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東北電氣發展股份有限公司

NORTHEAST ELECTRIC DEVELOPMENT CO.,LTD.

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

(Stock Code: 0042)

First Quarterly Report of 2018

The announce is made pursuant to Shenzhen Stock Exchange Stock Listing Rules and 13.10B of Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The quarterly report contained in this announcement has been considered and approved by the Board of Directors of the Company and the Audit Committee.

§1 Financial Data Prepared under the PRC Accounting Standards and Regulations (unaudited)

1.1 Did the Company make retrospective adjustment to or restatement of the accounting data of prior years due to changes in accounting policies and correction of accounting errors?

Yes No

1.2 Principal accounting data and financial indicators

Unit: RMB

Item	As at the end of the reporting period	As at the end Of same period last year	Increase/Decrease Comparing with the Same Period Last Year
Total operating revenues (RMB)	4,755,785.11	5,699,227.63	-16.55%
Net profits attributable to shareholders of listed company (RMB)	-4,648,986.52	-15,563,758.44	70.13%
Net profits attributable to shareholders of listed company (RMB) (Excluding non-recurring profit/loss items and amounts)	-7,889,855.34	-15,424,679.15	48.85%

Net cash flow from operating activities (RMB)	-4,194,229.68	35,078,254.69	-111.96%
Basic earnings per share (RMB/share)	-0.0053	-0.0178	70.22%
Diluted earnings per share (RMB/share)	-0.0053	-0.0178	70.22%
Net assets ratio (weighted average) (%)	-2.34%	-8.06%	Increase 5.72 percentage
	The end of the reporting period(31 March 2018)	The end of the prior year (31 December 2017)	Increase/decrease as at the end of the reporting period compared to the end of the prior year
Total assets (RMB)	298,608,889.04	306,236,911.04	-2.49%
Net assets attributable to shareholders of listed company (RMB)	-200,136,703.31	-198,631,842.02	-0.76%

1.3 Excluding non-recurring profit/loss items and amounts

Unit: RMB

Item	Amounts for the beginning of the year and the end of the reporting period	Remarks
Profit and loss on disposal of non-current assets (including the part of provision for asset impairment being written off)	3,240,868.82	RMB3,340,324.88 was used to settled debts and reduce the estimated liabilities, and was included into non-operating income; A loss of RMB99,456.06 from disposal of fixed assets was included into non-operating expense.

Notes for the Company's extraordinary gain or loss items as defined in the Explanatory Announcement on Information Disclosure for Companies Offering Their Securities to the Public No.1 - Extraordinary Gains or Losses and the extraordinary gain or loss items as illustrated in the Explanatory Announcement on Information Disclosure for Companies Offering Their Securities to the Public No.1 -Extraordinary Gains or Losses defined as its recurring gain or loss items

Applicable Not applicable

No extraordinary gain or loss items as defined or illustrated in the Explanatory Announcement on Information Disclosure for Companies Offering Their Securities to the Public No.1 - Extraordinary Gains or Losses were defined by the Company as its recurring gain or loss items during the reporting period.

§2 Total number of shareholders and the shareholding of the top ten shareholders as at the end of the reporting period

Unit: Share

Total number of shareholders		79,053		Total number of preferred shareholders with voting rights restored at the end of the reporting period (if any)		0
Shareholdings of top ten shareholders of ordinary shares						
Name of shareholders	Nature of shareholder	Percent age	Number of shares	Number of untradeable shares	Shares pledged or frozen	
					Status of shares	Number
HKSCC Nominees Limited	Overseas legal person	29.43%	257,055,899			
Beijing Haihongyuan Investment Management Co.,Ltd.	Domestic non-state-owned legal person	9.33%	81,494,850		Pledged	81,494,850
Yang Qinxiu	Domestic natural person	3.20%	27,955,752			
Taida Hongli Funds-CMBC-TEDA Manulife Strategy Rating No. 31 Assets Management Plan	Fund	1.23%	10,739,518			
Nanjing Fang Kai Enterprise Management Co.,Ltd	Domestic non-state-owned legal person	0.50%	4,332,700			
Shi Yubo	Domestic natural person	0.46%	3,992,100			
Shenzhen Zhongda Software Development Co.,Ltd.	Domestic non-state-owned legal person	0.41%	3,550,000	3,550,000		
Xu Kaidong	Domestic natural person	0.28%	2,431,359			
Hu Li	Domestic natural person	0.25%	2,172,360			
Central Huijin Asset Management Ltd.	State-owned legal person	0.24%	2,078,800			
Shareholdings of the top ten shareholders of ordinary shares of non-restricted shares						
Name of shareholders		Number of non-restricted shares held			Class of shares	

