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

**(H Shares Stock Code: 00317)**

## **ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2025**

### **(Financial Highlights)**

<b>Turnover:</b>	RMB20,547,052,116.16
<b>Profit attributable to equity holders of the Company:</b>	RMB1,008,262,651.35
<b>Earnings per share attributable to equity holders of the Company:</b>	RMB0.7133

The board (the “**Board**”) of directors (the “**Directors**”) of CSSC Offshore & Marine Engineering (Group) Company Limited (the “**Company**”) hereby announces the audited results of the Company and its subsidiaries (collectively the “**Group**”) for the year ended 31 December 2025 (the “**Reporting Period**” or the “**Year**”) which were prepared in accordance with the Accounting Standards for Business Enterprises of the People’s Republic of China (the “**PRC**”), together with comparative figures for the same period in 2024, as follows:

### **DIVIDENDS**

In accordance with Article 171 of the Articles of Association of CSSC Offshore & Marine Engineering (Group) Company Limited, the Company’s profit distribution policy shall be:

#### **(I) Profit distribution principle**

The Company shall implement continuous and stable profit distribution policy and the profit distribution of the Company shall be made in accordance with the statutory sequence of distribution. It attaches importance to reasonable and stable investment return for its Shareholders and bases on the Company’s long-term and sustainable development. In principle, the Company shall distribute its distributable profit on a yearly basis and the Company can also declare interim dividend.

## **(II) Ways of profit distribution**

The Company may distribute its dividends by way of cash, shares or a combination of both, with dividend distribution in cash taking priority. In distributing profits by means of scrip dividends, the Company should adequately consider true and reasonable factors such as growth, dilution to net assets per share, etc. The distribution of profits shall not exceed the limit of cumulative distributable profits.

## **(III) Conditions and proportion of dividend distribution**

1. On the premise of satisfying criteria for distribution of cash dividends, in principle, the Company shall distribute dividends in cash on a yearly basis. The Board of the Company can propose to the Company to declare interim dividend based on the Company's profits and capital needs;
2. On the premise of satisfying the criteria for distribution of cash dividends, in principle, the Company shall distribute cash dividends based on a fixed proportion of distributable profits achieved in a year. The cumulative profit distribution in cash for the last three years shall not be less than 30% of the average annual distributable profit for the last three years;
3. The Company can use share dividends as an additional method for profit distribution, and the sum of cash dividends and share dividends shall not be less than 50% of the distributable profits for the year. In determining the specific amount for distributing profits by means of shares, the Company should adequately consider whether the total share capital after profit distribution by means of shares corresponds to the Company's current scale of operations and profit growth rate, and consider the impact on the finance cost of future loans, to ensure that the profit distribution plan is in line with the overall interests and long-term interests of shareholders as a whole;
4. In principle, in distributing cash dividends, the Company shall at the same time satisfy the following criteria:
  - (1) The Company has made a profit for that year, and after compensating for losses in previous years and withdrawing reserves according to law, the cumulative undistributed profits is positive, and the earnings per share shall not be less than RMB0.05;
  - (2) Auditing firm issues a standard with no qualified opinion audit report for the Company's financial report for the year;
  - (3) The Company's asset-liability ratio shall not exceed 70%;

- (4) The Company does not have material investment plan or material cash expenditures.

Material investment plan or material cash expenditures refer to: The Company intends to make external investment, acquire assets or purchase equipment in the following 12 months with a cumulative expenditure reaching or over 10% of its latest audited net assets and exceeding RMB500,000,000.

- (5) If the Board of the Company does not propose to distribute profit in cash in the year when the Company is profitable, it shall state the reason why the profit is not distributed in its annual report for the year and plan of use in respect of the undistributed capital reserved. If the Company does not propose to distribute profit in cash when it is profitable during the Reporting Period, it shall provide online voting platforms to its shareholders other than on-site meeting when it holds the general meeting.

#### **(IV) 2025 profit distribution proposal**

As considered and approved at the 19th meeting of the 11th session of the Board of the Company, the 2025 profit distribution proposal of the Company is set out below:

The Company intends to distribute a cash dividend of RMB1.35 (tax inclusive) for every 10 shares to all its shareholders (the “Shareholders”). Calculated based on the total share capital of 1,413,506,378 shares of the Company as at 31 December 2025, the total proposed cash dividends to be distributed amounts to RMB190,823,361.03 (tax inclusive). The total amount of cash dividends (including cash dividend distributed for the interim period) of the Company for the Year amounts to RMB303,903,871.27 (tax inclusive), representing 30.14% of the net profit attributable to Shareholders of the Company for the Year. The remaining undistributed profits of RMB1,655,047,324.36 will be carried forward for distribution in future periods. The Company did not convert capital reserve into share capital for 2025. If the total share capital of the Company changes before the record date for the implementation of dividend distribution, the Company shall maintain the distribution ratio per share unchanged and adjust the total distribution amount accordingly.

This profit distribution proposal is subject to approval at the 2025 annual general meeting of the Company (the “**2025 Annual General Meeting**”), and the Company expects to complete the payment of cash dividend on or before 16 July 2026.

## **(V) Authorisation of 2026 interim profit distribution proposal**

The Company proposes to formulate the 2026 interim profit distribution proposal of the Company based on the interim results for the six months ended 30 June 2026 as reviewed by the accounting firm, and on the premise of satisfying the relevant cash dividend conditions set out in the Articles of Association, and taking into account the Company's profitability, business development and reasonable returns to shareholders, etc. The total amount of interim cash dividend for 2026 shall not exceed 30% of the net profit attributable to shareholders of the Company realised in the first half of 2026.

In order to improve the efficiency of decision-making, the Company proposes to submit a proposal to the 2025 Annual General Meeting for consideration and approval to authorise the Board to formulate a specific plan for the distribution of interim profit for 2026 and to handle matters relating to the distribution of interim profit.

## **DISCUSSION AND ANALYSIS OF OPERATIONS**

### **(I) Basic information on the shipbuilding industry**

In 2025, impacted by the relatively sluggish global economy and disruptions from international political events, the market demand in the global shipbuilding industry slowed down, the volume of new vessel transactions experienced a correction, and the price of new vessels softened from their high levels. Nevertheless, the Chinese shipbuilding industry demonstrated strong resilience and continued to maintain its global leading position.

**The three major shipbuilding indicators recorded one decrease and two increases.** In 2025, according to Clarkson's data statistics, the global new shipbuilding market received new orders for vessels of 151.9902 million DWT and 57.2825 million CGT, representing a year-on-year decreases of 23.58% and 26.37%, respectively; shipbuilding completion volume stood at 97.3629 million DWT and 56.892 million CGT, representing a year-on-year increases of 8.82% and 6.07%, respectively; and the orders on hand as at the end of the year was 447.7656 million DWT and 180.7358 million CGT, representing a year-on-year increases of 21.67% and 14.73%, respectively. In 2025, due to the mismatch between high new vessel prices and relatively low freight rates, compounded by factors such as the US Section 301 investigation into the maritime sector, frequent adjustments to trade policies, tense global geopolitical landscapes, and uncertainties in technological pathways for green development, the wait-and-see sentiment among shipowners intensified. Consequently, orders in the new shipbuilding market slowed down and experienced a year-on-year decline, although it still remained at the second-highest level during the "14th Five-Year Plan" period.

**Significant divergence was observed in the contracted volumes across specific vessel segments.**

In terms of major vessel types, the contracted volume of containerships for the full year reached 54.234 million DWT, representing a year-on-year increase of 4.8%; the contracted volumes of bulk carriers, oil tankers and liquefied gas carriers were 43.451 million DWT, 43.025 million DWT and 5.403 million DWT, representing a year-on-year decreases of 30.4%, 29.3% and 64.1%, respectively. As the only vessel type to record growth, containerships remained highly active in 2025. The ordering demand for large containerships from major liner companies remained robust, while the market's attention to feeder containerships also increased significantly, driving a strong release of new shipbuilding orders.

**The price of new vessels retreated slightly from their highs.** In December 2025, the newbuilding price index closed at 184.65 points, representing a decrease of 2.6% from the beginning of the year and a year-on-year decrease of 2.4%. By vessel type, the newbuilding price indices for containerships, bulk carriers, liquefied gas carriers and oil tankers in December closed at 114.91 points, 168.33 points, 198.06 points and 213.21 points, respectively, representing a year-on-year decreases of 3.05%, 3.46%, 4.34% and 4.43%, respectively. Currently, newbuilding prices have softened somewhat due to a contraction in transaction volumes. However, driven by positive factors on both the supply and demand sides, such as the scrapping of obsolete vessels, the release of renewal demand for green vessels, and the difficulty in significantly expanding premium shipbuilding capacity in the short term, abundant orderbooks and capacity bottlenecks continue to sustain prices at high levels.

**LNG remained the mainstream alternative marine fuel.** In 2025, the global shipbuilding market continued to be guided by the overarching theme of green and low-carbon development, with newbuilding orders for alternative-fuel vessels for the full year reaching approximately 31.24 million CGT, accounting for 34.4% of the total newbuilding orders. Among which, LNG served as the primary alternative fuel and its share continued to increase, rising from 58.5% in 2024 to 83.7% in 2025, while methanol-fueled vessels accounted for 14.2%. By vessel type, the application of alternative fuels was relatively concentrated in containerships and LNG carriers, whereas its application in oil tankers and bulk carriers was relatively limited. Against the backdrop of uncertain technological pathways for marine fuels, a number of shipowners adopted “fuel-ready” designs, with methanol and ammonia emerging as the mainstream alternative options.

**China's shipbuilding industry maintained its global leading position.** In 2025, in the face of a complex international landscape and competition from Japan and South Korea, China's shipbuilding industry withstood severe challenges and continued to consolidate its global leading position. According to data from the China Association of the National Shipbuilding Industry, in terms of DWT, China's shipbuilding completions increased by 11.4% year-on-year, accounting for 56.1% of the global total; the volume of new orders received decreased by 4.6% year-on-year, accounting for 69.0%; and the volume of orders on hand increased by 31.5% year-on-year, accounting for 66.8%. The international market shares of these three major indicators have ranked first globally for 16 consecutive years. By vessel type, the market share of new orders for bulk carriers exceeded 80% for the first time, containerships secured approximately two-thirds of global orders, and oil tankers secured batch orders at year-end, thereby surpassing South Korea. Furthermore, gas carriers maintained an abundant orderbook and a stable market share, reflecting a continuous enhancement in comprehensive competitiveness.

**The offshore engineering market witnessed overall stable development.** In 2025, newbuild demand in the global offshore engineering equipment market moderated somewhat, yet the overall performance remained above the average level over the past decade. For the full year, a total of 179 units of various types of offshore engineering equipment were contracted globally, representing a contract value of US\$22.97 billion, a year-on-year decrease of 15.6%, while market prices for such equipment were sustained at high levels. China ranked first globally in terms of new orders received for offshore engineering equipment. In 2025, China secured orders for a cumulative total of 109 units of offshore engineering equipment with a contract value of US\$7.45 billion, accounting for a global market share of 32.4% by contract value; South Korea and the United Arab Emirates ranked second and third with market shares of 19.6% and 16.0%, respectively.

*Note:* The above information and data are cited from the China Association of the National Shipbuilding Industry and the CSSC Economic Research Centre.

## **(II) Operations of the Group**

In 2025, the Company focused on its primary responsibilities and principal businesses, proactively addressed various complex changes and uncertainties, adhered to innovation-led development, and strengthened lean empowerment, thereby successfully accomplishing its annual tasks and the closing targets of the “14th Five-Year Plan”. Its value creation capability was continuously enhanced, and high-quality development was steadily advanced. The Company recorded an operating revenue of RMB20.547 billion, representing a year-on-year increase of 5.90%, and a net profit attributable to shareholders of the listed company of RMB1.008 billion, representing a year-on-year increase of 167.26%.

**The Company deepened lean management, achieving steady improvements in operational quality and efficiency.** In 2025, the Company focused on its annual targets and tasks, seized the development opportunities presented by an ample order book, and further advanced lean production and the enhancement of whole-process management. By optimising production processes, improving construction technologies, strengthening production planning, and promoting the synergy between cost engineering and resource allocation, the Company significantly shortened the critical construction cycles for its main ship types. This led to a simultaneous enhancement in shipbuilding efficiency, quality, and cost control, enabling the Company to accomplish its annual delivery targets ahead of schedule and achieve successive deliveries of key products. For the full year, a total of 39 vessels aggregating 1.1153 million DWT were delivered, encompassing key products such as defence equipment, feeder containerships, and scientific research vessels. The Company made remarkable progress in the construction of green vessels and smart vessels, successfully delivering the first batch of the 1250TEU methanol dual-fuel container ship series, the China’s first intelligent ocean-class research vessel “Tongji”, and the world’s first series of self-propelled enclosed salmon farming vessels; in the emerging industries segment, projects including the first large-scale overseas monopile project and the overseas wind power transition piece project were all delivered on schedule with high quality.

**The Company strengthened scientific and technological innovation and optimised its product portfolio.** For the Year, the total value of new contracts secured amounted to RMB23.46 billion, representing 134% of the annual target. The Company secured orders for a total of 53 newbuild vessels across 10 types, including containerships, special ships, and gas carriers. The Company firmly fulfilled its primary responsibility of strengthening the armed forces, continued to deeply engage in the defence industry, enhanced its supply capability for new-quality and new-domain equipment, and proactively undertook equipment construction missions. In terms of civilian products, the Company accurately seized the structural opportunities in the global shipbuilding market. Driven by brand and technology, the Company focused on expanding the spectrum of its main ship types and promoted the continuous optimisation of its product mix. It maintained its leading position in the global feeder container ship market and successfully expanded into the market for 9200TEU large container ships, yielding remarkable results in product competitiveness and spectrum development. Concurrently, the Company vigorously advanced the development of its independently developed products. The “Honghu” series of container ships secured multiple batches of volume orders, and the order for the 5300TEU medium-sized container ship was successfully landed, marking the official expansion of its independently developed products from the feeder ship segment to the medium-sized container ship segment, thereby achieving a key breakthrough in its product line.

As at the end of the Reporting Period, the Group held orders with the total contract value of approximately RMB60.6 billion, of which the total contract value of shipbuilding orders was approximately RMB59.1 billion, including 137 ship products and 2 offshore engineering equipment with a total of 4,527,400 DWT.

