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

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

SUMMARY OF THE 2026 INTERIM REPORT

§1 IMPORTANT NOTICES

1.1 The financial information contained in this summary of the interim report (the "**Report**") for the six months ended 30 June 2026 (the "**Reporting Period**") of CSSC Offshore & Marine Engineering (Group) Company Limited (hereinafter referred to as "**COMEC**" or the "**Company**", and together with its subsidiaries, the "**Group**") is prepared in accordance with the China Accounting Standards for Business Enterprises and the financial information contained in this Report has been reviewed and confirmed by the Audit Committee of the Board.

1.2 There were 10 directors (the "**Director(s)**") of the Company and a total of 10 Directors attended the twenty-second meeting of the eleventh session of the Board held on 25 August 2026. The 2026 interim report was unanimously approved at the meeting.

1.3 The 2026 interim financial and accounting report of the Company is unaudited. The 2026 interim financial and accounting report of the Company is prepared in accordance with the Accounting Standards for Business Enterprises, and ShineWing Certified Public Accountants LLP executed the review pursuant to the relevant requirements.

1.4 The Company intends to distribute a cash dividend of RMB1.00 (tax inclusive) for every 10 shares to all shareholders for the first half of 2026, calculated according to the total share capital of 1,413,506,378 shares as at 30 June 2026, and the total cash dividends to be distributed will be RMB141,350,637.80 (tax inclusive), representing 16.90% of the net profit attributable to shareholders of the Company for the period from January to June in 2026. The remaining undistributed profit of the Company of RMB2,231,239,847.28 will be carried forward for distribution in future periods. The Company did not convert capital reserve into share capital for the first half of 2026. If the total share capital of the Company changes before the record date for the implementation of dividend distribution, the Company intends to maintain the distribution ratio per share unchanged and adjust the total distribution amount accordingly. The specific details of the adjustments will be announced separately. The 2025 annual general meeting of the Company has considered and approved the Resolution on the Interim Dividend Arrangements for 2026. This profit distribution proposal falls within the scope of the Board's authority as delegated by the general meeting and does not need to be submitted to the general meeting of the Company for further consideration. The Company expects to complete the payment of cash dividend on or before 22 October 2026.

1.5 The Report is a summary of the full text of the 2026 interim report of the Company. Investors are advised to carefully read the full text of such report for details.

1.6 The Report is prepared pursuant to Rule 13.49(6) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Hong Kong Listing Rules**").

1.7 The Report is prepared in both English and Chinese. In the event of any discrepancies, the Chinese version shall prevail.

§2 BASIC INFORMATION OF THE COMPANY

2.1 Key financial information and indicators

2.1.1 Key accounting figures

Unit: RMB Yuan

Key accounting information	Reporting Period (From January to June)	Corresponding period of last year	Change (%)
Operating revenue	**11,119,747,426.20**	10,172,636,741.11	9.31
Total profit	**1,032,304,534.56**	656,113,231.71	57.34
Net profit attributable to shareholders of the Company	**836,633,375.14**	526,386,355.89	58.94
Net profit attributable to shareholders of the Company after deduction of non-recurring gains and losses	**782,063,601.41**	490,999,481.55	59.28
Net cash flows from operating activities	**5,252,650,958.38**	1,530,898,629.05	243.11
	As at the end of the Reporting Period	**As at the end of last year**	**Change (%)**
Net assets attributable to shareholders of the Company	**18,987,614,632.98**	18,234,508,366.97	4.13
Total assets	**60,773,880,021.05**	56,021,547,706.53	8.48

2.1.2 Key financial indicators

Key financial indicators	Reporting Period (From January to June)	Corresponding period of last year	Change (%)
Basic earnings per share (RMB Yuan/share)	**0.5919**	0.3724	58.94
Diluted earnings per share (RMB Yuan/share)	**0.5919**	0.3724	58.94
Basic earnings per share after deduction of non-recurring gains and losses (RMB Yuan/share)	**0.5533**	0.3474	59.27
Weighted average return on equity (%)	**4.62**	3.11	Increase of 1.51 percentage points
Weighted average return on equity after deduction of non-recurring gains and losses (%)	**4.32**	2.90	Increase of 1.42 percentage points

1. During the Reporting Period, the shipbuilding industry remained highly prosperous. The Group seized the favorable opportunity presented by the robust orders on hand, fully leveraged its advantages in the serial production and bulk building of its main ship types, continued to strengthen lean management, and steadily improved its production and construction efficiency, achieving a cumulative operating revenue of RMB11,120 million, representing a period-on-period increase of 9.31%.

2. During the Reporting Period, the Group achieved a cumulative total profit of RMB1,032 million, representing a period-on-period increase of 57.34%; a net profit attributable to shareholders of the Company of RMB837 million, representing a period-on-period increase of 58.94%; a net profit attributable to shareholders of the Company after deduction of non-recurring gain or loss of RMB782 million, representing a period-on-period increase of 59.28%. It was mainly attributable to: (1) the gross profit of products increased compared to the same period last year, as the Group continued to deepen its lean production management and steadily advanced its cost-reduction program, continuously reduced the key construction cycles of main ship types, steadily improved production efficiency, and delivered results through cost control measures during the Reporting Period; (2) the significant period- on-period increase in recognized investment income, as a result of the significantly improvement of operating performance of the Company's associates, and the steadily increase in dividend levels from its investee companies during the Reporting Period.

3. During the Reporting Period, the net cash flows from operating activities of the Group amounted to RMB5,253 million, representing a period-on-period increase of 243.11%, mainly due to the period-on-period increase in milestone payments received for the construction of vessel products during the Reporting Period.

4. At the end of the Reporting Period, the balance of exclusively state-owned capital reserve was RMB591 million, which was mainly the state funds allocated to the infrastructure projects, which should be exclusively owned by the State as capital investment by the State to the Company or its subsidiaries after the completion and acceptance of the projects. In accordance with relevant regulations such as the "Interim Measures for the Administration of the Restructuring and Reorganization of Military Enterprises and Institutions and the Review of Military Operations on Capital Operations after Listing" issued by the State Administration of Science, Technology and Industry for National Defense, the capital reserve formed by state-allocated funds shall be owned by the representative of the investor of state-owned assets, i.e. CSSC, and shall be converted into state-owned shares after fulfilling the necessary procedures in accordance with relevant regulations. The impact of exclusively state-owned capital reserve was excluded when calculating the weighted average return on net assets.

2.1.3 Non-recurring gains and losses items and their amounts

Unit: RMB Yuan

Non-recurring gains and losses items	Amount	Note (where applicable)
Gain or loss on disposal of non-current assets (including the write-off of the asset impairment provision)	-2,133,687.86	
Government grants accrued in current profit or loss, other than those that are closely related to the Company's normal operation, in line with national policies and in accordance with defined criteria, and have a sustained impact on the Company's profit or loss	32,659,097.99	
Gain or loss on changes in fair value of financial assets and financial liabilities held by non-financial entities and gain or loss on disposal of financial assets and financial liabilities, except for effective hedging transactions that are related to the Company's normal operation	52,883,190.80	
Capital occupation fee received from non-financial entities included in current profit or loss		
Gain or loss on entrusted investments or assets under management		
Gains or losses from entrusted loans		
Losses on assets due to force majeure events, such as natural disasters		
Reversal of the provision for impairment of receivables which are tested individually for impairment		
Gain from the excess of the fair value of the identifiable net assets of investee companies on acquisition of the investment over the cost of investment in the Company's subsidiaries, associates and joint ventures		
Net gains or losses of subsidiaries for the current period from the beginning of the period to the date of combination arising from business combination under common control		
Gain or loss on exchange of non-monetary assets		
Gain or loss on debt restructuring		
One-off costs incurred as a result of the discontinuation of relevant operating activities, e.g. staff settlement expenses		
One-off effect on current profit or loss due to adjustments to tax and accounting laws and regulations		
One-off share-based payments recognized for cancellation and modification of equity incentive plans		
For cash-settled share-based payments, gain or loss arising from changes in fair value of employee benefits payable after the vesting date		
Gain or loss arising from changes in fair value of investment properties under fair value model on subsequent measurement		
Gain from transactions with obviously unfair transaction price		
Gain or loss on contingencies which are not related to the Company's normal operation		
Entrusted fee income from entrusted operations		
Other non-operating revenue and expenses apart from the aforesaid items	173,890.35	
Other gain or loss items meeting the definition of non- recurring gains or losses	15,824,675.39	Note
Less: Effect of income tax	12,535,786.33	
Effect of non-controlling interests (after tax)	32,301,606.61	
Total	54,569,773.73	

Note: Other profit or loss items that comply with the definition of non-recurring profit or loss mainly include non-recurring profit and loss items of associates recognized on the basis of percentage of shareholding.

§3 STAFF AND REMUNERATION POLICY

The remuneration of the employees of the Group includes salaries, bonuses and other statutory welfare schemes prescribed by the state. The Group implements a post-and-performance-based remuneration system, under which the rates of remuneration are determined based on employees' positions and performance pursuant to the relevant laws and regulations of the PRC. The Group emphasizes linking compensation to performance, encourages reducing personnel while enhancing efficiency, implements partial retention of wages, and promotes the co-creation and sharing of value. Resources are allocated in a scientific and precise manner, with a focus on high value positions, high performing personnel, and key frontline positions. As at 30 June 2026, the Group had a total of 4,302 employees. As at 30 June 2026, the remuneration paid by the Group to employees was RMB457 million in aggregate.

During the Reporting Period, to maintain the quality, knowledge and skill levels of our workforce, the Group provides continuing education and training programs, including internal and external training, for our employees to improve their technical, professional or management skills. The Group also provides training programs to our employees from time to time to ensure their awareness and compliance with our policies and procedures in various aspects.

§4 MANAGEMENT'S DISCUSSION AND ANALYSIS

4.1 Discussion and analysis of overall operation during the Reporting Period

(I) Development of the shipbuilding market in the first half of 2026

During the first half of 2026, the global shipping and shipbuilding market experienced a substantial upturn, new shipbuilding orders were placed beyond expectations, and the price of new ship remained at cyclical highs. The Chinese shipbuilding industry demonstrated outstanding comprehensive competitiveness and continued to occupy a dominant position in the global market.

New demand rose sharply. In the first half of 2026, jointly driven by geopolitical disruptions, tight global delivery slot resources and other factors, the new shipbuilding market remained heated. The global new shipbuilding market received new orders of 1,641 ships and 147.10 million DWT, representing a period-on-period increase of 211.7% in terms of DWT and reaching the highest level on record for the same period. In terms of ship types, the containership market remained active, with transactions reaching 24.682 million DWT, representing a period-on-period decline of 9.8%, yet remaining at a historically high level. Orders for small and medium-sized containerships surged significantly, with transactions reaching 3.401 million DWT, representing a period-on-period increase of 23.8%. Trading for energy carriers rose sharply, the contracted volumes of crude oil tankers and refined oil tankers were 58.605 million DWT and 11.601 million DWT, respectively, representing period-on-period increases of 515.6% and 438.5%, respectively; the contracted volumes of LNG carriers and LPG carriers were 5.426 million DWT and 3.729 million DWT, respectively, representing period-on-period increases of 553.1% and 235.1%, respectively. The bulk carrier market was operating at a high level of prosperity with transactions reaching 28.131 million DWT, representing a period-on-period increase of 87.0%.

