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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 2024 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 2024 (the “**Reporting Period**”) of CSSC Offshore & Marine Engineering (Group) Company Limited (hereinafter referred to as “**COMEC**” or the “**Company**”, and together with its subsidiaries, the “**Group**”) is prepared in accordance with the China Accounting Standards for Business Enterprises and the financial information contained in this Report has been reviewed and confirmed by the Audit Committee of the Board.

1.2 There were 9 directors (the “**Directors**”) of the Company and a total of 7 Directors attended the 6th meeting of the eleventh session of the Board held on 29 August 2024, of which: Mr. Gu Yuan and Mr. Yin Lu, both being non-executive Directors, appointed Mr. Chen Liping, an executive Director, as his proxy to attend and vote on his behalf. The 2024 interim report was unanimously approved at the meeting.

1.3 The 2024 interim financial and accounting report of the Company is unaudited.

1.4 According to the profit distribution proposal for the Reporting Period as resolved by the Board, the Company proposes to distribute a cash dividend of RMB0.12 (tax inclusive) for every 10 shares to all shareholders for the first half of 2024. As of 30 June 2024, the total share capital of the Company was 1,413,506,378 shares, and based on this calculation, an aggregate of proposed cash dividend of RMB16,962,076.54 (tax inclusive) will be distributed, representing 11.55% of the net profit attributable to shareholders of the Company for the period from January to June 2024, and the remaining undistributed profit of RMB1,082,067,327.18 will be carried forward for distribution in future periods. The Company did not convert any capital reserve into share capital for the first half of 2024. This profit distribution proposal is subject to the approval at the extraordinary general meeting of the Company and the expected dividend payment date is 22 November 2024. The Company will make announcements and notifications regarding the extraordinary general meeting and other relevant arrangements in accordance with applicable laws and regulations, including but not limited to the requirements of the Rules Governing the Listing of Securities on the Shanghai Stock Exchange and the Rules (the “**Hong Kong Stock Exchange**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

1.5 The Report is a summary of the full text of the 2024 interim report of the Company. Investors are advised to carefully read the full text of such report for details.

1.6 The Report is prepared pursuant to Rule 13.49(6) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

1.7 The Report is prepared in both English and Chinese. In the event of any discrepancies, 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	8,728,536,063.65	5,982,333,803.04	45.91
Net profit attributable to shareholders of the Company	146,845,686.17	12,665,284.90	1,059.43
Net profit attributable to shareholders of the Company after deduction of non-recurring gains and losses	131,051,014.64	15,478,915.06	746.64
Net cash flows from operating activities	-5,557,686,660.25	-2,603,497,437.82	N/A
	As at the end of the Reporting Period	As at the end of last year	Change (%)
Net assets attributable to shareholders of the Company	18,385,954,401.22	16,417,569,534.93	11.99
Total assets	50,105,770,210.75	50,862,502,007.57	-1.49

2.1.2 Key financial indicators

Key financial indicators	Reporting Period (From January to June)	Corresponding period of last year	Change (%)
Basic earnings per share (RMB Yuan/share)	0.1039	0.009	1,054.44
Diluted earnings per share (RMB Yuan/share)	0.1039	0.009	1,054.44
Basic earnings per share after deduction of non- recurring gains and losses (RMB Yuan/share)	0.0927	0.011	742.73
Weighted average return on equity (%)	0.83	0.08	0.75
Weighted average return on equity after deduction of non-recurring gains and losses (%)	0.74	0.09	0.65

1. During the Reporting Period, the Company had a full schedule for production, its production output and production efficiency increased steadily, the number and price of completed and delivered ship products increased period-on-period, and the Company achieved a cumulative operating income of RMB8,729 million, representing a period-on-period increase of 45.91%.

2. During the Reporting Period, the Company achieved a cumulative net profit attributable to shareholders of the Company of RMB147 million, representing a period-on-period increase of 1,059.43%; a net profit attributable to shareholders of the Company after deduction of non-recurring gain or loss of RMB131 million, representing a period-on-period increase of 746.64%. It was mainly attributable to: (1) the period-on-period increase in the gross profit of products as a result of the increase in the number and price of completed and delivered ship products, as well as the improvement in production efficiency and cost control level during the Reporting Period; (2) the period-on-period increase in the investment income from the associates and subsidiaries recognized during the Reporting Period.

3. During the Reporting Period, the net cash flows from operating activities of the Company amounted to RMB-5,558 million as compared to RMB-2,603 million in the corresponding period of last year, mainly due to the expansion of production scale, increase in production output, and the significant period-on-period increase in orders for product construction materials during the Reporting Period.

4. At the end of the Reporting Period, the balance of exclusively state-owned capital reserve was RMB521 million, which was mainly the state funds allocated to the infrastructure projects, which should be exclusively owned by the State as capital investment by the State to the Company or its subsidiaries after the completion and acceptance of the projects. In accordance with relevant regulations such as the “Interim Measures for the Administration of the Restructuring and Reorganization of Military Enterprises and Institutions and the Review of Military Operations on Capital Operations after Listing” issued by the State Administration of Defense Science and Technology, the capital reserve formed by state-allocated funds shall be owned by the representative of the investor of state-owned assets, i.e. CSSC, and shall be converted into state-owned shares after fulfilling the necessary procedures in accordance with relevant regulations. The impact of exclusively state-owned capital reserve was excluded when calculating the weighted average return on net assets.

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 (including the write-off of the asset impairment provision)	-33,049,675.99	
Government grants accrued in current profit or loss, other than those that are closely related to the Company’s normal operation, in line with national policies and in accordance with defined criteria, and have a sustained impact on the Company’s profit or loss	32,208,413.83	

Gain or loss on changes in fair value of financial assets and financial liabilities held by non-financial entities and gain or loss on disposal of financial assets and financial liabilities, except for effective hedging transactions that are related to the Company's normal operation	-23,871,513.33	
Capital occupation fee received from non-financial entities included in current profit or loss		
Gain or loss on entrusted investments or assets under management		
Gains or losses from entrusted loans		
Losses on assets due to force majeure events, such as natural disasters		
Reversal of the provision for impairment of receivables which are tested individually for impairment		
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		
Net gains or losses of subsidiaries for the current period from the beginning of the period to the date of combination arising from business combination under common control		
Gain or loss on exchange of non-monetary assets		
Gain or loss on debt restructuring		
One-off costs incurred as a result of the discontinuation of relevant operating activities, e.g. staff settlement expenses		
One-off effect on current profit or loss due to adjustments to tax and accounting laws and regulations		
One-off share-based payments recognized for cancellation and modification of equity incentive plans		
For cash-settled share-based payments, gain or loss arising from changes in fair value of employee benefits payable after the vesting date		
Gain or loss arising from changes in fair value of investment properties under fair value model on subsequent measurement		
Gain from transactions with obviously unfair transaction price		
Gain or loss on contingencies which are not related to the Company's normal operation		
Entrusted fee income from entrusted operations		

Other non-operating income and expenses apart from the aforesaid items	-4,184.35	
Other gain or loss items meeting the definition of non-recurring gains or losses	31,449,540.19	Mainly from the non-recurring gains and losses of associates, the refund of handling fees for withholding tax and investment income from disposal of long-term equity investments, etc.
Less: Effect of income tax	2,866,984.51	
Effect of non-controlling interests (after tax)	-11,929,075.69	
Total	15,794,671.53	

§ 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 laws and regulations of the PRC. As at 30 June 2024, the Group had a total of 4,781 employees. As of 30 June 2024, the remuneration paid by the Group to employees was RMB347 million in aggregate.

§ 4 MANAGEMENT'S DISCUSSION AND ANALYSIS

4.1 Discussion and analysis of overall operation during the Reporting Period

(I) Development of the shipbuilding market in the first half of 2024

The shipbuilding market maintained a high level of prosperity. In the first half of 2024, continuously driven by the cyclical turnover of shipping capacity and the green transformation of the industry, the demand in the global shipbuilding market continued to be high, with batch orders continued to be released, and new shipbuilding prices were close to historical peaks.

Three major shipbuilding indicators grew period-on-period. According to Clarkson data, 1,247 new ship orders for a total of 77.248 million DWT were traded globally during the period from January to June 2024, representing a period-on-period increase of 24.4% in terms of DWT, of which, 337 alternative fueled ships for a total of 30.059 million DWT were traded, accounting for 38.9% in terms of DWT. In terms of ship types, transaction orders of energy product carrier and container ships were active, DWT of oil tankers, gas ships and container ships increased by 113.7%, 108.0% and 46.0% period-on-period, and DWT of bulk carriers decreased by 6.3% period-on-period. In terms of ship building completed, the volume of globally delivered new ships was 47.515 million DWT from January to June, representing a period-on-period increase of 1.8%; in terms of orders on hand, as of the end of June, the volume of global orders on hand was 313.596 million DWT, representing a period-on-period increase of 18.5%.

The prices of new ships were close to historical peaks. In June 2024, the Clarkson new ship price index closed at 187 points, representing a period-on-period increase of 16 points, close to its historical peak of 192 points. The vendor's advantage continued to be strong, and the rising costs caused by the upgrading of supporting equipment and labor shortages have led to the continuous rise in the price of new shipbuilding. From the perspective of the major ship types, the new ship price index for oil tankers, bulk carriers, containerships and liquefied gas tankers were 223 points, 174 points, 114 points and 205 points, respectively, representing a period-on-period increase of 18 points, 10 points, 10 points and 18 points, respectively.

The share of orders received by Chinese shipbuilders hit a new high. According to China Association of the National Shipbuilding Industry, shipyards of China, Japan and South Korea received a total of 70.768 million DWT of new ship orders, accounting for approximately 97.5% of the global market share during the period from January to June 2024. From the perspective of major shipbuilding countries, the cumulative contracted new ship orders of Chinese shipyards reached 54.220 million DWT, representing a period-on-period increase of 43.9%, accounting for 74.7% of the global market share; the cumulative contracted new ship orders of South Korean shipyards reached 14.008 million DWT, representing a period-on-period increase of 38.6%, accounting for 19.3% of the global market share; and Japanese shipyards had their cumulative contracted new ship orders reached 2.540 million DWT, representing a period-on-period decrease of 76.2%, accounting for 3.5% of the global market share.

The transaction volume in offshore engineering market increased significantly. In the first half of 2024, large-scale production platform orders such as floating production storage and off-loading equipment (FPSO) and floating liquefied natural gas production equipment (FLNG) have been completed successively. According to Clarkson data, during the period from January to June in 2024, a total of 72 sets/ships of offshore engineering equipment were traded worldwide, with a total value of US\$15.7 billion, representing a period-on-period increase of 59% in terms of order value.

(Source of relevant data: China Association of the National Shipbuilding Industry, China Shipbuilding Industrial Economy Research Centre, etc.)

(II) Operation of the Group

In the first half of 2024, the Group kept up with the continuous improvement trend of the global new shipbuilding market, made scientific planning for operating and receiving orders, took technological innovation as the driving force, focused on main ship types, batch ship types and green ship types, and secured orders worth of RMB13.343 billion, representing a period-on-period increase of 82.13%, and completed 88.36% of the annual plan, of which the amount of shipbuilding orders reached RMB12.574 billion, with a total of 9 types of 35 ships of new shipbuilding orders received. The Group continued to consolidate its competitive advantages in the field of feeder container ships, bulk carriers and multi-purpose/heavy lift vessels, and successfully expanded the market for small and medium-sized gas ships and medium-sized container ships. At the same time, the Group accelerated the green transformation and development of its products, and among new orders, the proportion of alternative-fueled vessels increased, and the order structure continued to be optimized.

