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

SUMMARY OF THE 2022 INTERIM REPORT

§ 1 IMPORTANT NOTICES

1.1 The financial information contained in this summary of the interim report (the “Report”) for the six months ended 30 June 2022 (the “Reporting Period”) of CSSC Offshore & Marine Engineering (Group) Company Limited (hereinafter referred to as “COMEC” or the “Company”, together with its subsidiaries, the “Group”) is prepared in accordance with the PRC Accounting Standards for Business Enterprises and Relevant Regulations (the “Accountant Standards and Regulations”), and the financial information contained in this summary has been reviewed and confirmed by the Audit Committee.

1.2 There were 10 directors of the Company and a total of 7 directors attended the 16th meeting of the tenth session of the Board held on 30 August 2022, of which: Mr Chen Zhongqian, a non-executive Director, appointed Mr Chen Ji, a non-executive director, as his proxy to attend and vote on his behalf; Mr. Xiang Huiming, an executive director, appointed Mr Chen Liping, an executive director, as his proxy to attend and vote on his behalf, Mr. Nie Wei, an independent non-executive Director, appointed Mr Li Zhijian, an independent non-executive Director, as his proxy to attend and vote on his behalf. The 2022 interim report was unanimously approved at the meeting.

1.3 The 2022 interim financial report of the Company is unaudited.

1.4 The Report is a summary of the full text of the 2022 interim report. Investors are advised to carefully read the full text of such report for details.

1.5 The Report is made pursuant to Rule 13.49(6) of the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

1.6 The Report is prepared in both English and Chinese. In the event that different interpretations occur, the Chinese version shall prevail.

§ 2 BASIC INFORMATION OF THE COMPANY

2.1 Key financial information and indicators

2.1.1 Key accounting figures

Unit: RMB Yuan

Key accounting information	Reporting Period (From January to June)	Corresponding period of last year	Change (%)
Operating income	4,271,202,500.99	4,717,550,453.48	-9.46
Net profit attributable to shareholders of the Company	18,906,736.89	-95,042,597.22	Not applicable
Net profit attributable to shareholders of the Company after deduction of non-recurring gains and losses	2,078,508.92	-135,379,996.15	Not applicable
Net cash flows from operating activities	1,279,468,624.31	-1,037,725,605.50	Not applicable
	As at the end of the Reporting Period	As at the end of last year	Change (%)
Net assets attributable to shareholders of the Company	14,393,754,669.17	15,524,746,801.15	-7.29
Total assets	48,635,299,841.48	44,265,408,872.54	9.87

2.1.2 Key financial indicators

Key financial indicators	Reporting Period (From January to June)	Corresponding period of last year	Change (%)
Basic (loss)/earnings per share (RMB Yuan/share)	0.0134	-0.0672	Not applicable
Diluted (loss)/earnings per share (RMB Yuan/share)	0.0134	-0.0672	Not applicable
Basic (loss)/earnings per share after deduction of non-recurring gains and losses (RMB Yuan/share)	0.0015	-0.0958	Not applicable
Weighted average return on equity (%)	0.13	-0.69	increase 0.82 percentage points
Weighted average return on equity after deduction of non-recurring gains and losses (%)	0.01	-0.98	increase 0.99 percentage points

1. During the Reporting Period, the net profit attributable to shareholders of the Company was RMB19 million, the net profit attributable to shareholders of the Company after deduction of non-recurring gains and losses was RMB2 million, which turned into profit from loss when compared with the corresponding period of last year, mainly due to the increase in the overall production efficiency and the consolidated gross profit margin of products of the Company during the Reporting Period, as well as the year-on-year increase of the net interest income/expenses and net exchange gains due to changes in exchange route and year-on-year decrease of financial expenses.

2. During the Reporting Period, net cash flows from operating activities of the Company was RMB1.279 billion, representing a year-on-year increase of RMB2.317 billion. The significant improvement of the operative cash flow is mainly due to the impact of the a year-on-year increase in progress payment for ship products during the Reporting Period.

2.1.3 Extraordinary items and their amounts

Unit: RMB Yuan

Extraordinary items	Amount	Note (where applicable)
Gain or loss on disposal of non-current assets	-480,690.60	
Tax relief and reduction with approval exceeding authority or without formal approval or of non-recurring nature	10,287.86	
Government grants included in current profit or loss, except for those closely relevant to normal business of the Company, conformed to requirements of State policy, granted on fixed amount basis or enjoyed on continuous fixed amount basis subject to certain standard	27,510,415.37	
Capital occupation fee received from non-financial entities included in current profit or loss	—	
Gain from the excess of the fair value of the identifiable net assets of investee companies on acquisition of the investment over the cost of investment in the Company's subsidiaries, associates and joint ventures	—	
Gain or loss on exchange of non-monetary assets	—	
Gain or loss on entrusted investments or assets under management	—	
Provision for impairment on assets due to force majeure events, such as natural disasters	—	
Gain or loss on debt restructuring	—	
Corporate restructuring costs, such as employee redundancy pay and integration costs	—	

Gain or loss on transactions with obviously unfair transaction price for amount which exceeds fair value	—	
Net gains or losses of subsidiaries for the current period from the beginning of the period to the date of combination	—	
Gain or loss on other contingencies which are not related to the Company's normal operations	—	
Gain or loss on changes in fair value of financial assets held-for-trading, derivative financial assets, financial liabilities held-for-trading and derivative financial liabilities, and investment income from disposal of financial assets held-for-trading, derivative financial assets, financial liabilities held-for-trading, derivative financial liabilities and other debt investment, except for effective hedging transactions that are related to the Company's normal operation	3,681,498.94	
Reversal of the provision for impairment of receivables and contract assets which are tested individually for impairment	—	
Profit and loss from external entrusted loan	—	
Profit or loss arising from changes in fair value of investment property under fair value model on subsequent measurement	—	
Effect on profit and loss for the current period from one-off adjustment to profit or loss for the current period in accordance with laws and regulations on taxation and accounting, etc.	—	
Entrustment fees from entrusted operation	—	
Other non-operating income and expenses apart from the aforesaid items	874,280.51	
Other gain or loss items meeting the definition of non-recurring gains or losses	263,802.99	Refusal of handling fee for withholding individual income tax
Less: effect of income tax	7,134,072.16	
Effect of minority interests (after tax)	7,897,294.94	
Total	16,828,227.97	

Description on non-operating gains and losses items defined as operating gains and losses, according to the Explanatory Announcement No.1 on Information Disclosure for Companies Offering Their Securities to the Public- Non-recurring Gains and Losses

The items of government grants defined as operating gains and losses are as follow:

Unit: RMB

Item	Amount	Reason
Interest subsidy	5,300,000.00	Closely relating to operation, granted at fixed amount and on a continuous basis
Immediately refunded value-added tax of self-developed software	53,982.30	Closely relating to operation, granted at fixed amount and on a continuous basis
Total	5,353,982.30	

Note: All the aforesaid government grants are closely related to the normal operation of the Company, subject to national policies and granted at fixed amount and on a continuous basis, and fall under non-recurring gains on losses in accordance with the Explanatory Announcement No.1 on Information Disclosure for Companies Offering Their Securities to the Public- Non-recurring Gains and Losses.

§ 3 STAFF AND REMUNERATION POLICY

The remuneration of the employees of the Group includes salaries, bonuses and other fringe benefits prescribed by the government. The Group applies different rates of remuneration for different employees, which are determined based on their positions and performance pursuant to the relevant PRC laws and regulations. As at 30 June 2022, the Group had a total of 5,162 employees. As of 30 June 2022, the remuneration paid by the Group to employees was RMB422 million in aggregate.

§ 4 MANAGEMENT'S DISCUSSION AND ANALYSIS

4.1 Discussion and analysis of overall operation during the Reporting Period

(1) Development of the shipbuilding market in the first half of 2022

The price of newbuilding continued to increase. In June 2022, the Clarkson new ship price index closed at 162 points, representing a year-on-year increase of 23 points. Looking at the major ship types, the Clarkson new ship price index for oil tankers, bulk carriers, containerships and liquefied gas tankers were 189 points, 168 points, 103 points and 170 points, respectively, increasing by 1 point, 2 points, 0 point and 4 points over the previous month, and were 30 points, 22 points, 13 points and 27 points higher year-on-year, respectively. New ship price for typical ship types has increased by 10%-30% year-on-year.

The scale of newbuild vessel transactions declined significantly. In recent years, factors like changes in shipping trade, disruption in logistics and more stringent environmental regulations have supported the shipbuilding market and resulted in a larger trading volume of newbuild vessels in 2021. In the first half of 2022, the epidemic and the risk of stagflation affected global economic growth, with 701 new ship orders for a total of 40.73 million DWT traded globally, representing a year-on-year decrease of 52%.

The offshore engineering market has rebounded. The global offshore engineering equipment market continued its growth momentum and the new ship market remained stable. In the first half of 2022, a total of 56 ships/sets of various types of marine engineering equipment were traded worldwide with total value of US\$6.606 billion, a year-on-year increase of 2.13% in monetary terms.

Note: The above information and data are from China Association of the National Shipbuilding Industry and China Shipbuilding Industrial Economy Research Centre.

(2) Operation of the Group

During the Reporting Period, the Group secured new shipbuilding orders with contract value of RMB3,145 million, representing a year-on-year decrease of 45.1%; operating income of the Group amounted to RMB4,271 million, representing a year-on-year decrease of 9.46%. Net profit attributable to the shareholders of the Company amounted to RMB18.9067 million. Earnings per share were RMB0.0134, and earnings per share after deduction of non-recurring gains and losses were RMB0.0015.

4.2 Main business analysis

4.2.1 Analysis of changes in relevant items in the financial statements

Unit: RMB Yuan

Item	Reporting Period	Corresponding period of last year	Change (%)
Operating income	4,271,202,500.99	4,717,550,453.48	-9.46
Operating costs	3,977,648,314.95	4,425,424,782.00	-10.12
Selling expenses	38,110,356.05	35,008,793.06	8.86
Administrative expenses	245,491,846.23	209,252,449.69	17.32
Finance cost	-230,602,089.67	-23,632,895.39	Not applicable
Research and development expense	221,092,386.17	245,716,359.22	-10.02
Net cash flows from operating activities	1,279,468,624.31	-1,037,725,605.50	Not applicable
Net cash flows from investing activities	-1,180,395,245.21	92,966,986.81	-1,369.69
Net cash flows from financing activities	1,015,586,196.88	-1,307,153,516.09	Not applicable
Taxes and surcharges	10,590,337.20	6,104,223.65	73.49
Investment income	-24,331,129.96	-37,145,812.01	Not applicable
Gain on change in fair value	17,336,152.70	49,852,986.83	-65.23
Credit impairment loss (loss expressed with “-”)	24,145,248.32	-4,491,607.52	Not applicable
Asset impairment loss (loss expressed with “-”)	-25,904,928.57	-9,917,850.86	Not applicable
Non-operating income	2,016,537.01	7,843,345.87	-74.29
Non-operating expense	712,882.16	5,596,444.66	-87.26
Income tax expense	-57,157.56	-6,216,916.97	Not applicable

Reason for change in operating income: mainly due to the adjustment of the structure of products during the Reporting Period and a year-on-year decrease of products in process with performance obligations at a point in time that have met the conditions for revenue recognition.

Reason for change in operating costs: mainly due to the adjustment of the structure of products during the Reporting Period and a year-on-year decrease of products in process with performance obligations at a point in time that have met the conditions for revenue recognition.

Reason for change in selling expenses: mainly due to the effect of the year-on-year increase of the product warranty provisions during the Reporting Period.

Reason for change in administrative expenses: mainly due to the effect of the year-on-year increase of the employee benefits and depreciation expense during the Reporting Period.

Reason for change in finance cost: mainly due to the effect of the year-on-year increase of the net interest income/expense and net exchange gains due to changes in exchange rate.

Reason for change in research and development expense: mainly due to the effect of the differences in scientific and research projects and transfer of related expenses.

Reason for change in net cash flow from operating activities: mainly due to the effect of the year-on-year increase of the progress payments for shipping products during the Reporting Period.

Reason for change in net cash flow from investing activities: mainly due to consolidated effect of the year-on-year increase of time deposits of more than 3 months during the Reporting Period and the year-on-year increase of recovery of the entrusted assets under management upon maturity.

Reason for change in net cash flow from financial activities: mainly due to the effect of the year-on-year increase of the net short-term borrowings during the Reporting Period.

Reason for the change in taxes and surcharges: mainly due to the effect of the year-on-year increase of the stamp tax during the Reporting Period.