The price of new ships stabilized at high levels. In June 2026, Clarkson's new ship price index increased by 0.5% from the beginning of the year to close at 185.2 points, representing a period-on-period decrease of 1.0%. Compared with the peak of this cycle and historical highs, the price of new ships remained elevated, supported by geopolitical tensions, tight delivery slot resources and demand to replace obsolete ships. In terms of ship types, the new ship price indices for oil tankers and bulk carriers grew by 3.7% and 4.0% from the beginning of the year to close at 222.1 points and 176.2 points in June, representing period-on-period increases of 4.6% and 3.8%, respectively; the new ship price indices for containerships and liquefied gas carriers grew by 2.0% and 0.6% from the beginning of the year to close at 116.8 points and 201.7 points in June, representing period-on-period decreases of 0.2% and 0.2%, respectively.

China leads the global shipbuilding industry in market share. In the first half of 2026, China's shipbuilding industry received new orders of 121.06 million DWT and 31.4556 million CGT, with completed shipbuilding volume of 36.50 million DWT and 14.5251 million CGT; as at the end of June, the orders on hand reached 363.25 million DWT and 136.5732 million CGT. In terms of DWT, the three major shipbuilding indicators accounted for 82.3%, 62.2% and 71.2% of the global market share, respectively; in terms of CGT, the shares were 71.87%, 56.71%, and 65.08%, respectively. In the first half of the year, the share of new orders received by China's shipbuilding industry increased by 173.1% and 114.05% period-on-period in terms of DWT and CGT respectively, indicating a continued expansion of its leading advantage and sustained enhancement of the comprehensive competitiveness.

The global offshore engineering market witnessed steady improvement. In the first half of 2026, supported by high oil prices, newbuild prices for global offshore engineering equipment remained high, with a total of 87 units and US$10.543 billion contracted, representing a period-on-period increase of 55.8% in terms of value. By segment, the estimated newbuild prices for a 350-foot jack-up drilling platform and a semi-submersible drilling platform for rough seas were US$240 million and US$750 million respectively, both flat period-on-period; the estimated newbuild prices for 3,200 DWT and 4,500 DWT platform supply ships were US$416,200 and US$801,200 respectively, representing period-on-period increases of 9.9% and 7.2%, respectively.

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

(II) Operation of the Group

In the first half of 2026, the Group adopted "stable delivery, improve quality and efficiency, ensure safety, and promote reform" as the annual management theme, coordinating and advancing all operational and production activities to maintain steady development momentum. All of its operational indicators performed well, value creation capability continued to improve, achieving operating revenue of RMB11,120 million, representing a period-on-period increase of 9.31%, and net profit attributable to shareholders of the Company amounted to RMB837 million, representing a period-on-period increase of 58.94%.

During the Reporting Period, the total value of new contracts secured by the Group amounted to RMB20,165 million, representing 122.8% of the annual target. The Company secured orders for a total of 55 newbuild ships across eight types, mainly containerships. Capitalizing on the development opportunities of the global shipbuilding market and the advantage of its abundant orders on hand, the Company focused on main vessel types, advantageous vessel types, as well as green and smart vessel types, advancing development of independently developed ship types and intensifying efforts to increase the value of new contracts secured. The Company continued to consolidate its global leadership in the feeder containership market; orders for the "SWAN/Honghu" products maintained strong momentum, with significant results in mass orders for self-developed products. The Group achieved mass signing for multiple containership types of 5,000 TEU and above, greatly expanding its product spectrum.

During the Reporting Period, the Group fulfilled its primary responsibility of strengthening the armed forces, further consolidated the development foundation of the defence industry, steadily enhanced its supply capability for new-quality and new-domain equipment, and actively promoted capability building for equipment construction. The Group deepened the production management and control mechanism, improved its lean management system and advanced cost engineering construction. Leveraging the advantages of bulk building, the Group maintained a sound production momentum, and accelerated its production upgrading. The Group completed and delivered 18 ships, 0.8824 million DWT, including products such as feeder containerships and heavy-lift ships, while achieving early delivery of multiple product types compared to contract schedules.

As at the end of the Reporting Period, the Group held orders with the total contract value of approximately RMB74.5 billion, of which the total contract value of shipbuilding orders on hand was approximately RMB73.4 billion, including 173 ship products and 1 offshore equipment with a total of 6.28 million DWT.

4.2 Main business analysis

4.2.1 Analysis of changes in relevant items in the financial statements

Unit: RMB Yuan

Item	Reporting Period	Corresponding period of last year	Change (%)
Operating revenue	11,119,747,426.20	10,172,636,741.11	9.31
Operating costs	9,929,531,236.86	9,218,419,877.97	7.71
Selling expenses	12,464,827.10	12,169,312.95	2.43
General and administrative expenses	375,194,988.65	309,540,092.02	21.21
Finance cost	-25,835,324.94	-119,100,650.46	N/A
Research and development expense	474,632,169.80	549,656,510.52	-13.65
Net cash flows from operating activities	5,252,650,958.38	1,530,898,629.05	243.11
Net cash flows from investing activities	604,946,831.89	1,276,924,854.65	-52.62
Net cash flows from financing activities	-1,088,710,369.00	-300,581,028.11	N/A
Taxes and surcharges	39,241,135.19	23,743,301.09	65.27
Other income	35,283,228.56	98,929,395.67	-64.33
Investment income	722,793,332.43	405,636,862.98	78.19
Gain on change in fair value	35,876,335.58	9,266,578.75	287.16
Credit impairment loss (loss expressed with "-")	-43,537,386.50	-637,579.53	N/A
Gain on disposal of assets	64,213.05	-187,689.66	N/A
Non-operating revenue	638,773.14	3,395,110.41	-81.19
Non-operating expenses	2,662,783.70	1,656,879.38	60.71
Income tax expense	93,353,874.88	54,405,068.22	71.59

Reason for change in operating revenue: mainly due to the shipbuilding industry remained highly prosperous during the Reporting Period. The Group seized the favorable opportunity presented by the robust orders on hand, fully leveraged its advantages in the serial production and bulk building of its main ship types, continued to strengthen lean management, and steadily continuously its production and construction efficiency, driving steady growth in operating revenue.

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

Reason for change in selling expenses:/

Reason for change in general and administrative expenses:/

Reason for change in finance cost: mainly due to the period-on-period increase of the net exchange losses arising from the exchange rate changes during the Reporting Period.

Reason for change in research and development expense:/

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

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

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

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

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

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

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

Reason for change in credit impairment loss: mainly due to the period-on-period increase in provision for bad debts made according to individual assessment method during the Reporting Period.

Reason for change in gain on disposal of assets: mainly due to a period-on-period increase in gains recognised on the disposal of right-of-use assets following amendments to long-term lease contracts during the Reporting Period.

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

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

Reason for change in income tax expense: mainly due to the improvements in profitability, resulting in the period-on-period increase in current income tax expense during the Reporting Period.

4.2.2 Reasons for significant changes in profit composition or sources of profit

During the Reporting Period, the Group recognized investment income of RMB723 million, representing a period-on-period increase of RMB317 million, mainly due to the impact of recognizing investment income from associates by the equity method amounted to RMB614 million during the Reporting Period, representing a period-on-period increase of RMB255 million.

Among which, the Company recognized an investment income of RMB614 million from its associate, Guangzhou Shipyard International, based on its shareholding ratio, representing a period-on-period increase of RMB249 million.

4.2.3 Analysis of assets and liabilities

Unit: RMB Yuan

Name of item	Amount at the end of current period	As a proportion of total assets at the end of current period (%)	Amount at the end of last period	As a proportion of total assets at the end of corresponding period of last year (%)	Change of amount at the end of current period compared with that at the end of corresponding period of last year (%)	Description
Cash at bank and on hand	17,727,277,913.62	29.17	13,855,425,043.73	24.73	27.94	
Notes receivable	2,022,835.00	0.00	17,541,153.59	0.03	-88.47	Due payment of certain notes during the Reporting Period.
Accounts receivable	1,814,766,346.07	2.99	1,342,703,815.71	2.40	35.16	Increase in the amount of payments that have not reached the collection time at the end of the Reporting Period.
Inventories	8,426,831,114.05	13.87	8,528,125,730.47	15.22	-1.19	
Contract assets	2,561,757,089.40	4.22	2,618,828,424.43	4.67	-2.18	
Investment property	113,305,643.94	0.19	116,574,356.46	0.21	-2.8	
Long-term equity investments	6,800,488,766.96	11.19	6,188,015,607.50	11.05	9.9	
Fixed assets	4,556,329,464.31	7.50	4,553,386,574.97	8.13	0.06	
Construction in progress	354,264,335.86	0.58	310,601,023.91	0.55	14.06	
Right-of-use assets	136,060,863.94	0.22	158,374,401.95	0.28	-14.09	
Short-term borrowings	2,287,936,555.55	3.76	2,557,989,477.75	4.57	-10.56	
Contract liabilities	18,263,452,144.55	30.05	15,264,016,233.63	27.25	19.65	
Long-term borrowings	1,453,500,000.00	2.39	2,218,200,000.00	3.96	-34.47	Repaid upon maturity during the Reporting Period.
Lease liabilities	106,067,278.80	0.17	103,010,005.14	0.18	2.97	

Name of item	Amount at the end of current period	As a proportion of total assets at the end of current period (%)	Amount at the end of last period	As a proportion of total assets at the end of corresponding period of last year (%)	Change of amount at the end of current period compared with that at the end of corresponding period of last year (%)	Description
Trading financial assets	58,012,214.61	0.10	15,904,587.81	0.03	264.75	Change in fair value of financial derivatives held at the end of the Reporting Period.
Other receivable	271,603,899.87	0.45	58,867,109.69	0.11	361.38	The increase in dividends receivable, refundable deposit and other current accounts at the end of the Reporting Period.
Other non-current assets	1,204,945,490.27	1.98	688,712,336.72	1.23	74.96	Change in fair value of some financial derivatives held at the end of the Reporting Period.
Notes payable	425,070,151.83	0.70	711,762,388.12	1.27	-40.28	The increase in notes payable due at the end of the Reporting Period.
Employee compensation payable	255,860,636.78	0.42	242,991.84	0.00	105,195.98	Monthly provision of wages, subsidies and benefits during the Reporting Period.
Taxes payable	26,557,577.13	0.04	58,467,947.36	0.10	-54.58	The decrease in individual income tax payable at the end of the Reporting Period.
Other payables	496,507,183.07	0.82	229,429,068.75	0.41	116.41	The increase in ordinary dividend payables and temporary receipts payable at the end of the Reporting Period.
Other current liabilities	598,059,682.36	0.98	1,708,605,517.29	3.05	-65.00	The decrease in notes endorsed but not yet due or derecognized at the end of the Reporting Period.
Estimated liabilities	277,337,137.47	0.46	137,257,797.91	0.25	102.06	Increase in warranty expenses provisions at the end of the Reporting Period.
Other non-current liabilities	617,827,969.99	1.02	102,489,557.04	0.18	502.82	Change in fair value of some financial derivatives held at the end of the Reporting Period.

4.3 Analysis of investments

4.3.1 Information on external equity investments

The Company is an investment holding company, and details of its external investments are set out in the notes to the financial statements. As at the end of the Reporting Period, the balance of the Group's long-term equity investments was RMB6,800.4888 million, representing an increase of 9.90% from RMB6,188.0156 million as at the beginning of the year, mainly due to the impact of increase in the investment income from associates during the Reporting Period.

4.4 Non-fund raising investment projects

During the Reporting Period, the Company had no non-fund raising investment projects.

§5 SIGNIFICANT EVENTS

5.1 Asset transactions and merger of enterprises

During the Reporting Period, the Company had no asset transactions and merger of enterprises.