		Class of shares	Number
HKSCC Nominees Limited	257,055,899	H shares	257,055,899
Beijing Haihongyuan Investment Management Co., Ltd.	81,494,850	A shares	81,494,850
Yang Qinxiu	27,955,752	A shares	27,955,752
Taida Hongli Funds-CMBC-TEDA Manulife Strategy Rating No. 31 Assets Management Plan	10,739,518	A shares	10,739,518
Nanjing Fang Kai Enterprise Management Co.,Ltd	4,332,700	A shares	4,332,700
Shi Yubo	3,992,100	A shares	3,992,100
Xu Kaidong	2,431,359	A shares	2,431,359
Hu Li	2,172,360	A shares	2,172,360
Central Huijin Asset Management Ltd.	2,078,800	A shares	2,078,800
Yang Yuchen	2,050,601	A shares	2,050,601
Connections and concerted actions between the above shareholders:	So far as the company is aware, there is no connected relationship among the top ten shareholders or are parties acting in concert as required in “Administrative Measures for the Takeover of Listed Companies (《上市公司收購管理辦法》)”.Based on the final practicable date before the Third Quarterly Report and the publicly available information of the Company, the Company confirms that the number of public shares is sufficient.		
Shareholders involved in the margin trading business(if any)	Nanjing Fang Kai Enterprise Management Co., Ltd. holds 3,789,500 shares through the guarantee securities account of customer credit transactions of Hua Tai Securities Co., Ltd.; Shi Yubo holds 3,100,000 shares through the guarantee securities account of customer credit transactions of Everbright Securities Co., Ltd.; Xu Kaidong holds 2,431,359 shares through the guarantee securities account of customer credit transactions of Sinolink Securities Co., Ltd..		

Agreement repurchases type negotiable securities transaction in the report period

Yes No

The top 10 ordinary shareholders of the company and the top 10 shareholders of ordinary shares subject to unlimited sales did not agree to buy back transactions during the reporting period.

The total number of the company’s preferred shareholders and the top 10 shareholders preference shares

Yes No

§3 Conditions of large-margin changes of main items in the accounting

statement and financial indicators and reasons therefore

3.1 Conditions and reasons for change of main items in Balance Sheet

Unit: RMB

Item	Balance at the end of the reporting period	Opening balance	Increment/ decrement (%)	Reason of change
Prepayments	2,436,695.05	1,878,311.93	29.73%	Increased payment for goods of subsidiaries
Taxes payable	84,791.64	341,620.35	-75.18%	Decreased VAT payable
Notes Receivable	50,000.00	15,878,744.00	-99.69%	Reclassification for expired notes
Other Receivable	18,267,606.14	3,123,072.43	484.92%	Reclassification for expired notes

3.2 Conditions and reasons for change of main items in Income Statement

Unit: RMB

Item	January-March, 2018	January-March, 2017	Increment/ decrement (%)	Reason of change
Administrative expenses	7,764,789.98	15,753,158.14	-50.17%	The relocation expenses for the new site relocation and the agency fee for issuance of new H shares in the previous period were not incurred in this period
Financial expenses	7,667.69	403,265.89	-98.10%	No new borrowings incurred during the period
Loss on asset impairment	-31,487.70	-	100%	Subsidiaries disposed of impaired raw materials
Non-operating income	3,340,324.88	-	100%	Settle debts to offset estimated liabilities

