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

(A joint stock limited liability company incorporated in the People's Republic of China)

(H Shares Stock Code: 00317)

THIRD QUARTERLY REPORT 2021

IMPORTANT NOTICE:

- The board of directors (the "**Board**"), the supervisory committee, the Directors (the "**Directors**"), Supervisors and senior management of CSSC Offshore & Marine Engineering (Group) Company Limited (the "**Company**") warrant that there are no false statements, misleading information or material omissions in this quarterly report and are jointly and severally responsible for the truthfulness, accuracy and completeness of the contents of this quarterly report.

- All Directors attended the Board meeting and reviewed the report of the Company for the third quarter of 2021 (the "**Reporting Period**")

- Han Guangde, the person in charge of the Company, Hou Zengquan, the person in charge of accounting and Xie Weihong, the head of accounting department (accountant in charge), have guaranteed the truthfulness, accuracy and completeness of the financial statements contained in this quarterly report.

- The third quarterly report of 2021 of the Company is unaudited.

I. KEY FINANCIAL DATA

(I) Key accounting data and financial indicators

Unit: RMB

Item	As at the Reporting Period	Increase/Decrease comparing the Reporting Period with the same period of last year (%)	From January 1, 2021 to September 30, 2021	Change compared with that of the end of last year (%)
Operating income	2,126,077,814.68	-8.91	6,843,628,268.16	3.26
Net profit attributable to shareholders of the Company	101,142,187.09	-53.07	6,099,589.87	-99.82
Net profit attributable to shareholders of the Company after deduction of non-recurring gains and losses	91,133,115.59	Not applicable	-44,246,880.56	Not applicable
Net cash flows from operating activities	Not applicable	Not applicable	-1,179,912,551.66	Not applicable
Basic earnings per share (RMB/share)	0.0715	-53.11	0.0043	-99.82
Diluted earnings per share (RMB/share)	0.0715	-53.11	0.0043	-99.82
Weighted average return on equity (%)	0.65	Decreased by 1.45 percentage points	0.04	Decreased by 28.53 percentage points

	As at the end of the Reporting Period	As at the end of last year	Change compared with that of the end of last year (%)
Total assets	39,399,438,726.30	38,937,517,272.52	1.19
Owners' equity attributable to shareholders of listed company	15,499,275,290.97	14,432,091,546.69	7.39

Note: the "Reporting Period" refers to the three-month period from the beginning of the quarter to the end of the quarter, hereinafter the same.

(II) Extraordinary items and their amounts

Unit: RMB

Item	Amount of the Reporting Period	From January 1, 2021 to September 30, 2021	Notes
Gain or loss on disposal of non-current assets (including the write-off of the asset impairment provision)	6,117,808.65	5,543,964.44	
Tax relief and reduction with approval exceeding authority or without formal approval or of non-recurring nature			
Government grants included in current profit or loss, other than on-going government grants which are closely related to the Company's normal operation, meet the requirements of government policies and are subject to certain limits and conditions	3,898,240.63	26,662,389.74	
Capital occupation fee received from non-financial entities included in current profit or loss			
Gain from the excess of the fair value of the identifiable net assets of investee companies on acquisition of the investment over the cost of investment in the Company's subsidiaries, associates and joint ventures			
Gain or loss on exchange of non-monetary assets			
Gain or loss on entrusted investments or assets under management			
Provision for impairment on assets due to force majeure events, such as natural disasters			
Gain or loss on debt restructuring			
Corporate restructuring costs, such as employee redundancy pay and integration costs			
Gain or loss on transactions with obviously unfair transaction price for amount which exceeds fair value			