## **BUSINESS REVIEW**

During the Reporting Period, the Group completed and delivered 39 ships, a total of 1,115,300 DWT, and realised operating income of RMB20.547 billion, representing a year-on-year increase of 5.90%. Net profit attributable to the shareholders of the Company was RMB1,008 million, representing a year-on-year increase of RMB631 million or an increase of 167.26%. Net profit attributable to shareholders of the Company after deduction of non-recurring gains and losses was RMB917 million. At the end of the Reporting Period, the Group’s total assets amounted to RMB56.022 billion, representing a year-on-year increase of 4.53%; total liabilities amounted to RMB34.331 billion, representing a year-on-year increase of 5.88%; and total owners’ equity amounted to RMB21.691 billion, representing a year-on-year increase of 2.46%, of which, owner’s equity attributable to shareholders of the parent company amounted to RMB18.235 billion, representing a year-on-year increase of 2.30%.

## FINANCIAL REVIEW

As at 31 December 2025, the operating income of the Group prepared under the China Accounting Standards for Business Enterprises amounted to RMB20.547 billion, representing a year-on-year increase of 5.90%. The audited net profit attributable to the shareholders of the Company for the year amounted to RMB1,008 million, earnings per share was RMB0.7133 and earnings per share after deduction of non-recurring gains and losses was RMB0.6485.

Key financial indicators	2025	2024	Change compared to same period last year (%)	2023
Basic earnings per share (RMB/share)	<b>0.7133</b>	0.2669	167.25	0.0340
Diluted earnings per share (RMB/share)	<b>0.7133</b>	0.2669	167.25	0.0340
Basic earnings per share after deduction of non-recurring gains and losses (RMB/share)	<b>0.6485</b>	0.2374	173.17	-0.0012
Weighted average return on equity (%)	<b>5.76</b>	2.20	Increase of 3.56 percentage points	0.30
Weighted average return on equity after deduction of non-recurring gains and losses (%)	<b>5.23</b>	1.96	Increase of 3.27 percentage points	-0.01

**TABLE OF ANALYSIS OF CHANGES IN RELEVANT ITEMS IN INCOME STATEMENT AND CASH FLOW STATEMENT**

*Unit: Yuan Currency: RMB*

<b>Item</b>	<b>Current year</b>	<b>Last year</b>	<b>Percentage of change (%)</b>
Operating income	20,547,052,116.16	19,402,390,859.63	5.90
Operating cost	18,479,056,455.35	17,897,013,361.84	3.25
Selling expenses	84,060,693.30	48,543,062.10	73.17
Administrative expenses	782,675,938.57	663,201,198.86	18.01
Finance cost	-197,638,340.79	-280,853,098.26	Not applicable
Research and development expenses	903,313,371.82	888,463,342.28	1.67
Net cash flows from operating activities	-322,225,535.26	-2,195,628,947.67	Not applicable
Net cash flows from investing activities	2,491,061,927.58	-427,996,707.41	Not applicable
Net cash flows from financing activities	-777,658,666.12	807,697,796.22	-196.28
Taxes and surcharges	73,492,607.20	34,932,883.22	110.38
Investment income	835,427,272.43	283,506,266.21	194.68
Gain from change in fair value	43,920,735.75	-98,734,638.44	Not applicable
Loss on impairment of credit (loss expressed with “-”)	-32,090,840.09	-13,046,115.60	Not applicable
Loss on impairment of assets (loss expressed with “-”)	-263,431,609.73	-50,949,140.70	Not applicable
Gain on disposal of assets	-224,545.57	-29,166,698.27	Not applicable
Non-operating income	12,146,765.15	4,511,567.04	169.24
Non-operating expenses	5,284,736.34	1,660,001.62	218.36
Income tax expenses	44,964,415.27	-77,492,908.07	Not applicable

Reason for change in operating income: mainly due to the concentrated focus on its annual targets and tasks, seizing the opportunity presented by abundant orders on hand, continuously deepening lean management, leveraging the advantages of bulk building of its main ship types, strengthening production process control, and achieving sustained improvements in production efficiency during the Reporting Period.

Reason for change in operating cost: mainly due to the year-on-year increase in operating income, which drove a corresponding rise in operating cost during the Reporting Period.

Reason for change in selling expenses: mainly due to the year-on-year increase in insurance premiums during the Reporting Period.

Reason for change in administrative expenses: /

Reason for change in finance cost: mainly due to the combined effect of net foreign exchange losses arising from exchange rate fluctuations during the Reporting Period, whereas a foreign exchange gain was recorded in the corresponding period of the last year.

Reason for change in research and development expense: /

Reason for change in net cash flow from operating activities: mainly attributable to the year-on-year increase in receivables from ship product construction milestones during the Reporting Period.

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

Reason for change in net cash flow from financing activities: mainly due to the effect of the year-on-year decrease of the net borrowings during the Reporting Period in accordance with the needs of production and operations and a year-on-year increase in dividends distributed.

Reasons for change in taxes and surcharges: mainly due to the year-on-year increase in property and land taxes; the year-on-year increase in stamp duty driven by growth in the value of newly signed contracts; and an increase in VAT payments, as well as the corresponding year-on-year increase in urban construction tax and education surcharge during the Reporting Period.

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

Reason for change in gain from change in fair value: mainly due to the 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 year-on-year increase in provision for bad debts of accounts receivable made based on expected credit losses during the Reporting Period.

Reason for change in asset impairment loss: mainly due to the year-on-year increase in provision for impairment of fixed assets and provision for inventory write-downs during the Reporting Period.

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

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

Reason for change in non-operating expenses: mainly due to the year-on-year increase in overdue payment penalties during the Reporting Period.

Reason for change in income tax expense: mainly due to the impact of the year-on-year change in the deferred income tax expense where certain subsidiaries generated profits during the Reporting Period, resulting in the reversal of deferred income tax assets recognized in prior years due to carryforward losses. In contrast, during the same period last year, deferred income tax assets were recognized in proportion to the increase in estimated liabilities.

## ANALYTICAL STATEMENT OF ASSETS AND LIABILITIES

Unit: Yuan Currency: RMB

Name of item	Amount at the end of current period	Proportion of total assets at the end of current period (%)	Amount at the end of last period	Proportion of total assets at the end of last period (%)	Change of amount at the end of current period compared with that of the end of last period (%)	Description
Cash in bank and on hand	13,855,425,043.73	24.73	15,260,594,444.32	28.47	-9.21	
Financial assets held-for-trading	15,904,587.81	0.03	1,171,434.07	-	1,257.70	Change in fair value of certain financial derivatives held at the end of the Reporting Period.
Notes receivable	17,541,153.59	0.03	56,102,457.89	0.10	-68.73	Due collection of certain notes during the Reporting Period.
Accounts receivable	1,342,703,815.71	2.40	1,326,920,478.98	2.48	1.19	
Receivable financing	74,059,204.31	0.13	236,548,075.95	0.44	-68.69	Due collection of certain supply chain platform notes during the Reporting Period.
Inventories	8,528,125,730.47	15.22	5,905,684,446.80	11.02	44.41	The increase in work-in-progress for which performance obligations are discharged at a particular point in time but revenue recognition criteria have not yet been met during the Reporting Period.
Contract assets	2,618,828,424.43	4.67	2,388,466,443.95	4.46	9.64	
Other current assets	727,661,002.13	1.30	423,717,919.05	0.79	71.73	Increase in input value-added tax at the end of the Reporting Period.
Long-term receivables	358,289,181.81	0.64	715,985,528.68	1.34	-49.96	Normal collection of long-term receivables upon maturity during the Reporting Period.

Name of item	Amount at the end of current period	Proportion of total assets at the end of current period (%)	Amount at the end of last period	Proportion of total assets at the end of last period (%)	Change of amount at the end of current period compared with that of the end of last period (%)	Description
Long-term equity investments	6,188,015,607.50	11.05	5,403,984,842.40	10.08	14.51	
Investment properties	116,574,356.46	0.21	123,111,781.50	0.23	-5.31	
Fixed assets	4,553,386,574.97	8.13	4,830,830,141.14	9.01	-5.74	
Construction in progress	310,601,023.91	0.55	164,266,268.87	0.31	89.08	The increase in fixed asset investments that did not meet the criteria for transfer to fixed assets at the end of the Reporting Period.
Right-of-use asset	158,374,401.95	0.28	223,699,680.67	0.42	-29.20	
Long-term deferred expenses	275,787,306.01	0.49	79,792,669.10	0.15	245.63	The increase in improvements and upgrades to fixed assets and production facilities during the Reporting Period.
Short-term borrowings	2,557,989,477.75	4.57	598,343,912.50	1.12	327.51	The increase in policy loans at the end of the Reporting Period.
Financial liabilities held-for-trading	-	-	94,183,471.96	0.18	-100.00	Change in fair value of certain financial derivatives held at the end of the Reporting Period.
Notes payable	711,762,388.12	1.27	1,874,172,036.86	3.50	-62.02	The increase in notes payable due at the end of the Reporting Period.
Contract liabilities	15,264,016,233.63	27.25	13,291,127,772.51	24.80	14.84	
Employee benefits payable	242,991.84	-	1,367,643.45	-	-82.23	The decrease in the balance of accrued labour union funds at the end of the Reporting Period.
Taxes payable	58,467,947.36	0.10	40,654,851.89	0.08	43.82	The increase in value-added tax and individual income tax payable at the end of the Reporting Period.

Name of item	Amount at the end of current period	Proportion of total assets at the end of current period (%)	Amount at the end of last period	Proportion of total assets at the end of last period (%)	Change of amount at the end of current period compared with that of the end of last period (%)	Description
Other current liabilities	1,708,605,517.29	3.05	220,041,281.42	0.41	676.49	The increase in notes endorsed but not expired or derecognised at the end of the Reporting Period.
Long-term borrowings	2,218,200,000.00	3.96	4,048,900,000.00	7.55	-45.21	Increase in long-term borrowings due within one year at the end of the Reporting Period.
Lease liabilities	103,010,005.14	0.18	152,585,672.14	0.28	-32.49	Increase in lease liabilities due within one year and the early termination of certain lease contracts at the end of the Reporting Period.
Estimated liabilities	137,257,797.91	0.25	264,667,686.67	0.49	-48.14	Increase in warranty expenses due within one year at the end of the Reporting Period.

## INFORMATION ON PRINCIPAL BUSINESS BY INDUSTRY, PRODUCT AND REGION

*Unit: Yuan    Currency: RMB*

Principal business by industry						
By Industry	Operating income	Operating cost	Gross profit margin (%)	Increase/decrease in operating income over last year (%)	Increase/decrease in operating cost over last year (%)	Increase/decrease in gross profit margin over last year (%)
Shipbuilding industry	20,286,937,597.90	18,265,749,587.83	9.96	5.84	3.16	Increase of 2.34 percentage points
Principal business by product						
By product	Operating income	Operating cost	Gross profit margin (%)	Increase/decrease in operating income over last year (%)	Increase/decrease in operating cost over last year (%)	Increase/decrease in gross profit margin over last year (%)
(I) Shipbuilding products	18,472,252,867.63	16,574,802,656.96	10.27	10.44	0.09	Increase of 0.95 percentage point
1. Bulk carriers	530,135,613.23	466,538,020.52	12.00	-73.89	-0.74	Decrease of 0.21 percentage point
2. Container ships	5,585,815,429.93	4,092,943,605.50	26.73	7.63	0.04	Increase of 2.77 percentage points
3. Special ships and others	12,356,301,824.47	12,015,321,030.94	2.76	29.98	0.27	Increase of 2.04 percentage points
(II) Offshore engineering products	12,621,467.44	54,616,076.95	-332.72	-98.19	-0.94	Decrease of 311.72 percentage points
(III) Steel structure engineering	1,037,572,925.13	841,442,507.54	18.90	25.55	0.15	Increase of 7.76 percentage points
(IV) Maintenance and modification on ships	554,280,968.84	625,620,303.59	-12.87	-26.93	-0.26	Decrease of 1.17 percentage points
(V) Electro-mechanical products and others	210,209,368.86	169,268,042.79	19.48	33.53	0.49	Decrease of 8.52 percentage points

Principal business by region						
By region	Operating income	Operating cost	Gross profit margin (%)	Increase/decrease in operating income over last year (%)	Increase/decrease in operating cost over last year (%)	Increase/decrease in gross profit margin over last year (%)
China (including Hong Kong, Macau and Taiwan)	11,562,399,117.92	10,861,182,410.24	6.06	-11.46	-11.15	Decrease of 0.33 percentage point
Other regions in Asia	4,434,281,947.51	3,721,361,749.80	16.08	9.25	3.08	Increase of 5.02 percentage points
Europe	2,935,837,999.84	2,487,808,474.85	15.26	67,875.17	60,459.30	Increase of 10.38 percentage points
Oceania	42,877,907.66	26,351,353.64	38.54	-97.74	-98.48	Increase of 29.93 percentage points
North America	33,128,076.23	29,738,201.48	10.23	-23.57	-24.71	Increase of 1.36 percentage points
Africa	1,278,412,548.74	1,139,307,397.82	10.88	1,107.51	1,077.76	Increase of 2.25 percentage points
Principal business by sales model						
Sales model	Operating income	Operating cost	Gross profit margin (%)	Increase/decrease in operating income over last year (%)	Increase/decrease in operating cost over last year (%)	Increase/decrease in gross profit margin over last year (%)
Direct sales	20,286,937,597.90	18,265,749,587.83	9.96	5.84	3.16	Increase of 2.34 percentage points

*Note:*

1. The above sheet of “Principal business by region” is categorised based on the final region where the products are to be sold.

## **DESCRIPTION OF PRINCIPAL BUSINESS BY INDUSTRY, BY PRODUCT, BY REGION AND BY SALES MODEL**

During the Reporting Period, the Group's total income from its principal business amounted to RMB20.287 billion, representing a year-on-year increase of 5.84%, mainly due to the concentrated focus on its annual targets and tasks, seizing the opportunity presented by abundant orders on hand, continuously deepening lean management, leveraging the advantages of bulk building of its main ship types, strengthening production process control, and achieving sustained improvements in production efficiency during the Reporting Period. The gross profit of its principal business amounted to RMB2.021 billion, representing a year-on-year increase of RMB560 million, with gross profit margin at 9.96%, increasing 2.34 percentage points year-on-year, primarily contributed by the gross profit from the shipbuilding and steel structure engineering segments.

