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

(H Shares Stock Code: 00317)

THIRD QUARTERLY REPORT OF 2023

IMPORTANT NOTICE:

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

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

The third quarterly report of the Company is unaudited.

I. KEY FINANCIAL DATA

(I) Key accounting data and financial indicators

Unit: RMB

Item	As at the Reporting Period	Corresponding period of last year		Increase/ Decrease comparing the Reporting Period with the same period of last year (%) After adjustment	From 1 January 2023 to 30 September 2023	Corresponding period of last year		Increase/ Decrease comparing the period from 1 January 2023 to 30 September 2023 with the same period of last year (%) After adjustment
		Before adjustment	After adjustment			Before adjustment	After adjustment	
Operating income	3,790,016,353.59	3,028,204,232.73	3,028,204,232.73	25.16	9,772,350,156.63	7,299,406,733.72	7,299,406,733.72	33.88
Net profit attributable to shareholders of the Company	11,534,072.30	4,840,673.68	4,813,762.93	139.61	24,199,357.20	23,747,410.57	23,742,568.65	1.92
Net profit attributable to shareholders of the Company after deduction of non-recurring gains and losses	-19,550,368.96	25,046,397.09	25,019,486.34	-178.14	-4,071,453.90	27,124,906.01	27,120,064.09	-115.01
Net cash flows from operating activities	Not applicable	Not applicable	Not applicable	Not applicable	326,330,796.17	-686,823,270.60	-686,823,270.60	Not applicable
Basic earnings per share (RMB/share)	0.0082	0.0034	0.0034	141.18	0.0171	0.0168	0.0168	1.79
Diluted earnings per share (RMB/share)	0.0082	0.0034	0.0034	141.18	0.0171	0.0168	0.0168	1.79
Weighted average return on equity (%)	0.08	0.03	0.03	Increased by 0.05 percentage points	0.15	0.16	0.16	Decreased by 0.01 percentage points

	As at the end of the Reporting Period		As at the end of last year		Increase/Decrease comparing the end of the Reporting Period with the end of last year (%)
		Before adjustment	After adjustment	After adjustment	
Total assets	49,403,469,252.19	46,479,786,644.65	46,508,366,648.38		6.22
Owners' equity attributable to shareholders of listed company	16,183,764,818.64	15,588,030,556.81	15,588,602,692.22		3.82

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

Explanation on the reasons for retrospective adjustment or restatement

On 1 January 2023, the Company has implemented the relevant regulations of Accounting Standards for Business Enterprises Interpretation No. 16 (Cai Kuai [2022] No.31) which stipulates the relevant contents of the “Accounting for the non-applicability of the initial recognition exemption for deferred income tax relating to assets and liabilities arising from a single transaction”. The Company has made retrospective adjustments to the opening balances of retained earnings and relevant financial statement items of the earliest period presented in the financial statements in accordance with the cumulative impact amounts.

(II) Extraordinary items and their amounts

Unit: RMB

Item	Amount of the Reporting Period	From 1 January 2023 to 30 September 2023	Notes
Gain or loss on disposal of non-current assets	46,958,824.22	46,236,596.14	
Tax relief and reduction with approval exceeding authority or without formal approval or of non-recurring nature			
Government grants included in current profit or loss, other than on-going government grants which are closely related to the Company's normal operation, meet the requirements of government policies and are subject to certain limits and conditions	27,327,752.37	71,074,907.33	
Capital occupation fee received from non-financial entities included in current profit or loss			

