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CSSC 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)

ANNOUNCEMENT ON THE ESTIMATED DECREASE IN PROFIT FOR THE ANNUAL RESULTS OF 2021

This announcement is made by CSSC Offshore & Marine Engineering (Group) Company Limited (the "**Company**") pursuant to the requirement of Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) for the purpose of providing shareholders of the Company and the public with the financial information of the Company. This announcement is also published in accordance with Rule 13.10B of the Listing Rules as it is also published on the Shanghai Stock Exchange.

The estimated data stated in this announcement is only the preliminary accounting data of the financial department of the Company. Please refer to the audited 2021 annual report to be officially disclosed by the Company for specific and accurate financial information. Investors are reminded to exercise caution when making investment decisions.

The board of 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, individually and jointly, for the truthfulness, accuracy and completeness of the information contained in this announcement.

I. ESTIMATED RESULTS FOR THE CURRENT PERIOD

(I) Period covered by the estimated results

From 1 January 2021 to 31 December 2021.

(II) Estimated results

1. Based on the preliminary estimation by the financial department of the Company, it is estimated that the Company will record net profit attributable to shareholders of the Company between RMB70 million and RMB90 million for the year 2021, a decrease by between RMB3,570 million to RMB3,590 million compared with the corresponding period of the previous year, with a year-to-year decrease of 97% to 98%.

2. The Company's net profit attributable to its shareholders, net of non-recurring gains and losses, was between RMB-65 million and RMB-45 million in 2021, it is estimated to increase from RMB220 million to RMB240 million compared with the corresponding period of the previous year.

II. RESULTS FOR THE CORRESPONDING PERIOD OF THE PREVIOUS YEAR

(I) The net profit attributable to shareholders of the Company: RMB3,662 million. The net profit attributable to shareholders of the Company, net of non-recurring gains and losses: RMB-283 million.

(II) Earnings per share: RMB2.5910.

III. MAIN REASONS FOR THE ESTIMATED DECREASE IN PROFIT FOR THE CURRENT PERIOD

(I) Non-operating profit or loss. In last year, gains on re-measurement of remaining equity interest at fair value upon the income from the disposal of part of the equity of Guangzhou Shipyard International Company Limited and loss of controlling interest amounted to RMB3,390 million, and investment income from disposal of the equity of CSSC Chengxi Yangzhou Shipbuilding Company Limited amounted to RMB322 million.

(II) Principal businesses. In 2021, the global shipbuilding market recovered and the Company achieved significant growth in operating orders, while the Company's production efficiency and output had an overall improvement, resulting in a continuous improvement in consolidated gross profit for its products. It is estimated that the net profit attributable to shareholders of the Company, net of non-recurring gains and losses will increase by between RMB220 million to RMB240 million year-on-year.

IV. RISK WARNING

The estimated decrease in profit of the Company has not been audited by a certified accountant, and the certified accountant has not issued a special statement on whether the Company's estimated profit decrease for the current period is appropriate and prudent. The Company has no material uncertain factor that may affect the accuracy of the contents of these estimated results.

V. OTHER MATTERS

The estimated data above is only preliminary accounting data. Please refer to the audited 2021 annual report to be officially disclosed by the Company for specific and accurate financial information. Investors are reminded to exercise caution when making investment decisions.

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

Guangzhou, 24 January 2022

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