In terms of product mix, the proportion of income from each segment showed year-on-year fluctuations during the Reporting Period, with a year-on-year increase in the proportion of income from shipbuilding, while proportion of income from offshore engineering products, ship repair and refit segments showed year-on-year decrease, and the proportion of income from other segments remaining largely flat compared with the last year. Among them, the proportion of income from shipbuilding products segments accounted for 91.06%, representing a year-on-year increase of 3.79 percentage points; the proportion of income from offshore engineering products accounted for 0.06%, representing a year-on-year decrease of 3.58 percentage points; the proportion of income from maintenance and modification on ships business accounted for 2.73%, representing a year-on-year decrease of 1.23 percentage points; the proportion of income from steel structure engineering business accounted for 5.11%, and the proportion of income from electro-mechanical products and other business accounted for 1.04%. During the Reporting Period, the income and gross profit of each business segment are as follows:

### **(1) Shipbuilding business**

Income from the shipbuilding was RMB18.472 billion, representing a year-on-year increase of 10.44%, and the gross profit margin was 10.27%, representing a year-on-year increase of 0.95 percentage point. The increase in income and gross profit was mainly attributable to the sustained improvement in production efficiency driven by the advantages of abundant orders on hand and bulk building of its main ship types, as well as the effectiveness of cost control efforts under the deepening cost engineering initiative during the reporting period.

### **(2) Offshore engineering business**

Income from the offshore engineering business was RMB13 million, representing a year-on-year decrease of 98.19%, and the gross profit margin was -332.72%, representing a year-on-year decrease of 311.72 percentage points. No new offshore engineering products construction were commenced during the Reporting Period, and only incidental close-out and technical support work was carried out for offshore engineering products initiated in prior years. The construction technology and key performance requirements of such products are demanding, and the Group invested significant resources, resulting in a relatively high level of costs incurred.

### **(3) Steel structure engineering business**

Income from steel structure engineering business was RMB1,038 million, representing a year-on-year increase of 25.55%, and the gross profit margin was 18.90%, representing a year-on-year increase of 7.76 percentage points. The increase in income and gross profit was primarily due to the delivery of steel structure orders from overseas during the Reporting Period, with the delivered products carrying a relatively high gross margin, and the favourable US dollar settlement exchange rate.

### **(4) Maintenance and modification on ships business**

Income from the maintenance and modification on ships business was RMB554 million, representing a year-on-year decrease of 26.93%, and the gross profit margin was -12.87%, representing a year on-year decrease of 1.17 percentage points. The decrease in income and gross profit was primarily due to the fact that certain domestic ship maintenance projects had not yet been settled during the Reporting Period, and the final settlement prices for certain projects that were settled were lowered, resulting in gross losses for the relevant business.

### **(5) Electro-mechanical products and other business**

Income from electro-mechanical products and other business was RMB210 million, representing a year-on-year increase of 33.53%, and the gross profit margin was 19.48%, representing a year on-year decrease of 8.52 percentage points. This business segment is relatively small in scale, with project types and sizes varying from year to year. The increase in income was primarily due to the delivery of pressure vessels and other projects during the Reporting Period. The decrease in gross profit margin was mainly attributable to the impact of variations in gross profit margins across different product lines.

By geographic region, during the Reporting Period, operating income from products sold to the PRC market (including Hong Kong, Macau and Taiwan) decreased by RMB1.497 billion year-on-year, representing a year-on-year decrease of 11.46%, and operating income from products sold to foreign markets increased by RMB2.617 billion year-on-year, representing a year-on-year increase of 42.86%, mainly due to the differences in the geographical locations of customers for the orders on hand during the Reporting Period. The gross profit margin of products sold to the PRC (including Hong Kong, Macau and Taiwan) was 6.06%, with the gross profit level basically flat as compared with that of the previous year. The gross profit margin of products sold to foreign markets was 15.13%, representing a year-on-year increase of 4.89 percentage points, mainly because the majority of exported vessel products delivered during the Reporting Period were primarily series ships, which facilitated cost control and resulted in a favourable gross profit situation.

## ANALYTICAL STATEMENT OF COST

Unit: RMB in ten thousand

By industry	Cost composition	Amount of current period	Proportion of total cost this period (%)	Amount for the corresponding period of last year	Proportion of total cost during the corresponding period of last year (%)	Change of amount of current period compared with that of last year (%)	Description
Shipbuilding Industry	Direct materials	1,373,364.22	75.19	1,237,747.00	69.90	10.96	
	Processing costs	455,979.55	24.96	530,740.69	29.98	-14.09	
	Impairment loss	-2,768.81	-0.15	2,117.96	0.12	-230.73	
	Total	1,826,574.96	100.00	1,770,605.65	100.00	3.16	
<b>By product</b>							
By product	Cost composition	Amount of current period	Proportion of total cost this period (%)	Amount for the corresponding period of last year	Proportion of total cost during the corresponding period of last year (%)	Change of amount of current period compared with that of last year (%)	Description
Shipbuilding products	Direct materials	1,282,404.27	77.37	1,110,486.07	73.21	15.48	
	Processing costs	377,844.80	22.80	403,666.81	26.62	-6.40	
	Impairment loss	-2,768.81	-0.17	2,509.65	0.17	-210.33	1)
	Sub-total	1,657,480.27	100.00	1,516,662.53	100.00	9.28	
Offshore engineering products	Direct materials	1,546.61	28.32	60,100.95	71.17	-97.43	2)
	Processing costs	3,915.00	71.68	24,729.27	29.29	-84.17	2)
	Impairment loss	-	-	-391.69	-0.46	Not applicable	
	Sub-total	5,461.61	100.00	84,438.53	100.00	-93.53	
Steel structure engineering	Direct materials	59,602.63	70.83	42,473.17	57.84	40.33	3)
	Processing costs	24,541.62	29.17	30,957.89	42.16	-20.73	
	Impairment loss	-	-	-	-	Not applicable	
	Sub-total	84,144.25	100.00	73,431.06	100.00	14.59	
Maintenance and modification on ships	Direct materials	20,535.27	32.82	19,046.04	22.48	7.82	
	Processing costs	42,026.76	67.18	65,692.58	77.52	-36.03	4)
	Impairment loss	-	-	-	-	Not applicable	
	Sub-total	62,562.03	100.00	84,738.62	100.00	-26.17	
Electro-mechanical products and others	Direct materials	9,275.43	54.80	5,640.77	49.76	64.44	5)
	Processing costs	7,651.37	45.20	5,694.14	50.24	34.37	5)
	Impairment loss	-	-	-	-	Not applicable	
	Sub-total	16,926.80	100.00	11,334.91	100.00	49.33	

Note:

- The above table analyses and fills out the cost components according to the Group's principal business by product, and the analysis is focused on the cost of principal business only.

## OTHER EXPLANATIONS OF COST ANALYSIS

- (1) During the Reporting Period, impairment losses in shipbuilding products business segment amounted to RMB-28 million, compared with RMB25 million in the corresponding period of the previous year, mainly due to the impact of reversal of impairment provision for products completed for sale during the Reporting Period.
- (2) During the Reporting Period, the direct material and processing costs of the offshore engineering products business segment decreased by 97.43% and 84.17% year-on-year respectively, which was mainly attributable to the fact that there was no new offshore engineering products construction business during the Reporting Period, leading to a significant decrease in overall investment compared to the previous year.
- (3) During the Reporting Period, direct materials of the steel structure engineering business segment increased by 40.33% year-on-year, which was mainly due to the relatively high proportion of materials used in overseas steel structure projects delivered during the Reporting Period.
- (4) During the Reporting Period, the processing costs for the maintenance and modification on ships business segment decreased by 36.03% year-on-year, mainly due to the difference in project structure as the proportion of processing fees for overseas ship maintenance settled during the Reporting Period was relatively low.
- (5) During the Reporting Period, direct materials and the processing costs for the electromechanical products and other business segments increased by 64.44% and 34.37% year-on-year respectively, which was mainly due to the year-on-year increase in revenue during this Reporting Period, which led to a corresponding increase in cost investments.

## INFORMATION OF R&D EXPENSES

*Unit: RMB*

R&D expenses recorded as expenses during the current period	903,313,371.82
Capitalised R&D expenses for the current period	–
Total R&D expenses	903,313,371.82
Percentage of total R&D expenses over operating income (%)	4.40
Percentage of capitalised R&D expenses (%)	–

## INFORMATION OF R&D STAFF

Number of R&D staff of the Company	1,355
Number of R&D staff over total number of staff of the Company (%)	28.72%
<b>Education background of R&amp;D staff</b>	
<b>Education background</b>	<b>Number of R&amp;D staff</b>
PhD candidate	2
Postgraduate	88
Undergraduate	1,165
Specialties	93
High school and below	7
<b>Age structure of R&amp;D staff</b>	
<b>Age category</b>	<b>Number of R&amp;D staff</b>
Under 30 years old (excluding 30)	277
30-40 years old (including 30, excluding 40)	526
40-50 years old (including 40, excluding 50)	433
50-60 years old (including 50, excluding 60)	116
60 years old and above	3

**Explanation:**

In 2025, the Group adhered to the innovation-driven development, continued to improve and optimise the mechanism of scientific and technological innovation, and actively promoted the construction of innovation capability, resulting in a continuous improvement in its technological level. Firstly, the Group completed the design and upgrading of several types of independently developed products. Throughout the year, the Group carried out design and development tasks for a range of independently developed and upgraded products, forming a series of proprietary ship design solutions covering container ships, gas carriers, bulk carriers and other sectors, thereby significantly enhancing the design product pipeline and market responsiveness. Secondly, the Group enhanced research into smart manufacturing and advanced processes, focusing on the research and application of advanced technologies such as digital machining of internal components, small-part polishing, robotic welding for assembly, centralised control systems for sheet metal cutting, and digital handover systems for pallets, with a view to significantly improving production and construction efficiency. Thirdly, the Group strengthened scientific research management. The Company completed 375 patent applications, including 370 invention patents, and obtained 216 patent grants for the year, which has continuously strengthened its technological reserves.

**EXTERNAL EQUITY INVESTMENT**

As at the end of the Reporting Period, the balance of the Group's long-term equity investments was RMB6,188.0156 million, representing an increase of 14.51% from RMB5,403.9848 million as at the beginning of the Year, mainly due to the impact of the increase in net income of associates during the Reporting Period.

## SIGNIFICANT MATTERS

### 1. Leasing

Lessor name	Lessee name	Leased assets	Amount of leased 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 related transaction or not	Related relationship
China Shipbuilding Group Guangzhou Ship Industrial Co., Ltd. (中國船舶集團廣州船舶工業有限公司)	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	A fellow subsidiary within the group controlled by the Company's controlling shareholder
Guangzhou Wenchong Industrial Co., Ltd. (廣州中船文沖實業有限公司)	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	A fellow subsidiary within the group controlled by the Company's controlling shareholder
Guangdong Guangxin Shipbuilding Trading Company Limited (廣東廣新船舶貿易有限公司)	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 CSSC Huangpu Wenchong Shipbuilding Company Limited (“**Huangpu Wenchong**”, a subsidiary of the Company) entered into a lease agreement in relation to land use rights, pursuant to which Guangzhou Ship Industrial Company Limited shall lease its land use rights of the Changzhou Plant to Huangpu Wenchong for operational purpose. The rent for the land use rights shall be determined based on the principle of asset depreciation, amortisation, and taxes and fees. 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 is from 1 May 2014, until Huangpu Wenchong has completed its relocation and officially commenced production at its new plant.

Guangzhou Wenchong Industrial Co., Ltd. and Guangzhou Wenchong Shipyard Co., Ltd (“**Wenchong Shipyard**”, a subsidiary of the Company) entered into a lease agreement in relation to land use rights, pursuant to which Guangzhou Wenchong Industrial Co., Ltd. shall lease its land use rights in relation to part of the land at the Wenchong Plant to Wenchong Shipyard for operational purpose. The rent for the land use rights shall be determined based on the principle of asset depreciation, amortisation, and taxes and fees. 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 is from 1 November 2018, until Wenchong Shipyard has completed its relocation and officially commenced production at its new plant.

Guangdong Guangxin Shipbuilding Trading Company Limited entered into a lease contract in relation to plant and site with Guangzhou Wenchuan Heavy Industrial Co. Ltd. (“**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 shall end on 30 April 2026.

## 2. Guarantees

*Unit: RMB in ten thousand Currency: RMB*

<b>Total amount of guarantees provided by the Company (including those provided for its subsidiaries)</b>	
Total amount of guarantees provided for its subsidiaries during the Reporting Period	124,323.80
Total balance of guarantees provided for its subsidiaries at the end of the Reporting Period	276,745.25
Total amount of guarantees	276,745.25
Total amount of guarantees as a percentage of the Company’s net assets (%)	12.76
Amount of debt guarantees provided directly or indirectly for entities with gearing ratio over 70%	276,745.25
Note on guarantees	During the Reporting Period, the Group provided external guarantee with an accumulated amount of RMB1.243 billion, with the content and amount of the Group’s 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 total balance of RMB2.767 billion, most 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.

### **3. Provision for impairment**

According to the test results, the total amount of asset impairment provisions by the Company and its subsidiaries in the fourth quarter of 2025 was RMB74.6287 million. Among them, regarding inventory materials resulting from changes in prior-period projects and surplus materials from completed R&D projects, the Company, adhering to the principle of prudence, reassessed their net realizable value. As a result of this assessment, a provision for inventory write-downs of RMB72.8330 million was recorded; based on expected credit losses, the Company accumulated a credit impairment provision of RMB1.7957 million using the aging analysis method and the individual assessment method.

The amount of the provision for asset impairment was fully included in the Company's operating results for 2025, reducing the total profit of the Company for 2025 by RMB74.6287 million.

### **CAPITAL LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE**

As at 31 December 2025, the Group had long-term borrowings of RMB2.218 billion, and cash and cash equivalents determined in accordance with the China Accounting Standards for Business Enterprises amounted to RMB9.254 billion.

### **CHARGES ON GROUP ASSETS**

As at 31 December 2025, the Group had no fixed assets pledged for bank financing.

### **CONTINGENT LIABILITIES**

As at 31 December 2025, the Group had no significant contingent liabilities.

### **GEARING RATIO**

As at 31 December 2025, the Company's gearing ratio was 61.28%.

The calculation formula of the gearing ratio: total liabilities ÷ total assets × 100%

### **EMPLOYEES, REMUNERATION AND TRAINING**

The remuneration of employees of the Company and its subsidiaries comprises salaries, incentives, and other statutory welfare plans stipulated by the state. The Company adopts a position and performance-based remuneration system based on employees' positions and performance pursuant to the relevant laws and regulations of the PRC. The Company pays attention to aligning wages with performance, encourages staff reduction while improving efficiency, implements a policy of streamlining workforce without compromising performance, thereby promoting joint creation and sharing of value. In order to allocate resources in a science-based and targeted manner, the Company intends to favour core personnel and key front-line positions. There was no change during the Reporting Period.

