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東北電氣發展股份有限公司

NORTHEAST ELECTRIC DEVELOPMENT CO., LTD.

NEE

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

(Stock Code: 00042)

UNAUDITED RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2022

The Board of Directors (the “**Board**”) and the directors (the “**Directors**”) of the Northeast Electric Development Company Limited (the “**Company**”) hereby announce the unaudited interim results of the Company and its subsidiaries (the “**Group**”) as of 30 June 2022.

Chapter 1 IMPORTANT NOTICE

- 1.1 The Board, Supervisory Committee, Directors, Supervisors and senior management of the Company hereby confirm 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 interim report.
- 1.2 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 the interim report.
- 1.3 This announcement has been considered and approved by the 32th meeting of the 9th Board convened on 30 August 2022. All Directors attended the Board meeting in person to consider and approve this report.
- 1.4 The Group prepared the Unaudited Results Announcement for the Six Months Ended 30 June 2022 in accordance with the PRC GAAP and IFRS. The audit committee of the Board has reviewed and confirmed the Company's interim results announcement for 2022. The audit committee has approved the financial accounting principles, standards and methods adopted by the Company for the unaudited interim accounts for the six months ended 30 June 2022.
- 1.5 The Company proposes not to distribute cash dividend, issue bonus share, or capitalise from capital reserves.
- 1.6 The consolidated turnover is RMB36,400,000 in accordance with the PRC GAAP.
- 1.7 The profit attributable to equity holders of the Company is RMB-17,770,000.
- 1.8 Earnings per share attributable to equity holders of the Company are RMB-0.0205.
- 1.9 Unless otherwise stated, Renminbi is the only monetary unit in this announcement.
- 1.10 This announcement is made pursuant to Rule 13.49(6) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Paragraph 46 of Note 16 thereto.



1.11 Definitions

Beijing Haihongyuan	Beijing Haihongyuan Investment Management Co., Ltd., a substantial shareholder of the Company
De facto controller of the Company	None
Fushun Electric Porcelain	Fushun Electric Porcelain Manufacturing Co., Ltd.
Fuxin Busbar	Fuxin Enclosed Busbar Co., Ltd., a subsidiary of the Company
Garden Lane Hotel	Hainan Garden Lane Flight Hotel Management Co., Ltd., a subsidiary of the Company
HNA Group	HNA Group Co., Ltd., a related party of the Company
HNA Trust Management	Hainan HNA No. 2 Trust Management Service Co., Ltd., a related party of the Company
Hainan First Intermediate People's Court	The First Intermediate People's Court of Hainan Province
Hainan Provincial Higher People's Court	Hainan Provincial Higher People's Court
NEE, the Company, Northeast Electric	Northeast Electric Development Company Limited
NEEQ	National Equities Exchange and Quotations
Stock Exchange	The Stock Exchange of Hong Kong Limited
Shenzhen Stock Exchange	Shenzhen Stock Exchange of the PRC
Shenyang HVS, Shenyang High Voltage Switchgear	Shenyang High Voltage Switchgear Co., Ltd.



Chapter 2 CORPORATE PROFILE

2.1 Basic information

Stock abbreviation of Domestic shares	Northeast Electric 3	Domestic shares stock code	400114
Place of the listing of Domestic shares	NEEQ		
Stock abbreviation of H shares	Northeast Electric	H shares stock code	00042
Place of the listing of H shares	The Stock Exchange of Hong Kong Limited		
Legal Chinese name	東北電氣發展股份有限公司		
Chinese abbreviation	東北電氣		
Legal English name	Northeast Electric Development Company Limited		
English abbreviation	NEE		
Legal representative	Zhu Jie		

2.2 Contact person and contact information

	Secretary to the Board	Representative for securities affairs
Name	Ding Jishi	Zhu Xinguang, Ju Meng
Address	19nd Floor, HNA Plaza, No.7 Guoxing Road, Meilan District, Haikou City, Hainan Province	19nd Floor, HNA Plaza, No.7 Guoxing Road, Meilan District, Haikou City, Hainan Province
Telephone	0898-68876008	0898-68876008
Fax	0898-68876033	0898-68876033
Email	dbdqdashbgs@hnagroup.com	nemm585@sina.com
Website containing the annual report		www.neeq.com.cn; www.hkexnews.hk
Place for inspection of interim report		HNA Plaza, No.7 Guoxing Road, Meilan District, Haikou City, Hainan Province Office of the Board



2.3 Additional information

Registered address	Room A1-1077, 5th Floor, Building A, Entrepreneurship Incubation Center, Haikou National High-tech Zone, No.266 Nanhai Avenue, Haikou City, Hainan Province
Postal code	571152
19nd	19nd Floor, HNA Plaza, No.7 Guoxing Road, Meilan District, Haikou City, Hainan Province
Postal code	570203
Website	www.nee.com.cn
E-mail address	dbdqdashbgs@hnagroup.com

2.4 Registration

Item	Contents	Changes during the reporting period
Unified social credit code	91210000243437397T	No
Registered address	Room A1-1077, 5th Floor, Building A, Entrepreneurship Incubation Center, Haikou National High-tech Zone, No.266 Nanhai Avenue, Haikou City, Hainan Province	No
Registered capital (RMB)	873,370,000	No

2.5 Agency

Sponsoring broker (reporting period)	Shanxi Securities Co., Ltd.
Office address of the sponsoring brokerage	East Tower, Shanxi International Trade Center, No. 69, Fuxi Street, Taiyuan City, Shanxi Province
Did the sponsoring broker change during the reporting period	No
Sponsoring Broker (Report Disclosure Date)	Shanxi Securities Co., Ltd.

2.6 Voluntary Disclosure

Applicable Not applicable

The Company held the 30th meeting of the ninth session of the board of directors on May 31 2022, at which it reviewed and approved the “Proposal on the Subsidiary’s Termination of Part of the House Leasing Contract and Related Transactions”. The Company’s holding subsidiary Garden Lane Hotel and Changchun Mingmen Hotel Co., Ltd. and Jilin Provincial Tourism Group Co., Ltd. (Bauhinia Hotel and Changbai Mountain Hotel) terminated the house lease contract. For details, please refer to the “Announcement on Resolutions of the Meeting of Board of Directors” and the “Announcement on Termination of Lease Agreement of Connected Transaction” disclosed by the Company on May 31 2022.

The Company held the 31th meeting of the ninth session of the board of directors on July 27 2022, at which it reviewed and approved the “Proposal on the Company’s Newly Issuance of H Shares”. The Company plans to pay RMB 1 per share to W.H.B.D (HK) Technology Limited issued RMB90 million H shares and raised a total of RMB90 million. For details, please refer to the “Announcement on Resolutions of the 31th Meeting of the Ninth Session of the Board of Directors” and the “Announcement on Issue of New H Shares Under the Specific Mandate” disclosed by the Company on July 27 2022.



Chapter 3 PRINCIPAL ACCOUNTING DATA AND FINANCIAL INDICATORS

(I) Principal financial data and indicators prepared under the PRC GAAP

(1) Profit Ability

Unit: RMB

Items	Amount for the reporting period	Amount for the same period of last year	Increase/ decrease in the reporting period compared with the same period of last year
Operating incomes	36,398,794.86	28,446,337.20	27.96%
Gross margin	20.06%	32.05%	-
Net profits attributable to shareholders of the Company	-17,771,697.62	-11,819,705.03	50.36%
Net profits attributable to shareholders of the Company after extraordinary items	-18,861,391.11	-12,719,133.05	48.29%
Weighted average return on net assets% (Basis on net profits attributable to shareholders of the listed Company)	N/A	N/A	-
Weighted average return on net assets % (Basis on net profits attributable to shareholders of the listed Company after extraordinary items)	N/A	N/A	-
Basic earnings per share (RMB/Share)	-0.0205	-0.0135	51.85%



(2) Debt-paying ability

Unit: RMB

Items	As at the end of the reporting period	As at the end of last year	Increase/decrease in the reporting period compared with the end of last year
Total assets	183,602,625.72	194,427,879.43	-5.57%
Total debt	367,727,760.81	361,963,915.66	1.59%
Net assets attributable to shareholders of the listed Company	-186,185,382.16	-169,697,083.93	9.72%
Net asset value per share of the listed Company	-0.21	-0.19	9.72%
Asset-liability ratio (parent Company)	65.44%	65.19%	-
Asset-liability ratio (consolidated statements)	200.28%	186.17%	-
Liquidity ratio	0.42	0.41	-
Interest coverage ratio	-11.08	-34.88	-

(3) State of operation

Unit: RMB

Items	Amount for the reporting period	Amount for the same period of last year	Increase/decrease in the reporting period compared with the same period of last year
Net cash flows from operating activities	-10,708,561.48	-8,835,387.64	21.20%
Turnover of account receivable	0.93	0.81	-
Turnover of inventories	1.75	1.23	-



(4) State of growth

Items	Amount for the reporting period	Amount for the same period of last year	Increase/ decrease in the reporting period compared with the same period of last year
Total assets growth rate	-5.57%	-8.60%	-
Operating incomes growth rate	27.96%	-24.82%	-
Net profits growth rate	N/A	N/A	-

(II) Principal financial data and indicators prepared in accordance with the International Financial Reporting Standards (IFRS)

Condensed Consolidated Statement of Profit or Loss

Unit: RMB'000

Item	Reporting period (January-June)	The same period of previous year
Turnover	79,081	37,838
Profit before tax	-17,880	-11,594
Taxation	-8	-280
Profit after tax	-17,872	-11,874
Minority Interests	-100	-56
Profits attributable to shareholders	-17,772	-11,818



Condensed Consolidated Statement of Financial Position

Unit: RMB'000

Items	At the end of this reporting period	At the end of previous year
Total assets	183,603	194,428
Total liabilities	367,728	361,964
Shareholders' equity	-184,125	-167,536

(III) Description of differences in figures under domestic and foreign accounting standards

Item	Net profits attributable to shareholders of the listed Company		Net assets attributable to shareholders of the listed Company	
	Amount for the reporting period	Amount for the same period of last year	As at the end of the reporting period	As at the end of last year
Domestic accounting standards	-17,771,697.62	-11,819,705.03	-186,185,382.16	-169,697,083.93
Items and amounts adjusted according to foreign accounting standards	-	-	-	-
Foreign accounting standards	-17,771,697.62	-11,819,705.03	-186,185,382.16	-169,697,083.93

Note: There are no differences in net profits and net assets prepared under the PRC GAAP and IFRS.

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.