Reason for the change in investment income: mainly due to the consolidated effect of the year-on-year increase of investment income recognized under the equity accounting method during the Reporting Period and the year-on-year decrease of the investment income from disposal of financial assets held for trading.

Reason for the change in gain on change in fair value: mainly due to the effect of the year-on-year decrease of the gain on change in fair value of financial assets held for trading during the Report Period.

Reason for the change in credit impairment loss: mainly due to the effect of a year-on-year decrease in provision for bad debts made according to aging analysis during the Reporting Period.

Reason for the change in asset impairment loss: mainly due to the effect of decline in value of inventories and a year-on-year increase in the provision for contract performance cost during the Reporting Period.

Reason for the change in non-operating income: mainly due to the effect of the contractual liquidated damages received in the corresponding period last year.

Reason for the change in non-operating expense: mainly due to the effect of net insurance claims expenses recognized in the corresponding period last year.

Reason for the change in income tax expense: mainly due to the effect of the year-on-year decrease in recognized deferred income tax assets during the Report Period.

4.2.2 Analysis of assets and liabilities

Unit: RMB Yuan

Name of item	Amount at the end of current period	As a proportion of total assets at the end of the current period (%)	Amount at the end of last period	As a proportion of total assets at the end of corresponding period of last year (%)	Change of amount at the end of current period compared with that at the end of corresponding period of last year (%)	Description
Cash in bank and on hand	14,215,936,971.26	29.23	9,560,403,363.57	21.60	48.70	Increase in net product gains during the Reporting Period.
Financial assets held-for-trading	986,065,684.60	2.03	3,281,028,607.57	7.41	-69.95	At the end of the Reporting Period, the balance of entrusted assets under management decreased.
Accounts receivable	1,011,992,195.13	2.08	1,160,063,923.81	2.62	-12.76	–
Including: Notes receivable	118,450,417.96	0.24	82,331,260.05	0.19	43.87	At the end of the Reporting Period, the balance of the bank acceptance bills increased.
Accounts receivable	893,541,777.17	1.84	1,077,732,663.76	2.43	-17.09	–
Receivable financing	45,495,501.69	0.09	192,855,840.34	0.44	-76.41	Due for settlement of reclassified notes receivable and electronic debt certificates of accounts receivable during the Reporting Period.

Prepayments	3,183,657,889.06	6.55	2,149,658,651.91	4.86	48.10	Increase in the balance of prepayments for materials and equipment at the end of the Reporting Period.
Other receivables	58,950,506.72	0.12	94,550,370.96	0.21	-37.65	Decrease in guarantee deposit balances on deposits at the end of the Reporting Period.
Inventories	6,654,550,490.17	13.68	4,922,901,059.95	11.12	35.18	Increase in products in process with performance obligations at a point in time that have not met the conditions for revenue recognition at the end of the Reporting Period
Contract assets	3,175,019,880.50	6.53	2,542,443,559.33	5.74	24.88	–
Other current assets	81,491,626.03	0.17	177,819,458.91	0.40	-54.17	Decrease in input value-added tax at the end of the Reporting Period.
Investment properties	139,455,344.10	0.29	142,724,056.62	0.32	-2.29	–
Long-term equity investments	4,946,352,215.83	10.17	4,952,678,909.18	11.19	-0.13	–
Fixed assets	5,115,058,432.01	10.52	4,740,631,472.84	10.71	7.90	–
Construction in progress	236,589,643.05	0.49	229,186,214.27	0.52	3.23	–
Right-of-use assets	164,753,819.92	0.34	189,367,500.07	0.43	-13.00	–
Short-term borrowings	3,458,312,218.75	7.11	1,914,936,125.56	4.33	80.60	New borrowings during the Reporting Period.
Contract liabilities	13,330,735,361.47	27.41	9,348,839,525.55	21.12	42.59	Increase in prepayments for products received during the Reporting Period.
Employee benefits payable	118,306,520.46	0.24	361,255.50	0.00	32,648.71	Increase in wages, subsidies and benefits accrued but not paid in the Reporting Period.

Other payables	391,850,153.33	0.81	185,245,553.74	0.42	111.53	Cash dividends declared but remained undistributed amounting to RMB195 million at the end of the Reporting Period.
Non-current liabilities due within one year	1,266,694,248.03	2.60	951,219,195.92	2.15	33.17	Increase in long-term borrowings due within 1 year at the end of the Reporting Period.
Long-term borrowings	2,435,456,215.55	5.01	3,189,417,299.77	7.21	-23.64	–
Lease liabilities	127,211,863.62	0.26	169,778,977.55	0.38	-25.07	–
Deferred tax liabilities	333,717,048.71	0.69	664,220,819.92	1.50	-49.76	Effect of decrease in the fair value of shares of CSSC Holdings.
Other non-current liabilities	282,169,516.49	0.58	196,955,482.65	0.44	43.27	Increase in hedged items at the end of the Reporting Period.
Other comprehensive income	908,916,895.64	1.87	1,863,752,512.56	4.21	-51.23	Effects of decrease in the fair value of shares of CSSC Holdings.

4.2.3 Principal businesses by product and by region

Unit: RMB

Principal businesses by product				
Product name	Current period		Corresponding period of last year	
	Principal operating income	Principal operating costs	Principal operating income	Principal operating costs
Ship products	2,589,378,267.07	2,448,124,903.74	3,183,208,527.53	3,038,571,115.85
Offshore engineering products	84,928,937.95	-14,503,235.64	347,174,694.45	341,305,426.57
Steel structure	775,090,667.39	747,235,316.31	904,208,483.16	811,776,809.54
Ship maintenance and renovation	647,574,516.39	659,777,279.77	106,629,134.14	102,552,097.59
Electromechanical products and others	63,794,561.21	57,836,470.99	101,884,878.04	77,019,483.97
Total	4,160,766,950.01	3,898,470,735.17	4,643,105,717.32	4,371,224,933.52
Principal businesses by region				
Region	Current period		Corresponding period of last year	
	Principal operating income	Principal operating costs	Principal operating income	Principal operating costs
China (including Hong Kong, Macao and Taiwan)	3,986,055,902.55	3,723,880,122.43	3,684,741,526.10	3,373,388,480.21
Other regions in Asia	9,000,889.61	8,407,148.77	356,554,846.72	387,159,965.19
Europe			212,157,768.26	198,060,354.21
Oceania			381,952,035.08	376,551,732.94
North America	165,710,157.85	166,183,463.97		
Africa			7,699,541.16	36,064,400.97
Total	4,160,766,950.01	3,898,470,735.17	4,643,105,717.32	4,371,224,933.52

4.3 Analysis of investments

4.3.1 Information on equity investments

The Company is a holding company. As at the end of the Reporting Period, balance of the long-term equity investments of the Group amounted to RMB4,946,352,200, representing a decrease of 0.13% from RMB4,952,678,900 as at the beginning of the year, mainly due to the effect of the recognition of investment income in associates and joint ventures by equity method.

4.4 Non-raised funds investment projects

During the Reporting Period, the Company had no investment projects for raised funds.

§ 5 SIGNIFICANT EVENTS

5.1 Asset transactions and merger of enterprises

During the Reporting Period, the Company had no asset transactions and merger of enterprises.

5.2 Profit distribution during the Reporting Period

The Company will not make profit distribution or convert any capital reserve into share capital for the first half of 2022.

5.3 Material litigations, arbitrations and matters of concern by media in general

During the Reporting Period, the Company had no material litigations, arbitrations and matters of concern by media in general.

5.4 Entrustment, contracting and leasing matters

5.4.1 Leasing

Unit: RMB

Name of lessor	Name of lessee	Assets leased	Amount of assets leased	Date of commencement of lease	Date on which the lease will be terminated	Rental income	Basis for determination of rental income	Effect of rental income on the Company	Whether related transaction or not	Relationship
Guangzhou Ship Industrial Company Limited	Huangpu Wenchong	Land, buildings and structures	-	2014.5.1	The date on which the relocation is completed and production commences at the new plant	-	-	-	Yes	Sister company of the Group
Guangzhou Wenchong Properties Co., Ltd.	Wenchong Shipyard	Land, buildings and structures	-	2018.11.1	The date on which the relocation is completed and production commences at the new plant	-	-	-	Yes	Sister company of the Group
Guangxin Shipbuilding & Heavy Industry Co. Ltd.	Guangzhou Wenchuan Heavy Industry Co., Ltd.	Land, buildings and structures	-	2019.5.1	2022.4.30	-	-	-	No	Others
Guangdong Guangxin Shipbuilding Trading Company Limited (廣東廣新船舶貿易有限公司)	Guangzhou Wenchuan Heavy Industrial Co., Ltd.	Land, buildings and structures	-	2022.7.1	2024.4.30	-	-	-	No	Others
Guangdong COSCO SHIPPING Heavy Industry Co., Ltd.	Guangzhou Wenchuan Heavy Industrial Co., Ltd.	Land, buildings and structures	-	2021.7.9	2026.7.8	-	-	-	No	Others

Description of leases

Guangzhou Ship Industrial Co., Ltd. (“Guangzhou Company”) and Huangpu Wenchong entered into a lease agreement in relation to land use right, pursuant to which Guangzhou Company shall lease part of the land use right owned by it in relation to the land at the Changzhou Plant to Huangpu Wenchong for its operational use. The rent for the land use right shall be determined based on the principle of asset depreciation, amortisation and taxes. The rent shall be paid annually in the form of monetary funds. The term for the aforesaid lease of land use right commenced on 1 May 2014 and will end on the date on which the relocation of Huangpu Wenchong is completed and production commences at the new plant.

Guangzhou Wenchong Properties Co., Ltd. and Guangzhou Wenchong Shipyard Co. Ltd. (hereinafter referred to as “Wenchong Shipyard”) entered into a lease agreement in relation to land use right, and leased part of the land use rights of the area at Wenchong Plant owned by it to Wenchong Shipyard for its operational use. The rent for the land use right shall be determined based on the principle of asset depreciation, amortisation and taxes. The rent shall be paid on annually in the form of monetary funds. The term for the aforesaid lease of land use right commenced on 1 November 2018 and will end on the date on which the relocation of Wenchong Shipyard is completed and production commences at the new plant.

Guangxin Shipbuilding & Heavy Industry Co., Ltd. and Guangzhou Wenchuan Heavy Industrial Co. Ltd., entered into the “Plant and Site Lease Contract”, and leased part of the plant and site use rights in no. 32, Cuizhu Road, Cuiheng New District, Zhongshan City to Guangzhou Wenchuan Heavy Industrial Co. Ltd. for operational use. The lease fee of the land use right is determined in accordance with the contract, and the rent is paid monthly in the form of monetary funds. The lease term of the aforementioned land use rights started from 1 May 2019 and ended on 30 April 2022. On 29 June 2022, Guangdong Guangxin Shipbuilding Trading Company Limited, a wholly-owned subsidiary of Guangxin Shipbuilding & Heavy Industry Co., Ltd., re-entered the “Plant and Equipment Lease Contract” as the owner of the leasing subject with Guangzhou Wenchuan Heavy Industrial Co., Ltd.. The leasing plant and equipment remain unchanged, the lease fee is determined in accordance with the contract, and the rent is paid monthly in the form of monetary funds. The lease term will start from 1 July 2022 and ending on 30 April 2024.

Guangdong COSCO SHIPPING Heavy Industry Co., Ltd. and Guangzhou Wenchuan Heavy Industrial Co., Ltd. entered the “Site and Equipment Lease Contract”, and leased part of the site and its ancillary equipment in Runfeng Road, Dasheng Industrial Zone, Mayong Town, Dongguan City, to Guangzhou Wenchuan Heavy Industrial Co., Ltd. for operational use. The lease fee of the land use right is determined in accordance with the contract, and the rent is paid monthly in the form of monetary funds. The lease term of the aforementioned land use rights started from 9 July 2021 and ending on 8 July 2026.

