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

H Stock Code: 00317　A Stock Code: 600685

2025
INTERIM REPORT

IMPORTANT NOTES

I. **The Board and the Directors, senior management of the Company confirm that information contained in this interim report is true, accurate, and complete without any false and misleading statements or material omissions, and severally and jointly accept legal responsibility for the above.**

II. **All Directors of the Company attended the meeting of the Board.**

III. **This interim report is unaudited. The financial report of this interim report is prepared in accordance with the Accounting Standards for Business Enterprises, which has been reviewed and confirmed by the Audit Committee of the Board of the Company. ShineWing Certified Public Accountants LLP executed the review pursuant to the relevant requirements.**

IV. **Luo Bing, the person in charge of the Company, Li Qiang, the person in charge of accounting and Zhao Na, the head of accounting department (accountant in charge), have declared that they guarantee the truthfulness, accuracy and completeness of the financial report contained in this interim report.**

V. **Profit distribution proposal or proposal for capitalisation of capital reserves for the Reporting Period considered and passed by the Board**

As considered and approved at the sixteenth meeting of the eleventh session of the Board of COMEC, the Company proposes to distribute a cash dividend of RMB0.80 (tax inclusive) for every 10 shares to all shareholders for the first half of 2025. As of 30 June 2025, the total share capital of the Company was 1,413,506,378 shares, and based on this calculation, an aggregate of proposed cash dividend of RMB113,080,510.24 (tax inclusive) will be distributed, representing 21.48% of the net profit attributable to shareholders of the Company for the period from January to June 2025, and the remaining undistributed profit of RMB1,468,170,857.41 will be carried forward for distribution in future periods. The Company did not convert any capital reserve into share capital for the first half of 2025. If the total share capital of the Company changes before the record date for the implementation of dividend distribution, the Company intends to maintain the distribution ratio per share unchanged and adjust the total distribution amount accordingly. The specific details of the adjustments will be announced separately.

The 2024 annual general meeting has considered and approved the Resolution on the Interim Dividend Arrangements for 2025. This profit distribution proposal falls within the scope of the Board's authority as delegated by the general meeting and does not need to be submitted to the general meeting of the Company for further consideration.

VI. **This interim report contains forward-looking statements that involve future plans and development strategies which do not constitute a commitment by the Company to its investors. Investors should be aware of the investment risks.**

VII. **No controlling shareholder and related party of the Company has misappropriated funds of the Company**

VIII. **No external guarantee has been provided by the Company in violation of the required decision-making procedures**

IX. **The relevant risks which might exist have been described in this report in details. Please refer to Section III Management's Discussion and Analysis for the risks that the Company might face.**

X. **As at the date of this interim report, the Board of the Company comprises eight Directors, namely executive Director Mr. Luo Bing; non-executive Directors Mr. Gu Yuan, Mr. Ren Kaijiang and Mr. Yin Lu; and independent non- executive Directors Mr. Lin Bin, Mr. Nie Wei, Mr. Li Zhijian and Ms. Xie Xin.**

XI. **This report is prepared in both Chinese and English. In case of any inconsistency, the Chinese version shall prevail.**

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I. DEFINITIONS

Unless otherwise stated in context, the following terms shall have the following meanings in this report:

Definitions of frequently used terms

Articles of Association	the Articles of Association of the Company
DWT (deadweight tonnage)	deadweight capacity with tonne as unit
CSSC	China State Shipbuilding Corporation Limited, the controlling shareholder of the Company
China Shipbuilding Group	China Shipbuilding Group Co., Ltd., the controlling shareholder of CSSC
Company	CSSC Offshore & Marine Engineering (Group) Company Limited
Group	CSSC Offshore & Marine Engineering (Group) Company Limited and its subsidiaries
CSSC Holdings	China CSSC Holdings Limited, a listed company controlled by CSSC
CSSC Finance	CSSC Finance Company Limited, a non-banking financial institution controlled by China Shipbuilding Group
Huangpu Wenchong	CSSC Huangpu Wenchong Shipbuilding Company Limited, a 54.5371%-owned subsidiary of the Company
GSI	Guangzhou Shipyard International Company Limited, a company in which the Company owns a 41.0248% equity interest
Wenchong Shipyard	Guangzhou Wenchong Shipyard Co., Ltd, a wholly-owned subsidiary of Huangpu Wenchong
Huangchuan Ocean Engineering	Guangzhou Huangchuan Ocean Engineering Co., Ltd., a wholly-owned subsidiary of Huangpu Wenchong
Wenchuan Heavy Industrial	Guangzhou Wenchuan Heavy Industrial Co., Ltd., a wholly-owned subsidiary of Huangpu Wenchong
ShineWing	ShineWing Certified Public Accountants LLP
BDO	BDO China Shu Lun Pan Certified Public Accountants LLP
SSE	Shanghai Stock Exchange
Stock Exchange	The Stock Exchange of Hong Kong Limited
Hong Kong Listing Rules	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
Reporting Period	the six months ended 30 June 2025
CSRC	China Securities Regulatory Commission
RMB	Renminbi, the lawful currency of the PRC
CG Code	the Corporate Governance Code as set out in Appendix C1 to the Stock Exchange Listing Rules
SFO	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
Directors	the directors of the Company
Board	the board of directors of the Company

SECTION II COMPANY PROFILE AND KEY FINANCIAL INDICATORS

I. INFORMATION OF THE COMPANY

Chinese name of the Company	中船海洋與防務裝備股份有限公司
Chinese abbreviation of the Company	中船防務
English name of the Company	CSSC OFFSHORE & MARINE ENGINEERING (GROUP) COMPANY LIMITED
English abbreviation of the Company	COMEC
Legal representative of the Company	Luo Bing

II. CONTACT PERSONS AND CONTACT METHODS

	Secretary to the Board	Authorised Securities Representative
Name	Li Zhidong	Qiu Zhilin
Contact address	15th Floor, Marine Tower, No. 137 Gexin Road, Haizhu District, Guangzhou, PRC	15th Floor, Marine Tower, No. 137 Gexin Road, Haizhu District, Guangzhou, PRC
Telephone	020-81636688	020-81636688
Fax	020-81896411	020-81896411
E-mail	lizd@comec.cssc.net.cn	qiuzl@comec.cssc.net.cn

III. CHANGES OF GENERAL INFORMATION

Registered address of the Company	15th Floor, Marine Tower, No. 137 Gexin Road, Haizhu District, Guangzhou, PRC
Historical changes to the Company's registered address	On 2 April 2020, the registered address of the Company was changed from "40 South Fangcun Main Road, Liwan District, Guangzhou City, the People's Republic of China" to "15th Floor, Marine Tower, No.137 Gexin Road, Haizhu District, Guangzhou City, the People's Republic of China"
Office address of the Company	15th Floor, Marine Tower, No. 137 Gexin Road, Haizhu District, Guangzhou, PRC
Postal code of the office address of the Company	510250
Website	comec.cssc.net.cn
E-mail	comec@comec.cssc.net.cn

IV. CHANGES IN INFORMATION DISCLOSURE AND PLACE FOR INSPECTION

Names of newspapers designated by the Company for information disclosure	China Securities Journal, Securities Daily, Securities Times and Shanghai Securities News
Website for publishing the interim report	www.sse.com.cn, www.hkexnews.hk
Place for inspection of the interim report of the Company	Office of the Board

V. BASIC INFORMATION OF THE SHARES OF THE COMPANY

Type of shares	Stock exchange on which the shares are listed	Stock abbreviation/ Stock short name	Stock code	Stock abbreviation before change
A Shares	The Shanghai Stock Exchange	COMEC	600685	GSI
H Shares	The Stock Exchange of Hong Kong Limited	COMEC	00317	GUANGZHOU SHIP

VI. MAJOR ACCOUNTING DATA AND FINANCIAL INDICATORS OF THE COMPANY

(I) Key accounting data

Unit: RMB Yuan

Key accounting data	Reporting Period (From January to June)	Corresponding period of last year	Change (%)
Operating income	**10,172,636,741.11**	8,728,536,063.65	16.54
Total profit	**656,113,231.71**	150,721,702.25	335.31
Net profit attributable to shareholders of the Company	**526,386,355.89**	146,845,686.17	258.46
Net profit attributable to shareholders of the Company after deduction of non-recurring gains and losses	**490,999,481.55**	131,051,014.64	274.66
Net cash flows from operating activities	**1,530,898,629.05**	-5,557,686,660.25	N/A

	As at the end of the Reporting Period	As at the end of last year	Change (%)
Net assets attributable to shareholders of the Company	**17,694,327,025.67**	17,824,706,200.68	-0.73
Total assets	**56,312,312,757.78**	53,596,113,615.25	5.07

(II) Key financial indicators

Key financial indicators	Reporting Period (From January to June)	Corresponding period of last year	Change (%)
Basic earnings per share (RMB Yuan/share)	**0.3724**	0.1039	258.42
Diluted earnings per share (RMB Yuan/share)	**0.3724**	0.1039	258.42
Basic earnings per share after deduction of non-recurring gains and losses (RMB Yuan/share)	**0.3474**	0.0927	274.76
Weighted average return on equity (%)	**3.11**	0.83	Increase of 2.28 percentage points
Weighted average return on equity after deduction of non-recurring gains and losses (%)	**2.90**	0.74	Increase of 2.16 percentage points

Explanation on the major accounting data and financial indicators of the Company

1. During the Reporting Period, focusing on its annual targets and tasks, and leveraging the advantages of abundant orders on hand and bulk building of its main ship types, the Group deepened its lean management, and steadily increased its production output and efficiency, achieving a cumulative operating revenue of RMB10,173 million, representing a period-on-period increase of 16.54%.

2. During the Reporting Period, the Group achieved a cumulative total profit of RMB656 million, representing a period-on-period increase of 335.31%; a net profit attributable to shareholders of the Company of RMB526 million, representing a period-on-period increase of 258.46%; a net profit attributable to shareholders of the Company after deduction of non-recurring gain or loss of RMB491 million, representing a period-on period increase of 274.66%. It was mainly attributable to: (1) the further improvement of refined management level and the period-on-period increase in the gross profit of products, as the Group strengthened production process management, continuously reduced the key cycles of main ship types, steadily improved production efficiency, and deepened cost engineering during the Reporting Period; (2) the significant period on-period increase in recognized investment income, as a result of the improvement of operating performance of the Company's associates, and the increase in dividend levels from its investee companies during the Reporting Period.

3. During the Reporting Period, the net cash flows from operating activities of the Group amounted to RMB1,531 million as compared to RMB-5,558 million in the corresponding period last year, mainly due to the period-on-period increase in milestone payments received for the construction of vessel products during the Reporting Period.

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

VII. EXTRAORDINARY ITEMS AND THEIR AMOUNTS

Unit: RMB Yuan

Extraordinary items	Amount	Note (where applicable)
Gain or loss on disposal of non-current assets (including the write-off of the asset impairment provision)	**-1,541,647.08**	
Government grants accrued in current profit or loss, other than those that are closely related to the Company's normal operation, in line with national policies and in accordance with defined criteria, and have a sustained impact on the Company's profit or loss	**56,317,959.38**	
Gain or loss on changes in fair value of financial assets and financial liabilities held by non-financial entities and gain or loss on disposal of financial assets and financial liabilities, except for effective hedging transactions that are related to the Company's normal operation	**21,351,165.42**	
Capital occupation fee received from non-financial entities included in current profit or loss		
Gain or loss on entrusted investments or assets under management		
Gains or losses from entrusted loans		
Losses on assets due to force majeure events, such as natural disasters		
Reversal of the provision for impairment of receivables which are tested individually for impairment		
Gain from the excess of the fair value of the identifiable net assets of investee companies on acquisition of the investment over the cost of investment in the Company's subsidiaries, associates and joint ventures		
Net gains or losses of subsidiaries for the current period from the beginning of the period to the date of combination arising from business combination under common control		
Gain or loss on exchange of non-monetary assets		
Gain or loss on debt restructuring		
One-off costs incurred as a result of the discontinuation of relevant operating activities, e.g. staff settlement expenses		
One-off effect on current profit or loss due to adjustments to tax and accounting laws and regulations		
One-off share-based payments recognized for cancellation and modification of equity incentive plans		
For cash-settled share-based payments, gain or loss arising from changes in fair value of employee benefits payable after the vesting date		
Gain or loss arising from changes in fair value of investment properties under fair value model on subsequent measurement		
Gain from transactions with obviously unfair transaction price		
Gain or loss on contingencies which are not related to the Company's normal operation		
Entrusted fee income from entrusted operations		
Other non-operating income and expenses apart from the aforesaid items	**3,092,188.45**	
Other gain or loss items meeting the definition of non-recurring gains or losses		
Less: Effect of income tax	**13,588,854.17**	
Effect of non-controlling interests (after tax)	**30,243,937.66**	
Total	**35,386,874.34**	

I. INDUSTRY AND PRINCIPAL ACTIVITIES OF THE COMPANY DURING THE REPORTING PERIOD

(I) Principal activities

COMEC is a large comprehensive marine and defense equipment enterprise group incorporating four sectors of maritime equipment being maritime defense equipment, maritime transport equipment, maritime development equipment and maritime technology application equipment. The Group's principal products include defense equipment products represented by military ships, marine police equipment and public service ships, shipbuilding and marine products represented by feeder containerships, bulk carriers, small and medium-sized gas carriers, dredgers, offshore engineering platforms and wind power installation platforms, and emerging business products represented by energy equipment and industrial internet platforms. During the Reporting Period, there were no material changes to the Group's principal activities.

(II) Business model

As a holding company, COMEC currently focuses on asset operation and investment management. Huangpu Wenchong, the holding subsidiary of the Company, is engaged in manufacturing and providing customers with high-quality products through research and development of ships, seeking orders and implementing customised order production, and have built up a modern shipbuilding model highlighting general assembly process, refined management and information integration in the shipbuilding operation. The Group is mainly engaged in assembly and construction in the shipbuilding and offshore engineering industrial chain. It has extended to shipbuilding and offshore supporting products at the front end of the industrial chain and whole-life support at the back end of the industrial chain.

(III) Industry overview

The shipbuilding industry in which the Group operates is highly cyclical and is mainly subject to factors including the global economic and trading trend, cyclical fluctuation in the shipping market and the international maritime conventions, and the development and transformation of new technologies. For details of the shipbuilding industry during the Reporting Period, please refer to part II of this section.

The Group is a large-scale backbone shipbuilding enterprise and a national core military production enterprise under China Shipbuilding Group, its controlling subsidiary, Huangpu Wenchong, was founded in 1851, with a history of 174 years since its establishment and 149 years of military industry, and its development history spans three centuries. It is the significant construction base for military ships, special engineering ships and public service ships in China. It is also the world's leading feeder containerships and the strongest dredging equipment manufacturing enterprise in Asia, and the largest construction base for high-end offshore engineering equipment and offshore wind power infrastructure products in South China.

(IV) Analysis of factors driving change in business revenue

During the Reporting Period, the Group achieved an operating income of RMB10,173 million, representing a period-on-period increase of 16.54%, which was mainly due to the facts that focusing on its annual targets and tasks, and leveraging the advantages of abundant orders on hand and bulk building of its main ship types, the Group deepened its lean management, and steadily increased its production output and efficiency during the Reporting Period.

II. MANAGEMENT'S DISCUSSION AND ANALYSIS

(I) Development of the shipbuilding market in the first half of 2025

In the first half of 2025, the global new shipbuilding market underwent phased adjustments, with a decline in the volume of new ship transactions and the price of new ships remaining stable. China's shipbuilding industry continued to demonstrate strong resilience and competitiveness, with its three major shipbuilding indicators maintaining their leading global market share.

New ship demand experienced a phased decline. The global new shipbuilding market has achieved transaction volumes exceeding 100 million DWT for consecutive years since 2021, and reached a record high in 2024, surpassing the level of 2008. However, the new shipbuilding market was exposed to phased adjustment pressure in 2025. Coupled with factors such as the United States Section 301 investigation into ships, frequent adjustments to trade policies and tense global geopolitical situation in the first half of the year, shipowners became more cautious, leading to a slowdown in new ship orders. In the first half of 2025, the global new shipbuilding market received new orders for ships of 46.9012 million DWT and 19.655 million CGT, representing a period-on-period decrease of 34.36% and 54.36%, respectively; in terms of ship types, containerships were the only bright spot in the market, with a total of 21.744 million DWT traded, representing a period-on-period increase of 27.23% in terms of DWT, accounting for 46.37% of all orders during the same period; DWT of oil tankers, bulk carriers and liquefied gas tankers decreased by over 73.7%, 72.9%, and 83.64% period-on-period, respectively.

The prices of new ships showed signs of easing from high levels. The Clarkson new ship price index closed at 187.11 points in June, representing a period-on-period decrease of 0.1% and a decline of 1.2% from the beginning of the year. Although new ship prices eased due to the shrinking transaction volumes, positive factors on both the supply and demand sides, such as the scrapping of ageing vessels, the release of demand for green ship upgrades, and the difficulty in significantly expanding high-quality shipbuilding capacity in the short term, continued to support new ship prices at relatively high historical levels. In terms of ship types, the containership market remained robust, with the new ship price index closing at 117.04 points in June, representing a period-on-period increase of 2.3% but a decrease of 1.3% from the beginning of the year; the new ship price index for oil tankers, bulk carriers and liquefied gas tankers closed at 212.37 points, 169.72 points and 201.98 points respectively in June, representing a decline of 4.7%, 2.0%, and 1.9% from the beginning of the year, and a period-on-period decrease of 4.8%, 2.3%, and 1.4%, respectively.

China leads the global shipbuilding industry. During the period from January to June 2025, China's shipbuilding industry received new orders of 26.3221 million DWT and 10.0900 million CGT, with completed shipbuilding volume of 24.6396 million DWT and 10.0925 million CGT; as at the end of June, the orders on hand reached 260.6500 million CGT and 96.9848 million CGT. In terms of DWT, the three major shipbuilding indicators accounted for 56.12%, 52.20% and 67.28% of the global market share, respectively; in terms of CGT, the shares were 51.34%, 46.74%, and 58.88%, respectively. In the first half of the year, the share of new orders received by China's shipbuilding industry decreased by 18.05% and 65.25% period-on-period in terms of DWT and CGT respectively, indicating a narrowing of its leading advantage. However, given the production capacity bottlenecks in South Korea and Japan, as well as the comprehensive competitiveness and development resilience of China's shipbuilding industry, the overall global competitive landscape remains stable.

The global offshore engineering market witnessed an increase in both volume and price. In the first half of the year, a total of 83 sets/ships of offshore engineering equipment were traded worldwide, with a total value of US$9.9 billion. The number of orders increased by 15% period-on-period, while the value decreased by 32% period-on-period, primarily due to the reduction in orders for high-priced oil and gas equipment such as Floating Production Storage and Offloading (FPSOs). Driven by factors such as rising oil prices, improved demand in the offshore engineering market, and full capacity at global shipyards, prices for offshore engineering vessels continued to rise. According to the statistics of Clarkson, among 21 specific types of offshore engineering vessels, prices for 14 types increased period-on period (with 12 of them recording double-digit growth), while prices for the remaining 7 types remained unchanged from the same period last year.

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

(II) Operation of the Group

In the first half of 2025, the Group resolutely fulfilled its primary responsibility of strengthening military capabilities to win wars, continuing to focus on the marine defense industry, actively advancing the development of new-quality and new-domain combat capabilities, and enhancing equipment supply capacity. Meanwhile, the Group closely followed global shipbuilding market trends, strengthened its order acquisition strategy based on market demand, focused on main ship types, and enhanced independent research and development. The Group achieved cumulative operating orders of RMB15.498 billion, representing a period-on-period increase of 64.6%, and completed 88.8% of the annual plan. The 6 types of 32 ships in new shipbuilding orders included containerships, special ships and gas ships. Among these, the Group's "Honghu" series of feeder containerships continued to lead the global niche market, while medium-sized containerships expanded their capacity range from 4,300 TEU to 9,200 TEU, demonstrating significant improvements in product competitiveness and spectrum development.

The Group focused on the goals of ensuring timely delivery, expediting delivery and delivering high-quality vessels. Leveraging the advantages of abundant orders on hand and bulk building of its main ship types, the Group deepened project management, plan management, cost control, production resource allocation and human resource coordination, driving simultaneous improvements in delivery quality, shipbuilding efficiency and cost control standards, and achieving early delivery of multiple product types compared to contract schedules. During the Reporting Period, the Group completed and delivered 16 vessels with a total of 454,600 DWT, including feeder containerships, scientific exploration ships, fishery aquaculture ships and other products; the Group achieved an operating revenue of RMB10.173 billion, representing a period-on-period increase of 16.54%.

As at the end of the Reporting Period, the Group held orders with the total contract value of approximately RMB68 billion, of which the total contract value of shipbuilding orders on hand was approximately RMB65 billion, including 140 ship products and 1 offshore equipment with a total of 4,664,000 DWT; and the total contract value of the orders for offshore wind power equipment, ship repairs and other non-shipbuilding products was approximately RMB3 billion.

III. ANALYSIS OF CORE COMPETITIVENESS DURING THE REPORTING PERIOD

(I) Product advantages. The Group has mastered the capability of regional general assembly shipbuilding mode and simultaneous construction of multiple vessel types, and it is in leading position in the technical indicators of military vessels, civil vessels and offshore engineering business in China. The Group has developed a range of distinctive products for domestic and international markets, including marine police equipment, public service equipment, feeder containerships, dredging vessels, etc. The Group will continue to optimise and innovate ship models and enhance product performance, and extend its product lines based on its existing strengths to form a diversified product portfolio to better meet customer needs.

(II) Technological advantages. The Group has 13 science and technology innovation platforms at or above the provincial and ministerial level, such as national enterprise technology center, postdoctoral research station, national engineering laboratory for marine engineering R&D and design, Guangdong engineering technology research center, etc. It is one of the most capable ship product development and design centers in South China and the first demonstration base of technological innovation for military-civilian combination in Guangdong Province. The Group holds independent intellectual property rights in high technology and high value-added products such as feeder containerships, public service ships, scientific exploration ships, wind power installation platforms, high value-added products and special vessels. Adhering to an innovation-driven and technology-led strategy, the Group tackled difficulties in cutting-edge technologies and focused on strengthening the research and development of new green, energy-saving and environment-friendly ship types and high-tech and high value-added ship types.

(III) Brand advantages. In the field of marine defense equipment, the Group is an important production and support facility for military ships of the Chinese Navy in South China, and an important public service ship manufacturer in China. In the field of shipbuilding and offshore engineering equipment, the Group has established a strong market reputation and holds a leading position in the construction of multifunctional deep-sea survey ships, feeder containerships and dredging vessels. In the field of emerging industries, the Group has a good reputation in the industry and has undertaken the construction of major steel structures for landmark infrastructure projects such as the Shenzhen-Zhongshan Channel and the Hong Kong-Zhuhai-Macao Bridge, and its offshore wind power equipment has also entered into the international market.

(IV) Market advantages. The Group's principal business and products have a high market share in domestic and overseas markets. In particular, the Group holds a leading position globally in the markets for feeder containerships and dredgers and maintains a leading position in the PRC in the markets for military ships, public service ships and dredgers.

The above advantages have contributed to the sustainable development of the Group. In addition, amid the backdrop of green transformation and industry upgrading in the shipbuilding industry, the Group will focus on continuously strengthening its core competitiveness including research and development capability and building technologies, exploring new growth drivers, improving profitability and providing higher returns to shareholders.

IV. PRINCIPAL OPERATION DURING THE REPORTING PERIOD

(I) Main business analysis

1. *Analysis of changes in relevant items in the financial statements*

Unit: RMB Yuan

Item	Reporting Period	Corresponding period of last year	Change (%)
Operating revenue	10,172,636,741.11	8,728,536,063.65	16.54
Operating costs	9,218,419,877.97	8,079,818,322.37	14.09
Selling expenses	12,169,312.95	12,906,616.79	-5.71
General and administrative expenses	309,540,092.02	290,618,064.47	6.51
Finance costs	-119,100,650.46	-159,756,474.23	N/A
Research and development expense	549,656,510.52	423,009,220.26	29.94
Net cash flows from operating activities	1,530,898,629.05	-5,557,686,660.25	N/A
Net cash flows from investing activities	1,276,924,854.65	806,396,143.92	58.35
Net cash flows from financing activities	-300,581,028.11	451,347,377.55	-166.60
Taxes and surcharges	23,743,301.09	11,454,711.70	107.28
Other income	98,929,395.67	58,358,958.88	69.52
Investment income	405,636,862.98	122,596,866.59	230.87
Gain from change in fair value	9,266,578.75	-64,857,252.63	N/A
Impairment losses on credit (loss expressed with "-")	-637,579.53	-3,698,846.98	N/A
Impairment losses on assets (loss expressed with "-")	-36,840,864.55	–	N/A
Gain from disposal of assets	-187,689.66	-32,490,144.44	N/A
Non-operating revenue	3,395,110.41	1,564,607.84	116.99
Non-operating expenses	1,656,879.38	1,238,089.30	33.83
Income tax expense	54,405,068.22	-33,905,499.07	N/A

Reason for change in operating revenue: mainly due to the Group's focus on annual targets and tasks, relying on the advantages of abundant orders on hand and bulk building of its main ship types, deepening lean management, and steadily increasing production output and efficiency during the Reporting Period.

Reason for change in operating costs: mainly due to the period-on-period increase in operating revenue during the Reporting Period, resulting in the increased operating costs accordingly.

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

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

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

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

Reason for change in net cash flows from operating activities: mainly due to the effect of the period-on-period increase in milestone payments received for the construction of vessel products during the Reporting Period.

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

Reason for change in net cash flows from financing activities: mainly due to the effect of the period-on-period decrease of the net borrowings from financial institutions based on production and operation needs during the Reporting Period.

Reasons for change in taxes and surcharges: mainly due to the effect of the corresponding period-on-period increase in urban construction tax and education surcharge in light of the period-on-period increases in property tax and land use tax, the period-on-period increase in stamp duty due to growth in the amount of newly signed contracts as well as the increase in payment of value-added tax during the Reporting Period.

Reason for change in other income: mainly due to the effect of the period-on-period increases in government grants and the amount of supertax and deduction of value-added tax for the advanced manufacturing industry during the Reporting Period.

Reason for change in investment income: mainly due to the period-on-period increase in the investment income of associates and dividend income from shares during the Reporting Period.

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

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

Reason for change in asset impairment loss: mainly due to the effect of provision for inventory impairment during the Reporting Period.

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

Reason for change in non-operating revenue: mainly due to the effect of the period-on period increase in insurance claims income during the Reporting Period.

Reason for change in non-operating expenses: mainly due to the effect of the period-on period increase in losses from scrapped non-current assets during the Reporting Period.

Reason for change in income tax expense: mainly due to the effect of the period-on-period change in the deferred income tax expense where the deferred income tax assets recognized for deductible losses in previous years were reversed correspondingly as a result of profit making by certain subsidiaries during the Reporting Period, while the deferred income tax assets were correspondingly recognized due to an increase in estimated liabilities in the corresponding period of last year.

2. Detailed description of significant changes in the Company's type of business, profit composition or sources of profit

During the Reporting Period, the Group recognized investment income of RMB406 million, representing a period-on-period increase of RMB283 million, mainly due to the impact of recognizing investment income from associates by the equity method amounted to RMB359 million during the Reporting Period, representing a period-on-period increase of RMB304 million.

Among which, the Company recognized an investment income of RMB365 million from its associate, GSI, based on its shareholding ratio, representing a period-on-period increase of RMB318 million.

(II) Explanation for material change in the profit derived from non-principal business

During the Reporting Period, there was no material change in the profit derived from non-principal business of the Group.

(III) Analysis of assets and liabilities

1. Assets and liabilities

Unit: RMB Yuan

Name of item	Amount at the end of current period	As a proportion of total assets at the end of current period (%)	Amount at the end of last period	As a proportion of total assets at the end of corresponding period of last year (%)	Change of amount at the end of current period compared with that at the end of corresponding period of last year (%)	Description
Cash at bank and on hand	**16,380,760,423.37**	29.09	15,260,594,444.32	28.47	7.34	
Trading financial assets	**119,063.01**	0.00	1,171,434.07	0.00	-89.84	Due settlement of financial derivatives during the Reporting Period.
Notes receivable	**20,732,902.81**	0.04	56,102,457.89	0.10	-63.04	Due payment of certain notes during the Reporting Period.
Accounts receivable	**1,934,505,426.91**	3.44	1,326,920,478.98	2.48	45.79	Increase in the amount of payments that have not reached the collection time at the end of the Reporting Period.
Receivable financing	**114,015,583.63**	0.20	236,548,075.95	0.44	-51.8	Due payment of supply chain platform notes during the Reporting Period.
Inventories	**7,225,851,872.50**	12.83	5,905,684,446.80	11.02	22.35	
Contract assets	**3,091,069,008.37**	5.49	2,388,466,443.95	4.46	29.42	
Long-term receivables	**469,561,861.68**	0.83	715,985,528.68	1.34	-34.42	Due collection of long-term receivables from sale of goods with financing nature by using deferred methods during the Reporting Period.
Long-term equity investments	**5,763,132,186.69**	10.23	5,403,984,842.40	10.08	6.65	
Investment property	**119,843,068.98**	0.21	123,111,781.50	0.23	-2.66	
Fixed assets	**4,748,510,568.20**	8.43	4,830,830,141.14	9.01	-1.7	
Construction in progress	**171,017,978.88**	0.30	164,266,268.87	0.31	4.11	
Right-of-use assets	**217,066,511.52**	0.39	223,699,680.67	0.42	-2.97	
Long-term deferred expenses	**119,043,239.44**	0.21	79,792,669.10	0.15	49.19	Improvement and upgrading of the fixed assets and production facilities during the Reporting Period.
Short-term borrowings	**539,249,576.40**	0.96	598,343,912.50	1.12	-9.88	
Trading financial liabilities	**49,405,603.48**	0.09	94,183,471.96	0.18	-47.54	Change in fair value of some financial derivatives held at the end of the Reporting Period.
Contract liabilities	**14,920,868,699.17**	26.50	13,291,127,772.51	24.80	12.26	
Employee compensation payable	**190,383,293.37**	0.34	1,367,643.45	0.00	13,820.54	Monthly provision of wages, subsidies and benefits during the Reporting Period.
Other payables	**365,637,588.27**	0.65	265,576,439.57	0.50	37.68	Increase in new dividends payable for ordinary shares of RMB99 million at the end of the Reporting Period.
Non-current liabilities due within one year	**2,283,387,967.26**	4.05	1,558,093,634.54	2.91	46.55	Increase in long-term borrowings due within one year at the end of the Reporting Period.
Long-term borrowings	**3,162,900,000.00**	5.62	4,048,900,000.00	7.55	-21.88	
Lease liabilities	**145,475,845.84**	0.26	152,585,672.14	0.28	-4.66	

2. Overseas Assets

Overseas assets of the Group as at the end of the Reporting Period amounted to RMB278,431,540.00, accounting for 0.49% of its total assets.

3. Major restrictions on assets as at the end of the Reporting Period

Unit: RMB Yuan

Item	Carrying value	Condition of restriction
Cash at bank and on hand	5,977,446,090.02	Fixed deposits with maturity of over 3 months, security deposit, etc.
Notes receivable	16,827,291.32	Notes receivable endorsed or discounted and not derecognised
Accounts receivable	87,598,450.63	Debt certificates of accounts receivable endorsed but not derecognized
Total	6,081,871,831.97	

(IV) Analysis of investments

1. General analysis of external equity investments

The Company is an investment holding company, and details of its external investments are set out in the notes to the financial statements. As at the end of the Reporting Period, the balance of the Group's long-term equity investments was RMB5,763.1322 million, representing an increase of 6.65% from RMB5,403.9848 million as at the beginning of the Year, mainly due to the impact of increase in the investment income from associates during the Reporting Period.

(1). Material equity investments

During the Reporting Period, the Company had no material equity investments.

(2). Material non-equity investments

During the Reporting Period, the Company had no material non-equity investments.

(3). Financial assets measured at fair value

Unit: RMB in ten thousand

Category of assets	Opening number	Gain or loss from change in fair value for the current period	Cumulative fair value change accounted for in equity	Impairment accrued for the current period	Amount purchased for the current period	Amount sold/ redeemed for the current period	Other changes	Ending number
Shares	785,550.90	-3.55	421,274.20			649.74		710,610.45
Derivatives	-9,316.66	930.21					3,445.89	-4,940.56
Others								
Including: Receivable financing	23,654.81						-12,253.25	11,401.56
Investments in other equity instruments of unlisted companies	455.51		144.21					392.85
Total	800,344.56	926.66	421,418.41	–	–	649.74	-8,807.36	717,464.30

Equity Investment

Unit: RMB in ten thousand

Type of security	Stock code	Abbreviation of stock name	Initial investment cost	Source of funding	Opening carrying value	Gain or loss from change in fair value for the current period	Cumulative fair value change accounted for in equity	Amount purchased for the current period	Amount sold for the current period	Investment gain or loss for the current period	Ending carrying value	Accounting accounts
Shares	600150	CSSC Holdings	285,788.32	Equity exchange	782,111.72		421,940.14			5,437.37	707,728.46	Investments in other equity instruments
Shares	HK00206	CMIC Ocean Holding	4,271.54	Debt exchange	3,423.72		-665.94		649.74	138.08	2,870.08	Investments in other equity instruments
Shares	HK00620	DTXS	230.73	Debt exchange	15.46	-3.55				–	11.91	Financial assets held-for-trading
Total	/	/	290,290.59	/	785,550.90	-3.55	421,274.20	–	649.74	5,575.45	710,610.45	/

Derivatives Investment

The tenth meeting of the 11th session of the Board of Directors and the 2024 Annual General Meeting of the Company have considered and approved the "Proposal on Conducting Foreign Exchange Derivatives Trading in 2025", agreeing that the Company and its subsidiaries shall conduct foreign exchange derivative trading business, with a balance of foreign exchange derivatives of no more than US$5.761 billion (including equivalent foreign currency) at any time point, valid from the date of the resolution made at the 2024 Annual General Meeting until the 2025 Annual General Meeting makes a new resolution or modifies the resolution. For details of the above content, please refer to the "Announcement of COMEC on Conducting Foreign Exchange Derivative Trading in 2025" and "Announcement on the Resolutions of the 2024 Annual General Meeting of COMEC" published by the Company on the website of the SSE (www.sse.com.cn) and the website of the Stock Exchange (www.hkexnews.hk) dated 28 March 2025 and 27 May 2025 respectively.

As at 30 June 2025, the balance of foreign exchange derivative trading business conducted by the Company and its subsidiaries totalled to US$2,547 million. The balance of foreign exchange derivatives of the Company and its subsidiaries at any time point in 2025 did not exceed the amount authorized by the general meeting for the foreign exchange derivative transactions of the Company and its subsidiaries in 2025.

Details of which are as follows:

(1). Derivative investments for hedging purpose during the Reporting Period

Unit: RMB in ten thousand

Derivatives investment type	Initial investment amount	Opening carrying amount	Gain or loss from change in fair value for the current period	Cumulative fair value change accounted for in equity	Amount purchased for the Reporting Period	Amount sold for the Reporting Period	Other changes	Ending carrying amount	Proportion of ending carrying amount to ending net assets of the Company (%)
Derivatives	/	-9,316.66	930.21				3,445.89	-4,940.56	-0.23
Total		-9,316.66	930.21				3,445.89	-4,940.56	-0.23

The accounting policies and specific financial accounting principles of the hedging business during the Reporting Period, and descriptions of whether there are significant changes compared to the previous reporting period	During the reporting period, the Group conducted corresponding accounting and presentation of foreign exchange derivative trading business in accordance with relevant regulations and guidelines of the "Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments", "Accounting Standards for Business Enterprises No. 24 – Hedge Accounting", "Accounting Standards for Business Enterprises No. 37 – Presentation of Financial Instruments", "Accounting Standards for Business Enterprises No. 39 – Fair Value Measurement", and there was no material change compared to the previous reporting period.
A description of actual profit or loss during the Reporting Period	During the Reporting Period, the Group's foreign exchange derivative trading business resulted in a loss of RMB334,700, including gains from changes in fair value of RMB9,302,100, investment income of RMB-8,967,400.
A description of hedging effects	During the Reporting Period, based on production and operation, the Group conducted foreign exchange derivative transactions, and utilized foreign exchange derivatives such as forward contracts to hedge the risks of exchange rate fluctuations in expected receipt and payment under import and export contracts and foreign currency funds on hand. Foreign exchange derivatives such as forward contracts were hedging instruments and expected receipt and payment under import and export contracts and foreign currency funds on hand were hedged items. The hedging instruments and the hedged items satisfied the effectiveness of hedge in terms of the economic relationship, hedge ratio and time, and were not dominated by credit risks. Changes in the fair value or cash flows of the hedging instruments could offset the changes in fair value or cash flows of the hedged items caused by the hedging risks, and thus the Group basically achieved the expected risk management objectives.
Sources of funds for derivative investments	The Group's own funds shall be used and the credit funds or raised funds shall not be used to carry out foreign exchange derivative transactions.

A description of risk analysis and control measures of derivative positions during the Reporting Period (including but not limited to market risk, liquidity risk, credit risk, operational risk, legal risk, etc.)

1. Risk analysis

   (1) Market risk. The foreign exchange derivatives trading to be entered into by the Group are mainly hedging activities related to the principal business, which involves market risk of loss arising from changes in the prices of financial derivatives caused by exchange rate fluctuation.

   (2) Liquidity risk. Sufficient fund is required for settlement on completion, or the derivatives shall be alternately settled on a net basis to reduce the requirement for cash flow at maturity.

   (3) Performance risks. The counterparties to the Group's derivative investments are banks and related finance companies with sound credit ratings and long-standing business relationships with the Group, which basically give rise to no risk in terms of contract performance.

   (4) Other risks. During operation, failure of the personnel in charge to operate the derivative investments in accordance with the stipulated procedures or fully understand the information regarding the derivatives and annual report may result in operational risks in actual operation. Obscure terms in the trade contracts may result in legal risks.

2. Risk management measures

   (1) The objective of entering into foreign exchange derivatives trading is to mitigate the impact of foreign exchange fluctuation on the Group. Financial derivatives with simple structure, high liquidity and identifiable risks shall be selected to conduct hedging business, and any speculative activities are prohibited. The amount of foreign exchange derivatives trading shall not exceed the authorised limit approved by the Group.

   (2) The Group has formulated the Management Measures for Financial Derivative Activities, which establishes clear regulations on operation principles, authority for approval, management and internal operation procedures, internal risk reporting system and risk handling practices of foreign exchange derivatives trading activities.

   (3) Counterparty management is strengthened. Only those foreign exchange derivatives that are closely related to the Company's principal business shall be selected, and the derivatives shall be matched with the business in terms of the types, scales, directions and durations. The Group shall enter into contracts with clear terms with the counterparties and strictly implement the risk management system so as to mitigate the legal risks.

   (4) The finance department of the Group shall be responsible for monitoring the changes in the open market price or the fair value of the derivatives, and assessing the changes in the risk exposure of the invested derivatives on a timely basis. It shall promptly report any major changes in the market or significant unrealised losses to the management and the Board, which shall establish an emergency mechanism to actively respond and properly deal with the situation.

   (5) The audit department of the Group, acting as the supervision department of the financial derivatives trading, shall be responsible for supervising and inspecting the compliance of the decision-making, management and execution of the financial derivatives trading of the Group.

Changes in market price or fair value of invested derivatives during the Reporting Period, and the specific methods used, relevant assumptions and parameters disclosed for the analysis of the fair value of derivatives

During the Reporting Period, the Group recognized gains from changes in fair value of RMB9,302,100 for its foreign exchange derivative trading business.

An analysis of the fair value of foreign exchange derivatives: for forward exchange contracts, at measurement date, the public prices of 3 banks before adjustment are obtained. According to prudence principle, one price is chosen to be input value. The prevailing benchmark loan interest rate promulgated by the People's Bank of China is chosen to be discount rate. The fair value is calculated according to the formula as follows:

As for forward foreign exchange settlement contract, choose the highest price to be input value, fair value = exchange price x (contract rate – quoted price)/discount rate$^{\text{Number of years}}$.

As for forward foreign exchange purchase contract, choose the lowest quoted price to be input value, fair value = exchange price x (quoted price – contract rate)/discount rate$^{\text{Number of years}}$.

Involvement in litigation (if applicable)

Not applicable

The date of announcement on the Board's approval of the derivatives investment (if any)	28 March 2025
The date of announcement on the general meeting's approval of the derivatives investment (if any)	27 May 2025

Note: The "Opening carrying amount" and "Ending carrying amount" in the above table are based on the fair value of foreign exchange derivatives and exclude the amount of derivative investment contracts. The amount of derivative investment contracts at the beginning of the period was US$2,461 million, equivalent to RMB17,688 million; the amount of derivative investment contracts at the end of the Reporting Period was US$2,547 million, equivalent to RMB18,230 million.

(2). Derivative investments for speculative purpose during the Reporting Period

The Company has no derivative investments for speculative purpose.

(V) Significant assets and equity sale

During the Reporting Period, the Company had no significant assets and equity sale.

(VI) Analysis of major subsidiaries and associates

1. Direct subsidiaries and associates

Unit: RMB in ten thousand

Name of enterprise	Principal businesses	Registered capital	Shareholding by the Company (%)	Total assets at the end of the period	Net assets at the end of the period	Net profit/ loss for the current period
CSSC Huangpu Wenchong Shipbuilding Company Limited (standalone)	Manufacturing of equipment for railways, ships, aerospace and other transportation facilities	361,918.32	54.5371	3,701,763.15	624,177.13	475.42
Guangzhou Shipyard International Company Limited (consolidated)	Manufacturing of equipment for railways, ships, aerospace and other transportation facilities	1,001,112.88	41.0248	4,267,858.32	1,072,955.86	92,377.21

Note: The relevant financial data of Guangzhou Shipyard International Company Limited in the above table are consolidated statement data, and the relevant financial data of other companies are standalone financial statement data (the same below).

2. *Indirect subsidiaries and associates*

Unit: RMB in ten thousand

Name of enterprise	Principal businesses	Registered capital	Shareholding by Huangpu Wenchong (%)	Total assets at the end of the period	Net assets at the end of the period	Net profit/ loss for the current period
Guangzhou Wenchong Shipyard Co., Ltd.	Metal shipbuilding; non-metallic shipbuilding; ship outfitting manufacture and installation; ship conversion and removal; ship repair; ship design services; etc.	142,017.85	100.00	753,328.90	289,161.96	25,554.88
Guangzhou Huangchuan Ocean Engineering Co., Ltd.	Metal shipbuilding; non-metallic shipbuilding; ship outfitting manufacture and installation; ship conversion and removal; ship repair; ship design services; etc.	6,800	100.00	107,116.59	4,118.28	751.43
Guangzhou Wenchuan Heavy Industrial Co., Ltd.	Manufacturing of equipment for railways, ships, aerospace and other transportation facilities	41,000	100.00	302,036.57	49,749.65	-6,033.55
Guangxi Wenchuan Heavy Industrial Co., Ltd.	Structures manufacturing of offshore wind power and ocean engineering	42,000	71.40	186,987.67	34,678.68	-2,158.46
CSSC Industrial Internet Co., Ltd.	Information transmission, software and information technology services	5,000	100.00	9,910.18	4,184.60	145.35
Zhanjiang Nanhai Ship Hi-Tech Services Co., Ltd.	Repair, debugging and maintenance of shipboard equipment and system	200	60.00	969.85	868.63	29.85
Guangzhou CSSC Wenchong Bingshen Facilities Co., Ltd.	Manufacturing of equipment for railways, ships, aerospace and other transportation facilities	560	60.00	5,732.53	753.60	61.20
Wah Shun International Marine Limited	Ship leasing	HK$1 million	99.00	988.73	344.72	2.09
Wah Loong International Marine Limited	Ship leasing	HK$1 million	99.00	15,754.79	6,112.91	154.32
Guangzhou Xingji Maritime Engineering Design Co., Ltd.	Ship design services, metal structure design services, engineering and technical consulting services	500	37.50	590.67	437.73	-125.61
Huaxin (Tianjin) Ship Leasing Co., Ltd.	Ship leasing	5	100.00	43,906.75	-1,663.20	144.22
Huacheng (Tianjin) Ship Leasing Co., Ltd.	Ship leasing	5	100.00	82,766.52	-3,750.17	-339.09
Wan Sheng International Marine Limited	Ship leasing	HK$10,000	100.00	254.32	254.32	2.89
Wan Xing International Marine Limited	Ship leasing	HK$10,000	100.00	10,836.65	45.55	8.73
Wan Xiang International Marine Limited	Ship leasing	HK$10,000	100.00	2.80	2.80	-0.05
Wan Rui International Marine Limited	Ship leasing	HK$10,000	100.00	2.93	2.93	0.08
Wan Yu International Marine Limited	Ship leasing	HK$10,000	100.00	2.93	2.93	0.08
Guangzhou Wenchong Ship Engineering Co., Ltd.	Metal shipbuilding, machinery and equipment repair	200	100.00	1,111.72	379.64	70.54

3. *Major subsidiaries and investee companies accounting for over 10% of the net profit of the Company*

Unit: RMB in ten thousand

Name of entity	Type of entity	Principal businesses	Registered capital	Total assets	Net assets	Operating income	Operating profit	Net profit
CSSC Huangpu Wenchong Shipbuilding Company Limited (standalone)	Subsidiary	Manufacturing of equipment for railways, ships, aerospace and other transportation facilities	361,918.32	3,701,763.15	624,177.13	1,013,875.38	820.55	475.42
Guangzhou Wenchong Shipyard Co. Ltd. (standalone)	Subsidiary	Metal shipbuilding; non-metallic shipbuilding; ship outfitting manufacture and installation; ship conversion and removal; ship repair; ship design services; etc.	142,017.85	753,328.90	289,161.96	261,480.46	29,885.37	25,554.88
Guangzhou Shipyard International Company Limited (consolidated)	Investee company	Manufacturing of equipment for railways, ships, aerospace and other transportation facilities	1,001,112.88	4,267,858.32	1,072,955.86	928,605.24	93,241.53	92,377.21
Guangzhou Wenchuan Heavy Industrial Co., Ltd. (standalone)	Subsidiary	Manufacturing of equipment for railways, ships, aerospace and other transportation facilities	41,000.00	302,036.57	49,749.65	19,921.37	-6,038.74	-6,033.55

4. *Analysis of subsidiary or investee company with significant period-on-period change in operating results which has material impact on the Company's consolidated operating results*

Unit: RMB in ten thousand

Name of entity	Net profit Current period	Corresponding period of last year	Change (%)
CSSC Huangpu Wenchong Shipbuilding Company Limited (standalone)	475.42	-11,716.22	Not applicable
Guangzhou Wenchong Shipyard Co. Ltd. (standalone)	25,554.88	19,176.18	33.26
Guangzhou Shipyard International Company Limited (consolidated)	92,377.21	15,425.38	498.87
Guangzhou Wenchuan Heavy Industrial Co., Ltd. (standalone)	-6,033.55	416.90	-1,547.24

(1) During the Reporting Period, Huangpu Wenchong and Wenchong Shipyard recorded a significant period-on-period increase in net profit, which was primarily attributable to period-on-period increase in prices of certain products for which revenues were recognized during the Reporting Period, coupled with steady improvements in production efficiency and cost control through the ongoing deepening of lean management, resulting in period-on-period increase in gross profit of the products.

(2) During the Reporting Period, the significant period-on-period increase in net profit of GSI, an associate of the Company, was mainly attributable to the continuous optimization of the structure of orders on hand during the Reporting Period, the period-on-period increase in the prices of delivered civilian ships, and the effective control of construction costs, which further enhanced profitability.

(3) During the Reporting Period, the significant period-on-period decrease in net profit of Wenchuan Heavy Industrial was mainly attributable to the significant period-on-period reduction in recognized revenue, costs and gross profit as the main products manufactured during the Reporting Period had not yet reached the sales and delivery status. The company incurred a loss due to the impact of fixed expenses such as period costs and research and development expenses on its profit.

V. OTHER DISCLOSURES

(I) Potential risks

1. Financial risks

(1) Exchange rate risk: The Group's exchange rate risk arises from the possibility of the increase or decrease in the value of assets (or creditor's rights) and liabilities (or debts) denominated in foreign currencies due to exchange rate fluctuations. It is mainly concentrated on export shipbuilding orders denominated in United States dollars. The Group will continue to adhere to the aim of risk prevention. Based on the exchange rates at the time of the undertaking of orders by the Group, it will strengthen the analysis of exchange rate trend and formulate exchange rate risk prevention plans by using financial tools such as forward exchange contracts and options to protect against exchange rate risk.

(2) Interest rate risk: The Group's interest rate risk is generated by bank borrowings and mainly comes from the uncertainty caused by changes in market interest rates. Floating interest rate may expose the Group to interest rate risk of cash flow, while fixed interest rate may expose the Group to interest rate risk of fair value. The Group carefully considers the changes in domestic and overseas market, economic environment and national monetary policies so as to make timely formulation and adjustments of effective interest rate risk management plans in light of its own production status.

For the extent of impact of change in exchange rate and interest rate on the Company, please refer to notes to the financial statements.

2. Customer risk

Affected by factors such as the global economy and shipping trades, ship owners may experience difficulties in financing and tight funds, resulting in default in shipbuilding payment, deferred recognition of delivery and amendment of contracts, or even abandonment of ships, which will subject the Company's orders on hand to default risk. The Group will further strengthen the management of contract performance, enhance the creditworthiness investigation of ship owners and project process management, increase ship owners' default cost and strengthen the early warning and monitoring of contractual performance so as to promote the delivery of orders on hand.

3. Cost risk

Given the Group's order-based production and long construction cycle, and fluctuations in the prices of raw materials such as steel coupled with the increase in labour costs, may lead to a passive increase in the costs of the Company's products under construction and make it more difficult to control and reduce costs, which will have a certain impact on the Company's operating results. The Group will continue to improve efficiency and reduce costs across the entire industrial chain and optimise the product structure by promoting the mass production of main construction products and increasing the proportion of high value-added products to minimise the impact of cost fluctuations on the Company.

4. Operational risk

Geopolitical conflicts, coupled with the implementation of the US Section 301 investigation against China, and the repeated adjustments to tariff policies have impacted the Group's global operations. The Group will closely monitor development trends and geopolitical risks in the shipping market, analyse both internal and external environmental conditions, and respond flexibly to the changes in international trade dynamics and the shipping market; pay attention to the flow of orders from international ship owners and the delivery schedule for new vessels, strengthen communication with key customers to ensure timely vessel delivery and mitigate default risks; enhance planning management capabilities and accelerate the domestic substitution of critical supporting equipment; and focus on green ship R&D to bolster market competitiveness.

I. 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, complete, timely and fair disclosure of corporate information. Specialized committees of the Board carried out works in accordance with their respective duties, and independent non-executive Directors played an important role in the work of the Board of the Company.

1 Corporate Governance

The Company keeps improving its corporate governance structure in strict accordance with the Company Law of the People's Republic of China (the "**Company Law**"), the Securities Law of the People's Republic of China, relevant laws and regulations issued by the China Securities Regulatory Commission and the requirements of the listing rules of the Shanghai Stock Exchange and Hong Kong Listing Rules. To date, the corporate governance does not materially differ from the requirements under the Company Law and relevant regulations of the China Securities Regulatory Commission.

Except as disclosed below, during the six months ended 30 June 2025, the Company has adopted the principles set out in the Corporate Governance Code contained in Appendix C1 of the Hong Kong Listing Rules and, the Company has complied with all the code provisions, except that for the purpose of Code Provision C.1.6, Mr. Yin Lu, being a non-executive Director, was unable to attend the 2025 first extraordinary general meeting of the Company held on 3 March 2025 for work reasons; and Mr. Gu Yuan, being a non-executive Director, was unable to attend the 2024 annual general meeting of the Company held on 27 May 2025 for work reasons. For the purpose of the requirements of principle C.2 of the CG Code and some of the best practices contained therein, Mr. Xiang Huiming, the former chairman of the Company, resigned on 21 May 2024 for the reason of retirement, and as at 30 June 2025, the Company has not yet elected a new Director to replace Mr. Xiang Huiming, being the former chairman, in relation to the positions of the chairman of the Company and the chairman of the Strategy Committee of the Board. On 21 August 2025, the Company held the fifteenth meeting of the eleventh session of the Board to elect Mr. Luo Bing as the chairman of the Company and the chairman of the Strategy Committee of the Board. The Company has fully complied with the requirements of the above CG Code and will continue to perform its corporate governance duties better.

2 Securities Transactions by Directors

The Company has strictly complied with the relevant restrictive provisions imposed by the regulatory authorities in Mainland China and Hong Kong in relation to securities transactions by Directors and has consistently upheld the principle of complying with the most stringent provisions, including the adoption of the Model Code for Securities Transactions by Directors of Listed Issuers in Appendix C3 to the Hong Kong Listing Rules. The Company has made specific inquiry of all its Directors for preparing this Report and all Directors have confirmed that they have complied with the Model Code for Securities Transactions by Directors of Listed Issuers during the Reporting Period.

3 Meetings of the Board

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

In addition, during the Reporting Period, the special meetings of independent Directors of the Board held a total of 2 meetings to consider and approve two resolutions, including the resolution on the controlling shareholder's request to revise the "Letter of Undertaking on Avoiding Horizontal Competition with COMEC" and the Report on the Risk Continuous Assessment of CSSC Finance Company Limited in 2024; the Audit Committee held a total of 4 meetings to consider and approve fourteen resolutions, including the 2024 annual report, the internal control assessment report and the first quarter report of 2025; the Remuneration and Appraisal Committee held 1 meeting to consider and approve one resolution on the assessment results and remuneration of the Directors, supervisors and senior management of the Company for 2024.

II. CHANGES IN DIRECTORS AND SENIOR MANAGEMENT OF THE COMPANY

Description:

On 11 July 2025, Mr. Xu Wanxu resigned from the positions of the chairman of the Supervisory Committee of the Company due to work rearrangement;

On 21 August 2025, Mr. Hou Zengquan resigned from the position as the chief financial officer of the Company due to work rearrangement;

On 21 August 2025, the Company convened the 2025 third extraordinary general meeting which considered and approved the Resolution on Dissolution of the Supervisory Committee of the Company and Abolition of the 'Rules for Proceedings of the Supervisory Committee'. The supervisors, namely Ms. Chen Shu, Mr. Zhu Weibin, Mr. Ouyang Beijing and Mr. Zhang Xinglin, were accordingly removed from the positions of supervisors from the date of consideration and approval at the general meeting;

On 21 August 2025, the Company convened the 2025 third extraordinary general meeting to elect Mr. Luo Bing as a Director of the eleventh session of the Board; on the same day, the Company convened the fifteenth meeting of the eleventh session of the Board to elect Mr. Luo Bing as the chairman of the eleventh session of the Board of the Company, appoint Mr. Han Jianbing, Mr. Li Kai and Mr. Xu Qing as deputy general managers of the Company, and appoint Mr. Li Qiang as the chief accountant and chief financial officer of the Company;

On 5 September 2025, Mr. Chen Liping resigned from the positions of the Director, a member of the Strategy Committee and the general manager of the Company due to work rearrangement.

III. PROFIT DISTRIBUTION PLAN OR PLAN TO CONVERT CAPITAL RESERVES INTO SHARE CAPITAL

Proposed profit distribution proposal and proposal for capitalisation of capital reserves for the interim period

Whether to distribute or capitalise	Yes
Number of shares to be distributed for every ten shares (share)	–
Amount to be distributed for every ten shares (RMB) (inclusive of tax)	0.80
Number of shares to be converted into share capital for every ten shares (share)	–

Explanation of the relevant circumstances of the profit distribution proposal and proposal for capitalisation of capital reserves

Upon consideration and approval of the sixteenth meeting of the eleventh session of the board of directors of COMEC, the Company intends to distribute a cash dividend of RMB0.80 (tax inclusive) for every 10 shares to all shareholders for the first half of 2025, calculated according to the total share capital of 1,413,506,378 shares as at 30 June 2025, and the total cash dividends to be distributed will be RMB113,080,510.24 (tax inclusive), representing 21.48% of the net profit attributable to shareholders of the Company for the period from January to June in 2025. The remaining undistributed profit of the Company of RMB1,468,170,857.41 will be carried forward for distribution in future periods. The Company did not convert capital reserve into share capital for the first half of 2025. If the total share capital of the Company changes before the record date for the implementation of dividend distribution, the Company intends to maintain the distribution ratio per share unchanged and adjust the total distribution amount accordingly. The specific details of the adjustments will be announced separately.

The 2024 annual general meeting of the Company has considered and approved the Resolution on the Interim Dividend Arrangements for 2025. This profit distribution proposal falls within the scope of the Board's authority as delegated by the general meeting and does not need to be submitted to the general meeting of the Company for further consideration.

IV. ENVIRONMENTAL INFORMATION ON LISTED COMPANIES AND THEIR MAJOR SUBSIDIARIES INCLUDED IN THE LIST OF ENTERPRISES SUBJECT TO LEGAL ENVIRONMENTAL INFORMATION DISCLOSURE

Number of enterprises included in the list of enterprises subject to legal environmental information disclosure	2

No.	Name of enterprise	Index for enquiry for legal environmental information disclosure report
1	Guangzhou Huangchuan Ocean Engineering Co., Ltd.	Enterprise Environmental Information Disclosure System of the Department of Ecology and Environment of Guangdong Province
2	Guangzhou Wenchong Shipyard Co., Ltd.	Enterprise Environmental Information Disclosure System of the Department of Ecology and Environment of Guangdong Province

V. CONSOLIDATING AND EXPANDING THE ACHIEVEMENTS IN POVERTY ALLEVIATION WORK AND RURAL REVITALISATION

The Group actively responds to the State's appeals, fulfills its social responsibility as a state-owned enterprise and actively participates in specific work such as consolidating and expanding the achievements in poverty alleviation and rural revitalisation. During the Reporting Period, the Group dispatched vertical assistance cadres to participate in the CSSC's high-end marine equipment base project in Shanwei, while advancing the procurement of agricultural products in an orderly manner to contribute to rural revitalisation.

I. FULFILLMENT OF UNDERTAKINGS

(I) Undertakings made by the actual controller, shareholders, related persons, buyers and the relevant parties of the Company made or effective during the Reporting Period

Background	Type of undertaking	Undertaking party	Content of undertaking	Date of undertaking	Whether there is a deadline for performance	Duration of undertaking	Whether strictly performed in a timely manner	If not performed timely, the specific reasons should be stated	If not performed timely, the plans in the next step should be stated
Commitments made in a report of acquisition or a report on changes in equity	Others	China Shipbuilding Group	1. Independence of personnel: (1) to ensure that senior management personnel such as general manager, deputy general manager, financial controller and secretary to the Board of the listed company will not hold executive positions other than those of directors and supervisors in the Company and other affiliate entities controlled by the Company (hereinafter referred to as the "Affiliate Entities"), and will not receive salaries from the Company and the Affiliate Entities. (2) The financial officers of the listed company will not hold part-time positions with the Company and the Affiliate Entities of the Company. 2. Financial independence: (1) the listed company is guaranteed to have an independent financial accounting department and an independent financial accounting system and financial management system, and to make financial decisions independently. (2) To ensure that the listed company will remain independent in financial decision-making and that the Company and the Affiliate Entities of the Company will not interfere with the use of funds of the listed company. (3) To ensure that the listed company opens and settles bank accounts independently, and that it makes tax returns and fulfils its tax obligations independently in accordance with the law. 3. Institutional independence: (1) to ensure that the listed company and its subsidiaries establish and improve their corporate governance structure in accordance with the law and are able to operate independently and autonomously; to ensure that the offices and production and operation premises of the listed company are separate from those of the Company and the Affiliate Entities of the Company. (2) To ensure that the listed company and its subsidiaries operate independently and autonomously, and that there is no subordination relationship with the functional departments of the Company. 4. Independence of assets: (1) to ensure that the listed company has independent and complete assets. (2) To ensure that the Company and the Affiliate Entities of the Company do not misappropriate the assets, funds and other resources of the listed company. 5. Independence of business: (1) to ensure that the listed company is independent in its business and conducts its business activities independently. (2) To ensure that the listed company is independent in signing external contracts and conducting business, forming an independent and complete business system, carrying out independent accounting for operation and management, bearing responsibilities and risks independently, and having the ability to operate independently and on its own in the market.	30 June 2021	No	–	Yes	–	–

Background	Type of undertaking	Undertaking party	Content of undertaking	Date of undertaking	Whether there is a deadline for performance	Duration of undertaking	Whether strictly performed in a timely manner	If not performed timely, the specific reasons should be stated	If not performed timely, the plans in the next step should be stated
	Solving horizontal competition	China Shipbuilding Group	1. With regard to the horizontal competition between the Affiliate Entities of China Shipbuilding Group and COMEC, our company will, in accordance with the requirements of the relevant securities regulatory authorities, and on the principle of facilitating the development of the Listed Company and safeguarding the interests of Shareholders, in particular the interests of minority Shareholders, steadily push forward the resolution of the issue of horizontal competition with COMEC. Our Company also undertakes to propose to the Board of COMEC within 5 years from the date of issuance of this undertaking letter that it will make every reasonable effort to resolve the issue of horizontal competition with COMEC by making comprehensive use of asset restructuring, equity exchange/transfer, entrustment management, business adjustment or other lawful means on the premise of complying with the applicable laws and regulations of securities supervision, state-owned assets supervision as well as the relevant regulatory rules at that time, and shall defer to the latter as to whether to submit the proposal to the general meeting of COMEC for consideration. 2. Before the elimination of horizontal competition between COMEC and the Affiliate Entities of the Company, the Company will strictly comply with the provisions of relevant laws, regulations and regulatory documents as well as the internal management system such as the Articles of Association of COMEC, exercise the rights of shareholders through shareholding relationship in accordance with the principle that state-owned assets are owned by the State and managed in a hierarchical manner, properly handle matters involving the interests of COMEC, not make use of its control position to obtain improper benefits or engage in transfer of benefits, and not engage in any acts that are detrimental to the legitimate interests of COMEC and its small and medium-sized shareholders. The aforesaid undertakings shall remain effective during the period in which the Company has controlling interest over COMEC. If COMEC incurred loss for the Company's failure to fulfill such undertakings, the Company shall bear the liability on an indemnity basis accordingly.	24 January 2025	Yes	Within five years of the date of the undertaking letter	Yes	–	–

Background	Type of undertaking	Undertaking party	Content of undertaking	Date of undertaking	Whether there is a deadline for performance	Duration of undertaking	Whether strictly performed in a timely manner	If not performed timely, the specific reasons should be stated	If not performed timely, the plans in the next step should be stated
Undertaking relating to material asset reorganisation	Solving the defects on titles to lands	CSSC	Arrangements for supporting the relocation and upgrading of Huangpu Wenchong and Wenchong Shipyard. Pursuant to the overall planning of Guangzhou Municipal Government, a land parcel of Huangpu Wenchong at Changzhou Street ("Changzhou Plant") and a land parcel located at Wenchong Plant owned by Wenchong Shipyard, a subsidiary of Huangpu Wenchong, are no longer suitable for industrial use in shipbuilding in accordance with the planning for the regions in which they are located, and will be recovered as reserve by Guangzhou Municipal Government. As such, in accordance with the relevant requirements for management of state-owned assets, these two parcels of land and buildings thereon will be transferred to Guangzhou Ship Industrial Co., Ltd. under CSSC for free. As for the transfer and subsequent matters, it was agreed as follows: 1. The transfer of land and buildings thereon was due to the adjustment to urban planning which caused these assets to be no longer suitable for incorporation into the Company. As such, during the transitional period before completion of the relocation of the Changzhou Plant and Wenchong Plant, in order to maintain normal production and operation of Huangpu Wenchong and Wenchong Shipyard, it was agreed that the land of Changzhou Plant, Wenchong Plant and other relevant ancillary domestic area and buildings thereon, of which the ownership has been transferred to Guangzhou Ship Industrial Co., Ltd. under CSSC, will be leased to Huangpu Wenchong and Wenchong Shipyard for continued use, and the rent will be paid based on existing land amortisation, property depreciation and relevant taxes and expenses. In addition, CSSC will spare no efforts to facilitate Guangzhou Municipal Government in finalising the land for new plants and complete the relocation from Changzhou Plant and Wenchong Plant as soon as practicable. 2. Given certain granted land and properties in Changzhou Plant, Wenchong Plant and other relevant ancillary domestic area and buildings thereon are located on partially allocated land or are unlicensed real property, if such land or properties cannot continue to be utilised due to these arrangements and subsequently cause adverse impact to the production and operation of Huangpu Wenchong and Wenchong Shipyard, CSSC will actively coordinate in solving the issue and fully indemnify Huangpu Wenchong and Wenchong Shipyard in cash against any economic losses incurred. 3. CSSC will actively assist Huangpu Wenchong and Wenchong Shipyard in future communication with Guangzhou Municipal Government in compensation for the relocation.	31 October 2014	No	–	Yes	–	–
	Others	CSSC	1. CSSC will actively assist Huangpu Wenchong, Wenchong Shipyard in communicating with Guangzhou Municipal Government for compensation for the relocation. 2. If any expense is incurred by Huangpu Wenchong and Wenchong Shipyard due to relocation, as well as any expense incurred for some of the assets to be demolished, transported and installed, such expense shall be included in the government subsidies in accordance with the law and compensated to Huangpu Wenchong and Wenchong Shipyard. 3. If relevant government compensation is less than the expenses actually incurred by Huangpu Wenchong and Wenchong Shipyard due to the relocation and demolition of some assets, CSSC will make up the difference in cash within 90 days after relevant government compensation is in place.	3 March 2015	No	–	Yes	–	–

Background	Type of undertaking	Undertaking party	Content of undertaking	Date of undertaking	Whether there is a deadline for performance	Duration of undertaking	Whether strictly performed in a timely manner	If not performed timely, the specific reasons should be stated	If not performed timely, the plans in the next step should be stated
	Settlement of connected transactions	CSSC	1. Upon completion of the restructuring, CSSC and enterprises under control of CSSC and listed companies and subordinates will minimize and avoid related party transactions. 2. In conducting necessary and unavoidable connected transactions, it will ensure fair operation based on the principles of marketization and fair prices, and perform trading procedures and information disclosure obligations in accordance with relevant laws, regulations, rules and other normative documents and Articles of Association of COMEC, management system of connected transactions and other provisions. When voting on connected transactions at general meetings, it will abstain from voting. CSSC guarantees that it will not prejudice the legitimate rights and interests of listed companies and their shareholders through connected transactions. 3. It will exercise the rights of shareholders in accordance with relevant laws and regulations such as the Company Law of the People's Republic of China and the Articles of Association of COMEC; CSSC undertakes not to harm the legitimate interests of listed company and other shareholders with its status as a shareholder of listed company. 4. Once the letter of commitment is signed, it constitutes an effective, legal and binding commitment to CSSC. CSSC is willing to take full compensation for the economic losses caused to the listed company and its shareholders in violation of the above commitments.	7 August 2019	No	–	Yes	–	–
	Others	CSSC	Upon completion of the restructuring, CSSC, as the controlling shareholder of COMEC, will continue to exercise the rights of shareholders in accordance with laws, regulations and the Articles of Association of COMEC. CSSC will not affect the independence of COMEC by virtue of its status as a controlling shareholder and will maintain the independence of COMEC in terms of assets, personnel, finance, business and institutions.	7 August 2019	No	–	Yes	–	–

Description:

On 24 January 2025, the Company received the "Letter on the Request to Revise the Content of Letter of Undertaking Issued by China Shipbuilding Group on Avoiding Horizontal Competition with COMEC" from China Shipbuilding Group which requested for the revision of the time limit for the resolution of the issue of horizontal competition as set out in the undertaking issued by China Shipbuilding Group on 30 June 2021, and issued the "Letter of Undertaking Issued by China Shipbuilding Group Co., Ltd. on Avoiding Horizontal Competition" in lieu of the original undertaking. The aforesaid change of undertakings has been considered and approved by the ninth meeting of the eleventh session of the Board and the tenth meeting of the eleventh session of the Supervisory Committee of the Company held on 24 January 2025 and the first extraordinary general meeting of 2025 held on 3 March 2025 (for details, please refer to the "Announcement on the Controlling Shareholder's Request to Revise the Undertaking to Avoid Horizontal Competition" and the "Announcement on the Resolution of the First Extraordinary General Meeting of 2025" published by the Company on 24 January 2025 and 3 March 2025, respectively on the websites of the SSE and the Stock Exchange).