**(IV) Extraordinary items and the related amount***Unit: RMB*

Item	Amount
Government subsidy included in the current profits and losses	962,600.82
Non-operating income and expense other than the above items	128,062.72
Non-recurring gains and losses	1,090,663.54
Effect of income tax	-
Impact on minority interests (after tax)	970.05
Net extraordinary items and the related amount	1,089,693.49



Chapter 4 CHANGES IN SHARES AND SHAREHOLDER INFORMATION

4.1 Changes in shares

Unit: Share

Items	Before the change		Increase/decrease (+, -) arising from the change					After the change	
	Number	Percentage	Issue of new shares	Bonus issue	Conversion of capital reserve into shares	Others	Subtotal	Number	Percentage
I. Shares subject to trading moratorium	5,999,022	0.69%	0	0	0	0	0	5,999,022	0.69%
1. State-owned shares	0	0.00%	0	0	0	0	0	0	0.00%
2. State-owned legal person shares	0	0.00%	0	0	0	0	0	0	0.00%
3. Other domestic shares	5,999,022	0.69%	0	0	0	0	0	5,999,022	0.69%
Including: Domestic legal person shares	5,999,022	0.69%	0	0	0	0	0	5,999,022	0.69%
Domestic natural person shares	0	0.00%	0	0	0	0	0	0	0.00%
4. Foreign shares	0	0.00%	0	0	0	0	0	0	0.00%
Including: Overseas legal person shares	0	0.00%	0	0	0	0	0	0	0.00%
Overseas natural person shares	0	0.00%	0	0	0	0	0	0	0.00%
II. Shares not subject to trading moratorium	867,370,978	99.31%	0	0	0	0	0	867,370,978	99.31%
1. Renminbi ordinary shares	609,420,978	69.78%	0	0	0	0	0	609,420,978	69.78%
2 Foreign shares listed domestically	0	0.00%	0	0	0	0	0	0	0.00%
3. Foreign shares listed overseas	257,950,000	29.53%	0	0	0	0	0	257,950,000	29.53%
4. Others	0	0.00%	0	0	0	0	0	0	0.00%
III. Total shares	873,370,000	100.00%	0	0	0	0	0	873,370,000	100.00%

4.2 Number of shareholders and shareholding

Unit: Share

Total number of ordinary shareholders at the end of the reporting period	37,355	Total number of preferred shareholders with voting rights restored at the end of the reporting period (if any)	0					
Shareholdings of ordinary shareholders holding more than 5% of the total share capital or the top ten ordinary shareholders								
Name of shareholder	Nature of shareholder	Percentage	Number of ordinary shares as at the end of the reporting period	Increase/decrease in the reporting period	Number of ordinary shares held subject to trading moratorium	Number of ordinary shares held not subject to trading moratorium	Shares pledged or frozen	
							Status of shares	Number
HKSCC Nominees Limited	Overseas legal person	29.54%	257,950,000	836,101	0	257,950,000		
Beijing Haihongyuan Investment Management Co., Ltd.	Domestic non-state-owned legal person	9.33%	81,494,850	0	0	81,494,850	Pledged	81,494,850
Wang Juan	Domestic natural person	1.15%	10,080,200	7,461,800	0	10,080,200		
Zhao Rui	Domestic natural person	0.80%	6,960,310	0	0	6,960,310		
Yang Baizhong	Domestic natural person	0.69%	6,000,000	6,000,000	0	6,000,000		
Zhu Xinghu	Domestic natural person	0.65%	5,686,600	5,686,600	0	5,686,600		
Yang Youhong	Domestic natural person	0.57%	5,000,000	5,000,000	0	5,000,000		
Yu Jun	Domestic natural person	0.52%	4,600,000	2,250,000	0	4,600,000		
Shi Yubo	Domestic natural person	0.50%	4,405,236	577,300	0	4,405,236		
Zhang Sijia	Domestic natural person	0.46%	4,000,000	-1,079,067	0	4,000,000		
Explanation on the connected relationship or concerted action among the top ten holders of ordinary shares not subject to trading moratorium and that between them and the top ten ordinary shareholders			So far as the Company is aware, there is no connected relationship among the top ten holders of ordinary shares not subject to trading moratorium or between them and the top ten ordinary shareholders or are parties acting in concert as required in the Measures for the Administration of the Takeover of Listed Companies.					



Notes:

1. Based on the information that is publicly available as at the latest practicable date prior to the publishing of this interim report and within the knowledge of the Directors, there was sufficient public float of the Company's shares.
2. Save as disclosed above, as at 30 June 2022, the Directors were not aware that any person (excluding Directors, Supervisors, or chief executives (if applicable) or senior management of the Company, the "Senior Management") had any interests or short positions in the shares or underlying shares (as the case may be) of the Company which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance ("SFO") in Chapter 571 of the Laws of Hong Kong, any interests which were required to be recorded in the register pursuant to Section 336 of the SFO, or was a substantial shareholder of the Company (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules")).
3. During the reporting period, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's shares.
4. There is no provision for pre-emptive rights under the laws of the PRC and the Articles of Association of the Company.
5. As of 30 June 2022, the Company did not issue any convertible securities, options, warrants or any other similar right.



4.3. Changes in controlling shareholders and de facto controller

Controlling Shareholders

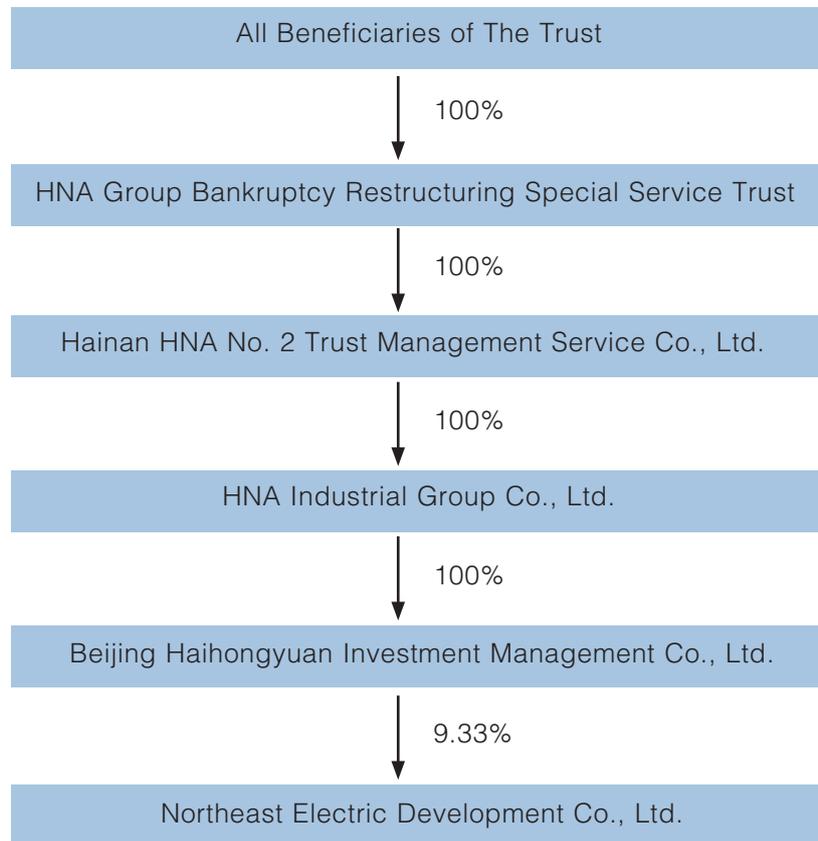
Name of Controlling Shareholders	Legal representative	Date of establishment	Organization code	Principal businesses
Beijing Haihongyuan Investment Management Co., Ltd.	Wang Qiong	July 11 2012	911101175996346317	Investment management; asset management; project investment; hotel management; tourism information consultation; technical consultation, technical services; sales of daily necessities, building materials (not engaged in physical store operations), household appliances, electronic products, and communication equipment.

De facto controller

During the reporting period, the de facto controller of the Company changed.

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 de facto 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 de facto controller of the Company was changed from Hainan Cihang Foundation to no de facto controller.

For details, please refer to the “Indicative Announcement on the Change of the Company’s de facto controller” (announcement No.: 2022-022) disclosed by the Company on April 27 2022.





Chapter 5 PROFILES OF DIRECTORS, SUPERVISORS AND SENIOR

5.1 Changes in shareholdings of Directors, supervisors and senior management

There was no change in shareholdings during the reporting period.

5.2 Directors, supervisors and senior management situation

Name	Position	Gender	Date of birth	Term of office commencing on	Term of office ending on
Shang Duoxu	Director, Chairman	Male	March 1986	23 August 2021	10 March 2022
Su Weiguo	Director, general manager	Male	September 1962	11 March 2019	10 March 2022
Mi Hongjie	Director, Chief Financial Officer	Male	June 1993	29 December 2021	10 March 2022
Fang Guangrong	Independent Director	Male	September 1955	11 March 2019	10 March 2022
Wang Hongyu	Independent Director	Male	March 1972	29 June 2020	10 March 2022
Li Zhengning	Independent Director	Male	March 1980	2 June 2021	10 March 2022
Xing Zenghai	Shareholder Representative Supervisor, Chairman of Supervisory Board	Male	May 1987	23 August 2021	10 March 2022
Yang Qing	Shareholder Representative Supervisor	Male	August 1982	23 August 2021	10 March 2022
Wu Rongyu	Employee Representative Supervisor	Female	June 1992	23 August 2021	10 March 2022
Ding Jishi	Secretary to the Board	Male	September 1985	29 August 2019	10 March 2022
Number of Board of Directors:					6
Number of Supervisory Board:					3
Number of senior managers:					3



5.3 Relationship between directors, supervisors, senior management and shareholders:

Mr. Shang Duoxu, the director and chairman of the Company, has an associated relationship with the controlling shareholder, and other directors, supervisors and senior management have no associated relationship with the controlling shareholder.

5.4 Changes in Directors, supervisors and senior management

Name	Initial position	Type	End of term	Reason
Wang Yongfan	Director	Resigned	No	Work adjustment
Guo Qianli	Director	Resigned	No	Work adjustment

5.5 Equity interest of Directors, supervisors and senior management

Save as disclosed above and to the knowledge of the Directors, senior management and supervisors of the Company, as at 30 June 2022, none of the Directors, senior management and supervisors had any interests or short positions in the shares, underlying shares and/or debentures (as the case may be) of the Company and/or any of its associated corporations (within the meaning of Part XV of the SFO, Chapter 571 of the Laws of Hong Kong) which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which are taken to have by such Directors, senior management and supervisors under provisions of the SFO), or which were required to be recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the "Model Code for Securities Transactions by Directors of Listed Issuers" in Appendix X to the Listing Rules.



5.6 Basic information of on-the-job employees (Company and controlled subsidiaries)

Classification by nature of work	Number of people at the beginning of the period	Number of people at the end of the period
Production staff	388	259
Salesperson	67	35
Technical staff	52	32
Financial staff	56	26
Administrative staff	88	64
Total	651	416

Chapter 6 SUMMARY OF BUSINESS

6.1 Overview

Principal business of the Company during the reporting period

The Company has been primarily engaged in the R&D, design, production and sales businesses of products related to power transmission and transformation equipment. Our main products are enclosed busbars that are mainly applied to the power system field to enhance the transmission efficiency of power transmission lines and support the transmission of high power electric energy. Enclosed busbar plays an important role in the power system. Besides, Hainan Garden Lane Flight Hotel Management Co., Ltd., a holding Company of the Company, actively expanded its hotel catering and accommodation businesses during the reporting period. There was no material change in the principal business of the Company during the reporting period.

During the reporting period, the turnover calculated under the PRC GAAP was RMB36,400,000, representing an increase of 28% as compared to RMB28,450,000 for the corresponding period of the previous year; earnings attributable to shareholders after tax and minority interests amounted to RMB-17,770,000, with earnings per share of RMB-0.0205.

No dividend was paid during the period and the Directors do not recommend the payment of the interim dividend for the six months ended 30 June 2022.



