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

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

## **FIRST QUARTERLY REPORT OF 2021**

### **I. IMPORTANT NOTICE**

- 1.1 The board of directors (the “**Board**”), the supervisory committee, the Directors (the “**Directors**”), Supervisors and senior management of CSSC Offshore & Marine Engineering (Group) Company Limited (the “**Company**”) warrant that there are no false statements, misleading information or material omissions in this quarterly report and are jointly and severally responsible for the truthfulness, accuracy and completeness of the contents of this quarterly report.
- 1.2 All Directors attended the Board meeting and reviewed the report of the Company for the first quarter of 2021 (the “**Reporting Period**”).
- 1.3 Han Guangde, the person in charge of the Company, Hou Zengquan, the person in charge of accounting, and Xie Weihong, the head of accounting department (accounting director), warrant the truthfulness, accuracy and completeness of the financial statements contained in the quarterly report.
- 1.4 The first quarterly report of the Company for 2021 is unaudited.

## II. BASIC INFORMATION OF THE COMPANY

### 2.1 Key financial information

*Unit: Yuan Currency: RMB*

	<b>As at the end of the Reporting Period</b>	<b>As at the end of last year</b>	<b>Change compared with that of the end of year (%)</b>
Total asset	37,721,218,087.40	38,937,517,272.52	-3.12
Net assets attributable to shareholders of the Company	14,106,155,760.83	14,432,091,546.69	-2.26
	<b>Period from the beginning of the year to the end of the Reporting Period</b>	<b>Period from the beginning of last year to the end of the reporting period of last year</b>	<b>Change compared with that of the same period of last year (%)</b>
Net cash flows from operating activities	139,777,625.94	-1,028,494,509.05	Not applicable
	<b>Period from the beginning of the year to the end of the Reporting Period</b>	<b>Period from the beginning of last year to the end of the reporting period of last year</b>	<b>Change compared with that of the same period of last year (%)</b>
Operating income	1,823,615,807.05	2,252,367,792.06	-19.04
Net profit attributable to shareholders of the Company	-20,944,530.28	3,222,717,345.12	-100.65
Net profit attributable to shareholders of the Company after deduction of non-recurring gains and losses	-15,411,514.09	-192,174,378.21	Not applicable
Weighted average return on equity (%)	-0.15	27.83	Decrease of 27.98 percentage points
Basic earnings per share(RMB/share)	-0.0148	2.2799	-100.65
Diluted earnings per share (RMB/Share)	-0.0148	2.2799	-100.65

## ***Extraordinary items and their amounts***

*Unit: Yuan Currency: RMB*

<b>Item</b>	<b>Current period</b>	<b>Explanation</b>
Gain or loss on disposal of non-current assets	-593,916.68	
Tax refund or exemption from unauthorized approval or non-official approval document or contingency		
Government grants included in current profit or loss, other than on-going government grants which are closely related to the Company's normal operation, meet the requirements of government policies and are subject to certain limits and conditions	4,493,893.30	
Capital utilization fee received from non-financial enterprises and included in profit or loss for the period		
Gain on investments of subsidiaries, associates and joint ventures in which the investment cost was less than the interest in fair value of identifiable net assets of the investees at the time of acquisition		
Gain or loss on exchange of non-monetary assets		
Gain or loss on entrusted investments or assets under management	585,123.29	
Asset impairment provisions for force majeure such as natural disasters		
Gain or loss on debt restructuring		
Corporate restructuring fees such as staff settlement expenses and consolidation charges		
Gain or loss arising from unfair trading transactions prices over their fair value		
Net gain or loss of subsidiaries from the beginning of the period to the consolidation date arising from the consolidation of enterprises under common control		
Gain or loss on contingency items unrelated to the normal business operations of the Company		
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 equity investments, except for effective hedging transactions that are closely related to the Company's normal operation	-19,475,786.13	

<b>Item</b>	<b>Current period</b>	<b>Explanation</b>
Reversal of impairment provisions for receivables and contract assets subject to individual impairment test		
Gain or loss from external entrusted loans		
Gain or loss on changes in fair value of investment properties adopting fair value method for subsequent measurements		
Effect on profit or loss for the period from one-off adjustment to profit or loss for the period according to the requirements of the tax and accounting laws and regulations		
Custody fee income received from custody operation		
Other non-operating income and expenses apart from the aforesaid items	-245,930.28	
Other items of non-recurring gains or losses	198,479.61	
Effect of minority interests (after tax)	8,142,351.88	
Effect of income tax	1,362,768.82	
	<hr/>	
Total	<u><u>-5,533,016.19</u></u>	