5.2 Profit distribution during the Reporting Period

The Company intends to distribute a cash dividend of RMB1.00 (tax inclusive) for every 10 shares to all shareholders for the first half of 2026, calculated according to the total share capital of 1,413,506,378 shares as at 30 June 2026, and the total cash dividends to be distributed will be RMB141,350,637.80 (tax inclusive), representing 16.90% of the net profit attributable to shareholders of the Company for the period from January to June in 2026. The remaining undistributed profit of the Company of RMB2,231,239,847.28 will be carried forward for distribution in future periods. The Company did not convert capital reserve into share capital for the first half of 2026. If the total share capital of the Company changes before the record date for the implementation of dividend distribution, the Company intends to maintain the distribution ratio per share unchanged and adjust the total distribution amount accordingly. The specific details of the adjustments will be announced separately.

The 2025 annual general meeting of the Company has considered and approved the Resolution on the Interim Dividend Arrangements for 2026. This profit distribution proposal falls within the scope of the Board's authority as delegated by the general meeting and does not need to be submitted to the general meeting of the Company for further consideration. The Company expects to complete the payment of cash dividend on or before 22 October 2026.

In order to qualify shareholders for the proposed interim dividend, the register of members of the Company will be closed from 19 September 2026 to 24 September 2026 (both days inclusive). All completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's H share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong by 4:30 p.m. on 18 September 2026. Shareholders whose names appear on the register of members of the Company on 24 September 2026 are entitled to receive the interim dividend in cash for the six months ended 30 June 2026.

5.3 Material litigations, arbitrations and matters of concern by media in general

During the Reporting Period, the Company had no material litigations, arbitrations and matters of concern by media in general.

5.4 Entrustment, contracting and leasing matters

5.4.1 Leasing

Unit: RMB Yuan

Name of lessor	Name of lessee	Assets leased	Amount of assets leased	Date of commencement of lease	Date on which the lease will be terminated	Rental income	Basis for determination of rental income	Effect of rental income on the Company	Whether related transaction or not	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	Fellow subsidiary of the Group
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	Fellow subsidiary of the Group
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 Co., Ltd. and Huangpu Wenchong entered into a lease agreement in relation to land use right, and leased the land use right owned by it in relation to the land at the Changzhou Plant to Huangpu Wenchong for its operational use. The rent for the land use right shall be determined based on the principle of asset depreciation, amortisation and taxes. The rent shall be paid annually in the form of monetary funds. The term for the aforesaid lease of land use right commenced on 1 May 2014 and will end on the date on which the relocation of Huangpu Wenchong is completed and production commences at the new plant.

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

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

5.4.2 Guarantee

Unit: RMB ten thousand

<table>
<tr><th colspan="16">External guarantees by the Company (excluding guarantees for its subsidiaries)</th></tr>
<tr><th>Guarantor</th><th>Relationship between guarantor and the Company</th><th>Guaranteed entity</th><th>Amount of guarantee</th><th>Date of guarantee (date of signing of agreement)</th><th>Date of commencement of guarantee</th><th>Date of expiry of guarantee</th><th>Type of guarantee</th><th>Main debt</th><th>Collateral (if any)</th><th>Whether fully executed</th><th>Whether guarantee is overdue</th><th>Overdue amount</th><th>Reverse guarantee</th><th>Whether provided for by related party</th><th>Relationship</th></tr>
<tr><td colspan="7">Total amount of guarantees during the Reporting Period (excluding guarantees provided for its subsidiaries)</td><td colspan="9"></td></tr>
<tr><td colspan="7">Total balance of guarantees at the end of the Reporting Period (A) (excluding guarantees provided for its subsidiaries)</td><td colspan="9"></td></tr>
<tr><th colspan="16">Guarantees provided by the Company for its subsidiaries</th></tr>
<tr><td colspan="7">Total amount of guarantees provided for its subsidiaries during the Reporting Period</td><td colspan="9">76,724.65</td></tr>
<tr><td colspan="7">Total balance of guarantees provided for its subsidiaries at the end of the Reporting Period (B)</td><td colspan="9">242,004.84</td></tr>
<tr><th colspan="16">Total amount of guarantees provided by the Company (including those provided for its subsidiaries)</th></tr>
<tr><td colspan="7">Total amount of guarantees (A+B)</td><td colspan="9">242,004.84</td></tr>
<tr><td colspan="7">Total amount of guarantees as a percentage of the Company's net assets (%)</td><td colspan="9">12.75</td></tr>
<tr><td colspan="16">Including:</td></tr>
<tr><td colspan="7">Amount of guarantees provided for shareholders, actual controllers and related parties (C)</td><td colspan="9"></td></tr>
<tr><td colspan="7">Amount of debt guarantees provided directly or indirectly for companies with gearing ratio of over 70% (D)</td><td colspan="9">242,004.84</td></tr>
<tr><td colspan="7">Total amount of guarantees in excess of 50% of net assets (E)</td><td colspan="9"></td></tr>
<tr><td colspan="7">Sum of the above three guarantees (C+D+E)</td><td colspan="9">242,004.84</td></tr>
<tr><td colspan="7">Description of outstanding guarantees which may incur joint and several liability</td><td colspan="9">Not applicable</td></tr>
<tr><td colspan="7">Description of guarantees</td><td colspan="9">During the Reporting Period, the Group provided new external guarantee with an accumulated amount of RMB767 million, with the content and total amount of the external guarantees falling within the scope of limit set out in the framework for the guarantees as approved at the general meeting, and no overdue guarantee occurred. As at the end of the Reporting Period, the Group provided external guarantee with a balance of RMB2.42 billion, all of which were guarantees provided by the Company's controlling subsidiary Huangpu Wenchong to its subsidiary Wenchuan Heavy Industrial. The guarantees include bank credit guarantee, parent company guarantee, advance payment guarantee and performance guarantee.</td></tr>
</table>

5.5 Environmental information

Number of enterprises included in the list of enterprises subject to legal environmental information disclosure (3)		
No.	**Name of enterprise**	**Index for enquiry for legal environmental information disclosure report**
1	CSSC Huangpu Wenchong Shipbuilding Company Limited	Enterprise Environmental Information Disclosure System of the Department of Ecology and Environment of Guangdong Province
2	Guangzhou Wenchong Shipyard Co., Ltd.	Enterprise Environmental Information Disclosure System of the Department of Ecology and Environment of Guangdong Province
3	Guangzhou Huangchuan Ocean Engineering Co., Ltd.	Enterprise Environmental Information Disclosure System of the Department of Ecology and Environment of Guangdong Province

5.6 Explanation on other significant events

5.6.1 Details of pledges of the assets of the Group

As at 30 June 2026, the Company had a total of bank deposits amounting to RMB13,400 used to secure the deposit for bank acceptance notes, letters of guarantee and letters of credit. Save as disclosed above, no other assets of the Group were subject to pledge.

5.6.2 Gearing ratio

As at 30 June 2026, the Group's gearing ratio (calculated by total liabilities/total assets x 100%) was 62.90%, representing an increase of 1.62% from 61.28% as at the beginning of the year.

5.6.3 Repurchase, sale or redemption of securities of the Company

The Group has not made any purchase, sale or redemption of listed securities (including sales of treasury shares) of the Company or any of its subsidiaries during the Reporting Period. As at 30 June 2026, the Company did not hold any treasury shares.

5.6.4 Liquidity, financial resources and treasury policies

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

5.6.5 Events after the Reporting Period

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

§6 CORPORATE GOVERNANCE REPORT

During the Reporting Period, the general meeting of the Company, the Board and the management performed their specific responsibilities and regulated corporate operation to ensure the true, accurate, complete, timely and fair disclosure of corporate information. Specialized committees of the Board carried out works in accordance with their respective duties, and independent non-executive Directors played an important role in the work of the Board of the Company.

6.1 Corporate Governance

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

Except as disclosed below, during the six months ended 30 June 2026, the Company has adopted the principles set out in the Corporate Governance Code (the "**CG Code**") contained in Appendix C1 of the Hong Kong Listing Rules and, the Company has complied with all the code provisions, except that for the purpose of Code Provision C.1.6, Mr. Yin Lu, Mr. Ren Kaijiang, being the non-executive Directors, and Mr. Lin Bin, being an independent non-executive Director, were unable to attend the 2025 annual general meeting of the Company held on 27 May 2026 for work reasons. For the purpose of the requirements of principle C.2 of the CG Code and some of the best practices contained therein, Mr. Luo Bing, the former chairman of the Company, resigned on 19 March 2026 for the reason of work changes, and as at 30 June 2026, the Company has not yet elected a new chairman to replace Mr. Luo Bing, being the former chairman, in relation to the positions of the chairman of the Company and the chairman of the Strategy Committee of the Board; with respect to principle B.1 of the CG Code and some of the best practices therein, the composition of the Board should maintain a balanced mix of executive Directors and non-executive Directors (including independent non-executive Directors) so that a strong independent element exists on the Board and independent judgement can be exercised effectively. Mr. Luo Bing, an executive Director of the Company, resigned on 19 March 2026. From 19 March 2026 up to the date when Mr. Weng Hongbing was elected as an executive Director on 27 May 2026, there were no executive Director on the Board. On 25 August 2026, the Company held the twenty-second meeting of the eleventh session of the Board to elect Mr. Weng Hongbing as the chairman of the Company and the chairman of the Strategy Committee of the Board. The Company has fully complied with the requirements of the above CG Code and will continue to perform its corporate governance duties better.

6.2 Securities Transactions by Directors

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

6.3 Meetings of the Board

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

In addition, during the Reporting Period, the special meetings of independent Directors of the Board held a total of 1 meeting to consider and approve one resolution, namely the resolution on the Report on the Risk Continuous Assessment of CSSC Finance Company Limited in 2025; the Audit Committee held a total of 2 meetings to consider and approve thirteen resolutions, including the 2025 annual report, the internal control assessment report and the first quarter report of 2026; the Emolument and Examination Committee held a total of 2 meetings to consider and approve three resolutions on the assessment results and remuneration of the Directors and senior management of the Company for 2025, the remuneration proposal of the Directors and senior management of the Company for 2026, and the remuneration management rules for the Directors and senior management of the Company; the Nomination Committee held a total of 2 meetings to consider and approve three resolutions on the nomination of the candidate for General Manager of the Company, the nomination of the candidate for Executive Director of the Eleventh Session of the Board of the Company, and the appointment of the Deputy General Manager of the Company.

