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**東北電氣發展股份有限公司**

**NORTHEAST ELECTRIC DEVELOPMENT CO.,LTD.**

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

(Stock Code: 00042)

## **FIRST QUARTERLY REPORT OF 2022**

This announcement is made pursuant to rules 13.09 and 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), Listing Rules of Shenzhen Stock Exchange and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The Board of Directors (the “**Board**”) of Northeast Electric Development Company Limited (the “**Company**” or “**Northeast Electric**”, “**NEE**”) is pleased to announce the unaudited quarterly report (the “**Quarterly Report**” or the “**Report**”) of the Company and its subsidiaries (collectively the “**Group**”) for the three months ended 31 March 2022. The financial information set out in this announcement has been prepared in accordance with the Accounting Standards for Business Enterprises of the PRC (as defined under the Listing Rules) and has been reviewed and considered by the Board and the Audit Committee of the Board.

### **§ 1 Important Notice**

1.1 The Board, Supervisory Committee, Directors, Supervisors and senior management of the Company undertake that there are no false representations, misleading statements or material omissions contained in this report, and they, severally and jointly, accept full responsibility for the truthfulness, accuracy and completeness of the contents of this report.

1.2 All Directors have attended the meeting of the Board of Directors held to consider this quarterly report.

1.3 The Company's Chairman, Shang Duoxu, Chief Accounting Officer, Mi Hongjie, and Chief Financial Officer, Jin Muhan hereby represent: guaranteeing the truthfulness, accurateness and integrity of the financial statements in this quarterly report.

#### 1.4 Definitions

|   |  |
|---|--|
| Beijing Haihongyuan                     | Beijing Haihongyuan Investment Management Co., Ltd.* (北京海鴻源投資管理有限公司), a substantial shareholder of the Company |
| CSRC                                    | China Securities Regulatory Commission* (中國證券監督管理委員會)  |
| Fuxin Busbar                            | Fuxin Enclosed Busbar Co., Ltd.* (阜新封閉母線有限責任公司), a wholly-owned subsidiary of the Company                      |
| Garden Lane Hotel                       | Hainan Garden Lane Flight Hotel Management Co., Ltd.* (海南逸唐飛行酒店管理有限公司), a subsidiary of the Company            |
| Hainan Provincial Higher People's Court | Hainan Provincial Higher People's Court* (海南省高級人民法院)   |
| HNA Group                               | HNA Group Co., Ltd.* (海航集團有限公司), a related party of the Company  |
| NEE, the Company, Northeast Electric    | Northeast Electric Development Company Limited* (東北電氣發展股份有限公司)   |

## § 2 Principal Financial Data

### 2.1 Principal accounting data and financial indicators

Whether the Company is required to make any retrospective adjustment to or restatement of the accounting data of prior years?

☐ Yes ☒ No

Unit: RMB

| Item   | The reporting period | The same period of last year | Increase/decrease during the reporting period compared with the same period of last year |
|--|----------------------|------------------------------|--|
| Operating incomes (RMB)  | 12,518,233.17        | 14,828,244.46                | -15.58%  |
| Net profits attributable to shareholders of the listed company (RMB) | -19,749,124.65       | -2,970,061.29                | N/A  |

|  |  |                                   |  |
|--|--|-----------------------------------|--|
| Net profits attributable to shareholders of the listed company after extraordinary items (RMB) | -19,749,124.65                               | -2,970,061.29                     | N/A  |
| Net cash flows arising from operating activities (RMB)   | -5,039,833.48                                | -7,430,407.71                     | N/A  |
| Basic earnings per share (RMB/Share)   | -0.0226                                      | -0.0034                           | N/A  |
| Diluted earnings per share (RMB/Share)   | -0.0226                                      | -0.0034                           | N/A  |
| Weighted average return on net assets (%)  | N/A  | N/A                               | N/A  |
| <b>Item</b>  | <b>As at the end of the reporting period</b> | <b>As at the end of last year</b> | <b>Increase/decrease at the end of the reporting period compared with the end of last year</b> |
| Total assets (RMB)   | 182,216,412.79                               | 194,427,879.43                    | -6.28%   |
| Net assets attributable to shareholders of the listed company (RMB)                            | -190,659,843.18                              | -169,697,083.93                   | N/A  |

**Note:** The Company adopts the Chinese Accounting Standards for Business Enterprises and the International Financial Reporting Standards to prepare the financial statements, respectively, because the net method and the full amount method are used to recognize the income, resulting in differences in operating income and gross profit. This quarterly report is prepared in accordance with the Chinese Accounting Standards for Business Enterprises.

