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中船海洋与防务装备股份有限公司
CSSC OFSHORE & MARINE ENGINEERING (GROUP) COMPANY LIMITED

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

SUMMARY OF THE INTERIM REPORT FOR THE SIX MONTHS ENDED JUNE 30, 2015

§1 IMPORTANT NOTES

1.1 The financial information contained in this summary of the 2015 interim report (the "Report") for the six month ended June 30, 2015 (the "Reporting Period") of CSSC Offshore & Marine and Engineering (Group) Company Limited (formerly known as "Guangzhou Shipyard International Company Limited", hereinafter referred to as "COMEC" or the "Company", together with its subsidiaries, the "Group") is prepared in accordance with PRC Accounting Standards for Business Enterprise and Relevant Regulations ("Accountant Standards and Regulations") and the financial information contained in this summary has been reviewed and confirmed by the Audit Committee.

1.2 All Directors attended the meeting of the board (the "Board" of directors of the Company (the "Directors").

1.3 The 2015 interim financial report of the Company has not been audited.

1.4 This document is a summary of the full text of the Report. Investors are advised to read the full text of the Report for details.

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

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

§2 BASIC INFORMATION ON THE COMPANY

2.1 Key financial figures and indicators

2.1.1 Key financial information

Unit: RMB

Key accounting figures	Reporting Period (January-June)	Corresponding period of last year	Changes for the Reporting Period as compared with the corresponding period of last year (%)
Total operating income	10,809,719,237.47	8,403,738,453.36	28.63
Net profit attributable to shareholders of the Company	-524,993,554.11	-219,947,405.11	Not applicable
Net profit attributable to shareholders of the Company after deduction of exceptional items	-589,332,813.80	-260,829,594.36	Not applicable
Net cash flow from operating activities	-3,498,657,736.99	-2,934,608,266.63	Not applicable

	End of the Reporting Period	End of last year	Changes for the end of Reporting Period as compared with the end of last year (%)
Net assets attributable to shareholders of the Company	9,711,245,452.29	8,662,233,821.71	12.11
Total assets	45,125,043,988.34	43,741,099,087.43	3.16

Note: The Company completed the acquisition of CSSC Huangpu Wenchong Shipbuilding Company Limited ("Huangpu Wenchong") during the Reporting Period, included into the scope of consolidation, and the consolidated financial statements were prepared under common control, and the comparative financial statements were adjusted retrospectively.

2.1.2 Key financial index

Unit: RMB

Key financial index	**Reporting Period (January-June)**	**Corresponding period of last year**	**Changes for the Reporting Period as compared with the corresponding period of last year (%)**
Basic earnings per share ("EPS") (RMB/share)	-0.3866	-0.1688	Not applicable
Diluted EPS (RMB/share)	-0.3866	-0.1688	Not applicable
Basic EPS after deduction of exceptional items (RMB/share)	-0.4823	-0.3117	Not applicable
Weighted average returns on net assets (%)	-5.71	-2.50	Decreased by 3.21
Weighted average returns on net assets after deduction of exceptional items (%)	-7.70	-5.56	Decreased by 2.14

Note: For business combination under common control during the Reporting Period, in calculating weighted average returns on net assets, net assets of the acquirer were weighted starting from the beginning of the reporting period; in calculating weighted average returns on net assets after deduction of exceptional items, net assets of acquirer were weighted starting from the next month of the date of combination. In calculating weighted average returns on net assets during the comparative period (i.e. comparing with the corresponding period of last year), net profit and net assets of acquirer were weighted starting from the beginning of the comparative period; in calculating weighted average returns on net assets after deduction of exceptional items during comparative period, net assets of the acquirer shall not be weighted (weighting is zero).

2.1.3 The exceptional items and amounts

Unit: RMB

Exceptional items	Amount	Notes (as applicable)
Profits or losses from disposal of non-current assets	-408,623.73	
Government subsidies recognized in the current profits/losses, other than on-going government subsidies which are closely related to the Company's normal operation, meet the requirements of government policies and are subject to certain limits and conditions	44,402,340.49	Government subsidies and R&D subsidies received
Net gains and losses from subsidiaries, consolidated under common control, for the period from beginning of the year to consolidation date	-31,243,445.75	Gains or losses under common control recognized from the beginning of period to the date of settlement due to acquisition of Huangpu Wenchong
Gains or Losses from fair value changes of trading financial assets and trading financial liabilities, and investment income from disposal of trading financial assets, trading financial liabilities and available-for-sale financial assets, except effective hedging activities related to the Company's normal operation	60,090,471.08	Changes in fair value of forward foreign exchange contracts and investment gains from settlement of contracts at maturity
Other non-operating profits and losses apart from above items	3,078,650.34	
Impact on non-controlling shareholder's equity	-220,773.00	
Income tax impact	-11,359,359.74	
Total	64,339,259.69	

§3 STAFF AND REMUNERATION POLICY

The remuneration of the employees of the Group includes salaries, bonuses and other fringe benefits prescribed by the government. The Group applies different rates of remuneration for different employees, which are determined based on their positions and performance pursuant to the relevant PRC laws and regulations. As at June 30, 2015, the number of employees on the record of the Group was 20,552. As at June 30, 2015, the remuneration paid by the Group to employees was RMB1,081 million in aggregate.

§4 REPORT OF THE BOARD OF THE DIRECTORS

4.1 Discussion and analysis of overall operation during the Reporting Period

During the Reporting Period, the shipping market continued to be at a low point, the shipbuilding market has not showed any sign of recovery slowly. Facing unfavourable factors like impact of overall market condition and slow release of the Company's effectiveness, the Company conducted fully various works in production and operation with the corporate spirits of "pulling together and pursuit of excellency". In the first half year of 2015, the Company completed the acquisition of 100% equity interest in Huangpu Wenchong, which successful injecting into of such high quality core military assets has further enhanced the building capacity of the Company in military ships and offshore engineering equipment, achieving overall optimization and comprehensive development in military ships, military auxiliary ships, civil ships and offshore engineering business. However, since the consolidation is at beginning stage, the synergy effect has not yet seen.

As at June 30, 2015, total revenue of the Group prepared in accordance with the Accounting Standards and Regulations amounted to RMB10.8 billion, representing an increase of 28.63% compared with the corresponding period of last year. The net profit attributable to the shareholders of the Company amounted to RMB-525 million. The basic EPS were RMB-0.3866 and RMB-0.4823 respectively before and after deduction of exceptional items.

4.2 Main business analysis

4.2.1 Analysis of changes on relevant items in the financial report

Unit: RMB

Analysis of changes on relevant items in income statement and cash flow statement

Items	Reporting Period	Corresponding period of last year	Changes for the Reporting Period as compared with the corresponding period of last year (%)
Total revenue	10,809,719,237.47	8,403,738,453.36	28.63
Total costs	10,505,677,087.10	8,108,022,448.97	29.57
Selling expenses	77,145,661.29	17,291,683.33	346.14
Administrative expenses	603,455,675.24	557,235,616.68	8.29
Financial expenses	39,589,871.47	19,803,998.95	99.91
Net cash flows from operating activities	-3,498,657,736.99	-2,934,608,266.63	Not applicable
Net cash flows from investing activities	-652,263,549.02	-1,263,427,394.67	Not applicable
Net cash flows from financing activities	2,351,461,445.40	1,156,514,252.40	103.32
Research and development expenditure	173,326,764.96	164,549,651.76	5.33

Analysis of changes on relevant items in balance sheet

Items	End of the period	Beginning of the period	Change (%)
Financial asset at fair values through profit or loss	61,925,184.49	17,905,895.15	245.84
Accounts receivable	2,033,948,226.94	718,056,504.75	183.26
Financial assets available for sale	20,251,595.49	14,426,737.16	40.38
Employee benefits	128,842,930.39	46,080,312.09	179.61
Taxes payable	-705,308,420.40	-311,783,190.54	N/A
Dividends payable	256,485,146.98	177,721.77	144,218.36
Other payables	163,944,865.80	245,383,148.57	-33.19
Deferred income	212,730,013.96	149,269,700.92	42.51
Deferred income tax liabilities	9,794,647.79	3,069,736.73	219.07
Share capital	1,413,506,378.00	1,030,534,651.00	37.16
Special reserve	960,971.20	1,439,966.32	-33.26
Retained earnings	530,041,683.10	1,310,184,662.42	-59.54

Reasons for the changes in income statement and cash flow statement:

Reason for the changes in total revenue: due to the increase in production volume;

Reason for the changes in total costs: due to the increase in production volume;

Reason for the changes in selling expenses: mainly due to the increase in shipbuilding income, provision of maintenance fee according to the progress and increase in the write-back of ship maintenance fee for subsidiaries' ships expiring maintenance period in last year;

Reason for the changes in administrative expenses: mainly due to an increase in research and development expenses, depreciation expenses and repairing costs as compared with the corresponding period of last year;

Reason for the changes in financial expenses: mainly due to the decrease in deposits amount as compared with the corresponding period of last year resulting in a decrease in interest income;

Reason for the changes in net cash flows from operating activities: production business volume increased, the increase in payment;

Reason for the changes in net cash flows from investing activities: the decrease in secured loans;

Reason for the changes in net cash flows from financing activities: the difference between proceed raised from issue of shares and borrowings;

Reason for the changes in research and development expenditure: the structural difference in research and development projects.

Reasons for the changes in balance sheet items

Reasons for the change in financial asset at fair values through profit or loss: mainly due to the increase in number of forward foreign currency contracts and the change in fair values resulted from forward exchange rate fluctuations;

Reasons for the change in accounts receivable: mainly due to amounts from ship receivable for the period increased;

Reasons for the change in financial assets available for sale: mainly due to the decrease in the shareholdings in CSSC Heavy Equipment Co., Ltd. Such shares are transferred to as financial assets available for sale;

Reasons for the change in employee benefits: mainly due to the monthly provision of year-end bonus by individual subsidiaries, which increased the balances at the end of the period;

Reasons for change in taxes payable: mainly due to the increase in input VAT for the period;

Reasons for change in dividends payable: mainly due to the gain or loss of Huangpu Wenchong being attributable to the original shareholders before the completion of transfer. Such dividends have not yet paid;

Reasons for the change in other payables: mainly due to the collection of payment of current accounts by subsidiaries;

Reasons for the change in deferred income: mainly due to the receipt of government grant during the period;

Reasons for the change in deferred income tax liabilities: mainly due to the increase in fair value;

Reasons for the change in share capital: mainly due to increase in shares in issue;

Reasons for the change in special reserve: mainly due to increase in work safety fee of subsidiaries for the period;

Reasons for the change in retained earnings: mainly due to the loss of RMB525 million for the period and provision for the dividend of Huangpu Wenchong of RMB255 million for the period before the completion of transfer.

4.2.2 Details of the composition of the Company's profits or material changes of the sources of profits

Unit: RMB

Item	Reporting period	Corresponding period of last year	Change (%)	Reasons for the changes
Business taxes and surcharges	8,389,291.14	15,319,242.88	-45.24	Mainly due to the increase in input VAT and decrease in value-added tax, resulting in a decrease in business tax and surcharges as compared to the corresponding period of last year
Selling and distribution expenses	77,145,661.29	17,291,683.33	346.14	Mainly due to the increase in shipbuilding income, provision of maintenance fee according to the progress and increase in the write-back of ship maintenance fee for subsidiaries' ships expiring maintenance period in last year
Financing cost	39,589,871.47	19,803,998.95	99.91	Mainly due to the decrease in deposits amount as compared with the corresponding period of last year resulting in a decrease in interest income and an increase in financing cost
Loss on impairment of assets	230,127,890.25	48,171,631.69	377.72	Mainly due to the expected and actual cost of the same ship models as compared to the corresponding period of last year resulting in an increase in asset impairment loss
Gain arising from the changes in fair value	52,317,853.55	-149,982,185.14	-134.88	Mainly due to the change in exchange rate fluctuations
Investment income	7,925,146.08	66,028,216.29	-88.00	Mainly due to the change in currency rate resulting in loss in settlement of currency contract
Non-operating income	52,325,766.15	223,833,101.95	-76.62	Mainly due to the difference in overseas subsidy during the transition period
Non-operating expenses	1,219,283.81	629,661.01	93.64	Mainly due to increase in penalties during the period
Income tax expenses	-19,723,979.56	12,609.76	-156,518.36	Mainly due to the increase in deferred tax asset for the period
Other comprehensive income	668,612.45	-40,259,427.43	-101.66	Mainly due to the recognition of remuneration for third class staff of a subsidiary, Huangpu Wenchong

4.3 Particulars of the progress of business plan

During the first half of 2015, the total amount of industrial production value completed was RMB11.503 billion, of which:

Shipbuilding and maintenance: amount of production completed was RMB8.236 billion, representing an increase of 11.09% as compared with the corresponding period of last year; 23 ships were delivered.

