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(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 2023

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 2023.

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, Su Weiguo, Chief Accounting Officer, Dang Zhaozhao, and Chief Financial Officer, Li Ling 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 6th meeting of the 10th Board convened on 25 August 2023. 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 2023 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 2023. 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 2023.

- 1.5 The Company proposes not to distribute cash dividend, issue bonus share, or capitalize from capital reserves.
- 1.6 The consolidated turnover is RMB39,570,000 in accordance with the PRC GAAP.
- 1.7 The profit attributable to equity holders of the Company is RMB-8,550,000.
- 1.8 Earnings per share attributable to equity holders of the Company is RMB-0.01.
- 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	N/A
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
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 tockcode	400114
Place of the listing of Domestic	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	Su Weiguo		

2.2 Contact person and contact in formation

	Secretary to the Board	Representative for securities affairs
Name	Ding Jishi	Zhu Xinguang
Address	19nd Floor, HNA Plaza, No.7Guoxing Avenue, Meilan District, Haikou City, Hainan	19nd Floor, HNA Plaza, No.7Guoxing Avenue, Meilan District, Haikou City, Hainan
Telephone	0898-68876008	0898-68876008
Fax	0898-68876033	0898-68876033
Email	dbdqshbgs@hnagroup.com	nemm585@sina.com
Website containing the annual report		www.neeq.com.cn www.hkexnews.hk
Place for inspection of interim report		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 Hanhai Avenue, Haikou City, Hainan Province
Postal code	571152
Office address	19nd Floor, HNA Plaza, No.7 Guoxing Avenue, Meilan District, Haikou City, Hainan Province
Postal code	570203
Website	www.nee.com.cn
E-mail address	dbdqshbgs@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 Hanhai 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.

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	39,575,875.51	36,398,794.86	8.73%
Gross margin%	52.51%	20.06%	-
Net profits attributable to shareholders of the listed Company	-8,551,272.01	-17,771,697.62	-51.88%
Net profits attributable to shareholders of the listed Company after extraordinary items	-9,486,423.63	-18,861,391.11	-49.70%
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)	-0.01	-0.02	-50.00%

(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	160,449,470.23	181,480,505.19	-11.59%
Total debt	362,417,333.75	374,510,270.10	-3.23%

Net assets attributable to shareholders of the listed Company	-203,966,577.27	-195,063,171.25	4.56%
Net asset value per share of the listed Company	-0.23	-0.22	4.56%
Asset-liability ratio% (parent Company)	66.93%	66.62%	-
Asset-liability ratio% (consolidated statements)	225.88%	206.36%	-
Liquidity ratio	0.30	0.34	-
Interest coverage ratio	-53.10	-99.22	-

(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	-3,886,138.80	-10,708,561.48	-63.71%
Turnover of account receivable	0.76	0.93	-
Turnover of inventories	0.94	1.75	-

(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%	-11.59%	-5.57%	-
Operating incomes growth rate%	8.73%	27.96%	-
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	39,576	79,081
Profit before tax	-8,586	-17,88
Taxation	0	-8
Profit after tax	-8,586	-17,87
Minority interests	-35	-100
Profits attributable to shareholders	-8,551	-17,77

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	160,44	183,60
Total liabilities	362,41	367,72
Shareholders' equity	-201,9	-184,1

(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	-8,551,272.01	-17,771,697.62	-203,966,577.27	-195,063,171.25
Items and amounts adjusted according to foreign accounting standards	-	-	-	-
Foreign accounting standards	-8,551,272.01	-17,771,697.62	-203,966,577.27	-195,063,171.25

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

(IV) Extraordinary items and the related amount

Unit: RMB

Item	Amount
Gains and losses on disposal of non-current assets	-53,416.45
Government subsidy included in the current profits and losses	962,600.82
Non-operating income and expense other than the above items	26,157.03
Total	935,341.40
Effect of income tax	0.00
Impact on minority interests (after tax)	189.78
Net extraordinary items and the related amount	935,151.62

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		35,547	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	29.43%	257,950,000	-40,000	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
Qin Jianming	Domestic natural person	1.50%	10,080,200	3,841,300	0	10,080,200		
Wang Juan	Domestic natural person	1.16%	6,960,310	0	0	6,960,310		
Zhao Rui	Domestic natural person	0.80%	6,000,000	0	0	6,000,000		
Yu Jun	Domestic natural person	0.72%	5,686,600	1,240,000	0	5,686,600		
Yang Baizhong	Domestic natural person	0.69%	5,000,000	-2,350,221	0	5,000,000		
Meng Xianliang	Domestic natural person	0.53%	4,600,000	1,409,900	0	4,600,000		
Shi Yubo	Domestic natural person	0.51%	4,405,236	100	0	4,405,236		
Qin Zonghai	Domestic natural person	0.46%	4,000,000	-444,300	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			To the extent known to the Company, there is no related relationship between the aforementioned shareholders and they are not acting in concert. Based on the public information as at the latest practicable date prior to the publication of this report and to the knowledge of Directors, the Company confirmed that there was sufficient public float in its shares.					