**2.2** Total number of shareholders, the shareholding of the top ten shareholders and the top ten shareholders of tradable shares (or shareholders whose shares are not subject to selling restrictions) at the end of the Reporting Period

*Unit: Share*

**Total number of shareholders** **117,516**

**Shareholding of top ten shareholders**

Name of shareholder (full name)	Number of shares held as at the end of the period	Percentage (%)	Number of shares held subject to selling restriction	Pledged or locked up Status	Number	Nature of shareholder
HKSCC NOMINEES LIMITED	589,323,088	41.69%	0	None	0	Overseas legal person
China State Shipbuilding Corporation Limited	481,337,700	34.05%	0	None	0	State-owned legal-person
China Construction Bank Corporation-Guotai China Securities Military Trading Index Securities Investment Open-ended Fund* (中國建設銀行股份有限公司－國泰中證軍工交易型開放式指數證券投資基金)	5,775,516	0.41%	0	None	0	Others
Yangzhou Kejin Shipyard Co., Ltd.	4,599,086	0.33%	0	Pledged	4,300,000	Domestic Non state-owned legal-person
China Construction Bank Corporation-Fullgoal China Securities Military Index Grading Securities Investment Fund	3,256,258	0.23%	0	None	0	Others
Hong Kong Securities Clearing Company Limited	3,081,914	0.22%	0	None	0	Overseas legal person
Xi'an Investment Holding Co., Ltd.	3,001,159	0.21%	0	None	0	Domestic Non state-owned legal-person

### Shareholding of top ten shareholders

Name of shareholder (full name)	Number of shares held as at the end of the period	Percentage (%)	Number of shares held subject to selling restriction	Pledged or locked up Status	Number	Nature of shareholder
China Merchants Bank Co., Ltd.-Guangfa China Securities Military Trading Index Securities Investment Open-ended Fund* (中國工商銀行股 份有限公司－廣發中證 軍工交易型開放式指數 證券投資基金)	2,391,941	0.17%	0	None	0	Others
Chen Jinxiu	1,857,285	0.13%	0	None	0	Domestic Natural person
Boshi Fund – Agricultural Bank of China – Boshi China Securities Financial Asset Management Plan	1,799,900	0.13%	0	None	0	Others

***Top ten shareholders whose shares not subject to selling restrictions***

<b>Name of shareholder</b>	<b>Number of tradable shares held not subject to selling restrictions</b>	<b>Class and number of shares</b>	
		<b>Class</b>	<b>Number</b>
HKSCC NOMINEES LIMITED	589,323,088	Overseas listed foreign shares	589,323,088
China State Shipbuilding Corporation Limited	481,337,700	Ordinary shares denominated in RMB	481,337,700
China Construction Bank Corporation-Guotai China Securities Military Trading Index Securities Investment Open-ended Fund* (中國建設銀行股份有限公司－國泰中證軍工交易型開放式指數證券投資基金)	5,775,516	Ordinary shares denominated in RMB	5,775,516
Yangzhou Kejin Shipyard Co., Ltd.	4,599,086	Ordinary shares denominated in RMB	4,599,086
China Construction Bank Corporation – Fullgoal China Securities Military Index Grading Securities Investment Fund	3,256,258	Ordinary shares denominated in RMB	3,256,258
Hong Kong Securities Clearing Company Limited	3,081,914	Ordinary shares denominated in RMB	3,081,914
Xi'an Investment Holding Co., Ltd.	3,001,159	Ordinary shares denominated in RMB	3,001,159
China Merchants Bank Co., Ltd.-Guangfa China Securities Military Trading Index Securities Investment Open-ended Fund* (中國工商銀行股份有限公司－廣發中證軍工交易型開放式指數證券投資基金)	2,391,941	Ordinary shares denominated in RMB	2,391,941
Chen Jinxiu	1,857,285	Ordinary shares denominated in RMB	1,857,285
Boshi Fund – Agricultural Bank of China – Boshi China Securities Financial Asset Management Plan	1,799,900	Ordinary shares denominated in RMB	1,799,900

Name of shareholder	Number of tradable shares held not subject to selling restrictions	Class and number of shares	
		Class	Number
Explanation on the relationship or acting in concert among the aforesaid shareholders			—
Explanation on shareholders of preference shares with restoration of voting rights and their shareholding			—

