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 company with limited liability incorporated in the People's Republic of China)

(H Share Stock Code: 00317)

FIRST QUARTERLY REPORT OF 2022

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 first quarter of 2022 (the "**Reporting Period**").

- The person in charge of the Company, the person in charge of accounting and the head of accounting department (accountant in charge) have guaranteed the truthfulness, accuracy and completeness of the financial statements contained in this quarterly report.

- The first quarterly report of 2022 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 (%)
Operating income	1,128,449,754.40	-38.12
Net profit attributable to shareholders of the Company	-12,318,793.85	Not applicable
Net profit attributable to shareholders of the Company after deduction of nonrecurring gains and losses	-32,605,115.28	Not applicable
Net cash flows from operating activities	3,038,823,824.90	2,074.04
Basic earnings per share (RMB/share)	-0.0087	Not applicable
Diluted earnings per share (RMB/share)	-0.0087	Not applicable
Weighted average return on equity (%)	-0.09	0.06

	As at the end of the Reporting Period	As at the end of last year	Increase/Decrease comparing the end of the Reporting Period with the end of last year (%)
Total assets	47,990,875,566.16	44,265,408,872.54	8.42
Owners' equity attributable to shareholders of listed company	14,278,052,977.57	15,524,746,801.15	-8.03

(II) Extraordinary items and their amounts

Unit: RMB

Item	Amount of the Reporting Period	Notes
Gain or loss on disposal of non-current assets	-253,590.90	
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	4,383,122.53	
Capital occupation fee received from nonfinancial entities included in current profit or loss		
Gain from the excess of the fair value of the identifiable net assets of investee companies on acquisition of the investment over the cost of investment in the Company's subsidiaries, associates and joint ventures		
Gain or loss on exchange of non-monetary assets		
Gain or loss on entrusted investments or assets under management		
Provision for impairment on assets due to force majeure events, such as natural disasters		
Gain or loss on debt restructuring		
Corporate restructuring costs, such as employee redundancy pay and integration costs		
Gain or loss on transactions with obviously unfair transaction price for amount which exceeds fair value		
Net gains or losses of subsidiaries for the current period from the beginning of the period to the date of combination arising from business combination under common control		
Gain or loss on other contingencies which are not related to the Company's normal operations		

Item	Amount of the Reporting Period	Notes
Gain or loss on changes in fair value of financial assets held-for-trading, derivative financial assets, financial liabilities for trading, derivative financial liabilities and investment income from disposal of financial assets for trading, derivative financial assets, financial liabilities for trading, derivative financial liabilities and other debt investments, except for effective hedging transactions that are closely related to the Company's normal operation	35,045,118.15	
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	107,348.59	
Other gain or loss items meeting the definition of non-recurring gains or losses	226,413.56	Mainly due to refund of handling fee for individual income tax and input tax deductions
Less: Effect of income tax	5,113,549.33	
Effect of minority interests (after tax)	14,108,541.17	
Total	20,286,321.43	

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
Finance interest discount	95,000.00	Closely relating to operation, granted at fixed amount and on a continuous basis
Value added tax of self produced software refund upon collection	53,982.30	Closely relating to operation, granted at fixed amount and on a continuous basis
Total	148,982.30	

(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				
Cash at bank and on hand	14,246,156,416.77	9,560,403,363.57	49.01	Increase in net product receivables
Financial assets held for trading	2,057,861,525.72	3,281,028,607.57	-37.28	Decrease in entrusted finance balances
Receivable financing	99,201,872.18	192,855,840.34	-48.56	Release of reclassified notes receivable and digital receivable certificates due for payment
Other receivables	54,338,045.29	94,550,370.96	-42.53	Decrease in guarantee deposit balances on deposits
Inventories	6,509,824,057.64	4,922,901,059.95	32.24	Increase in products in process with performance obligations at a point in time that have not met the conditions for revenue recognition
Non-current assets due within one year	8,536,009.69		Not applicable	Increase in hedging instruments maturing within one year
Other current assets	254,692,675.13	177,819,458.91	43.23	Increase in VAT retention credits