II. THERE WAS NO NON-OPERATIONAL APPROPRIATION OF FUNDS BY THE COMPANY'S CONTROLLING SHAREHOLDER AND OTHER RELATED PARTIES DURING THE REPORTING PERIOD

III. THERE WAS NO BREACH OF GUARANTEE ON THE PART OF THE COMPANY DURING THE REPORTING PERIOD

IV. DISMISSAL OF ACCOUNTING FIRM

In view of the expiry of the appointment term of the former accounting firm, BDO, and upon approval at the Company's second extraordinary general meeting in 2025, ShineWing was appointed as the auditor for the financial statements of the Company for 2025, with the audit fee of RMB1.30 million (inclusive of tax); ShineWing was appointed as the Company's internal control auditor for 2025, with the audit fee of RMB0.28 million (inclusive of tax).

V. MATERIAL LITIGATION AND ARBITRATION

There was no material litigation or arbitration of the Company during the Reporting Period.

VI. MATERIAL RELATED TRANSACTIONS

(I) Related transactions in the ordinary course of business

1. Matters disclosed in announcements with progress or change in the subsequent implementation

Related transactions related to daily operation for 2025 (from January to June)

Unit: RMB in ten thousand

No.	Content and type of transaction	Cap approved at general meeting	Actual transaction amount	Proportion of total amount of transactions of the same type (%)	Pricing basis
1	**Products and services provided by the Group to China Shipbuilding Group**				
1.1	Provision of shipping products, electrical and mechanical engineering equipment and metallic materials	273,780.00	47,898.18	4.74	Market price
1.2	Leasing, labour supply and technical services	16,050.00	3,988.23	65.34	The price no less favourable to the Group than that available from independent third parties
2	**Products and services provided by China Shipbuilding Group to the Group**				
2.1	Provision of equipment for use on ships, electromechanical equipment, accessories and materials	1,060,135.00	362,242.96	46.17	Market price or agreement price or the price no higher to the Group than that available from independent third parties
2.2	Leasing, labour supply, technical services, etc.	137,925.00	17,336.66	7.56	The prices no less favourable to the Group than that available from independent third parties or cost plus 10% of management fee or market price
3	**Guarantee services provided by China Shipbuilding Group to the Group**				
3.1	Maximum guarantee amount	160,000.00		Not applicable	The relevant terms are no less favourable than those available from independent third parties
3.2	Guarantee fee	640.00		Not applicable	
4	**Sales agency services provided by China Shipbuilding Group to the Group**				
4.1	Sales agency fee	6,700.00	2,318.15	27.76	Normally will not exceed 1.5% of the contract price and be paid according to the shipbuilding progress of the vessel in question

No.	Content and type of transaction	Cap approved at general meeting	Actual transaction amount	Proportion of total amount of transactions of the same type (%)	Pricing basis
5	**Financial services provided by CSSC Finance to the Group**				
5.1	Deposits (maximum limit)	1,870,000.00	1,491,112.53	89.46	Benchmark deposit interest rate set by the People's Bank of China; on rate no less favourable to the Group than that available from independent third parties
5.2	Deposits (interest)	33,900.00	9,864.59	50.24	
5.3	Loans (maximum limit)	180,000.00	30,500.00	4.90	No higher than benchmark loan interest rate set by the People's Bank of China; on rate no less favourable to the Group than that available from independent third parties
5.4	Loans (interest)	4,300.00	297.38	4.92	
5.5	Others and bank facilities (maximum limit)	723,600.00	152,273.40	7.86	On terms no less favourable to the Group than those available from independent third parties
5.6	Others and bank facilities (financial handling fee)	810.00	73.32	12.57	
5.7	Foreign exchange services such as forward settlement and sale of foreign exchange (maximum limit)	450,000.00	378,865.72	20.73	On terms no less favourable to the Group than those available from independent third parties

Note: China Shipbuilding Group referred in the table represents China Shipbuilding Group and its subsidiaries and associates.

(II) Financial operations between the Company and related financial companies, financial companies controlled by the Company and related parties

1. Deposit business

Unit: RMB in ten thousand

Related party	Type of relationship	Maximum daily deposit limit	Range of deposit rates	Opening balance	Current balance: Total amount deposited in the period	Current balance: Total amount withdrawn in the period	Closing balance
CSSC Finance Company Limited	Controlled by the same controlling shareholder	1,870,000.00	Benchmark deposit interest rate set by the People's Bank of China; on rate no less favourable to the Group than the terms available from independent third parties	1,304,034.14	**4,936,495.83**	**4,749,417.44**	1,491,112.53
Total	/	/	/	1,304,034.14	**4,936,495.83**	**4,749,417.44**	1,491,112.53

2. Loan business

Unit: RMB in ten thousand

Related party	Type of relationship	Loan limit	Range of loan interest rate	Opening balance	Current balance: Total amount borrowed in the period	Current balance: Total amount repaid in the period	Closing balance
CSSC Finance Company Limited	Controlled by the same controlling shareholder	180,000.00	No more than benchmark loan interest rate set by the People's Bank of China; on rate no less favourable to the Group than the terms available from independent third parties	30,500.00	-	-	30,500.00
Total	/	/	/	30,500.00	-	-	30,500.00

3. Facilities business or other financial business

Unit: RMB in ten thousand

Related party	Type of relationship	Business type	Total	Actual transaction amount
CSSC Finance Company Limited	Controlled by the same controlling shareholder	Deposits (interest)	33,900.00	9,864.59
CSSC Finance Company Limited	Controlled by the same controlling shareholder	Loans (interest)	4,300.00	297.38
CSSC Finance Company Limited	Controlled by the same controlling shareholder	Others and bank facilities (maximum limit)	723,600.00	152,273.40
CSSC Finance Company Limited	Controlled by the same controlling shareholder	Others and bank facilities (handling fee)	810.00	73.32
CSSC Finance Company Limited	Controlled by the same controlling shareholder	Foreign exchange services such as forward settlement and sale of foreign exchange (maximum limit)	450,000.00	378,865.72

VII. CONTRACTS OF SIGNIFICANCE AND THEIR PERFORMANCE

1. Leases

Unit: RMB Yuan

Name of lessor	Name of lessee	Leased assets	Amount of lease assets	Date of commencement of lease	Date of expiry of lease	Rental Income	Basis for determination of rental income	Impact of rental income on the Company	Whether connected transaction or not	Relationship
China Shipbuilding Group Guangzhou Ship Industrial Co., Ltd.	Huangpu Wenchong	Land, buildings and structures	–	2014.5.1	The date on which the relocation is completed and production commences at the new plant	–	–	–	Yes	Sister company of the Group
Guangzhou Wenchong Industrial Co., Ltd.	Wenchong Shipyard	Land, buildings and structures	–	2018.11.1	The date on which the relocation is completed and production commences at the new plant	–	–	–	Yes	Sister company of the Group
Guangdong Guangxin Shipbuilding Trading Company Limited	Wenchuan Heavy Industrial	Land, buildings and structures	–	2024.5.1	2026.4.30	–	–	–	No	–

Description of leases

China Shipbuilding Group Guangzhou Ship Industrial Company Limited and Huangpu Wenchong entered into a lease agreement in relation to land use rights, pursuant to which Guangzhou Company shall lease its land use rights in relation to part of the land at the Changzhou Plant to Huangpu Wenchong for operational usage. The rent for the land use rights shall be determined based on the principle of asset depreciation, and amortisation of taxes and fees on an annual basis. The rent shall be paid on an annual basis in the form of monetary funds. The term for the aforesaid lease of land use rights commenced on 1 May 2014 and will end on the date on which the relocation of Huangpu Wenchong is completed and commences formal production at its new plant.

Guangzhou Wenchong Industrial Co., Ltd. and Wenchong Shipyard entered into a lease agreement in relation to land use rights, pursuant to which Guangzhou Company shall lease its land use rights in relation to part of the land at the Wenchong Plant to Wenchong Shipyard for operational usage. The rent for the land use rights shall be determined based on the principle of asset depreciation, and amortisation of taxes and fees on an annual basis. The rent shall be paid on an annual basis in the form of monetary funds. The term for the aforesaid lease of land use rights commenced on 1 November 2018 and will end on the date on which the relocation of Wenchong Shipyard is completed and commences formal production at its new plant.

Guangdong Guangxin Shipbuilding Trading Company Limited entered into the Plant and Site Lease Contract with Wenchuan Heavy Industrial, and leased part of the plant and site use rights in No. 32, Cuizhu Road, Cuiheng New District, Zhongshan City to Wenchuan Heavy Industrial for operational use. The lease fee of the plant and equipment shall be determined in accordance with the contract, and the rent shall be paid monthly in the form of monetary funds. The lease term of the aforementioned land use rights ended on 30 April 2026.

2. Significant guarantees performed and outstanding during the Reporting Period

Unit: RMB in ten thousand

External guarantees by the Company (excluding guarantees for its subsidiaries)															
Guarantor	Relationship between guarantor and entity the Company	Guaranteed	Amount of guarantee	Date of guarantee (date of signing of agreement)	Date of Commencement of Guarantees	Date of expiry of Guarantees	Type of guarantee	Main debt	Collateral (if any)	Whether fully executed	Whether guarantee is overdue	Overdue amount	Reverse guarantee	Whether provided for by related party	Relationship

Total amount of guarantees during the Reporting Period (excluding guarantees provided for its subsidiaries)	
Total balance of guarantees at the end of the Reporting Period (A) (excluding guarantees provided for its subsidiaries)	
Guarantees provided by the Company for its subsidiaries	
Total amount of guarantees provided for its subsidiaries during the Reporting Period	122,092.05
Total balance of guarantees provided for its subsidiaries at the end of the Reporting Period (B)	283,587.71
Total amount of guarantees provided by the Company (including those provided for its subsidiaries)	
Total amount of guarantees (A+B)	283,587.71
Total amount of guarantees as a percentage of the Company's net assets (%)	13.43
Including:	
Amount of guarantees provided for shareholders, actual controllers and related parties (C)	
Amount of debt guarantees provided directly or indirectly for companies with gearing ratio over 70% (D)	283,587.71
Total amount of guarantees in excess of 50% of net assets (E)	
Sum of the above three guarantees (C+D+E)	283,587.71
Description of outstanding guarantees which may incur joint and several liability	Not applicable
Description of guarantees	During the Reporting Period, the Group provided new external guarantee with an accumulated amount of RMB1.221 billion, with the content and total amount of the external guarantees falling within the scope of limit set out in the framework for the guarantees as approved at the general meeting, and no overdue guarantee occurred. As at the end of the Reporting Period, the Group provided external guarantee with a balance of RMB2.836 billion, all of which were guarantees provided by the Company's controlling subsidiary Huangpu Wenchong to its subsidiary Wenchuan Heavy Industrial. The guarantees include bank credit guarantee, parent company guarantee, advance payment guarantee and performance guarantee.

VIII. OUTLOOK

1. Industry development

The macroeconomic environment remains fundamentally stable. It is anticipated that the global economy will maintain a modest growth rate in 2025. However, uncertain factors such as geopolitical tensions and trade protectionism are projected to disrupt the global economic and trade order. As 2025 marks the conclusion of the 14th Five-Year Plan, the domestic economy is expected to continue its steady yet progressive trend. Proactive fiscal policies and accommodative monetary policies will provide a favourable monetary and financial environment for economic growth. Emerging industries such as digital economy, green economy, and high-end manufacturing are poised for a rapid development. Nevertheless, it remains imperative to monitor the ripple effects stemming from uncertainties including international monetary policies and restructuring of global industrial and supply chains.

The defense industry is navigating a strategic opportunity window. Against the backdrop of continued tensions in the global geopolitical situation and prolonged geopolitical conflicts, there persists an enduring necessity to strengthen the nation's defense capabilities. Achieving the centennial goal of military establishment by 2027 as scheduled is a key node in the process of advancing the modernisation of national defense and the military. The subversive role of emerging technologies has put forward new requirements for the PRC's defense and military manufacturing industry, such as "new domain and new quality", "intelligence", "combat-oriented military training" and "border, maritime and air defense construction", leading the subsequent development direction of defense and military enterprises. Increasingly diversified forms of maritime conflict will further increase the market for official law enforcement equipment, especially in high-performance large boats, ships equipped with advanced automation systems, equipment for fisheries law enforcement, etc. The green and low-carbon development path will bring long-term demand for the renewal and replacement of official law enforcement boats.

The shipbuilding industry maintains a high level of prosperity. The global shipbuilding industry is at a new historical juncture with the overlapping of the "dual cycles" of the renewal of ageing vessels and the green transformation of the fleet. From the perspective of renewal demand, the global capacity of vessels aged 20 years and above exceeds 374 million DWT as of the end of 2024, which is 8.1% higher than the 346 million DWT of orders held by global shipyards during the same period. There is still room for orders to be released, while the capacity of vessels aged 15-19 years exceeds 440 million DWT, with strong potential demand for ordering. From the perspective of green development, the EU Marine Fuel Regulation and other major rules and norms come into force and implementation, which is beneficial to the new shipbuilding market to a certain extent. It is expected that the global shipbuilding market will continue to show the development trend of "positive demand and tight supply".

Emerging industries present both opportunities and challenges. According to the Global Wind Energy Council (GWEC), the global offshore wind power industry is poised for continued growth. Between 2023 and 2033, the installed capacity of offshore wind power worldwide is expected to increase from 10.9GW to 66.2GW, with a CAGR of 19.8%. The domestic market will rebound during the final phase of the 14th Five-Year Plan, and the overseas market will grow significantly in the next few years. However, with the rapid expansion of domestic production capacity and intensifying market competition, manufacturers will face challenges in securing orders and maintaining profitability.

(Source of relevant data: China Shipbuilding Group Economic Research Centre, etc.)

2. The Company's development strategy

With the aim of strengthening the military, serving the nation, and deepening the cultivation in the marine sector, the Group is committed to building high-quality marine equipment and aims to become a world-class listed marine defense equipment company with a rational industrial structure, leading core technologies, excellent quality and services and strong international competitiveness.

Facing the new development landscape of the shipbuilding market, the Company adheres to the enterprise spirit of "innovation, efficiency, cooperation and win-win", follows the development concept of "devoting to both manufacturing and service", and actively builds up three major industrial layouts of marine defense equipment, ship and offshore engineering equipment and marine science and technology innovation equipment. The Company fully aligns with major strategies such as the "Belt and Road" Initiative, military-civilian integration development, the building of a strong manufacturing country and the building of a strong maritime country, while promoting the expansion and extension of the traditional manufacturing industry in a more valuable direction, strengthening and optimising the main business, vigorously expanding emerging industries, driving transformation and upgrading into advanced manufacturing and service industries, and achieving high-quality development.

3. Business plan

In 2025, the Group plans to realise operating income of RMB20.0 billion and to secure orders with contract value of RMB17.45 billion. The Group will continue to strengthen the research and development of vessel models, promote product upgrading while strengthening market development, increasing the promotion of main vessel types, and focusing on high-quality and high-efficiency orders; strengthen the management of the production process, improve the efficiency of production, promote the continuous reduction of key cycles of main vessel types, break through the bottlenecks in production and construction, and achieve the improvement in production capacity; continue to carry out cost engineering, improve the level of refined management, enhance the scientific and technological empowerment to explore potential and improve efficiency, and continue to improve the profitability. The above measures will ensure the completion of the 2025 business plan.

The business objectives above do not constitute undertakings to investors in respect of the performance of the Company. Investors are reminded of investment risks.

IX. OTHERS

1 Details of pledges of the assets of the Group

As at 30 June 2025, the Company had a total of bank deposits amounting to RMB1 million used to secure the deposit for bank acceptance notes, letters of guarantee and letters of credit. Save as disclosed above, no other assets of the Group were subject to pledge.

2 Gearing ratio

As at 30 June 2025, the Group's gearing ratio (calculated by total liabilities/total assets x 100%) was 62.50%, representing an increase of 2 percentage points from 60.50% as at the beginning of the period.

3 Repurchase, sale or redemption of securities of the Company

The Group has not made any purchase, sale or redemption of listed securities (including sales of treasury shares) of the Company or any of its subsidiaries during the Reporting Period. As at 30 June 2025, the Company did not hold any treasury shares

4 Liquidity, financial resources and treasury policies

The main objectives of the Group's capital management are to ensure the Group's ability to continue as a going concern so as to continuously provide returns to shareholder and other stakeholders; and to price the products and services according to the risk level so as to provide adequate returns to shareholders. The Group actively and regularly reviews and manages its capital structure and makes adjustments taking into account changes in the economic environment, future capital requirements, prevailing and projected profitability and operating cash flows, projected capital expenditures and expected strategic investments. Details of the Group's total bank borrowings and cash at bank and on hand (including bank deposits and cash on hand, etc.) at the end of the Reporting Period are set out in the notes to the financial statements.

5 Events after the Reporting Period

The Group has no material event after the Reporting Period required to be disclosed as at the date of this Report.

6. Significant investment

Name of the investment enterprise	Principal activities	Number of shares held	Percentage of shares held as at the end of the Reporting Period	Investment cost *(RMB)*	As at the end of the Reporting Period		During the Reporting Period	
					Fair value *(RMB)*	Percentage of total company assets	Change in fair value *(RMB)*	Dividend income recognised *(RMB)*
CSSC Holdings	Invest in marine industry and diesel engine production industry, civil ship sales, manufacturing, installation and sales of special equipment for ships and electromechanical equipment, and technology development, technology transfer, technical services and technical consulting in marine technology field, and it also engages in import and export of goods and technology as well as free equipment rental.	217,494,916 shares of A-shares	4.86%	285,788.32 ten thousand	707,728.46 ten thousand	12.57%	-74,383.26 ten thousand	5,437.37 ten thousand

In 2020, the Company completed a joint restructuring project with CSSC Holdings, disposing of 27.4214% of the equity interest in GSI, the Company's original holding subsidiary, and acquiring 217,494,916 A shares in a non-public issue of CSSC Holdings, subject to a restricted period of three years (from 30 March 2020 to 30 March 2023). The Company may dispose of the aforesaid A shares at an opportune time in accordance with its business development, strategic positioning and the trend of the secondary market. Through the joint restructuring project, CSSC Holdings has increased its registered capital and its market capitalisation is expected to be significantly improved, which is beneficial to the enhancement of the Company's shareholders' equity.

I. CHANGES IN SHARE CAPITAL

There was no change in the total number and structure of shares of the Company during the Reporting Period.

II. SHAREHOLDERS

(I) Total number of shareholders:

Total number of ordinary shareholders at the end of the Reporting Period	78,352
Total number of shareholders of preference shares with restored voting right at the end of the Reporting Period	–

(II) Shareholding of top ten shareholders, top ten shareholders of circulating shares (or holders of shares not subject to selling restriction) at end of the Reporting Period

Unit: Share

Shareholding of top ten shareholders (excluding shares lent through securities lending and refinancing)

Name of shareholder (full name)	Change during the Reporting Period	Number of shares held at the end of the period	Percentage (%)	Number of shares held subject to selling restriction	Pledged, marked or locked up		Nature of shareholder
					Share status	Number	
HKSCC NOMINEES LIMITED	-27,615	589,901,792	41.73	–	None	–	Overseas legal person
China State Shipbuilding Corporation Limited	0	481,337,700	34.05	–	None	–	State-owned legal person
China Construction Bank Corporation – Fullgoal China Securities Military Leader Trading Index Securities Investment Open-ended Fund	7,885,856	7,885,856	0.56	–	None	–	Others
Agricultural Bank of China Limited – CSI 500 Trading Open-ended Index Securities Investment Fund	266,687	6,124,484	0.43	–	None	–	Others
China Construction Bank Corporation – Guotai China Securities Military Trading Index Securities Investment Open-ended Fund	1,367,600	4,746,189	0.34	–	None	–	Others
Yangzhou Kejin Shipyard Co., Ltd.	0	4,599,086	0.33	–	Pledged	4,300,000	Domestic non-state-owned legal person
E Fund – Central Huijin Asset Management Ltd. – E Fund – Single Asset Management Plan of Huijin Asset Management	3,377,195	4,413,883	0.31	–	None	–	Others
China Construction Bank Corporation – Changxin National Defense Military Industry Quantitative Flexible Allocation Hybrid Securities Investment Fund	3,923,602	3,923,602	0.28	–	None	–	Others
Xi'an Investment Holding Co., Ltd.	0	3,001,159	0.21	–	None	–	State-owned legal person
Bank of China Limited – E Fund Steady Yield Bond Securities Investment Fund	-1,062,700	2,840,711	0.20	–	None	–	Others

Top ten shareholders of shares not subject to selling restrictions (excluding shares lent through securities lending and refinancing)

Name of shareholder	Number of circulating shares held not subject to selling restrictions	Class and number of shares: Class	Number
HKSCC NOMINEES LIMITED	589,901,792	Overseas listed foreign shares	589,901,792
China State Shipbuilding Corporation Limited	481,337,700	Ordinary shares denominated in RMB	481,337,700
China Construction Bank Corporation – Fullgoal China Securities Military Leader Trading Index Securities Investment Open-ended Fund	7,885,856	Ordinary shares denominated in RMB	7,885,856
Agricultural Bank of China Limited – CSI 500 Trading Open-ended Index Securities Investment Fund	6,124,484	Ordinary shares denominated in RMB	6,124,484
China Construction Bank Corporation – Guotai China Securities Military Trading Index Securities Investment Open-ended Fund	4,746,189	Ordinary shares denominated in RMB	4,746,189
Yangzhou Kejin Shipyard Co., Ltd.	4,599,086	Ordinary shares denominated in RMB	4,599,086
E Fund – Central Huijin Asset Management Ltd. – E Fund – Single Asset Management Plan of Huijin Asset Management	4,413,883	Ordinary shares denominated in RMB	4,413,883
China Construction Bank Corporation – Changxin National Defense Military Industry Quantitative Flexible Allocation Hybrid Securities Investment Fund	3,923,602	Ordinary shares denominated in RMB	3,923,602
Xi'an Investment Holding Co., Ltd.	3,001,159	Ordinary shares denominated in RMB	3,001,159
Bank of China Limited – E Fund Steady Yield Bond Securities Investment Fund	2,840,711	Ordinary shares denominated in RMB	2,840,711
Description of special account for repurchase of the top ten shareholders			–
Explanations on the entrusting voting right, entrusted voting right and waive of voting right of the above shareholders			–
Explanation on the related party relationship or acting in concert among the above shareholders			–
Explanation on shareholders of preference shares with the voting rights restored and their shareholding			–

III. INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 June 2025, the following persons (other than Directors, supervisors or members of senior management of the Company) have the following interests and short positions in the shares and underlying shares of the Company that are required to be notified to the Company and the Hong Kong Stock Exchange under Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance (Chapter 571, the Laws of Hong Kong) (the "SFO") or are required to be entered in the register to be kept by the Company under section 336 of the SFO:

Name of shareholder	Class of shares	Number of long positions held (share)	Capacity	Approximate shareholding percentage of issued H Shares (%)	Approximate shareholding percentage of issued A Shares (%)	Percentage of total issued share capital (%)
China State Shipbuilding Corporation Limited	A Shares	481,337,700 (L)	Beneficial owner	–	58.60	34.05
CSSC International Holding Company Limited	H Shares	322,790,890 (L)	Beneficial owner	54.52	–	22.84

Note: The letter ''L'' denotes the person's long position in the relevant shares.

Save as disclosed above, so far as the Directors are aware, there were no other persons or companies who owned any interests or short positions in the shares and underlying shares in issue of the Company that are required to be notified to the Company and the Hong Kong Stock Exchange under Divisions 2 and 3 of Part XV of the SFO or are required to be entered in the register to be kept by the Company under section 336 of the SFO as at 30 June 2025.

IV. OTHER INFORMATION

1. Equity interest of Directors, Supervisors and Senior Management

As at 30 June 2025, none of the Directors, chief executive officer or Supervisors of the Company had any interest or short position in the shares, underlying shares and/or debentures (as the case may be) of the Company or any of its associated corporations within the definition of Part XV of the SFO which was required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interest and short position which any such Director, chief executive officer or Supervisor is taken or deemed to have under such provisions of the SFO) or which was required to be entered in the register required to be kept by the Company pursuant to section 352 of the SFO or which was otherwise required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies as contained in Appendix C3 to the Stock Exchange Listing Rules.

2. Employees and remuneration policies

The remuneration of the employees of the Group includes salaries, bonuses and other fringe benefits prescribed by the government. The Group applies different rates of remuneration for different employees, which are determined based on their positions and performance pursuant to the relevant laws and regulations of the PRC. As at 30 June 2025, the Group had a total of 4,557 employees. As at 30 June 2025, the remuneration paid by the Group to employees was RMB395 million in aggregate.

信永中和
ShineWing

信永中和会计师事务所

ShineWing
certified public accountants

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REVIEW REPORT

CSSC Offshore & Marine Engineering (Group) Company Limited

To all shareholders of CSSC Offshore & Marine Engineering (Group) Company Limited:

We have reviewed the accompanying financial statements of CSSC Offshore & Marine Engineering (Group) Company Limited (the "COMEC"), which comprises the consolidated and the Company's balance sheets as at 30 June 2025, the consolidated and the Company's income statements, the consolidated and the Company's cash flows statements and the consolidated and the Company's statements of changes in owners' equity from January to June 2025 and notes to the financial statements. The responsibility of the management of COMEC is to prepare financial statements in accordance with the Accounting Standards for Business Enterprises and to ensure their fair presentation. Our responsibility is to issue a review report on these financial statements based on the review work performed.

We conducted our review in accordance with China Certified Public Accountant Review Standard No. 2101 – Review of Financial Statements. This standard requires us to plan and perform review engagements to obtain limited assurance as to whether the financial statements are free from material misstatement. This review is primarily limited to making enquiries of company personnel and applying analytical procedures to financial data, providing a lower level of assurance than an audit. We did not perform an audit, and accordingly, we do not express an audit opinion.

Based on our review, we have not noted any matters that lead us to believe that the financial statements were not prepared in accordance with the Accounting Standards for Business Enterprises, or that they fail to present fairly, in all material respects, the consolidated and the Company's financial position as at 30 June 2025 and consolidated and the Company's operating results and cash flows from January to June 2025 of the COMEC.

We remind users of the financial statements that the consolidated financial statements prepared by the management of COMEC are solely for the purpose of COMEC's interim report announcement to The Stock Exchange of Hong Kong Limited. Therefore, the consolidated financial statements may not be suitable for other purposes. This report shall not be used for any other purpose without the written consent of our firm. This paragraph does not affect the published review opinions.

ShineWing Certified Public Accountants LLP

Certified Public Accountant of China: Deng Dengfeng

Certified Public Accountant of China: Liu Lihong

Beijing, the PRC

28 August 2025

CONSOLIDATED BALANCE SHEET

30 June 2025

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

Unit: Yuan Currency: RMB

Item	*Notes*	30 June 2025	31 December 2024
Current assets:			
Cash at bank and on hand	*V. 1*	**16,380,760,423.37**	15,260,594,444.32
Settlement reserve			
Placements with banks and non-bank financial institutions			
Trading financial assets	*V. 2*	**119,063.01**	1,171,434.07
Derivative financial assets			
Notes receivable	*V. 3*	**20,732,902.81**	56,102,457.89
Accounts receivable	*V. 4*	**1,934,505,426.91**	1,326,920,478.98
Receivable financing	*V. 5*	**114,015,583.63**	236,548,075.95
Prepayments	*V. 6*	**5,423,580,787.74**	5,547,687,998.67
Insurance premium receivable			
Reinsurance premium receivable			
Reserves for reinsurance contract receivable			
Other receivables	*V. 7*	**59,205,400.83**	63,115,009.10
Including: Interest receivable			
Dividend receivable			12,585,085.74
Financial assets purchased under agreements to resell			
Inventories	*V. 8*	**7,225,851,872.50**	5,905,684,446.80
Including: Information resources			
Contract assets	*V. 9*	**3,091,069,008.37**	2,388,466,443.95
Assets held-for-sale			
Non-current assets due within one year	*V. 10*	**966,602,822.65**	930,941,201.25
Other current assets	*V. 11*	**408,637,522.21**	423,717,919.05
Total current assets		**35,625,080,814.03**	32,140,949,910.03
Non-current assets:			
Loans and advances granted			
Debt investments			
Other debt investments			
Long-term receivables	*V. 12*	**469,561,861.68**	715,985,528.68
Long-term equity investments	*V. 13*	**5,763,132,186.69**	5,403,984,842.40
Investments in other equity instruments	*V. 14*	**7,109,914,003.94**	7,859,909,518.36
Other non-current financial assets			
Investment properties	*V. 15*	**119,843,068.98**	123,111,781.50
Fixed assets	*V. 16*	**4,748,510,568.20**	4,830,830,141.14
Construction in progress	*V. 17*	**171,017,978.88**	164,266,268.87
Productive biological assets			
Oil and gas assets			
Right-of-use assets	*V. 18*	**217,066,511.52**	223,699,680.67
Intangible assets	*V. 19*	**912,379,218.34**	925,124,040.52
Including: Information resources			
Development expenses			
Including: Information resources			
Goodwill			
Long-term deferred expenses	*V. 20*	**119,043,239.44**	79,792,669.10
Deferred tax assets	*V. 21*	**402,350,993.63**	451,592,466.76
Other non-current assets	*V. 22*	**654,412,312.45**	676,866,767.22
Total non-current assets		**20,687,231,943.75**	21,455,163,705.22
Total assets		**56,312,312,757.78**	53,596,113,615.25

Person in charge of the Company: **Luo Bing**
Person in charge of accounting: **Li Qiang**
Head of accounting department: **Zhao Na**

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

Unit: Yuan Currency: RMB

Item	*Notes*	30 June 2025	31 December 2024
Current liabilities:			
Short-term borrowings	*V. 24*	**539,249,576.40**	598,343,912.50
Loans from central bank			
Placements from banks and non-bank financial institutions			
Trading financial liabilities	*V. 25*	**49,405,603.48**	94,183,471.96
Derivative financial liabilities			
Notes payable	*V. 26*	**1,763,826,361.46**	1,874,172,036.86
Accounts payable	*V. 27*	**9,889,746,901.33**	8,452,829,358.41
Accounts collected in advance			
Contract liabilities	*V. 28*	**14,920,868,699.17**	13,291,127,772.51
Securities sold under agreements to repurchase			
Deposits from customers and other banks			
Brokerage for securities trading			
Brokerage for underwriting securities			
Employee compensation payable	*V. 29*	**190,383,293.37**	1,367,643.45
Taxes and dues payable	*V. 30*	**45,147,620.09**	40,654,851.89
Other payables	*V. 31*	**365,637,588.27**	265,576,439.57
Including: Interest payable			
Dividend payable		**100,118,800.12**	763,267.03
Fee and commission payable			
Reinsured accounts payable			
Liabilities held for sale			
Non-current liabilities due within one year	*V. 32*	**2,283,387,967.26**	1,558,093,634.54
Other current liabilities	*V. 33*	**251,198,408.38**	220,041,281.42
Total current liabilities		**30,298,852,019.21**	26,396,390,403.11
Non-current liabilities:			
Reserves for insurance contracts			
Long-term borrowings	*V. 34*	**3,162,900,000.00**	4,048,900,000.00
Bonds payable			
Including: Preference shares			
Perpetual bonds			
Lease liabilities	*V. 35*	**145,475,845.84**	152,585,672.14
Long-term payables			
Long-term employee compensation payable	*V. 36*	**95,240,104.91**	99,108,028.43
Estimated liabilities	*V. 37*	**261,572,288.72**	264,667,686.67
Deferred income	*V. 38*	**71,178,111.35**	85,322,154.61
Deferred tax liabilities	*V. 21*	**1,091,197,013.94**	1,281,810,227.37
Other non-current liabilities	*V. 39*	**71,301,634.38**	96,872,353.05
Total non-current liabilities		**4,898,864,999.14**	6,029,266,122.27
Total liabilities		**35,197,717,018.35**	32,425,656,525.38

CONSOLIDATED BALANCE SHEET

30 June 2025

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

Unit: Yuan Currency: RMB

Item	*Notes*	30 June 2025	31 December 2024
Owners' equity:			
Paid-in capital (or share capital)	*V. 40*	**1,413,506,378.00**	1,413,506,378.00
Other equity instruments			
Including: Preference shares			
Perpetual bonds			
Capital reserve	*V. 41*	**9,003,465,919.93**	9,003,324,664.95
Less: Treasury shares			
Other comprehensive income	*V. 42*	**3,112,476,870.97**	3,669,970,450.30
Special reserve	*V. 43*		
Surplus reserve	*V. 44*	**1,146,499,058.97**	1,146,499,058.97
Provision for general risks			
Retained earnings	*V. 45*	**3,018,378,797.80**	2,591,405,648.46
Total equity attributable to owners of the Parent Company		**17,694,327,025.67**	17,824,706,200.68
Non-controlling interests	*V. 46*	**3,420,268,713.76**	3,345,750,889.19
Total equity		**21,114,595,739.43**	21,170,457,089.87
Total liabilities and equity		**56,312,312,757.78**	53,596,113,615.25

Person in charge of the Company: **Luo Bing**

Person in charge of accounting: **Li Qiang**

Head of accounting department: **Zhao Na**

30 June 2025

BALANCE SHEET OF THE PARENT COMPANY

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

Unit: Yuan Currency: RMB

Item	Notes	30 June 2025	31 December 2024
Current assets:			
Cash at bank and on hand		**1,549,217,513.21**	1,478,825,829.58
Trading financial assets			
Derivative financial assets			
Notes receivable			
Accounts receivable	*XVIII. 1*		
Receivable financing			
Prepayments			
Other receivables	*XVIII. 2*	**726,391.83**	270,158.49
Including: Interest receivable			
Dividend receivable			
Inventories			
Including: Information resources			
Contract assets			
Assets held for sale			
Non-current assets due within one year			
Other current assets		**20,137,640.73**	20,448,640.03
Total current assets		**1,570,081,545.77**	1,499,544,628.10
Non-current assets:			
Debt investments			
Other debt investments			
Long-term receivables			
Long-term equity investments	*XVIII. 3*	**7,472,591,652.42**	7,093,483,944.51
Investments in other equity instruments		**7,077,284,566.64**	7,821,117,179.36
Other non-current financial assets			
Investment properties		**119,843,068.98**	123,111,781.50
Fixed assets		**3,133,763.52**	4,172,232.82
Construction in progress			
Productive biological assets			
Oil and gas assets			
Right-of-use assets		**1,594,295.16**	
Intangible assets			
Including: Information resources			
Development expenses			
Including: Information resources			
Goodwill			
Long-term deferred expenses			
Deferred tax assets		**593,246.20**	192,117.22
Other non-current assets			
Total non-current assets		**14,675,040,592.92**	15,042,077,255.41
Total assets		**16,245,122,138.69**	16,541,621,883.51

Person in charge of the Company:	Person in charge of accounting:	Head of accounting department:
Luo Bing	**Li Qiang**	**Zhao Na**

BALANCE SHEET OF THE PARENT COMPANY

30 June 2025

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

Unit: Yuan Currency: RMB

Item	Notes	30 June 2025	31 December 2024
Current liabilities:			
Short-term borrowings			
Trading financial liabilities			
Derivative financial liabilities			
Notes payable			
Accounts payable		**927,310.89**	1,285,801.45
Accounts collected in advance			
Contract liabilities			
Employee benefits payable			
Taxes payable		**2,029,331.87**	538,585.22
Other payables		**115,734,391.52**	17,168,778.53
Including: Interest payable			
Dividend payable		**99,718,800.12**	763,267.03
Liabilities held for sale			
Non-current liabilities due within one year		**1,004,208.42**	
Other current liabilities			
Total current liabilities		**119,695,242.70**	18,993,165.20
Non-current liabilities:			
Long-term borrowings			
Bonds payable			
Including: Preference shares			
Perpetual bonds			
Lease liabilities		**600,307.51**	
Long-term payables			
Long-term employee benefits payable			
Estimated liabilities			
Deferred income			
Deferred tax liabilities		**1,055,248,915.45**	1,240,808,494.84
Other non-current liabilities			
Total non-current liabilities		**1,055,849,222.96**	1,240,808,494.84
Total liabilities		**1,175,544,465.66**	1,259,801,660.04
Owners' equity:			
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		**8,247,376,954.80**	8,247,235,699.82
Less: Treasury shares			
Other comprehensive income		**3,164,422,113.58**	3,721,910,661.56
Special reserve			
Surplus reserve		**663,020,859.00**	663,020,859.00
Retained earnings		**1,581,251,367.65**	1,236,146,625.09
Total equity (or shareholders' equity)		**15,069,577,673.03**	15,281,820,223.47
Total liabilities and equity (or shareholders' equity)		**16,245,122,138.69**	16,541,621,883.51

Person in charge of the Company: **Luo Bing**   Person in charge of accounting: **Li Qiang**   Head of accounting department: **Zhao Na**

CONSOLIDATED INCOME STATEMENT

From January to June 2025

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

Unit: Yuan Currency: RMB

Item	Notes	1st half of 2025	1st half of 2024
I. Total operating revenue		**10,172,636,741.11**	8,728,536,063.65
Including: Operating revenue	*V. 50*	**10,172,636,741.11**	8,728,536,063.65
Interest income			
Premium earned			
Fee and commission revenue			
II. Total operating costs		**9,994,428,444.09**	8,658,050,461.36
Including: Operating costs	*V. 50*	**9,218,419,877.97**	8,079,818,322.37
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	*V. 51*	**23,743,301.09**	11,454,711.70
Selling expenses	*V. 52*	**12,169,312.95**	12,906,616.79
General and administrative expenses	*V. 53*	**309,540,092.02**	290,618,064.47
Research and development expense	*V. 54*	**549,656,510.52**	423,009,220.26
Financing cost	*V. 55*	**-119,100,650.46**	-159,756,474.23
Including: Interest expenses		**60,459,609.21**	53,527,454.83
Interest income		**196,337,751.14**	183,004,781.70
Add: Other income	*V. 56*	**98,929,395.67**	58,358,958.88
Investment income (loss expressed with "-")	*V. 57*	**405,636,862.98**	122,596,866.59
Including: Income from investment in associates and joint ventures		**358,620,177.75**	54,607,253.60
Derecognition income of financial assets measured at amortised cost (loss expressed with "-")			
Exchange gain (loss expressed with "-")			
Net gain from exposure hedging (loss expressed with "-")			
Gain from change in fair value (loss expressed with "-")	*V. 58*	**9,266,578.75**	-64,857,252.63
Loss on impairment of credit (loss expressed with "-")	*V. 59*	**-637,579.53**	-3,698,846.98
Loss on impairment of assets (loss expressed with "-")	*V. 60*	**-36,840,864.55**	
Gains from disposal of assets (loss expressed with "-")	*V. 61*	**-187,689.66**	-32,490,144.44
III. Operating profit (loss expressed with "-")		**654,375,000.68**	150,395,183.71
Add: Non-operating revenue	*V. 62*	**3,395,110.41**	1,564,607.84
Less: Non-operating expenses	*V. 63*	**1,656,879.38**	1,238,089.30
IV. Total profit (total loss expressed with "-")		**656,113,231.71**	150,721,702.25
Less: Income tax expense	*V. 64*	**54,405,068.22**	-33,905,499.07
V. Net profit (net loss expressed with "-")		**601,708,163.49**	184,627,201.32
(I) By continuity of operations			
1. Net profit from continuing operations (net loss expressed with "-")		**601,708,163.49**	184,627,201.32
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 "-")		**526,386,355.89**	146,845,686.17
2. Gain or loss attributable to non-controlling interests (net loss expressed with "-")		**75,321,807.60**	37,781,515.15

CONSOLIDATED INCOME STATEMENT

From January to June 2025

Item	Notes	1st half of 2025	1st half of 2024
VI. Net other comprehensive income after tax		**-558,365,322.44**	1,834,065,131.74
(I) Net other comprehensive income after tax attributable to owners of the Parent Company		**-557,961,339.41**	1,836,094,882.36
1. Other comprehensive income that may not be subsequently reclassified to profit and loss		**-557,403,654.73**	1,835,764,956.32
(1) Change in re-measurement of defined benefit plans			
(2) Other comprehensive income that may not be reclassified to profit or loss under equity method		**385,911.56**	159,254.51
(3) Change in fair value of investments in other equity instruments		**-557,789,566.29**	1,835,605,701.81
(4) Change in fair value of own credit risk			
2. Other comprehensive income that will be subsequently reclassified to profit or loss		**-557,684.68**	329,926.04
(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		**-557,684.68**	329,926.04
(7) Others			
(II) Net other comprehensive income after tax attributable to non-controlling interests		**-403,983.03**	-2,029,750.62
VII. Total comprehensive income		**43,342,841.05**	2,018,692,333.06
(I) Total comprehensive income attributable to owners of the Parent Company		**-31,574,983.52**	1,982,940,568.53
(II) Total comprehensive income attributable to non-controlling interests		**74,917,824.57**	35,751,764.53
VIII. Earnings per share:			
(I) Basic earnings per share (RMB/share)		**0.3724**	0.1039
(II) Diluted earnings per share (RMB/share)		**0.3724**	0.1039

Person in charge of the Company: **Luo Bing**　　Person in charge of accounting: **Li Qiang**　　Head of accounting department: **Zhao Na**

INCOME STATEMENT OF THE PARENT COMPANY

From January to June 2025

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

Unit: Yuan Currency: RMB

Item	Notes	1st half of 2025	1st half of 2024
I. Operating revenue	*XVIII. 4*	**7,332,000.00**	6,546,600.00
Less: Operating costs	*XVIII. 4*	**3,268,712.52**	3,268,712.52
Taxes and surcharges		**63,594.70**	47,167.20
Selling expenses			
General and administrative expenses		**6,726,105.48**	7,125,048.04
Research and development expense			
Financing cost		**-17,810,207.63**	-18,346,225.51
Including: Interest expenses		**23,902.77**	
Interest income		**17,839,572.59**	18,355,766.89
Add: Other income		**50,050.51**	22,846.07
Investment income (loss expressed with "-")	*XVIII. 5*	**432,954,270.37**	106,202,428.65
Including: Income from investment in associates and joint ventures		**378,580,541.37**	62,703,445.45
Derecognition income of financial assets measured at amortised cost (loss expressed with "-")			
Net gain from exposure hedging (loss expressed with "-")			
Gain from change in fair value (loss expressed with "-")			
Loss on impairment of credit (loss expressed with "-")			19,178.36
Loss on impairment of assets (loss expressed with "-")			
Gains from disposal of assets (loss expressed with "-")		**-187,689.66**	
II. Operating profit (loss expressed with "-")		**447,900,426.15**	120,696,350.83
Add: Non-operating revenue		**2,668.49**	
Less: Non-operating expenses		**3,551.69**	
III. Total profit (total loss expressed with "-")		**447,899,542.95**	120,696,350.83
Less: Income tax expense		**3,849,353.92**	3,623,480.55
IV. Net profit (net loss expressed with "-")		**444,050,189.03**	117,072,870.28
(I) Net profit from continuing operations (net loss expressed with "-")		**444,050,189.03**	117,072,870.28
(II) Net profit from discontinued operations (net loss expressed with "-")			
V. Net other comprehensive income after tax		**-557,488,547.98**	1,838,535,032.00
(I) Other comprehensive income that may not be subsequently reclassified to profit and loss		**-557,488,547.98**	1,838,535,032.00
1. Change in re-measurement of defined benefit plans			
2. Other comprehensive income that may not be reclassified to profit or loss under equity method		**385,911.56**	159,254.51
3. Change in fair value of investments in other equity instruments		**-557,874,459.54**	1,838,375,777.49
4. Change in fair value of own credit risk			
(II) Other comprehensive income that will be subsequently reclassified to profit or loss			
1. Other comprehensive income that may be reclassified to profit or loss under equity method			
2. Change in fair value of other debt investments			
3. Amount included in other comprehensive income on reclassification of financial assets			
4. Provision for credit impairment of other debt investments			
5. Cash flow hedges reserve			
6. Exchange differences arising from translation of foreign currency financial statements			
7. Others			
VI. Total comprehensive income		**-113,438,358.95**	1,955,607,902.28
VII. Earnings per share:			
(I) Basic earnings per share (RMB Yuan/share)			
(II) Diluted earnings per share (RMB Yuan/share)			

Person in charge of the Company: **Luo Bing**　Person in charge of accounting: **Li Qiang**　Head of accounting department: **Zhao Na**

CONSOLIDATED CASH FLOW STATEMENT

From January to June 2025

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

Unit: Yuan Currency: RMB

Item	Notes	1st half of 2025	1st half of 2024
I. Cash flows from operating activities:			
Cash received from sale of goods or rendering of services		**11,125,739,640.33**	5,983,801,579.67
Net increase in deposits from customers and deposits from other banks			
Net increase in loans from central bank			
Net increase in placements from other financial institutions			
Cash receipts of premium for direct insurance contracts			
Net cash received from reinsurance business			
Net increase in deposits from insurance policy holders and investment			
Cash receipts of interest, fees and commissions			
Net increase in placements from banks and non-bank financial institutions			
Net increase in sales and repurchase operations			
Cash receipts of brokerage for securities trading			
Cash received from tax refund		**396,122,919.77**	235,861,965.25
Other cash receipts relating to operating activities	*V. 71*	**196,740,756.33**	280,349,156.07
Sub-total of cash inflows from operating activities		**11,718,603,316.43**	6,500,012,700.99
Cash paid for goods and services		**9,428,457,919.13**	11,273,597,535.48
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		**500,338,003.84**	464,282,201.83
Payments of taxes		**103,192,991.43**	60,741,016.04
Other cash payments relating to operating activities	*V. 71*	**155,715,772.98**	259,078,607.89
Sub-total of cash outflows from operating activities		**10,187,704,687.38**	12,057,699,361.24
Net cash flows from operating activities		**1,530,898,629.05**	-5,557,686,660.25
II. Cash flows from investing activities:			
Cash receipts from disposal of investments		**6,489,851.67**	862,647.21
Cash receipts from investment income		**68,588,958.92**	14,594,892.76
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		**1,324,835.43**	377,320,653.56
Net cash receipts from disposal of subsidiaries and other business units			70,689.64
Other cash receipts relating to investing activities	*V. 71*	**3,816,260,795.79**	683,064,579.81
Sub-total of cash inflows from investing activities		**3,892,664,441.81**	1,075,913,462.98
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets		**106,020,746.34**	60,465,821.21
Cash paid for investments		**122,391,758.00**	117,376,907.88
Net increase in pledged loans			
Net cash paid for acquisition of subsidiaries and other business units			
Other cash payments relating to investing activities	*V. 71*	**2,387,327,082.82**	91,674,589.97
Sub-total of cash outflows from investing activities		**2,615,739,587.16**	269,517,319.06
Net cash flows from investing activities		**1,276,924,854.65**	806,396,143.92

Item	Notes	1st half of 2025	1st half of 2024
III. Cash flows from financing activities:			
Cash receipts from receiving investments			
Including: Cash received by subsidiaries from receiving investments made by non- controlling interests			
Cash receipts from borrowings		**100,000,000.00**	1,885,044,680.00
Other cash receipts relating to financing activities	*V. 71*		
Sub-total of cash inflows from financing activities		**100,000,000.00**	1,885,044,680.00
Cash paid for repayment of debts		**323,400,000.00**	1,359,300,000.00
Cash paid for dividends, profit distribution or interest expenses		**55,182,841.12**	52,427,896.16
Including: Dividends and profits paid by subsidiaries to non-controlling interests			
Other cash payments relating to financing activities	*V. 71*	**21,998,186.99**	21,969,406.29
Sub-total of cash outflows from financing activities		**400,581,028.11**	1,433,697,302.45
Net cash flows from financing activities		**-300,581,028.11**	451,347,377.55
IV. Effect of change in exchange rate on cash and cash equivalents		**-16,578,773.42**	21,629,075.25
V. Net increase in cash and cash equivalents		**2,490,663,682.17**	-4,278,314,063.53
Add: Beginning balance of cash and cash equivalents		**7,912,650,651.18**	9,701,160,074.84
VI. Ending balance of cash and cash equivalents		**10,403,314,333.35**	5,422,846,011.31

Person in charge of the Company:	Person in charge of accounting:	Head of accounting department:
Luo Bing	**Li Qiang**	**Zhao Na**

CASH FLOW STATEMENT OF THE PARENT COMPANY

From January to June 2025

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

Unit: Yuan Currency: RMB

Item	Notes	1st half of 2025	1st half of 2024
I. Cash flows from operating activities:			
Cash received from sale of goods or rendering of services		**7,991,880.00**	7,135,794.00
Cash received from tax refund			
Other cash receipts relating to operating activities		**721,923.70**	421,261.14
Sub-total of cash inflows from operating activities		**8,713,803.70**	7,557,055.14
Cash paid for goods and services		**94,612.80**	76,614.57
Cash paid to and on behalf of employees		**5,011,767.84**	5,055,558.33
Payments of taxes		**2,167,201.36**	2,207,930.04
Other cash payments relating to operating activities		**3,436,689.83**	3,796,559.65
Sub-total of cash outflows from operating activities		**10,710,271.83**	11,136,662.59
Net cash flows from operating activities		**-1,996,468.13**	-3,579,607.45
II. Cash flows from investing activities:			
Cash receipts from disposal of investments			
Cash receipts from investment income		**54,373,729.00**	
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		**946,778.00**	
Net cash receipts from disposal of subsidiaries and other business units			
Other cash receipts relating to investing activities		**315,208,750.00**	458,040,000.00
Sub-total of cash inflows from investing activities		**370,529,257.00**	458,040,000.00
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets		**255,224.84**	14,160.00
Cash paid for investments			
Net cash paid for acquisition of subsidiaries and other business units			
Other cash payments relating to investing activities		**50,000,000.00**	91,500,000.00
Sub-total of cash outflows from investing activities		**50,255,224.84**	91,514,160.00
Net cash flows from investing activities		**320,274,032.16**	366,525,840.00
III. Cash flows from financing activities:			
Cash receipts from receiving investments			
Cash receipts from borrowings			
Other cash receipts relating to financing activities			
Sub-total of cash inflows from financing activities			
Cash paid for repayment of debts			
Cash paid for dividends, profit distribution or interest expenses			
Other cash payments relating to financing activities		**450,562.67**	
Sub-total of cash outflows from financing activities		**450,562.67**	
Net cash flows from financing activities		**-450,562.67**	
IV. Effect of change in exchange rate on cash and cash equivalents		**-898.99**	-3,165.25
V. Net increase in cash and cash equivalents		**317,826,102.37**	362,943,067.30
Add: Beginning balance of cash and cash equivalents		**63,868,935.79**	50,975,239.22
VI. Ending balance of cash and cash equivalents		**381,695,038.16**	413,918,306.52

Person in charge of the Company: **Luo Bing**

Person in charge of accounting: **Li Qiang**

Head of accounting department: **Zhao Na**

CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY

From January to June 2025

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

Unit: Yuan Currency: RMB

Item	1st half of 2025													
	Equity attributable to shareholders of the Parent Company													
		Other equity instruments												
	Share capital	Preference shares	Perpetual bonds	Others	Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Provision for general risks	Retained earnings	Sub-total	Non-controlling interests	Total equity
I. Ending balance of last year	1,413,506,378.00				9,003,324,664.95		3,669,970,450.30		1,146,499,058.97		2,591,405,648.46	17,824,706,200.68	3,345,750,889.19	21,170,457,089.87
Add: Changes in accounting policies														
Correction of previous errors														
Business combination under common control														
Others														
II. Beginning balance of the year	1,413,506,378.00				9,003,324,664.95		3,669,970,450.30		1,146,499,058.97		2,591,405,648.46	17,824,706,200.68	3,345,750,889.19	21,170,457,089.87
III. Increase/decrease for the period (decrease expressed with "-")					141,254.98		-557,493,579.33				426,973,149.34	-130,379,175.01	74,517,824.57	-55,861,350.44
(I) Total comprehensive income							-557,961,339.41				526,386,355.89	-31,574,983.52	74,917,824.57	43,342,841.05
(II) Capital paid in and reduced by shareholders					141,254.98							141,254.98		141,254.98
1. Ordinary shares paid by shareholders														
2. Capital paid by holders of other equity instruments														
3. Amount of share-based payments recognised in owners' equity														
4. Others					141,254.98							141,254.98		141,254.98
(III) Profit distribution											-98,945,446.47	-98,945,446.47	-400,000.00	-99,345,446.47
1. Transfer to surplus reserve														
2. Transfer to provision for general risks														
3. Distribution to owners (or shareholders)											-98,945,446.47	-98,945,446.47	-400,000.00	-99,345,446.47
4. Others														
(IV) Transfer within owners' equity							467,760.08				-467,760.08			
1. Capitalization of capital reserve (or share capital)														
2. Capitalization of surplus reserve (or share capital)														
3. Loss offset by surplus reserve														
4. Transfer to retained earnings arising from change in defined benefit plans														
5. Transfer from other comprehensive income to retained earnings							467,760.08				-467,760.08			
6. Others														
(V) Special reserve														
1. Transfer in the period								18,242,505.69				18,242,505.69	15,207,211.46	33,449,717.15
2. Utilisation in the period								18,242,505.69				18,242,505.69	15,207,211.46	33,449,717.15
(VI) Others														
IV. Ending balance of the period	1,413,506,378.00				9,003,465,919.93		3,112,476,870.97		1,146,499,058.97		3,018,378,797.80	17,694,327,025.67	3,420,268,713.76	21,114,595,739.43

Person in charge of the Company:
Luo Bing

Person in charge of accounting:
Li Qiang

Head of accounting department:
Zhao Na

CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY

From January to June 2025

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

Unit: Yuan Currency: RMB

Item	1st half of 2024													
	Equity attributable to shareholders of the Parent Company												Non-controlling interests	Total equity
	Share capital	Other equity instruments: Preference shares	Other equity instruments: Perpetual bonds	Other equity instruments: Others	Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Provision for general risks	Retained earnings	Sub-total		
I. Ending balance of last year	1,413,506,378.00				9,003,416,519.77		2,607,526,251.42		1,116,371,040.28		2,276,749,345.46	16,417,569,534.93	3,189,468,188.69	19,607,037,723.62
Add: Changes in accounting policies														
Correction of previous errors														
Business combination under common control														
Others														
II. Beginning balance of the year	1,413,506,378.00				9,003,416,519.77		2,607,526,251.42		1,116,371,040.28		2,276,749,345.46	16,417,569,534.93	3,189,468,188.69	19,607,037,723.62
III. Increase/decrease for the period (decrease expressed with "-")					992,867.92		1,836,094,882.36				131,297,116.01	1,968,384,866.29	102,184,864.53	2,070,569,730.82
(I) Total comprehensive income							1,836,094,882.36				146,845,686.17	1,982,940,568.53	35,751,764.53	2,018,692,333.06
(II) Capital paid in and reduced by shareholders					992,867.92							992,867.92	66,633,100.00	67,625,967.92
1. Ordinary shares paid by shareholders													66,633,100.00	66,633,100.00
2. Capital paid by holders of other equity instruments														
3. Amount of share-based payments recognised in owners' equity														
4. Others					992,867.92							992,867.92		992,867.92
(III) Profit distribution											-15,548,570.16	-15,548,570.16	-200,000.00	-15,748,570.16
1. Transfer to surplus reserve														
2. Transfer to provision for general risks														
3. Distribution to owners (or shareholders)											-15,548,570.16	-15,548,570.16	-200,000.00	-15,748,570.16
4. Others														
(IV) Transfer within owners' equity														
1. Capitalization of capital reserve (or share capital)														
2. Capitalization of surplus reserve (or share capital)														
3. Loss offset by surplus reserve														
4. Transfer to retained earnings arising from change in defined benefit plans														
5. Transfer from other comprehensive income to retained earnings														
6. Others														
(V) Special reserve														
1. Transfer in the period								15,352,057.29				15,352,057.29	12,797,692.68	28,149,749.97
2. Utilisation in the period								15,352,057.29				15,352,057.29	12,797,692.68	28,149,749.97
(VI) Others														
IV. Ending balance of the period	1,413,506,378.00				9,004,409,387.69		4,443,621,133.78		1,116,371,040.28		2,408,046,461.47	18,385,954,401.22	3,291,653,053.22	21,677,607,454.44

Person in charge of the Company: **Luo Bing**

Person in charge of accounting: **Li Qiang**

Head of accounting department: **Zhao Na**

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

Unit: Yuan Currency: RMB

Item	1st half of 2025										
	Share capital	Other equity instruments: Preference shares	Other equity instruments: Perpetual bonds	Other equity instruments: Others	Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Retained earnings	Total equity
I. Ending balance of last year	1,413,506,378.00				8,247,235,699.82		3,721,910,661.56		663,020,859.00	1,236,146,625.09	15,281,820,223.47
Add: Changes in accounting policies											
Correction of previous errors											
Others											
II. Beginning balance of the year	1,413,506,378.00				8,247,235,699.82		3,721,910,661.56		663,020,859.00	1,236,146,625.09	15,281,820,223.47
III. Increase/decrease for the period (decrease expressed with "-")					141,254.98		-557,488,547.98			345,104,742.56	-212,242,550.44
(I) Total comprehensive income							-557,488,547.98			444,050,189.03	-113,438,358.95
(II) Capital paid in and reduced by shareholders					141,254.98						141,254.98
1. Ordinary shares paid by shareholders											
2. Capital paid by holders of other equity instruments											
3. Amount of share-based payments recognised in owners' equity											
4. Others					141,254.98						141,254.98
(III) Profit distribution										-98,945,446.47	-98,945,446.47
1. Transfer to surplus reserve											
2. Distribution to owners (or shareholders)										-98,945,446.47	-98,945,446.47
3. Others											
(IV) Transfer within owners' equity											
1. Capitalization of capital reserve (or share capital)											
2. Capitalization of surplus reserve (or share capital)											
3. Loss offset by surplus reserve											
4. Transfer to retained earnings arising from change in defined benefit plans											
5. Transfer from other comprehensive income to retained earnings											
6. Others											
(V) Special reserve											
1. Transfer in the period											
2. Utilisation in the period											
(VI) Others											
IV. Ending balance of the period	1,413,506,378.00				8,247,376,954.80		3,164,422,113.58		663,020,859.00	1,581,251,367.65	15,069,577,673.03

Person in charge of the Company: **Luo Bing**

Person in charge of accounting: **Li Qiang**

Head of accounting department: **Zhao Na**

STATEMENT OF CHANGES IN OWNERS' EQUITY OF THE PARENT COMPANY

From January to June 2025

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

Unit: Yuan Currency: RMB

Item	1st half of 2024										
		Other equity instruments									
	Share capital	Preference shares	Perpetual bonds	Others	Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Retained earnings	Total equity
I. Ending balance of last year	1,413,506,378.00				8,247,327,554.64		2,658,039,736.03		632,892,840.31	997,505,103.60	13,949,271,612.58
Add: Changes in accounting policies											
Correction of previous errors											
Others											
II. Beginning balance of the year	1,413,506,378.00				8,247,327,554.64		2,658,039,736.03		632,892,840.31	997,505,103.60	13,949,271,612.58
III. Increase/decrease for the period (decrease expressed with "-")					992,867.92		1,838,535,032.00			101,524,300.12	1,941,052,200.04
(I) Total comprehensive income							1,838,535,032.00			117,072,870.28	1,955,607,902.28
(II) Capital paid in and reduced by shareholders					992,867.92						992,867.92
1. Ordinary shares paid by shareholders											
2. Capital paid by holders of other equity instruments											
3. Amount of share-based payments recognised in owners' equity											
4. Others					992,867.92						992,867.92
(III) Profit distribution										-15,548,570.16	-15,548,570.16
1. Transfer to surplus reserve											
2. Distribution to owners (or shareholders)										-15,548,570.16	-15,548,570.16
3. Others											
(IV) Transfer within owners' equity											
1. Capitalization of capital reserve (or share capital)											
2. Capitalization of surplus reserve (or share capital)											
3. Loss offset by surplus reserve											
4. Transfer to retained earnings arising from change in defined benefit plans											
5. Transfer from other comprehensive income to retained earnings											
6. Others											
(V) Special reserve											
1. Transfer in the period											
2. Utilisation in the period											
(VI) Others											
IV. Ending balance of the period	1,413,506,378.00				8,248,320,422.56		4,496,574,768.03		632,892,840.31	1,099,029,403.72	15,890,323,812.62

Person in charge of the Company: **Luo Bing** Person in charge of accounting: **Li Qiang** Head of accounting department: **Zhao Na**

I. BASIC INFORMATION ON THE COMPANY

CSSC Offshore & Marine Engineering (Group) Company Limited (the "Company", together with its subsidiaries, the "Group"), formerly known as Guangzhou Shipyard International Company Limited, is a joint-stock company with limited liability independently established by Guangzhou Shipyard in 1993 as approved by Guo Jia Ti Gai Sheng [1993] No. 83. On 5 July 1993, it was converted into a public joint-stock company with limited liability as approved by Guo Jia Ti Gai Sheng [1993] No. 110. The Company was established on 7 June 1993, with its registered address at whole 15th Floor, Marine Tower, No. 137 Gexin Road, Haizhu District, Guangzhou and its headquarters located at whole 15th Floor, Marine Tower, No. 137 Gexin Road, Haizhu District, Guangzhou.

As approved by Circular (1993) No. 31 issued by the China Securities Regulatory Commission, Zheng Jian Fa Shen (1993) No. 26 issued by the China Securities Regulatory Commission and Circular Shang Zheng Shang (1993) No. 2076 issued by the Shanghai Stock Exchange, the Company publicly issued 337,279,600 A shares on 22 September 1993 which became listed on the Shanghai Stock Exchange on 28 October 1993, and publicly issued 157,398,000 H shares on 21 July 1993, which became listed and traded on The Stock Exchange of Hong Kong Limited on 6 August 1993. Its total share capital following public offering amounted to 494,677,600 shares.

Pursuant to the annual general meeting of 2010 and revised Articles of Association, the Company's paid up capital (share capital) transferred from capital reserves increased by RMB148,403,274, and relevant procedures of H shares and A shares were completed on 15 July 2011 and 19 July 2011, respectively. The registered capital upon change is RMB643,080,854.

