China Shipbuilding Group Co., Ltd. has the controlling stake of CSSC Offshore & Marine Engineering (Group) Company Limited (“COMEC”). In order to ensure the legitimate rights and interests of COMEC and its minority Shareholders, and to eliminate and avoid the issue of horizontal competition between COMEC and other entities controlled by the Group, the Group undertakes as follows:

1. With regard to the horizontal competition between the Affiliate Entities of China Shipbuilding Group and COMEC, the company will, in accordance with the requirements of the relevant securities regulatory authorities, and on the principle of facilitating the development of the listed company and safeguarding the interests of shareholders, in particular the interests of minority shareholders, steadily push forward the resolution of the issue of horizontal competition of COMEC. The Company also undertakes to propose to the Board of Directors of COMEC within 5 years from the date of issuance of this undertaking letter that it will make every reasonable effort to resolve the issue of horizontal competition of COMEC by making comprehensive use of asset restructuring, equity exchange/transfer, entrustment management, business adjustment or other lawful means on the premise of complying with the applicable laws and regulations of securities supervision, State-owned assets supervision as well as the relevant regulatory rules at that time, and shall defer to the latter as to whether to submit the proposal to the general meeting of COMEC for consideration.
2. Before the elimination of horizontal competition between COMEC and the Affiliate Entities of the company, the company will strictly comply with the provisions of relevant laws, regulations and regulatory documents as well as the internal management system such as the Articles of Association of COMEC, exercise the rights of shareholders through shareholding relationship in accordance with the principle that State-owned assets are

owned by the State and managed in a hierarchical manner, properly handle matters involving the interests of COMEC, not make use of its control position to obtain improper benefits or engage in transfer of benefits, and not engage in any acts that are detrimental to the legitimate interests of COMEC and its minority Shareholders.

The aforesaid undertakings shall remain effective during the period in which the company has controlling interest over COMEC. If COMEC incurred loss for the company's failure to fulfill such undertakings, the company shall bear the liability on an indemnity basis accordingly."

III. THE IMPACT OF THE CURRENT REVISION OF UNDERTAKINGS ON THE COMPANY

The controlling shareholder of the Company requested to revise the undertaking to avoid horizontal competition after comprehensively considering relevant factors, which is in line with the current actual situation of the controlling shareholder. At present, the new shipbuilding market is in a prosperous stage within the industry cycle, the Company's hand-held order structure has been further optimised, the quality of operation has steadily improved, and the operating results have continued to improve. This revision of undertakings will not have any significant adverse impact on the daily production and operation and subsequent development of the Company, and is conducive to safeguarding the interests of the listed Company and all shareholders. Meanwhile, the Company will continue to maintain close communication with China Shipbuilding Group and fulfil its information disclosure obligations in accordance with relevant laws, regulations and regulatory documents.

IV. DELIBERATION PROCEDURES IN RELATION TO THE FULFILLMENT OF THE REVISION OF UNDERTAKING

(I) Deliberations at the special meeting of the independent Directors

The vision of undertakings was considered and approved by all the independent Directors at the First Special Meeting of Independent Directors of the Eleventh Session of the Board of Directors of the Company in 2025. The independent Directors are of the view that the change of undertakings by China Shipbuilding Group is in compliance with the relevant provisions of the "Guideline No. 4 on Supervision and Administration of Listed Companies – Commitments by Listed Companies and their Related Parties", which is also in line with the current actual situation of the controlling shareholder, will not have any material adverse impact on the daily production and operation and subsequent development of the Company, and is conducive to safeguarding the interests of the listed Company and all shareholders. Accordingly, the "Proposal on the Controlling Shareholder's Request to Change the 'Letter of Undertaking on Avoiding Horizontal Competition with COMEC'" was approved, and the proposal was submitted to the Ninth Meeting of the Eleventh Session of the Board of Directors of the Company for consideration.

(II) Deliberations by the Board of Directors

The change of undertakings was considered and approved by all non-connected Directors at the Ninth Meeting of the Eleventh Session of the Board of Directors of the Company, whilst the connected Directors, namely Mr. Chen Liping, Mr. Gu Yuan, Mr. Ren Kaijiang and Mr. Yin Lu had abstained from voting. The proposal shall be submitted to the First Extraordinary General Meeting of the Company in 2025 for consideration, and the connected Shareholders shall abstain from voting on the resolution.

(III) Deliberations by the Supervisory Committee

The change of undertakings was considered and approved by all supervisors at the Tenth Meeting of the Eleventh Session of the supervisory committee of the Company. The supervisory committee is of the view that the change of the undertakings to avoid horizontal competition by the controlling shareholder of the Company, namely China Shipbuilding Group, which is in compliance with the relevant provisions of the “Guideline No. 4 on Supervision and Administration of Listed Companies – Commitments by Listed Companies and their Related Parties”, is also in line with the actual situation of the controlling shareholder, and is conducive to safeguarding the interests of the listed Company and all shareholders.

A circular containing, among other things, details of the aforesaid controlling shareholder’s request to revise the undertaking to avoid horizontal competition and the notice of the general meeting will be published on the Stock Exchange’s HKEXnews website (www.hkexnews.hk) and the website of the Company (comec.cssc.net.cn) and will be despatched to the shareholders who have indicated their wish to receive a printed copy in due course.

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

Guangzhou, 24 January 2025

As at the date of this announcement, the Board comprises eight Directors, namely an executive Director Mr. Chen Liping; non-executive Directors Mr. Gu Yuan, Mr. Ren Kaijiang and Mr. Yin Lu; and independent non-executive Directors Mr. Lin Bin, Mr. Nie Wei, Mr. Li Zhijian and Ms. Xie Xin.