3.3 Conditions and reasons for change of main items in Cash Flow Statement

Unit: RMB

Item	January-March, 2018	January-March, 2017	Increment/ decrement (%)	Reason of change
Cash received for sales of goods and rendering of services	7,715,912.60	15,096,149.30	-48.89%	Collection of accounts receivable decreased during the period
Other cash receipts relating to operating activities	25,061,835.95	55,655,312.24	-54.97%	Receipt of other receivables of large amount in the last period
Cash payments for	6,255,142.55	16,817,427.60	-62.81%	Decreased prepayments during the

purchase of goods and services				period
Cash paid for dividends, profit distribution and interests	6,010.40	490,591.07	-98.77%	As no new borrowings incurred during the period, the interest expense on borrowings decreased

§4 Significant Events

4.1 Material litigation and arbitration

- (1) The litigation where the Tiexi District branch (Shenyang City) of the State-owned Assets Supervision and Administration Commission (“SASAC”) sued the Company, Shenyang High-voltage Switchgear Co., Ltd. and New Northeast Electric(Shenyang) High-voltage Switchgear Co., Ltd. for the payment of allowance for staff.

According to the announcement made on 7 July 2017, the Tiexi District branch (Shenyang City) of State-owned Assets Supervision and Administration Commission (“SASAC”) brought litigation at Shenyang intermediate people’s court against Northeast Electric Development Co., Ltd., Shenyang High-voltage Switchgear Co., Ltd. and New Northeast Electric (Shenyang) High-voltage Switchgear Co., Ltd. for the payment of allowance for staff, asking the court to order the defendant to pay the plaintiff the debt of RMB28.53 million plus the interest of RMB7,788,690 and the liquidated damages of RMB1,426,500, totally RMB37,745,190. This case is still under hearing, and the court has not reached judgment.

According to the lawyer for the case, although there exist disputes in terms of the nature, time limit and agreement validity of the case, because the case involves people’s livelihood (allowance for staff), it is probable that the court would order the Company to assume all the liabilities for paying the remaining allowance for the employees of Shenyang High Voltage Switchgear Co., Ltd. and the relevant expenses. According to the legal opinion issued by the lawyer, and based on the principle of prudence, the Company recorded a liability of RMB37,745,190.00 for the amount involved in the case.

- (2) Progress in the enforcement of litigation brought by China Development Bank

According to the announcement made by the Company on 19 October 2017, the Supreme People's Court issued an enforcement order ((2017) SPC Enforcement Reply No.27) in August 2017 to reject the reconsideration request made by Northeast Electric and affirm the enforcement order of NHC (2015) Gao Zhi Yi Zi No.52. The enforcement order was final. According to the civil judgment that has taken effect, China Development Bank, the execution applicant, asked the court to order the relevant parties subject to enforcement, including Northeast Electric, to perform the obligations specified in the effective civil judgment.

In the opinion of the lawyer, the Company should assume the compensation liability of RMB272,627,700 according to the final ruling of the Supreme People's Court. Based on the principle of prudence, the Company has charged the compensation liability payable according to the final ruling into the profit and loss for the current period.

Except for the above cases, to the best of the directors' knowledge, the Company did not have any pending or threatened material litigation or claim.

4.2 In the report period, reception of research, communication and interview

None

4.3 Progress of Important Matters and Analytical Description of Their Influences and Solutions

(1) **New issue of H shares**

The additional issuance of the H-share scheme has been resolved by the second Extraordinary General Meeting and the Class Meeting of the shareholders in 2017 subject to the approval for application from regulators both domestically and internationally before implementation. (For details, see the announcement on resolutions of shareholders' meeting published on 5 June 2017) The Company received Acceptance Notice of the Application for Administrative Permission from the China Securities Regulatory Commission ("CSRC") (No.171506) issued by the CSRC on 7 August 2017. The Company received First Feedback Notice on Administrative Permission from the CSRC (No. 171506) on 16 August 2017 and Second Feedback Notice on Administrative Permission from the CSRC (No. 171506) on 23 February 2018. The Company has replied at the request of the feedback notices. Currently, the non-public issuance of H shares is still under review by the CSRC.