Under the favourable situation of saturated production tasks, the Group made continued efforts in high-quality production, management improvement, digital transformation and other aspects, and tapped into potential efficiency, thereby achieving steady increase in production output, and simultaneously improving efficiency indicators. During the Reporting Period, the Group completed and delivered 16 ships with a total of 536,900 DWT and achieved an operating income of RMB8.729 billion, representing a period-on-period increase of 45.91%. The net profit attributable to the shareholders of the Company amounted to RMB147 million, representing a period-on-period increase of 1,059.43%.

As at the end of the Reporting Period, the Group held orders with the total contract value of approximately RMB61.35 billion, of which the total contract value of shipbuilding orders on hand was approximately RMB59.69 billion, including 129 ship products and 1 offshore equipment with a total of 4,619,300 DWT; and the total contract value of the orders for offshore wind power equipment, ship repairs and other non-shipbuilding products was approximately RMB1.66 billion.

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 revenue	8,728,536,063.65	5,982,333,803.04	45.91
Operating costs	8,079,818,322.37	5,642,446,121.19	43.20
Selling expenses	12,906,616.79	12,676,884.94	1.81
General and administrative expenses	290,618,064.47	273,840,779.15	6.13
Finance cost	-159,756,474.23	-227,654,534.16	N/A
Research and development expense	423,009,220.26	231,432,606.50	82.78
Net cash flows from operating activities	-5,557,686,660.25	-2,603,497,437.82	N/A
Net cash flows from investing activities	806,396,143.92	-781,028,624.04	N/A
Net cash flows from financing activities	451,347,377.55	-2,214,538,244.91	N/A
Taxes and surcharges	11,454,711.70	8,481,515.13	35.06
Investment income	122,596,866.59	-20,287,931.58	N/A
Gain on change in fair value	-64,857,252.63	-43,234,836.94	N/A
Credit impairment loss (loss expressed with “-”)	-3,698,846.98	-6,523,917.58	N/A
Asset impairment loss (loss expressed with “-”)	-	-4,457,594.94	N/A
Gain on disposal of assets	-32,490,144.44	-	N/A
Income tax expense	-33,905,499.07	-4,770,338.94	N/A

Reason for change in operating income: mainly due to the full schedule for production, steady increase in production output and efficiency and the period-on-period increase in the number and price of delivered ship products during the Reporting Period.

Reason for change in operating costs: as the operating income increased, the operating costs increased accordingly.

Reason for change in selling expenses: remains generally the same as the corresponding period of last year.

Reason for change in administrative expenses: remains generally the same as the corresponding period of last year.

Reason for change in finance cost: mainly due to the effect of the period-on-period decrease of the net interest income/expense and exchange income arising from the exchange rate changes during the Reporting Period.

Reason for change in research and development expense: mainly due to the effect of the increase in research and development investment during the Reporting Period.

Reason for change in net cash flow from operating activities: mainly attributable to the expansion of production scale, increase in production output, and the significant period-on-period increase in orders for product construction materials during the Reporting Period.

Reason for change in net cash flow from investing activities: mainly due to the period-on-period increase of net recovery of time deposits with maturity of over three months and net cash received from disposal of fixed assets during the Reporting Period.

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

Reasons for change in taxes and surcharges: mainly attributable to the period-on-period increase in stamp duty, urban maintenance and construction tax and education surcharge for the Reporting Period.

Reason for change in investment income: mainly due to the period-on-period increase in the investment income of associates, dividend income from of shares of CSSC Holdings and gain on settlement of financial derivatives at maturity during the Reporting Period.

Reason for change in gain on change in fair value: mainly due to the effect of changes in carrying fair value of financial derivatives in hand during the Report Period.

Reason for change in credit impairment loss: mainly due to the effect of the period-on-period decrease in provision for bad debts of accounts receivable made according to ageing analysis during the Reporting Period.

Reason for change in asset impairment loss: due to the no additional impairment of underlying assets during the Reporting Period.

Reason for change in gain on disposal of assets: mainly due to the effect of loss on disposal of fixed assets during the Reporting Period.

Reason for change in income tax expense: mainly due to the period-on-period increase in the deferred income tax assets recognized on estimated liabilities for the Reporting Period resulting from the effect of the period-on-period difference in the deferred income tax expense recognized based on the difference (temporary differences) between the tax basis and the book value of assets and liabilities.

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 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	11,651,152,043.34	23.25	16,422,805,149.57	32.29	-29.06	
Trading financial assets	5,633,770.34	0.01	9,127,869.19	0.02	-38.28	Due settlement of certain financial derivatives during the Reporting Period and the decrease in fair value of certain financial derivatives held at the end of the Reporting Period.
Accounts receivable						
Including: Notes receivable	23,370,480.50	0.05	20,392,000.00	0.04	14.61	
Accounts receivable	1,884,205,621.04	3.76	2,104,093,140.45	4.14	-10.45	
Prepayments	3,677,888,948.36	7.34	2,737,289,683.04	5.38	34.36	Increase in prepayments for materials and equipment due to the increased orders for product construction materials during the Reporting Period.
Other receivables	111,577,651.96	0.22	63,332,234.35	0.12	76.18	Increase in dividends receivable at the end of the Reporting Period.

Inventories	5,485,543,081.92	10.95	5,434,769,275.19	10.69	0.93	
Contract assets	3,298,473,835.56	6.58	2,312,935,460.77	4.55	42.61	
Non-current assets due within one year	902,004,812.58	1.80	297,245,486.79	0.58	203.45	Increase in long-term receivables due within one year at the end of the Reporting Period.
Other current assets	350,323,736.92	0.70	148,416,094.87	0.29	136.04	Increase in input value-added tax at the end of the Reporting Period.
Long-term receivables	857,594,772.71	1.71	1,667,410,982.91	3.28	-48.57	Increase in long-term receivables due within one year at the end of the Reporting Period.
Investment property	126,380,494.02	0.25	129,649,206.54	0.25	-2.52	
Long-term equity investments	5,260,921,544.79	10.50	5,205,831,705.50	10.24	1.06	
Investments in other equity instruments	8,892,270,288.92	17.75	6,447,078,173.90	12.68	37.93	Effect of increase in fair value of shares of CSSC Holdings held at the end of the Reporting Period.
Fixed assets	4,675,266,368.01	9.33	5,171,674,516.34	10.17	-9.60	
Construction in progress	273,128,883.10	0.55	340,768,631.96	0.67	-19.85	
Right-of-use assets	224,525,712.60	0.45	177,197,989.59	0.35	26.71	
Short-term borrowings	194,111,361.11	0.39	780,514,316.67	1.53	-75.13	Due repayment of borrowings from financial institutions during the Reporting Period.
Trading financial liabilities	32,324,963.77	0.06	24,854,342.66	0.05	30.06	Decrease in fair value of some financial derivatives held at the end of the Reporting Period.
Notes payable	1,256,995,566.40	2.51	3,882,643,617.93	7.63	-67.63	Due payment of notes payable during the Reporting Period.
Contract liabilities	13,294,024,905.11	26.53	15,373,560,027.69	30.23	-13.53	

Employee compensation payable	200,196,375.21	0.40	1,383,377.31	0.00	14,371.57	Increase in wages, subsidies and benefits accrued but not paid during the Reporting Period.
Taxes and dues payable	19,615,559.72	0.04	72,738,615.78	0.14	-73.03	Decrease in value-added tax, individual income tax and enterprise income tax payable at the end of the Reporting Period.
Non-current liabilities due within one year	641,741,880.85	1.28	1,063,803,392.87	2.09	-39.67	Decrease in long-term borrowings due within one year at the end of the Reporting Period.
Long-term borrowings	4,874,244,680.00	9.73	3,314,314,701.47	6.52	47.07	Increase in policy loans obtained during the Reporting Period.
Lease liabilities	146,062,123.81	0.29	121,112,313.78	0.24	20.60	
Estimated liabilities	369,161,446.79	0.74	188,929,029.21	0.37	95.40	Increase in the balance of warranty expenses provided for and the unexecuted loss-making contract obligations at the end of the Reporting Period.
Deferred income	60,193,875.11	0.12	39,427,582.86	0.08	52.67	Increase in government subsidies not carried forward at the end of the Reporting Period.
Deferred tax liabilities	1,533,712,168.01	3.06	914,322,691.53	1.80	67.74	Effect of increase in fair value of shares of CSSC Holdings held at the end of the Reporting Period.
Other non-current liabilities	183,708,182.77	0.37	78,892,468.71	0.16	132.86	Increase in the carrying amounts of hedged items at the end of the Reporting Period.
Other comprehensive income	4,443,621,133.78	8.87	2,607,526,251.42	5.13	70.42	Effect of increase in fair value of shares of CSSC Holdings held at the end of the Reporting Period.

4.3 Analysis of investments

4.3.1 Information on external equity investments

The Company is an investment holding company, and details of its external investments are set out in the notes to the financial statements. As at the end of the Reporting Period, the balance of the Group's long-term equity investments was RMB5,260.9215 million, representing an increase of 1.06% from RMB5,205.8317 million as at the beginning of the Year, mainly due to the impact of increase in the investment income from associates during the Reporting Period.

4.4 Non-fund raising investment projects

During the Reporting Period, the Company had no non-fund raising investment projects.

§ 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 intends to distribute a cash dividend of RMB0.12 (tax inclusive) for every 10 shares to all shareholders for the first half of 2024, calculated according to the total share capital of 1,413,506,378 shares as at 30 June 2024, and the total cash dividends to be distributed will be RMB16,962,076.54 (tax inclusive), representing 11.55% of the net profit attributable to shareholders of the Company for the period from January to June in 2024. The remaining retained earnings of the Company of RMB1,082,067,327.18 will be carried forward for distribution in future periods. The Company did not convert capital reserve into share capital for the first half of 2024 and the expected dividend payment date is 22 November 2024.

This profit distribution proposal is subject to approval at the extraordinary general meeting of the Company.

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 Yuan

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
China Shipbuilding Group Guangzhou Ship Industrial Co., Ltd. (中國船舶集團廣 州船舶工業有限公司)	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 Industrial 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
Guangdong Guangxin Shipbuilding Trading Company Limited (廣東廣 新船舶貿易有限公司)	Wenchuan Heavy Industrial	Land, buildings and structures	-	2024.5.1	2026.4.30	-	-	-	No	-
Guangdong COSCO SHIPPING Heavy Industry Co., Ltd.	Wenchuan Heavy Industrial	Land, buildings and structures	-	2021.7.9	2026.7.8	-	-	-	No	-

Description of leases

China Shipbuilding Group Guangzhou Ship Industrial Co., Ltd. and Huangpu Wenchong entered into a lease agreement in relation to land use right, and leased 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 Industrial Co., Ltd. and 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.

Guangdong Guangxin Shipbuilding Trading Company Limited and Wenchuan Heavy Industrial 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 Wenchuan Heavy Industrial for operational use. The fee of the plant and equipment to be leased shall be determined in accordance with the contract, and the rent shall be paid monthly in the form of monetary funds. The lease term of the aforementioned land use rights will end on 30 April 2026.

Guangdong COSCO SHIPPING Heavy Industry Co., Ltd. and Wenchuan Heavy Industrial 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 Wenchuan Heavy Industrial for operational use. The lease fee of the land use right shall be determined in accordance with the contract, and the rent shall be paid monthly in the form of monetary funds. The lease term of the aforementioned land use rights started from 9 July 2021 and will end on 8 July 2026.