Offshore engineering products: amount of production completed was RMB2.536 billion, representing an increase of 73.51% as compared with the corresponding period of last year.

Electromechanical equipment: amount of production completed was RMB731 million, representing an increase of 62.05%. A total of 359 sets of shearing press were sold; 276 elevators were completed and the production volume of steel structure was 23,748 tons.

4.4 Development plan for the second half of the year

For the second half of this year, the Company plans to complete an industrial production amounting to RMB14.017 billion; it is expected to complete the construction of 50 vessels, the sale of 241 sets of shearing press, the production of 524 elevators and 21,702 tons of steel structure.

4.5 Information on principal businesses by product

Unit: RMB

Information on principal businesses by product

Product	Operating income	Operating cost	Gross profit Margin (%)	Change of operating income compared with the corresponding Period last year (%)	Change of operating cost compared with the corresponding Period last year (%)	Change of gross profit margin compared with the corresponding period last year (%)
Shipbuilding and maintenance business (including offshore engineering products)	10,065,488,135.21	9,818,438,584.95	2.45	29.94	30.51	-14.86
Ship maintenance	65,637,265.97	63,221,527.10	3.68	-3.74	-12.41	-162.93
Steel structure engineering	368,915,503.50	344,271,434.50	6.68	107.95	114.11	-28.67
Electromechanical products and others	197,667,606.51	188,784,919.29	4.49	-18.54	-18.79	7.18

During the Reporting Period, the Company's income from principal businesses amounted to RMB10.698 billion, representing an increase of 29.91% compared with the corresponding period last year; the gross profit of principal business amounted to RMB283 million, representing an increase of 15.03% compared with the corresponding period last year; among which, the income of shipbuilding and offshore engineering products amounted to RMB10.065 billion, representing an increase of 29.94% compared with the corresponding period last year, due to increase in production capacity and the increase in the number of ships under construction compared with the corresponding period last year. As for its offshore engineering business, 90000 tons of sub-submerged ships and 2 polar deck carriers were added. Income from ship maintenance amounted to RMB66 million, presenting a decrease of 3.74% as compared with the corresponding period of last year. For non-shipbuilding businesses, the accumulated income from steel structure engineering amounted to RMB369 million, representing an increase of 107.95% as compared with the corresponding period of last year, which was mainly due to new "City of Dreams" project; however, as results of the demanding technique requirement of and difficulties involved in those newly contracted steel structure projects, resulting in a drop in gross profit margin.

4.6 Information of main business by region

Unit: RMB

Region	Operating income	Changes of operating income compared with corresponding period of the last year (%)
PRC (including Hong Kong, Macau and Taiwan)	7,669,965,485.67	50.21
Other Asian countries and regions	372,584,716.44	-66.81
Europe	2,089,219,755.96	61.21
Oceania	370,554,537.21	412.31
North America	153,182,679.44	-34.41
Africa	42,201,336.47	-89.56
Total	10,697,708,511.19	29.91

During the Reporting Period, the income from the Group's principal business increased by 29.91% compared with the corresponding period of last year, among which, the turnover in the PRC (including Hong Kong, Macau and Taiwan) increased by RMB2.564 billion compared with the corresponding period of last year, representing an increase of 50.21%. Affected by the unfavourable economic environment, the overseas market was still in the trough. Therefore, the Company focused more on the development of the domestic market, and increased the business of building special vessels and public service vessels.

4.7 Analysis of investment status

4.7.1 Information on equity investments

As at June 30, 2015, the balance of external equity investment of the Company was RMB92.6853 million, representing a decrease of 0.52% compared with RMB93.1679 million at the beginning of the year, which was mainly due to investment income from associates.

4.8 Information on use of funds raised

Unit: RMB

Year of fund raising	Method of fund raising	Total amount of proceeds	Total amount of proceeds used during the Reporting Period	Total amount of proceeds accumulatively used	Total amount of proceeds that have not been used	Use and status of proceeds that have not been used
2015	Non-public issue	1,607,882,382.42	1,255,945,482.42	1,255,945,482.42	351,936,900.00	Unutilized funds raised were deposited in the special account for funds raised held by Huangpu Wenchong as account holder.
Total	/	1,607,882,382.42	1,255,945,482.42	1,255,945,482.42	351,936,900.00	/

General usage of funds raised	As approved by the "Approval to Issuance of Shares by Guangzhou Shipyard International Company Limited to China State Shipbuilding Corporation and others for asset acquisition and supporting funds raising" (CSRC Permit [2015] No. 330) from the China Securities Regulatory Commission, the Company issued 42,559,089 A Shares to 7 specific investors by a non-public issue manner at the issue price of RMB37.78 per share, which raised an aggregate of RMB1,607,882,382.42, and final net funds raised after deduction of issue expenses of RMB 66,509,089.85 were RMB1,541,373,292.57, of which, RMB104,959,959.97 had been used to complement liquidity of COMEC, and the special account for fund raising which deposited such funds had been cancelled in May; RMB680,408,300.00 had been used to pay CSSC as 15% of consideration for equity interest in Huangpu Wenchong under restructuring, and the special account for fund raising which deposited such funds had been cancelled in May; RMB333,836,243.90 had been used to complement working capital of GSI Yangzhou in utilizing original related shipbuilding assets of Yangzhou Kejin, and the special account for fund raising which deposited such funds had been cancelled in May; RMB42,168,788.70 had been used to complement liquidity of Huangpu Wenchong and the special account for fund raising which deposited such funds is in the process of cancellation; RMB28,063,100.00 had been used to complement and improve production facilities project for offshore engineering equipment at Longxue Factory of Huangpu Wenchong, and the remaining funds raised of RMB 351,936,900.00 are not utilized, and deposited in the special account for funds raised held by Huangpu Wenchong as account holder, which will continue to be used to complement and improve production facilities project for offshore engineering equipment at Longxue Factory of Huangpu Wenchong.

4.9 Information of non-raised capital investment projects

Unit: RMB

Project name	Project amount	Project progress	Amount invested during the Reporting Period	Actual amount invested in total	Project benefit
General Contracting for Design and Construction of Workers' Dormitory Project (Phase I) and Residentail Project of CSSC Longxue Base	627,700,000.00	64%	77,022,314.62	404,511,634.10	No profit generated yet
Assembly shipbuilding platform and research and conservation construction projects	666,670,000.00	14%	62,410,846.79	96,373,540.16	No profit generated yet
Project VII	424,940,000.00	9%	13,482,942.17	39,450,237.39	No profit generated yet
Offshore projects	278,630,000.00	11%	5,065,067.78	30,768,008.73	No profit generated yet
Others	–	–	77,022,979.57	77,022,979.57	
Total	1,997,940,000.00	/	235,004,150.93	648,126,399.95	/

§5 SIGNIFICANT EVENTS

5.1 Assets transactions, merger of enterprises

In March 2015, the Company completed the subject assets transfer work for significant assets restructuring project in respect of issue of A Shares and cash payment for assets acquisition and supporting funds raising and connected transactions; on 8 April 2015, the change in registration of such issue of new shares was completed, and total number of shares of the Company was changed from 1,030,534,651 shares to 1,413,506,378, details of which refers to the announcements published on websites of Shanghai Stock Exchange, Hong Kong Stock Exchange and the Company on March 19, 2015 and April 9, 2015.

During the Reporting Period, the Company completed the significant assets restructuring involving the acquisition of 100% equity interest in Huangpu Wenchong. After injected the core military assets of Huangpu Wenchong, our position as the globally leading manufacturer of handy-size tankers and military auxiliary ships has been further enhanced by enabling us to build military ships and marine engineering equipment. This allows the overall optimization and comprehensive development of the Company's business such as military ships, military auxiliary ships, civil ships and offshore engineering, and thus improves the overall strength and competitiveness of the Company.

5.2 Profit distribution and cash dividend policy

5.2.1 Implementation of profit distribution proposal during the Reporting Period

It was passed upon due consideration during the annual general meeting of the Company for 2014 on May 8, 2015 that, the Company would not distribute any dividend for 2014, or issue new bonus shares by conversion of capital reserve.

5.2.2 Profit distribution for the Reporting Period

The Company would not make profit distribution or issue new bonus shares by conversion of capital reserve for the first half of 2015.

5.3 Material litigation, arbitration and matters commonly concerned by media

As concerning the case that the Company sued Jiangsu Shenghua in relation to a dispute over technical service contract and the case that Guangzhou Guangli sued Jiangsu Shenghua in relation to a dispute over the Contract for Installation Engineering of 1# and 2# 79,600DWT bulk carriers. During the Reporting Period, Jiangsu Shenghua was convicted of bankruptcy at Zhenjiang Intermediate Court, the Company had deilived application information for creditor's right to the bankruptcy liquidation group of Jiangsu Shenghua, and attended at the first creditors' meeting of Jiangsu Shenghua Shipbuilding Company limited, and subsequent bankruptcy liquidation work will be continued to proceed. Save as disclosed above, the Company did not have other material litigations, arbitrations and matters commonly concerned by media during the reporting period.

For details, please refer to the "Significant Events (I) Significant Litigation and Arbitration" in the Annual Report 2014 of the Company.

5.4 Entrustment, contracting and leasing matters

5.4.1 *Leasing*

Unit: RMB

Lessor name	Lessee name	Type of leasing assets	Date of commencement of lease	Expiry date of lease	Gain on lease	Effect of gain on lease on the Company	Connected transaction or not	Connected relation
Guangzhou Shipyard Industrial Co., Ltd	The Company	lands and properties	October 1, 2014	December 31, 2017	0	Nil	Yes	Other connected parties
Guangzhou Ship Industrial Company	CSSC Huangpu Wenchong Shipbuilding Company Limited	Lands and properties	January 1, 2015	December 31, 2015	3,787,036.81	Yes	Yes	Sister company of the Group
Guangzhou Ship Industrial Company	Guangzhou Wenchong Shipbuilding Factory Company Limited	Lands and properties	January 1, 2015	December 31, 2015	6,793,069.46	Yes	Yes	Sister company of the Group
Guangzhou Wenchong Shipbuilding Factory Company Limited	Shipbuilding Chengxi the Voyage Ship Co., Ltd. (Guangzhou)	Properties	January 1, 2015	December 31, 2015	46,871.52	Yes	Yes	Sister company of the Group

Particulars of Leasing

On 27 September 2014, the Company and Guangzhou Shipyard Industrial Co., Ltd. entered into a lease agreement pursuant to which three pieces of land plots which are located at Heliwai, South Fangcun Main Road Liwan District, Guangzhou, No. 29 Donglang Market Main Road, South Fangcun Main Road, Liwan District, Guangzhou and on the north side of Heliwai, Donglangxiang, Liwan District, Guangzhou ("Leasing Properties"), of industrial use, and the buildings and structures on the landplots with total site area of 108,939 sq.m. were leased to the Company. Starting from 1 October 2014, Leasing Properties were leased to the Company, for a term of 39 months, and rental was RMB0. The lease will be continued to perform according to the "Lease Agreement" agreed under "Equity Transfer Agreement in Relation to the 100% Equity Interests in Guangzhou Shipyard Industrial Co., Ltd" entered between the Company and Shanghai Lingxiang Equity Investment Co., Ltd..

In 2014, Guangzhou Ship Industrial Company ("Guangzhou Company"), CSSC Huangpu Wenchong Shipbuilding Company Limited and Guangzhou Wenchong Shipbuilding Factory Company Limited ("Wenchong Shipbuilding Factory") entered into Land Use Right Lease Agreement, pursuant to which Guangzhou Company leased the land for Changzhou factory of 638,083.00 m2 located at No.188 Changzhou Street, Huangpu District, Guangzhou, and 14 lands of 638,776.58 m2 located at Wenchong Shipbuilding Factory, Guangzhou, to Huangpu Wenchong and Wenchong Shipbuilding Factory, respectively. The parties agreed that the term of lease of land use right should start from 1 May 2014 and end when Huangpu Wenchong and Wenchong Shipbuilding Factory finish relocation from Changzhou Factory and Wenchong Factory respectively and both of them start operation in new factory. The rent paid by Huangpu Wenchong for the land amounted to RMB5,051,232.42 per annum and the rent paid by Wenchong Shipbuilding Factory for the land amounted to RMB14,061,703.20 per annum. The parties agreed that the rent for the land use rights of the lands and the construction erected thereon should be determined on the basis of charge for use plus tax. The costs mainly include depreciation of the property and amortization of the lands. Tax is calculated based on the actual amount of tax incurred.