According to the Approval for Guangzhou Shipyard International Company Limited to List Overseas for Issuing Foreign Stocks Capital (Zheng Jian Xu Ke [2014] No.117) issued by China Securities Regulatory Commission, the Company completed on 11 February 2014 the issuance of 345,940,890, 31,134,680 and 10,378,227 H Shares of RMB1 each to CSSC (Hong Kong) Shipping Company Limited ("CSSC HK"), Baosteel Resources International Co., Ltd. ("Baosteel International") and China Shipping (H.K.) Holdings Co., Ltd. ("China Shipping HK"), respectively. All issued shares are ordinary shares, and the registered capital upon change is RMB1,030,534,651.

According to the Replies on Approval of Issue of Shares by Guangzhou Shipyard International Company Limited to Parties Including China State Shipbuilding Corporation for Purchase of Assets and Raising of Related Financing (Zheng Jian Xu Ke [2015] No. 330) issued by the China Securities Regulatory Commission, on 8 April 2015, the Company made a non-public issuance of 272,099,300 ordinary shares of RMB1 each to China State Shipbuilding Corporation Limited ("CSSC") for purchase of CSSC's 85% equity interest in CSSC Huangpu Wenchong Shipbuilding Company Limited ("Huangpu Wenchong") and paid cash to CSSC for acquisition of 15% equity interest in Huangpu Wenchong; made a non-public issuance of 68,313,338 ordinary shares of RMB1 each to Yangzhou Kejin Shipyard Co., Ltd. for purchase of its relevant shipbuilding assets; and made a non-public issuance of 42,559,089 ordinary shares of RMB1 each to 7 specific investors. The registered capital upon change is RMB1,413,506,378.00.

On 8 May 2015, a resolution on change of the name of the Company was considered and passed at the first extraordinary general meeting of the Company for 2015, and the name of the Company was changed to "CSSC Offshore & Marine Engineering (Group) Company Limited" from "Guangzhou Shipyard International Company Limited".

On 6 November 2023, the Company received a new business license issued by Guangzhou Administration for Market Regulation (uniform social credit code: 91440101190499390U), with legal representative as Xiang Huiming and registered capital of RMB1,413,506,378.00.

The Company is engaged in the manufacturing of equipment for railways, ships, aerospace and other transportation facilities, and its scope of business is metal shipbuilding; marine equipment manufacturing; container manufacturing; metal structures manufacturing; metal pressure vessel manufacturing; mechanical parts processing; tempered glass manufacturing; cutting tool manufacturing; other furniture manufacturing; ship maintenance; general equipment repairs; engineering survey and design; machinery technology transfer services; interior decoration and design; water transport equipment rental services; container leasing services; machinery and equipment leasing; construction general contracting services; overseas dispatch of all kinds of labour service personnel (excluding seamen); provision of docks, barge anchorages, floats and other facilities for ships.

The Company's controlling shareholder is CSSC which is a wholly state-owned company incorporated in the PRC, while the ultimate controlling party of the Company is the State-owned Assets Supervision and Administration Commission of the State Council.

These financial statements were approved by the Board of the Company on 28 August 2025.

II. BASIS FOR PREPARATION OF FINANCIAL STATEMENTS

1. Basis for preparation

These consolidated financial statements have been prepared in accordance with the "Accounting Standards for Business Enterprises – Basic Standards" and various specific accounting standards, the application guidelines for the Accounting Standards for Business Enterprises, the Interpretation of the Accounting Standards for Business Enterprises and other relevant requirements by the Ministry of Finance (hereinafter referred to as the "Accounting Standards for Business Enterprises"), and No. 15 of regulations on information disclosures of companies that issue public offering shares – General Rules of preparing financial reports issued by China Securities Regulatory Commission (CSRC) and the relevant requirements by Hong Kong Companies Ordinance and the Listing Rules of the Hong Kong Stock Exchange.

2. Going concern

The management of the Group has assessed its ability to operate on a continuing basis for the 12 months from 30 June 2025 and is of the view that its existing financial position should be sufficient to meet the production and operation of the Group. These financial statements are prepared on a going-concern basis.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

The Group adopts accounting policies and accounting estimates based on the features of its own production and operation, which cover the recognition and measurement of provision for bad debts for receivables, measurement of inventories delivered, methods for classification and depreciation of fixed assets, amortisation of intangible assets, amortisation of long-term deferred expenses, and recognition and measurement of revenue.

1. Statement of compliance with Accounting Standards for Business Enterprises

The financial statements have been prepared by the Company in conformity with the China Accounting Standards for Business Enterprises by the Ministry of Finance, and present truly and completely the Company's financial position as at 30 June 2025, operating results and cash flow and other related information from January to June 2025.

2. Accounting period

The accounting period is from 1 January to 31 December of each calendar year.

3. Operating cycle

The Group's operating cycle is 12 months.

4. Reporting currency

The Company uses RMB as its reporting currency. The Company's subsidiaries may determine their reporting currencies based on the major economic environment in which they operate their business. Wah Shun, Wah Loong, Wan Sheng, Wan Xiang, Wan Xing, Wan Rui and Wan Yu use Hong Kong dollars as their reporting currency. The financial statements were presented in RMB.

5. Accounting treatment methods for business combinations under and not under common control

(1) Business combination under common control

For the assets and liabilities acquired from business combination by the combining party (including the goodwill formed by the acquisition by the final controller of the combinee), they are measured at book value of assets and liabilities in the consolidated financial statements of the final controller on the combination date. The stock premium in capital reserves is adjusted according to the difference between the book value of net assets acquired through combination and the book value of consideration paid for the combination (or total par value of shares issued). If the stock premium in capital reserves is insufficient to cover the difference, the remaining amount will be charged against retained earnings.

(2) Business combination not under common control

The combination costs are the fair value, on the acquisition date, of any assets acquired, any liabilities incurred or assumed, and any equity securities issued by the acquirer, in exchanges for the right of control over the acquiree. The Company shall recognize the difference of the combination costs in excess of the fair value of the identifiable net assets acquired from the acquiree as goodwill. The Company shall recognize the difference of the combination costs in short of the fair value of the identifiable net assets acquired from the acquiree in the current profit or loss. The identifiable assets, liabilities, and contingent liabilities of the acquiree that are obtained by the acquirer from combination and conform to the recognition criteria shall be measured at the fair value on the acquisition date.

Direct relevant expenses arising from the business combination are included in the current profit or loss upon occurrence. Trading expenses on issuing equity securities or debt securities for the business combination are included in the initially recognized amount of the equity securities or the debt securities.

6. Judgement criteria for control and methods of preparation of consolidated financial statements

(1) Criteria for judging control

The consolidation scope of consolidated financial statements is determined on the basis of control, covering the Company and all the subsidiaries. Control means the Company has the power over the investee and enjoys the variable return through participating in activities related to the investee, and has the ability to affect the Company's return by using the power over the investee.

(2) Procedures for consolidation

The Company regards the entire enterprise group as an accounting entity and prepares consolidated financial statements in accordance with unified accounting policies to reflect the overall financial status, operating results and cash flow of the enterprise group. The influence of internal transactions between the Company and its subsidiaries or between subsidiaries shall be offset. If internal transactions indicate that the relevant assets have suffered impairment losses, this part of losses shall be confirmed in full. If the accounting policies or accounting periods of a subsidiary are different from those of the Company, the consolidated financial statements of the subsidiary, upon preparation, will be adjusted according to the accounting policies and accounting periods of the Company.

The share of shareholders' equity, current net profit or loss and current comprehensive income of subsidiaries attributable to minority shareholders are respectively and separately presented under the shareholders' equity in the consolidated balance sheet, the net profit in the consolidated income statement, and the total comprehensive income in the consolidated income statement. If the current loss shared by a minority shareholder of a subsidiary exceeds the balances arising from the shares enjoyed by the minority shareholder in the shareholders' equity of the subsidiary at the beginning of the period, minority equity will be written down accordingly.

1) Increase of subsidiaries or business

During the reporting period, where the Company acquired subsidiaries or business from the business combination under common control, the operating results and cash flows of the newly acquired subsidiaries or business from the beginning of the period for business combination to the end of the reporting period are included in the consolidated financial statements; the beginning amount of the consolidated financial statements and relevant items in the comparative statements are adjusted accordingly, as if the reporting entity after the business combination exists as of the time when the ultimate controller has the control.

Where control can be exercised on the investee under the common control for additional investment or other reasons, equity investments held before the control over the combined party is obtained, the related profits or losses, other comprehensive income as well as other changes in net assets recognized from the later between the date when the original equity is obtained and the date when the acquirer and the acquiree are under common control to the combination date will respectively write down the beginning retained earnings or the current profit or loss during the period for comparing financial statements.

During the reporting period, if the Company acquired subsidiaries or business from the business combination not under common control, all identifiable assets, liabilities and contingent liabilities will be included in the consolidated financial statements from the purchase date based on their fair value determined on purchase date.

Where the Company can control the investee not under common control for additional investments, it shall re-measure equity of the acquiree held before the acquisition date at the fair value of such equity on the acquisition date and include the difference between the fair value and book value in the current investment income. Where equity of the acquiree held before the acquisition date involves in other comprehensive income that can be reclassified into profit or loss and other changes in shareholders' equity accounted for under the equity method shall be transferred to the investment income in the year which the acquisition date falls in.

2) Disposal of subsidiaries

① General treatment methods

When the Company losses the control over the investee due to disposal of partial equity investment or other reasons, the remaining equity investment after the disposal should be re-measured by the Company at the fair value thereof on the date of losing the control. The difference of total amount of the consideration from disposal of equities plus the fair value of the remaining equities less the shares calculated at the original shareholding ratio in net assets and goodwill of the original subsidiary which are continuously calculated as of the acquisition date or combination date shall be included in the investment income of the period at the loss of control. Other comprehensive income that will be reclassified into profit or loss later associated with the equity investments of the original subsidiary, or the changes in other shareholders' equity calculated under the equity method, shall be transferred into investment income of the current period when control is lost.

② Disposal of subsidiaries by stages

If the control is lost due to disposal of the equity investments in subsidiaries through multiple transactions by stages, and the terms, conditions and economic impact of the transactions related to the disposal of equity investments in subsidiaries meet one or more of the following circumstances, it usually indicates that multiple transactions will be treated a package deal:

I. The transactions are concluded at the same time or under the consideration of mutual effect;

II. These transactions as a whole can reach a complete business result;

III. The occurrence of a transaction depends on that of other transaction or more;

IV. A single transaction is uneconomical but it is economical when considered together with other transactions.

Where various transactions belong to a package deal, accounting treatment shall be made by the Company on the transactions as a transaction to dispose subsidiaries and lose the control; the difference between each disposal cost and net asset share in the subsidiaries corresponding to each disposal of investments before loss of the control should be recognized as other comprehensive income in the consolidated financial statements and should be transferred into the current profit or loss at the loss of the control.

Where various transactions do not belong to a package deal, before the loss of the control, accounting treatment shall be made according to the partial disposal of equity investments in the subsidiary without losing control; at the loss of the control, accounting treatment shall be made according to general treatment methods for disposal of subsidiaries.

3) *Purchase of minority interest of subsidiaries*

The share premium in the capital reserves under the consolidated balance sheet will be adjusted at the difference between the long-term equity investment acquired by the Company for the purchase of minority interest and the share of net assets calculated constantly from the acquisition date or combination date according to the newly increased shareholding ratio. If the share premium is insufficient to offset, retained earnings will be adjusted.

4) *Partial disposal of equity investments in subsidiaries without losing control*

The equity premium of capital reserves in the consolidated balance sheet will be adjusted according to the difference between the disposal price and the share of net assets of subsidiaries calculated from the acquisition date or the combination date corresponding to the disposal of long-term equity investments; if the equity premium of capital reserves is insufficient, the retained earnings will be adjusted.

7. Classification of joint arrangement and accounting method for joint operation

Joint arrangement of the Group includes joint operation and joint venture. As for joint operation projects, the Group, as the joint venture party in the joint operation, recognises assets and liabilities that it holds and assumes individually, and the assets and liabilities that it holds or assume in proportion, and related income and fees will be recognised according to the related agreed individual or in proportion of assets and liabilities. For assets transactions that are purchased or sale under joint operation that do not constitute business, assets and liabilities are recognised only when profit or loss incurred from that transaction attributable to the other parties under the joint operation.

The Group's investments in joint ventures and associates are accounted for by the equity method, see Long-term equity investments accounted for under the equity method.

8. Cash and cash equivalents

Cash in the cash flow statement of the Group represents the cash on hand and the deposit in bank available for payment at any time. Cash equivalents cash flow statement are terms which are less than three months, highly liquid investments that are readily convertible to known amounts of cash and subject to an insignificant risk of value change.

9. Foreign currency transactions and translation of foreign currency financial statements

(1) Foreign currency transaction

When the Group translates the total revenue from foreign currency contracts, the amount to be converted into RMB includes the amounts received and uncollected, of which: the foreign currency received shall be translated at the amount of the reporting currency determined at the time of collection; the foreign currency uncollected shall be translated at the spot exchange rate (mid-rate) on the date of revenue recognition translated. When the Group tests the impairment of foreign currency sales contracts, the portion of the uncollected foreign currency revenue for which the exchange rate has been locked in using hedging instruments is translated at the locked-in exchange rate, and the portion for which the exchange rate has not been locked in is translated at the bank forward quotation rate. For transactions other than those mentioned above, the Group's foreign currency transactions are translated into RMB amounts at the spot exchange rate on the date of the transaction.

At the balance sheet date, monetary items denominated in foreign currencies are translated into RMB using the spot exchange rate at the balance sheet date. The resulting translation differences are recognized directly in profit or loss for the current period, except for exchange differences arising from special borrowings in foreign currencies for the purpose of acquiring or producing assets eligible for capitalisation, which are treated in accordance with the principle of capitalisation. Non-monetary items measured in terms of historical cost in foreign currencies continue to be measured at the amount in the functional currency of account translated at the spot rate on the date of the transaction. Non-monetary items measured at fair value in foreign currencies are translated using the spot exchange rate at the date when the fair value was determined. The difference between the translated amount in the carrying amount in the functional currency and the original amount in the functional currency is treated as a change in fair value (including exchange rate changes) and recognized in profit or loss or other comprehensive income for the current period.

(2) Translation of foreign currency financial statements

For the Group's foreign operations, the Group prepares its financial statements by translating the functional currency of accounts into RMB: assets and liabilities in the balance sheet are translated at the spot exchange rate at the balance sheet date; all items in the owner's equity category, except for "Undistributed profit", are translated at the spot exchange rate at the time of the transaction; income and expense items in the income statement are translated at the average of the spot exchange rates at the beginning and end of the period. The income and expense items in the income statement are translated at the average of the spot exchange rates at the beginning and end of the period. The translation differences arising from the above translation are recognized as other comprehensive income. Upon disposal of a foreign operation, the translation differences related to the foreign currency statement are transferred to profit or loss in the year of disposal, or partially disposed of in proportion to the disposal.

Cash flows in foreign currencies and cash flow items from foreign operations are translated at the average of the spot exchange rates at the beginning and end of the period. The amount of the effect of exchange rate changes on cash is presented separately in the statement of cash flows.

10. Financial instruments

When the Group becomes a party in the financial instrument contract, a financial asset or financial liability will be recognised.

(1) Classification of financial instruments

Based on the business model under which the Group manages assets and the characteristics of contractual cash flows of financial assets, the financial assets are divided into financial assets at amortised cost, financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss.

The Group classifies financial assets that meet all of the following conditions and are not designated as financial assets at fair value through profit or loss, as financial assets at amortised cost:

- the objective of the business model is to collect contractual cash flows;
- the contractual cash flows are solely payments of principal and interest on the principal amount outstanding.

The Group classifies financial assets that meet all of the following conditions and are not designated as financial assets at fair value through profit or loss, as financial assets at fair value through other comprehensive income (debt instruments):

- the objective of the business model is both collecting contractual cash flows and selling the financial assets;
- the contractual cash flows are solely payments of principal and interest on the principal amount outstanding.

For equity instruments not held for trading, the Group can irrevocably designate them as financial assets at fair value through other comprehensive income (equity instruments) at the time of initial recognition. The designation is made on the basis of a single investment, and the relevant investment meets the definition of an equity instrument from the issuer's perspective.

Except for the aforementioned financial assets at amortised cost and at fair value through other comprehensive income, the Group classifies all other financial assets as financial assets at fair value through profit or loss. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at fair value through other comprehensive income as at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial liabilities are classified at the time of initial recognition as: financial liabilities at fair value through profit or loss, and financial liabilities at amortised cost.

When meeting any of the following criteria, the Company may, at initial recognition, designate a financial liability as measured at fair value through current profit or loss:

1) Such designation would eliminate or significantly reduce a measurement or recognition inconsistency.

2) A group of financial liabilities or financial assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the entity's key management personnel.

3) The financial liabilities include embedded derivatives which can be split separately.

Under the above criteria, such financial liabilities designated by the Group consist mainly of: forward settlements.

(2) Recognition basis and measurement method of financial instruments

1) Financial assets at amortised cost

Financial assets at amortised cost, including notes receivable, accounts receivable, other receivables, long-term receivables and debt investments, are initially measured at fair value, with related transaction costs recognized in the initial recognition amount; accounts receivable that do not contain a significant financing component and those that the Group has decided not to consider a financing component not more than one year are initially measured at the contractual transaction price.

Interest calculated using the effective interest method during the holding period is recognized in the profit or loss for the current period.

During recovery or disposal, the difference between the obtained price and the carrying amount of the financial assets shall be recognized in the profit or loss for the current period.

2) Financial assets at fair value through other comprehensive income (debt instruments)

Financial assets at fair value through other comprehensive income (debt instruments), including receivables financing and other debt investments, are initially measured at fair value with related transaction costs included in the initially recognized amount. These financial assets are subsequently measured at fair value, and changes in fair value are included in other comprehensive income, except for interest, impairment losses or gains and exchange gains or losses calculated using the effective interest method.

Upon derecognition, the accumulated gains or losses previously included in other comprehensive income shall be transferred from other comprehensive income and included in the current profit and loss.

3) Financial assets at fair value through other comprehensive income (equity instruments)

Financial assets at fair value through other comprehensive income (equity instruments), including investments in other equity instruments, are initially measured at fair value, with related transaction costs included in the initial recognition amount. These financial assets are subsequently measured at fair value, with changes in fair value included in other comprehensive income. Dividends received are included in the profit or loss for the current period.

Upon derecognition, the accumulated gains or losses previously included in other comprehensive income are transferred to retained earnings from other comprehensive income.

4) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss, including financial assets held-for-trading, derivative financial assets and other non-current financial assets, are initially measured at fair value, with related transaction costs included in the profit or loss for the current period. These financial assets are subsequently measured at fair value, with changes in fair value included in the profit or loss for the current period.

5) *Financial liabilities at fair value through profit or loss*

Financial liabilities at fair value through profit or loss, including financial liabilities held-for-trading and derivative financial liabilities, are initially measured at fair value, with related transaction costs included in the profit or loss for the current period. The financial liabilities are subsequently measured at fair value, with changes in fair value included in the profit or loss for the current period.

Upon derecognition, the difference between its carrying amount and the consideration paid is included in the profit or loss for the current period.

6) *Financial liabilities at amortised cost*

Financial liabilities at amortised cost, including short-term borrowings, notes payable, accounts payable, other payable, long-term borrowings, bonds payable and long-term payable, are initially measured at fair value, with related transaction costs included in the initial recognition amount.

Interest calculated using the effective interest method during the holding period is included in the profit or loss for the current period.

When the derecognition is implemented, the difference between the consideration paid and the carrying amount of the financial liabilities are included in the profit or loss for the current period.

(3) Recognition basis and measurement method for financial asset derecognition and financial asset transfer

The Group derecognizes financial assets when one of the following conditions is met:

- The contractual right to receive cash flows from the financial asset is terminated;
- The financial assets have been transferred, and almost all the risks and rewards in the ownership of the financial assets have been transferred to the transferee;
- The financial assets have been transferred, though the Group neither transfers nor retains almost all the risks and rewards in the ownership of the financial assets, it does not retain control over the financial assets.

If the Group and the counterparty modify or renegotiate the contract, which constitutes a substantial modification, the original financial assets will be terminated and a new financial asset will be recognized according to the modified terms.

The financial assets are not derecognized when their transfer occurs and substantially all the risks and rewards of ownership of the financial asset are retained.

In the event of determining whether the transfer of financial assets meets the derecognition conditions above, the principle of substance over form shall be adopted.

The Group divides the transfer of financial assets into overall transfer and partial transfer. Where the transfer of financial assets as a whole meets the derecognition conditions, the difference between the following two amounts is recognised in the profit or loss for the current period:

1) The carrying amount of the transferred financial assets;

2) The sum of the consideration received from the transfer, and the accumulated change amount of fair value originally recorded directly in shareholders' equity (in the case where the financial assets involved in the transfer are financial assets at fair value through other comprehensive income (debt instruments)).

Where the partial transfer of financial assets satisfies the derecognition conditions, the carrying amount of the financial assets transferred as a whole shall be apportioned between the derecognized portion and the unrecognized portion based on their respective relative fair values, and the difference between the following two amounts shall be recognized in the profit or loss for the current period:

1) The carrying amount of the derecognized portion;

2) The sum of the consideration received for the derecognized portion and the amount specific to the derecognized portion in the cumulative change amount of fair value originally recorded directly in shareholders' equity (in the case where the financial assets involved in the transfer are financial assets measured at fair value through other comprehensive income (debt instrument)).

Where the transfer of financial assets doesn't satisfy the derecognition conditions, the financial assets shall be continually recognized, and the consideration received shall be recognized as one financial liability.

(4) Derecognition of financial liabilities

A financial liability (or part of it) is derecognised when and only when the obligation specified in the contract is discharged or cancelled. An agreement between the Group and a lender to replace the existing financial liability with a new financial liability with substantially different terms is accounted for as an extinguishment of the existing financial liability and the recognition of a new financial liability.

As for substantive changes made to the contract terms (whole or in part) of the existing financial liabilities, the existing financial liabilities (or part of it) will be derecognised. And financial liabilities after term revision will be recognised as a new financial liability.

Where the financial liabilities are derecognized in whole or in part, the difference between the carrying amount of financial liabilities derecognized and the consideration paid (including non-cash assets transferred or new financial liabilities assumed) shall be recognized in the profit or loss for the current period.

Where the Group repurchases part of its financial liabilities, it shall, on the repurchase date, allocate the carrying amount of financial liabilities as a whole according to the comparative fair value of the part that continues to be recognized and the derecognized part. The difference between the carrying amount allocated to the derecognized part and the considerations paid (including non-cash assets transferred and the new financial liabilities assumed) shall be recognised in the current profit or loss.

(5) Recognition methods of the fair value of financial assets and financial liabilities

As for the financial instruments for which there is an active market, the quoted prices in the active market shall be used to determine the fair values thereof. Where there is no active market for a financial instrument, the valuation techniques shall be adopted to determine its fair value. At the time of valuation, the Group adopts the valuation technique that is applicable to the current circumstance and is supported by sufficient available data and other information to select the input values consistent with the assets or liabilities characteristics that are considered by market participants in transactions of relevant assets and liabilities and shall give priority in the use of observable input values. The unobservable input values may be used only when the observable input values are unable or unpractical to be obtained.

(6) Test method and accounting treatment method of impairment of financial instruments

On the basis of expected credit losses, the Group conducts impairment accounting treatment for financial assets at amortised cost, financial assets at fair value through other comprehensive income (debt instruments), and financial guarantee contracts.

When calculating the probability-weighted present value of the difference between the contractual cash flow receivable and forecasted cash flows to be received, the Group takes reasonable and supportable information such as the past events, current conditions and forecasts of future economic conditions into consideration and uses probabilities of default as the weightings. The difference is recognised as expected credit losses.

For receivables and contract assets which arise from transactions governed by the Accounting Standards for Business Enterprises No. 14 – Revenue, their loss allowance is always measured at the amount of the expected credit losses for the lifetime.

For lease receivables which arise from transactions governed by the Accounting Standards for Business Enterprises No. 21 – Leases, their loss allowance is always measured at the amount of the expected credit losses for the lifetime.

For other financial instruments, the Group assesses at each balance sheet date the changes in the credit risk of relevant financial instruments since initial recognition.

The Group compares financial instruments' default risk on the balance sheet date with their default risk on the date of initial recognition, to determine the relative changes in the risk of default during the expected lifetime of financial instruments, so as to assess whether the credit risk of financial instruments have increased significantly since initial recognition. The Group considers that the credit risk of a financial instrument has increased significantly if the financial instrument is overdue for more than 30 days, unless there is conclusive evidence that the credit risk has not increased significantly since initial recognition.

If the credit risk of a financial instrument is low at the balance sheet date, the Group considers that the credit risk of the financial instrument has not increased significantly since initial recognition.

If the credit risk of the financial instrument has increased significantly since initial recognition, the Group measures its loss allowance at an amount equal to the expected credit losses over the lifetime of the financial instrument. Otherwise, the Group measures its loss allowance at an amount equal to the expected credit loss of the financial instrument over the next 12 months. The resulting increase or reversal of the loss allowance is recognized as an impairment loss or gain in the profit or loss for the current period. For financial assets at fair value through other comprehensive income (debt instruments), the Group recognises its loss allowance in other comprehensive income, includes impairment loss or gain in the profit or loss for the current period, and does not reduce the carrying amount of the financial assets shown in the balance sheet.

If there is objective evidence that a receivable is credit impaired, the Group shall provide for impairment of that receivable on an individual basis.

Except for the above-mentioned receivable with provision for bad debts made on an individual basis, the Group divides the remaining financial instruments into several portfolios according to the credit risk characteristics, and determines the expected credit losses based on portfolios.

Where the Group no longer has a reasonable expectation that the contractual cash flows from a financial asset will be fully or partially recovered, the book balance of the financial asset shall be written down directly.

11. Receivables

(1) Recognition method and accounting treatment method for expected credit losses of notes receivable

For details of the recognition method and accounting treatment method for expected credit losses of notes receivable, please refer to "III. 10(6) Test method and accounting treatment method of impairment of financial instruments" in this note.

(2) Portfolio categories and determination basis of notes receivable with provision for bad debts made according to the credit risk characteristic portfolio

Except for notes receivable with provision for bad debts made on an individual basis, the Group divides the remaining notes receivable into several portfolios according to the credit risk characteristics, and determines the expected credit loss based on portfolios. The portfolio categories and determination basis of notes receivable subject to provision of expected credit losses are as follows:

Item	Portfolio categories	Determination basis
Notes receivable	Bank acceptance bills	The drawer has a high credit rating with no historical default of bills, extremely low credit loss risk, and strong ability to perform its obligation of contractual cash flow payment within a short period of time.
	Commercial acceptance bills (including finance company acceptance bills) among related parties	Commercial acceptance bills (including finance company acceptance bills) among related parties within the scope of consolidation of the Group have similar credit risk characteristics.
	Commercial acceptance bills among non-related parties	Commercial acceptance bills with the same aging that are not within the scope of consolidation of the Group have similar credit risk characteristics.

The details of the provision method are as follows:

1) For bank acceptance bills and commercial acceptance bills (including finance company acceptance bills) among related parties that have no indication of impairment, the Group determines that no expected credit loss exists and no provision for bad debts is made.

2) For other notes receivable that are not individually tested, the Group determines the estimated default loss rate (see the table below) based on the actual credit losses in prior years and taking into account forward- looking information for the current period, and calculates the expected credit losses of notes receivable based on the estimated default loss rate and makes provision for bad debts.

Aging	Estimated default loss rate of notes receivable (%)
0 – 6 months (6 months inclusive)	0
6 months – 1 year (1 year inclusive)	0.5
1 year – 2 years (2 years inclusive)	10
2 years – 3 years (3 years inclusive)	30
3 years – 5 years (5 years inclusive)	80
Over 5 years	100

(3) Judgment criteria for individual provision in relation to notes receivable with provision for bad debts made on an individual basis

If there is objective evidence that a notes receivable is credit impaired, the Group shall provide for impairment of that notes receivable on an individual basis.

(4) Recognition method and accounting treatment method for expected credit losses of accounts receivable

For details of the recognition method and accounting treatment method for expected credit losses of accounts receivable, please refer to "III. 10(6) Test method and accounting treatment method of impairment of financial instruments" in this note.

(5) Portfolio categories and determination basis of accounts receivable with provision for bad debts made according to the credit risk characteristic portfolio

Except for accounts receivable with provision for bad debts made on an individual basis, the Group divides the remaining accounts receivable into several portfolios according to the credit risk characteristics, and determines the expected credit losses based on portfolios. The portfolio categories and determination basis of accounts receivable subject to provision of expected credit losses are as follows:

Item	Portfolio categories	Determination basis
Accounts receivable	Related Parties portfolio	Accounts receivable among related parties within the scope of consolidation of the Group have similar credit risk characteristics
	Portfolio of government units and public institutions	Based on the nature of businesses, accounts receivable from governmental units and public institutions have similar credit risk characteristics
	Aging portfolio	Accounts receivable with the same aging have similar credit risk characteristics

The details of the provision method are as follows:

1) For the accounts receivable from related parties, accounts receivable from governmental units and public institutions and other accounts receivable that have no indication of impairment, the Group determines that no expected credit loss exists and no provision for bad debts is made.

2) For the accounts receivable which have not been tested individually, based on the actual credit loss for previous years and considering forwarding information for the year, the Group determines the estimated default loss rate (see the table below), and determines the expected credit loss of accounts receivable and makes provision for bad debts based on the estimated default loss rate.

Ageing	Estimated default loss rate on accounts receivable (%)
0 – 6 months (6 months inclusive)	0
6 months – 1 year (1 year inclusive)	0.5
1 year – 2 years (2 years inclusive)	10
2 years – 3 years (3 years inclusive)	30
3 years – 5 years (5 years inclusive)	80
Over 5 years	100

(6) Judgment criteria for individual provision in relation to accounts receivable with provision for bad debts made on an individual basis

If there is objective evidence that a accounts receivable is credit impaired, the Group shall provide for impairment of that accounts receivable on an individual basis.

12. Other receivables

(1) Recognition method and accounting treatment method for expected credit losses of other receivables

For details of the recognition method and accounting treatment method for expected credit losses of other receivables, please refer to "III. 10(6) Test method and accounting treatment method of impairment of financial instruments" in this note.

(2) Portfolio categories and determination basis of bad debt provision made according to credit risk characteristic portfolio

Except for the above-mentioned other receivables with provision for bad debts made on an individual basis, the Group divides the remaining financial instruments into several portfolios according to the credit risk characteristics, and determines the expected credit loss based on portfolios. The portfolio categories and determination basis of other receivables subject to provision of expected credit losses are as follows:

Item	Portfolio categories	Determination basis
Other receivables	Portfolio of deposit and security deposit that are not past due	Based on the nature of businesses, deposit and security deposit that are not past due have similar credit risk characteristics
	Portfolio of retained reserve and employee loans	Based on the nature of businesses, retained reserve and employee loans have similar credit risk characteristics
	Related parties portfolio within the scope of consolidation of the Group	Other receivables among related parties within the scope of consolidation of the Group have similar credit risk characteristics
	Portfolio of government units and public institutions	Based on the nature of businesses, other receivables from governmental units and public institutions have similar credit risk characteristics
	Aging portfolio	Other receivables with the same aging have similar credit risk characteristics

The details of the provision method are as follows:

1) For other receivables from related parties, outstanding deposits and security deposits, retained reserve and employee loans, other receivables from government and institutions without indication of impairment, the Group determines that no expected credit loss exists and no provision for bad debts is made.

2) For other receivables which have not been tested individually, based on the actual credit loss for previous years and considering forwarding information for the year, the Group determines the estimated default loss rate (see the table below), and determines the expected credit loss of other receivables and makes provision for bad debts based on the estimated default loss rate.

Ageing	Estimated default loss rate on other receivables (%)
0 – 6 months (6 months inclusive)	0
6 months – 1 year (1 year inclusive)	0.5
1 year – 2 years (2 years inclusive)	10
2 years – 3 years (3 years inclusive)	30
3 years – 5 years (5 years inclusive)	80
Over 5 years	100

(3) Judgment criteria for individual provision in relation to other receivables with provision for bad debts made on an individual basis

If there is objective evidence that an other receivable is credit impaired, the Group shall provide for impairment of that other receivable on an individual basis.

13. Inventories

(1) Classification and costs of inventories

The inventories of the Group mainly include raw materials, work in progress, turnover material, finished goods, goods in transit and costs to fulfil a contract, etc..

Inventories are initially measured at cost, which includes the cost of purchase, processing costs and other expenses incurred in bringing the inventories to their present location and condition.

(2) Valuation method of inventory delivered

When inventories are delivered, the actual cost is determined using the weighted-average method or the first-in, first-out method. For inventories that cannot be substituted for use or purchased or manufactured specifically for a particular project, the Group uses the individual valuation method to determine the cost of inventories delivered.

(3) Inventory system

The Group maintains a perpetual inventory system.

(4) Amortization method of low-value consumables and packaging materials

1) Low-value consumables adopt the the one-time reversal method;

2) The packaging materials adopt the one-time reversal method.

(5) Recognition criteria of provision for inventory value decline and the provision method

At the balance sheet date, inventories are measured at the lower of cost and net realizable value. In determining the net realizable value of inventories, the determination is based on conclusive evidence obtained, taking into account the purpose for which the inventories are held and the effect of post-balance sheet events.

The net realisable value of finished goods, work in process and materials for sale is determined by estimated price deducting estimated selling costs and related taxes. The net realisable value of production materials is determined by estimated price deducting estimated completion cost, sale expenses and related sales taxes. The estimated selling price should be the most reliable estimate of the selling price obtained at the balance sheet date. A provision for impairment in value of inventories is made when its net realizable value is lower than its cost.

For inventories with large quantities and low unit prices, provision for inventory value decline is made by inventory category; for inventories that are related to product lines manufactured and sold in the same region, and have the same or similar end use or purpose, and are difficult to measure separately from other items, provision for inventory value decline is made on a consolidated basis; for other inventories, provision for inventory value decline is made for the difference between the cost of individual inventory items and their net realizable value.

After the provision for impairment of inventory value is made, if the factors affecting the previous write-down of inventory value have disappeared, resulting in the net realizable value of the inventory being higher than its carrying value, the provision for impairment of inventory value is reversed within the amount originally provided for, and the reversed amount is recognized in profit or loss for the current period.

14. Contract assets

(1) Methods and criteria for recognition of contract assets

The Group presents contract assets or contract liabilities in the balance sheet based on the relationship between the performance obligation and the customer's payment. The right to receive consideration for goods or services that the Group has transferred to the customer (which is dependent on factors other than the passage of time) is presented as a contract asset. Contract assets and contract liabilities under the same contract are presented on a net basis. The Group's unconditional (depending only on the passage of time) right to receive consideration from the customer is presented separately as a receivable.

(2) Recognition method and accounting treatment method for expected credit losses of contract assets

For details of the recognition method and accounting treatment method for expected credit losses of contract assets, please refer to "III. 10(6) Test method and accounting treatment method of impairment of financial instruments" in this note.

(3) Portfolio categories and determination basis of bad debt provision made according to credit risk characteristic portfolio

Except for contract assets with provision for bad debts made on an individual basis, the Group divides the remaining contract assets into several portfolios according to the credit risk characteristics, and determines the expected credit losses based on portfolios. The portfolio categories and determination basis of contract assets subject to provision of expected credit losses are as follows:

Item	Portfolio categories	Determination basis
Contract assets	Portfolio of completed and outstanding contract assets	Based on the nature of businesses, completed and outstanding contract assets have similar credit risk characteristics
	Portfolio of outstanding warranties	Based on the nature of businesses, outstanding warranties have similar credit risk characteristics

The details of the provision method are as follows:

For completed and outstanding contract assets, the contract assets of outstanding warranties and other contract assets that have no indication of impairment, the Group determines that no expected credit loss exists and no provision for bad debts is made.

(4) Judgment criteria for individual provision in relation to contract assets with provision for bad debts made on an individual basis

If there is objective evidence that a contract asset is credit impaired, the Group shall provide for impairment of that contract asset on an individual basis.

15. Long-term equity investments

Long-term equity investments of the Group are the investments in subsidiaries and investment in associates and investment in joint ventures.

(1) Judgement criteria for common control that have significant influence

Basis for determination in respect of common control is that all participated parties or a group of participated parties control such arrangement, and that policies of such related business of such arrangement have to obtain unanimous agreement by all parties that are control such arrangement.

When the Group directly or indirectly through its subsidiary owns 20% (inclusive) or more but less than 50% shares with voting rights in the investee, it is generally considered that the Group has significant influence on the investee. For voting rights less than 20% in the investee, the board or representative in similar authority in the investee or the implementation processes of financial or operation policies of investee have also been taken into account, or significant transaction with the investee, or management personnel sent to the investee, or significant technology information provided to the investee which have significant influence to the investee.

(2) Determination of initial investment cost

1) Long-term equity investments acquired through business combinations under common control

For long-term equity investments obtained through business combination under common control, proportion of carrying value of net assets obtained on the date of combination in the consolidated financial statements of the ultimate controller shall be accounted as the initial investment cost of the long-term investment. For carrying value of net assets of the acquiree which is negative on the date of combination, investment cost of long-term equity investment is calculated as zero.

For equity interests in investees under common control acquired in a series of transaction which constitute business combination, in case of a package of transactions, the Group accounts for each transaction as a transaction in which the control has been obtained. If it does not fall under a series of transactions, according to proportion of the carrying value of net assets of acquiree after the combination in the consolidated financial statements of the ultimate controller, and accounted as the initial investment cost of long-term equity investment on the date of combination.

2) *Long-term equity investments acquired through business combinations not under common control*

For long-term equity investment acquired through business combination not under common control, cost of combination will be treated as the initial investment cost.

For equity interests in investees not under common control acquired in a series of transaction which constitute business combination, in case of a package of transactions, the Group accounts for each transaction as a transaction in which the control has been obtained. If it does not belong to a series of transaction, initial investment cost will be the sum of the carrying value of the equity investment which it originally holds, and initial investment cost will change to cost method.

3) Apart from the long-term equity investments acquired through business combination mentioned above, the long-term equity investments acquired by cash payment is expensed as the cost of investment based on the actual amount of cash paid for the purchase. For long-term equity investments acquired by issuing equity securities, the cost of investment is the fair value of the equity securities issued. For long-term equity investments invested in the Group by the investor, the investment cost is the agreed consideration as specified in the contract or agreement.

(3) Subsequent measurement and recognition method of profit or loss

1) *Long-term equity investments accounted for under the cost method*

The Group's investments in subsidiaries are accounted for using the cost method and are measured at the initial investment cost. The cost of long-term equity investments is adjusted when the investment is increased or recovered. Cash dividends or profits declared by the investee are recognized as investment income for the period in accordance with the amount to which they are attributable.

2) *Long-term equity investments accounted for under the equity method*

The Group accounts for its investments in joint ventures and associates using the equity method.

When the equity method of accounting is adopted, if the initial investment cost of a long-term equity investment is higher than the share of the fair value of the identifiable net assets of the investee at the time of investment, the initial investment cost of the long-term equity investment is not adjusted; if the initial investment cost is less than the share of the fair value of the identifiable net assets of the investee at the time of investment, the difference is recognized in profit or loss for the current period and the cost of the long-term equity investment is adjusted.

Under the equity method of accounting, investment income and other comprehensive income are recognized in accordance with the investee's share of net profit or loss and other comprehensive income, respectively, and the carrying value of long-term equity investments is adjusted; the carrying value of long-term equity investments is reduced accordingly to the extent of the investee's share of profits or cash dividends declared by the investee. For changes in the ownership interest of the investee other than net profit or loss, other comprehensive income and profit distribution, the carrying value of the long-term equity investment is adjusted and recognized as capital surplus. The share of net profit or loss of the investee is recognized on the basis of the fair value of the investee's identifiable assets at the time of acquisition, in accordance with the Group's accounting policies and accounting periods, and after offsetting the portion of the gain or loss from internal transactions with associates and joint ventures that is attributable to the investee in proportion to the shareholding, and after adjusting the net profit of the investee.

In recognizing the share of net loss incurred by an investee, the carrying value of long-term equity investments and other long-term interests that substantially constituting a net investment in the investee are written down to zero. In addition, if the Group has an obligation to assume additional losses of the investee, an estimated liability is recognized for the expected obligation assumed, which is included in the current investment loss. If the investee achieves net profit in subsequent periods, the Group resumes recognition of revenue sharing after the revenue sharing amount makes up for the unrecognized loss sharing amount.

3) *Disposal of long-term equity investments*

On disposal of a long-term equity investment, the difference between the carrying value and the consideration actually received is recognised as investment income for the period.

For long-term equity investments accounted for under equity method, the movements of shareholder's equity, other than the net profit or loss, of the investee company, previously recorded in the shareholder's equity of the Company are recycled to investment income for the period on disposal.

When the Group loses control in the investee due to reasons such as disposal of part of the equity investment, remaining shareholding after disposal of will be accounted for recognition and measurement standard for financial instruments, difference between fair value and the carry value on the date of loss of common control or significant influence will be included in the profit or loss for current period. Other comprehensive income recognised in the original equity investment which is accounted for using equity method, upon it will no longer be accounted for under equity method, it shall be using the same accounting basis as the investee directly disposing related assets or liabilities.

For loss of control in the investee due to partly disposed long-term equity investment, for remaining shareholding which can apply common control or impose significant influence to the investee after disposal, shall be accounted for under equity method. Difference between the carrying value of equity disposal and the disposal consideration shall be included as investment income. Such remaining shareholding shall be treated as accounting for under equity method since the shareholding is obtained and make adjustment.

The transactions from the step-by-step disposal of equity to the loss of controlling equity do not fall under a series of transactions, therefore, the Group shall separately carry out accounting treatment for each transaction. If the transaction fall under a series of transactions, each transaction is accounted for as a disposal of subsidiary with control lost. However, the difference between the consideration for each transaction before losing control and the carrying value of the long-term equity investments corresponding to the equity disposed of is recognised as other comprehensive income and transferred to profit or loss upon loss of control.

16. Long-term receivables

For the long-term receivables from sale of goods with financing nature by using deferred methods, the discount value of contract or agreement prices receivable (contract or agreement prices receivable less unrealized financing income) are taken as its initial recognised amount. At the end of the year, the Group separately carries out impairment test for long-term receivables, and credit impairment loss is recognised and provision for bad debts is made based on the difference between the present value and the book value (which is lower) of future cash flows.

17. Investment properties

Investment properties are properties held to earn rentals or for capital appreciation, or both, and include buildings that have been leased out.

Investment properties are initially measured at cost. Subsequent expenditures related to investment properties are included in the cost of investment properties if it is probable that the economic benefits associated with the asset will flow and the cost can be measured reliably. Subsequent expenditures other than these are charged to the current profit or loss as incurred.

The Group uses the cost model for the subsequent measurement of investment properties. The investment properties of the Group are depreciated or amortised using the straight-line method. The estimated useful life, net residual value ratio and annual depreciation (amortisation) rate are as follows:

Type	Useful life (year)	Estimated residual value ratio (%)	Annual depreciation rate (%)
Buildings and structures	10-70	3-10	1.29-9.70

The proceeds from disposal of investment properties sold, transferred, scrapped or destroyed, net of their carrying values and related taxes, is recognized in profit or loss for the current period.

The Group converts fixed assets to investment properties at the carrying amount before conversion when there is evidence of conversion of buildings and structures for own use to rental.

The Group converts buildings and structures that would otherwise be used to earn rentals or for capital appreciation to own-use when there is evidence of conversion, and investment properties are converted to fixed assets at their carrying value before conversion.

18. Fixed assets

(1) Recognition and initial measurement of fixed assets

Fixed assets of the Group are tangible assets that held for production of goods or provision of services, leasing to others, or for administrative purposes; have useful life over one accounting year. Fixed assets are recognised when it is probable that the related economic benefits will flow to the Group and the costs can be reliably measured. Fixed assets are initially measured at cost.

Subsequent expenditures related to fixed assets are included in the cost of the fixed assets and the carrying amount of the replaced part is derecognized if it is probable that the economic benefits associated with the fixed assets will flow and their cost can be measured reliably. Subsequent expenditures other than these are charged to the current profit or loss as incurred.

Fixed assets of the Group comprise buildings and structures, machinery and equipment, transportation equipment and other equipment.

(2) Method of depreciation

Apart from fixed assets which are provided in full and continue to be in use, the Group made provision for all the fixed assets by using straight-line method from the month after reaching the intended useable state. The useful life, estimated net residual value ratio and depreciation rate of fixed assets of the Group are classified as below:

Type	Useful life (year)	Residual value ratio (%)	Annual depreciation rate (%)
Buildings and structures	8-50	3-10	1.80-12.13
Machinery and equipment	6-20	3-10	4.50-16.17
Transportation equipment	10-15	3-10	6.00-9.70
Other equipment	3-50	3-10	1.80-32.33

(3) Disposal of fixed assets

Fixed assets are derecognised on disposal or when no future economic benefits are expected from its use or disposal. The amount of proceeds from disposals on sale, transfer, retirement or damage of a fixed assets net of its carrying amount and related taxes and expenses are recognised in profit or loss for current period.

(4) Other explanations

The Group makes the assessment on the estimated useful life, estimated rate of salvage value and the depreciation method of fixed assets at each financial year-end. If any changes occur, they will be regarded as changes on accounting estimates.

For impairment testing of fixed assets, please refer to Impairment of assets other than inventories and financial assets.

19. Construction in progress

The cost of construction in progress is determined on the basis of actual construction expenditures, including all construction expenditures incurred during the construction period, borrowing costs capitalized before the construction reaches its intended useable state, and other related costs.

Construction in progress is transferred to the fixed assets when the assets are ready for their intended use at an estimated amount based on the project budget or actual cost of construction. The cost of the fixed assets is adjusted when the construction finalization procedures are completed.

For the impairment test of construction in progress, please refer to Impairment of assets other than inventories and financial assets.

Criteria and timing for carrying forward construction in progress of the Group to fixed assets are as follows:

Type	Criteria and timing for carrying forward to fixed assets
Buildings and structures	1. Physical construction including installation work is fully completed or substantially completed; 2. The expenditures that continue to be incurred on the buildings and structures purchased and built are minimal or almost no longer incurred; 3. The buildings and structures purchased and built meet the design or contract requirements or are basically consistent with the design or contract requirements; 4. Where construction projects reach their intended serviceable condition but do not settle the final account for the completed project, they shall be carried forward to fixed assets at the estimated values based on the actual costs of the projects starting from the date they reach their intended serviceable condition.
Machinery and equipment	1. The relevant equipment and other supporting facilities have been installed; 2. The equipment can maintain normal and stable operation for a period of time after debugged; 3. The production equipment can produce qualified products steadily for a period of time; 4. The equipment has been accepted by asset managers and users.

20. Borrowing costs

Borrowing costs include interest on borrowings, amortization of discounts or premiums, ancillary expenses and exchange differences arising from foreign currency borrowings. Borrowing cost from fixed assets, investment properties and inventories which require construction or production activities for over one year, and can reached usable or sale condition after that. Borrowing costs incurred during assets expense is incurred, and when construction or production activities started in order to make assets to reach the expected usable or sale condition, capitalization starts; When construction or assets that fulfil the capitalization conditions, and reached the expected usable or sale condition, capitalization have to be terminated. Borrowing costs incurred afterward are included into the profit or loss for current period. If assets that fulfil capitalization conditions interrupted abnormally during construction or production progress, and such interruption occurred for more than three consecutive months, capitalization of borrowing costs have to terminate, until construction of assets or production activities resumed.

Where funds are borrowed under a specific-purpose borrowing, the amount of interest to be capitalised is the actual interest expense incurred on that borrowing for the period less any bank interest earned from depositing the borrowed funds before being used on the asset or any investment income on the temporary investment of those funds. Where funds are borrowed under general-purpose borrowings, the Group determines the amount of interest to be capitalised on such borrowings by applying a capitalisation rate to the weighted average of the excess of cumulative expenditures on the asset over the amounts of specific-purpose borrowings. The capitalisation rate shall be calculated and determined according to the weighted average interest rate of the general borrowing.

The remaining borrowing costs are recognized as expenses in the period in which they are incurred.

21. Intangible assets

(1) Pricing method of intangible assets

1) Intangible asset acquired by the Group measured initially at cost

The cost of outsourced intangible assets includes the purchase price, related taxes, and other expenditures directly attributable to making such asset reach intended use.

2) Subsequent measurement

The useful life of intangible assets is analyzed and judged when they are acquired.

Intangible assets with a finite useful life shall be amortized over the period when economic benefits are brought to the enterprise; intangible assets with an indefinite useful life shall not be amortized if it is not foreseeable that they will bring economic benefits to the enterprise.

(2) Useful life estimation for intangible assets with a finite useful life

Item	Estimated useful life (year)	Amortization method	Determination basis of estimated useful life
Land use rights	30-70	Straight-line method	Consistent with the use life of the certificate
Software	3-10	Straight-line method	The estimated term for providing economic benefits, the years stipulated in the contract or the years for benefits
Others	3-25	Straight-line method	

(3) Basis for determining intangible assets with an indefinite useful life and procedures for reviewing their useful life

The Group makes the assessment on the estimated useful life and amortisation method of intangible assets with limited useful life at each financial year-end and makes adjustment. If any changes occur, they will be regarded as changes on accounting estimates.

(4) Classification scope of research and development expenditures

Expenditures incurred when the Group conducts research and development include related employee compensation for personnel engaged in research and development activities, materials used, related depreciation and amortization expenses and others.

(5) Specific criteria for dividing the research phase and development phase

The expenditures of the Group's internal research and development projects are divided into expenditures for the research phase and expenditures for the development phase.

Research phase: The phase in which creative and planned investigation and research activities are conducted to acquire and understand new scientific or technical knowledge.

Development phase: The phase in which the research findings or other knowledge are applied to a plan or design to manufacture new or substantially improved materials, devices or products before commercial production or utilization.

(6) Specific conditions for capitalization of expenditures in the development phase

Expenditure on the research phase is recognised in profit or loss for the period as incurred. Expenditure on the development phase will be recognised as intangible assets while satisfying the following conditions and expenditures in the development phase that do not meet the following conditions are charged to the current profit or loss:

1) It is technically feasible that the intangible asset can be used or sold upon completion;

2) There is intention to complete the intangible asset for use or sale;

3) There is evidence that the products produced using the intangible asset having a market or the intangible asset itself has a market, and there is evidence to proof the usefulness of intangible assets for internal use;

4) There is sufficient support in terms of technology, financial resources and other resources in order to complete the development of the intangible asset, and there is capability to use or sell the intangible asset;

5) The expenses attributable to the development stage of the intangible asset can be measured reliably.

If it is not possible to distinguish between research and development expenditures, all research and development expenditures incurred are included in the profit or loss for the current period.

22. Impairment of long-term assets

The Group determines impairment of assets other than inventories, contract assets and assets related to contract costs, deferred income taxes, financial assets and assets held for sale as follows:

The Group determines at the balance sheet date whether there is an indication that an asset may be impaired. When there is an indication of impairment, the Group estimates the recoverable amount and performs an impairment test. Goodwill and intangible assets with indefinite useful lives are tested for impairment at the end of each year, regardless of whether there is an indication of impairment. Intangible assets that have not yet reached their useful lives are also tested for impairment annually.

The estimated recoverable amount of an asset is based on an individual asset. If it is difficult to estimate the recoverable amount of an individual asset, the recoverable amount of the asset group is determined using the asset group to which the asset belongs. An asset group is the smallest combination of assets that can generate cash inflows independently. The recoverable amount is the higher of the net of the fair value of an asset or group of assets, less costs of disposal, and the present value of its estimated future cash flows. If the carrying amount of an asset exceeds its recoverable amount, a provision for impairment is made for the difference and an impairment loss is included.

Goodwill is tested for impairment in conjunction with the asset group or combination of asset groups to which it relates. That is, the carrying amount of goodwill is apportioned from the date of purchase to the asset group or combination of asset groups that can benefit from the synergies of the business combination in a reasonable manner, and if the recoverable amount of the asset group or combination of asset groups that contains the apportioned goodwill is less than its carrying amount, a corresponding impairment loss is recognized. The amount of the impairment loss is first set off against the carrying amount of the goodwill apportioned to that asset group or group of asset groups, and then against the carrying amount of each asset other than goodwill in the asset group or group of asset groups on a pro-rata basis.

The above assets impairment loss once recognised cannot be reversed in the subsequent accounting period.

23. Long-term prepaid expenses

Long-term prepaid expenses represent each expense that has been expensed by the Group and has an amortization period of more than one year. Long-term prepaid expenses are amortized evenly over the benefit period of the expense item. For Long-term prepaid expenses items that do not benefit subsequent accounting periods, the amortization value of the item is fully charged to the profit or loss for the current period when it is determined.

Long-term prepaid expenses are accounted for at the actual cost when incurred.

24. Contract liabilities

The Group presents contract assets or contract liabilities in the balance sheet based on the relationship between the performance obligation and the customer's payment. The Group's obligations to transfer goods or provide services to customers for consideration received or receivable are presented as contract liabilities. Contract assets and contract liabilities under the same contract are presented on a net basis.

25. Employee benefits

Employee benefits are all forms of remuneration or compensation given by the Group for services rendered by employees or for the termination of employment relationships, include short-term compensation, post-employment benefits, termination benefits and other long-term benefits.

(1) Accounting treatment method for short-term compensation

Short-term compensation mainly includes wages, bonuses, medical insurance, injury insurance, maternity insurance, supplemental medial insurance, housing fund, union funds and workers education, outsourcing labour compensation and others. Short-term compensation actually incurred shall be recognised as liabilities during the accounting period which the labour provided services, and included into the profit or loss or related assets cost of the current period of beneficiary. Of these, non-monetary benefits are measured at fair value.

(2) Accounting treatment method for post-employment benefits

Post-employment benefits refer to the compensation and benefits provided, after employees' retirement and termination of employment, by the Group in order to obtain services from employees, except for the short-term compensation and termination benefits, and are classified into defined contribution plans and defined benefit plans in view of the risks and obligations borne by the Company. Save as defined benefit plans for Huangpu Wenchong and Wenchong Shipyard, being subsidiaries of the Company, the Group's post-employment benefits, which are mainly basic pension and unemployment insurance contributions for employees and enterprise annuity, are all defined contribution plans.

1) Defined contribution plan

The Group's defined contribution plan represents the basic endowment insurance, unemployment insurance and enterprise annuity paid for its employee in accordance with the relevant provisions of the local government. During the accounting period when the staff provides service, the Group will calculate the amount payable in accordance with the local stipulated basis and proportions which will be recognised as liabilities, and the liabilities would be charged into current profit and loss or costs of assets of beneficiary.

2) Defined benefit plan

There are defined benefit plans for Huangpu Wenchong and Wenchong Shipyard respectively, being subsidiaries of the Company. The present value of this defined benefit plan obligation is calculated by an independent actuary using the expected cumulative benefit unit method based on an interest rate on high quality corporate debt of similar maturity and currency to the obligation. The net liability for the present value of the defined benefit plan obligation, less the fair value of plan assets, is shown in the balance sheet under long-term employee benefits payable. Service costs associated with the plan (including current service costs, past service costs and settlement gains or losses) and net interest based on the net defined benefit plan liability and an appropriate discount rate are included in the profit or loss or the cost of related assets for the current period, and changes resulting from the remeasurement of the net defined benefit plan liability are included in other comprehensive income.

(3) Accounting treatment method for termination benefits

Termination benefits are the compensation to employees when the Group terminates the employment relationship with employee before the expiry of the employment contracts or provides compensation as an offer to encourage employee to accept voluntary redundancy. The compensation liability for the termination of employment relationship with employee are charged to the profit or loss for the year at the earlier of the following dates: (i) When the Group cannot unilaterally withdraw from the termination plan or the redundancy offer. (ii) When the Group recognises and pays the related costs for a restructuring of termination benefits.

26. Estimated liabilities

In addition to contingent consideration and contingent liabilities assumed in business combinations that are not under common control, present obligations arising from warranty on quality of goods, loss-making contracts and litigation, or other contingent matters meet the following requirements, the Group will recognise them as liabilities:

(1) the assumed responsibilities are actual and real;

(2) the fulfilment of obligations will probably cause the outflow of economic benefit from the Group;

(3) the amount of liabilities can be measured reliably.

The initial measurement of estimated liabilities is based on the best estimate of the outflow of present obligation by considering relevant risks, uncertainties and time value of money, etc. The Group assesses the book value of estimated liabilities on each balance sheet date. If there is conclusive evidence that the carrying amount does not reflect the current best estimate, the carrying amount is adjusted to the current best estimate.

If all or part of the expenditure required to settle the estimated liability is expected to be reimbursed by a third party, the amount of reimbursement is recognized separately as an asset when it is substantially certain that it will be received, and the amount of reimbursement recognized does not exceed the carrying amount of the estimated liability.

Contingent liabilities of the acquiree acquired in a business combination that are not under common control are measured at fair value at initial recognition and subsequently measured at the higher of the amount of the expected liability recognized, and the amount initially recognized, less accumulated amortization determined in accordance with the revenue recognition principle.

27. Production safety fee

According to the regulation for Notice of the Ministry of Finance and the Ministry of Emergency Management on Issuing the Administrative Measures for the Collection and Utilization of Enterprise Work Safety Funds (Cai Zi [2022] No. 136), the Group's shipbuilding companies and supporting manufacturing enterprises made provision for production safety fees, which are specifically used to improve and enhance the enterprise or project safety production conditions.

The production safety fees set aside by the Group are included in the cost of the relevant products and the special reserve item. When writing off production safety fees within specified range, depending on turning into fixed assets for separate treatment, it should directly write off specific reserves when accounted for as expenses; If capitalizing production safety fees into fixed assets, it should be pooled in work in progress and transfer to fixed assets when the projects reach intended use state, the cost of which should write off special reserves, and recognise accumulated depreciation at the same amount. Such fixed asset would not be depreciated in subsequent periods.

28. Revenue

(1) Accounting policies used for revenue recognition and measurement

The Group recognizes revenue when it has fulfilled its performance obligations under the contract, that is, when the customer obtains control of related goods or services. Gaining control of the relevant goods or services means being able to dominate the use of the goods or services and obtain almost total economic benefit from them.

Where there are two or more performance obligations included in a contract, the Group shall, on the commencement of the contract, apportion the transaction price to each individual performance obligation in accordance with the relative proportion of each individual selling price of the good or service promised by each individual performance obligation and recognize the revenue according to the transaction price apportioned to each individual performance obligation.

The transaction price is the amount of consideration that the Group expects to be entitled to collect for the transfer of goods or services to its customers, excluding payments collected on behalf of third parties and amounts expected to be refunded to the customer. The Group determines the transaction price in accordance with the terms of the contract and its past customary practices, and considers the impact of variable consideration, the existence of significant financing components in the contract, non-cash consideration, and consideration payable to customers in determining the transaction price. The Group determines the transaction price that includes variable consideration by an amount that does not exceed the amount for which it is highly probable that there will be no material reversal of the cumulative recognized revenue when the relevant uncertainty is removed. Where the contract contains a significant financing component, the Group determines the transaction price as the amount payable assuming that a customer would have paid in cash upon obtaining the control of the goods or services. The difference between the transaction price and the consideration of the contract is amortized using the effective interest method over the contract term.

The performance obligations are discharged over time if any of the following condition has been met, otherwise are discharged at a particular point in time:

- customers obtain and consume the economic benefits from the performance by the Group of its obligations at the time of performance.
- customers are able to control the goods under development in the process of performance by the Group of its obligations.
- the goods generated in the course of performance by the Group of its obligations has irreplaceable use and the Group has the right to receive payment for the part of obligations which have been performed during the whole contractual term.

For the contract obligations performed within a certain period of time, the Group shall recognize the revenue in accordance with the progress of the obligation performance during that time, except when the progress of performance cannot be reasonably determined. The Group considers the nature of the goods or services and adopts the output method or the input method to determine the fulfillment progress of the performance. When the performance progress cannot be reasonably determined, the incurred cost expected to be compensated is recognised by the Group as revenue, until the performance progress can be reasonably determined.

For the performance obligations to be fulfilled at a point in time, the Group recognises revenue when the customer has obtained the control over the relevant goods or services. In determining whether customers have obtained control over goods or services, the Group considers the following:

- The Group has the right to receive payment for the goods or services immediately; i.e. the customer has the obligation to make payment for the goods immediately.
- The Group has transferred the legal title of goods to the customer, i.e. the customer has possessed the legal title of the goods.
- The Group has physically transferred the goods to the customer, i.e. the customer has taken physical possession of the goods.
- The Group has transferred to the customer the principal risks and rewards of ownership of the goods, i.e., the customer has acquired the principal risks and rewards of ownership of the goods.
- The customer has accepted the goods or services, etc.

Based on whether the Group has control over the goods or services before transferring the goods or services to the customer, the Group determines whether it is the primary responsible party or the agent when engaging in transactions. If the Group is able to control the goods or services before transferring them to the customer, the Group is the primary responsible party and recognizes revenue based on the total amount of consideration received or receivable; otherwise, the Group is the agent and recognizes revenue based on the amount of the commission or service fee to which it is expected to be entitled.

(2) Disclosure of specific revenue recognition and measurement methods by business type

The Group's operating income is mainly derived from the revenue from shipbuilding and offshore engineering products, ship maintenance and modification, the sales of steel structures and the electromechanical products. The policies and methods for revenue recognition are as follows:

1) Revenue from shipbuilding and offshore engineering products

The Group operates shipbuilding and offshore engineering product business. It assesses contracts at their effective dates and determines whether the relevant contract performance obligations meet the condition to "performance over time".

For contracts meeting the condition to "performance over time", the Group recognises revenue and carrying costs based on the contract performance progress during such period. The Group adopts the input method to determine the appropriate progress of performance, which is determined by the total actual contract cost incurred in proportion to the total estimated contract cost. When the performance progress cannot be reasonably determined, the incurred cost expected to be compensated for is recognised as revenue, until the performance progress can be reasonably determined. If the incurred cost is expected to be unrecoverable, it is recognised as expense upon occurrence, without recognising revenue.

If the condition to "performance over time" is not met, the Group recognises one-off revenue based on the transaction price specified in the contract or ship delivery documents when the ships and offshore engineering products are completed and delivered and carries forward one-off full cost of the contract.

2) Revenue from ship maintenance and modification

The ship maintenance and modification business provided by the Group shall generally be accounted for on the basis of "performance at a certain point in time", that is, when the customer obtains the control of the relevant goods or after the completion of ship maintenance and modification and settlement procedures, the revenue shall be recognised according to the contract price and the corresponding costs shall be carried forward. For special contracts such as ship maintenance and modification businesses with a maintenance or modification cycle of more than 1 year, if it is evaluated and judged that such contracts meet the condition to "performance over time", the input method shall be used to determine the appropriate progress of performance based on the reasonably delineated performance obligations, and the revenue and costs shall be recognised in accordance with the progress of performance upon fulfillment of each individual performance obligation.

3) Revenue from the sales of steel structures

For the manufacturing and installation contracts for large steel structures provided by the Group, if they meet the condition to "performance over time", the Group recognises their revenue based on performance progress during such period. The due performance progress is determined using the input method, based on the percentage of total accumulated incurred contract target cost to total expected contract cost. For the steel structure manufacturing and delivery contracts not meeting the condition to "performance over time", the Group recognises revenue according to workload confirmation after the steel structures are completed and delivered to customers, pass inspections and are accepted by customers.

4) Revenue from the sales of electromechanical products

Revenue from electromechanical products provided by the Group is recognised upon completion and delivery.

29. Contract costs

The Group's assets related to contract costs include contract acquisition costs and contract performance costs. They are presented in inventories, other current assets and other non-current assets, respectively, depending on their liquidity.

(1) Method of determination of amount of assets relating to contract costs

The cost incurred by the Group to perform a contract is not applicable to the scope of regulation of relevant standards such as inventory, fixed assets or intangible assets and meets all of the following conditions, and is recognised as an asset as contract performance cost:

1) the costs relate directly to an existing contract or to a specifically identifiable anticipated contract, including direct labour, direct materials, allocations of overheads (or similar costs), costs that are explicitly chargeable to the customer and other costs that are incurred only because the Group entered into the contract;

2) the costs generate or enhance resources of the Group that will be used in satisfying performance obligations in the future;

3) the costs are expected to be recovered.

The incremental cost for the Group to obtain a contract is expected to be recoverable and is recognised as an asset as contract acquisition cost, unless if the amortisation period is no more than one year. Incremental cost refers to the cost which will not be incurred by the Group had no contract been acquired. Other expenses incurred by the Group to obtain contracts (other than the incremental cost which is expected to be recoverable) are included in profit or loss as incurred, save for those expressly to be borne by customers.

(2) Amortisation of assets relating to contract costs

The Group's assets relating to contract costs are amortised using the same basis as that for recognition of the revenue from goods relating to the assets, which are included in profit or loss.

(3) Impairment of assets relating to contract costs

In determining the loss on impairment of assets relating to contract costs, the Group first determines the impairment loss for other assets relating to contract costs recognised in accordance with the relevant Accounting Standards for Business Enterprises and then makes provision for impairment based on the excess of its carrying value over the sum of the remaining consideration expected to be received from transfer of the goods relating to the asset and the cost expected to be incurred for transfer of the relevant goods, which is recognised as loss on impairment of assets.