5.4.2 Guarantee

Unit: RMB ten thousand

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	Main debt	Collateral (if any)	Whether fully executed	Whether guarantee is overdue	Overdue amount	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)													54,235.92			
Total amount of guarantees provided by the Company (including those provided for its subsidiaries)													-			
Total amount of guarantees (A+B)													54,235.92			
Total amount of guarantees as a percentage of the Company's net assets (%)													2.50			
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)													54,235.92			
Total amount of guarantees in excess of 50% of net assets (E)													-			
Sum of the above three guarantees (C+D+E)													54,235.92			
Description of outstanding guarantees which may incur several and joint liability													Not applicable			
Description of guarantees													During the Reporting Period, the Group has not incurred any new external guarantees. As at the end of the Reporting Period, the Group provided external guarantees with a balance of RMB542 million, all of them were guarantees provided by the Company's subsidiary Huangpu Wenchong to its wholly-owned subsidiary Wenchuan Heavy Industrial. The guaranteed items are comprehensive credit guarantee and by letter of guarantee of the parent company guarantee, and there was no overdue 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

According to the Circular on the List of Key Units for Environmental Supervision in Guangzhou for 2024 (Sui Huan [2024] No. 34) issued by Guangzhou Environmental Protection Bureau, three members of the Group, namely, Huangpu Wenchong, Wenchong Shipyard and Huangchuan Ocean Engineering were included in the list of key units for environmental supervision in Guangzhou in 2024.

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)	Emission concentration 0.04mg/m ³ , total emission 11.9KG	None	Emission Limits of Air Pollutants (DB44/27- 2001) period II Standard Level 2	–
		Wenchong Shipyard (6)	Emission concentration 0.06mg/m ³ , total emission 48KG	None		–
		Huangchuan Ocean Engineering (4)	Emission concentration 0.1mg/m ³ , total emission 20.89KG	None		–
Xylene	Organized (intermittent)	Huangpu Wenchong (4)	Emission concentration 0.69mg/m ³ , total emission 121.83KG	None	Emission Limits of Air Pollutants (DB44/27- 2001) period II Standard Level 2	–
		Wenchong Shipyard (6)	Emission concentration 0.65mg/m ³ , total emission 1,087KG	None		–
		Huangchuan Ocean Engineering (4)	Concentration 1.4mg/m ³ , total emission 509.25KG	None		–

VOCs	Organized emission (intermittent)	Huangpu Wenchong (4)	Emission concentration 1.79mg/m ³ , total emission 535.6KG	None	Emission Limits of Air Pollutants (DB44/27- 2001) period II Standard Level 2	-
		Wenchong Shipyard (6)	Emission concentration 1.85mg/m ³ , total emission 1,122KG	None		-
		Huangchuan Ocean Engineering (4)	Emission concentration 7.97mg/m ³ , total emission 1,437.5KG	None		-
Particulate matter	Organized emission (intermittent)	Huangpu Wenchong (4)	Average emission concentration 3.45mg/m ³ , total emission 892.8KG	None	Emission Limits of Air Pollutants (DB44/27- 2001) period II Standard Level 2	-
		Wenchong Shipyard (12)	Emission concentration 2.08mg/m ³ , total emission 1,925KG	None		-
		Huangchuan Ocean Engineering (13)	Concentration 15mg/m ³ , total emission 2,333.88KG	None		-
COD	Organized emission (intermittent)	Huangpu Wenchong (1)	Emission concentration 14mg/L, total emission 2,445.3KG	None	Emission Limits of Water Pollutants in Guangdong Province period II Standard Level 3 for Class II Area	-
		Wenchong Shipyard (1)	Emission concentration 494mg/L, total emission 18,583KG	None		-
		Huangchuan Ocean Engineering (1)	Emission concentration 13mg/L, total emission 767.09KG	None	Emission Limits of Water Pollutants in Guangdong Province period II Standard Level 1	-
Ammonia nitrogen	Organized emission (intermittent)	Huangpu Wenchong (1)	Emission concentration 4.58mg/L, total emission 475.96KG	None	Emission Limits of Water Pollutants in Guangdong Province period II Standard Level 3 for Class II Area	-
		Wenchong Shipyard (1)	Emission concentration 22mg/L, total emission 3,479KG	None		-
		Huangchuan Ocean Engineering (1)	Emission concentration 0.17mg/L, total emission 14.66KG	None	Emission Limits of Water Pollutants in Guangdong Province period II Standard Level 1 for Class II Area	-

5.5.1.2 Construction and operation of pollution prevention facilities

1. Huangpu Wenchong

Existing facilities of Huangpu Wenchong against environmental pollution: 6 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; 5 sets of dust removal facilities installed in two pretreatment lines, old painting and assembly workshop, new painting and assembly workshop and pipe processing workshops respectively. The organic waste gas purification and treatment device adopts the technical process of “activated carbon adsorption + catalytic combustion, zeolite rotor + catalytic combustion, RTO”, and the dust treatment device adopts the method of cyclone dust removal + filter cartridge dust removal. It has also built a hazardous waste warehouse to store hazardous waste and prevent environmental pollution. All units using these anti-pollution devices have kept regular maintenance of the devices with detailed operation records, all devices are in normal operation. During the Reporting Period, Huangpu Wenchong upgraded the organic waste gas purification and treatment devices in the 2m pretreatment line. The treatment process was upgraded from the original activated carbon adsorption + catalytic combustion to the latest “RTO treatment process”. Thus, the treatment efficiency reaches over 96% and the emission concentration is far below the emission standard of Guangdong Province.

2. Wenchong Shipyard

Existing facilities of Wenchong Shipyard against environmental pollution: 8 sets of organic waste gas purification devices (1 in each of painting workshop A and the pretreatment workshop, and 2 in each of the painting and assembly workshop 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. The Company carries out real-time monitoring of VOC emissions. In the first half of 2024, we completed one renovation project of environmental protection facilities in the painting workshop A, and installed new online monitoring equipment (the former online monitoring equipment provided by the District Environmental Protection Bureau has been shut down), and it has been connected to the national pollution discharge management platform. It can conduct real-time monitoring on VOC emissions, and the equipment is in normal operation.

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, 9 sets of activated carbon adsorption + catalytic combustion purification treatment devices for organic waste gas (volatile organic compounds), and 3 sets of zeolite rotor + CO purification devices and 1 RTO treatment facility. All these facilities operate normally. In the first half of the year, we upgraded the organic waste gas purification and treatment devices in 1#, 3# and 4# painting and assembly workshop. The treatment process was upgraded from the original activated carbon adsorption + catalytic combustion to the latest “zeolite rotor adsorption + catalytic combustion”.

Thus, the treatment efficiency reaches over 96% and the emission concentration is far below the emission standard of Guangdong Province.

For production noise, Huangpu Wenchong, Wenchong Shipyard and Huangchuan Ocean Engineering mainly reduce the impact of production noise through equipment selection, building enclosure, establishing sound insulation covers, and installing damping pads and mufflers.

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

Huangpu Wenchong, Wenchong Shipyard and Huangchuan Ocean Engineering have implemented the reporting and approval system of construction projects in strict accordance with national laws and regulations. All projects have project documents and environmental impact assessment report and have obtained approval for the environmental impact assessment for the projects 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, the Drainage Permit and the Radiation Safety Permit.

5.5.1.4 Emergency plans for sudden environmental events

Huangpu Wenchong, Wenchong Shipyard and Huangchuan Ocean Engineering have prepared the Emergency Plans for Sudden Environmental Events of the Company and Risk Assessment Report for Sudden Environmental Events of the Company in strict accordance with the Measures for the Administration of Emergency Response Plans issued by the General Office of the State Council, all of which have been filed with the local environmental protection authorities. In addition, they have carried out regular drills in accordance with the annual emergency drill plan for environmental emergencies, and made on-site records, summaries and assessments to enhance their ability to respond to sudden environmental events.

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 Authorization Management Information Platform. Huangpu Wenchong, Wenchong Shipyard and Huangchuan Ocean Engineering have appointed qualified organizations to carry out regular monitoring work to monitor waste gas, waste water and noise emissions of each factory every quarter, and the test results are in compliance with the emissions standards. The testing data is utilized to keep track of the operation of environmental protection equipment and facilities. The equipment and facilities are maintained and managed properly. Thus, the pollutant emissions meet the standards and do not fall short of 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 2024, the Company had a total of bank deposits amounting to RMB17 million used to secure bank acceptance notes, letters of guarantee, letters of credit and as deposit for bank drafts; a total of RMB12 million of notes receivable was pledged to secure bank acceptance notes obtained. Save as disclosed above, no other assets of the Group were subject to pledge.

5.6.2 Gearing ratio

As at 30 June 2024, the Group's gearing ratio (calculated by total liabilities/total assets x 100%) was 56.74%, representing a decrease of 4.71 percentage points as compared with 61.45% of the beginning of the Reporting Period.

5.6.3 Repurchase, sale or redemption of securities of the Company

The Group has not made any purchase, sale or redemption of listed 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 of the Company.

6.1 Corporate Governance

The Company keeps improving its corporate governance structure in strict accordance with the Company Law of the People's Republic of China (the "**Company Law**"), 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 corporate governance had no material difference from the Company Law and relevant regulations of the China Securities Regulatory Commission.

The Company has adopted all applicable principles and code provisions of the Corporate Governance Code and Corporate Governance Report (the "**CG Code**") as set out in Appendix C1 of the Hong Kong Listing Rules and, except as disclosed below, the Company has complied with all the code provisions. For the purpose of Code Provision C.1.6, Mr. Yu Shiyou, being the former independent non-executive Director of the Company, was unable to attend the 2024 first extraordinary general meeting of the Company held on 2 February 2024 for work reasons; and Mr. Chen Ji, Mr. Gu Yuan and Mr. Yin Lu, all being non-executive Directors, Mr. Lin Bin and Mr. Nie Wei, both being independent non-executive Directors, were unable to attend the 2023 annual general meeting, the 2024 first A Shares class meeting and the 2024 first H Shares class meeting of the Company held on 30 May 2024 for work reasons. Mr. Xiang Huiming, being the former Chairman of the Company resigned on 21 May 2024 for retirement reason, and as at the date of this announcement, the Company has not yet elected a new director to replace Mr. Xiang Huiming, being the former Chairman, in relation to the positions of the Chairman of the Company and the chairman of the Strategy Committee of the Board. Therefore, the Company has been unable to comply with the requirements of provisions C.2 and F.2.2 of the CG Code as well as its code provisions applicable to the chairman since 21 May 2024. Mr. Xiang Huiming's resignation did not affect the normal operation of the Board of the Company, but the Company will elect a new Chairman as soon as possible in accordance with relevant laws and regulations and the Articles of Association, so as to ensure full compliance with the requirements of the above CG Code and the continued and better performance of corporate governance duties.

In addition, according to the code provision B.2.2 of the CG Code, every director, including those appointed for a specific term, shall be subject to retirement by rotation at least once every three years. The term of office of the Tenth Session of the Board of the Company has expired on 23 October 2023. Given that the nomination of director candidates for the Eleventh Session of the Board had not yet been completed at that time, in order to maintain the continuity of the work of the Board, the election of the Board was postponed. On 29 December 2023, the Company convened the Twenty-fifth Meeting of the Tenth Session of the Board to nominate the candidates for the Eleventh Session of the Board; on 2 February 2024, the Company convened the first extraordinary general meeting of 2024 to elect the

Eleventh Session of the Board. For details, please refer to the announcements of the Company dated 23 October 2023, 29 December 2023 and 2 February 2024 and the circular dated 15 January 2024, respectively. Accordingly, the Company has been unable to comply with the requirements under code provision B.2.2 of the CG Code for the period from the commencement of the Reporting Period and up to 2 February 2024.

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 Model Code for Securities Transactions by Directors of Listed Issuers during the Reporting Period.

6.3 Meetings of the Board

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

In addition, the Audit Committee of the Board held 4 meetings to consider and approve the resolutions on the election of the Chairman of the eleventh session of the Audit Committee of the Board of the Company, on the annual report of the Company for 2023, on the self-assessment report on internal control, on the first quarter report of 2024, etc.; the Emolument and Examination Committee of the Board held 3 meetings to consider and approve the resolutions on the election of the Chairman of the eleventh session of the Emolument and Examination Committee of the Board of the Company, on the remuneration of the Directors, Supervisors and senior management of the Company for year 2023, on the Company's Management Accountability for Business Performance in 2024, etc.; the Nomination Committee of the Board held 2 meetings to consider and approve the resolutions on the election of the Chairman of the eleventh session of the Nomination Committee of the Board of the Company and on nominating the general manager of the Company, secretary to the Board, chief financial officer and authorised securities representative, etc.