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 2023, 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 2023, 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

Nil

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
Su Weiguo	Chairman	Male	September 1962	3 January 2023	30 December 2025
Liu Jiangmei	Director	Female	March 1974	30 December 2022	30 December 2025
He Wei	Director	Female	August 1987	30 December 2022	30 December 2025
Ding Jishi	Director	Male	September 1985	30 December 2022	30 December 2025
Mi Hongjie	Director	Male	June 1993	29 December 2021	30 December 2025
Zhu Xinguang	Director	Male	October 1970	30 December 2022	30 December 2025
Fang Guangrong	Independent Director	Male	September 1955	11 March 2019	30 December 2025
Wang Hongyu	Independent Director	Male	March 1972	29 June 2020	30 December 2025
Li Zhengning	Independent Director	Male	March 1980	2 June 2021	30 December 2025
Fan Siyao	Shareholder Representative Supervisor Chairman of Supervisory Board	Male	May 1987	30 December 2022	30 December 2025
Yang Qing	Shareholder Representative Supervisor	Male	August 1982	23 August 2021	30 December 2025
Xing Meixia	Employee Representative Supervisor	Female	June 1992	30 December 2022	30 December 2025
Su Weiguo	General Manager	Male	September 1962	28 July 2021	30 December 2025
Ding Jishi	Secretary to the Board	Male	September 1985	29 August 2019	30 December 2025
Dang Zhaozhao	Chief Financial Officer	Male	January 1986	2 August 2023	30 December 2025

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

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
Mi Hongjie	Chief Financial Officer	Resigned	Director	Work adjustment
Dang Zhaozhao	None	Newly appointed	Chief Financial Officer	Operational need

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 2023, 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	241	173
Salesperson	32	29
Technical staff	32	34
Financial staff	23	21
Administrative staff	56	50
Total	384	307

Chapter 6 SUMMARY OF BUSINESS

6.1 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. 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 RMB39.57 million, representing an increase of 8.7% as compared to RMB36.4 million for the corresponding period of the previous year; earnings attributable to shareholders after tax and minority interests amounted to RMB-8.55 million, with earnings per share of RMB-0.01.

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 2023.

6.2 Business review for the first half of 2023

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.

In recent years, Fuxin Busbar, a subsidiary of the Group, has continued to rely on technological innovation to promote enterprise development. We have established an innovation studio, organized and carried out technological innovation activities, and successively obtained 21 national utility model patents, 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, and fully launched them into the market. Continuously improve the domestically produced formula of epoxy resin for pouring busbar, reduce product costs, and enhance market competitiveness.

During the reporting period, Fuxin Busbar took measures to address the market situation by adjusting its structure, reducing costs, improving efficiency, and promoting development. It made new breakthroughs in market development targeting pumped storage projects and foreign customers, becoming a highlight of sales structure adjustment. Currently, the cumulative order amount is RMB55 million, providing a guarantee for the operation as a going concern of the Company in the future.

According to the announcement of the winning candidates on the bidding and procurement website on August 16 2023, the isolated phase enclosed busbar equipment and common box enclosed busbar equipment in the 2x1 million KW expansion and upgrading project of Chang'an Yiyang Power Generation Co., Ltd., which Fuxin Busbar participated in, were both listed as the first winning candidates, with a total amount of RMB14.48 million for both equipment, adding new impetus to the market of million level unit power generation projects.

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 thereporting 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 brought by macroeconomic environment

The Company's industry is closely related to the demand of the power equipment industry, and prosperity of the industry is also directly related to the national economy, which has a large impact on the Company's performance. Therefore, it is necessary to continue to pay attention to the impact of the national macroeconomic and the global economy on the industry. Meanwhile, the hotel industry in which the Company operates is still under gradual recovery and has not yet reached the pre-epidemic revenue scale.

2. Market competition risk

Enclosed busbar production and hotel operation are the Company's main businesses. The increasing market competition has adversely affected the average profit level of the industry, the company faces the risk of sustained losses. The Company will continue to improve technical standards, enhance innovation capabilities, expand production capacity and improve the efficiency of operation and management, curb the situation such as a decrease in the Company's operating income and the continued decline in the gross profit rate of products and services and in the profitability, and consolidate the Company's ability to continue as a going concern.

3. Strategic transformation risk

In order to overcome the negative impact of the delisting from the A-shares main board, get rid of the existential crisis, and boost the sustainable development of the Company for the medium and long terms, the Company is implementing a strategic transformation and actively attracting strategic investors to raise funds and add new businesses. If the Company fails to implement the transformation as soon as possible due to various reasons, it may face the risk of a slowdown or even failure of the strategic transformation process.

6.5 Prospects for the second half of the year

Centered on the annual business objectives and work tasks for 2023, 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 2022. 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.

Chapter7 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	8,172,655.35	5.09%	15,129,411.41	8.34%	-45.98%
Notes receivable	512,000.00	0.32%	0	0.00%	-
Accounts receivable	47,008,348.13	29.30%	56,564,861.44	31.17%	-16.89%
Advances to suppliers	3,599,246.96	2.24%	1,776,539.33	0.98%	102.60%
Other receivables	8,459,193.82	5.27%	9,440,013.71	5.20%	-10.39%
Inventories	20,432,151.98	12.73%	19,727,531.07	10.87%	3.57%
Other current assets	1,006,333.62	0.63%	2,169,915.37	1.20%	-53.62%
Fixed assets	37,302,906.77	23.25%	39,128,810.30	21.56%	-4.67%
Right-of-use assets	3,454,785.89	2.15%	6,909,571.79	3.81%	-50.00%
Intangible assets	11,418,262.69	7.12%	11,550,265.75	6.36%	-1.14%

Reasons for major changes in the item

Advances to suppliers: Due to business needs, the advance payment of Fuxin Busbar and Garden Lane Hotel has increased. Right-of-use assets: The lease contract of the subsidiary Garden Lane Hotel Dalian Branch expires on December 31 2023, and depreciation of the right to use assets is reasonably provided for during the lease period. Monetary funds and other current assets: The subsidiary Garden Lane Hotel reduced its business scale year-on-year.