(2) Sale of significant assets

The Company held the 16th meeting of the eighth board of directors on 17 September 2017 and approved the substantial asset disposal scheme of the Company, based on which the two wholly-owned subsidiaries of the Company, Great Talant Technology Co., Ltd. and Shenyang Kaiyi Electric Co., Ltd. intended to dispose of 100.00% equity in New Northeast Electric (Jinzhou) Power Capacitor Co., Ltd. (“NNE Jinzhou PC”) they held to Jiangsu Ankaosolar Thermal Power Generation System Technology Co., Ltd. This substantial asset disposal is subject to consideration and approval at the general meeting (for details, please refer to the announcement made by the Company on 17 September 2017). To plan for the substantial asset reorganization, the Company submitted an application to Shenzhen Stock Exchange to suspend the trading in the shares of the Company since the morning session of 29 August 2017. The suspension lasted till 15 January 2018 when the Company made the announcement of the Substantial Asset Disposal Report (Revised), and the trading was resumed in the morning session of 16 January 2018. The Company has issued a notice of general meeting on 10 April 2018, and proposed to convene an extraordinary general meeting on 25 May 2018 for final consideration and approval (for details, see the Company’s announcement dated 10 April 2018).

§5 Performance of publicly disclosed undertakings by the Company or shareholders representing 5% or more of the shareholdings

Beijing Haihongyuan Investment Management Co.,Ltd.(“Beijing Haihongyuan”) made the following commitments in the acquisition report or equity change report: Avoid horizontal competition with the listed company; reduce and normalize the connected transactions with the listed company; maintain independence of the listed company after the acquisition; strictly abide by the CSRC’s related regulations on reduction of shares held by major shareholders of listed companies.

During the reporting period, Beijing Haihongyuan has strictly fulfilled the above commitments.

§6 Subsequent events

6.1 Resignation of Director and General Manager

Due to the heavy business commitment, Mr. Zhang Luyang applied for resignation as independent director of the Company, after resignation, Mr. Zhang Luyang will cease to hold any positions in the Company, the resignation of independent director Mr. Zhang Luyang will result in the number of independent director of the Company falling below the minimum quorum, the resignation report of independent director shall take effect upon election of new independent director at the general meeting of the Company. Meanwhile, the Supervisory Committee of the Company received resignation application from Mr. Li Dong, shareholder representative supervisor. Due to his own heavy business commitment, Mr. Li Dong respectively resigned as shareholder representative supervisor of the Company. After the resignation, Mr. Li Dong will no longer hold any positions in the Company, Given that the departure of Mr. Li Dong will result in the number of members of the Supervisory Committee of the Company falling below the minimum quorum, the resignation report of the supervisor will become effective upon election of new shareholder representative supervisor at the general meeting of the Company. (For details, see the announcements issued by the Company on 17 April 2018)

§7 FINANCIAL REPORT (UNAUDITED)

7.1 CONSOLIDATED BALANCE SHEET

Date: Mar. 31, 2018

Prepared by: Northeast Electric Development Co., Ltd.

Unit: RMB

Items	Closing Balance	Opening Balance
Current Assets:		
Cash and deposits	40,962,331.62	45,175,761.77
Financial asset designated to be measured by fair value and which change is recorded in current incomes		
Trading financial assets		
Notes Receivable	50,000.00	15,878,744.00
Accounts Receivable	74,398,273.08	76,253,768.68
Prepayment	2,436,695.05	1,878,311.93
Interest Receivable		
Dividend		
Other Receivable	18,267,606.14	3,123,072.43
Inventory	12,097,633.35	11,533,044.52
Assets held for sale		
Non-current asset due within 1 year		
Other current asset	3,326,475.74	3,696,251.15
Total current assets	151,539,014.98	157,538,954.48
Non-current Assets:		
Financial assets available for sale	31,760,858.70	31,760,858.70
Held-to-maturity investments		
Long-term receivables		
Long-term equity investments	19,215,223.76	19,463,641.61
Investment in real estate		
Fixed Assets	34,456,606.27	35,705,865.32
Construction in progress	42,574,804.34	42,553,751.05
Material - construction		
Liquidation of fixed assets	629,668.46	629,668.46
Productive biological assets		
Oil and gas assets		
Intangible Assets	16,564,141.35	16,664,015.40
Development expenditures		
Goodwill	72,097.15	72,097.15
Long-term deferred expenses	1,426,622.53	1,545,177.16
Deferred tax assets		
Other non-current assets	369,851.50	302,881.71
Total non-current assets	147,067,874.06	148,697,956.56