Item	Amount of the Reporting Period	From 1 January 2023 to 30 September 2023	Notes
Gain from the excess of the fair value of the identifiable net assets of investee companies on acquisition of the investment over the cost of investment in the Company's subsidiaries, associates and joint ventures			
Gain or loss on exchange of non-monetary assets			
Gain or loss on entrusted investments or assets under management			
Provision for impairment on assets due to force majeure events, such as natural disasters			
Gain or loss on debt restructuring			
Corporate restructuring costs, such as employee redundancy pay and integration costs			
Gain or loss on transactions with obviously unfair transaction price for amount which exceeds fair value			
Net gains or losses of subsidiaries for the current period from the beginning of the period to the date of combination arising from business combination under common control			
Gain or loss on other contingencies which are not related to the Company's normal operations			
Gain or loss on changes in fair value of financial assets held for trading, derivative financial assets, financial liabilities held for trading and derivative financial liabilities, and investment income from disposal of financial assets held for trading, derivative financial assets, financial liabilities held for trading, derivative financial liabilities and other debt investments, except for effective hedging transactions that are related to the Company's normal operation	-16,438,285.07	-66,079,322.87	

Item	Amount of the Reporting Period	From 1 January 2023 to 30 September 2023	Notes
Reversal of the provision for impairment of receivables and contract assets which are tested individually for impairment			
Gains or losses on external entrusted loans			
Gain or loss arising from changes in fair value of investment properties under fair value model on subsequent measurement			
Effect of one-time adjustment to current profit or loss according to the requirements of tax and accounting laws and regulations on current profit or loss			
Entrusted fee income from entrusted operations			
Other non-operating income and expenses apart from the aforesaid items	1,395,636.87	1,734,898.42	
Other gain or loss items meeting the definition of non-recurring gains or losses	4,305.24	469,724.39	Mainly due to withhold and pay handling fee for individual income tax and input tax credit
Less: effect of income tax	1,707,719.31	968,684.41	
Effect of minority interests (after tax)	<u>26,456,073.06</u>	<u>24,197,307.90</u>	
Total	<u><u>31,084,441.26</u></u>	<u><u>28,270,811.10</u></u>	

Explanation on the definition of non-recurring gains or losses as recurring gains or losses as set out in the Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public – Non-recurring Gains or Losses.

Item	Amount involved	Reason
Finance interest discount	5,090,000.00	Closely relating to operation, granted at fixed amount and on a continuous basis
Grant for insurance maintained for first piece (set)	3,000,000.00	Closely relating to operation, granted at fixed amount and on a continuous basis
Total	8,090,000.00	

Note: All the aforesaid government grants are closely relating to the normal operation of the Company, subject to national policies and granted at fixed amount and on a continuous basis, and fall under recurring gains or losses in accordance with the Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public – Non-recurring Gains or Losses.

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

Name of Items	Changes (%)	Main reason
Operating income – From 1 January 2023 to 30 September 2023	33.88	Steady increase in production and year-on-year increase in finished products with performance obligations at a point in time that have met the conditions for revenue recognition during the year.
Net profit attributable to shareholders of the Company less non-recurring gains or losses – From 1 January 2023 to 30 September 2023	-115.01	Year-on-year increase in amount included in non-recurring gains or losses such as government grants and gain on disposal of fixed assets during the year.
Net cash flows from operating activities – From 1 January 2023 to 30 September 2023	Not applicable	Integrating impact from the year-on-year increase in progress payment received for shipping products during the year, and the year-on-year decrease in material and equipment procurement payment expenses.
Net profit attributable to shareholders of the Company – At as the Reporting Period	139.61	Mainly attributable to the integrated impact from the following factors: (i) improvement on the overall production efficiency during the Reporting Period and year-on-year increase in gross profit of the products recognised;
Basic earnings per share – At as the Reporting Period	141.18	(ii) net interest income and expenses and exchange rate changes during the Reporting Period caused a year-on-year decrease in net exchange income; and
Diluted earnings per share – At as the Reporting Period	141.18	(iii) income from disposal of fixed assets during the Reporting Period increased year-on-year.
Net profit attributable to shareholders of the Company less non-recurring gains or losses – At as the Reporting Period	-178.14	Year-on-year increase in amount included in non-recurring gains or losses such as gain on disposal of fixed assets at the Reporting Period.