Item	Amount of the Reporting Period	From January 1, 2021 to September 30, 2021	Notes
Net gains or losses of subsidiaries for the current period from the beginning of the period to the date of combination arising from business combination under common control			
Gain or loss on other contingencies which are not related to the Company's normal operations			
Gain or loss on changes in fair value of financial assets held-for-trading, financial liabilities held-for-trading and investment income from disposal of financial assets held-for-trading, financial liabilities held-for-trading, available-for-sale financial assets, except for effective hedging transactions that are closely related to the Company's normal operation	8,279,667.91	65,811,532.24	
Reversal of the provision for impairment of receivables and contract assets which are tested individually for impairment			
Gains or losses from entrusted loans			
Gain or loss arising from changes in fair value of investment properties under fair value model on subsequent measurement			
Effect of one-time adjustment to current profit or loss according to the requirements of tax and accounting laws and regulations on current profit or loss			
Entrusted fee income from entrusted operations			
Other non-operating income and expenses apart from the aforesaid items	397,602.20	2,308,282.68	
Other gain or loss items meeting the definition of non-recurring gains or losses	2,196.11	452,317.59	Mainly due to refund of handling fee for individual income tax and input tax deductions
Less: effect of income tax	-8,827,862.48	18,099,273.64	
Effect of minority interests (after tax)	17,514,306.48	32,332,742.62	
Total	10,009,071.50	50,346,470.43	–

Explanation on the definition of non-recurring gains or losses as recurring gains or losses as set out in the Explanatory Announcement No. 1 on Information Disclosure by Public Issuers – Non-recurring Gains or Losses Items

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

Item	**Amount**	**Reason**
Grant for insurance maintained for first piece (set)	33,550,000.00	Closely relating to operation, granted at fixed amount and on a continuous basis
Finance interest discount	4,480,000.00	Closely relating to operation, granted at fixed amount and on a continuous basis
Value added tax of self produced software refund upon collection	226,106.20	Closely relating to operation, granted at fixed amount and on a continuous basis
Total	38,256,106.20	

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

Item	**Ending balance/ current amount**	**At the end of last year/Same period of last year**	**Changes (%)**	**Main reason**
1. Items on balance sheet				
Receivable financing	68,206,774.00	–	Not applicable	Reclassification of notes receivable issued by 15 low-risk banks
Prepayments	1,802,762,582.42	1,218,386,548.91	47.96	Increase in prepayment for product equipment
Other current assets	299,315,649.38	577,884,115.75	-48.20	Decrease in the balance of VAT tax retaining/credit
Investments in other equity instruments	5,540,974,980.30	3,923,780,494.34	41.22	Increase in fair value of shares of China CSSC Holdings Limited ("**CSSC Holdings**")
Construction in progress	227,337,410.61	348,779,440.60	-34.82	Decrease in unvested construction in progress
Right-of-use assets	201,067,776.31	116,000,602.24	73.33	Increase in long-term lease contracts
Long-term prepaid expenses	38,459,503.15	21,210,225.34	81.33	Increase in amortisation of dormitory renovation expenses
Other non-current assets	602,459,181.23	389,850,209.29	54.54	Increase in relocation expenses and inventories over one year pending write-off

Item	Ending balance/ current amount	At the end of last year/Same period of last year	Changes (%)	Main reason
Financial liabilities held-for-trading	1,107,541.79		Not applicable	Negative fair value changes on partially held financial derivatives
Notes payable	855,500,373.51	2,292,202,595.08	-62.68	Release of notes payable on maturity
Advances from customers		7,855,200.00	-100.00	Decrease in rent received in advance
Employee benefits payable	108,734,056.55	851,463.48	12,670.25	Increase in accrued but unpaid wages, subsidies and benefits
Non-current liabilities due within one year	1,586,580,454.30	2,884,252,298.08	-44.99	Reclassification of long-term borrowings due within one year
Other current liabilities	953,030,504.53	319,331,239.99	198.45	Increase in endorsement/ discounting of bills
Lease liabilities	182,775,897.63	96,494,152.25	89.42	Increase in long-term lease contracts
Deferred income	122,024,801.69	78,742,779.90	54.97	Increase in government grants not carried forward
Deferred tax liabilities	685,702,740.62	281,517,181.48	143.57	Increase in fair value of shares of CSSC Holdings
Other comprehensive income	1,911,848,363.84	699,020,433.90	173.50	Increase in fair value of shares of CSSC Holdings
2. Items on consolidated income statement				
Taxes and surcharges	7,962,184.77	17,300,913.23	-53.98	The inclusion of data for January-February of Guangzhou Shipyard International Company Limited ("**GSI**") for the corresponding period last year
Selling expenses	109,421,642.62	36,032,626.95	203.67	The first set of insurance recognized in the corresponding period of last year
Other income	59,525,716.12	26,327,688.48	126.10	Increase in government grants in the period
Investment income	21,443,356.48	3,629,709,393.60	-99.41	The recognition of investment income during the disposal of equity of GSI and CSSC Chengxi Yangzhou Shipbuilding Company Limited during the corresponding period of last year