Item	Ending balance/ current amount	At the end of last year/Same period of last year	Changes (%)	Main reason
Investments in other equity instruments	3,827,334,282.16	5,480,001,529.79	-30.16	Changes of fair value of shares of CSSC Holdings
Short-term borrowings	2,649,635,572.47	1,914,936,125.56	38.37	Increase in borrowing balance
Contractual liabilities	13,886,772,526.78	9,348,839,525.55	48.54	Increase in prepayments for products received
Employee benefits payable	54,816,412.36	361,255.50	15,073.86	Increase in accrued but unpaid employee benefits
Taxation payable	16,461,833.07	35,046,259.47	-53.03	Decrease in balance of personal income tax payable
Non-current liabilites due within one year	663,747,724.70	951,219,195.92	-30.22	Repayment of long term loans due within one year
Deferred tax liabilities	249,232,938.64	664,220,819.92	-62.48	Changes of fair value of shares of CSSC Holdings
Other non-current liabilites	383,797,697.98	196,955,482.65	94.87	Increase in hedged items
Other comprehensive income	629,377,482.83	1,863,752,512.56	-66.23	Changes of fair value of shares of CSSC Holdings
2. Items on consolidated income statement				
Operating revenue	1,128,449,754.40	1,823,615,807.05	-38.12	Product restructuring, with fewer completed products fulfilling their obligations at a point in time and meeting the conditions for revenue recognition
Operating cost	1,025,376,471.59	1,690,414,400.53	-39.34	Product restructuring, with fewer completed products fulfilling their obligations at a point in time and meeting the conditions for revenue recognition
Taxes and surcharges	2,384,139.72	1,548,112.64	54.00	Increase in stamp duty
Selling expenses	17,093,556.46	12,416,776.58	37.67	Increase in product warranty accruals
Investment income	6,558,255.26	-8,090,310.36	Not applicable	Increase in income from investments in associates recognised under the equity method
Profit arising from changes in fair value (loss shall be stated as "-")	31,101,590.89	-19,930,918.96	Not applicable	Increase in gain on change in carrying value of financial assets held for trading

Item	Ending balance/ current amount	At the end of last year/Same period of last year	Changes (%)	Main reason
Credit impairment losses (loss shall be stated as "-")	12,489,493.54	-201,713.09	Not applicable	Decrease in provision for bad debts based on the ageing analysis method
Asset impairment losses (loss shall be stated as "-")	-10,276,500.93	1,263,306.28	-913.46	Increase in provision for decline in value of inventories
Non-operating expenses	253,590.90	1,058,750.43	-76.05	Decrease in loss on destruction and retirement of non-current assets
Income tax expense	-7,433,096.68	-2,666,642.74	Not applicable	Change in deferred income tax expense
3. Items on cash flow statement				
Net cash flows from operating activities	3,038,823,824.90	139,777,625.94	2,074.04	Increase in net product receipts
Net cash flows from investing activities	-3,234,324,229.37	-48,174,149.16	Not applicable	Increase in time deposits held for more than three months
Net cash flows from financing activities	386,227,040.76	-877,971,469.59	Not applicable	Increase in net short-term borrowings

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	90,609	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	589,336,488	41.69	0	None	0
China State Shipbuilding Corporation Limited	State-owned legal person	481,337,700	34.05	0	None	0
Hu Haofeng	Domestic natural person	6,854,100	0.48	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-Guotai China Securities Military Trading Index Securities Investment Open-ended Fund	Others	4,484,713	0.32	0	None	0
Guan Haiguo	Domestic natural person	3,936,900	0.28	0	None	0
Xi'an Investment Holding Co., Ltd.	State-owned legal person	3,001,159	0.21	0	None	0
China Construction Bank Corporation-Fullgoal China Securities Military Index Grading Securities Investment Fund	Others	2,180,858	0.15	0	None	0

Name of shareholder	Nature of shareholder	Shareholding	Proportion (%)	Number of shares subject to selling restriction	Pledged, marked or frozen Status	Number of shares
Yu Hanqi	Domestic natural person	2,000,077	0.14	0	None	0
Hong Kong Exchanges and Clearing Limited	Overseas legal person	1,960,139	0.14	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	589,336,488	Overseas listed foreign shares	589,336,488
China State Shipbuilding Corporation Limited	481,337,700	Ordinary shares denominated in RMB	481,337,700
Hu Haofeng	6,854,100	Ordinary shares denominated in RMB	6,854,100
Yangzhou Kejin Shipyard Co., Ltd.	4,599,086	Ordinary shares denominated in RMB	4,599,086
China Construction Bank Corporation-Guotai China Securities Military Trading Index Securities Investment Open-ended Fund	4,484,713	Ordinary shares denominated in RMB	4,484,713
Guan Haiguo	3,936,900	Ordinary shares denominated in RMB	3,936,900
Xi'an Investment Holding Co., Ltd.	3,001,159	Ordinary shares denominated in RMB	3,001,159
China Construction Bank Corporation-Fullgoal China Securities Military Index Grading Securities Investment Fund	2,180,858	Ordinary shares denominated in RMB	2,180,858
Yu Hanqi	2,000,077	Ordinary shares denominated in RMB	2,000,077
Hong Kong Exchanges and Clearing Limited	1,960,139	Ordinary shares denominated in RMB	1,960,139

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)	Shareholder Guan Haiguo held 3,712,200 shares through Ordinary Account, 224,700 shares through Credit Securities Account; and shareholder Yu Hanqi held 2,000,077 shares through Credit Securities Account.