6.2 Business review for the first half of 2022

The Chinese government's "14th Five-Year Plan" starting in 2021 has incorporated "carbon peaking and carbon neutrality" into the new economic layout, and accelerated the adjustment of the energy structure, and launched a number of green, low-carbon, clean and environmentally friendly new energy super projects. Carbon emission management has become the third wave of economic growth after real estate and internet Technology. The Group is also actively deploying new busbar product research and development plans for new energy power generation.

Fuxin Busbar, a subsidiary of the Group, adheres to the dual-new drive strategy of developing high-tech products and applying for high-tech enterprises, and was successfully awarded the first batch of high-tech enterprises in Liaoning Province in 2020. In recent years, Fuxin Busbar has realized the innovation of production technology, equipment, technology and team by taking advantage of the opportunity of relocation and transformation of the original factory area, and has successively completed the fully insulated cast busbar, fully insulated tubular busbar, intelligent busbar dehumidification system, wind power tower tubular type The design, development, manufacturing and sales of five new products such as busbars and intensive busbar ducts have won 21 national utility model patents and achieved new product revenue of RMB10 million. At the same time, a full series of busbar product platforms integrating power generation, substation and electricity consumption have been constructed, namely: the power generation market includes traditional closed busbars and newly developed tube busbars and cast busbars; There are dense bus ducts and cast bus ducts in the market, so as to meet the market demand in an all-round way, realize the three pillars of the customer market, and increase the ability of enterprises to respond to market changes and resist risks.

According to the public announcement of the new generation of e-commerce platform of State Grid on August 5 2022, the isolated-phase closed busbar supporting the pumped storage power generation project in Hami area of Xinjiang Autonomous Region won the bid of RMB14.27 million, sounded the horn of charge for entering the new energy development market of pumped storage.

6.3 Analysis of core competitiveness

Thanks to the long-term accumulation in many aspects such as product quality, brand culture, R&D capability, technology, management service and marketing over the years, the Company shows some advantages and industrial competitiveness, which can be seen in the close association between the development of the industry where the Company operates and macroeconomic policies of the State; a certain association between the market and macroeconomic development; advanced production equipment and strong manufacturing capabilities of power transmission and distribution products; accumulation of technological strength and high professional technological level; sound internal control system and standardized corporate governance; certain product development capabilities and investment and financing capabilities.

There were no material changes in the core competitiveness of the Company during the reporting period. By introducing talents, developing new products, and adapting to market demand adjustments and changes, the Company has improved its competitiveness in some product markets and achieved breakthroughs in some businesses.



6.4 Risks faced by the Company and measures

1. Market risks arising from macro-economic environment

The industry in which the Company operates is closely connected with the demands of the power equipment industry. The prosperous level of the industry is also directly pegged with the national economy. Given its significant impact on the Company, we will keep focusing on the impact of the national macroeconomy and the global economy over the industry. At the same time, as the hotel management industry where the Company operates was notably influenced by the epidemic in the first quarter of 2022, it is estimated that the epidemic will continue to have a significant impact on the operations of the Company for some time to come. Hence, the Company will carry out relevant epidemic prevention and control in strict accordance with the requirements of the relevant government departments while trying to apply for government support policies.

2. Risk of market competition

Enclosed busbars produced and hotel-related businesses operated by the Company are its principal activities. Intensifying market competition creates an adverse impact on the average profit margin of the industry. The Company will continue to improve its technology, strengthen innovation ability, scale up production, and enhance the efficiency of operation and management, along with efforts to prevent the decrease in operating income, gross margin of products and services as well as profitability caused by the outbreak of the epidemic, thereby strengthening the sustainable operation capacity of the Company.

3. Risk of strategic transformation

In order to smoothly transition the negative impact caused by the delisting of the A-share main board, the Company is seeking strategic transformation by tapping into such a modern service industry as hotel. The Company may have the risk of strategic transformation slippage, and even failure, provided that the transformation is not carried out as early as possible for various reasons. The Company will actively promote the related work, while developing relevant businesses to realize strategic transformation gradually through various methods.

6.5 Prospects for the second half of the year

Centered on the annual business objectives and work tasks for 2022, the Company's management will adopt comprehensive measures to change the loss-making situation by enhancing the operation efficiency and core competitiveness. For details, please see "Prospect of Future Development" set out in the Annual Report 2021. By virtue of seizing opportunities and making full use of the capital market, the Company will fine tune its main business and operating strategy and actively increase the operating income and profits from relevant businesses in the upstream and downstream of hotel operation, in a bid to enhance the sustained profitability and comprehensive competitive strength of the listed Company, promote its development and offer maximum protection to the interests of all shareholders, the minority shareholders in particular.



Chapter 7 DISCUSSION AND ANALYSIS OF BUSINESS CONDITION

Analysis of principal business prepared under the PRC GAAP

7.1 Overview

The Company has been primarily engaged in the R&D, design, production and sales businesses of products related to power transmission and transformation equipment in recent years. Our main products are enclosed busbars that are mainly applied to the power system field to enhance the transmission efficiency of power transmission lines and support the transmission of high power electric energy. Enclosed busbar plays an important role in the power system. Besides, Garden Lane Hotel, a holding subsidiary of the Company, actively expanded its hotel catering and accommodation businesses during the reporting period.

There was no material change in the principal business of the Company during the reporting period.



7.2 Analysis of changes in major financial information

7.2.1 Analysis of Asset Liability Structure

√ Applicable Not applicable

Unit: RMB

Item	As at the end of the reporting period		As at the end of last year		Increase/decrease in the reporting period compared with the end of last year
	Amount	As a percentage of total assets	Amount	As a percentage of total assets	
Monetary funds	16,545,067.01	9.01%	18,645,415.83	9.59%	-11.26%
Notes receivable	666,000.00	0.36%	-	0.00%	-
Accounts receivable	57,190,133.99	31.15%	55,336,307.45	28.46%	3.35%
Advances to suppliers	3,210,904.09	1.75%	2,563,355.39	1.32%	25.26%
Other receivables	28,178,311.86	15.35%	27,961,945.29	14.38%	0.77%
Inventories	18,528,624.22	10.09%	14,795,944.05	7.61%	25.23%
Other current assets	1,618,264.18	0.88%	1,367,430.85	0.70%	18.34%
Fixed assets	40,522,573.88	22.07%	42,179,538.52	21.69%	-3.93%
Right-of-use assets	5,460,477.68	2.97%	19,763,670.18	10.17%	-72.37%
Intangible assets	11,682,268.81	6.36%	11,814,271.87	6.08%	-1.12%

Reasons for major changes in the item:

Right-of-use assets: According to Hainan Garden Lane Flight Hotel Management Co., Ltd. With Changchun Mingmen Hotel Co., Ltd. and Jilin Tourism Group Co., Ltd. (Bauhinia Hotel, Changbai Mountain Hotel) terminated lease early on May 31 2022, the remaining book value of the right-of-use asset written down accordingly.



7.2.2 Business situation and cash flow analysis

√ Applicable Not applicable

Unit: RMB

Item	Amount for the reporting period		Amount for the same period of last year		Increase/decrease in the reporting period compared with the same period of last year
	Amount	As a percentage of operating incomes	Amount	As a percentage of operating incomes	
Cash received for sales of goods and rendering of services	87,463,461.05	240.29%	24,060,988.70	84.58%	263.51%
Tax refund received	304,174.55	0.84%	133,085.13	0.47%	128.56%
Other cash receipts relating to operating activities	6,624,916.44	18.20%	5,712,670.15	20.08%	15.97%
Cash payments for purchase of goods and services	58,993,355.54	162.08%	19,732,466.20	69.37%	198.97%
Cash paid to or on behalf of employees	25,590,538.53	70.31%	9,659,002.04	33.96%	164.94%
Taxes and fees paid	1,184,959.40	3.26%	1,440,956.48	5.07%	-17.77%
Other cash payments relating to operating activities	19,332,260.05	53.11%	7,909,706.90	27.81%	144.41%
Net cash flows from operating activities	-10,708,561.48	-	-8,835,387.64	-	21.20%
Net cash flows from investing activities	5,040,000.00	-	4,000,000.00	-	26.00%
Net cash flows from financing activities	-	-	-	-	-

Reasons for major changes in the item:

In the first half of 2022, compared with the same period of last year, the subsidiary Hainan Garden Lane Flight Hotel Management Co., Ltd. expanded the operation scale of hotel accommodation and catering business, added 6 new hotel businesses, and achieved steady growth in sales revenue. Cash inflows and operating cash outflows for purchasing goods, receiving labor services, and paying employees increased accordingly.



7.3 Assets and liabilities at fair value

No

7.4 Restricted assets as at the end of the reporting period

Unit: RMB

Item	Book value at the end of the year	Reasons for restriction
Monetary fund	3,521,386.98	Performance guarantee
Total	3,521,386.98	

7.5 Disposal of major assets

During the reporting period, there is no disposal of major assets.

7.6 Analysis of major controlling Company and invested Company

Unit: RMB

Company name	Company type	Principal business	Registered capital	Total asset	Net asset	Operating income	Net profit
Northeast Electric Development (HK) Co., Ltd.	Subsidiary	Trading	USD20 million	69,223,710.54	54,575,695.88	-	-53,507.17
Great Talent Technology Limited	Subsidiary	Investment	USD1	78,550,131.10	1,636,697.81	-	-9,443.52
Shenyang Kaiyi Electric Co., Ltd.	Subsidiary	Manufacturing of electrical equipment	RMB1 million	50,372,291.16	-58,312,177.72	-	-325,953.09
Fuxin Enclosed Busbar Co., Ltd.	Subsidiary	Manufacturing of enclosed busbars	USD8.5 million	108,613,751.79	-30,619,545.54	18,943,395.64	-5,261,855.31
Hainan Garden Lane Flight Hotel Management Co., Ltd.	Subsidiary	Hotel business	RMB50 million	80,626,209.98	-134,436,558.58	17,455,399.22	-12,692,344.36
Northeast Electric (Chengdu) Electric Engineering Design Co., Ltd.	Subsidiary	Electric power engineering	RMB10 million	13,265,309.22	6,879,572.15	-	-
HNA Tianjin Center Development Co., Ltd.	Invested Company	Property leasing, hotel catering	RMB269,887,709	3,104,394,490.57	411,499,563.02	30,811,517.43	6,049,601.55
Chongqing HNA Hotel Investment Company Limited	Invested Company	Property leasing	RMB50 million	319,493,745.62	177,940,577.88	4,279,204.23	1,595,463.25



Analysis of the financial status of the Company in accordance with Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

Share capital

During the reporting period, there is no change in the share capital of the Company.

Reserve

Details of the annual changes in the reserves of the Company and the Group are set out in the financial statements and the statement of changes in shareholders' equity.

Distributable reserve

As at 30 June 2022, according to the relevant regulations, the Company's distributable reserve is RMB -1,995,486,361.80. Pursuant to the resolution approved at the Board meeting on 30 August 2022, the Board proposes not to distribute cash dividend, issue bonus share, or capitalize from capital reserves during the year.

Analysis of loans and borrowings

The Group's short-term borrowings were nil (2021: nil).



Working capital and financial resources

The net cash generated from the Group's operating activities for the half year ended 30 June 2022 was approximately RMB -10,708,561.48 (2021: net cash generated from operating activities of approximately RMB -8,835,387.64).

As at 30 June 2022, the Group had bank deposits and cash (including pledged bank balances) of approximately RMB 16,545,067.01 (2021: RMB18,645,415.83) and had no bank loans (2021: nil).