§ 7 FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH THE CHINA ACCOUNTING STANDARDS

(Amounts denominated in Renminbi unless otherwise specified)

Consolidated Balance Sheet

30 June 2024

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

Unit: Yuan Currency: RMB

Item	30 June 2024	31 December 2023
Current assets:		
Cash at bank and on hand	11,651,152,043.34	16,422,805,149.57
Settlement reserve		
Placements with banks and non-bank financial institutions		
Trading financial assets	5,633,770.34	9,127,869.19
Derivative financial assets		
Notes receivable	23,370,480.50	20,392,000.00
Accounts receivable	1,884,205,621.04	2,104,093,140.45
Receivable financing	301,879,301.38	276,203,451.85
Prepayments	3,677,888,948.36	2,737,289,683.04
Insurance premium receivable		
Reinsurance premium receivable		
Reserves for reinsurance contract receivable		
Other receivables	111,577,651.96	63,332,234.35
Financial assets purchased under agreements to resell		
Inventories	5,485,543,081.92	5,434,769,275.19
Including: Information resources		
Contract assets	3,298,473,835.56	2,312,935,460.77
Assets held-for-sale		
Non-current assets due within one year	902,004,812.58	297,245,486.79
Other current assets	350,323,736.92	148,416,094.87
Total current assets	27,692,053,283.90	29,826,609,846.07

Item	30 June 2024	31 December 2023
Non-current assets:		
Loans and advances granted		
Debt investments		
Other debt investments		
Long-term receivables	857,594,772.71	1,667,410,982.91
Long-term equity investments	5,260,921,544.79	5,205,831,705.50
Investments in other equity instruments	8,892,270,288.92	6,447,078,173.90
Other non-current financial assets		
Investment properties	126,380,494.02	129,649,206.54
Fixed assets	4,675,266,368.01	5,171,674,516.34
Construction in progress	273,128,883.10	340,768,631.96
Productive biological assets		
Oil and gas assets		
Right-of-use assets	224,525,712.60	177,197,989.59
Intangible assets	941,193,287.78	886,447,990.87
Including: Information resources		
Development expenses		
Including: Information resources		
Goodwill		
Long-term deferred expenses	54,692,590.44	43,976,595.97
Deferred tax assets	403,796,046.08	369,371,383.86
Other non-current assets	703,946,938.40	596,484,984.06
Total non-current assets	22,413,716,926.85	21,035,892,161.50
Total assets	50,105,770,210.75	50,862,502,007.57

Item	30 June 2024	31 December 2023
Current liabilities:		
Short-term borrowings	194,111,361.11	780,514,316.67
Loans from central bank		
Placements from banks and non-bank financial institutions		
Trading financial liabilities	32,324,963.77	24,854,342.66
Derivative financial liabilities		
Notes payable	1,256,995,566.40	3,882,643,617.93
Accounts payable	5,070,235,001.09	4,869,983,355.45
Accounts collected in advance		
Contract liabilities	13,294,024,905.11	15,373,560,027.69
Securities sold under agreements to repurchase		
Deposits from customers and other banks		
Brokerage for securities trading		
Brokerage for underwriting securities		
Employee compensation payable	200,196,375.21	1,383,377.31
Taxes and dues payable	19,615,559.72	72,738,615.78
Other payables	235,721,636.51	249,017,410.64
Fee and commission payable		
Reinsured accounts payable		
Liabilities held for sale		
Non-current liabilities due within one year	641,741,880.85	1,063,803,392.87
Other current liabilities	211,347,002.46	167,102,591.27
Total current liabilities	21,156,314,252.23	26,485,601,048.27

Item	30 June 2024	31 December 2023
Non-current liabilities:		
Reserves for insurance contracts		
Long-term borrowings	4,874,244,680.00	3,314,314,701.47
Bonds payable		
Including: Preference shares		
Perpetual bonds		
Lease liabilities	146,062,123.81	121,112,313.78
Long-term payables		
Long-term employee compensation payable	104,766,027.59	112,864,448.12
Estimated liabilities	369,161,446.79	188,929,029.21
Deferred income	60,193,875.11	39,427,582.86
Deferred tax liabilities	1,533,712,168.01	914,322,691.53
Other non-current liabilities	183,708,182.77	78,892,468.71
Total non-current liabilities	7,271,848,504.08	4,769,863,235.68
Total liabilities	28,428,162,756.31	31,255,464,283.95
Owners' equity (or shareholders' equity):		
Share capital	1,413,506,378.00	1,413,506,378.00
Other equity instruments		
Including: Preference shares		
Perpetual bonds		
Capital reserve	9,004,409,387.69	9,003,416,519.77
Less: Treasury shares		
Other comprehensive income	4,443,621,133.78	2,607,526,251.42
Special reserve		
Surplus reserve	1,116,371,040.28	1,116,371,040.28
Provision for general risks		
Retained earnings	2,408,046,461.47	2,276,749,345.46
Total equity attributable to owners of the Parent Company	18,385,954,401.22	16,417,569,534.93
Non-controlling interests	3,291,653,053.22	3,189,468,188.69
Total equity	21,677,607,454.44	19,607,037,723.62
Total liabilities and equity	50,105,770,210.75	50,862,502,007.57

Person in charge of the Company: Chen Liping

Chief financial officer: Hou Zengquan

Head of accounting department: Xie Weihong

Balance Sheet of the Parent Company

30 June 2024

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

Unit: Yuan Currency: RMB

Item	30 June 2024	31 December 2023
Current assets:		
Cash at bank and on hand	1,455,390,728.80	1,440,736,925.94
Trading financial assets		
Derivative financial assets		
Notes receivable		
Accounts receivable		
Receivable financing		
Prepayments		
Other receivables	44,541,109.58	365,335.44
Inventories		
Including: Information resources		
Contract assets		
Assets held for sale		
Non-current assets due within one year		
Other current assets	20,473,197.34	21,901,843.18
Total current assets	1,520,405,035.72	1,463,004,104.56

Item	30 June 2024	31 December 2023
Non-current assets:		
Debt investments		
Other debt investments		
Long-term receivables		
Long-term equity investments	6,917,011,885.26	6,853,156,317.38
Investments in other equity instruments	8,854,218,030.36	6,403,050,327.04
Other non-current financial assets		
Investment properties	126,380,494.02	129,649,206.54
Fixed assets	4,267,018.56	4,460,988.35
Construction in progress		
Productive biological assets		
Oil and gas assets		
Right-of-use assets		
Intangible assets		
Including: Information resources		
Development expenses		
Including: Information resources		
Goodwill		
Long-term deferred expenses		
Deferred tax assets	192,117.22	196,911.81
Other non-current assets		
Total non-current assets	15,902,069,545.42	13,390,513,751.12
Total assets	17,422,474,581.14	14,853,517,855.68

Item	30 June 2024	31 December 2023
Current liabilities:		
Short-term borrowings		
Trading financial liabilities		
Derivative financial liabilities		
Notes payable		
Accounts payable	16,018,894.89	16,500,985.45
Accounts collected in advance		
Contract liabilities		
Employee benefits payable		
Taxes payable	712,093.71	563,779.89
Other payables	16,336,072.33	889,696.00
Liabilities held for sale		
Non-current liabilities due within one year		
Other current liabilities		
Total current liabilities	33,067,060.93	17,954,461.34
Non-current liabilities:		
Long-term borrowings		
Bonds payable		
Including: Preference shares		
Perpetual bonds		
Lease liabilities		
Long-term payables		
Long-term employee benefits payable		
Estimated liabilities		
Deferred income		
Deferred tax liabilities	1,499,083,707.59	886,291,781.76
Other non-current liabilities		
Total non-current liabilities	1,499,083,707.59	886,291,781.76
Total liabilities	1,532,150,768.52	904,246,243.10

Item	30 June 2024	31 December 2023
Owners' equity:		
Share capital	1,413,506,378.00	1,413,506,378.00
Other equity instruments		
Including: Preference shares		
Perpetual bonds		
Capital reserve	8,248,320,422.56	8,247,327,554.64
Less: Treasury shares		
Other comprehensive income	4,496,574,768.03	2,658,039,736.03
Special reserve		
Surplus reserve	632,892,840.31	632,892,840.31
Retained earnings	1,099,029,403.72	997,505,103.60
Total equity	15,890,323,812.62	13,949,271,612.58
Total liabilities and equity	17,422,474,581.14	14,853,517,855.68

Person in charge of the Company:
Chen Liping

Chief financial officer:
Hou Zengquan

Head of accounting department:
Xie Weihong

Consolidated Income Statement

From January to June 2024

Unit: Yuan Currency: RMB

Item	1st half of 2024	1st half of 2023
I. Total operating revenue	8,728,536,063.65	5,982,333,803.04
Including: Operating revenue	8,728,536,063.65	5,982,333,803.04
Interest income		
Premium earned		
Fee and commission revenue		
II. Total operating costs	8,658,050,461.36	5,941,223,372.75
Including: Operating costs	8,079,818,322.37	5,642,446,121.19
Interest expense		
Fee and commission expenses		
Refunded premiums		
Net amount of compensation payout		
Net increase in insurance contracts reserve		
Policy dividend payment		
Reinsured expenses		
Taxes and surcharges	11,454,711.70	8,481,515.13
Selling expenses	12,906,616.79	12,676,884.94
General and administrative expenses	290,618,064.47	273,840,779.15
Research and development expense	423,009,220.26	231,432,606.50
Financing cost	-159,756,474.23	-227,654,534.16
Including: Interest expenses	53,527,454.83	60,050,142.80
Interest income	183,004,781.70	202,806,848.14
Add: Other income	58,358,958.88	46,302,509.17
Investment income (loss expressed with “-”)	122,596,866.59	-20,287,931.58
Including: Income from investment in associates and joint ventures	54,607,253.60	-5,456,775.66
Derecognition income of financial assets measured at amortised cost		
Exchange gain (loss expressed with “-”)		
Net gain from exposure hedging (loss expressed with “-”)		
Gain from change in fair value (loss expressed with “-”)	-64,857,252.63	-43,234,836.94

Item	1st half of 2024	1st half of 2023
Loss on impairment of credit (loss expressed with “-”)	-3,698,846.98	-6,523,917.58
Loss on impairment of assets (loss expressed with “-”)		-4,457,594.94
Gains from disposal of assets (loss expressed with “-”)	-32,490,144.44	
III. Operating profit (loss expressed with “-”)	150,395,183.71	12,908,658.42
Add: Non-operating income	1,564,607.84	1,825,065.55
Less: Non-operating expenses	1,238,089.30	1,297,967.14
IV. Total profit (total loss expressed with “-”)	150,721,702.25	13,435,756.83
Less: Income tax expense	-33,905,499.07	-4,770,338.94
V. Net profit (net loss expressed with “-”)	184,627,201.32	18,206,095.77
(I) By continuity of operations		
1. Net profit from continuing operations (net loss expressed with “-”)	184,627,201.32	18,206,095.77
2. Net profit from discontinued operations (net loss expressed with “-”)		
(II) By ownership		
1. Net profit attributable to shareholders of the Parent Company (net loss expressed with “-”)	146,845,686.17	12,665,284.90
2. Gain or loss attributable to non-controlling interests (net loss expressed with “-”)	37,781,515.15	5,540,810.87
VI. Net other comprehensive income after tax	1,834,065,131.74	1,734,461,742.63
Net other comprehensive income after tax attributable to owners of the Parent Company	1,836,094,882.36	1,734,219,016.07
(I) Other comprehensive income that may not be subsequently reclassified to profit and loss	1,835,764,956.32	1,732,714,093.83
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	159,254.51	-26,522.19
3. Change in fair value of investments in other equity instruments	1,835,605,701.81	1,732,740,616.02
4. Change in fair value of own credit risk		