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 %	
Operating incomes	39,575,875.51	–	36,398,794.86	–	8.73%
Cost for operation	18,793,166.94		29,096,149.21		-35.41%
Gross margin%	52.51%	–	20.06%	–	-
Selling expenses	19,561,261.94	49.43%	7,602,614.51	20.89%	157.30%
Administrative expenses	9,032,280.66	22.82%	15,972,670.52	43.88%	-43.45%
Net cash flows from operating activities	-3,886,138.80	–	-10,708,561.48	–	-63.71%
Net cash flows from investing activities	0.00	–	5,040,000.00	–	-100.00%
Net cash flows from financing activities	0.00	–	0.00	–	-

Reasons for major changes in the item

The significant changes in accounts related to operating incomes, sales expenses, administrative expenses and cash flow during the current period are mainly due to the year-on-year reduction in business scale of the subsidiary Garden Lane Hotel.

7.3 Assets and liabilities at fair value

None

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 – other monetary funds	3,452,588.65	Performance guarantee
Total	3,452,588.65	

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 as set	Operating income	Net pro fit
Northeast Electric Development (HK) Co.,Ltd.	Subsidiary	Trading	USD20million	80,538,501.47	64,662,013.27	-	-73,457.51
Great Talent Technology Ltd.	Subsidiary	Investment	USD1	88,989,105.83	6,054,844.21	-	-13,350.17
Shenyang Kaiyi Electric Co.,Ltd.	Subsidiary	Manufacturing of Electrical	RMB1million	50,842,075.42	-58,334,271.31	-	-298,475.82
Fuxin Enclosed Busbar Co.,Ltd.	Subsidiary	Manufacturing of enclosed busbars	USD8.5million	105,231,315.61	-35,970,353.06	15,996,739.52	-3,636,569.42
Hainan Garden Lane Flight Hotel Management Co.,Ltd.	Subsidiary	Public space business	RMB50million	62,106,806.73	-140,782,883.63	23,579,135.99	-3,469,258.68
Northeast Electric (Chengdu)Electric Engineering Design Co.,Ltd.	Subsidiary	Electric power engineering	RMB10million	13,264,027.77	6,878,290.70	-	-
HNA Tianjin Center Development Co.,Ltd.	Invested Company	Property leasing, hotel catering	RMB269,887,709	3,099,537,340.37	408,994,309.49	48,109,764.76	894,622.16
Chongqing HNA Hotel Investment Company Limited	Associate (limited liability Company)	Property leasing	RMB50million	136,645,763.94	36,307,974.68	4,305,000.00	-336,449.31

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 2023, according to the relevant regulations, the Company's distributable reserve is RMB-2,011,407,663.51. Pursuant to the resolution approved at the Board meeting on 25 August 2023, 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 (2022: nil).

Working capital and financial resources

The net cash generated from the Group's operating activities for the half year ended 30 June 2023 was approximately RMB-3,886,138.80 (2022: net cash generated from operating activities of approximately RMB-10,708,561.48).

As at 30 June 2023, the Group had bank deposits and cash (including pledged bank balances) of approximately RMB8,172,655.35 (2022: RMB15,129,411.41) and had no bank loans (2021: nil).

As of 30 June 2023, the Group had current liabilities of RMB294,915,551.27, non-current liabilities of RMB67,501,782.48, and shareholders' equity attributable to shareholders of the Company of RMB-203,966,577.27. 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 2023, the Group's short-term bank borrowings were nil, and the cash and cash equivalents were RMB4,722,476.35 (2022 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 "**Summary of Business**".

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 "**Summary of Business**".

Assets pledge

As of 30 June 2023, 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 2023, the Group's gearing ratio (calculated as total liabilities/total assets) was 226% (2022: 206%).

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 2023, the Company had no material contingent liabilities.

Chapter8 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 2023, the number of employees on the payroll of the Company was 307. The total salary of employees was RMB15.44 million in the first half of 2023 (the number of employees of the Group was 384 and the total salary of employees was RMB50.85 million in 2022).

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. Hainan First Intermediate People's Court has ruled to terminate this execution procedure..

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.

On December 30 2022, the First Intermediate People's Court of Hainan Province issued a civil judgment (2022) Qiong 96 Min Chu No. 599. The court found that this case constitutes a duplicate lawsuit and dismissed the plaintiff's lawsuit in accordance with the law. Fushun Electric Porcelain immediately filed an appeal. On June 28 2023, the Hainan Provincial High Court issued a civil ruling (2023) Qiongmminzhong No. 280. The court found that it constituted a duplicate prosecution, and the final ruling rejected the appeal and upheld the original ruling. For details, please refer to the Announcements dated February 8 2023 and June 30 2023.

8.7 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	-	487,541.94
2. Selling products, commodities, and providing services	-	-
3. Types of daily connected transactions applicable to the Company stipulated in the Company's articles of association	-	-
4. Others	-	387,845.68

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 2022. 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 25 July 2023 to 25 August 2023, 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 2022 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

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 loan 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 2023 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 2023.