## 2.2 Changes of Main Items in the Financial Statements and Financial Indicators and Reasons Thereof During the Reporting Period

Unit: RMB

| <b>Changes in balance sheet and reasons thereof</b>    |                                      |  |                              |   |
|--|--------------------------------------|--|------------------------------|---|
| <b>Items</b>   | <b>Closing balance of the period</b> | <b>Beginning balance of the period</b> | <b>Percentage of changes</b> | <b>Remarks</b>                                  |
| Notes Receivable                                       | 380,000.00                           | -                                      | 100.00%                      | Due to the new Bank acceptance draft            |
| right-of-use asset                                     | 13,206,413.86                        | 19,763,670.18                          | -33.18%                      | Due to normal depreciation                      |
| Other current asset                                    | 738,651.23                           | 1,173,384.17                           | -37.05%                      | Due to decrease in output tax to be transferred |
| <b>Changes in income statement and reasons thereof</b> |                                      |  |                              |   |

| Items   | Jan-March<br>2022 | Jan-March<br>2021 | Percentage of<br>changes | Remarks   |
|---|-------------------|-------------------|--------------------------|---|
| Selling expenses  | 5,532,956.20      | 4,082,759.79      | 35.52%                   | Due to the expansion of hotel operation scale   |
| Management costs  | 14,892,998.93     | 3,892,416.06      | 282.62%                  | The operating income of the hotel was not up to expectations due to the impact of the epidemic, which correspondingly affected variable costs such as operating costs; Administrative expenses are fixed costs, which are affected by the expansion of the hotel's operating scale, resulting in a substantial increase |
| Financial expenses  | 472,752.57        | 267,963.77        | 76.42%                   | Due to the expansion of hotel operation scale   |
| Other income  | 606,860.65        | 408,491.73        | 48.56%                   | Due to the additional deduction of value-added tax  |
| Non-operating income  | 145,252.58        | 10,261.08         | 1315.57%                 | Due to the additional deduction of value-added tax and the refund of handling fees  |
| Operating expenses  | 577.16            | 45.60             | 1165.70%                 | Due to late payment of social security fees this year   |
| <b>Changes in cash flow statement and reasons thereof</b>   |                   |                   |                          |   |
| Items   | Jan-March<br>2022 | Jan-March<br>2021 | Percentage of<br>changes | Remarks   |
| Cash received from sales of goods and rendering of services | 41,708,434.86     | 15,008,278.61     | 177.90%                  | Due to the expansion of hotel operation scale   |

|   |               |              |          |  |
|---|---------------|--------------|----------|--|
| Other cash received related to operating activities   | 7,081,593.81  | 3,037,530.88 | 133.14%  | Due to the expansion of hotel operation scale  |
| Cash for purchasing goods and accepting labor services  | 24,669,187.84 | 8,332,109.29 | 196.07%  | Due to the expansion of hotel operation scale  |
| Cash paid to and for employees  | 14,055,304.54 | 5,008,009.31 | 180.66%  | Due to the expansion of hotel operation scale  |
| Payment of various taxes  | 438,731.58    | 301,648.22   | 45.44%   | Due to the expansion of hotel operation scale  |
| Net cash received from disposal of fixed assets, intangible assets and other long-term assets | -             | 2,000,000.00 | -100.00% | There is no payment for land disposal in the south plant area of Fuxin Busbar in this period |

### 2.3 Extraordinary items and the related amount

☐ Applicable ☒ Not applicable

The Company had no extraordinary items during the reporting period.