5.4.2 Guarantee

Unit: RMB Yuan

External guarantees by the Company (excluding guarantees for its subsidiaries)													
Guarantor	Relationship between guarantor and the Company	Guaranteed entity	Amount of guarantee	Date of guarantee (date of signing of agreement)	Date of commencement of Guarantee	Date of expiry of Guarantee	Type of guarantee	Whether fully executed	Whether guarantee is overdue	Overdue amount	Existence of reverse guarantee	Whether provided for by related party	Relationship
-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total amount of guarantees during the Reporting Period (excluding guarantees provided for its subsidiaries)													
Total balance of guarantees at the end of the Reporting Period (A) (excluding guarantees provided for its subsidiaries)													
Guarantees provided by the Company for its subsidiaries													
Total amount of guarantees provided for its subsidiaries during the Reporting Period													
Total balance of guarantees provided for its subsidiaries at the end of the Reporting Period (B)													
Total amount of guarantees provided by the Company (including those provided for its subsidiaries)													
Total amount of guarantees (A+B)													
Total amount of guarantees as a percentage of the Company's net assets (%)													
Including:													
Amount of guarantees provided for shareholders, actual controllers and related parties (C)													
Amount of debt guarantees provided directly or indirectly for companies with gearing ratio of over 70% (D)													
Total amount of guarantees in excess of 50% of net assets (E)													
Sum of the above three guarantees (C+D+E)													
Description of outstanding guarantees which may incur several and joint liability													
During the Reporting Period, the Group provided external guarantee with an accumulated amount of RMB400 million, and the content and amount of the Group's external guarantees were within the scope of limit set out in the framework for the guarantees as approved at the general meeting, and there was no overdue guarantee. As at the end of the Reporting Period, the Group provided external guarantees with a total balance of RMB873 million, all of them were guarantees provided by the Company's subsidiary Huangpu Wenchong to its wholly-owned subsidiaries. The guaranteed items are comprehensive credit guarantee and financing item guarantee.													

5.5 Environmental information

5.5.1 Description of the environment protection measures of the Company and its major subsidiaries falling to be the key waste water emission entities as announced by the environmental protection authorities of the PRC

According to the Circular on the List of the Key Pollution Discharge Entities in Guangzhou for 2022 (Sui Huan [2022] No. 30) issued by Guangzhou Environmental Protection Bureau in April 2022, four members of the Group, namely Huangpu Wenchong, Wenchong Shipyard, Guangzhou Huangchuan Ocean Engineering Co., Ltd. (“Huangchuan Ocean Engineering”) and Guangzhou Wenchuan Heavy Industrial Co., Ltd. (“Wenchuan Heavy Industrial”), were included as key pollution discharge entities in Guangzhou for 2022.

5.5.1.1 Information on pollution discharge

Name of major and specific pollutants	Emission method	Number and distribution of emission outlets	Emission concentration and total emission	Excess emission	Pollutant emission standards in effect	Approved total emission
Toluene	Organized (intermittent)	Huangpu Wenchong (4)	Average emission concentration 0.04mg/m ³ , total emission 6KG	None	Emission Limits of Air Pollutants (DB44/27- 2001) period II Standard Level 2	—
		Wenchong Shipyard (6)	Average emission concentration 2.35mg/m ³ , total emission 458KG	None		—
		Huangchuan Ocean Engineering (7)	Average emission concentration 0.07mg/m ³ , total emission 9KG	None		—
		Wenchuan Heavy Industrial (1)	Average emission concentration 0.024mg/m ³ , total emission 0.05KG	None		—
Xylene	Organized (intermittent)	Huangpu Wenchong (4)	Average emission concentration 0.16mg/m ³ , total emission 27KG	None	Emission Limits of Air Pollutants (DB44/27- 2001) period II Standard Level 2	—
		Wenchong Shipyard (6)	Average emission concentration 3.43mg/m ³ , total emission 844KG	None		—
		Huangchuan Ocean Engineering (7)	Average emission concentration 2.13mg/m ³ , total emission 400 KG	None		—
		Wenchuan Heavy Industrial (1)	Average emission concentration 0.37mg/m ³ , total emission 1KG	None		—

VOCs	Organized emission (intermittent)	Huangpu Wenchong (4)	Average emission concentration 1.8075mg/m ³ , total emission 320KG	None	Emission Limits of Air Pollutants (DB44/27- 2001) period II Standard Level 2	—
		Wenchong Shipyard (6)	Average emission concentration 8.99mg/m ³ , total emission 2913KG	None		—
		Huangchuan Ocean Engineering (7)	Average emission concentration 3.11mg/m ³ , total emission 380 KG	None		—
		Wenchuan Heavy Industrial (1)	Average concentration 2.32mg/m ³ , total emission 12KG	None		—
Particulate matter	Organized emission (intermittent)	Huangpu Wenchong (4)	Average emission concentration 5.4625mg/m ³ , total emission 288KG	None	Emission Limits of Air Pollutants (DB44/27- 2001) period II Standard Level 2	—
		Wenchong Shipyard (12)	Average emission concentration 9.64mg/m ³ , total emission 2390 KG	None		—
		Huangchuan Ocean Engineering (13)	Average emission concentration 20mg/m ³ , total emission 2960 KG	None		—
	Unorganized emission	Wenchuan Heavy Industrial (1)	None	None		—
COD	Organized emission (intermittent)	Huangpu Wenchong (1)	Average emission concentration 27mg/L, total emission 3042KG	None	Emission Limits of Water Pollutants in Guangdong Province period II Standard Level 3 for Class II Area	—
		Wenchong Shipyard (1)	Average emission concentration 140.17mg/L, total emission 25622KG	None		—
		Huangchuan Ocean Engineering (1)	Average emission concentration 14mg/L, total emission 1290 KG	None	Emission Limits of Water Pollutants in Guangdong Province period II Standard Level 1	—
		Wenchuan Heavy Industrial (1)	Average emission concentration 23mg/L, total emission 0.28KG	None	Emission Limits of Water Pollutants in Guangdong Province period II Standard Level 1	—

Ammonia nitrogen	Organized emission (intermittent)	Huangpu Wenchong (1)	Average emission concentration 6.67mg/L, total emission 763KG	None	Emission Limits of Water Pollutants in Guangdong Province period II Standard Level 3 for Class II Area	–
		Wenchong Shipyard (1)	Average emission concentration 11.4mg/L, total emission 2084KG	None		–
		Huangchuan Ocean Engineering (1)	Average emission concentration 2.89mg/L, total emission 330 KG	None	Emission Limits of Water Pollutants in Guangdong Province period II Standard Level 1 for Class II Area	–
		Wenchuan Heavy Industrial (1)	Average emission concentration 1.59mg/L, total emission 0.02KG	None	Emission Limits of Water Pollutants in Guangdong Province period II Standard Level 1	–

5.5.1.2 Construction and operation of pollution prevention facilities

1. Huangpu Wenchong

Existing facilities of Huangpu Wenchong against environmental pollution: 7 sets of organic waste gas purification and treatment devices installed in two pretreatment lines, old painting and assembly workshop, new painting and assembly workshop, paint mixing workshop and hazardous waste warehouse respectively; 7 sets of dust removal facilities installed in two pretreatment lines, old painting and assembly workshop and new painting and assembly workshop respectively. The organic waste gas purification and treatment device adopts the technical process of “activated carbon absorption + catalytic combustion”, and the dust treatment device adopts the method of cyclone dust removal + filter cartridge dust removal. It has also built a hazardous waste dump to store hazardous waste and prevent environmental pollution.

2. Wenchong Shipyard

Existing facilities of Wenchong Shipyard against environmental pollution: 9 sets of organic waste gas purification devices (1 in the pretreatment workshop, and 2 in each of the painting and assembly workshop A, D, E, and F), 7 sets of dust removal devices (1 in the pretreatment workshop, and 3 in each of workshop B and C), 6 sets of welding dust purification device (all installed in the pipe processing workshops). All units using these anti-pollution devices have kept regular maintenance of the devices with detailed operation record. 1 set of online VOC monitoring equipment (provided by the Environmental Protection Bureau of Huangpu District) was installed in painting workshop A and connected to the automatic pollutant monitoring system in Guangzhou City to perform real-time monitoring of VOC emission. For production noise, it mainly reduces the impact of production noise through building enclosure, establishing sound insulation covers and installing mufflers.

3. Huangchuan Ocean Engineering

Huangchuan Ocean Engineering has established a sewage treatment station to treat general production waste water and domestic sewage; installed cyclone + filter cartridge dust collectors at the steel pretreatment line and sandblasting room, 12 sets of activated carbon adsorption + catalytic combustion purification treatment devices for organic waste gas, and 2 sets of zeolite rotor + CO purification devices. All these facilities operate normally. For production noise, it mainly reduces the impact of production noise through equipment selection, building enclosure, establishing sound insulation covers, installing damping pads and mufflers.

4. Wenchuan Heavy Industrial

Wenchuan Heavy Industrial's existing environmental pollution prevention and control facilities: one set of sewage treatment plant to treat production wastewater and domestic sewage; one set of drencher spraying + activated carbon adsorption treatment plant for organic waste gas; 25 sets of mobile welding fume purifiers.

5.5.1.3 Environmental impact assessment for construction projects and other administrative permission for environmental protection

Huangpu Wenchong, Wenchong Shipyard, Huangchuan Ocean Engineering and Wenchuan Heavy Industrial have strictly implemented the item reporting and approval system in strict accordance with national laws and regulations, all items have project documents and environmental impact assessment report, and have obtained approval for the environmental impact assessment for the items in accordance with the law. Construction projects have strictly implemented the “Three simultaneousness” system for environmental protection, with guaranteed investment in environmental protection facilities, and the environmental acceptance of the projects was completed in accordance with the requirements of the Environmental Impact Assessment approval.

Huangpu Wenchong, Wenchong Shipyard and Huangchuan Ocean Engineering own the Pollution Discharge Permit and the Drainage Permit. Wenchuan Heavy Industrial owns the Receipt of Sewage Discharge Registration for Fixed Pollution Sources.

5.5.1.4 Emergency plans for sudden environmental events

Huangpu Wenchong, Wenchong Shipyard, Huangchuan Ocean Engineering and Wenchuan Heavy Industrial have prepared the Emergency Rescue Plan for Environmental Emergencies in strict accordance with the “Measures for the Administration of Emergency Response Plans” issued by the General Office of the State Council, and has made a dossier at the local environmental protection department; at the same time, regularly conduct the drills with site records and summary assessment in compliance with the annual environment emergency drill plan, to continuously improve the ability to deal with environment emergencies.

5.5.1.5 Environmental self-monitoring solutions

According to the State Environmental Protection Standard HJ819-2017 “General Rules for Self-monitoring Technical Guide for Emission Units”, Huangpu Wenchong, Wenchong Shipyard and Huangchuan Ocean Engineering have developed their own environmental monitoring programs for posting, on the National Pollutants Emission Permits Administration Information Platform. Qualified companies has been appointed by Huangpu Wenchong, Wenchong Shipyard, Huangchuan Ocean Engineering and Wenchuan Heavy Industrial to carry out regular monitoring work, quarterly monitoring is performed on waste gas, waste water and noise emissions in each plant area, and test results are in compliance with the emissions standards. Test data is used to keep track of the operation of environmental protection equipment and facilities, with good maintenance and management to ensure that pollutant emissions meet the standards.

5.6 Explanation on other significant events

5.6.1 Details of pledges of the assets of the Group

As at 30 June 2022, the Company had a total of bank deposits amounting to RMB33million pledged to secure bank acceptance notes, letters of guarantee, letters of credit and as deposit for bank drafts; a total of RMB7 million of notes receivable was pledged to secure bank acceptance notes obtained. Save as disclosed above, no other assets of the Company were pledged.

5.6.2 Gearing ratio

As at 30 June 2022, the Group's gearing ratio (total liabilities/total assets x 100%) was 63.93% (as at the beginning of the Reporting Period: 57.82%), representing an increase of 6.11% as compared with the beginning of the year.

5.6.3 Repurchase, sale or redemption of securities of the Company

The Group has not made any purchase, sale or redemption of securities of the Company or any of its subsidiaries during the Reporting Period.

§ 6 CORPORATE GOVERNANCE REPORT

During the Reporting Period, the general meeting of the Company, the Board and the management performed their specific responsibilities and regulated corporate operation to ensure the true, accurate complete, timely and fair disclosure of corporate information. Specialized committees of the Board carried out works in accordance with their respective duties, and independent non-executive Directors played an important role in the work of the Board.

6.1 Corporate Governance

The Company keeps improving its corporate governance structure in accordance with the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, relevant laws and regulations issued by the China Securities Regulatory Commission and the requirements of the listing rules of the Shanghai Stock Exchange and The Stock Exchange of Hong Kong Limited. To date, the Company's governance had no material difference from the Company Law and relevant regulations of the China Securities Regulatory Commission. Saved as disclosed below, during the six months ended 30 June 2022, the Company has applied the codes set out in the Corporate Governance Code (the "CG Code") contained in Appendix 14 of the Listing Rules of The Stock Exchange of Hong Kong Limited, and has complied with all the code provisions, except that for the purpose of Code Provision C.1.6 of the CG Code, Mr. Han Guangde, being an executive director of the Company, Mr. Chen Zhongqian being a non-executive director of the Company, were unable to attend the 2022 first extraordinary general meeting of the Company held on 23 June 2022 for work reasons.