As of 30 June 2022, the Group had current liabilities of RMB298,300,776.69, non-current liabilities of RMB 69,426,984.12, and shareholders' equity attributable to shareholders of the Company of RMB-186,185,382.16. Details of the capital structure of the Group are set out in the financial report of the Company's interim report.

The Company's funding needs have no obvious seasonal patterns.

Capital expenditure

The Group's funds can meet the capital requirements of the capital expenditure plan and daily operations.

Capital structure

The Company's sources of funds are mainly operating cash inflows and loans of substantial shareholders. As at 30 June 2022, the Group's short-term bank borrowings were nil, and the cash and cash equivalents were RMB 13,023,680.03 (2021 nil:). Borrowings bear fixed interest rates, and no hedging instruments are hedged.

The Group's policy is to manage its capital to ensure that the Group's entities are able to continue to operate while maximizing returns to shareholders by optimizing the ratio of liabilities and equity. The overall strategy of the Group has remained unchanged from previous years.

**Prospects for new business**

Details of the prospects for new business are set out in “Prospects for the second half of the year” of “Discussion and Analysis of Business Condition”.

Significant investments held and the performance of such investments

Details of significant investments held and the performance of these investments are set out in “Analysis of Major Controlling Company and Invested Company” of “Discussion and Analysis of Business Condition”.

Significant investments and sales

Details of significant investments and sales are set out in “Disposal of major assets” of “Discussion and Analysis of Business Condition”.

Segmental information of results

Details of segmental information of results are set out in the “Main Business Composition” of “Discussion and Analysis of Business Condition”.

Assets pledge

As of 30 June 2022, the Company had fixed assets and net land value of RMB nil for mortgages.

**Plan for major investment or acquisition of capital assets in the future**

As of the latest practicable date prior to the publication of this report, the Company has no relevant plans.

Gearing ratio

As of 30 June 2022, the Group's gearing ratio (calculated as total liabilities/total assets) was 200.28% (2021: 186.17%).

Risks of exchange rate fluctuation and any related hedges

The Group's assets and liabilities are denominated in Renminbi, so the risk of exchange rate changes has little impact on the Group. The Group has taken the following measures in reducing the risk of exchange rate fluctuations: (1) increase the export price of products to reduce the risk of exchange rate fluctuations; (2) agree with the other party in advance in case of large export contracts that the risks of exchange rate fluctuations shall be borne by both parties when the exchange rate fluctuation exceeds the limit of agreed scope; (3) strive to sign forward agreements with financial institutions to lock up exchange rates and avoid risks.

Contingent liabilities

As of 30 June 2022, the Company had no material contingent liabilities.



Chapter 8 Significant Events

8.1 Personnel changes

Please refer to “Chapter 5 Profiles of Directors, Supervisors and Senior Management”.

8.2 Staff of the Company and remuneration policy

As at 30 June 2022, the number of employees on the payroll of the Company was 416. The total salary of employees was RMB12 million in the first half of 2022 (the number of employees of the Group was 651 and the total salary of employees was RMB33,740,000 in 2021).

The remuneration of the employees of the Company includes their salaries, bonuses and other fringe benefits. The Company has different rates of remuneration for different employees, which are determined based on their performance, experience, position and other factors in compliance with the relevant PRC laws and regulations.

8.3 Corporate governance structure

At present, the actual corporate governance structure basically complies with the related requirements of securities regulators.

8.4 Profit distribution plan and its implementation

The Company proposes not to distribute cash dividend, issue bonus share, or capitalise from capital reserves.



8.5 Commitments performed during the reporting period and not yet performed as of the end of the reporting period by the de facto controller, shareholders, connected parties, acquirers of the Company and the Company

The Company did not have any commitments performed during the reporting period and not yet performed as of the end of the reporting period by the de facto controller, shareholders, connected parties, acquirers of the Company and the Company during the reporting period.

8.6 Litigation

1. The litigation brought by China Development Bank

The Supreme People's Court issued an enforcement order ((2017) Zui Gao Fa Zhi Fu No.27) in August 2017 to reject the reconsideration request made by NEE and affirm the enforcement order of Beijing Higher People's Court (2015) Gao Zhi Yi Zi No.52. The enforcement order was final. The case was transferred to Hainan First Intermediate People's Court on 21 June 2019. The ruling of the case is being implemented.

2. The litigation on the application made by Fushun Electric Porcelain Manufacturing Co., Ltd. (the "Fushun Electric Porcelain") for adjudicating NEE as a person subject to enforcement

The plaintiff, Fushun Electric Porcelain, and the third party, New Northeast Electric (Shenyang) High-voltage Insulation Switches Co., Ltd. (the "Insulation Switches Company"), had a contract dispute, and the Fushun Intermediate People's Court ruled that Insulation Switches Company should pay Fushun Electric Porcelain the processing fee of RMB 11,258,221.34 and interest. Because Insulation Switches Company failed to perform, the plaintiff Fushun Electric Porcelain applied to add its shareholders Shenyang High Voltage Switchgear Co., Ltd. (the "Shenyang High Voltage Switchgear") and Northeast Electric as the persons subject to enforcement. Hainan First Intermediate People's Court ruled to add Shenyang High Voltage Switchgear Co., Ltd. as the person subject to execution, and rejected its request to add Northeast Electric as the person subject to execution. Now, Fushun Electric Porcelain has filed another lawsuit in this case, claiming that "the shareholder damages the Company's creditors' interests and liability disputes", requiring Northeast Electric to bear joint and several liability for Shenyang High Voltage Switchgear's debts. Currently, the case is still under trial. For details, please refer to the Announcement Involving Litigation dated July 15 2022.



3. Shenyang Kaiyi Electric Co., Ltd. v. Shenyang High Voltage Switchgear Co., Ltd. (the “Shenyang HVS”) and the third party Northeast Electric Development Co., Ltd. for unjust enrichment dispute

According to the Supreme People’s Court (2017) Zui Gao Fa Zhi Fu No. 27, Northeast Electric’s payment of RMB170.46 million to Shenyang HVS was not recognized as an act of fulfilling the judgment, resulting in a loss of RMB170.46 million by Northeast Electric. Shenyang HVS obtained the RMB170.46 million is an improper gain and should be returned to Northeast Electric. Shenyang Kaiyi sued the Hainan Provincial No. 1 Intermediate People’s Court, requesting an order for the defendant to return RMB170.46 million to the plaintiff and to pay interest on the use of funds. On May 20 2021, Hainan First Intermediate People’s Court opened a case to accept the case, the case number is (2021) Qiong 96 Min Chu No. 627. The first-instance trial held on August 23 2021.

During the litigation process of this case, because the defendant Shenyang High Voltage Switchgear Co., Ltd. was included in the market supervision department’s list of abnormal business operations and the list of serious illegal and untrustworthy, and was in a state of being unable to contact, it was unable to carry out the necessary investigation work, the result of the litigation may be adversely affect the Company. After comprehensive consideration, in order to protect the rights and interests of itself and its shareholders, on June 9 2022, Shenyang Kaiyi submitted the “Application for Withdrawal of Prosecution” to Hainan First Intermediate People’s Court, requesting to withdraw the lawsuit against the defendant. The plaintiff, Shenyang Kaiyi Electric Co., Ltd., is allowed to withdraw the lawsuit. For details, please refer to the Announcement Involving Litigation dated June 21 2022.



8.7 Material connected transactions

8.7.1 There are no material connected transactions in the Company during the reporting period.

8.7.2 Hainan Garden Lane Flight Hotel Management Co., Ltd. With Changchun Mingmen Hotel Co., Ltd. and Jilin Tourism Group Co., Ltd. (Bauhinia Hotel, Changbai Mountain Hotel) terminated lease early on 31 May 2022, For details, please refer to the Announcement dated 31 May 2022.

8.7.3 Daily related transactions of the Company during the reporting period

Unit: RMB

Type of Specific Matters	Estimated amount	Actual amount
1. Purchase raw materials, fuel, power, and accept labor services	26,933,000.00	11,815,668.18
2. Selling products, commodities, and providing services	1,160,000.00	1,091,355.32
3. Types of daily connected transactions applicable to the Company stipulated in the Company's articles of association	0	0
4. Others	1,432,200.00	287,309.99

Note: The estimated amount in this table is filled in according to the estimated amount to be incurred in 2022 in the "Announcement on the Expectation of Daily Related Transactions in 2022" (announcement No.: 2022-025) disclosed by the Company on April 28 2022.

8.8 Controlling shareholders and their connected parties' use of capital of the listed Company for non-operating purposes

Controlling shareholders and their connected parties did not use any capital of the listed Company for non-operating purposes during the reporting period.



8.9 Significant contracts and their execution

During the reporting period, the Company did not enter into any material trust, contracting or lease arrangement.

8.10 Guarantees

As at the end of the reporting period, the actual balance of the external guarantee provided by the Company totaled RMB30 million, with Jinzhou Power Capacitors Co., Ltd. as the collateral.

8.11 Corporate governance

During the reporting period, the listed issuer strictly complied with the code provisions of Corporate Governance Code as set out in Appendix 14 and had no deviations from the code provisions.

For more details on the implementation, please refer to the Corporate Governance Report disclosed in the Annual Report 2021. After the issuance of the annual report, the compliance and execution of the Code by the listed issuer remained unchanged.

8.12 Model Code for Securities Transactions by Directors

The Company takes the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) under the Listing Rules of Hong Kong Stock Exchange as a code of conduct for Directors’ securities transactions; after accepting specific inquiries, all members of the Board of the Company confirmed that they had complied with the Model Code during their tenure as the Directors.

The Board has formulated guidelines on the trading of securities of listed companies by “directors and relevant employees”. The Office of the Board has given written notices in advance to insiders (including the Company’s Directors, supervisors, senior management, controlling shareholders, de facto controllers and their connected parties, as defined in the Listing Rules) stating that purchase and sales of shares of the Company shall comply with relevant regulations and forbidding the insiders to purchase or sell the shares with inside information: no transactions of the Company’s securities shall be carried out during the price-sensitive timeframe within 30 days, a lock-up period from 30 July 2022 to 30 August 2022, prior to the results announcement.



All Directors confirmed that: During the reporting period, they had adhered to the guidelines, and neither they nor their connected parties conducted securities transactions of the Company.

The Company has complied with Rules 3.10(1), 3.10(2) and 3.10A of the Listing Rules relating to the appointment of a sufficient number of independent non-executive Directors and at least one independent non-executive Director with appropriate professional qualifications or accounting or related financial management expertise. The Company has appointed three independent non-executive Directors including one with financial management expertise, of whom the biographical details are set out in the Annual Report 2021 of the Company.

The Company has been in place an audit committee under the Board in accordance with Rule 3.21 of the Listing Rules.

8.13 Others

Delisting of the Company's A shares

According to the "2021 Audit Report" issued by Mazars Certified Public Accountants LLP (Special General Partnership), the Company's net profit after deducting non-recurring gains and loss in 2021 is negative and operating revenue is less than RMB100 million, and its net assets at the end of the period are negative. According to the first item (1) and (2) of Article 9.3.11 of the "Shenzhen Stock Exchange Listing Rules" (revised in 2022), when publishing the 2021 annual report, the Company disclosed the risk warning announcement of the Company's A shares being terminated from listing and trading suspension. The Company's A shares were terminated from listing by the Shenzhen Stock Exchange on April 20 2022, delisted from the Shenzhen Stock Exchange on May 24 2022, and are listed and trading on the National Equities Exchange and Quotations ("NEEQ") from July 13 2022.