## § 3 Shareholders Information

### 3.1 Total number of shareholders and the particulars of shareholding of the top ten shareholders as at the end of the reporting period

Unit: Shares

|   |        |  |   |
|---|--------|--|---|
| Total number of ordinary shareholders as at the end of the reporting period | 48,524 | Total number of preferred shareholders with voting rights restored at the end of the reporting period (if any) | 0 |
|---|--------|--|---|

| Particulars of shareholdings of top ten shareholders |                                       |                            |                  |   |                          |            |
|--|---------------------------------------|----------------------------|------------------|---|--------------------------|------------|
| Name of shareholders                                 | Nature of shareholder                 | Percentage of shareholding | Number of shares | Number of Shares held subject to trading moratorium | Shares pledged or frozen |            |
|  |                                       |                            |                  |   | Status of shares         | Number     |
| HKSCC Nominees Limited                               | Overseas legal person                 | 29.44%                     | 257,119,899      | 0   |                          |            |
| Beijing Haihongyuan Investment Management Co., Ltd.  | Domestic non-state-owned legal person | 9.33%                      | 81,494,850       | 0   | Pledge                   | 81,494,850 |
| Wang Juan  | Domestic natural person               | 1.52%                      | 7,000,200        | 0   |                          |            |
| Zhao Rui   | Domestic natural person               | 0.72%                      | 6,255,600        | 0   |                          |            |
| Zhang Sijia  | Domestic natural person               | 0.47%                      | 4,079,078        | 0   |                          |            |
| Fu Lianjun   | Domestic natural person               | 0.46%                      | 3,974,489        | 0   |                          |            |
| Shi yubo   | Domestic natural person               | 0.44%                      | 3,827,936        | 0   |                          |            |
| Li hui   | Domestic natural person               | 0.41%                      | 3,580,000        | 0   |                          |            |

|   |                                       |       |           |   |  |
|---|---------------------------------------|-------|-----------|---|--|
| Shenzhen Zhongda Software Development Company | Domestic non-state-owned legal person | 0.41% | 3,550,000 | 0 |  |
| Xv Lirong                                     | Domestic natural Person               | 0.40% | 3,471,150 | 0 |  |

Particulars of shareholdings of top ten shareholders of shares not subject to trading moratorium

| Name of shareholders                                | Number of shares not subject to trading moratorium | Class of shares                            |             |
|---|--|--|-------------|
|   |  | Class of shares                            | Number      |
| HKSCC Nominees Limited                              | 257,119,899  | Overseas Listed foreign shares (H shares)  | 257,119,899 |
| Beijing Haihongyuan Investment Management Co., Ltd. | 81,494,850   | Ordinary RMB-denominated shares (A shares) | 81,494,850  |
| Wang Juan   | 7,000,200  | Ordinary RMB-denominated shares (A shares) | 7,000,200   |
| Zhao Rui  | 6,255,600  | Ordinary RMB-denominated shares (A shares) | 6,255,600   |
| Zhang Sijia   | 4,079,078  | Ordinary RMB-denominated shares (A shares) | 4,079,078   |
| Fu Lianjun  | 3,974,489  | Ordinary RMB-denominated shares (A shares) | 3,974,489   |
| Shi yubo  | 3,827,936  | Ordinary RMB-denominated shares (A shares) | 3,827,936   |
| Li hui  | 3,580,000  | Ordinary RMB-denominated shares (A shares) | 3,580,000   |
| Xv Lirong   | 3,471,150  | Ordinary RMB-denominated shares (A shares) | 3,471,150   |
| Miao Haonan   | 3,337,212  | Ordinary RMB-denominated shares (A shares) | 3,337,212   |

|   |   |
|---|---|
| Remarks on the connected relationship or action in concert of the aforementioned shareholders | So far as the Company is aware of, there is no connected relationship among the abovementioned shareholders or are parties acting in concert subject to “Measures for the Administration of the Takeover of Listed Companies(《上市公司收購管理辦法》)”. Based on the publicly available data as at the latest practicable date prior to the publication of this report and which the Directors are aware of, the Company confirms that the public float is sufficient. |
| Top ten ordinary shareholders involved in the margin trading business (if any)                | No  |

Did the top ten ordinary shareholders of the Company and the top ten ordinary shareholders of shares not subject to trading moratorium make agreement to repurchase securities during the reporting period?

☐ Yes ☒ No

The top ten ordinary shareholders of the Company and the top ten ordinary shareholders of shares not subject to trading moratorium did not agree to repurchase securities during the reporting period.