6.2 Securities Transactions by Directors

The Company has strictly complied with the relevant restrictive provisions imposed by regulatory organs in Mainland China and Hong Kong in relation to securities transactions by directors and has consistently upheld the principle of complying with the most stringent provisions, including the adoption of the Model Code for Securities Transactions by Directors of Listed Issuers in Appendix 10 to the Listing Rules. The Company has made specific inquiry of all its directors for preparing this Report and all directors have confirmed that they have complied with the required standard of dealings as set out in the Model Code for Securities Transactions by Directors of Listed Issuers during the Reporting Period.

6.3 Meetings of the Board

As of the end of the Reporting Period, a total of four meetings (including two meetings held in writing) were held by the Board. All Directors attended these meetings (including attendance by proxy).

In addition, the Audit Committee held two meetings to consider resolutions including the annual report of the Company for the year 2021, the report on the internal control review, the first quarterly report for the year 2022; the Emolument and Examination Committee held two meetings to consider the resolutions on the remuneration of the Directors, Supervisors and senior management of the Company for the year 2021.

§ 7 FINANCIAL STATEMENTS PREPARED ACCORDING TO ACCOUNTING STANDARDS OF THE PRC

(Amounts denominated in Renminbi unless otherwise specified)

Consolidated Balance Sheet

30 June 2022

Prepared by: CSSC Offshore & Marine Engineering (Group) Company Limited

Unit: Yuan Currency: RMB

Item	30 June 2022	31 December 2021
Current assets:		
Cash and cash equivalents	14,215,936,971.26	9,560,403,363.57
Settlement reserve		
Placements with banks and non-bank financial institutions		
Financial assets held-for-trading	986,065,684.60	3,281,028,607.57
Derivative financial assets		
Notes receivable	118,450,417.96	82,331,260.05
Accounts receivable	893,541,777.17	1,077,732,663.76
Financing receivable	45,495,501.69	192,855,840.34
Prepayments	3,183,657,889.06	2,149,658,651.91
Insurance premium receivable		
Reinsurance premium receivable		
Reserves for reinsurance contract receivable		
Other receivables	58,950,506.72	94,550,370.96
Including: Interest receivable		
Dividend receivable		
Financial assets purchased under agreements to resell		
Inventories	6,654,550,490.17	4,922,901,059.95
Contract assets	3,175,019,880.50	2,542,443,559.33
Assets held for sale		
Non-current assets due within one year		
Other current assets	81,491,626.03	177,819,458.91
Total current assets	29,413,160,745.16	24,081,724,836.35

Item	30 June 2022	31 December 2021
Non-current assets:		
Loans and advances to customers		
Debt investments		
Other debt investments		
Long-term receivables	2,260,479,993.88	2,371,139,998.94
Long-term equity investments	4,946,352,215.83	4,952,678,909.18
Investments in other equity instruments	4,198,249,864.75	5,480,001,529.79
Other non-current financial assets		
Investment properties	139,455,344.10	142,724,056.62
Fixed assets	5,115,058,432.01	4,740,631,472.84
Construction in progress	236,589,643.05	229,186,214.27
Productive biological assets		
Oil and gas assets		
Right-of-use asset	164,753,819.92	189,367,500.07
Intangible assets	919,887,296.17	933,616,499.15
Development expenses		
Goodwill		
Long-term prepaid expenses	47,010,275.73	51,236,644.02
Deferred income tax assets	353,256,805.35	365,036,681.11
Other non-current assets	841,045,405.53	728,064,530.20
Total non-current assets	19,222,139,096.32	20,183,684,036.19
Total assets	48,635,299,841.48	44,265,408,872.54
Current liabilities:		
Short-term borrowings	3,458,312,218.75	1,914,936,125.56
Loans from central bank		
Placements from banks and other financial institutions		
Financial liabilities held-for-trading		
Derivative financial liabilities		
Notes payable	2,866,770,519.83	2,524,645,592.26
Accounts payable	5,876,803,462.25	5,851,878,752.31

Item	30 June 2022	31 December 2021
Advances from customers		
Contract liabilities	13,330,735,361.47	9,348,839,525.55
Securities sold under agreements to repurchase		
Deposits from customers and other banks		
Brokerage for securities trading		
Brokerage for underwriting securities		
Employee benefits payable	118,306,520.46	361,255.50
Taxes payable	26,264,560.41	35,046,259.47
Other payables	391,850,153.33	185,245,553.74
Including: Interest payable		
Dividends payable	195,376,821.25	312,941.09
Fees and commission payable		
Reinsured accounts payable		
Liabilities held for sale		
Non-current liabilities due within one year	1,266,694,248.03	951,219,195.92
Other current liabilities	206,094,906.91	202,747,908.16
Total current liabilities	27,541,831,951.44	21,014,920,168.47
Non-current liabilities:		
Reserves for insurance contracts		
Long-term borrowings	2,435,456,215.55	3,189,417,299.77
Bonds payable		
Including: Preference shares		
Perpetual bonds		
Lease liabilities	127,211,863.62	169,778,977.55
Long-term payable		
Long-term employee benefits payable	143,268,538.70	152,165,220.45
Estimated liabilities	125,325,723.55	117,524,817.28
Deferred income	102,770,788.37	89,607,608.17
Deferred tax liabilities	333,717,048.71	664,220,819.92
Other non-current liabilities	282,169,516.49	196,955,482.65
Total non-current liabilities	3,549,919,694.99	4,579,670,225.79
Total liabilities	31,091,751,646.43	25,594,590,394.26

Item	30 June 2022	31 December 2021
Owners' equity (or shareholders' interests):		
Paid-in capital (or share capital)	1,413,506,378.00	1,413,506,378.00
Other equity instruments		
Including: Preference shares		
Perpetual bonds		
Capital reserve	9,393,552,946.58	9,393,552,318.37
Less: Treasury shares		
Other comprehensive income	908,916,895.64	1,863,752,512.56
Special reserve		
Surplus reserve	1,042,398,235.53	1,042,398,235.53
Provision for general risks		
Retained earnings	1,635,380,213.42	1,811,537,356.69
Total equity (or shareholders' interests) attributable to owners of the Parent Company	14,393,754,669.17	15,524,746,801.15
Non-controlling interests	3,149,793,525.88	3,146,071,677.13
Total owners' equity (or shareholders' interests)	17,543,548,195.05	18,670,818,478.28
Total liabilities and owners' equity (or shareholders' interests)	48,635,299,841.48	44,265,408,872.54

Person in charge of the Company: Chen Liping

Person in charge of accounting: Hou Zengquan

Head of accounting department: Xie Weihong

Balance Sheet of the Parent Company

30 June 2022

Prepared by: CSSC Offshore & Marine Engineering (Group) Company Limited

Unit: Yuan Currency: RMB

Item	30 June 2022	31 December 2021
Current assets:		
Cash and cash equivalents	998,165,092.23	985,746,117.67
Financial assets held-for-trading	610,224,000.00	600,411,000.00
Derivative financial assets		
Notes receivable		
Accounts receivable	11,823,417.69	16,382,059.52
Financing receivable		
Prepayments		
Other receivables	808,304.97	301,242.19
Including: Interest receivable		
Dividend receivable		
Inventories	24,909,034.04	24,909,034.04
Contract assets		
Assets held for sale		
Non-current assets due within one year		
Other current assets	20,693,393.06	21,215,192.31
Total current assets	1,666,623,241.99	1,648,964,645.73

Item	30 June 2022	31 December 2021
Non-current assets:		
Debt investments		
Other debt investments		
Long-term receivables		
Long-term equity investments	6,358,672,818.02	6,351,976,696.47
Investments in other equity instruments	4,128,053,505.68	5,391,698,967.64
Other non-current financial assets		
Investment properties	139,455,344.10	142,724,056.62
Fixed assets	4,632,100.72	4,575,092.24
Construction in progress		
Productive biological assets		
Oil and gas assets		
Right-of-use asset		75,849.49
Intangible assets		
Development expenses		
Goodwill		
Long-term prepaid expenses		28,836.15
Deferred income tax assets		
Other non-current assets		
Total non-current assets	10,630,813,768.52	11,891,079,498.61
Total assets	12,297,437,010.51	13,540,044,144.34

Item	30 June 2022	31 December 2021
Current liabilities:		
Short-term borrowings		
Financial liabilities held-for-trading		
Derivative financial liabilities		
Notes payable		
Accounts payable	28,999,793.53	33,925,784.09
Advances from customers		
Contract liabilities	23,764,409.51	23,764,409.51
Employee benefits payable		
Taxes payable	240,424.62	410,928.33
Other payables	195,450,701.54	409,568.47
Including: Interest payable		
Dividends payable	195,376,821.25	312,941.09
Liabilities held for sale		
Non-current liabilities due within one year		86,381.44
Other current liabilities		
Total current liabilities	248,455,329.20	58,597,071.84
Non-current liabilities:		
Long-term borrowings		
Bonds payable		
Including: Preference shares		
Perpetual bonds		
Lease liabilities		
Long-term payable		
Long-term employee benefits payable		
Estimated liabilities		
Deferred income		
Deferred tax liabilities	320,098,576.42	633,556,691.91
Other non-current liabilities		
Total non-current liabilities	320,098,576.42	633,556,691.91
Total liabilities	568,553,905.62	692,153,763.75

Item	30 June 2022	31 December 2021
Owners' equity (or shareholders' interests):		
Paid-in capital (or share capital)	1,413,506,378.00	1,413,506,378.00
Other equity instruments		
Including: Preference shares		
Perpetual bonds		
Capital reserve	8,436,541,414.86	8,436,541,414.86
Less: Treasury shares		
Other comprehensive income	950,088,923.02	1,897,973,747.33
Special reserve		
Surplus reserve	558,920,035.56	558,920,035.56
Retained earnings	369,826,353.45	540,948,804.84
Total owners' equity (or shareholders' interests)	11,728,883,104.89	12,847,890,380.59
Total liabilities and owners' equity (or shareholders' interests)	12,297,437,010.51	13,540,044,144.34

Person in charge of the Company: Chen Liping
Person in charge of accounting: Hou Zengquan

Head of accounting department: Xie Weihong

Consolidated Income Statement

From January to June 2022

Unit: Yuan Currency: RMB

Item	1st half of 2022	1st half of 2021
I. Total operating income	4,271,202,500.99	4,717,550,453.48
Including: Operating income	4,271,202,500.99	4,717,550,453.48
Interest income		
Premium earned		
Fee and commission income		
II. Total operating costs	4,262,331,150.93	4,897,873,712.23
Including: Operating costs	3,977,648,314.95	4,425,424,782.00
Interest expense		
Fee and commission expenses		
Refunded premiums		
Net amount of compensation payout		
Net amount of in insurance contracts reserve withdrawn		
Policy dividend payment		
Reinsured expenses		
Taxes and surcharges	10,590,337.20	6,104,223.65
Selling expenses	38,110,356.05	35,008,793.06
Administrative expenses	245,491,846.23	209,252,449.69
Research and development expense	221,092,386.17	245,716,359.22
Financing cost	-230,602,089.67	-23,632,895.39
Including: Interest expenses	70,720,155.93	62,467,771.74
Interest income	230,567,348.75	109,625,930.22
Add: Other income	26,918,135.72	22,308,147.85
Investment income (loss expressed with “-”)	-24,331,129.96	-37,145,812.01
Including: Investment income from associates and joint ventures	6,186,446.15	-45,077,233.49
Derecognition income of financial assets measured at amortisation cost (loss expressed with “-”)		
Exchange gain (loss expressed with “-”)		
Net gain on exposure hedging (loss expressed with “-”)		