§7 FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH THE CHINA ACCOUNTING STANDARDS

(Amounts denominated in Renminbi unless otherwise specified)

CONSOLIDATED BALANCE SHEET (UNAUDITED)
30 June 2026

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

Item	30 June 2026	31 December 2025
Current assets:		
Cash at bank and on hand	**17,727,277,913.62**	13,855,425,043.73
Settlement reserve		
Placements with banks and non-bank financial institutions		
Trading financial assets	**58,012,214.61**	15,904,587.81
Derivative financial assets		
Notes receivable	**2,022,835.00**	17,541,153.59
Accounts receivable	**1,814,766,346.07**	1,342,703,815.71
Receivable financing	**95,795,042.76**	74,059,204.31
Prepayments	**5,950,434,118.43**	6,767,980,733.81
Insurance premium receivable		
Reinsurance premium receivable		
Reserves for reinsurance contract receivable		
Other receivables	**271,603,899.87**	58,867,109.69
Financial assets purchased under agreements to resell		
Inventories	**8,426,831,114.05**	8,528,125,730.47
Including: Data resources		
Contract assets	**2,561,757,089.40**	2,618,828,424.43
Assets held-for-sale		
Non-current assets due within one year	**820,204,078.83**	808,775,394.83
Other current assets	**742,699,107.54**	727,661,002.13
Total current assets	**38,471,403,760.18**	34,815,872,200.51

Item	30 June 2026	31 December 2025
Non-current assets:		
Loans and advances granted		
Debt investments		
Other debt investments		
Long-term receivables	**273,007,219.31**	358,289,181.81
Long-term equity investments	**6,800,488,766.96**	6,188,015,607.50
Investments in other equity instruments	**7,352,836,342.13**	7,245,893,772.98
Other non-current financial assets		
Investment properties	**113,305,643.94**	116,574,356.46
Fixed assets	**4,556,329,464.31**	4,553,386,574.97
Construction in progress	**354,264,335.86**	310,601,023.91
Productive biological assets		
Oil and gas assets		
Right-of-use assets	**136,060,863.94**	158,374,401.95
Intangible assets	**892,098,348.09**	908,623,286.42
Including: Data resources		
Development expenses		
Including: Data resources		
Goodwill		
Long-term deferred expenses	**260,267,644.19**	275,787,306.01
Deferred tax assets	**358,872,141.87**	401,417,657.29
Other non-current assets	**1,204,945,490.27**	688,712,336.72
Total non-current assets	**22,302,476,260.87**	21,205,675,506.02
Total assets	**60,773,880,021.05**	56,021,547,706.53

Item	30 June 2026	31 December 2025
Current liabilities:		
Short-term borrowings	**2,287,936,555.55**	2,557,989,477.75
Loans from central bank		
Placements from banks and non-bank financial institutions		
Trading financial liabilities		
Derivative financial liabilities		
Notes payable	**425,070,151.83**	711,762,388.12
Accounts payable	**11,012,342,612.08**	8,791,133,678.45
Accounts collected in advance		
Contract liabilities	**18,263,452,144.55**	15,264,016,233.63
Securities sold under agreements to repurchase		
Deposits from customers and other banks		
Brokerage for securities trading		
Brokerage for underwriting securities		
Employee compensation payable	**255,860,636.78**	242,991.84
Taxes and dues payable	**26,557,577.13**	58,467,947.36
Other payables	**496,507,183.07**	229,429,068.75
Fee and commission payable		
Reinsured accounts payable		
Liabilities held for sale		
Non-current liabilities due within one year	**1,066,065,575.93**	1,140,196,339.48
Other current liabilities	**598,059,682.36**	1,708,605,517.29
Total current liabilities	**34,431,852,119.28**	30,461,843,642.67

Item	30 June 2026	31 December 2025
Non-current liabilities:		
Reserves for insurance contracts		
Long-term borrowings	**1,453,500,000.00**	2,218,200,000.00
Bonds payable		
Including: Preference shares		
Perpetual bonds		
Lease liabilities	**106,067,278.80**	103,010,005.14
Long-term payables		
Long-term employee compensation payable	**102,991,692.87**	109,560,059.23
Estimated liabilities	**277,337,137.47**	137,257,797.91
Deferred income	**80,570,405.21**	69,919,025.37
Deferred tax liabilities	**1,158,945,323.16**	1,128,763,346.82
Other non-current liabilities	**617,827,969.99**	102,489,557.04
Total non-current liabilities	**3,797,239,807.50**	3,869,199,791.51
Total liabilities	**38,229,091,926.78**	34,331,043,434.18
Owners' equity (or shareholders' equity):		
Share capital	**1,413,506,378.00**	1,413,506,378.00
Other equity instruments		
Including: Preference shares		
Perpetual bonds		
Capital reserve	**9,074,498,605.10**	9,050,623,845.39
Less: Treasury shares		
Other comprehensive income	**3,319,706,038.86**	3,236,840,575.18
Special reserve		
Surplus reserve	**1,237,804,616.41**	1,237,804,616.41
Provision for general risks		
Retained earnings	**3,942,098,994.61**	3,295,732,951.99
Total equity attributable to owners of the Parent Company	**18,987,614,632.98**	18,234,508,366.97
Non-controlling interests	**3,557,173,461.29**	3,455,995,905.38
Total equity	**22,544,788,094.27**	21,690,504,272.35
Total liabilities and equity	**60,773,880,021.05**	56,021,547,706.53

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 (UNAUDITED)
30 June 2026

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

Item	30 June 2026	31 December 2025
Current assets:		
Cash at bank and on hand	**1,384,692,820.84**	1,372,631,553.64
Trading financial assets		
Derivative financial assets		
Notes receivable		
Accounts receivable		
Receivable financing		
Prepayments		
Other receivables	**79,602,221.32**	18,095.97
Inventories		
Including: Data resources		
Contract assets		
Assets held for sale		
Non-current assets due within one year		
Other current assets	**20,420,326.76**	22,335,018.48
Total current assets	**1,484,715,368.92**	1,394,984,668.09

Item	30 June 2026	31 December 2025
Non-current assets:		
Debt investments		
Other debt investments		
Long-term receivables		
Long-term equity investments	**8,539,889,555.64**	7,913,063,156.86
Investments in other equity instruments	**7,349,153,211.64**	7,233,880,906.16
Other non-current financial assets		
Investment properties	**113,305,643.94**	116,574,356.46
Fixed assets	**623,807.07**	735,590.01
Construction in progress		
Productive biological assets		
Oil and gas assets		
Right-of-use assets		
Intangible assets		
Including: Data resources		
Development expenses		
Including: Data resources		
Goodwill		
Long-term deferred expenses		
Deferred tax assets	**192,117.22**	192,117.22
Other non-current assets		
Total non-current assets	**16,003,164,335.51**	15,264,446,126.71
Total assets	**17,487,879,704.43**	16,659,430,794.80

Item	30 June 2026	31 December 2025
Current liabilities:		
Short-term borrowings		
Trading financial liabilities		
Derivative financial liabilities		
Notes payable		
Accounts payable	**2,766,346.74**	5,511,207.11
Accounts collected in advance		
Contract liabilities		
Employee benefits payable		
Taxes payable	**215,515.56**	630,809.94
Other payables	**207,728,795.75**	17,074,363.27
Liabilities held for sale		
Non-current liabilities due within one year		
Other current liabilities		
Total current liabilities	**210,710,658.05**	23,216,380.32
Non-current liabilities:		
Long-term borrowings		
Bonds payable		
Including: Preference shares		
Perpetual bonds		
Lease liabilities		
Long-term payables		
Long-term employee benefits payable		
Estimated liabilities		
Deferred income		
Deferred tax liabilities	**1,122,817,502.91**	1,093,999,426.54
Other non-current liabilities		
Total non-current liabilities	**1,122,817,502.91**	1,093,999,426.54
Total liabilities	**1,333,528,160.96**	1,117,215,806.86

Item	30 June 2026	31 December 2025
Owners' equity:		
Share capital	**1,413,506,378.00**	1,413,506,378.00
Other equity instruments		
Including: Preference shares		
Perpetual bonds		
Capital reserve	**8,248,011,452.25**	8,247,355,508.47
Less: Treasury shares		
Other comprehensive income	**3,365,916,811.70**	3,281,155,999.64
Special reserve		
Surplus reserve	**754,326,416.44**	754,326,416.44
Retained earnings	**2,372,590,485.08**	1,845,870,685.39
Total equity	**16,154,351,543.47**	15,542,214,987.94
Total liabilities and equity	**17,487,879,704.43**	16,659,430,794.80

Person in charge of the Company: Weng Hongbing   Person in charge of accounting: Li Qiang   Head of accounting department: Zhao Na

CONSOLIDATED INCOME STATEMENT (UNAUDITED)

From January to June 2026

Item	1st half of 2026	1st half of 2025
I. Total operating revenue	**11,119,747,426.20**	10,172,636,741.11
Including: Operating revenue	**11,119,747,426.20**	10,172,636,741.11
Interest income		
Premium earned		
Fee and commission revenue		
II. Total operating costs	**10,805,229,032.66**	9,994,428,444.09
Including: Operating costs	**9,929,531,236.86**	9,218,419,877.97
Interest expense		
Fee and commission expenses		
Refunded premiums		
Net amount of compensation payout		
Net increase in insurance contracts reserve		
Policy dividend payment		
Reinsured expenses		
Taxes and surcharges	**39,241,135.19**	23,743,301.09
Selling expenses	**12,464,827.10**	12,169,312.95
General and administrative expenses	**375,194,988.65**	309,540,092.02
Research and development expense	**474,632,169.80**	549,656,510.52
Financing cost	**-25,835,324.94**	-119,100,650.46
Including: Interest expenses	**46,054,875.23**	60,459,609.21
Interest income	**158,678,478.43**	196,337,751.14
Add: Other income	**35,283,228.56**	98,929,395.67
Investment income (loss expressed with “-”)	**722,793,332.43**	405,636,862.98
Including: Income from investment in associates and joint ventures	**613,510,632.73**	358,620,177.75
Derecognition income of financial assets measured at amortised cost		
Exchange gain (loss expressed with “-”)		
Net gain from exposure hedging (loss expressed with “-”)		

Item	1st half of 2026	1st half of 2025
Gain from change in fair value (loss expressed with "-")	**35,876,335.58**	9,266,578.75
Loss on impairment of credit (loss expressed with "-")	**-43,537,386.50**	-637,579.53
Loss on impairment of assets (loss expressed with "-")	**-30,669,571.54**	-36,840,864.55
Gains from disposal of assets (loss expressed with "-")	**64,213.05**	-187,689.66
III. Operating profit (loss expressed with "-")	**1,034,328,545.12**	654,375,000.68
Add: Non-operating revenue	**638,773.14**	3,395,110.41
Less: Non-operating expenses	**2,662,783.70**	1,656,879.38
IV. Total profit (total loss expressed with "-")	**1,032,304,534.56**	656,113,231.71
Less: Income tax expense	**93,353,874.88**	54,405,068.22
V. Net profit (net loss expressed with "-")	**938,950,659.68**	601,708,163.49
(I) By continuity of operations		
1. Net profit from continuing operations (net loss expressed with "-")	**938,950,659.68**	601,708,163.49
2. Net profit from discontinued operations (net loss expressed with "-")		
(II) By ownership		
1. Net profit attributable to shareholders of the Parent Company (net loss expressed with "-")	**836,633,375.14**	526,386,355.89
2. Gain or loss attributable to non-controlling interests (net loss expressed with "-")	**102,317,284.54**	75,321,807.60
VI. Net other comprehensive income after tax	**82,281,763.56**	-558,365,322.44
Net other comprehensive income after tax attributable to owners of the Parent Company	**83,421,492.19**	-557,961,339.41

Item	1st half of 2026	1st half of 2025
(I) Other comprehensive income that may not be subsequently reclassified to profit and loss	**85,613,689.37**	-557,403,654.73
1. Change in re-measurement of defined benefit plans	**-276,421.98**	
2. Other comprehensive income that may not be reclassified to profit or loss under equity method	**-1,693,417.05**	385,911.56
3. Change in fair value of investments in other equity instruments	**87,583,528.40**	-557,789,566.29
4. Change in fair value of own credit risk		
(II) Other comprehensive income that will be subsequently reclassified to profit or loss	**-2,192,197.18**	-557,684.68
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	**-2,192,197.18**	-557,684.68
Net other comprehensive income after tax attributable to non-controlling interests	**-1,139,728.63**	-403,983.03
VII. Total comprehensive income	**1,021,232,423.24**	43,342,841.05
Total comprehensive income attributable to owners of the Parent Company	**920,054,867.33**	-31,574,983.52
Total comprehensive income attributable to non-controlling interests	**101,177,555.91**	74,917,824.57
VIII. Earnings per share:		
(I) Basic earnings per share (RMB/share)	**0.5919**	0.3724
(II) Diluted earnings per share (RMB/share)	**0.5919**	0.3724

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 (UNAUDITED)