II. INFORMATION OF SHAREHOLDERS

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

Unit: Share

Total number of ordinary shareholders as at the end of the Reporting Period	75,845	Total number of preferred shareholders of which voting rights had resumed as at the end of the Reporting Period (if any)	–
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Shareholding of top ten shareholders

Name of shareholder	Nature of shareholder	Shareholding	Proportion (%)	Number of shares subject to selling restriction	Pledged, marked or frozen Status	Number of shares
HKSCC NOMINEES LIMITED	Overseas legal person	589,445,018	41.70	0	None	0
China State Shipbuilding Corporation Limited	State-owned legal person	481,337,700	34.05	0	None	0
Bank of China Limited – E Fund Steady Yield Bond Securities Investment Fund	Others	11,346,712	0.80	0	None	0
Bank of China Limited – UBS SDIC National Security Flexible Allocation of Hybrid Securities Investment Fund	Others	9,204,226	0.65	0	None	0
China Merchants Bank Co., Ltd – Southern Alpha Hybrid Securities Investment Fund	Others	8,131,620	0.58	0	None	0
Yangzhou Kejin Shipyard Co., Ltd.	Overseas non-state-owned legal person	4,599,086	0.33	0	Pledged	4,300,000
Industrial and Commercial Bank of China Limited – Invesco Great Wall Industry Trend Mixed Securities Investment Fund	Others	4,348,751	0.31	0	None	0
Bank of Shanghai Co., Ltd – Sino-European Industrial Prospective Hybrid Securities Investment Fund	Others	3,900,061	0.28	0	None	0

Shareholding of top ten shareholders

Name of shareholder	Nature of shareholder	Shareholding	Proportion (%)	Number of shares subject to selling restriction	Pledged, marked or frozen Status	Number of shares
E Fund – New Development Pattern of National Central Enterprises Private Securities Investment Fund – E Fund – Stable Income of Central Enterprises* (國新央企新發展格局私募證券投資基金—易方達基金—央企穩健收益—1單一資產管理計劃)	Others	3,707,826	0.26	0	None	0
China Construction Bank Corporation-Guotai China Securities Military Trading Index Securities Investment Open-ended Fund	Others	3,623,889	0.26	0	None	0

Top ten shareholders of shares not subject to selling restrictions

Name of shareholder	Number of tradable shares held not subject to selling restrictions	Class and number of shares	
		Class	Number
HKSCC NOMINEES LIMITED	589,445,018	Overseas listed foreign shares	589,445,018
China State Shipbuilding Corporation Limited	481,337,700	Ordinary shares denominated in RMB	481,337,700
Bank of China Limited – E Fund Steady Yield Bond Securities Investment Fund	11,346,712	Ordinary shares denominated in RMB	11,346,712
Bank of China Limited – UBS SDIC National Security Flexible Allocation of Hybrid Securities Investment Fund	9,204,226	Ordinary shares denominated in RMB	9,204,226
China Merchants Bank Co., Ltd – Southern Alpha Hybrid Securities Investment Fund	8,131,620	Ordinary shares denominated in RMB	8,131,620
Yangzhou Kejin Shipyard Co., Ltd.	4,599,086	Ordinary shares denominated in RMB	4,599,086
Industrial and Commercial Bank of China Limited – Invesco Great Wall Industry Trend Mixed Securities Investment Fund	4,348,751	Ordinary shares denominated in RMB	4,348,751
Bank of Shanghai Co., Ltd – Sino-European Industrial Prospective Hybrid Securities Investment Fund	3,900,061	Ordinary shares denominated in RMB	3,900,061
E Fund – New Development Pattern of National Central Enterprises Private Securities Investment Fund – E Fund – Stable Income of Central Enterprises* (國新央企新發展格局私募證券投資基金 – 易方達基金 – 央企穩健收益 – 1單 – 資產管理計劃)	3,707,826	Ordinary shares denominated in RMB	3,707,826
China Construction Bank Corporation-Guotai China Securities Military Trading Index Securities Investment Open-ended Fund	3,623,889	Ordinary shares denominated in RMB	3,623,889
Explanation on the relationship or acting in concert among the aforesaid shareholders			–
Explanation of the participation of the top ten shareholders and the top ten unsold shareholders in the securities financing and transfer business (if any)			–