5.4.2 *Guarantee*

Unit: RMB

External guarantees provided by the Company (excluding those provided to its subsidiaries)

Guarantor	Relationship Between guarantor and the listed company	Guaranteed party	Value Guaranteed	Date of Guarantee (date of Agreement)	Commencement date of guarantee	Expiration date of guarantee	Type of Guarantee	Guarantee fully fulfilled	Guarantee overdue?	Over-due amount of guarantee	Any counter guarantee?	Guarantee provided to connected?	ffiliated relations with regard to the Company
Guangzhou Shipyard International Company Limited	Wholly-owned subsidiary	Shanghai Shipyard Co., Ltd.	1,000,000,000.00	June 20, 2012	June 20, 2012	September 17, 2022	Suretyship of joint and several liability	No	No	0	Yes	Yes	brother-sister company of the Group
Guangzhou Shipyard International Company Limited	Wholly-owned subsidiary	Shanghai Shipyard Co., Ltd.	8,000,000,000.00	September 19, 2012	September 19, 2012	September 17, 2022	Suretyship of joint and several liability	No	No	0	Yes	Yes	brother-sister company of the Group

Total value guaranteed during the reporting period (excluding those provided to its subsidiaries)	0
Total balance guaranteed at the end of the reporting period (A) (excluding those provided to its subsidiaries)	1,800,000,000.00
Guarantees provided by the Company to its subsidiaries	
Total value guaranteed for its subsidiaries during the reporting period	174,237,600.00
Total balance guaranteed for its subsidiaries at the end of the reporting period (B)	1,610,237,600.00
Total value guaranteed by the Company (including those provided to its subsidiaries)	
Total value guaranteed (A+B)	3,410,237,600.00
Percentage of total value guaranteed to the Company's net assets (%)	34.95
Among which:	
Value guaranteed for shareholders, actual controller and related parties (C)	–
Value directly or indirectly guaranteed for guaranteed parties whose gearing ratio exceed 70% (D)	–
Amount of total value guaranteed exceeding 50% of net assets (E)	–
Total of value guaranteed for the above three items (C+D+E)	3,410,237,600.00
Statement on the contingent joint and several liability in connection with unexpired guarantee	Not applicable
Statement on guarantee	The above guarantee provided by Guangzhou Shipyard to Shanghai Shipbuilding Co., Ltd. was contract which was already existed before the Company's acquisition of Longxue International Shipbuilding. The issue was disclosed on the circular of the first extraordinary general meeting of the Company held on 13 February 2014.

5.5 Entrusted wealth management, entrusted loan and investment in derivatives

5.5.1 *Entrusted wealth management*

Unit: RMB

Cooperation party name	Type of entrusted wealth management products	Value of entrusted wealth management	Date of commencement of entrusted wealth management	Expiry date of entrusted wealth management	Return determination manner	Expected earnings	Principal amounts reovered actually	Actual gains obtained	Legal procedures or not	Amounts of provision on impairment	Connected transaction or not	Lawsuit involved or not	Fund source and whether funds raised or not	Relation with Company
CSSC Finance Co., Ltd	Entrusted assets	300,000,000	December 29, 2014	June 21, 2017	Return of the principal with interest upon expiry on one-off basis	37,191,780.82	0	7,416,203.82	Yes	0	Yes	No	No	Sister Company of the Group
CSSC Finance Co., Ltd	Entrusted assets	205,000,000	December 29, 2014	December 29, 2016	Return of the principal with interest upon expiry on one-off basis	20,528,082.19	0	5,063,127.69	Yes	0	Yes	No	No	Sister Company of the Group
CSSC Finance Co., Ltd	Entrusted assets	50,500,000	December 29, 2014	December 29, 2015	Return of the principal with interest upon expiry on one-off basis	2,272,500	0	1,164,015.56	Yes	0	Yes	No	No	Sister Company of the Group
Total	/	555,500,000	/	/	/	59,992,363.01	0	13,643,347.07	/	0	/	/	/	/

Accumulated amounts of the principal and gain unrecovered overdue (in RMB)	
Information of entrusted wealth management	Huangpu Wenchong applied to China development bank for a loan for special project, total principal amount of which was RMB555.50 million, bearing interest rate of 30% discount on the per annum. Such loan is intended to be used as the advances for the pre-construction work. According to the payment condition of the Company and the actual situation, such RMB555.50 million loan can be entrusted for wealth management after credited into account. After discussion with CSSC Finance and application, the general manager and the board of directors agreed to transfer out the RMB555.50 million by three installments for entrusting assets at the interest rate above.

5.5.2 *Entrusted loan*

Information of entrusted loan items

Unit: RMB

Name of borrower	Amount of entrusted loan	Term of loan	Loan interest rate	Purpose	Collateral or guarantor	Overdue or not	Connected transaction or not	Renewed or not	Lawsuit involved or not	Fund source and whether raised externally	Relation with Company
Zhongshan GSI Marine Engineering Company Limited	775,000,000.00	Jul 3, 2013 – May 31, 2017	1.5%	Infrastructure project		No	Yes	No	No	Advances received from shipbuilding contracts	Wholly owned subsidiary
Zhongshan GSI Marine Engineering Company Limited	40,000,000.00	February 6, 2015 – May 24, 2016	1.5%	Revolving funds for production		No	Yes	No	No	Advances received from shipbuilding contracts	Wholly owned subsidiary
Guangzhou United Steel Structures Limited	30,000,000.00	February 13, 2015 – February 12, 2016	5%	Revolving funds for production		No	Yes	No	No	Advances received from shipbuilding contracts	Wholly owned subsidiary
Guangzhou GSI Large-size Heavy Mechanical Equipment Co., Ltd.	15,000,000.00	October 21, 2014 – October 20, 2016	1.5%	Infrastructure project		No	Yes	No	No	Advances received from shipbuilding contracts	Wholly owned subsidiary
CSSC Huangpu Wenchong Shipbuilding Co., Ltd.	500,000,000.00	18 July 2012 – 15 July 2019	5.00%	Production operation	Guangzhou Wenchong Shipyard Co. Ltd	No	Yes	No	No	The Group issued mid term notes for financing	Controlling shareholder
Guangzhou Wenchong Shipyard Co. Ltd	500,000,000.00	18 July 2015 – 15 July 2019	5.00%	Production operation	CSSC Huangpu Wenchong Shipbuilding Co., Ltd.	No	Yes	No	No	The Group issued mid term notes for financing	Controlling shareholder
Guangzhou Wenchong Shipyard Co. Ltd	500,000,000.00	12 June 2015 – 4 March 2016	3.50%	Production operation	Nil	No	Yes	No	No	Advances received from shipbuilding contracts	Controlling shareholder
Guangzhou Wenchong Chonggong Co. Ltd.	10,000,000.00	15 September 2014 – 14 September 2016	0	Production operation	Nil	No	Yes	No	No	Advances received from shipbuilding contracts	Wholly owned subsidiary
Guangzhou Wenchong Chonggong Co. Ltd.	10,000,000.00	15 October 2014 – 14 September 2016	0	Production operation	Nil	No	Yes	No	No	Advances received from shipbuilding contracts	Wholly owned subsidiary
Guangzhou Wenchong Chonggong Co. Ltd.	10,000,000.00	17 December 2014 – 14 September 2016	0	Production operation	Nil	No	Yes	No	No	Advances received from shipbuilding contracts	Wholly owned subsidiary

5.5.3 *Investment in derivatives*

Unit: RMB

Type of investment	Fund source	Contracting party	Investment period	Product category	Expected earnings	Investment profit or loss	Lawsuit involved or not
USD forward exchange settlement	Contract for export of products	Bank	Within three years	Forward exchange settlement	4,341,269.67	3,885,500.00	No
USD forward exchange settlement	Contract for export of products	CSSC Finance Co., Ltd.	Within three years	Forward exchange settlement	9,438,380.41	–	No
Euro dollars forward purchase exchange	Contract for export of ships	Bank	Within one year	Forward purchase exchange	725,800.00	-9,273,848.84	No

5.6 Notes on other significant events

5.6.1 Detailed information on charges on the assets of the Group

As at June 30, 2015, an amount of RMB6.948 billion of the Company's deposits and RMB0.283 billion of right of receiving payments from ship had been applied as charge for long-term and short-term borrowings. Save for pledged bank fixed deposit and right of receiving payments from ship, no other assets of the Company were charged.

5.6.2 Gearing ratio

As at June 30, 2015, the Company's gearing ratio (total liabilities/total assets x 100%) was 78.38% (at the beginning of the Reporting Period: 80.09%). Such change was mainly due to changes incurred from acquisition of 100% equity interest in Huangpu Wenchong by cash payment and non-public issue of A Shares during the period.

5.6.3 Repurchase, sell or redemption of the Company's securities

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

§6 CORPORATE GOVERNANCE

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 and complete disclosure of corporate information. Specialized committees of the Board carried out works in accordance with their respective duties, and the independent non-executive shareholders played an important role in major issues such as the non-public issuance of H shares by the Company to specific subscribers.

6.1 Report on Corporate Governance

The Company kept improving its corporate governance structure in accordance with the PRC Company Law, the Securities Law of the PRC, relevant laws and regulations issued by the China Securities Regulatory Commission and the requirements of the Shanghai Stock Exchange and the Listing Rules, amended the Articles of Assocation, and facilitated continuous standardization of the operation of the Company. During the Reporting Period, the Company's governance had no material difference from the Company Law and relevant regulations of China Securities Regulatory Commission. Save as disclosed below, for the six months ended June 30, 2015, the Company has applied the codes set out in the Corporate Governance Code and Corporate Governance Report Practices (the "CG Code") contained in Appendix 14 of the Listing Rules, and has complied with all the code provisions;

6.1.1 In respect of code provision A.6.7 of the CG Code, Mr. Yang Li, Mr. Wang Jun and Mr. Chen Zhongqian, directors of the Company, were unable to attend the 2014 annual general meeting of the Company held on April 8, 2015 due to their business commitment, and Mr. Yang Li, Mr. Chen Zhongqian, directors of the Company, and Ms. Li Junping, an independent non-executive director of the Company, were unable to attend the first extraordinary general meeting for 2015 held on May 8, 2015 due to theire business commitment, which had deviated from such code provision.

6.2.2 As the executive directors of the Company Mr. Chen Ji and Mr. Chen Liping, and the independent non-executive directors of the Company Ms. Li Junping and Mr. Zhu Zhenyu (they continued to act their roles until it was elected new independent non-executive directors of the Company) were resigned on March 18, 2015, and the independent non-executive director Mr. Liu Huaijing resigned on May 19, 2015, the Company did not meet the CG Code as follows:

(a) In respect of code provision A5.1 of the CG Code, after Ms. Li Junping departured formally on May 8, 5015, the position of chairman of the Nomination Committee of the Company was vacant, which did not satisfy the requirement that the chairman of the Nomination Committee shall be acted by the chairman of the board of directors or an independent non-exectutive independent;

(b) In respect of Rule 3.21 of the Listing Rules, after Ms. Li Junping departured formally on May 8, 5015, the position of one member of the Audit Committee of the Company was vacant, which did not satisfy the requirement that the Audit Committee must include at least three members;

(c) In respect of Article 4 of Implementation Measures of the Emolument and Examination Committee, after Mr. Chen Liping departured formally on May 8, 5015, the position of one member of the Emolumen and Examination Committee of the Company was vacant, which did not satisfy the requirement that the Emolumen and Examination Committee must include at least three members;

(d) In respect of Rule 3.10A of the Listing Rules, as the resignment of Mr. Liu Huaijin was effective from July 19, 2015, the Company did not satisfy the requirement that the number of independent non-executive directors must represent at least one-third;

In the event that the resolution for electing Mr. Wang Yichu and Mr. Min Weiguo as the independent non-executitve directors is passed by the shareholders of the Company at the second Extraordinary Genernal Meeting for 2015 to be convenued on September 29, 2015, the Company will adjust timely each of such prefssional committees of the Board to meet the above requiements of the CG Code and the Listing Rules as soon as possible.

6.2 Securities Transactions by Directors

The Company has strictly complied with the relevant restrictive provisions imposed by PRC and Hong Kong regulatory organs in relation to securities transactions by directors and has consistently uphold the principle of complying with the most stringent provisions and had adopted the Model Code for Securities Transactions by Directors of Listed Issuers. The Company has established Management System for Holding and Trading the Shares of the Company of Directors, Supervisors and Senior Management contained in Appendix 10 of the Rules Governing the Listing of Securities on the Stock Exchange. The Company has made specific inquiry of all its directors for preparing this Report and all directors have confirmed that they have complied with the required standard of dealings as set out in the Model Code during the period under review.

6.3 Meetings of the Board

During the Reporting Period, the Board of the Company held five meetings, including three meetings by means of written resolutions. All the directors including proxies attended the meetings.