## CHANGES IN SHARE CAPITAL

	Before the change		Increase or decrease (+, -)					After the change	
	Number	Percentage (%)	New shares issued	Bonus	Capitalisation of reserves	Others	Sub-total	Number	Percentage (%)
I. Listed tradable shares	1,413,506,378	100	0	-	-	-	0	1,413,506,378	100
1. Ordinary shares denominated in Renminbi	821,435,181	58.11	0	-	-	-	0	821,435,181	58.11
2. Domestic listed foreign shares	-	-	-	-	-	-	-	-	-
3. Overseas listed foreign shares	592,071,197	41.89	0	-	-	-	-	592,071,197	41.89
4. Others	-	-	-	-	-	-	-	-	-
II. Total number of ordinary shares	1,413,506,378	100	0	-	-	-	0	1,413,506,378	100

Categories of share capital structure	Number	Percentage (%)
1. PRC listed domestic shares	821,435,181	58.11
(1) State-owned shares	481,337,700	34.05
(2) Ordinary shares denominated in Renminbi	340,097,481	24.06
2. Overseas listed foreign shares	592,071,197	41.89
Total number of shares	1,413,506,378	100

- (1) During the Reporting Period, the Company did not arrange for bonus issue, rights issue or capitalisation of reserves. As at the end of the Reporting Period, the Company had no internal staff shares.
- (2) There were no changes to the total number of ordinary shares and share structure of the Company during the Reporting Period.

## PURCHASE, SALE AND REDEMPTION OF THE COMPANY'S SECURITIES

Neither the Company nor its subsidiaries has made any repurchase, sale or redemption of the Company's securities during the Reporting Period. As at 31 December 2025, there were no treasury shares held by the Company.

## CORPORATE GOVERNANCE

The Company always strictly conforms to the Company Law of the People's Republic of China (the "**Company Law**") and the Securities Law of the People's Republic of China, the relevant laws and regulations issued by the China Securities Regulatory Commission (the "**CSRC**") and the requirements of the listing rules of the Shanghai Stock Exchange and the Hong Kong Stock Exchange by continuously improving its corporate governance structure and standardising its operations. During the Reporting Period, the Company's governance had no material inconsistencies from the Company Law and relevant regulations issued by the CSRC. The Company has adopted all applicable principles and code provisions of the Corporate Governance Code and Corporate Governance Report (the "**CG Code**") set out in Appendix C1 to the Hong Kong Listing Rules.

On 22 May 2024, Mr. Xiang Huiming, the then chairman of the Company, resigned from his positions as chairman and Director of the eleventh session of the Board and the chairman of the strategy committee of the Board, due to retirement. 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 eleventh session of the Board of the Company and would assume the duties of the chairman of the strategy committee of the eleventh session of the Board, with a term up to the formal commencement of the following session of the Board. Therefore, from the beginning of the Reporting Period to 21 August 2025, the Company could not completely comply with the requirements of principles C.2 and F2.2 of the CG Code and the code provisions applicable to the chairman.

In accordance with code provision C.1.6 of the CG Code, in general, independent non-executive directors and other non-executive directors shall attend the general meeting to obtain a comprehensive and impartial understanding of the views of the Company's Shareholders. Mr. Yin Lu, being a non-executive Director of the Company, was unable to attend the 2025 first extraordinary general meeting of the Company held on 3 March 2025 for work reasons; 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; Mr. Gu Yuan, being a non-executive Director, and Mr. Nie Wei, being an independent non-executive Director, were unable to attend the 2025 second extraordinary general meeting of the Company held on 11 July 2025 for work reasons; Mr. Gu Yuan, being a non-executive Director, was unable to attend the 2025 third extraordinary general meeting of the Company held on 21 August 2025 for work reasons; and Mr. Gu Yuan and Mr. Yin Lu, being non-executive Directors, were unable to attend the 2025 fourth extraordinary general meeting of the Company held on 30 December 2025 for work reasons.

During the Reporting Period, the Company has been in compliance with Rule 3.10(1) of the Listing Rules of the Stock Exchange which prescribes that there shall be at least three independent non-executive Directors, and Rule 3.10A of the Hong Kong Listing Rules which prescribes that at least one-third of the Board shall comprise independent non-executive Directors. The Company confirms that all independent non-executive Directors comply with the independence requirement set out in Rule 3.13 of the Listing Rules of the Stock Exchange as at the end of the Reporting Period.

The Board comprised nine Directors, including one executive Director, four non-executive Directors and four independent non-executive Directors at the end of the Reporting Period. Members of the Board have diverse industry backgrounds and have professional expertise in areas such as corporate governance, finance and accounting, investment strategies, maritime engineering and equipment and legal affairs. Details of the members of the Board will be set out in the section headed “Directors, Senior Management and Employees” in the 2025 annual report.

## **AUDIT COMMITTEE**

The audit committee of the Board of the Company has reviewed and confirmed the annual results of the Group for the year ended 31 December 2025 and the financial accounting report for 2025 of the Company.

## **OUTLOOK**

### **1. Industry landscape and trends**

**The defense industry is navigating a period of 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. The deep integration of artificial intelligence, big data, and new materials technology with the shipbuilding industry is reshaping the form and capabilities of law enforcement equipment.

**The shipbuilding and offshore engineering industry as a whole remained highly prosperous.**

The global shipbuilding industry is currently at a critical development stage characterised by the superposition of the “dual cycles” of ageing vessel renewal and the green and low-carbon transformation of fleets. In terms of demand for vessel renewal, as of the end of December 2025, the size of global shipping capacity with a vessel age of 20 years and above reached 450 million DWT, which was substantially on par with the size of the order book held by global shipyards; the shipping capacity with a vessel age of 15 to 19 years exceeded 550 million DWT, which is expected to be gradually phased out over the next decade, thereby generating ample demand for renewal orders for the industry. In terms of demand for new shipping capacity, affected by the sluggish growth of the global economy, the average annual growth rate of seaborne trade has slowed down to 1% to 2%. Nevertheless, factors such as the adjustment of the international trade landscape and the relatively low operational efficiency of fleets will continue to drive a steady increase in seaborne turnover, providing effective support for new shipping capacity. Meanwhile, affected by factors including the sluggish recovery of the global economy, fluctuations in trade policies, the yet-to-be-clarified technical routes for green and low-carbon development, as well as the wide fluctuations of shipping freight rates and the high-level operation of newbuild prices, the short-term market is facing phased adjustment pressure. In 2026, global shipbuilding capacity will remain in a tight state, and shipyards’ order books will remain saturated. It is expected that the industry as a whole will maintain the development characteristics of “stable volume and high prices”, presenting a landscape where opportunities and challenges co-exist.

**Emerging industries demonstrate a clear trend of incremental growth.** According to the forecast of the Global Wind Energy Council (GWEC), the global offshore wind power industry will continue to grow, and the compound annual growth rate of newly installed global offshore wind power capacity from 2025 to 2030 is projected to reach 20.6%. Driven by three factors, namely the approaching saturation of nearshore resources, policy guidance on deep and far-offshore layouts, and the maturity of larger unit-capacity turbines and floating technologies, the focus of offshore wind power development is shifting towards deep-water and far-shore areas.

*Note:* The above information and data are cited from CSSC Economic Research Centre.

## **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.

## **BUSINESS PLAN FOR 2026**

In 2025, the Group recorded an operating income of RMB20.547 billion, representing a year-on-year increase of 5.90%; and secured orders with contract value of RMB23.455 billion, which was 134.41% of the annual target.

In 2026, the Group plans to realise operating income of RMB21.218 billion and to secure orders with contract value of RMB16.424 billion. The Group will focus on its main ship types, strengthen the development of independently developed ship types and spectrum expansion, consolidate its market share in the medium-sized container ship market, step up efforts in market expansion, persist in leading the market with brand and technology, and enhance its core market competitiveness; improve the production and technical preparation system, deepen the production management and control mechanism, and optimise the construction paths, key cycles and supporting capabilities for main ship types to drive the improvement of production efficiency; deepen the efficacy of digital and intelligent leadership, improve the establishment of a lean management system, further advance cost management and control, and enhance its value creation capability. Through the above measures, the Group will ensure the accomplishment of the 2026 business plan.

The aforementioned business plan does not constitute a performance commitment by the Company to investors. Investors are advised to pay attention to investment risks.

## **EVENTS AFTER THE REPORTING PERIOD**

As at the date of this announcement, the Group has no significant events after the Reporting Period which need to be disclosed.

## **PUBLICATION OF FINAL RESULTS AND ANNUAL REPORT**

This final results announcement has been published on the website of the Hong Kong Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company's website ([comec.cssc.net.cn](http://comec.cssc.net.cn)). The Company's annual report for the year ended 31 December 2025 containing all the information required by the Hong Kong Listing Rules will be dispatched to the Shareholders and will be published on the websites above in due course.

## **PUBLICATION OF SOCIAL RESPONSIBILITY REPORT**

The environmental, social and governance report of the Company for 2025 has been published on the website of the Company ([comec.cssc.net.cn](http://comec.cssc.net.cn)) on 27 March 2026 and versions in traditional Chinese and English will be published on the website of the Hong Kong Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) in due course.

## **ACKNOWLEDGEMENT**

The Board would like to extend its gratitude to customers for their trust in the Company, to all Shareholders for their support for the Company, and to employees for their efforts and contributions to the Company's development.

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

Guangzhou, 27 March 2026

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

**CONSOLIDATED BALANCE SHEET**

31 December 2025

*(All amounts in RMB Yuan unless otherwise stated)*

<b>Assets</b>	<b>31 December 2025</b>	31 December 2024
<b>Current assets:</b>		
Cash at bank and on hand	<b>13,855,425,043.73</b>	15,260,594,444.32
Settlement reserve		
Placements with banks and non-bank financial institutions		
Financial assets held-for-trading	<b>15,904,587.81</b>	1,171,434.07
Derivative financial assets		
Notes receivable	<b>17,541,153.59</b>	56,102,457.89
Accounts receivable	<b>1,342,703,815.71</b>	1,326,920,478.98
Receivable financing	<b>74,059,204.31</b>	236,548,075.95
Prepayments	<b>6,767,980,733.81</b>	5,547,687,998.67
Insurance premium receivable		
Reinsurance premium receivable		
Reserves for reinsurance contract receivable		
Other receivables	<b>58,867,109.69</b>	63,115,009.10
Financial assets purchased under agreements to resell		
Inventories	<b>8,528,125,730.47</b>	5,905,684,446.80
Including: data resources		
Contract assets	<b>2,618,828,424.43</b>	2,388,466,443.95
Assets held for sale		
Non-current assets due within one year	<b>808,775,394.83</b>	930,941,201.25
Other current assets	<b>727,661,002.13</b>	423,717,919.05
<b>Total current assets</b>	<b>34,815,872,200.51</b>	32,140,949,910.03

<b>Assets</b>	<b>31 December 2025</b>	31 December 2024
<b>Non-current assets:</b>		
Loans and advances granted		
Debt investments		
Other debt investments		
Long-term receivables	<b>358,289,181.81</b>	715,985,528.68
Long-term equity investments	<b>6,188,015,607.50</b>	5,403,984,842.40
Investments in other equity instruments	<b>7,245,893,772.98</b>	7,859,909,518.36
Other non-current financial assets		
Investment properties	<b>116,574,356.46</b>	123,111,781.50
Fixed assets	<b>4,553,386,574.97</b>	4,830,830,141.14
Construction in progress	<b>310,601,023.91</b>	164,266,268.87
Productive biological assets		
Oil and gas assets		
Right-of-use asset	<b>158,374,401.95</b>	223,699,680.67
Intangible assets	<b>908,623,286.42</b>	925,124,040.52
Including: data resources		
Development expenses		
Including: data resources		
Goodwill		
Long-term deferred expenses	<b>275,787,306.01</b>	79,792,669.10
Deferred income tax assets	<b>401,417,657.29</b>	451,592,466.76
Other non-current assets	<b>688,712,336.72</b>	676,866,767.22
<b>Total non-current assets</b>	<b>21,205,675,506.02</b>	21,455,163,705.22
<b>Total assets</b>	<b>56,021,547,706.53</b>	53,596,113,615.25

**CONSOLIDATED BALANCE SHEET (CONTINUED)**

31 December 2025

*(All amounts in RMB Yuan unless otherwise stated)*

<b>Liabilities and owners' equity</b>	<b>31 December 2025</b>	31 December 2024
<b>Current liabilities:</b>		
Short-term borrowings	<b>2,557,989,477.75</b>	598,343,912.50
Loans from central bank		
Placements from banks and other financial institutions		
Financial liabilities held-for-trading		94,183,471.96
Derivative financial liabilities		
Notes payable	<b>711,762,388.12</b>	1,874,172,036.86
Accounts payable	<b>8,791,133,678.45</b>	8,452,829,358.41
Advances from customers		
Contract liabilities	<b>15,264,016,233.63</b>	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 benefits payable	<b>242,991.84</b>	1,367,643.45
Taxes payable	<b>58,467,947.36</b>	40,654,851.89
Other payables	<b>229,429,068.75</b>	265,576,439.57
Fees and commission payable		
Reinsured accounts payable		
Liabilities held for sale		
Non-current liabilities due within one year	<b>1,140,196,339.48</b>	1,558,093,634.54
Other current liabilities	<b>1,708,605,517.29</b>	220,041,281.42
<b>Total current liabilities</b>	<b>30,461,843,642.67</b>	26,396,390,403.11

<b>Liabilities and owners' equity</b>	<b>31 December 2025</b>	31 December 2024
<b>Non-current liabilities:</b>		
Reserves for insurance contracts		
Long-term borrowings	<b>2,218,200,000.00</b>	4,048,900,000.00
Bonds payable		
Including: Preference shares		
Perpetual bonds		
Lease liabilities	<b>103,010,005.14</b>	152,585,672.14
Long-term payable		
Long-term employee benefits payable	<b>109,560,059.23</b>	99,108,028.43
Estimated liabilities	<b>137,257,797.91</b>	264,667,686.67
Deferred income	<b>69,919,025.37</b>	85,322,154.61
Deferred tax liabilities	<b>1,128,763,346.82</b>	1,281,810,227.37
Other non-current liabilities	<b>102,489,557.04</b>	96,872,353.05
<b>Total non-current liabilities</b>	<b>3,869,199,791.51</b>	6,029,266,122.27
<b>Total liabilities</b>	<b>34,331,043,434.18</b>	32,425,656,525.38

<b>Liabilities and owners' equity</b>	<b>31 December 2025</b>	31 December 2024
<b>Owners' equity:</b>		
Share capital	<b>1,413,506,378.00</b>	1,413,506,378.00
Other equity instruments		
Including: Preference shares		
Perpetual bonds		
Capital reserve	<b>9,050,623,845.39</b>	9,003,324,664.95
Less: Treasury shares		
Other comprehensive income	<b>3,236,840,575.18</b>	3,669,970,450.30
Special reserve		
Surplus reserve	<b>1,237,804,616.41</b>	1,146,499,058.97
Provision for general risks		
Retained earnings	<b>3,295,732,951.99</b>	2,591,405,648.46
Total equity attributable to owners of the Company	<b>18,234,508,366.97</b>	17,824,706,200.68
Non-controlling interests	<b>3,455,995,905.38</b>	3,345,750,889.19
<b>Total owners' equity</b>	<b>21,690,504,272.35</b>	21,170,457,089.87
<b>Total liabilities and owners' equity</b>	<b>56,021,547,706.53</b>	53,596,113,615.25