III. OTHER ALERTS

Other important information that needs to be brought to the attention of investors regarding the Company's operations during the Reporting Period

Analysis of changes in certain items from financial statements

Unit: RMB

Name of Items	30 September 2023 /January- September 2023	31 December 2022 / January- September 2022	Changes (%)	Main reason
1. Items on balance sheet				
Financial assets held-for-trading	10,099,875.74	29,872,972.39	-66.19	Maturity of some financial derivatives and decline in fair value on partially held financial derivatives during the year.
Notes receivable	136,381,249.69	86,019,898.33	58.55	Increase in balance of financial companies acceptance bills at the end of the Reporting Period.
Accounts receivable	1,964,041,883.92	1,068,053,871.94	83.89	Increase in the amount that did not reach the collection point at the end of the reporting period.
Inventories	5,997,601,386.53	4,353,610,820.41	37.76	Increase in products in process with performance obligations at a point in time that have not met the conditions for revenue recognition
Other current assets	212,623,482.25	134,733,999.65	57.81	Increase in input value-added tax at the end of the Reporting Period.
Long-term prepaid expenses	71,205,887.15	49,583,618.68	43.61	Increase in temporary construction and auxiliary facilities projects during the year.
Short-term borrowings	746,445,805.55	2,881,008,138.92	-74.09	Repayment of loans from financial institutions upon maturity during the year.
Financial liabilities held-for-trading	55,039,032.95	5,919,716.73	829.76	Decrease in fair value on partially held financial derivatives at the end of the Reporting Period.
Account payable	6,525,238,129.17	4,541,444,942.07	43.68	Increase in orders for product construction materials during the year resulted in year-on-year increase in account payable.
Employee benefits payable	199,418,203.95	1,179,807.93	16,802.60	Increase in wages, subsidies and benefits accrued but not paid during the year.

Name of Items	30 September 2023 /January- September 2023	31 December 2022 / January- September 2022	Changes (%)	Main reason
Taxes payable	24,755,120.41	76,728,304.39	-67.74	Decrease in VAT and individual income tax payable during the year.
Other non-current liabilities	231,433,194.56	158,671,658.76	45.86	Increase in bills receivable undue and not derecognised at the end of the Reporting Period.
Long-term borrowings	3,725,716,000.00	2,230,247,510.00	67.05	Increase in loan interest subsidy during the year.
Deferred income	47,720,552.19	87,673,373.52	-45.57	Decrease in the government grant not carried forward at the end of the Reporting Period.
Deferred tax liabilities	827,706,715.42	530,873,731.81	55.91	Effects of increase in the fair value of shares of CSSC Holdings held at the end of the Reporting Period.
Other comprehensive income	2,359,608,943.47	1,450,554,845.16	62.67	Effects of increase in the fair value of shares of CSSC Holdings held at the end of the Reporting Period.
2. Items on consolidated income statement				
Operating income	9,772,350,156.63	7,299,406,733.72	33.88	Steady increase in production and year-on-year increase in finished products with performance obligations at a point in time that have met the conditions for revenue recognition during the year.
Operating costs	9,106,969,194.31	6,812,641,009.02	33.68	Increase in operating income causing operating costs increase accordingly.
Finance cost	-280,793,121.13	-407,212,651.75	Not applicable	Year-on-year decrease in net exchange gains as a result of net interest income and expenses and changes in exchange rate during the year.
Investment income	-2,859,925.23	-34,476,567.26	Not applicable	Year-on-year increase in financial assets held-for-trading upon maturity during the year.
Gain on change in fair value	-101,383,218.31	-45,946,394.98	Not applicable	Year-on-year decrease in gain on change in fair value of financial assets held-for-trading during the year.