Purchase, sale or redemption of shares

During the reporting period, the Company and its subsidiaries did not purchase, sell and redeem any shares of the Company.

Loans to an entity

At the end of the reporting period, neither the Company nor its subsidiaries have granted loans to any entity.

Pledge of shares by controlling shareholder

At the end of the reporting period, the controlling shareholder of the Company did not pledge all or part of its equities in the Company to guarantee the Company's debts or warranty.



Terms included in the loan agreements under which the controlling shareholder shall fulfil specific responsibilities

At the end of the reporting period, the Company and its subsidiaries did not encounter any situation where the controlling shareholder should fulfil specific responsibilities according to the terms included in the loan agreements.

Breach of loan agreements

At the end of the reporting period, the Company and its subsidiaries did not have any breach of loan agreements.

Provision of financial assistance and guarantee to affiliates

At the end of the reporting period, the Company and its subsidiaries did not provide any financial assistance and guarantee to affiliates.

Share option scheme

During the reporting period, the Company and its subsidiaries did not have any share option scheme.

Directors, supervisors and chief executive's interests in the shares, underlying shares and debentures of the Company

For details of Directors, supervisors and chief executives' interests in the shares, underlying shares and debentures of the Company, please see "Equity interest of Directors, supervisors and senior management" under "Profiles of Directors, Supervisors and Senior Management".

Audit of interim results

The unaudited results for the six months ended 30 June 2022 were prepared by the Group in accordance with the PRC GAAP and IFRS.

The audit committee under the Board of the Company has reviewed and confirmed the interim results announcement of the Company for 2022.

The audit committee has approved the financial accounting principles, standards and methods adopted by the Company for the unaudited interim accounts for the six months ended 30 June 2022.

8.14 Subsequent events

None

Chapter 9 FINANCIAL STATEMENTS (PREPARED UNDER THE IFRS)

(1) Consolidated Balance Sheet

Unit: RMB

Item	30 June 2022	31 December 2021
Current assets:		
Monetary funds	16,545,067.01	18,645,415.83
Deposit Reservation for Balance		
Lending funds		
Financial assets held for trading		
Derivative financial assets		
Notes receivable	666,000.00	
Accounts receivable	57,190,133.99	55,336,307.45
Receivables financing		
Advances to suppliers	3,210,904.09	2,563,355.39
Receivable premium		
Reinsurance accounts receivable		
Provision of cession receivable		
Other receivables	28,178,311.86	27,961,945.29
Including: Interests receivable		
Dividends receivable		

(1) Consolidated Balance Sheet (Continued)

Unit: RMB

Item	30 June 2022	31 December 2021
Redemptory monetary capital for sale		
Inventories	18,528,624.22	14,795,944.05
Contract assets		
Held-for-sale assets		
Non-current assets due within one year		
Other current assets	1,618,264.18	1,367,430.85
Total current assets	125,937,305.35	120,670,398.86
Non-current assets:		
Issuing loans and advances		
Debt investments		
Other debt investments		
Long-term receivables		
Long-term equity investments		
Other equity instrument investments		
Other non-current financial assets		
Investment properties		
Fixed assets	40,522,573.88	42,179,538.52

**(1) Consolidated Balance Sheet (Continued)**

Unit: RMB

Item	30 June 2022	31 December 2021
Construction in progress		
Biological assets held for production		
Oil and gas assets		
Right-of-use assets	5,460,477.68	19,763,670.18
Intangible assets	11,682,268.81	11,814,271.87
Development expenditure		
Goodwill		
Long-term deferred charges		
Deferred income tax assets		
Other non-current assets		
Total non-current assets	57,665,320.37	73,757,480.57
Total asset	183,602,625.72	194,427,879.43

(1) Consolidated Balance Sheet (Continued)

Unit: RMB

Item	30 June 2022	31 December 2021
Current liabilities:		
Short-term borrowings		
Borrowings from central bank		
Loans from other banks and other financial institutions		
Financial liabilities held for trading		
Derivative financial liabilities		
Notes payable		
Accounts payable	38,100,891.54	38,380,570.47
Advances from customers		
Contract liabilities	17,087,505.12	14,134,307.20
Sell to repurchase financial assets		
Deposits from customers and interbank		
Receiving from vicariously traded securities		
Receiving from vicariously sold securities		
Employment benefits payable	4,838,730.61	8,835,266.49
Taxes and fees payable	3,998,966.15	3,938,416.15
Other payables	210,060,173.74	191,146,104.42

(1) Consolidated Balance Sheet (Continued)
Unit: RMB

Item	30 June 2022	31 December 2021
Including: Interests payable		
Dividends payable		
Charges and commissions payable		
Dividend payable for reinsurance		
Held-for-sale liabilities		
Non-current liabilities due within one year	23,164,873.70	33,966,281.82
Other current liabilities	1,049,635.83	1,173,384.17
Total current liabilities	298,300,776.69	291,574,330.72
Non-current liabilities:		
Reserve fund for insurance contracts		
Long-term borrowings		
Debt instruments payable		
Including: Preferred shares		
Perpetual bonds		
Lease liabilities		
Long-term payables		
Long-term employee benefits payable		
Provisions	34,354,500.00	34,354,500.00
Deferred income	35,072,484.12	36,035,084.94

**(1) Consolidated Balance Sheet (Continued)**

Unit: RMB

Item	30 June 2022	31 December 2021
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities	69,426,984.12	70,389,584.94
Total liabilities	367,727,760.81	361,963,915.66
Shareholders' equity:		
Share capital	873,370,000.00	873,370,000.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserves	1,083,997,337.88	1,083,997,337.88
Less: Treasury stock		
Other comprehensive income	-256,653,482.64	-257,936,882.03
Designated reserves		
Surplus reserves	108,587,124.40	108,587,124.40
General risk provision		
Retained earnings	-1,995,486,361.80	-1,977,714,664.18
Total equity attributable to shareholders of the Parent	-186,185,382.16	-169,697,083.93
Minority interests	2,060,247.07	2,161,047.70
Total shareholders' equity	-184,125,135.09	-167,536,036.23
Total liabilities and shareholders' equity	183,602,625.72	194,427,879.43

The Company's Chairman:
Shang Duoxu

Chief Financial Officer:
Mi Hongjie

Chief Accounting Officer:
Jin Muhan

(2) Balance Sheet of parent company
Unit: RMB

Item	30 June 2022	31 December 2021
Current assets:		
Monetary funds	7,393.51	18,629.59
Financial assets held for trading		
Derivative financial assets		
Notes receivable		
Accounts receivable		
Receivables financing		
Advances to suppliers		
Other receivables	249,998,637.00	252,990,813.19
Including: Interests receivable		
Dividends receivable		
Redemptory monetary capital for sale		
Inventory		
Contract assets		
Held-for-sale assets		
Non-current assets due within one year		
Other current assets	609,433.66	609,433.66
Total current assets	250,615,464.17	253,618,876.44



(2) Balance Sheet of parent company (Continued)

Unit: RMB

Item	30 June 2022	31 December 2021
Non-current assets:		
Debt investments		
Other debt investments		
Long-term receivables		
Long-term equity investments	56,436,473.03	56,436,473.03
Other equity instrument investments		
Other non-current financial assets		
Investment properties		
Fixed assets	18,102.22	19,647.16
Construction in progress		
Biological assets held for production		
Oil and gas assets		
Right-of-use assets		
Intangible assets		
Development expenditure		
Goodwill		
Long-term deferred charges		
Deferred income tax assets		
Other non-current assets		
Total non-current assets	56,454,575.25	56,456,120.19
Total asset	307,070,039.42	310,074,996.63

**(2) Balance Sheet of parent company (Continued)**

Unit: RMB

Item	30 June 2022	31 December 2021
Current liabilities:		
Short-term borrowings		
Financial liabilities held for trading		
Derivative financial liabilities		
Notes payable		
Accounts payable		
Advances from customers		
Contract liabilities	581,743.59	581,743.59
Sell to repurchase financial assets		
Employment benefits payable	3,127,504.14	3,672,991.60
Taxes and fees payable	200,369.32	201,338.00
Other payables	162,669,507.41	163,325,829.29
Including: Interests payable		
Dividends payable		
Held-for-sale liabilities		
Non-current liabilities due within one year		
Other current liabilities		
Total current liabilities	166,579,124.46	167,781,902.48



(2) Balance Sheet of parent company (Continued)

Unit: RMB

Item	30 June 2022	31 December 2021
Non-current liabilities:		
Long-term borrowings		
Debt instruments payable		
Including: Preferred shares		
Perpetual bonds		
Lease liabilities		
Long-term payables		
Long-term employee benefits payable		
Provisions	34,354,500.00	34,354,500.00
Deferred income		
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities	34,354,500.00	34,354,500.00
Total liabilities	200,933,624.46	202,136,402.48

**(2) Balance Sheet of parent company (Continued)**

Unit: RMB

Item	30 June 2022	31 December 2021
Shareholders' equity:		
Share capital	873,370,000.00	873,370,000.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserves	996,869,700.23	996,869,700.23
Less: Treasury stock		
Other comprehensive income		
Designated reserves		
Surplus reserves	108,587,124.40	108,587,124.40
General risk provision		
Retained earnings	-1,872,690,409.67	-1,870,888,230.48
Total shareholders' equity	106,136,414.96	107,938,594.15
Total liabilities and shareholders' equity	307,070,039.42	310,074,996.63

(3) Consolidated income statement*Unit: RMB*

Item	January-June 2022	January-June 2021
I. Total operating income	79,081,901.29	28,446,337.20
Including: Revenue from operation	79,081,901.29	28,446,337.20
Interest income		
The premium has been made		
Fee and commission income		
II. Total operating costs	98,514,786.34	41,199,321.75
Including: Cost for operation	38,471,647.39	19,329,133.16
Interest expense		
Service charge and commission fee		
Surrender value		
Net payments for insurance claims		
Draw the net insurance liability reserve		
Bond insurance expense		
Reinsurance expenses		
Taxes and surcharges	392,101.53	323,236.56
Selling expenses	30,647,669.79	10,642,743.98
Administrative expenses	28,734,561.95	9,650,603.99
Research and development expenses	1,236,526.06	728,861.03
Financial costs	-967,720.38	524,743.03
Including: Interest expense	-1,461,752.93	493,915.35
Interest income	19,158.83	6,951.90

**(3) Consolidated income statement (Continued)**

Unit: RMB

Item	January-June 2022	January-June 2021
Add: Other income	1,419,912.37	889,792.14
Investment income (loss presented with "-" prefix)		
Including: Investment income from associates and joint ventures		
Gain on derecognition of financial assets measured at amortized cost (loss presented with "-" prefix)		
Exchange earning (loss presented with "-" prefix)		
Net open hedge income (loss presented with "-" prefix)		
Gain from changes in fair value (loss presented with "-" prefix)		
Credit impairment loss (loss presented with "-" prefix)		
Asset impairment loss (loss presented with "-" prefix)	-4,451.22	
Gain on disposal of assets (loss presented by "-" prefix)		
III. Profit from operation (loss presented with "-" prefix)	-18,008,521.46	-11,863,192.41
Add: Non-operating income	128,641.29	10,262.03
Less: Non-operating expenses	578.57	622.85
IV. Total profits (total loss presented with "-" prefix)	-17,880,458.74	-11,853,553.23
Less: Income tax expenses	-7,960.49	

