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

## **FIRST QUARTERLY REPORT OF 2023**

### **IMPORTANT NOTICE**

- The board (the “**Board**”) of directors (the “**Director(s)**”), the supervisory committee, the Directors, supervisors and senior management of CSSC Offshore & Marine Engineering (Group) Company Limited (the “**Company**”) warrant that there are no false statements, misleading information or material omissions in this quarterly report and are jointly and severally responsible for the truthfulness, accuracy and completeness of the contents of this quarterly report.
- The person in charge of the Company, the person in charge of accounting and the head of accounting department (accountant in charge) have guaranteed the truthfulness, accuracy and completeness of the financial information contained in this quarterly report.
- The first quarterly report of 2023 of the Company is unaudited.

## I. KEY FINANCIAL DATA

### (I) Key accounting data and financial indicators

*Unit: RMB*

Item	As at the Reporting Period		Increase/Decrease comparing the Reporting Period with the same period of last year (%)
	As at the end of the Reporting Period	As at the end of last year	Increase/Decrease comparing the end of the Reporting Period with the end of last year (%)
Operating income	1,898,863,467.22		68.27
Net profit attributable to shareholders of the Company	-26,665,452.21		Not applicable
Net profit attributable to shareholders of the Company after deduction of non-recurring gains and losses	-31,687,941.70		Not applicable
Net cash flows from operating activities	216,779,439.99		-92.87
Basic earnings per share (RMB/share)	-0.0189		Not applicable
Diluted earnings per share (RMB/share)	-0.0189		Not applicable
Weighted average return on equity (%)	-0.18		decreased by 0.09 percentage point
Total assets	46,179,251,628.52	46,479,786,644.65	-0.65
Owners' equity attributable to shareholders of listed company	15,368,639,902.74	15,588,030,556.81	-1.41

**(II) Extraordinary items and their amounts***Unit: RMB*

<b>Item</b>	<b>Amount of the Reporting Period</b>	<b>Notes</b>
Gain or loss on disposal of non-current assets	-238,689.52	
Tax relief and reduction with approval exceeding authority or without formal approval or of non-recurring nature		
Government grants included in current profit or loss, other than on-going government grants which are closely related to the Company's normal operation, meet the requirements of government policies and are subject to certain limits and conditions	5,177,996.73	
Capital occupation fee received from non-financial entities included in current profit or loss		
Gain from the excess of the fair value of the identifiable net assets of investee companies on acquisition of the investment over the cost of investment in the Company's subsidiaries, associates and joint ventures		
Gain or loss on exchange of non-monetary assets		
Gain or loss on entrusted investments or assets under management		
Provision for impairment on assets due to force majeure events, such as natural disasters		
Gain or loss on debt restructuring		
Corporate restructuring costs, such as employee redundancy pay and integration costs		
Gain or loss on transactions with obviously unfair transaction price for amount which exceeds fair value		
Net gains or losses of subsidiaries for the current period from the beginning of the period to the date of combination arising from business combination under common control		
Gain or loss on other contingencies which are not related to the Company's normal operations		

Item	Amount of the Reporting Period	Notes
Gain or loss on changes in fair value of financial assets held-for-trading, derivative financial assets, financial liabilities for trading, derivative financial liabilities and investment income from disposal of financial assets for trading, derivative financial assets, financial liabilities for trading, derivative financial liabilities and other debt investments, except for effective hedging transactions that are closely related to the Company's normal operation	5,320,520.09	
Reversal of the provision for impairment of receivables and contract assets which are tested individually for impairment		
Gains or losses from entrusted loans		
Gain or loss arising from changes in fair value of investment properties under fair value model on subsequent measurement		
Effect of one-time adjustment to current profit or loss according to the requirements of tax and accounting laws and regulations on current profit or loss		
Entrusted fee income from entrusted operations		
Other non-operating income and expenses apart from the aforesaid items	27,582.01	
Other gain or loss items meeting the definition of non-recurring gains or losses	453,362.46	Mainly due to withhold and pay handling fee for individual income tax and input tax deductions
Less: Effect of income tax	1,599,412.31	
Effect of minority interests (after tax)	4,118,869.97	
Total	<u><u>5,022,489.49</u></u>	