Name of Items	30 September 2023 /January- September 2023	31 December 2022 / January- September 2022	Changes (%)	Main reason
Loss on impairment of credit (loss expressed with “-”)	-5,332,702.11	22,711,490.84	-123.48	Year-on-year increase in provision for bad debts made according to aging analysis during the year.
Loss on impairment of assets (loss expressed with “-”)	1,714,264.67	-28,937,942.67	Not applicable	Year-on-year decrease in the provision decline in value of inventories accrued during the year.
Gains from disposal of asset	47,222,983.77	-1,923,771.46	Not applicable	Gains on disposal of fixed asset during the year.
Non-operating income	4,356,421.72	3,022,464.71	44.13	Year-on-year increase in net insurance claims income during the year.
Income tax expense	-9,159,306.58	13,421,662.93	-168.24	Recognized deferred income tax assets during the year causing deferred income tax expenses decrease accordingly.
3. Items on cash flow statement				
Net cash flows from operating activities	326,330,796.17	-686,823,270.60	Not applicable	Integrating impact of year-on-year increase in progress payment received for ship products during the year, and the year-on-year decrease in material and equipment procurement payment expenses.
Net cash flows from investing activities	-3,222,960,178.21	-574,145,371.74	Not applicable	Integrating impact of year-on-year increase of time deposits of more than 3 months during the year, and relatively large amount of recovery of the entrusted assets under management upon maturity from the corresponding period last year.
Net cash flows from financing activities	-1,148,671,253.57	882,599,669.69	-230.15	Repayment of loans from financial institutions upon maturity and year-on-year decrease of the net borrowings during the year.

IV. QUARTERLY FINANCIAL STATEMENTS

(I) Financial statements

Consolidated Balance Sheet

30 September 2023

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

Unit: RMB Audit Type: Unaudited

Item	30 September 2023	31 December 2022
Current assets:		
Cash at bank and on hand	13,802,271,572.69	14,813,771,761.29
Settlement reserve		
Placements with banks and non-bank financial institutions		
Financial assets held-for-trading	10,099,875.74	29,872,972.39
Derivative financial assets		
Notes receivable	136,381,249.69	86,019,898.33
Accounts receivable	1,964,041,883.92	1,068,053,871.94
Receivable financing	97,483,070.12	111,888,545.80
Prepayments	3,197,419,592.41	2,892,088,396.57
Insurance premium receivable		
Reinsurance premium receivable		
Reserves for reinsurance contract receivable		
Other receivables	60,265,820.56	60,834,609.19
Including: Interest receivable		
Dividends receivable		
Financial assets purchased under agreements to resell		
Inventories	5,997,601,386.53	4,353,610,820.41
Contract assets	2,813,373,991.09	2,294,261,099.29
Assets held for sale		
Non-current assets due within one year		
Other current assets	212,623,482.25	134,733,999.65
Total current assets	28,291,561,925.00	25,845,135,974.86