(3) Consolidated income statement (Continued)

Unit: RMB

Item	January-June 2022	January-June 2021
V. Net profit (net loss presented with "-" prefix)	-17,872,498.25	-11,853,553.23
Include: the net profit realized by the merged party before the merger		
A. Classified by business continuity	-	-
1. Net profit from continued operations (net loss presented with "-" prefix)	-17,872,498.25	-11,853,553.23
2. Net profit from discontinued operations (net loss presented with "-" prefix)		
B. Classified by ownership	-	-
1. Profits and losses attributable to minority interests (net loss presented with "-" prefix)	-100,800.63	-33,848.20
2. Net profit attributable to shareholders of the Parent (net loss presented with "-" prefix)	-17,771,697.62	-11,819,705.03
VI. Net after-tax other comprehensive income	1,283,399.39	281,463.63
A. Net after-tax other comprehensive income attributable to shareholders of the Parent	1,283,399.39	281,463.63
1. Other comprehensive income not reclassification to profit or loss		
(1) Remeasurement of changes in defined benefit plans		
(2) Other comprehensive income of non-convertible profit and loss under the equity method		
(3) Changes in fair value of other equity instruments investment		
(4) Changes in fair value of the company's own credit risk		
(5) Others		

**(3) Consolidated income statement (Continued)**

Unit: RMB

Item	January-June 2022	January-June 2021
2. Other comprehensive income reclassification to profit or loss	1,283,399.39	281,463.63
(1) Other comprehensive income of convertible profit and loss under the equity method		
(2) Changes in fair value of other debt investments		
(3) The amount of financial assets reclassified into other comprehensive income		
(4) Other debt investment credit impairment provisions		
(5) Cash flow hedge reserve		
(6) Exchange difference on translation of foreign financial statements	1,283,399.39	281,463.63
(7) Others		
B. Net after-tax other comprehensive income attributable to minority interests		
VII. Total comprehensive income	-16,589,098.86	-11,572,089.60
A. Total comprehensive income attributable to shareholders of the Parent	-16,589,098.86	-11,572,089.60
B. Total comprehensive income attributable to minority interests		
VIII. Earning per share:		
A. Basic earning per share (RMB per share)	-0.0205	-0.0135
B. Diluted earning per share (RMB per share)		

The Company's Chairman:
Shang Duoxu

Chief Financial Officer:
Mi Hongjie

Chief Accounting Officer:
Jin Muhan

(4) Parent company income statement*Unit: RMB*

Item	January-June 2022	January-June 2021
I. Revenue from operation		
Less: Cost for operation		
Taxes and surcharges		
Selling expenses		
Administrative expenses	1,828,413.61	3,403,447.33
Research and development expenses		
Financial costs	1,333.13	1,680.26
Including: Interest expense		
Interest income	75.69	11.67
Add: Other income		
Investment income (loss presented with "-" prefix)		
Including: Investment income from associates and joint ventures		
Gain on derecognition of financial assets measured at amortized cost (loss presented with "-" prefix)		
Exchange gains (loss presented with "-" prefix)		
Net open hedge income (loss presented with "-" prefix)		
Gain from changes in fair value (loss presented with "-" prefix)		
Credit impairment loss (loss presented with "-" prefix)		
Asset impairment loss (loss presented with "-" prefix)		
Gain on disposal of assets (loss presented by "-" prefix)		

**(4) Parent company income statement (Continued)**

Unit: RMB

Item	January-June 2022	January-June 2021
II. Profit from operation (loss presented with “-” prefix)	-1,829,746.74	-3,405,127.59
Add: Non-operating income	27,567.55	
Less: Non-operating expenses		113.53
III. Total profits (total loss presented with “-” prefix)	-1,802,179.19	-3,405,241.12
Less: Income tax expenses		
IV. Net profit (net loss presented with “-” prefix)	-1,802,179.19	-3,405,241.12
1. Net profit from continued operations (net loss presented with “-” prefix)		
2. Net profit from discontinued operations (net loss presented with “-” prefix)		
V. Net after-tax other comprehensive income		
1. Other comprehensive income not reclassification to profit or loss		
(1) Remeasurement of changes in defined benefit plans		
(2) Other comprehensive income of non-convertible profit and loss under the equity method		
(3) Changes in fair value of other equity instruments investment		
(4) Changes in fair value of the company's own credit risk		
(5) Others		



(4) Parent company income statement (Continued)

Unit: RMB

Item	January-June 2022	January-June 2021
2. Other comprehensive income reclassification to profit or loss		
(1) Other comprehensive income of convertible profit and loss under the equity method		
(2) Changes in fair value of other debt investments		
(3) The amount of financial assets reclassified into other comprehensive income		
(4) Other debt investment credit impairment provisions		
(5) Cash flow hedge reserve		
(6) Exchange difference on translation of foreign financial statements		
(7) Others		
VI. Total comprehensive income	-1,802,179.19	-3,405,241.12
VII. Earnings per share:		
A. Basic earnings per share (RMB per share)		
B. Diluted earnings per share (RMB per share)		

**(5) Consolidated statement of cash flow***Unit: RMB*

Item	January-June 2022	January-June 2021
I. Cash flows from operating activities:		
Cash received for sales of goods and rendering of services	87,463,461.05	24,060,988.70
Net increase in customer deposits and interbank deposits		
Net increase in borrowing from the central bank		
Net increase in funds borrowed from other financial institutions		
Cash received from the original insurance contract premium		
Net cash received from reinsurance operations		
Net increase in policyholders' savings and investment funds		
Cash for interest, fees and commissions		
Net increase in borrowed funds		
Net increase in repurchase business funds		
Net cash received from agents buying and selling securities		
Tax refund received	304,174.55	133,085.13
Other cash receipts relating to operating activities	6,624,916.44	5,712,670.15
Cash inflows from operating activities (subtotal)	94,392,552.04	29,906,743.98



(5) Consolidated statement of cash flow (Continued)

Unit: RMB

Item	January-June 2022	January-June 2021
Cash payments for purchase of goods and services	58,993,355.54	19,732,466.20
Net increase in loans and advances to customers		
Net increase in deposits with central banks and interbank		
Cash to pay the original insurance contract compensation		
Net increase in financial assets held for trading purposes		
Net increase in borrowed funds		
Cash for interest, fees and commissions		
Cash to pay policy dividends		
Cash paid to or on behalf of employees	25,590,538.53	9,659,002.04
Taxes and fees paid	1,184,959.40	1,440,956.48
Other cash payments relating to operating activities	19,332,260.05	7,909,706.90
Cash outflows for operating activities (subtotal)	105,101,113.52	38,742,131.62
Net cash flows from operating activities	-10,708,561.48	-8,835,387.64
II. Cash flows from investing activities:		
Cash received from investment withdrawal		
Cash received from investment income		
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	5,040,000.00	4,000,000.00
Net cash received from disposal of subsidiaries and other business units		
Other cash receipts relating to investing activities		
Cash inflows from investing activities (subtotal)	5,040,000.00	4,000,000.00

**(5) Consolidated statement of cash flow (Continued)**

Unit: RMB

Item	January-June 2022	January-June 2021
Cash paid for purchase or construction of fixed assets, intangible assets and other long-term assets		
Cash paid for investment		
Net increase in mortgage loans		
Net cash paid for acquisition of subsidiaries and other business units		
Other cash payments relating to investing activities		
Cash outflows for investing activities (subtotal)		
Net cash flows from investing activities	5,040,000.00	4,000,000.00
III. Cash flows from financing activities:		
Cash received from investors		
Including: Cash received by subsidiaries from investments of minority shareholders		
Cash received from loans raised		
Cash received from bond issuance		
Other cash receipts relating to financing activities		
Cash inflows from financing activities (subtotal)		
Cash paid for debt repayment		



(5) Consolidated statement of cash flow (Continued)

Unit: RMB

Item	January-June 2022	January-June 2021
Cash paid for dividends, profit distribution and interests		
Including: Dividends and profits paid by subsidiaries to minority shareholders		
Other cash payments relating to financing activities		
Cash outflows for financing activities (subtotal)		
Net cash flows from financing activities		
IV. Impact of change of foreign exchange rates on cash and cash equivalents	46,825.68	8,557.26
V. Net increase of cash and cash equivalents	-5,621,735.80	-4,826,830.38
Add: cash and cash equivalents opening balance	18,645,415.83	8,535,909.71
VI. Cash and cash equivalents closing balance	13,023,680.03	3,709,079.33

The Company's Chairman:
Shang Duoxu

Chief Financial Officer:
Mi Hongjie

Chief Accounting Officer:
Jin Muhan

**(6) Statement of cash flow of parent company**

Unit: RMB

Item	January-June 2022	January-June 2021
I. Cash flows from operating activities:		
Cash received for sales of goods and rendering of services		
Tax refund received		
Other cash receipts relating to operating activities	3,099,846.01	2,682,290.28
Cash inflows from operating activities (subtotal)	3,099,846.01	2,682,290.28
Cash payments for purchase of goods and services		
Cash paid to or on behalf of employees	2,707,155.87	1,889,853.30
Taxes and fees paid		
Other cash payments relating to operating activities	403,926.22	794,114.32
Cash outflows for operating activities (subtotal)	3,111,082.09	2,683,967.62
Net cash flows from operating activities	-11,236.08	-1,677.34
II. Cash flows from investing activities:		
Cash received from investment withdrawal		
Cash received from investment income		
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		
Cash inflows from investing activities (subtotal)		

(6) Statement of cash flow of parent company (Continued)

Unit: RMB

Item	January-June 2022	January-June 2021
Cash paid for purchase or construction of fixed assets, intangible assets and other long-term assets		
Cash paid for investment		
Net cash paid for acquisition of subsidiaries and other business units		
Other cash payments relating to investing activities		
Cash outflows for investing activities (subtotal)		
Net cash flows from investing activities		
III. Cash flows from financing activities:		
Cash received from investors		
Cash received from loans raised		
Cash received from bond issuance		
Other cash receipts relating to financing activities		
Cash inflows from financing activities (subtotal)		
Cash paid for debt repayment		
Cash paid for dividends, profit distribution and interests		
Other cash payments relating to financing activities		
Cash outflows for financing activities (subtotal)		
Net cash flows from financing activities		
IV. Impact of change of foreign exchange rates on cash and cash equivalents		
V. Net increase of cash and cash equivalents	-11,236.08	-1,677.34
Add: cash and cash equivalents opening balance	18,629.59	1,683.02
VI. Cash and cash equivalents closing balance	7,393.51	5.68



Chapter 10 FINANCIAL STATEMENTS (PREPARED UNDER THE PRC GAAP)

I. AUDIT REPORT

Has the interim report been audited?

Yes No

The interim report of the Company has not been audited.