Item	1st half of 2022	1st half of 2021
Gain on change in fair value (loss expressed with “-”)	17,336,152.70	49,852,986.83
Loss on impairment of credit (loss expressed with “-”)	24,145,248.32	-4,491,607.52
Loss on impairment of assets (loss expressed with “-”)	-25,904,928.57	-9,917,850.86
Gains from disposal of assets (loss expressed with “-”)		
III. Operating profit (loss expressed with “-”)	27,034,828.27	-159,717,394.46
Add: Non-operating income	2,016,537.01	7,843,345.87
Less: Non -operating expenses	712,882.16	5,596,444.66
IV. Total profit (total loss expressed with “-”)	28,338,483.12	-157,470,493.25
Less: Income tax expense	-57,157.56	-6,216,916.97
V. Net profit (net loss expressed with “-”)	28,395,640.68	-151,253,576.28
(1) By continuity of operations		
1. Net profit from continuing operations (net loss expressed with “-”)	28,395,640.68	-151,253,576.28
2. Net profit from discontinued operations (net loss expressed with “-”)		
(2) By ownership		
1. Net profit attributable to shareholders of the Parent Company (net loss expressed with “-”)	18,906,736.89	-95,042,597.22
2. Gain or loss attributable to non-controlling interests (net loss expressed with “-”)	9,488,903.79	-56,210,979.06
VI. Net after tax for other comprehensive income	-960,603,195.65	-200,363,358.72
Net after tax for other comprehensive income attributable to owners of the Parent Company	-954,835,616.92	-196,306,143.18
(1) Other comprehensive income that may not be reclassified to profit or loss	-956,278,232.71	-195,993,697.97
1. Change in re-measurement of defined benefit plans		
2. Other comprehensive income that may not be reclassified to profit or loss under equity method	-150,727.84	1,036,933.89
3. Change in fair value of investments in other equity instruments	-956,127,504.87	-197,030,631.86
4. Change in fair value of own credit risk		

Item	1st half of 2022	1st half of 2021
(2) Other comprehensive income that may be reclassified to profit or loss	1,442,615.79	-312,445.21
1. Other comprehensive income that may be reclassified to profit or loss under equity method		
2. Change in fair value of other debt investments		
3. Amount included in other comprehensive income on reclassification of financial assets		
4. Provision for credit impairment of other debt investments		
5. Cash flow hedges reserve (effective portion of gain or loss on cash flow hedges)		
6. Exchange differences arising from translation of foreign currency financial statements	1,442,615.79	-312,445.21
7. Others		
Net other comprehensive income after tax attributable to non-controlling interests	-5,767,578.73	-4,057,215.54
VII. Total comprehensive income	-932,207,554.97	-351,616,935.00
Total comprehensive income attributable to owners of the Parent Company	-935,928,880.03	-291,348,740.40
Total comprehensive income attributable to non-controlling interests	3,721,325.06	-60,268,194.60
VIII. Earnings per share:		
(1) Basic earnings per share (Yuan/share)	0.0134	-0.0672
(2) Diluted earnings per share (Yuan/share)	0.0134	-0.0672

Person in charge of the Company: Chen Liping

Person in charge of accounting: Hou Zengquan

Head of accounting department: Xie Weihong

Income statement of the Parent Company

From January to June 2022

Unit: Yuan Currency: RMB

Item	1st half of 2022	1st half of 2021
I. Operating income	6,546,600.00	12,598,800.00
Less: Operating costs	3,268,712.52	8,257,207.08
Taxes and surcharges	45,319.32	955,069.06
Selling expenses		
Administrative expenses	6,143,004.88	7,369,338.90
Research and development expense		
Financing cost	-12,564,904.12	-10,678,125.17
Including: Interest expenses	265.23	5,355,368.47
Interest income	12,568,994.83	16,037,067.35
Add: Other income	141,292.31	10,973.41
Investment income (loss expressed with “-”)	6,846,849.39	-44,619,140.14
Including: Investment income from associates and joint ventures	6,846,849.39	-45,204,263.43
Derecognition income of financial assets measured at amortised cost (loss expressed with “-”)		
Net gain on exposure hedging (loss expressed with “-”)		
Gain on change in fair value (loss expressed with “-”)	9,813,000.00	10,140,000.00
Loss on impairment of credit (loss expressed with “-”)	-58,641.83	
Loss on impairment of assets (loss expressed with “-”)		
Gains from disposal of assets (loss expressed with “-”)		
II. Operating profit (loss expressed with “-”)	26,396,967.27	-27,772,856.60
Add: Non-operating income		11,058.00
Less: Non-operating expenses	2,288.50	
III. Total profit (total loss expressed with “-”)	26,394,678.77	-27,761,798.60
Less: Income tax expense	2,453,250.00	2,076,500.00

Item	1st half of 2022	1st half of 2021
IV. Net profit (net loss expressed with “-”)	23,941,428.77	-29,838,298.60
(1) Net profit from continuing operations (net loss expressed with “-”)	23,941,428.77	-29,838,298.60
(2) Net profit from discontinued operations (net loss expressed with “-”)		
V. Net other comprehensive income after tax	-947,884,824.31	-191,446,066.77
(1) Other comprehensive income that may not be reclassified to profit or loss	-947,884,824.31	-191,446,066.77
1. Change in re-measurement of defined benefit plans		
2. Other comprehensive income that may not be reclassified to profit or loss under equity method	-150,727.84	1,036,933.89
3. Change in fair value of investments in other equity instruments	-947,734,096.47	-192,483,000.66
4. Change in fair value of own credit risk		
(2) Other comprehensive income that may be reclassified to profit or loss		
1. Other comprehensive income that may be reclassified to profit or loss under equity method		
2. Change in fair value of other debt investments		
3. Amount included in other comprehensive income on reclassification of financial assets		
4. Provision for credit impairment of other debt investments		
5. Cash flow hedges reserve (effective portion of gain or loss on cash flow hedges)		
6. Exchange differences arising from translation of foreign currency financial statements		
7. Others		
VI. Total comprehensive income	-923,943,395.54	-221,284,365.37

Person in charge of the Company: Chen Liping

Person in charge of accounting: Hou Zengquan

Head of accounting department: Xie Weihong

Consolidated Cash Flow Statement

From January to June 2022

Unit: Yuan Currency: RMB

Item	1st half of 2022	1st half of 2021
I. Cash flows from operating activities:		
Cash received from sale of goods or rendering of services	7,825,976,243.19	6,135,101,232.84
Net increase in deposits from customers and deposits from other banks		
Net increase in loans from central bank		
Net increase in placements from other financial institutions		
Cash receipts of premium for direct insurance contracts		
Net cash received from reinsurance business		
Net increase in deposits from insurance policy holders and investment		
Cash receipts of interest, fees and commissions		
Net increase in placements from banks and non-bank financial institutions		
Net increase in sales and repurchase operations		
Cash receipts of brokerage for securities trading		
Cash received from tax refund	323,800,214.02	407,282,556.05
Other cash receipts relating to operating activities	360,741,005.43	234,634,011.33
Sub-total of cash inflows from operating activities	8,510,517,462.64	6,777,017,800.22
Cash paid for goods and services	6,509,057,524.64	7,214,447,252.35
Net increase in loans and advances to customers		
Net increase in central bank and interbank deposits		
Cash paid for claims of direct insurance contracts		
Net increase in placements with banks and non-bank financial institutions		
Cash paid for interest, fees and commissions		
Cash paid for dividends of insurance policies		
Cash paid to and on behalf of employees	402,197,049.84	337,340,254.85
Payments of taxes	25,898,832.24	8,258,627.15
Other cash payments relating to operating activities	293,895,431.61	254,697,271.37
Sub-total of cash outflows from operating activities	7,231,048,838.33	7,814,743,405.72
Net cash flows from operating activities	1,279,468,624.31	-1,037,725,605.50

Item	1st half of 2022	1st half of 2021
II. Cash flows from investing activities:		
Cash receipts from recovery of investments	3,800,000,000.00	254,000,000.00
Cash receipts from investment income	98,837,063.12	39,674,433.94
Net cash receipts from disposal of fixed assets, intangible assets and other long-term assets	263,853.27	1,796,744.81
Net cash receipts from disposal of subsidiaries and other business units		
Other cash receipts relating to investing activities	2,743,763,213.49	386,113,809.57
Sub-total of cash inflows from investing activities	6,642,864,129.88	681,584,988.32
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	89,389,920.99	73,136,780.25
Cash paid for investments	1,604,692,000.00	250,000,000.00
Net increase in pledged loans		
Net cash paid for acquisition of subsidiaries and other business units		
Other cash payments relating to investing activities	6,129,177,454.10	265,481,221.26
Sub-total of cash outflows from investing activities	7,823,259,375.09	588,618,001.51
Net cash flows from investing activities	-1,180,395,245.21	92,966,986.81
III. Cash flows from financing activities:		
Cash receipts from receiving investments		
Including: Cash received by subsidiaries from receiving investments made by non-controlling interests		
Cash receipts from borrowings	3,100,000,000.00	1,290,000,000.00
Other cash receipts relating to financing activities		83,200,000.00
Sub-total of cash inflows from financing activities	3,100,000,000.00	1,373,200,000.00
Cash paid for repayment of debts	2,008,200,000.00	2,613,200,000.00
Cash paid for dividends, profit distribution or interest expenses	75,676,295.75	64,987,410.36
Including: Dividends and profits paid by subsidiaries to non-controlling interests		
Other cash payments relating to financing activities	537,507.37	2,166,105.73
Sub-total of cash outflows from financing activities	2,084,413,803.12	2,680,353,516.09
Net cash flows from financing activities	1,015,586,196.88	-1,307,153,516.09

Item	1st half of 2022	1st half of 2021
IV. Effect of change in exchange rate on cash and cash equivalents	41,391,325.31	-6,638,248.36
V. Net increase in cash and cash equivalents	1,156,050,901.29	-2,258,550,383.14
Add: Beginning balance of cash and cash equivalents	5,417,061,556.97	5,719,367,108.31
VI. Ending balance of cash and cash equivalents	6,573,112,458.26	3,460,816,725.17

Person in charge of the Company: Chen Liping

Person in charge of accounting: Hou Zengquan

Head of accounting department: Xie Weihong

Cash Flow Statement of the Parent Company

From January to June 2022

Unit: Yuan Currency: RMB

Item	1st half of 2022	1st half of 2021
I. Cash flows from operating activities:		
Cash received from sale of goods or rendering of services	8,135,794.00	20,022,250.79
Cash received from tax refund		
Other cash receipts relating to operating activities	8,988,153.63	1,419,307.00
Sub-total of cash inflows from operating activities	17,123,947.63	21,441,557.79
Cash paid for goods and services	1,060,927.81	13,285,100.79
Cash paid to and on behalf of employees	3,777,036.89	3,953,898.98
Payments of taxes	257,630.42	871,289.98
Other cash payments relating to operating activities	11,077,622.07	4,234,980.37
Sub-total of cash outflows from operating activities	16,173,217.19	22,345,270.12
Net cash flows from operating activities	950,730.44	-903,712.33
II. Cash flows from investing activities:		
Cash receipts from recovery of investments		70,000,000.00
Cash receipts from investment income		2,419,123.29
Net cash receipts from disposal of fixed assets, intangible assets and other long-term assets	2,910.00	
Net cash receipts from disposal of subsidiaries and other business units		
Other cash receipts relating to investing activities	517,352,313.89	57,502,746.60
Sub-total of cash inflows from investing activities	517,355,223.89	129,921,869.89
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	386,095.98	128,576,796.14
Cash paid for investments		
Net cash paid for acquisition of subsidiaries and other business units		
Other cash payments relating to investing activities	286,000,000.00	50,000,000.00
Sub-total of cash outflows from investing activities	286,386,095.98	178,576,796.14
Net cash flows from investing activities	230,969,127.91	-48,654,926.25

Item	1st half of 2022	1st half of 2021
III. Cash flows from financing activities:		
Cash receipts from receiving investments		
Cash receipts from borrowings		
Cash receipts from issuance of bonds		
Sub-total of cash inflows from financing activities		
Cash paid for repayment of debts		
Cash paid for dividends, profit distribution or interest expenses		5,338,924.38
Other cash payments relating to financing activities	90,979.00	539,135.00
Sub-total of cash outflows from financing activities	90,979.00	5,878,059.38
Net cash flows from financing activities	-90,979.00	-5,878,059.38
IV. Effect of change in exchange rate on cash and cash equivalents	-3.40	168.00
V. Net increase in cash and cash equivalents	231,828,875.95	-55,436,529.96
Add: Beginning balance of cash and cash equivalents	66,939,423.22	342,958,485.77
VI. Ending balance of cash and cash equivalents	298,768,299.17	287,521,955.81

Person in charge of the Company: Chen Liping
Person in charge of accounting: Hou Zengquan

Head of accounting department: Xie Weihong

§ 8 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

I. BASIS FOR PREPARATION OF FINANCIAL STATEMENTS

(1) Basis for preparation

Based on going-concern assumption and transactions and events actually occurred, the consolidated financial statements of the Group have been prepared in accordance with *Accounting Standards for Business Enterprises* issued by the Ministry of Finance of the PRC (hereinafter referred to as the “Accounting Standards for Business Enterprises”), and No. 15 of Regulations on information disclosures of companies that issue public offering shares – General Rules of preparing financial reports (revised in 2014) issued by China Securities Regulatory Commission (CSRC), the applicable disclosures required by regulations of Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Listing Rules”) as well as the accounting policies of and estimates made by the Group.