Total Assets	298,608,889.04	306,236,911.04
Current Liabilities:		
Short-term Borrowings		
Financial Liabilities designated to be measured by fair value and which change is recorded in current incomes		
Trading financial liabilities		
Notes Payable	40,000.00	40,000.00
Accounts Payable	19,085,883.27	21,501,715.83
Receipts in advance	4,537,869.12	4,185,139.12
Employee compensation	2,402,389.91	3,022,542.03
Taxes Payable	84,791.64	341,620.35
Interest Payable		
Dividends	40,017.86	40,017.86
Other Payables	365,680,984.80	365,420,737.42
Liabilities held for sale		
Non-current liabilities due within 1 year		
Other Liabilities		
Total current liabilities	391,871,936.60	394,551,772.61
Non-current liabilities:		
Long-term Borrowings		
Bonds Payable		
Incl: Premium		
Perpetual		
Long-term Payables		
Long-term Payable - Salaries&Benefits		
Special Payables	30,965,484.89	30,965,484.89
Estimated Liabilities	72,099,690.00	75,360,671.25
Deferred Revenue		
Deferred Liabilities - Income Tax		
Other Non-Current Liabilities		
Total Non-Current Liabilities	103,065,174.89	106,326,156.14
Total Liabilities	494,937,111.49	500,877,928.75
Shareholders' Equity:		
Share Capital	873,370,000.00	873,370,000.00
Other Equity Instruments		
Incl: Premium		
Perpetual		
Capital reserve	883,422,403.92	883,422,403.92
Less: Treasury Stock		
Other Comprehensive Income	-26,724,941.52	-29,869,066.75
Special Reserve		
Surplus Reserve	108,587,124.40	108,587,124.40

Provision for general risk		
Accumulated losses	-2,038,791,290.11	-2,034,142,303.59
Total equity attributable to the equity holders of the Company	-200,136,703.31	-198,631,842.02
Minority interests	3,808,480.86	3,990,824.31
Total shareholders' equity	-196,328,222.45	-194,641,017.71
Total liabilities and shareholders' equity	298,608,889.04	306,236,911.04

7.2 BALANCE SHEET (PARENT COMPANY)

Date: Mar.31, 2018

Prepared by: Northeast Electric Development Co., Ltd

Unit: RMB

Item	Closing Balance	Opening Balance
Current Assets:		
Cash and deposits	23,182.19	20,119.58
Financial asset designated to be measured by fair value and which change is recorded in current incomes		
Trading financial assets		
Notes Receivable		
Accounts Receivable	497,804.72	497,804.72
Prepayment	1,668,168.36	1,668,168.36
Interest Receivable		
Dividend		
Other Receivable	250,226,609.23	270,790,205.23
Inventory		
Assets held for sale		
Non-current asset due within 1 year		
Other current asset	403,995.85	363,531.99
Total current assets	252,819,760.35	273,339,829.88
Non-current Assets:		
Financial assets available for sale		
Held-to-maturity investments		
Long-term receivables		
Long-term equity investments	56,436,473.03	56,436,473.03
Investment in real estate		
Fixed Assets	42,937.76	46,373.60
Construction in progress		
Material - construction		
Liquidation of fixed assets		
Productive biological assets		
Oil and gas assets		
Intangible Assets		
Development expenditures		