***Explanation on the definition of non-recurring gains or losses as recurring gains or losses as set out in the Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public – Non-recurring Gains or Losses***

Government grants defined as recurring gains or losses are as follows:

<b>Item</b>	<b>Amount</b>	<b>Reason</b>
Grant for insurance maintained for first piece (set)	3,000,000.00	Closely relating to operation, granted at fixed amount and on a continuous basis
Total	<u><u>3,000,000.00</u></u>	

**(III) Changes in major accounting data and financial indicators and the reasons**

<b>Item</b>	<b>Ending balance/ current amount</b>	<b>At the end of last year/Same period of last year</b>	<b>Changes (%)</b>	<b>Main reason</b>
<b>1. Items on balance sheet</b>				
Financial assets held-for-trading	12,278,655.84	29,872,972.39	-58.90	Settlement of partial financial derivative products during the Reporting Period
Notes receivable	6,009,539.72	86,019,898.33	-93.01	Release of notes receivable due for payment during the Reporting Period
Other current assets	89,701,006.28	134,733,999.65	-33.42	Decrease in input value added tax as at the end of Reporting Period as compared to the beginning of the year
Financial liabilities held-for-trading	2,032,778.36	5,919,716.73	-65.66	Fair value of partial hand held financial derivatives products rebounded as at the end of Reporting Period
Employee benefits payable	83,624,435.63	1,179,807.93	6,987.97	Increase in accrued but not paid staff salaries as at the end of Reporting Period as compared to the beginning of year

<b>Item</b>	<b>Ending balance/ current amount</b>	<b>At the end of last year/Same period of last year</b>	<b>Changes (%)</b>	<b>Main reason</b>
Taxes payable	18,474,806.71	76,728,304.39	-75.92	Decrease in the balance of VAT and personal income tax payable as at the end of Reporting Period as compared to the beginning of year
Non-current assets due within one year	956,334,736.35	1,459,215,392.42	-34.46	Repayment of long term loans due within one year during the Reporting Period
Other non-current liabilities	236,238,270.41	166,058,913.54	42.26	Increase in hedged items as at the end of Reporting Period as compared to the beginning of year
<b>2. Items on consolidated income statement</b>				
Operating revenue	1,898,863,467.22	1,128,449,754.40	68.27	With year-on-year increase on completed products fulfilling their obligations at a point in time and meeting the conditions for revenue recognition during the Reporting Period
Operating cost	1,803,181,205.07	1,025,376,471.59	75.86	Increase in operating revenues and corresponding increase in operating costs
Selling expenses	7,450,936.39	17,093,556.46	-56.41	Year-on-year decrease in product warranty accruals during the Reporting Period
R&D expenses	60,831,504.73	94,030,060.04	-35.31	Impact of research project cost attribution differences
Other income	8,176,326.72	4,208,485.92	94.28	Year-on-year increase in the grant for insurance maintained for first piece (set) during the Reporting Period
Investment income	-3,341,393.95	6,558,255.26	-150.95	Year-on-year decrease in income from investments in associates recognised under the equity method during the Reporting Period

<b>Item</b>	<b>Ending balance/ current amount</b>	<b>At the end of last year/Same period of last year</b>	<b>Changes (%)</b>	<b>Main reason</b>
Profit arising from changes in fair value	4,266,915.67	31,101,590.89	-86.28	Year-on-year decrease in gain on change in carrying value of financial assets held for trading during the Reporting Period
Credit impairment losses (loss shall be stated as "-")	-2,483,584.44	12,489,493.54	-119.89	Year-on-year increase in provision for bad debts based on the ageing analysis method during the Reporting Period
Asset impairment loss (loss shall be stated as "-")	-5,822,791.66	-10,276,500.93	Not applicable	Year-on-year decrease in provision for decline in value of inventories during the Reporting Period
Non-operating income	1,011,927.74	562,381.06	79.94	Year-on-year increase in net insurance claims income during the Reporting Period
Non-operating expenses	768,002.78	253,590.90	202.85	Year-on-year increase in fine expenses during the Reporting Period
Income tax expense	-9,992,372.69	-7,433,096.68	Not applicable	Deferred income tax assets are recognised in Reporting Period, corresponding decrease in deferred income tax expense
<b>3. Items on cash flow statement</b>				
Net cash flows from operating activities	216,779,439.99	3,038,823,824.90	-92.87	Due to the uneven distribution of product payment collection nodes, the ship progress payment received in this Reporting Period decreased year-on-year
Net cash flows from financing activities	-1,189,027,326.36	386,227,040.76	-407.86	Borrowings from financial institutions were expired during the Reporting Period, and the net borrowings decreased year-on-year