From January to June 2026

Item	1st half of 2026	1st half of 2025
I. Operating revenue	**7,332,000.00**	7,332,000.00
Less: Operating costs	**3,268,712.52**	3,268,712.52
Taxes and surcharges	**13,804.74**	63,594.70
Selling expenses		
General and administrative expenses	**2,432,573.20**	6,726,105.48
Research and development expense		
Financing cost	**-12,107,949.56**	-17,810,207.63
Including: Interest expenses		23,902.77
Interest income	**12,113,095.77**	17,839,572.59
Add: Other income		50,050.51
Investment income (loss expressed with "-")	**707,249,516.39**	432,954,270.37
Including: Income from investment in associates and joint ventures	**627,863,872.05**	378,580,541.37
Derecognition income of financial assets measured at amortised cost		
Net gain from exposure hedging (loss expressed with "-")		
Gain from change in fair value (loss expressed with "-")		
Loss on impairment of credit (loss expressed with "-")		
Loss on impairment of assets (loss expressed with "-")		
Gains from disposal of assets (loss expressed with "-")		-187,689.66
II. Operating profit (loss expressed with "-")	**720,974,375.49**	447,900,426.15
Add: Non-operating revenue	**0.01**	2,668.49
Less: Non-operating expenses		3,551.69
III. Total profit (total loss expressed with "-")	**720,974,375.50**	447,899,542.95
Less: Income tax expense	**3,431,214.78**	3,849,353.92

Item	1st half of 2026	1st half of 2025
IV. Net profit (net loss expressed with "-")	**717,543,160.72**	444,050,189.03
(I) Net profit from continuing operations (net loss expressed with "-")	**717,543,160.72**	444,050,189.03
(II) Net profit from discontinued operations (net loss expressed with "-")		
V. Net other comprehensive income after tax	**84,760,812.06**	-557,488,547.98
(I) Other comprehensive income that may not be subsequently reclassified to profit and loss	**84,760,812.06**	-557,488,547.98
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	**-1,693,417.05**	385,911.56
3. Change in fair value of investments in other equity instruments	**86,454,229.11**	-557,874,459.54
4. Change in fair value of own credit risk		
(II) Other comprehensive income that will be subsequently reclassified to profit or loss		
1. Other comprehensive income that may be reclassified to profit or loss under equity method		
2. Change in fair value of other debt investments		
3. Amount included in other comprehensive income on reclassification of financial assets		
4. Provision for credit impairment of other debt investments		
5. Cash flow hedges reserve		
6. Exchange differences arising from translation of foreign currency financial statements		
7. Others		
VI. Total comprehensive income	**802,303,972.78**	-113,438,358.95

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(UNAUDITED)

From January to June 2026

Item	1st half of 2026	1st half of 2025
I. Cash flows from operating activities:		
Cash received from sale of goods or rendering of services	**14,946,133,856.22**	11,125,739,640.33
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	**364,153,614.09**	396,122,919.77
Other cash receipts relating to operating activities	**138,536,878.57**	196,740,756.33
Sub-total of cash inflows from operating activities	**15,448,824,348.88**	11,718,603,316.43
Cash paid for goods and services	**9,117,365,320.05**	9,428,457,919.13
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	**620,253,523.31**	500,338,003.84
Payments of taxes	**126,192,266.30**	103,192,991.43
Other cash payments relating to operating activities	**332,362,280.84**	155,715,772.98
Sub-total of cash outflows from operating activities	**10,196,173,390.50**	10,187,704,687.38
Net cash flows from operating activities	**5,252,650,958.38**	1,530,898,629.05

Item	1st half of 2026	1st half of 2025
II. Cash flows from investing activities:		
Cash receipts from disposal of investments	**10,439,337.23**	6,489,851.67
Cash receipts from investment income	**69,025,595.41**	68,588,958.92
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		1,324,835.43
Net cash receipts from disposal of subsidiaries and other business units		
Other cash receipts relating to investing activities	**4,228,761,300.00**	3,816,260,795.79
Sub-total of cash inflows from investing activities	**4,308,226,232.64**	3,892,664,441.81
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	**207,956,108.43**	106,020,746.34
Cash paid for investments	**3,195,900.00**	122,391,758.00
Net increase in pledged loans		
Net cash paid for acquisition of subsidiaries and other business units		
Other cash payments relating to investing activities	**3,492,127,392.32**	2,387,327,082.82
Sub-total of cash outflows from investing activities	**3,703,279,400.75**	2,615,739,587.16
Net cash flows from investing activities	**604,946,831.89**	1,276,924,854.65
III. Cash flows from financing activities:		
Cash receipts from receiving investments		
Including: Cash received by subsidiaries from receiving investments made by non- controlling interests		
Cash receipts from borrowings	**800,000,000.00**	100,000,000.00
Other cash receipts relating to financing activities	**23,218,815.93**	
Sub-total of cash inflows from financing activities	**823,218,815.93**	100,000,000.00
Cash paid for repayment of debts	**1,857,200,000.00**	323,400,000.00
Cash paid for dividends, profit distribution or interest expenses	**43,235,754.57**	55,182,841.12
Including: Dividends and profits paid by subsidiaries to non-controlling interests		
Other cash payments relating to financing activities	**11,493,430.36**	21,998,186.99
Sub-total of cash outflows from financing activities	**1,911,929,184.93**	400,581,028.11
Net cash flows from financing activities	**-1,088,710,369.00**	-300,581,028.11

Item	1st half of 2026	1st half of 2025
IV. Effect of change in exchange rate on cash and cash equivalents	**-66,521,281.07**	-16,578,773.42
V. Net increase in cash and cash equivalents	**4,702,366,140.20**	2,490,663,682.17
Add: Beginning balance of cash and cash equivalents	**9,254,367,192.68**	7,912,650,651.18
VI. Ending balance of cash and cash equivalents	**13,956,733,332.88**	10,403,314,333.35

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 (UNAUDITED)
From January to June 2026

Item	1st half of 2026	1st half of 2025
I. Cash flows from operating activities:		
Cash received from sale of goods or rendering of services	**7,991,880.00**	7,991,880.00
Cash received from tax refund		
Other cash receipts relating to operating activities	**438,664.93**	721,923.70
Sub-total of cash inflows from operating activities	**8,430,544.93**	8,713,803.70
Cash paid for goods and services		94,612.80
Cash paid to and on behalf of employees	**2,825,235.53**	5,011,767.84
Payments of taxes	**2,050,808.27**	2,167,201.36
Other cash payments relating to operating activities	**3,442,844.32**	3,436,689.83
Sub-total of cash outflows from operating activities	**8,318,888.12**	10,710,271.83
Net cash flows from operating activities	**111,656.81**	-1,996,468.13
II. Cash flows from investing activities:		
Cash receipts from disposal of investments		
Cash receipts from investment income		54,373,729.00
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		946,778.00
Net cash receipts from disposal of subsidiaries and other business units		
Other cash receipts relating to investing activities	**691,934,000.00**	315,208,750.00
Sub-total of cash inflows from investing activities	**691,934,000.00**	370,529,257.00
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets		255,224.84
Cash paid for investments		
Net cash paid for acquisition of subsidiaries and other business units		
Other cash payments relating to investing activities	**730,000,000.00**	50,000,000.00
Sub-total of cash outflows from investing activities	**730,000,000.00**	50,255,224.84
Net cash flows from investing activities	**-38,066,000.00**	320,274,032.16

Item	1st half of 2026	1st half of 2025
III. Cash flows from financing activities:		
Cash receipts from receiving investments		
Cash receipts from borrowings		
Other cash receipts relating to financing activities		
Sub-total of cash inflows from financing activities		
Cash paid for repayment of debts		
Cash paid for dividends, profit distribution or interest expenses		
Other cash payments relating to financing activities		450,562.67
Sub-total of cash outflows from financing activities		450,562.67
Net cash flows from financing activities		-450,562.67
IV. Effect of change in exchange rate on cash and cash equivalents		-898.99
V. Net increase in cash and cash equivalents	**-37,954,343.19**	317,826,102.37
Add: Beginning balance of cash and cash equivalents	**479,833,884.16**	63,868,935.79
VI. Ending balance of cash and cash equivalents	**441,879,540.97**	381,695,038.16

Person in charge of the Company: Weng Hongbing   Person in charge of accounting: Li Qiang   Head of accounting department: Zhao Na

§8 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 30 June 2026 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.

II. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

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

The financial statements have been prepared by the Company in conformity with the China Accounting Standards for Business Enterprises by the Ministry of Finance, and present truly and completely the Company's financial position as at 30 June 2026, operating results and cash flow and other related information from January to June 2026.

III. NOTES TO MAJOR ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial statements data disclosed below, unless otherwise stated, "Beginning balance" refers to the balance as at 1 January 2026; and "Ending balance" refers to the balance as at 30 June 2026. "Current period" refers to the period from 1 January 2026 to 30 June 2026; and "Last period" refers to the period from 1 January 2025 to 30 June 2025. The currency unit is RMB.

1. Notes receivable

(1) Types of notes receivable

Item	Ending balance	Beginning balance
Bank acceptance bills		12,710,926.09
Finance company acceptance bills	2,022,835.00	4,830,227.50
Total	**2,022,835.00**	**17,541,153.59**

(2) Types by method of bad debt provision

Type	Ending balance				
	Book balance		Provision for bad debts		Carrying value
	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	2,022,835.00	100.00			2,022,835.00
Total	**2,022,835.00**	**100.00**			**2,022,835.00**

Type	Beginning balance				
	Book balance		Provision for bad debts		Carrying value
	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	**17,541,153.59**	**100.00**			**17,541,153.59**

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

Item	Ending balance		
	Book balance	Provision for bad debts	Percentage of provision (%)
Finance company acceptance bills	2,022,835.00		
Total	**2,022,835.00**		**–**

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

None.

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

None.

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

Item	Amount derecognized as at the end of the period	Amount not derecognized as at the end of the period
Finance company acceptance bills		2,022,835.00
Total		**2,022,835.00**

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

None.

2. Accounts receivable

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

Aging	Ending balance	Beginning balance
Within 1 year	1,443,888,763.44	817,310,842.06
1 to 2 years	286,006,064.75	283,962,480.67
2 to 3 years	148,337,507.84	269,813,755.02
3 to 4 years	26,305,262.37	18,735,723.67
4 to 5 years	1,605,746.74	840,980.01
Over 5 years	10,836,929.73	10,848,878.24
Subtotal	**1,916,980,274.87**	**1,401,512,659.67**
Less: Provision for bad debts	102,213,928.80	58,808,843.96
Total	**1,814,766,346.07**	**1,342,703,815.71**

(2) Credit period of accounts receivable

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

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

	Ending balance				
	Book balance		Provision for bad debts		
Type	Amount	Percentage (%)	Amount	Percentage of provision (%)	Carrying value
Provision for bad debts made on an individual basis	80,501,938.60	4.20	55,556,880.89	69.01	24,945,057.71
Provision for bad debts made on a collective basis	1,836,478,336.27	95.80	46,657,047.91	2.54	1,789,821,288.36
Total	**1,916,980,274.87**	**100.00**	**102,213,928.80**	**–**	**1,814,766,346.07**

	Beginning balance				
	Book balance		Provision for bad debts		
Type	Amount	Percentage (%)	Amount	Percentage of provision (%)	Carrying value
Provision for bad debts made on an individual basis	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**

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 provision
Entity 1			66,483,519.03	46,538,463.32	70.00	Not expected to recover in full
Entity 2	9,428,345.50	4,428,343.50	9,428,345.50	4,428,343.50	46.97	Not expected to recover in full
Entity 3	4,220,713.33	4,220,713.33	4,220,713.33	4,220,713.33	100.00	Poor financial condition with remote possibility of recovery
Entity 4	369,360.74	369,360.74	369,360.74	369,360.74	100.00	Poor financial condition with remote possibility of recovery
Total	14,018,419.57	9,018,417.57	80,501,938.60	55,556,880.89	–	–