### III. SIGNIFICANT EVENTS

#### 3.1 Significant changes in major financial statement items and financial indicators and their reasons

*Unit: Yuan Currency: RMB*

##### (1) Balance sheet items

Item	Ending balance	Ending balance of last year	Change (%)	Main reason for change
Other current assets	370,393,521.52	577,884,115.75	-35.91	VAT tax refund
Short-term borrowings	1,100,907,500.00	2,049,871,666.70	-46.29	Repayment of borrowings
Advances from customers	5,236,800.00	7,855,200.00	-33.33	Recognition of revenue
Employee benefits payable	67,459,659.41	851,463.48	7,822.79	Accrual of bonuses of subsidiaries
Taxes payable	15,572,341.12	26,054,822.85	-40.23	Declare and pay 20-year year-end bonus tax in this period
Deferred income	105,879,564.85	78,742,779.90	34.46	Increase in government grants in the period
Deferred tax liabilities	148,415,668.60	281,517,181.48	-47.28	Decline in fair value of shares of CSSC Holdings
Other comprehensive income	310,701,778.67	699,020,433.90	-55.55	Decline in fair value of shares of CSSC Holdings

**(2) Income statement items**

<b>Item</b>	<b>Current period</b>	<b>Corresponding period of last year</b>	<b>Change (%)</b>	<b>Main reason for change</b>
Taxes and surcharges	1,548,112.64	10,476,416.87	-85.22	The inclusion of data for January-February of GSI for the corresponding period last year
Selling expenses	12,416,776.58	25,872,733.54	-52.01	The inclusion of data for January-February of GSI for the corresponding period last year
Administrative expenses	93,158,109.68	147,617,717.31	-36.89	The inclusion of data for January-February of GSI for the corresponding period last year
Other income	4,237,340.44	2,357,855.25	79.71	Increase in government grants in the period
Investment income	-8,090,310.36	3,432,787,294.76	-100.24	Gain on disposal of equity interest in GSI for the corresponding period last year
Gain on change in fair value	-19,930,918.96	-1,417,906.64	Not applicable	Changes in fair value such as handheld foreign exchange contracts from changes in exchange rates
Credit impairment loss	-201,713.09	1,601,557.96	-112.59	Increase in the provision on bad debts during the period
Loss on impairment of assets	1,263,306.28	-113,431,838.90	Not applicable	Decrease in provision for expected contractual loss made during the period
Non-operating income	673,935.94	1,590,029.46	-57.61	Decrease in gain on disposal of fixed assets
Income tax expense	-2,666,642.74	9,366,925.59	-128.47	Increase in deferred income tax expense
Gain or loss attributable to minority interests	-17,319,707.46	-105,044,118.43	Not applicable	Effect of significant changes in profit or loss

**(3) Cash flow statement items**

<b>Item</b>	<b>Current period</b>	<b>Corresponding period of last year</b>	<b>Change (%)</b>	<b>Main reason for change</b>
Net cash flows from operating activities	139,777,625.94	-1,028,494,509.05	Not applicable	Mainly due to the progress in receipt of payment ahead of the progress in payment in the current period
Net cash flows from investing activities	-48,174,149.16	-4,551,286,254.63	Not applicable	Mainly due to the reclassification of cash and cash equivalents of GSI at the end of the same period last year
Net cash flows from financing activities	-877,971,469.59	184,228,061.27	-576.57	Mainly due to higher repayment of loans in the current period

**3.2 Status of significant events and analysis of their effects and solutions**

Not applicable

**3.3 During the reporting period, the Company did not have any commitments that had not been fulfilled as scheduled.**

Not applicable

**3.4 Warning about possible net loss for the period from the beginning of the year to the end of the next reporting period or possible material change from the corresponding period last year and explanation**

Not applicable

Name of entity	<b>CSSC Offshore &amp; Marine Engineering (Group) Company Limited</b>
Legal representative	<b>Han Guangde</b>
Date	29 April 2021