III. QUARTERLY FINANCIAL STATEMENTS

(I) Financial statements

CONSOLIDATED BALANCE SHEET
31 March 2022

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

Unit: RMB Audit Type: Unaudited

Item	31 March 2022	31 December 2021
Current assets:		
Cash at bank and on hand	**14,246,156,416.77**	9,560,403,363.57
Settlement reserve		
Placements with banks and non-bank financial institutions		
Financial assets held-for-trading	**2,057,861,525.72**	3,281,028,607.57
Derivative financial assets		
Notes receivable	**77,846,060.69**	82,331,260.05
Accounts receivable	**966,158,731.73**	1,077,732,663.76
Receivable financing	**99,201,872.18**	192,855,840.34
Prepayments	**2,405,548,175.02**	2,149,658,651.91
Insurance premium receivable		
Reinsurance premium receivable		
Reserves for reinsurance contract receivable		
Other receivables	**54,338,045.29**	94,550,370.96
Including: Interest receivable		
Dividends receivable		
Financial assets purchased under agreements to resell		
Inventories	**6,509,824,057.64**	4,922,901,059.95
Contract assets	**2,678,876,386.74**	2,542,443,559.33
Assets held for sale		
Non-current assets due within one year	**8,536,009.69**	–
Other current assets	**254,692,675.13**	177,819,458.91
Total current assets	**29,359,039,956.60**	24,081,724,836.35

Item	31 March 2022	31 December 2021
Non-current assets:		
Loans and advances to customers		
Debt investments		
Other debt investments		
Long-term receivables	**2,314,417,187.68**	2,371,139,998.94
Long-term equity investments	**4,955,142,909.36**	4,952,678,909.18
Investments in other equity instruments	**3,827,334,282.16**	5,480,001,529.79
Other non-current financial assets		
Investment properties	**141,089,700.36**	142,724,056.62
Fixed assets	**4,725,558,486.43**	4,740,631,472.84
Construction in progress	**221,131,968.50**	229,186,214.27
Productive biological assets		
Oil and gas assets		
Right-of-use assets	**177,721,603.17**	189,367,500.07
Intangible assets	**927,144,799.78**	933,616,499.15
Development expenses		
Goodwill		
Long-term prepaid expenses	**49,109,041.80**	51,236,644.02
Deferred income tax assets	**368,733,196.92**	365,036,681.11
Other non-current assets	**924,452,433.40**	728,064,530.20
Total non-current assets	**18,631,835,609.56**	20,183,684,036.19
Total assets	**47,990,875,566.16**	44,265,408,872.54
Current liabilities:		
Short-term borrowings	**2,649,635,572.47**	1,914,936,125.56
Loans from central bank		
Placements from banks and other financial institutions		
Financial liabilities held-for-trading		
Derivative financial liabilities		
Notes payable	**2,877,812,544.76**	2,524,645,592.26
Accounts payable	**5,735,210,337.26**	5,851,878,752.31
Advances from customers		
Contract liabilities	**13,886,772,526.78**	9,348,839,525.55
Securities sold under agreements to repurchase		
Deposits from customers and other banks		
Brokerage for securities trading		
Brokerage for underwriting securities		
Employee benefits payable	**54,816,412.36**	361,255.50
Taxes payable	**16,461,833.07**	35,046,259.47
Other payables	**177,131,382.21**	185,245,553.74
Including: Interest payable		
Dividends payable	**312,941.09**	312,941.09
Fee and commission payable		