(2) Going-concern

The management of the Group has assessed its ability to operate on an on-going basis for the 12 months from 30 June 2022 and is of the view that its existing financial position should be sufficient to meet the production and operation of the Group. As such, these financial statements are prepared on a going-concern basis.

II. STATEMENT OF COMPLIANCE WITH ACCOUNTING STANDARDS FOR BUSINESS ENTERPRISES

The financial statements have been prepared in accordance with the Accounting Standards for Business Enterprises, and reflect a true and fair view of the financial position, the operating results and cash flows of the Group.

III. NOTES TO MAJOR ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial statements data disclosed below, unless otherwise stated, “Beginning balance” refers to the balance as at 1 January 2022; and “Ending balance” refers to the balance as at 30 June 2022. “Current period” refers to the period from 1 January 2022 to 30 June 2022; and “Corresponding period of last year” refers to the period from 1 January 2021 to 30 June 2021. The currency unit is RMB.

1. Notes receivable

1) Types of notes receivable

Item	Ending balance	Beginning balance
Bank acceptance notes	69,269,843.96	28,031,260.05
Commercial acceptance notes	49,180,574.00	54,300,000.00
Less: provision for bad debts		
Total	118,450,417.96	82,331,260.05

2) Notes receivable pledged as at the end of the period

Item	Closing balance of pledged notes	Beginning balance
Bank acceptance bills	7,638,701.12	
Commercial acceptance bills		
Total	7,638,701.12	

3) Notes receivable which has been endorsed or discounted to other party at the end of period but not yet expired at the balance sheet date

Item	Amount derecognised at the end of period	Amount not derecognised at the end of period
Bank acceptance notes	1,325,156,155.41	28,764,226.64
Commercial acceptance notes		
Total	1,325,156,155.41	28,764,226.64

4) Notes transferred to accounts receivable at the end of period due to non-performance of drawers

Item	Accounts receivable amount at the end of the period
Bank acceptance bills	
Commercial acceptance bills	5,000,000.00
Total	5,000,000.00

2. Accounts receivable

1) Aging of accounts receivable

Aging	Ending balance	Beginning balance
Within one year (inclusive)	715,135,067.75	718,694,023.43
1-2 years	164,976,281.40	298,261,116.16
2-3 years	32,903,504.13	80,017,346.05
3-4 years	8,570,300.21	32,692,246.56
4-5 years	1,193,971.86	1,187,971.86
Over 5 years		
Subtotal	922,779,125.35	1,130,852,704.06
Less: Provision for bad debts	29,237,348.18	53,120,040.30
Total	893,541,777.17	1,077,732,663.76

2) Credit period of accounts receivable

Business	Credit period
Shipbuilding business	One month after issuing invoices
Other business	Generally 1 to 6 months

3) Disclosure by category using the bad debt provision method

Type	Ending balance					Beginning balance				
	Book balance		Provision for bad debts		Carrying value	Book balance		Provision for bad debts		Carrying value
	Amount	Percentage (%)	Amount	Percentage of provision (%)		Amount	Percentage (%)	Amount	Percentage of provision (%)	
Provision for bad debts made on an individual basis										
Including:										
Accounts receivable of which the credit risk has significantly increased since initial recognition										
Provision for bad debts made on a collective basis	922,779,125.35	100.00	29,237,348.18	3.17	893,541,777.17	1,130,852,704.06	100.00	53,120,040.30	4.70	1,077,732,663.76
Including:										
Accounts receivable of which the credit risk has not significantly increased since initial recognition	922,779,125.35	100.00	29,237,348.18	3.17	893,541,777.17	1,130,852,704.06	100.00	53,120,040.30	4.70	1,077,732,663.76
Total	922,779,125.35	-	29,237,348.18	-	893,541,777.17	1,130,852,704.06	-	53,120,040.30		1,077,732,663.76

a) Provision for bad debts made on a collective basis:

Accounts receivable of which the credit risk has not significantly increased since initial recognition

Name	Ending balance		
	Accounts receivable	Provision for bad debts	Percentage of provision (%)
Within one year	478,450,452.64	781,087.75	0.16
1-2 years	110,927,397.52	11,092,739.75	10.00
2-3 years	31,851,333.12	9,555,399.94	30.00
3-4 years	8,566,179.06	6,852,943.25	80.00
4-5 years	1,193,971.86	955,177.49	80.00
Over 5 years			
Total	630,989,334.20	29,237,348.18	—

Recognition criteria and description of provision for bad debts made on a collective basis:

The Group determines the accounts receivable which have not been tested individually for impairment to be the accounts receivable the credit risk of which has not significantly increased since initial recognition. Based on the actual credit loss for previous years and considering forward-looking information for the year, the Group expects the default loss rate for accounts receivable ageing 0 to 6 months to be 0, the default loss rate for accounts receivable aging 6 months to 1 year to be 0.5%, the default loss rate for accounts receivable aging 1 to 2 year(s) to be 10%, the default loss rate for accounts receivable aging 2 to 3 years to be 30%, the default loss rate for accounts receivable ageing 3 to 5 years to be 80%, and the default loss rate for accounts receivable aging over 5 years to be 100%, and bad debt provision is made on the expected credit loss of accounts receivable based on 0, 0.5%, 10%, 30%, 80% and 100%% of the balance as at the balance as sheet date, respectively.

4) *Provision for bad debts*

Type	Beginning balance	Amount of changes during the period					Ending balance
		Provision	Recovered or reversed	Resold or written-off	Changes in the scope of combination	Other changes	
Provision for bad debts of accounts receivable	53,120,040.30	-23,882,692.12					29,237,348.18
Total	53,120,040.30	-23,882,692.12					29,237,348.18

Provision for bad debts made, reversed or recovered during the period

None

5) *Accounts receivable written-off during the period*

None

6) *Top five accounts receivable by ending balance of debtors*

Name of entity	Relationship with the Group	Ending balance	Percentage of ending balance of total accounts receivable (%)	Ending balance of provision for bad debts
Entity 1	Third party	197,411,789.07	21.39	1,760,663.67
Entity 2	Third party	189,089,400.00	20.49	
Entity 3	Third party	58,055,229.93	6.29	674,678.52
Entity 4	Third party	50,610,717.90	5.48	
Entity 5	Third party	47,291,689.65	5.12	4,729,168.97
Total		542,458,826.55	58.77	7,164,511.16

7) Accounts receivable derecognised arising from transfer of financial assets

None

8) Amounts of assets and liabilities transferred from accounts receivable calculated on a continual basis

None

3. Notes payable

Type	Ending balance	Beginning balance
Bank acceptance bills	2,795,886,419.83	2,177,906,127.63
Commercial acceptance bills	70,884,100.00	346,739,464.63
Total	2,866,770,519.83	2,524,645,592.26

Total notes payable due and unpaid as at the end of the period amounted to RMB0.

Among the above notes payable of the Group, RMB2,217,026,571.42 had an aging of less than 180 days, and RMB649,743,948.41 had an aging of 181-360 days.

4. Accounts payable

1) Accounts payable

Item	Ending balance	Beginning balance
Materials purchased	4,190,558,259.34	4,630,638,571.97
Payment for construction in progress	42,921,220.72	105,650,476.71
Balance of product payment	2,327,340.85	
Retention money	504,177,173.35	634,496,577.80
Other construction and labour services	1,136,819,467.99	481,093,125.83
Total	5,876,803,462.25	5,851,878,752.31

2) Aging of accounts payable

Aging	Ending balance	Beginning balance
Within one year	4,408,522,844.56	4,203,236,113.30
1-2 years	503,391,723.03	497,879,913.84
2-3 years	264,756,014.88	531,017,255.70
Over 3 years	700,132,879.78	619,745,469.47
Total	5,876,803,462.25	5,851,878,752.31

3) Significant accounts payable with aging over one year

Item	Ending balance	Including: Amount over one year	Reasons for unsettlement or carrying forward
China Shipbuilding Industry Complete Logistics (Guangzhou) Co., Ltd	245,522,430.68	544,813.65	Tentative estimation of arrears and deposit
Guangzhou Wenchong Industrial Co., Ltd.	122,559,683.67	107,569,190.47	Tentative estimation of arrears and deposit
Nanjing Keruida Electronic Equipment Co., Ltd.	101,273,000.00	95,442,000.00	Tentative estimation of arrears and deposit
Guangzhou Ship Industrial Co., Ltd.	42,293,125.67	35,602,271.42	Tentative estimation of arrears and deposit
Chongqing Changan Industry (Group) Co., Ltd.	32,859,130.00	5,459,130.00	Tentative estimation of arrears and deposit
China United Shipbuilding Company Limited	27,361,154.86	17,700,863.66	Tentative estimation of arrears and deposit
Wenzhou Bohong Electric Co., Ltd.	19,673,429.58	19,673,429.58	Tentative estimation of arrears and deposit
Guangzhou Haige Communications Group Incorporated Company	18,517,786.00	7,195,786.00	Tentative estimation of arrears and deposit
Changshu Electronic Instrument Factory	17,620,681.62	17,620,681.62	Tentative estimation of arrears and deposit
Shaanxi Diesel Engine Heavy Industry Co., Ltd.	15,127,990.00	8,830,126.00	Tentative estimation of arrears and deposit
Shanghai Haixun Mechanical and Electrical Engineering Co., Ltd.	14,611,357.33	8,792,757.33	Tentative estimation of arrears and deposit
Changzhou Huifeng Marine Accessories Manufacturing Co., Ltd	11,795,299.46	11,795,299.46	Tentative estimation of arrears and deposit
Fujian Haiyi Ship Equipment Co., Ltd.	11,180,871.00	11,180,871.00	Tentative estimation of arrears and deposit
Shanghai Guangdian Communication Technology Co., Ltd.	10,181,145.45	8,946,645.45	Tentative estimation of arrears and deposit
Total	690,577,085.32	356,353,865.64	—

5. Retained earnings

Item	Current period	Corresponding period of last year
Retained earnings as at the end of last year before adjustment	1,811,537,356.69	1,973,789,791.39
Add: Beginning adjustment to undistributed profit		
Including: Accounting policy change		
Changes in business combination under common control		
Retained earnings as at the beginning of the year after adjustment	1,811,537,356.69	1,973,789,791.39
Add: Net profit attributable to owners of the Parent Company for the current period	18,906,736.89	-95,042,597.22
Add: Transfer from other comprehensive income to retained earnings		
Less: Statutory surplus reserve set aside		
Less: Dividends payable for ordinary shares	195,063,880.16	234,642,058.75
Undistributed profits as at the end of the period	1,635,380,213.42	1,644,105,135.42

6. Net current assets

Item	Ending balance	Beginning balance
Current assets	29,413,160,745.16	24,081,724,836.35
Less: Current liabilities	27,541,831,951.44	21,014,920,168.47
Net current assets	1,871,328,793.72	3,066,804,667.88

7. Total assets less current liabilities

Item	Ending balance	Beginning balance
Total assets	48,635,299,841.48	44,265,408,872.54
Less: Current liabilities	27,541,831,951.44	21,014,920,168.47
Total assets less current liabilities	21,093,467,890.04	23,250,488,704.07

8. Operating income and operating cost

Item	Current period		Corresponding period of last year	
	Income	Cost	Income	Cost
Principal business	4,160,766,950.01	3,898,470,735.17	4,643,105,717.32	4,371,224,933.52
Other business	110,435,550.98	79,177,579.78	74,444,736.16	54,199,848.48
Total	4,271,202,500.99	3,977,648,314.95	4,717,550,453.48	4,425,424,782.00

Gross profit from principal business

Item	Current period	Corresponding period of last year
Income from principal business	4,160,766,950.01	4,643,105,717.32
Cost of principal business	3,898,470,735.17	4,371,224,933.52
Gross profit	262,296,214.84	271,880,783.80