If there is any change in the factors causing impairment in the previous periods, resulting in the said difference higher than the carrying value of the asset, the provision for impairment of assets previously made is reversed and is included in profit or loss. However, the carrying value of the asset following reversal shall not exceed the carrying value of the asset as at the date of reversal, which had no provision for impairment been made.

30. Government grants

Government grants are monetary or non-monetary assets obtained from the governments at no consideration, excluding the contributed capital from the government investor. The special grant of investment from government, which should be recognised as capital reserves according to related national documents, should also be capitalised in nature, and therefore shouldn't be recognised as government grants. Government grants are recognized when the conditions attached to the government grants can be met and can be received.

If a government grant is a monetary asset, it is measured at actual received or receivable amount. Government grants that are non-monetary assets are measured at fair value. If the fair value of a non-monetary asset cannot be determined in a reliable way, it is measured at its nominal amount (RMB1). Government grants that are measured at nominal amounts are recognized directly in profit or loss for the current period.

(1) Judgment basis and accounting treatment method for asset-related government grants

Asset-related government grants are government grants acquired by the Group for the acquisition or long-term assets formed in other ways.

Government grants related to assets are recognized as deferred income and recognized in profit or loss for the current period over the useful life of the related assets in accordance with the straight-line method. If the related assets are sold, transferred, scrapped or destroyed before the end of their useful lives, the unallocated balance of the related deferred gain or loss is transferred to profit or loss in the period when the assets are disposed of.

(2) Judgment basis and accounting treatment method for revenue-related government grants

Revenue-related government grants are government grants other than those related to assets.

Government grants related to revenue that are used to compensate for related costs and expenses or losses in subsequent periods are recognized as deferred revenue and charged to the profit or loss in the current period in which the related costs and expenses or losses are recognized; those used to compensate for related costs and losses already incurred are charged directly to the profit or loss for the current period.

The Group classifies government grants that are difficult to distinguish as a whole as revenue-related government grants.

Government grants related to ordinary activities are recognized in other income in accordance with the substance of economic operations. Government grants that are not related to ordinary activities are included in non-operating income.

(3) Accounting treatment method for loan interest subsidy

Where the Group has obtained loan interest subsidy, different accounting treatment will be applied in accordance with the following principles:

1) Where the interest subsidy is paid to the lending bank which provides loan to the Group at a preferential interest rate, the Group recognises the loan at the actual amount of loan received and the interest expense is calculated based on the principal of the loan and the preferential interest rate.

2) Where the interest subsidy is directly paid to the Group, the interest subsidy is utilised to offset the interest expense.

If any government grant recognised by the Group is required to be returned, the accounting treatments shall be conducted for the period of return in accordance with the following:

① if the government grant is utilised to offset the carrying value of the relevant assets at initial recognition, the carrying value of the assets shall be adjusted.

② any deferred income is utilised to offset the book balance of the relevant deferred income and any excess is included in profit or loss for the current period.

③ under any other circumstances, they are directly included in profit for loss for the current period.

31. Deferred tax assets and deferred tax liabilities

Income tax includes current income tax and deferred income tax. The Group recognizes current income tax and deferred income tax in the profit or loss for the current period, except for the income tax arising from business combinations and transactions or events directly included in owners' equity (including other comprehensive income).

Deferred tax assets and deferred tax liabilities are recognised based on the differences (temporary differences) between the tax bases and the carrying amount of assets and liabilities.

Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which deductible temporary differences can be utilized. For deductible losses and tax credits that can be carried forward to the next year, deferred tax assets shall be recognized to the extent that it is probable that future taxable income will be available to offset the deductible losses and tax credits.

Save for exceptions, deferred tax liabilities shall be recognized for the taxable temporary difference.

The exceptions for not recognition of deferred tax assets or liabilities include:

- the initial recognition of the goodwill;
- transactions or matters other than business combinations in which neither profit nor taxable income (or deductible loss) will be affected when transactions occur, and in which the initial recognition of assets and liabilities do not result in equal amounts of taxable temporary differences and deductible temporary difference.

Deferred tax liabilities are recognised for temporary differences arising from investments in subsidiaries, joint ventures and associates, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. When it is probable that the temporary differences arising from investments in subsidiaries, joint ventures and associates will be reversed in the foreseeable future and that the taxable income will be available in the future against which the temporary differences can be utilised, the deferred tax assets are recognised.

At the balance sheet date, deferred tax assets and deferred tax liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled in accordance with the provisions of the tax laws.

At the balance sheet date, the carrying amount of deferred tax assets is reviewed by the Group. The carrying amount of deferred tax assets is written down if it is more likely that sufficient taxable income will not be available against which the benefit of the deferred tax assets can be utilized in future periods. To the extent that it is probable that sufficient taxable income will be available, the written down amount is reversed.

When the Group has a legally enforceable right to set off and intends either to settle on a net basis or to acquire the income tax asset and settle the income tax liability simultaneously, current income tax assets and current income tax liabilities shall be presented as the net amount after offsetting.

At the balance sheet date, deferred tax assets and deferred tax liabilities are presented as net of offsetting amounts when both of the following conditions are met:

- The taxable entity has the legal right to settle current income tax assets and current income tax liabilities on a net basis;
- Deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the same taxable entity or on different taxable entities, but in each future period in which it is significant that the deferred tax assets and liabilities reverse, the taxable entities involved intend to settle the current income tax assets and liabilities on a net basis or acquire the assets and settle the liabilities at the same time.

32. Leases

A lease is a contract in which the lessor grants the right to use an asset to the lessee for a certain period of time for consideration. At the inception date of a contract, the Group assesses whether the contract is a lease or contains a lease. A contract is a lease or contains a lease if one party to the contract cedes the right to control the use of one or more identified assets for a specified period of time in exchange for consideration.

If the contract contains multiple separate leases at the same time, the Group shall split the contract and account for them separately. If the contract contains both lease and non-lease portions, the lessee and lessor shall split the lease and non-lease portions.

(1) The Group as a lessee

1) Right-of-use assets

At the commencement date of the lease term, the Group recognises right-of-use assets for leases other than short-term leases and leases of low-value assets. The right-of-use assets are initially measured at cost. The cost includes:

- The initial measurement amount of the lease liability;
- The lease payment amount paid on or before the commencement date of the lease term, and the relevant amount of the lease incentive that has been enjoyed shall be deducted if there is a lease incentive;
- The initial direct costs incurred by the Group;
- Costs expected to be incurred by the Group to disassemble and remove the leased assets, restore the site where the leased assets are located or restore the leased assets to the agreed condition under the terms of the lease, excluding costs that are part of the costs incurred for the production of inventories.

The Group subsequently depreciates right-of-use assets using the straight-line method. If it can be reasonably determined that the ownership of the leased assets can be obtained at the expiry of the lease term, the leased assets are depreciated over their remaining useful life; otherwise, the leased assets are depreciated over the shorter of the lease term and the remaining useful life of the leased assets.

The Group determines whether a right-of-use asset is impaired and accounts for the identified impairment loss in accordance with the principles described in "III. 22. Impairment of long-term assets" of this note.

2) Lease liabilities

At the commencement date of the lease term, the Group recognizes a lease liability for leases other than short-term leases and leases of low-value assets. The lease liability is initially measured at the present value of the lease payments outstanding. Lease payments include:

- The fixed payment amount (including the substantial fixed payment amount), and the relevant amount of the lease incentive shall be deducted if there is a lease incentive;
- Variable lease payments depending on the index or ratio;
- The amount expected to be paid based on the residual value of the guarantee provided by the Company;
- The exercise price of the purchase option, provided that the Company reasonably determines that it will exercise the option;
- The amount required to be paid to exercise the option to terminate the lease, provided that the lease term reflects that the Company will exercise the option to terminate the lease.

The Group uses the implicit rate of the lease as the discount rate, but if the implicit rate of the lease cannot be reasonably determined, the Group's incremental borrowing rate is used as the discount rate.

The Group calculates the interest expenses on lease liabilities for each period of the lease term at a fixed periodic rate, which are recognized in current profit or loss or the cost of the related assets.

Variable lease payments that are not included in the measurement of the lease liabilities are recognized in current profit or loss or the cost of the related asset when they are actually incurred.

After the commencement date of the lease term, if the following circumstances occur, the Group re-measures the lease liability and adjusts the right-of-use asset accordingly. If the carrying amount of the right-of-use asset has been reduced to zero, the lease liability still needs to be further reduced. The Group accounts for the difference in the current profit or loss:

- When there is a change in the valuation of the purchase option, lease renewal option or termination option, or when the actual exercise of the aforementioned options is not consistent with the original valuation, the Group remeasures the lease liabilities at the present value calculated by the changed lease payments and the revised discount rate;

- When there is a change in the substantive fixed payment amount, a change in the amount expected to be payable for the guaranteed residual value, or a change in the index or rate used to determine the lease payments, the Group remeasures the lease liabilities at the present value of the lease payments after the change and the original discount rate. However, if the change in lease payments results from a change in floating interest rates, the present value is calculated using the revised discount rate.

3) *Short-term leases and leases of low-value assets*

The Group has chosen not to recognize right-of-use assets and lease liabilities for short-term leases and leases of low-value assets, and the Group recognizes the related lease payments in profit or loss for the current period or the cost of the related assets on a straight-line basis over the respective periods of the lease term. Short-term leases refer to leases with a lease term of not more than 12 months at the commencement date of the lease term and do not contain a purchase option. Low-value asset leases are leases with a lower value when the individual leased asset is a brand-new asset. The lease with a value of not more than RMB40,000.00 when the single leased asset is a new asset is recognised as a low value. If the Company subleases or expects to sublease a leased asset, the original lease is not a low-value asset lease.

4) *Changes in leases*

If a lease is changed and the following conditions are met, the Company will account for the lease change as a separate lease:

- The lease modification expands the scope of the lease by adding the right to use one or more leased assets;

- The increased consideration is equivalent to the separate price of the expanded portion of the lease scope adjusted for the circumstances of that contract.

If a lease modification is not accounted for as a separate lease, at the effective date of the lease modification, the Company reapportioned the consideration of the modified contract, redetermined the lease term, and remeasured the lease liability based on the present value of the modified lease payments and the revised discount rate.

If a lease change results in a reduction in the scope of the lease or a shortening of the lease term, the Group reduces the carrying value of the right-of-use asset accordingly and recognises the gain or loss related to the partial termination or complete termination of the lease in the profit or loss for the current period. If other lease changes result in the remeasurement of the lease liability, the Group adjusts the carrying value of the right-of-use asset accordingly.

(2) The Group as lessor

At the commencement date of the lease term, the Group classifies leases as financing leases and operating leases. A finance lease is a lease that transfers substantially all of the risks and rewards associated with ownership of a leased asset, regardless of whether ownership is ultimately transferred. An operating lease is a lease other than a finance lease. When the Group acts as a sublease lessor, it classifies the sublease based on the right-of-use assets arising from the original lease.

1) *Accounting treatment for operating leases*

The lease receipts derived from operating leases are recognised as rental income on a straight-line basis over the respective periods of the lease terms. The Group capitalizes the initial direct costs incurred in connection with operating leases, which are allocated to current profit and loss over the lease term on the same basis as rental income is recognized. Variable lease payments not included in the lease receipts are recognized in profit or loss for the period when they are actually incurred. If an operating lease is changed, the Company accounts for it as a new lease from the effective date of the change, and the amount of lease receipts received in advance or receivable in connection with the lease before the change is considered to be the amount of receipts for the new lease.

2) Accounting treatment for financial leases

At the commencement date of the lease term, the Group recognizes financial lease receivables for finance leases and derecognizes the financial lease assets. When the Group makes initial measurement of the finance lease receivables, the net lease investment is used as the entry value of the finance lease receivables. The net investment in leases is the sum of the unguaranteed residual value and the present value of the lease receipts not yet received at the commencement date of the lease term discounted at the implicit rate of the lease.

The Group calculates and recognizes interest income for each period of the lease term based on a fixed periodic interest rate. Derecognition and impairment of finance lease receivables are accounted for in accordance with "III. 10. Financial instruments" in this note.

Variable lease payments not included in the net lease investment measurement are recognized in profit or loss when they are actually incurred.

When a change in a finance lease occurs and all of the following conditions are met, the Group will account for the change as a separate lease:

- The lease change expands the scope of lease by adding one or more rights to use the leased assets;
- The increased consideration is equivalent to the separate price of the expanded portion of the lease adjusted according to the provisions of the contract.

If a change in a finance lease is not accounted for as a separate lease, the Group accounts for the changed lease separately in the following circumstances:

- If the change becomes effective on the commencement date of the lease and the lease will be classified as an operating lease, the Group accounts for it as a new lease from the effective date of the lease change and uses the net investment in the lease prior to the effective date of the lease change as the carrying amount of the leased asset;
- If the change becomes effective on the commencement date of the lease, the lease will be classified as a finance lease, and the Group will account for it in accordance with the policy of amending or renegotiating the contract as described in "III.10. Financial instruments" of this note.

(3) Sale and leaseback transactions

The Company assesses whether the transfer of assets in sale and leaseback transactions is a sale in accordance with the principles described in "III. 28. Revenue" of this note.

1) As the lessee

Where the transfer of an asset in a sale and leaseback transaction is a sale, the Company, as the lessee, measures the right-of-use asset created by the sale and leaseback at the portion of the original asset's carrying amount that relates to the right-of-use acquired by the leaseback and recognizes the related gain or loss only for the right transferred to the lessor.

If the transfer of an asset in a sale and leaseback transaction is not a sale, the Company, as the lessee, continues to recognize the transferred asset and also recognizes a financial liability equal to the transfer income. For details of the accounting treatment of financial liabilities, please refer to "III. 10. Financial instruments" of this note.

2) As the lessor

If the transfer of assets in a sale and leaseback transaction is a sale, the Company accounts for the purchase of the assets as a lessor and accounts for the lease of the assets in accordance with the aforementioned policy "2. The Group as lessor". If the transfer of assets in a sale and leaseback transaction is not a sale, the Company, as the lessor, does not recognize the transferred asset, but recognizes a financial asset equal to the transfer income. For details of the accounting treatment of financial assets, please refer to "III. 10. Financial instruments" of this note.

33. Hedge accounting

(1) Classification of hedging

1) Fair value hedge is a hedge of the exposure to changes in fair value of a recognised asset or liability or an unrecognised firm commitment (except foreign exchange risk).

2) Cash flow hedge is a hedge of the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction, or a foreign currency risk in an unrecognised firm commitment.

3) Hedge of a net investment in a foreign operation is a hedge of the exposure to foreign exchange risk associated with a net investment in a foreign operation. Net investment in a foreign operation is the share of interest in the net asset of the foreign operation.

(2) Designation of the hedge relationship and recognition of the effectiveness of hedging

At the inception of a hedge relationship, the Group formally designates the hedge relationship and documents the hedge relationship, the risk management objective and its strategy for undertaking the hedge. The documentation includes identification of the nature and quantity of the hedging instrument, the nature and quantity of the hedged item, the nature of the risk being hedged, the type of hedging and how the Group will assess the hedging instrument's effectiveness. Hedging instrument's effectiveness means the degree of the change of fair value and cash flow of the hedging instrument in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk.

The hedge is assessed by the Group for effectiveness on an ongoing basis and judged whether it meets the requirements for the effectiveness of using hedge accounting throughout the accounting periods for which the hedging relationship was designated. Provided the discontent of the requirements, the application of a hedge shall be terminated.

The application of hedge accounting shall meet the following requirements on the effectiveness of the hedge:

1) There is an economic relationship between the hedged item and the hedging instrument.

2) The effect of credit risk does not dominate the value changes that result from that economic relationship.

3) The appropriate hedge ratio will not cause the imbalance of relative weight between the hedged item and the hedging instrument, thus generating accounting results inconsistent with the hedge accounting objectives. If the hedge ratio is no longer inappropriate, but the hedge risk management objectives do not change, the amount of the hedged item or the hedging instrument shall be adjusted, so that the hedge ratio can re-meet the requirements on the effectiveness.

(3) Criteria for hedge accounting

1) Fair value hedges

The change in the fair value of a hedging derivative is recognized in the current profit or loss. The change in the fair value of the hedged item attributable to the risk hedged is recognized in the current profit or loss, and also adjusts the carrying amount of the hedged item.

For fair value hedges relating to financial instruments carried at amortized cost, the adjustment to carrying amount is amortized through the current profit or loss over the remaining term to maturity. Any adjustment to the carrying amount of a hedged financial instrument for which the effective interest method is used is amortized to the current profit or loss. Amortization may begin as soon as an adjustment exists and shall begin no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedged item is derecognized, the unamortized fair value is recognized immediately in the current profit or loss.

When an unrecognized firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognized as an asset or liability with a corresponding gain or loss recognized in the current profit or loss. The changes in the fair value of the hedging instrument are also recognized in the current profit or loss.

2) *Cash flow hedges*

The effective portion of the gain or loss on the hedging instrument is recognized directly as other comprehensive income, while the ineffective portion is recognized immediately in the current profit or loss.

Amounts taken to other comprehensive income are transferred to the current profit or loss when the hedged transaction affects the current profit or loss, such as when hedged financial income or financial expense is recognized or when a forecast sale occurs. Where the hedged item is the cost of a non-financial asset or non-financial liability, the amounts taken to other comprehensive income are transferred to the initial carrying amount of the non-financial asset or non-financial liability (or originally recognized in other comprehensive income, and transferred in the same period as the profit and loss is affected by the nonfinancial assets and non-financial debts, the amounts shall be included in the current profit or loss).

If the forecast transaction or firm commitment is no longer expected to occur, the amounts previously recognized in other comprehensive income are transferred to the current profit or loss. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, the amounts previously recognised in other comprehensive income remain in there until the forecast transaction or firm commitment affects the current profit or loss.

3) *Hedges of a net investment in a foreign operation*

Hedges of a net investment in a foreign operation, including a hedge of a monetary item that is accounted for as part of the net investment, are accounted for in a similar way to cash flow hedges. Gains or losses on the hedging instrument relating to the effective portion of the hedge are recognized in other comprehensive income while any gains or losses relating to the ineffective portion are recognized in the current profit or loss. On disposal of the foreign operation, the cumulative value of any such gains or losses recorded in other comprehensive income is transferred to the current profit or loss.

34. Segment reports

The Group identifies operating segments based on the internal organisation structure, management requirements and internal reporting system, and discloses segment information of reportable segments which is determined on the basis of operating segments, after taking into account of the principle of materiality. In preparing segment reports, the Group measures the revenue from inter-segment transactions based on the actual transaction price. The accounting policies adopted for the preparation of segment reports are consistent with those adopted for the preparation of the Group's financial statements.

35. Fair value measurement

The Group measures its investments in derivative financial instruments and other equity instruments at fair value at each balance sheet date. The Group measures the relevant assets or liability at fair value supposing the orderly transaction of asset selling or liability transferring incurring in a principal market of relevant assets or liabilities. In the absence of a principal market for the asset or liability, the Group assumes that the transaction take place at the most advantageous market of relevant asset or liability. A principal market (or the most advantageous market) is the transaction market that the Group can enter into at measurement date. The Group implements the hypothesis used by the market participants to realize the maximum economic benefit in assets or liabilities pricing.

For non-financial assets measured at fair value, the Group should consider the capacity of the market participants to put the assets into optimal use thus generating the economic benefit, or the capacity to sell assets to other market participants who can put the assets into optimal use and generate economic benefit.

The Group implements the valuation technique suitable for the current condition and supported by enough available data and other information, gives priority in use of relevant observable inputs, only the observable inputs cannot be obtained or impracticable before using unobservable inputs.

For the assets and liabilities measured at fair value or disclosure at financial statements, fair value hierarchies are categorized into three levels as the lowest level input that is significant to the entire fair value measurement. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets and liabilities available on the measurement date. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the relevant asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for the relevant assets or liability.

The Group prioritizes the use of Level 1 inputs and then finally uses Level 3 inputs. The Group uses Level 1 inputs for shares of listed companies, Level 2 inputs for forward foreign exchange contracts and Level 3 inputs for investments in other equity instruments of unlisted companies to measure fair value using valuation techniques.

For assets and liabilities that are measured at fair value and recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation at each balance sheet date.

36. Other significant accounting policies and accounting estimates

When preparing financial statements, the management of the Group needs to use estimations and assumptions, which might influence accounting policy application and the amounts of assets, liabilities revenues and expenses. The effective results might differ from these estimates. The management of the Group continues to evaluate the key assumptions and uncertain factors that affect estimates. The changes on accounting estimates effects should be recognised in the current year or carry forward.

The following accounting estimates and key assumptions carry a significant risk of causing significant adjustment to the book value of assets and liabilities for next accounting year.

(1) Target cost

The Group reviews the target contract cost on a regular basis. The estimated cost of uncompleted part that might incur in the future would be revised constantly based on the total cost of the same type ships, which have completed, actual cost and progress of the ships in progress, changes in materials and employees and others.

(2) Income tax

The Group estimates income tax expense and deferred income tax in accordance with existing tax rules and regulations, taking into account special approvals obtained from the relevant tax authorities and tax incentives to which the Group is entitled in the places or jurisdictions in which it operates. In the normal course of business, there will be uncertainties in the ultimate tax treatment of some transactions and matters. If the final determination of these tax matters differs from the amounts initially recorded, such difference will have an impact on the amount of income tax expense and deferred income tax in the period in which such final determination is made.

Deferred tax assets are recognized for unused losses and other deductible temporary differences, such as impairment allowances for pre-tax non-deductible receivables, inventories, fixed assets and construction in progress, to the extent that it is probable that future taxable profit will be available to cover the losses or the deductible temporary differences can be reversed. The amount of recognition of deferred tax assets requires management to apply significant estimates based on the timing and amount of future taxable profit to be generated and future tax planning.

The Group believes that the appropriate current income taxes and deferred income taxes are recognised based on current tax rules and regulations and current best estimates and assumptions. If future changes in tax rules and regulations or related circumstances require adjustments to current and deferred income taxes, which will have an impact on the Group's financial position.

(3) Measurement of defined benefit plan obligations

The Group has recognized the supplementary retirement benefits of defined benefit plans as a liability. The estimated amount of such benefit expenses and liabilities shall be calculated and paid based on various assumptions. These assumptions include the discount rate, the growth rate of benefit expenses during relevant periods and other factors. Deviations arising between actual results and actuarial assumptions will affect the accuracy of relevant accounting estimates. Although the management believes that the above assumptions are reasonable, any changes in such assumptions will still affect the amount of estimated liabilities for relevant supplementary endowment insurance and other unplanned benefit plans.

37. Determination method and selection basis of materiality standards

Item	Materiality standards
Material construction in progress	Amount exceeding RMB5 million
Material accounts payable aged over 1 year	Amount exceeding RMB15 million
Material contract liabilities aged over 1 year	Amount exceeding RMB15 million
Material other payable aged over 1 year or overdue	Amount exceeding RMB10 million
Material non-wholly-owned subsidiaries	Total assets of a non-wholly owned subsidiary are greater than 20% of the Group's total assets
Material joint ventures or associates	Carrying amount of long-term equity investments in a joint venture or associate is greater than 5% of the Group's total assets

38. Changes in significant accounting policies and accounting estimates

(1) Changes in significant accounting policy

There are no changes in the Group's significant accounting policy for this period.

(2) Changes in significant accounting estimates

There are no changes in the Group's significant accounting estimates for this period.

IV. TAX

1. Main taxes and rates

Type	Tax basis	Tax rate
Value-added tax	The VAT payable is the difference between output tax (calculated based on sales of goods and taxable service income under the tax laws) and the deductible input tax of the period	13%, 9%, 6%
Urban maintenance and construction tax	Based on value-added tax paid	7%
Educational surcharge	Based on value-added tax paid	3%
Local education surcharge	Based on value-added tax paid	2%
Enterprise income tax	Based on taxable profits	25%, 20%, 15%
Hong Kong profits tax	Taxable income	16.50%

Notes on taxpayers subject to different enterprise income tax rates:

Name of tax payer	Tax rate
The Company	25.00%
CSSC Huangpu Wenchong Shipbuilding Company Limited ("Huangpu Wenchong")	15.00%
Guangzhou Wenchong Shipyard Co., Ltd. ("Wenchong Shipyard")	15.00%
Guangzhou Huangchuan Ocean Engineering Co., Ltd. ("Huangchuan Ocean Engineering")	25.00%
Guangzhou Wenchuan Heavy Industrial Co., Ltd. ("Wenchuan Heavy Industrial")	15.00%
Guangxi Wenchuan Heavy Industrial Co., Ltd. ("Guangxi Heavy Industrial")	25.00%
CSSC Industrial Internet Co., Ltd. ("CSSC Internet")	15.00%
Zhanjiang Nanhai Ship Hi-Tech Services Co., Ltd. ("Zhanjiang Nanhai")	20.00%
Guangzhou CSSC Wenchong Bingshen Facilities Co., Ltd. ("Wenchong Bingshen")	20.00%
Wah Shun International Marine Limited ("Wah Shun")	16.50%
Wah Loong International Marine Limited ("Wah Loong")	16.50%
Guangzhou Xingji Maritime Engineering Design Co., Ltd. ("Xingji")	20.00%
HuaCheng (TianJin) Ship Leasing Co., Ltd. ("HuaCheng")	25.00%
HuaXin (TianJin) Ship Leasing Co., Ltd. ("HuaXin")	25.00%
Wan Sheng International Marine Limited ("Wan Sheng")	16.50%
Wan Xing International Marine Limited ("Wan Xing")	16.50%
Wan Xiang International Marine Limited ("Wan Xiang")	16.50%
Wan Rui International Marine Limited ("Wan Rui")	16.50%
Wan Yu International Marine Limited ("Wan Yu")	16.50%
Guangzhou Wenchong Ship Engineering Co., Ltd. ("Wenchong Engineering")	20.00%

Other explanations: Wah Shun, Wah Loong, Wan Sheng, Wan Xing, Wan Xiang, Wan Rui and Wan Yu, which are incorporated in Hong Kong, enforce Hong Kong profits tax at 16.50%.

2. Preferential taxation treatment

(1) Value-added tax

1) Export income: The Group is an enterprise engaged in production and operation. Tax relief, credit and rebate policy is applicable to all of its self-produced goods for export. The tax rebate rate is 13% for ship products and 9% for steel structure products.

2) Revenue from software: In accordance with the Circular of the State Administration of Taxation of the Ministry of Finance on the Value-added Tax Policy of Software Products (Cai Shui [2011] No. 100), for sales of software products developed and produced independently by certain subsidiaries of the Group, the portion of actual value-added tax burden in excess of 3% may be recovered upon payment in accordance with the relevant policy.

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

(2) Enterprise income tax

1) Huangpu Wenchong obtained the Certificate of Hi-tech Enterprise (certificate no.: GR202444006517) on 28 November 2024, with a validity till 28 November 2027. Huangpu Wenchong paid its enterprise income tax at a rate of 15%.

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

3) Wenchuan Heavy Industrial obtained the Certificate of Hi-tech Enterprise (certificate no.: GR202444000148) on 19 November 2024, with a validity till 19 November 2027. Wenchuan Heavy Industrial paid its enterprise income tax at a rate of 15%.

4) CSSC Internet obtained the Certificate of Hi-tech Enterprise (certificate no.: GR202444009625) on 11 December 2024, with a validity till 11 December 2027. CSSC Internet paid its enterprise income tax at a rate of 15%.

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

V. NOTES TO MAJOR ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial statements data disclosed below, unless otherwise stated, "Beginning balance" refers to the balance as at 1 January 2025; and "Ending balance" refers to the balance as at 30 June 2025. "Current period" refers to the period from 1 January 2025 to 30 June 2025; and "Last period" refers to the period from 1 January 2024 to 30 June 2024. The currency unit is RMB.

1. Cash at bank and on hand

Item	Ending balance	Beginning balance
Cash on hand	**6,607.97**	20,307.97
Digital currency		
Bank deposits	**49,182,418.95**	192,788,988.02
Other cash at bank and on hand	**1,420,446,090.04**	2,027,443,793.14
Deposit in finance company	**14,911,125,306.41**	13,040,341,355.19
Total	**16,380,760,423.37**	15,260,594,444.32
Including: Total amount deposited overseas	**17,237,229.96**	7,842,211.88
Amounts deposited overseas and limited to remit to Mainland China		

Other explanations: For details of monetary funds not classified as cash and cash equivalents which were limited to use by mortgage, pledge, and being frozen, limited to access due to centralized management of funds, or limited to remit to China in foreign countries, please refer to "V. 72. (6) Monetary funds which are not cash and cash equivalents" in this note. The Group's funds deposited overseas as at the end of the period are deposits of the subsidiaries established in Hong Kong.

2. Financial assets held-for-trading

(1) *Types of financial assets held-for-trading*

Item	Ending balance	Beginning balance
Financial assets at fair value through profit or loss	**119,063.01**	154,574.60
Including: Investment in debt instruments		
Investments in equity instruments	**119,063.01**	154,574.60
Derivative financial assets		
Others		
Financial assets designated at fair value through profit or loss		1,016,859.47
Including: Forward exchange contracts		1,016,859.47
Total	**119,063.01**	1,171,434.07

Reasons and basis for financial assets designated at fair value through profit or loss: at the time of initial recognition, they can eliminate or significantly reduce accounting mismatches.

(2) *Financial assets held-for-trading are analysed as follows*

Item	Ending balance	Beginning balance
Listed	**119,063.01**	154,574.60
Unlisted		1,016,859.47
Total	**119,063.01**	1,171,434.07

Other explanations: The Group's financial assets at fair value through profit or loss are equities and forward exchange contracts.

(1) For stocks, the fair value is determined based on the closing price of the shares at the end of the period.

(2) For forward exchange contracts, at measurement date, the public price of 3 banks before adjustment were obtained. According to prudence principle, one price is chosen to be input value. The prevailing benchmark loan interest rate promulgated by the People's Bank of China is chosen to be discount rate. The fair value is calculated according to the formula as follows:

As for forward foreign exchange settlement contract, choose the highest price to be input value, fair value = exchange price x (contract rate – quoted price)/discount rate Number of years.

As for forward foreign exchange purchase contract, choose the lowest quoted price to be input value, fair value = exchange price x (quoted price – contract rate)/discount rate Number of years.

If the fair value derived is positive, the Company discloses it under "Financial assets held-for-trading"; if negative, then discloses it under "Financial liabilities held-for-trading".

3. Notes receivable

(1) Types of notes receivable

Item	Ending balance	Beginning balance
Bank acceptance bills	**12,577,205.57**	45,894,339.59
Finance company acceptance bills	**8,155,697.24**	10,208,118.30
Commercial acceptance bills		
Total	**20,732,902.81**	56,102,457.89

(2) Types by method of bad debt provision

	Ending balance				
	Book balance		Provision for bad debts		
Type	Amount	Percentage (%)	Amount	Percentage of provision (%)	Carrying value
Provision for bad debts made on an individual basis					
Provision for bad debts made on a collective basis with credit risk features	**20,732,902.81**	**100.00**			**20,732,902.81**
Total	**20,732,902.81**	**100.00**			**20,732,902.81**

	Beginning balance				
	Book balance		Provision for bad debts		
Type	Amount	Percentage (%)	Amount	Percentage of provision (%)	Carrying value
Provision for bad debts made on an individual basis					
Provision for bad debts made on a collective basis with credit risk features	56,102,457.89	100.00			56,102,457.89
Total	56,102,457.89	100.00			56,102,457.89

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

Item:

	Ending balance		
Name	Book balance	Provision for bad debts	Percentage of provision (%)
Bank acceptance bills	**12,577,205.57**		
Finance company acceptance bills	**8,155,697.24**		
Total	**20,732,902.81**		**–**

(3) Provision for bad debts made, recovered or reversed for notes receivable during the year

None.

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

None.

(5) Notes receivable which has been endorsed or discounted to other party at the end of period but not yet expired at the balance sheet date

Item	Amount derecognized as at the end of the period	Amount not derecognized as at the end of the period
Bank acceptance bills		10,980,162.56
Finance company acceptance bills		5,847,128.76
Total		16,827,291.32

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

None.

4. Accounts receivable

(1) Ageing of accounts receivable

Aging	Ending balance	Beginning balance
Within 1 year	**1,700,011,504.84**	1,087,502,662.41
1 to 2 years	**202,573,213.26**	200,773,733.85
2 to 3 years	**45,971,622.69**	42,384,569.49
3 to 4 years	**5,198,368.61**	13,407,264.43
4 to 5 years	**139,816.00**	732,670.71
Over 5 years	**11,759,418.27**	12,696,822.46
Subtotal	**1,965,653,943.67**	1,357,497,723.35
Less: Provision for bad debts	**31,148,516.76**	30,577,244.37
Total	**1,934,505,426.91**	1,326,920,478.98

(2) Credit period of accounts receivable

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

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

Type	Ending balance				
	Book balance		Provision for bad debts		
	Amount	Percentage (%)	Amount	Percentage of provision (%)	Carrying value
Provision for bad debts made on an individual basis					
Provision for bad debts made on a collective basis	1,965,653,943.67	100.00	31,148,516.76	1.58	1,934,505,426.91
Total	**1,965,653,943.67**	**100.00**	**31,148,516.76**	**1.58**	**1,934,505,426.91**

Type	Beginning balance				
	Book balance		Provision for bad debts		
	Amount	Percentage (%)	Amount	Percentage of provision (%)	Carrying value
Provision for bad debts made on an individual basis					
Provision for bad debts made on a collective basis	1,357,497,723.35	100.00	30,577,244.37	2.25	1,326,920,478.98
Total	1,357,497,723.35	100.00	30,577,244.37	2.25	1,326,920,478.98

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

None.

2) *Accounts receivable with provision for bad debts made on a collective basis*

Item:

Name	Ending balance		
	Book balance	Provision for bad debts	Percentage of provision (%)
Ageing portfolio	**887,101,231.45**	**31,148,516.76**	**3.51**
Portfolio of government units and public institutions	**839,246,911.99**		
Related parties portfolio	**239,305,800.23**		
Total	**1,965,653,943.67**	**31,148,516.76**	**–**

The details of the ageing portfolio are as follows:

Ageing	Ending balance: Book balance	Ending balance: Provision for bad debts	Ending balance: Percentage of provision (%)
Within 1 year (inclusive)	724,276,740.21	960,352.23	0.13
1 to 2 years	116,071,839.67	11,607,183.96	10.00
2 to 3 years	38,720,048.69	11,616,014.61	30.00
3 to 4 years	5,198,368.61	4,158,694.89	80.00
4 to 5 years	139,816.00	111,852.80	80.00
Over 5 years	2,694,418.27	2,694,418.27	100.00
Total	887,101,231.45	31,148,516.76	–

(4) Provision for bad debts made, recovered or reversed for accounts receivable during the year

Type	Beginning balance	Amount of changes during the period: Provision	Amount of changes during the period: Recovered or reversed	Amount of changes during the period: Resold or written-off	Amount of changes during the period: Others	Ending balance
Provision for bad debts of accounts receivable	30,577,244.37	571,272.39				31,148,516.76
Total	30,577,244.37	571,272.39				31,148,516.76

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

None.

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

Name of entity	Ending balance of accounts receivable	Ending balance of contract assets	Ending balance of accounts receivable and contract assets	Percentage of total ending balance of accounts receivable and contract assets	Ending balance of provision for bad debts of accounts receivable and contract assets
Entity 1	79,235,000.00	1,855,455,315.40	1,934,690,315.40	38.26	
Entity 2	104,520,000.00	493,774,475.25	598,294,475.25	11.83	
Entity 3	282,137,783.00		282,137,783.00	5.58	
Entity 4	211,407,775.20		211,407,775.20	4.18	
Entity 5	249,688.37	135,205,880.04	135,455,568.41	2.68	
Total	677,550,246.57	2,484,435,670.69	3,161,985,917.26	62.53	

5. Receivable financing

(1) Receivable financing by categories

Item	Ending balance	Beginning balance
Notes receivable	**4,835,809.09**	31,066,978.56
Accounts receivable	**109,179,774.54**	205,481,097.39
Total	**114,015,583.63**	236,548,075.95

Other explanations: The Group discounts and endorses a portion of its bank acceptance bills more frequently for day-to-day fund management purposes. Therefore, the Group classified bank acceptance bills with higher remaining credit rating on the books as financial assets measured at fair value through other comprehensive income, and the Group believed that the bank acceptance bills held by it are not subject to significant credit risk and will not incur significant losses due to bank defaults, and therefore no bad debt provision has been recognized. The electronic debt certificates of accounts receivable obtained by the Group generating from the sale of goods and the provision of services are included in the item under the "Accounts Receivable" if the mode of business management aims to collect the contract cashflow; For the purpose of collecting the contract cashflow and selling, it is included in the item under the "Receivable financing."

(2) Changes in receivable financing and fair value changes in the current period

Item	Beginning balance	Addition during the period	Derecognised during the period	Ending balance	Accumulated loss provision recognized in other comprehensive income
Notes receivable	31,066,978.56	908,446,369.09	934,677,538.56	**4,835,809.09**	
Accounts receivable	205,481,097.39	35,321,000.91	131,622,323.76	**109,179,774.54**	
Total	236,548,075.95	943,767,370.00	1,066,299,862.32	**114,015,583.63**	

(3) Receivable financing pledged as at the end of the period

None.

(4) Receivable financing which has been endorsed or discounted to other party at the end of the period but not yet expired at the balance sheet date

Item	Amount derecognised at the end of the period	Amount not derecognised at the end of the period
Notes receivable	**903,610,560.00**	
Accounts receivable		
Total	**903,610,560.00**	

(5) Receivable financing actually written-off during the period

None.

6. Prepayments

(1) Aging of prepayments

Aging	Ending balance		Beginning balance	
	Amount	Percentage (%)	Amount	Percentage (%)
Within 1 year	**4,690,893,439.06**	**86.49**	3,971,201,605.75	71.58
1-2 years	**477,001,970.45**	**8.79**	860,607,407.55	15.51
2-3 years	**37,800,672.36**	**0.70**	413,061,006.69	7.45
Over 3 years	**217,884,705.87**	**4.02**	302,817,978.68	5.46
Total	**5,423,580,787.74**	**100.00**	5,547,687,998.67	100.00

Significant prepayments aged over 1 year:

Name of the entity	Relationship with the Group	Ending balance	Of which aged over one year	Amount aged over 1 year as a percentage of total prepayments (%)	Aging	Reason for unsettlement
China State Shipbuilding Equipment and Materials Corporation Limited	Related party within the Group	**977,295,461.85**	239,346,772.11	4.41	Within 1 year, 1 to 2 years, 2 to 3 years, over 3 years	Large equipment received in batches and inspected and accepted
China Shipbuilding Industry Complete Logistics (Guangzhou) Co., Ltd.	Related party within the Group	**145,680,698.42**	138,577,718.72	2.56	Within 1 year, 2 to 3 years, over 3 years	Large equipment received in batches and inspected and accepted
Yuchai Marine Power Co., Ltd.	Third party	**95,183,000.00**	83,985,000.00	1.55	Within 1 year, 1 to 2 years	Large equipment received in batches and inspected and accepted
China Electronics Technology Group Corporation No. 29 Research Institute	Third party	**79,077,876.11**	61,000,000.00	1.12	Within 1 year, 1 to 2 years	Large equipment received in batches and inspected and accepted
MTU Asia Pte. Ltd.	Third party	**30,194,305.95**	30,194,305.95	0.56	Over 3 years	Large equipment received in batches and inspected and accepted
China First Heavy Industries Co., Ltd.	Third party	**27,430,433.62**	9,903,000.00	0.18	Within 1 year, 1 to 2 years	Large equipment received in batches and inspected and accepted
Guangzhou Denes International Trading Co., Ltd.	Third party	**17,781,857.13**	17,781,857.13	0.33	1 to 2 years	Large equipment received in batches and inspected and accepted
China Shipbuilding Equipment & Materials Northeast Corporation	Related party within the Group	**23,012,507.66**	18,565,918.28	0.34	Within 1 year, 1 to 2 years, 2 to 3 years, over 3 years	Large equipment received in batches and inspected and accepted
Dalian CRRC Diesel Engine Special Equipment Co., Ltd.	Third party	**12,480,000.00**	12,480,000.00	0.23	Over 3 years	Large equipment received in batches and inspected and accepted
CSIC Haisheng Technology Co., Ltd.	Related party within the Group	**11,063,716.82**	9,442,516.82	0.17	Within 1 year, 1 to 2 years	Large equipment received in batches and inspected and accepted
Total		**1,419,199,857.56**	621,277,089.01	11.45		

(2) Top five prepayments by supplier based on ending balance

Name of the entity	Ending balance	Percentage of total ending balance of prepayments to suppliers (%)
China State Shipbuilding Equipment and Materials Corporation Limited	**977,295,461.85**	18.02
Hudong Heavy Machinery Co., Ltd.	**527,351,286.72**	9.72
China Shipbuilding Trading Co., Ltd.	**420,104,892.07**	7.75
CSSC System Engineering Research Institute	**215,252,430.40**	3.97
Shanghai CSSC Mitsui Shipbuilding Diesel Engine Co., Ltd.	**211,680,000.00**	3.90
Total	**2,351,684,071.04**	43.36

7. Other receivables

Item	Ending balance	Beginning balance
Interest receivable		
Dividend receivable		12,585,085.74
Other receivables	**59,205,400.83**	50,529,923.36
Total	**59,205,400.83**	63,115,009.10

7.1 Dividend receivable

(1) Breakdown of dividend receivable

Investee	Ending balance	Beginning balance
Shi Ludwen Shipbuilding Heavy Industry Co., Ltd.		12,585,085.74
Sub-total		12,585,085.74
Less: Provision for bad debts		
Total		12,585,085.74

(2) Significant dividend receivable aged over one year

None.

7.2 Other receivables

(1) Breakdown of other receivables by ageing

Aging	Ending balance	Beginning balance
Within one year	**42,004,704.99**	35,623,431.40
1 to 2 years	**12,342,052.60**	9,619,538.42
2 to 3 years	**1,123,681.23**	1,117,804.84
3 to 4 years	**1,420,883.64**	1,510,715.48
4 to 5 years	**4,835,000.00**	5,238,837.95
Over 5 years	**4,884,861.84**	4,759,071.60
Sub-total	**66,611,184.30**	57,869,399.69
Less: provision for bad debts	**7,405,783.47**	7,339,476.33
Total	**59,205,400.83**	50,529,923.36

(2) *Breakdown of other receivables by nature*

Nature of amount	Ending balance	Beginning balance
Refundable deposit	**19,876,053.00**	19,120,186.28
Reserve funds	**7,123,132.63**	10,888,925.29
Other current accounts	**39,611,998.67**	27,860,288.12
Total	**66,611,184.30**	57,869,399.69

(3) *Provision for bad debts*

Provision for bad debts	Stage 1 Expected credit losses for next 12 months	Stage 2 Expected credit losses during the whole life span (not credit impaired)	Stage 3 Expected credit losses during the whole life span (credit impaired)	Total
Beginning balance	115,055.90	813,437.40	6,410,983.03	7,339,476.33
Beginning balance for the current period	–	–	–	–
– Transfer to stage 2				
– Transfer to stage 3				
– Transfer back to stage 2				
– Transfer back to stage 1				
Provision made during the period	39,100.17	27,206.97		66,307.14
Reversed during the period				
Offset during the period				
Written off during the period				
Other changes				
Ending balance	**154,156.07**	**840,644.37**	**6,410,983.03**	**7,405,783.47**

Division basis for each stage and description for the proportion of provision for bad debts:

1) Stage 1: portfolio of deposit and security deposit that are not past due, portfolio of retained reserve and employee loans, related parties portfolio within the scope of consolidation of the Group, portfolio of government units and public institutions and aging portfolio aged less than two years. For the portfolio of deposit and security deposit that are not past due, portfolio of retained reserve and employee loans, related parties portfolio within the scope of consolidation of the Group, portfolio of government units and public institutions, aging portfolio aged 0 to 6 months, no provision for bad debts is made. For the aging portfolio aged 6 months to one year, the proportion of provision for bad debts is 0.5%. For aging portfolio aged one to two years, the proportion of provision for bad debts is 10%.

2) Stage 2: aging portfolio aged over two years. For aging portfolio aged two to three years, the proportion of provision for bad debts is 30%. For aging portfolio aged three to five years, the proportion of provision for bad debts is 80%. For aging portfolio aged over five years, the proportion of provision for bad debts is 100%.

3) Stage 3: other receivables for which provision for bad debts is made on an individual basis.

Changes in book balance of other receivables are as follows:

Book balance	Stage 1 Expected credit losses for next 12 months	Stage 2 Expected credit losses during the whole life span (not credit impaired)	Stage 3 Expected credit losses during the whole life span (credit impaired)	Total
Beginning balance	50,046,608.08	1,411,808.58	6,410,983.03	57,869,399.69
Beginning balance for the current period	–	–	–	–
– Transfer to stage 2	-2,591,627.81	2,591,627.81		
– Transfer to stage 3				
– Transfer back to stage 2				
– Transfer back to stage 1				
Increased during the period	443,749,322.73			443,749,322.73
Derecognised during the period	432,097,895.44	2,909,642.68		435,007,538.12
Other changes				
Ending balance	**59,106,407.56**	**1,093,793.71**	**6,410,983.03**	**66,611,184.30**

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

Type	Beginning balance	Amount of changes during the period: Provision made	Recovered or reversed	Offset or written off	Other changes	Ending balance
Provision for bad debts of other receivables	7,339,476.33	66,307.14				**7,405,783.47**
Total	7,339,476.33	66,307.14				**7,405,783.47**

(5) *Other receivables actually written off during the period*

None.

(6) *Top five other receivables by ending balance of debtors*

Name of entity	Nature of amount	Ending balance	Ageing	Percentage of ending balance of total other receivables (%)	Ending balance of provision for bad debt
China Shipbuilding Industry Complete Logistics (Guangzhou) Co., Ltd.	Advance payment	**12,224,571.68**	Within 1 year, 1 to 2 years	18.35	6,410,983.03
Guangxin Shipbuilding & Heavy Industry Co. Ltd.	Refundable deposit	**8,120,000.00**	1 to 2 years, 4 to 5 years, over 5 years	12.19	
China National Shipbuilding Equipment & Materials (South China) Co., Ltd.	Advance payment	**5,161,692.80**	Within 1 year	7.75	
Guangzhou Wenchong Industrial Co., Ltd.	Wages, social insurance, housing fund	**1,142,564.20**	1 to 2 years, 2 to 3 years, 3 to 4 years	1.72	432,036.33
China Railway Construction Bridge Engineering Bureau Group Co., Ltd.	Refundable deposit	**889,440.00**	3 to 4 years	1.34	
Total	–	**27,538,268.68**	–	41.35	6,843,019.36

Other explanations: A single bad debt provision of RMB6,410,983.03 was made for China Shipbuilding Industry Complete Logistics (Guangzhou) Co., Ltd. due to the bankruptcy of the company's supplier ZGPT Diesel Heavy Industry Co., Ltd., and the prepayments corresponding to the relevant contracts are expected to be unrecoverable.

(7) Presentation under other receivables due to centralized capital management

None.

8. Inventories

(1) Breakdown of inventories

Item	Ending balance: Book balance	Ending balance: Provision for impairment of inventories/ provision for impairment of contract performance cost	Ending balance: Carrying value	Beginning balance: Book balance	Beginning balance: Provision for impairment of inventories/ provision for impairment of contract performance cost	Beginning balance: Carrying value
Raw materials	859,297,593.77	40,708,128.10	818,589,465.67	725,183,450.96	6,616,714.69	718,566,736.27
Work in progress	5,859,045,545.74	82,140,552.75	5,776,904,992.99	4,372,726,990.95	82,140,552.75	4,290,586,438.20
Contract performance cost	630,357,413.84		630,357,413.84	896,531,272.33		896,531,272.33
Total	7,348,700,553.35	122,848,680.85	7,225,851,872.50	5,994,441,714.24	88,757,267.44	5,905,684,446.80

(2) Provision for impairment of inventories and provision for impairment of contract performance cost

Item	Beginning balance	Increase for the period: Provision made	Increase for the period: Others	Decrease for the period: Reversal or writing-off	Decrease for the period: Others	Ending balance
Raw materials	6,616,714.69	36,190,026.83		2,098,613.42		40,708,128.10
Work in progress	82,140,552.75					82,140,552.75
Total	88,757,267.44	36,190,026.83		2,098,613.42		122,848,680.85

(3) Standard of provision for impairment of inventories made

Item	Provision standard	Basis for determination of net realisable value	Reason for reversal or offsetting during the year
Raw materials	Book cost higher than net realisable value	Estimated disposal proceeds less taxes	Sales of raw materials
Work in progress	Book cost higher than net realisable value	Estimated selling price less related costs and expenses for reaching sales status, etc.	Completed for sale
Contract performance cost	Book cost higher than net realisable value	Estimated selling price less costs and expenses upon completed contract performance, etc.	Completed performance

(4) Ending balance of inventories involving a capitalized amount of borrowing costs and its calculation criteria and basis

Ending balance of inventories did not involve a capitalized amount of borrowing costs.

(5) Note on amount of amortisation of contract performance cost for the period

The amount of amortisation of contract performance cost for the period was transferred to operating cost.

9. Contract assets

(1) *Information on contract assets*

Item	Ending balance			Beginning balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Contract assets related to shipbuilding	**1,917,108,633.22**		**1,917,108,633.22**	999,307,953.69		999,307,953.69
Contract assets related to offshore engineering products				212,934,539.02		212,934,539.02
Contract assets related to steel structures	**267,229,246.90**		**267,229,246.90**	355,848,946.77		355,848,946.77
Outstanding warranties previously included in accounts receivable	**906,731,128.25**		**906,731,128.25**	820,375,004.47		820,375,004.47
Total	**3,091,069,008.37**		**3,091,069,008.37**	2,388,466,443.95		2,388,466,443.95

(2) *Amount and reason for significant changes in carrying values during the reporting period*

Item	Amount of change	Reason for change
Contract assets related to shipbuilding	917,800,679.53	The increased consideration receivable arising from the transfer of goods
Contract assets related to offshore engineering products	-212,934,539.02	The vessel has been completed for sale
Contract assets related to steel structures	-88,619,699.87	The contract is being performed and the date of recognition of contract revenue recognised based on contract performance progress is earlier or later than the date of receipt of consideration on due date.
Outstanding warranties for accounts receivable	86,356,123.78	The increase in receivables subject to restrictive conditions
Total	702,602,564.42	–

(3) *Contract assets actually written off during the period*

None.

10. Non-current assets due within one year

Item	Ending balance	Beginning balance
Long-term receivables due within one year	**966,602,822.65**	930,941,201.25
Total	**966,602,822.65**	930,941,201.25

11. Other current assets

Item	Ending balance	Beginning balance
Value-added tax credit	**401,964,612.40**	423,680,907.43
Prepaid enterprise income tax	**6,672,909.81**	37,011.62
Total	**408,637,522.21**	423,717,919.05

12. Long-term receivable

(1) Information on long-term receivable

Item	Ending balance			Beginning balance			
	Book balance	Provision for bad debts	Carrying value	Book balance	Provision for bad debts	Carrying value	Range discount of rate (%)
Finance lease payments	261,194,310.04		261,194,310.04	292,668,857.86		292,668,857.86	2–2.42
Including: Unrealized financing income	5,009,601.11		5,009,601.11	7,590,778.09		7,590,778.09	
Receipt in instalments for sales of goods	1,220,587,806.33	45,617,432.04	1,174,970,374.29	1,399,875,304.11	45,617,432.04	1,354,257,872.07	2–6
Sub-total	1,481,782,116.37	45,617,432.04	1,436,164,684.33	1,692,544,161.97	45,617,432.04	1,646,926,729.93	
Less: Current portion due within one year	966,602,822.65		966,602,822.65	930,941,201.25		930,941,201.25	
Total	515,179,293.72	45,617,432.04	469,561,861.68	761,602,960.72	45,617,432.04	715,985,528.68	

(2) Long-term receivable disclosed by the method using which the provision for bad debts is made

Type	Ending balance				
	Book balance		Provision for bad debts		
	Amount	Percentage (%)	Amount	Percentage of provision (%)	Carrying value
Provision for bad debts made on an individual basis	515,179,293.72	100.00	45,617,432.04	8.85	469,561,861.68
Including: Finance lease payments	104,975,998.81	20.38			104,975,998.81
Receipt in instalments for sale of goods	410,203,294.91	79.62	45,617,432.04	11.12	364,585,862.87
Total	515,179,293.72	100.00	45,617,432.04	–	469,561,861.68

Other explanations: Long-term receivables recognized its credit impairment loss and made provision for bad debts based on the difference from the present value of future cash flows lower than its book value.

Type	Beginning balance				
	Book balance		Provision for bad debts		
	Amount	Percentage of provision (%)	Amount	Percentage of provision (%)	Carrying value
Provision for bad debts made on an individual basis	761,602,960.72	100.00	45,617,432.04	5.99	715,985,528.68
Including: Finance lease payments	236,229,417.61	31.02			236,229,417.61
Receipt in instalments for sale of goods	525,373,543.11	68.98	45,617,432.04	8.68	479,756,111.07
Total	761,602,960.72	100.00	45,617,432.04	–	715,985,528.68

(3) Provision for bad debts made, recovered or reversed for long-term receivables during the period

Type	Beginning balance	Change in the period				Ending balance
		Provision made	Recovered or reversed	Offset or written off	Other changes	
Provision for bad debts made for long-term receivables	45,617,432.04					45,617,432.04
Total	45,617,432.04					45,617,432.04

(4) Long-term receivables actually written off during the period

None.

13. Long-term equity investments

(1) Information on long-term equity investments

Investee	Beginning balance (Carrying value)	Beginning balance of provision for impairment	Change for the period								Ending balance (Carrying value)	Ending balance of provision for impairment
			Increase in investment	Decrease in investment	Investment gain or loss recognised using equity method	Adjustment to other comprehensive income	Other changes in equity	Declaration and payment of cash dividend or profit	Provision for impairment made	Others		
Joint ventures:												
Guangzhou Shipyard International Company Limited	5,384,734,804.83				364,956,122.39	385,911.56	141,254.98				5,750,218,093.76	
Huangchuan Zhengli (Fujian) New Energy Development Co., Ltd.	12,230,789.90				-933,554.97						11,297,234.93	
Shi Ludwen Shipbuilding Heavy Industry Co., Ltd.	7,019,247.67				–5,402,389.67						1,616,858.00	
Sub-total	5,403,984,842.40				358,620,177.75	385,911.56	141,254.98				5,763,132,186.69	
Total	5,403,984,842.40				358,620,177.75	385,911.56	141,254.98				5,763,132,186.69	

Other explanations: Other changes in equity are that there is a change in the capital reserves and special reserves of GSI, an associate of the Company, and the resulting impact is included in the capital reserves as other changes in the owners' equity of joint ventures.

(2) Analysis of long-term equity investments

Item	Ending balance	Beginning balance
Listed		
Unlisted	**5,763,132,186.69**	5,403,984,842.40
Total	**5,763,132,186.69**	5,403,984,842.40

14. Investments in other equity instruments

(1) Information on investments in other equity instruments

Name of item	Beginning balance	Change for the period: Increase in investment	Change for the period: Decrease in investment	Change for the period: Gain included in other comprehensive income	Change for the period: Loss included in other comprehensive income	Ending balance	Dividend income recognized during the period	Accumulated gain included in other comprehensive income at the end of the period	Accumulated loss included in other comprehensive income at the end of the period	Reason for designation as at fair value through other comprehensive income
Sub-total of listed	7,855,354,449.59		6,497,390.18	961,027.78	743,832,612.72	7,105,985,474.47	55,754,545.33	4,219,401,366.64	6,659,372.10	
CSSC Holdings	7,821,117,179.36				743,832,612.72	7,077,284,566.64	54,373,729.00	4,219,401,366.64		Investments not held for trading
CMIC OCEAN EW TECH HOLDING CO.,LTD	34,237,270.23		6,497,390.18	961,027.78		28,700,907.83	1,380,816.33		6,659,372.10	Investments not held for trading
Sub-total of unlisted	4,555,068.77			39,563.88	666,103.18	3,928,529.47	229,563.23	1,673,416.99	231,352.98	
Huangpu Hongshan Community Health Service Center	2,681,429.29				178,091.07	2,503,338.22		1,303,338.22		Investments not held for trading
China Shipbuilding IT Co., Ltd.	871,256.16				302,609.14	568,647.02			231,352.98	Investments not held for trading
Guangzhou Wenchuan Industrial Co., Ltd.	839,698.51				185,402.97	654,295.54	202,688.23	274,255.08		Investments not held for trading
Guangzhou Xinzhou Service Co., Ltd.	162,684.81			39,563.88		202,248.69	26,875.00	95,823.69		Investments not held for trading
Total	7,859,909,518.36		6,497,390.18	1,000,591.66	744,498,715.90	7,109,914,003.94	55,984,108.56	4,221,074,783.63	6,890,725.08	-

(2) Analysis of other equity instruments

Item	**Ending balance**	Beginning balance
Listed	**7,105,985,474.47**	7,855,354,449.59
Including: China (except Hong Kong)	**7,077,284,566.64**	7,821,117,179.36
Unlisted	**3,928,529.47**	4,555,068.77
Total	**7,109,914,003.94**	7,859,909,518.36

(3) Explanation on derecognition in this period

None.

15. Investment properties

(1) Investment properties measured at cost

Item	Buildings and structures	Total
1. Original carrying amount		
(1) Ending balance of last year	**157,433,262.96**	157,433,262.96
(2) Increase for the period		
(3) Decrease for the period		
(4) Ending balance	**157,433,262.96**	157,433,262.96
2. Accumulated depreciation and amortisation		
(1) Ending balance of last year	**34,321,481.46**	34,321,481.46
(2) Increase for the period	**3,268,712.52**	3,268,712.52
– Provision made or amortisation	**3,268,712.52**	3,268,712.52
(3) Decrease for the period		
(4) Ending balance	**37,590,193.98**	37,590,193.98
3. Provision for impairment		
(1) Ending balance of last year		
(2) Increase for the period		
(3) Decrease for the period		
(4) Ending balance		
4. Carrying value		
(1) Carrying value at the end of the period	**119,843,068.98**	119,843,068.98
(2) Carrying value at the end of last year	**123,111,781.50**	123,111,781.50

Other explanations:

1) The depreciation and amortisation of investment properties recognised in profit or loss during the period is RMB3,268,712.52 (last period: RMB3,268,712.52).

2) The provision for impairment of investment properties made for the period is RMB0 (last period: RMB0).

3) Investment properties analysed by region and ageing

Item	Ending balance	Beginning balance
Within China	**119,843,068.98**	123,111,781.50
Medium term (10-50 years)	**119,843,068.98**	123,111,781.50
Total	**119,843,068.98**	123,111,781.50

(2) Investment properties without property ownership certificates

As at the end of the Reporting Period, included in investment properties were properties with carrying amount of RMB119,843,068.98 for which the property ownership certificates were being applied for. Given the aforesaid properties were in compliance with the relevant legal procedures, the Board of the Group believes that the transfer of its title will not meet any substantial obstacle or affect their normal use by the Group and will have no material impact on the normal operation of the Group. As such, no provision for impairment is required for investment properties and there will be no additional material costs.

Item	Carrying value	Reason for failure to obtain property ownership certificates
Hull joint workshop	65,173,415.49	In the process of obtaining ownership certificate
Component welding workshop	52,168,524.15	In the process of obtaining ownership certificate
Sanding and coating workshop	2,501,129.34	In the process of obtaining ownership certificate
Total	119,843,068.98	–

16. Fixed assets

Item	Ending balance	Beginning balance
Fixed assets	**4,748,510,568.20**	4,830,830,141.14
Disposal of fixed assets		
Total	**4,748,510,568.20**	4,830,830,141.14

(1) Fixed assets

Item	Buildings and structures	Machinery and equipment	Transportation vehicles	Other equipment	Total
1. Original carrying amount					
(1) Ending balance of last year	3,830,377,145.98	2,655,138,144.01	1,618,307,048.27	254,336,255.62	8,358,158,593.88
(2) Increase for the period	77,404,326.37	8,241,169.88	4,796,387.72	5,249,047.38	95,690,931.35
– Additions		22,743.36	252,902.65	164,812.33	440,458.34
– Transfer from construction in progress	77,404,326.37	8,218,426.52	4,543,485.07	5,084,235.05	95,250,473.01
(3) Decrease for the period	1,401,526.88	24,616,714.27	6,682,264.60	4,125,959.94	36,826,465.69
– Disposal or retirement	1,401,526.88	24,616,714.27	6,682,264.60	4,125,959.94	36,826,465.69
(4) Ending balance	3,906,379,945.47	2,638,762,599.62	1,616,421,171.39	255,459,343.06	8,417,023,059.54
2. Accumulated depreciation					
(1) Ending balance of last year	1,430,836,730.79	1,574,463,232.79	317,616,413.06	201,737,834.37	3,524,654,211.01
(2) Increase for the period	79,849,052.57	59,382,568.85	26,351,516.88	8,737,942.20	174,321,080.50
– Provision made	79,849,052.57	59,382,568.85	26,351,516.88	8,737,942.20	174,321,080.50
(3) Decrease for the period	340,259.24	23,397,881.60	6,321,290.55	3,686,047.33	33,745,478.72
– Disposal or retirement	340,259.24	23,397,881.60	6,321,290.55	3,686,047.33	33,745,478.72
(4) Ending balance	1,510,345,524.12	1,610,447,920.04	337,646,639.39	206,789,729.24	3,665,229,812.79
3. Provision for impairment					
(1) Ending balance of last year		2,605,017.33		69,224.40	2,674,241.73
(2) Increase for the period		650,837.72			650,837.72
– Transfer from provision for impairment of inventories		650,837.72			650,837.72
(3) Decrease for the period		12,664.44		29,736.46	42,400.90
– Disposal or retirement		12,664.44		29,736.46	42,400.90
(4) Ending balance		3,243,190.61		39,487.94	3,282,678.55
4. Carrying value					
(1) Carrying value at the end of the period	2,396,034,421.35	1,025,071,488.97	1,278,774,532.00	48,630,125.88	4,748,510,568.20
(2) Carrying value at the end of last year	2,399,540,415.19	1,078,069,893.89	1,300,690,635.21	52,529,196.85	4,830,830,141.14

Other explanations:

The depreciation of fixed assets recognised in profit or loss during the period is RMB174,321,080.50 (last period: RMB181,629,598.49);

Included in fixed assets added during the period is transfer from construction in progress of RMB95,250,473.01.

(2) Temporarily idle fixed assets

None.

(3) Fixed assets leased out through operating leases

Item	Carrying value at the end of the period
Buildings and structures	32,609,314.03
Machinery and equipment	46,222,814.76
Transportation vehicles	1,231,948,300.31
Other equipment	7,662,787.61
Total	1,318,443,216.71

(4) Buildings and structures analysed by region and ageing

Item	Ending balance	Beginning balance
Within China	**2,396,034,421.34**	2,399,540,415.19
Including: Medium term (10-50 years)	**2,374,406,475.79**	2,363,897,039.87
Short term (within 10 years)	**21,627,945.55**	35,643,375.32
Total	**2,396,034,421.34**	2,399,540,415.19

(5) Fixed assets without property ownership certificates

None.

(6) Disposal of fixed assets

None.

17. Construction in progress

Item	Ending balance	Beginning balance
Construction in progress	**171,017,978.88**	164,266,268.87
Construction materials		
Total	**171,017,978.88**	164,266,268.87

(1) Construction in progress

Item	Ending balance			Beginning balance		
	Book balance	Provision for impairment	Carrying value	Book balance	Provision for impairment	Carrying value
Residential project	**35,805,659.15**		**35,805,659.15**	35,805,659.15		35,805,659.15
Southern wing Phase II of offshore wind power equipment				34,473,027.65		34,473,027.65
Production auxiliary housing project	**60,678,347.22**		**60,678,347.22**	24,103,075.75		24,103,075.75
Shift dormitory project				21,686,264.12		21,686,264.12
Project implementation in advance	**32,182,761.12**		**32,182,761.12**	18,992,215.22		18,992,215.22
Technology reform project	**15,101,081.67**		**15,101,081.67**	11,120,342.36		11,120,342.36
Improvement and upgrading project of volatile organic compounds (VOCs) treatment process	**7,075,680.66**		**7,075,680.66**	5,936,783.05		5,936,783.05
Adaptive transformation project for sewerage facilities supporting transit facilities, etc.	**13,854,350.62**		**13,854,350.62**	5,257,413.98		5,257,413.98
Southern wing Phase I of offshore wind power equipment				3,698,580.05		3,698,580.05
Other projects	**6,320,098.44**		**6,320,098.44**	3,192,907.54		3,192,907.54
Total	**171,017,978.88**		**171,017,978.88**	164,266,268.87		164,266,268.87

(2) Changes in material construction in progress during the year

Name of item	Budget	Ending balance of last year	Increase for the period	Amount transfer to fixed assets in the period	Other decreased amount in the period	Ending balance	Ratio of accumulated contribution to the construction to budget (%)	Progress of construction (%)	Accumulated amount of capitalised interest	Including: capitalised amount of interest in the period	Rate of capitalisation of interest in the period (%)	Source of funding
Production auxiliary housing project	145,000,000.00	24,103,075.75	36,575,271.47			60,678,347.22	41.85	80.00				Self financed
Project implementation in advance	289,000,000.00	18,992,215.22	13,190,545.90			32,182,761.12	62.92	75.00				Self financed
Technology reform project	328,700,000.00	11,120,342.36	26,848,640.29	19,123,237.27	3,744,663.71	15,101,081.67	57.60	90.00				Self financed
Adaptive transformation project for sewerage facilities supporting transit facilities, etc.	148,000,000.00	5,257,413.98	8,596,936.64			13,854,350.62	9.36	40.00				Self financed
Improvement and upgrading project of volatile organic compounds (VOCs) treatment process	59,900,000.00	5,936,783.05	1,138,897.61			7,075,680.66	45.46	80.00				Self financed
Guangxi Heavy Industrial Southern wing Phase II of offshore wind power equipment	98,000,000.00	34,473,027.65	13,944,898.07	48,417,925.72			49.41	100.00				Self financed
Shift dormitory	28,500,000.00	21,686,264.12	258,326.33	21,944,590.45			77.00	100.00				Self financed
Total	–	121,569,122.13	100,553,516.31	89,485,753.44	3,744,663.71	128,892,221.29						

(3) Provision for impairment of construction in progress in the year

None.