Item	1st half of 2024	1st half of 2023
(II) Other comprehensive income that will be subsequently reclassified to profit or loss	329,926.04	1,504,922.24
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		
6. Exchange differences arising from translation of foreign currency financial statements	329,926.04	1,504,922.24
7. Others		
Net other comprehensive income after tax attributable to non-controlling interests	-2,029,750.62	242,726.56
VII. Total comprehensive income	2,018,692,333.06	1,752,667,838.40
Total comprehensive income attributable to owners of the Parent Company	1,982,940,568.53	1,746,884,300.97
Total comprehensive income attributable to non-controlling interests	35,751,764.53	5,783,537.43
VIII. Earnings per share:		
(I) Basic earnings per share (RMB/share)	0.1039	0.0090
(II) Diluted earnings per share (RMB/share)	0.1039	0.0090

Person in charge of the Company: Chief financial officer:
Chen Liping Hou Zengquan

Head of accounting department:
Xie Weihong

Income Statement of the Parent Company

From January to June 2024

Unit: Yuan Currency: RMB

Item	1st half of 2024	1st half of 2023
I. Operating revenue	6,546,600.00	6,546,600.00
Less: Operating costs	3,268,712.52	3,268,712.52
Taxes and surcharges	47,167.20	45,684.84
Selling expenses		
General and administrative expenses	7,125,048.04	7,587,938.80
Research and development expense		
Financing cost	-18,346,225.51	-19,322,148.02
Including: Interest expenses		
Interest income	18,355,766.89	19,331,504.58
Add: Other income	22,846.07	103,521.97
Investment income (loss expressed with “-”)	106,202,428.65	6,499,204.46
Including: Income from investment in associates and joint ventures	62,703,445.45	6,499,204.46
Derecognition income of financial assets measured at amortised cost		
Net gain from exposure hedging (loss expressed with “-”)		
Gain from change in fair value (loss expressed with “-”)		
Loss on impairment of credit (loss expressed with “-”)	19,178.36	522,836.58
Loss on impairment of assets (loss expressed with “-”)		
Gains from disposal of assets (loss expressed with “-”)		
II. Operating profit (loss expressed with “-”)	120,696,350.83	22,091,974.87
Add: Non-operating income		450.00
Less: Non-operating expenses		547.00
III. Total profit (total loss expressed with “-”)	120,696,350.83	22,091,877.87
Less: Income tax expense	3,623,480.55	1,947,909.06

Item	1st half of 2024	1st half of 2023
IV. Net profit (net loss expressed with “-”)	117,072,870.28	20,143,968.81
(I) Net profit from continuing operations (net loss expressed with “-”)	117,072,870.28	20,143,968.81
(II) Net profit from discontinued operations (net loss expressed with “-”)		
V. Net other comprehensive income after tax	1,838,535,032.00	1,733,951,695.62
(I) Other comprehensive income that may not be subsequently reclassified to profit and loss	1,838,535,032.00	1,733,951,695.62
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	159,254.51	-26,522.19
3. Change in fair value of investments in other equity instruments	1,838,375,777.49	1,733,978,217.81
4. Change in fair value of own credit risk		
(II) Other comprehensive income that will be subsequently 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		
6. Exchange differences arising from translation of foreign currency financial statements		
7. Others		
VI. Total comprehensive income	1,955,607,902.28	1,754,095,664.43

Person in charge of the Company: Chief financial officer:
Chen Liping Hou Zengquan

Head of accounting department:
Xie Weihong

Consolidated Cash Flow Statement

From January to June 2024

Unit: Yuan Currency: RMB

Item	1st half of 2024	1st half of 2023
I. Cash flows from operating activities:		
Cash received from sale of goods or rendering of services	5,983,801,579.67	4,425,920,100.97
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	235,861,965.25	215,554,024.81
Other cash receipts relating to operating activities	280,349,156.07	324,847,813.01
Sub-total of cash inflows from operating activities	6,500,012,700.99	4,966,321,938.79
Cash paid for goods and services	11,273,597,535.48	6,777,311,802.30
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	464,282,201.83	479,544,945.28
Payments of taxes	60,741,016.04	64,613,475.19
Other cash payments relating to operating activities	259,078,607.89	248,349,153.84
Sub-total of cash outflows from operating activities	12,057,699,361.24	7,569,819,376.61
Net cash flows from operating activities	-5,557,686,660.25	-2,603,497,437.82

Item	1st half of 2024	1st half of 2023
II. Cash flows from investing activities:		
Cash receipts from disposal of investments	862,647.21	25,218,000.00
Cash receipts from investment income	14,594,892.76	7,854,819.88
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	377,320,653.56	2,335,897.69
Net cash receipts from disposal of subsidiaries and other business units	70,689.64	
Other cash receipts relating to investing activities	683,064,579.81	3,990,375,337.93
Sub-total of cash inflows from investing activities	1,075,913,462.98	4,025,784,055.50
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	60,465,821.21	255,864,858.16
Cash paid for investments	117,376,907.88	7,072,316.00
Net increase in pledged loans		
Net cash paid for acquisition of subsidiaries and other business units		
Other cash payments relating to investing activities	91,674,589.97	4,543,875,505.38
Sub-total of cash outflows from investing activities	269,517,319.06	4,806,812,679.54
Net cash flows from investing activities	806,396,143.92	-781,028,624.04
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	1,885,044,680.00	716,000,000.00
Other cash receipts relating to financing activities		
Sub-total of cash inflows from financing activities	1,885,044,680.00	716,000,000.00
Cash paid for repayment of debts	1,359,300,000.00	2,825,200,000.00
Cash paid for dividends, profit distribution or interest expenses	52,427,896.16	59,369,921.10
Including: Dividends and profits paid by subsidiaries to non-controlling interests		
Other cash payments relating to financing activities	21,969,406.29	45,968,323.81
Sub-total of cash outflows from financing activities	1,433,697,302.45	2,930,538,244.91
Net cash flows from financing activities	451,347,377.55	-2,214,538,244.91

Item	1st half of 2024	1st half of 2023
IV. Effect of change in exchange rate on cash and cash equivalents	21,629,075.25	54,128,606.18
V. Net increase in cash and cash equivalents	-4,278,314,063.53	-5,544,935,700.59
Add: Beginning balance of cash and cash equivalents	9,701,160,074.84	11,069,985,285.84
VI. Ending balance of cash and cash equivalents	5,422,846,011.31	5,525,049,585.25

Person in charge of the Company: Chief financial officer:
Chen Liping Hou Zengquan

Head of accounting department:
Xie Weihong

Cash Flow Statement of the Parent Company

From January to June 2024

Unit: Yuan Currency: RMB

Item	1st half of 2024	1st half of 2023
I. Cash flows from operating activities:		
Cash received from sale of goods or rendering of services	7,135,794.00	7,135,794.00
Cash received from tax refund		
Other cash receipts relating to operating activities	421,261.14	2,227,189.29
Sub-total of cash inflows from operating activities	7,557,055.14	9,362,983.29
Cash paid for goods and services	76,614.57	115,951.98
Cash paid to and on behalf of employees	5,055,558.33	4,274,988.99
Payments of taxes	2,207,930.04	255,452.45
Other cash payments relating to operating activities	3,796,559.65	4,269,725.55
Sub-total of cash outflows from operating activities	11,136,662.59	8,916,118.97
Net cash flows from operating activities	-3,579,607.45	446,864.32
II. Cash flows from investing activities:		
Cash receipts from disposal of investments		
Cash receipts from investment income		
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		
Net cash receipts from disposal of subsidiaries and other business units		
Other cash receipts relating to investing activities	458,040,000.00	584,274,661.11
Sub-total of cash inflows from investing activities	458,040,000.00	584,274,661.11
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	14,160.00	
Cash paid for investments		
Net cash paid for acquisition of subsidiaries and other business units		
Other cash payments relating to investing activities	91,500,000.00	1,042,000,000.00
Sub-total of cash outflows from investing activities	91,514,160.00	1,042,000,000.00
Net cash flows from investing activities	366,525,840.00	-457,725,338.89

Item	1st half of 2024	1st half of 2023
III. Cash flows from financing activities:		
Cash receipts from receiving investments		
Cash receipts from borrowings		
Other cash receipts relating to financing activities		
Sub-total of cash inflows from financing activities		
Cash paid for repayment of debts		
Cash paid for dividends, profit distribution or interest expenses		
Other cash payments relating to financing activities		
Sub-total of cash outflows from financing activities		
Net cash flows from financing activities		
IV. Effect of change in exchange rate on cash and cash equivalents	-3,165.25	-771.14
V. Net increase in cash and cash equivalents	362,943,067.30	-457,279,245.71
Add: Beginning balance of cash and cash equivalents	50,975,239.22	854,215,666.15
VI. Ending balance of cash and cash equivalents	413,918,306.52	396,936,420.44

Person in charge of the Company:
Chen Liping

Chief financial officer:
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

These consolidated financial statements have been prepared in accordance with the “Accounting Standards for Business Enterprises – Basic Standards” and various specific accounting standards, the application guidelines for the Accounting Standards for Business Enterprises, the Interpretation of the Accounting Standards for Business Enterprises and other relevant requirements by the Ministry of Finance (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 issued by China Securities Regulatory Commission (CSRC) and the relevant requirements by Hong Kong Companies Ordinance and the Listing Rules of the Hong Kong Stock Exchange.

(2) Going concern

The management of the Group has assessed its ability to operate on a continuing basis for the 12 months from 30 June 2024 and is of the view that its existing financial position should be sufficient to meet the production and operation of the Group. 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 by the Company in conformity with the China Accounting Standards for Business Enterprises by the Ministry of Finance, and present truly and completely the Company’s financial position as at 30 June 2024, operating results and cash flow and other related information from January to June 2024.

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 2024; and “Ending balance” refers to the balance as at 30 June 2024. “Current period” refers to the period from 1 January 2024 to 30 June 2024; and “Corresponding period of last year” refers to the period from 1 January 2023 to 30 June 2023. The currency unit is RMB.

1. Notes receivable

(1) Types of notes receivable

Item	Ending balance	Beginning balance
Bank acceptance bills	23,370,480.50	2,250,000.00
Finance company acceptance bills		123,000.00
Commercial acceptance bills		18,019,000.00
Total	23,370,480.50	20,392,000.00

(2) Disclosure of notes receivable by method of bad debt provision

Type	Ending balance				Carrying value
	Book balance		Provision for bad debts		
	Amount	Percentage (%)	Amount	Percentage of provision (%)	
Provision for bad debts made on an individual basis					
Provision for bad debts made on a collective basis with credit risk features	23,370,480.50	100.00			23,370,480.50
Total	23,370,480.50				23,370,480.50

Type	Beginning balance				Carrying value
	Book balance		Provision for bad debts		
	Amount	Percentage (%)	Amount	Percentage of provision (%)	
Provision for bad debts made on an individual basis					
Provision for bad debts made on a collective basis with credit risk features	20,392,000.00	100.00			20,392,000.00
Total	20,392,000.00				20,392,000.00

Provision for bad debts made on a collective basis with credit risk features:

Item:

Item	Ending balance		
	Notes receivable	Provision for bad debts	Percentage of provision (%)
Bank acceptance bills	23,370,480.50		
Finance company acceptance bills			
Related party commercial acceptance bills			
Total	23,370,480.50		

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

None.