Item	**31 March 2022**	31 December 2021
Reinsured accounts payable		
Liabilities held for sale		
Non-current liabilities due within one year	**663,747,724.70**	951,219,195.92
Other current liabilities	**205,831,382.03**	202,747,908.16
Total current liabilities	**26,267,419,715.64**	21,014,920,168.47
Non-current liabilities:		
Reserves for insurance contracts		
Long-term borrowings	**3,189,535,122.01**	3,189,417,299.77
Bonds payable		
Including: Preference shares		
Perpetual bonds		
Lease liabilities	**139,200,596.98**	169,778,977.55
Long-term payables		
Long-term employee benefits payable	**146,837,801.39**	152,165,220.45
Estimated liabilities	**123,420,253.28**	117,524,817.28
Deferred income	**94,721,177.84**	89,607,608.17
Deferred tax liabilities	**249,232,938.64**	664,220,819.92
Other non-current liabilities	**383,797,697.98**	196,955,482.65
Total non-current liabilities	**4,326,745,588.12**	4,579,670,225.79
Total liabilities	**30,594,165,303.76**	25,594,590,394.26
Owners' equity (or shareholders' interests):		
Paid-in capital (or share capital)	**1,413,506,378.00**	1,413,506,378.00
Other equity instruments		
Including: Preference shares		
Perpetual bonds		
Capital reserve	**9,393,552,318.37**	9,393,552,318.37
Less: Treasury shares		
Other comprehensive income	**629,377,482.83**	1,863,752,512.56
Special reserve		
Surplus reserve	**1,042,398,235.53**	1,042,398,235.53
Provision for general risks		
Undistributed profit	**1,799,218,562.84**	1,811,537,356.69
Total equity (or shareholders' interests) attributable to owners of the Parent Company	**14,278,052,977.57**	15,524,746,801.15
Minority interests	**3,118,657,284.83**	3,146,071,677.13
Total owners' equity (or shareholders' interests)	**17,396,710,262.40**	18,670,818,478.28
Total liabilities and owners' equity (or shareholders' interests)	**47,990,875,566.16**	44,265,408,872.54

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

CONSOLIDATED INCOME STATEMENT
From January to March 2022

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

Unit: RMB Audit Type: Unaudited

Item	January to March 2022	January to March 2021
I. Total operating income	**1,128,449,754.40**	1,823,615,807.05
Including: Operating income	**1,128,449,754.40**	1,823,615,807.05
Interest income		
Premium earned		
Fee and commission income		
II. Total operating costs	**1,212,346,783.58**	1,841,439,577.35
Including: Operating costs	**1,025,376,471.59**	1,690,414,400.53
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	**2,384,139.72**	1,548,112.64
Selling expenses	**17,093,556.46**	12,416,776.58
Administrative expenses	**114,692,953.88**	93,158,109.68
Research and development expense	**94,030,060.04**	85,307,012.11
Finance cost	**-41,230,398.11**	-41,404,834.19
Including: Interest expenses	**34,593,738.87**	33,679,539.07
Interest income	**100,446,735.58**	51,912,483.85
Add: Other income	**4,208,485.92**	4,237,340.44
Investment income (loss expressed with "-")	**6,558,255.26**	-8,090,310.36
Including: Investment income in associates and joint ventures	**2,614,728.00**	-9,247,391.36
Derecognition income of financial assets measured at amortised cost		
Exchange gain (loss expressed with "-")		
Net gain on exposure hedging (loss expressed with "-")		
Gain on change in fair value (loss expressed with "-")	**31,101,590.89**	-19,930,918.96
Loss on impairment of credit (loss expressed with "-")	**12,489,493.54**	-201,713.09
Loss on impairment of assets (loss expressed with "-")	**-10,276,500.93**	1,263,306.28
Gains from disposal of asset (loss expressed with "-")		

Item	January to March 2022	January to March 2021
III. Operating profit (loss expressed with "-")	**-39,815,704.50**	-40,546,065.99
Add: Non-operating income	**562,381.06**	673,935.94
Less: Non-operating expenses	**253,590.90**	1,058,750.43
IV. Total profit (total loss expressed with "-")	**-39,506,914.34**	-40,930,880.48
Less: Income tax expense	**-7,433,096.68**	-2,666,642.74
V. Net profit (net loss expressed with "-")	**-32,073,817.66**	-38,264,237.74
(i) By continuity of operations		
1. Net profit from continuing operations (net loss expressed with "-")	**-32,073,817.66**	-38,264,237.74
2. Net profit from discontinued operations (net loss expressed with "-")		
(ii) By ownership		
1. Net profit attributable to shareholders of the Parent Company (net loss expressed with "-")	**-12,318,793.85**	-20,944,530.28
2. Gain or loss attributable to minority interests (net loss expressed with "-")	**-19,755,023.81**	-17,319,707.46
VI. Net after tax for other comprehensive income	**-1,242,034,398.22**	-391,176,404.04
(i) Net after tax for other comprehensive income attributable to owners of the Parent Company	**-1,234,375,029.73**	-388,318,655.23
1. Other comprehensive income that may not be reclassified to profit or loss	**-1,234,128,580.81**	-388,450,720.21
(1) Change in remeasurement of defined benefit plans		
(2) Other comprehensive income that may not be reclassified to profit or loss under equity method	**-150,727.84**	78,423.57
(3) Change in fair value of investments in other equity instruments	**-1,233,977,852.97**	-388,529,143.78
(4) Change in fair value of own credit risk		
2. Other comprehensive income that may be reclassified to profit or loss	**-246,448.92**	132,064.98
(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	**-246,448.92**	132,064.98
(7) Others		
(ii) Net other comprehensive income after tax attributable to minority interests	**-7,659,368.49**	-2,857,748.81