## II. INFORMATION OF SHAREHOLDERS

### (I) Total number of shareholders of ordinary shares and preference shares whose voting rights have been restored, and the shareholding status of top ten shareholders

*Unit: Share*

Total number of ordinary shareholders as at the end of the Reporting Period	74,016	Total number of preferred shareholders of which voting rights had resumed as at the end of the Reporting Period (if any)	–
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Name of shareholder	Nature of shareholder	Shareholding of top ten shareholders				
		Shareholding	Proportion (%)	Number of shares subject to selling restriction	Pledged, marked or frozen Status	Number of shares
HKSCC NOMINEES LIMITED	Overseas legal person	589,239,818	41.69	0	None	0
China State Shipbuilding Corporation Limited	State-owned legal person	481,337,700	34.05	0	None	0
China Merchants Bank Co., Ltd. – E Fund High Quality and Strict Selection Three-Year Hybrid Securities Investment Fund (易方達高質量嚴選三年持有期混合型證券投資基金)	Others	12,082,769	0.85	0	None	0
E Fund – New Development Pattern of National Central Enterprises Private Securities Investment Fund – E Fund – Stable Income of Central Enterprises – 1 Single Asset Management Plan (國新央企新發展格局 私募證券投資基金 – 易方達基金 – 央企穩健收益 – 1 單一資產管理計劃)	Others	6,876,926	0.49	0	None	0



**Shareholding of top ten shareholders**

Name of shareholder	Nature of shareholder	Shareholding	Proportion (%)	Number of shares subject to selling restriction	Pledged, marked or frozen	
					Status	Number of shares
China Merchants Bank Co., Ltd. – E Fund Ruiheng Flexible Allocation of Hybrid Securities Investment Fund (易方達瑞恒靈活配置混合型證券投資基金)	Others	6,737,847	0.48	0	None	0
Bank of China – E Fund Steady Yield Bond Securities Investment Fund (易方達穩健收益債券型證券投資基金)	Others	6,359,411	0.45	0	None	0
Bank of China Limited – UBS National Security Flexible Allocation Fund (國投瑞銀國家安全靈活配置混合型證券投資基金)	Others	5,766,982	0.41	0	None	0
China Merchants Bank Co., Ltd. – South Alpha Hybrid Securities Investment Fund (南方阿爾法混合型證券投資基金)	Others	5,612,273	0.40	0	None	0
Yangzhou Kejin Shipyard Co., Ltd.	Domestic Non-state-owned legal person	4,599,086	0.33	0	Pledged	4,300,000
Bank of China – Southern High Growth Stock Type Open-end Securities Investment Fund	Others	4,039,350	0.29	0	None	0