In addition, the Audit Committee of the Board held two meetings to review issues including the financial reports of the Company for 2014 and the report of the internal control review. The Nomination Committee held one meeting to nominate Mr. Xiang Huiming and Mr. Wang Guozhong as the directors of the eighth session of the Board of the Company and nominate Mr. Liu Huaijing and Mr. Zhou Dequn as the independent non-executive directors of the eighth term of the Board of the Company. The Emolument and Examination Committee held one meeting to review the salary matters for directors, supervisors and senior management of the eighth session of the Board.

§7 SIGNIFICANT ASSET RESTRUCTURING

In March 2015, the Company completed the subject assets transfer work for significant assets restructuring project in respect of issue of A Shares and cash payment for assets acquisition and supporting funds raising and connected transactions; on 8 April 2015, the change in registration of such issue of new shares was completed, and total number of shares of the Coompany was changed from 1,030,534,651 shares to 1,413,506,378 shares, details of which refers to the announcments published on websites of Shanghai Stock Exchange, Hong Kong Stock Exchange and the Company on March 19, 2015 and April 9, 2015.

§8 FINANCIAL STATEMENTS

FINANCIAL STATEMENTS PREPARED ACCORDING TO ACCOUNTING STANDARDS OF THE PRC

(Amounts in Renminbi yuan unless otherwise stated)

CONSOLIDATED BALANCE SHEET

June 30, 2015

Prepared by: CSSC Offshore & Marine and Engineering (Group) Company Limited *Unit: RMB*

Item	Ending balance	Beginning balance
Current assets:		
Cash and cash equivalents	**14,828,264,258.78**	16,726,702,642.38
Transaction settlement funds		
Loans to other banks		
Financial assets at fair value through profit and loss	**61,925,184.49**	17,905,895.15
Derivative financial assets		
Notes receivable	**21,389,867.00**	27,283,280.83
Accounts receivable	**2,033,948,226.94**	718,056,504.75
Prepayments	**3,098,613,427.54**	2,882,805,966.38
Insurance premium receivable		
Reinsurance premium receivable		
Reserves for reinsurance contract receivable		
Interests receivable	**221,002,378.93**	262,827,435.66
Dividends receivable	**635,116.05**	721,976.56
Other receivables	**287,601,472.78**	328,144,005.96
Financial assets purchased with agreement to re-sale		
Inventories	**9,155,377,039.91**	8,342,108,150.38
Assets classified as held for sale		
Non-current assets due within one year		
Other current assets	**50,500,000.00**	50,500,000.00
Total current assets	**29,759,256,972.42**	29,357,055,858.05

Item	Ending balance	Beginning balance
Non-current assets:		
Loans and advances to customers		
Available-for-sale financial assets	**20,251,595.49**	14,426,737.16
Held-to-maturity investments		
Long-term receivables	**352,338,818.61**	369,117,924.41
Long-term equity investments	**76,934,836.69**	82,455,679.64
Investment properties	**23,823,144.08**	24,137,500.16
Fixed assets	**10,603,904,498.92**	9,771,523,029.05
Construction in progress	**842,748,606.86**	809,764,544.77
Construction materials		
Disposal of fixed assets		
Productive biological assets		
Oil and gas assets		
Intangible assets	**2,102,807,645.15**	2,056,507,030.08
Research and development expenses		
Goodwill		
Long-term deferred expenses	**15,786,750.77**	17,453,675.02
Deferred tax assets	**822,191,119.35**	733,657,109.09
Other non-current assets	**505,000,000.00**	505,000,000.00
Total non-current assets	**15,365,787,015.92**	14,384,043,229.38
Total assets	**45,125,043,988.34**	43,741,099,087.43

Legal Representative: Han Guangde

Accounting Director: Chen Qiongxiang

Accounting Manager: Hou Zengquan

Item	Ending balance	Beginning balance
Current liabilities:		
Short-term loans	**6,783,455,587.92**	7,150,873,869.57
Borrowings from central bank		
Receipt of deposits and deposits from other banks		
Loans from other banks		
Financial liabilities at fair value through profit and loss	**48,177,146.08**	56,475,710.29
Derivative financial liabilities		
Notes payable	**1,754,566,542.90**	2,165,483,743.47
Accounts payable	**5,891,824,635.20**	5,231,961,857.57
Advance from customers	**1,015,460,478.83**	1,173,880,958.53
Funds from selling out and repurchasing financial assets		
Fee and commission payable		
Employee benefits	**128,842,930.39**	46,080,312.09
Taxes payable	**-705,308,420.40**	-311,783,190.54
Interests payable	**49,119,425.09**	46,368,757.24
Dividends payable	**256,485,146.98**	177,721.77
Other payables	**163,944,865.80**	245,383,148.57
Reinsurance accounts payable		
Reserves for insurance contracts		
Brokerage for trading securities		
Brokerage for consigning securities		
Liabilities classified as held for sale		
Non-current liabilities due within one year	**2,001,259,391.90**	1,799,060,757.83
Other current liabilities	**9,403,557,264.34**	9,929,067,940.06
Total current liabilities	**26,791,384,995.03**	27,533,031,586.45

Item	Ending balance	Beginning balance
Non-current liabilities:		
Long-term loans	**6,716,898,400.00**	5,620,471,388.68
Bonds payable		
Among which: Preferred shares		
Perpetual bond		
Long-term payables		
Long-term employee salary payable	**273,729,370.84**	286,692,732.20
Special payables	**900,339,744.58**	867,339,744.58
Estimated Liabilities	**463,268,645.47**	573,268,434.40
Deferred income	**212,730,013.96**	149,269,700.92
Deferred tax liabilities	**9,794,647.79**	3,069,736.73
Other non-current liabilities		
Total non-current liabilities	**8,576,760,822.64**	7,500,111,737.51
Total liabilities	**35,368,145,817.67**	35,033,143,323.96
The owner's equity		
Share capital	**1,413,506,378.00**	1,030,534,651.00
Other equity instruments		
Among which: Preferred shares		
Perpetual bond		
Capital reserves	**6,867,585,222.21**	5,421,591,956.64
Less: Treasury shares		
Other comprehensive income	**-44,616,223.70**	-45,284,836.15
Specific reserves	**960,971.20**	1,439,966.32
Surplus reserves	**943,767,421.48**	943,767,421.48
Reserve for ordinary risk		
Retained earnings	**530,041,683.10**	1,310,184,662.42
Total equity attributable to shareholders	**9,711,245,452.29**	8,662,233,821.71
Non-controlling interest	**45,652,718.38**	45,721,941.76
Total shareholder's equity	**9,756,898,170.67**	8,707,955,763.47
Total liabilities and shareholder's equity	**45,125,043,988.34**	43,741,099,087.43

Legal Representative: Han Guangde
Accounting Director: Chen Qiongxiang
Accounting Manager: Hou Zengquan

BALANCE SHEET OF PARENT COMPANY

June 30, 2015

Prepared by: CSSC Offshore & Marine and Engineering (Group) Company Limited *Unit: RMB*

Item	Ending balance	Beginning balance
Current assets:		
Cash and cash equivalents	**3,747,729,000.19**	6,703,553,411.25
Financial assets at fair value through profit and loss	**31,939,941.02**	13,007,994.71
Derivative financial assets		
Notes receivable	**2,500,000.00**	2,700,000.00
Accounts receivable	**1,413,208,508.58**	414,520,890.74
Prepayments	**5,001,010,315.81**	2,627,312,549.15
Interest receivables	**97,000,894.86**	123,613,565.69
Dividend receivables	**49,765,116.05**	48,321,976.56
Other receivables	**5,770,351,243.00**	4,209,059,240.56
Inventories	**2,061,982,900.97**	2,617,308,654.45
Assets classified as held for sale		
Non-current assets due within one year		
Other current assets		
Total current assets	**18,175,487,920.48**	16,759,398,283.11
Non-current assets:		
Available-for-sale financial assets	**1,000,000.00**	1,000,000.00
Held-to-maturity investments		
Long-term receivables		
Long-term equity investments	**3,878,607,806.45**	1,128,688,760.61
Investment properties	**23,823,144.08**	24,137,500.16
Fixed assets	**412,055,356.09**	428,676,105.26
Construction in progress	**108,067,427.98**	45,899,768.25
Construction materials		
Disposal of fixed assets		
Productive biological assets		
Oil and gas assets		
Intangible assets	**23,892,715.49**	23,620,918.69
Research and development expenses		
Goodwill		
Long-term deferred expenses	**6,053,052.30**	6,772,678.20
Deferred tax assets	**271,656,272.23**	163,953,069.82
Other non-current assets		
Total non-current assets	**4,725,155,774.62**	1,822,748,800.99
Total assets	**22,900,643,695.10**	18,582,147,084.10

Legal Representative: Han Guangde   Accounting Director: Chen Qiongxiang   Accounting Manager: Hou Zengquan

BALANCE SHEET OF PARENT
June 30, 2015

Prepared by: CSSC Offshore & Marine and Engineering (Group) Company Limited *Unit: RMB*

Item	Ending balance	Beginning balance
Current liabilities:		
Short-term loans	**1,137,129,600.00**	1,133,653,446.88
Financial liabilities at fair value through profit and loss	**47,537,988.94**	55,734,758.74
Derivative financial liabilities		
Notes payable	**647,819,444.46**	795,965,835.62
Accounts payable	**1,975,245,022.92**	1,669,628,703.59
Advance from customers	**282,984,726.61**	447,659,099.74
Employee salary payable	**19,684,073.24**	19,605,868.71
Taxes payable	**-292,169,659.34**	-127,782,393.39
Interests payable	**21,981,561.75**	15,106,945.53
Dividends payables	**177,721.77**	177,721.77
Other payables	**44,315,368.71**	95,778,432.58
Liabilities classified as held for sale		
Non-current liabilities repayable within one year	**1,202,759,391.90**	1,276,705,757.83
Other current liabilities	**5,127,665,653.84**	4,859,792,979.07
Total current liabilities	**10,215,130,894.80**	10,242,027,156.67
Non-current liabilities:		
Long-term loans	**2,123,983,200.00**	1,868,071,388.68
Bonds payable		
Among which: Preferred shares		
Perpetual bond		
Long-term payables		
Long-term employee salary payable	**52,198,715.48**	57,581,358.19
Special payables	**24,570,000.00**	24,570,000.00
Estimated liabilities	**426,817,847.19**	389,086,110.62
Deferred income	**174,961,761.19**	111,087,296.17
Deferred tax liabilities	**4,790,991.15**	1,951,199.21
Other non-current liabilities		
Total non-current liabilities	**2,807,322,515.01**	2,452,347,352.87
Total liabilities	**13,022,453,409.81**	12,694,374,509.54

Item	**Ending balance**	Beginning balance
The owner's equity:		
Share capital	**1,413,506,378.00**	1,030,534,651.00
Other equity instruments		
Among which: Preferred shares		
Perpetual bond		
Capital reserves	**6,147,927,729.10**	1,952,637,215.67
Less: Treasury shares		
Other comprehensive income		
Specific reserves		
Surplus reserves	**453,894,266.30**	453,894,266.30
Retained earnings	**1,862,861,911.89**	2,450,706,441.59
Total shareholder's equity	**9,878,190,285.29**	5,887,772,574.56
Total liabilities and shareholder's equity	**22,900,643,695.10**	18,582,147,084.10

Legal Representative: Han Guangde
Accounting Director: Chen Qiongxiang
Accounting Manager: Hou Zengquan

CONSOLIDATED INCOME STATEMENT

For January to June of 2015

Prepared by: CSSC Offshore & Marine and Engineering (Group) Company Limited *Unit: RMB*

Item	Current Period	Last Period
1. Total operating revenue	**10,809,719,237.47**	8,403,738,453.36
Including: Operating revenue	**10,809,719,237.47**	8,403,738,453.36
Interest income		
Earned insurance premiums		
Fees and commission income		
2. Total cost of operation	**11,464,385,476.49**	8,765,844,622.50
Including: Cost of operation	**10,505,677,087.10**	8,108,022,448.97
Interest expenses		
Fees and commission expense		
Business taxes and surcharges	**8,389,291.14**	15,319,242.88
Selling and distribution expenses	**77,145,661.29**	17,291,683.33
Administrative expenses	**603,455,675.24**	557,235,616.68
Financial expenses	**39,589,871.47**	19,803,998.95
Loss on impairment of assets	**230,127,890.25**	48,171,631.69
Add: Gain arising from the changes in fair value (loss listed with"-")	**52,317,853.55**	-149,982,185.14
Investment income (Loss listed with "-")	**7,925,146.08**	66,028,216.29
Including: income from investments inassociates and joint ventures	**152,528.55**	2,506,100.55
Exchange gain (Loss listed with "-")		
3. Operating profit (Loss listed with "-")	**-594,423,239.39**	-446,060,137.99
Add: Non-operating income	**52,325,766.15**	223,833,101.95
Including: Gain from disposal of non-current assets	**22,175.73**	129,182.98
Less: Non-operating expenses	**1,219,283.81**	629,661.01
Including: Loss on disposal of non-current assets	**430,799.46**	424,939.65
4. Total profit (Loss listed with "-")	**-543,316,757.05**	-222,856,697.05
Less: Income tax expenses	**-19,723,979.56**	12,609.76