II. FINANCIAL STATEMENTS

Unit in the financial statements of the notes to financial statements: RMB

(1) Consolidated Balance Sheet*Unit: RMB*

Item	30 June 2022	31 December 2021
Current assets:		
Monetary funds	16,545,067.01	18,645,415.83
Deposit Reservation for Balance		
Lending funds		
Financial assets held for trading		
Derivative financial assets		
Notes receivable	666,000.00	
Accounts receivable	57,190,133.99	55,336,307.45
Receivables financing		
Advances to suppliers	3,210,904.09	2,563,355.39
Receivable premium		
Reinsurance accounts receivable		
Provision of cession receivable		
Other receivables	28,178,311.86	27,961,945.29
Including: Interests receivable		
Dividends receivable		
Redemptory monetary capital for sale		
Inventories	18,528,624.22	14,795,944.05

**(1) Consolidated Balance Sheet (Continued)**

Unit: RMB

Item	30 June 2022	31 December 2021
Contract assets		
Held-for-sale assets		
Non-current assets due within one year		
Other current assets	1,618,264.18	1,367,430.85
Total current assets	125,937,305.35	120,670,398.86
Non-current assets:		
Issuing loans and advances		
Debt investments		
Other debt investments		
Long-term receivables		
Long-term equity investments		
Other equity instrument investments		
Other non-current financial assets		
Investment properties		
Fixed assets	40,522,573.88	42,179,538.52
Construction in progress		
Biological assets held for production		
Oil and gas assets		

(1) Consolidated Balance Sheet (Continued)*Unit: RMB*

Item	30 June 2022	31 December 2021
Right-of-use assets	5,460,477.68	19,763,670.18
Intangible assets	11,682,268.81	11,814,271.87
Development expenditure		
Goodwill		
Long-term deferred charges		
Deferred income tax assets		
Other non-current assets		
Total non-current assets	57,665,320.37	73,757,480.57
Total asset	183,602,625.72	194,427,879.43

**(1) Consolidated Balance Sheet (Continued)**

Unit: RMB

Item	30 June 2022	31 December 2021
Current liabilities:		
Short-term borrowings		
Borrowings from central bank		
Loans from other banks and other financial institutions		
Financial liabilities held for trading		
Derivative financial liabilities		
Notes payable		
Accounts payable	38,100,891.54	38,380,570.47
Advances from customers		
Contract liabilities	17,087,505.12	14,134,307.20
Sell to repurchase financial assets		
Deposits from customers and interbank		
Receiving from vicariously traded securities		
Receiving from vicariously sold securities		
Employment benefits payable	4,838,730.61	8,835,266.49
Taxes and fees payable	3,998,966.15	3,938,416.15
Other payables	210,060,173.74	191,146,104.42

(1) Consolidated Balance Sheet (Continued)

Unit: RMB

Item	30 June 2022	31 December 2021
Including: Interests payable		
Dividends payable		
Charges and commissions payable		
Dividend payable for reinsurance		
Held-for-sale liabilities		
Non-current liabilities due within one year	23,164,873.70	33,966,281.82
Other current liabilities	1,049,635.83	1,173,384.17
Total current liabilities	298,300,776.69	291,574,330.72
Non-current liabilities:		
Reserve fund for insurance contracts		
Long-term borrowings		
Debt instruments payable		
Including: Preferred shares		
Perpetual bonds		
Lease liabilities		
Long-term payables		
Long-term employee benefits payable		
Provisions	34,354,500.00	34,354,500.00
Deferred income	35,072,484.12	36,035,084.94
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities	69,426,984.12	70,389,584.94
Total liabilities	367,727,760.81	361,963,915.66

(1) Consolidated Balance Sheet (Continued)
Unit: RMB

Item	30 June 2022	31 December 2021
Shareholders' equity:		
Share capital	873,370,000.00	873,370,000.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserves	1,083,997,337.88	1,083,997,337.88
Less: Treasury stock		
Other comprehensive income	-256,653,482.64	-257,936,882.03
Designated reserves		
Surplus reserves	108,587,124.40	108,587,124.40
General risk provision		
Retained earnings	-1,995,486,361.80	-1,977,714,664.18
Total equity attributable to shareholders of the Parent	-186,185,382.16	-169,697,083.93
Minority interests	2,060,247.07	2,161,047.70
Total shareholders' equity	-184,125,135.09	-167,536,036.23
Total liabilities and shareholders' equity	183,602,625.72	194,427,879.43

The Company's Chairman:
Shang Duoxu

Chief Financial Officer:
Mi Hongjie

Chief Accounting Officer:
Jin Muhan



(2) Balance Sheet of parent company

Unit: RMB

Item	30 June 2022	31 December 2021
Current assets:		
Monetary funds	7,393.51	18,629.59
Financial assets held for trading		
Derivative financial assets		
Notes receivable		
Accounts receivable		
Receivables financing		
Advances to suppliers		
Other receivables	249,998,637.00	252,990,813.19
Including: Interests receivable		
Dividends receivable		
Redemptory monetary capital for sale		
Inventory		
Contract assets		
Redemptory monetary capital for sale		
Non-current assets due within one year		
Other current assets	609,433.66	609,433.66
Total current assets	250,615,464.17	253,618,876.44

(2) Balance Sheet of parent company (Continued)
Unit: RMB

Item	30 June 2022	31 December 2021
Non-current assets:		
Debt investments		
Other debt investments		
Long-term receivables		
Long-term equity investments	56,436,473.03	56,436,473.03
Other equity instrument investments		
Other non-current financial assets		
Investment properties		
Fixed assets	18,102.22	19,647.16
Construction in progress		
Biological assets held for production		
Oil and gas assets		
Right-of-use assets		
Intangible assets		
Development expenditure		
Goodwill		
Long-term deferred charges		
Deferred income tax assets		
Other non-current assets		
Total non-current assets	56,454,575.25	56,456,120.19
Total asset	307,070,039.42	310,074,996.63



(2) Balance Sheet of parent company (Continued)

Unit: RMB

Item	30 June 2022	31 December 2021
Current liabilities:		
Short-term borrowings		
Financial liabilities held for trading		
Derivative financial liabilities		
Notes payable		
Accounts payable		
Advances from customers		
Contract liabilities	581,743.59	581,743.59
Sell to repurchase financial assets		
Employment benefits payable	3,127,504.14	3,672,991.60
Taxes and fees payable	200,369.32	201,338.00
Other payables	162,669,507.41	163,325,829.29
Including: Interests payable		
Dividends payable		
Held-for-sale liabilities		
Non-current liabilities due within one year		
Other current liabilities		
Total current liabilities	166,579,124.46	167,781,902.48

**(2) Balance Sheet of parent company (Continued)**

Unit: RMB

Item	30 June 2022	31 December 2021
Non-current liabilities:		
Long-term borrowings		
Debt instruments payable		
Including: Preferred shares		
Other payables		
Lease liabilities		
Long-term payables		
Long-term employee benefits payable		
Provisions	34,354,500.00	34,354,500.00
Deferred income		
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities	34,354,500.00	34,354,500.00
Total liabilities	200,933,624.46	202,136,402.48



(2) Balance Sheet of parent company (Continued)

Unit: RMB

Item	30 June 2022	31 December 2021
Shareholders' equity:		
Share capital	873,370,000.00	873,370,000.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserves	996,869,700.23	996,869,700.23
Less: Treasury stock		
Other comprehensive income		
Designated reserves		
Surplus reserves	108,587,124.40	108,587,124.40
General risk provision		
Retained earnings	-1,872,690,409.67	-1,870,888,230.48
Total shareholders' equity	106,136,414.96	107,938,594.15
Total liabilities and shareholders' equity	307,070,039.42	310,074,996.63

**(3) Consolidated income statement***Unit: RMB*

Item	January-June 2022	January-June 2021
I. Total operating income	36,398,794.86	28,446,337.20
Including: Revenue from operation	36,398,794.86	28,446,337.20
Interest income		
The premium has been made		
Fee and commission income		
II. Total operating costs	55,831,679.91	41,199,321.75
Including: Cost for operation	29,096,149.21	19,329,133.16
Interest expense		
Service charge and commission fee		
Surrender value		
Net payments for insurance claims		
Draw the net insurance liability reserve		
Bond insurance expense		
Reinsurance expenses		
Taxes and surcharges	392,101.53	323,236.56
Selling expenses	7,602,614.51	10,642,743.98
Administrative expenses	15,972,670.52	9,650,603.99
Research and development expenses	1,236,526.06	728,861.03

(3) Consolidated income statement (Continued)

Unit: RMB

Item	January-June 2022	January-June 2021
Financial costs	1,531,618.08	524,743.03
Including: Interest expense	1,490,380.03	493,915.35
Interest income	16,926.56	6,951.90
Add: Other income	1,419,912.37	889,792.14
Investment income (loss presented with "-" prefix)		
Including: Investment income from associates and joint ventures		
Gain on derecognition of financial assets measured at amortized cost		
Exchange earning(loss presented with "-" prefix)		
Net open hedge income (loss presented with "-" prefix)		
Gain from changes in fair value (loss presented with "-" prefix)		
Credit impairment loss (loss presented with "-" prefix)		
Asset impairment loss (loss presented with "-" prefix)	-4,451.22	
Gain on disposal of assets (loss presented by "-" prefix)		
III. Profit from operation (loss presented with "-" prefix)	-18,008,521.46	-11,863,192.41
Add: Non-operating income	128,641.29	10,262.03
Less: Non-operating expenses	578.57	622.85
IV. Total profits (total loss presented with "-" prefix)	-17,880,458.74	-11,853,553.23
Less: Income tax expenses	-7,960.49	

(3) Consolidated income statement (Continued)
Unit: RMB

Item	January-June 2022	January-June 2021
V. Net profit (net loss presented with "-" prefix)	-17,872,498.25	-11,853,553.23
Include: the net profit realized by the merged party before the merger		
A. Classified by business continuity	-	-
1. Net profit from continued operations (net loss presented with "-" prefix)	-17,872,498.25	-11,853,553.23
2. Net profit from discontinued operations (net loss presented with "-" prefix)		
B. Classified by ownership	-	-
1. Profits and losses attributable to minority interests (net loss presented with "-" prefix)	-100,800.63	-33,848.20
2. Net profit attributable to shareholders of the Parent (net loss presented with "-" prefix)	-17,771,697.62	-11,819,705.03
VI. Net after-tax other comprehensive income	1,283,399.39	281,463.63
A. Net after-tax other comprehensive income attributable to shareholders of the Parent	1,283,399.39	281,463.63
1. Other comprehensive income not reclassification to profit or loss		
(1) Remeasurement of changes in defined benefit plans		
(2) Other comprehensive income of non-convertible profit and loss under the equity method		
(3) Changes in fair value of other equity instruments investment		
(4) Changes in fair value of the company's own credit risk		
(5) Others		



(3) Consolidated income statement (Continued)

Unit: RMB

Item	January-June 2022	January-June 2021
2. Other comprehensive income reclassification to profit or loss	1,283,399.39	281,463.63
(1) Other comprehensive income of convertible profit and loss under the equity method		
(2) Changes in fair value of other debt investments		
(3) The amount of financial assets reclassified into other comprehensive income		
(4) Other debt investment credit impairment provisions		
(5) Cash flow hedge reserve		
(6) Exchange difference on translation of foreign financial statements	1,283,399.39	281,463.63
(7) Others		
B. Net after-tax other comprehensive income attributable to minority interests		
VII. Total comprehensive income	-16,589,098.86	-11,572,089.60
A. Total comprehensive income attributable to shareholders of the Parent	-16,589,098.86	-11,572,089.60
B. Total comprehensive income attributable to minority interests		
VIII. Earning per share:		
A. Basic earning per share (RMB per share)	-0.0205	-0.0135
B. Diluted earning per share (RMB per share)		