18. Right-of-use assets

Item	Land	Buildings and structures	Machinery and transportation equipment	Total
1. Original carrying amount				
(1) Beginning balance	26,397,693.00	246,776,552.74	77,255,068.74	350,429,314.48
(2) Increase for the period		3,994,358.41	35,155,453.39	39,149,811.80
– Increase in leases		3,994,358.41	35,155,453.39	39,149,811.80
(3) Decrease for the period		357,488.90	138,483.83	495,972.73
– Maturity of leases		357,488.90	138,483.83	495,972.73
(4) Ending balance	26,397,693.00	250,413,422.25	112,272,038.30	389,083,153.55
2. Accumulated depreciation				
(1) Beginning balance	13,198,846.56	108,040,547.00	5,490,240.25	126,729,633.81
(2) Increase for the period	3,299,711.64	31,558,997.47	10,924,271.84	45,782,980.95
– Provision made	3,299,711.64	31,558,997.47	10,924,271.84	45,782,980.95
(3) Decrease for the period		357,488.90	138,483.83	495,972.73
– Maturity of leases		357,488.90	138,483.83	495,972.73
(4) Ending balance	16,498,558.20	139,242,055.57	16,276,028.26	172,016,642.03
3. Provision for impairment				
(1) Beginning balance				
(2) Increase for the period				
(3) Decrease for the period				
(4) Ending balance				
4. Carrying value				
(1) Carrying value at the end of the period	9,899,134.80	111,171,366.68	95,996,010.04	217,066,511.52
(2) Carrying value at the beginning of the period	13,198,846.44	138,736,005.74	71,764,828.49	223,699,680.67

Other explanations: The depreciation of right-of-use assets recognized in the profit or loss during the period is RMB45,782,980.95 (last period: RMB43,935,983.70).

19. Intangible assets

(1) Breakdown of intangible assets

Item	Land use rights	Software	Others	Total
1. Original carrying amount				
(1) Beginning balance	1,083,023,223.46	148,423,202.37	1,063,675.00	1,232,510,100.83
(2) Increase for the period		3,744,663.71		3,744,663.71
– Additions		3,744,663.71		3,744,663.71
(3) Decrease for the period				
(4) Ending balance	1,083,023,223.46	152,167,866.08	1,063,675.00	1,236,254,764.54
2. Accumulated amortisation				
(1) Beginning balance	222,282,812.46	84,039,572.85	1,063,675.00	307,386,060.31
(2) Increase for the period	10,875,078.51	5,614,407.38		16,489,485.89
– Provision made	10,875,078.51	5,614,407.38		16,489,485.89
(3)Decrease for the period				
(4) Ending balance	233,157,890.97	89,653,980.23	1,063,675.00	323,875,546.20
3. Provision for impairment				
(1) Beginning balance				
(2) Increase for the period				
(3) Decrease for the period				
(4) Ending balance				
4. Carrying value				
(1) Carrying value at the end of the period	849,865,332.49	62,513,885.85		912,379,218.34
(2) Carrying value at the beginning of the period	860,740,411.00	64,383,629.52		925,124,040.52

Other explanations:

(1) There were no intangible assets arising from internal research and development of the Company during the period.

(2) The amortisation of intangible assets recognised in profit or loss during the period is RMB16,489,485.89 (last period: RMB16,705,424.13).

(3) Land use rights analysed by region and term

Item	Ending balance	Beginning balance
Within China	**849,865,332.49**	860,740,411.00
Including: Medium term (10-50 years)	**849,865,332.49**	860,740,411.00
Total	**849,865,332.49**	860,740,411.00

(2) Intellectual property rights with uncertain service life

None.

(3) Single intellectual property rights with significant impact

None.

(4) Intellectual property rights with restricted ownership or use right

None.

(5) Land use rights without real estate certificates

None.

20. Long-term deferred expenses

Item	Beginning balance	Increase for the period	Amortisation for the period	Other decreases for the period	Ending balance
Moving shelter		31,685,444.93	1,584,272.26		**30,101,172.67**
General tooling	26,156,650.57		4,312,923.46	480,908.67	**21,362,818.44**
Workers' cubicles in Nansha	16,185,450.20	6,367,658.96			**22,553,109.16**
Temporary office building/canteen		11,407,879.46	760,525.31		**10,647,354.15**
Collective dormitory renovation project	7,847,682.06		581,309.82		**7,266,372.24**
Maintenance and renovation of old TVU dormitory	5,819,611.34		303,631.92		**5,515,979.42**
High span roof restoration works	5,428,797.88		402,133.14		**5,026,664.74**
Canteen upgrading project	5,330,828.18		387,625.02		**4,943,203.16**
Temporary warehouse	3,835,338.61		390,034.44		**3,445,304.17**
Temporary dormitory	3,602,755.66		366,381.93		**3,236,373.73**
13-metre beam of Shipyard Division	2,444,817.98		431,438.46		**2,013,379.52**
Abandoned cubicles in the camp of Shenzhen-Zhongshan bridge project	1,769,911.47		110,619.48		**1,659,291.99**
Remodeling of temporary canteen	1,014,949.19		67,663.32		**947,285.87**
Other project	355,875.96		30,945.78		**324,930.18**
Total	79,792,669.10	49,460,983.35	9,729,504.34	480,908.67	**119,043,239.44**

Other explanations: Other decreases represent the sale of certain tooling by Wenchuan Heavy Industry and the one-time amortisation of the corresponding long-term deferred expenses.

21. Deferred tax assets and deferred tax liabilities

(1) Deferred tax assets not offset

Item	Ending balance		Beginning balance	
	Deductible temporary difference	Deferred tax assets	Deductible temporary difference	Deferred tax assets
Deductible tax loss	**1,743,442,231.62**	**262,020,472.02**	2,022,164,878.64	304,069,456.03
Provision for impairment of assets	**209,422,517.34**	**31,491,023.27**	174,028,177.06	26,284,179.72
Estimated liabilities	**261,572,288.72**	**44,099,845.04**	264,667,686.67	45,186,954.44
Payroll for retiring employees	**120,600,000.00**	**18,159,000.00**	120,600,000.00	18,159,000.00
Change in fair value of financial instruments held-for-trading	**51,831,991.89**	**7,774,798.78**	96,336,222.76	14,450,433.41
Change in fair value of investments in other equity instruments	**6,775,048.59**	**1,016,257.29**	8,386,203.60	1,257,930.54
Lease liabilities	**201,124,325.44**	**37,789,597.23**	231,691,368.60	42,184,512.62
Total	**2,594,768,403.60**	**402,350,993.63**	2,917,874,537.33	451,592,466.76

(2) Deferred tax liabilities not offset

Item	Ending balance		Beginning balance	
	Taxable temporary difference	Deferred tax liabilities	Taxable temporary difference	Deferred tax liabilities
Change in fair value of investments in other equity instruments	**4,220,959,107.14**	**1,055,084,002.73**	4,965,210,694.78	1,241,105,002.15
Right-of use assets	**192,772,400.47**	**36,113,011.21**	223,699,680.67	40,552,696.29
Change in fair value of financial instruments held-for-trading			1,016,859.53	152,528.93
Total	**4,413,731,507.61**	**1,091,197,013.94**	5,189,927,234.98	1,281,810,227.37

(3) Breakdown of unrecognised deferred tax assets

Item	Ending balance	Beginning balance
Deductible temporary difference	**880,574.33**	937,484.85
Deductible tax loss	**521,938,934.10**	409,957,773.24
Total	**522,819,508.43**	410,895,258.09

(4) Deductible loss for which no deferred tax assets are recognised will become due in the following years

Year	Ending balance	Beginning balance	Notes
2026	**6,900,789.50**	6,900,789.50	
2027	**15,826,410.23**	15,826,410.23	
2028	**33,418,494.47**	33,418,494.47	
2029	**11,046,419.67**	11,632,365.42	
2030	**16,658,007.13**	13,267,150.80	
2031	**7,508,524.46**	7,508,524.46	
2032	**4,822,000.98**	4,822,000.98	
2033	**87,892,931.68**	86,040,795.48	
2034	**230,539,147.73**	230,541,241.90	
2035	**107,326,208.25**		
Total	**521,938,934.10**	409,957,773.24	–

22. Other non-current assets

Item	Ending balance			Beginning balance		
	Book balance	Provision for impairment	Carrying value	Book balance	Provision for impairment	Carrying value
Relocation expenses to be written off	**520,717,349.88**		**520,717,349.88**	531,717,141.46		531,717,141.46
Advances for non-current assets	**62,393,328.19**		**62,393,328.19**	48,277,272.71		48,277,272.71
Hedge instruments	**71,301,634.38**		**71,301,634.38**	96,872,353.05		96,872,353.05
Total	**654,412,312.45**		**654,412,312.45**	676,866,767.22		676,866,767.22

Other explanations: Relocation expenses to be written off represented the assets disposal expense and labour costs incurred by Wenchong Shipyard due to the shutdown of some docks, which are transferred to profit or loss when the assets are disposed of and derecognized.

23. Assets subject to restrictions in ownership or use right

Item	At the end of the period			
	Book balance	Carrying value	Restrictions type	Restriction information
Cash at bank and on hand	**5,977,446,090.02**	**5,977,446,090.02**	**Restricted use**	**Fixed deposits with maturity of over 3 months, security deposit, etc.**
Notes receivable	**16,827,291.32**	**16,827,291.32**	**Others**	**Notes receivable that is endorsed or discounted and not derecognised**
Accounts receivable	**87,598,450.63**	**87,598,450.63**	**Others**	**Debt certificates of accounts receivable that is endorsed and not derecognised**
Total	**6,081,871,831.97**	**6,081,871,831.97**		

Item	At the beginning of the period			
	Book balance	Carrying value	Restrictions type	Restriction information
Cash at bank and on hand	7,347,943,793.14	7,347,943,793.14	Restricted use	Fixed deposits with maturity of over 3 months, security deposit, etc.
Notes receivable	13,410,000.00	13,410,000.00	Pledge	Notes receivable pledged
Notes receivable	18,217,312.50	18,217,312.50	Others	Notes receivable that is endorsed or discounted and not derecognised
Accounts receivable	116,518,204.76	116,518,204.76	Others	Debt certificates of accounts receivable that is endorsed and not derecognised
Total	7,496,089,310.40	7,496,089,310.40		

24. Short-term borrowings

(1) Classification of short-term borrowings

Type of borrowings	Ending balance	Beginning balance
Pledged borrowings	**34,025,500.00**	34,028,050.00
Credit loans	**505,224,076.40**	564,315,862.50
Total	**539,249,576.40**	598,343,912.50

Other explanations: the pledge of the pledged borrowings is patent right.

(2) Outstanding overdue short-term borrowings

None.

(3) Weighted average annual interest rate of short-term borrowings

As at the end of the period, the weighted average annual interest rate of short-term borrowings was 1.7595%.

25. Trading financial liabilities

Item	Ending balance	Beginning balance
Trading financial liabilities		
Including: Issued trading bonds		
Financial liabilities designated at fair value through profit or loss	**49,405,603.48**	94,183,471.96
Total	**49,405,603.48**	94,183,471.96

Reasons and basis for financial liabilities designated at fair value through profit or loss: at the time of initial recognition, they can eliminate or significantly reduce accounting mismatches.

26. Notes payable

Type of notes	Ending balance	Beginning balance
Bank acceptance bills	**931,091,362.79**	1,363,849,542.52
Finance company acceptance bills	**832,734,998.67**	510,322,494.34
Commercial acceptance bills		
Total	**1,763,826,361.46**	1,874,172,036.86

Other explanations:

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

Among the above notes payable of the Group as at the end of the above period, RMB1,763,826,361.46 had an ageing of less than 180 days, and RMB0 had an ageing of 181-360 days.

27. Accounts payable

(1) Accounts payable

Item	Ending balance	Beginning balance
Materials purchased	**9,005,472,338.42**	6,662,652,885.92
Payment for construction in progress	**68,220,511.32**	437,953,360.82
Retention fund	**702,510,351.42**	736,359,820.62
Other construction and labour services	**113,543,700.17**	615,863,291.05
Total	**9,889,746,901.33**	8,452,829,358.41

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

Aging	Ending balance	Beginning balance
Within 1 year	**7,306,477,080.99**	6,153,217,058.00
1 to 2 years	**1,598,478,990.05**	958,967,492.46
2 to 3 years	**287,853,262.76**	374,870,763.74
Over 3 years	**696,937,567.53**	965,774,044.21
Total	**9,889,746,901.33**	8,452,829,358.41

(3) Significant accounts payable aged over one year or overdue:

Item	Ending balance	Including: Amount aged over one year	Reason for unsettlement or carrying forward
CSSC System Engineering Research Institute	**790,825,170.35**	704,909,548.52	Tentative estimation of arrears and deposit
China National Shipbuilding Equipment & Materials Co., Ltd.	**609,429,650.07**	357,285,864.61	Tentative estimation of arrears and deposit
Shanghai Academy of Spaceflight Technology	**361,767,000.00**	361,767,000.00	Tentative estimation of arrears and deposit
China Shipbuilding Group Co., Ltd. No. 711 Research Institute	**355,005,338.70**	180,767,872.13	Tentative estimation of arrears and deposit
China Shipbuilding Group Co., Ltd. No. 715 Research Institute	**308,629,479.44**	227,602,966.54	Tentative estimation of arrears and deposit
Wuhan Marine Machinery Co., Ltd.	**238,322,005.47**	238,322,005.47	Tentative estimation of arrears and deposit
China Ship Development and Design Center	**207,608,690.47**	204,599,690.47	Tentative estimation of arrears and deposit
Chongqing Gearbox Co., Ltd.	**174,089,826.64**	174,056,862.04	Tentative estimation of arrears and deposit
Nanjing CSSC Oasis Machine Co., Ltd.	**170,012,916.27**	170,012,916.27	Tentative estimation of arrears and deposit
Guangzhou Wenchong Industrial Co., Ltd.	**137,777,836.36**	122,462,170.18	Tentative estimation of arrears and deposit
China Shipbuilding Industry Complete Logistics (Guangzhou) Co., Ltd.	**79,937,133.30**	43,734,951.62	Tentative estimation of arrears and deposit
Shanghai Yijing Shipbuilding Technology Service Co., Ltd.	**10,434,513.27**	1,488,500.00	Tentative estimation of arrears and deposit
Total	**3,443,839,560.34**	2,787,010,347.85	

28. Contract liabilities

(1) Information on contract liabilities

Item	Ending balance	Beginning balance
Contract liabilities for shipbuilding products	**13,625,757,111.29**	12,729,580,707.64
Contract liabilities for offshore engineering products	**273,029,874.30**	17,181,843.67
Contract liabilities for ship maintenance and modification	**290,842,706.86**	410,853,143.73
Contract liabilities for steel structures	**695,106,776.75**	109,616,835.02
Contract liabilities for electro-mechanical products and others	**36,132,229.97**	23,895,242.45
Total	**14,920,868,699.17**	13,291,127,772.51

Other explanations: The income included in the beginning carrying value of contract liabilities was recognised as RMB8,588,012,411.78 during the period.

(2) Significant contract liabilities aged over one year

Item	Ending balance	Including: Amount aged over	Reason for unsettlement or carrying forward
Contract liability unit 1	**614,142,165.60**	332,134,952.40	Incomplete contract performance
Contract liability unit 2	**578,995,922.61**	280,312,221.12	Incomplete contract performance
Contract liability unit 3	**558,207,569.18**	282,459,550.48	Incomplete contract performance
Contract liability unit 4	**516,623,116.00**	345,634,972.00	Incomplete contract performance
Contract liability unit 5	**484,418,798.00**	321,505,262.00	Incomplete contract performance
Contract liability unit 6	**339,015,689.77**	109,715,516.08	Incomplete contract performance
Contract liability unit 7	**315,721,174.50**	104,655,177.00	Incomplete contract performance
Contract liability unit 8	**244,076,035.57**	28,112,630.57	Incomplete contract performance
Contract liability unit 9	**161,026,647.60**	161,026,647.60	Incomplete contract performance
Contract liability unit 10	**157,489,293.15**	96,155,816.25	Incomplete contract performance
Contract liability unit 11	**113,995,787.24**	69,109,375.63	Incomplete contract performance
Contract liability unit 12	**93,324,549.50**	20,478,058.50	Incomplete contract performance
Contract liability unit 13	**93,257,413.50**	20,478,058.50	Incomplete contract performance
Contract liability unit 14	**79,835,836.86**	79,835,836.86	Incomplete contract performance
Contract liability unit 15	**74,595,811.99**	74,595,811.99	Incomplete contract performance
Contract liability unit 16	**69,241,988.91**	69,241,988.91	Incomplete contract performance
Contract liability unit 17	**69,140,415.63**	69,140,415.63	Incomplete contract performance
Contract liability unit 18	**67,747,088.50**	20,478,058.50	Incomplete contract performance
Contract liability unit 19	**67,595,157.50**	20,478,058.50	Incomplete contract performance
Contract liability unit 20	**66,489,393.00**	20,497,758.00	Incomplete contract performance
Contract liability unit 21	**58,173,780.37**	29,619,900.93	Incomplete contract performance
Contract liability unit 22	**55,363,620.00**	55,363,620.00	Incomplete contract performance
Contract liability unit 23	**55,250,964.83**	23,142,800.00	Incomplete contract performance
Contract liability unit 24	**54,484,224.00**	54,484,224.00	Incomplete contract performance
Contract liability unit 25	**40,561,618.50**	20,478,058.50	Incomplete contract performance
Contract liability unit 26	**40,561,618.50**	20,478,058.50	Incomplete contract performance
Contract liability unit 27	**40,561,618.50**	20,478,058.50	Incomplete contract performance
Contract liability unit 28	**25,230,287.16**	15,429,101.85	Incomplete contract performance
Contract liability unit 29	**22,668,321.28**	22,668,321.28	Incomplete contract performance
Contract liability unit 30	**17,700,944.37**	17,700,944.37	Incomplete contract performance
Contract liability unit 31	**16,340,000.00**	16,340,000.00	Incomplete contract performance
Contract liability unit 32	**15,498,979.00**	15,498,979.00	Incomplete contract performance
Total	**5,207,335,831.12**	2,837,728,233.45	

(3) Amount and reason for significant changes in carrying value during the Reporting Period

Item	Amount of change	Reason for change
Contract liabilities for shipbuilding products	**896,176,403.65**	When revenue is recognized using point-in-time method, there is a difference between the point of receipt of contract payments in advance and the point of acceptance. When revenue is recognised using time phasing method, there is a difference between the progress of collection and the progress of performance.
Contract liabilities for offshore engineering products	**255,848,030.63**	
Contract liabilities for ship maintenance and modification	**-120,010,436.87**	
Contract liabilities for steel structures	**585,489,941.73**	
Contract liabilities for electro-mechanical products and others	**12,236,987.52**	
Total	**1,629,740,926.66**	–

29. Employee benefits payable

(1) *Classification of employee benefits payable*

Item	Beginning balance	Increase for the period	Decrease for the period	Ending balance
Short-term remuneration	1,367,643.45	758,376,348.50	569,360,698.58	**190,383,293.37**
Post-employment benefits – defined contribution plans		100,349,347.12	100,349,347.12	
Termination benefits		3,092,426.00	3,092,426.00	
Total	1,367,643.45	861,818,121.62	672,802,471.70	**190,383,293.37**

(2) *Short-term remuneration*

Item	Beginning balance	Increase for the period	Decrease for the period	Ending balance
Salaries, bonuses, allowances and subsidies		473,579,368.29	295,746,256.29	**177,833,112.00**
Employee benefits		16,904,018.58	9,386,020.97	**7,517,997.61**
Social insurance contribution		27,259,616.83	27,259,616.83	
Including: Medical and maternity insurance contribution		23,694,226.59	23,694,226.59	
Work-related injury insurance contribution		3,565,390.24	3,565,390.24	
Housing provident fund		53,812,546.00	53,812,546.00	
Labour union & employee education funds	1,367,643.45	12,343,248.89	8,678,708.58	**5,032,183.76**
Short-term paid leaves				
Short-term benefits sharing scheme				
Others		174,477,549.91	174,477,549.91	
Total	1,367,643.45	758,376,348.50	569,360,698.58	**190,383,293.37**

(3) *Breakdown of defined contribution plans*

As required, the Group participates in the social insurance plans established by the government authorities. The Group makes contributions to these plans as required by local governments. The Group has no further payment obligations other than the contributions. The relevant expenses are included in current profit or loss or as the cost of the relevant assets when incurred.

The pension, annuity and unemployment plan contributions made by the Group during the period were as follows:

Item	Beginning balance	Increase for the period	Decrease for the period	Ending balance
Basic pension insurance		69,838,272.62	69,838,272.62	
Unemployment insurance contribution		3,596,759.50	3,596,759.50	
Annuity		26,914,315.00	26,914,315.00	
Total		100,349,347.12	100,349,347.12	

Other explanations: The defined contribution plan contributions payable by the Group for the period amounted to RMB100,349,347.12 (last period: RMB81,769,576.73). As at the end of the period, all contribution payable of the Group have been made.

30. Taxes payable

Item	Ending balance	Beginning balance
Value-added tax	**31,272,985.67**	14,038,231.14
Enterprise income tax	**2,003,503.08**	74,436.15
City maintenance and construction tax	**2,176,450.20**	855,932.22
Property tax	**4,845,055.39**	540,143.17
Land use tax	**1,664,669.48**	1,007.99
Individual income tax	**923,700.92**	23,359,085.21
Educational surcharge	**1,554,607.29**	611,380.15
Stamp duty	**683,555.03**	1,130,802.36
Environmental protection tax	**19,612.63**	40,136.08
Other taxes	**3480.40**	3,697.42
Total	**45,147,620.09**	40,654,851.89

31. Other payable

Item	Ending balance	Beginning balance
Interest payable		
Dividends payable	**100,118,800.12**	763,267.03
Other payable	**265,518,788.15**	264,813,172.54
Total	**365,637,588.27**	265,576,439.57

31.1 Dividends payable

Item	Ending balance	Beginning balance
Dividends for ordinary shares	**99,718,800.12**	763,267.03
Including: Dividends payable for A shares	**57,594,713.76**	84,164.46
Dividends payable for H shares	**42,124,086.36**	679,102.57
Others	**400,000.00**	
Total	**100,118,800.12**	763,267.03

31.2 Other payable

(1) Other payables by nature

Nature of amount	Ending balance	Beginning balance
Deposits received	**114,890,068.07**	137,240,085.93
Payables for temporary receipts	**150,628,720.08**	127,573,086.61
Total	**265,518,788.15**	264,813,172.54

(2) Significant other payables aged over one year or overdue

None.

32. Non-current liabilities due within one year

Item	Ending balance	Beginning balance
Long-term borrowings due within one year	**2,200,306,020.01**	1,478,987,938.08
Lease liabilities due within one year	**83,081,947.25**	79,105,696.46
Total	**2,283,387,967.26**	1,558,093,634.54

33. Other current liabilities

(1) Classification of other current liabilities

Item	Ending balance	Beginning balance
Supply chain notes that are not derecognised at the end of the period	**87,598,450.63**	116,518,204.76
Output value-added tax payable	**129,071,722.06**	67,604,819.79
Notes receivable endorsed but not expired or derecognized at the end of the period	**16,827,291.32**	18,217,312.50
Advances from customers for shipbuilding orders cancelled	**17,700,944.37**	17,700,944.37
Factoring business that is not derecognised		
Total	**251,198,408.38**	220,041,281.42

34. Long-term borrowings

(1) Classification of long-term borrowings

Type of borrowings	Ending balance	Beginning balance
Guaranteed borrowings		
Credit loans	**5,363,206,020.01**	5,527,887,938.08
Total	**5,363,206,020.01**	5,527,887,938.08
The carrying amount of the above borrowings shall be repaid:		
Within one year	**2,200,306,020.01**	1,478,987,938.08
Over one year but less than two years after balance sheet date	**1,880,000,000.00**	2,872,700,000.00
Over two years but less than five years after balance sheet date	**120,000,000.00**	
Over five years after balance sheet date	**1,162,900,000.00**	1,176,200,000.00
Less: Amount due within one year, as shown under current liabilities	**2,200,306,020.01**	1,478,987,938.08
Amount shown under non-current liabilities	**3,162,900,000.00**	4,048,900,000.00

Other explanations:

Details of guarantee: As at the end of the period, there was no guaranteed borrowings.

Details of interest rates: Long-term borrowing interest rates mainly fluctuate in the range of 0-2.25%. As at the end of the period, weighted average annual interest rate of long-term borrowings was 1.8409%.

35. Lease liabilities

Item	Ending balance	Beginning balance
Lease payment amount	**244,675,668.24**	248,988,468.42
Less: Unrecognized financing cost	**16,117,875.15**	17,297,099.82
Less: Lease liability due within one year	**83,081,947.25**	79,105,696.46
Total	**145,475,845.84**	152,585,672.14

36. Long-term employee benefits payable

(1) Classification of long-term employee benefits payable

Item	Ending balance	Beginning balance
I. Post-employment benefits – net liabilities for defined benefit plans	**86,960,045.68**	90,827,969.20
II. Dismissal benefits		
III. Other long-term benefits		
IV. Financial assistance for property purchase	**8,280,059.23**	8,280,059.23
Total	**95,240,104.91**	99,108,028.43

Other explanations: The Group's defined benefit plans as at the end of the period represent the expenses of "three kinds of persons" (being retired cadres, retired and retreated employees) recognised by Huangpu Wenchong, Wenchong Shipyard, Huangchuan Ocean Engineering and Wenchuan Heavy Industrial, in accordance with the relevant requirements of the State-owned Assets Supervision and Administration Commission.

(2) Changes in defined benefit plans – present value of obligations under defined benefit plans

Item	Amount for the period	Amount for last period
1. Beginning balance	**90,827,969.20**	104,528,746.89
2. Cost of defined benefits included in profit or loss for the period	**1,473,096.20**	1,798,904.64
(1) Service cost for current period		
(2) Service cost for previous period		
(3) Gains on settlement (loss expressed with "-")		
(4) Net interest	**1,473,096.20**	1,798,904.64
3. Cost of defined benefits included in other comprehensive income		
(1) Actuarial gains (loss expressed with "-")		
4. Other changes	**-5,341,019.72**	-9,855,213.17
(1) Consideration paid upon settlement		
(2) Benefits paid	**-5,341,019.72**	-9,855,213.17
5. Ending balance	**86,960,045.68**	96,472,438.36

(3) Changes in defined benefit plans -net liabilities (net assets) under defined benefit plans

Item	Amount for the period	Amount for last period
Beginning balance	**90,827,969.20**	104,528,746.89
Cost of defined benefits included in profit or loss for the period	**1,473,096.20**	1,798,904.64
Cost of defined benefits included in other comprehensive income		
Other changes	**-5,341,019.72**	-9,855,213.17
Ending balance	**86,960,045.68**	96,472,438.36

(4) Post-employment benefits actuarial assumptions and sensitivity analysis

1) The actuarial evaluation report was issued by Towers Watson Management Consulting (Shenzhen) Co. Ltd. on 2 February 2023. Actuary: Wu Haichuan, a member of Society of Actuaries, an Actuary of China, and a Chartered Enterprise Risk Analyst.

2) Actuarial calculation method: projected unit credit method

3) Actuarial assumption

Discount rate: 2.75%, by reference to the China Treasury Bond yield rate.

Mortality rate: China insurance experience lifespan statement (2010-2013)-Elderly care business statement for men/women

The annual growth rate of complementary medical benefits of existing departing staff and existing retirees: 6.50%

The annual growth rate in cost of living of existing internal retirees: 4.50%

The annual growth rate in social insurance fees and housing provident funds of existing internal retirees: 4.50%.

4) Sensitivity analysis of actuarial assumption

Sensitivity analysis of discount rate	Change in present value of obligations under defined benefit plan (RMB in ten thousand)
Increase by 0.25 percentage point	-216
Decrease by 0.25 percentage point	225

37. Estimated liabilities

Item	Ending balance	Beginning balance	Causes
Product quality warranty	**254,217,810.94**	232,408,600.75	Product warranty charges accrued
Pending onerous contract	**7,354,477.78**	32,259,085.92	Provision for impairment in relation to contract costs
Total	**261,572,288.72**	264,667,686.67	–

Other explanations, including explanations on important assumptions and estimates related to significant estimated liabilities:

Note 1: For businesses such as ship and offshore engineering construction, supporting facilities and ships trading, product warranty charges shall be accrued based on the contract and expected amount to be incurred upon completion and delivery, and shall be included in the cost of principal operations and estimated liabilities. If there is an agreement on the amount or provision ratio of warranty charges in the contract, the provision shall be made according to the contract; if there is no agreement in the contract, the provision is generally based on 0.5%-1% of the contract revenue, with the provision ratio for special orders such as lead ships being 0.5%-1.5%.

Note 2: The obligations to perform a loss-making contract in the Group's estimated liabilities were mainly due to the fact that some of the shipbuilding contracts entered into by the Group's shipbuilding enterprises might become loss-making contracts, and the corresponding loss-making contractual obligations were recognised in accordance with the provisions of the accounting policies mentioned in Note 3 (26) "Estimated liabilities" to these financial statements.

38. Deferred income

Item	Beginning balance	Increase for the period	Decrease for the period	Ending balance	Causes
Government grants	85,322,154.61	19,718,947.86	33,862,991.12	**71,178,111.35**	Relating to assets/income
Total	85,322,154.61	19,718,947.86	33,862,991.12	**71,178,111.35**	–

39. Other non-current liabilities

Item	Ending balance	Beginning balance
Hedged item	**71,301,634.38**	96,872,353.05
Total	**71,301,634.38**	96,872,353.05

40. Share capital

Changes in the authorised, issued and paid-up share capital of the Company are as follows:

Current period

	Beginning balance		Increase or decrease (+, -) during the period					Ending balance	
Item	Amount	Percentage (%)	Issue of new shares	Bonus issue	Conversion from reserve	Others	Sub-total	Amount	Percentage (%)
Shares not subject to selling restriction:									
Ordinary shares denominated in RMB	821,435,181.00	58.11						**821,435,181.00**	**58.11**
Overseas listed foreign shares	592,071,197.00	41.89						**592,071,197.00**	**41.89**
Shares subject to selling restriction:									
Ordinary shares denominated in RMB									
Shares held by foreign investors									
Total number of shares	1,413,506,378.00	100.00						**1,413,506,378.00**	**100.00**

Last period

	Beginning balance		Increase or decrease (+, -) during the period					Ending balance	
Item	Amount	Percentage (%)	Issue of new shares	Bonus issue	Conversion from reserve	Others	Sub-total	Amount	Percentage (%)
Shares not subject to selling restriction:									
Ordinary shares denominated in RMB	821,435,181.00	58.11						**821,435,181.00**	**58.11**
Overseas listed foreign shares	592,071,197.00	41.89						**592,071,197.00**	**41.89**
Shares subject to selling restriction:									
Ordinary shares denominated in RMB									
Shares held by foreign investors									
Total number of shares	1,413,506,378.00	100.00						**1,413,506,378.00**	**100.00**

Other explanations: All the shares in the Company are ordinary shares with nominal value of RMB1 each.

41. Capital reserve

Current period

Item	Beginning balance	Increase for the period	Decrease for the period	Ending balance
Share premium	9,308,196,115.28			**9,308,196,115.28**
Other capital reserve	-323,132,329.12	141,254.98		**-322,991,074.14**
Capital reserves transferred from the original system	18,260,878.79			**18,260,878.79**
Total	9,003,324,664.95	141,254.98		**9,003,465,919.93**

Other explanations: The increase in other capital reserves during the period was due to the change in capital reserves recognised in respect of changes in capital reserves and special reserves of GSI, an associate of the Company.

Last period

Item	Beginning balance	Increase for the period	Decrease for the period	Ending balance
Share premium	9,308,196,115.28			**9,308,196,115.28**
Other capital reserve	-323,040,474.30	992,867.92		**-322,047,606.38**
Capital reserves transferred from the original system	18,260,878.79			**18,260,878.79**
Total	9,003,416,519.77	992,867.92		**9,004,409,387.69**

Other explanations: The increase in other capital reserves in the current period was due to changes in the capital reserves and special reserves of associates recognized according to their shareholding ratio.

42. Other comprehensive income

Current period

Item	Beginning balance	Amount for the period: Amount incurred for the period before income tax	Less: Amount previously included in other comprehensive income and transferred to profit or loss for the period	Less: Income tax expense	Amount attributable to the Company after tax	Amount attributable to non-controlling interests after tax	Less: Amount previously included in other comprehensive income and transferred to retained earnings for the period	Ending balance
I. Other comprehensive income that may not be subsequently reclassified to profit or loss	3,668,599,714.23	-743,263,570.02		-185,930,683.51	-557,403,654.73	70,768.22	-467,760.08	**3,111,663,819.58**
Including: Changes in the re-measurement of defined benefit plans	-67,382,471.26							**-67,382,471.26**
Other comprehensive income that cannot be transferred to profit or loss under the equity method	1,594,595.10	385,911.56			385,911.56			**1,980,506.66**
Change in fair value of investments in other equity instruments	3,734,387,590.39	-743,649,481.58		-185,930,683.51	-557,789,566.29	70,768.22	-467,760.08	**3,177,065,784.18**
II. Other comprehensive income that will be subsequently reclassified to profit or loss	1,370,736.07	-1,032,435.93			-557,684.68	-474,751.25		**813,051.39**
Including: Exchange differences arising from translation of foreign currency financial statements	1,370,736.07	-1,032,435.93			-557,684.68	-474,751.25		**813,051.39**
Total other comprehensive income	3,669,970,450.30	-744,296,005.95		-185,930,683.51	-557,961,339.41	-403,983.03	-467,760.08	**3,112,476,870.97**

Last period

Item	Beginning balance	Amount for the period: Amount incurred for the period before income tax	Less: Amount previously included in other comprehensive income and transferred to profit or loss for the period	Less: Income tax expense	Amount attributable to the Company after tax	Amount attributable to non-controlling interests after tax	Less: Amount previously included in other comprehensive income and transferred to retained earnings for the period	Ending balance
I. Other comprehensive income that may not be subsequently reclassified to profit or loss	2,607,188,072.92	2,447,660,543.90		611,895,587.58	1,835,764,956.32	-2,309,174.37		**4,442,953,029.24**
Including: Changes in the re-measurement of defined benefit plans	-67,382,471.26							**-67,382,471.26**
Other comprehensive income that cannot be transferred to profit or loss under the equity method	1,273,808.81	159,254.51			159,254.51			**1,433,063.32**
Change in fair value of investments in other equity instruments	2,673,296,735.37	2,447,501,289.39		611,895,587.58	1,835,605,701.81	-2,309,174.37		**4,508,902,437.18**
II. Other comprehensive income that will be subsequently reclassified to profit or loss	338,178.50	329,926.04			329,926.04	279,423.75		**668,104.54**
Including: Exchange differences arising from translation of foreign currency financial statements	338,178.50	329,926.04			329,926.04	279,423.75		**668,104.54**
Total other comprehensive income	2,607,526,251.42	2,447,990,469.94		611,895,587.58	1,836,094,882.36	-2,029,750.62		**4,443,621,133.78**

43. Special reserve

Current period

Item	Beginning balance	Increase for the period	Decrease for the period	Ending balance
Production safety fee		18,242,505.69	18,242,505.69	
Total		18,242,505.69	18,242,505.69	

Last period

Item	Beginning balance	Increase for the period	Decrease for the period	Ending balance
Production safety fee		15,352,057.29	15,352,057.29	
Total		15,352,057.29	15,352,057.29	

44. Surplus reserve

Current period

Item	Beginning balance	Increase for the period	Decrease for the period	Ending balance
Statutory surplus reserve	1,126,578,288.74			**1,126,578,288.74**
Discretionary surplus reserve	19,920,770.23			**19,920,770.23**
Total	1,146,499,058.97			**1,146,499,058.97**

Last period

Item	Beginning balance	Increase for the period	Decrease for the period	Ending balance
Statutory surplus reserve	1,096,450,270.05			**1,096,450,270.05**
Discretionary surplus reserve	19,920,770.23			**19,920,770.23**
Total	1,116,371,040.28			**1,116,371,040.28**

45. Undistributed profits

Item	Amount for the period	Amount for last period
Undistributed profits as at the end of last period before adjustment	**2,591,405,648.46**	2,276,749,345.46
Beginning adjustment to undistributed profits (increase +, decrease -)		
Including: Retrospective adjustment to Accounting Standards for Business Enterprises and related new regulations		
Undistributed profits as at the beginning of the year after adjustment	**2,591,405,648.46**	2,276,749,345.46
Add: Net profit attributable to owners of the Parent Company for the current year	**526,386,355.89**	146,845,686.17
Less: Statutory surplus reserve set aside		
Dividends payable for ordinary shares	**98,945,446.47**	15,548,570.16
Add: Transfer from other comprehensive income to retained earnings	**-467,760.08**	
Ending balance of the period	**3,018,378,797.80**	2,408,046,461.47

Other explanations: The retained earnings carried forward from other comprehensive income in the current period represented an internal carry-forward of the owners' equity from disposal of equity in CMIC OCEAN EW TECH HOLDING CO., LTD by Huangpu Wenchong.

46. Non-controlling interests

Name of subsidiary	Minority shareholding percentage (%)	Ending balance	Beginning balance
Huangpu Wenchong	45.46	**3,347,646,357.95**	3,268,376,818.67
Zhanjiang Nanhai	40.00	**3,474,515.38**	3,355,123.64
Wenchong Bingshen	40.00	**3,014,382.36**	3,169,588.68
Wah Shun	1.00	**34,472.24**	34,794.22
Wah Loong	1.00	**611,290.61**	605,184.79
Xingji	62.50	**2,735,818.30**	3,520,871.19
Guangxi Heavy Industrial	28.60	**62,751,876.92**	66,688,508.00
Total		**3,420,268,713.76**	3,345,750,889.19

Other explanations: Guangxi Heavy Industrial's minority shareholding percentage of 28.60% was the subscription percentage as of the end of the period, and the paid-in minority shareholding percentage was 18.24%.

47. Net current assets

Item	Ending balance	Beginning balance
Current assets	**35,625,080,814.03**	32,140,949,910.03
Less: Current liabilities	**30,298,852,019.21**	26,396,390,403.11
Net current assets	**5,326,228,794.82**	5,744,559,506.92

48. Total assets less current liabilities

Item	Ending balance	Beginning balance
Total assets	**56,312,312,757.78**	53,596,113,615.25
Less: Current liabilities	**30,298,852,019.21**	26,396,390,403.11
Total assets less current liabilities	**26,013,460,738.57**	27,199,723,212.14

49. Borrowings

Details of the borrowings of the Group are as follows:

Item	Ending balance	Beginning balance
Short-term borrowings	**539,249,576.40**	598,343,912.50
Long-term borrowings due within one year	**2,200,306,020.01**	1,478,987,938.08
Long-term borrowings	**3,162,900,000.00**	4,048,900,000.00
Subtotal of borrowings	**5,902,455,596.41**	6,126,231,850.58
Lease liability due within one year	**83,081,947.25**	79,105,696.46
Lease liability	**145,475,845.84**	152,585,672.14
Subtotal of lease liability	**228,557,793.09**	231,691,368.60
Total	**6,131,013,389.50**	6,357,923,219.18

(1) Analysis of borrowings

Item	Ending balance	Beginning balance
Bank borrowings		
– Bank borrowings repayable within 5 years	**4,448,176,388.11**	4,631,078,963.08
– Bank borrowings repayable after 5 years	**1,162,900,000.00**	1,176,200,000.00
Other borrowings		
– Other borrowings repayable within 5 years	**291,379,208.30**	318,952,887.50
– Other borrowings repayable after 5 years		
Total	**5,902,455,596.41**	6,126,231,850.58

(2) Analysis of maturity of borrowings

Item	Ending balance	Beginning balance
On demand or within 1 year	**2,739,555,596.41**	2,077,331,850.58
1-2 years	**1,880,000,000.00**	2,872,700,000.00
2-5 years	**120,000,000.00**	
Over 5 years	**1,162,900,000.00**	1,176,200,000.00
Total	**5,902,455,596.41**	6,126,231,850.58

50. Operating revenue and operating cost

(1) Information on operating revenue and operating cost

Item	Amount for the period		Amount for last period	
	Revenue	Cost	Revenue	Cost
Principal business	**10,032,831,730.56**	**9,099,088,302.38**	8,627,091,583.58	7,998,226,256.36
Other business	**139,805,010.55**	**119,331,575.59**	101,444,480.07	81,592,066.01
Total	**10,172,636,741.11**	**9,218,419,877.97**	8,728,536,063.65	8,079,818,322.37

1) *Gross profit from principal business*

Item	Amount for the period	Amount for last period
Revenue from principal business	**10,032,831,730.56**	8,627,091,583.58
Cost of principal business	**9,099,088,302.38**	7,998,226,256.36
Gross profit	**933,743,428.18**	628,865,327.22

2) *Principal business – by product*

Product name	Amount for the period	Amount for last period
Revenue from principal business		
Ship products	**9,395,989,883.27**	7,572,420,369.63
Including:		
Bulk carriers		431,191,893.15
Containerships	**2,411,731,334.06**	2,681,126,116.45
Special ships and others	**6,984,258,549.21**	4,460,102,360.03
Offshore engineering products	**34,271,270.38**	92,513,953.47
Steel structure products	**33,539,675.24**	541,878,776.87
Ship maintenance and modification	**446,468,248.35**	346,784,294.65
Electromechanical products and others	**122,562,653.32**	73,494,188.96
Total	**10,032,831,730.56**	8,627,091,583.58
Cost of principal business		
Ship products	**8,421,020,541.90**	6,951,927,520.12
Including:		
Bulk carriers	**–2,143,426.87**	365,426,234.33
Containerships	**1,789,504,452.88**	2,058,755,248.76
Special ships and others	**6,633,659,515.89**	4,527,746,037.03
Offshore engineering products	**56,333,891.07**	168,063,362.05
Steel structure products	**41,368,161.06**	484,987,675.90
Ship maintenance and modification	**478,299,186.67**	336,868,105.67
Electromechanical products and others	**102,066,521.68**	56,379,592.62
Total	**9,099,088,302.38**	7,998,226,256.36

3) *Principal business – by region*

Region	Amount for the period	Amount for last period
Revenue from principal business		
China (including Hong Kong, Macao and Taiwan)	**6,807,845,601.08**	5,875,189,900.93
Other Asia regions	**1,634,612,408.52**	1,845,912,960.78
Europe	**825,424,472.72**	2,116,658.40
Oceania	**8,307,287.53**	869,973,904.33
North America	**21,998,511.56**	26,270,622.38
Africa	**734,643,449.15**	7,627,536.76
Total	**10,032,831,730.56**	8,627,091,583.58
Cost of principal business		
China (including Hong Kong, Macao and Taiwan)	**6,153,641,680.50**	5,562,084,797.81
Other Asia regions	**1,513,094,423.28**	1,622,802,812.36
Europe	**727,988,797.25**	–758,665.74
Oceania	**5,777,034.91**	787,495,709.43
North America	**17,539,351.97**	24,046,496.64
Africa	**681,047,014.47**	2,555,105.86
Total	**9,099,088,302.38**	7,998,226,256.36

4) *Income from and cost of other business*

Item	Amount for the period	Amount for last period
Revenue from other business		
Sale of materials	**103,654,751.78**	71,371,513.68
Lease	**20,436,036.39**	26,203,703.64
Provision of energy	**12,901,512.05**	1,142,208.37
Others	**2,812,710.33**	2,727,054.38
Total	**139,805,010.55**	101,444,480.07
Costs of other business		
Sale of materials	**99,025,909.88**	66,020,497.36
Lease	**3,551,257.80**	10,182,835.61
Provision of energy	**12,938,003.44**	2,105,952.28
Others	**3,816,404.47**	3,282,780.76
Total	**119,331,575.59**	81,592,066.01

(2) Deductions of operating income

Item	Amount for the period	Specific deductions	Amount for last period	Specific deductions
Amount of operating income	**10,172,636,741.11**		8,728,536,063.65	
Total amount of deductions	**139,805,010.55**		101,444,480.07	
Proportion of total amount of deductions in operating income (%)	**1.37**		1.16	
I. Business income not related to the principal operations				
Income from operations other than daily operations	**139,805,010.55**	Sales of materials, rental income, etc.	101,444,480.07	Sales of materials, rental income, etc.
Subtotal of business income not related to the principal operations	**139,805,010.55**		101,444,480.07	
II. Commercially non-substantial income				
Subtotal of commercially non-substantial income				
III. Other income not related to the principal operations or without commercial substance				
Amount of operating income after deductions	**10,032,831,730.56**		8,627,091,583.58	

(3) Segment information of operating income and operating cost

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

	Shipbuilding and related business segment		Steel structure business segment		Ship maintenance and related business segment		Other segments		Inter-segment elimination		Total	
Contract type	Operating income	Operating cost	Operating income	Operating cost	Operating income	Operating cost	Operating income	Operating cost	Operating income	Operating cost	Operating income	Operating cost
By product type:												
Ship products	12,752,904,596.23	11,777,935,254.86							-3,356,914,712.96	-3,356,914,712.96	9,395,989,883.27	8,421,020,541.90
Offshore engineering products	253,926,732.76	260,129,580.39							-219,655,462.38	-203,795,689.32	34,271,270.38	56,333,891.07
Steel structure			33,519,479.95	41,368,161.06					20,195.29		33,539,675.24	41,368,161.06
Ship maintenance and modification					448,217,947.01	480,048,885.33			-1,749,698.66	-1,749,698.66	446,468,248.35	478,299,186.67
Electromechanical products and others	33,527,373.52	31,470,307.52					264,421,302.08	214,870,928.51	-175,386,022.28	-144,274,714.35	122,562,653.32	102,066,521.68
Other business							151,857,795.78	131,264,948.97	-12,052,785.23	-11,933,373.38	139,805,010.55	119,331,575.59
Total	13,040,358,702.51	12,069,535,142.77	33,519,479.95	41,368,161.06	448,217,947.01	480,048,885.33	416,279,097.86	346,135,877.48	-3,765,738,486.22	-3,718,668,188.67	10,172,636,741.11	9,218,419,877.97
Sub-total by region of operation:												
Domestic	9,906,489,133.44	9,204,162,077.18	33,519,479.95	41,368,161.06	237,233,084.07	290,544,812.04	405,649,450.01	336,263,239.25	-3,765,619,074.37	-3,718,668,188.67	6,817,272,073.10	6,153,670,100.86
Overseas	3,133,869,569.07	2,865,373,065.59			210,984,862.94	189,504,073.29	10,629,647.85	9,872,638.23	-119,411.85		3,355,364,668.01	3,064,749,777.11
Total	13,040,358,702.51	12,069,535,142.77	33,519,479.95	41,368,161.06	448,217,947.01	480,048,885.33	416,279,097.86	346,135,877.48	-3,765,738,486.22	-3,718,668,188.67	10,172,636,741.11	9,218,419,877.97
By type of market or customer:												
State-owned enterprises	9,459,055,277.71	8,784,097,156.58	18,282,826.50	24,662,794.93	194,926,297.79	246,980,551.82	304,789,796.92	124,157,489.34	-3,765,738,486.22	-3,718,668,188.67	6,211,315,712.70	5,461,229,804.00
Private enterprises	447,433,855.73	420,064,920.60	15,236,653.45	16,705,366.13	42,306,786.28	43,564,260.22	100,979,064.94	212,105,749.91			605,956,360.40	692,440,296.86
Foreign enterprises	3,133,869,569.07	2,865,373,065.59			210,984,862.94	189,504,073.29	10,510,236.00	9,872,638.23			3,355,364,668.01	3,064,749,777.11
Total	13,040,358,702.51	12,069,535,142.77	33,519,479.95	41,368,161.06	448,217,947.01	480,048,885.33	416,279,097.86	346,135,877.48	-3,765,738,486.22	-3,718,668,188.67	10,172,636,741.11	9,218,419,877.97
By type of contracts:												
Fixed price contract	13,040,358,702.51	12,069,535,142.77	33,519,479.95	41,368,161.06	448,217,947.01	480,048,885.33	416,279,097.86	346,135,877.48	-3,765,738,486.22	-3,718,668,188.67	10,172,636,741.11	9,218,419,877.97
Mark up pricing contract												
Total	13,040,358,702.51	12,069,535,142.77	33,519,479.95	41,368,161.06	448,217,947.01	480,048,885.33	416,279,097.86	346,135,877.48	-3,765,738,486.22	-3,718,668,188.67	10,172,636,741.11	9,218,419,877.97
By date of transfer of goods:												
Performed at a point in time	7,142,589,383.00	5,685,094,593.61	28,372,331.84	31,299,078.28	448,217,947.01	480,048,885.33	408,974,053.94	338,699,309.30	-3,546,103,219.13	-3,514,902,494.08	4,482,050,496.66	3,020,239,372.44
Performed within a time period	5,897,769,319.51	6,384,440,549.16	5,147,148.11	10,069,082.78			7,305,043.92	7,436,568.18	-219,635,267.09	-203,765,694.59	5,690,586,244.45	6,198,180,505.53
Total	13,040,358,702.51	12,069,535,142.77	33,519,479.95	41,368,161.06	448,217,947.01	480,048,885.33	416,279,097.86	346,135,877.48	-3,765,738,486.22	-3,718,668,188.67	10,172,636,741.11	9,218,419,877.97
By contract term:												
Short-term	7,142,589,383.00	6,306,986,340.18	28,456,649.35	31,378,599.83	448,217,947.01	480,048,885.33	408,974,053.94	342,867,164.96	-3,546,103,219.13	-3,514,902,494.08	4,482,134,814.17	3,646,378,496.22
Long-term	5,897,769,319.51	5,762,548,802.59	5,062,830.60	9,989,561.23			7,305,043.92	3,268,712.52	-219,635,267.09	-203,765,694.59	5,690,501,926.94	5,572,041,381.75
Total	13,040,358,702.51	12,069,535,142.77	33,519,479.95	41,368,161.06	448,217,947.01	480,048,885.33	416,279,097.86	346,135,877.48	-3,765,738,486.22	-3,718,668,188.67	10,172,636,741.11	9,218,419,877.97
By sales channel:												
Direct sales	13,040,358,702.51	12,069,535,142.77	33,519,479.95	41,368,161.06	448,217,947.01	480,048,885.33	416,279,097.86	346,135,877.48	-3,765,738,486.22	-3,718,668,188.67	10,172,636,741.11	9,218,419,877.97
Distribution sales												
Total	13,040,358,702.51	12,069,535,142.77	33,519,479.95	41,368,161.06	448,217,947.01	480,048,885.33	416,279,097.86	346,135,877.48	-3,765,738,486.22	-3,718,668,188.67	10,172,636,741.11	9,218,419,877.97

(4) Note on contract performance obligations

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

(5) Information related to the transaction price allocated to remaining performance obligations

As of 30 June 2025, the transaction price corresponding to the contract performance obligations for which contracts had been entered into and which had not been performed was RMB57,628,534,000, of which:

RMB10,271,378,400 is expected to be recognized as revenue in 2025;

RMB21,649,363,400 is expected to be recognized as revenue in 2026.

(6) Top five customers by operating income

Customers	Relationship with the Group	Amount for the period	Percentage of total income from principal business (%)
Customer 1	Unrelated party	**4,475,656,894.53**	44.61
Customer 2	Unrelated party	**1,586,306,861.34**	15.81
Customer 3	Unrelated party	**852,615,748.31**	8.50
Customer 4	Under common control of China Shipbuilding Group	**479,745,180.81**	4.78
Customer 5	Unrelated party	**442,303,805.31**	4.41
Total		**7,836,628,490.30**	78.11

(7) Purchase amounts from top five suppliers

Suppliers	Relationship with the Group	Amount for the period	Percentage of total costs of principal business (%)
Supplier 1	Under common control of China Shipbuilding Group	**3,789,843,948.33**	41.65
Supplier 2	Unrelated party	**368,983,300.00**	4.06
Supplier 3	Unrelated party	**252,428,713.60**	2.77
Supplier 4	Unrelated party	**247,208,400.00**	2.72
Supplier 5	Unrelated party	**159,078,911.75**	1.75
Total		**4,817,543,273.68**	52.95

(8) Significant contract changes or significant transaction price adjustments

None.

51. Taxes and surcharges

Item	Amount for the period	Amount for last period
Urban maintenance and construction tax	**4,184,194.96**	2,036,830.87
Educational surcharge	**2,988,736.84**	1,454,840.24
Property tax	**5,604,182.96**	3,203,436.19
Land use tax	**2,246,704.98**	584,804.39
Stamp duty	**8,682,753.79**	4,108,162.05
Vehicle and vessel tax	**14,821.69**	43,777.72
Environmental protection tax	**14,945.07**	22,860.24
Resource tax	**6,960.80**	
Total	**23,743,301.09**	11,454,711.70

52. Selling expenses

Item	Amount for the period	Amount for last period
Employee benefits	**10,409,973.52**	10,616,071.14
Business expenditure	**388,992.80**	586,698.84
Exhibition fee	**130,745.95**	90,969.05
Travelling expenses	**465,112.70**	653,377.94
Advertising publicity fee	**300,251.62**	248,423.46
Depreciation charge	**11,564.01**	20,776.59
Others	**462,672.35**	690,299.77
Total	**12,169,312.95**	12,906,616.79

53. Administrative expenses

Item	Amount for the period	Amount for last period
Employee benefits	**174,710,251.84**	159,999,945.73
Repairing expenses	**28,362,586.98**	27,812,300.74
Amortization of intangible assets	**14,421,025.64**	14,915,814.55
Information management fee	**9,534,568.31**	12,010,560.32
Depreciation charge	**6,248,970.46**	13,898,354.84
Lease expenses	**5,919,627.01**	8,757,420.80
Logistics service fee	**4,704,406.47**	187,345.50
Travelling expenses	**2,684,600.83**	2,844,453.64
Intermediary fee	**1,318,481.79**	1,283,811.93
Business entertainment fee	**1,119,505.55**	1,686,968.94
Office expenses	**383,995.88**	436,113.35
Boarding meeting fee	**351,792.87**	673,472.64
Consulting fee	**122,014.72**	301,217.86
Others	**59,658,263.67**	45,810,283.63
Total	**309,540,092.02**	290,618,064.47

54. Research and development expenses

Item	Amount for the period	Amount for last period
Material fee	**383,972,859.37**	262,404,985.74
Wages and labor costs	**119,914,930.12**	123,789,691.34
Outsourcing fee	**12,272,520.62**	4,966,608.80
Project management fee	**3,373,170.97**	1,740,945.92
Fixed assets usage fee	**16,251,033.83**	14,001,037.98
Design fee		10,203,757.38
Dedicated fee	**10,424,809.64**	1,705,965.08
Travelling expenses	**799,581.02**	1,276,884.14
Fuel power fee	**1,818,801.48**	693,119.79
Conference fee	**186,535.09**	305,028.79
Expert consultation fee	**123,878.59**	175,023.80
Others	**518,389.79**	1,746,171.50
Total	**549,656,510.52**	423,009,220.26

55. Finance expenses

Item	Amount for the period	Amount for last period
Interest expenses	**60,459,609.21**	53,527,454.83
Including: Interest expenses from lease liabilities	**3,943,969.13**	2,914,339.75
Less: Interest income	**196,337,751.14**	183,004,781.70
Foreign exchange gains and losses	**10,944,638.85**	-34,961,105.31
Other expenses	**5,832,852.62**	4,681,957.95
Total	**-119,100,650.46**	-159,756,474.23

(1) Details of interest costs

Item	Amount for the period	Amount for last period
Interest on bank borrowings and overdraft	**55,042,543.86**	53,764,210.44
Interest on bank borrowings due within 5 years	**55,042,543.86**	53,764,210.44
Interest on bank borrowings due over 5 years		
Other borrowings	**5,417,065.35**	4,713,244.39
Interest on other borrowings due within 5 years		
Other interest expenses	**5,417,065.35**	4,713,244.39
Sub-total	**60,459,609.21**	58,477,454.83
Less: Capitalized Interest		
Less: Finance interest discount		4,950,000.00
Total	**60,459,609.21**	53,527,454.83

(2) Details of interest income

Item	Amount for the period	Amount for last period
Interest income from bank deposits	**135,541,257.00**	162,465,625.88
Interest income from receivables	**60,796,494.14**	20,539,155.82
Total	**196,337,751.14**	183,004,781.70

56. Other income

Item	Amount for the period	Amount for last period
Government grants	**56,317,959.38**	31,318,179.39
Input tax deduction	**42,082,860.31**	26,624,247.68
Handling fees for withholding individual income tax	**528,575.98**	416,531.81
Total	**98,929,395.67**	58,358,958.88

57. Investment income

Item	Amount for the period	Amount for last period
Gain from long-term equity investments accounted under equity method	**358,620,177.75**	54,607,253.60
Dividend income from holding other equity instrument investment	**55,984,108.56**	43,601,866.29
Investment income from disposal of financial assets held for trading	**-8,967,423.33**	23,631,659.80
Investment income from disposal of long-term equity investments		756,086.90
Total	**405,636,862.98**	122,596,866.59

Other explanations: Investment income from investment in listed companies and non-listed companies for the period amounted to RMB55,754,545.33 (last period: RMB43,498,983.20) and RMB349,882,317.65 (last period: RMB79,097,883.39), respectively.

58. Gain from change in fair value

Source of gain from change in fair value	Amount for the period	Amount for last period
Financial assets held-for-trading	**-1,052,371.06**	-3,494,098.85
Financial liabilities held-for-trading	**10,318,949.81**	-30,721,087.90
Hedging instrument		-30,642,065.88
Total	**9,266,578.75**	-64,857,252.63

59. Credit impairment loss

Item	Amount for the period	Amount for last period
Loss on bad debts of accounts receivable	**-571,272.39**	-3,363,892.99
Impairment loss on receivables financing		
Loss on bad debts of other receivables	**-66,307.14**	-334,953.99
Loss on bad debts of long-term receivables		
Total	**-637,579.53**	-3,698,846.98

Other explanations: Negative numbers of credit impairment losses indicate accrual during current period, and positive numbers indicate reversal during current period.

60. Loss on impairment of assets

Item	Amount for the period	Amount for last period
Loss on impairment of inventories	**-36,190,026.83**	
Impairment loss of fixed assets	**-650,837.72**	
Total	**-36,840,864.55**	

Other explanations: Negative numbers of asset impairment losses indicate accrual during current period, and positive numbers indicate reversal during current period.

61. Gain from disposal of assets

Item	Amount for the period	Amount for last period	Amount included in non-recurring gains and losses for current period
Gain from disposal of non-current assets	**-187,689.66**	-32,490,144.44	-187,689.66
Including: Gain and loss from disposal of fixed assets	**-187,689.66**	-32,476,371.39	-187,689.66
Gain and loss from disposal of right-of-use assets			
Total	**-187,689.66**	-32,490,144.44	-187,689.66

Other explanations: The amount included in non-recurring gains and losses for the period was RMB-187,689.66 (last period: RMB-32,490,144.44).

62. Non-operating income

Item	Amount for the period	Amount for last period	Amount included in non-recurring gains and losses for current period
Gain from scrapped non-current assets	**282,921.96**	208,056.62	282,921.96
Including: Gain from scrapped fixed assets	**282,921.96**	208,056.62	282,921.96
Insurance claims	**2,893,148.84**	366,000.35	2,893,148.84
Penalty income	**217,515.56**	72,301.71	217,515.56
Government grants not relating to daily activities		890,234.44	
Others	**1,524.05**	28,014.72	1,524.05
Total	**3,395,110.41**	1,564,607.84	3,395,110.41

Other explanations: The amount included in non-recurring gains and losses for the period was RMB3,395,110.41 (last period: RMB1,564,607.84), and non-operating income for the period included profit from disposal of properties of RMB0 (last period: RMB0).

63. Non-operating expenses

Item	Amount for the period	Amount for last period	Amount included in non-recurring gains and losses for current period
Losses from scrapped non-current assets	**1,636,879.38**	767,588.17	1,636,879.38
Including: Losses from scrapped fixed assets	**1,636,879.38**	767,588.17	1,636,879.38
Penalty and overdue fine	**20,000.00**	470,501.13	20,000.00
Total	**1,656,879.38**	1,238,089.30	1,656,879.38

Other explanations: The amount included in non-recurring gains and losses for the period was RMB1,656,879.38 (last period: RMB1,238,089.30).

64. Income tax expenses

(1) List of income tax expense

Item	Amount for the period	Amount for last period
Current income tax expenses	**9,997,482.35**	-6,974,725.75
(1) Mainland China	**10,000,334.59**	-6,974,725.75
(2) Hong Kong, China	**-2,852.24**	
Deferred income tax expenses	**44,407,585.87**	-26,930,773.32
Total	**54,405,068.22**	-33,905,499.07

(2) Reconciliation of accounting profit and income tax expenses

Item	Amount for the period
Total profit	**656,113,231.71**
Income tax expenses calculated at statutory/applicable tax rate	**164,028,307.93**
Impact of different tax rates for subsidiaries	**-23,644,496.04**
Impact of adjustment for income tax for previous period	**3,159,443.62**
Impact of non-taxable income	**-108,238,567.59**
Impact of non-deductible costs, expenses and losses	**276,319.37**
Impact of utilisation of deductible loss for which no deferred tax assets were previously recognised	
Impact of deductible temporary differences or deductible losses for the year for which no deferred tax assets are recognised	**34,520,330.55**
Others (refers to additional deduction of research and development expense)	**-15,696,269.62**
Income tax expense	**54,405,068.22**

65. Audit fees and auditors

The audit fees charged for 2025 are RMB1.58 million (2024: RMB1.54 million). The auditors engaged by the Company are ShineWing Certified Public Accountants LLP, which has been changed since 2025.

66. Depreciation and amortisation

Item	Amount for the period	Amount for last period
Depreciation of fixed assets	**174,321,080.50**	181,629,598.49
Amortisation of intangible assets	**16,489,485.89**	16,705,424.13
Depreciation of right-to-use assets	**45,782,980.95**	43,935,983.70
Amortisation of long-term deferred expenses	**9,729,504.34**	4,981,148.76
Depreciation of investment properties	**3,268,712.52**	3,268,712.52
Total	**249,591,764.20**	250,520,867.60

Other explanations: The amount of depreciation expenses included in operating costs, selling expenses, administrative expenses and research and development expenses for the period is RMB223,372,773.97 (last period: RMB228,834,294.71), and the amount of amortisation expenses is RMB26,218,990.23 (last period: RMB21,686,572.89).

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

Losses from disposal of investments during the current period were RMB0. Losses from disposal of properties during the current period were RMB187,689.66 (gains from disposal of investments during the previous period is RMB756,086.90, gains from disposal of properties for the previous period is RMB0).

68. Operating rental expense

Operating rental expense for the period is RMB65,648,117.93 (last period: RMB51,839,364.49), of which rental expense for machinery and equipment is RMB4,167,090.89 (last period: RMB1,458,291.27).

69. Rental income

Operating rental income for the period is RMB40,755,796.94 (last period: RMB60,581,059.76), including rental from land and buildings of RMB20,612,992.47 (last period: RMB20,893,077.66).