Item	Current Period	Last Period
5. Net profit (Net loss listed with "-")	**-523,592,777.49**	-222,869,306.81
Net profit attributable to shareholders of the parent Company	**-524,993,554.11**	-219,947,405.11
Non-controlling interest	**1,400,776.62**	-2,921,901.70
6. Net other comprehensive income after tax	**668,612.45**	-40,259,427.43
Net other comprehensive income after tax attributable to owners of the parent company	**668,612.45**	-40,259,427.43
(1) Other comprehensive income that can not be reclassified to profit and loss in subsequent periods	–	-39,530,000.00
1. Changes in net liabilities or net assets arising from the re-measurement of defined benefit plans	–	-39,530,000.00
2. Share of other comprehensive income of investee that will be subsequently reclassified to profit and loss under equity method		
(2) Other comprehensive income that will be subsequently reclassified to profit and loss	**668,612.45**	-729,427.43
1. Share of other comprehensive income of investee that will be subsequently reclassified to profit and loss under equity method		
2. Gains and losses from changes in fair value of available-for-sale financial assets	**668,612.45**	-729,427.43
3. Gains and losses from held-to-maturity investment reclassified as available-for-sale financial assets		
4. Effective part of hedging gains and losses from cash flows		
5. Exchange differences from retranslation of financial statements		
6. Others		
Net other comprehensive income after tax attributable to minority interests		
7. Total comprehensive income	**-522,924,165.04**	-263,128,734.24
Total comprehensive income attributable to shareholders of the parent company	**-524,324,941.66**	-260,206,832.54
Total comprehensive income attributable to minority interests	**1,400,776.62**	-2,921,901.70
8. Earnings per share:		
(I) Basic earnings per share (RMB/share)	**-0.3866**	-0.1688
(II) Diluted earnings per share (RMB/share)	**-0.3866**	-0.1688

Legal Representative:	Accounting Director:	Accounting Manager:
Han Guangde	Chen Qiongxiang	Hou Zengquan

INCOME STATEMENT OF PARENT COMPANY

For January to June of 2015

Prepared by: CSSC Offshore & Marine and Engineering (Group) Company Limited *Unit: RMB*

Item	Current Period	Last Period
1. Revenue from operations	**3,310,847,149.80**	3,113,501,346.08
Less: Cost of operations	**3,526,509,434.37**	3,086,107,827.11
Business tax and surcharges	**1,275,157.00**	2,485,538.04
Selling expenses	**11,242,258.15**	8,471,768.11
Administrative expenses	**178,135,965.76**	166,604,933.86
Financial expenses	**984,991.84**	-81,164,743.90
Loss on impairment of assets	**335,896,206.79**	-29,625,640.27
Add: Gain arising from the changes in fair value (Loss listed with "-")	**27,128,716.11**	-76,498,563.72
Investment gain (Loss listed with "-")	**-4,608,621.81**	7,041,905.93
Including: income from investments in associates and joint ventures	**256,914.03**	-101,652.34
2. Operating profit (Loss listed with "-")	**-720,676,769.81**	-108,834,994.66
Add: Non-operating income	**23,652,734.83**	72,445,259.47
Including: Gain from disposalof non-current assets		
Less: Non-operating expenses	**278,453.26**	10,000.00
Including: Loss from disposal of non-current assets	**232,003.26**	-
3. Total profit (Total loss listed with "-")	**-697,302,488.24**	-36,399,735.19
Less: Income tax expenses	**-109,457,958.54**	-5,309,442.43
4. Net profit (Net loss listed with "-")	**-587,844,529.70**	-31,090,292.76
5. Net other comprehensive income after tax	–	-748,000.00
(1) Other comprehensive income that can not be reclassified to profit and loss in subsequent periods		
1. Changes in net liabilities or net assets arising from the re-measurement of defined benefit plans		
2. Share of other comprehensive income of investee that can not be subsequently reclassified to profit and loss under equity method		
(2) Other comprehensive income that will be subsequently reclassified to profit and loss	–	-748,000.00
1. Share of other comprehensive income of investee that will be subsequently reclassified to profit and loss under equity method		
2. Gains and losses from changes in fair value of available-for-sale financial assets	–	-748,000.00
3. Gains and losses from held-to-maturity investment reclassified as available-for-sale financial assets		
4. Effective part of hedging gains and losses from cash flows		
5. Exchange differences from retranslation of financial statements		
6. Others		
6. Total comprehensive income	**-587,844,529.70**	-31,838,292.76
7. Earnings per share:		
(I) Basic earnings per share (RMB/share)		
(II) Diluted earnings per share (RMB/share)		

Legal Representative: Han Guangde | Accounting Director: Chen Qiongxiang | Accounting Manager: Hou Zengquan

CONSOLIDATED CASH FLOW STATEMENT

For January to June of 2015

Prepared by: CSSC Offshore & Marine and Engineering (Group) Company Limited *Unit: RMB*

Item	Current Period	Last Period
1. Cash flows from operating activities:		
Cash received from sales of goods and rendering of services	**8,507,332,545.03**	6,343,503,188.15
Net increase in deposits from customers and deposits from other banks		
Net increase in loans from central bank		
Net increase in loans from other financial institutions		
Cash receipts of premium of direct insurance contracts		
Net cash received from reinsurance contracts		
Net increase in deposits from insurance policy holders and investment		
Net increase in disposal of financial assets at fair value through profit and loss		
Cash receipts of interest, fees and commission		
Net increase in placement from banks and other financial institution		
Net increase in sales and repurchase operations		
Cash received from taxes refund	**634,473,823.41**	429,961,226.39
Cash received relating to other operating activities	**253,932,348.98**	321,669,628.82
Sub-total of cash inflows from operating activities	**9,395,738,717.42**	7,095,134,043.36
Cash paid for goods and services	**11,198,730,643.43**	8,528,770,805.09
Net increase in loans and disbursement to customers		
Net increase in deposit with central bank and inter-banks		
Cash paid for claims of direct insurance contracts		
Cash paid for interest, fee and commission		
Cash paid for dividends of insurance policies		
Cash paid to and on behalf of employees	**870,826,405.69**	899,915,158.84
Payments of taxes and surcharges	**267,690,189.46**	178,419,088.33
Cash paid relating to other operating activities	**557,149,215.83**	422,637,257.73
Sub-total of cash outflows from operating activities	**12,894,396,454.41**	10,029,742,309.99
Net cash flows from operating activities	**-3,498,657,736.99**	-2,934,608,266.63

Item	Current Period	Last Period
2. Cash flows from investment activities:		
Cash received from disposal of investment		
Cash received from investments income	**296,000.00**	7,766,190.14
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	**16,348.25**	3,762,260.99
Net cash received from disposal of subsidiaries and other business units		
Cash received relating to other investing activities	**4,696,321,240.31**	4,366,841,240.46
Sub-total of cash inflows from investing activities	**4,696,633,588.56**	4,378,369,691.59
Cash paid to acquire fixed assets, intangible assets and other long-term assets	**489,098,987.88**	288,974,364.41
Cash paid for investments	**680,408,300.00**	599,483,453.82
Net increase in pledged deposits		
Net cash paid to acquire subsidiaries and other business units	**0**	0
Cash paid relating to other investing activities	**4,179,389,849.70**	4,752,979,268.03
Sub-total of cash outflow from investing activities	**5,348,897,137.58**	5,641,797,086.26
Net cash flows from investing activities	**-652,263,549.02**	-1,263,427,394.67
3. Cash flows from financing activities:		
Cash received from investment absorption	**1,541,373,292.57**	2,209,912,247.78
Including: Cash received by subsidiaries from investment absorption of non-controlling interest		
Cash received from loans granted	**10,167,045,595.34**	17,018,830,558.94
Cash received from issue of bonds		–
Cash received relating to other financing activities	**100,456,014.39**	108,500,000.00
Sub-total of cash inflows from financing activities	**11,808,874,902.30**	19,337,242,806.72
Cash paid for settlement of borrowings	**9,220,246,698.15**	17,526,084,283.92
Cash paid for dividends, profits appropriation or payments of interest	**233,312,259.25**	652,278,514.44
Including: Dividends and profits paid to non-controlling interest		
Cash paid relating to other financing activities	**3,854,499.50**	2,365,755.96
Sub-total of cash outflows from financing activities	**9,457,413,456.90**	18,180,728,554.32
Net cash flows from financing activities	**2,351,461,445.40**	1,156,514,252.40
4. Effect of changes in foreign exchange rate on cash and cash equivalents	**3,574,784.78**	60,585,213.07
5. Net increase in cash and cash equivalents	**-1,795,885,055.83**	-2,980,936,195.83
Add: Cash and cash equivalents at the beginning of the year	**8,341,435,741.37**	8,201,641,691.39
6. Cash and cash equivalents at the end of the year	**6,545,550,685.54**	5,220,705,495.56

Legal Representative: Han Guangde | Accounting Director: Chen Qiongxiang | Accounting Manager: Hou Zengquan

CASH FLOW STATEMENT OF PARENT COMPANY

For January to June of 2015

Prepared by: CSSC Offshore & Marine and Engineering (Group) Company Limited *Unit: RMB*

Item	Current Period	Last Period
1. Cash flows from operating activities:		
Cash received from sales of goods and rendering of services	**2,474,441,757.78**	2,334,766,034.39
Cash received from taxes refund	**251,036,246.14**	122,862,464.07
Cash received relating to other operating activities	**23,768,791.26**	6,063,550.04
Sub-total of cash inflows from operating activities	**2,749,246,795.18**	2,463,692,048.50
Cash paid for goods and services	**5,821,078,459.91**	3,916,060,766.32
Cash paid to and on behalf of employee	**148,772,908.67**	140,654,671.09
Payments of taxes and surcharges	**99,931,505.43**	56,977,064.85
Cash paid relating to other operating activities	**190,596,937.54**	2,191,460,917.44
Sub-total of cash outflows from operating activities	**6,260,379,811.55**	6,305,153,419.70
Net cash flows from operating activities	**-3,511,133,016.37**	-3,841,461,371.20
2. Cash flows from investing activities:		
Cash received from with drawing investment capital	–	–
Cash received from investments income	**721,976.56**	27,138,494.90
Cash received from disposal of fixed assets, intangible assets and other long-terms assets	**16,348.25**	7,208.65
Net cash received from disposal of subsidiaries and other business units	–	–
Cash received relating to other investing activities	**1,973,122,688.86**	937,215,135.53
Sub-total of cash inflows from investing activities	**1,973,861,013.67**	964,360,839.08
Cash paid to acquire fixed assets, intangible assets and other long-term assets	**80,893,498.96**	15,816,631.81
Cash paid for investments	**1,437,413,332.60**	599,843,453.82
Net cash paid to acquire subsidiaries or other business units	–	–
Cash paid relating to other investing activities	**312,272,000.00**	1,348,171,602.75
Sub-total of cash outflows from investing activities	**1,830,578,831.56**	1,963,831,688.38
Net cash flows from investing activities	**143,282,182.11**	-999,470,849.30

Item	Current Period	Last Period
3. Cash flows from financing activities		
Cash received from investment absorption	**1,541,373,292.57**	2,201,832,410.24
Cash received from loans granted	**5,264,977,919.70**	3,540,634,465.03
Cash received from bonds issued	**–**	–
Cash received relating to other financing activities	**67,456,014.39**	–
Sub-total of cash inflows from financing activities	**6,873,807,226.66**	5,742,466,875.27
Cash paid for settlement of borrowings	**5,081,029,672.26**	2,225,999,453.32
Cash paid for dividends, profits appropriation or payments of interests	**61,829,761.85**	151,902,862.37
Cash paid relating to other financing activities	**3,552,293.41**	2,346,960.17
Sub-total of cash outflows from financing activities	**5,146,411,727.52**	2,380,249,275.86
Net cash flows from financing activities	**1,727,395,499.14**	3,362,217,599.41
4. Effect of changes in foreign exchange rate on cash and cash equivalents	**6,219,186.06**	29,163,094.54
5. Net increase in cash and cash equivalents	**-1,634,236,149.06**	-1,449,551,526.55
Add: Cash and cash equivalents at the beginning of the year	**3,702,545,149.25**	3,642,373,050.61
6. Cash and cash equivalents at the end of the year	**2,068,309,000.19**	2,192,821,524.06

Legal Representative:	Accounting Director:	Accounting Manager:
Han Guangde	Chen Qiongxiang	Hou Zengquan

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

I. BASIS FOR PREPARATION OF FINANCIAL STATEMENTS

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

II. DECLARATION OF COMPLIANCE WITH ACCOUNTING STANDARDS FOR BUSINESS ENTERPRISES

The financial statements have been prepared in accordance with the Accounting Standards for Business Enterprises, and reflect a true and fair view of information of the Company and the Group such as financial position as of June 30, 2015 and the results of operation and the cash flows for January to June of 2015. The accounting policies prepared for the financial statements aer in compliance with the accounting policies applied in the prior year.