Item	Ending balance/ current amount	At the end of last year/Same period of last year	Changes (%)	Main reason
Loss on impairment of credit (loss expressed with "–")	-9,256,403.56	57,218,559.31	-116.18	Year-on-year increase in the provision on bad debts
Loss on impairment of assets (loss expressed with "–")	-13,027,166.40	-199,665,276.16	Not applicable	Year-on-year decrease in provision for contract performance cost impairment
Non-operating income	9,491,876.31	36,748,333.29	-74.17	Year-on-year decrease in contractual liquidated damages
Non-operating expenses	5,813,541.66	1,680,212.99	246.00	Year-on-year increase in net insurance claims expenditure
Income tax expense	-11,256,430.55	55,279,258.07	-120.36	Year-on-year decrease in deferred income tax expense
3. Items on cash flow statement				
Net cash flows from operating activities	-1,179,912,551.66	-2,820,280,788.72	Not applicable	Year-on-year decrease in the extent to which product receipts have fallen short of payment progress
Net cash flows from investing activities	-203,635,740.85	-5,127,100,224.58	Not applicable	Reclassification of cash and cash equivalents of GSI at the end of the corresponding period of last year
Net cash flows from financing activities	-1,136,931,576.36	-213,573,443.57	Not applicable	Higher repayment of loans in the current period

II. INFORMATION OF SHAREHOLDERS

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

Unit: Share

Total number of ordinary shareholders as at the end of the Reporting Period	104,523	Total number of preferred shareholders of which voting rights had resumed as at the end of the Reporting Period (if any)	–

Shareholding of top ten shareholders

Name of shareholder	Nature of shareholder	Shareholding	Proportion (%)	Number of shares subject to selling restriction	Pledged, marked or frozen	
					Status	Number of shares
HKSCC NOMINEES LIMITED	Overseas legal person	589,282,888	41.69	0	None	0
China State Shipbuilding Corporation Limited	State-owned legal person	481,337,700	34.05	0	None	0
China Construction Bank Corporation-Guotai China Securities Military Trading Index Securities Investment Open-ended Fund* (中國建設銀行股份有限公司－國泰中證軍工交易型開放式指數證券投資基金)	Others	6,153,413	0.44	0	None	0
Yangzhou Kejin Shipyard Co., Ltd.	Domestic Non-state-owned legal-person	4,599,086	0.33	0	Pledged	4,300,000
China Construction Bank Corporation-Fullgoal China Securities Military Index Grading Securities Investment Fund	Others	3,074,758	0.22	0	None	0
Xi'an Investment Holding Co., Ltd.	State-owned legal person	3,001,159	0.21	0	None	0

Shareholding of top ten shareholders

Name of shareholder	Nature of shareholder	Shareholding	Proportion (%)	Number of shares subject to selling restriction	Pledged, marked or frozen	
					Status	Number of shares
China Merchants Bank Co., Ltd.-Guangfa China Securities Military Trading Index Securities Investment Open-ended Fund* (中國工商銀行股份有限公司－廣發中證軍工交易型開放式指數證券投資基金)	Others	2,030,441	0.14	0	None	0
China Merchants Bank Co., Ltd. – Dongfanghong Vision Value Hybrid Securities Investment Fund* (招商銀行股份有限公司－東方紅遠見價值混合型證券投資基金)	Others	1,997,900	0.14	0	None	0
Boshi Fund – Agricultural Bank of China – Boshi China Securities Financial Asset Management Plan	Others	1,799,900	0.13	0	None	0
Yifangda Fund – Agricultural Bank of China – Yifangda China Securities Financial Asset Management Plan	Others	1,799,900	0.13	0	None	0