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

Item	Ending balance		
	Book balance	Provision for bad debts	Percentage of provision (%)
Ageing portfolio	662,967,230.42	46,657,047.91	7.04
Portfolio of government units and public institutions	1,091,835,775.35		
Related parties portfolio	81,675,330.50		
Total	**1,836,478,336.27**	**46,657,047.91**	**–**

The details of the ageing portfolio are as follows:

Ageing	Ending balance		
	Book balance	Provision for bad debts	Percentage of provision (%)
Within 1 year (inclusive)	501,174,509.62	198,946.50	0.04
1 to 2 years	56,523,720.21	5,657,455.65	10.00
2 to 3 years	87,537,881.32	26,261,364.40	30.00
3 to 4 years	14,353,442.80	11,482,754.24	80.00
4 to 5 years	1,605,746.74	1,284,597.39	80.00
Over 5 years	1,771,929.73	1,771,929.73	100.00
Total	**662,967,230.42**	**46,657,047.91**	**–**

Recognition criteria and description of provision for bad debts made on a collective basis:

The Group determines the accounts receivable which have not been tested individually for impairment to be the accounts receivable the credit risk of which has not significantly increased since initial recognition. Based on the actual credit loss for previous years and considering forward-looking information for the period, the Group expects the provision loss rate for accounts receivable ageing 0 to 6 months to be 0, the provision loss rate for accounts receivable ageing 6 months to 1 year to be 0.5%, the default loss rate for accounts receivable ageing 1 to 2 years to be 10%, the provision loss rate for accounts receivable ageing 2 to 3 years to be 30%, the provision loss rate for accounts receivable ageing 3 to 5 years to be 80%, and the provision loss rate for accounts receivable ageing over 5 years to be 100%, and bad debt provision is made on the expected credit loss of accounts receivable based on 0, 0.5%, 10%, 30%, 80% and 100% of the balance at the balance sheet date, respectively.

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

Type	Beginning balance	Amount of changes during the period				Ending balance
		Provision	Recovered or reversed	Resold or written-off	Others	
Provision for bad debts of accounts receivable	58,808,843.96	44,778,524.73	1,373,439.89			102,213,928.80
Total	**58,808,843.96**	**44,778,524.73**	**1,373,439.89**			**102,213,928.80**

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

None.

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

Name of entity	Ending balance of accounts receivable	Ending balance of contract assets	Ending balance of accounts receivable and contract assets	Percentage of total ending balance of accounts receivable and contract assets (%)	Ending balance of provision for bad debts of accounts receivable and contract assets
Entity 5	980,831,888.11	945,854,440.00	1,926,686,328.11	43.02	
Entity 6	166,654,139.90		166,654,139.90	3.72	
Entity 7	94,893,163.22		94,893,163.22	2.12	54,718.00
Entity 8	69,730,171.03	1,496,422.83	71,226,593.86	1.59	64,329.78
Entity 9	67,783,519.03	10,161,624.73	77,945,143.76	1.74	46,805,103.19
Total	**1,379,892,881.29**	**957,512,487.56**	**2,337,405,368.85**	**52.19**	**46,924,150.97**

3. Notes payable

Types of notes	Ending balance	Beginning balance
Finance company acceptance bills	415,691,086.33	706,145,289.79
Bank acceptance bills	9,379,065.50	5,617,098.33
Total	**425,070,151.83**	**711,762,388.12**

Other description:

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

Among the above notes payable of the Group, RMB425,070,151.83 had an ageing of less than 180 days, and RMB0 had an ageing of 181-360 days.

4. Accounts payable

(1) Accounts payable

Item	Ending balance	Beginning balance
Materials purchased	8,930,658,413.46	7,238,466,080.97
Payment for construction in progress	317,978,965.23	109,807,084.42
Retention fund	797,126,836.89	765,164,792.48
Other construction and labour services	966,578,396.50	677,695,720.58
Total	**11,012,342,612.08**	**8,791,133,678.45**

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

Aging	Ending balance	Beginning balance
Within 1 year	10,016,685,989.67	7,798,683,358.66
1 to 2 years	544,594,842.13	397,168,559.59
2 to 3 years	86,077,056.76	109,106,970.12
Over 3 years	364,984,723.52	486,174,790.08
Total	**11,012,342,612.08**	**8,791,133,678.45**

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

Item	Ending balance	Including: Amount aged over one year	Reason for unsettlement or carrying forward
China State Shipbuilding Equipment and Materials Corporation (中國船舶集團物資有限公司)	568,880,474.22	17,906,667.30	Tentative estimation of arrears and deposit
AECC Shenyang Liming Aero Engine Co., Ltd.	482,857,874.97	24,793,876.30	Tentative estimation of arrears and deposit
Guangzhou Wenchong Industrial Co., Ltd.	152,123,896.60	144,950,866.48	Not yet due
China Shipbuilding Group Co., Ltd. No. 703 Research Institute	125,521,604.75	22,122,605.48	Tentative estimation of arrears and deposit
CASIC Group No. 3 Research Institute	25,554,600.00	25,554,600.00	Tentative estimation of arrears and deposit
Total	**1,354,938,450.54**	**235,328,615.56**	–

5. Retained earnings

Item	Amount for the period	Amount for last period
Retained earnings as at the end of last period before adjustment	3,295,732,951.99	2,591,405,648.46
Adjustment to total retained earnings as at the beginning of the period (increase +, decrease -)		
Including: Retrospective adjustment to Accounting Standards for Business Enterprises and related new regulations		
Retained earnings as at the beginning of the period after adjustment	3,295,732,951.99	2,591,405,648.46
Add: Net profit attributable to owners of the Parent Company for the current period	836,633,375.14	526,386,355.89
Transfer from other comprehensive income to retained earnings	556,028.51	-467,760.08
Less: Statutory surplus reserve set aside		
Dividends payable for ordinary shares	190,823,361.03	98,945,446.47
Ending balance of the period	**3,942,098,994.61**	**3,018,378,797.80**

6. Net current assets

Item	Ending balance	Beginning balance
Current assets	38,471,403,760.18	34,815,872,200.51
Less: Current liabilities	34,431,852,119.28	30,461,843,642.67
Net current assets	4,039,551,640.90	4,354,028,557.84

7. Total assets less current liabilities

Item	Ending balance	Beginning balance
Total assets	60,773,880,021.05	56,021,547,706.53
Less: Current liabilities	34,431,852,119.28	30,461,843,642.67
Total assets less current liabilities	26,342,027,901.77	25,559,704,063.86

8. Operating revenue and operating cost

(1) Information on operating revenue and operating cost

Item	Current period		Last period	
	Revenue	Cost	Revenue	Cost
Principal business	11,029,576,350.81	9,871,572,768.56	10,032,831,730.56	9,099,088,302.38
Other business	90,171,075.39	57,958,468.30	139,805,010.55	119,331,575.59
Total	**11,119,747,426.20**	**9,929,531,236.86**	**10,172,636,741.11**	**9,218,419,877.97**

Gross profit from principal business

Item	Current period	Last period
Revenue from principal business	11,029,576,350.81	10,032,831,730.56
Cost of principal business	9,871,572,768.56	9,099,088,302.38
Gross profit	**1,158,003,582.25**	**933,743,428.18**

1) Principal business – by product

Product name	Current period	Last period
Revenue from principal business		
Ship products	9,361,476,258.06	9,395,989,883.27
Including:		
Bulk carriers	1,058,394,663.83	
Containerships	1,347,516,991.44	2,411,731,334.06
Special ships and others	6,955,564,602.79	6,984,258,549.21
Offshore engineering products		34,271,270.38
Steel structure	1,128,360,417.01	33,539,675.24
Ship maintenance and modification	463,642,663.21	446,468,248.35
Electromechanical products and others	76,097,012.53	122,562,653.32
Total	**11,029,576,350.81**	**10,032,831,730.56**
Cost of principal business		
Ship products	8,404,840,098.66	8,421,020,541.90
Including:		
Bulk carriers	918,067,447.12	-2,143,426.87
Containerships	1,018,094,710.36	1,789,504,452.88
Special ships and others	6,468,677,941.18	6,633,659,515.89
Offshore engineering products	107,125.33	56,333,891.07
Steel structure	971,067,978.56	41,368,161.06
Ship maintenance and modification	436,280,200.73	478,299,186.67
Electromechanical products and others	59,277,365.28	102,066,521.68
Total	**9,871,572,768.56**	**9,099,088,302.38**

2) Principal business – by region

Region	Current period	Last period
Revenue from principal business		
China (including Hong Kong, Macao and Taiwan)	4,496,031,600.77	6,807,845,601.08
Other Asia regions	1,812,306,405.58	1,634,612,408.52
Europe	3,048,655,390.45	825,424,472.72
Oceania	9,441,959.00	8,307,287.53
North America	570,590,399.07	21,998,511.56
Africa	1,092,550,595.94	734,643,449.15
Total	**11,029,576,350.81**	**10,032,831,730.56**
Cost of principal business		
China (including Hong Kong, Macao and Taiwan)	4,262,525,487.07	6,153,641,680.50
Other Asia regions	1,503,600,472.13	1,513,094,423.28
Europe	2,659,453,902.44	727,988,797.25
Oceania	8,049,861.25	5,777,034.91
North America	486,365,701.93	17,539,351.97
Africa	951,577,343.74	681,047,014.47
Total	**9,871,572,768.56**	**9,099,088,302.38**

3) Income from and cost of other business

Item	Current period	Last period
Revenue from other business		
Sale of materials	**62,482,409.55**	103,654,751.78
Lease	**21,407,830.73**	20,436,036.39
Provision of energy	**77,102.08**	12,901,512.05
Others	**6,203,733.03**	2,812,710.33
Total	**90,171,075.39**	139,805,010.55
Costs of other business		
Sale of materials	**40,739,318.25**	99,025,909.88
Lease	**11,463,538.45**	3,551,257.80
Provision of energy	**2,040,917.61**	12,938,003.44
Others	**3,714,693.99**	3,816,404.47
Total	**57,958,468.30**	119,331,575.59

(2) Deductions of operating revenue

Item	**Amount for current period**	**Specific deductions**	Amount for last period	Specific deductions
Amount of operating revenue	**11,119,747,426.20**		10,172,636,741.11	
Total amount of deductions	**90,171,075.39**		139,805,010.55	
Proportion of total amount of deductions in operating revenue (%)	**0.81**		1.37	
I. Business income not related to the principal operations				
Income from operations other than daily operations	**90,171,075.39**	**Sales of materials, rental income, etc.**	139,805,010.55	Sales of materials, rental income, etc.
Subtotal of business income not related to the principal operations	**90,171,075.39**		139,805,010.55	
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 revenue after deductions	**11,029,576,350.81**		10,032,831,730.56	