III. NOTES TO MAJOR ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

The following disclosed financial statement data, unless specifically noted, "Beginning Balance" refers to January 1, 2015; and "Ending Balance" refers to June 30, 2015. "Current Period" refers to the period from January 1, 2015 to June 30, 2015; "Last Period" refers to the period from January 1, 2014 to June 30, 2014. The currency is in RMB.

1. Accounts receivable

Items	**Ending Balance**	Beginning Balance
Accounts receivable	**2,059,492,683.27**	737,404,885.47
Less: provision for bad debts	**25,544,456.33**	19,348,380.72
Net amount	**2,033,948,226.94**	718,056,504.75

(1) Terms of sales on credit

Business	**Credit Term**
Shipbuilding	1 month after insurance
Other businesses	1 to 6 months

(2) Aging analysis on accounts receivable

	Ending Balance					Beginning Balance				
	Book value		Bad debt provision			Book value		Bad debt provision		
		Proportion		Proportion			Proportion		Proportion	
Aging	**Amount**	**(%)**	**Amount**	**(%)**	**Net value**	**Amount**	**(%)**	**Amount**	**(%)**	**Net value**
Within 1 year	1,929,404,251.05	93.68	9,647,021.25	0.50	1,919,757,229.80	630,342,433.02	85.48	3,104,475.20	0.50	627,237,957.82
1-2 years	71,742,382.63	3.48	358,711.92	0.50	71,383,670.71	55,464,785.99	7.52	320,191.12	0.58	55,144,594.87
2-3 years	26,799,208.47	1.30	350,590.93	1.31	26,448,617.54	16,386,928.92	2.22	303,837.61	1.85	16,083,091.31
3-4 years	3,177,596.91	0.16	531,864.33	16.74	2,645,732.58	11,571,745.44	1.57	9,421,385.83	81.42	2,150,359.61
4-5 years	20,557,130.54	1.00	10,373,530.40	50.46	10,183,600.14	15,096,943.37	2.05	1,436,182.34	9.51	13,660,761.03
5 years or above	7,812,113.67	0.38	4,282,737.50	54.82	3,529,376.17	8,542,048.73	1.16	4,762,308.62	55.75	3,779,740.11
Total	**2,059,492,683.27**	–	**25,544,456.33**	–	**2,033,948,226.94**	**737,404,885.47**	–	**19,348,380.72**	–	**718,056,504.75**

(3) Classification of accounts receivable by risks

	Ending Balance					Beginning Balance				
	Book value		Bad debt provision			Book value		Bad debt provision		
		Proportion		Proportion			Proportion		Proportion	
Categories	**Amount**	**(%)**	**Amount**	**(%)**	**Net value**	**Amount**	**(%)**	**Amount**	**(%)**	**Net value**
Accounts receivable that are individually significant and are provided for bad debts on individual basis										
Accounts receivable that are individually insignificant but are provided for bad debts on individual basis	15,324,104.94	0.74	15,324,104.94	100.00		15,740,926.19	2.13	15,740,926.19	100.00	
Accounts receivable accrued bad debt provision by a certain percentage of the balance	2,044,168,578.33	99.26	10,220,351.39	0.50	2,033,948,226.94	721,663,959.28	97.87	3,607,454.53	0.50	718,056,504.75
Total	**2,059,492,683.27**	–	**25,544,456.33**	–	**2,033,948,226.94**	**737,404,885.47**	–	**19,348,380.72**	–	**718,056,504.75**

1) Accounts receivable that are individually significant, or insignificant but are provided for bad debts on individual basis as at the end of the year

Company Name	Book value	Bad debts	%	Reasons
ASTA LTD-KINGSTOWN ST.VINCENT AND THE GRENADINES C/O	4,867,954.00	4,867,954.00	100	Unable to repay due to its financial difficulty
Guangzhou Huayu Electrical and Mechanical Equipment Company Limited	3,965,178.62	3,965,178.62	100	Unable to repay due to its financial difficulty
WHL-FONKWANG	2,549,961.26	2,549,961.26	100	Unable to repay due to its financial difficulty
Chongqing Far East Fuji Electrical Company	894,670.00	894,670.00	100	Unable to repay due to its financial difficulty
Zhanjiang Ankang Real Estate Company	604,790.38	604,790.38	100	Long outstanding period, with operational going concern
Guilin Fortune Elevator Company	398,250.00	398,250.00	100	Long outstanding period, with operational going concern
Fuzhou Jujijia Electronics Technology Co., Ltd.	370,000.00	370,000.00	100	Long outstanding period, with operational going concern
Chongqing South Group Company	263,698.87	263,698.87	100	Long outstanding period, with operational going concern
Other 24 customers	1,409,601.81	1,409,601.81	100	Long outstanding period, with operational going concern
Total	**15,324,104.94**	**15,324,104.94**	–	–

2) Accounts receivable accrued bad debt provision by a certain percentage of the balance as at the end of the year

Items	Book value	%	Bad debts
Within 1 year	1,929,404,251.05	0.50	9,647,021.25
1-2 years	71,742,382.63	0.50	358,711.92
2-3 years	26,581,525.17	0.50	132,907.63
3-4 years	2,659,027.71	0.50	13,295.13
4-5 years	10,234,280.04	0.50	50,679.90
Over 5 years	3,547,111.73	0.50	17,735.56
Total	**2,044,168,578.33**	–	**10,220,351.39**

(4) Bad debts reversed or recovered as at the end of the period

Provision for bad debts reversed or recovered on individual basis for the period was RMB36,786.25.

(5) Accounts receivable actually written off as at the end of the period

Company name	Nature of accounts receivable	Amount written off	Reasons	Incurred due to connected transaction?
Shantou Qiaojian Head Office Guangzhou Neihuan Road Project Division	Settlement for project	380,035.00	Based on court judgment	No
Total		**380,035.00**		

(6) Top 5 clients as at the end of the period

Company Name	Relationship	Amount	Aging	Proportion in accounts receivable (%)	Ending balances of bad-debt provision
Client 1	External Client	785,410,000.00	Within 1 year	38.14	3,927,050.00
Client 2	External Client	293,800,935.70	Within 2 years	14.27	1,469,004.68
Client 3	Under the same control of CSSC	137,332,945.22	Within 1 year	6.67	686,664.73
Client 4	External Client	55,780,000.00	Within 1 year	2.71	278,900.00
Client 5	External Client	51,000,000.00	Within 2 years	2.48	255,000.00
Total		**1,323,323,880.92**		**64.27**	**6,616,619.41**

2. Accounts payable

(1) Accounts payable

Items	Ending Balance	Beginning Balance
Materials purchased	**4,877,990,117.47**	3,800,814,738.70
Settlements for projects	**235,170,521.50**	211,870,498.21
Product settlement	**272,522,068.91**	347,690,454.66
Warranty	**213,566,711.03**	226,556,326.47
Other projects and labour service	**292,575,216.29**	645,029,839.53
Total	**5,891,824,635.20**	5,231,961,857.57

(2) Aging analysis of accounts payable

As at the end of the period, the aging analysis of accounts payable based on its invoice date are as follows:

Items	Ending Balance	Beginning Balance
Within 1 year	**5,455,057,899.27**	4,838,660,298.43
1-2 years	**238,898,993.35**	173,162,749.03
2-3 years	**61,222,976.92**	84,084,764.45
3 years or above	**136,644,765.66**	136,054,045.66
Total	**5,891,824,635.20**	5,231,961,857.57

(3) Significant accounts payable aged more than 1 year

Company name	Ending Balance	Reasons
9th Design and Research Institute of the China Shipbuilding	83,204,935.29	Project settlement Quality guarantee deposit
WARTSILA FINLANDOY	32,947,166.96	Quality guarantee deposit
China Flight Aerospace Science and Industry Technology Research Institute	18,190,000.00	Unsettlements for materials purchased
Nanjing Panda Handa Technology Co., Ltd.	16,419,000.00	Quality guarantee deposit
China Offshore Environmental Service (Tianjin) Co., Ltd	13,385,154.00	Quality guarantee deposit
Total	**164,146,256.25**	–

3. Undistributed profits

Current Year

Items	Amounts	Appropriation %
Ending Balance of last year	**1,310,184,662.42**	
Add: Beginning retained earnings adjustment		
Including Retroactive adjustment according to new Accounting standards		
Including Changes in accounting policies		
Corrections of Prior Period Error		
Change of consolidation scope under common control		
Other adjustments		
Beginning Balance of Current Period	**1,310,184,662.42**	
Add: Net profit attributable to Parent Company of Current Period	-524,993,554.11	
Less: Provision of statutory surplus reserve		10
Provision of discretionary surplus reserve		
Provision of general risk reserve		
Ordinary share dividend payable	255,149,425.21	
Capitalized ordinary share dividend		
Ending Balance of Current Period	**530,041,683.10**	

Last Year

Items	Amounts	Appropriation %
Ending Balance of last year	**691,646,062.40**	
Add: Beginning retained earnings adjustment		
Including: Changes in accounting policies		
Corrections of Prior Period Errors		
Change of consolidation scope under common control	546,302,514.90	
Other adjustments		
Beginning Balance of Current Year	**1,237,948,577.30**	
Add: Net profit attributable to Parent Company of Current Year	423,669,503.82	
Less: Provision of statutory surplus reserve	113,985,345.63	10
Provision of discretionary surplus reserve		
Provision of general risk reserve		
Ordinary share dividend payable	237,448,073.07	
Capitalized ordinary share dividend		
Ending Balance of Current Year	**1,310,184,662.42**	

4. **Net current assets**

Items	**Ending balance**	Beginning balance
Current assets	**29,759,256,972.42**	29,357,055,858.05
Less: Current liabilities	**26,791,384,995.03**	27,533,031,586.45
Net current assets	**2,967,871,977.39**	1,824,024,271.60

5. **Total assets less current liabilities**

Items	**Ending balance**	Beginning balance
Total assets	**45,125,043,988.34**	43,741,099,087.43
Less: Current liabilities	**26,791,384,995.03**	27,533,031,586.45
Total assets less current liabilities	**18,333,658,993.31**	16,208,067,500.98

6. **Operating income & Operating cost**

Items	**Current Period**	Last Period
Main operation income	**10,697,708,511.19**	8,234,783,071.18
Other operation income	**112,010,726.28**	168,955,382.18
Total	**10,809,719,237.47**	8,403,738,453.36
Main operation cost	**10,414,716,465.84**	7,988,757,987.21
Other operation cost	**90,960,621.26**	119,264,461.76
Total	**10,505,677,087.10**	8,108,022,448.97

Gross margin

Items	**Current Period**	Last Period
Main operation income	**10,697,708,511.19**	8,234,783,071.18
Main operation cost	**10,414,716,465.84**	7,988,757,987.21
Gross margin	**282,992,045.35**	246,025,083.97

Revenue from building contracts

Items	**Current Period**	Last Period
Revenue from building contracts	**10,065,488,135.21**	7,746,538,082.16

(1) Main operation income – classified by products

Items	Current Period	Last Period
Operation income		
Shipbuilding	**10,065,488,135.21**	7,746,538,082.16
Shiprepair	**65,637,265.97**	68,190,546.34
Steel Structure Engineering	**368,915,503.50**	177,406,594.26
Mechanical and electrical products and others	**197,667,606.51**	242,647,848.42
Total	**10,697,708,511.19**	8,234,783,071.18
Operation cost		
Shipbuilding	**9,818,438,584.95**	7,523,312,546.78
Ship repair	**63,221,527.10**	72,178,598.95
Steel Structure Engineering	**344,271,434.50**	160,792,975.17
Mechanical and electrical products and others	**188,784,919.29**	232,473,866.31
Total	**10,414,716,465.84**	7,988,757,987.21