Top ten shareholders of shares not subject to selling restrictions

Name of shareholder	**Number of tradable shares held not subject to selling restrictions**	**Class and number of shares**	
		Class	**Number**
HKSCC NOMINEES LIMITED	589,282,888	Overseas listed foreign shares	589,282,888
China State Shipbuilding Corporation Limited	481,337,700	Ordinary shares denominated in RMB	481,337,700
China Construction Bank Corporation-Guotai China Securities Military Trading Index Securities Investment Open-ended Fund* (中國建設銀行股份有限公司－國泰中證軍工交易型開放式指數證券投資基金)	6,153,413	Ordinary shares denominated in RMB	6,153,413
Yangzhou Kejin Shipyard Co., Ltd.	4,599,086	Ordinary shares denominated in RMB	4,599,086
China Construction Bank Corporation-Fullgoal China Securities Military Index Grading Securities Investment Fund	3,074,758	Ordinary shares denominated in RMB	3,074,758
Xi'an Investment Holding Co., Ltd.	3,001,159	Ordinary shares denominated in RMB	3,001,159
China Merchants Bank Co., Ltd.-Guangfa China Securities Military Trading Index Securities Investment Open-ended Fund* (中國工商銀行股份有限公司－廣發中證軍工交易型開放式指數證券投資基金)	2,030,441	Ordinary shares denominated in RMB	2,030,441
China Merchants Bank Co., Ltd. – Dongfanghong Vision Value Hybrid Securities Investment Fund* (招商銀行股份有限公司－東方紅遠見價值混合型證券投資基金)	1,997,900	Ordinary shares denominated in RMB	1,997,900
Boshi Fund – Agricultural Bank of China – Boshi China Securities Financial Asset Management Plan	1,799,900	Ordinary shares denominated in RMB	1,799,900
Yifangda Fund – Agricultural Bank of China – Yifangda China Securities Financial Asset Management Plan	1,799,900	Ordinary shares denominated in RMB	1,799,900
Explanation on the relationship or acting in concert among the aforesaid shareholders			–
Explanation of the participation of the top ten shareholders and the top ten unsold shareholders in the securities financing and transfer business (if any)			–

III. QUARTERLY FINANCIAL STATEMENTS

(I) Financial statements

Consolidated Balance Sheet
30 September 2021

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

Unit: RMB Audit Type: Unaudited

Item	30 September 2021	31 December 2020
Current assets:		
Cash at bank and on hand	**6,610,483,815.26**	8,767,750,124.49
Settlement reserve		
Placements with banks and non-bank financial institutions		
Financial assets held-for-trading	**947,913,421.66**	1,055,191,244.71
Derivative financial assets		
Notes receivable	**117,206,233.28**	161,625,007.63
Accounts receivable	**997,719,220.89**	1,244,416,936.61
Receivable financing	**68,206,774.00**	
Prepayments	**1,802,762,582.42**	1,218,386,548.91
Insurance premium receivable		
Reinsurance premium receivable		
Reserves for reinsurance contract receivable		
Other receivables	**135,181,564.01**	132,470,963.43

Item	30 September 2021	31 December 2020
Including: Interest receivable		
Dividends receivable		
Financial assets purchased under agreements to resell		
Inventories	**4,223,107,654.33**	4,199,310,024.12
Contract assets	**4,418,699,378.82**	4,445,388,926.29
Assets held for sale		
Non-current assets due within one year		
Other current assets	**299,315,649.38**	577,884,115.75
Total current assets	**19,620,596,294.05**	21,802,423,891.94
Non-current assets:		
Loans and advances to customers		
Debt investments		
Other debt investments		
Long-term receivables	**2,069,568,492.08**	1,996,607,880.36
Long-term equity investments	**4,945,302,217.77**	4,938,277,647.10
Investments in other equity instruments	**5,540,974,980.30**	3,923,780,494.34
Other non-current financial assets		
Investment properties	**144,358,412.88**	149,261,481.66
Fixed assets	**4,693,966,126.39**	3,952,299,253.50
Construction in progress	**227,337,410.61**	348,779,440.60
Productive biological assets		
Oil and gas assets		
Right-of-use assets	**201,067,776.31**	116,000,602.24
Intangible assets	**922,983,164.30**	918,938,540.79
Development expenses		
Goodwill		
Long-term prepaid expenses	**38,459,503.15**	21,210,225.34
Deferred income tax assets	**392,365,167.23**	380,087,605.36
Other non-current assets	**602,459,181.23**	389,850,209.29
Total non-current assets	**19,778,842,432.25**	17,135,093,380.58
Total assets	**39,399,438,726.30**	38,937,517,272.52