The total number of the Company’s preferred shareholders and the shareholdings of the top ten shareholders of preference shares

☐ Applicable ☒ Not applicable

## §4 Other Important Matters

### 4.1 The Shenzhen Stock Exchange made a decision to terminate the listing of A shares

On April 20 2022, the Company received the Shenzhen Stock Exchange's "Decision on the Termination of Listing of Northeast Electric Development Co., Ltd." (Shenzheng Shang [2022] No. 388), because the Company's audited net profit after deduction in 2021 Negative value, operating income is less than RMB100 million, and net assets at the end of the period are negative, which touches the situation of termination of listing stipulated in Article 9.3.11 of Shenzhen Stock Exchange's "Stock Listing Rules (Revised in 2022)", Shenzhen Stock Exchange decided to The Company's A shares were terminated from listing. For details, please refer to the "Announcement on the Termination of Listing of A Shares of the Company" disclosed by the Company on April 20 2022 (Announcement No.: 2022-018).



#### **4.2 The court ruled that the Company's indirect controlling shareholder and the controlling shareholder's reorganization plan have been implemented**

On April 24 2022, the Company received a notification letter from the indirect controlling shareholder HNA Group Co., Ltd., and the Hainan Provincial Higher People's Court issued the [(2021) Qiong Po No. 1-383] "Civil Ruling", It is ruled that 321 companies including HNA Group Co., Ltd. have completed the implementation of the "Reorganization Plan for the Substantive Merger and Reorganization of 321 Companies including HNA Group Co., Ltd.", for the final judgment. For details, please refer to the "Announcement on the Completion of the Implementation of the Company's Indirect Controlling Shareholder and Controlling Shareholder Reorganization Plan" disclosed by the Company on April 24 2022 (Announcement No.: 2022-020).

#### **4.3 Changes in the Company's indirect controlling shareholder and actual controller**

As HNA Group Co., Ltd. and Beijing Haihongyuan Investment Management Co., Ltd. and other 321 companies implemented the reorganization plan ruled by the court, the indirect controlling shareholder and actual controller of the Company changed as a result (hereinafter referred to as "this change"). After the completion of this change, the controlling shareholder of the Company remains unchanged, still Beijing Haihongyuan; the indirect controlling shareholder of the Company is changed from HNA Group Co., Ltd. to Hainan HNA No. 2 Information Management Service Co., Ltd., whose controlling shareholder is a trust and has no actual control. Therefore, the actual controller of the Company was changed from Hainan Cihang Foundation to no actual controller. For details, please refer to the "Indicative Announcement on the Change of the Company's Actual Controller" disclosed by the Company on April 27 2022 (announcement number: 2022-022).

### **§ 5 Financial Statement (Unaudited)**

#### **5.1 Consolidated Balance Sheet**

Prepared by: Northeast Electric Development Co., Ltd.

Unit: RMB

| Items                    | 31March 2022  | 31 December 2021 |
|--------------------------|---------------|------------------|
| <b>Current Assets:</b>   |               |                  |
| Cash at bank and on hand | 13,602,160.06 | 18,645,415.83    |

|   |                       |                       |
|---|-----------------------|-----------------------|
| Balances with clearing companies                              |                       |                       |
| Lending to Banks and Other Financial Institutions             |                       |                       |
| Trading financial assets                                      |                       |                       |
| Financial assets at fair value through current profit or loss |                       |                       |
| Derivative financial assets                                   |                       |                       |
| Notes Receivable  | 380,000.00            |                       |
| Accounts Receivable   | 48,880,255.12         | 55,336,307.45         |
| Receivables Financing   |                       |                       |
| Prepayment  | 2,850,619.96          | 2,563,355.39          |
| Premium Receivable  |                       |                       |
| Amounts receivable from reinsurers                            |                       |                       |
| Provision for reinsure ancecontracts receivable               |                       |                       |
| Other Receivables   | 30,614,255.16         | 27,961,945.29         |
| Incl: Interests Receivable                                    |                       |                       |
| Dividends Receivable  |                       |                       |
| Buying back the sale of financial assets                      |                       |                       |
| Inventory   | 18,012,218.03         | 14,795,944.05         |
| Contractual assets  |                       |                       |
| Assets held for sale  |                       |                       |
| Non-current asset due within 1 year                           |                       |                       |
| Other current asset   | 1,666,833.13          | 1,367,430.85          |
| <b>Total current assets</b>                                   | <b>116,006,341.46</b> | <b>120,670,398.86</b> |
| <b>Non-current Assets:</b>                                    |                       |                       |
| Loans and advances  |                       |                       |
| Debt investment   |                       |                       |
| Available-for-sale financial assets                           |                       |                       |
| Other debt investment   |                       |                       |
| Held-to-maturity investments                                  |                       |                       |
| Long-term receivables   |                       |                       |
| Long-term equity investments                                  |                       |                       |
| Other equity instruments                                      |                       |                       |
| investments   |                       |                       |
| Other non-current financial assets                            |                       |                       |