Person in charge of the  
Company:  
**Weng Hongbing**

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

Head of  
accounting department:  
**Zhao Na**

**BALANCE SHEET OF THE PARENT COMPANY**

31 December 2025

*(All amounts in RMB Yuan unless otherwise stated)*

<b>Assets</b>	<b>31 December 2025</b>	31 December 2024
<b>Current assets:</b>		
Cash at bank and on hand	<b>1,372,631,553.64</b>	1,478,825,829.58
Financial assets held-for-trading		
Derivative financial assets		
Notes receivable		
Accounts receivable		
Receivables financing		
Prepayments		
Other receivables	<b>18,095.97</b>	270,158.49
Inventories		
Including: data resources		
Contract assets		
Assets held-for-sale		
Non-current assets due within one year		
Other current assets	<b>22,335,018.48</b>	20,448,640.03
<b>Total current assets</b>	<b>1,394,984,668.09</b>	1,499,544,628.10

<b>Assets</b>	<b>31 December 2025</b>	31 December 2024
<b>Non-current assets:</b>		
Debt investments		
Other debt investments		
Long-term receivables		
Long-term equity investments	<b>7,913,063,156.86</b>	7,093,483,944.51
Other equity instrument investments	<b>7,233,880,906.16</b>	7,821,117,179.36
Other non-current financial assets		
Investment properties	<b>116,574,356.46</b>	123,111,781.50
Fixed assets	<b>735,590.01</b>	4,172,232.82
Construction in progress		
Productive biological assets		
Oil and gas assets		
Right-of-use asset		
Intangible assets		
Including: data resources		
Research and development expenses		
Including: data resources		
Goodwill		
Long-term amortized expenses		
Deferred tax assets	<b>192,117.22</b>	192,117.22
Other non-current assets		
<b>Total non-current assets</b>	<b>15,264,446,126.71</b>	15,042,077,255.41
<b>Total assets</b>	<b>16,659,430,794.80</b>	16,541,621,883.51

**BALANCE SHEET OF THE PARENT COMPANY (CONTINUED)**

31 December 2025

*(All amounts in RMB Yuan unless otherwise stated)*

<b>Liabilities and owners' equity</b>	<b>31 December 2025</b>	31 December 2024
<b>Current liabilities:</b>		
Short-term borrowings		
Financial liabilities held-for-trading		
Derivative financial liabilities		
Notes payable		
Accounts payable	<b>5,511,207.11</b>	1,285,801.45
Advances from customers		
Contract liabilities		
Employee benefits payable		
Taxes payable	<b>630,809.94</b>	538,585.22
Other payables	<b>17,074,363.27</b>	17,168,778.53
Liabilities held-for-sale		
Non-current liabilities due within one year		
Other current liabilities		
<b>Total current liabilities</b>	<b>23,216,380.32</b>	18,993,165.20
<b>Non-current liabilities:</b>		
Long-term borrowings		
Bonds payable		
Including: Preference shares		
Perpetual bonds		
Lease liabilities		
Long-term payable		
Long-term employee benefits payable		
Estimated liabilities		
Deferred income		
Deferred tax liabilities	<b>1,093,999,426.54</b>	1,240,808,494.84
Other non-current liabilities		
<b>Total non-current liabilities</b>	<b>1,093,999,426.54</b>	1,240,808,494.84
<b>Total liabilities</b>	<b>1,117,215,806.86</b>	1,259,801,660.04

<b>Liabilities and owners' equity</b>	<b>31 December 2025</b>	31 December 2024
<b>Owners' equity:</b>		
Share capital	<b>1,413,506,378.00</b>	1,413,506,378.00
Other equity instruments		
Including: Preference shares		
Perpetual bonds		
Capital reserve	<b>8,247,355,508.47</b>	8,247,235,699.82
Less: Treasury shares		
Other comprehensive income	<b>3,281,155,999.64</b>	3,721,910,661.56
Special reserve		
Surplus reserve	<b>754,326,416.44</b>	663,020,859.00
Retained earnings	<b>1,845,870,685.39</b>	1,236,146,625.09
<b>Total owners' equity</b>	<b>15,542,214,987.94</b>	15,281,820,223.47
<b>Total liabilities and owners' equity</b>	<b>16,659,430,794.80</b>	16,541,621,883.51

Person in charge of the  
Company:  
**Weng Hongbing**

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

Head of  
accounting department:  
**Zhao Na**

**CONSOLIDATED INCOME STATEMENT**

2025

*(All amounts in RMB Yuan unless otherwise stated)*

Item	2025	2024
<b>I. Total operating income</b>	<b>20,547,052,116.16</b>	19,402,390,859.63
Including: Operating income	<b>20,547,052,116.16</b>	19,402,390,859.63
Interest income		
Premium earned		
Fee and commission income		
<b>II. Total operating costs</b>	<b>20,124,960,725.45</b>	19,251,300,750.04
Including: Operating cost	<b>18,479,056,455.35</b>	17,897,013,361.84
Interest expense		
Fee and commission expenses		
Surrender value		
Net amount of compensation payout		
Net increase in insurance contracts reserve		
Policy dividend payment		
Amortized reinsurance expenditures		
Taxes and surcharges	<b>73,492,607.20</b>	34,932,883.22
Selling expenses	<b>84,060,693.30</b>	48,543,062.10
Administrative expenses	<b>782,675,938.57</b>	663,201,198.86
Research and development expenses	<b>903,313,371.82</b>	888,463,342.28
Financing cost	<b>-197,638,340.79</b>	-280,853,098.26
Including: Interest expenses	<b>112,256,527.42</b>	113,748,961.92
Interest income	<b>359,370,489.25</b>	360,121,768.64

Item	2025	2024
Add: Other income	170,655,170.68	147,647,564.30
Investment income (loss expressed with “-”)	835,427,272.43	283,506,266.21
Including: Income from investment in associates and joint ventures	784,839,012.20	211,178,827.91
Derecognition income of financial assets measured at amortised cost		
Exchange gain (loss expressed with “-”)		
Net gain from exposure hedging (loss expressed with “-”)		
Gain from change in fair value (loss expressed with “-”)	43,920,735.75	-98,734,638.44
Loss on impairment of credit (loss expressed with “-”)	-32,090,840.09	-13,046,115.60
Loss on impairment of assets (loss expressed with “-”)	-263,431,609.73	-50,949,140.70
Gains from disposal of assets (loss expressed with “-”)	-224,545.57	-29,166,698.27
<b>III. Operating profit (loss expressed with “-”)</b>	<b>1,176,347,574.18</b>	<b>390,347,347.09</b>
Add: Non-operating income	12,146,765.15	4,511,567.04
Less: Non-operating expenses	5,284,736.34	1,660,001.62
<b>IV. Total profit (total loss expressed with “-”)</b>	<b>1,183,209,602.99</b>	<b>393,198,912.51</b>
Less: Income tax expense	44,964,415.27	-77,492,908.07
<b>V. Net profit (net loss expressed with “-”)</b>	<b>1,138,245,187.72</b>	<b>470,691,820.58</b>
(1) By continuity of operations		
1. Net profit from continuing operations (net loss expressed with “-”)	1,138,245,187.72	470,691,820.58
2. Net profit from discontinued operations (net loss expressed with “-”)		
(2) By ownership		
1. Net profit attributable to shareholders of the Parent Company (net loss expressed with “-”)	1,008,262,651.35	377,262,684.20
2. Gain or loss attributable to non-controlling interests (net loss expressed with “-”)	129,982,536.37	93,429,136.38

Item	2025	2024
<b>VI. Net other comprehensive income after tax</b>	<b>-427,896,529.91</b>	1,061,327,613.52
Net other comprehensive income after tax attributable to owners of the Parent Company	<b>-433,733,708.80</b>	1,062,476,483.07
(1)Other comprehensive income that may not be subsequently reclassified to profit and loss	<b>-432,852,799.93</b>	1,061,443,925.50
1. Change in re-measurement of defined benefit plans	<b>5,149,880.95</b>	
2. Other comprehensive income that may not be reclassified to profit or loss under equity method	<b>-327,457.02</b>	320,786.29
3. Change in fair value of investments in other equity instruments	<b>-437,675,223.86</b>	1,061,123,139.21
4. Change in fair value of own credit risk		
(2)Other comprehensive income will be subsequently reclassified to profit or loss	<b>-880,908.87</b>	1,032,557.57
1. Other comprehensive income that may be reclassified to profit or loss under equity method		
2. Change in fair value of other debt investments		
3. Amount included in other comprehensive income on reclassification of financial assets		
4. Provision for credit impairment of other debt investments		
5. Cash flow hedges reserve		
6. Exchange differences arising from translation of foreign currency financial statements	<b>-880,908.87</b>	1,032,557.57
7. Others		
Net other comprehensive income after tax attributable to non-controlling interests	<b>5,837,178.89</b>	-1,148,869.55

Item	2025	2024
<b>VII. Total comprehensive income</b>	<b>710,348,657.81</b>	1,532,019,434.10
Total comprehensive income attributable to owners of the Parent Company	<b>574,528,942.55</b>	1,439,739,167.27
Total comprehensive income attributable to non-controlling interests	<b>135,819,715.26</b>	92,280,266.83
<b>VIII.Earnings per share:</b>		
(1) Basic earnings per share (RMB/share)	<b>0.7133</b>	0.2669
(2) Diluted earnings per share (RMB/share)	<b>0.7133</b>	0.2669

Person in charge of the  
Company:  
**Weng Hongbing**

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

Head of  
accounting department:  
**Zhao Na**

**INCOME STATEMENT OF THE PARENT COMPANY**

2025

*(All amounts in RMB Yuan unless otherwise stated)*

<b>Item</b>	<b>2025</b>	<b>2024</b>
<b>I. Operating income</b>	<b>14,664,000.00</b>	13,093,200.00
Less: Operating cost	<b>6,537,425.04</b>	6,537,425.04
Taxes and surcharges	<b>100,391.87</b>	120,751.04
Selling expenses		
Administrative expenses	<b>29,942,443.96</b>	22,726,666.33
Research and development expenses		
Financing cost	<b>-34,655,996.17</b>	-36,090,399.74
Including: Interest expenses	<b>35,697.83</b>	
Interest income	<b>34,810,277.47</b>	36,411,884.21
Add: Other income	<b>50,050.51</b>	22,846.07
Investment income (loss expressed with “-”)	<b>903,997,837.13</b>	286,509,556.37
Including: Investment income from associates and joint ventures	<b>819,786,860.72</b>	240,098,695.66
Derecognition income of financial assets measured at amortised cost		
Net gain on 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 “-”)	<b>-566,806.60</b>	
<b>II. Operating profit (loss expressed with “-”)</b>	<b>916,220,816.34</b>	306,350,338.13
Add: Non-operating income	<b>22,150.33</b>	633.86
Less: Non-operating expenses	<b>102,099.23</b>	6,000.00
<b>III.Total profit (total loss expressed with “-”)</b>	<b>916,140,867.44</b>	306,344,971.99
Less: Income tax expense	<b>3,085,293.00</b>	5,064,785.11

<b>Item</b>	<b>2025</b>	<b>2024</b>
<b>IV.Net profit (net loss expressed with “-”)</b>	<b>913,055,574.44</b>	301,280,186.88
(1) Net profit from continuing operations (net loss expressed with “-”)	<b>913,055,574.44</b>	301,280,186.88
(2) Net profit from discontinued operations (net loss expressed with “-”)		
<b>V. Net other comprehensive income after tax</b>	<b>-440,754,661.92</b>	1,063,870,925.53
(1) Other comprehensive income that may not be subsequently reclassified to profit and loss	<b>-440,754,661.92</b>	1,063,870,925.53
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	<b>-327,457.02</b>	320,786.29
3. Change in fair value of investments in other equity instruments	<b>-440,427,204.90</b>	1,063,550,139.24
4. Change in fair value of own credit risk		
(2) Other comprehensive income 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		

<b>Item</b>	<b>2025</b>	<b>2024</b>
6. Exchange differences arising from translation of foreign currency financial statements		
7. Others		
<b>VI. Total comprehensive income</b>	<b>472,300,912.52</b>	1,365,151,112.41
<b>VII. Earnings per share:</b>		
(1) Basic earnings per share (RMB/share)		
(2) Diluted earnings per share (RMB/share)		

Person in charge of the  
Company:  
**Weng Hongbing**

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

Head of  
accounting department:  
**Zhao Na**

## CONSOLIDATED CASH FLOW STATEMENT

2025

(All amounts in RMB Yuan unless otherwise stated)

Item	2025	2024
<b>I. Cash flows from operating activities</b>		
Cash received from sale of goods or rendering of services	<b>26,289,835,494.33</b>	18,876,995,287.02
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	<b>740,567,276.91</b>	380,611,604.86
Other cash receipts relating to operating activities	<b>423,598,479.31</b>	606,258,717.57
Sub-total of cash inflows from operating activities	<b>27,454,001,250.55</b>	19,863,865,609.45
Cash paid for goods and services	<b>25,590,332,654.74</b>	19,937,301,431.05
Net increase in loans and advances to customers		
Net increase in central bank and interbank deposits		
Cash paid for claims of direct insurance contracts		
Net increase in placements with banks and non-bank financial institutions		
Cash paid for interest, fees and commissions		
Cash paid for dividends of insurance policies		
Cash paid to and on behalf of employees	<b>1,567,847,251.62</b>	1,395,276,690.29
Payments of taxes	<b>253,357,055.19</b>	139,018,724.31
Other cash payments relating to operating activities	<b>364,689,824.26</b>	587,897,711.47
Sub-total of cash outflows from operating activities	<b>27,776,226,785.81</b>	22,059,494,557.12
<b>Net cash flows from operating activities</b>	<b>-322,225,535.26</b>	-2,195,628,947.67