(2) Main operation income – classified by regions

Region	Current Period	Last Period
Operation income		
Mainland China	**7,003,291,535.08**	4,807,690,006.84
Hong Kong	**503,358,459.69**	275,855,447.37
Holland	**465,788,172.16**	227,881,332.00
Greece	**464,722,651.23**	342,011,048.12
Switzerland	**432,912,309.61**	154,069,640.34
Sweden	**381,337,575.65**	178,483,682.07
Singapore	**298,724,027.58**	511,573,516.20
Denmark	**194,089,365.25**	143,925,343.61
Australia	**189,712,195.91**	63,919,749.01
Marshall Islands	**180,842,341.30**	8,410,919.47
Macao	**163,315,490.90**	22,647,520.17
Germany	**111,096,641.24**	129,664,506.44
British Virgin Islands	**87,395,731.51**	155,942,964.93
Japan	**48,778,725.68**	
Liberia	**42,201,336.47**	258,369,499.41
Canada	**36,428,030.83**	20,627,469.09
USA	**29,358,917.10**	56,987,965.94
Chile		59,957,765.96
United Arab Emirates		44,492,030.91
India		579,883,895.75
Mauritius		145,783,047.13
Other countries and regions	**64,355,004.00**	46,605,720.42
Total	**10,697,708,511.19**	8,234,783,071.18

Region	**Current Period**	Last Period
Operation cost		
Mainland China	**6,372,205,796.67**	4,449,499,817.50
Hong Kong	**524,980,470.31**	274,996,484.67
Holland	**248,925,389.24**	222,552,093.25
Greece	**511,379,872.90**	366,704,480.73
Switzerland	**489,847,288.54**	150,499,645.74
Sweden	**426,338,892.10**	188,084,780.26
Singapore	**435,763,918.72**	500,587,020.26
Denmark	**235,886,416.40**	165,093,312.68
Australia	**189,667,189.30**	64,439,298.20
Marshall Islands	**250,975,917.69**	8,410,919.47
Macao	**157,512,652.29**	21,313,887.45
Germany	**110,341,282.00**	142,693,807.45
British Virgin Islands	**105,064,606.25**	151,034,870.17
Japan	**43,443,803.23**	
Liberia	**99,384,044.24**	324,529,608.32
Canada	**35,224,802.99**	20,131,540.88
USA	**44,182,351.08**	37,911,223.34
Chile		35,633,120.47
United Arab Emirates		41,452,505.28
India		598,524,097.47
Mauritius		175,985,570.35
Other countries and regions	**133,591,771.89**	48,679,903.27
Total	**10,414,716,465.84**	7,988,757,987.21

(3) Other operation Income and Other operation Cost

Items	Current Period	Last Period
Other operation income		
Sales of materials	**12,693,984.72**	52,016,574.72
Sales of scrap materials	**62,105,890.64**	52,777,489.16
Service income	**5,581,313.16**	18,382,777.28
Rental income	**6,618,431.19**	11,865,544.46
Energy income	**23,701,046.48**	15,911,070.59
Disposal of investment property income		10,222,240.00
Others	**1,310,060.09**	7,779,685.97
Total	**112,010,726.28**	168,955,382.18
Other operation cost		
Sales of materials	**11,426,222.86**	46,021,399.99
Sales of scrap materials	**47,912,456.03**	37,843,896.32
Service income	**2,106,332.31**	6,247,836.87
Rental income	**5,678,991.40**	5,981,211.12
Energy income	**23,435,477.05**	15,944,510.37
Disposal of investment property cost		5,699,943.62
Others	**401,141.61**	1,525,663.47
Total	**90,960,621.26**	119,264,461.76

(4) Contract Revenue

	Items	Total amount	Accumulated cost	Accumulated gross margin	Amounts settled	Falling price reserves provided
	Total construction in progress contracts	**55,422,273,360.24**	**22,383,403,120.37**	**-370,279,580.82**	**24,924,328,797.47**	**734,459,815.06**
	In which: contract under construction which is expected to incur loss at end of period					
	50000 tonnes series (tankers for product oil/chemicals)	4,916,858,207.53	2,405,496,476.20	-298,306,276.76	1,371,295,188.21	227,691,369.51
	113,000 ton series (tanks for product oil/chemicals)	2,917,821,892.32	643,791,044.26	-7,701,654.41	1,623,016,390.44	126,354,729.70
	2500TEU	1,053,484,033.19	294,185,557.63	-45,215,807.90	362,048,789.34	102,834,654.82
	2200TEU	1,358,593,284.25	428,336,081.28	-21,438,401.48	157,017,463.50	73,767,097.30
Fixed Price contract	R-550D platform	1,056,340,320.00	533,139,301.52	–	103,311,600.00	52,968,590.00
	36,000 tonnes multi-purpose ship	841,230,769.23	130,466,981.10	–	126,184,615.40	43,243,200.00
	250,000 tonnes ore carriers	2,158,229,174.70	1,133,892,894.02	-185,573,540.19	537,115,882.66	36,343,508.63
	115,000 tonnes (tanks for product oil/chemicals)	822,708,095.38	860,291,130.36	-218,699,766.59	396,999,414.24	34,725,114.18
	Large cruise rescue ship	372,649,572.65	125,755,993.20	-	223,589,743.58	29,729,800.00
	30.8WTVLCC	888,996,608.90	1,200,889,834.74	-360,786,550.30	357,351,944.44	2,512,176.77
	82,000 tonnes bulk carrier	167,025,765.26	237,027,684.21	-74,407,520.46	167,383,873.88	2,133,758.40
	64,000 tonnes bulk carrier	2,080,785,982.12	536,246,060.59	-38,202,736.59	285,946,094.92	872,834.45
	2200TEUEC	478,160,913.00	507,966,682.97	-62,699,738.55	160,723,416.00	815,737.72
	28000DWT bulk carrier	518,724,453.21	575,529,120.67	-104,201,741.26	154,602,870.93	336,372.86
	8000HP oil field workover service supporting ship	118,200,000.00	129,003,904.66	-11,393,247.50	82,740,000.00	57,252.50
	78m supply ship	97,348,536.75	110,426,397.37	-13,573,185.16	97,348,536.75	45,516.23
	5,000 cu.m cutter suction dredger	177,230,769.23	184,482,186.06	-7,881,128.77	146,126,769.23	28,101.99

Due to the shipbuilding market is still in the trough period and ship price is at the low position, as well as the estimated total cost increase because of improvement of the construction standard resulted from changes of demand-supply relationship in the shipbuilding market, which lead to the estimated total cost exceeds the estimated total revenue for some ship contracts, resulting in an estimated loss.

(5) Operating income from top 5 clients

Client	Amount	% of the total main operating revenue
Client 1	4,027,133,193.09	37.64
Client 2	444,747,986.12	4.16
Client 3	381,337,575.65	3.56
Client 4	364,581,584.65	3.41
Client 5	341,823,588.69	3.20
Total	**5,559,623,928.20**	**51.97**

(6) Purchase amounts of top five suppliers

Supplier	Relationship	Amount	% of the total main operating cost
China Shipbuilding Industry Complete Equipment Logistics (Guangzhou) Company Limited	Under the same control of CSSC	2,442,804,529.88	23.46
Eastern Shanghai Heavy Machinery Co., Ltd.	Under the same control of CSSC	301,540,506.33	2.90
Shanghai Academy of Spaceflight Technology	External Client	239,010,000.00	2.29
X Research Institute of China Shipbuilding Industry Corporation	External Client	211,601,000.00	2.03
China United Shipbuilding Company Limited	Under the same control of CSSC	65,644,472.87	0.63
Total		**3,260,600,509.08**	**31.31**

7. Financial Expenses

(1) Financial Expenses Category

Items	**Current Period**	Last Period
Interest expenditure	**262,246,505.39**	302,129,986.78
Less: Interest income	**210,008,890.35**	272,697,039.62
Add: Exchange loss	**-17,099,119.90**	-13,299,290.42
Add: Other expenditure	**4,451,376.33**	3,670,342.21
Total	**39,589,871.47**	19,803,998.95

(2) Interest expenditure category

Items	**Current Period**	Last Period
Interests from bank loans and overdraft		
Interests from bank loans due within 5 years	**185,030,648.72**	220,446,649.46
Interests from bank loans due after 5 years		
Subtotal	**185,030,648.72**	220,446,649.46
Other borrowings		
Interests from other borrowings due within 5 years	**64,630,240.23**	53,475,004.00
Interests from other borrowings due after 5 years	**12,585,616.44**	28,208,333.32
Subtotal	**77,215,856.67**	81,683,337.32
Less: Capitalized interest		
Total	**262,246,505.39**	302,129,986.78

(3) Interest income category

Items	**Current Period**	Last Period
Interest income from bank deposit	**210,008,890.35**	272,697,039.62
Total	**210,008,890.35**	272,697,039.62

8. Gain or loss on changes in fair value

Items	**Current Period**	Last Period
Financial assets by fair value and its change is included into profit and loss	**44,889,251.01**	-66,850,099.22
Financial liabilities by fair value and its change is included into profit and loss	**7,428,602.54**	-83,132,085.92
Total	**52,317,853.55**	-149,982,185.14

9. Investment income

Items	**Current Period**	Last Period
From long-term equity investment under equity method	**152,528.55**	2,506,100.55
From disposal of financial assets at fair value through profit and loss and its changes in fair value recognized in the current profit and loss account	**-5,880,729.54**	59,028,858.27
From holding financial assets available for sale	**10,000.00**	173,257.47
Gain on entrusted wealth management	**13,643,347.07**	4,320,000.00
Total	**7,925,146.08**	66,028,216.29

The investment income from investment in listed companies and non-listed companies for the period is RMB7,925,146.08 respectively.

10. Non-Operating Income

(1) Non-Operating Income

Items	Current Period	Last Period	Amount included in non-recurring profit and loss for the year
Gain on disposal of non-current assets	22,175.73	129,182.98	22,175.73
In which: gain on disposal of fixed assets	22,175.73	129,182.98	22,175.73
Government grants	48,436,455.73	180,841,886.16	44,402,340.49
Penalty income	171,300.00	165,170.00	171,300.00
Compensation income	40,755.06	3,838,100.99	40,755.06
Ship surrendering income		32,288,600.00	
Others	3,655,079.63	6,570,161.82	3,655,079.63
Total	**52,325,766.15**	**223,833,101.95**	**48,291,650.91**

The amount included in non-recurring profit and loss for current period is RMB48,291,650.91. (Last period: RMB104,093,101.95).

(2) Government grants category

Items	Current Period	Last Period	Source and basis	Related to assets/ income
Interest Subsidy	**17,500,000.00**	17,500,000.00	Ministry of Finance	Related to income
Shipbuilding technology research	**5,492,426.89**	2,508,045.17		Related to income
Research and Development of technology of classical cabin layout of a luxury cruise ship design and decoration	**5,000,000.00**	6,000,000.00	MIIT	Related to income
R&D of key technology of polar deck transportation ship	**4,461,600.00**			Related to income
Product subsidy	**4,034,115.24**	119,740,000.00	National Funding	Related to income
Expansion project	**1,750,000.00**	1,750,000.00	Yue Cai Gong [2010] No.445, Yue Jing Mao Ji Gai [2009] No.666 and Sui Jing Mao [2009] No.870	Related to assets
R&D of key technique and equipment technology of complex component modeling	**1,300,000.00**	800,000.00		Related to income
R&D income of Dawn Project	**1,165,094.34**		CSSC	Related to income
Emulation of precise shipbuilding techniques	**781,465.60**	1,300,000.00	National Funding	Related to income
Special fund for export credit insurance	**776,000.00**	44,900.00	Liwan District national treasury payment center: 2013 special fund for export credit insurance	Related to income
Haigong Project (Phase I)	**750,000.00**	750,000.00	Yue Cai Gong [2010] No.445 and Sui Jing Mao [2008] No.35	Related to assets
Research on general ship construction digital production line research techniques	**750,000.00**	989,271.54		Related to income
Independent R&D of 3000m depth underwater operation supporting ship	**734,012.20**		MIIT	Related to income
Tax refund for selling self-produced software	**530,108.58**		Tax refund from National Tax Bureau	Related to income
Research & manufacturing of testing and analysing system of the power and torsional vibration stress of marine propulsion shafting dual-channel axle	**507,025.64**	600,000.00		Related to income
Ship construction projects	**411,158.76**		Central government finance	Related to assets
Research on ship products with 3D figures information	**380,394.67**		MIIT	Related to income
Digital design and manufacture of ship management integration technology research	**214,653.72**			Related to income
Research on integrated testing technology for general assembly of ship	**210,000.00**			Related to income
Research on the shipbuilding document of International Maritime Organisation	**200,000.00**	120,000.00	MIIT	Related to income
Enterprise Technology Center innovative capacity building projects	**150,000.00**		Central government finance	Related to assets
Development of vessel design and construction technology standard	**150,000.00**			Related to income
Haiping Project	**150,000.00**		Huangpu District national treasury payment center	Related to assets
Infrastructure development of the Quality Department metering station	**122,071.24**		Central government finance	Related to assets
R&D and industrialisation of deep sea high power multi-function rescue ship		7,000,000.00	Chuan Gong Ke [2013] No.913	Related to income
R & D of key technology of 3000m deep water drillship design		7,000,000.00	Chuan Gong Ke [2013] No.912	Related to income
3000m Drilling wave compensation device development		1,950,476.39	MIIT	Related to income