Item	30 September 2023	31 December 2022
Non-current assets:		
Loans and advances to customers		
Debt investments		
Other debt investments		
Long-term receivables	2,064,147,151.74	2,152,535,952.28
Long-term equity investments	5,235,501,068.92	5,576,276,499.57
Investments in other equity instruments	6,112,479,377.81	4,911,318,677.22
Other non-current financial assets		
Investment properties	131,283,562.80	136,186,631.58
Fixed assets	5,057,194,801.59	5,354,647,353.76
Construction in progress	297,571,667.97	277,015,334.55
Productive biological assets		
Oil and gas assets		
Right-of-use assets	152,598,141.65	183,901,510.27
Intangible assets	891,929,932.72	910,432,718.07
Development expenses		
Goodwill		
Long-term prepaid expenses	71,205,887.15	49,583,618.68
Deferred income tax assets	377,499,115.92	374,959,504.28
Other non-current assets	720,496,618.92	736,372,873.26
Total non-current assets	21,111,907,327.19	20,663,230,673.52
Total assets	49,403,469,252.19	46,508,366,648.38
Current liabilities:		
Short-term borrowings	746,445,805.55	2,881,008,138.92
Loans from central bank		
Placements from banks and other financial institutions		
Financial liabilities held-for-trading	55,039,032.95	5,919,716.73
Derivative financial liabilities		
Notes payable	2,261,915,360.06	2,984,392,901.64
Accounts payable	6,525,238,129.17	4,541,444,942.07
Advances from customers		
Contract liabilities	13,484,127,145.06	11,979,592,304.12
Securities sold under agreements to repurchase		
Deposits from customers and other banks		
Brokerage for securities trading		
Brokerage for underwriting securities		
Employee benefits payable	199,418,203.95	1,179,807.93
Taxes payable	24,755,120.41	76,728,304.39
Other payables	280,847,151.15	273,196,896.59
Including: Interest payable		
Dividends payable	761,937.23	761,400.08
Fee and commission payable		
Reinsured accounts payable		

Item	30 September 2023	31 December 2022
Liabilities held for sale		
Non-current liabilities due within one year	1,110,520,319.91	1,459,215,392.42
Other current liabilities	231,433,194.56	158,671,658.76
Total current liabilities	24,919,739,462.77	24,361,350,063.57
Non-current liabilities:		
Reserves for insurance contracts		
Long-term borrowings	3,725,716,000.00	2,230,247,510.00
Bonds payable		
Including: Preference shares		
Perpetual bonds		
Lease liabilities	97,313,885.49	114,585,384.56
Long-term payables		
Long-term employee benefits payable	116,747,362.49	129,074,455.73
Estimated liabilities	149,080,702.39	136,750,611.11
Deferred income	47,720,552.19	87,673,373.52
Deferred income tax liabilities	827,706,715.42	530,873,731.81
Other non-current liabilities	160,073,508.20	166,058,913.54
Total non-current liabilities	5,124,358,726.18	3,395,263,980.27
Total liabilities	30,044,098,188.95	27,756,614,043.84
Owners' equity (or shareholders' interests):		
Paid-in capital (or share capital)	1,413,506,378.00	1,413,506,378.00
Other equity instruments		
Including: Preference shares		
Perpetual bonds		
Capital reserve	9,041,397,307.67	9,375,981,708.49
Less: Treasury shares		
Other comprehensive income	2,359,608,943.47	1,450,554,845.16
Special reserve		
Surplus reserve	1,111,646,419.34	1,111,646,419.34
Provision for general risks		
Undistributed profit	2,257,605,770.16	2,236,913,341.23
Total equity (or shareholders' interests) attributable to owners of the Parent Company	16,183,764,818.64	15,588,602,692.22
Minority interests	3,175,606,244.60	3,163,149,912.32
Total owners' equity (or shareholders' interests)	19,359,371,063.24	18,751,752,604.54
Total liabilities and owners' equity (or shareholders' interests)	49,403,469,252.19	46,508,366,648.38

Legal representative:
Chen Liping

Person in charge of accounting:
Hou Zengquan

Head of accounting department:
Xie Weihong

Consolidated Income Statement
From January to September 2023

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

Unit: RMB Audit Type: Unaudited

Item	January to September 2023	January to September 2022
I. Total operating income	9,772,350,156.63	7,299,406,733.72
Including: Operating income	9,772,350,156.63	7,299,406,733.72
Interest income		
Premium earned		
Fee and commission income		
 II. Total operating costs	 9,762,003,864.59	 7,242,131,708.39
Including: Operating costs	9,106,969,194.31	6,812,641,009.02
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	13,025,875.01	15,348,412.70
Selling expenses	62,844,338.04	83,320,659.90
Administrative expenses	445,298,430.53	381,443,245.41
Research and development expense	414,659,147.83	356,591,033.11
Finance cost	-280,793,121.13	-407,212,651.75
Including: Interest expenses	86,764,206.25	112,658,911.70
Interest income	275,980,406.73	347,802,494.93