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 2023.

8.14 Subsequent events

None

Chapter 9 FINANCIAL STATEMENTS

(PREPARED UNDER THE IFRS)

(1) Consolidated Balance Sheet

Unit: RMB

Item	Notes	Closing balance	Opening balance
Current assets:			
Monetary funds		8,172,655.35	15,129,411.41
Deposit Reservation for Balance			
Lending funds			
Financial assets held for trading			
Derivative financial assets			
Notes receivable		512,000.00	
Accounts receivable		47,008,348.13	56,564,861.44
Receivables financing			
Advances to suppliers		3,599,246.96	1,776,539.33
Receivable premium			
Reinsurance accounts receivable			
Provision of cession receivable			
Other receivables		8,459,193.82	9,440,013.71
Including: Interests receivable			
Dividends receivable			
Redemptory monetary capital for sale			
Inventories		20,432,151.98	19,727,531.07
Contract assets			
Held-for-sale assets			
Non-current assets due within one year			
Other current assets		1,006,333.62	2,169,915.37
Total current assets		89,189,929.86	104,808,272.33
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		19,083,585.02	19,083,585.02
Investment properties			
Fixed assets		37,302,906.77	39,128,810.30

Construction in progress			
Biological assets held for production			
Oil and gas assets			
Right-of-use assets		3,454,785.89	6,909,571.79
Intangible assets		11,418,262.69	11,550,265.75
Development expenditure			
Goodwill			
Long-term deferred charges			
Deferred income tax assets			
Other non-current assets			
Total non-current assets		71,259,540.37	76,672,232.86
Total asset		160,449,470.23	181,480,505.19
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		43,061,216.44	45,516,404.94
Advances from customers			
Contract liabilities		15,401,430.17	15,671,256.88
Sell to repurchase financial assets			
Deposits from customers and interbank			
Receiving from vicariously traded securities			
Receiving from vicariously sold securities			
Employment benefits payable		4,900,614.37	5,957,965.52
Taxes and fees payable		1,798,751.33	3,487,729.94
Other payables		221,854,769.19	226,920,695.23
Including: Interests payable			
Dividends payable			
Charges and commissions payable			
Dividend payable for reinsurance			
Held-for-sale liabilities			
Non-current liabilities due within one year		7,079,406.77	6,909,571.79
Other current liabilities		819,363.00	1,582,262.50
Total current liabilities		294,915,551.27	306,045,886.80
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		33,147,282.48	34,109,883.30
Deferred income tax liabilities			
Other non-current liabilities			
Total non-current liabilities		67,501,782.48	68,464,383.30
Total liabilities		362,417,333.75	374,510,270.10
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		-258,513,376.04	-258,161,242.03
Designated reserves			
Surplus reserves		108,587,124.40	108,587,124.40
General risk provision			
Retained earnings		-2,011,407,663.51	-2,002,856,391.50
Total equity attributable to shareholders of the Parent		-203,966,577.27	-195,063,171.25
Minority interests		1,998,713.75	2,033,406.34
Total shareholders' equity		-201,967,863.52	-193,029,764.91
Total liabilities and shareholders' equity		160,449,470.23	181,480,505.19

The Company's Chairman:
Su Weiguo

Chief Financial Officer:
Dang Zhaozhao

Chief Accounting Officer:
Li Ling

(2) Balance Sheet of parent company

Unit: RMB

Item	Notes	Closing balance	Opening balance
Current assets:			
Monetary funds		2,409.65	2,406.66
Deposit Reservation for Balance			
Lending funds			
Financial assets held for trading			
Derivative financial assets			
Notes receivable			
Accounts receivable			
Receivables financing		249,249,768.98	249,713,804.62
Advances to suppliers			
Receivable premium			
Reinsurance accounts receivable			
Provision of cession receivable			
Other receivables			
Including: Interests receivable			
Dividends receivable			
Redemptory monetary capital for sale		620,824.01	609,433.66
Inventories		249,873,002.64	250,325,644.94
Contract assets			
Held-for-sale assets			
Non-current assets due within one year			
Other current assets			
Total current assets		56,436,473.03	56,436,473.03
Non-current assets:			
Issuing loans and advances			
Debt investments			
Other debt investments		15,012.34	16,557.28
Long-term receivables			
Long-term equity investments			
Other equity instrument investments			
Other non-current financial assets			
Investment properties			
Fixed assets			
Construction in progress			
Biological assets held for production			
Oil and gas assets			

Right-of-use assets			
Intangible assets		56,451,485.37	56,453,030.31
Development expenditure		306,324,488.01	306,778,675.25
Goodwill			
Long-term deferred charges			
Deferred income tax assets			
Other non-current assets			
Total non-current assets			
Total asset			
Current liabilities:			
Short-term borrowings		581,743.59	581,743.59
Borrowings from central bank			
Loans from other banks and other financial institutions		3,249,386.03	3,512,586.03
Financial liabilities held for trading		104,556.96	102,732.41
Derivative financial liabilities		166,737,021.72	165,834,980.51
Notes payable			
Accounts payable			
Advances from customers			
Contract liabilities			
Sell to repurchase financial assets			
Deposits from customers and interbank		170,672,708.30	170,032,042.54
Receiving from vicariously traded securities			
Receiving from vicariously sold securities			
Employment benefits payable			
Taxes and fees payable			
Other payables			
Including: Interests payable			
Dividends payable			
Charges and commissions payable			
Dividend payable for reinsurance		34,354,500.00	34,354,500.00
Held-for-sale liabilities			
Non-current liabilities due within one year			
Other current liabilities			
Total current liabilities		34,354,500.00	34,354,500.00
Non-current liabilities:		205,027,208.30	204,386,542.54
Reserve fund for insurance contracts			
Long-term borrowings		873,370,000.00	873,370,000.00
Debt instruments payable			
Including: Preferred shares			
Perpetual bonds			
Lease liabilities		996,869,700.23	996,869,700.23