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

## IV. APPENDIX

### 4.1 Financial Statements

#### CONSOLIDATED BALANCE SHEET

31 March 2021

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

*Unit: Yuan Currency: RMB Audit type: Unaudited*

<b>Item</b>	<b>31 March 2021</b>	<b>31 December 2020</b>
<b>Current assets:</b>		
Cash at bank and on hand	<b>7,897,063,600.41</b>	8,767,750,124.49
Settlement reserve		
Placements with banks and non-bank financial institutions		
Financial assets held-for-trading	<b>1,161,093,058.58</b>	1,055,191,244.71
Derivative financial assets		
Notes receivable	<b>126,746,632.59</b>	161,625,007.63
Accounts receivable	<b>1,234,981,001.69</b>	1,244,416,936.61
Receivable financing		
Prepayments	<b>1,282,860,461.20</b>	1,218,386,548.91
Insurance premium receivable		
Reinsurance premium receivable		
Reserves for reinsurance contract receivable		
Other receivables	<b>131,240,121.45</b>	132,470,963.43
Including: Interest receivable		
Dividends receivable		
Financial assets held under resale agreements		
Inventories	<b>4,638,081,258.92</b>	4,199,310,024.12
Contract assets	<b>4,353,688,275.08</b>	4,445,388,926.29
Assets held for sale		
Non-current assets due within one year		
Other current assets	<b>370,393,521.52</b>	577,884,115.75
Total current assets	<b>21,196,147,931.44</b>	21,802,423,891.94

<b>Item</b>	<b>31 March 2021</b>	<b>31 December 2020</b>
<b>Non-current assets:</b>		
Loans and advances to customers		
Debt investments		
Other debt investments		
Long-term receivables	<b>1,947,159,427.50</b>	1,996,607,880.36
Long-term equity investments	<b>4,929,236,078.96</b>	4,938,277,647.10
Investments in other equity instruments	<b>3,402,806,106.08</b>	3,923,780,494.34
Other non-current financial assets		
Investment properties	<b>147,627,125.40</b>	149,261,481.66
Fixed assets	<b>3,895,399,559.46</b>	3,952,299,253.50
Construction in progress	<b>379,324,254.35</b>	348,779,440.60
Productive biological assets		
Oil and gas assets		
Right-of-use assets	<b>111,008,199.99</b>	116,000,602.24
Intangible assets	<b>917,467,851.53</b>	918,938,540.79
Development expenses		
Goodwill		
Long-term prepaid expenses	<b>20,118,481.24</b>	21,210,225.34
Deferred tax assets	<b>379,226,099.09</b>	380,087,605.36
Other non-current assets	<b>395,696,972.36</b>	389,850,209.29
Total non-current assets	<b>16,525,070,155.96</b>	17,135,093,380.58
Total assets	<b>37,721,218,087.40</b>	38,937,517,272.52

<b>Item</b>	<b>31 March 2021</b>	<b>31 December 2020</b>
<b>Current liabilities:</b>		
Short-term borrowings	<b>1,100,907,500.00</b>	2,049,871,666.70
Loans from central bank		
Placements from banks and other financial institutions		
Financial liabilities held-for-trading		
Derivative financial liabilities		
Notes payable	<b>1,901,503,479.33</b>	2,292,202,595.08
accounts payable	<b>4,955,722,554.23</b>	5,587,133,569.37
Advances from customers	<b>5,236,800.00</b>	7,855,200.00
Contract liabilities	<b>6,374,909,048.48</b>	5,172,239,729.14
Securities sold under agreements to repurchase		
Deposits from customers and other banks		
Brokerage for securities trading		
Brokerage for underwriting securities		
Employee benefits payable	<b>67,459,659.41</b>	851,463.48
Taxes payable	<b>15,572,341.12</b>	26,054,822.85
Other payables	<b>136,802,837.03</b>	158,810,463.41
Including: Interest payable		
Dividends payable	<b>304,042.49</b>	304,042.49
Fee and commission payable		
Reinsured accounts payable		
Liabilities held for sale		
Non-current liabilities due within one year	<b>2,629,027,453.91</b>	2,884,252,298.08
Other current liabilities	<b>300,424,752.41</b>	319,331,239.99
Total current liabilities	<b>17,487,566,425.92</b>	18,498,603,048.10



# BALANCE SHEET OF THE COMPANY

31 March 2021

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

*Unit: Yuan Currency: RMB Audit type: Unaudited*

<b>Item</b>	<b>31 March 2021</b>	<b>31 December 2020</b>
<b>Current assets:</b>		
Cash at bank and on hand	<b>696,754,852.45</b>	743,639,395.39
Financial assets held-for-trading	<b>605,061,000.00</b>	672,125,000.00
Derivative financial assets		
Notes receivable		
Accounts receivable	<b>537,928.20</b>	537,928.20
Receivable financing		
Prepayments	<b>168,591.61</b>	603,475.71
Other receivables	<b>406,717.30</b>	261,726.58
Including: Interest receivable		
Dividends receivable		
Inventories	<b>23,257,689.45</b>	18,364,424.20
Contract assets		
Assets held for sale		
Non-current assets due within one year	<b>835,408,222.22</b>	835,538,777.80
Other current assets	<b>42,454,764.26</b>	42,669,414.34
Total current assets	<b>2,204,049,765.49</b>	2,313,740,142.22