Goodwill		
Long-term deferred expenses	944,911.97	1,018,224.11
Deferred tax assets		
Other non-current assets		
Total non-current assets	57,424,322.76	57,501,070.74
Total Assets	310,244,083.11	330,840,900.62
Current Liabilities:		
Short-term Borrowings		
Financial Liabilities designated to be measured by fair value and which change is recorded in current incomes		
Derivative financial liabilities		
Notes Payable		
Accounts Payable		
Receipts in advance	581,743.59	581,743.59
Employee Compensation	88,586.84	908,719.52
Taxes Payable	52,965.96	27,037.06
Interest Payable		
Dividends		
Other Payable	310,457,081.91	329,433,337.90
Liabilities held for sale		
Non-current liabilities due within 1 year		
Other Liabilities		
Total current liabilities	311,180,378.30	330,950,838.07
Non-current liabilities:		
Long-term Borrowings		
Bonds Payable		
Incl: Premium		
Perpetual		
Long-term Payables		
Long-term Payable - Salaries&Benefits		
Special Payable		
Estimated Liabilities	72,099,690.00	75,360,671.25
Deferred Revenue		
Deferred Liabilities - Income Tax		
Other Non-Current Liabilities	72,099,690.00	75,360,671.25
Total Non-Current Liabilities	383,280,068.30	406,311,509.32
Total Liabilities	119,396,161.88	113,582,650.56
Shareholders' Equity:		
Share Capital	873,370,000.00	873,370,000.00
Other Equity Instruments		
Incl: Premium		
Perpetual		

Capital reserve	995,721,167.46	995,721,167.46
Less: Treasury Stock		
Other Comprehensive Income		
Surplus Reserve	108,587,124.40	108,587,124.40
Accumulated losses	-2,050,714,277.05	-2,053,148,900.56
Total shareholders' equity	-73,035,985.19	-75,470,608.70
Total liabilities and shareholders' equity	310,244,083.11	330,840,900.62

7.3 CONSOLIDATED INCOME STATEMENT

Date: Jan.-Mar. 2018

Prepared by: Northeast Electric Development Co., Ltd

Unit: RMB

Items	Amount for the current period	Amount for the previous period
I. Total Operating Income	4,755,785.11	5,699,227.63
Incl.: Sales	4,755,785.11	5,699,227.63
II. Total Operating Cost	12,754,665.88	21,274,558.28
Incl.: Cost of Sales	3,926,161.04	4,100,248.02
Taxes & Surcharges	323,498.25	312,207.91
Expenses of Sales	764,036.62	705,678.32
Administrative expenses	7,838,102.12	15,753,158.14
Finance expenses	7,667.69	403,265.89
Assets Impairment loss	-31,487.70	
Plus: Income of fair value variance (loss is posed as "—")		
Return on investments (loss is posed as "—")		
Including.: return on investments to associates and related		
Return on exchanges (loss is posed as "—")		
III. Operational Profit (Loss is posed as "—")	-8,072,192.91	-15,575,330.65
Plus: Non-operating income	3,340,324.88	
Including: income of disposal of non-current assets		
Less: Non-operating expenses	99,456.06	139,079.29
Including: loss of disposal of non-current assets		
IV. Total Profit (Total loss is posed as "—")	-4,831,324.09	-15,714,409.94
Less: Income tax expenses		

V. Net Profit (Net loss is posed as "—")	-4,831,324.09	-15,714,409.94
Net profit attributable to equity holders of the Company	-4,648,986.52	-15,714,409.94
Minority interests	-182,337.57	-150,651.50
VI. Net Other Comprehensive Income after tax	3,144,125.23	-1,819,426.10
Total Comprehensive Income Attributable to the Equity Holders of the Company	3,144,125.23	-1,819,426.10
(I) Other Comprehensive Income not to be re-categorized into Profit & Loss		
1.Remeasurement of Net Liabilities/Assets Variance of Defined Benefit Plans		
2.Shares of Other Comprehensive Income not to be re-categorized into Profit & Loss from invested Parties by Equity Methods		
(II) Other Comprehensive Income to be re-categorized into Profit & Loss	3,144,125.23	-1,819,426.10
1. Shares of Other Comprehensive Income to be re-categorized into Profit & Loss from invested Parties by Equity Methods		
2. Profit/Loss in fair value of available-for-sale financial assets		
3.Profit/Loss of held-to-maturity investments in re-categorized available-for-sale financial assets		
4.Effective portion of Profit/Loss from Cash Flow Hedge		
5.Differences of Exchange for Foreign Currency Report	3,144,125.23	-1,819,426.10
6.Others		
Net After-tax Comprehensive Income Attributable to Minority Interests		
VII. Total Comprehensive Income	-1,687,198.86	-17,533,836.04
Total Comprehensive Income Attributable to the Equity Holders of the	-1,504,861.29	-17,383,184.54