<b>Item</b>	<b>2025</b>	2024
<b>II. Cash flows from investing activities</b>		
Cash receipts from disposal of investments	<b>32,933,927.35</b>	862,647.21
Cash receipts from investment income	<b>70,795,194.62</b>	69,616,645.06
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	<b>1,991,362.53</b>	380,349,036.04
Net cash receipts from disposal of subsidiaries and other business units		70,689.64
Other cash receipts relating to investing activities	<b>4,466,113,898.18</b>	1,332,040,887.63
Sub-total of cash inflows from investing activities	<b>4,571,834,382.68</b>	1,782,939,905.58
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	<b>285,181,763.83</b>	203,194,863.43
Cash paid for investments	<b>223,236,283.78</b>	249,895,883.98
Net increase in pledged loans		
Net cash paid for acquisition of subsidiaries and other business units		
Other cash payments relating to investing activities	<b>1,572,354,407.49</b>	1,757,845,865.58
Sub-total of cash outflows from investing activities	<b>2,080,772,455.10</b>	2,210,936,612.99
<b>Net cash flows from investing activities</b>	<b>2,491,061,927.58</b>	-427,996,707.41

Item	2025	2024
<b>III. Cash flows from financing activities</b>		
Cash receipts from receiving investments		
Including: Cash received by subsidiaries from receiving investments made by non-controlling interests		
Cash receipts from borrowings	<b>3,717,000,000.00</b>	2,839,000,000.00
Other cash receipts relating to financing activities	<b>47,180,000.00</b>	
Sub-total of cash inflows from financing activities	<b>3,764,180,000.00</b>	2,839,000,000.00
Cash paid for repayment of debts	<b>4,102,200,000.00</b>	1,808,600,000.00
Cash paid for dividends, profit distribution or interest expenses	<b>343,044,038.49</b>	139,938,273.98
Including: Dividends and profits paid by subsidiaries to non-controlling interests	<b>25,574,250.21</b>	2,630,666.33
Other cash payments relating to financing activities	<b>96,594,627.63</b>	82,763,929.80
Sub-total of cash outflows from financing activities	<b>4,541,838,666.12</b>	2,031,302,203.78
<b>Net cash flows from financing activities</b>	<b>-777,658,666.12</b>	807,697,796.22
<b>IV. Effect of change in exchange rate on cash and cash equivalents</b>	<b>-49,461,184.70</b>	27,418,435.20
<b>V. Net increase in cash and cash equivalents</b>	<b>1,341,716,541.50</b>	-1,788,509,423.66
Add: Beginning balance of cash and cash equivalents	<b>7,912,650,651.18</b>	9,701,160,074.84
<b>VI. Ending balance of cash and cash equivalents</b>	<b>9,254,367,192.68</b>	7,912,650,651.18

Person in charge of the  
Company:  
**Weng Hongbing**

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

Head of  
accounting department:  
**Zhao Na**

## CASH FLOW STATEMENT OF THE PARENT COMPANY

2025

(All amounts in RMB Yuan unless otherwise stated)

Item	2025	2024
<b>I. Cash flows from operating activities</b>		
Cash received from sale of goods or rendering of services	<b>15,983,760.00</b>	14,271,588.00
Cash received from tax refund		1,182,442.76
Other cash receipts relating to operating activities	<b>8,780,830.49</b>	21,467,587.87
Sub-total of cash inflows from operating activities	<b>24,764,590.49</b>	36,921,618.63
Cash paid for goods and services	<b>260,555.52</b>	201,860.47
Cash paid to and on behalf of employees	<b>13,579,587.06</b>	11,693,733.74
Payments of taxes	<b>5,499,357.13</b>	5,565,503.66
Other cash payments relating to operating activities	<b>17,429,814.63</b>	16,440,787.79
Sub-total of cash outflows from operating activities	<b>36,769,314.34</b>	33,901,885.66
<b>Net cash flows from operating activities</b>	<b>-12,004,723.85</b>	3,019,732.97
<b>II. Cash flows from investing activities</b>		
Cash receipts from disposal of investments		
Cash receipts from investment income	<b>84,210,976.41</b>	46,410,860.71
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	<b>955,478.00</b>	1,700.00
Net cash receipts from disposal of subsidiaries and other business units		
Other cash receipts relating to investing activities	<b>776,773,250.00</b>	553,361,250.00
Sub-total of cash inflows from investing activities	<b>861,939,704.41</b>	599,773,810.71
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	<b>255,224.84</b>	134,006.33
Cash paid for investments		
Net cash paid for acquisition of subsidiaries and other business units		
Other cash payments relating to investing activities	<b>220,000,000.00</b>	557,500,000.00
Sub-total of cash outflows from investing activities	<b>220,255,224.84</b>	557,634,006.33
<b>Net cash flows from investing activities</b>	<b>641,684,479.57</b>	42,139,804.38

<b>Item</b>	<b>2025</b>	2024
<b>III. Cash flows from financing activities</b>		
Cash receipts from receiving investments		
Cash receipts from borrowings obtained		
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	<b>212,923,388.30</b>	31,977,959.54
Other cash payments relating to financing activities	<b>727,832.00</b>	
Sub-total of cash outflows from financing activities	<b>213,651,220.30</b>	31,977,959.54
<b>Net cash flows from financing activities</b>	<b>-213,651,220.30</b>	-31,977,959.54
<b>IV. Effect of change in exchange rate on cash and cash equivalents</b>	<b>-63,587.05</b>	-287,881.24
<b>V. Net increase in cash and cash equivalents</b>	<b>415,964,948.37</b>	12,893,696.57
Add: Beginning balance of cash and cash equivalents	<b>63,868,935.79</b>	50,975,239.22
<b>VI. Ending balance of cash and cash equivalents</b>	<b>479,833,884.16</b>	63,868,935.79

Person in charge of the  
Company:  
**Weng Hongbing**

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

Head of  
accounting department:  
**Zhao Na**

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### I. BASIS FOR PREPARATION OF FINANCIAL STATEMENTS

#### (I) 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.

#### (II) Going concern

The management of the Group has assessed its ability to operate on a continuing basis for the 12 months from 31 December 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) Basis of Accounting and Principle of Measurement

The Group adopts the accrual basis as the basis of book-keeping in accounting. Except for certain financial instruments, these financial statements have been prepared on the historical cost basis. In case of any impairment of any assets, corresponding impairment provision will be made in accordance with relevant requirements.

Under historical cost measurement, assets are measured according to the amount of cash or cash equivalents paid or the fair value of the consideration paid at the time of purchase. Liabilities are measured in accordance with the amount of money or assets actually received as a result of assuming current obligations, or the contract amount for assuming current obligations, or at the amount of cash or cash equivalents expected to be paid in daily activities to repay the liabilities.

### II. STATEMENT OF COMPLIANCE WITH ACCOUNTING STANDARDS FOR BUSINESS ENTERPRISES

These financial statements comply with the requirements of the Accounting Standards for Business Enterprises issued by the Ministry of Finance, and truly and completely reflect the consolidated and parent company’s financial position of the Company as at 31 December 2025, as well as the consolidated and parent company’s operating results and cash flows for 2025.

### III. NOTES TO 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 31 December 2025. “Current year” refers to the year 2025; and “Last year” refers to the year 2024. The currency unit is RMB.

#### (I) Notes receivable

##### 1. Types of notes receivable

Item	Ending balance	Ending balance of last year
Bank acceptance bills	12,710,926.09	45,894,339.59
Finance company acceptance bills	4,830,227.50	10,208,118.30
Total	<b>17,541,153.59</b>	56,102,457.89

##### (1) Disclosure of notes receivable by method of bad debt provision

Type	Ending balance				Carrying value
	Book balance		Provision for bad debts		
	Amount	Percentage (%)	Amount	Percentage of provision (%)	
Provision for bad debts made on an individual basis					
Provision for bad debts made on a collective basis with credit risk features	17,541,153.59	100.00			17,541,153.59
Total	<b>17,541,153.59</b>	<b>100.00</b>			<b>17,541,153.59</b>

Type	Beginning balance				Carrying value
	Book balance		Provision for bad debts		
	Amount	Percentage (%)	Amount	Percentage of provision (%)	
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

(2) *Provision for bad debts made on a collective basis with credit risk features:*

Item:

Name	Ending balance		
	Notes receivable	Provision for bad debts	Percentage of provision (%)
Bank acceptance bills	12,710,926.09		
Finance company acceptance bills	4,830,227.50		
Total	<b>17,541,153.59</b>		

2. *Provision for bad debts made, reversed or recovered during the period*

None.

3. *Notes receivable pledged of the Company as at the end of the period*

None.

4. *Notes receivable 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
Bank acceptance bills		9,860,926.09
Finance company acceptance bills		4,830,227.50
Total		14,691,153.59

5. *Notes receivable actually written-off during the period*

None.

**(II) Accounts receivable****1. The ageing analysis of accounts receivable as at the transaction date is as follows**

<b>Ageing</b>	<b>Ending balance</b>	Ending balance of last year
Within one year	<b>817,310,842.06</b>	1,087,502,662.41
1 to 2 years	<b>283,962,480.67</b>	200,773,733.85
2 to 3 years	<b>269,813,755.02</b>	42,384,569.49
3 to 4 years	<b>18,735,723.67</b>	13,407,264.43
4 to 5 years	<b>840,980.01</b>	732,670.71
Over 5 years	<b>10,848,878.24</b>	12,696,822.46
Subtotal	<b>1,401,512,659.67</b>	1,357,497,723.35
Less: Provision for bad debts	<b>58,808,843.96</b>	30,577,244.37
Total	<b>1,342,703,815.71</b>	1,326,920,478.98

**2. Credit period of accounts receivable**

<b>Business</b>	<b>Credit period</b>
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**

<b>Type</b>	<b>Ending balance</b>				
	<b>Book balance</b>		<b>Provision for bad debts</b>		<b>Carrying value</b>
	<b>Amount</b>	<b>Percentage (%)</b>	<b>Amount</b>	<b>Percentage of provision (%)</b>	
Provision for bad debts made on an individual basis	14,018,419.57	1.00	9,018,417.57	64.33	5,000,002.00
Provision for bad debts made on a collective basis	1,387,494,240.10	99.00	49,790,426.39	3.59	1,337,703,813.71
Total	1,401,512,659.67	100.00	58,808,843.96		1,342,703,815.71

<b>Type</b>	<b>Beginning balance</b>				
	<b>Book balance</b>		<b>Provision for bad debts</b>		<b>Carrying value</b>
	<b>Amount</b>	<b>Percentage (%)</b>	<b>Amount</b>	<b>Percentage of provision (%)</b>	
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		1,326,920,478.98

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

Name	Beginning balance		Ending balance			
	Book balance	Provision for bad debts	Book balance	Provision for bad debts	Percentage of provision (%)	Reason for the provision
State-owned enterprises			369,360.74	369,360.74	100.00	Poor financial condition with extremely low recovery possibility.
Private enterprises			13,649,058.83	8,649,056.83	63.37	Poor financial condition with extremely low recovery possibility.
Total			14,018,419.57	9,018,417.57	64.33	-

(2) *Provision for bad debts made on a collective basis with credit risk features:*

Item:

Name	Ending balance		
	Accounts receivable	Provision for bad debts	Percentage of provision (%)
Ageing portfolio	581,455,773.87	49,790,426.39	8.56
Portfolio of government units and public institutions	709,268,697.78		
Related parties portfolio	96,769,768.45		
Total	1,387,494,240.10	49,790,426.39	

The details of the ageing portfolio are as follows:

Name	Ending balance		
	Accounts receivable	Provision for bad debts	Percentage of provision (%)
Within one year (inclusive)	313,750,693.53	353,064.70	0.11
1 to 2 years	194,006,209.98	19,400,621.00	10.00
2 to 3 years	58,558,262.51	17,567,478.76	30.00
3 to 4 years	12,515,749.60	10,012,599.68	80.00
4 to 5 years	840,980.01	672,784.01	80.00
Over 5 years	1,783,878.24	1,783,878.24	100.00
Total	581,455,773.87	49,790,426.39	

4. *Provision for bad debts made, reversed or recovered during the year*

Type	Ending balance of last year	Amount of changes during the period				Ending balance
		Provision	Recovered or reversed	Resold or written-off	Other changes	
Provision for bad debts of accounts receivable	30,577,244.37	28,231,599.59				58,808,843.96
Total	30,577,244.37	28,231,599.59				58,808,843.96

5. *Accounts receivable written-off during the year*

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
Entity 1	650,657,380.27	643,416,360.00	1,294,073,740.27	32.19	
Entity 2	151,996,779.52		151,996,779.52	3.78	
Entity 3	73,283,519.03	10,161,624.73	83,445,143.76	2.08	6,727,001.90
Entity 4	47,721,992.11	1,770,195.31	49,492,187.42	1.23	4,565,614.97
Entity 5	45,871,955.62	51,405,996.85	97,277,952.47	2.42	107,708.56
Total	<b>969,531,626.55</b>	<b>706,754,176.89</b>	<b>1,676,285,803.44</b>	<b>41.70</b>	<b>11,400,325.43</b>

(III) **Notes payable**

Type	Ending balance	Ending balance of last year
Finance company acceptance bills	<b>706,145,289.79</b>	510,322,494.34
Bank acceptance bills	<b>5,617,098.33</b>	1,363,849,542.52
Total	<b>711,762,388.12</b>	1,874,172,036.86

Other explanations:

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

Among the above notes payable of the Group, RMB711,762,388.12 had an ageing of less than 180 days, and RMB0 had an ageing of 181-360 days.