**Top ten shareholders of shares not subject to selling restrictions**

Name of shareholder	Number of tradable shares held not subject to selling restrictions	Class and number of shares	
		Class	Number
HKSCC NOMINEES LIMITED	589,239,818	Overseas listed foreign shares	589,239,818
China State Shipbuilding Corporation Limited	481,337,700	Ordinary shares denominated in RMB	481,337,700
China Merchants Bank Co., Ltd. – E Fund High Quality and Strict Selection Three-Year Hybrid Securities Investment Fund (易方達高質量嚴選三年持有期混合型證券投資基金)	12,082,769	Ordinary shares denominated in RMB	12,082,769
E Fund – New Development Pattern of National Central Enterprises Private Securities Investment Fund – E Fund – Stable Income of Central Enterprises – 1 Single Asset Management Plan (國新央企新發展格局私募證券投資基金 – 易方達基金 – 央企穩健收益 – 1 單一資產管理計劃)	6,876,926	Ordinary shares denominated in RMB	6,876,926
China Merchants Bank Co., Ltd. – E Fund Ruiheng Flexible Allocation of Hybrid Securities Investment Fund (易方達瑞恒靈活配置混合型證券投資基金)	6,737,847	Ordinary shares denominated in RMB	6,737,847
Bank of China – E Fund Steady Yield Bond Securities Investment Fund (易方達穩健收益債券型證券投資基金)	6,359,411	Ordinary shares denominated in RMB	6,359,411
Bank of China Limited – UBS National Security Flexible Allocation Fund (國投瑞銀國家安全靈活配置混合型證券投資基金)	5,766,982	Ordinary shares denominated in RMB	5,766,982
China Merchants Bank Co., Ltd. – South Alpha Hybrid Securities Investment Fund (南方阿爾法混合型證券投資基金)	5,612,273	Ordinary shares denominated in RMB	5,612,273
Yangzhou Kejin Shipyard Co., Ltd.	4,599,086	Ordinary shares denominated in RMB	4,599,086
Bank of China – Southern High Growth Stock Type Open-end Securities Investment Fund	4,039,350	Ordinary shares denominated in RMB	4,039,350
Explanation on the relationship or acting in concert among the aforesaid shareholders			–
Explanation of the participation of the top ten shareholders and the top ten unsold shareholders in the securities financing and transfer business (if any)			–

### III. QUARTERLY FINANCIAL STATEMENTS

#### (I) Financial statements

#### CONSOLIDATED BALANCE SHEET

31 March 2023

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

*Unit: RMB Audit Type: Unaudited*

<b>Item</b>	<b>31 March 2023</b>	<b>31 December 2022</b>
<b>Current assets:</b>		
Cash at bank and on hand	<b>13,658,558,539.51</b>	14,813,771,761.29
Settlement reserve		
Placements with banks and non-bank financial institutions		
Financial assets held-for-trading	<b>12,278,655.84</b>	29,872,972.39
Derivative financial assets		
Notes receivable	<b>6,009,539.72</b>	86,019,898.33
Accounts receivable	<b>831,347,090.81</b>	1,068,053,871.94
Receivable financing	<b>131,407,986.86</b>	111,888,545.80
Prepayments	<b>3,095,856,127.86</b>	2,892,088,396.57
Insurance premium receivable		
Reinsurance premium receivable		
Reserves for reinsurance contract receivable		
Other receivables	<b>60,752,897.85</b>	60,834,609.19
Including: Interest receivable		
Dividends receivable		
Financial assets purchased under agreements to resell		
Inventories	<b>5,036,072,817.01</b>	4,353,610,820.41
Contract assets	<b>2,779,728,244.17</b>	2,294,261,099.29
Assets held for sale		
Non-current assets due within one year	–	–
Other current assets	<b>89,701,006.28</b>	134,733,999.65
Total current assets	<b>25,701,712,905.91</b>	25,845,135,974.86

Item	31 March 2023	31 December 2022
<b>Non-current assets:</b>		
Loans and advances to customers		
Debt investments		
Other debt investments		
Long-term receivables	2,073,898,901.15	2,152,535,952.28
Long-term equity investments	5,198,493,817.61	5,576,276,499.57
Investments in other equity instruments	5,154,527,221.42	4,911,318,677.22
Other non-current financial assets		
Investment properties	134,552,275.32	136,186,631.58
Fixed assets	5,293,826,622.82	5,354,647,353.76
Construction in progress	332,003,042.76	277,015,334.55
Productive biological assets		
Oil and gas assets		
Right-of-use assets	165,730,999.68	183,901,510.27
Intangible assets	902,802,375.66	910,432,718.07
Development expenses		
Goodwill		
Long-term prepaid expenses	53,115,551.60	49,583,618.68
Deferred income tax assets	353,960,746.39	346,379,500.55
Other non-current assets	814,627,168.20	736,372,873.26
Total non-current assets	20,477,538,722.61	20,634,650,669.79
Total assets	46,179,251,628.52	46,479,786,644.65
<b>Current liabilities:</b>		
Short-term borrowings	2,546,463,183.34	2,881,008,138.92
Loans from central bank		
Placements from banks and other financial institutions		
Financial liabilities held-for-trading	2,032,778.36	5,919,716.73
Derivative financial liabilities		
Notes payable	2,535,412,988.99	2,984,392,901.64
Accounts payable	5,383,030,068.10	4,541,444,942.07
Advances from customers	-	-
Contract liabilities	12,588,622,579.62	11,979,592,304.12
Securities sold under agreements to repurchase		
Deposits from customers and other banks		
Brokerage for securities trading		
Brokerage for underwriting securities		
Employee benefits payable	83,624,435.63	1,179,807.93
Taxes payable	18,474,806.71	76,728,304.39
Other payables	268,619,224.43	273,196,896.59
Including: Interest payable		
Dividends payable	761,400.08	761,400.08
Fee and commission payable		
Reinsured accounts payable		