Item	31 March 2021	31 December 2020
<b>Non-current assets:</b>		
Debt investments		
Other debt investments		
Long-term receivables		
Long-term equity investments	<b>6,329,911,350.46</b>	6,338,975,578.23
Investments in other equity instruments	<b>3,334,197,062.28</b>	3,847,485,064.04
Other non-current financial assets		
Investment properties	<b>147,627,125.40</b>	149,261,481.66
Fixed assets	<b>227,202,928.96</b>	229,803,957.90
Construction in progress		
Productive biological assets		
Oil and gas assets		
Right-of-use assets	<b>758,493.73</b>	986,041.81
Intangible assets		
Development expenses		
Goodwill		
Long-term prepaid expenses	<b>288,362.67</b>	374,871.51
Deferred tax assets		
Other non-current assets		
Total non-current assets	<b>10,039,985,323.50</b>	10,566,886,995.15
Total assets	<b>12,244,035,088.99</b>	12,880,627,137.37
<b>Current liabilities:</b>		
Short-term borrowings		
Financial liabilities held-for-trading		
Derivative financial liabilities		
Notes payable		
Accounts payable	<b>20,055,571.19</b>	148,524,497.33
Advances from customers	<b>5,236,800.00</b>	7,855,200.00
Contract liabilities	<b>23,893,214.13</b>	15,419,870.53
Employee benefits payable		
Taxes payable	<b>532,337.69</b>	757,913.38
Other payables	<b>458,064.18</b>	443,067.26
Including: Interest payable		
Dividends payable	<b>304,042.49</b>	304,042.49
Liabilities held for sale		
Non-current liabilities due within one year	<b>601,145,343.79</b>	601,303,114.39
Other current liabilities		
Total current liabilities	<b>651,321,330.98</b>	774,303,662.89



## CONSOLIDATED INCOME STATEMENT

From January to March 2021

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

*Unit: Yuan    Currency: RMB    Audit type: Unaudited*

Item	First quarter in 2021	First quarter in 2020
<b>I. Total operating income</b>	<b>1,823,615,807.05</b>	2,252,367,792.06
Including: Operating income	1,823,615,807.05	2,252,367,792.06
Interest income		
Premium earned		
Fee and commission income		
<b>II. Total operating costs</b>	<b>1,841,439,577.35</b>	2,447,776,582.48
Including: Operating costs	1,690,414,400.53	2,199,219,374.32
Interest expense		
Fee and commission expenses		
Refunded premiums		
Net amount of compensation payout		
Net amount of reserves for reinsurance contract		
Policy dividend payment		
Reinsured expenses		
Taxes and surcharges	1,548,112.64	10,476,416.87
Selling expenses	12,416,776.58	25,872,733.54
Administrative expenses	93,158,109.68	147,617,717.31
Research and development expenses	85,307,012.11	120,279,804.78
Finance cost	-41,404,834.19	-55,689,464.34
Including: Interest expenses	33,679,539.07	58,841,139.17
Interest income	51,912,483.85	70,954,085.13
Add: Other income	4,237,340.44	2,357,855.25
Investment income (loss expressed with “-”)	-8,090,310.36	3,432,787,294.76
Including: Income from investment in associates and joint ventures	-9,247,391.36	45,123,690.45
Gains on termination of financial assets measured at amortized cost		
Exchange gain (loss expressed with “-”)		
Net gain on exposure hedging (loss expressed with “-”)		
Gain on change in fair value (loss expressed with “-”)	-19,930,918.96	-1,417,906.64
Credit impairment loss (loss expressed with “-”)	-201,713.09	1,601,557.96