Long-term payables			
Long-term employee benefits payable			
Provisions			
Deferred income		108,587,124.40	108,587,124.40
Deferred income tax liabilities			
Other non-current liabilities		-1,877,529,544.92	-1,876,434,691.92
Total non-current liabilities		101,297,279.71	102,392,132.71
Total liabilities		306,324,488.01	306,778,675.25

(3) Consolidated income statement

Unit: RMB

Item	Notes	Amount for current year	Amount for last year
I. Total operating income		39,575,875.51	79,081,901.29
Including: Revenue from operation		39,575,875.51	79,081,901.29
Interest income			
The premium has been made			
Fee and commission income			
II. Total operating costs		49,202,857.96	98,514,786.34
Including: Cost for operation		18,793,166.94	38,471,647.39
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		377,484.54	392,101.53
Selling expenses		19,561,261.94	30,647,669.79
Administrative expenses		9,032,280.66	28,734,561.95
Research and development expenses		1,165,078.69	1,236,526.06
Financial costs		273,585.19	-967,720.38
Including: Interest expense		158,719.27	-1,461,752.93
Interest income		-11,311.63	19,158.83
Add: Other income		1,072,488.94	1,419,912.37
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		-4,211.67	-4,451.22

presented with “-” prefix)			
Asset impairment loss (loss presented with “-” prefix)			
Gain on disposal of assets (loss presented by “-” prefix)		-53,416.45	
III. Profit from operation (loss presented with “-” prefix)		-8,612,121.63	-18,008,521.46
Add: Non-operating income		26,755.87	128,641.29
Less: Non-operating expenses		598.84	578.57
IV. Total profits (total loss presented with “-” prefix)		-8,585,964.60	-17,880,458.74
Less: Income tax expenses			128,641.29
V. Net profit (net loss presented with “-” prefix)		-8,585,964.60	-17,872,498.25
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)		-8,585,964.60	-17,872,498.25
2. Net profit from discontinued operations (net loss presented with “-” prefix)			
B. Classified by ownership		-	-
1. Net profit attributable to shareholders of the Parent (net loss presented with “-” prefix)		-34,692.59	-100,800.63
2. Profits and losses attributable to minority interests (net loss presented with “-” prefix)		-8,551,272.01	-17,771,697.62
VI. Net after-tax other comprehensive income		-352,134.01	1,283,399.39
A. Net after-tax other comprehensive income attributable to shareholders of the Parent		-352,134.01	1,283,399.39
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			
2. Other comprehensive income reclassification to profit or loss		-352,134.01	1,283,399.39
(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		-352,134.01	1,283,399.39
(7) Others			
B. Net after-tax other comprehensive income attributable to minority interests			
VII. Total comprehensive income		-8,938,098.61	-16,589,098.86
A. Total comprehensive income attributable to shareholders of the Parent		-8,893,239.93	-16,589,098.86
B. Total comprehensive income attributable to minority interests		-44,858.68	
VIII. Earning per share:			
A. Basic earning per share (RMB per share)		-0.01	-0.02
B. Diluted earning per share (RMB per share)		-0.01	-0.02

The Company's Chairman:
Su Weiguo

Chief Financial Officer:
Dang Zhaozhao

Chief Accounting Officer:
Li Ling

(4) Parent company income statement

Unit: RMB

Item	Notes	Amount for current year	Amount for last year
I Revenue from operation			
Less: Cost for operation			
Taxes and surcharges			
Selling expenses			
Administrative expenses		1,097,555.99	1,828,413.61
Research and development expenses			
Financial costs		-2.99	1,333.13
Including: Interest expense			
Interest income		-2.99	-75.69
Add: Other income			
Investment income (loss presented with “-” prefix)			
Including: In vestment income from associates and joint ventures			
Gain on derecognition of financial assets measured at amortized cost			
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)		2,700	
Asset impairment loss (loss presented with “-” prefix)			
Gain on disposal of assets (loss presented by “-” prefix)			
II. Profit from operation (loss presented with “-” prefix)		-1,094,853.00	-1,829,746.74
Add: Non-operating income			27,567.55
Less: Non-operating expenses			
III. Total profits (total loss presented with “-” prefix)		-1,094,853.00	-1,802,179.19
Less: Income tax expenses			
IV. Net profit (net loss presented with “-”)		-1,094,853.00	-1,802,179.19

prefix)			
1.Net profit from continued operations (net loss presented with “-” prefix)		-1,094,853.00	-1,802,179.19
2. Net profit from discontinued operations (net loss presented with “-” prefix)			
V.Net after-tax other comprehensive income			
1. Other comprehensive income not reclassifiable 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			
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		-1,094,853.00	-1,802,179.19
VII. Earning per share:			
A. Basic earning per share (RMB per share)			
B. Diluted earning per share (RMB per share)			