|  |                       |                       |
|--|-----------------------|-----------------------|
| Investment properties  |                       |                       |
| Fixed Assets   | 41,255,387.13         | 42,179,538.52         |
| Construction in progress   |                       |                       |
| Productive biological assets   |                       |                       |
| Oil and gas assets   |                       |                       |
| Right-of-use assets  | 13,206,413.86         | 19,763,670.18         |
| Intangible Assets  | 11,748,270.34         | 11,814,271.87         |
| Research & development expenses  |                       |                       |
| Goodwill   |                       |                       |
| Long-term deferred expenses  |                       |                       |
| Deferred tax assets  |                       |                       |
| Other non-current assets   |                       |                       |
| <b>Total non-current assets</b>  | <b>66,210,071.33</b>  | <b>73,757,480.57</b>  |
| <b>Total Assets</b>  | <b>182,216,412.79</b> | <b>194,427,879.43</b> |
| <b>Current Liabilities:</b>  |                       |                       |
| Short-term Borrowings  |                       |                       |
| Borrowing from the Central Bank  |                       |                       |
| Placements from banks and other financial institutions                       |                       |                       |
| Trading financial liabilities  |                       |                       |
| Financial liabilities at fairvalue through current profit or loss            |                       |                       |
| Derivative financial liabilities   |                       |                       |
| Notes Payable  |                       |                       |
| Accounts Payable   | 36,858,242.90         | 38,380,570.47         |
| Advances from customers  |                       |                       |
| Contractual liabilities  | 14,347,321.24         | 14,134,307.20         |
| Financial assets sold under agreement to repurchase                          |                       |                       |
| Customer deposits and deposits due to banks and other financial institutions |                       |                       |
| Amounts of securities trading as agent                                       |                       |                       |
| Amounts of securities under writing as agent                                 |                       |                       |
| Employee remunerate on payable   | 8,997,834.58          | 8,835,266.49          |
| Taxes Payable  | 3,623,537.94          | 3,938,416.15          |

|   |                       |                       |
|---|-----------------------|-----------------------|
| Other Payables                            | 206,527,208.36        | 191,146,104.42        |
| Incl: Interests Payable                   |                       |                       |
| Dividends Payable                         |                       |                       |
| Handling charge and commission payable    |                       |                       |
| Amounts due to reinsurers                 |                       |                       |
| Liabilities held for sale                 |                       |                       |
| Non-current liabilities due within 1 year | 29,861,901.27         | 33,966,281.82         |
| Other current Liabilities                 | 738,651.23            | 1,173,384.17          |
| <b>Total current liabilities</b>          | <b>300,954,697.52</b> | <b>291,574,330.72</b> |
| <b>Non-current liabilities:</b>           |                       |                       |
| Provision for insurance contracts         |                       |                       |
| Long-term Borrowings                      |                       |                       |
| Bonds Payable                             |                       |                       |
| Incl: Preferred shares                    |                       |                       |
| Perpetual bonds                           |                       |                       |
| Lease liabilities                         |                       |                       |
| Long-term Payables                        |                       |                       |
| Long-term employee remuneration payable   |                       |                       |
| Estimated Liabilities                     | 34,354,500.00         | 34,354,500.00         |
| Deferred income                           | 35,553,784.53         | 36,035,084.94         |
| Deferred tax liabilities                  |                       |                       |
| Other Non-Current Liabilities             |                       |                       |
| <b>Total Non-Current Liabilities</b>      | <b>69,908,284.53</b>  | <b>70,389,584.94</b>  |
| <b>Total Liabilities</b>                  | <b>370,862,982.05</b> | <b>361,963,915.66</b> |
| <b>Shareholders' Equity:</b>              |                       |                       |
| Share Capital                             | 873,370,000.00        | 873,370,000.00        |
| Other Equity Instruments                  |                       |                       |
| Incl: Preferred shares                    |                       |                       |
| Perpetual bonds                           |                       |                       |
| Capital reserve                           | 1,083,997,337.88      | 1,083,997,337.88      |
| Less: Treasury Stocks                     |                       |                       |
| Other Comprehensive Income                | -259,150,516.63       | -257,936,882.03       |
| Special Reserve                           |                       |                       |