(4) Notes receivable pledged as at the end of the period

Item	Pledged amount as at the end of the period
Bank acceptance bills	11,935,117.48
Finance company acceptance bills	
Commercial acceptance bills	
Total	11,935,117.48

(5) 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 derecognized as at the end of the period	Amount not derecognized as at the end of the period
Bank acceptance bills		1,551,806.00
Finance company acceptance bills		
Commercial acceptance bills		
Total		1,551,806.00

(6) Notes receivable actually written-off during the period

None

2. Accounts receivable

(1) The ageing analysis of accounts receivable as at the transaction date is as follows

Ageing	Ending balance	Beginning balance
Within 1 year (including 1 year)	1,545,638,645.32	1,831,260,862.04
1 to 2 years	290,124,854.73	232,123,477.25
2 to 3 years	64,111,097.83	50,000,426.05
3 to 4 years	10,425,333.44	14,375,512.16
4 to 5 years	1,732,559.99	787,068.12
Over 5 years	11,972,037.00	11,980,809.11
Subtotal	1,924,004,528.31	2,140,528,154.73
Less: Provision for bad debts	39,798,907.27	36,435,014.28
Total	1,884,205,621.04	2,104,093,140.45

(2) Credit period of accounts receivable

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

(3) Disclosure of accounts receivable by method of bad debt provision

Type	Ending balance				
	Book balance		Provision for bad debts		Carrying value
	Amount	Percentage (%)	Amount	Percentage of provision (%)	
Provision for bad debts made on an individual basis					
Provision for bad debts made on a collective basis	1,924,004,528.31	100.00	39,798,907.27	2.07	1,884,205,621.04
Total	1,924,004,528.31	100.00	39,798,907.27		1,884,205,621.04

Type	Beginning balance				
	Book balance		Provision for bad debts		Carrying value
	Amount	Percentage (%)	Amount	Percentage of provision (%)	
Provision for bad debts made on an individual basis					
Provision for bad debts made on a collective basis	2,140,528,154.73	100.00	36,435,014.28	1.70	2,104,093,140.45
Total	2,140,528,154.73	100.00	36,435,014.28		2,104,093,140.45

1) Significant amounts receivable with provision for bad debts made on an individual basis

None

2) Provision for bad debts made on a collective basis with credit risk features:

Item	Ending balance		
	Accounts receivable	Provision for bad debts	Percentage of provision (%)
Related parties portfolio	69,231,815.99		
Portfolio of government units and public institutions	825,785,572.99		
Ageing portfolio	1,028,987,139.33	39,798,907.27	3.87
Total	1,924,004,528.31	39,798,907.27	

The details of the ageing portfolio are as follows:

Item	Ending balance		
	Accounts receivable	Provision for bad debts	Percentage of provision (%)
Within 1 year	854,300,241.97	2,353,106.63	0.28
1 to 2 years	109,526,842.94	10,952,684.31	10.00
2 to 3 years	52,432,669.23	15,729,800.77	30.00
3 to 4 years	8,990,284.13	7,192,227.31	80.00
4 to 5 years	830,064.06	664,051.25	80.00
Over 5 years	2,907,037.00	2,907,037.00	100.00
Total	1,028,987,139.33	39,798,907.27	

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 period, the Group expects the provision loss rate for accounts receivable ageing 0 to 6 months to be 0, the provision loss rate for accounts receivable ageing 6 months to 1 year to be 0.5%, the default loss rate for accounts receivable ageing 1 to 2 years to be 10%, the provision loss rate for accounts receivable ageing 2 to 3 years to be 30%, the provision loss rate for accounts receivable ageing 3 to 5 years to be 80%, and the provision loss rate for accounts receivable ageing 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 at the balance sheet date, respectively.

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

Type	Beginning balance	Amount of changes during the period			Ending balance
		Provision	Recovered or reversed	Resold or written-off	
Provision for bad debts of accounts receivable	36,435,014.28	3,363,892.99			39,798,907.27
Total	36,435,014.28	3,363,892.99			39,798,907.27

(5) Accounts receivable actually written-off during the period

None

(6) Accounts receivable and contract assets of top five debtors by ending balance

Name of entity	Ending balance of accounts receivable	Ending balance of contract assets	Ending balance of accounts receivable and contract assets	Percentage of total ending balance of accounts receivable and contract assets (%)	Ending balance of provision for bad debts of accounts receivable and impairment of contract assets
Entity 1	515,804,656.23	582,167,000.00	1,097,971,656.23	21.02	
Entity 2	173,626,000.00		173,626,000.00	3.32	
Entity 3	154,256,339.67	8,733,211.05	162,989,550.72	3.12	1,004,689.33
Entity 4	156,803,299.09		156,803,299.09	3.00	681,853.12
Entity 5	87,062,536.10	22,329,121.74	109,391,657.84	2.09	1,234,201.62
Total	1,087,552,831.09	613,229,332.79	1,700,782,163.88	32.55	2,920,744.07

3. Notes payable

Item	Ending balance	Beginning balance
Bank acceptance bills	673,075,920.94	1,148,671,895.63
Finance company acceptance bills	582,455,354.52	1,000,753,377.78
Commercial acceptance bills	1,464,290.94	1,733,218,344.52
Total	1,256,995,566.40	3,882,643,617.93

Other description:

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

Among the above notes payable of the Group, RMB1,256,995,566.40 had an ageing of less than 180 days, and RMB0 had an ageing of 181-360 days.

4. Accounts payable

(1) Accounts payable

Item	Ending balance	Beginning balance
Materials purchased	1,423,175,195.19	3,495,821,088.81
Payment for construction in progress	708,969,100.13	68,578,031.65
Retention fund	731,686,552.70	721,806,399.22
Other construction and labour services	2,206,404,153.07	583,777,835.77
Total	5,070,235,001.09	4,869,983,355.45

(2) Ageing analysis of accounts payable based on the transaction date

Aging	Ending balance	Beginning balance
Within 1 year	3,531,475,336.06	2,856,000,087.76
1 to 2 years	591,049,333.93	921,570,784.26
2 to 3 years	299,580,689.02	313,755,269.84
Over 3 years	648,129,642.08	778,657,213.59
Total	5,070,235,001.09	4,869,983,355.45

Among them, significant accounts payable aged over one year:

Item	Ending balance	Including: Amount aged over one year	Reason for unsettlement or carrying forward
Guangzhou Wenchong Industrial Co., Ltd.	141,001,611.08	125,126,336.31	Tentative estimation of arrears and deposit
Aviation Technology Research Institute of China Aerospace Science and Industry	134,211,560.00	107,211,560.00	Tentative estimation of arrears and deposit
AECC Shenyang Liming Aero Engine Co., Ltd.	191,817,565.96	85,481,645.96	Tentative estimation of arrears and deposit
China Shipbuilding Group Co., Ltd. No. 715 Research Institute	67,948,100.00	67,948,100.00	Tentative estimation of arrears and deposit
China United Shipbuilding Company Limited	80,699,904.09	67,124,954.46	Tentative estimation of arrears and deposit
China Shipbuilding Group Guangzhou Ship Industrial Co., Ltd. (中國船舶集團廣州船舶工業有限公司)	66,423,518.44	58,447,154.47	Tentative estimation of arrears and deposit
CASIC Group No. 3 Research Institute	45,554,600.00	45,554,600.00	Tentative estimation of arrears and deposit
CSSC System Engineering Research Institute	579,351,718.25	41,587,384.32	Tentative estimation of arrears and deposit
China Shipbuilding Group Co., Ltd. No. 703 Research Institute	31,217,930.53	29,301,390.00	Tentative estimation of arrears and deposit
Sea Accommodation Resorts Inc	23,062,468.21	23,062,468.21	Tentative estimation of arrears and deposit
Nanjing Keruida Electronic Equipment Co., Ltd.	21,182,774.00	21,182,774.00	Tentative estimation of arrears and deposit
China Shipbuilding Industry Corporation 726 Research Institute	20,893,938.05	20,893,938.05	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
CNR (Dalian) Diesel & Special Hudong Co., Ltd.	17,306,666.67	17,306,666.67	Tentative estimation of arrears and deposit
Guangzhou Shipyard International Company Limited	15,092,111.96	15,000,000.00	Tentative estimation of arrears and deposit
Total	1,455,437,896.82	744,902,402.03	

5. Undistributed profits

Item	Current period	Corresponding period of last year
Undistributed profits as at the end of last period before adjustment	2,276,749,345.46	2,236,341,205.82
Beginning adjustment to undistributed profits (increase +, decrease -)		572,135.41
Undistributed profits as at the beginning of the year after adjustment	2,276,749,345.46	2,236,913,341.23
Add: Net profit attributable to owners of the Parent Company for the current period	146,845,686.17	12,665,284.90
Add: Transfer from other comprehensive income to retained earnings		10,574,743.69
Less: Statutory surplus reserve set aside		
Less: Dividends payable for ordinary shares	15,548,570.16	14,135,063.78
Undistributed profits as at the end of the period	2,408,046,461.47	2,246,018,306.04

6. Net current assets

Item	Ending balance	Beginning balance
Current assets	27,692,053,283.90	29,826,609,846.07
Less: Current liabilities	21,156,314,252.23	26,485,601,048.27
Net current assets	6,535,739,031.67	3,341,008,797.80

7. Total assets less current liabilities

Item	Ending balance	Beginning balance
Total assets	50,105,770,210.75	50,862,502,007.57
Less: Current liabilities	21,156,314,252.23	26,485,601,048.27
Total assets less current liabilities	28,949,455,958.52	24,376,900,959.30

8. Operating revenue and operating cost

(1) Information on operating income and operating cost

Item	Current period		Corresponding period of last year	
	Revenue	Cost	Revenue	Cost
Principal business	8,627,091,583.58	7,998,226,256.36	5,888,197,544.33	5,579,229,125.62
Other business	101,444,480.07	81,592,066.01	94,136,258.71	63,216,995.57
Total	8,728,536,063.65	8,079,818,322.37	5,982,333,803.04	5,642,446,121.19

Gross profit from principal business

Item	Current period	Corresponding period of last year
Revenue from principal business	8,627,091,583.58	5,888,197,544.33
Cost of principal business	7,998,226,256.36	5,579,229,125.62
Gross profit	628,865,327.22	308,968,418.71

1) Principal business – by product

Product name	Current period	Corresponding period of last year
Revenue from principal business:		
Ship products	7,572,420,369.63	5,032,450,154.82
Including:		
Bulk carriers	431,191,893.15	356,868,397.67
Containerships	2,681,126,116.45	1,311,076,285.87
Special ships and others	4,460,102,360.03	3,364,505,471.28
Offshore engineering products	92,513,953.47	175,170,012.40
Steel structure products	541,878,776.87	492,129,000.55
Ship maintenance and modification	346,784,294.65	100,878,302.08
Electromechanical products and others	73,494,188.96	87,570,074.48
Total	8,627,091,583.58	5,888,197,544.33
Cost of principal business:		
Ship products	6,951,927,520.12	4,800,609,718.58
Including:		
Bulk carriers	365,426,234.33	365,114,430.35
Containerships	2,058,755,248.76	1,219,788,277.40
Special ships and others	4,527,746,037.03	3,215,707,010.83
Offshore engineering products	168,063,362.05	176,435,612.69
Steel structure products	484,987,675.90	445,101,360.51
Ship maintenance and modification	336,868,105.67	90,340,127.34
Electromechanical products and others	56,379,592.62	66,742,306.50
Total	7,998,226,256.36	5,579,229,125.62

2) Principal business – by region

Region	Current period	Corresponding period of last year
Revenue from principal business:		
China (including Hong Kong, Macao and Taiwan)	5,875,189,900.93	4,570,911,087.37
Other Asia regions	1,845,912,960.78	43,318,669.07
Europe	2,116,658.40	354,316,668.84
Oceania	869,973,904.33	
North America	26,270,622.38	343,770,570.21
Africa	7,627,536.76	575,880,548.84
Total	8,627,091,583.58	5,888,197,544.33
Cost of principal business:		
China (including Hong Kong, Macao and Taiwan)	5,562,084,797.81	4,281,283,735.60
Other Asia regions	1,622,802,812.36	26,405,483.92
Europe	-758,665.74	354,316,668.84
Oceania	787,495,709.43	2,098,039.90
North America	24,046,496.64	344,592,783.01
Africa	2,555,105.86	570,235,490.75
South America		296,923.60
Total	7,998,226,256.36	5,579,229,125.62