<b>Item</b>	<b>31 March 2023</b>	<b>31 December 2022</b>
Liabilities held for sale		
Non-current liabilities due within one year	<b>956,334,736.35</b>	1,459,215,392.42
Other current liabilities	<b>117,267,490.65</b>	158,671,658.76
Total current liabilities	<b>24,499,882,292.18</b>	24,361,350,063.57
<b>Non-current liabilities:</b>		
Reserves for insurance contracts		
Long-term borrowings	<b>1,931,044,398.90</b>	2,230,247,510.00
Bonds payable		
Including: Preference shares		
Perpetual bonds		
Lease liabilities	<b>98,906,923.98</b>	114,585,384.56
Long-term payables		
Long-term employee benefits payable	<b>123,092,330.87</b>	129,074,455.73
Estimated liabilities	<b>130,785,302.54</b>	136,750,611.11
Deferred income	<b>92,595,904.01</b>	87,673,373.52
Deferred tax liabilities	<b>561,749,594.80</b>	503,342,468.74
Other non-current liabilities	<b>236,238,270.41</b>	166,058,913.54
Total non-current liabilities	<b>3,174,412,725.51</b>	3,367,732,717.20
Total liabilities	<b>27,674,295,017.69</b>	27,729,082,780.77
<b>Owners' equity (or shareholders' interests):</b>		
Paid-in capital (or share capital)	<b>1,413,506,378.00</b>	1,413,506,378.00
Other equity instruments		
Including: Preference shares		
Perpetual bonds		
Capital reserve	<b>9,001,619,702.14</b>	9,375,981,708.49
Less: Treasury shares		
Other comprehensive income	<b>1,632,191,649.65</b>	1,450,554,845.16
Special reserve		
Surplus reserve	<b>1,111,646,419.34</b>	1,111,646,419.34
Provision for general risks		
Undistributed profit	<b>2,209,675,753.61</b>	2,236,341,205.82
Total equity (or shareholders' interests) attributable to owners of the Parent Company	<b>15,368,639,902.74</b>	15,588,030,556.81
Minority interests	<b>3,136,316,708.09</b>	3,162,673,307.07
Total owners' equity (or shareholders' interests)	<b>18,504,956,610.83</b>	18,750,703,863.88
Total liabilities and owners' equity (or shareholders' interests)	<b>46,179,251,628.52</b>	46,479,786,644.65