|   |                        |                        |
|---|------------------------|------------------------|
| Surplus Reserve   | 108,587,124.40         | 108,587,124.40         |
| Provision for general risk                                    |                        |                        |
| Retained profits  | -1,997,463,788.83      | -1,977,714,664.18      |
| Total equity attributable to the owners of the Parent Company | -190,659,843.18        | -169,697,083.93        |
| Minority interests  | 2,013,273.92           | 2,161,047.70           |
| <b>Total shareholders' equity</b>                             | <b>-188,646,569.26</b> | <b>-167,536,036.23</b> |
| <b>Total liabilities and shareholders' equity</b>             | <b>182,216,412.79</b>  | <b>194,427,879.43</b>  |

## 5.2 Consolidated Income Statement of the Reporting Period

Unit: RMB

| Items                                      | Amount for the current period | Amount for the previous period |
|--|-------------------------------|--------------------------------|
| <b>I. Total Operating Revenue</b>          | <b>12,518,233.17</b>          | <b>14,828,244.46</b>           |
| Incl.: Operating income                    | 12,518,233.17                 | 14,828,244.46                  |
| Interest income                            |                               |                                |
| Earned premium                             |                               |                                |
| Handling charges and commission income     |                               |                                |
| <b>II. Total Operating Cost</b>            | <b>33,174,628.16</b>          | <b>18,224,544.27</b>           |
| Incl.: Operating cost                      | 11,268,378.17                 | 9,822,341.24                   |
| Interest expenses                          |                               |                                |
| Handling charges and commission expense    |                               |                                |
| Surrenders                                 |                               |                                |
| Net compensation payout                    |                               |                                |
| Net provision for insurance contracts      |                               |                                |
| Expenditures for insurance policy dividend |                               |                                |
| Reinsurance cost                           |                               |                                |
| Taxes & Surcharges                         | 167,549.30                    | 159,063.41                     |
| Selling expenses                           | 5,532,956.20                  | 4,082,759.79                   |
| Administrative expenses                    | 14,892,998.93                 | 3,892,416.06                   |
| R&D expenses                               | 839,992.99                    |                                |
| Finance expenses                           | 472,752.57                    | 267,963.77                     |
| Incl : Interest expenses                   |                               |                                |

|   |                       |                      |
|---|-----------------------|----------------------|
| Interest Income   |                       |                      |
| Plus: Other income  | 606,860.65            | 408,491.73           |
| Investment income<br>(loss is indicated by<br>“-”)  |                       |                      |
| Incl: Investment income from<br>associates and<br>joint ventures  |                       |                      |
| Derecognition of<br>Income from<br>financial assets at<br>amortised cost<br>(loss is indicated by<br>“-”) |                       |                      |
| Exchange gains (loss<br>indicated by “-”)   |                       |                      |
| Net gains from<br>Hedging exposure<br>(loss is indicated by<br>“-”)                                       |                       |                      |
| Gains from change in<br>fair value (loss is<br>indicated by “-”)  |                       |                      |
| Credit impairment<br>loss(loss is indicated<br>by “-”)  |                       |                      |
| Assets impairment<br>loss(loss is indicated<br>by “-”)  |                       |                      |
| Gains from asset<br>disposal (loss is<br>indicated by “-”)  |                       |                      |
| <b>III.Operational Profit (Loss is<br/>indicated as “—”)</b>  | <b>-20,049,534.34</b> | <b>-2,987,808.08</b> |
| Plus: Non-operating income  | 145,252.58            | 10,261.08            |
| Less: Non-operating expenses  | 577.16                | 45.60                |
| <b>IV.Total Profit (Total loss is<br/>indicated as “—”)</b>   | <b>-19,904,858.92</b> | <b>-2,977,592.60</b> |
| Less: Income tax expenses   | -7,960.49             |                      |
| <b>V.Net Profit (Net loss is indicated as<br/>“—”)</b>  | <b>-19,896,898.43</b> | <b>-2,977,592.60</b> |
| (I) Classification by operating<br>continuity   |                       |                      |