Company		
Total Comprehensive Income Attributable to the Minority Interests of the Company	-182,337.57	-150,651.50
VIII. Earnings per share		
(I) Basic earnings per share	-0.0053	-0.0178
(II) Diluted earnings per share	-0.0053	-0.0178

7.4 INCOME STATEMENT (PARENT COMPANY)

Date: Jan.-Mar. 2018

Prepared by: Northeast Electric Development Co., Ltd

Unit: RMB

Item	Amount for the current period	Amount for the previous period
I. Total Operating Income	0.00	0.00
Less: Cost of Sales	0.00	0.00
Taxes & Surcharges	15.00	0.00
Expenses of Sales	0.00	0.00
Administrative expenses	827,232.69	6,793,431.39
Finance expenses	-889.95	267,612.62
Assets Impairment loss		
Plus: Income of fair value variance (loss is posed as "-")		
Return on investments (loss is posed as "-")		
Including.: return on investments to associates and related parties		
II. Operational Profit (Loss is posed as "-")	-826,357.74	-7,061,044.01
Plus: Non-operating income	3,260,981.25	
Incl: income of disposal of non-current assets		
Less: Non-operating expenses		
Incl: loss of disposal of non-current assets		
III. Total Profit (Total loss is posed as "-")	2,434,623.51	-7,061,044.01
Less: Income tax expenses		
IV. Net Profit (Net loss is posed as "-")	2,434,623.51	-7,061,044.01
V. Net Other Comprehensive Income after tax		

(I) Other Comprehensive Income not to be re-categorized into Profit & Loss		
1.Remeasurement of Net Liabilities/Assets Variance of Defined Benefit Plans		
2.Shares of Other Comprehensive Income not to be re-categorized into Profit & Loss from invested Parties by Equity Methods		
(II) Other Comprehensive Income to be re-categorized into Profit & Loss		
1. Shares of Other Comprehensive Income to be re-categorized into Profit & Loss from invested Parties by Equity Methods		
2. Profit/Loss in fair value of available-for-sale financial assets		
3.Profit/Loss of held-to-maturity investments in re-categorized available-for-sale financial assets		
4.Effective portion of Profit/Loss from Cash Flow Hedge		
5.Differences of Exchange for Foreign Currency Report		
6.Others		
VI. Total Comprehensive Income	2,434,623.51	-7,061,044.01
VII. Earnings per share		
(I) Basic earnings per share		
(II) Diluted earnings per share		

7.5 CONSOLIDATED CASH FLOW STATEMENT

Date: Jan.-Mar. 2018

Prepared by: Northeast Electric Development Co., Ltd

Unit: RMB

Items	Amount for the current period	Amount for the previous period
I. Cash flow from operating activities		
Cash received from sales of goods or rendering of services	7,715,912.60	15,096,149.30
Tax refunds received		
Cash received from other operating activities	25,061,835.95	55,655,312.24
Sub-total of cash inflows from operating activities	32,777,748.55	70,751,461.54
Cash paid to goods purchased and labor service received	6,255,142.55	16,817,427.60