3) Income from and cost of other business

Product name	Current period	Corresponding period of last year
Revenue from other business:		
Sale of materials	71,371,513.68	65,386,047.48
Lease	26,203,703.64	24,921,411.85
Provision of energy	1,142,208.37	738,135.56
Service income	745,065.94	
Others	1,981,988.44	3,090,663.82
Total	101,444,480.07	94,136,258.71
Costs of other business		
Sale of materials	66,020,497.36	47,964,098.58
Lease	10,182,835.61	10,193,335.83
Provision of energy	2,105,952.28	4,042,516.19
Service income	457,245.28	
Others	2,825,535.48	1,017,044.97
Total	81,592,066.01	63,216,995.57

(2) Deductions of operating income

Item	Amount for current period	Specific deductions	Amount for last period	Specific deductions
Amount of operating income	8,728,536,063.65		5,982,333,803.04	
Total amount of deductions	101,444,480.07		94,136,258.71	
Proportion of total amount of deductions in operating income (%)	1.16		1.57	
I. Business income not related to the principal operations				
Income from operations other than daily operations	101,444,480.07	Sales of materials, rental income, etc.	94,136,258.71	Sales of materials, rental income, etc.
Subtotal of business income not related to the principal operations	101,444,480.07		94,136,258.71	
II. Commercially non-substantial income				
Subtotal of commercially non-substantial income				
III. Other income not related to the principal operations or without commercial substance				
Amount of operating income after deductions	8,627,091,583.58		5,888,197,544.33	

(3) Segment information of operating income and operating cost

Income generated from customer contracts during the period was as follows:

Item	Shipbuilding and related business segment		Steel structure business segment		Ship maintenance and related business segment		Other segments		Inter-segment elimination		Total	
	Operating income	Operating cost	Operating income	Operating cost	Operating income	Operating cost	Operating income	Operating cost	Operating income	Operating cost	Operating income	Operating cost
By product type:												
Ship products	10,790,632,737.47	10,170,139,887.96							-3,218,212,367.84	-3,218,212,367.84	7,572,420,369.63	6,951,927,520.12
Offshore engineering products	60,807,300.27	169,680,360.35							31,706,653.20	-1,616,998.30	92,513,953.47	168,063,362.05
Steel structure			685,322,218.67	633,958,093.68					-143,443,441.80	-148,970,417.78	541,878,776.87	484,987,675.90
Ship maintenance and modification					350,195,508.09	340,279,319.11			-3,411,213.44	-3,411,213.44	346,784,294.65	336,868,105.67
Electromechanical products and others							172,211,051.95	146,944,112.19	-98,816,862.99	-90,564,519.57	73,494,188.96	56,379,592.62
Other business							214,163,450.91	194,311,036.85	-112,718,970.84	-112,718,970.84	101,444,480.07	81,592,066.01
Total	10,851,440,037.74	10,339,820,248.31	685,322,218.67	633,958,093.68	350,195,508.09	340,279,319.11	386,474,502.86	341,255,149.04	-3,544,896,203.71	-3,575,494,487.77	8,728,536,063.65	8,079,818,322.37
Sub-total by region of operation:												
Domestic	7,678,519,300.40	7,459,969,467.36	685,322,218.67	633,958,093.68	258,262,048.38	263,856,120.97	363,510,058.09	297,208,732.53	-3,544,896,203.71	-3,575,494,487.77	5,440,717,421.83	5,079,497,926.77
Overseas	3,172,920,737.34	2,879,850,780.95			91,933,459.71	76,423,198.14	22,964,444.77	44,046,416.51			3,287,818,641.82	3,000,320,395.60
Total	10,851,440,037.74	10,339,820,248.31	685,322,218.67	633,958,093.68	350,195,508.09	340,279,319.11	386,474,502.86	341,255,149.04	-3,544,896,203.71	-3,575,494,487.77	8,728,536,063.65	8,079,818,322.37
By type of market or customer:												
State-owned enterprises	7,645,195,648.90	7,479,257,230.71	670,263,141.98	624,825,637.56	223,450,554.96	233,612,689.61	320,025,385.71	293,019,271.16	-3,544,896,203.71	-3,575,494,487.77	5,314,038,527.84	5,055,220,341.27
Private enterprises		1,815,041.55	15,059,076.69	9,132,456.12	34,811,493.42	30,243,431.36	43,686,505.90	31,497,488.20			93,557,076.01	72,688,417.23
Foreign enterprises	3,206,244,388.84	2,858,747,976.05			91,933,459.71	76,423,198.14	22,762,611.25	16,738,389.68			3,320,940,459.80	2,951,909,563.87
Total	10,851,440,037.74	10,339,820,248.31	685,322,218.67	633,958,093.68	350,195,508.09	340,279,319.11	386,474,502.86	341,255,149.04	-3,544,896,203.71	-3,575,494,487.77	8,728,536,063.65	8,079,818,322.37

Item	Shipbuilding and related business segment		Steel structure business segment		Ship maintenance and related business segment		Other segments		Inter-segment elimination		Total	
	Operating income	Operating cost	Operating income	Operating cost	Operating income	Operating cost	Operating income	Operating cost	Operating income	Operating cost	Operating income	Operating cost
By type of contracts:												
Fixed price	10,851,440,037.74	10,339,820,248.31	685,322,218.67	633,958,093.68	350,195,508.09	340,279,319.11	386,474,502.86	341,255,149.04	-3,544,896,203.71	-3,575,494,487.77	8,728,536,063.65	8,079,818,322.37
Mark up pricing												
Total	10,851,440,037.74	10,339,820,248.31	685,322,218.67	633,958,093.68	350,195,508.09	340,279,319.11	386,474,502.86	341,255,149.04	-3,544,896,203.71	-3,575,494,487.77	8,728,536,063.65	8,079,818,322.37
By date of transfer of goods:												
Performed at a point in time	6,654,500,238.78	5,943,720,379.45	50,952,859.54	52,063,080.49	350,195,508.09	340,279,319.11	386,474,502.86	341,255,149.04	-3,402,759,108.45	-3,432,792,361.23	4,019,364,020.82	3,244,525,566.84
Performed within a time period	4,216,939,778.96	4,396,099,868.88	634,369,359.13	581,895,013.19					-142,137,095.26	-142,702,126.54	4,709,172,042.83	4,835,292,755.53
Total	10,851,440,037.74	10,339,820,248.31	685,322,218.67	633,958,093.68	350,195,508.09	340,279,319.11	386,474,502.86	341,255,149.04	-3,544,896,203.71	-3,575,494,487.77	8,728,536,063.65	8,079,818,322.37
By contract term:												
Short-term	6,654,500,238.78	5,943,720,379.45	50,952,859.54	52,063,080.49	350,195,508.09	340,279,319.11	386,474,502.86	341,255,149.04	-3,402,759,108.45	-3,432,792,361.23	4,019,364,020.82	3,244,525,566.84
Long-term	4,216,939,778.96	4,396,099,868.88	634,369,359.13	581,895,013.19					-142,137,095.26	-142,702,126.54	4,709,172,042.83	4,835,292,755.53
Total	10,851,440,037.74	10,339,820,248.31	685,322,218.67	633,958,093.68	350,195,508.09	340,279,319.11	386,474,502.86	341,255,149.04	-3,544,896,203.71	-3,575,494,487.77	8,728,536,063.65	8,079,818,322.37
By sales channel:												
Direct sales	10,851,440,037.74	10,339,820,248.31	685,322,218.67	633,958,093.68	350,195,508.09	340,279,319.11	386,474,502.86	341,255,149.04	-3,544,896,203.71	-3,575,494,487.77	8,728,536,063.65	8,079,818,322.37
Distribution sales												
Total	10,851,440,037.74	10,339,820,248.31	685,322,218.67	633,958,093.68	350,195,508.09	340,279,319.11	386,474,502.86	341,255,149.04	-3,544,896,203.71	-3,575,494,487.77	8,728,536,063.65	8,079,818,322.37

(4) Note on contract performance obligations

Item	Time of contract performance obligations	Material payment terms	Nature of goods the Company undertook to transfer	Whether the Company is the principal responsible person	Payment expected to be returned to customers born by the Company	Type of quality assurance and relevant obligations provided by the Company
Mainly the construction, delivery and maintenance of ships and ancillary products	Substantially corresponding to the completion schedule of the ship completion progress, mainly includes those for construction commencement, closure, docking, launching, sea trial and delivery	The time and proportion of the settlement of the progress payment are set out in the contracts between the Group and the customers	Ships and ancillary products or relevant services	Yes	The two parties shall perform the relevant obligations in accordance with the terms of the contract. If any party defaults or fails to perform the contractual obligations in a timely manner, where the responsibility lies with the Group, it shall refund customers' prepayments together with the contract assets caused thereby; in the event that it is the customer's responsibility, the Group has the right to require the customer to continue performing or to compensate for the costs and profits incurred in the contract performance	For defects caused by unintentional, navigation risks and physical damage during the warranty period of the contract, which is generally 1 year, enterprises provide repair services without any charges

(5) Transaction price allocated to remaining performance obligations

As of 30 June 2024, the transaction price corresponding to the contract performance obligations for which contracts had been entered into and which had not been performed was RMB49,926,689,100.00, of which:

RMB16,046,670,200.00 is expected to be recognized as revenue in 2024;

RMB16,102,742,700.00 is expected to be recognized as revenue in 2025.

(6) Top five customers by operating income

Customers	Relationship with the Group	Amount for the period	Percentage of total income from principal business (%)
Customer 1	Unrelated party	4,228,268,614.01	49.01
Customer 2	Unrelated party	1,779,717,417.01	20.63
Customer 3	Unrelated party	625,305,572.99	7.25
Customer 4	Unrelated party	372,196,777.55	4.31
Customer 5	Unrelated party	243,084,070.80	2.82
Total		7,248,572,452.36	84.02

(7) Purchase amounts from top five suppliers

Suppliers	Relationship with the Group	Amount for the period	Percentage of total costs of principal business (%)
Supplier 1	Under common control of China Shipbuilding Group	2,589,446,038.84	32.38
Supplier 2	Unrelated party	191,817,565.96	2.40
Supplier 3	Unrelated party	134,211,560.00	1.68
Supplier 4	Unrelated party	104,960,000.00	1.31
Supplier 5	Unrelated party	70,900,923.99	0.89
Total		3,091,336,088.79	38.66

(8) Significant contract changes or significant transaction price adjustments

None

9. Finance expenses

(1) Details of interest expenses

Item	Current period	Corresponding period of last year
Interest expenses	53,527,454.83	60,050,142.80
Including: Interest expenses from lease liabilities	2,914,339.75	2,994,394.55
Less: Interest income	183,004,781.70	202,806,848.14
Foreign exchange gains and losses	-34,961,105.31	-89,495,298.86
Other expenses	4,681,957.95	4,597,470.04
Total	-159,756,474.23	-227,654,534.16

(2) Details of interest costs

Item	Current period	Corresponding period of last year
Interest on bank borrowings and overdraft	53,764,210.44	58,983,167.73
Interest on bank borrowings due within 5 years	53,764,210.44	58,983,167.73
Interest on bank borrowings due over 5 years		
Other borrowings	4,713,244.39	6,156,975.07
Interest on other borrowings due within 5 years		
Other interest expenses	4,713,244.39	6,156,975.07
Sub-total	58,477,454.83	65,140,142.80
Less: Capitalized Interest		
Less: Finance interest discount	4,950,000.00	5,090,000.00
Total	53,527,454.83	60,050,142.80

(3) Details of interest income

Item	Current period	Corresponding period of last year
Interest income from bank deposits	162,465,625.88	186,278,953.04
Interest income from receivables	20,539,155.82	16,527,895.10
Total	183,004,781.70	202,806,848.14

10. Investment income

Item	Current period	Corresponding period of last year
Gain from long-term equity investments accounted under equity method	54,607,253.60	-5,456,775.66
Investment income from disposal of long-term equity investments	756,086.90	
Investment income from disposal of financial assets held for trading	23,631,659.80	-16,581,010.17
Dividend income from holding other equity instrument investment	43,601,866.29	1,749,854.25
Total	122,596,866.59	-20,287,931.58

Notes: Investment income from investment in listed companies and non-listed companies for the period amounted to RMB43,498,983.20 (last period: RMB1,607,885.15) and RMB79,097,883.39 (last period: RMB-21,895,816.73), respectively.