|   |                      |                   |
|---|----------------------|-------------------|
| 1.Net profit from continuing operations(net loss is indicated by “-”)                                 | -19,896,898.43       | -2,977,592.60     |
| 2.Net profit from discontinued operations (net loss is indicated by “-”)                              |                      |                   |
| (II) Classification by ownership  |                      |                   |
| 1.Net profit attribute able to owners of the Parent Company   | -19,749,124.65       | -2,970,061.29     |
| 2.Minority interests  | -147,773.78          | -7,531.31         |
| <b>VI.Net Other Comprehensive Income after tax</b>  | <b>-1,213,634.60</b> | <b>185,008.18</b> |
| Other net comprehensive income after tax attribute able to owners of the Parent Company               | -1,213,634.60        | 185,008.18        |
| (I) Other comprehensive income that cannot be reclassified into profit or loss                        |                      |                   |
| 1. Changes arising from re-measurement of the defined benefit plan                                    |                      |                   |
| 2. Other comprehensive income that cannot be reclassified into profit or loss under the equity method |                      |                   |
| 3. Changes in fair Value of other equity instruments investment                                       |                      |                   |
| 4. Change in fair Value of the Enterprise’s own credit risk   |                      |                   |
| 5. Others   |                      |                   |
| (II) Other comprehensive income that will be re-classified into profit or loss                        | -1,213,634.60        | 185,008.18        |
| 1. Other comprehensive income that can be reclassified into profit or loss under the equity method    |                      |                   |

|  |                       |                      |
|--|-----------------------|----------------------|
| 2. Change in fair value of other debt investments                                    |                       |                      |
| 3. Financial assets reclassified into other comprehensive income                     |                       |                      |
| 4. Credit impairment provision for other debt investments                            |                       |                      |
| 5. Reserve for cash Flow hedging   |                       |                      |
| 6. Exchange rate differences of financial statements denominated in foreign currency | -1,213,634.60         | 185,008.18           |
| 7. Others  |                       |                      |
| Other net comprehensive income after tax attributable to minority interests          |                       |                      |
| <b>VII. Total Comprehensive Income</b>   | <b>-21,110,533.03</b> | <b>-2,792,584.42</b> |
| Total Comprehensive Income Attributable to the owners of the Parent Company          | -20,962,759.25        | -2,792,584.42        |
| Total Comprehensive Income Attributable to the Minority Interests                    | -147,773.78           |                      |
| <b>VIII. Earnings per share</b>  |                       |                      |
| (I) Basic earnings per share   | -0.0226               | -0.0034              |
| (II) Diluted earnings per share  | -0.0226               | -0.0034              |

### 5.3 Consolidated Cash Flow Statement from Beginning of the Year to End of the Reporting Period

Unit: RMB

| Items   | Amount for the current period | Amount for the previous period |
|---|-------------------------------|--------------------------------|
| <b>I. Cash flow from operating activities</b>                                 |                               |                                |
| Cash from sale of goods and rendering of services                             | 41,708,434.86                 | 15,008,278.61                  |
| Net increase in customer deposits and deposits from banks and other financial |                               |                                |



|   |                      |                      |
|---|----------------------|----------------------|
| institutions  |                      |                      |
| Net increase in borrowings from central bank                                |                      |                      |
| Net increase in placements from other financial institutions                |                      |                      |
| Cash received as premiums of original insurance contracts                   |                      |                      |
| Net cash received from reinsurance business                                 |                      |                      |
| Net increase in policyholder deposits and investment funds                  |                      |                      |
| Cash received as interests, handling charges and commissions                |                      |                      |
| Net increase in placements from banks and other financial institutions      |                      |                      |
| Net increase in funds of repurchase business                                |                      |                      |
| Net cash received from securities trading agency services                   |                      |                      |
| Tax rebates received  |                      |                      |
| Cash received from other operating activities                               | 7,081,593.81         | 3,037,530.88         |
| <b>Sub-total of cash inflows from operating activities</b>                  | <b>48,790,028.67</b> | <b>18,045,809.49</b> |
| Cash paid to goods purchased and labor service received                     | 24,669,187.84        | 8,332,109.29         |
| Net increase in loans and advances to customers                             |                      |                      |
| Net increase in deposits with central bank and other financial institutions |                      |                      |
| Cash paid for original insurance contract claims                            |                      |                      |
| Net increase in loans to banks and other financial institutions             |                      |                      |
| Cash paid for interest,   |                      |                      |