(IV) Accounts payable

1. *List of accounts payable*

<b>Item</b>	<b>Ending balance</b>	Ending balance of last year
Materials purchased	<b>7,238,466,080.97</b>	6,662,652,885.92
Payment for projects under construction	<b>109,807,084.42</b>	437,953,360.82
Retention money	<b>765,164,792.48</b>	736,359,820.62
Other construction and labour services	<b>677,695,720.58</b>	615,863,291.05
Total	<b>8,791,133,678.45</b>	8,452,829,358.41

2. *Ageing analysis of accounts payable based on the transaction date*

<b>Ageing</b>	<b>Ending balance</b>	Beginning balance
Within one year	<b>7,798,683,358.66</b>	6,153,217,058.00
1 to 2 years	<b>397,168,559.59</b>	958,967,492.46
2 to 3 years	<b>109,106,970.12</b>	374,870,763.74
Over 3 years	<b>486,174,790.08</b>	965,774,044.21
Total	<b>8,791,133,678.45</b>	8,452,829,358.41

3. *Significant accounts payable aged over one year or overdue*

<b>Item</b>	<b>Ending balance</b>	<b>Including: Amount aged over one year</b>	<b>Reason for unsettlement or carrying forward</b>
Guangzhou Wenchong Industrial Co., Ltd.	<b>144,950,866.48</b>	130,604,806.24	Tentative estimation of arrears and deposit
China Shipbuilding Group Co., Ltd. No. 703 Research Institute	<b>66,614,870.28</b>	22,122,605.48	Tentative estimation of arrears and deposit
China Shipbuilding Group Guangzhou Ship Industrial Company Limited	<b>47,164,560.38</b>	28,976,357.61	Tentative estimation of arrears and deposit
HIWING Technology Academy of CASIC	<b>25,554,600.00</b>	25,554,600.00	Tentative estimation of arrears and deposit
AVIC Shenyang Liming Aero Engine Co., Ltd.	<b>25,089,516.30</b>	24,793,876.30	Tentative estimation of arrears and deposit
Beiche (Dalian) Diesel and Special Equipment Co., Ltd. (北車(大連)柴油及特種裝備有限公司)	<b>17,306,666.67</b>	17,306,666.67	Tentative estimation of arrears and deposit
<b>Total</b>	<b>326,681,080.11</b>	249,358,912.30	

(V) **Retained earnings**

<b>Item</b>	<b>Current period</b>	<b>Last period</b>
Retained earnings as at the end of last year before adjustment	<b>2,591,405,648.46</b>	2,276,749,345.46
Beginning adjustment to retained earnings (increase +, decrease -)		
Retained earnings as at the beginning of the year after adjustment	<b>2,591,405,648.46</b>	2,276,749,345.46
Add: Net profit attributable to owners of the Parent Company for the year	<b>1,008,262,651.35</b>	377,262,684.20
Carry-over of other comprehensive income to retained earnings	<b>-603,833.68</b>	32,284.19
Less: Statutory surplus reserve set aside	<b>91,305,557.44</b>	30,128,018.69
Dividends payable for ordinary shares	<b>212,025,956.70</b>	32,510,646.70
Retained earnings as at the end of the year	<b>3,295,732,951.99</b>	2,591,405,648.46

**(VI) Net current assets**

<b>Item</b>	<b>Ending balance</b>	Beginning balance
Current assets	<b>34,815,872,200.51</b>	32,140,949,910.03
Less: Current liabilities	<b>30,461,843,642.67</b>	26,396,390,403.11
Net current assets	<b>4,354,028,557.84</b>	5,744,559,506.92

**(VII) Total assets less current liabilities**

<b>Item</b>	<b>Ending balance</b>	Beginning balance
Total assets	<b>56,021,547,706.53</b>	53,596,113,615.25
Less: Current liabilities	<b>30,461,843,642.67</b>	26,396,390,403.11
Total assets less current liabilities	<b>25,559,704,063.86</b>	27,199,723,212.14

**(VIII) Operating income and operating cost****1. Information on operating income and operating cost**

<b>Item</b>	<b>Amount for the period</b>		<b>Amount for last period</b>	
	<b>Income</b>	<b>Cost</b>	Income	Cost
Principal business	<b>20,286,937,597.90</b>	<b>18,265,749,587.83</b>	19,166,821,218.82	17,706,056,476.55
Other business	<b>260,114,518.26</b>	<b>213,306,867.52</b>	235,569,640.81	190,956,885.29
Total	<b>20,547,052,116.16</b>	<b>18,479,056,455.35</b>	19,402,390,859.63	17,897,013,361.84

*Gross profit from principal business*

<b>Item</b>	<b>Current year</b>	<b>Last year</b>
Income from principal business	<b>20,286,937,597.90</b>	19,166,821,218.82
Cost of principal business	<b>18,265,749,587.83</b>	17,706,056,476.55
Gross profit	<b>2,021,188,010.07</b>	1,460,764,742.27

## (1) Principal business – by product

<b>Product name</b>	<b>Current year</b>	<b>Last year</b>
Income from principal business		
Ship products	<b>18,472,252,867.63</b>	16,726,559,201.96
Including:		
Bulk carriers	<b>530,135,613.23</b>	2,030,270,732.48
Containerships	<b>5,585,815,429.93</b>	5,189,781,544.94
Special ships and others	<b>12,356,301,824.47</b>	9,506,506,924.54
Offshore engineering products	<b>12,621,467.44</b>	697,802,033.90
Steel structure	<b>1,037,572,925.13</b>	826,437,773.69
Ship maintenance and modification	<b>554,280,968.84</b>	758,594,300.75
Electromechanical products and others	<b>210,209,368.86</b>	157,427,908.52
Total	<b>20,286,937,597.90</b>	19,166,821,218.82
Cost of principal business		
Ship products	<b>16,574,802,656.96</b>	15,166,625,270.42
Including:		
Bulk carriers	<b>466,538,020.52</b>	1,782,493,951.73
Containerships	<b>4,092,943,605.50</b>	3,946,423,722.94
Special ships and others	<b>12,015,321,030.94</b>	9,437,707,595.75
Offshore engineering products	<b>54,616,076.95</b>	844,385,268.57
Steel structure	<b>841,442,507.54</b>	734,310,631.48
Ship maintenance and modification	<b>625,620,303.59</b>	847,386,175.95
Electromechanical products and others	<b>169,268,042.79</b>	113,349,130.13
Total	<b>18,265,749,587.83</b>	17,706,056,476.55

## (2) Principal business – by region

<b>Region</b>	<b>Current year</b>	<b>Last year</b>
Income from principal business		
China (including Hong Kong, Macau and Taiwan)	<b>11,562,399,117.92</b>	13,059,654,977.33
Other Asia regions	<b>4,434,281,947.51</b>	4,058,862,385.68
Europe	<b>2,935,837,999.84</b>	4,318,985.90
Oceania	<b>42,877,907.66</b>	1,894,769,491.57
North America	<b>33,128,076.23</b>	43,343,704.65
Africa	<b>1,278,412,548.74</b>	105,871,673.69
South America		
<b>Total</b>	<b>20,286,937,597.90</b>	19,166,821,218.82
Cost of principal business		
China (including Hong Kong, Macau and Taiwan)	<b>10,861,182,410.24</b>	12,223,927,002.14
Other Asia regions	<b>3,721,361,749.80</b>	3,610,196,735.39
Europe	<b>2,487,808,474.85</b>	4,108,053.22
Oceania	<b>26,351,353.64</b>	1,731,593,626.23
North America	<b>29,738,201.48</b>	39,495,956.95
Africa	<b>1,139,307,397.82</b>	96,735,102.62
South America		
<b>Total</b>	<b>18,265,749,587.83</b>	17,706,056,476.55

## (3) Income from and cost of other business

Item	Current year	Last year
Income from other business		
Sale of materials	<b>214,527,054.75</b>	131,635,229.07
Lease	<b>38,313,218.49</b>	53,963,687.00
Provision of energy	<b>1,262,433.93</b>	21,162,813.30
Others	<b>6,011,811.09</b>	28,807,911.44
Total	<b>260,114,518.26</b>	235,569,640.81
Costs of other business		
Sale of materials	<b>186,088,238.20</b>	123,394,195.21
Lease	<b>12,184,939.13</b>	18,891,074.25
Provision of energy	<b>3,628,720.30</b>	23,432,073.91
Others	<b>11,404,969.89</b>	25,239,541.92
Total	<b>213,306,867.52</b>	190,956,885.29

2. *Deductions of operating income*

Item	Current year	Specific deductions	Last year	Specific deductions
Amount of operating income	<b>20,547,052,116.16</b>		19,402,390,859.63	
Total amount of deductions	<b>260,114,518.26</b>		235,569,640.81	
Proportion of total amount of deductions in operating income (%)	<b>1.27</b>		1.21	
I. Business income not related to the principal operations				
Income from operations other than daily operations	<b>260,114,518.26</b>	<b>Sales of materials, rental income, etc.</b>	235,569,640.81	Sales of materials, rental income, etc.
Subtotal of business income not related to the principal operations	<b>260,114,518.26</b>		235,569,640.81	
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	<b>20,286,937,597.90</b>		19,166,821,218.82	

### 3. Segment information of operating income and operating cost

Income generated from customer contracts during the year was as follows:

Type	Shipbuilding and related business segment		Steel structure business segment		Ship maintenance and related business segment		Other segments		Inter-segment elimination		Total	
	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	24,759,332,786.89	22,861,882,576.22							-6,287,079,919.26	-6,287,079,919.26	18,472,252,867.63	16,574,802,656.96
Offshore engineering products	342,930,355.93	369,065,192.38							-330,308,888.49	-314,449,115.43	12,621,467.44	54,616,076.95
Steel structure			1,803,421,143.03	1,588,055,163.11					-765,848,217.90	-746,612,655.57	1,037,572,925.13	841,442,507.54
Ship maintenance and modification					575,564,635.09	646,903,969.84			-21,283,666.25	-21,283,666.25	554,280,968.84	625,620,303.59
Electromechanical products and others							629,452,178.42	588,392,044.03			210,209,368.86	169,268,042.79
Other business							645,352,167.06	599,294,521.84			260,114,518.26	213,306,867.52
Total	25,102,263,142.82	23,230,947,768.60	1,803,421,143.03	1,588,055,163.11	575,564,635.09	646,903,969.84	1,274,804,345.48	1,187,686,565.87	-8,209,001,150.26	-8,174,537,012.07	20,547,052,116.16	18,479,056,455.35
Sub-total by region of operation:												
Domestic	17,571,147,977.91	16,830,313,309.61	801,828,039.51	753,151,625.61	269,236,856.22	391,516,759.00	1,250,234,471.43	1,164,520,453.62	-8,209,001,150.26	-8,174,537,012.07	11,683,446,194.81	10,964,965,135.77
Overseas	7,531,115,164.91	6,400,634,458.99	1,001,593,103.52	834,903,537.50	306,327,778.87	255,387,210.84	24,569,874.05	23,166,112.25			8,863,605,921.35	7,514,091,319.58
Total	25,102,263,142.82	23,230,947,768.60	1,803,421,143.03	1,588,055,163.11	575,564,635.09	646,903,969.84	1,274,804,345.48	1,187,686,565.87	-8,209,001,150.26	-8,174,537,012.07	20,547,052,116.16	18,479,056,455.35
By type of market or customer:												
State-owned enterprises	17,128,844,172.60	16,414,828,090.18	785,035,989.24	712,843,553.45	235,548,653.67	341,377,245.57	1,037,272,779.57	1,033,372,909.94	-8,209,001,150.26	-8,174,537,012.07	10,977,700,444.82	10,327,879,387.05
Private enterprises	442,303,805.31	415,833,396.72	16,792,050.27	40,101,500.24	33,688,202.55	32,291,285.97	211,675,077.66	129,953,228.14			704,459,135.79	618,181,411.07
Foreign enterprises	7,531,115,164.91	6,400,286,281.70	1,001,593,103.52	835,110,109.44	306,327,778.87	273,240,438.30	25,856,488.25	24,358,427.79			8,864,892,535.55	7,532,995,257.23
Total	25,102,263,142.82	23,230,947,768.60	1,803,421,143.03	1,588,055,163.11	575,564,635.09	646,903,969.84	1,274,804,345.48	1,187,686,565.87	-8,209,001,150.26	-8,174,537,012.07	20,547,052,116.16	18,479,056,455.35
By type of contracts:												
Fixed price	25,102,263,142.82	23,230,947,768.60	1,803,421,143.03	1,588,055,163.11	575,564,635.09	646,903,969.84	1,274,804,345.48	1,187,686,565.87	-8,209,001,150.26	-8,174,537,012.07	20,547,052,116.16	18,479,056,455.35
Mark up pricing												
Total	25,102,263,142.82	23,230,947,768.60	1,803,421,143.03	1,588,055,163.11	575,564,635.09	646,903,969.84	1,274,804,345.48	1,187,686,565.87	-8,209,001,150.26	-8,174,537,012.07	20,547,052,116.16	18,479,056,455.35

Type	Shipbuilding and related business segment		Steel structure business segment		Ship maintenance and related business segment		Other segments		Inter-segment elimination		Total	
	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 date of transfer of goods:												
Performed at a point in time	13,248,149,436.91	11,556,145,110.96	1,806,957,775.60	1,565,176,598.32	557,886,437.63	629,400,802.38	1,082,338,190.88	906,447,626.88	-7,989,345,687.88	-7,970,741,322.75	8,705,986,153.14	6,686,423,815.79
Performed within a time period	11,854,113,705.91	11,674,802,657.64	-3,536,632.57	22,878,564.79	17,678,197.46	17,503,167.46	197,466,154.60	281,243,938.99	-219,655,462.38	-203,795,689.32	11,841,065,963.02	11,792,632,639.56
Total	25,102,263,142.82	23,230,947,768.60	1,803,421,143.03	1,588,055,163.11	575,564,635.09	646,903,969.84	1,274,804,345.48	1,187,686,565.87	-8,209,001,150.26	-8,174,537,012.07	20,547,052,116.16	18,479,056,455.35
By contract term:												
Long-term	23,566,702,653.26	17,516,992,754.97	16,657,819.90	20,838,687.63	4,567,550.44		803,449.39		-219,655,462.38	-203,795,689.32	23,369,076,010.61	17,334,035,753.28
Short-term	1,535,560,489.56	5,713,955,013.63	1,786,763,323.13	1,567,216,475.48	570,997,084.65	646,903,969.84	1,274,000,896.09	1,187,686,565.87	-7,989,345,687.88	-7,970,741,322.75	-2,822,023,894.45	1,145,020,702.07
Total	25,102,263,142.82	23,230,947,768.60	1,803,421,143.03	1,588,055,163.11	575,564,635.09	646,903,969.84	1,274,804,345.48	1,187,686,565.87	-8,209,001,150.26	-8,174,537,012.07	20,547,052,116.16	18,479,056,455.35
By sales channel:												
Direct sales	25,102,263,142.82	23,230,947,768.60	1,803,421,143.03	1,588,055,163.11	575,564,635.09	646,903,969.84	1,274,804,345.48	1,187,686,565.87	-8,209,001,150.26	-8,174,537,012.07	20,547,052,116.16	18,479,056,455.35
Distribution sales												
Total	25,102,263,142.82	23,230,947,768.60	1,803,421,143.03	1,588,055,163.11	575,564,635.09	646,903,969.84	1,274,804,345.48	1,187,686,565.87	-8,209,001,150.26	-8,174,537,012.07	20,547,052,116.16	18,479,056,455.35

#### 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. *Transaction price allocated to remaining performance obligations*

As of 31 December 2025, the income corresponding to the contract performance obligations for which contracts had been entered into and which had not been performed was RMB52,126,160,000.00, of which:

RMB20,308,020,000.00 is expected to be recognized as revenue in 2026;

RMB 20,930,310,000.00 is expected to be recognized as revenue in 2027.