70. Supplementary information on income statement of expenses by nature

The operating costs, selling expenses, administrative expenses, research and development expenses and finance costs in the income statement are classified by nature and are listed as follows:

Item	Amount for the period	Amount for last period
Raw materials consumed	**7,001,351,756.90**	6,122,591,934.67
Employee compensation expenses	**1,108,450,897.54**	1,159,600,049.23
Product fee	**389,606,581.29**	414,402,996.40
Depreciation expenses	**223,372,773.97**	228,834,294.71
Fuel power fee	**109,680,201.67**	101,413,042.25
Balance of product payment	**46,413,885.90**	463,001.82
Amortization expenses	**26,218,990.23**	21,686,572.89
Finance costs	**-119,100,650.46**	-159,756,474.23
Others	**1,184,690,705.96**	757,360,331.92
Total	**9,970,685,143.00**	8,646,595,749.66

71. Items in cash flow statement

(1) Cash relating to operating activities

1) Other cash receipts relating to operating activities

Item	Amount for the period	Amount for last period
Income from other current accounts received	**54,662,609.98**	121,557,976.29
Government grants	**33,624,953.86**	52,948,472.61
Receipt/recovery of deposit, security deposit	**47,207,992.19**	33,575,296.72
Interest income	**58,685,487.32**	71,971,021.02
Other non-operating income	**2,559,712.98**	296,389.43
Total	**196,740,756.33**	280,349,156.07

2) Other cash payments relating to operating activities

Item	Amount for the period	Amount for last period
Payment of other current accounts	**74,730,378.45**	125,402,937.74
Security, deposit	**20,455,725.38**	40,755,225.10
Administrative expenses	**40,415,569.83**	71,047,421.79
Reserve funds	**12,793,459.68**	13,531,026.65
Non-operating expenses	**20,000.00**	
Selling expenses	**1,034,761.14**	1,645,067.29
Bank charges	**6,265,878.50**	5,422,618.89
Warranty expenses		1,274,310.43
Total	**155,715,772.98**	259,078,607.89

(2) Cash relating to investing activities

1) Cash receipts relating to investing activities

Item	Amount for the period	Amount for last period
Fixed deposits and restricted funds over three months	**3,650,411,969.85**	654,500,025.00
Fixed deposits over three months and interest income on various security deposit	**165,848,825.94**	28,564,554.81
Total	**3,816,260,795.79**	683,064,579.81

2) Cash payments relating to investing activities

Item	Amount for the period	Amount for last period
Placement of fixed deposits and restricted funds over three months	**2,387,327,082.82**	91,674,589.97
Total	**2,387,327,082.82**	91,674,589.97

3) *Cash receipts relating to material investing activities*

Item	Amount for the period	Amount for last period
Fixed deposits, restricted funds and interest over three months received	**3,816,260,795.79**	683,064,579.81
Total	**3,816,260,795.79**	683,064,579.81

4) *Cash payments relating to material investing activities*

Item	Amount for the period	Amount for last period
Placement of fixed deposits and restricted funds over three months	**2,387,327,082.82**	91,674,589.97
Total	**2,387,327,082.82**	91,674,589.97

(3) *Cash relating to financing activities*

1) *Other cash receipts relating to financing activities*

None.

2) *Other cash payments relating to financing activities*

Item	Amount for the period	Amount for last period
Leased asset expenses	**21,998,186.99**	21,969,406.29
Total	**21,998,186.99**	21,969,406.29

3) *Changes in various liabilities arising from financing activities*

Item	Beginning balance	Increase for the period		Decrease for the period		Ending balance
		Cash changes	Non-cash changes	Cash changes	Non-cash changes	
Short-term borrowings	598,343,912.50	**100,000,000.00**	**2,578,525.01**	161,672,861.11		**539,249,576.40**
Long-term borrowings	5,527,887,938.08		**52,228,061.94**	216,909,980.01		**5,363,206,020.01**
Lease liabilities	231,691,368.60		**42,510,617.28**	21,998,186.99	23,646,005.80	**228,557,793.09**
Dividends payable	763,267.03		**99,355,533.09**			**100,118,800.12**

(4) *Explanation on presentation of cash flow in net amount*

None.

(5) *Significant activities and financial influence that do not involve current cash receipts and payments but affect the enterprise's financial position or may affect the enterprise's cash flow in the future*

None.

72. Supplementary information on cash flow statement

(1) Supplementary information on cash flow statement

Item	Amount for the period	Amount for last period
1. Reconciliation of net profit and cash flows from operating activities	**–**	–
Net profit	**601,708,163.49**	184,627,201.32
Add: Provision for impairment of assets	**36,840,864.55**	
Loss on credit impairment	**637,579.53**	3,698,846.98
Depreciation of fixed assets, depreciation of investment properties, consumption of oil and gas assets, depreciation of productive biological assets	**177,589,793.02**	184,898,311.01
Depreciation of right-of-use assets	**45,782,980.95**	43,935,983.70
Amortisation of intangible assets	**16,489,485.89**	16,705,424.13
Amortisation of long-term prepaid expenses	**9,729,504.34**	4,981,148.76
Loss on disposal of fixed assets, intangible assets and other long-term assets (gain expressed with "-")	**187,689.66**	32,490,144.44
Loss on retirement of fixed assets (gain expressed with "-")	**1,353,957.42**	559,531.55
Loss on changes in fair value (gain expressed with "-")	**-9,266,578.75**	64,857,252.63
Finance cost (gain expressed with "-")	**-42,116,798.94**	-39,079,237.41
Loss on investments (gain expressed with "-")	**-405,636,862.98**	-122,596,866.59
Decrease in deferred tax assets (increase expressed with "-")	**48,999,799.88**	-33,501,338.69
Increase in deferred tax liabilities (decrease expressed with "-")	**-4,592,214.01**	6,570,565.37
Decrease in inventories (increase expressed with "-")	**-1,321,190,366.59**	-46,856,895.23
Decrease in operating receivables (increase expressed with "-")	**-2,288,468,314.52**	-1,985,528,593.51
Increase in operating payables (decrease expressed with "-")	**4,662,849,946.11**	-3,873,448,138.71
Others		
Net cash flows from operating activities	**1,530,898,629.05**	-5,557,686,660.25
2. Significant investing and financing activities not involving cash receipts or payments:		
Conversion of debts into capital		
Convertible corporate bonds due within one year		
Fixed assets acquired under finance lease arrangement		
3. Net changes in cash and cash equivalents:		
Ending balance of cash	**10,403,314,333.35**	5,422,846,011.31
Less: Beginning balance of cash	**7,912,650,651.18**	9,701,160,074.84
Add: Ending balance of cash equivalents		
Less: Beginning balance of cash equivalents		
Net increase in cash and cash equivalents	**2,490,663,682.17**	–4,278,314,063.53

(2) Net cash paid for acquiring subsidiaries during the period

None.

(3) Net cash received from the disposal of subsidiaries during the period

None.

(4) Composition of cash and cash equivalents

Item	Ending balance	Beginning balance
I. Cash	**10,403,314,333.35**	7,912,650,651.18
Including: Cash on hand	**6,607.97**	20,307.97
Bank deposits available for use on demand	**49,182,418.95**	192,788,988.02
Other cash at bank and on hand for use on demand		
Deposit in finance company available for use	**10,354,125,306.43**	7,719,841,355.19
II. Cash equivalents		
Including: Bond investments due within three months		
III. Ending balance of cash and cash equivalents	**10,403,314,333.35**	7,912,650,651.18
Including: Cash and cash equivalents held but not used by the parent company or subsidiaries within the Group		

(5) Presentation of items with restricted use but still belonging to cash and cash equivalents

None.

(6) Monetary funds which are not cash and cash equivalents

Item	Ending balance	Beginning balance	The reason for they are not cash and cash equivalents
Fixed deposits with a term of over 3 months	**5,702,000,000.00**	6,965,500,000.00	They are expected to be held to maturity and their term is relatively long
Deposit for bank acceptance bills	**0.19**	24,430,668.47	Restricted for use
Deposit for letters of guarantee and letters of credit	**1,339,490.78**	1,131,736.28	Restricted for use
Special housing fund for employees	**18,404,882.34**	18,243,383.50	Restricted for use
Interest on fixed deposits	**255,701,716.71**	338,638,004.89	Restricted for use
Total	**5,977,446,090.02**	7,347,943,793.14	–

73. Foreign currency monetary items

(1) Foreign currency monetary items

Item	Ending balance of foreign currency	Translation rate	Ending translation balance denominated in RMB
Cash at bank and on hand	–	–	
Including: USD	203,350,012.44	7.1586	1,455,701,399.05
HKD	11,475,039.24	0.9120	10,465,235.79
Accounts receivable	–	–	
Including: USD	47,197,541.00	7.1586	337,868,317.00
HKD	282,208.50	0.9120	257,374.15
Long-term receivables due within one year	–	–	
Including: USD	21,822,473.71	7.1586	156,218,360.30
Accounts payables			
Including: USD	10,237,068.00	7.1586	73,283,074.98
Other payables			
Including: USD	3,236,000.00	7.1586	23,165,229.60
HKD	7,061,889.22	0.9120	6,440,442.97

(2) Reporting currency of significant foreign operating entities

Significant foreign operating entities	Principal place of business overseas	Reporting currency	Basis of selection
Wah Shun International Marine Limited	Hong Kong, China	Hong Kong Dollars	Principal business operations are denominated in Hong Kong dollars
Wah Loong International Marine Limited	Hong Kong, China	Hong Kong Dollars	Principal business operations are denominated in Hong Kong dollars
Wan Sheng International Marine Limited	Hong Kong, China	Hong Kong Dollars	Principal business operations are denominated in Hong Kong dollars
Wan Xing International Marine Limited	Hong Kong, China	Hong Kong Dollars	Principal business operations are denominated in Hong Kong dollars
Wan Xiang International Marine Limited	Hong Kong, China	Hong Kong Dollars	Principal business operations are denominated in Hong Kong dollars
Wan Rui International Marine Limited	Hong Kong, China	Hong Kong Dollars	Principal business operations are denominated in Hong Kong dollars
Wan Yu International Marine Limited	Hong Kong, China	Hong Kong Dollars	Principal business operations are denominated in Hong Kong dollars

74. Leases

(1) As lessee

Item	Amount for the period	Amount for last period
Interest expense of lease liabilities	**3,943,969.13**	2,914,339.75
Simplified short-term lease expenses included in the current profit and loss	**18,209,035.21**	15,875,221.54
Simplified lease expenses of low value assets (excluding short-term lease expenses of low value assets) included in the related cost of assets or current profit and loss		
Total cash outflow related to leases	**48,183,761.55**	36,393,391.49

(2) As lessor

1) Operating leases

Item	Amount for the period	Amount for last period
Income from operating leases	**40,755,796.94**	60,581,059.76
Including: Income related to variable lease payments not included in lease receipts		

The amount of undiscounted leasing receivable after the date of balance sheet:

Remaining leasing term	Amount for the period	Amount for last period
Within one year	**67,957,009.65**	53,795,160.10
Above one year within two years	**66,888,711.30**	58,631,733.45
Above two years within three years	**59,286,475.70**	58,500,138.30
Above three years within four years	**59,174,548.79**	58,479,951.70
Above four years within five years	**46,034,662.14**	39,154,090.21
Above five years	**339,571.26**	
Total	**299,680,978.84**	268,561,073.76

2) *Finance leases*

Remaining leasing term	Amount for the period	Amount for last period
Selling profit or loss		
Finance income on the net investment in the lease	**2,512,553.76**	3,029,957.67
Income relating to variable lease payments not included in the net investment in the lease		

The amount of leasing receivable after the date of balance sheet:

Remaining leasing term	Amount for the period	Amount for last period
Within one year	**171,234,383.99**	59,761,344.73
Above one year within two years	**94,969,527.16**	166,824,614.29
Above two years within three years		93,454,580.25
Above three years within four years		
Above four years within five years		
Above five years		
Subtotal of undiscounted leasing receivable	**266,203,911.15**	320,040,539.27
Add: Unguaranteed residual value		
Less: Unrealized finance income	**5,009,601.11**	10,312,152.21
Net investment in the lease	**261,194,310.04**	309,728,387.06

75. Earnings per share

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

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

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

In calculating the weighted average number of ordinary shares increased after conversion of dilutive potential ordinary shares into ordinary shares, the dilutive potential ordinary shares which were converted in previous periods are assumed to be converted at the beginning of current year and the dilutive potential ordinary shares which were converted during current period are assumed to be converted at the date of issue.

The calculation of basic earnings per share and diluted earnings per share are as follows:

Item	No.	Amount for the period	Amount for last period
Net profit attributable to shareholders of the Company	1	**526,386,355.89**	146,845,686.17
Non-recurring gains and losses attributable to shareholders of the Company	2	**35,386,874.34**	15,794,671.53
Net profit after deducting non-recurring gains and losses attributable to shareholders of the Company	3=1–2	**490,999,481.55**	131,051,014.64
Total number of shares at the beginning of the year	4	**1,413,506,378.00**	1,413,506,378.00
Shares increased due to transferring capital reserve into share capital or dividend distribution of shares (I)	5		
Shares increased due to issuance of new shares or debt for equity swap (II)	6		
Number of months from next month to the year-end regarding the increase of shares (II)	7		
Shares decreased due to share repurchase	8		
Number of months from the next month to the year-end regarding the decrease of shares	9		
Number of shares decreased due to capital reduction	10		
Number of months in the reporting period	11	**6.00**	6.00
Weighted average of ordinary shares outstanding	12	**1,413,506,378.00**	1,413,506,378.00
Weighted average number of ordinary shares outstanding following adjustments in relation to business combination under common control for the purposes of earnings per share after deduction of non-recurring gains and losses	13	**1,413,506,378.00**	1,413,506,378.00
Basic earnings per share (I)	14=1÷12	**0.3724**	0.1039
Basic earnings per share (II)	15=3÷13	**0.3474**	0.0927
Potential diluted interests of ordinary shares recognised as expense	16		
Conversion fee	17		
Income tax rate	18	**0.25**	0.25
Weighted average amount of ordinary shares increased due to warrant, share options, and convertible bonds, etc.	19		
Diluted earnings per share (I)	20=[1+（16–17）×（100%–18）]÷（12+19）	**0.3724**	0.1039
Diluted earnings per share (II)	21=[3+（16–17）×（100%–18）]÷（13+19）	**0.3474**	0.0927

76. Dividends

Dividends for the year ended 31 December 2024 of RMB98,945,446.47 (last period: RMB15,548,570.16) were declared and paid during the six months ended 30 June 2025.

VI. RESEARCH AND DEVELOPMENT EXPENSES

Item	Amount for the period	Amount for last period
Material fee	**383,972,859.37**	262,404,985.74
Wages and labor costs	**119,914,930.12**	123,789,691.34
Outsourcing fee	**12,272,520.62**	4,966,608.80
Design fee		10,203,757.38
Fuel power fee	**1,818,801.48**	693,119.79
Fixed assets usage fee	**16,251,033.83**	14,001,037.98
Project management fee	**3,373,170.97**	1,740,945.92
Travelling expense	**799,581.02**	1,276,884.14
Conference fee	**186,535.09**	305,028.79
Expert consultation fee	**123,878.59**	175,023.80
Dedicated fee	**10,424,809.64**	1,705,965.08
Others	**518,389.79**	1,746,171.50
Total	**549,656,510.52**	423,009,220.26
Including: Expensed research and development expenditure	**549,656,510.52**	423,009,220.26
Capitalized research and development expenditure		

1. R&D projects eligible for capitalisation

None.

2. Judgment criteria and basis for capitalization or expenses of important purchased projects under research and development

None.

VII. CHANGES IN SCOPE OF CONSOLIDATION

There was no change in the scope of consolidation during the current period.

VIII. INTERESTS IN OTHER ENTITIES

1. Interests in subsidiaries

(1) Composition of the Group

Name of subsidiary	Place of registration and principal operation	Business nature	Registered capital (RMB in ten thousand)	Percentage of shareholding (%)		Acquisition method	Type of legal person
				Direct	Indirect		
Subsidiary indirectly held through two level structures:							
Huangpu Wenchong	Guangzhou	Ship building	361,918.32	54.5371		Business combination under common control	Other company with limited liability
Subsidiaries indirectly held through three level structures:							
Wenchong Shipyard	Guangzhou	Ship building	142,017.85		100.00	Business combination under common control	Company with limited liability (Wholly-owned by legal person)
Huangchuan Ocean Engineering	Guangzhou	Ship building	6,800.00		100.00	Business combination under common control	Company with limited liability (Wholly-owned by legal person)
Wenchuan Heavy Industrial	Guangzhou	Equipment manufacturing	41,000.00		100.00	Business combination under common control	Company with limited liability (Wholly-owned by legal person)
CSSC Internet	Guangzhou	Information electronic technology services	5,000.00		100.00	Establishment through investment	Company with limited liability (Wholly-owned by legal person)
Zhanjiang Nanhai	Zhanjiang	Provision of labour services	200.00		60.00	Business combination under common control	Company with limited liability (State controlled)
Wenchong Bingshen	Guangzhou	Equipment manufacturing	560.00		60.00	Business combination under common control	Company with limited liability (Sino-foreign joint venture)
Wah Shun	Hong Kong	Other operating leases relating to machinery and equipment	HK$1 million		99.00	Establishment through investment	Other company with limited liability (State controlled)
Wah Loong	Hong Kong	Other operating leases relating to machinery and equipment	HK$1 million		99.00	Establishment through investment	Other company with limited liability (State controlled)
Xingji	Guangzhou	Professional technical services	500.00		37.50	Establishment through investment	Company with limited liability (Taiwan, Hong Kong, Macao and domestic joint venture)
HuaCheng	Tianjin	Other operating leases relating to machinery and equipment	5.00		100.00	Establishment through investment	Company with limited liability (Wholly-owned by legal person)
HuaXin	Tianjin	Other operating leases relating to machinery and equipment	5.00		100.00	Establishment through investment	Company with limited liability (Wholly-owned by legal person)
Wan Sheng	Hong Kong	Other operating leases relating to machinery and equipment	HK$10,000		100.00	Establishment through investment	Other company with limited liability (State controlled)
Wan Xiang	Hong Kong	Other operating leases relating to machinery and equipment	HK$10,000		100.00	Establishment through investment	Other company with limited liability (State controlled)
Wan Xing	Hong Kong	Other operating leases relating to machinery and equipment	HK$10,000		100.00	Establishment through investment	Other company with limited liability (State controlled)
Wan Rui	Hong Kong	Other operating leases relating to machinery and equipment	HK$10,000		100.00	Establishment through investment	Other company with limited liability (State controlled)
Wan Yu	Hong Kong	Other operating leases relating to machinery and equipment	HK$10,000		100.00	Establishment through investment	Other company with limited liability (State controlled)
Wenchong	Engineering Guangzhou	Other repair of machinery and equipment	200.00		100.00	Establishment through investment	Company with limited liability (Wholly-owned by legal person)
Subsidiaries indirectly held through four level structures:							
Guangxi Heavy Industrial	Qinzhou	Equipment manufacturing	42,000.00		71.40	Establishment through investment	Other company with limited liability

Other explanations:

(1) Xingji has three shareholders and is held as to 37.50% by Huangpu Wenchong, as to 37.50% by Shanghai Merchant Vessel Design and Research Institute (both under the common control of CSSC), and as to 25% by Yuzhong International Co., Ltd.. According to the relevant provisions of the articles of association of Xingji, Huangpu Wenchong shall appoint two directors, and each of other shareholders shall appoint one director. The chairman and general manager of Xingji shall be appointed by Huangpu Wenchong. Huangpu Wenchong can actually dominate the related activities of Xingji and is entitled to variable returns, and has the ability to use his power over Xingji to influence its amount of returns. As such, Xingji is included in the scope of consolidated statements by Huangpu Wenchong.

(2) Xingji and Wenchong Bingshen are both sino-foreign joint ventures.

(3) Wenchuan Heavy Industrial's shareholding in Guangxi Heavy Industrial was 71.40% based on the subscribed capital contributions and was 81.76% based on the paid-in capital contributions.

(2) Significant non-wholly-owned subsidiaries

Name of subsidiary	Minority shareholding percentage	Gain or loss attributable to minority shareholders for the period	Dividends declared to minority shareholders for the period	Ending balance of non-controlling interests
Huangpu Wenchong	45.4629%	79,663,664.93		3,539,317,944.35

(3) Major financial information on significant non-wholly-owned subsidiaries

Unit: RMB in ten thousand

	Ending balance					
Name of subsidiary	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Huangpu Wenchong	**3,405,499.93**	**782,486.42**	**4,187,986.35**	**3,017,915.68**	**384,301.58**	**3,402,217.26**

	Beginning balance					
Name of subsidiary	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Huangpu Wenchong	3,064,140.53	821,253.13	3,885,393.66	2,637,739.72	478,845.77	3,116,585.49

	Amount for the period			
Name of subsidiary	Operating income	Net profit	Total comprehensive income	Cash flows from operating activities
Huangpu Wenchong	**1,016,533.17**	**17,088.60**	**17,000.92**	**153,289.51**

	Amount for last period			
Name of subsidiary	Operating income	Net profit	Total comprehensive income	Cash flows from operating activities
Huangpu Wenchong	872,198.95	8,337.26	7,890.27	-555,410.71

(4) Material restrictions on the use of assets of the enterprise group and settlement of debts of the enterprise group

None.

(5) Financial or other assistance provided to structured entities included in the consolidated financial statements

None.

2. Changes in percentage of owner's equity in subsidiaries without losing control

None.

3. Interests in joint ventures or associates

(1) Significant joint ventures or associates

Name of joint venture or associate	Principal place of business	Place of incorporation	Business nature	Percentage of shareholding (%)		Accounting method for investment in joint ventures or associates	Strategic to the Company's activities
				Direct	Indirect		
GSI	Guangzhou	Guangzhou	Metal shipbuilding	41.0248		Equity method	No

(2) Key financial information of significant associates

Item	GSI	
	Ending balance/ Amount for the period	Beginning balance/ Amount for last period
Current assets	**33,980,130,262.18**	29,136,474,779.66
Including: Cash and cash equivalents	**15,121,851,805.36**	6,740,998,969.53
Non-current assets	**8,698,452,955.62**	8,909,208,973.77
Total assets	**42,678,583,217.80**	38,045,683,753.43
Current liabilities	**30,313,260,233.69**	22,027,553,580.98
Non-current liabilities	**1,635,764,412.73**	6,213,766,414.84
Total liabilities	**31,949,024,646.42**	28,241,319,995.82
Total net assets	**10,729,558,571.38**	9,804,363,757.61
Including: Non-controlling interests	**40,589,956.44**	39,489,124.62
Equity attributable to shareholders of the Company	**10,688,968,614.94**	9,764,874,632.99
Share of net assets based on shareholding percentage	**4,301,125,615.86**	3,922,017,907.95
Adjustments	**1,449,092,477.90**	1,462,716,896.88
Carrying value of equity investments in associates	**5,750,218,093.76**	5,384,734,804.83
Operating income	**9,286,052,351.21**	8,177,490,725.79
Finance costs	**-70,779,169.12**	-161,477,778.34
Income tax expenses	**8,923,553.05**	1,825,002.31
Net profit	**923,772,092.56**	154,253,787.46
Other comprehensive income	**940,678.71**	
Total comprehensive income	**924,712,771.27**	154,253,787.46
Dividends received from associates during the period		

(3) Aggregated financial information of insignificant joint ventures and associates

Item	Ending balance/ Amount for the period	Beginning balance/ Amount for last period
Joint ventures	**–**	–
Total carrying value of investments		
Amounts in aggregate in proportion to the shareholdings	**–**	–
– Net profit		
– Other comprehensive income		
– Total comprehensive income		
Associates	**–**	–
Total carrying value of investments	**12,914,092.93**	19,250,037.57
Amounts in aggregate in proportion to the shareholdings	**–**	–
– Net profit	**-13,609,505.41**	8,091,939.29
– Other comprehensive income		
– Total comprehensive income	**-13,609,505.41**	8,091,939.29

(4) Description of major restrictions on the ability of joint venture or associate to transfer funds to the Company

None.

(5) Excessive losses incurred by joint ventures or associates

None.

(6) Unrecognized commitment related to investment in joint ventures

None.

(7) Contingent liabilities related to investment in joint ventures or associates

None.

4. Significant joint operation

None.

5. Interests in structured entities not included in the scope of consolidated financial statements

None.

IX. GOVERNMENT GRANTS

1. Type, amount and item of government grants

(1) Asset-related government grants

Items included in profit or loss for the period or written off against related costs and expenses losses	Amount of Government grants	Amounts included in profit or loss for the period or written off against related costs and expenses losses	
		Amount for the period	Amount for last period
Deferred revenue	25,205,000.00		
Total	25,205,000.00		

(2) Government grants related to revenue

Items included in profit or loss for the period or written off against related costs and expenses losses	Amount of Government grants	Amounts included in profit or loss for the period or written off against related costs and expenses losses	
		Amount for the period	Amount for last period
Other income	56,317,959.38	56,317,959.38	31,318,179.39
Non-operating income			890,234.44
Financial expenses			4,950,000.00
Total	56,317,959.38	56,317,959.38	37,158,413.83

2. Liability items involving government grants

Accounting items	Beginning balance	New grants received during the period	Amount included in non-operating income during the period	Amount transferred to other income during the period	Other changes during the period	Ending balance	Relating to assets/revenue
Deferred revenue	60,117,154.61	19,718,947.86		33,862,991.12		**45,973,111.35**	Related to revenue
Deferred revenue	25,205,000.00					**25,205,000.00**	Relating to assets

3. Government grants recognized as at the end of the Reporting Period based on amounts receivable

None.

4. Return of government grants

None.

X. RISKS RELATING TO FINANCIAL INSTRUMENTS

The Group's major financial instruments include borrowings, receivables, payables, investment in equity instruments not held for trading and forward exchange contracts. For details for each financial instrument, please see Note V. The risks related to these financial instruments, and the Group's risk management policies for risk mitigation are stated as below. The management and supervision on the risk exposure by the management of the Group is to ensure that these risks mentioned above are controlled within a limited scope.

1. Various risk management objectives and policies

The risk management objectives of the Group are to obtain an appropriate balance between risks and returns, to reduce negative effects caused by risks on the Group's operating results to a lowest level, and to maximize interest of shareholders and other equity investors. Based on these risk management objectives, the basic strategies of the Group are to confirm and analyse all risks related to the Group, to build appropriate risk tolerance bottom line, to monitor all risks timely and effectively, and to control the risks within a limited scope.

(1) Market risk

1) Foreign currency risk

The Group's foreign exchange exposure is mainly related to USD, HKD and EUR. Except that the Group is using foreign currencies including USD, HKD and EUR for sales and purchase transactions in respect of shipbuilding business, other business activities of the Company are denominated and settled in RMB. As at the end of the period, except for assets and liabilities with balances in USD, HKD and EUR set out below, all other assets and liabilities of the Group were denominated in RMB. The recognised assets and liabilities in USD and the unrecognised ship settlement in USD shown in the table below, leading to foreign currency risk, may affect the results of operation of the Group.

Item	Ending balance	Beginning balance
Cash and cash equivalents-USD	**1,455,701,399.05**	1,300,274,388.79
Cash and cash equivalents-HKD	**10,465,235.79**	3,872,161.66
Cash and cash equivalents-EUR		6,337,182.76
Accounts receivable-USD	**337,868,317.00**	155,675,711.55
Accounts receivable-HKD	**257,374.15**	963,053.06
Long-term receivable due within one year-USD	**156,218,360.30**	56,439,414.92
Long-term receivable-USD		236,229,341.39
Accounts payable-HKD		73,617.00
Accounts payable-USD	**73,283,074.98**	2,090,532.93
Other payable-USD	**23,165,229.60**	48,421,062.40
Other payable-HKD	**6,440,442.97**	325,095.90

The Group pays close attention to the impact of exchange rate changes on the Group, and attaches importance to the study of exchange rate risk management policies and strategies. It adjusts the structure of foreign currency assets or liabilities in view of the trend of exchange rate changes or enters into forward exchange trading contracts (forward exchange settlement), exchange swaps, exchange option trading portfolio contracts with banks to reduce the impact of exchange rate risk.

2) *Interest rate risk*

The interest rate risk of the Group is generated from bank borrowings. Floating-rate financial liabilities expose the Group to cash flow interest rate risk, and fixed-rate financial liabilities expose the Group to fair value interest rate risk. The Group adjusts the relative percentage of contracts with fixed rates and floating rates in view of the then market environment. As at the end of the period, the Group's bank borrowings mainly included fixed interest rate contracts denominated in RMB with amount of RMB5,899,500,000.00 (at the beginning of the period: RMB6,122,900,000.00) and floating interest rate contracts denominated in RMB with amount of RMB0.00 (at the beginning of the period: RMB0.00).

The risk of changes in fair value of financial instrument of the Group caused by changes in interest rate is mainly related to bank borrowings with fixed interest rate. As for the borrowings with fixed interest rate, the goal of the Group is to convert them to borrowings with floating interest rate so that the interest rates on the borrowings can be dynamically adjusted in line with the market interest rates, thereby reducing the risk of changes in fair value arising from excessive deviation of the fixed interest rates from the market interest rates due to fluctuations in the market interest rates.

The risk of changes in cash flows of financial instrument of the Group caused by changes in interest rate is mainly related to bank borrowings with floating interest rate. It is the policy of the Group to keep these borrowings with floating interest rate, in order to eliminate the risk in fair value related to changes in interest rate.

3) *Price risk*

The Group undertakes sales orders for shipbuilding and ship maintenance, offshore engineering products and electromechanical products at market price, and is subject to the price fluctuations.

(2) Credit risk

As at the end of the period, the maximum exposure to credit risk that could give rise to financial losses for the Group is mainly from the counterparties' failure to perform their obligations leading to losses of the Group's financial assets and the financial guarantee assumed by the Group, including:

Book value of the recognised financial assets in the consolidated balance sheet; as for financial instruments measured at fair value, book value reflects their exposures to risks, but not the maximum exposure to risks which shall be changed as future changes in fair value occurs.

To reduce credit risk, a special department, responsible for confirming credit limitations, reviewing paper work related to credit and executing other supervisory procedures, has been established within the Group in order to ensure that necessary measures have been taken to retrieve expired claims. In addition, the Group reviews the collection of each single receivable at each of the balance sheet date to ensure sufficient provision for bad debts is made for unrecoverable amounts. Therefore, the management of the Group considers that credit risks facing the Group have been reduced significantly.

Apart from the deposits placed with CSSC Finance Company Limited, the Group places bank deposits and other monetary funds with financial institutions with high credit ratings, and therefore their credit risk is relatively low. Deposits placed with finance companies are reconciled with the Group on a regular basis to ensure that the funds on deposit are in proper condition.

The Group has adopted necessary policies to ensure that all clients have good credit history. The Group has no other significant concentration of credit risk except for the top five accounts receivable and long-term receivable.

Top five accounts receivable amounted to RMB677,550,246.57 (at the beginning of the period: RMB726,773,525.33) in total; long-term receivable amounted to RMB1,325,563,805.14 (at the beginning of the period: RMB1,692,544,161.97) in total.

(3) Liquidity risk

Liquidity risk refers to the risk that the Group could not meet its financial obligations at the maturity date. The method of the Group to manage liquidity risk is to ensure adequate cash flows to perform obligations at maturity, so that not to cause any unacceptable losses or damages of reputation of the Group. The analysis of liabilities structure and durations is made periodically by the Group to ensure the cash is adequate. The management of the Group monitors the usage of bank borrowings and ensures compliance with the borrowing agreements. In the meantime, the Group would make the financing negotiations with financial institutions to maintain the credit lines and reduce liquidity risks.

The sources of funding of the Group are mainly from bank borrowings.

As at 30 June 2025, each of the Group's financial liabilities are presented as undiscounted contractual cash flows by maturity date as follows:

Item	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
Short-term borrowings	539,249,576.40				539,249,576.40
Financial liabilities held-for-trading	49,405,603.48				49,405,603.48
Notes payable	1,763,826,361.46				1,763,826,361.46
Accounts payable	9,889,746,901.33				9,889,746,901.33
Other payables	365,637,588.27				365,637,588.27
Long-term borrowings	2,200,306,020.01	1,880,000,000.00	120,000,000.00	1,162,900,000.00	5,363,206,020.01
Lease liabilities	87,973,181.42	47,206,694.29	92,160,715.53	17,335,077.00	244,675,668.24
Total	**14,896,145,232.37**	**1,927,206,694.29**	**212,160,715.53**	**1,180,235,077.00**	**18,215,747,719.19**

2. Sensitivity analysis

The Group adopts sensitivity analysis techniques to analyze the impact that a reasonable and probable change in risk variables could have on current profit or loss or owners' equity. Since risk variables rarely change in isolation, the correlation between the variables can bring significant influence to the final impact amount of a change in a risk variable. The following sensitivity analysis is assumed the variation of each variable is independently carried out.

(1) Exchange rate risk sensitivity analysis

The assumption of exchange risk sensitivity analysis: all overseas net operational investment hedge and cash flow hedge are highly effective.

Based on the above assumptions, with other variables unchanged, the after-tax effect of reasonable exchange rate fluctuations on current profit or loss and equity are as follows:

		Current period		Last period	
Item	**Change in exchange rate**	**Effect on net profit**	**Effect on shareholders' equity**	**Effect on net profit**	**Effect on shareholders' equity**
USD	Strengthen by 5% against RMB	**79,454,334.94**	**79,454,334.94**	53,055,606.42	53,055,606.42
USD	Weaken by 5% against RMB	**-79,454,334.94**	**-79,454,334.94**	-53,055,606.42	-53,055,606.42

(2) Interest rate risk sensitivity analysis

The interest rate risk sensitivity analysis is based on the following assumptions: changes in market interest rate affect the interest income or expenses of floating-rate financial instruments; for fixed-rate financial instruments measured at fair value, the changes in market interest rate affect their interest income or expenses only; changes in fair value of derivative financial instruments and other financial assets and liabilities are calculated using cash flow discount method and the market interest rate at the balance sheet date.

Based on the above assumptions, with other variables unchanged, the after-tax effect of reasonable interest rate fluctuations on current profit or loss and equity are as follows:

		Current period		Last period	
Item	**Change in interest rate**	**Effect on net profit**	**Effect on shareholders' equity**	**Effect on net profit**	**Effect on shareholders' equity equity**
Floating-rate borrowings	Increase by 1%			-4,000,000.00	-4,000,000.00
Floating-rate borrowings	Decrease by 1%			4,000,000.00	4,000,000.00

3. The risk management of hedging business

(1) The risk management strategies and objectives of hedging business

The Group is engaged in the manufacture of metal ships, and ship products it holds are subject to the risk of exchange rate changes in foreign currencies. Therefore, based on the trend of fluctuation in exchange rate, the Group appropriately adjusts the structure of its foreign currency assets or liabilities, or the Group and a bank enter into a forward foreign exchange transaction contract (forward foreign exchange settlement and sale), foreign exchange swaps and a foreign exchange option trading portfolio contract, so as to reduce the impact of the exchange rate risk. The foreign currency exchange rate of the Group's ship settlement funds is the same as the corresponding foreign currency exchange rate in the contract entered into with the bank, and the underlying variables of hedging instruments and hedged items are the foreign currency exchange rate set out in the contract entered into with the bank. The ineffective part of hedging instruments mainly arises from, among other things, the risk of exchange rate uncertainties generated by ship settlement funds that have not been recognized. The amount of hedge ineffectiveness recognized during the period and the previous period was not material. The Group adopts fair value hedges for such hedging.

(2) Qualitative and quantitative information about the hedged items, the related hedging instruments and the hedged risk is disclosed by hedge category

Fair value hedges

	Carrying value of hedged items		Cumulative amount of fair value hedge adjustments on hedged items (included in the carrying value of the hedged item)					Carrying value of hedging instruments						
Item	Assets	Liabilities	Assets	Liabilities	Balance sheet presentation items containing hedged items	Change in fair value of hedged items used as basis for recognition of hedge ineffectiveness component during the period	Notional amount of hedging instruments	Assets	Liabilities	Balance sheet presentation items containing hedging instruments	Change in fair value of hedging instruments used as basis for recognition of hedge ineffectiveness component during the period	Ineffective hedge portion included in current profit or loss	Ineffective hedge portion included in other comprehensive income	Income statement presentation items included in current profit or loss (including ineffective hedge portion)
Exchange rate risk		71,301,634.38		71,301,634.38	Other non-current liabilities			71,301,634.38		Other non-current assets				
– identified commitment		71,301,634.38		71,301,634.38	Other non-current liabilities			71,301,634.38		Other non-current assets				

(3) Hedging business that applied hedge accounting

None.

4. Transfer of financial assets

None.

XI. DISCLOSURE OF FAIR VALUE

The inputs used for fair value measurement are divided into three levels:

Level 1 input is the unadjusted quotation of the same asset or liability that is available on the measurement day in the active market.

Level 2 input is the input that can be observed directly or indirectly of the relevant asset or liability other than those in level 1.

Level 3 input is the unobservable input of the relevant asset or liability.

The level of the fair value measurement is determined by the lowest level of the input which is of great significance to the whole of the fair value measurement.

1. Fair value of assets and liabilities measured at fair value at the end of the period

Item	Fair value at the end of the period			
	Stage 1 fair value measurement	Stage 2 fair value measurement	Stage 3 fair value measurement	Total
I. Fair value measurement on a recurring basis	–	–	–	–
(I) Financial assets held-for-trading	119,063.01			119,063.01
1. Financial assets at fair value through current profit or loss	119,063.01			119,063.01
Including: Investments in equity instruments	119,063.01			119,063.01
2. Financial assets designated at fair value through profit or loss				
(II) Receivable financing			114,015,583.63	114,015,583.63
(III) Other debt investments				
(IV) Investments in other equity instruments	7,105,985,474.47		3,928,529.47	7,109,914,003.94
(V) Other non-current financial assets – hedging instrument		71,301,634.38		71,301,634.38
Total assets measured at fair value on a recurring basis	7,106,104,537.48	71,301,634.38	117,944,113.10	7,295,350,284.96
(I) Financial liabilities held-for-trading		49,405,603.48		49,405,603.48
Financial liabilities designated at fair value through current profit or loss		49,405,603.48		49,405,603.48
(II) Other non-current financial liabilities – hedged item		71,301,634.38		71,301,634.38
Total liabilities measured at fair value on a recurring basis		120,707,237.86		120,707,237.86

2. Basis for determination of market price of level 1 fair value measurement items on recurring and non-recurring basis

Of the investment in equity instruments held and not held for trading measured at fair value, the fair value of the shares of listed companies held by the Group was determined based on the closing prices at 30 June 2025.

3. Valuation techniques and qualitative and quantitative information on significant parameters used for level 2 fair value measurement items on a recurring and a non-recurring basis

For items such as forward exchange contracts measured at fair value out of financial assets held-for-trading and financial liabilities held-for-trading, for the sake of prudence, the Company chooses quotations from one bank as inputs and recognises their fair value based on the difference between the quoted exchange rate at the balance sheet date from the bank and the contract exchange rate, using the benchmark loan interest rate for the corresponding term published by the People's Bank of China as the discount rate.

4. Valuation techniques and qualitative and quantitative information on significant parameters used for level 3 fair value measurement items on a recurring and a non-recurring basis

For the equity investment held by the Group in unlisted companies out of investment in equity instruments not held for trading measured at fair value, the Group determines their fair value using valuation techniques. After analysis, the fair value of the net assets of the investee approximates the net book assets of the investee and therefore the fair value is determined by multiplying the net book assets of the investee by the percentage of shareholding.

5. Analysis on the measurement items measured at fair value of level 3 on a going concern, adjustment information between the book value as at the beginning of period and the book value as at the end of period and sensitivity of unobservable parameters

The measurement items of the Group measured at fair value of level 3 on a going concern, adjustment information between the book value as at the beginning of period and the book value as at the end of period is as follows:

				Total current profit or loss		Purchases, issuances, sales, and settlements					
Item	Beginning balance	Transfer to level 3	Transfer from level 3	Included in the profit or loss	Included in other comprehensive income	Purchases	Issuances	Sales	Settlements	Ending balance	For assets held at the end of the Reporting Period, current unrealized gains or changes
Financial assets held-for-trading											
Receivables financing	236,548,075.95								-122,532,492.32	114,015,583.63	
Investments in other equity instruments	4,555,068.77				-626,539.30					3,928,529.47	
Total	241,103,144.72				-626,539.30				-122,532,492.32	117,944,113.10	
Including: Gains and losses related to financial assets											
Gains and losses related to non-financial assets											

6. Reasons for conversion and the policy for determining the point of conversion for ongoing fair value measurement items if conversion between levels occurred during the period

None.

7. Changes in valuation techniques that occurred during the period and the reasons for the changes

None.

8. Fair value of financial assets and financial liabilities that are not measured at fair value

None.

XII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS

1. Relationship of related parties

(1) Parent company of the Company

Name of parent company	Place of incorporation	Business nature	Registered capital	Shareholding ratio of the parent company in the Company (%)	Voting ratio of the parent company in the Company (%)
CSSC	Shanghai	Shipbuilding	RMB32 billion	34.05	56.89

The ultimate controller of the Company is: the State-owned Assets Supervision and Administration Commission of the State Council.

1) Controlling shareholder's registered capital and its changes

Name of controlling shareholder	Beginning balance	Increase for the period	Decrease for the period	Ending balance
CSSC	RMB32 billion			RMB32 billion

2) *Shareholding of controlling shareholder and the parties acting in concert and its changes*

Controlling shareholder	Shareholding amount: Ending balance	Shareholding amount: Beginning balance	Percentage of shareholding (%): Ending balance	Percentage of shareholding (%): Beginning balance	Remarks
CSSC	481,337,700.00	481,337,700.00	34.05	34.05	
CSSC International	322,790,890.00	322,790,890.00	22.84	22.84	Parties acting in concert
Total	804,128,590.00	804,128,590.00	56.89	56.89	

(2) *Subsidiaries of the Company*

For details of subsidiaries, please refer to Note "VIII. INTERESTS IN OTHER ENTITIES" under this section.

(3) *Joint ventures and associates of the Company*

For details of significant joint ventures or associates of the Company, please refer to Note "VIII. INTERESTS IN OTHER ENTITIES" under this section.

Other joint ventures or associates that have related party transactions with the Company during the current year or have balance of related party transactions with the Company for the previous period are as follows:

Type of relationship	Name of related party	Content of major transactions	Unified social credit identifier	Type of company
Associate	Guangzhou Shipyard International Company Limited	Purchase of goods and receipt of services, sales of goods and provision of services	914401017889253316	Company with limited liability (Joint venture of foreign-invested enterprise and domestic enterprise)

(4) *Other related parties*

Type of relationship	Name of other related party	Content of major transactions	Unified social credit identifier	Type of company
Under the control of the common controlling shareholder and actual controller	Anqing CSSC Diesel Engine Co., Ltd.	Procurement of marine equipment, electromechanical equipment, ancillary parts and material supplies, etc.	91340800151306277Q	Company with limited liability (Wholly-owned by legal person invested or controlled by non-natural person)
Under the control of the common controlling shareholder and actual controller	Anqing Marine Electric Co., Ltd.	Purchase of goods	913408007711027188	Company with limited liability (Wholly-owned by legal person invested or controlled by non-natural person)
Under the control of the common controlling shareholder and actual controller	Beijing the Great Wall Electronic Equipment Co., Ltd.	Procurement of electromechanical equipment, metallic materials, marine accessories and marine equipment, etc.	911101081019079710	Company with limited liability (Wholly owned by legal person)
Under the control of the common controlling shareholder and actual controller	China Shipbuilding IT Co., Ltd.	Receipt of design and technical services	911101088020423339	Other company with limited liability
Under the control of the common controlling shareholder and actual controller	Chongqing Gearbox Co., Ltd.	Procurement of marine equipment, electromechanical equipment, ancillary parts and material supplies, etc.	915000002035507235	Company with limited liability (Wholly-owned by legal person invested or controlled by non-natural person)
Under the control of the common controlling shareholder and actual controller	Chongqing Changzheng Heavy Industry Co., Ltd.	Procurement of marine equipment, electromechanical equipment, ancillary parts and material supplies, etc.	9150000020280308XL	Company with limited liability (Wholly-owned by legal person invested or controlled by non-natural person)
Under the control of the common controlling shareholder and actual controller	Chongqing Huayu Electrical Group Limited	Procurement of marine equipment, electromechanical equipment, ancillary parts and material supplies, etc.	91500000202826724X	Company with limited liability (State controlled)
Under the control of the common controlling shareholder and actual controller	CSSC (Chongqing) Equipment Technology Co., Ltd. (formerly known as Chongqing Jiangjin Shipbuilding Industry Co., Ltd.)	Procurement of electromechanical equipment, metallic materials, marine accessories and marine equipment, etc.	91500116576196464R	Company with limited liability (Wholly-owned by legal person)

Type of relationship	Name of other related party	Content of major transactions	Unified social credit identifier	Type of company
Under the control of the common controlling shareholder and actual controller	Chongqing Yuejin Machinery Plant Co., Ltd.	Procurement of marine equipment, electromechanical equipment, ancillary parts and material supplies, etc.	915000002028992618	Company with limited liability (Wholly-owned by legal person invested or controlled by non-natural person)
Under the control of the common controlling shareholder and actual controller	China Shipbuilding Industry Corporation Information Research Center (China Shipbuilding Group Co., Ltd. 714 Research Institute)	Purchase ship products, electromechanical equipment and metallic materials, etc., and purchase of fixed assets	121000004000101285	Public institution
Under the control of the common controlling shareholder and actual controller	Dalian Ship Valve Company Limited	Procurement of marine equipment, electromechanical equipment, ancillary parts and material supplies, etc.	912102311185217926	Company with limited liability (Wholly-owned by legal person invested or controlled by non-natural person)
Under the control of the common controlling shareholder and actual controller	CSSC Dalian Marine Propeller Co., Ltd.	Procurement of marine equipment, electromechanical equipment, ancillary parts and material supplies, etc.	912102001184759685	Company with limited liability (Wholly-owned by legal person invested or controlled by non-natural person)
Under the control of the common controlling shareholder and actual controller	CSSC Dalian New Consumables Co., Ltd.	Purchase of goods, receipt of services	91210213089099384Y	Other company with limited liability
Under the control of the common controlling shareholder and actual controller	Marinequip China Company Limited	Procurement of marine equipment, electromechanical equipment, ancillary parts and material supplies, etc.	#5220000#5110002XQ	Other company with limited liability (Wholly state-owned)
Under the control of the common controlling shareholder and actual controller	Guangzhou Shipyard International Company Limited	Procurement of marine equipment, electromechanical equipment, ancillary parts and material supplies, etc., and receipt of design and technical services	914401017889253316	Company with limited liability (Joint venture of foreign-invested enterprise and domestic enterprise)
Under the control of the common controlling shareholder and actual controller	Guangdong GSI Elevator Machinery Equipment Co., Ltd.	Procurement of marine equipment, electromechanical equipment, ancillary parts and material supplies, etc., and receipt of services, receipt of design and technical services	91440000231128917P	Company with limited liability (Wholly-owned by legal person invested or controlled by non-natural person)
Under the control of the common controlling shareholder and actual controller	Guangdong GSI Marine Science and Technology Research Institute Co., Ltd.	Procurement of electromechanical equipment, metallic materials, marine accessories and marine equipment, etc., and procurement of materials and receipt of services	91440101MA9Y81UNXR	Company with limited liability (Wholly owned by legal person)
Under the control of the common controlling shareholder and actual controller	CSSC Guangxi North Bay Ship and Marine Engineering Design Co., Ltd.	Purchase of goods, receipt of services	914500000811760314	Other company with limited liability
Under the control of the common controlling shareholder and actual controller	Guangzhou Marine Engineering Corporation	Provision of design and technical services	914401011904583375	Ownership by the whole people
Under the control of the common controlling shareholder and actual controller	Guangzhou Guangchuan Offshore Engineering Equipment Co., Ltd.	Procurement of marine equipment, electromechanical equipment, ancillary parts and material supplies, etc., and receipt of services	9144010168132734X6	Company with limited liability (Wholly owned by legal person of foreign-invested enterprise)
Under the control of the common controlling shareholder and actual controller	Guangzhou Shipyard HR Service Co., Ltd.	Receipt of services	91440103664021381U	Company with limited liability (Wholly owned by legal person)
Under the control of the common controlling shareholder and actual controller	Guangzhou Hairong Construction Supervision Co., Ltd.	Purchase of fixed assets	914401042312505170	Other company with limited liability
Under the control of the common controlling shareholder and actual controller	Guangzhou Hongfan Technology Co., Ltd.	Receipt of design and technical services	91440101708257645P	Other company with limited liability
Under the control of the common controlling shareholder and actual controller	Technician Training School of Guangzhou Huangpu Shipyard	Supply of utilities	12440000738592911K	Public institution
Under the control of the common controlling shareholder and actual controller	Kindergarten of Guangzhou Huangpu Shipyard	Receipt of services	12440000738577981F	Public institution
Under the control of the common controlling shareholder and actual controller	Guangzhou Longxue Pipe Co., Ltd.	Receipt of services	91440101696938450J	Other company with limited liability
Under the control of the common controlling shareholder and actual controller	Guangzhou Wenchong Shipbuilding Co., Ltd.	Provision of design and technical services	91440101MA5CY9PU1E	Company with limited liability (Wholly owned by legal person)

Type of relationship	Name of other related party	Content of major transactions	Unified social credit identifier	Type of company
Under the control of the common controlling shareholder and actual controller	Guangzhou Shipyard Co., Ltd.	Receipt of design and technical services, receipt of services	91440101190440532F	Company with limited liability (Wholly owned by legal person)
Under the control of the common controlling shareholder and actual controller	Harbin Guanghan Power Transmission Co., Ltd.	Procurement of marine equipment, electromechanical equipment, ancillary parts and material supplies, etc.	912301995654123446	Company with limited liability (State-controlled)
Under the control of the common controlling shareholder and actual controller	Haiying Enterprises Group Co., Ltd.	Procurement of marine equipment, electromechanical equipment, ancillary parts and material supplies, etc.	913202141347573676	Company with limited liability (Wholly-owned by legal person invested or controlled by non-natural person)
Under the control of the common controlling shareholder and actual controller	Henan Diesel Engine Heavy Engineering Co., Ltd.	Procurement of marine equipment, electromechanical equipment, ancillary parts and material supplies, etc.	914103006634395595	Company with limited liability (Wholly-owned by legal person invested or controlled by non-natural person)
Under the control of the common controlling shareholder and actual controller	Hudong-Zhonghua Shipbuilding (Group) Co., Ltd.	Sales of metallic materials and sales of waste materials	9131000070326335X7	Company with limited liability (Wholly-owned by legal person invested or controlled by non-natural person)
Under the control of the common controlling shareholder and actual controller	Hudong Heavy Machinery Co., Ltd.	Procurement of electromechanical equipment, metallic materials, marine accessories and marine equipment, etc., and receipt of services	91310115669401543C	Company with limited liability (Wholly-owned by legal person invested or controlled by non-natural person)
Under the control of the common controlling shareholder and actual controller	China United Shipbuilding Company Limited	Procurement of marine equipment, electromechanical equipment, ancillary parts and material supplies, etc.	#5220000#511000111	Other company with limited liability (Wholly state-owned)
Under the control of the common controlling shareholder and actual controller	Jiangnan Shipyard (Group) Co., Ltd.	Provision of design and technical services	913100001322043124	Company with limited liability (Wholly-owned by legal person invested or controlled by non-natural person)
Under the control of the common controlling shareholder and actual controller	Jiangsu Jierui Information Technology Co., Ltd.	Purchase of goods, receipt of services	91320791MA227XF730	Company with limited liability (Wholly-owned by legal person invested or controlled by non-natural person)
Under the control of the common controlling shareholder and actual controller	Jiangxi Chaoyang Machinery Co., Ltd.	Procurement of marine equipment, electromechanical equipment, ancillary parts and material supplies, etc., and receipt of services	913604001582614892	Company with limited liability (Wholly-owned by legal person invested or controlled by non-natural person)
Under the control of the common controlling shareholder and actual controller	Jiangxi CSSC Valve Complete Equipment Co., Ltd.	Purchase of goods, receipt of services	91360429598860469Y	Other company with limited liability
Under the control of the common controlling shareholder and actual controller	Jiangxi CSSC Navigation Instrument Co., Ltd.	Purchase of goods, receipt of services	913604021595005410	Company with limited liability (Wholly-owned by legal person invested or controlled by non-natural person)
Under the control of the common controlling shareholder and actual controller	Jiujiang Haitian Equipment Manufacture Co., Ltd.	Procurement of marine equipment, electromechanical equipment, ancillary parts and material supplies, etc.	913604007697567041	Company with limited liability (Wholly state-owned)
Under the control of the common controlling shareholder and actual controller	CSSC Jiujiang Fire Fighting Equipment Co., Ltd.	Procurement of marine equipment, electromechanical equipment, ancillary parts and material supplies, etc.	913604007697501774	Company with limited liability (Wholly-owned by legal person invested or controlled by non-natural person)
Under the control of the common controlling shareholder and actual controller	Luoyang Ship Material Research Institute (China Shipbuilding Group Co., Ltd. 725 Research Institute)	Procurement of marine equipment, electromechanical equipment, ancillary parts and material supplies, etc.	121000004156254246	Ownership by the whole people
Under the control of the common controlling shareholder and actual controller	Nanfang Environment Co., Ltd.	Purchase of fixed assets	91440101MA59N24L26	Other company with limited liability
Under the control of the common controlling shareholder and actual controller	CSSC Oasis Environmental Protection (Nanjing) Co., Ltd.	Procurement of marine equipment, electromechanical equipment, ancillary parts and material supplies, etc.	91320114742362916X	Company with limited liability
Under the control of the common controlling shareholder and actual controller	Nanjing CSSC Oasis Machine Co., Ltd.	Procurement of marine equipment, electromechanical equipment, ancillary parts and material supplies, etc.	913201151349053822	Company with limited liability
Under the control of the common controlling shareholder and actual controller	KSEC Intelligent Technology Co., Ltd.	Purchase of goods	91530100709763144A	Joint stock company (listed and state owned)

Type of relationship	Name of other related party	Content of major transactions	Unified social credit identifier	Type of company
Under the control of the common controlling shareholder and actual controller	Kunming Shipping Equipment Corporation	Provision of design and technical services	91530000216523927C	Company with limited liability (Wholly-owned by legal person invested or controlled by non-natural person)
Under the control of the common controlling shareholder and actual controller	Qingdao Shuangrui Marine Environment Engineering Co., Ltd.	Procurement of marine equipment, electromechanical equipment, ancillary parts and material supplies, etc.	91370200750419038P	Other joint stock company with limited liability (Unlisted)
Under the control of the common controlling shareholder and actual controller	Xiamen Sunrui Ship Coatings Co., Ltd.	Procurement of marine equipment, electromechanical equipment, ancillary parts and material supplies, etc., receipt of services	91350200761709479M	Other company with limited liability
Under the control of the common controlling shareholder and actual controller	Shaanxi Diesel Engine Co., Ltd.	Procurement of marine equipment, electromechanical equipment, ancillary parts and material supplies, etc.	91610000755231771E	Company with limited liability (Wholly-owned by legal person invested or controlled by non-natural person)
Under the control of the common controlling shareholder and actual controller	Zhoushan Ship Engineering Research Centre of Shanghai Shipbuilding Technology Research Institute	Procurement of marine equipment, electromechanical equipment, ancillary parts and material supplies, etc.	123309000620206217	Public institution
Under the control of the common controlling shareholder and actual controller	Shanghai Merchant Ship Design & Research Institute	Receipt of design and technical services	12100000717810086K	Public institution
Under the control of the common controlling shareholder and actual controller	TTS Hua Hai Ships Equipment Co., Ltd.	Marine accessories	91310000607385242T	Company with limited liability (Wholly-owned by legal person invested or controlled by non-natural person)
Under the control of the common controlling shareholder and actual controller	Shanghai Dongxin Software Engineering Co., Ltd.	Purchase of goods, receipt of services	9131000073745754XT	Company with limited liability (Wholly-owned by legal person invested or controlled by natural person)
Under the control of the common controlling shareholder and actual controller	Shanghai Haixun Electrical Engineering Co., Ltd.	Procurement of marine equipment, electromechanical equipment, ancillary parts and material supplies, etc., and receipt of design and technical services	91310118751896055E	Company with limited liability (Wholly-owned by legal person invested or controlled by non-natural person)
Under the control of the common controlling shareholder and actual controller	Shanghai Hunter Marine Equipment Co., Ltd.	Purchase of goods, receipt of services	91310230067816848E	Other company with limited liability
Under the control of the common controlling shareholder and actual controller	Shanghai Hengtuo Industrial Development Co., Ltd.	Purchase of goods, receipt of services	913101046822767751	Company with limited liability (Wholly-owned by legal person invested or controlled by non-natural person)
Under the control of the common controlling shareholder and actual controller	Shanghai Hudong Shipyard Valve Co., Ltd.	Procurement of electromechanical equipment, metallic materials, marine accessories and marine equipment, etc.	91310230631147500M	Other company with limited liability
Under the control of the common controlling shareholder and actual controller	Shanghai Huachuan Asset Management Company Limited	Receipt of design and technical services	913101151337471597	Company with limited liability (State controlled)
Under the control of the common controlling shareholder and actual controller	Shanghai Huajing Power Station Equipment Co., Ltd.	Purchase of goods, receipt of services	91310113631256379P	Company with limited liability (Wholly-owned by legal person invested or controlled by non-natural person)
Under the control of the common controlling shareholder and actual controller	Shanghai Jiuyuan Engineering Contracting Co., Ltd.	Purchase of goods, receipt of services	913101071329233921	Company with limited liability (Wholly-owned by legal person invested or controlled by non-natural person)
Under the control of the common controlling shareholder and actual controller	Shanghai Ling Yao Ship Engineering Co., Ltd.	Procurement of marine equipment, electromechanical equipment, ancillary parts and material supplies, etc.	91310112055059886N	Company with limited liability (Wholly-owned by legal person invested or controlled by non-natural person)
Under the control of the common controlling shareholder and actual controller	Shanghai Qiyao Heavy Industry Co., Ltd.	Purchase of goods, receipt of services	91310112342099741R	Company with limited liability (Wholly-owned by legal person invested or controlled by non-natural person)
Under the control of the common controlling shareholder and actual controller	Shanghai Shenbo Information System Engineering Co., Ltd.	Procurement of marine equipment, electromechanical equipment, ancillary parts and material supplies, etc.	913101046309035540	Company with limited liability (Wholly-owned by legal person invested or controlled by non-natural person)

Type of relationship	Name of other related party	Content of major transactions	Unified social credit identifier	Type of company
Under the control of the common controlling shareholder and actual controller	Shanghai Starry Ship Ocean Engineering Service Co., Ltd.	Procurement of electromechanical equipment, metallic materials, marine accessories and marine equipment, etc., and receipt of services	91310000631140202F	Company with limited liability (Wholly-owned by legal person invested or controlled by non-natural person)
Under the control of the common controlling shareholder and actual controller	Shanghai Xincheng Huahai International Trade Development Co., Ltd.	Procurement of marine equipment, electromechanical equipment, ancillary parts and material supplies, etc.	91310115MA7F5WHX60	Company with limited liability (Wholly-owned by legal person invested or controlled by non-natural person)
Under the control of the common controlling shareholder and actual controller	Shanghai Zhenhua Engineering Consulting Co., Ltd.	Purchase of goods, receipt of services	913101076318988730	Company with limited liability (Wholly-owned by legal person invested or controlled by non-natural person)
Under the control of the common controlling shareholder and actual controller	Shanghai CSSC Ship Design Technology and International Engineering Research Center Co., Ltd.	Procurement of marine equipment, electromechanical equipment, ancillary parts and material supplies, etc.	91310101766907124E	Company with limited liability (Wholly-owned by legal person invested or controlled by non-natural person)
Under the control of the common controlling shareholder and actual controller	Shanghai CSSC Lingang Ship Equipment Co., Ltd.	Purchase of goods, receipt of services	913101156746470974	Company with limited liability (Wholly-owned by legal person invested or controlled by non-natural person)
Under the control of the common controlling shareholder and actual controller	Shanghai CSSC Mitsui Shipbuilding Diesel Engine Co., Ltd.	Sales of metallic materials and sales of waste materials	91310000765585565P	Company with limited liability (foreign-invested, non-wholly owned)
Under the control of the common controlling shareholder and actual controller	Suzhou Jianghai Communication Co., Ltd.	Procurement of marine equipment, electromechanical equipment, ancillary parts and material supplies, etc.	913205061377183984	Company with limited liability (Invested or controlled by natural person)
Under the control of the common controlling shareholder and actual controller	Tianjin Sinoocean Offshore Investment Co., Ltd.	Provision of leasing, provision of services, environmental protection business and provision of design and technical services, etc.	91120118MA06P1F74F	Company with limited liability (Wholly-owned by legal person)
Under the control of the common controlling shareholder and actual controller	Wuchang Shipbuilding Industry Group Co., Ltd.	Provision of services	91420100177688517B	Company with limited liability (Wholly-owned by legal person invested or controlled by non-natural person)
Under the control of the common controlling shareholder and actual controller	Wuhan Kawasaki Marine Machinery Co., Ltd.	Purchase of goods, receipt of services	914201007246755641	Other company with limited liability
Under the control of the common controlling shareholder and actual controller	Wuhan Marine Machinery Co., Ltd.	Procurement of electromechanical equipment, metallic materials, marine accessories and marine equipment, etc.	914201007581511288	Company with limited liability (Wholly-owned by legal person invested or controlled by non-natural person)
Under the control of the common controlling shareholder and actual controller	Wuhan Haiyi Science and Technology Limited Company	Procurement of marine equipment, electromechanical equipment, ancillary parts and material supplies, etc., and receipt of design and technical services	914201000819651028	Company with limited liability (Wholly-owned by legal person invested or controlled by non-natural person)
Under the control of the common controlling shareholder and actual controller	Wuhan Huazhongtianqin Defense Technology Co., Ltd.	Purchase of goods, receipt of services	914201005879749892	Company with limited liability (Wholly-owned by legal person invested or controlled by non-natural person)
Under the control of the common controlling shareholder and actual controller	Wuhan Lingan Technology Co., Ltd.	Procurement of marine equipment, electromechanical equipment, ancillary parts and material supplies, etc.	914201005749474475	Company with limited liability (Wholly-owned by legal person invested or controlled by natural person)
Under the control of the common controlling shareholder and actual controller	Wuhan Temo Welding Consumables Co., Ltd.	Procurement of marine equipment, electromechanical equipment, ancillary parts and material supplies, etc.	91420107761211961K	Joint Stock Company Limited (Unlisted, invested or controlled by natural persons)
Under the control of the common controlling shareholder and actual controller	Wuhan Heavy Industry Casting & Forging Co., Ltd.	Procurement of marine equipment, electromechanical equipment, ancillary parts and material supplies, etc.	91420100177685180G	Company with limited liability (Wholly-owned by legal person invested or controlled by non-natural person)
Under the control of the common controlling shareholder and actual controller	Yichang Marine Diesel Co., Ltd.	Purchase of goods, receipt of services	91420500179161663U	Company with limited liability (Wholly-owned by legal person invested or controlled by non-natural person)
Under the control of the common controlling shareholder and actual controller	Zhenjiang China Marine-Xiandai Generating Co., Ltd.	Procurement of marine equipment, electromechanical equipment, ancillary parts and material supplies, etc.	913211917820673134	Company with limited liability (Hong Kong, Macau, and Taiwan Investment, non-wholly-owned)

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Under the control of the common controlling shareholder and actual controller	CSSC (Beijing) Intelligent Equipment Technology Co., Ltd.	Sales of shipping products	91320706063247844E	Other company with limited liability
Under the control of the common controlling shareholder and actual controller	CSSC (Shanghai) Energy Saving Technology Co., Ltd.	Procurement of electromechanical equipment, metallic materials, marine accessories and marine equipment, etc., and receipt of services	91310101324445479M	Other company with limited liability
Under the control of the common controlling shareholder and actual controller	CSSC HZ Wind Power Co., Ltd.	Sales of steel structure	915000007562347987	Company with limited liability (Wholly-owned by legal person invested or controlled by non-natural person)
Under the control of the common controlling shareholder and actual controller	CSSC Financial Leasing (Tianjin) Company Limited	Sales of goods and provision of services	91120116321621705P	Company with limited liability (Wholly owned by Hong Kong, Macau or Taiwan legal persons)
Under the control of the common controlling shareholder and actual controller	China Shipbuilding Ruichi Feisi Engineering Consulting (Beijing) Co., Ltd.	Purchase of fixed assets	91110105756019617C	Other company with limited liability
Under the control of the common controlling shareholder and actual controller	CSSC Digital Information Technology Co., Ltd.	Purchase of goods, receipt of services	913207007589793126	Other company with limited liability
Under the control of the common controlling shareholder and actual controller	CSSC Culture Technology (Beijing) Co., Ltd.	Receipt of design and technical services	91110108MA00BNDY07	Company with limited liability (Wholly-owned by legal person)
Under the control of the common controlling shareholder and actual controller	CSSC Changping (Chongqing) Machinery Co., Ltd.	Procurement of marine equipment, electromechanical equipment, ancillary parts and material supplies, etc.	91500101207901754J	Company with limited liability (Wholly-owned by legal person invested or controlled by non-natural person)
Under the control of the common controlling shareholder and actual controller	China Shipbuilding Industry Equipment & Materials (Shanghai Trading) Co., Ltd.	Sales of goods and provision of services	91310108797001632L	Other company with limited liability
Under the control of the common controlling shareholder and actual controller	CSSC Finance Company Limited	Receipt of financial services	91310115100027155G	Other company with limited liability
Under the control of the common controlling shareholder and actual controller	CSSC Chengxi Yangzhou Shipbuilding Company Limited	Sales of metallic materials and sales of waste materials	91321012323728098Y	Company with limited liability
Under the control of the common controlling shareholder and actual controller	China Shipbuilding NDRI Engineering Co., Ltd.	Purchase of fixed assets, provision of leasing, supply of utilities	91310107425014619A	Company with limited liability (Wholly-owned by legal person invested or controlled by non-natural person)
Under the control of the common controlling shareholder and actual controller	CSSC Electronic Technology (Sanya) Co., Ltd.	Receipt of design and technical services	91460200MA5RH1QT9X	Company with limited liability (Wholly-owned by legal person invested or controlled by non-natural person)
Under the control of the common controlling shareholder and actual controller	China Marine Power (Group) Co., Ltd.	Sales of metallic materials and sales of waste materials	91310115MA1HBFUKX6	Company with limited liability (Wholly-owned by legal person invested or controlled by non-natural person)
Under the control of the common controlling shareholder and actual controller	CSSC Marine Power (Zhenjiang) Co. Ltd.	Procurement of marine equipment, electromechanical equipment, ancillary parts and material supplies, etc., and receipt of design and technical services	913211007317784309	Company with limited liability (Wholly-owned by legal person invested or controlled by non-natural person)
Under the control of the common controlling shareholder and actual controller	China Shipbuilding Engine Co., Ltd.	Procurement of marine equipment, electromechanical equipment, ancillary parts and material supplies, etc.	91370211MA3DKDQ98F	Company with limited liability (Wholly-owned by legal person invested or controlled by non-natural person)
Under the control of the common controlling shareholder and actual controller	China Shipbuilding Industry Complete Logistics (Guangzhou) Co., Ltd.	Procurement of marine equipment, electromechanical equipment, ancillary parts and material supplies, etc.	91440101056586979E	Company with limited liability (Wholly-owned by legal person)
Under the control of the common controlling shareholder and actual controller	China Shipbuilding Industry Complete Logistics Co., Ltd.	Purchase of goods and receipt of services, sales of goods and provision of services	91310110051227838H	Company with limited liability (Wholly-owned by legal person invested or controlled by non-natural person)
Under the control of the common controlling shareholder and actual controller	China Shipbuilding International Trading Co., Ltd.	Purchase of goods, receipt of services	91310115703424416U	Company with limited liability (Wholly-owned by legal person invested or controlled by non-natural person)