Cash paid to and for employees	5,030,159.28	7,112,398.02
Payments of taxes and surcharges	848,155.35	818,448.04
Cash payments to other operating activities	24,838,521.05	10,924,933.19
Sub-total of cash outflows for operating activities	36,971,978.23	35,673,206.85
Net Cash Flow from operating activities	-4,194,229.68	35,078,254.69
II. Cash flow from investing activities		
Cash from disinvestments		
Cash received from return of investments		
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		
Net cash received in disposing subsidiaries and other operating units		
Cash received relating to other investing activities		
Sub-total of cash inflows from investing activities		
Cash paid in purchase/construction of fixed assets, intangible assets and other long-term assets		1,065,152.91
Cash paid for investment		
Net cash paid for subsidiaries and other operating units		
Cash paid relating to other investing activities		
Sub-total of cash outflows		1,065,152.91
Net Cash Flow from investing activities		-1,065,152.91
III. Cash flow from financing activities		
Cash received by absorbing investment		
Incl: cash received by subsidiaries from minority shareholders		
Cash received from borrowings		3,000,000.00
Cash received from bond issued		
Cash received relating to other financing activities		
Sub-total of cash inflows		3,000,000.00
Cash paid for repayments of debts		2,000,000.00
Cash paid for distribution of dividends, profits and interest	6,010.40	490,591.07
Incl: cash paid by subsidiaries to minority shareholders		
Cash paid relating to other financing activities		
Sub-total of cash outflows	6,010.40	2,490,591.07
Net Cash Flow from financing activities	-6,010.40	509,408.93
IV. Effect of change of foreign currency rates on cash and cash equivalents	-26,203.90	-6,326.76
V. Net increase of cash and equivalent	-4,226,443.98	34,516,183.95
Plus: Balance of cash and equivalent at beginning of period	8,408,461.77	27,600,371.44
VI. Balance of Cash and equivalent by end of period	4,182,017.79	62,116,555.39

7.6 CASH FLOW STATEMENT (PARENT COMPANY)

Date: Jan.-Mar., 2018

Prepared by: Northeast Electric Development Co., Ltd

Unit: RMB

Item	Amount for the current period	Amount for the previous period
I. Cash flow from operating activities		
Cash received from sales of goods or rendering of services		
Tax refunds received		
Cash received from other operating activities	24,052,160.50	62,676,379.12
Sub-total of cash inflows from operating activities	24,052,160.50	62,676,379.12
Cash paid to goods purchased and labor service received	688,264.67	
Cash paid to and for employees	1,330,954.75	1,798,202.35
Payments of taxes and surcharges	1,677.30	
Cash payments to other operating activities	22,028,201.17	59,675,421.74
Sub-total of cash outflows	24,049,097.89	61,473,624.09
Net Cash Flow from investing activities	3,062.61	1,202,755.03
II. Cash flow from investing activities		
Cash from disinvestments		
Cash received from return of investments		
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		
Net cash received in disposing subsidiaries and other operating units		
Cash received relating to other investing activities		
Sub-total of cash inflows from investing activities		
Cash paid in purchase/construction of fixed assets, intangible assets and other long-term assets		14,038.38
Cash paid for investment		
Net cash paid for subsidiaries and other operating units		
Cash paid relating to other investing activities		
Sub-total of cash outflows		14,038.38
Net Cash Flow from investing activities		-14,038.38
III. Cash flow from financing activities		
Cash received by absorbing investment		
Cash received from borrowings		
Cash received from bond issued		
Cash received relating to other financing activities		
Sub-total of cash inflows		
Cash paid for repayments of debts		
Cash paid for distribution of dividends, profits and interest		350,000.00

Cash paid relating to other financing activities		
Sub-total of cash outflows		350,000.00
Net Cash Flow from financing activities		-350,000.00
IV. Effect of change of foreign currency rates on cash and cash equivalents		
V. Net increase of cash and equivalent	3,062.61	838,716.65
Plus: Balance of cash and equivalent at beginning of period	20,119.58	49,760.27
VI. Balance of Cash and equivalent by end of period	23,182.19	888,476.92

Legal Representative:Su Jianghua Chief Financial Officer:Xiao Xun Chief Accounting Officer:Qian Kouming

By order of the Board

Liu Daoqi

Chairman

Changzhou, Jiangsu Province, the PRC

27 April, 2018

As at the date of the Statement, the Board of Directors comprises of five directors, namely Mr. Liu Daoqi, Mr. Bai Haibo, Mr. Li Rui , Mr. Song Xiang and Mr. Bao Zongbao ; and three independent directors, namely Mr. Zhang Luyang , Mr. Jin Wenhong and Mr. Qian Fengsheng.