(3) *Segment information of operating revenue and operating cost*

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

Contract type	Shipbuilding and related business segment		Steel structure business segment		Ship maintenance and related business segment		Other segments		Inter-segment elimination		Total	
	Operating revenue	Operating cost	Operating revenue	Operating cost	Operating revenue	Operating cost	Operating revenue	Operating cost	Operating revenue	Operating cost	Operating revenue	Operating cost
By product type:												
Ship products	12,030,067,282.38	11,073,431,122.98							-2,668,591,024.32	-2,668,591,024.32	9,361,476,258.06	8,404,840,098.66
Offshore engineering products		107,125.33										107,125.33
Steel structure			1,302,978,889.70	1,164,557,968.03					-174,618,472.69	-193,489,989.47	1,128,360,417.01	971,067,978.56
Ship maintenance and modification					463,642,663.21	436,280,200.73					463,642,663.21	436,280,200.73
Electromechanical products and others							157,423,939.29	140,664,142.04	-81,326,926.76	-81,386,776.76	76,097,012.53	59,277,365.28
Other business							90,581,731.02	58,760,291.23	-410,655.63	-801,822.93	90,171,075.39	57,958,468.30
Total	**12,030,067,282.38**	**11,073,538,248.31**	**1,302,978,889.70**	**1,164,557,968.03**	**463,642,663.21**	**436,280,200.73**	**248,005,670.31**	**199,424,433.27**	**-2,924,947,079.40**	**-2,944,269,613.48**	**11,119,747,426.20**	**9,929,531,236.86**
Sub-total by region of operation:												
Domestic	6,805,580,095.57	6,628,828,896.78	178,614,367.68	166,295,821.46	269,626,224.28	246,246,366.56	242,496,929.54	194,079,995.83	-2,924,947,079.40	-2,925,937,172.42	4,571,370,537.67	4,309,513,908.21
Overseas	5,224,487,186.81	4,444,709,351.53	1,124,364,522.02	998,262,146.57	194,016,438.93	190,033,834.17	5,508,740.77	5,344,437.44		-18,332,441.06	6,548,376,888.53	5,620,017,328.65
Total	**12,030,067,282.38**	**11,073,538,248.31**	**1,302,978,889.70**	**1,164,557,968.03**	**463,642,663.21**	**436,280,200.73**	**248,005,670.31**	**199,424,433.27**	**-2,924,947,079.40**	**-2,944,269,613.48**	**11,119,747,426.20**	**9,929,531,236.86**
By type of market or customer:												
State-owned enterprises	6,805,580,095.57	6,628,828,896.78			233,641,831.59	212,210,621.68	206,196,107.93	175,300,169.43	-2,924,947,079.40	-2,925,937,172.42	4,320,470,955.69	4,090,402,515.47
Private enterprises					13,917,951.43	11,966,303.62	35,259,662.20	17,760,901.85			49,177,613.63	29,727,205.47
Foreign enterprises	5,224,487,186.81	4,444,709,351.53	1,302,978,889.70	1,164,557,968.03	216,082,880.19	212,103,275.43	6,549,900.18	6,363,361.99		-18,332,441.06	6,750,098,856.88	5,809,401,515.92
Total	**12,030,067,282.38**	**11,073,538,248.31**	**1,302,978,889.70**	**1,164,557,968.03**	**463,642,663.21**	**436,280,200.73**	**248,005,670.31**	**199,424,433.27**	**-2,924,947,079.40**	**-2,944,269,613.48**	**11,119,747,426.20**	**9,929,531,236.86**

Contract type	Shipbuilding and related business segment		Steel structure business segment		Ship maintenance and related business segment		Other segments		Inter-segment elimination		Total	
	Operating revenue	Operating cost	Operating revenue	Operating cost	Operating revenue	Operating cost	Operating revenue	Operating cost	Operating revenue	Operating cost	Operating revenue	Operating cost
By type of contracts:												
Fixed price contract	12,030,067,282.38	11,073,538,248.31	1,302,978,889.70	1,164,557,968.03	463,642,663.21	436,280,200.73	248,005,670.31	199,424,433.27	-2,924,947,079.40	-2,944,269,613.48	11,119,747,426.20	9,929,531,236.86
Mark up pricing contract												
Total	**12,030,067,282.38**	**11,073,538,248.31**	**1,302,978,889.70**	**1,164,557,968.03**	**463,642,663.21**	**436,280,200.73**	**248,005,670.31**	**199,424,433.27**	**-2,924,947,079.40**	**-2,944,269,613.48**	**11,119,747,426.20**	**9,929,531,236.86**
By date of transfer of goods:												
Performed at a point in time	7,876,972,016.44	7,000,643,455.15	1,302,502,001.58	1,164,487,145.01	463,642,663.21	436,280,200.73	240,673,670.31	196,155,720.75	-2,925,486,155.12	-2,943,878,446.18	6,958,304,196.42	5,853,688,075.46
Performed within a time period	4,153,095,265.94	4,072,894,793.16	476,888.12	70,823.02			7,332,000.00	3,268,712.52	539,075.72	-391,167.30	4,161,443,229.78	4,075,843,161.40
Total	**12,030,067,282.38**	**11,073,538,248.31**	**1,302,978,889.70**	**1,164,557,968.03**	**463,642,663.21**	**436,280,200.73**	**248,005,670.31**	**199,424,433.27**	**-2,924,947,079.40**	**-2,944,269,613.48**	**11,119,747,426.20**	**9,929,531,236.86**
By contract term:												
Long-term	8,652,390,931.78	7,923,727,809.46	476,888.12	70,823.02	279,837,033.91	252,363,058.82	7,332,000.00	3,268,712.52	539,075.72	-391,167.30	8,940,575,929.53	8,179,039,236.52
Short-term	3,377,676,350.60	3,149,810,438.85	1,302,502,001.58	1,164,487,145.01	183,805,629.30	183,917,141.91	240,673,670.31	196,155,720.75	-2,925,486,155.12	-2,943,878,446.18	2,179,171,496.67	1,750,492,000.34
Total	**12,030,067,282.38**	**11,073,538,248.31**	**1,302,978,889.70**	**1,164,557,968.03**	**463,642,663.21**	**436,280,200.73**	**248,005,670.31**	**199,424,433.27**	**-2,924,947,079.40**	**-2,944,269,613.48**	**11,119,747,426.20**	**9,929,531,236.86**
By sales channel:												
Direct sales	12,030,067,282.38	11,073,538,248.31	1,302,978,889.70	1,164,557,968.03	463,642,663.21	436,280,200.73	248,005,670.31	199,424,433.27	-2,924,947,079.40	-2,944,269,613.48	11,119,747,426.20	9,929,531,236.86
Distribution sales												
Total	**12,030,067,282.38**	**11,073,538,248.31**	**1,302,978,889.70**	**1,164,557,968.03**	**463,642,663.21**	**436,280,200.73**	**248,005,670.31**	**199,424,433.27**	**-2,924,947,079.40**	**-2,944,269,613.48**	**11,119,747,426.20**	**9,929,531,236.86**

(4) Note on contract performance obligations

Item	Time of contract performance obligations	Material payment terms	Nature of goods the Company undertook to transfer	Whether the Company is the principal responsible person	Payment expected to be returned to customers born by the Company	Type of quality assurance and relevant obligations provided by the Company
Mainly the construction, delivery and maintenance of ships and ancillary products	Substantially corresponding to the completion schedule of the ship completion progress, mainly includes those for construction commencement, closure, docking, launching, sea trial and delivery	The time and proportion of the settlement of the progress payment are set out in the contracts between the Group and the customers	Ships and ancillary products or relevant services	Yes	The two parties shall perform the relevant obligations in accordance with the terms of the contract. If any party defaults or fails to perform the contractual obligations in a timely manner, where the responsibility lies with the Group, it shall refund customers' prepayments together with the contract assets caused thereby; in the event that it is the customer's responsibility, the Group has the right to require the customer to continue performing or to compensate for the costs and profits incurred in the contract performance	For defects caused by unintentional, navigation risks and physical damage during the warranty period of the contract, which is generally 1 year, enterprises provide repair services without any charges

(5) Information related to the transaction price allocated to remaining performance obligations

As of 30 June 2026, the transaction price corresponding to the contract performance obligations for which contracts had been entered into and which had not been performed was RMB61,311,930,000 of which:

RMB12,320,440,000 is expected to be recognized as revenue in 2026;

RMB23,970,510,000 is expected to be recognized as revenue in 2027.

(6) Top five customers by operating revenue

Customers	Relationship with the Group	Amount for the period	Percentage of total income from principal business (%)
Customer 1	Unrelated party	3,990,410,882.55	36.18
Customer 2	Unrelated party	1,368,201,547.62	12.40
Customer 3	Unrelated party	1,124,364,522.02	10.19
Customer 4	Unrelated party	694,404,295.82	6.30
Customer 5	Unrelated party	548,345,048.44	4.97
Total		**7,725,726,296.45**	**70.04**

(7) Purchase amounts from top five suppliers

Suppliers	Relationship with the Group	Amount for the period	Percentage of total costs of principal business (%)
Supplier 1	Under common control of China Shipbuilding Group	2,688,572,151.29	27.24
Supplier 2	Unrelated party	178,870,952.70	1.81
Supplier 3	Unrelated party	104,676,327.43	1.06
Supplier 4	Unrelated party	39,822,123.89	0.40
Supplier 5	Unrelated party	23,883,556.61	0.24
Total		**3,035,825,111.92**	**30.75**

(8) Information related to variable consideration in the contract

None.

(9) Significant contract changes or significant transaction price adjustments

None.

9. Financing cost

Item	Current period	Last period
Interest expenses	46,054,875.23	60,459,609.21
Including: Interest expenses from lease liabilities	2,557,849.69	3,943,969.13
Less: Interest income	158,678,478.43	196,337,751.14
Foreign exchange gains and losses	84,165,936.69	10,944,638.85
Other expenses	2,622,341.57	5,832,852.62
Total	**-25,835,324.94**	**-119,100,650.46**

(1) Details of interest expenses

Item	Current period	Last period
Interest on bank borrowings and overdraft	42,805,935.69	55,042,543.86
Interest on bank borrowings due within 5 years	42,805,935.69	55,042,543.86
Interest on bank borrowings due over 5 years		
Other borrowings	3,751,717.31	5,417,065.35
Interest on other borrowings due within 5 years		
Other interest expenses	3,751,717.31	5,417,065.35
Sub-total	46,557,653.00	60,459,609.21
Less: Capitalized interest		
Less: Finance interest discount	502,777.77	
Total	**46,054,875.23**	**60,459,609.21**

(2) Details of interest income

Item	Current period	Last period
Interest income from bank deposits	121,256,135.68	135,541,257.00
Interest income from receivables	37,422,342.75	60,796,494.14
Total	**158,678,478.43**	**196,337,751.14**

10. Investment income

Item	Current period	Last period
Gain from long-term equity investments accounted under equity method	613,510,632.73	358,620,177.75
Dividend income from holding other equity instrument investment	79,717,176.71	55,984,108.56
Investment income from disposal of financial assets held for trading	27,855,529.25	-8,967,423.33
Others	1,709,993.74	
Total	**722,793,332.43**	**405,636,862.98**

Other description: ① Investment income from investment in listed companies and non-listed companies for the period amounted to RMB79,385,644.34 (last period: RMB55,754,545.33) and RMB643,407,688.09 (last period: RMB349,882,317.65), respectively. ② "Others" represents the disposal of Hong Kong subsidiaries in the current period, with other comprehensive income from foreign-currency financial statement translation reclassified to profit or loss.

11. Gain from change in fair value

Source of gain from change in fair value	Current period	Last period
Financial assets held-for-trading	35,876,335.58	-1,052,371.06
Financial liabilities held-for-trading		10,318,949.81
Total	**35,876,335.58**	**9,266,578.75**

12. Non-operating revenue

Item	Current period	Last period	Amount included in non-recurring gains and losses for current period
Gain from damage and disposal of non-current assets	464,876.58	282,921.96	464,876.58
Including: Gain from damage and disposal of fixed assets	464,876.58	282,921.96	464,876.58
Insurance claims	89,337.00	2,893,148.84	89,337.00
Penalty income	74,390.00	217,515.56	74,390.00
Others	10,169.56	1,524.05	10,169.56
Total	**638,773.14**	**3,395,110.41**	**638,773.14**

Other description: The amount included in non-recurring gains and losses for the current period was RMB638,773.14 (last period: RMB3,395,110.41), and non-operating revenue for the current period included profit from disposal of properties of RMB0 (last period: RMB0).