Type of relationship	Name of other related party	Content of major transactions	Unified social credit identifier	Type of company
Under the control of the common controlling shareholder and actual controller	China Shipbuilding Haifeng Aviation Technology Co., Ltd.	Procurement of marine equipment, electromechanical equipment, ancillary parts and material supplies, etc.	91110106082890640P	Company with limited liability (Wholly-owned by legal person)
Under the control of the common controlling shareholder and actual controller	CSSC Marine Services Co., Ltd.	Procurement of marine equipment, electromechanical equipment, ancillary parts and material supplies, etc.	91310115MA1K3M2Q92	Other company with limited liability
Under the control of the common controlling shareholder and actual controller	CSSC Marine Equipment Innovation Park Investment Co., Ltd.	Procurement of marine equipment, electromechanical equipment, ancillary parts and material supplies, etc.	91110115344281467B	Company with limited liability (Wholly-owned by legal person)
Under the control of the common controlling shareholder and actual controller	CSSC Marine Technology Co., Ltd.	Procurement of marine equipment, electromechanical equipment, ancillary parts and material supplies, etc.	913101157672366625B	Company with limited liability (Wholly-owned by legal person invested or controlled by non-natural person)
Under the control of the common controlling shareholder and actual controller	CSSC Hua Hai Ships Equipment Co., Ltd.	Procurement of marine equipment, electromechanical equipment, ancillary parts and material supplies, etc.	91310101132203280U	Company with limited liability (Wholly-owned by legal person invested or controlled by non-natural person)
Under the control of the common controlling shareholder and actual controller	CSSC Southern China Ship Machinery Guangzhou Co., Ltd.	Provision of services	91440101677764045H	Company with limited liability (Wholly-owned by legal person)
Under the control of the common controlling shareholder and actual controller	China Shipbuilding Jihai (Kunshan) High Tech Co., Ltd.	Purchase of goods and receipt of services, sales of goods and provision of services	91320583251247307M	Company with limited liability
Under the control of the common controlling shareholder and actual controller	China Shipbuilding Engineering Management Consulting (Beijing) Co., Ltd.	Purchase of goods, receipt of services	911101056828826013	Company with limited liability (Wholly owned by legal person)
Under the control of the common controlling shareholder and actual controller	CSSC Jiujiang Boiler Co., Ltd.	Procurement of marine equipment, electromechanical equipment, ancillary parts and material supplies, etc.	91360406MA388PRP8Q	Other company with limited liability
Under the control of the common controlling shareholder and actual controller	CSSC Jiujiang Marine Equipment (Group) Co., Ltd.	Purchase of goods, receipt of services	91360400858263725E	Company with limited liability (Wholly-owned by legal person invested or controlled by non-natural person)
Under the control of the common controlling shareholder and actual controller	China Shipbuilding Industry Institute of Engineering Investigation & Design Co. Ltd.	Purchase of fixed assets	91310107132943529A	Company with limited liability (Wholly-owned by legal person invested or controlled by non-natural person)
Under the control of the common controlling shareholder and actual controller	CSSC Ocean STAR Culture Development Co., Ltd.	Receipt of services and technical services, etc.	91110105097779486L	Company with limited liability (Wholly-owned by legal person)
Under the control of the common controlling shareholder and actual controller	CSSC Luzhou Zhenjiang Marine Auxiliary Machinery Co., Ltd.	Procurement of marine equipment, electromechanical equipment, ancillary parts and material supplies, etc.	91321102MA1MQMDU91	Company with limited liability (Wholly-owned by legal person invested or controlled by non-natural person)
Under the control of the common controlling shareholder and actual controller	China Shipbuilding Trading Guangzhou Co., Ltd.	Procurement of marine equipment, electromechanical equipment, ancillary parts and material supplies, etc.	91440101MA5AKBD904	Company with limited liability (Wholly-owned by legal person)
Under the control of the common controlling shareholder and actual controller	CSSC Financial Leasing (Shanghai) Co., Ltd.	Procurement of marine equipment, electromechanical equipment, ancillary parts and material supplies, etc.	91310000090006392A	Company with limited liability (Wholly-owned by Hong Kong, Macau or Taiwan legal persons)
Under the control of the common controlling shareholder and actual controller	CSSC SDARI Energy Saving Technology (Shanghai) Company Limited	Procurement of marine equipment, electromechanical equipment, ancillary parts and material supplies, etc.	91310115MA7FWW3G52	Company with limited liability (Joint venture of foreign-invested enterprise and domestic enterprise)
Under the control of the common controlling shareholder and actual controller	CSSC Tianhe Ship Equipment Jiangsu Co., Ltd. (formerly known as CSIC Tianhe Ship Equipment Jiangsu Co., Ltd.)	Purchase of goods, receipt of services	913212830566715245	Company with limited liability
Under the control of the common controlling shareholder and actual controller	CSIC Haisheng Technology Co., Ltd.	Procurement of marine equipment, electromechanical equipment, ancillary parts and material supplies, etc.	91420500760672977G	Company with limited liability (Wholly-owned by legal person invested or controlled by non-natural person)
Under the control of the common controlling shareholder and actual controller	China Shipbuilding Industry Equipment and Materials Group Guangzhou Co., Ltd.	Procurement of marine equipment, electromechanical equipment, ancillary parts and material supplies, etc.	91440101552381964L	Other company with limited liability
Under the control of the common controlling shareholder and actual controller	China Shipbuilding Industry Equipment and Materials Bayuquan Co., Ltd.	Receipt of services	91210800577205668B	Other company with limited liability

Type of relationship	Name of other related party	Content of major transactions	Unified social credit identifier	Type of company
Under the control of the common controlling shareholder and actual controller	CSIC Zhongnan Equipment Co., Ltd.	Procurement of electromechanical equipment, metallic materials, marine accessories and marine equipment, etc.	91420000757020943U	Company with limited liability (Wholly-owned by legal person invested or controlled by non-natural person)
Under the control of the common controlling shareholder and actual controller	China Ship Power Station Equipment Co., Ltd.	Procurement of marine equipment, electromechanical equipment, ancillary parts and material supplies, etc.	91310115756976070P	Company with limited liability (Wholly-owned by legal person invested or controlled by non-natural person)
Under the control of the common controlling shareholder and actual controller	China State Shipbuilding Corporation Limited	Purchase of goods	91310000710924478P	Company with limited liability (Wholly-owned by legal person invested or controlled by non-natural person)
Under the control of the common controlling shareholder and actual controller	China Shipbuilding Trading (BVI) Co., Ltd.	Procurement of marine equipment, electromechanical equipment, ancillary parts and material supplies, etc.	#5220000#511000704	Company with limited liability (State-controlled)
Under the control of the common controlling shareholder and actual controller	China Shipbuilding Trading (Shanghai) Co., Ltd	Purchase of fixed assets	913101151322076441	Company with limited liability (State controlled)
Under the control of the common controlling shareholder and actual controller	China Shipbuilding Trading Co., Ltd.	Procurement of electromechanical equipment, metallic materials, marine accessories and marine equipment, etc.	91110000100001027Q	Company with limited liability (Wholly owned by legal person)
Under the control of the common controlling shareholder and actual controller	China State Shipbuilding Equipment & Materials (Central South China) Co., Ltd.	Purchase of goods, receipt of services	91420000177568769T	Company with limited liability (Wholly-owned by legal person invested or controlled by non-natural person)
Under the control of the common controlling shareholder and actual controller	China Shipbuilding Group Shenzhen Marine Technology Co., Ltd.	Purchase of goods, receipt of services	9144030019033924XM	Company with limited liability (Wholly owned by a legal person invested or controlled by natural person)
Under the control of the common controlling shareholder and actual controller	China Shipbuilding Group Changjiang Technology Co., Ltd.	Purchase of fixed assets, provision of leasing, supply of utilities	91500101207902423J	Company with limited liability (Invested or controlled by natural person)
Under the control of the common controlling shareholder and actual controller	CSIC Heng Yuan Technology Co., Ltd.	Purchase of goods, receipt of services	91500101207901922L	Company with limited liability (Invested or controlled by natural person)
Under the control of the common controlling shareholder and actual controller	China Harzone Industry Corp., Ltd.	Procurement of marine equipment, electromechanical equipment, ancillary parts and material supplies, etc.	91420000670357025U	Other joint stock company with limited liability (Listed)
Under the control of the common controlling shareholder and actual controller	China Shipbuilding Equipment & Materials Northeast Corporation	Procurement of marine equipment, electromechanical equipment, ancillary parts and material supplies, etc., and purchase of fixed assets	91210100117660571P	Company with limited liability (Wholly owned by a legal person invested or controlled by natural person)
Under the control of the common controlling shareholder and actual controller	China State Shipbuilding Equipment & Materials (East China) Co., Ltd.	Procurement of marine equipment, electromechanical equipment, ancillary parts and material supplies, etc.	91310101132203213X	Company with limited liability (Wholly-owned by legal person invested or controlled by non-natural person)
Under the control of the common controlling shareholder and actual controller	China State Shipbuilding Equipment & Materials (South China) Co., Ltd.	Procurement of marine equipment, electromechanical equipment, ancillary parts and material supplies, etc., and receipt of services, sales of metallic materials and sales of waste materials, lease	91440000190332072P	Company with limited liability (Wholly owned by legal person)
Under the control of the common controlling shareholder and actual controller	China National Shipbuilding Equipment & Materials Southwest Co., Ltd.	Purchase of goods, receipt of services	91500105202804269L	Company with limited liability (Wholly-owned by legal person invested or controlled by non-natural person)
Under the control of the common controlling shareholder and actual controller	Marine Design and Research Institute of China	Procurement of marine equipment, electromechanical equipment, ancillary parts and material supplies, etc., and receipt of design and technical services, sales of shipping products	12100000425007603X	Public institution
Under the control of the common controlling shareholder and actual controller	China Shipbuilding Group Fenxi Heavy Industry Co., Ltd.	Procurement of marine equipment, electromechanical equipment, ancillary parts and material supplies, etc.	911400007701102654	Company with limited liability (Wholly-owned by legal person invested or controlled by non-natural person)
Under the control of the common controlling shareholder and actual controller	China Shipbuilding Group Co., Ltd. 703 Research Institute	Receipt of design and technical services, receipt of services	121000004140017838	Public institution

Type of relationship	Name of other related party	Content of major transactions	Unified social credit identifier	Type of company
Under the control of the common controlling shareholder and actual controller	China Shipbuilding Group Co., Ltd. 704 Research Institute	Procurement of electromechanical equipment, metallic materials, marine accessories and marine equipment, etc., and receipt of design and technical services	913101041326736107	Public institution
Under the control of the common controlling shareholder and actual controller	Labour Union Committee of China Shipbuilding Group Co., Ltd. No. 713 Research Institute	Procurement of marine equipment, electromechanical equipment, ancillary parts and material supplies, etc.	81410000MC40375929	Public institution
Under the control of the common controlling shareholder and actual controller	China Shipbuilding Group Guangxi Shipbuilding Co., Ltd.	Sales of goods and provision of services	91450700059544985W	Other company with limited liability
Under the control of the common controlling shareholder and actual controller	China Shipbuilding Group Guangzhou Ship Industrial Co., Ltd.	Purchase of goods, receipt of services	91440101190506722Q	Company with limited liability (Wholly-owned by legal person)
Under the control of the common controlling shareholder and actual controller	China State Shipbuilding Corporation South China Ship Machinery Co., Ltd.	Provision of design and technical services, receipt of services	914504001991247986	Company with limited liability (Wholly-owned by legal person invested or controlled by non-natural person)
Under the control of the common controlling shareholder and actual controller	China State Shipbuilding Equipment and Materials Corporation Limited	Procurement of electromechanical equipment, metallic materials, marine accessories and marine equipment, etc., purchase of fixed assets, receipt of technical services and receipt of labor costs	91110000100009512E	Company with limited liability (Wholly-owned by legal person)
Under the control of the common controlling shareholder and actual controller	China State Shipbuilding Corporation Limited	Purchase of goods, receipt of services	91310000MA1FL70B67	Company with limited liability (Wholly state-owned)
Under the control of the common controlling shareholder and actual controller	CSSC Beijing Ship Management College	Receipt of services and technical services, etc.	1210000040000123XC	Public institution
Under the control of the common controlling shareholder and actual controller	China Shipbuilding Group Co., Ltd. No. 707 Research Institute	Procurement of marine equipment, electromechanical equipment, ancillary parts and material supplies, etc.	81120000MC29016158	Public institution
Under the control of the common controlling shareholder and actual controller	Labour Union Committee of China Shipbuilding Group Co., Ltd. No. 722 Research Institute	Procurement of marine equipment, electromechanical equipment, ancillary parts and material supplies, etc.	81420000777564390K	Public institution
Under the control of the common controlling shareholder and actual controller	China Shipbuilding Group Co., Ltd. No.726 Research Institute	Procurement of marine equipment, electromechanical equipment, ancillary parts and material supplies, etc.	12100000425010714W	Public institution
Under the control of the common controlling shareholder and actual controller	China Shipbuilding Group Co., Ltd. No. 723 Research Institute	Procurement of marine equipment, electromechanical equipment, ancillary parts and material supplies, etc.	12100000400003702G	Public institution
Under the control of the common controlling shareholder and actual controller	China Shipbuilding Group Co., Ltd. No. 724 Research Institute	Procurement of marine equipment, electromechanical equipment, ancillary parts and material supplies, etc.	12100000426092408R	Public institution
Under the control of the common controlling shareholder and actual controller	China Shipbuilding Group Co., Ltd. No. 709 Research Institute	Procurement of marine equipment, electromechanical equipment, ancillary parts and material supplies, etc.	12100000441623908U	Public institution
Under the control of the common controlling shareholder and actual controller	China Shipbuilding Group Co., Ltd. No. 718 Research Institute	Procurement of marine equipment, electromechanical equipment, ancillary parts and material supplies, etc., and receipt of design and technical services	911304001055711332	Public institution
Under the control of the common controlling shareholder and actual controller	China Shipbuilding Group Co., Ltd. No. 712 Research Institute	Procurement of marine equipment, electromechanical equipment, ancillary parts and material supplies, etc.	12100000441623967Y	Public institution
Under the control of the common controlling shareholder and actual controller	China Shipbuilding Group Co., Ltd. No. 716 Research Institute	Procurement of marine equipment, electromechanical equipment, ancillary parts and material supplies, etc., receipt of design and technical services and provision of services	12100000468047082T	Public institution
Under the control of the common controlling shareholder and actual controller	Labour Union Committee of China Shipbuilding Group Co., Ltd. No. 717 Research Institute	Procurement of marine equipment, electromechanical equipment, ancillary parts and material supplies, etc.	814200005037429547	Public institution

Type of relationship	Name of other related party	Content of major transactions	Unified social credit identifier	Type of company
Under the control of the common controlling shareholder and actual controller	China Shipbuilding Industry Corporation 715 Research Institute	Procurement of marine equipment, electromechanical equipment, ancillary parts and material supplies, etc.	121000004700294065	Public institution
Under the control of the common controlling shareholder and actual controller	Shanghai Marine Diesel Engine Research Institute (China Shipbuilding Group Co., Ltd. 711 Research Institute)	Procurement of marine equipment, electromechanical equipment, ancillary parts and material supplies, etc.	12100000425008729F	Public institution
Under the control of the common controlling shareholder and actual controller	Labour Union Committee of China Shipbuilding Group Co., Ltd. 11 Research Institute	Procurement of marine equipment, electromechanical equipment, ancillary parts and material supplies, etc.	81310000783633778K	Public institution
Under the control of the common controlling shareholder and actual controller	CSSC System Engineering Research Institute	Procurement of electromechanical equipment, metallic materials, marine accessories and marine equipment, etc., receipt of design and technical services, sales of shipping products	12100000400000675M	Public institution
Under the control of the common controlling shareholder and actual controller	China Institute of Marine Technology & Economy of China State Shipbuilding Corporation	Provision of design and technical services	121000004000004721	Public institution
Under the control of the common controlling shareholder and actual controller	CSIC International Trading (Hong Kong) Co., Ltd.	Purchase of goods, receipt of services	#5110000#78654532P	Company with limited liability
Under the control of the common controlling shareholder and actual controller	China Shipbuilding Industry Corporation 705 Research Institute	Procurement of marine equipment, electromechanical equipment, ancillary parts and material supplies, etc.	12100000435232046K	Public institution
Under the control of the common controlling shareholder and actual controller	China Shipbuilding Industry Corporation 710 Research Institute	Procurement of marine equipment, electromechanical equipment, ancillary parts and material supplies, etc.	12100000717807370U	Public institution
Under the control of the common controlling shareholder and actual controller	China Ship Development and Design Center	Procurement of marine equipment, electromechanical equipment, ancillary parts and material supplies, etc., receipt of design and technical services	121000004416239594	Public institution
Under the control of the common controlling shareholder and actual controller	China Ship Research Institute (China Shipbuilding Group Co., Ltd. 7 Research Institute)	Procurement of marine equipment, electromechanical equipment, ancillary parts and material supplies, etc.	12100000400009944H	Public institution
Under the control of the common controlling shareholder and actual controller	Zhongshan GSI Marine Engineering Company Limited	Provision of leasing	91442000684420937T	Company with limited liability (Wholly owned by a legal person invested or controlled by non-natural person)
Under the control of the common controlling shareholder and actual controller	Zibo Torch Energy Co., Ltd.	Procurement of marine equipment, electromechanical equipment, ancillary parts and material supplies, etc.	91370300164109846C	Company with limited liability (Wholly owned by a legal person invested or controlled by non-natural person)
Joint venture of controlling shareholder and actual controller	Guangzhou Wenchong Industrial Co., Ltd.	Leases	91440101MA5CK3CP5P	Other company with limited liability
Associate of controlling shareholder and actual controller	Wuhan Kawasaki Marine Machinery Co., Ltd.	Purchase of goods, receipt of services	914201006164298251	Company with limited liability (Sino-foreign joint venture)
Associate of controlling shareholder and actual controller	Zhendui Industrial Intelligent Technology Co., Ltd.	Procurement of marine equipment, electromechanical equipment, ancillary parts and material supplies, etc.	91440300MA5FTQL29D	Company with limited liability
Under the control of the common controlling shareholder and actual controller	Dalian Shipbuilding Industry Engineering Company, Shipbuilding Plant	Receipt of services, receipt of design and technical services, sales of metallic materials and sales of waste materials, supply of utilities, and provision of design and technical services	912102831188303922	Collective ownership
Joint venture of controlling shareholder and actual controller	Wartsila Qiyao Diesel Co., Ltd. (Shanghai)	Procurement of marine equipment, electromechanical equipment, ancillary parts and material supplies, etc.	913101157785106OXQ	Company with limited liability (Foreign Investment, non-wholly owned)
Under the control of the common controlling shareholder and actual controller	Zhanjiang Nanhai Ship Hi-Tech Services Co., Ltd.	Receipt of labor, provision of design and technical services	914408007491506682	Company with limited liability (State-controlled)
Under the control of the common controlling shareholder and actual controller	Guangzhou Hairong Industrial Co., Ltd.	Purchase of fixed assets	91440101190458329A	Company with limited liability (Wholly-owned by legal person)
Under the control of the common controlling shareholder and actual controller	CSSC International Engineering Co., Ltd.	Purchase of fixed assets	9111010510170121XW	Other company with limited liability

Type of relationship	Name of other related party	Content of major transactions	Unified social credit identifier	Type of company
Under the control of the common controlling shareholder and actual controller	CSSC Industrial Internet Co., Ltd.	Procurement of marine products, electromechanical equipment, and metal materials, etc.	91440101MA5CHUYLX3	Company with limited liability (Wholly-owned by legal person)
Under the control of the common controlling shareholder and actual controller	Shanghai Ship Engineering Quality Testing Co., Ltd.	Receipt of labour	91310104795685807G	Company with limited liability (Wholly-owned by legal person invested or controlled by non-natural person)
Under the control of the common controlling shareholder and actual controller	Guangxi Wenchuan Heavy Industrial Co., Ltd.	Receipt of labour, sales of steel structure, provision of design and technical services	91450706MABXG2747U	Other company with limited liability
Under the control of the common controlling shareholder and actual controller	Guangzhou Xingji Maritime Engineering Design Co., Ltd.	Provision of leasing	9144011535352570XW	Other company with limited liability
Under the control of the common controlling shareholder and actual controller	Dalian Shipbuilding Industry Engineering Company	Purchase of goods, receipt of services	912102042430114845	Collective ownership
Under the control of the common controlling shareholder and actual controller	China Shipbuilding Trading (Pudong) Co., Ltd.	Sales of goods and provision of services	91310000132358485G	Company with limited liability (State-controlled)
Associate of controlling shareholder and actual controller	Guangzhou Xinhang Human Resources Service Co., Ltd.	Sales of goods and provision of services	91440112799414238G	Company with limited liability (Wholly-owned by legal person)
Under the control of the common controlling shareholder and actual controller	Wuhan Shipbuilding Design and Research Institute Co., Ltd.	Purchase of goods, receipt of services	914201007518262926	Company with limited liability (Wholly owned by a legal person invested or controlled by non-natural person)
Under the control of the common controlling shareholder and actual controller	CSIC (Shanghai) Energy Saving Technology Co., Ltd.	Purchase of goods, receipt of services	91310101324445479M	Other company with limited liability
Under the control of the common controlling shareholder and actual controller	CSSC Diesel Engine Co., Ltd.	Purchase of goods, receipt of services	91110108MA7JEKCP9H	Other company with limited liability
Under the control of the common controlling shareholder and actual controller	Guangdong GSI Elevator Co., Ltd.	Purchase of goods, receipt of services	91440000231128917P	Company with limited liability (Wholly owned by a legal person invested or controlled by non-natural person)
Associate of controlling shareholder and actual controller	Tiaofeng and Tiaopin Robot (Guangzhou) Co., Ltd.	Purchase of goods, receipt of services	91440101MA5D3H65X9	Other company with limited liability
Under the control of the common controlling shareholder and actual controller	CSSC Orient Wuxi Software Technology Co., Ltd.	Purchase of goods, receipt of services	91320211553815285H	Company with limited liability
Under the control of the common controlling shareholder and actual controller	Yunnan KSEC Electronic Equipment Co., Ltd.	Purchase of goods, receipt of services	91530000709704443U	Company with limited liability (Wholly owned by a legal person invested or controlled by non-natural person)
Under the control of the common controlling shareholder and actual controller	Yunnan KSEC Machinery Manufacturing Co., Ltd.	Purchase of goods, receipt of services	91530000709704267Y	Company with limited liability (Wholly owned by a legal person invested or controlled by non-natural person)
Under the control of the common controlling shareholder and actual controller	Shanghai Hunter Hydraulic Control Technology Co., Ltd.	Purchase of goods, receipt of services	91310115062565701U	Company with limited liability (State-controlled)
Under the control of the common controlling shareholder and actual controller	Kunming Haiwei Electromechanical Technology Research Institute (Co., Ltd.)	Purchase of goods, receipt of services	91530100753571342Q	Company with limited liability (Wholly owned by a legal person invested or controlled by non-natural person)
Under the control of the common controlling shareholder and actual controller	China Shipbuilding Group Wind Power Development Co., Ltd.	Purchase of goods, receipt of services	91110115MA029T5253	Company with limited liability (Wholly-owned by legal person)

Other explanations: China Shipbuilding Group Co., Ltd. (hereinafter referred to as China Shipbuilding Group) indirectly controls 804,128,590 shares of the Company through its wholly-owned subsidiary, China State Shipbuilding Corporation Limited, accounting for 56.89% of the Company's issued shares. The counterparties to the continuing related party transaction include China Shipbuilding Group, an indirect controlling shareholder of the Company, and its subsidiaries; and subsidiaries of the Company in which China Shipbuilding Group and its subsidiaries hold 10% or more equity interest (which are connected subsidiaries of the Company under Chapter 14A of the Listing Rules of the Stock Exchange and also connected persons of the Company).

2. Related party transactions

The Group and China Shipbuilding Group signed the 2025 Connected Continuing Transaction Framework Agreement, whereby both parties provide transactions:

(1) Provision of products and services by the Group to China Shipbuilding Group, including ship products, electromechanical equipment and metal materials, etc., leasing, labor and technical services, etc.;

(2) Provision of products and services by China Shipbuilding Group to the Group, including marine equipment, electromechanical equipment, ancillary parts and material supplies, etc., leasing, labor and technical services, etc.;

(3) Provision of guarantee services by China Shipbuilding Group to the Group;

(4) Provision of sales agency services by China Shipbuilding Group to the Group;

The Company and CSSC Finance Company Limited ("CSSC Finance") signed the 2025 Financial Services Framework Agreement, pursuant to which, both parties agreed that CSSC Finance would provide financial services to the Group, including: deposit services, loan services, other and bank credit facility services, foreign exchange services such as forward exchange settlement and sale.

The pricing policy of related party transactions: these transactions shall be conducted on normal commercial terms, on an arm's-length basis and in the ordinary course of business of the Group (where if there is no or there are not enough transactions for comparison to determine whether a transaction between the parties will be conducted on normal commercial terms, the transaction will be conducted on terms no less favourable than those obtained or entitled from independent third parties by the Group (as the case maybe)), and such transactions shall be fair and reasonable to the shareholders of the Group. The parties shall enter into agreements for such transactions setting out pricing bases.

(1) Related party transaction in relation to purchase and sale of goods and provision and receipt of services

1) Purchase of goods/receipt of services

Related party	Content of related party transaction	Amount for the period	Amount for last period
China State Shipbuilding Equipment & Materials Co., Ltd.	Procurement of electromechanical equipment, metallic materials, marine accessories and marine equipment, etc., procurement of fixed assets, receipt of technical services and receipt of services	**1,225,447,226.97**	932,587,092.00
Hudong Heavy Machinery Co., Ltd.	Procurement of electromechanical equipment, metallic materials, marine accessories and marine equipment, etc., and receipt of services	**291,231,601.26**	307,638,430.41
China Shipbuilding Group Co., Ltd. No. 704 Research Institute	Procurement of electromechanical equipment, metallic materials, marine accessories and marine equipment, etc., and receipt of design and technical services	**207,386,553.11**	104,675,196.91
Wuhan Marine Machinery Co., Ltd.	Procurement of electromechanical equipment, metallic materials, marine accessories and marine equipment, etc.	**179,487,517.68**	124,442,690.26
Systems Engineering Research Institute of China Shipbuilding Group Co., Ltd.	Procurement of electromechanical equipment, metallic materials, marine accessories and marine equipment, etc., and receipt of design and technical services	**168,719,640.29**	55,769,529.20
Nanjing CSSC Oasis Machine Co., Ltd.	Procurement of marine equipment, electromechanical equipment, accessories and material supplies, etc.	**166,140,481.43**	2,289,614.11
China Ship Development and Design Center	Procurement of marine equipment, electromechanical equipment, accessories and material supplies, etc., and receipt of design and technical services	**155,643,531.98**	44,719,001.62
China Shipbuilding Group Co., Ltd. No. 711 Research Institute	Procurement of marine equipment, electromechanical equipment, accessories and material supplies, etc.	**146,236,731.78**	4,620,282.26
China Shipbuilding Group Fenxi Heavy Industry Co., Ltd.	Procurement of marine equipment, electromechanical equipment, accessories and material supplies, etc.	**139,101,769.52**	
Shaanxi Diesel Engine Co., Ltd.	Procurement of marine equipment, electromechanical equipment, accessories and material supplies, etc.	**127,647,237.95**	141,393,419.52
China Shipbuilding Trading (Shanghai) Co., Ltd	Procurement of fixed assets	**94,666,580.05**	
China Shipbuilding Engine Co., Ltd.	Procurement of marine equipment, electromechanical equipment, accessories and material supplies, etc.	**74,513,274.34**	
Marine Design and Research Institute of China	Procurement of marine equipment, electromechanical equipment, accessories and material supplies, etc., and receipt of design and technical services	**73,581,226.77**	7,501,206.62
Dalian Shipbuilding Industry Engineering Company, Shipbuilding Plant	Receipt of services, and receipt of design and technical services	**69,126,461.26**	96,038,597.19
Chongqing Gearbox Co., Ltd.	Procurement of marine equipment, electromechanical equipment, accessories and material supplies, etc.	**41,451,035.40**	112,903,172.56
China Shipbuilding Group Co., Ltd. No. 709 Research Institute	Procurement of marine equipment, electromechanical equipment, accessories and material supplies, etc.	**39,992,000.00**	105,150,000.00
Anqing CSSC Diesel Engine Co., Ltd.	Procurement of marine equipment, electromechanical equipment, accessories and material supplies, etc.	**39,181,238.93**	
China Shipbuilding Group Co., Ltd. No. 723 Research Institute	Procurement of marine equipment, electromechanical equipment, accessories and material supplies, etc.	**33,904,800.00**	945,000.00

Related party	Content of related party transaction	Amount for the period	Amount for last period
Shanghai Merchant Ship Design & Research Institute	Receipt of design and technical services	**28,030,077.67**	13,569,250.00
China Shipbuilding Equipment & Materials Northeast Corporation	Procurement of marine equipment, electromechanical equipment, accessories and material supplies, etc., and procurement of fixed assets	**27,192,932.23**	30,987,210.22
CSSC Marine Technology Co., Ltd.	Procurement of marine equipment, electromechanical equipment, accessories and material supplies, etc.	**25,296,488.48**	20,145,486.72
China United Shipbuilding Company Limited	Procurement of marine equipment, electromechanical equipment, accessories and material supplies, etc.	**23,482,719.03**	1,554,960.96
China Shipbuilding Group Co., Ltd. No. 713 Research Institute	Procurement of marine equipment, electromechanical equipment, accessories and material supplies, etc.	**21,600,000.00**	24,211,289.93
China Shipbuilding Group Co., Ltd. No. 716 Research Institute	Procurement of marine equipment, electromechanical equipment, accessories and material supplies, etc., and receipt of design and technical services	**21,508,136.28**	10,910,200.00
Luoyang Ship Material Research Institute (China Shipbuilding Group Co., Ltd. 725 Research Institute)	Procurement of marine equipment, electromechanical equipment, accessories and material supplies, etc.	**21,235,143.83**	6,414,460.20
Guangzhou Shipyard International Company Limited	Procurement of marine equipment, electromechanical equipment, accessories and material supplies, etc., and receipt of design and technical services	**18,289,690.04**	32,028,124.46
China Shipbuilding Group Co., Ltd. No. 724 Research Institute	Procurement of marine equipment, electromechanical equipment, accessories and material supplies, etc.	**18,200,000.00**	
Haiying Enterprises Group Co., Ltd.	Procurement of marine equipment, electromechanical equipment, accessories and material supplies, etc.	**17,338,407.08**	
CSIC Material Trade Group Guangzhou Co., Ltd.	Procurement of marine equipment, electromechanical equipment, accessories and material supplies, etc.	**15,012,025.01**	1,135,573.21
China Shipbuilding NDRI Engineering Co., Ltd.	Procurement of fixed assets	**13,857,248.56**	21,053,876.96
China Shipbuilding Group Co., Ltd. No. 707 Research Institute	Procurement of marine equipment, electromechanical equipment, accessories and material supplies, etc.	**13,322,561.06**	21,112,423.02
China Shipbuilding Group Co., Ltd. No. 718 Research Institute	Procurement of marine equipment, electromechanical equipment, accessories and material supplies, etc., and receipt of design and technical services	**12,690,920.35**	13,895,000.00
China Shipbuilding Group Co., Ltd. No. 722 Research Institute	Procurement of marine equipment, electromechanical equipment, accessories and material supplies, etc.	**12,290,190.27**	1,367,610.62
Guangzhou Longxue Pipe Co., Ltd.	Receipt of services	**11,972,896.76**	8,683,208.18
Wartsila Qiyao Diesel Co., Ltd. (Shanghai)	Procurement of marine equipment, electromechanical equipment, accessories and material supplies, etc.	**11,187,610.64**	
Shanghai Xincheng Huahai International Trade Development Co., Ltd.	Procurement of marine equipment, electromechanical equipment, accessories and material supplies, etc.	**11,137,963.68**	
China National Shipbuilding Equipment & Materials (South China) Co., Ltd.	Procurement of marine equipment, electromechanical equipment, accessories and material supplies, etc., and receipt of services	**10,374,502.42**	855,364.61
China Shipbuilding Haifeng Aviation Technology Co., Ltd.	Procurement of marine equipment, electromechanical equipment, accessories and material supplies, etc.	**10,117,130.90**	152,433.63
Shanghai Haixun Electrical Engineering Co., Ltd.	Procurement of marine equipment, electromechanical equipment, accessories and material supplies, etc., and receipt of design and technical services	**10,046,831.85**	298,615.04

Related party	Content of related party transaction	Amount for the period	Amount for last period
Guangzhou Guangchuan Offshore Engineering Equipment Co., Ltd.	Procurement of marine equipment, electromechanical equipment, accessories and material supplies, etc., and receipt of services	**9,250,095.38**	11,463,232.79
China Harzone Industry Corp., Ltd.	Procurement of marine equipment, electromechanical equipment, accessories and material supplies, etc.	**8,981,240.71**	
Shanghai CSSC Ship Design Technology and International Engineering Research Center Co., Ltd.	Procurement of marine equipment, electromechanical equipment, accessories and material supplies, etc.	**8,217,110.27**	
China Shipbuilding Group Changjiang Technology Co., Ltd.	Procurement of fixed assets	**7,619,469.06**	
China Ship Power Station Equipment Co., Ltd.	Procurement of marine equipment, electromechanical equipment, accessories and material supplies, etc.	**6,936,345.13**	7,082,442.46
China Shipbuilding Industry Corporation 705 Research Institute	Procurement of marine equipment, electromechanical equipment, accessories and material supplies, etc.	**6,932,757.52**	
China Shipbuilding Industry Complete Logistics (Guangzhou) Co., Ltd.	Procurement of marine equipment, electromechanical equipment, accessories and material supplies, etc.	**6,903,655.19**	29,035,754.26
CSSC Jiujiang Fire Fighting Equipment Co., Ltd.	Procurement of marine equipment, electromechanical equipment, accessories and material supplies, etc.	**6,534,023.89**	11,859,612.64
China National Shipbuilding Equipment & Materials (East China) Co., Ltd.	Procurement of marine equipment, electromechanical equipment, accessories and material supplies, etc.	**6,397,208.56**	4,987,863.00
CSSC Jiujiang Boiler Co., Ltd.	Procurement of marine equipment, electromechanical equipment, accessories and material supplies, etc.	**6,299,328.18**	
China Shipbuilding Trading Guangzhou Co., Ltd.	Procurement of marine equipment, electromechanical equipment, accessories and material supplies, etc.	**6,204,318.18**	3,449,225.05
China Shipbuilding Group Co., Ltd. No. 715 Research Institute	Procurement of marine equipment, electromechanical equipment, accessories and material supplies, etc.	**6,049,368.92**	48,000,000.00
Zhenjiang China Marine-Xiandai Generating Co., Ltd.	Procurement of marine equipment, electromechanical equipment, accessories and material supplies, etc.	**5,755,265.52**	
Wuhan Heavy Industry Casting & Forging Co., Ltd.	Procurement of marine equipment, electromechanical equipment, accessories and material supplies, etc.	**5,583,292.04**	11,723,335.90
Wuhan Haiyi Science and Technology Limited Company	Procurement of marine equipment, electromechanical equipment, accessories and material supplies, etc., and receipt of design and technical services	**5,388,999.98**	15,151,433.63
Wuhan Temo Welding Consumables Co., Ltd.	Procurement of marine equipment, electromechanical equipment, accessories and material supplies, etc.	**4,592,690.98**	9,531,460.68
China Ship Research Institute (China Shipbuilding Group Co., Ltd. 7 Research Institute	Procurement of marine equipment, electromechanical equipment, accessories and material supplies, etc.	**4,453,186.79**	836,396.23
China Shipbuilding Group Co., Ltd. No. 717 Research Institute	Procurement of marine equipment, electromechanical equipment, accessories and material supplies, etc.	**4,255,300.00**	9,445,881.53
Jiangxi Chaoyang Machinery Co., Ltd.	Procurement of marine equipment, electromechanical equipment, accessories and material supplies, etc., and receipt of services	**3,931,467.58**	5,061,095.52
Suzhou Jianghai Communication Co., Ltd.	Procurement of marine equipment, electromechanical equipment, accessories and material supplies, etc.	**3,671,631.34**	

Related party	Content of related party transaction	Amount for the period	Amount for last period
CSSC Marine Power (Zhenjiang) Co. Ltd.	Procurement of marine equipment, electromechanical equipment, accessories and material supplies, etc., and receipt of design and technical services	**3,608,611.05**	75,321.24
China Shipbuilding Industry Equipment and Materials Bayuquan Co., Ltd.	Receipt of services	**3,451,400.77**	
Wuhan Lingan Technology Co., Ltd.	Procurement of marine equipment, electromechanical equipment, accessories and material supplies, etc.	**3,088,495.57**	1,599,281.77
China Shipbuilding Group Co., Ltd. No. 703 Research Institute	Receipt of design and technical services and services	**2,235,398.23**	13,473,185.84
CSSC Dalian Marine Propeller Co., Ltd.	Procurement of marine equipment, electromechanical equipment, accessories and material supplies, etc.	**1,858,407.08**	
Zhanjiang Nanhai Ship Hi-Tech Services Co., Ltd.	Receipt of services	**1,844,235.12**	
China Shipbuilding Trading Co., Ltd.	Procurement of marine equipment, electromechanical equipment, accessories and material supplies, etc.	**1,786,805.22**	6,699,533.05
Zibo Torch Energy Co., Ltd.	Procurement of marine equipment, electromechanical equipment, accessories and material supplies, etc.	**1,633,319.73**	8,633.63
China Shipbuilding Group Co., Ltd. No. 712 Research Institute	Procurement of marine equipment, electromechanical equipment, accessories and material supplies, etc.	**1,555,362.83**	
Jiujiang Haitian Equipment Manufacture Co., Ltd.	Procurement of marine equipment, electromechanical equipment, accessories and material supplies, etc.	**1,529,203.54**	2,100,353.95
Chongqing Yuejin Machinery Plant Co., Ltd.	Procurement of marine equipment, electromechanical equipment, accessories and material supplies, etc.	**1,396,460.18**	1,592.92
CSSC SDARI Energy Saving Technology (Shanghai) Company Limited	Procurement of marine equipment, electromechanical equipment, accessories and material supplies, etc.	**1,380,530.97**	2,084,070.81
Guangzhou Shipyard Co., Ltd.	Receipt of design and technical services and services	**1,342,083.70**	2,619,982.08
Guangzhou Hairong Industrial Co., Ltd.	Procurement of fixed assets	**1,287,218.13**	
Qingdao Shuangrui Marine Environment Engineering Co., Ltd.	Procurement of marine equipment, electromechanical equipment, accessories and material supplies, etc.	**1,110,000.00**	
Dalian Ship Valve Company Limited	Procurement of marine equipment, electromechanical equipment, accessories and material supplies, etc.	**1,068,663.30**	15,835,444.77
Beijing Leiyin Electronic Technology Development Co., Ltd.	Procurement of marine equipment, electromechanical equipment, accessories and material supplies, etc.	**1,012,520.00**	506,260.00
CSSC Oasis Environmental Protection (Nanjing) Co., Ltd.	Procurement of marine equipment, electromechanical equipment, accessories and material supplies, etc.	**931,883.19**	1,448,849.57
Xiamen Sunrui Ship Coatings Co., Ltd.	Procurement of marine equipment, electromechanical equipment, accessories and material supplies, etc., and receipt of services	**836,847.94**	221,718.74
CSIC Haisheng Technology Co., Ltd.	Procurement of marine equipment, electromechanical equipment, accessories and material supplies, etc.	**765,000.00**	255,000.00
Shanghai Ling Yao Ship Engineering Co., Ltd.	Procurement of marine equipment, electromechanical equipment, accessories and material supplies, etc.	**761,061.95**	

Related party	Content of related party transaction	Amount for the period	Amount for last period
CSSC Hua Hai Ships Equipment Co., Ltd.	Procurement of marine equipment, electromechanical equipment, accessories and material supplies, etc.	**628,893.81**	1,257,787.62
China Shipbuilding Group Co., Ltd. No. 726 Research Institute	Procurement of marine equipment, electromechanical equipment, accessories and material supplies, etc.	**591,150.44**	
Nanfang Environment Co., Ltd.	Procurement of fixed assets	**501,967.70**	
CSSC Electronic Technology (Sanya) Co., Ltd.	Receipt of design and technical services	**495,572.37**	209,192.00
CSSC Luzhou Zhenjiang Marine Auxiliary Machinery Co., Ltd.	Procurement of marine equipment, electromechanical equipment, accessories and material supplies, etc.	**430,973.44**	792,601.77
CSSC Ocean STAR Culture Development Co., Ltd.	Receipt of services and technical services	**320,000.00**	221,698.11
Chongqing Changzheng Heavy Industry Co., Ltd.	Procurement of marine equipment, electromechanical equipment, accessories and material supplies, etc.	**319,911.51**	
China Shipbuilding Industry Corporation Information Research Center (China Shipbuilding Group Co., Ltd. 714 Research Institute)	Procurement of shipping products, electromechanical equipment and metallic materials, etc., and procurement of fixed assets	**256,180.90**	252.00
CSSC Marine Services Co., Ltd.	Procurement of marine equipment, electromechanical equipment, accessories and material supplies, etc.	**235,929.18**	197,876.08
CSSC Changping (Chongqing) Machinery Co., Ltd.	Procurement of marine equipment, electromechanical equipment, accessories and material supplies, etc.	**222,123.90**	
Henan Diesel Engine Heavy Engineering Co., Ltd.	Procurement of marine equipment, electromechanical equipment, accessories and material supplies, etc.	**202,085.37**	872,661.61
Planning and Development Research Center of China Shipbuilding Group Co., Ltd.	Procurement of fixed assets	**194,339.62**	
Guangdong GSI Elevator Machinery Equipment Co., Ltd.	Procurement of marine equipment, electromechanical equipment, accessories and material supplies, etc., receipt of services, and receipt of design and technical services	**163,495.57**	218,736.00
Chongqing Huayu Electrical Group Limited	Procurement of marine equipment, electromechanical equipment, accessories and material supplies, etc.	**148,672.57**	86,518.58
Zhoushan Ship Engineering Research Centre of Shanghai Shipbuilding Technology Research Institute	Procurement of marine equipment, electromechanical equipment, accessories and material supplies, etc.	**148,592.92**	786,194.69
Guangzhou Hongfan Technology Co., Ltd.	Receipt of design and technical services	**111,792.45**	98,000.00
Marinequip China Company Limited	Procurement of marine equipment, electromechanical equipment, accessories and material supplies, etc.	**95,937.16**	7,083,565.31
Guangzhou Shipyard HR Service Co., Ltd.	Receipt of services	**94,460.42**	76,462.46
CSSC International Engineering Co., Ltd.	Procurement of fixed assets	**94,339.62**	
China Shipbuilding Industry Corporation 710 Research Institute	Procurement of marine equipment, electromechanical equipment, accessories and material supplies, etc.	**82,300.88**	
Zhendui Industrial Intelligent Technology Co., Ltd.	Procurement of marine equipment, electromechanical equipment, accessories and material supplies, etc.	**70,796.46**	
China Shipbuilding Ruichi Feisi Engineering Consulting (Beijing) Co., Ltd.	Procurement of fixed assets	**55,913.11**	

Related party	Content of related party transaction	Amount for the period	Amount for last period
China Shipbuilding IT Co., Ltd.	Receipt of design and technical services	**51,038.40**	
China Shipbuilding Industry Institute of Engineering Investigation & Design Co. Ltd.	Procurement of fixed assets	**48,800.37**	399,164.09
CSSC Industrial Internet Co., Ltd.	Procurement of shipping products, electromechanical equipment and metallic materials, etc.	**26,956.08**	
Shanghai Ship Engineering Quality Inspection Co., Ltd.	Receipt of services	**15,333.14**	
Shanghai Shipbuilding Technology Research Institute (China Shipbuilding Group Co., Ltd. No. 11 Research Institute)	Procurement of marine equipment, electromechanical equipment, accessories and material supplies, etc.	**10,442.48**	
CSSC Beijing Ship Management College	Receipt of services and technical services, etc.	**8,827.36**	31,400.00
CSSC South China Marine Machinery Co., Ltd.	Receipt of services	**5,663.72**	4,459,000.00
Guangxi Wenchuan Heavy Industrial Co., Ltd.	Receipt of services		97,458,435.37
Beijing the Great Wall Electronic Equipment Co., Ltd.	Procurement of electromechanical equipment, metallic materials, marine accessories and marine equipment, etc.,		2,532,743.36
CSSC (Shanghai) Energy Saving Technology Co., Ltd.	Procurement of electromechanical equipment, metallic materials, marine accessories and marine equipment, etc., and receipt of services		2,283,185.84
Shanghai Starry Ship Ocean Engineering Service Co., Ltd.	Procurement of electromechanical equipment, metallic materials, marine accessories and marine equipment, etc., and receipt of services		1,960,000.00
CSIC Zhongnan Equipment Co., Ltd.	Procurement of electromechanical equipment, metallic materials, marine accessories and marine equipment, etc.,		991,150.44
Chongqing Jiangjin Shipbuilding Industry Co., Ltd.	Procurement of electromechanical equipment, metallic materials, marine accessories and marine equipment, etc.,		884,070.80
Shanghai Hudong Shipyard Valve Co., Ltd.	Procurement of electromechanical equipment, metallic materials, marine accessories and marine equipment, etc.,		861,238.99
Dalian Shipping Factory Tools Industry Company	Procurement of electromechanical equipment, metallic materials, marine accessories and marine equipment, etc.,		846,791.69
CSSC Culture Technology (Beijing) Co., Ltd.	Receipt of design and technical services		520,000.00
Kindergarten of Guangzhou Huangpu Shipyard	Receipt of services		294,000.00
Guangzhou Hairong Construction Supervision Co., Ltd.	Procurement of fixed assets		222,244.94
Wuhan Kawasaki Marine Machinery Co., Ltd.	Purchase of goods		194,690.27
Shanghai Huachuan Asset Management Company Limited	Receipt of design and technical services		1,094.34
Total		**3,791,715,139.53**	2,589,446,038.84

Specific pricing method of purchase of goods and receipt of services:

1) Provision of electromechanical equipment and materials at market prices, not higher than those provided by independent third parties. The market prices will be determined after arm's length negotiations based on the market research conducted on the pricing of similar products and production specifications;

2) Provision of marine accessories, iron outfitting parts, etc. Due to low unit price, sporadic and complicated, and often urgent needs and short lead time, so the unit price is agreed once a year through costing, and the material department of the Group will negotiate the order price with the supplier accordingly based on the market price with reference to the publicly available information on the websites of third parties and the specifications of materials required for the production of the Group. If the price of raw materials in the market changes significantly, the Group will make appropriate adjustments according to the changes in the market;

3) Provision of marine equipment. If there is a member unit of China Shipbuilding Group in the manufacturer lists, the member unit will participate in the competition among two or more manufacturers in the manufacturer list, and the material department of the Group will negotiate the price as usual, and the Group will determine the price according to the market condition, but it will also consider the supply cycle, manufacturer qualification and service level and other factors to select the manufacturer, but the price will not be less favorable than those of the independent third party supplier. In the event that there are two or more competing suppliers from China Shipbuilding Group, the price will be determined after arm's length negotiations with reference to historical transaction prices. If there is only one supplier of individual equipment from China Shipbuilding Group due to the limitation of technical specifications or delivery conditions (such as specialised equipment for which China Shipbuilding Group has exclusive ownership and/or development rights), which may result in only one affiliated manufacturer, the Group will negotiate the price with the supplier according to the recent contract price of the equipment (with reference to its historical transaction price) or the unit price converted according to a certain technical data, combined with the market price of raw materials and other factors, to ensure that the price is fair and reasonable;

4) Participate in the materials and related logistics and distribution services centrally procured by China Shipbuilding Group, the price of which will not be less favorable than the terms and conditions provided by the independent third party supplier;

5) The price of leasing is based on market price or cost plus 10% management fee, with the market price referring to the property rentals in the vicinity of the leased property. The annual cap is based on the total value of the right-to-use assets recognized by the Group and the total annual depreciation and interest costs calculated on the basis of the taxes payable for leasing production bases and staff quarters. Labour services are priced at market price, which is determined after arm's length negotiations according to the price of the labour services purchased from independent third parties, specifications of skills required, availability of labour services and the average salary standard published by the Guangzhou Bureau of Statistics; the price of comprehensive services will not be less favorable than the terms and conditions provided by independent third parties. The technical services are priced at market price, which will be determined after arm's length negotiation with reference to the skill combination required by the prevailing market standards of the shipbuilding industry, the complexity of the work involved and the particular job specifications of the industry.

2) *Sale of goods/provision of services*

Related party	Content of related party transaction	Amount for the period	Amount for last period
Systems Engineering Research Institute of China Shipbuilding Group Co., Ltd.	Sales of shipping products	**190,959,292.04**	
China Ship Development and Design Center	Sales of shipping products	**179,809,026.57**	
China National Shipbuilding Equipment & Materials (South China) Co., Ltd.	Sales of metallic materials and sales of waste materials	**55,588,670.80**	10,826,297.76
Marine Design and Research Institute of China	Sales of shipping products	**23,499,791.59**	
Guangxi Wenchuan Heavy Industrial Co., Ltd.	Sales of steel structure and provision of design and technical services	**11,274,973.54**	40,102,576.97
China National Shipbuilding Equipment & Materials Co., Ltd.	Sales of electrical and mechanical engineering equipment	**7,587,799.54**	4,987,740.90
Guangzhou Shipyard International Company Limited	Sales of metallic materials and sales of waste materials and sales of electrical and mechanical engineering equipment	**7,492,422.97**	9,504,144.25
CSSC HZ Wind Power Co., Ltd.	Sales of steel structure	**3,322,936.88**	31,396,870.96
China Marine Power (Group) Co., Ltd.	Sales of metallic materials and sales of waste materials	**3,057,063.10**	
CSSC Chengxi Yangzhou Shipbuilding Company Limited	Sales of metallic materials and sales of waste materials	**2,707,610.62**	113,207.55
Shanghai CSSC Mitsui Shipbuilding Diesel Engine Co., Ltd.	Sales of metallic materials and sales of waste materials	**2,068,210.63**	
CSSC (Beijing) Intelligent Equipment Technology Co., Ltd.	Sales of shipping products	**1,903,008.85**	
Hudong Heavy Machinery Co., Ltd.	Sales of metallic materials and sales of waste materials	**640,176.99**	
Hudong-Zhonghua Shipbuilding (Group) Co., Ltd.	Sales of metallic materials and sales of waste materials	**557,522.12**	581,415.93
Technician Training School of Guangzhou Huangpu Shipyard	Supply of utilities	**221,205.58**	70,845.82
Dalian Shipbuilding Industry Engineering Company, Shipbuilding Plant	Sales of metallic materials and sales of waste materials, supply of utilities and provision of design and technical services	**123,470.32**	135,332.84

Related party	Content of related party transaction	Amount for the period	Amount for last period
Wuhan Marine Machinery Co., Ltd.	Sales of shipping products	**105,209.20**	
Kunming Shipbuilding Equipment Co., Ltd.	Provision of design and technical services	**86,603.77**	
Jiangxi Chaoyang Machinery Co., Ltd.	Sales of metallic materials and sales of waste materials	**9,607.72**	10,440.43
Zhanjiang Nanhai Ship Hi-Tech Services Co., Ltd.	Provision of design and technical services	**5,283.02**	
CSSC South China Marine Machinery Co., Ltd.	Provision of design and technical services	**2,641.51**	
China Shipbuilding NDRI Engineering Co., Ltd.	Supply of utilities	**1,630.69**	
China Shipbuilding Group Changjiang Technology Co., Ltd.	Supply of utilities	**1,279.32**	
Tianjin Sinoocean Offshore Investment Co., Ltd.	Provision of services, environmental protection business and design and technical services, etc.		17,895,746.33
China Shipbuilding Industry Complete Logistics (Guangzhou) Co., Ltd.	Sales of metallic materials and sales of waste materials, and sale of materials		46,835,866.48
Guangzhou Wenchong Ship Building and Repair Co., Ltd.	Provision of design and technical services		10,782,244.48
Wuchang Shipbuilding Industry Group Co., Ltd.	Provision of services		462,407.96
China Shipbuilding Group Co., Ltd. No. 716 Research Institute	Provision of services		203,637.17
Guangzhou Marine Engineering Corporation	Provision of design and technical services		10,566.04
Total		**491,025,437.37**	173,919,341.87

The specific pricing methods for the sale of goods and provision of services are as follows:

1) Provision of shipping products, electrical and mechanical engineering equipment and metallic materials, etc., at market price, which shall be determined after arm's length negotiation with reference to the following factors: (i) research on the prices of similar products on the market, including drawing reference from the public data of institutions such as the China Association of the National Shipbuilding Industry (中國船舶工業行業協會) (http://www.cansi.org.cn) and commissioning the China Shipbuilding Corporation Economic Research Center to collate industry price data and compile the research reports; and (ii) reference to the historical prices of similar products.

2) For leasing, labour supply, technical services, etc., the pricing will be based on terms no less favourable to the Group than terms available from independent third parties. The rental of the lease shall be based on market price obtained after market research with reference to the depreciation cost and amortization of assets and other expenses and after arm's length negotiation; the salary for labour supply is based on market price obtained after market research with reference to the average salary levels published by the Guangzhou Statistic Bureau (廣州市統計局) and after arm's length negotiation; the pricing of the technical service is based on the existing market standards of the shipping industry, the complexity of the work involved and specifications for the work and after arm's length negotiation.

(2) Receipt of financial services

1) Deposits

	Balance of deposits		Interest income from deposits	
Name of related party	**Ending balance**	**Beginning balance**	**Current period**	**Last period**
CSSC Finance Company Limited	**14,911,125,306.41**	13,040,341,355.19	**98,645,949.23**	98,909,120.26

Pricing principle: The interest rates on deposits with CSSC Finance are based on the benchmark deposit interest rates stipulated by the People's Bank of China, and such rates should be no less favorable than the terms offered by independent third parties.

2) Loans

	Balance of loans		Interest expenses on loans	
Name of related party	**Ending balance**	**Beginning balance**	**Current period**	**Last period**
CSSC Finance Company Limited	**305,000,000.00**	305,000,000.00	**2,973,750.00**	528,541.66

Pricing principle: Borrowings from CSSC Finance/CSSC are at rates no higher than the lending rates stipulated the People's Bank of China, which should be no less favorable than the terms offered by independent third-party lenders.

3) Forward exchange settlement (purchase)

	Forward exchange settlement (purchase) contract		Gain or loss from on change in fair value of forward exchange settlement (purchase) contract		Investment income from forward exchange settlement (purchase)	
Name of related party	**Ending balance**	**Beginning balance**	**Current period (RMB)**	**Last period (RMB)**	**Current period (RMB)**	**Last period (RMB)**
CSSC Finance Company Limited	**US$528.64 million**	US$406.14 million	**-743,014.61**	1,636,632.45	**-2,913,530.22**	-263,242.65

Pricing principle: the handling fee rates for foreign exchange business such as forward settlement and sale of foreign exchange business with CSSC Finance should not be less favourable than those charged by independent third parties.

(3) Related leases

1) The Group as lessor

Name of lessee	Type of leased assets	Rental income recognized for the period	Rental income recognized for last period
Tianjin Sinoocean Offshore Investment Co.,Ltd.	Transportation equipment	**20,142,804.47**	
Zhongshan GSI Marine Engineering Company Limited	Buildings and structures	**7,332,000.00**	6,546,600.00
Guangzhou Xingji Maritime Engineering Design Co., Ltd.	Buildings and structures	**328,376.14**	
Jiangxi Chaoyang Machinery Co., Ltd.	Buildings and structures	**23,119.27**	23,119.27
China Shipbuilding Group Changjiang Technology Co., Ltd.	Buildings and structures	**8,304.59**	
China Shipbuilding NDRI Engineering Co., Ltd.	Buildings and structures	**4,054.13**	
Guangzhou Wenchong Shipbuilding Co., Ltd.	Buildings and structures		2,190,000.00
Total		**27,838,658.60**	8,759,719.27

2) The Group as lessee

Name of lessor	Type of leased assets	Current period: Rental charges for short-term leases and low-value asset leases that are simplified and variable lease payments that are not included in the measurement of lease liabilities	Current period: Rental payments	Current period: Increase in right-to-use assets	Current period: Interest expense on committed lease liabilities	Last period: Rental charges for short-term leases and low-value asset leases that are simplified and variable lease payments that are not included in the measurement of lease liabilities	Last period: Rental payments	Last period: Increase in right-to-use assets	Last period: Interest expense on committed lease liabilities
Guangzhou Wenchong Industrial Co., Ltd.	Land, buildings and structures		**7,173,030.12**		**341,457.27**		7,173,596.22		516,903.03
China Shipbuilding Group Guangzhou Ship Industrial Co., Ltd.	Buildings and structures		**3,664,878.36**		**331,710.54**		3,692,023.98		421,126.53
Guangzhou Shipyard International Company Limited	Buildings and structures		**1,229,529.84**		**310,076.86**		1,229,529.84		335,078.41
China National Shipbuilding Equipment & Materials (South China) Co., Ltd.	Buildings and structures	**86,646.67**	**433,233.35**	**2,013,846.51**	**23,902.77**	519,880.02	519,880.02		
Dalian Shipbuilding Industry Engineering Company	Buildings and structures					810,718.79	810,718.79		
CSSC Financial Leasing (Tianjin) Company Limited	Equipment rental fees		**7,099,115.04**		**1,262,387.73**				
Guangzhou Shipyard Co., Ltd.	Buildings and structures			**1,980,511.90**					
Total		**86,646.67**	**19,599,786.71**	**3,994,358.41**	**2,269,535.17**	1,330,598.81	13,425,748.85		1,273,107.97

Explanation of leasing of associated transactions: China Shipbuilding Group Guangzhou Ship Industrial Co., Ltd. entered into a lease agreement with Huangpu Wenchong in relation to land use right, pursuant to which it leased certain land use right at Changzhou Factory owned by it to Huangpu Wenchong for operation. The rent for the land use rights shall be determined based on the principle of asset depreciation, and amortisation of taxes and fees on an annual basis. The rent shall be paid on an annual basis in the form of monetary funds. The term of lease of the land use right shall commence on 1 May 2014 and end on the date on which Huangpu Wenchong finished relocation to Changzhou Factory and commence formal production in the new factory area.

(4) Related guarantees

1) *The Group as guarantor*

As at the end of the period, the Group had not provided guarantees to related parties.

2) *The Group as guaranteed party*

Name of guarantor	Name of guaranteed party	Amount of guarantee	Date of commencement of guarantee	Date of expiry of guarantee	Whether fully executed
China State Shipbuilding Corporation Limited	Huangpu Wenchong	1,120,880,000.00	2020/11/2	2027/6/30	No

Pricing principle: The guarantee services provided by China Shipbuilding Group to the Group are charged in accordance with general market practice and at a rate not higher than China Shipbuilding Group's external guarantee rates, and the relevant terms are no less favourable than those offered by independent third-party guarantors.

3) *Guarantees provided within the scope of consolidation of the Group*

Name of guarantor	Name of guaranteed party	Amount of guarantee	Date of commencement of guarantee	Date of expiry of guarantee	Whether fully executed
Huangpu Wenchong	Wenchuan Heavy Industrial	300,000,000.00	2023/4/10	2025/3/1	Yes (See Note 1 for details)
Huangpu Wenchong	Wenchuan Heavy Industrial	1,335,457,471.22	2024/7/23	2034/3/31	No
Huangpu Wenchong	Wenchuan Heavy Industrial	43,671,273.88	2024/12/30	2026/4/15	No
Huangpu Wenchong	Wenchuan Heavy Industrial	200,318,620.68	2024/12/30	2026/4/15	No
Huangpu Wenchong	Wenchuan Heavy Industrial	66,772,873.56	2025/3/28	2026/4/15	No
Huangpu Wenchong	Wenchuan Heavy Industrial	223,420,220.36	2025/3/28	2026/4/15	No
Huangpu Wenchong	Wenchuan Heavy Industrial	689,427,675.14	2025/4/7	2034/3/31	No
Huangpu Wenchong	Wenchuan Heavy Industrial	137,885,535.03	2025/4/16	2026/4/1	No
Huangpu Wenchong	Wenchuan Heavy Industrial	34,471,383.76	2025/4/16	2026/4/1	No
Huangpu Wenchong	Wenchuan Heavy Industrial	68,942,767.51	2025/4/16	2026/4/1	No

Note 1: The amount of guarantee of RMB300,000,000 provided by Huangpu Wenchong to Wenchuan Heavy Industrial is a comprehensive credit guarantee, which expired on 1 March 2025. Within the comprehensive credit guarantee of RMB300,000,000, three outstanding comprehensive credit guarantees which were provided by Huangpu Wenchong to Wenchuan Heavy Industrial have not yet expired: ① a comprehensive credit guarantee of RMB11,540,000, with the date of commencement of guarantee of 1 November 2024 and the date of expiry of guarantee of 31 October 2026; ② a comprehensive credit guarantee of RMB866,522.90, with the date of commencement of guarantee of 10 December 2024 and the date of expiry of guarantee of 14 November 2025; ③ a comprehensive credit guarantee of RMB23,102,776.92, with the date of commencement of guarantee of 8 January 2025 and the date of expiry of guarantee of 14 August 2025.

(5) Other related party transactions

Type of transaction	Name of related party	Current period	Last period
Sales agency fee	China Shipbuilding Trading Co., Ltd.	**14,228,018.85**	9,288,356.83
Letters of guarantee	China Shipbuilding Trading Co., Ltd.	**4,852,571.05**	2,020,766.04
Sales agency fee	China Shipbuilding International Trading Co., Ltd.	**4,100,880.93**	3,223,263.70
Financial institution handling fee	CSSC Finance Company Limited	**733,216.93**	198,767.08
Total		**23,914,687.76**	14,731,153.65

Pricing principle: The sales agency fee or commission shall follow the international industry practice (i.e. the pricing shall be determined by the Group after conducting market research including by way of discussing with various independent third party shipowners on the normal ssales agency fees charged and with other large corporate business owners in the industry on the agency fee rates charged by their internal sales agency entities) and in general will not exceed 1.5% of the contract price, and is payable in proportion to the progress payment per vessel. In addition, the intermediary agency fees received by the China Shipbuilding Group on behalf of foreign intermediaries shall be paid by the China Shipbuilding Group on behalf of the intermediaries.

The guarantee letter fees were determined with reference to the rates charged by the banks issuing guarantee letters. Other financial and bank credit service charges shall be based on the charges stipulated by the People's Bank of China; the financial handling fee standard for bank facility to CSSC Finance shall be no less favourable than the facility terms and conditions provided by independent third party.

(6) Related party transactions and connected transactions

The related party transactions mentioned in (1) to (5) above constitute connected transaction or continuing connected transaction as defined under Chapter 14A of the Listing Rules in Hong Kong, and are disclosed in details in the Related Party Transaction section in the Director's Report as required.

(7) Related party lending and borrowing

Name of related party	Amount of lending and borrowing	Date of commencement	Date of expiry	Remarks
China Shipbuilding Group Co., Ltd.	10,000,000.00	2023/4/7	2025/4/7	Borrowing

(8) Related party transactions between the Company and its subsidiaries

1) Purchase of goods/services received

Name of related party	Content of related party transactions	Current period	Last period
CSSC Industrial Internet Co., Ltd.	Purchase of goods and receipt of services	**26,956.08**	

Other description: Pricing policy for purchasing goods or services from subsidiaries: according to market price if there is market price; if not, adding 8%-10% of the cost or using internal assessment settlement price for pricing.