Legal representative:  
**Chen Liping**

Person in charge of accounting:  
**Hou Zengquan**

Head of accounting department:  
**Xie Weihong**

## CONSOLIDATED INCOME STATEMENT

From January to March 2023

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

*Unit: RMB Audit Type: Unaudited*

Item	January to March 2023	January to March 2022
<b>I. Total operating income</b>	<b>1,898,863,467.22</b>	1,128,449,754.40
Including: Operating income	1,898,863,467.22	1,128,449,754.40
Interest income		
Premium earned		
Fee and commission income		
 <b>II. Total operating costs</b>	 <b>1,962,044,650.92</b>	 1,212,346,783.58
Including: Operating costs	1,803,181,205.07	1,025,376,471.59
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	1,837,218.17	2,384,139.72
Selling expenses	7,450,936.39	17,093,556.46
Administrative expenses	122,807,262.38	114,692,953.88
Research and development expense	60,831,504.73	94,030,060.04
Finance cost	-34,063,475.82	-41,230,398.11
Including: Interest expenses	35,593,403.11	34,593,738.87
Interest income	96,260,550.60	100,446,735.58
Add: Other income	8,176,326.72	4,208,485.92
Investment income (loss expressed with “-”)	-3,341,393.95	6,558,255.26
Including: Investment income in associates and joint ventures	4,205,662.72	2,614,728.00
Derecognition income of financial assets measured at amortised cost		
Exchange gain (loss expressed with “-”)		
Net gain on exposure hedging (loss expressed with “-”)		
Gain on change in fair value (loss expressed with “-”)	4,266,915.67	31,101,590.89
Loss on impairment of credit (loss expressed with “-”)	-2,483,584.44	12,489,493.54
Loss on impairment of assets (loss expressed with “-”)	-5,822,791.66	-10,276,500.93
Gains from disposal of asset (loss expressed with “-”)	-	

Item	January to March 2023	January to March 2022
<b>III. Operating profit (loss expressed with “-”)</b>	<b>-62,385,711.36</b>	-39,815,704.50
Add: Non-operating income	<b>1,011,927.74</b>	562,381.06
Less: Non-operating expenses	<b>768,002.78</b>	253,590.90
<b>IV. Total profit (total loss expressed with “-”)</b>	<b>-62,141,786.40</b>	-39,506,914.34
Less: Income tax expense	<b>-9,992,372.69</b>	-7,433,096.68
<b>V. Net profit (net loss expressed with “-”)</b>	<b>-52,149,413.71</b>	-32,073,817.66
(i) By continuity of operations		
1. Net profit from continuing operations (net loss expressed with “-”)	<b>-52,149,413.71</b>	-32,073,817.66
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 “-”)	<b>-26,665,452.21</b>	-12,318,793.85
2. Gain or loss attributable to minority interests (net loss expressed with “-”)	<b>-25,483,961.50</b>	-19,755,023.81
<b>VI. Net after tax for other comprehensive income</b>	<b>180,764,167.01</b>	-1,242,034,398.22
(i) Net after tax for other comprehensive income attributable to owners of the Parent Company	<b>181,636,804.49</b>	-1,234,375,029.73
1. Other comprehensive income that may not be reclassified to profit or loss	<b>182,490,381.48</b>	-1,234,128,580.81
(1) Change in remeasurement of defined benefit plans		
(2) Other comprehensive income that may not be reclassified to profit or loss under equity method	<b>-26,522.19</b>	-150,727.84
(3) Change in fair value of investments in other equity instruments	<b>182,516,903.67</b>	-1,233,977,852.97
(4) Change in fair value of own credit risk		
2. Other comprehensive income that may be reclassified to profit or loss	<b>-853,576.99</b>	-246,448.92
(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	<b>-853,576.99</b>	-246,448.92
(7) Others		
(ii) Net other comprehensive income after tax attributable to minority interests	<b>-872,637.48</b>	-7,659,368.49

Item	January to March 2023	January to March 2022
<b>VII.Total comprehensive income</b>	<b>128,614,753.30</b>	-1,274,108,215.88
(i) Total comprehensive income attributable to owners of the Parent Company	<b>154,971,352.28</b>	-1,246,693,823.58
(ii) Total comprehensive income attributable to minority interests	<b>-26,356,598.98</b>	-27,414,392.30
<b>VIII.Earnings per share:</b>		
(i) Basic earnings per share (RMB/share)	<b>-0.0189</b>	-0.0087
(ii) Diluted earnings per share (RMB/share)	<b>-0.0189</b>	-0.0087

For business combination under common control for the current period, net profit realized by the acquire before the combination was RMB0, net profit realized by the acquire was RMB0 for the last period.