|   |                      |                      |
|---|----------------------|----------------------|
| handling charges and commissions  |                      |                      |
| Cash paid for policyholder dividend   |                      |                      |
| Cash paid to and for employees  | 14,055,304.54        | 5,008,009.31         |
| Payment of various taxes  | 438,731.58           | 301,648.22           |
| Cash paid for other operating activities  | 14,666,638.19        | 11,834,450.38        |
| <b>Sub-total of cash outflows for operating activities</b>                                    | <b>53,829,862.15</b> | <b>25,476,217.20</b> |
| <b>Net Cash Flow from operating activities</b>  | <b>-5,039,833.48</b> | <b>-7,430,407.71</b> |
| <b>II. Cash flow from investing activities</b>  |                      |                      |
| Cash received upon disposal of investments  |                      |                      |
| Cash received from return on investments  |                      |                      |
| Net cash received from disposal of fixed assets, intangible assets and other long-term assets |                      | 2,000,000.00         |
| Net cash received upon disposal of subsidiaries and other business units                      |                      |                      |
| Cash received from other investing activities   |                      |                      |
| <b>Sub-total of cash inflows from investing activities</b>                                    |                      | <b>2,000,000.00</b>  |
| Cash paid for acquisition of fixed assets, intangible assets and other long-term assets       |                      |                      |
| Cash paid for investment  |                      |                      |
| Net increase in pledged Loans   |                      |                      |
| Net cash paid for Acquisition of subsidiaries and other business units                        |                      |                      |
| Cash paid for other Investing activities  |                      |                      |
| <b>Sub-total of cash outflows from investing activities</b>                                   |                      |                      |

|  |                      |                      |
|--|----------------------|----------------------|
| <b>Net Cash Flow from investing activities</b>                                 |                      | <b>2,000,000.00</b>  |
| <b>III. Cash flow from financing activities</b>                                |                      |                      |
| Cash received from absorbing investment  |                      |                      |
| Incl: cash received by subsidiaries from minority shareholders                 |                      |                      |
| Cash received from borrowings  |                      |                      |
| Cash received from other financing activities                                  |                      |                      |
| <b>Sub-total of cash inflows from financing activities</b>                     |                      |                      |
| Cash paid for repayments of debts  |                      |                      |
| Cash paid for dividends, profit distributions or interest payment              |                      |                      |
| Incl: dividend and profit paid to minority shareholders by subsidiaries        |                      |                      |
| Cash paid for other Financeing activities                                      |                      |                      |
| <b>Sub-total of cash outflows from financing activities</b>                    |                      |                      |
| <b>Net Cash Flow from financing activities</b>                                 |                      |                      |
| <b>IV.Effect of foreign exchange rate changes on cash and cash equivalents</b> | <b>-3,422.29</b>     | <b>4,232.45</b>      |
| <b>V.Net increase of cash and cash equivalent</b>                              | <b>-5,043,255.77</b> | <b>-5,426,175.26</b> |
| Plus: Balance of cash and cash equivalents at the beginning of the period      | 18,645,415.83        | 8,535,909.71         |
| <b>VI. Balance of cash and cash equivalents at the end of the period</b>       | <b>13,602,160.06</b> | <b>3,109,734.45</b>  |

Legal Representative: Shang Duoxu, Chief Financial Officer:Mi Hongjie, Head of Accounting Department:Jin Muhan

## 5.4 Adjustment of the Financial Statements

The related conditions on the adjustment of the financial statements at the beginning of the year of initial implementation arising from initial implementation of new financial instrument standard, new income standard and new lease standard

☐ Applicable ☒ Not applicable

Retrospective adjustment of the previous comparative data by initial adoption of new financial instrument standard and new lease standard

☐ Applicable ☒ Not applicable

## 5.5 Audit Report

Whether the first quarterly report has been audited

☐ Yes ☒ No

The Company's first quarterly report is unaudited.

By order of the Board

**Shang Duoxu**

Chairman

Haikou, Hainan Province, the PRC

28 April 2022

*As at the date of this Announcement, the Board comprises of five executive Directors, namely Mr. Shang Duoxu, Mr. Wang Yongfan, Mr. Su Weiguo, Mr. Guo Qianli and Mi Hongjie; and three independent non-executive Directors, namely Mr. Fang Guangrong, Mr. Wang Hongyu and Mr. Li Zhengning.*