#### 6. *Top five customers by operating income*

Customers	Relationship with the Group	Current year	Percentage of total income from principal business (%)
Customer 1	Unrelated party	<b>10,109,483,628.87</b>	49.83
Customer 2	Unrelated party	<b>3,118,846,670.66</b>	15.37
Customer 3	Unrelated party	<b>1,100,080,808.80</b>	5.42
Customer 4	Unrelated party	<b>1,001,593,103.52</b>	4.94
Customer 5	Unrelated party	<b>690,911,645.56</b>	3.41
Total		<b>16,020,915,857.41</b>	78.97

7. *Purchase amounts from top five suppliers*

<b>Suppliers</b>	<b>Relationship with the Group</b>	<b>Current year</b>	<b>Percentage of total costs of principal business (%)</b>
Supplier 1	Under common control of China Shipbuilding Group	<b>10,464,680,205.23</b>	57.29
Supplier 2	Unrelated party	<b>401,135,000.00</b>	2.20
Supplier 3	Unrelated party	<b>199,193,475.66</b>	1.09
Supplier 4	Unrelated party	<b>189,121,040.00</b>	1.04
Supplier 5	Unrelated party	<b>124,684,250.00</b>	0.68
Total		<b>11,378,813,970.89</b>	62.30

8. *Significant contract changes or significant transaction price adjustments*

None.

**(IX) Finance expenses**

<b>Item</b>	<b>Current period</b>	<b>Last period</b>
Interest expenses	<b>112,256,527.42</b>	113,748,961.92
Including: Interest expenses from lease liabilities	<b>7,085,707.19</b>	6,794,811.34
Less: Interest income	<b>359,370,489.25</b>	360,121,768.64
Foreign exchange gains and losses	<b>31,949,685.71</b>	-49,073,267.58
Other expenses	<b>17,525,935.33</b>	14,592,976.04
Total	<b>-197,638,340.79</b>	-280,853,098.26

1. *Breakdown of interest expenses*

Item	Current year	Last year
<b>Interest on bank borrowings and overdraft</b>	<b>103,458,040.51</b>	108,341,008.32
Interest on bank borrowings due within 5 years	<b>103,458,040.51</b>	108,341,008.32
Interest on bank borrowings due over 5 years		
<b>Other borrowings</b>	<b>8,798,486.91</b>	10,357,953.60
Interest on other borrowings due within 5 years		
Other interest expenses	<b>8,798,486.91</b>	10,357,953.60
Sub-total	<b>112,256,527.42</b>	118,698,961.92
Less: Capitalized Interest		
Less: Finance interest discount		4,950,000.00
Total	<b>112,256,527.42</b>	113,748,961.92

2. *Breakdown of interest income*

Item	Current year	Last year
Interest income from bank deposits	<b>259,874,100.82</b>	335,685,558.33
Interest income from receivables	<b>99,496,388.43</b>	24,436,210.31
Total	<b>359,370,489.25</b>	360,121,768.64

(X) **Investment income**

Item	Current period	Last period
Gain from long-term equity investments accounted under equity method	<b>784,839,012.20</b>	211,178,827.91
Investment income from disposal of long-term equity investments	<b>7,526,553.17</b>	756,086.90
Investment income from disposal of financial assets held for trading	<b>-12,921,934.05</b>	27,969,485.11
Dividend income received during the period of holding investments in other equity instruments	<b>55,984,108.56</b>	43,601,866.29
Others	<b>-467.45</b>	
Total	<b>835,427,272.43</b>	283,506,266.21

Other explanations: ① Investment income from investment in listed companies and non-listed companies for the year amounted to RMB55,754,545.33 (last year: RMB43,498,983.20) and RMB779,672,727.10 (last year: RMB240,007,283.01), respectively. ② “Others” refers to the disposal of a Hong Kong subsidiary in the current period, resulting in the reclassification of other comprehensive income generated from the translation of foreign currency statements to profit or loss.

**(XI) Gain from change in fair value**

Source of gain from change in fair value	Current period	Last period
Financial assets held-for-trading	<b>179,910.25</b>	-7,956,435.12
Financial liabilities held-for-trading	<b>43,740,825.50</b>	-68,358,166.43
Hedging instruments		-22,420,036.89
Total	<b>43,920,735.75</b>	-98,734,638.44

**(XII) Non-operating income**

Item	Current period	Last period	Amount included in non-recurring gains and losses for the period
Government grants not relating to daily activities		1,738,410.18	
Gain from damage and disposal of non-current assets	<b>1,097,923.02</b>	498,433.21	1,097,923.02
Penalty income	<b>870,390.77</b>	656,401.71	870,390.77
Insurance claims payment	<b>10,175,745.28</b>	951,533.11	10,175,745.28
Others	<b>2,706.08</b>	666,788.83	2,706.08
Total	<b>12,146,765.15</b>	4,511,567.04	12,146,765.15

Other explanations: The amount included in non-recurring gains and losses for the year was RMB12,146,765.15 (last year: RMB4,511,567.04); non-operating income for the year included profit from disposal of properties of RMB0 (last year: RMB0).

**(XIII) Income tax expense****1. List of income tax expense**

Item	Current period	Last period
Current income tax expense	<b>3,940,041.57</b>	-9,027,974.12
(1) China	<b>3,937,169.64</b>	-9,050,708.34
(2) Hong Kong	<b>2,871.93</b>	22,734.22
Deferred income tax expense	<b>41,024,373.70</b>	-68,464,933.95
Total	<b>44,964,415.27</b>	-77,492,908.07

2. *Reconciliation of accounting profit and income tax expenses*

<b>Item</b>	<b>Current period</b>
Total profit	<b>1,183,209,602.99</b>
Income tax expenses calculated at statutory/applicable tax rate	<b>295,802,400.75</b>
Impact of different tax rates for subsidiaries	<b>-39,779,192.82</b>
Impact of adjustment for income tax for previous periods	<b>-615,064.96</b>
Impact of non-taxable income	<b>-215,347,007.8</b>
Impact of non-deductible costs, expenses and losses	<b>223,972.41</b>
Impact of utilisation of deductible loss for which no deferred tax assets were previously recognised	<b>-2,739,985.50</b>
Impact of deductible temporary differences or deductible losses for the period for which no deferred tax assets are recognised	<b>60,111,467.61</b>
Others (refers to additional deduction of research and development expense)	<b>-52,692,174.42</b>
Income tax expense	<b>44,964,415.27</b>

3. *Main types of taxes and rates*

<b>Tax types</b>	<b>Tax basis</b>	<b>Tax rate</b>
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%
City maintenance and construction tax	Based on value-added tax paid	7%
Educational surcharge	Based on value-added tax paid	3%
Local educational 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%

Companies subject to different income tax rates are disclosed as follows

<b>Name of tax payer</b>	<b>Tax rate</b>
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%
Guangzhou Wenchong Ship Engineering Co., Ltd. (“Wenchong Engineering”)	20.00%

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

#### 4. *Preferential taxation treatment*

##### *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 self-developed software 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.

##### *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. The tax rebate rate is 15% for income tax of Huangpu Wenchong.
- (2) Wenchong Shipyard obtained the Certificate of Hi-tech Enterprise (certificate no.: GR202544005465) on 19 December 2025, with a validity till 19 December 2028. The tax rebate rate is 15% for income tax of Wenchong Shipyard.
- (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. The tax rebate rate is 15% for income tax of Wenchuan Heavy Industrial.
- (4) CSSC Internet obtained the Certificate of Hi-tech Enterprise (certificate no.: GR202444009625) on 11 December 2024, with a validity till 11 December 2027. The tax rebate rate is 15% for income tax of CSSC Internet.
- (5) Zhanjiang Nanhai, Wenchong Bingshen, Xingji and Wenchong Engineering are small low-profit enterprises, according to the Announcement of Ministry of Finance and the Tax 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%.

#### (XIV) Earnings per share

Basic earnings per share shall be calculated by profit or loss 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 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.	Current year	Last year
Net profit attributable to shareholders of the Company	1	<b>1,008,262,651.35</b>	377,262,684.20
Non-recurring gains and losses attributable to the Company	2	<b>91,548,799.27</b>	41,654,459.53
Net profit after deducting non-recurring gains and losses attributable to shareholders of the Company	3=1-2	<b>916,713,852.08</b>	335,608,224.67
Total number of shares at the beginning of the year	4	<b>1,413,506,378.00</b>	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		

Item	No.	Current year	Last year
Number of shares decreased due to capital reduction	10		
Number of months in the reporting period	11	12.00	12.00
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	0.7133	0.2669
Basic earnings per share (II)	15=3÷13	0.6485	0.2374
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)	$20=[1+(16-17) \times (100\%-18)] \div (12+19)$	0.7133	0.2669
Diluted earnings per share (II)	$21=[3+(16-17) \times (100\%-18)] \div (13+19)$	0.6485	0.2374

(XV) **Dividends**

(1) *Year ended 31 December 2024*

- 1) Pursuant to a resolution of the Annual General Meeting of 2023 of the Company on 30 May 2024, the Company pays a dividend of RMB15,548,570.16 for the year 2023 and the Company does not convert capital reserve into share capital.
- 2) Pursuant to a resolution of the second extraordinary general meeting of 2024 of the Company on 27 September 2024, the Company pays a dividend of RMB16,962,076.54 under the profit distribution proposal for the half year 2024 and the Company does not convert capital reserve into share capital.

(2) *Year ended 31 December 2025*

- 1) Pursuant to a resolution of the Annual General Meeting of 2024 of the Company on 27 May 2025, the Company pays a dividend of RMB98,945,446.46 for the year 2024 and the Company does not convert capital reserve into share capital.
- 2) As considered and approved at the 16th meeting of the 11th session of the Board on 28 August 2025, the Company pays a dividend of RMB113,080,510.24 for the half year 2025 and the Company does not convert capital reserve into share capital. The Annual General Meeting of 2024 has considered and approved the Resolution on the Interim Dividend Arrangements for 2025. This profit distribution proposal is within the authorization of decision of the Board delegated by the general meeting and is not subject to consideration by the general meeting.
- 3) Profit distribution after the balance sheet date

According to the 19th meeting of the 11th session of the Board on 27 March 2026, the Company intends to distribute a cash dividend of RMB1.35 (tax inclusive) for every 10 shares to all its shareholders (the “Shareholders”). Calculated based on the total share capital of 1,413,506,378 shares of the Company as at 31 December 2025, the total proposed cash dividends to be distributed amounts to RMB190,823,361.03 (tax inclusive). The total amount of cash dividends (including cash dividend distributed for the interim period) of the Company for the Year amounts to RMB303,903,871.27 (tax inclusive), representing 30.14% of the net profit attributable to Shareholders of the Company for the Year. The remaining undistributed profits of RMB1,655,047,324.36 will be carried forward for distribution in future periods. The Company did not convert capital reserve into share capital for 2025. If the total share capital of the Company changes before the last registration date for the implementation of dividend distribution, the Company shall maintain the distribution ratio per share unchanged and adjust the total distribution accordingly, and further announcements will be made regarding the specific adjustments. This profit distribution proposal is subject to approval at the 2025 Annual General Meeting of the Company.

(XVI) **Depreciation and amortisation**

<b>Item</b>	<b>Current year</b>	Last year
Depreciation of fixed assets	<b>355,804,194.29</b>	355,092,356.69
Amortisation of intangible assets	<b>33,107,898.57</b>	32,845,930.59
Depreciation of right-of-use assets	<b>89,432,779.01</b>	83,885,032.19
Amortisation of long-term prepaid expenses	<b>23,647,678.47</b>	10,392,293.43
Depreciation of investment properties	<b>6,537,425.04</b>	6,537,425.04
Total	<b>508,529,975.38</b>	488,753,037.94

Other explanations: The amount of depreciation expenses included in operating costs, selling expenses, administrative expenses and research and development expenses for the year is RMB451,774,398.34 (last year: RMB445,514,813.92), and the amount of amortization expenses is RMB56,755,577.04 (last year: RMB43,238,224.02).

**(XVII) Gains (or losses) on disposal of investments or properties**

Gains on disposal of investments during the year were RMB7,526,553.17. Gains on disposal of properties during the year were RMB0 (gains on disposal of investments during the previous year is RMB0, gains on disposal of properties during the previous year is RMB0).

**IV. 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 different types of main products. The management of the Group evaluates operating results of these 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 engineering, 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 segment	Inter-segment elimination	Total
Revenue from external transactions	18,484,874,335.07	1,037,572,925.13	554,280,968.84	470,323,887.12		20,547,052,116.16
Revenue from intra-segment transactions	6,617,388,807.75	765,848,217.90	21,283,666.25	804,480,458.36	-8,209,001,150.26	
Income from investments in associates and joint ventures		-7,699,010.55		819,786,860.72	-27,248,837.97	784,839,012.20
Credit impairment loss	5,174,152.21	-32,643,848.72		-4,621,143.58		-32,090,840.09
Impairment losses on assets	-110,207,963.21			-153,223,646.52		-263,431,609.73
Depreciation fee and amortization fee	368,528,249.37	98,325,304.56	921,021.91	51,245,492.61	-10,490,093.07	508,529,975.38
Total profits	764,516,619.68	27,913,976.06	690,575.30	759,024,654.07	-368,936,222.12	1,183,209,602.99
Income tax expense	48,103,648.19	-6,220,098.59	37,764.60	3,043,101.07		44,964,415.27
Net profit	716,412,971.49	34,134,074.65	652,810.70	755,981,553.00	-368,936,222.12	1,138,245,187.72
Total assets	44,381,297,388.22	3,430,976,374.85	9,031,901.29	18,079,779,446.01	-9,879,537,403.84	56,021,547,706.53
Total liabilities	35,010,824,153.47	2,470,519,561.36	261,281.49	2,639,762,357.23	-5,790,323,919.37	34,331,043,434.18
Long-term equity investments in associates and joint ventures		10,950,428.29		4,741,597,120.30	1,435,468,058.91	6,188,015,607.50
Increase in other non-current assets excluding long-term equity investments	-437,725,350.42	255,167,834.36	-1,329,624.92	-941,247,501.25	91,615,677.93	-1,033,518,964.30
Capitalized expenditure	492,944,997.48	37,164,026.73		24,970,729.60	-46,661,706.20	508,418,047.61

### (1) Revenue from external transactions by origin of revenue

Item	Current year	Last year
Revenue from external transactions derived from China	<b>11,683,446,194.81</b>	13,252,007,338.58
Revenue from external transactions derived from other countries	<b>8,863,605,921.35</b>	6,150,383,521.05
Total	<b>20,547,052,116.16</b>	19,402,390,859.63

(2) *Non-current assets by location of assets*

<b>Item</b>	<b>Ending balance</b>	Beginning balance
Non-current assets in China (excluding Hong Kong)	<b>13,601,492,551.23</b>	12,330,803,838.37
Hong Kong, China		
Total	<b>13,601,492,551.23</b>	12,330,803,838.37

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