Item	January to March 2022	January to March 2021
Ⅶ.Total comprehensive income	**-1,274,108,215.88**	-429,440,641.78
(i) Total comprehensive income attributable to owners of the Parent Company	**-1,246,693,823.58**	-409,263,185.51
(ii) Total comprehensive income attributable to minority interests	**-27,414,392.30**	-20,177,456.27
Ⅷ.Earnings per share:		
(i) Basic earnings per share (RMB/share)	**-0.0087**	-0.0148
(ii) Diluted earnings per share (RMB/share)	**-0.0087**	-0.0148

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 March 2022

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

Unit: RMB Audit Type: Unaudited

Item	January to March 2022	January to March 2021
I. Cash flows from operating activities:		
Cash received from sale of goods or rendering of services	**5,757,466,556.90**	3,377,451,080.81
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	**44,455,053.79**	311,632,331.11
Other cash receipts relating to operating activities	**116,143,523.13**	105,534,151.13
Sub-total of cash inflows from operating activities	**5,918,065,133.82**	3,794,617,563.05
Cash paid for goods and services	**2,522,600,001.11**	3,396,100,722.47
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 nonbank financial institutions		
Cash paid for interest, fees and commissions		
Cash paid for dividends of insurance policies		
Cash paid to and on behalf of employees	**197,273,928.39**	144,105,839.30
Payments of taxes	**15,755,021.95**	4,535,077.71
Other cash payments relating to operating activities	**143,612,357.47**	110,098,297.63
Sub-total of cash outflows from operating activities	**2,879,241,308.92**	3,654,839,937.11
Net cash flows from operating activities	**3,038,823,824.90**	139,777,625.94

Item	January to March 2022	January to March 2021
II. Cash flows from investing activities:		
Cash receipts from recover of investments	**2,503,519,518.06**	70,000,000.00
Cash receipts from investment income	**54,692,681.94**	5,324,348.17
Net cash receipts from disposal of fixed assets, intangible assets and other long-term assets	**47,452.00**	1,011,712.11
Net cash receipts from disposal of subsidiaries and other business units		
Other cash receipts relating to investing activities	**21,305,774.02**	330,470,857.39
Sub-total of cash inflows from investing activities	**2,579,565,426.02**	406,806,917.67
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	**60,008,403.92**	49,868,470.47
Cash paid for investments	**1,300,000,000.00**	200,000,000.00
Net increase in pledged loans		
Net cash paid for acquisition of subsidiaries and other business units		
Other cash payments relating to investing activities	**4,453,881,251.47**	205,112,596.36
Sub-total of cash outflows from investing activities	**5,813,889,655.39**	454,981,066.83
Net cash flows from investing activities	**-3,234,324,229.37**	-48,174,149.16
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	**1,700,000,000.00**	290,000,000.00
Other cash receipts relating to financing activities	**–**	83,200,000.00
Sub-total of cash inflows from financing activities	**1,700,000,000.00**	373,200,000.00
Cash paid for repayment of debts	**1,275,000,000.00**	1,215,000,000.00
Cash paid for dividends, profit distribution or interest expenses	**38,138,493.87**	35,493,203.82
Including: Dividends and profits paid by subsidiaries to minority interests		
Other cash payments relating to financing activities	**634,465.37**	678,265.77
Sub-total of cash outflows from financing activities	**1,313,772,959.24**	1,251,171,469.59
Net cash flows from financing activities	**386,227,040.76**	-877,971,469.59

Item	January to March 2022	January to March 2021
IV. Effect of change in exchange rate on cash and cash equivalents	**-4,006,060.92**	11,787,385.06
V. Net increase in cash and cash equivalents	**186,720,575.37**	-774,580,607.75
Add: Beginning balance of cash and cash equivalents	**5,417,061,556.97**	5,719,367,108.31
VI. Ending balance of cash and cash equivalents	**5,603,782,132.34**	4,944,786,500.56

Legal representative: **Han Guangde**

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

Head of accounting department: **Xie Weihong**

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

Guangzhou, 29 April 2022

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