Item	**30 September 2021**	31 December 2020
Current liabilities:		
Short-term borrowings	**2,216,194,861.12**	2,049,871,666.70
Loans from central bank		
Placements from banks and other financial institutions		
Financial liabilities held-for-trading	**1,107,541.79**	
Derivative financial liabilities		
Notes payable	**855,500,373.51**	2,292,202,595.08
Accounts payable	**4,759,070,861.50**	5,587,133,569.37
Advances from customers	**–**	7,855,200.00
Contract liabilities	**6,486,453,096.98**	5,172,239,729.14
Securities sold under agreements to repurchase		
Deposits from customers and other banks		
Brokerage for securities trading		
Brokerage for underwriting securities		
Employee benefits payable	**108,734,056.55**	851,463.48
Taxes payable	**19,943,341.63**	26,054,822.85
Other payables	**197,623,731.57**	158,810,463.41
Including: Interest payable		
Dividends payable	**312,941.09**	304,042.49
Fee and commission payable		
Reinsured accounts payable		
Liabilities held for sale		
Non-current liabilities due within one year	**1,586,580,454.30**	2,884,252,298.08
Other current liabilities	**953,030,504.53**	319,331,239.99
Total current liabilities	**17,184,238,823.48**	18,498,603,048.10
Non-current liabilities:		
Reserves for insurance contracts		
Long-term borrowings	**2,359,985,702.23**	2,117,721,642.34
Bonds payable		
Including: Preference shares		
Perpetual bonds		

Item	**30 September 2021**	31 December 2020
Lease liabilities	**182,775,897.63**	96,494,152.25
Long-term payables		
Long-term employee benefits payable	**155,117,646.68**	166,642,915.39
Estimated liabilities	**116,092,214.70**	146,653,315.33
Deferred income	**122,024,801.69**	78,742,779.90
Deferred tax liabilities	**685,702,740.62**	281,517,181.48
Other non-current liabilities		
Total non-current liabilities	**3,621,699,003.55**	2,887,771,986.69
Total liabilities	**20,805,937,827.03**	21,386,375,034.79
Owners' equity (or shareholders' interests):		
Paid-in capital (or share capital)	**1,413,506,378.00**	1,413,506,378.00
Other equity instruments		
Including: Preference shares		
Perpetual bonds		
Capital reserve	**9,393,272,768.04**	9,309,822,030.75
Less: Treasury shares		
Other comprehensive income	**1,911,848,363.84**	699,020,433.90
Special reserve		
Surplus reserve	**1,035,952,912.65**	1,035,952,912.65
Provision for general risks		
Undistributed profit	**1,744,694,868.44**	1,973,789,791.39
Total equity (or shareholders' interests) attributable to owners of the Parent Company	**15,499,275,290.97**	14,432,091,546.69
Minority interests	**3,094,225,608.30**	3,119,050,691.04
Total owners' equity (or shareholders' interests)	**18,593,500,899.27**	17,551,142,237.73
Total liabilities and owners' equity (or shareholders' interests)	**39,399,438,726.30**	38,937,517,272.52

Legal representative:	Person in charge of accounting:	Head of accounting department:
Han Guangde	**Hou Zengquan**	**Xie Weihong**

Consolidated Income Statement
From January to September 2021

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

Unit: RMB Audit Type: Unaudited

Item		January to September 2021	January to September 2020
I.	Total operating income	**6,843,628,268.16**	6,627,314,266.94
	Including: Operating income	**6,843,628,268.16**	6,627,314,266.94
	Interest income		
	Premium earned		
	Fee and commission income		
II.	Total operating costs	**6,999,949,607.17**	7,050,618,362.14
	Including: Operating costs	**6,204,124,765.93**	6,286,396,938.90
	Interest expense		
	Fee and commission expenses		
	Refunded premiums		
	Net amount of compensation payout		
	Net increase in insurance contracts reserve		
	Policy dividend payment		
	Reinsured expenses		
	Taxes and surcharges	**7,962,184.77**	17,300,913.23
	Selling expenses	**109,421,642.62**	36,032,626.95
	Administrative expenses	**308,070,684.10**	361,073,507.62
	Research and development expense	**417,252,568.70**	414,334,494.20
	Finance cost	**-46,882,238.95**	-64,520,118.76
	Including: Interest expenses	**98,725,276.91**	130,167,606.79
	Interest income	**177,553,293.98**	223,475,541.40