Item	January to September 2023	January to September 2022
Add: Other income	73,179,524.69	78,497,016.91
Investment income (loss expressed with “-”)	-2,859,925.23	-34,476,567.26
Including: Investment income in associates and joint ventures	-4,688,382.98	6,175,261.10
Derecognition income of financial assets measured at amortised cost		
Exchange gain (loss expressed with “-”)		
Net gain on exposure hedging (loss expressed with “-”)		
Gain on change in fair value (loss expressed with “-”)	-101,383,218.31	-45,946,394.98
Loss on impairment of credit (loss expressed with “-”)	-5,332,702.11	22,711,490.84
Loss on impairment of assets (loss expressed with “-”)	1,714,264.67	-28,937,942.67
Gains from disposal of asset (loss expressed with “-”)	47,222,983.77	-1,923,771.46
III. Operating profit (loss expressed with “-”)	22,887,219.52	47,198,856.71
Add: Non-operating income	4,356,421.72	3,022,464.71
Less: Non-operating expenses	2,242,813.52	1,827,993.46
IV. Total profit (total loss expressed with “-”)	25,000,827.72	48,393,327.96
Less: Income tax expense	-9,159,306.58	13,421,662.93

Item	January to September 2023	January to September 2022
V. Net profit (net loss expressed with “-”)	34,160,134.30	34,971,665.03
(i) By continuity of operations		
1. Net profit from continuing operations (net loss expressed with “-”)	34,160,134.30	34,971,665.03
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 “-”)	24,199,357.20	23,742,568.65
2. Gain or loss attributable to minority interests (net loss expressed with “-”)	9,960,777.10	11,229,096.38
VI. Net after tax for other comprehensive income	922,177,789.00	-357,558,605.28
(i) Net after tax for other comprehensive income attributable to owners of the Parent Company	919,682,233.82	-353,803,722.34
1. Other comprehensive income that may not be reclassified to profit or loss	918,069,484.56	-356,974,293.93
(1) Change in remeasurement of defined benefit plans		
(2) Other comprehensive income that may not be reclassified to profit or loss under equity method	-26,522.19	-150,727.84
(3) Change in fair value of investments in other equity instruments	918,096,006.75	-356,823,566.09
(4) Change in fair value of own credit risk		

Item	January to September 2023	January to September 2022
2. Other comprehensive income that may be reclassified to profit or loss	1,612,749.26	3,170,571.59
(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	1,612,749.26	3,170,571.59
(7) Others		
(ii) Net other comprehensive income after tax attributable to minority interests	2,495,555.18	-3,754,882.94
VII. Total comprehensive income	956,337,923.30	-322,586,940.25
(i) Total comprehensive income attributable to owners of the Parent Company	943,881,591.02	-330,061,153.69
(ii) Total comprehensive income attributable to minority interests	12,456,332.28	7,474,213.44
VIII. Earnings per share:		
(i) Basic earnings per share (RMB/share)	0.0171	0.0168
(ii) Diluted earnings per share (RMB/share)	0.0171	0.0168

Legal representative:

Chen Liping

Person in charge of accounting: Head of accounting department:

Hou Zengquan

Xie Weihong

Consolidated Cash Flow Statement

From January to September 2023

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

Unit: RMB Audit Type: Unaudited

Item	January to September 2023	January to September 2022
I. Cash flows from operating activities:		
Cash received from sale of goods or rendering of services	10,206,961,823.77	9,863,439,874.01
Net increase in deposits from customers and deposits from other banks		
Net increase in loans from central bank		
Net increase in placements from other financial institutions		
Cash receipts of premium for direct insurance contracts		
Net cash received from reinsurance business		
Net increase in deposits from insurance policy holders and investment		
Cash receipts of interest, fees and commissions		
Net increase in placements		
Net increase in sales and repurchase operations		
Cash receipts of brokerage for securities trading		
Cash received from tax refund	339,614,380.28	377,346,958.51
Other cash receipts relating to operating activities	477,805,837.37	635,968,115.44
Sub-total of cash inflows from operating activities	11,024,382,041.42	10,876,754,947.96
Cash paid for goods and services	9,464,730,496.29	10,346,606,389.04
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	743,261,995.26	630,392,333.08
Payments of taxes	83,727,353.78	55,849,297.39
Other cash payments relating to operating activities	406,331,399.92	530,730,199.05
Sub-total of cash outflows from operating activities	10,698,051,245.25	11,563,578,218.56
Net cash flows from operating activities	326,330,796.17	-686,823,270.60

Item	January to September 2023	January to September 2022
II. Cash flows from investing activities:		
Cash receipts from recover of investments	25,315,900.00	3,808,416,093.97
Cash receipts from investment income	11,453,659.12	109,266,291.85
Net cash receipts from disposal of fixed assets, intangible assets and other long-term assets	6,289,066.28	480,501.94
Net cash receipts from disposal of subsidiaries and other business units		
Other cash receipts relating to investing activities	3,997,282,912.93	4,015,368,353.87
Sub-total of cash inflows from investing activities	4,040,341,538.33	7,933,531,241.63
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	332,795,651.16	279,387,665.04
Cash paid for investments	49,177,081.18	1,644,692,000.00
Net increase in pledged loans		
Net cash paid for acquisition of subsidiaries and other business units		
Other cash payments relating to investing activities	6,881,328,984.20	6,583,596,948.33
Sub-total of cash outflows from investing activities	7,263,301,716.54	8,507,676,613.37
Net cash flows from investing activities	-3,222,960,178.21	-574,145,371.74
III. Cash flows from financing activities:		
Cash receipts from receiving investments		286,000.00
Including: Cash received by subsidiaries from receiving investments made by minority interest		286,000.00
Cash receipts from borrowings obtained	2,846,000,000.00	4,395,000,000.00
Other cash receipts relating to financing activities		
Sub-total of cash inflows from financing activities	2,846,000,000.00	4,395,286,000.00
Cash paid for repayment of debts	3,814,300,000.00	3,203,200,000.00
Cash paid for dividends, profit distribution or interest expenses	109,015,442.31	308,948,320.94
Including: Dividends and profits paid by subsidiaries to minority interests		
Other cash payments relating to financing activities	71,355,811.26	538,009.37
Sub-total of cash outflows from financing activities	3,994,671,253.57	3,512,686,330.31
Net cash flows from financing activities	-1,148,671,253.57	882,599,669.69

Item	January to September 2023	January to September 2022
IV. Effect of change in exchange rate on cash and cash equivalents	63,868,414.56	83,456,959.41
V. Net increase in cash and cash equivalents	-3,981,432,221.05	-294,912,013.24
Add: Beginning balance of cash and cash equivalents	11,069,985,285.84	5,417,061,556.97
VI. Ending balance of cash and cash equivalents	7,088,553,064.79	5,122,149,543.73

Legal representative:

Chen Liping

Person in charge of
accounting:

Hou Zengquan

Head of accounting
department:

Xie Weihong

By order of the Board

CSSC Offshore & Marine Engineering (Group) Company Limited

Li Zhidong

Company Secretary

Guangzhou, 27 October 2023

As at the date of this announcement, the Board comprises ten Directors, namely executive Directors Mr. Chen Liping and Mr. Xiang Huiming; non-executive Directors Mr. Chen Ji, Mr. Gu Yuan, Mr. Ren Kaijiang and Mr. Yin Lu; and independent non-executive Directors Mr. Yu Shiyong, Mr. Lin Bin, Mr. Nie Wei and Mr. Li Zhijian.