(5) consolidated statement of cash flow

Unit: RMB

Item	Notes	Amount for current year	Amount for last year
I. Cash flows from operating activities:			
Cash received for sales of goods and rendering of services		49,766,810.01	87,463,461.05
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		591.58	304,174.55
Other cash receipts relating to operating activities		5,176,795.52	6,624,916.44
Cash inflows from operating activities (subtotal)		54,944,197.11	94,392,552.04
Cash payments for purchase of goods and services		34,474,515.64	58,993,355.54
Net increase in loans and advances to customers			
Net increase in deposits with central banks and inter banks			
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		15,284,611.59	25,590,538.53
Taxes and fees paid		1,425,384.41	1,184,959.40
Other cash payments relating to operating activities		7,645,824.27	19,332,260.05
Cash outflows for operating activities (subtotal)		58,830,335.91	105,101,113.52
Net cash flows from operating activities		-3,886,138.80	-10,708,561.48
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
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

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
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			
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		25,854.90	46,825.68
V. Net increase of cash and cash equivalents		-3,860,283.90	-5,621,735.80
Add: cash and cash equivalents opening balance		8,582,760.25	18,645,415.83
VI. Cash and cash equivalents closing balance		4,722,476.35	13,023,680.03

The Company's Chairman:
Su Weiguo

Chief Financial Officer:
Dang Zhaozhao

Chief Accounting Officer:
Li Ling

(6) Statement of cash flow of parent company

Unit: RMB

Item	Notes	Amount for	Item
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		2.99	3,099,846.01
Cash inflows from operating activities (subtotal)		2.99	3,099,846.01
Cash payments for purchase of goods and services			
Cash paid to or on behalf of employees			2,707,155.87
Taxes and fees paid			
Other cash payments relating to operating activities			403,926.22
Cash outflows for operating activities (subtotal)			3,111,082.09
Net cash flows from operating activities		2.99	-11,236.08
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, intangibles 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			
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		2.99	-11,236.08
Add: cash and cash equivalents opening balance		2,406.66	18,629.59
VI. Cash and cash equivalents closing balance		2,409.65	7,393.51

Chapter 10 FINANCIAL STATEMENTS

(PREPARED UNDER THE PRC GAAP)

I. AUDIT REPORT

The interim report of the Company has not been audited.

II. FINANCIAL STATEMENTS

(1) Consolidated Balance Sheet

Unit: RMB

Item	Notes	Closing balance	Opening balance
Current assets:			
Monetary funds		8,172,655.35	15,129,411.41
Deposit Reservation for Balance			
Lending funds			
Financial assets held for trading			
Derivative financial assets			
Notes receivable		512,000.00	
Accounts receivable		47,008,348.13	56,564,861.44
Receivables financing			
Advances to suppliers		3,599,246.96	1,776,539.33
Receivable premium			
Reinsurance accounts receivable			
Provision of cession receivable			
Other receivables		8,459,193.82	9,440,013.71
Including: Interests receivable			
Dividends receivable			
Redemptory monetary capital for sale			
Inventories		20,432,151.98	19,727,531.07
Contract assets			
Held-for-sale assets			
Non-current assets due within one year			
Other current assets		1,006,333.62	2,169,915.37
Total current assets		89,189,929.86	104,808,272.33
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		19,083,585.02	19,083,585.02
Investment properties			
Fixed assets		37,302,906.77	39,128,810.30
Construction in progress			
Biological assets held for production			
Oil and gas assets			
Right-of-use assets		3,454,785.89	6,909,571.79
Intangible assets		11,418,262.69	11,550,265.75
Development expenditure			
Goodwill			
Long-term deferred charges			
Deferred income tax assets			
Other non-current assets			
Total non-current assets		71,259,540.37	76,672,232.86
Total asset		160,449,470.23	181,480,505.19
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		43,061,216.44	45,516,404.94
Advances from customers			
Contract liabilities		15,401,430.17	15,671,256.88
Sell to repurchase financial assets			
Deposits from customers and interbank			
Receivings from vicariously traded securities			
Receivings from vicariously sold securities			
Employment benefits payable		4,900,614.37	5,957,965.52
Taxes and fees payable		1,798,751.33	3,487,729.94
Other payables		221,854,769.19	226,920,695.23
Including: Interests payable			
Dividends payable			
Charges and commissions payable			

Dividend payable for reinsurance			
Held-for-sale liabilities			
Non-current liabilities due within one year		7,079,406.77	6,909,571.79
Other current liabilities		819,363.00	1,582,262.50
Total current liabilities		294,915,551.27	306,045,886.80
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		33,147,282.48	34,109,883.30
Deferred income tax liabilities			
Other non-current liabilities			
Total non-current liabilities		67,501,782.48	68,464,383.30
Total liabilities		362,417,333.75	374,510,270.10
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		-258,513,376.04	-258,161,242.03
Designated reserves			
Surplus reserves		108,587,124.40	108,587,124.40
General risk provision			
Retained earnings		-2,011,407,663.51	-2,002,856,391.50
Total equity attributable to shareholders of the Parent		-203,966,577.27	-195,063,171.25
Minority interests		1,998,713.75	2,033,406.34
Total shareholders' equity		-201,967,863.52	-193,029,764.91
Total liabilities and shareholders' equity		160,449,470.23	181,480,505.19