2) Sale of goods/provision of services

None.

3. Outstanding receivables from and payables to related parties

(1) Receivables

Item	Related party	Ending balance: Book balance	Ending balance: Provision for bad debts	Beginning balance: Book balance	Beginning balance: Provision for bad debts
Cash at bank and on hand – Accrued interest		**243,978,443.08**		231,377,227.12	
	CSSC Finance Company Limited	**243,978,443.08**		231,377,227.12	
Notes receivable		**5,758,128.09**		4,017,312.50	
	China National Shipbuilding Equipment & Materials Co., Ltd.	**4,045,670.00**		4,017,312.50	
	CSSC HZ Wind Power Co., Ltd.	**1,712,458.09**			
Accounts receivable		**239,305,800.23**		133,584,120.11	
	China State Shipbuilding Corporation Limited System Engineering Research Institute	**100,144,485.68**		60,184,485.68	
	Marine Design and Research Institute of China	**35,706,018.15**		2,660,876.30	
	China Ship Development and Design Center	**24,197,420.00**		81,000.00	
	China National Shipbuilding Equipment & Materials (South China) Co., Ltd.	**17,428,082.99**		12,092,431.20	
	China Shipbuilding Trading Co., Ltd.	**16,739,000.00**		16,739,000.00	
	Guangzhou Shipyard International Company Limited	**9,839,961.14**		18,059,287.12	
	Guangzhou Wenchong Ship Building and Repair Co., Ltd.	**7,095,000.00**		7,095,000.00	
	Shanghai Merchant Ship Design & Research Institute	**6,965,645.40**		6,965,645.40	
	China Shipbuilding Trading (Shanghai) Co., Ltd	**5,072,870.30**		5,093,987.78	
	CSSC HZ Wind Power Co., Ltd.	**4,347,179.02**		2,212,521.13	
	China Shipbuilding Trading Guangzhou Co., Ltd.	**3,287,953.41**			
	CSSC (Beijing) Intelligent Equipment Technology Co., Ltd.	**2,247,475.00**			
	CSSC Chengxi Yangzhou Shipbuilding Company Limited	**1,895,327.47**		105,596.85	
	China National Shipbuilding Equipment & Materials Co., Ltd.	**1,611,614.02**		52,150.52	
	China Marine Power (Group) Co., Ltd.	**709,934.88**		586,725.66	
	Hudong-Zhonghua Shipbuilding (Group) Co., Ltd.	**557,522.12**		1,270,000.00	
	Shanghai CSSC Mitsui Shipbuilding Diesel Engine Co., Ltd.	**427,030.02**			
	China Shipbuilding Group Co., Ltd. No. 707 Research Institute, Jiujiang Branch	**375,723.01**			
	Shanghai Dongxin Software Engineering Co., Ltd.	**212,470.52**		212,470.52	
	China Shipbuilding Group Co., Ltd. No. 716 Research Institute	**152,525.00**			
	China Shipbuilding Industry Corporation 725 Research Institute (Luoyang Ship Material Research Institute)	**140,000.00**			
	China Institute of Marine Technology & Economy of China State Shipbuilding Corporation	**112,000.00**			
	Dalian Shipbuilding Industry Engineering Company, Shipbuilding Plant	**25,563.79**		172,823.95	
	Jiangxi Chaoyang Machinery Co., Ltd.	**10,856.72**		118.00	
	Anqing Marine Electric Co., Ltd.	**4,141.59**			

Item	Related party	Ending balance		Beginning balance	
		Book balance	Provision for bad debts	Book balance	Provision for bad debts
Prepayments		**4,134,688,557.90**		3,850,173,367.67	
	China National Shipbuilding Equipment & Materials Co., Ltd.	**977,295,461.85**		783,315,672.67	
	Hudong Heavy Machinery Co., Ltd.	**527,351,286.72**		574,522,991.13	
	China Shipbuilding Trading Co., Ltd.	**420,104,892.07**		335,197,972.10	
	China Shipbuilding Engine Co., Ltd.	**278,625,000.00**		170,430,265.49	
	China State Shipbuilding Corporation Limited System Engineering Research Institute	**215,252,430.40**		395,722,711.47	
	Shanghai CSSC Mitsui Shipbuilding Diesel Engine Co., Ltd.	**211,680,000.00**		172,200,000.00	
	China Shipbuilding Group Co., Ltd. No. 715 Research Institute	**176,641,018.81**		231,540,454.65	
	China Shipbuilding Group Co., Ltd. No. 711 Research Institute	**149,449,875.50**		182,087,090.19	
	China Shipbuilding Industry Complete Logistics (Guangzhou) Co., Ltd.	**145,680,698.42**		147,042,535.65	
	China Shipbuilding Group Co., Ltd. No. 704 Research Institute	**137,274,840.00**		34,271,522.12	
	China Shipbuilding Group Co., Ltd. No. 724 Research Institute	**100,671,150.44**		127,182,300.88	
	China Shipbuilding Group Co., Ltd. No. 709 Research Institute	**75,608,143.72**		33,828,720.00	
	China Shipbuilding Group Co., Ltd. No. 717 Research Institute	**74,345,725.68**			
	China Ship Development and Design Center	**72,352,670.18**		116,279,828.41	
	Anqing CSSC Diesel Engine Co., Ltd.	**68,274,337.16**		78,776,958.41	
	China Shipbuilding Trading (Pudong) Co., Ltd.	**54,656,629.32**			
	China United Shipbuilding Company Limited	**42,545,578.00**		4,934,413.50	
	CSSC Marine Power (Zhenjiang) Co. Ltd.	**39,016,000.00**		17,880,000.00	
	China Shipbuilding Group Co., Ltd. No. 723 Research Institute	**35,872,860.16**		16,666,800.00	
	China Shipbuilding Group Co., Ltd. No. 707 Research Institute	**26,296,385.84**		13,576,162.85	
	Marine Design and Research Institute of China	**25,486,725.66**		8,637,168.10	
	China Shipbuilding Equipment & Materials Northeast Corporation	**23,012,507.66**		30,779,253.70	
	China Shipbuilding International Trading Co., Ltd.	**22,557,099.55**			
	Chongqing Gearbox Co., Ltd.	**21,519,746.38**		49,175,746.38	
	China Shipbuilding Group Co., Ltd. No. 713 Research Institute	**19,390,088.49**		18,647,502.65	
	CSSC Marine Technology Co., Ltd.	**18,421,898.64**		29,395,936.29	
	China Shipbuilding Group Co., Ltd. No. 726 Research Institute	**18,360,000.00**		36,720,000.00	
	China Shipbuilding Group Co., Ltd. No. 716 Research Institute	**16,053,486.73**		13,435,646.01	
	China Shipbuilding Group Guangxi Shipbuilding Co., Ltd.	**15,733,695.50**			
	China Shipbuilding Industry Corporation 710 Research Institute	**11,220,318.58**		11,220,318.58	
	CSIC Haisheng Technology Co., Ltd.	**11,063,716.82**		16,463,716.82	
	China Ship Power Station Equipment Co., Ltd.	**8,988,318.59**		10,261,097.34	
	CSIC International Trading (Hong Kong) Co., Ltd.	**8,275,725.15**			
	China Shipbuilding Trading (BVI) Co., Ltd.	**7,333,267.28**		46,969.30	
	Haiying Enterprises Group Co., Ltd.	**6,796,460.18**		21,516,460.18	
	Shaanxi Diesel Engine Co., Ltd.	**6,370,357.01**		42,974,948.16	
	China Shipbuilding Group Co., Ltd. No. 718 Research Institute	**6,230,088.48**		6,230,088.48	

Item	Related party	Ending balance		Beginning balance	
		Book balance	Provision for bad debts	Book balance	Provision for bad debts
	CSSC SDARI Energy Saving Technology (Shanghai) Company Limited	**6,116,000.00**		1,125,000.00	
	CSSC Jiujiang Boiler Co., Ltd.	**5,916,400.00**		4,700,400.00	
	China Shipbuilding Group Co., Ltd. No. 722 Research Institute	**5,469,091.86**		5,040,000.00	
	China Marine Power (Group) Co., Ltd.	**5,056,000.00**		5,056,000.00	
	CSSC (Shanghai) Energy Saving Technology Co., Ltd.	**4,640,000.00**		4,640,000.00	
	China Shipbuilding Haifeng Aviation Technology Co., Ltd.	**3,812,326.40**		6,230,103.45	
	Luoyang Ship Material Research Institute (China Shipbuilding Group Co., Ltd. 725 Research Institute)	**3,590,400.00**		3,590,400.00	
	Shanghai Hunter Marine Equipment Co., Ltd.	**3,489,600.00**		4,569,600.00	
	Zhenjiang Shipyard Modern Power Generation Equipment Co., Ltd.	**3,404,000.00**		1,946,991.14	
	Wuhan Marine Machinery Co., Ltd.	**2,865,132.74**		53,464,672.56	
	China State Shipbuilding Corporation South China Ship Machinery Co., Ltd.	**2,329,203.54**		1,983,880.71	
	CSSC Southern China Ship Machinery Guangzhou Co., Ltd.	**1,983,880.71**			
	Nanjing CSSC Oasis Machine Co., Ltd.	**1,972,608.86**		2,384,000.00	
	Chongqing Huayu Electrical Group Limited	**1,968,141.60**		3,168,141.60	
	Shanghai Xincheng Huahai International Trade Development Co., Ltd.	**1,687,662.00**			
	Marinequip China Company Limited	**1,105,696.90**		1,105,696.90	
	Shanghai Hudong Shipyard Valve Co., Ltd.	**941,592.92**			
	China Ship Research Institute (China Shipbuilding Group Co., Ltd. 7 Research Institute)	**733,200.00**		2,566,200.00	
	Wuhan Haiyi Science and Technology Limited Company	**692,000.00**		2,076,000.00	
	Guangdong GSI Marine Science and Technology Research Institute Co., Ltd.	**448,200.00**		448,200.00	
	China Shipbuilding Trading (Shanghai) Co., Ltd	**346,268.55**		351,668.55	
	China Shipbuilding NDRI Engineering Co., Ltd.	**124,200.00**		124,200.00	
	Shanghai Huajing Power Station Equipment Co., Ltd.	**54,197.00**		54,197.00	
	China National Shipbuilding Equipment & Materials (South China) Co., Ltd.	**41,162.56**		166,715.26	
	Guangzhou Shipyard International Company Limited	**29,065.44**		29,065.44	
	Shanghai Ling Yao Ship Engineering Co., Ltd.	**24,064.00**		330,000.00	
	Jiangxi CSSC Navigation Instrument Co., Ltd.	**16,860.00**		16,860.00	
	Henan Diesel Engine Heavy Engineering Co., Ltd.	**16,700.20**		16,700.20	
	CSSC Oasis Environmental Protection (Nanjing) Co., Ltd.	**6,350.00**		6,350.00	
	China Shipbuilding Industry Complete Logistics Co., Ltd.	**67.65**		67.65	
	Shanghai Haixun Electrical Engineering Co., Ltd.			4,706,777.43	
	Shanghai CSSC Ship Design Technology and International Engineering Research Center Co., Ltd.			4,496,529.91	

Item	Related party	Ending balance		Beginning balance	
		Book balance	Provision for bad debts	Book balance	Provision for bad debts
	China Shipbuilding Group Co., Ltd. No. 703 Research Institute			3,532,743.36	
	Wuhan Lingan Technology Co., Ltd.			698,000.00	
	CSIC Heng Yuan Technology Co., Ltd.			586,955.00	
Other receivables		**21,428,226.93**	**6,410,983.03**	20,552,575.51	
	China Shipbuilding Industry Complete Logistics (Guangzhou) Co., Ltd.	**12,224,571.68**	**6,410,983.03**	12,224,571.68	
	China National Shipbuilding Equipment & Materials (South China) Co., Ltd.	**5,161,692.80**		4,724,185.82	
	Guangzhou Wenchong Industrial Co., Ltd.	**1,142,564.20**		2,068,299.05	
	CSSC Financial Leasing (Tianjin) Co., Ltd.	**815,345.77**		815,345.77	
	Guangzhou Xinhang Human Resources Service Co., Ltd.	**410,749.46**			
	Shanghai Zhenhua Engineering Consulting Co., Ltd.	**275,973.00**			
	Wuchang Shipbuilding Industry Group Co., Ltd.	**230,440.20**		112,718.94	
	CSSC Marine Equipment Innovation Park Investment Co., Ltd.	**205,343.63**		205,343.63	
	CSSC Guangxi North Bay Ship and Marine Engineering Design Co., Ltd.	**173,845.34**			
	China National Shipbuilding Equipment & Materials Co., Ltd.	**172,240.44**		1,235.65	
	Hudong Heavy Machinery Co., Ltd.	**159,536.00**		159,536.00	
	CSSC Beijing Ship Management College	**111,040.00**			
	CSSC Jiujiang Marine Equipment (Group) Co., Ltd.	**105,422.76**			
	Technician Training School of Guangzhou Huangpu Shipyard	**80,498.50**			
	China Shipbuilding Trading Co., Ltd.	**78,322.77**		78,322.77	
	China Shipbuilding Group Guangxi Shipbuilding Co., Ltd.	**37,421.92**			
	Kindergarten of Guangzhou Huangpu Shipyard	**21,740.84**		21,740.84	
	China Shipbuilding Group Co., Ltd.	**9,193.12**		9,193.12	
	China Institute of Marine Technology & Economy of China State Shipbuilding Corporation	**5,000.00**		93,000.00	
	Guangzhou Shipyard International Company Limited	**3,643.00**			
	CSSC Financial Leasing (Shanghai) Co., Ltd.	**3,641.50**			
	China Shipbuilding Engineering Management Consulting (Beijing) Co., Ltd.			30,000.00	
	Jiangnan Shipyard (Group) Co., Ltd.			7,000.00	
	Dalian Shipbuilding Industry Engineering Company, Shipbuilding Plant			2,082.24	

Item	Related party	Ending balance		Beginning balance	
		Book balance	Provision for bad debts	Book balance	Provision for bad debts
Contract assets		**33,329,210.77**		30,757,003.17	
	China State Shipbuilding Corporation Limited System Engineering Research Institute	**13,749,240.00**		13,749,240.00	
	Guangzhou Wenchong Ship Building and Repair Co., Ltd.	**7,095,000.00**		7,095,000.00	
	Jiangnan Shipyard (Group) Co., Ltd.	**6,889,625.20**		6,889,625.20	
	CSSC (Beijing) Intelligent Equipment Technology Co., Ltd.	**2,400,000.00**			
	Guangzhou Shipyard International Company Limited	**1,535,552.27**		1,551,447.77	
	China National Shipbuilding Equipment & Materials Co., Ltd.	**675,509.48**		394,364.48	
	Zhongshan GSI Marine Engineering Company Limited	**478,993.82**		478,993.82	
	China National Shipbuilding Equipment & Materials Southwest Co., Ltd.	**273,225.00**		273,225.00	
	China Marine Power (Group) Co., Ltd.	**210,565.00**		230,181.90	
	China Shipbuilding IT Co., Ltd.	**21,500.00**		21,500.00	
	Hudong-Zhonghua Shipbuilding (Group) Co., Ltd.			73,425.00	
Other non-current assets		**62,378,855.12**		48,277,272.71	
	Guangzhou Shipyard International Company Limited	**46,986,266.39**		48,277,272.71	
	CSSC Finance Company Limited	**15,392,588.73**			
Total		**4,740,867,222.12**	**6,410,983.03**	4,318,738,878.79	

(2) Payables

Item	Related party	Book balance as at the end of the period	Book balance as at the beginning of the period
Notes payable		**101,141,855.85**	61,311,994.13
	China National Shipbuilding Equipment & Materials Co., Ltd.	**97,061,951.30**	53,762,440.25
	Wuhan Heavy Industry Casting & Forging Co., Ltd.	**2,396,720.00**	
	Guangzhou Longxue Pipe Co., Ltd.	**719,316.23**	324,862.14
	China Shipbuilding Trading Guangzhou Co., Ltd.	**466,182.09**	
	China State Shipbuilding Equipment & Materials (South China) Co., Ltd.	**284,718.69**	
	Guangdong GSI Elevator Machinery Equipment Co., Ltd.	**153,900.00**	
	Xiamen Sunrui Ship Coatings Co., Ltd.	**59,067.54**	135,783.32
	China Shipbuilding NDRI Engineering Co., Ltd.		4,832,000.00
	Shanghai Ling Yao Ship Engineering Co., Ltd.		1,300,000.00
	China State Shipbuilding Equipment & Materials (Central South China) Co., Ltd.		447,985.82
	China Shipbuilding Industry Complete Logistics (Guangzhou) Co., Ltd.		432,122.60
	Qingdao Shuangrui Marine Environment Engineering Co., Ltd.		76,800.00
Accounts payable		**5,569,469,113.72**	4,683,579,656.98
	CSSC System Engineering Research Institute	**790,825,170.35**	652,801,613.96
	China National Shipbuilding Equipment & Materials Co., Ltd.	**609,429,650.07**	514,452,100.08
	China Shipbuilding Group Co., Ltd. No. 711 Research Institute	**355,005,338.70**	112,705,587.35
	China Shipbuilding Group Co., Ltd. No. 715 Research Institute	**308,629,479.44**	241,131,756.80
	China Shipbuilding Group Co., Ltd. No. 724 Research Institute	**306,262,600.00**	152,053,600.00
	China Shipbuilding Group Co., Ltd. No. 709 Research Institute	**294,057,953.52**	156,042,118.68
	Wuhan Marine Machinery Co., Ltd.	**238,322,005.47**	278,145,703.24
	China Ship Development and Design Center	**207,608,690.47**	190,267,883.93
	China Shipbuilding Group Co., Ltd. No. 713 Research Institute	**175,093,360.01**	116,579,490.97
	Chongqing Gearbox Co., Ltd.	**174,089,826.64**	149,166,462.04
	Nanjing CSSC Oasis Machine Co., Ltd.	**170,012,916.27**	203,058,252.86
	China Shipbuilding Group Co., Ltd. No. 704 Research Institute	**166,852,054.78**	198,464,782.38
	Guangzhou Wenchong Industrial Co., Ltd.	**137,777,836.36**	147,051,419.07
	China Shipbuilding Group Co., Ltd. No. 717 Research Institute	**120,587,324.63**	76,733,841.44
	China Shipbuilding Group Fenxi Heavy Industry Co., Ltd.	**119,650,314.05**	178,944,133.36
	Shaanxi Diesel Engine Co., Ltd.	**105,042,489.78**	99,657,675.63
	China Shipbuilding Industry Complete Logistics (Guangzhou) Co., Ltd.	**79,937,133.30**	78,966,640.98
	Marine Design and Research Institute of China	**79,317,958.59**	74,215,569.21
	China Shipbuilding Group Co., Ltd. No. 723 Research Institute	**79,309,375.47**	85,035,797.38
	China Shipbuilding Group Co., Ltd. No. 707 Research Institute	**70,729,284.72**	66,140,551.03
	CSSC Marine Technology Co., Ltd.	**68,060,698.12**	42,299,643.22
	China Shipbuilding Group Co., Ltd. No. 716 Research Institute	**58,923,625.38**	61,306,902.67
	China Shipbuilding Group Co., Ltd. No. 726 Research Institute	**50,526,286.72**	16,174,437.16
	Haiying Enterprises Group Co., Ltd.	**46,714,400.00**	25,530,907.08
	CSIC Haisheng Technology Co., Ltd.	**44,790,330.00**	23,132,080.00

Item	Related party	Book balance as at the end of the period	Book balance as at the beginning of the period
	China Shipbuilding Group Co., Ltd. No. 703 Research Institute	**42,699,828.25**	38,373,222.22
	China Shipbuilding Group Co., Ltd. No. 722 Research Institute	**41,863,386.20**	41,763,796.60
	China Shipbuilding Group Guangzhou Ship Industrial Co., Ltd.	**40,387,086.36**	70,556,172.42
	China Shipbuilding Engine Co., Ltd.	**37,156,637.17**	56,637.17
	China Shipbuilding Industry Corporation 705 Research Institute	**35,309,989.38**	21,279,495.58
	Shanghai CSSC Ship Design Technology and International Engineering Research Center Co., Ltd.	**33,226,769.74**	29,805,428.60
	China United Shipbuilding Company Limited	**31,234,639.37**	29,321,731.41
	Jiangnan Shipyard (Group) Co., Ltd.	**30,806,708.21**	
	Luoyang Ship Material Research Institute (China Shipbuilding Group Co., Ltd. 725 Research Institute)	**22,932,640.38**	24,325,658.81
	China State Shipbuilding Equipment & Materials (South China) Co., Ltd.	**22,766,182.75**	3,979,976.79
	China Shipbuilding NDRI Engineering Co., Ltd.	**22,309,965.34**	26,840,974.37
	China Shipbuilding Group Co., Ltd. 718 Research Institute	**18,841,602.51**	28,192,363.86
	China Harzone Industry Corp., Ltd.	**18,097,200.03**	25,386,973.74
	Dalian Shipbuilding Industry Engineering Company, Branch of Shipbuilding Plant	**14,208,400.23**	
	Wuhan Haiyi Science and Technology Limited Company	**14,180,098.68**	16,469,238.93
	Wuhan Ship Design and Research Institute Co., Ltd.	**13,910,800.00**	
	China Ship Power Station Equipment Co., Ltd.	**13,585,549.11**	13,253,613.72
	Dalian Ship Valve Company Limited	**13,251,102.52**	7,146,246.55
	China Shipbuilding Haifeng Aviation Technology Co., Ltd.	**12,910,894.09**	7,173,480.99
	Zhoushan Ship Engineering Research Centre of Shanghai Shipbuilding Technology Research Institute	**12,595,236.36**	
	China Shipbuilding Equipment & Materials Northeast Corporation	**12,191,452.14**	21,121,397.58
	Guangzhou Guangchuan Offshore Engineering Equipment Co., Ltd.	**12,019,603.03**	7,222,000.01
	China Ship Research Institute (China Shipbuilding Group Co., Ltd. 7 Research Institute)	**11,694,786.79**	17,892,200.00
	Guangzhou Shipyard International Company Limited	**10,585,827.16**	14,363,713.95
	China Shipbuilding Trading Guangzhou Co., Ltd.	**9,819,818.38**	13,572,736.51
	Guangzhou Longxue Pipe Co., Ltd.	**9,666,619.32**	3,454,779.47
	CSSC Jiujiang Fire Fighting Equipment Co., Ltd.	**9,361,965.82**	13,924,221.47
	Anqing CSSC Diesel Engine Co., Ltd.	**7,546,560.67**	7,846,567.28
	CSSC Southern China Ship Machinery Guangzhou Co., Ltd.	**7,453,537.64**	
	CSIC Material Trade Group Guangzhou Co., Ltd.	**6,761,190.71**	384,458.94
	CSSC Jiujiang Boiler Co., Ltd.	**6,663,390.26**	7,343,537.45
	China Shipbuilding Trading (BVI) Co., Ltd.	**6,552,509.54**	1,196,638.76
	CSSC SDARI Energy Saving Technology (Shanghai) Company Limited	**6,371,681.40**	
	Dalian Shipbuilding Industry Engineering Company, Shipbuilding Plant	**6,081,919.23**	55,115,201.70
	CSSC SDARI Energy Saving Technology (Shanghai) Company Limited	**5,943,433.62**	5,299,920.35
	China Shipbuilding Industry Corporation 710 Research Institute	**5,690,300.88**	10,640,300.88
	Jiangxi Chaoyang Machinery Co., Ltd.	**5,479,569.98**	3,116,510.52
	Suzhou Jianghai Communication Co., Ltd.	**5,003,190.86**	7,724,762.48

Item	Related party	Book balance as at the end of the period	Book balance as at the beginning of the period
	CSIC International Trading (Hong Kong) Co., Ltd.	**4,889,854.35**	13,548,081.85
	China Shipbuilding Trading Co., Ltd.	**4,800,522.36**	63,981,754.76
	CSSC South China Marine Machinery Co., Ltd.	**4,643,357.96**	8,407,262.64
	TTS Hua Hai Ships Equipment Co., Ltd.	**4,361,062.82**	5,495.58
	Chongqing Huayu Electrical Group Limited	**4,334,400.00**	2,526,000.00
	Wuhan Heavy Industry Casting & Forging Co., Ltd.	**4,030,068.49**	5,864,562.29
	Zhenjiang China Marine-Xiandai Generating Co., Ltd.	**3,492,971.84**	2,834,706.36
	CSSC Luzhou Zhenjiang Marine Auxiliary Machinery Co., Ltd.	**3,398,863.75**	3,282,422.75
	Shanghai Hunter Marine Equipment Co., Ltd.	**3,161,707.68**	3,886,616.97
	China Shipbuilding Group Co., Ltd. No. 712 Research Institute	**2,895,950.00**	3,439,587.83
	CSSC Dalian Marine Propeller Co., Ltd.	**2,443,931.10**	1,913,497.99
	China State Shipbuilding Equipment & Materials (East China) Co., Ltd.	**2,419,538.41**	5,392,231.97
	Marinequip China Company Limited	**2,070,475.84**	957,383.67
	Shanghai Hudong Shipyard Valve Co., Ltd.	**1,909,395.68**	2,086,000.53
	Jiujiang Haitian Equipment Manufacture Co., Ltd.	**1,797,075.62**	2,143,449.52
	Shanghai Ling Yao Ship Engineering Co., Ltd.	**1,663,817.86**	117,500.00
	Beijing the Great Wall Electronic Equipment Co., Ltd.	**1,651,823.01**	2,401,823.01
	Hudong Heavy Machinery Co., Ltd.	**1,635,371.35**	1,475,835.35
	China Shipbuilding Industry Equipment and Materials Bayuquan Co., Ltd.	**1,617,369.30**	5,710,594.59
	CSSC Hua Hai Ships Equipment Co., Ltd.	**1,345,375.19**	2,720,121.62
	Qingdao Shuangrui Marine Environment Engineering Co., Ltd.	**1,137,558.00**	27,558.00
	CSIC Zhongnan Equipment Co., Ltd.	**1,109,557.52**	1,207,557.52
	China Shipbuilding Trading (Pudong) Co., Ltd.	**1,085,378.96**	
	Zibo Torch Energy Co., Ltd.	**1,019,640.14**	1,279,428.64
	CSSC Marine Power (Zhenjiang) Co. Ltd.	**930,058.72**	4,244,678.63
	Harbin Guanghan Power Transmission Co., Ltd.	**910,000.00**	910,000.00
	Guangzhou Wenchong Shipbuilding Co., Ltd.	**813,315.80**	813,315.80
	China Shipbuilding Jihai (Kunshan) High Tech Co., Ltd.	**753,793.16**	681,358.03
	Chongqing Changzheng Heavy Industry Co., Ltd.	**688,482.89**	283,929.59
	Shanghai Jiuyuan Engineering Contracting Co., Ltd.	**633,126.95**	633,126.95
	CSSC Digital Information Technology Co., Ltd.	**587,000.00**	
	CSSC Oasis Environmental Protection (Nanjing) Co., Ltd.	**568,081.93**	485,794.11
	Henan Diesel Engine Heavy Engineering Co., Ltd.	**541,457.32**	528,216.54
	Wuhan Lingan Technology Co., Ltd.	**535,249.35**	535,249.35
	Yichang Marine Diesel Co., Ltd.	**498,475.73**	498,475.73
	Shanghai Starry Ship Ocean Engineering Service Co., Ltd.	**488,000.00**	488,000.00
	Wuhan Temo Welding Consumables Co., Ltd.	**457,389.38**	2,305,575.41
	China Shipbuilding Industry Complete Logistics Co., Ltd.	**376,784.51**	376,784.51
	Wuhan Huazhongtianqin Defense Technology Co., Ltd.	**356,603.76**	356,603.76
	Guangzhou Hongfan Technology Co., Ltd.	**302,854.15**	467,533.40
	CSIC Tianhe Ship Equipment Jiangsu Co., Ltd.	**212,879.73**	
	Guangzhou Hairong Construction Supervision Co., Ltd.	**207,793.38**	10,273.38
	China Shipbuilding IT Co., Ltd.	**204,160.64**	153,122.24
	Nanfang Environment Co., Ltd.	**166,160.85**	
	CSSC Marine Services Co., Ltd.	**152,497.78**	246,679.19
	Technician Training School of Guangzhou Huangpu Shipyard	**138,223.86**	138,223.86
	Wuhan Kawasaki Marine Machinery Co., Ltd.	**136,000.00**	136,000.00
	Jiangsu Jierui Information Technology Co., Ltd.	**134,000.00**	
	CSSC Electronic Technology (Sanya) Co., Ltd.	**109,146.23**	109,146.23

Item	Related party	Book balance as at the end of the period	Book balance as at the beginning of the period
	Jiangxi CSSC Valve Complete Equipment Co., Ltd.	**93,972.77**	93,972.77
	China Shipbuilding Industry Institute of Engineering Investigation & Design Co. Ltd.	**86,927.28**	86,927.28
	CSSC Finance Company Limited	**83,000.00**	83,000.00
	Chongqing Yuejin Machinery Plant Co., Ltd.	**82,893.00**	
	Shanghai CSSC Lingang Ship Equipment Co., Ltd.	**78,000.00**	78,000.00
	Guangzhou Shipyard Co., Ltd.	**73,317.87**	73,317.87
	China Shipbuilding Group Shenzhen Marine Technology Co., Ltd.	**58,300.00**	583,000.00
	CSSC Diesel Engine Co., Ltd	**56,637.17**	
	China Shipbuilding International Trading Co., Ltd.	**55,861.19**	
	Shanghai Huajing Power Station Equipment Co., Ltd.	**55,222.64**	55,222.64
	Shanghai Merchant Vessel Design and Research Institute	**48,058.25**	480,582.52
	CSSC Changping (Chongqing) Machinery Co., Ltd.	**48,040.00**	200,431.15
	Shanghai Xincheng Huahai International Trade Development Co., Ltd.	**25,239.10**	
	Guangdong GSI Elevator Machinery Equipment Co., Ltd.	**18,100.00**	156,662.83
	Anqing Marine Electric Co., Ltd.	**18,000.00**	18,000.00
	China Marine Power (Group) Co., Ltd.	**14,240.71**	8,400.00
	Xiamen Sunrui Ship Coatings Co., Ltd.	**11,880.00**	53,000.00
	CSSC Dalian New Consumables Co., Ltd.	**11,111.11**	11,111.11
	Shanghai Dongxin Software Engineering Co., Ltd.	**9,950.00**	652,750.00
	Guangdong GSI Elevator Co., Ltd.	**3,300.00**	
	Shanghai Hengtuo Industrial Development Co., Ltd.	**1,282.05**	1,282.05
	Jiangxi CSSC Navigation Instrument Co., Ltd.	**1,000.00**	1,000.00
	Shanghai Qiyao Heavy Industry Co., Ltd.	**0.28**	0.28
	China Shipbuilding Industry Equipment & Materials (Shanghai Trading) Co., Ltd.		148,639.27
	Shanghai Haixun Electrical Engineering Co., Ltd.		11,031,111.20
	China Shipbuilding Group Co., Ltd. No. 11 Research Institute		2,545,925.92
	Chongqing Jiangjin Shipbuilding Industry Co., Ltd.		1,033,415.92
	Zhongshan GSI Marine Engineering Company Limited		871,354.50
	Shanghai CSSC Mitsui Shipbuilding Diesel Engine Co., Ltd.		771,499.89
	CSSC (Shanghai) Energy Saving Technology Co., Ltd.		645,000.00
	Shanghai SEVEN Science & Technology Engineering Co., Ltd.		81,580.00
Contract liabilities		**28,938,338.74**	143,183,733.43
	China State Shipbuilding Corporation Limited System Engineering Research Institute	**19,115,044.25**	
	China National Shipbuilding Equipment & Materials Co., Ltd.	**4,797,151.77**	5,351,886.28
	Marine Design and Research Institute of China	**2,271,698.11**	711,698.11
	China Shipbuilding Group Co., Ltd. No. 709 Research Institute	**979,770.00**	
	Hudong Zhonghua Shipbuilding Co., Ltd.	**436,050.00**	
	China Ship Development and Design Center	**429,929.20**	137,008,853.99
	Guangzhou Shipyard International Company Limited	**285,000.01**	45,707.55
	Tiaofeng and Tiaopin Robot (Guangzhou) Co., Ltd.	**189,797.86**	
	Wuchang Shipbuilding Industry Group Co., Ltd.	**152,660.38**	
	CSSC Orient Wuxi Software Technology Co., Ltd.	**84,905.66**	

Item	Related party	Book balance as at the end of the period	Book balance as at the beginning of the period
	Shanghai CSSC Mitsui Shipbuilding Diesel Engine Co., Ltd.	**71,681.42**	
	China Shipbuilding Group Guangxi Shipbuilding Co., Ltd.	**44,841.59**	
	Yunnan KSEC Electronic Equipment Co., Ltd.	**23,773.58**	
	Kindergarten of Guangzhou Huangpu Shipyard	**20,229.39**	20,229.39
	Yunnan KSEC Machinery Manufacturing Co., Ltd.	**18,679.25**	
	Shanghai Hunter Hydraulic Control Technology Co., Ltd.	**8,847.79**	
	Kunming Haiwei Electromechanical Technology Research Institute (Co., Ltd.)	**3,396.23**	
	China Shipbuilding Group Co., Ltd. No. 760 Research Institute	**2,920.36**	
	Kunming Shipping Equipment Corporation	**1,961.89**	27,433.58
	KSEC Intelligent Technology Co., Ltd.		15,283.02
	CSSC South China Marine Machinery Co., Ltd.		2,641.51
Other payables		**15,845,205.86**	28,686,243.97
	China Shipbuilding Group Guangxi Shipbuilding Co., Ltd.	**5,996,979.00**	5,996,979.00
	Shaanxi Diesel Engine Co., Ltd.	**3,353,760.00**	3,353,760.00
	China State Shipbuilding Equipment & Materials (South China) Co., Ltd.	**2,284,742.77**	
	China Shipbuilding Group Co., Ltd. No. 717 Research Institute	**850,000.00**	850,000.00
	Dalian Shipbuilding Industry Engineering Company, Shipbuilding Plant	**702,700.00**	702,700.00
	China Shipbuilding Industry Complete Logistics (Guangzhou) Co., Ltd.	**535,511.58**	535,511.58
	CSSC South China Marine Machinery Co., Ltd. (Former name: CSSC Southern China Ship Machinery Co., Ltd.)	**501,500.00**	
	Jiangxi Chaoyang Machinery Co., Ltd.	**400,000.00**	200,000.00
	China Shipbuilding Trading Co., Ltd.	**306,623.06**	9,114.22
	China Shipbuilding Industry Corporation No. 705 Research Institute, Kunming Branch	**280,000.00**	
	Guangzhou Shipyard International Company Limited	**184,253.10**	184,253.10
	Technician Training School of Guangzhou Huangpu Shipyard	**154,144.00**	154,144.00
	China Shipbuilding Group Co., Ltd. No. 722 Research Institute	**110,000.00**	110,000.00
	China National Shipbuilding Equipment & Materials Co., Ltd.	**62,270.28**	2,300.00
	China Shipbuilding Group Co., Ltd. No. 726 Research Institute	**44,000.00**	44,000.00
	China Shipbuilding Group Guangzhou Ship Industrial Company Limited	**43,204.00**	43,204.00
	China Shipbuilding Group Wind Power Development Co., Ltd.	**25,500.00**	
	Qingdao Shuangrui Marine Environment Engineering Co., Ltd.	**4,000.00**	4,000.00
	China Shipbuilding Industry Complete Logistics Co., Ltd.	**3,226.74**	3,226.74
	CSSC Financial Leasing (Shanghai) Co., Ltd.	**1,831.33**	1,831.33
	Marine Design and Research Institute of China (China Shipbuilding Group Co., Ltd. No. 708 Research Institute)	**960.00**	960.00
	Zhongshan GSI Marine Engineering Company Limited		15,983,760.00
	CSSC South China Marine Machinery Co., Ltd.		501,500.00
	China State Shipbuilding Corporation Limited		5,000.00

Item	Related party	Book balance as at the end of the period	Book balance as at the beginning of the period
Short-term borrowings		**305,000,000.00**	305,000,000.00
	CSSC Finance Company Limited	**305,000,000.00**	305,000,000.00
Interests on short-term borrowings		**148,678.50**	166,887.50
	CSSC Finance Company Limited	**148,678.50**	166,887.50
Long-term borrowings due within one year		**1,400,000,000.00**	637,000,000.00
	China Shipbuilding Group Co., Ltd.	**1,400,000,000.00**	637,000,000.00
Interests on long-term borrowings due with one year		**716,000.00**	695,000.00
	China Shipbuilding Group Co., Ltd.	**700,000.00**	695,000.00
	China State Shipbuilding Corporation Limited	**16,000.00**	
Long-term borrowings		**1,114,900,000.00**	1,949,200,000.00
	China Shipbuilding Group Co., Ltd.	**914,000,000.00**	773,000,000.00
	China State Shipbuilding Corporation Limited	**200,900,000.00**	1,176,200,000.00
Interests on long-term borrowings		**364,936.67**	423,419.33
	China Shipbuilding Group Co., Ltd.	**304,666.67**	
	China State Shipbuilding Corporation Limited	**60,270.00**	423,419.33
Lease liabilities due within one year		**36,208,501.37**	
	Guangzhou Wenchong Industrial Co., Ltd.	**13,932,645.38**	
	CSSC Financial Leasing (Tianjin) Co., Ltd	**12,019,536.50**	
	China Shipbuilding Group Guangzhou Ship Industrial Company Limited	**6,669,056.70**	
	Guangzhou Shipyard International Company Limited	**1,877,367.98**	
	China State Shipbuilding Equipment & Materials (South China) Co., Ltd.	**1,004,208.42**	
	Guangzhou Shipyard Co., Ltd.	**705,686.39**	
Lease liabilities		**137,058,117.69**	
	CSSC Financial Leasing (Tianjin) Co., Ltd	**69,671,547.01**	
	Guangzhou Shipyard International Company Limited	**21,931,963.18**	
	Guangzhou Wenchong Industrial Co., Ltd.	**21,036,075.27**	
	China Shipbuilding Group Guangzhou Ship Industrial Company Limited	**20,833,504.40**	
	Guangzhou Shipyard Co., Ltd.	**1,980,511.90**	
	China State Shipbuilding Equipment & Materials (South China) Co., Ltd.	**1,604,515.93**	
Other current liabilities			695,745.22
	China National Shipbuilding Equipment & Materials Co., Ltd.		695,745.22
Other non-current liabilities		**15,392,588.73**	11,855,072.17
	CSSC Finance Company Limited	**15,392,588.73**	11,855,072.17
Total		**8,725,183,337.13**	7,821,797,752.73

(3) Receivables of the Company from its subsidiaries

None.

(4) Payables of the Company to its subsidiaries

None.

4. Remuneration of Directors, Supervisors and staff

(1) Details of the remuneration of Directors and Supervisors are as follows

Item	Fees of Directors and Supervisors	Salaries, subsidies and allowances	Bonuses	Social insurance and housing fund	Pension scheme contributions	others	Total
Current period:							
Executive Director							
Chen Liping		277,311.50		44,055.30	58,530.96		379,897.76
Non-executive Directors							
Gu Yuan							
Ren Kaijiang							
Yin Lu							
Lin Bin							
Nie Wei							
Li Zhijian							
Xie Xin							
Sub-total of Directors		277,311.50		44,055.30	58,530.96		379,897.76
Supervisors							
Xu Wanxu							
Chen Shu							
Zhu Weibin							
Ouyang Beijing		212,640.00		42,845.58	50,184.96		305,670.54
Zhang Xinglin		168,247.00		42,302.04	45,552.96		256,102.00
Sub-total of Supervisors		380,887.00		85,147.62	95,737.92		561,772.54
Total		658,198.50		129,202.92	154,268.88		941,670.30

Item	Fees of Directors and Supervisors	Salaries, subsidies and allowances	Bonuses	Social insurance and housing fund	Pension scheme contributions	others	Total
Last period:							
Executive Directors							
Xiang Huiming		277,114.42		41,415.74	45,066.27		363,596.43
Chen Liping		253,264.00		44,011.46	56,562.27		353,837.73
Zhang Junxiong		210,297.21		34,213.33	37,687.33		282,197.87
Non-executive Directors							
Chen Ji							
Gu Yuan							
Ren Kaijiang							
Yin Lu							
Lin Bin							
Nie Wei							
Li Zhijian							
Xie Xin							
Yu Shiyou	18,032.79						18,032.79
Sub-total of Directors	18,032.79	740,675.63		119,640.53	139,315.87		1,017,664.82
Supervisors							
Chen Shuofan							
Chen Shu							
Zhu Weibin							
Ouyang Beijing		124,060.00		27,370.56	30,408.39		181,838.95
Zhang Xinglin		118,303.04		34,213.33	30,007.33		182,523.70
Li Kai		44,594.83		14,404.82	13,415.88		72,415.53
Sub-total of Supervisors		286,957.87		75,988.71	73,831.60		436,778.18
Total	18,032.79	1,027,633.50		195,629.24	213,147.47		1,454,443.00

Other explanations: There is no discretionary bonus distributed to Directors and Supervisors in the current and prior period. Some of the Directors are appointed by China Shipbuilding Group and their remuneration is paid by other companies.

(2) Five highest paid individuals

Of the five highest paid individuals for the period, 1 is Director, 4 are senior management of the Company and subsidiaries (last period: 2 Directors, 3 senior management of the Company and subsidiaries). The remuneration of Directors and Supervisors are set out in above "Remunerations of Directors and Supervisors". The remuneration paid to the other 4 individuals during the period is as follows:

Item	Current period	Last period
Salaries, subsidies and allowances	**1,107,096.00**	860,598.00
Bonuses		
Social insurance and housing fund	**169,208.16**	124,247.22
Pension scheme contributions	**224,571.84**	135,090.81
Others		
Total	**1,500,876.00**	1,119,936.03

Band of remuneration:

Item	Current period	Last period
Less than HK$1,000,000	**4**	3
HK$1,000,001 to HK$1,500,000		
HK$1,500,001 to HK$2,000,000		
HK$2,000,001 to HK$2,500,000		
Total	**4**	3

Other explanations: There were no discretionary bonuses paid to the five highest paid individual in the current and prior period.

(3) During the track record period, no Director had waived or agreed to waive any remuneration. During the track record period, no emoluments were paid by the Company to any of the Directors, Supervisors or five highest-paid employees as an inducement to join or upon joining the Company or as compensation for loss of office.

(4) Remuneration of key management

The remuneration of key management, including those paid or payable to Directors, Supervisors and senior management, is as follows:

Item	Current period	Last period
Salaries, subsidies and allowances	**1,144,200.45**	1,504,210.59
Bonuses		
Social insurance and housing fund	**215,994.66**	281,257.80
Pension scheme contributions	**263,206.80**	313,900.01
Others		
Total	**1,623,401.91**	2,099,368.40

5. Amount due from Directors/affiliates of Directors

(1) Amount due from Directors/affiliates of Directors to the Company

As of the end of the Reporting Period, the Group had no amount due from Directors/affiliates of Directors.

(2) Amount due from Directors/affiliates of Directors for which the Company has provided guarantee

As of the end of the Reporting Period, the Group had no amount due from Directors/affiliates of Directors.

XIII. SHARE-BASED PAYMENTS

As of the end of the Reporting Period, the Group had no share-based payments.

XIV. COMMITMENTS AND CONTINGENCIES

1. Capital expenditure commitments

Capital expenditure commitments that have been contracted but not yet required to be listed on the balance sheet:

Type	Period-end amount
Buildings, structures, machinery and equipment	**107,126,490.95**
Intangible assets	
Total	**107,126,490.95**

2. Pledge of assets

As of the end of the Reporting Period, the Group did not have any pledge of assets.

3. Undue letters of guarantees and letter of credit

As at the end of the period, the Group's issued but undue letters of guarantee were:

Type of letters of guarantee	RMB	USD
Letters of performance guarantee	423,369,035.77	
Letters of advancement payment guarantee	739,166,036.89	1,294,931,454.40
Letters of customs duties guarantee	167,500,000.00	
Letters of warranty guarantee	119,433,766.30	
Letters of payment guarantee	5,800,207.16	
Total	1,455,269,046.12	1,294,931,454.40

As at the end of the period, the Group's issued but undue letters of credit amounted to US$24,888,959.70 and EUR11,921,000.00.

4. Outstanding hedging businesses

The Group attaches great importance to the study of exchange rate risk management policies and strategies, and in order to prevent exchange rate risks, it entered into forward foreign exchange contracts (forward settlement and sale of foreign exchange) with banks. At the end of the period, there were a total of 217 undelivered forward settlements with an amount of US$2,546.63 million, which the longest delivery period is up to 23 October 2028.

5. Fulfilment of previous commitments

The settlement of forward contracts and letters of guarantee can be done by the Group according to agreement.

Except for the aforementioned commitments, the Group had no other major commitments as at the end of the period.

XV. EVENTS AFTER THE BALANCE SHEET DATE

1. Profit distribution

Approved at the 16th meeting of the 11th session of the Board on 28 August 2025, the Company intends to distribute a cash dividend of RMB0.80 (tax inclusive) for every 10 shares to all shareholders for the first half of 2025, calculated according to the total share capital of 1,413,506,378 shares of the Company as at 30 June 2025, and the total cash dividends to be distributed will be RMB113,080,510.24 (tax inclusive), representing 21.48% of the net profit attributable to shareholders of the Company for the period from January to June in 2025. The remaining retained earnings of RMB1,468,170,857.41 will be carried forward for distribution in future periods. The Company did not convert capital reserve into share capital for the first half of 2025.

The 2024 annual general meeting of the Company has considered and approved the Resolution on the Interim Dividend Arrangements for 2025. This profit distribution proposal falls within the scope of the Board's authority as delegated by the general meeting and does not need to be submitted to the general meeting of the Company for further consideration.

2. Changes in the Company's legal representative, Chairman and financial controller

On 21 August 2025, the Company convened the 2025 third extraordinary general meeting and elected Mr. Luo Bing as a Director of the 11th session of the Board. On the same day, the 15th meeting of the 11th session of the Board was held to elect Mr. Luo Bing as the Chairman of the 11th session of the Board and the legal representative of the Company, and appointed Li Qiang as the Company's financial controller.

Apart from the above-mentioned disclosure of events after the balance sheet date, the Group has no other significant events after the balance sheet date.

XVI. CAPITAL MANAGEMENT

The main objectives of the Group's capital management are:

- To ensure the Group's ability to continue as a going concern so as to continuously provide returns to shareholders and other stakeholders;
- To price the products and services according to the risk level so as to provide adequate returns to shareholders.

The Group sets the capital amount in proportion to risk, manages and adjusts the capital structure based on changes in the economic environment and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders or the capital returned to shareholders, issue new shares or sell assets to reduce liabilities.

The Group monitors capital based on the adjusted debt-to-capital ratio.

The adjusted debt-to-capital ratio of the Group on the balance sheet date is as follows:

Item	Ending balance	Beginning balance
Short-term borrowings	**539,249,576.40**	598,343,912.50
Long-term borrowings	**3,162,900,000.00**	4,048,900,000.00
Financial liabilities held-for-trading	**49,405,603.48**	94,183,471.96
Lease liabilities	**145,475,845.84**	152,585,672.14
Non-current liabilities due within one year	**2,283,387,967.26**	1,558,093,634.54
Less: Cash at bank and on hand	**16,380,760,423.37**	15,260,594,444.32
Financial assets held-for-trading	**119,063.01**	1,171,434.07
Adjusted net liabilities	**-10,200,460,493.40**	-8,809,659,187.25
Owners' equity	**21,114,595,739.43**	21,170,457,089.87
Adjusted capital	**21,114,595,739.43**	21,170,457,089.87
Adjusted debt-to-capital ratio	**-48.31%**	-41.61%

XVII. OTHER SIGNIFICANT EVENTS

1. Correction of previous errors and impact

(1) Retrospective restatement method

During the Reporting Period, there were no corrections of previous accounting errors that adopted the retrospective restatement method.

(2) Future applicable method

During the Reporting Period, there were no corrections of previous accounting errors that adopted the future applicable method.

2. Segment information

(1) Basis for determination of reportable segments and accounting policies

According to the Group's internal organizational structure, management requirements, and internal reporting system, the business operation of the Group can be divided into 4 reportable segments based on the types of main products. The management of the Group evaluates operating results of these reportable segments periodically in order to make decisions concerning resource distribution and operating result assessment. The reportable segments of the Group based on the provision of main products and services are shipbuilding, steel structure, ship maintenance and others.

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

(2) Financial information of reportable segments

Item	Shipbuilding and related business	Steel structure engineering	Ship maintenance segment	Other segments	Inter-segment elimination	Total
Revenue from external transactions	**9,426,285,700.78**	**97,972,885.20**	**451,035,798.79**	**197,342,356.34**		**10,172,636,741.11**
Revenue from intra-segment transactions	**3,609,505,451.29**	**96,390,184.79**	**1,899,698.66**	**57,943,151.48**	**-3,765,738,486.22**	
Income from investments in associates and joint ventures		**-6,335,944.64**		**364,956,122.39**		**358,620,177.75**
Impairment losses on credit	**-566,536.69**	**-323,619.71**		**252,576.87**		**-637,579.53**
Impairment losses on assets	**-36,840,864.55**					**-36,840,864.55**
Depreciation fee and amortisation fee	**176,089,705.07**	**47,063,215.82**	**558,744.14**	**26,336,343.97**	**-456,244.80**	**249,591,764.20**
Total profits	**319,011,420.45**	**-81,992,026.83**	**320,087.53**	**435,330,880.52**	**-16,557,129.96**	**656,113,231.71**
Income tax expenses	**50,488,707.56**	**-71,859.09**	**21,608.19**	**3,966,611.56**		**54,405,068.22**
Net profit	**268,522,712.89**	**-81,920,167.74**	**298,479.34**	**431,364,268.96**	**-16,557,129.96**	**601,708,163.49**
Total assets	**45,633,203,647.39**	**4,890,242,448.37**	**9,698,547.51**	**16,139,947,345.55**	**-10,360,779,231.04**	**56,312,312,757.78**
Total liabilities	**36,454,833,535.79**	**4,045,959,124.51**	**1,012,259.07**	**2,815,755,431.58**	**-8,119,843,332.60**	**35,197,717,018.35**
Long-term equity investments in associates and joint ventures		**12,914,092.93**		**5,750,218,093.76**		**5,763,132,186.69**
Increase in other non-current assets excluding long-term equity investments	**-144,459,213.12**	**70,234,983.96**		**-773,032,001.20**	**-279,822,875.40**	**-1,127,079,105.76**
Capitalized expenditure	**245,145,164.93**	**86,843.17**		**6,515,709.44**	**-23,335,213.20**	**228,412,504.34**

1) *Revenue from external transactions by origin of revenue*

Item	Current period	Corresponding period of last period
Revenue from external transactions derived from China	**6,817,152,661.25**	5,440,717,421.83
Revenue from external transactions derived from other countries	**3,355,484,079.86**	3,287,818,641.82
Total	**10,172,636,741.11**	8,728,536,063.65

2) *Non-current assets by location of assets*

Item	Ending balance	Beginning balance
Non-current assets in China (excluding Hong Kong)	**14,746,740,801.23**	12,330,803,838.37
Hong Kong, China		
Total	**14,746,740,801.23**	12,330,803,838.37

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

3. Other significant transactions and matters that have an impact on investors' decision-making

None.

XVIII. NOTES TO MAJOR ITEMS OF FINANCIAL STATEMENTS OF THE PARENT COMPANY

1. Accounts receivable

(1) Accounts receivable by aging

Ageing	Ending balance	Beginning balance
Within one year		
1 to 2 years		
2 to 3 years		
3 to 4 years		
4 to 5 years		
Over 5 years	**768,468.86**	768,468.86
Subtotal	**768,468.86**	768,468.86
Less: Provision for bad debts	**768,468.86**	768,468.86
Total		

(2) Credit period of accounts receivable

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

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

Type	Ending balance				
	Book balance		Provision for bad debts		
	Amount	Percentage (%)	Amount	Percentage of provision (%)	Carrying value
Provision for bad debts made on an individual basis					
Provision for bad debts made on a collective basis	**768,468.86**	**100.00**	**768,468.86**	**100.00**	
Total	**768,468.86**	**100.00**	**768,468.86**	**100.00**	

Type	Beginning balance				
	Book balance		Provision for bad debts		
	Amount	Percentage (%)	Amount	Percentage of provision (%)	Carrying value
Provision for bad debts made on an individual basis					
Provision for bad debts made on a collective basis	768,468.86	100.00	768,468.86	100.00	
Total	768,468.86	100.00	768,468.86	100.00	

1) *Provision for bad debts of accounts receivable made on an individual basis*

None.

2) *Provision for bad debts made on a collective basis using portfolios with similar credit risk features*

Item on a collective basis:

Name	Ending balance		
	Book balance	Provision for bad debts	Percentage of provision (%)
Ageing portfolio	**768,468.86**	**768,468.86**	**100.00**
Total	**768,468.86**	**768,468.86**	**–**

The details of the ageing portfolio are as follows:

Ageing	Ending balance		
	Book balance	Provision for bad debts	Percentage of provision (%)
Within one year (inclusive)			
1 to 2 years			
2 to 3 years			
3 to 4 years			
4 to 5 years			
Over 5 years	**768,468.86**	**768,468.86**	**100.00**
Total	**768,468.86**	**768,468.86**	**–**

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

Type	Beginning balance	Amount of changes during the period				Ending balance
		Provision made	Recovered or reversed	Resold or written-off	Others	
Provision for bad debts of accounts receivable	768,468.86					**768,468.86**
Total	768,468.86					**768,468.86**

(5) Accounts receivable written-off during the period

None.

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

Name of entity	Ending balance of accounts receivable	Ending balance of contract assets	Ending balance of accounts receivable and contract assets	Percentage of total ending balance of accounts receivable and contract assets (%)	Ending balance of provision for bad debts of accounts receivable and impairment of contract assets
Guangzhou NO. 3 Municipal Engineering Group Co., Ltd.	768,468.86		768,468.86	100.00	768,468.86
Total	768,468.86		768,468.86	100.00	768,468.86

2. Other receivables

Item	Ending balance	Beginning balance
Interest receivable		
Dividends receivable		
Other receivables	**726,391.83**	270,158.49
Total	**726,391.83**	270,158.49

(1) Other receivables by aging

Ageing	Book balance as at the end of the period	Book balance as at the beginning of the period
Within one year	**491,850.71**	44,810.49
1-2 years	**9,193.12**	
2-3 years		
3-4 years		
4-5 years		
Over 5 years	**225,348.00**	225,348.00
Subtotal	**726,391.83**	270,158.49
Less: Provision for bad debts		
Total	**726,391.83**	270,158.49

(2) Breakdown of other receivables by nature

Nature of amount	Book balance as at the end of the period	Book balance as at the beginning of the period
Refundable deposit	**225,348.00**	225,348.00
Temporary payments receivable	**24,245.22**	10,428.77
Reserve funds	**476,798.61**	34,381.72
Total	**726,391.83**	270,158.49

(3) Provision for bad debts

Provision for bad debts	Stage 1 Expected credit losses for next 12 months	Stage 2 Expected credit losses during the whole life span (not credit impaired)	Stage 3 Expected credit losses during the whole life span (credit impaired)	Total
Beginning balance				
Beginning balance during the period	–	–	–	–
– Transfer to stage 2				
– Transfer to stage 3				
– Transfer back to stage 2				
– Transfer back to stage 1				
Provision made during the period				
Reversed during the period				
Offset during the period				
Written-off during the period				
Other changes				
Ending balance				

Division basis for each stage and description for the proportion of provision for bad debts:

1) Stage 1: portfolio of deposit and security deposit that are not past due, portfolio of retained reserve and employee loans, related parties portfolio within the scope of consolidation of the Group, portfolio of government units and public institutions and aging portfolio aged less than two years. For the portfolio of deposit and security deposit that are not past due, portfolio of retained reserve and employee loans, related parties portfolio within the scope of consolidation of the Group, portfolio of government units and public institutions, aging portfolio aged 0 to 6 months, no provision for bad debts is made. For the aging portfolio aged 6 months to one year, the proportion of provision for bad debts is 0.5%. For aging portfolio aged one to two years, the proportion of provision for bad debts is 10%.

2) Stage 2: aging portfolio aged over two years. For aging portfolio aged two to three years, the proportion of provision for bad debts is 30%. For aging portfolio aged three to five years, the proportion of provision for bad debts is 80%. For aging portfolio aged over five years, the proportion of provision for bad debts is 100%.

3) Stage 3: other receivables for which provision for bad debts is made on individual basis.

Changes in book balance of other receivables:

Book balance	Stage 1 Expected credit losses for next 12 months	Stage 2 Expected credit losses during the whole life span (not credit impaired)	Stage 3 Expected credit losses during the whole life span (credit impaired)	Total
Beginning balance	270,158.49			**270,158.49**
Beginning balance during the period	–	–	–	**–**
– Transfer to stage 2				
– Transfer to stage 3				
– Transfer back to stage 2				
– Transfer back to stage 1				
Increased during the period	456,233.34			**456,233.34**
Derecognised during the period				
Other changes				
Ending balance	726,391.83			**726,391.83**

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

Type	Beginning balance	Amount of changes during the period: Provision made	Recovered or reversed	Resold or written-off	Others	Ending balance
Provision for bad debts of other receivables						
Total						

(5) *Other receivables actually written-off during the period*

None.

(6) *Other receivables of top five debtors by ending balance*

Name of entity	Nature of amount	Ending balance	Ageing	Percentage of ending balance of total other receivables (%)	Ending balance of provision for bad debts
Reserve funds	Reserve funds	**476,798.61**	Within one year	65.64	
China State Shipbuilding Equipment & Materials (South China) Co., Ltd.	Refundable deposit	**225,348.00**	Within one year	31.02	
Total	–	**702,146.61**	–	96.66	

(7) *Presentation under other receivables due to centralized capital management*

None.

3. Long-term equity investments

Item	Ending balance			Beginning balance		
	Book balance	Provision for impairment	Carrying value	Book balance	Provision for impairment	Carrying value
Investments in subsidiaries	**3,171,466,036.56**		**3,171,466,036.56**	3,171,466,036.56		3,171,466,036.56
Investments in associates and joint ventures	**4,301,125,615.86**		**4,301,125,615.86**	3,922,017,907.95		3,922,017,907.95
Total	**7,472,591,652.42**		**7,472,591,652.42**	7,093,483,944.51		7,093,483,944.51

(1) Investments in subsidiaries

Investee	Beginning balance (Carrying value)	Beginning balance of provision for impairment	Amount of changes during the period: Increase in investment	Decrease in investment	Provision for impairment	Others	Ending balance (Carrying value)	Ending balance of provision for impairment
CSSC Huangpu Wenchong Shipbuilding Company Limited	3,171,466,036.56						**3,171,466,036.56**	
Total	3,171,466,036.56						**3,171,466,036.56**	

(2) Investments in associates and joint ventures

Investee	Beginning Balance (Carrying value)	Beginning balance of provision for impairment	Amount of changes during the period: Increase in investment	Decrease in investment	Investment gain or loss recognised using equity method	Adjustment to other comprehensive income	Other changes in equity	Declaration and payment of cash dividend or profit	Provision for impairment made	Others	Ending balance (Carrying value)	Ending balance of provision for impairment
Associate:												
Guangzhou Shipyard International Company Limited	3,922,017,907.95				378,580,541.37	385,911.56	141,254.98				**4,301,125,615.86**	
Sub-total	3,922,017,907.95				378,580,541.37	385,911.56	141,254.98				**4,301,125,615.86**	
Total	3,922,017,907.95				378,580,541.37	385,911.56	141,254.98				**4,301,125,615.86**	

(3) Analysis of long-term equity investments

Nature of amount	Ending balance	Beginning balance
Unlisted	**7,472,591,652.42**	7,093,483,944.51
Total	**7,472,591,652.42**	7,093,483,944.51

4. Operating income and operating cost

(1) Information on operating income and operating cost

Item	Amount for the period		Amount for last period	
	Income	Cost	Income	Cost
Principal business				
Other business	**7,332,000.00**	**3,268,712.52**	6,546,600.00	3,268,712.52
Total	**7,332,000.00**	**3,268,712.52**	6,546,600.00	3,268,712.52

1) Principal business – by product

None.

2) Principal business – by region

None.

3) Income from and cost of other business

Item	Amount for the period	Amount for last period
Income from other business		
Rental income	**7,332,000.00**	6,546,600.00
Total	**7,332,000.00**	6,546,600.00
Costs of other business		
Rental income	**3,268,712.52**	3,268,712.52
Total	**3,268,712.52**	3,268,712.52

(2) Segment information of operating income and operating cost

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

Type	Amount for the period	
	Operating income	**Operating cost**
By product type:		
Rental income	7,332,000.00	3,268,712.52
Total	7,332,000.00	3,268,712.52
Sub-total by region of operation:		
Domestic	7,332,000.00	3,268,712.52
Total	7,332,000.00	3,268,712.52
By type of market or customer:		
State-owned enterprises	7,332,000.00	3,268,712.52
Total	7,332,000.00	3,268,712.52
By type of contracts:		
Fixed price	7,332,000.00	3,268,712.52
Total	7,332,000.00	3,268,712.52
By date of transfer of goods:		
Performed at a point in time	7,332,000.00	3,268,712.52
Total	7,332,000.00	3,268,712.52
By contract term:		
Short-term	7,332,000.00	3,268,712.52
Total	7,332,000.00	3,268,712.52
By sales channel:		
Direct sales	7,332,000.00	3,268,712.52
Total	7,332,000.00	3,268,712.52

(3) Top five customers by operating income

Customers	Relationship with the Group	Amount for the period	Percentage of total income from principal business (%)
Zhongshan GSI Marine Engineering Company Limited	Controlled by the same controlling shareholders and actual controllers	7,332,000.00	100.00
Total		7,332,000.00	100.00

(4) Significant contract changes or significant transaction price adjustments

None.

5. Investment income

Item	Amount for the period	Amount for last period
Gain from long-term equity investments accounted under cost method		
Gain from long-term equity investments accounted under equity method	**378,580,541.37**	62,703,445.45
Dividend income received during the period of holding investments in other equity instruments	**54,373,729.00**	43,498,983.20
Total	**432,954,270.37**	106,202,428.65

Other explanations: Investment income from investment in listed companies and non-listed companies for the period amounted to RMB54,373,729.00 (last period: RMB43,498,983.20) and RMB378,580,541.37 (last period: RMB62,703,445.45), respectively.

XIX. SUPPLEMENTARY INFORMATION TO THE FINANCIAL STATEMENTS

1. Breakdown of non-recurring gains and losses for the period

Item	Amount for the period	Explanation
Gain or loss on disposal of non-current assets (including the write-off of the asset impairment provision)	-1,541,647.08	
Government grants included in current profit or loss (other than those that are closely related to the Company's normal operation, in line with national policies and in accordance with defined criteria, and have a sustained impact on the Company's profit or loss)	56,317,959.38	
Gain or loss on changes in fair value of financial assets and financial liabilities held by non-financial entities and gain or loss on disposal of financial assets and financial liabilities, except for effective hedging transactions that are related to the Company's normal operation	21,351,165.42	
Capital occupation fee received from non-financial entities included in current profit or loss		
Gain or loss on entrusted investments or assets under management		
Gains or losses from entrusted loans		
Losses on assets due to force majeure events, such as natural disasters		
Reversal of the provision for impairment of receivables which are tested individually for impairment		
Gain from the excess of the fair value of the identifiable net assets of investee companies on acquisition of the investment over the cost of investment in the Company's subsidiaries, associates and joint ventures		
Net gains or losses of subsidiaries for the current period from the beginning of the period to the date of combination arising from business combination under common control		
Gain or loss on exchange of non-monetary assets		
Gain or loss on debt restructuring		
One-off costs incurred as a result of the discontinuation of relevant operating activities, e.g. staff settlement expenses		
One-off effect on current profit or loss due to adjustments to tax and accounting laws and regulations		
One-off share-based payments recognized for cancellation and modification of equity incentive plans		
For cash-settled share-based payments, gain or loss arising from changes in fair value of employee benefits payable after the vesting date		
Gain or loss arising from changes in fair value of investment properties under fair value model on subsequent measurement		
Gain from transactions with obviously unfair transaction price		
Gain or loss on contingencies which are not related to the Company's normal operation		
Entrusted fee income from entrusted operations		
Other non-operating income and expenses apart from the aforesaid items	3,092,188.45	
Other gain or loss items meeting the definition of non-recurring gains or losses		
Sub-total	**79,219,666.17**	
Less: Effect of income tax	13,588,854.17	
Effect of non-controlling interests (after tax)	30,243,937.66	
Total	**35,386,874.34**	–

2. Returns on net assets and earnings per share

Profit for the Reporting Period	Weighted average return on net assets (%)	Earnings per share (RMB/share) Basic earnings per share	Diluted earnings per share
Net profit attributable to shareholders of the Parent Company	3.11	0.3724	0.3724
Net profit after deducting non-recurring gains and losses attributable to shareholders of the Parent Company	2.90	0.3474	0.3474

CSSC Offshore & Marine Engineering (Group) Company Limited
28 August 2025