The Company's Chairman:
Shang Duoxu

Chief Financial Officer:
Mi Hongjie

Chief Accounting Officer:
Jin Muhan

**(4) Parent company income statement***Unit: RMB*

Item	January-June 2022	January-June 2021
I. Revenue from operation		
Less: Cost for operation		
Taxes and surcharges		
Selling expenses		
Administrative expenses	1,828,413.61	3,403,447.33
Research and development expenses		
Financial costs	1,333.13	1,680.26
Including: Interest expense		
Interest income	75.69	11.67
Add: Other income		
Investment income (loss presented with "-" prefix)		
Including: Investment income from associates and joint ventures		
Gain on derecognition of financial assets measured at amortized cost (loss presented with "-" prefix)		
Exchange gains(loss presented with "-" prefix)		
Net open hedge income (loss presented with "-" prefix)		
Gain from changes in fair value (loss presented with "-prefix)		
Credit impairment loss (loss presented with "-" prefix)		
Asset impairment loss (loss presented with "-" prefix)		
Gain on disposal of assets (loss presented by "-" prefix)		

(4) Parent company income statement (Continued)

Unit: RMB

Item	January-June 2022	January-June 2021
II. Profit from operation (loss presented with "-" prefix)	-1,829,746.74	-3,405,127.59
Add: Non-operating income	27,567.55	
Less: Non-operating expenses		113.53
III. Total profits (total loss presented with "-" prefix)	-1,802,179.19	-3,405,241.12
Less: Income tax expenses		
IV. Net profit (net loss presented with "-" prefix)	-1,802,179.19	-3,405,241.12
1. Net profit from continued operations (net loss presented with "-" prefix)		
2. Net profit from discontinued operations (net loss presented with "-" prefix)		
V. Net after-tax other comprehensive income		
1. Other comprehensive income not reclassification to profit or loss		
(1) Remeasurement of changes in defined benefit plans		
(2) Other comprehensive income of non-convertible profit and loss under the equity method		
(3) Changes in fair value of other equity instruments investment		
(4) Changes in fair value of the company's own credit risk		
(5) Others		

**(4) Parent company income statement (Continued)**

Unit: RMB

Item	January-June 2022	January-June 2021
2. Other comprehensive income reclassification to profit or loss		
(1) Other comprehensive income of convertible profit and loss under the equity method		
(2) Changes in fair value of other debt investments		
(3) The amount of financial assets reclassified into other comprehensive income		
(4) Other debt investment credit impairment provisions		
(5) Cash flow hedge reserve		
(6) Exchange difference on translation of foreign financial statements		
(7) Others		
VI. Total comprehensive income	-1,802,179.19	-3,405,241.12
VII. Earnings per share:		
A. Basic earnings per share (RMB per share)		
B. Diluted earnings per share (RMB per share)		



(5) Consolidated statement of cash flow

Unit: RMB

Item	January-June 2022	January-June 2021
I. Cash flows from operating activities:	87,463,461.05	24,060,988.70
Cash received for sales of goods and rendering of services		
Net increase in customer deposits and interbank deposits		
Net increase in borrowing from the central bank		
Net increase in funds borrowed from other financial institutions		
Cash received from the original insurance contract premium		
Net cash received from reinsurance operations		
Net increase in policyholders' savings and investment funds		
Cash for interest, fees and commissions		
Net increase in borrowed funds		
Net increase in repurchase business funds		
Net cash received from agents buying and selling securities		
Tax refund received	304,174.55	133,085.13
Other cash receipts relating to operating activities	6,624,916.44	5,712,670.15
Cash inflows from operating activities (subtotal)	94,392,552.04	29,906,743.98

(5) Consolidated statement of cash flow (Continued)
Unit: RMB

Item	January-June 2022	January-June 2021
Cash payments for purchase of goods and services	58,993,355.54	19,732,466.20
Net increase in loans and advances to customers		
Net increase in deposits with central banks and interbank		
Cash to pay the original insurance contract compensation		
Net increase in financial assets held for trading purposes		
Net increase in borrowed funds		
Cash for interest, fees and commissions		
Cash to pay policy dividends		
Cash paid to or on behalf of employees	25,590,538.53	9,659,002.04
Taxes and fees paid	1,184,959.40	1,440,956.48
Other cash payments relating to operating activities	19,332,260.05	7,909,706.90
Cash outflows for operating activities (subtotal)	105,101,113.52	38,742,131.62
Net cash flows from operating activities	-10,708,561.48	-8,835,387.64
II. Cash flows from investing activities:		
Cash received from investment withdrawal		
Cash received from investment income		
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	5,040,000.00	4,000,000.00
Net cash received from disposal of subsidiaries and other business units		
Other cash receipts relating to investing activities		
Cash inflows from investing activities (subtotal)	5,040,000.00	4,000,000.00



(5) Consolidated statement of cash flow (Continued)

Unit: RMB

Item	January-June 2022	January-June 2021
Cash paid for purchase or construction of fixed assets, intangibles assets and other long-term assets		
Cash paid for investment		
Net increase in mortgage loans		
Net cash paid for acquisition of subsidiaries and other business units		
Other cash payments relating to investing activities		
Cash outflows for investing activities (subtotal)		
Net cash flows from investing activities	5,040,000.00	4,000,000.00
III. Cash flows from financing activities:		
Cash received from investors		
Including: Cash received by subsidiaries from investments of minority shareholders		
Cash received from loans raised		
Cash received from bond issuance		
Other cash receipts relating to financing activities		
Cash inflows from financing activities (subtotal)		
Cash paid for debt repayment		
Cash paid for dividends, profit distribution and interests		

**(5) Consolidated statement of cash flow (Continued)**

Unit: RMB

Item	January-June 2022	January-June 2021
Including: Dividends and profits paid by subsidiaries to minority shareholders		
Other cash payments relating to financing activities		
Cash outflows for financing activities (subtotal)		
Net cash flows from financing activities		
IV. Impact of change of foreign exchange rates on cash and cash equivalents	46,825.68	8,557.26
V. Net increase of cash and cash equivalents	-5,621,735.80	-4,826,830.38
Add: cash and cash equivalents opening balance	18,645,415.83	8,535,909.71
VI. Cash and cash equivalents closing balance	13,023,680.03	3,709,079.33

*The Company's Chairman:***Shang Duoxu***Chief Financial Officer:***Mi Hongjie***Chief Accounting Officer:***Jin Muhan**

(6) Statement of cash flow of parent company*Unit: RMB*

Item	January-June 2022	January-June 2021
I. Cash flows from operating activities:		
Cash received for sales of goods and rendering of services		
Tax refund received		
Other cash receipts relating to operating activities	3,099,846.01	2,682,290.28
Cash inflows from operating activities (subtotal)	3,099,846.01	2,682,290.28
Cash payments for purchase of goods and services		
Cash paid to or on behalf of employees	2,707,155.87	1,889,853.30
Taxes and fees paid		
Other cash payments relating to operating activities	403,926.22	794,114.32
Cash outflows for operating activities (subtotal)	3,111,082.09	2,683,967.62
Net cash flows from operating activities	-11,236.08	-1,677.34

**(6) Statement of cash flow of parent company (Continued)**

Unit: RMB

Item	January-June 2022	January-June 2021
II. Cash flows from investing activities:		
Cash received from investment withdrawal		
Cash received from investment income		
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		
Cash inflows from investing activities (subtotal)		
Cash paid for purchase or construction of fixed assets, intangible assets and other long-term assets		
Cash paid for investment		
Net cash paid for acquisition of subsidiaries and other business units		
Other cash payments relating to investing activities		
Cash outflows for investing activities (subtotal)		
Net cash flows from investing activities		



(6) Statement of cash flow of parent company (Continued)

Unit: RMB

Item	January-June 2022	January-June 2021
III. Cash flows from financing activities:		
Cash received from investors		
Cash received from loans raised		
Cash received from bond issuance		
Other cash receipts relating to financing activities		
Cash inflows from financing activities (subtotal)		
Cash paid for debt repayment		
Cash paid for dividends, profit distribution and interests		
Other cash payments relating to financing activities		
Cash outflows for financing activities (subtotal)		
Net cash flows from financing activities		
IV. Impact of change of foreign exchange rates on cash and cash equivalents		
V. Net increase of cash and cash equivalents	-11,236.08	-1,677.34
Add: cash and cash equivalents opening balance	18,629.59	1,683.02
VI. Cash and cash equivalents closing balance	7,393.51	5.68



10.1 Explanation of changes in accounting policy, accounting estimates and accounting methods in comparison with the financial report of the previous year

There is no change in accounting policy, accounting estimates and accounting methods in comparison with the financial report of the previous year.

10.2 Description of retrospective restatement of major accounting errors in the reporting period

There was no retrospective restatement of major accounting errors in the reporting period.

10.3 Description of changes in the coverage of the consolidated statements as compared to the financial report for the previous year

There is no change in the coverage of the consolidated statements as compared to the financial report for the previous year.

10.4 Others

10.4.1 Business distribution

All of the Group's incomes and profits were from the domestic market, so the Group's management considers there is no need to prepare the divisional statement.

10.4.2 Taxation

Main taxation category and tax rate of the Company

Category	Tax Base	Tax Rate
VAT	The taxable income is calculated at the tax rates of 16%, 13%, 6%, and the VAT payable is determined by the output VAT net of deductible input VAT of the period.	16%, 13%, 6%
Urban construction & maintenance tax	At 7% of the turnover tax actually paid.	7%
Corporate income tax	At 25% of the taxable income payable.	25%, 16.5%, 15%
Educational surcharge	At 5% of the turnover tax actually paid.	5%



Notes:

- (1) For Northeast Electric Development (Hong Kong) Limited, a wholly-owned subsidiary of the Company registered in HKSAR of the PRC, the profits tax rate is 16.5%.
- (2) Great Talent Technology Limited is a wholly-owned subsidiary, registered in the British Virgin Islands. No corporate income tax is imposed on it.
- (3) The corporate income tax of Shenyang Kaiyi Electric Co., Ltd., a subsidiary of the Company, is collected in a way of verification.
- (4) Fuxin Busbar, a subsidiary of the Company, was rated as one of the first batch of high-tech enterprises in Liaoning Province, and pays corporate income tax at 15%.

10.4.3 Net profit

	The reporting period	The same period of last year
Net profit attributable to shareholders of the parent Company (RMB)	-17,771,697.62	-11,819,705.03

10.4.4 Earnings per share

	The reporting period	The same period of last year
Basic earnings per share (RMB/share)	-0.0205	-0.0135
Diluted earnings per share (RMB/share)	-0.0205	-0.0135



10.4.5 Dividends

No dividends were paid or proposed for the six months ended 30 June 2022 (for the six months ended 30 June 2021: Nil), and no dividend was proposed from the end of the reporting period.

10.4.6 Share capital

	The reporting period	The same period of last year
Total share capital (RMB)	873,370,000.00	873,370,000.00

10.5 Publication of the interim report on the internet websites of The Stock Exchange of Hong Kong Limited and the Company

All information about the interim report as required by Appendix 16 to the Listing Rules will be published on the Hong Kong Stock Exchange's website (<http://www.hkex.com.hk>) and the Company's website (<http://www.nee.com.cn>) in due course.

By order of the Board
Shang Duoxu
Chairman

Haikou, Hainan Province, the PRC
30 August 2022

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