Item	**January to September 2021**	January to September 2020
Add: Other income	**59,525,716.12**	26,327,688.48
Investment income (loss expressed with "–")	**21,443,356.48**	3,629,709,393.60
Including: Investment income in associates and joint ventures	**5,064,489.95**	-95,089,721.88
Derecognition income of financial assets measured at amortised cost (loss expressed with "–")		
Exchange gain (loss expressed with "–")		
Net gain on exposure hedging (loss expressed with "–")		
Gain on change in fair value (loss expressed with "–")	**57,297,531.75**	72,251,833.41
Loss on impairment of credit (loss expressed with "–")	**-9,256,403.56**	57,218,559.31
Loss on impairment of assets (loss expressed with "–")	**-13,027,166.40**	-199,665,276.16
Gains from disposal of asset (loss expressed with "–")	**5,539,009.88**	
III. Operating profit (loss expressed with "–")	**-34,799,294.74**	3,162,538,103.44
Add: Non-operating income	**9,491,876.31**	36,748,333.29
Less: Non-operating expenses	**5,813,541.66**	1,680,212.99
IV. Total profit (total loss expressed with "–")	**-31,120,960.09**	3,197,606,223.74
Less: Income tax expense	**-11,256,430.55**	55,279,258.07

Item				January to September 2021	January to September 2020
V.	**Net profit (net loss expressed with "–")**			**-19,864,529.54**	3,142,326,965.67
	(i)	By continuity of operations			
		1.	Net profit from continuing operations (net loss expressed with "–")	**-19,864,529.54**	-54,113,362.92
		2.	Net profit from discontinued operations (net loss expressed with "–")		3,196,440,328.59
	(ii)	By ownership			
		1.	Net profit attributable to shareholders of the Parent Company (net loss expressed with "–")	**6,099,589.87**	3,318,340,727.06
		2.	Gain or loss attributable to minority interests (net loss expressed with "–")	**-25,964,119.41**	-176,013,761.39
VI.	**Net after tax for other comprehensive income**			**1,214,087,901.17**	864,670,436.94
	(i)	Net after tax for other comprehensive income attributable to owners of the Parent Company		**1,212,275,475.87**	865,961,881.60
		1.	Other comprehensive income that may not be reclassified to profit or loss	**1,212,668,668.32**	866,389,394.35
			(1) Change in remeasurement of defined benefit plans		
			(2) Other comprehensive income that may not be reclassified to profit or loss under equity method	**1,364,566.58**	-104,564.76
			(3) Change in fair value of investments in other equity instruments	**1,211,304,101.74**	866,493,959.11
			(4) Change in fair value of own credit risk		

Item				January to September 2021	January to September 2020
		2.	Other comprehensive income that may be reclassified to profit or loss	**-393,192.45**	-427,512.75
		(1)	Other comprehensive income that may be reclassified to profit or loss under equity method		
		(2)	Change in fair value of other debt investments		
		(3)	Amount included in other comprehensive income on reclassification of financial assets		
		(4)	Provision for credit impairment of other debt investments		
		(5)	Cash flow hedges reserve		
		(6)	Exchange differences arising from translation of foreign currency financial statements	**-393,192.45**	-427,512.75
		(7)	Others		
	(ii)	Net other comprehensive income after tax attributable to minority interests		**1,812,425.30**	-1,291,444.66
VII.	**Total comprehensive income**			**1,194,223,371.63**	4,006,997,402.61
	(i)	Total comprehensive income attributable to owners of the Parent Company		**1,218,375,065.74**	4,184,302,608.66
	(ii)	Total comprehensive income attributable to minority interests		**-24,151,694.11**	-177,305,206.05
VIII.	**Earnings per share:**				
	(i)	Basic earnings per share (RMB/share)		**0.0043**	2.3476
	(ii)	Diluted earnings per share (RMB/share)		**0.0043**	2.3476

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

Legal representative:	Person in charge of accounting:	Head of accounting department:
Han Guangde	**Hou Zengquan**	**Xie Weihong**