Item	First quarter in 2021	First quarter in 2020
Loss on impairment of assets (loss expressed with “-”)	1,263,306.28	-113,431,838.90
Gain on disposal of assets (loss expressed with “-”)		
<b>III. Operating profit (loss expressed with “-”)</b>	<b>-40,546,065.99</b>	3,126,488,172.01
Add: Non-operating income	673,935.94	1,590,029.46
Less: Non-operating expenses	1,058,750.43	1,038,049.19
<b>IV. Total profit (loss expressed with “-”)</b>	<b>-40,930,880.48</b>	3,127,040,152.28
Less: Income tax expense	-2,666,642.74	9,366,925.59
<b>V. Net profit (net loss expressed with “-”)</b>	<b>-38,264,237.74</b>	3,117,673,226.69
(i) By continuity of operations		
1. Net profit from continuing operations (net loss expressed with “-”)	-38,264,237.74	-78,832,458.67
2. Net profit from discontinued operations (net loss expressed with “-”)		3,196,505,685.36
(ii) By ownership		
1. Net profit attributable to shareholders of the Company (net loss expressed with “-”)	-20,944,530.28	3,222,717,345.12
2. Gain or loss attributable to minority interests (net loss expressed with “-”)	-17,319,707.46	-105,044,118.43
<b>VI. Net other comprehensive income after tax</b>	<b>-391,176,404.04</b>	-45,261.45
(i) Net other comprehensive income after tax attributable to owners of the Company	-388,318,655.23	-126,479.38
1. Other comprehensive income that may not be reclassified to profit or loss	-388,450,720.21	-483,299.48
(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	78,423.57	-17,427.46
(3) Change in fair value of investments in other equity instruments	-388,529,143.78	-465,872.02
(4) Change in fair value of own credit risk		

Item	First quarter in 2021	First quarter in 2020
2. Other comprehensive income that may be reclassified to profit or loss	<b>132,064.98</b>	356,820.10
(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 flows hedging reserve		
(6) Exchange differences arising from translation of foreign currency financial statements	<b>132,064.98</b>	356,820.10
(7) Others		
(ii) Net other comprehensive income after tax attributable to minority interests	<b>-2,857,748.81</b>	81,217.93
<b>VII. Total comprehensive income</b>	<b>-429,440,641.78</b>	3,117,627,965.24
(i) Total comprehensive income attributable to owners of the Company	<b>-409,263,185.51</b>	3,222,590,865.74
(ii) Total comprehensive income attributable to minority interests	<b>-20,177,456.27</b>	-104,962,900.50
<b>VIII. Earnings per share:</b>		
(i) Basic earnings per share (RMB/share)	<b>-0.0148</b>	2.2799
(ii) Diluted earnings per share (RMB/share)	<b>-0.0148</b>	2.2799

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

## INCOME STATEMENT OF THE COMPANY

From January to March 2021

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

*Unit: Yuan    Currency: RMB    Audit type: Unaudited*

Item	First quarter in 2021	First quarter in 2020
<b>I. Operating income</b>	<b>6,299,400.00</b>	91,923,201.70
Less: Operating costs	<b>4,128,603.54</b>	90,552,310.85
Taxes and surcharges	<b>489,578.38</b>	1,185,613.62
Selling expenses		279,731.32
Administrative expenses	<b>3,383,057.59</b>	4,290,161.24
Research and development expenses		
Finance cost	<b>-5,153,579.31</b>	-4,145,096.53
Including: Interest expenses	<b>2,649,627.58</b>	5,082,615.82
Interest income	<b>7,803,927.89</b>	9,234,842.68
Add: Other income	<b>10,973.41</b>	
Investment income (loss expressed with “-”)	<b>-8,684,927.70</b>	1,302,438,901.22
Including: Income from investment in associates and joint ventures	<b>-9,270,050.99</b>	-44,797,842.54
Gains on termination of financial assets measured at amortized cost		
Net gain or loss on exposure hedging (loss expressed with “-”)		
Gain on change in fair value (loss expressed with “-”)	<b>4,770,000.00</b>	
Credit impairment loss (loss expressed with “-”)		-34,618.26
Loss on impairment of assets (loss expressed with “-”)		-2,580,564.17
Gain on disposal of assets (loss expressed with “-”)		
<b>II. Operating profit (loss expressed with “-”)</b>	<b>-452,214.49</b>	1,299,584,199.99
Add: Non-operating income	<b>11,058.00</b>	46,383.78
Less: Non-operating expenses		
<b>III. Total profit (loss expressed with “-”)</b>	<b>-441,156.49</b>	1,299,630,583.77
Less: Income tax expense	<b>734,000.00</b>	