(1) Principal business – by product

Product name	Current period	Corresponding period of last year
Income from principal business:		
Ship products	2,589,378,267.07	3,183,208,527.53
Offshore engineering products	84,928,937.95	347,174,694.45
Steel structure products	775,090,667.39	904,208,483.16
Ship maintenance and modification	647,574,516.39	106,629,134.14
Electromechanical products and others	63,794,561.21	101,884,878.04
Total	4,160,766,950.01	4,643,105,717.32
Cost of principal business:		
Ship products	2,448,124,903.74	3,038,571,115.85
Offshore engineering products	-14,503,235.64	341,305,426.57
Steel structure products	747,235,316.31	811,776,809.54
Ship maintenance and modification	659,777,279.77	102,552,097.59
Electromechanical products and others	57,836,470.99	77,019,483.97
Total	3,898,470,735.17	4,371,224,933.52

(2) *Principal business – by region*

Region	Current period	Corresponding period of last year
Income from principal business:		
China (including Hong Kong, Macao and Taiwan)	3,986,055,902.55	3,684,741,526.10
Other Asia regions	9,000,889.61	356,554,846.72
Europe		212,157,768.26
Oceania		381,952,035.08
North America	165,710,157.85	
Africa		7,699,541.16
South America		
Total	4,160,766,950.01	4,643,105,717.32
Cost of principal business:		
China (including Hong Kong, Macao and Taiwan)	3,723,880,122.43	3,373,388,480.21
Other Asia regions	8,407,148.77	387,159,965.19
Europe		198,060,354.21
Oceania		376,551,732.94
North America	166,183,463.97	
Africa		36,064,400.97
South America		
Total	3,898,470,735.17	4,371,224,933.52

(3) Other operating income and other operating costs

Product name	Current period	Corresponding period of last year
Income from other business:		
Sale of materials	68,830,497.53	53,828,115.30
Labour Service	232,409.32	152,539.26
Lease	35,351,116.47	16,205,916.79
Energy	2,951,762.30	2,604,616.24
Others	3,069,765.36	1,653,548.57
Total	110,435,550.98	74,444,736.16
Costs of other business		
Sale of materials	57,957,973.28	46,056,452.09
Labour Service	36,287.74	30,600.00
Lease	19,006,524.15	6,118,951.88
Energy	2,576,359.72	2,370,587.13
Others	-399,565.11	-376,742.62
Total	79,177,579.78	54,199,848.48

(4) Revenue from contracts

Type of contracts	Shipbuilding and related business segment	Steel structure engineering business segment	Ship maintenance and related business segment	Others segment	Total
Sub-total by product type	2,674,307,205.02	817,681,513.58	647,574,516.39	131,639,266.00	4,271,202,500.99
Ship products	2,589,378,267.07				2,589,378,267.07
Offshore engineering products	84,928,937.95				84,928,937.95
Steel structure products		775,090,667.39			775,090,667.39
Ship maintenance and modification			647,574,516.39		647,574,516.39
Electromechanical products and others		16,983,512.21		46,811,049.00	63,794,561.21
Other business		25,607,333.98		84,828,217.00	110,435,550.98
Sub-total by region of operation	2,674,307,205.02	817,681,513.58	647,574,516.39	131,639,266.00	4,271,202,500.99
Domestic	1,512,540,510.58	817,681,513.58	647,574,516.39	105,605,602.27	3,083,402,142.82
Overseas	1,161,766,694.44			26,033,663.73	1,187,800,358.17
Sub-total by type of market or customer	2,674,307,205.02	817,681,513.58	647,574,516.39	131,639,266.00	4,271,202,500.99
State-owned enterprises	1,731,916,185.05	768,323,786.56	645,935,171.26	81,206,769.20	3,227,381,912.07
Private enterprises	275,590,075.53	49,357,727.02	1,639,345.13	24,035,824.22	350,622,971.90
Foreign enterprises	666,800,944.44			26,396,672.58	693,197,617.02
Sub-total by type of contracts	2,674,307,205.02	817,681,513.58	647,574,516.39	131,639,266.00	4,271,202,500.99

Type of contracts	Shipbuilding and related business segment	Steel structure engineering business segment	Ship maintenance and related business segment	Others segment	Total
Fixed price	2,674,307,205.02	817,681,513.58	647,574,516.39	131,578,888.64	4,271,142,123.63
Mark up pricing				60,377.36	60,377.36
Sub-total by date of transfer of goods	2,674,307,205.02	817,681,513.58	647,574,516.39	131,639,266.00	4,271,202,500.99
Performed within a time period	2,028,221,913.01	728,137,620.22			2,756,359,533.23
Performed at a point in time	646,085,292.01	89,543,893.36	647,574,516.39	131,639,266.00	1,514,842,967.76
By contract term	2,674,307,205.02	817,681,513.58	647,574,516.39	131,639,266.00	4,271,202,500.99
Short-term	231,651,693.06	674,969,832.13	647,574,516.39	40,424,414.91	1,594,620,456.49
Long-term	2,442,655,511.96	142,711,681.45		91,214,851.09	2,676,582,044.50
By sales channel	2,674,307,205.02	817,681,513.58	647,574,516.39	131,639,266.00	4,271,202,500.99
Direct sales	2,674,307,205.02	817,681,513.58	647,574,516.39	131,639,266.00	4,271,202,500.99
Distribution sales					

(5) Top five customers by operating income

Customers	Relationship with the Group	Current period	Percentage of total income from principal business (%)
Customer 1	Third party	1,222,921,964.90	29.39
Customer 2	Third party	345,122,569.09	8.29
Customer 3	Third party	278,622,683.32	6.70
Customer 4	Third party	268,769,042.74	6.46
Customer 5	Third party	244,953,990.83	5.89
Total		2,360,390,250.88	56.73

(6) Purchase amounts from top five suppliers

Suppliers	Relationship with the Group	Current period	Percentage of total operating costs from principal business (%)
Supplier 1	Under common control of CSSC	2,160,257,018.71	55.41
Supplier 2	Third party	166,178,000.00	4.26
Supplier 3	Third party	68,740,000.00	1.76
Supplier 4	Third party	55,352,930.26	1.42
Supplier 5	Third party	14,705,756.73	0.38
Total		2,465,233,705.70	63.23

9. Finance expenses

(1) Breakdown of interest expenses

Item	Current period	Corresponding period of last year
Interest expenses	70,720,155.93	62,467,771.74
Including: Interest expenses from lease liabilities	7,572,609.81	1,054,093.52
Less: Interest income	230,567,348.75	109,625,930.22
Foreign exchange gains and losses	-92,419,423.85	17,304,460.53
Other expenses	21,664,527.00	6,220,802.56
Total	-230,602,089.67	-23,632,895.39

(2) Breakdown of interest costs

Item	Current period	Corresponding period of last year
Interest on bank borrowings and overdraft		
Interest on bank borrowings due within 5 years	70,756,457.48	56,072,278.62
Other borrowings		
Interest on other borrowings due within 5 years		6,026,252.96
Other interest expenses	5,263,698.45	4,849,240.16
Sub-total	76,020,155.93	66,947,771.74
Less: Capitalized Interest		
Less: Finance interest discount	5,300,000.00	4,480,000.00
Total	70,720,155.93	62,467,771.74

(3) Breakdown of interest income

Item	Current period	Corresponding period of last year
Interest income from bank deposits	194,597,084.67	86,122,465.07
Interest income from receivables	35,970,264.08	23,503,465.15
Total	230,567,348.75	109,625,930.22

10. Investment income

Item	Current period	Corresponding period of last year
Gain from long-term equity investments accounted under equity method	6,186,446.15	-45,077,233.49
Investment income from disposal of financial assets held for trading	-13,654,653.76	7,678,877.50
Dividend income from holding other equity instrument investment	192,641.21	252,543.98
Profit from recalculating the remaining equity interest at fair value after losing the controlling right	-17,055,563.56	
Total	-24,331,129.96	-37,145,812.01

Notes: Investment income from investment in listed companies and non-listed companies for the period amounted to RMB0 (corresponding period of last year: RMB0) and RMB-24,331,129.96 (corresponding period of last year: RMB-37,145,812.01), respectively.

11. Gain on change in fair value

Source of gain on change in fair value	Current period	Corresponding period of last year
Change in fair value of financial assets held-for-trading	17,336,152.70	49,852,986.83
Change in fair value of financial liabilities held-for-trading		
Total	17,336,152.70	49,852,986.83

12. Non-operating income*(1) Breakdown of non-operating income*

Item	Current period	Corresponding period of last year	Amount included in non-recurring gains and losses for current period
Total gain from damage and disposal of non-current assets	232,191.56	745,488.49	232,191.56
Including: Gain from damage and disposal of fixed assets	232,191.56	745,488.49	232,191.56
Government grants	910,064.94	910,064.94	910,064.94
Penalty income	214,529.00	6,164,861.43	214,529.00
Insurance claims	585,573.91		585,573.91
Others	74,177.60	22,931.01	74,177.60
Total	2,016,537.01	7,843,345.87	2,016,537.01

The amount included in non-recurring gains and losses for the current period was RMB2,016,537.01 (corresponding period of last year: RMB7,843,345.87).

(2) Government grants included in current profit or loss

Item	Current period	Corresponding period of last year	Relating to assets/ relating to revenue
Separation and transfer of water, power and gas supply and property management business	910,064.94	910,064.94	Relating to revenue
Total	910,064.94	910,064.94	—

(3) Description of profit from disposal of properties

Non-operating income of the Group for the current period included profit from disposal of properties of RMB0 (corresponding period of last year: RMB0).

13. Income tax expense

(1) Income tax expense

Item	Current period	Corresponding period of last year
Current income tax expense	39,442.00	519,852.61
1. China	39,442.00	519,852.61
2. Hong Kong		
3. Macao		
4. Over-provision (under-provision) in prior years		
Deferred income tax expense	-96,599.56	-6,736,769.58
Total	-57,157.56	-6,216,916.97

(2) Reconciliation of accounting profit and income tax expenses

Item	Current period	Corresponding period of last year
Total profit	28,338,483.12	-157,470,493.25
Income tax expenses calculated at statutory/applicable tax rate	7,084,620.78	-39,367,623.31
Impact of different tax rates for subsidiaries	3,194,551.98	7,363,904.84
Impact of adjustment for income tax for previous period	3,023.25	-11,707.40
Impact of non-taxable income	-1,589,739.62	11,154,785.04
Research and development expense including the effect of deduction	-8,660,259.79	-400,801.44
Impact of non-deductible costs, expenses and losses	179,066.80	3,702,221.81
Impact of utilisation of deductible loss for which no deferred tax assets were previously recognised	-3,752,128.81	-3,988,203.50
Impact of deductible temporary differences or deductible losses for the period for which no deferred tax assets are recognised	3,483,707.85	15,330,506.99
Income tax expense	-57,157.56	-6,216,916.97

(3) Main types of taxes and rates

	Tax basis	Tax rate
PRC enterprise income tax	Taxable income	15%、20%、25%
Hong Kong profits tax	Taxable income	16.5%
– Value-added tax ^{Note}	Domestic sales; provision of processing, repair and repair services; rental income	13%
	Revenue from construction and installation business	9%
	Modern services industry	6%
– City maintenance and construction tax	Turnover tax payable	7%
– Educational surcharge	Turnover tax payable	3%
– Local educational surcharge	Turnover tax payable	2%

Notes on taxpayers subject to different enterprise income tax rates:

Name of entity	Tax rate	Remarks
The Company	25%	
CSSC Huangpu Wenchong Shipbuilding Company Limited	15%	
Guangzhou Wenchong Shipyard Co., Ltd.	15%	
Guangzhou Wenchuan Heavy Industrial Co., Ltd.	15%	
CSSC Industrial Internet Co., Ltd.	15%	
Wah Shun International Marine Limited	16.50%	Note
WahLoong International Marine Limited	16.50%	Note
Wah Sheng International Marine Limited	16.50%	Note
Wah Cheung International Marine Limited	16.50%	Note
Wah Hing International Marine Limited	16.50%	Note
Wah Shui International Marine Limited	16.50%	Note
Wah Yu International Marine Limited	16.50%	Note
CSSC (Guangzhou) New Energy Co., Ltd.	20%	
Zhanjiang Nanhai Ship Hi-Tech Services Ltd.	20%	
Guangzhou CSSC Wenchong Bingshen Facilities Co., Ltd.	20%	
Guangzhou Xingji Maritime Engineering Design Co., Ltd.	20%	
HuaCheng (TianJin) Ship Leasing Co., Ltd.	20%	
HuaXin (TianJin) Ship Leasing Co., Ltd.	20%	
Other subsidiaries	25%	

Note: Wah Shun, WahLoong, Wah Sheng, Wah Cheung, Wah Hing, Wah Shui and Wah Yu are registered in Hong Kong and subject to Hong Kong income tax with the tax rate of 16.50%.