Items	Current Period	Last Period	Source and basis	Related to assets/ income
Compensation for Gang Qian Lu expropriation		1,836,986.97	MIIT	Related to income
R&D on environmental protection offshore oilfield ship		1,578,434.76	MIIT Lian Zhuang [2012] No.537	Related to income
The high-tech ship project of the Ministry of Industry and Information Technology undertaken by CSSC Integrated Technology Economy Institute – "Research on the Energy Consumption Evaluation and Monitoring and Management Systems of Shipbuilding Enterprises"		1,292,010.67	National Funding: Research on the Energy Consumption Evaluation and Monitoring and Management Systems of Shipbuilding Enterprise	Related to income
Research on deep water multi-purpose under water engineering ship specific technology		1,000,000.00	MIIT Lian Zhuang [2011] No.528	Related to income
Subsidies for service trade in provinces, municipality and regions		1,000,000.00	National Funding	Related to income
Funding for R&D on green coating production process optimisation		657,144.78	National Funding: R&D on green coating production process optimisation	Related to income
Research and development and application of energy management systems for shipbuilding industry		380,000.00	Nansha District Innovation and independent development: Research and development and application of energy management systems for shipbuilding industry	Related to income
Others	**916,328.85**	5,044,615.88		
Total	**48,436,455.73**	180,841,886.16		

11. Income tax expenses

(1) Income tax expenses

Items	Current Period	Last Period
Current income tax: China Corporate Income Tax	**62,213,178.16**	36,477,652.71
1. China	**66,646,746.31**	36,492,412.37
2. Hong Kong		
3. Accruals and/or deferrals from previous years	**-4,433,568.15**	-14,759.66
Deferred income tax	**-81,937,157.72**	-36,465,042.95
Total	**-19,723,979.56**	12,609.76

(2) The reconciliation sheet between Current income tax and total income

Income tax expenses calculation is based on the profit (loss) in the consolidated income statement and the applicable tax rates:

Items	Current Period	Last Period
Total consolidated profit for the period	**-543,316,757.05**	-222,856,697.05
Income tax calculated at statutory/applicable tax rate	**-81,497,513.56**	-33,428,504.56
Impact from different tax applicable for subsidiaries	**-25,909,359.68**	-23,559,701.76
Impact from adjustment to income tax in prior periods	**-4,433,568.15**	-14,759.66
Impact from non-taxable income		
Impact from non-deductible costs, fees and losses	**3,012,479.44**	101,574.36
Impact from utilization of deductible losses of unrecognized deferred income tax assets in prior periods		
Impact from deductible temporary differences or losses of unrecognized deferred income tax assets in the period	**88,369,703.08**	56,914,001.38
Less than accrued income tax of Last Period		
Tax rates effect on the beginning balance changes of deferred income tax assets/liabilities	**734,279.31**	
Income tax expenses	**-19,723,979.56**	12,609.76

(3) Income tax rate

Company name	Tax rate	Remark
The Company	15%	
Guangzhou Hongfan Technology Co., Ltd.	15%	
CSSC Huangpu Wenchong Shipbuilding Co. Ltd.	15%	
Guangzhou Wenchong Shipyard Co. Ltd.	15%	
Glory Group Developing Co., Ltd	16.5%	Incorporated in Hong Kong
Fonkwang Development Co., Ltd.	16.5%	Incorporated in Hong Kong
Fanguang (Macau) Development Single Person Co., Ltd.	12%	Incorporated in Macao
Others	25%	

(4) Tax incentives

The Company and its subsidiaries Guangzhou Hongfan Technology Co., Ltd. ("Hongfan Technology"), CSSC Huangpu Wenchong Shipbuilding Co. Ltd. ("Huangpu Wenchong") and Guangzhou Wenchong Shipyard Co. Ltd. ("Wenchong Shipyard") are approved to be Hi-tech Enterprises. The Company and Hongfan Technology are taxed at 15% since January 1, 2014 to December 31, 2016; Huangpu Wenchong and Wenchong Shipyard are taxed at 15% since January 1, 2012 to December 31, 2014. Currently, the application of Hi-tech Enterprise certificates by Huangpu Wenchong and Wenchong Shipyard are under progress. Thus, their corporate income taxes for the reporting period are provisionally calculated at 15%.

12. Earnings per share

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

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

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

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

Basic EPS and Diluted EPS are calculated as followed

Items	No.	Current Period	Last Period
Net profit attributable to shareholders of Parent Company	1	**-524,993,554.11**	-219,947,405.11
Non-operating profit and loss attributable to shareholders of Parent Company	2	**64,339,259.69**	40,882,189.25
Net profit after deducting non-operating profit and loss attributable to shareholders of Parent Company	3=1-2	**-589,332,813.80**	-260,829,594.36
Total number of shares at the beginning of the year	4	**1,030,534,651.00**	643,080,854.00
The number of shares increased due to transferring capital reserve into share capital or dividend distribution of shares (I)	5		
The number of shares increased due to issuance of new shares or debt for equity swap (II)	6	**382,971,727.00**	387,453,797.00
The number of months from next month to the year end regarding the number of shares (II)	7	**3**	3
The number of shares decreased due to stock repurchase	8		
The number of months from the next month to the year end regarding the decrease of shares	9		
Shares decreased due to share shrinkages	10		
Duration of the period in terms of month	11	**6**	6
Weighted average number of ordinary shares issued out	12	**1,358,070,164.50**	1,302,633,951.00
Weighted average number of ordinary shares adjustments because of merger under common control	13	**1,222,020,514.50**	836,807,752.50
Basic EPS (I)	14=1÷12	**-0.3866**	-0.1688
Basic EPS (II)	15=3÷13	**-0.4823**	-0.3117
Potential diluted interests of ordinary shares recognized as expense	16		
Transfer fee	17		
Income tax rate	18	**0.15**	0.15
Weighted average amount of ordinary shares increased due to warrant, share options, and convertible bonds, etc.	19		
Diluted EPS (I)	20=[1+(16-18)×(1-17)]÷(12+19)	**-0.3866**	-0.1688
Diluted EPS (II)	21=[3+(16-18)×(1-17)]÷(13+19)	**-0.4823**	-0.3117

Note: According to Article No. 8 – For business combination under common control during the reporting period, the acquirer issues new shares on the date of combination and uses it as consideration under No. 9 Preparation and Reporting Rules of Information Disclosure of Public Offering Companies — Calculation and Disclosure of Return on Net Assets and EPS (2010 Revised), when calculating basic earnings per share as at the end of the reporting period, the shares shall be treated as outstanding ordinary shares at the beginning of the combination (to calculate the weighted average using weighting as 1). When calculating basic earnings per share at the comparative period, shares shall be treated as outstanding ordinary shares at the beginning of the comparative period. When calculating earnings per share as at the end of the reporting period (after deducting non-operating profit and loss), new shares issued by acquirer after combination shall be weighted staring from the next month. When calculating earnings per share as at the end of the comparative period (after deducting non-operating profit and loss), new shares issued by acquirer after combination shall not be weighted (weighting is zero).

13. Dividends

In the six months as at June 30, 2015, dividends amounted to RMB0 has been declared for the accounting year ended December 31, 2014. (last period: RMB10,305,346.51).

According to the resolutions of the board of directors dated August 26, 2015, the Company would not distribute the interim dividends 6-month period ended June 30, 2015 (last period: None).

14. Depreciation and amortization

Items	**Current Period**	Last Period
Depreciation of investment properties	**314,356.08**	375,665.01
Depreciation of fixed assets	**320,384,789.95**	306,052,837.72
Amortization of intangible assets	**30,296,791.17**	32,836,610.12
Total	**350,995,937.20**	339,265,112.85

15. Gain (or loss) from disposal of investment or property

None.

IV. SEGMENT INFORMATION

According to the Group's internal organisational structure, management requirements, and internal reporting system, the segments of the operation can be divided into 3 categories based on the different types of main products. The management of the Group evaluates operating outcomes of these segments periodically in order to make decisions concerning resource distributions and operating result assessments. The Group is currently organized into a 3 segments in shipbuilding, steel structure projects and others.

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

Segment information for January to June 2015

Items	Shipbuilding and related business	Steel structure engineering	Others	Elimination	Total
Operating income	11,316,884,486.81	557,411,607.10	783,061,673.14	-1,847,638,529.58	10,809,719,237.47
Including: External transaction revenu	9,754,590,283.53	557,411,607.10	497,717,346.84		10,809,719,237.47
Revenue between segments	1,562,294,203.28	–	285,344,326.30	-1,847,638,529.58	
Operating cost	11,116,528,935.85	530,312,180.99	756,016,223.63	-1,897,180,253.37	10,505,677,087.10
Period charge	557,180,151.88	16,661,290.51	166,922,484.39	-20,572,718.78	720,191,208.00
Segment total profit (total loss)	-681,587,753.98	13,696,553.15	-126,261,540.13	250,835,983.91	-543,316,757.05
Total assets	59,743,695,488.95	731,390,647.72	3,442,310,993.76	-18,792,353,142.10	45,125,043,988.33
Including: Significant impairment loss of individual assets	–	–	–		
Total liabilities	46,562,129,969.35	519,104,363.20	1,962,003,963.79	-13,675,092,478.67	35,368,145,817.67
Supplementary information	–	–	–		
Capitalised expense	190,005,563.66	2,237,990.77	2,127,349.67	–	194,370,904.10
Recognised loss of impairment	415,675,036.88	113,024.21	-47,018.40	-185,613,152.44	230,127,890.25
Including: Share of impairment of goodwill	–	–	–		
Depreciation and amortization expense	324,684,565.41	884,290.99	44,747,458.15	-19,320,377.35	350,995,937.20
Non-cash expenses other than loss of impairment, depreciation and amortization					

Segment information for January to June 2014

Items	Shipbuilding and related business	Steel structure engineering	Others	Elimination	Total
Operating income	9,246,870,984.97	179,993,463.20	888,425,399.97	-1,911,551,394.78	8,403,738,453.36
Including: External transaction revenue	8,021,331,699.65	179,993,463.20	202,413,290.51		8,403,738,453.36
Revenue between segments	1,225,539,285.32		686,012,109.46	-1,911,551,394.78	
Operating cost	9,002,360,708.45	164,011,965.49	854,235,646.20	-1,912,585,871.17	8,108,022,448.97
Period charge	453,371,123.34	12,724,086.90	129,431,107.35	-1,195,018.63	594,331,298.96
Segment total profit (total loss)	-129,488,120.06	3,962,139.00	-81,983,533.57	-15,347,182.42	-222,856,697.05
Total assets	45,617,517,015.88	361,984,683.30	1,958,915,639.41	-7,598,455,701.91	40,339,961,636.68
Total liabilities	37,200,315,530.25	241,029,613.55	1,723,564,949.27	-7,102,274,994.03	32,062,635,099.04
Supplementary information					
Capitalised expense	147,033,656.58	749,706.45	3,020,395.61	–	150,803,758.64
Recognised loss of impairment	34,563,312.69	12,341.65	-767,351.20	14,363,328.55	48,171,631.69
Including: Share of impairment of goodwill					
Depreciation and amortization expense	314,841,177.19	582,729.67	24,422,767.37	-581,561.38	339,265,112.85
Non-cash expenses other than loss of impairment, depreciation and amortization					

The total external transaction revenue from local and other countries or regions; and other non-current assets other than financial assets and deferred income tax assets from local and other countries or regions are listed below:

Revenue from external customers	**Current Period**	Last Period
Inside China (except Hong Kong)	**10,690,679,236.17**	8,397,484,047.90
Hong Kong	**119,040,001.30**	6,254,405.46
Hong Kong	**10,809,719,237.47**	8,403,738,453.36

Total non-current assets	**Ending Balance**	Beginning Balance
Inside China (except Hong Kong)	**13,573,231,755.82**	12,663,293,335.79
Hong Kong	**15,838,889.96**	16,092,443.29
Total	**13,589,070,645.78**	12,679,385,779.08

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

The Board of Directors
Guangzhou Shipyard International Company Limited

Guangzhou, 26 August 2015

As at the date of this announcement, the Board comprises ten Directors, namely executive Directors Mr. Han Guangde, Mr. Chen Zhongqian, Mr. Xiang Huiming and Mr. Zhou Dusheng, non-executive Directors Mr. Yang Li, Mr. Wang Guozhong and Mr. Wang Jun, and independent non-executive Directors Mr. Zhu Zhenyu, Mr. Song Dejin and Mr. Zhu Mingyou.