Item	First quarter in 2021	First quarter in 2020
<b>IV. Net profit (net loss expressed with “-”)</b>	<b>-1,175,156.49</b>	1,299,630,583.77
1. Net profit from continuing operations (net loss expressed with “-”)	<b>-1,175,156.49</b>	1,299,630,583.77
2. Net profit from discontinued operations (net loss expressed with “-”)		
<b>V. Net other comprehensive income after tax</b>	<b>-384,887,577.75</b>	-235,270.72
(i) Other comprehensive income that may not be reclassified to profit or loss	<b>-384,887,577.75</b>	-235,270.72
1. Change in re-measurement of defined benefit plans		
2. Other comprehensive income that may not be reclassified to profit or loss under equity method	<b>78,423.57</b>	-235,270.72
3. Change in fair value of investments in other equity instruments	<b>-384,966,001.32</b>	
4. Change in fair value of own credit risk		
(ii) Other comprehensive income that may be 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 flows hedging reserve		
6. Exchange differences arising from translation of foreign currency financial statements		
7. Others		

<b>Item</b>	<b>First quarter in 2021</b>	First quarter in 2020
<b>VI. Total comprehensive income</b>	<b>-386,062,734.24</b>	1,299,395,313.05

**VII. Earnings per share:**

1. Basic earnings per share (RMB/share)
2. Diluted earnings per share (RMB/share)

Legal representative:	Person in charge of accounting:	Head of accounting department:
<b>Han Guangde</b>	<b>Hou Zengquan</b>	<b>Xie Weihong</b>

## CONSOLIDATED CASH FLOW STATEMENT

From January to March 2021

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

*Unit: Yuan    Currency: RMB    Audit type: Unaudited*

Item	First quarter in 2021	First quarter in 2020
<b>I. Cash flows from operating activities:</b>		
Cash received from sale of goods or rendering of services	<b>3,377,451,080.81</b>	3,224,606,860.30
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 other financial institutions		
Net increase in sales and repurchase operations		
Net cash received from securities trading agency services		
Cash received from tax refund	<b>311,632,331.11</b>	142,194,785.40
Other cash receipts relating to operating activities	<b>105,534,151.13</b>	141,888,866.09
Sub-total of cash inflows from operating activities	<b>3,794,617,563.05</b>	3,508,690,511.79
Cash paid for goods and services	<b>3,396,100,722.47</b>	4,026,939,389.18
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 due from banks		
Cash paid for interest, fees and commissions		
Cash paid for dividends of insurance policies		
Cash paid to and on behalf of employees	<b>144,105,839.30</b>	309,779,303.02
Payments of taxes	<b>4,535,077.71</b>	61,470,264.61
Other cash payments relating to operating activities	<b>110,098,297.63</b>	138,996,064.03

<b>Item</b>	<b>First quarter in 2021</b>	First quarter in 2020
Sub-total of cash outflows from operating activities	<b>3,654,839,937.11</b>	4,537,185,020.84
Net cash flows from operating activities	<b>139,777,625.94</b>	-1,028,494,509.05
<b>II. Cash flows from investing activities:</b>		
Cash receipts from disposal of investments	<b>70,000,000.00</b>	3,168,880.00
Cash receipts from investment income	<b>5,324,348.17</b>	560,812.11
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	<b>1,011,712.11</b>	622,488.31
Net cash received from disposal of subsidiaries and other business units		
Other cash receipts relating to investing activities	<b>330,470,857.39</b>	808,381,400.33
Sub-total of cash inflows from investing activities	<b>406,806,917.67</b>	812,733,580.75
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	<b>49,868,470.47</b>	189,044,315.62
Cash paid for investments	<b>200,000,000.00</b>	102,440,472.11
Net increase in pledged loans		
Net cash paid for acquisition of subsidiaries and other business units		10,706,417.69
Other cash payments relating to investing activities	<b>205,112,596.36</b>	5,061,828,629.96
Sub-total of cash outflows from investing activities	<b>454,981,066.83</b>	5,364,019,835.38
Net cash flows from investing activities	<b>-48,174,149.16</b>	-4,551,286,254.63