(4) Preferential taxation treatment

1. Value-added tax

(1) Export income: The Group is an enterprise engaged in production and operation. Tax relief, credit and rebate policy is applicable to all of its self-produced goods for export. The tax rebate rate is 13% for ship products and 9% for steel structure products.

(2) Revenue from software: In accordance with the *Circular of the State Administration of Taxation of the Ministry of Finance on the Value-added Tax Policy of Software Products (Cai Shui [2011] No. 100)*, for sales of self-developed software by a value-added tax general taxpayer, the portion of actual value-added tax burden in excess of 3% may be recovered upon payment in accordance with the relevant policy.

(3) In accordance with the relevant regulations of *Announcement on Deepening the Policies Related to Valued-Added Tax Reform (Ministry of Finance, State Tax Administration and General Administration of Customs 2019 No. 39)*, *“Announcement on the Clarification of the Policy on Value-added Tax Credit for the Livelihood Service Industry” (General Administration of Taxation, Ministry of Finance Announcement of [2019] No. 87)*, *“Announcement on Value-Added Tax Policies Relating to the Relief and Development of Difficult Industries in the Service Sector” (General Administration of Taxation, Ministry of Finance Announcement No. 11 of 2022)* issued by the Ministry of Finance, the Tax Administration and the General Administration of Customs, from 1 April 2019 to 31 December 2022, some of the Group’s subsidiaries engaged in production or livelihood services are allowed to have an additional 10% deduction of deductible input VAT in the current period from the tax amount payable.

2. Enterprise income tax

(1) Huangpu Wenchong obtained the Certificate of Hi-tech Enterprise (certificate no.: GR202144007063) on 20 December 2021, with a validity till 19 December 2024. The tax rebate rate is 15% for income tax of Huangpu Wenchong.

(2) Wenchong Shipyard obtained the Certificate of Hi-tech Enterprise (certificate no.: GR201944010453) on 2 December 2019, with a validity till 1 December 2022. The tax rebate rate is 15% for income tax of Wenchong Shipyard.

(3) Wenchong Heavy Industrial obtained the Certificate of Hi-tech Enterprise (certificate no.: GR202144012793) on 31 December 2021, with a validity till 30 December 2024. The tax rebate rate is 15% for income tax of Wenchong Heavy Industrial.

(4) CSSC Internet obtained the Certificate of Hi-tech Enterprise (certificate no.: GR202144002423) on 20 December 2021, with a validity till 19 December 2024. The tax rebate rate is 15% for income tax of CSSC Internet.

(5) CSSC New Energy, Zhanjiang Nanhai, Wensheng Bingshen, Xingji, HuaCheng and HuaXin are small low-profit enterprises, according to the Announcement of the State Administration of Taxation No. 8 of 2021 *“Announcement on Matters Relating to the Implementation of Preferential Income Tax Policies to Support the Development of Small Low-Profit Enterprises and Individual Entrepreneurs”*, from 1 January 2021 to 31 December 2022, the portion of the annual taxable income of small low profit enterprises not exceeding RMB1 million will be reduced by 12.5% of the taxable income and subject to a tax rate of 20%.

14. Earnings per share

Basic earnings per share shall be calculated by profit or loss attributable to ordinary equity holders of the Company (the numerator) divided by the weighted average number of ordinary shares outstanding (the denominator) during the period.

The numerator of the diluted earnings per share attributable to ordinary shareholders is the Company's net profit for the period after adjustment of the following factors: (1) the recognised interest expense of dilutive potential ordinary shares for the period; (2) income or expense that would result from the conversion of dilutive potential ordinary shares; and (3) the related income tax effects of the above adjustments.

The denominator of diluted earnings per share is equal to the sum of: (1) the weighted average number of issued ordinary shares of the Company for calculation of basic earnings per share; and (2) the weighted average number of ordinary shares after conversion of the dilutive potential ordinary shares into ordinary shares.

In calculating the weighted average number of ordinary shares after conversion of dilutive potential ordinary shares into ordinary shares, the dilutive potential ordinary shares which were converted in previous years are assumed to be converted at the beginning of current period and the dilutive potential ordinary shares which were converted during current period are assumed to be converted at the date of issue.

The calculation of basic earnings per share and diluted earnings per share are as follows:

Item	No.	Current period	Corresponding period of last year
Net profit attributable to shareholders of the Parent Company	1	18,906,736.89	-95,042,597.22
Non-recurring gains and losses attributable to shareholders of the Parent Company	2	16,828,227.97	40,337,398.93
Net profit after non-recurring gains and losses attributable to shareholders of the Parent Company	3=2-1	2,078,508.92	-135,379,996.15
Total number of shares at the beginning of the year	4	1,413,506,378.00	1,413,506,378.00
Shares increased due to transferring capital reserve into share capital or dividend distribution of shares (I)	5		
Shares increased due to issuance of new shares or debt for equity swap (II)	6		

Item	No.	Current period	Corresponding period of last year
Number of months from next month to the period-end regarding the number of shares (II)	7		
Shares decreased due to share repurchase	8		
Number of months from the next month to the period-end regarding the decrease of shares	9		
Number of shares decreased due to capital reduction	10		
Number of months in the reporting period	11	6	6
Weighted average of ordinary shares outstanding	12	1,413,506,378.00	1,413,506,378.00
Weighted average of ordinary shares outstanding following adjustments in relation to business combination under common control for the purposes of earnings per share after deduction of non-recurring gains and losses	13	1,413,506,378.00	1,413,506,378.00
Basic earnings per share (I)	$14=1 \div 12$	0.0134	-0.0672
Basic earnings per share (II)	$15=3 \div 13$	0.0015	-0.0958
Potential diluted interests of ordinary shares recognised as expense	16		
Conversion fee	17		
Income tax rate	18	0.25	0.25
Increase in weighted average amount of ordinary shares increased due to warrant, share options, and convertible bonds, etc.	19		
Diluted earnings per share (I)	$20=[1+(16-18) \times (1-17)] \div (12+19)$	0.0134	-0.0672
Diluted earnings per share (II)	$21=[3+(16-18) \times (1-17)] \div (13+19)$	0.0015	-0.0958

15. Dividends

Final dividends for the year ended 31 December 2021 totaling RMB195,063,880.16 (corresponding period of last year: RMB234,642,058.75) were declared and paid during the six months ended 30 June 2022.

The Company will not distribute the interim dividends for the six-month period ended 30 June 2022 (corresponding period of last year: Nil).

16. Depreciation and amortisation

	Current period	Corresponding period of last year
Depreciation of fixed assets	160,732,847.18	134,765,055.59
Amortisation of intangible assets	15,377,614.63	14,104,233.52
Depreciation of right-to-use assets	22,857,297.19	12,267,336.12
Amortisation of long-term prepaid expenses	4,226,368.29	2,218,651.86
Depreciation of investment properties	3,268,712.52	3,268,712.52
Total	206,462,839.81	166,623,989.61

17. Gains (or losses) on disposal of investments or properties

Gains on disposal of investments during the current period were RMB0. Gains on disposal of properties during the current period were RMB0 (gains on disposal of investments during the previous period is 0, gains on disposal of properties for the previous period is 0).

IV. SEGMENT INFORMATION

1. Basis for determination of reportable segments and accounting policies

According to the Group's internal organizational structure, management requirements, and internal reporting system, the business operation of the Group can be divided into 4 reportable segments based on the different types of main products. The management of the Group evaluates operating results of these segments periodically in order to make decisions concerning resource distribution and operating result assessment. The reportable segments of the Group based on the provision of main products and services are shipbuilding, steel structure engineering, ship repair and related business and others.

Segment reporting information disclosed is according to accounting policies and measurement basis used in reports presented by each segment reporting to the management. These accounting policies and measurement basis are consistent with those adopted in preparing financial statements.

2. Financial information of reportable segments during the year

(1) Profit before tax, assets and liabilities for segments by product or business

Current period

Item	Shipbuilding and related business	Steel structure engineering	Ship maintenance and related business	Others	Inter-segment elimination and adjustment	Total
Operating income	3,971,822,279.54	884,168,289.00	4,137,635.34	876,132,012.09	-1,465,057,714.98	4,271,202,500.99
Including: Revenue from external transactions	2,652,353,858.75	803,182,889.94	2,033,494.72	813,632,257.58		4,271,202,500.99
Revenue from intra- segment transactions	1,319,468,420.79	80,985,399.06	2,104,140.62	62,499,754.51	-1,465,057,714.98	
Operating costs	3,706,260,400.93	848,204,222.85	3,260,707.80	845,795,762.96	-1,425,872,779.59	3,977,648,314.95
Charges during the period	211,237,582.03	41,450,673.53	527,405.67	-2,017,284.80	22,894,122.35	274,092,498.78
Total segment profit	61,539,642.66	15,136,679.12	444,158.82	30,352,623.82	-79,134,621.30	28,338,483.12
Total assets	43,203,620,128.80	2,004,059,538.82	8,563,313.80	14,469,293,731.70	-11,050,236,871.64	48,635,299,841.48
Total liabilities	34,483,980,061.66	1,718,923,605.89	1,467,490.76	2,656,904,219.58	-7,769,523,731.46	31,091,751,646.43
Capital expenditure	91,727,494.88	4,692,000.00	45,076.65	9,405,035.48	-11,803,976.62	94,065,630.39
Impairment loss recognized during current period	-4,258,756.63	5,974,169.96		44,266.92		1,759,680.25
Depreciation and amortisation expense	155,018,161.86	14,541,825.64	87,911.14	30,380,249.64	1,000,438.63	201,028,586.91

Corresponding period of last year

Item	Shipbuilding and related business	Steel structure engineering	Ship maintenance and related business	Others	Inter-segment elimination and adjustment	Total
Operating income	5,514,895,332.00	664,969,142.83	3,100,914.86	362,701,128.95	-1,828,116,065.16	4,717,550,453.48
Including: Revenue from external transactions	3,861,226,799.22	616,153,796.62	1,258,088.00	238,911,769.64		4,717,550,453.48
Revenue from intra- segment transactions	1,653,668,532.78	48,815,346.21	1,842,826.86	123,789,359.31	-1,828,116,065.16	
Operating costs	5,283,193,414.78	622,510,012.92	2,405,524.03	324,226,914.86	-1,806,911,084.59	4,425,424,782.00
Charges during the period	439,971,848.69	31,467,054.14	478,954.63	1,560,400.77	-7,133,551.65	466,344,706.58
Total segment profit	-141,469,770.75	12,213,921.37	208,044.37	-34,118,667.14	5,695,978.90	-157,470,493.25
Total assets	35,880,595,996.34	2,015,488,610.17	6,902,289.89	15,222,451,585.11	-8,860,029,608.97	44,265,408,872.54
Total liabilities	27,208,714,472.01	1,742,829,955.24	232,016.20	2,297,681,287.30	-5,654,867,336.49	25,594,590,394.26
Capital expenditure	273,732,390.45	50,000,000.00	24,832.50	128,580,189.44	-129,200,632.14	323,136,780.25
Impairment loss recognized during current period	13,251,329.04	1,152,400.38		5,728.96		14,409,458.38
Depreciation and amortisation expense	144,697,930.67	3,315,694.05	106,169.75	25,147,287.98	-6,643,092.84	166,623,989.61

(2) Revenue from external transactions by origin of revenue

Revenue from external transactions	Current period	Corresponding period of last year
Revenue from external transactions derived from China	3,083,402,142.82	3,759,186,262.26
Revenue from external transactions derived from other countries	1,187,800,358.17	958,364,191.22
Total	4,271,202,500.99	4,717,550,453.48

(3) Non-current assets by location of assets

Total non-current assets	Ending balance	Beginning balance
Non-current assets in China (excluding Hong Kong)	10,331,734,266.94	11,352,854,899.20
Hong Kong	1,791,781,808.91	417,695,444.50
Total	12,123,516,075.85	11,770,550,343.70

Note: Total non-current assets exclude financial assets and total deferred tax assets.

§ 9 DOCUMENTS AVAILABLE FOR INSPECTION

The 2022 interim report will be available at the following addresses and websites:

HKEXnews website of the Stock Exchange of Hong Kong Limited www.hkexnews.hk

Website of the Shanghai Stock Exchange www.sse.com.cn

Place for inspection of the interim report Office of the Board of Directors, Floor 15, Ship Building, No.137 Gexin Road, Haizhu District, Guangzhou

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

Guangzhou, 30 August 2022

As at the date of this announcement, the Board comprises ten Directors, namely executive Directors 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 Shiyong, Mr. Lin Bin, Mr. Nie Wei and Mr. Li Zhijian.