13. Income tax expense

(1) Income tax expense

Item	Current period	Last period
Current income tax expense	50,140,706.34	9,997,482.35
1. Mainland China	50,140,706.34	10,000,334.59
2. Hong Kong, China		-2,852.24
Deferred income tax expense	43,213,168.54	44,407,585.87
Total	**93,353,874.88**	**54,405,068.22**

(2) *Reconciliation of accounting profit and income tax expenses*

Item	Current period
Total profit	1,032,304,534.56
Income tax expenses calculated at statutory/applicable tax rate	258,076,133.64
Impact of different tax rates for subsidiaries	-35,775,151.19
Impact of adjustment for income tax for previous period	28,975,536.31
Impact of non-taxable income	-173,282,719.02
Impact of non-deductible costs, expenses and losses	45,840.08
Impact of utilisation of deductible loss for which no deferred tax assets were previously recognised	-279,729.24
Impact of deductible temporary differences or deductible losses for the period for which no deferred tax assets are recognised	15,593,964.30
Income tax expense	93,353,874.88

(3) *Main types of taxes and rates*

Tax types	Tax basis	Tax rate
PRC enterprise income tax	Based on taxable profits	15%, 20%, 25%
Hong Kong profits tax	Taxable income	16.5%
Value-added tax	Domestic sales; provision of processing, repair and replacement services; rental income	13%
	Revenue from construction and installation business	9%
	Modern services industry	6%
City maintenance and construction tax	Based on value-added tax and consumption tax paid	7%
Educational surcharge	Based on value-added tax and consumption tax paid	3%
Local educational surcharge	Based on value-added tax and consumption tax paid	2%

Notes on taxpayers subject to different enterprise income tax rates:

Name of entity	Tax rate	Remarks
The Company	25%	
CSSC Huangpu Wenchong Shipbuilding Company Limited ("Huangpu Wenchong")	15%	
Guangzhou Wenchong Shipyard Co., Ltd. ("Wenchong Shipyard")	15%	
Guangzhou Wenchuan Heavy Industrial Co., Ltd. ("Wenchuan Heavy Industrial")	15%	
CSSC Industrial Internet Co., Ltd. ("CSSC Internet")	15%	
Wah Shun International Marine Limited ("Wah Shun")	16.50%	Other description
Wah Loong International Marine Limited ("Wah Loong")	16.50%	Other description
Wan Xing International Marine Limited ("Wan Xing")	16.50%	Other description
Zhanjiang Nanhai Ship Hi-Tech Services Ltd. ("Zhanjiang Nanhai")	20%	
Guangzhou Wenchong Ship Engineering Co., Ltd. ("Wenchong Engineering")	20%	
Guangzhou Xingji Maritime Engineering Design Co., Ltd. ("Xingji")	20%	
Other subsidiaries	25%	

Other description: Wah Shun, Wah Loong and Wan Xing are registered in Hong Kong and subject to Hong Kong profits tax with the tax rate of 16.50%.

(4) Preferential taxation treatment

1. Value-added tax

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

(2) Revenue from software: In accordance with the Circular of the State Administration of Taxation of the Ministry of Finance on the Value-added Tax Policy of Software Products (Cai Shui [2011] No. 100), for sales of 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 Additional Deduction of VAT in Advanced Manufacturing Enterprises (Announcement of the Ministry of Finance and the State Taxation Administration No. 43 of 2023) promulgated by the Ministry of Finance and the State Taxation Administration, advanced manufacturing enterprises are allowed to deduct the VAT payable by 5% of the deductible input tax in the current period from 1 January 2023 to 31 December 2027.

2. *Enterprise income tax*

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

(2) Wenchong Shipyard obtained the Certificate of Hi-tech Enterprise (certificate no.: GR202544005465) on 19 December 2025, with a validity till 19 December 2028. Wenchong Shipyard paid its enterprise income tax at a rate of 15%.

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

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

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

14. Depreciation and amortisation

Item	Current period	Last period
Depreciation of fixed assets	174,260,318.07	174,321,080.50
Amortisation of intangible assets	17,373,964.88	16,489,485.89
Depreciation of right-to-use assets	36,437,220.20	45,782,980.95
Amortisation of long-term deferred expenses	15,571,809.41	9,729,504.34
Depreciation of investment properties	3,268,712.52	3,268,712.52
Total	**246,912,025.08**	**249,591,764.20**

Other explanations: The amount of depreciation expenses included in operating costs, selling expenses, general and administrative expenses and research and development expenses for the period is RMB213,966,250.79 (last period: RMB223,372,773.97), and the amount of amortisation expenses is RMB32,945,774.29 (last period: RMB26,218,990.23).

15. Gains (or losses) on disposal of investments or properties

Gains from disposal of investments during the current period were RMB0. Gains from disposal of properties during the current period were RMB0 (gains from disposal of investments during the previous period is RMB0, looses from disposal of properties for the previous period is RMB187,689.66).

16. 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 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 period**	**Last period**
Net profit attributable to shareholders of the Company	1	836,633,375.14	526,386,355.89
Non-recurring gains and losses attributable to shareholders of the Company	2	54,569,773.73	35,386,874.34
Net profit after deducting non-recurring gains and losses attributable to shareholders of theCompany	3=1-2	782,063,601.41	490,999,481.55
Total number of shares at the beginning of the period	4	1,413,506,378.00	1,413,506,378.00
Shares increased due to transferring capital reserve into share capital or dividend distribution of shares (I)	5		
Shares increased due to issuance of new shares or debt for equity swap (II)	6		
Number of months from next month to the period-end regarding the increase of shares (II)	7		
Shares decreased due to share repurchase	8		
Number of months from the next month to the period-end regarding the decrease of shares	9		
Number of shares decreased due to capital reduction	10		
Number of months in the Reporting Period	11	6.00	6.00
Weighted average of ordinary shares outstanding	12	1,413,506,378.00	1,413,506,378.00
Weighted average number of ordinary shares outstanding following adjustments in relation to business combination under common control for the purposes of earnings per share after deduction of nonrecurring gains and losses	13	1,413,506,378.00	1,413,506,378.00

Item	No.	Current period	Last period
Basic earnings per share (I)	14=1÷12	0.5919	0.3724
Basic earnings per share (II)	15=3÷13	0.5533	0.3474
Potential diluted interests of ordinary shares recognised as expense	16		
Conversion fee	17		
Income tax rate	18	0.25	0.25
Increase in weighted average amount of ordinary shares increased due to warrant, share options, and convertible bonds, etc.	19		
Diluted earnings per share (I)	20=[1+(16-17)×(100%-18)]÷(12+19)	0.5919	0.3724
Diluted earnings per share (II)	21=[3+(16-17)×(100%-18)]÷(13+19)	0.5533	0.3474

17. Dividends

(1) As of 31 December 2025

Pursuant to a resolution of the 2024 annual general meeting of the Company on 27 May 2025, the Company pays a dividend of RMB98,945,446.46 for the year 2024 (excluding the interim cash dividends already distributed during 2024) and the Company does not convert capital reserve into share capital.

As considered and approved at the sixteenth meeting of the eleventh session of the Board on 28 August 2025, the Company pays a dividend of RMB113,080,510.24 for the first half of 2025 and the Company does not convert capital reserve into share capital. The 2024 annual general meeting has considered and approved the Resolution on the Interim Dividend Arrangements for 2025. This profit distribution proposal falls within the scope of the Board's authority as delegated by the general meeting and does not need to be submitted to the general meeting of the Company for further consideration.

(2) As of 30 June 2026

Pursuant to a resolution of the 2025 annual general meeting of the Company on 27 May 2026, the Company pays a dividend of RMB190,823,361.03 for the year 2025 (excluding the interim cash dividends already distributed for 2025) and the Company does not convert capital reserve into share capital.

(3) Profit distribution in events after the balance sheet date

As considered and approved at the twenty-second meeting of the eleventh session of the Board on 25 August 2026, the Company intends to distribute a cash dividend of RMB1.00 (tax inclusive) for every 10 shares to all shareholders for the first half of 2026. Calculated based on the total share capital of 1,413,506,378 shares as at 30 June 2026, the total proposed cash dividends to be distributed amounts to RMB141,350,637.80 (tax inclusive), representing 16.90% of the net profit attributable to shareholders of the Company for the period from January to June in 2026. The remaining undistributed profit of the Company of RMB2,231,239,847.28 will be carried forward for distribution in future periods. The Company did not convert capital reserve into share capital for the first half of 2026. If the total share capital of the Company changes before the record date for the implementation of dividend distribution, the Company intends to maintain the distribution ratio per share unchanged and adjust the total distribution amount accordingly. The specific details of the adjustments will be announced separately.

The 2025 annual general meeting has considered and approved the Resolution on the Interim Dividend Arrangements for 2026. This profit distribution proposal falls within the scope of the Board's authority as delegated by the general meeting and does not need to be submitted to the general meeting of the Company for further consideration.

18. 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 segments	Inter-segment elimination	Total
Revenue from external transactions	9,361,476,258.06	1,128,360,417.01	463,642,663.21	166,268,087.92		11,119,747,426.20
Revenue from intra-segment transactions	2,668,591,024.32	174,618,472.69		81,737,582.39	-2,924,947,079.40	
Income from investments in associates and joint ventures		-728,820.34		627,863,872.05	-13,624,418.98	613,510,632.73
Credit impairment loss	409,855.91	-45,163,797.90		1,216,555.49		-43,537,386.50
Impairment losses on assets	-30,669,571.54					-30,669,571.54
Depreciation fee and amortisation fee	179,786,277.19	19,317,364.15	80,245.70	48,973,850.99	-1,245,712.95	246,912,025.08
Total profits	273,244,219.69	63,178,326.31	-934,747.47	686,920,310.46	9,896,425.57	1,032,304,534.56
Income tax expense	85,416,213.52	-4,181,951.86	1,220.45	12,118,392.77		93,353,874.88
Net profit	187,828,006.17	67,360,278.17	-935,967.92	674,801,917.69	9,896,425.57	938,950,659.68
Total assets	48,523,260,622.48	1,681,538,880.31	8,066,290.26	19,909,172,072.06	-9,348,157,844.06	60,773,880,021.05
Total liabilities	38,945,198,811.36	1,046,857,479.25	231,638.38	3,506,427,156.91	-5,269,623,159.12	38,229,091,926.78
Long-term equity investments in associates and joint ventures		10,221,607.95		5,368,423,519.08	1,421,843,639.93	6,800,488,766.96
Increase in other non-current assets excluding long-term equity investments	194,015,087.30	2,458,953.12	-135,612.60	-25,095,628.57	313,084,796.14	484,327,595.39
Capitalized expenditure	227,080,455.95			40,567,519.48	-56,495,967.00	211,152,008.43

1) Revenue from external transactions by origin of revenue

Item	Current period	Last period
Revenue from external transactions derived from China	4,571,370,537.67	6,817,152,661.25
Revenue from external transactions derived from other countries	6,548,376,888.53	3,355,484,079.86
Total	**11,119,747,426.20**	**10,172,636,741.11**

2) Non-current assets by location of assets

Item	Ending balance	Beginning balance
Non-current assets in China (excluding Hong Kong)	13,624,500,007.02	13,601,492,551.23
Hong Kong, China		
Total	**13,624,500,007.02**	**13,601,492,551.23**

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

§9 DOCUMENTS AVAILABLE FOR INSPECTION

The 2026 interim report will be available at the following addresses and websites:

HKEXnews website of The Stock Exchange of Hong Kong Limited	www.hkexnews.hk
Website of the Shanghai Stock Exchange	www.sse.com.cn
Place for inspection of the interim report	Office of the Board of Directors, No. 10 Mengxiang Road, Nansha District, Guangzhou

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

Guangzhou, 25 August 2026

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