The Company's Chairman:
Su Weiguo

Chief Financial Officer:
Dang Zhaozhao

Chief Accounting Officer:
Li Ling

(2) Balance Sheet of parent company

Unit: RMB

Item	Notes	Closing balance	Opening balance
Current assets:			
Monetary funds		2,409.65	2,406.66
Deposit Reservation for Balance			
Lending funds			
Financial assets held for trading			
Derivative financial assets			
Notes receivable			
Accounts receivable			
Receivables financing		249,249,768.98	249,713,804.62
Advances to suppliers			
Receivable premium			
Reinsurance accounts receivable			
Provision of cession receivable			
Other receivables			
Including: Interests receivable			
Dividends receivable			
Redemptory monetary capital for sale		620,824.01	609,433.66
Inventories		249,873,002.64	250,325,644.94
Contract assets			
Held-for-sale assets			
Non-current assets due within one year			
Other current assets			
Total current assets		56,436,473.03	56,436,473.03
Non-current assets:			
Issuing loans and advances			
Debt investments			
Other debt investments		15,012.34	16,557.28
Long-term receivables			
Long-term equity investments			
Other equity instrument investments			
Other non-current financial assets			
Investment properties			
Fixed assets			
Construction in progress			
Biological assets held for production			
Oil and gas assets			
Right-of-use assets			
Intangible assets		56,451,485.37	56,453,030.31

Development expenditure		306,324,488.01	306,778,675.25
Goodwill			
Long-term deferred charges			
Deferred income tax assets			
Other non-current assets			
Total non-current assets			
Total asset			
Current liabilities:			
Short-term borrowings		581,743.59	581,743.59
Borrowings from central bank			
Loans from other banks and other financial institutions		3,249,386.03	3,512,586.03
Financial liabilities held for trading		104,556.96	102,732.41
Derivative financial liabilities		166,737,021.72	165,834,980.51
Notes payable			
Accounts payable			
Advances from customers			
Contract liabilities			
Sell to repurchase financial assets			
Deposits from customers and interbank		170,672,708.30	170,032,042.54
Receivings from vicariously traded securities			
Receivings from vicariously sold securities			
Employment benefits payable			
Taxes and fees payable			
Other payables			
Including: Interests payable			
Dividends payable			
Charges and commissions payable			
Dividend payable for reinsurance		34,354,500.00	34,354,500.00
Held-for-sale liabilities			
Non-current liabilities due within one year			
Other current liabilities			
Total current liabilities		34,354,500.00	34,354,500.00
Non-current liabilities:		205,027,208.30	204,386,542.54
Reserve fund for insurance contracts			
Long-term borrowings		873,370,000.00	873,370,000.00
Debt instruments payable			
Including: Preferred shares			
Perpetual bonds			
Lease liabilities		996,869,700.23	996,869,700.23
Long-term payables			
Long-term employee benefits payable			

Provisions			
Deferred income		108,587,124.40	108,587,124.40
Deferred income tax liabilities			
Other non-current liabilities		-1,877,529,544.92	-1,876,434,691.92
Total non-current liabilities		101,297,279.71	102,392,132.71
Total liabilities		306,324,488.01	306,778,675.25

(3) Consolidated income statement

Unit: RMB

Item	Notes	Amount for current year	Amount for last year
I. Total operating income		39,575,875.51	36,398,794.86
Including: Revenue from operation		39,575,875.51	36,398,794.86
Interest income			
The premium has been made			
Fee and commission income			
II. Total operating costs		49,202,857.96	55,831,679.91
Including: Cost for operation		18,793,166.94	29,096,149.21
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		377,484.54	392,101.53
Selling expenses		19,561,261.94	7,602,614.51
Administrative expenses		9,032,280.66	15,972,670.52
Research and development expenses		1,165,078.69	1,236,526.06
Financial costs		273,585.19	1,531,618.08
Including: Interest expense		158,719.27	1,490,380.03
Interest income		-11,311.63	-16,926.56
Add: Other income		1,072,488.94	1,419,912.37
Investment income (loss presented with "-" prefix)			
Including: In vestment 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)		-4,211.67	4,451.22
Asset impairment loss (loss presented with "-" prefix)			

Gain on disposal of assets (loss presented by “-” prefix)		-53,416.45	
III. Profit from operation (loss presented with “-” prefix)		-8,612,121.63	-18,008,521.46
Add: Non-operating income		26,755.87	128,641.29
Less: Non-operating expenses		598.84	578.57
IV. Total profits (total loss presented with “-” prefix)		-8,585,964.60	-17,880,458.74
Less: Income tax expenses			-7,960.49
V. Net profit (net loss presented with “-” prefix)		-8,585,964.60	-17,872,498.25
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)		-8,585,964.60	-17,872,498.25
2. Net profit from discontinued operations (net loss presented with “-” prefix)			
B. Classified by ownership		-	-
1. Net profit attributable to shareholders of the Parent (net loss presented with “-” prefix)		-34,692.59	-100,800.63
2. Profits and losses attributable to minority interests (net loss presented with “-” prefix)		-8,551,272.01	-17,771,697.62
VI. Net after-tax other comprehensive income		-352,134.01	1,283,399.39
A. Net after-tax other comprehensive income attributable to shareholders of the Parent		-352,134.01	1,283,399.39
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			
2. Other comprehensive income reclassification to profit or loss		-352,134.01	1,283,399.39
(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		-352,134.01	1,283,399.39
(7) Others			
B. Net after-tax other comprehensive income attributable to minority interests			
VII. Total comprehensive income		-8,938,098.61	-16,589,098.86
A. Total comprehensive income attributable to shareholders of the Parent		-8,893,239.93	-16,589,098.86
B. Total comprehensive income attributable to minority interests		-44,858.68	
VIII. Earning per share:			
A. Basic earning per share (RMB per share)		-0.01	-0.02
B. Diluted earning per share (RMB per share)		-0.01	-0.02