Consolidated Cash Flow Statement
From January to September 2021

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

Unit: RMB   Audit Type: Unaudited

Item		**January to September 2021**	January to September 2020
I.	**Cash flows from operating activities:**		
	Cash received from sale of goods or rendering of services	**8,971,729,350.43**	7,004,157,324.94
	Net increase in deposits from customers and deposits from other banks		
	Net increase in loans from central bank		
	Net increase in placements from other financial institutions		
	Cash receipts of premium for direct insurance contracts		
	Net cash received from reinsurance business		
	Net increase in deposits from insurance policy holders and investment		
	Cash receipts of interest, fees and commissions		
	Net increase in placements		
	Net increase in sales and repurchase operations		
	Cash receipts of brokerage for securities trading		
	Cash received from tax refund	**521,225,182.20**	290,716,866.85
	Other cash receipts relating to operating activities	**496,030,009.99**	1,055,476,225.20
	Sub-total of cash inflows from operating activities	**9,988,984,542.62**	8,350,350,416.99
	Cash paid for goods and services	**10,180,826,894.66**	10,118,691,505.56
	Net increase in loans and advances to customers		
	Net increase in central bank and interbank deposits		
	Cash paid for claims of direct insurance contracts		
	Net increase in placements with banks and non-bank financial institutions		
	Cash paid for interest, fees and commissions		
	Cash paid for dividends of insurance policies		
	Cash paid to and on behalf of employees	**539,047,879.20**	705,901,170.55
	Payments of taxes	**11,337,086.43**	73,595,467.49
	Other cash payments relating to operating activities	**437,685,233.99**	272,443,062.11
	Sub-total of cash outflows from operating activities	**11,168,897,094.28**	11,170,631,205.71
	Net cash flows from operating activities	**-1,179,912,551.66**	-2,820,280,788.72

Item	**January to September 2021**	January to September 2020
II. Cash flows from investing activities:		
Cash receipts from recover of investments	**456,003,206.57**	1,094,723,098.00
Cash receipts from investment income	**76,058,556.55**	5,410,404.45
Net cash receipts from disposal of fixed assets, intangible assets and other long-term assets	**2,535,238.14**	5,183,954.70
Net cash receipts from disposal of subsidiaries and other business units		
Other cash receipts relating to investing activities	**397,492,272.67**	1,712,431,689.02
Sub-total of cash inflows from investing activities	**932,089,273.93**	2,817,749,146.17
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	**119,323,618.49**	602,654,610.18
Cash paid for investments	**351,025,700.00**	1,693,821,472.11
Net increase in pledged loans		
Net cash paid for acquisition of subsidiaries and other business units		10,706,417.69
Other cash payments relating to investing activities	**665,375,696.29**	5,637,666,870.77
Sub-total of cash outflows from investing activities	**1,135,725,014.78**	7,944,849,370.75
Net cash flows from investing activities	**-203,635,740.85**	-5,127,100,224.58
III. Cash flows from financing activities:		
Cash receipts from receiving investments		
Including: Cash received by subsidiaries from receiving investments made by minority interest		
Cash receipts from borrowings obtained	**2,505,000,000.00**	3,916,463,262.48
Other cash receipts relating to financing activities	**83,200,000.00**	60,000,000.00
Sub-total of cash inflows from financing activities	**2,588,200,000.00**	3,976,463,262.48
Cash paid for repayment of debts	**3,393,200,000.00**	4,066,782,119.50
Cash paid for dividends, profit distribution or interest expenses	**328,991,903.17**	117,773,879.67
Including: Dividends and profits paid by subsidiaries to minority interests		
Other cash payments relating to financing activities	**2,939,673.19**	5,480,706.88
Sub-total of cash outflows from financing activities	**3,725,131,576.36**	4,190,036,706.05
Net cash flows from financing activities	**-1,136,931,576.36**	-213,573,443.57

Item		**January to September 2021**	January to September 2020
IV.	**Effect of change in exchange rate on cash and cash equivalents**	**1,104,480.91**	10,284,734.30
V.	**Net increase in cash and cash equivalents**	**-2,519,375,387.96**	-8,150,669,722.57
	Add: Beginning balance of cash and cash equivalents	**5,719,367,108.31**	10,683,490,790.99
VI.	**Ending balance of cash and cash equivalents**	**3,199,991,720.35**	2,532,821,068.42

Legal representative:	Person in charge of accounting:	Head of accounting department:
Han Guangde	**Hou Zengquan**	**Xie Weihong**

By order of the Board
CSSC Offshore & Marine Engineering (Group) Company Limited
Han Guangde
Chairman

Guangzhou, October 29, 2021

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