11. Gain from change in fair value

Source of gain from change in fair value	Current period	Corresponding period of last year
Financial assets held-for-trading	-3,494,098.85	-5,855,719.61
Financial liabilities held-for-trading	-30,721,087.90	-39,014,254.44
Hedging instrument	-30,642,065.88	1,635,137.11
Total	-64,857,252.63	-43,234,836.94

12. 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	208,056.62	177,694.92	208,056.62
Including: Gain from damage and disposal of fixed assets	208,056.62	177,694.92	208,056.62
Government grants not relating to daily activities	890,234.44	910,064.94	890,234.44
Insurance claims	366,000.35	630,000.00	366,000.35
Penalty income	72,301.71	90,100.00	72,301.71
Others	28,014.72	17,205.69	28,014.72
Total	1,564,607.84	1,825,065.55	1,564,607.84

Notes: The amount included in non-recurring gains and losses for the current period was RMB1,564,607.84 (last period: RMB1,825,065.55), and non-operating income for the current period included profit from disposal of properties of RMB0 (last period: RMB0).

13. Income tax expense

(1) Income tax expense

Item	Current period	Corresponding period of last year
Current income tax expense	-6,974,725.75	-1,070,433.50
1. Mainland China	-6,974,725.75	-1,070,433.50
2. Hong Kong		
Deferred income tax expense	-26,930,773.32	-3,699,905.44
Total	-33,905,499.07	-4,770,338.94

(2) Reconciliation of accounting profit and income tax expenses

Item	Current period
Total profit	150,721,702.25
Income tax expenses calculated at statutory/applicable tax rate	37,680,425.56
Impact of different tax rates for subsidiaries	-2,691,652.22
Impact of adjustment for income tax for previous period	-14,022,895.84
Impact of non-taxable income	-26,576,156.22
Impact of non-deductible costs, expenses and losses	699,030.90
Impact of utilisation of deductible loss for which no deferred tax assets were previously recognised	-16,945,889.79
Impact of deductible temporary differences or deductible losses for the period for which no deferred tax assets are recognised	51,973,684.71
Others (additional deduction of research and development expense, etc.)	-64,022,046.17
Income tax expense	-33,905,499.07

(3) Main types of taxes and rates

	Tax basis	Tax rate
PRC enterprise income tax	Based on taxable profits	15%, 20%, 25%
Hong Kong profits tax	Taxable income	16.5%
– Value-added tax note	Domestic sales; provision of processing, repair and replacement services; rental income	13%
	Revenue from construction and installation business	9%
	Modern services industry	6%
– City maintenance and construction tax	Based on value-added tax and consumption taxes paid	7%
– Educational surcharge	Based on value-added tax and consumption taxes paid	3%
– Local educational surcharge	Based on value-added tax and consumption taxes paid	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 (“Huangpu Wenchong”)	15%	
Guangzhou Wenchong Shipyard Co., Ltd. (“Wenchong Shipyard”)	15%	
Guangzhou Wenchuan Heavy Industrial Co., Ltd. (“Wenchuan Heavy Industrial”)	15%	
CSSC Industrial Internet Co., Ltd. (“CSSC Internet”)	15%	
Wah Shun International Marine Limited (“Wah Shun”)	16.50%	Other description
Wah Loong International Marine Limited (“Wah Loong”)	16.50%	Other description
Wan Sheng International Marine Limited (“Wan Sheng”)	16.50%	Other description
Wan Xiang International Marine Limited (“Wan Xiang”)	16.50%	Other description
Wan Xing International Marine Limited (“Wan Xing”)	16.50%	Other description
Wan Rui International Marine Limited (“Wan Rui”)	16.50%	Other description
Wan Yu International Marine Limited (“Wan Yu”)	16.50%	Other description
Zhanjiang Nanhai Ship Hi-Tech Services Ltd. (“Zhanjiang Nanhai”)	20%	
Guangzhou CSSC Wenchong Bingshen Facilities Co., Ltd. (“Wenchong Bingshen”)	20%	
Guangzhou Xingji Maritime Engineering Design Co., Ltd. (“Xingji”)	20%	
Other subsidiaries	25%	

Other description: Wah Shun, Wah Loong, Wan Sheng, Wan Xiang, Wan Xing, Wan Rui and Wan Yu are registered in Hong Kong and subject to Hong Kong profits 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 software products developed and produced independently by certain subsidiaries of the Group, the portion of actual value-added tax burden in excess of 3% may be recovered upon payment in accordance with the relevant policy.

(3) Some of the Group's subsidiaries are advanced manufacturing enterprises. Pursuant to the Announcement on the Policies for the Supertax and Deduction of VAT in Advanced Manufacturing Enterprises (Announcement of the Ministry of Finance and the State Taxation Administration No. 43 of 2023) promulgated by the Ministry of Finance and the State Taxation Administration, advanced manufacturing enterprises are allowed to deduct the VAT payable by 5% of the deductible input tax in the current period from 1 January 2023 to 31 December 2027.

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 preferential tax rate is 15% for income tax of Huangpu Wenchong.

(2) Wenchong Shipyard obtained the Certificate of Hi-tech Enterprise (certificate no.: GR202244010062) on 2 December 2022, with a validity till 1 December 2025. The preferential tax rate is 15% for income tax of Wenchong Shipyard.

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

(5) Zhanjiang Nanhai, Wenchong Bingshen, Xingji and Wenchong Engineering are small low-profit enterprises, according to the Announcement of Ministry of Finance and the Tax Administration No. 12 of 2023 "Announcement on Further Supporting the Development of Relevant Tax and Fee Policies for Small and Micro Enterprises and Individual Industrial and Commercial Households", from 1 January 2023 to 31 December 2027, the taxable income of small low profit enterprises will be reduced by 25% of the taxable income and subject to a tax rate of 20%.

14. Depreciation and amortisation

Item	Current period	Corresponding period of last year
Depreciation of fixed assets	181,629,598.49	173,761,454.25
Amortisation of intangible assets	16,705,424.13	15,861,950.76
Depreciation of right-to-use assets	43,935,983.70	40,214,475.37
Amortisation of long-term deferred expenses	4,981,148.76	4,911,087.53
Depreciation of investment properties	3,268,712.52	3,268,712.52
Total	250,520,867.60	238,017,680.43

Other explanations: The amount of depreciation expenses included in operating costs, selling expenses, administrative expenses and research and development expenses for the period is RMB228,834,294.71 (last period: RMB217,244,642.14), and the amount of amortisation expenses is RMB21,686,572.89 (last period: RMB20,773,038.29).

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

Gains from disposal of investments during the current period were RMB756,086.90. Gains from disposal of properties during the current period were RMB0 (gains from disposal of investments during the previous period is RMB0, gains from disposal of properties for the previous period is RMB0).

16. Earnings per share

Basic earnings per share shall be calculated by profit or loss attributable to ordinary equity holders of the Group (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 Group'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 Group 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 periods are assumed to be converted at the beginning of current year 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 Company	1	146,845,686.17	12,665,284.90
Non-recurring gains and losses attributable to shareholders of the Company	2	15,794,671.53	-2,813,630.16
Net profit after deducting non-recurring gains and losses attributable to shareholders of the Company	3=2-1	131,051,014.64	15,478,915.06
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		
Number of months from next month to the period-end regarding the increase 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	6.00	6.00
Weighted average of ordinary shares outstanding	12	1,413,506,378.00	1,413,506,378.00
Weighted average number of ordinary shares outstanding following adjustments in relation to business combination under common control for the purposes of earnings per share after deduction of nonrecurring gains and losses	13	1,413,506,378.00	1,413,506,378.00

Item	No.	Current period	Corresponding period of last year
Basic earnings per share (I)	14=1 ÷ 12	0.1039	0.0090
Basic earnings per share (II)	15=3 ÷ 13	0.0927	0.0110
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) × (1-17)] ÷ (12+19)	0.1039	0.0090
Diluted earnings per share (II)	21=[3+(16-18) × (1-17)] ÷ (13+19)	0.0927	0.0110

17. Dividends

Final dividends for the year ended 31 December 2023 totaling RMB15,548,570.16 (last period: RMB14,135,063.78) were declared and paid during the six months ended 30 June 2024.

The Company will not distribute the interim dividends for the six-month period ended 30 June 2024 (last period: RMB0).

18. 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 maintenance 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

Item	Shipbuilding and related business	Steel structure engineering	Ship maintenance segment	Other segments	Inter-segment elimination	Total
Revenue from external transactions	7,664,934,242.48	551,586,781.68	346,784,294.65	165,230,744.84		8,728,536,063.65
Revenue from intra-segment transactions	3,186,505,795.26	185,230,472.98	3,411,213.44	169,748,722.03	-3,544,896,203.71	
Income from investments in associates and joint ventures		8,091,939.29		62,312,278.15	-16,188,131.14	54,607,253.60
Credit impairment loss	1,102,064.39	-5,085,707.44		284,796.07		-3,698,846.98
Impairment losses on assets						
Depreciation fee and amortisation fee	182,109,998.36	33,012,963.09	514,256.30	35,313,342.23	-429,692.38	250,520,867.60
Total profits	42,545,612.32	3,094,628.27	570,166.42	65,427,788.98	39,083,506.26	150,721,702.25
Income tax expense	-36,323,515.74	-1,206,545.78	28,651.12	3,595,911.33		-33,905,499.07
Net profit	78,869,128.06	4,301,174.05	541,515.30	61,831,877.65	39,083,506.26	184,627,201.32
Total assets	40,350,221,505.85	3,210,077,647.49	10,292,095.61	19,150,593,705.77	-12,615,414,743.97	50,105,770,210.75
Total liabilities	31,524,972,941.84	2,302,090,910.53	2,352,639.89	3,211,969,345.90	-8,613,223,081.85	28,428,162,756.31
Long-term equity investments in associates and joint ventures		36,470,668.06		3,745,545,848.70	1,478,905,028.03	5,260,921,544.79
Increase in other non-current assets excluding long-term equity investments	-975,607,192.15	131,068,627.78	-111,923.60	1,910,373,123.15	257,012,290.88	1,322,734,926.06
Capitalized expenditure	176,061,436.66	1,409,820.87	4,534.51	411,396,320.65	-411,715,383.60	177,156,729.09

(3) Revenue from external transactions by origin of revenue

Item	Current period	Corresponding period of last year
Revenue from external transactions derived from China	5,440,717,421.83	4,664,665,295.58
Revenue from external transactions derived from other countries	3,287,818,641.82	1,317,668,507.46
Total	8,728,536,063.65	5,982,333,803.04

(4) Non-current assets by location of assets

Item	Ending balance	Beginning balance
Non-current assets in China (excluding Hong Kong)	12,135,467,942.26	12,040,588,534.21
Hong Kong		494,604,279.60
Total	12,135,467,942.26	12,535,192,813.81

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

§ 9 DOCUMENTS AVAILABLE FOR INSPECTION

The 2024 interim report will be available at the following addresses and websites:

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

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

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

By order of the Board
CSSC Offshore & Marine Engineering (Group) Company Limited
Chen Liping
Person in charge of the Company

Guangzhou, 29 August 2024

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