The Company's Chairman:
Su Weiguo

Chief Financial Officer:
Dang Zhaozhao

Chief Accounting Officer:
Li Ling

(4) Parent company income statement

Unit: RMB

Item	Notes	Amount for current year	Amount for last year
I Revenue from operation			
Less: Cost for operation			
Taxes and surcharges			
Selling expenses			
Administrative expenses		1,097,555.99	1,828,413.61
Research and development expenses			
Financial costs		-2.99	1,333.13
Including: Interest expense			
Interest income		-2.99	-75.69
Add: Other income			
Investment income (loss presented with “-” prefix)			
Including: In vestment income from associates and joint ventures			
Gain on derecognition of financial assets measured at amortized cost			
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)		2,700	
Asset impairment loss (loss presented with “-” prefix)			
Gain on disposal of assets (loss presented by “-” prefix)			
II. Profit from operation (loss presented with “-” prefix)		-1,094,853.00	-1,829,746.74
Add: Non-operating income			27,567.55
Less: Non-operating expenses			
III. Total profits (total loss presented with “-” prefix)		-1,094,853.00	-1,802,179.19
Less: Income tax expenses			
IV. Net profit (net loss presented with “-”		-1,094,853.00	-1,802,179.19

prefix)			
1. Net profit from continued operations (net loss presented with "-" prefix)		-1,094,853.00	-1,802,179.19
2. Net profit from discontinued operations (net loss presented with "-" prefix)			
V. Net after-tax other comprehensive income			
1. Other comprehensive income not reclassifiable 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			
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		-1,094,853.00	-1,802,179.19
VII. Earning per share:			
A. Basic earning per share (RMB per share)			
B. Diluted earning per share (RMB per share)			

(5) consolidated statement of cash flow

Unit: RMB

Item	Notes	Amount for current year	Amount for last year
I. Cash flows from operating activities:			
Cash received for sales of goods and rendering of services		49,766,810.01	87,463,461.05
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		591.58	304,174.55
Other cash receipts relating to operating activities		5,176,795.52	6,624,916.44
Cash inflows from operating activities (subtotal)		54,944,197.11	94,392,552.04
Cash payments for purchase of goods and services		34,474,515.64	58,993,355.54
Net increase in loans and advances to customers			
Net increase in deposits with central banks and inter banks			
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		15,284,611.59	25,590,538.53
Taxes and fees paid		1,425,384.41	1,184,959.40
Other cash payments relating to operating activities		7,645,824.27	19,332,260.05
Cash outflows for operating activities (subtotal)		58,830,335.91	105,101,113.52
Net cash flows from operating activities		-3,886,138.80	-10,708,561.48
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
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
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
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			
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		25,854.90	46,825.68
V. Net increase of cash and cash equivalents		-3,860,283.90	-5,621,735.80
Add: cash and cash equivalents opening balance		8,582,760.25	18,645,415.83
VI. Cash and cash equivalents closing balance		4,722,476.35	13,023,680.03

The Company's Chairman:
Su Weiguo

Chief Financial Officer:
Dang Zhaozhao

Chief Accounting Officer:
Li Ling

(6) Statement of cash flow of parent company

Unit: RMB

Item	Notes	Amount for	Item
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		2.99	3,099,846.01
Cash inflows from operating activities (subtotal)		2.99	3,099,846.01
Cash payments for purchase of goods and services			
Cash paid to or on behalf of employees			2,707,155.87
Taxes and fees paid			
Other cash payments relating to operating activities			403,926.22
Cash outflows for operating activities (subtotal)			3,111,082.09
Net cash flows from operating activities		2.99	-11,236.08
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, intangibles 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			
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		2.99	-11,236.08
Add: cash and cash equivalents opening balance		2,406.66	18,629.59
VI. Cash and cash equivalents closing balance		2,409.65	7,393.51

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 Co., Ltd. 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

	There porting period	The same period of last year
Net profit attributable to shareholders of the parent Company(RMB)	-8,551,272.01	-17,771,697.62

10.4.4 Earnings per share

	The reporting period	The same period of last year
Basic earnings per share (RMB/share)	-0.01	-0.02
Diluted earnings per share (RMB/share)	-0.01	-0.02

10.4.5 Dividends

No dividends were paid or proposed for the six months ended 30 June 2023 (for the six months ended 30 June 2022: 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
Northeast Electric Development Co., Ltd.
Su Weiguo
Chairman

Haikou, Hainan Province, the PRC
25 August 2023

As at the date of this Announcement, the Board comprises of six executive Directors, namely Mr. Su Weiguo, Ms. Liu Jiangmei, Ms. He Wei, Mr. Ding Jishi, Mr. Mi Hongjie and Mr. Zhu Xinguang; and three independent non-executive Directors, namely Mr. Fang Guangrong, Mr. Wang Hongyu and Mr. Li Zhengning.