Legal representative:  
**Chen Liping**

Person in charge of accounting:  
**Hou Zengquan**

Head of accounting department:  
**Xie Weihong**



# CONSOLIDATED CASH FLOW STATEMENT

From January to March 2023

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

*Unit: RMB Audit Type: Unaudited*

<b>Item</b>	<b>January to March 2023</b>	January to March 2022
<b>I. Cash flows from operating activities:</b>		
Cash received from sale of goods or rendering of services	<b>2,877,222,863.32</b>	5,757,466,556.90
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		
Net increase in sales and repurchase operations		
Cash receipts of brokerage for securities trading		
Cash received from tax refund	<b>116,674,956.69</b>	44,455,053.79
Other cash receipts relating to operating activities	<b>187,968,467.84</b>	116,143,523.13
Sub-total of cash inflows from operating activities	<b>3,181,866,287.85</b>	5,918,065,133.82
Cash paid for goods and services	<b>2,519,363,160.16</b>	2,522,600,001.11
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	<b>281,634,371.76</b>	197,273,928.39
Payments of taxes	<b>12,652,978.00</b>	15,755,021.95
Other cash payments relating to operating activities	<b>151,436,337.94</b>	143,612,357.47
Sub-total of cash outflows from operating activities	<b>2,965,086,847.86</b>	2,879,241,308.92
Net cash flows from operating activities	<b>216,779,439.99</b>	3,038,823,824.90

Item	January to March 2023	January to March 2022
<b>II. Cash flows from investing activities:</b>		
Cash receipts from recover of investments	–	2,503,519,518.06
Cash receipts from investment income	<b>15,710,576.00</b>	54,692,681.94
Net cash receipts from disposal of fixed assets, intangible assets and other long-term assets	<b>97,605.36</b>	47,452.00
Net cash receipts from disposal of subsidiaries and other business units		
Other cash receipts relating to investing activities	<b>1,185,832,762.97</b>	21,305,774.02
Sub-total of cash inflows from investing activities	<b>1,201,640,944.33</b>	2,579,565,426.02
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	<b>223,683,372.89</b>	60,008,403.92
Cash paid for investments	–	1,300,000,000.00
Net increase in pledged loans		
Net cash paid for acquisition of subsidiaries and other business units	–	
Other cash payments relating to investing activities	<b>3,944,137,045.91</b>	4,453,881,251.47
Sub-total of cash outflows from investing activities	<b>4,167,820,418.80</b>	5,813,889,655.39
Net cash flows from investing activities	<b>-2,966,179,474.47</b>	-3,234,324,229.37
<b>III. Cash flows from financing activities:</b>		
Cash receipts from receiving investments		
Including: Cash received by subsidiaries from receiving investments made by minority interest		
Cash receipts from borrowings obtained	<b>66,000,000.00</b>	1,700,000,000.00
Other cash receipts relating to financing activities	–	–
Sub-total of cash inflows from financing activities	<b>66,000,000.00</b>	1,700,000,000.00
Cash paid for repayment of debts	<b>1,200,000,000.00</b>	1,275,000,000.00
Cash paid for dividends, profit distribution or interest expenses	<b>34,289,038.88</b>	38,138,493.87
Including: Dividends and profits paid by subsidiaries to minority interests		
Other cash payments relating to financing activities	<b>20,738,287.48</b>	634,465.37
Sub-total of cash outflows from financing activities	<b>1,255,027,326.36</b>	1,313,772,959.24
Net cash flows from financing activities	<b>-1,189,027,326.36</b>	386,227,040.76
<b>IV. Effect of change in exchange rate on cash and cash equivalents</b>	<b>-11,312,192.56</b>	-4,006,060.92

Item	January to March 2023	January to March 2022
<b>V. Net increase in cash and cash equivalents</b>	<b>-3,949,739,553.40</b>	186,720,575.37
Add: Beginning balance of cash and cash equivalents	<b>11,069,985,285.84</b>	5,417,061,556.97
<b>VI. Ending balance of cash and cash equivalents</b>	<b>7,120,245,732.44</b>	5,603,782,132.34

Legal representative:  
**Chen Liping**

Person in charge of accounting:  
**Hou Zengquan**

Head of accounting department:  
**Xie Weihong**

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

Guangzhou, 27 April 2023

*As at the date of this announcement, the Board comprises nine Directors, namely executive Directors Mr. Chen Liping and Mr. Xiang Huiming; non-executive Directors Mr. Chen Ji, Mr. Gu Yuan and Mr. Ren Kaijiang; and independent non-executive Directors Mr. Yu Shiyong, Mr. Lin Bin, Mr. Nie Wei and Mr. Li Zhijian.*