<b>Item</b>	<b>First quarter in 2021</b>	First quarter in 2020
<b>III. Cash flows from financing activities:</b>		
Cash receipts from receiving investments		
Including: Cash received by subsidiaries from receiving investments made by minority interests		
Cash receipts from borrowings obtained	<b>290,000,000.00</b>	2,636,400,000.00
Other cash receipts relating to financing activities	<b>83,200,000.00</b>	28,500,000.00
Sub-total of cash inflows from financing activities	<b>373,200,000.00</b>	2,664,900,000.00
Cash paid for repayment of debts	<b>1,215,000,000.00</b>	2,430,082,119.50
Cash paid for dividends, profit distribution or interest expenses	<b>35,493,203.82</b>	45,951,280.57
Including: Dividends and profits paid by subsidiaries to minority interests		
Other cash payments relating to financing activities	<b>678,265.77</b>	4,638,538.66
Sub-total of cash outflows from financing activities	<b>1,251,171,469.59</b>	2,480,671,938.73
Net cash flows from financing activities	<b>-877,971,469.59</b>	184,228,061.27
<b>IV. Effect of change in foreign exchange rate on cash and cash equivalents</b>		
	<b>11,787,385.06</b>	20,290,964.65
<b>V. Net increase in cash and cash equivalents</b>		
Add: Beginning balance of cash and cash equivalents	<b>-774,580,607.75</b>	-5,375,261,737.76
	<b>5,719,367,108.31</b>	10,683,490,790.99
<b>VI. Ending balance of cash and cash equivalents</b>		
	<b>4,944,786,500.56</b>	5,308,229,053.23

Legal representative:  
**Han Guangde**

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

Head of accounting department:  
**Xie Weihong**

## CASH FLOW STATEMENT OF THE COMPANY

From January to March 2021

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

*Unit: Yuan Currency: RMB Audit type: Unaudited*

<b>Item</b>	<b>First quarter in 2021</b>	<b>First quarter in 2020</b>
<b>I. Cash flows from operating activities:</b>		
Cash received from sale of goods or rendering of services	<b>13,121,758.10</b>	37,842,623.80
Cash received from tax refund		147,240.00
Other cash receipts relating to operating activities	<b>334,634.66</b>	2,322,549.07
Sub-total of cash inflows from operating activities	<b>13,456,392.76</b>	40,312,412.87
Cash paid for goods and services	<b>5,044,505.63</b>	17,865,268.57
Cash paid to and on behalf of employees	<b>2,037,892.31</b>	4,342,083.80
Payments of taxes	<b>451,568.38</b>	13,107,002.73
Other cash payments relating to operating activities	<b>1,553,125.70</b>	43,081,002.43
Sub-total of cash outflows from operating activities	<b>9,087,092.02</b>	78,395,357.53
Net cash flows from operating activities	<b>4,369,300.74</b>	-38,082,944.66
<b>II. Cash flows from investing activities:</b>		
Cash receipts from disposal of investments	<b>70,000,000.00</b>	
Cash receipts from investment income	<b>2,419,123.29</b>	
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		
Net cash received from disposal of subsidiaries and other business units		
Other cash receipts relating to investing activities	<b>3,835,102.15</b>	694,424,861.12
Sub-total of cash inflows from investing activities	<b>76,254,225.44</b>	694,424,861.12
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	<b>128,518,926.14</b>	
Cash paid for investments		70,000,000.00
Net cash paid for acquisition of subsidiaries and other business units		
Other cash payments relating to investing activities		162,000,000.00
Sub-total of cash outflows from investing activities	<b>128,518,926.14</b>	232,000,000.00
Net cash flows from investing activities	<b>-52,264,700.70</b>	462,424,861.12

Item	First quarter in 2021	First quarter in 2020
<b>III. Cash flows from financing activities:</b>		
Cash receipts from receiving investments		
Cash receipts from borrowings obtained		
Other cash receipts relating to financing activities		
Sub-total of cash inflows from financing activities		
Cash paid for repayment of debts		400,000,000.00
Cash paid for dividends, profit distribution or interest expenses	<b>2,640,257.71</b>	5,257,083.34
Other cash payments relating to financing activities	<b>266,198.00</b>	234,742.85
Sub-total of cash outflows from financing activities	<b>2,906,455.71</b>	405,491,826.19
Net cash flows from financing activities	<b>-2,906,455.71</b>	-405,491,826.19
<b>IV. Effect of change in foreign exchange rate on cash and cash equivalents</b>		
<b>V. Net increase in cash and cash equivalents</b>	<b>-50,801,855.67</b>	18,850,090.27
Add: Beginning balance of cash and cash equivalents	<b>342,958,485.77</b>	83,638,189.16
<b>VI. Ending balance of cash and cash equivalents</b>	<b>292,156,630.10</b>	102,488,279.43

Legal representative:  
**Han Guangde**

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

Head of accounting department:  
**Xie Weihong**

**4.2 Adjustment of financial statements in the beginning of the year for implementation of the new accounting standards for leases for the first time since 2021**

Not applicable

**4.3 Explanation of the retrospective adjustments made to the comparative figures of prior periods due to the first adoption of new lease accounting standards since 2021**

Not applicable

**4.4 Auditor's report**

Not applicable