

*The Hong Kong Exchanges and Clearing Limited and the Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



*(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 2024**

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 2024.

### **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, Liu Kejia, and Chief Financial Officer, Lin Bin 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 11th meeting of the 10th Board convened on 29 August 2024. 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 2024 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 2024. 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 2024.

- 1.5 the Company proposes not to distribute cash dividend, issue bonus share, or capitalize from capital reserves.
- 1.6 The consolidated turnover is RMB67.97 million in accordance with the IFRS.
- 1.7 The Loss attributable to equity holders of the Company is RMB5.51 million.
- 1.8 Loss per share attributable to equity holders of the Company is RMB0.6 cents.
- 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 ("**Listing Rules**") on The Stock Exchange of Hong Kong Limited ("**Hong Kong Stock Exchange**") and Paragraph 46 of Appendix D2 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
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

# Chapter 2 CORPORATE PROFILE

## 2.1 Basic information

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

## 2.2 Contact person and contact in formation

	<b>Secretary to the Board</b>	<b>Representative for securities affairs</b>
<b>Name</b>	Ding Jishi	Zhu Xinguang
<b>Address</b>	35th Internet Finance Building, No.3 Guoxing Avenue, Meilan District, Haikou City,Hainan Province	35th Internet Finance Building, No.3 Guoxing Avenue, Meilan District, Haikou City,Hainan Province
<b>Telephone</b>	0898-65315679	0898-65315679
<b>Fax</b>	0898-65315679	0898-65315679
<b>Email</b>	dbdqshbgs@hnagroup.com	nemm585@sina.com
<b>Website of the Company's designated information disclosure platform</b>		www.hkexnews.hk www.neeq.com.cn
<b>Place for inspection of interim report</b>		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	35th Internet Finance Building, No.3 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

Items	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	67,972,751.65	39,575,875.51	71.75%
Gross margin%	39.47%	52.51%	-
Net profits attributable to shareholders of the listed Company	3,587,825.33	-8,551,272.01	141.96%
Net profits attributable to shareholders of the listed Company after extraordinary Items	-5,651,371.37	-9,486,423.63	40.43%
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)	0.004	-0.01	140%

### (2) Debt-paying ability

Unit: RMB

Items	As at the end of the reporting period	As at the end of last year	Increase/decrease in the reporting period compared with the end of last year
Total assets	183,499,965.34	172,429,625.74	6.42%
Total debt	388,944,031.08	380,112,259.45	2.32%
Net assets attributable to shareholders of the listed Company	-207,484,515.09	-209,675,270.81	1.04%
Net asset value per share of the listed Company	-0.24	-0.24	-

Asset-liability ratio% (parent Company)	350.60%	332.30%	-
Asset-liability ratio% (consolidated statements)	211.96%	220.44%	-
Liquidity ratio	0.35	0.31	12.9%
Interest coverage ratio	17.07	-36.99	146.15%

(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	-5,351,808.35	-3,886,138.80	-37.72%
Turnover of account receivable	1.81	0.76	135.53%
Turnover of inventories	1.55	0.94	64.89%

(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%	6.42%	-11.59%	-
Operating incomes growth rate%	71.75%	8.73%	-
Net profits growth rate%	N/A	N/A	-

(5) Extraordinary Items and the related amount

Unit: RMB

Items	Amount
Gains and losses on disposal of non-current assets	9,128,100.27
Non-operating income and expense other than the above Items	111,096.43
<b>Total</b>	9,239,196.70
Effect of income tax	
Impact on minority interests (after tax)	
<b>Net extraordinary Items and the related amount</b>	9,239,196.70

**(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*

<b>Items</b>	<b>Reporting period (January-June)</b>	<b>The same period of previous year</b>
Turnover	67,973	39,576
Profit before tax	-6,371	-8,586
Taxation	906	0
Profit after tax	-5,464	-8,586
Minority interests	48	-35
Profits attributable to shareholders	-5,512	-8,551

**Condensed Consolidated Statement of Financial Position**

*Unit: RMB'000*

<b>Items</b>	<b>At the end of this reporting period</b>	<b>At the end of previous year</b>
Total assets	183,500	181,530
Total liabilities	389,849	380,755
Shareholders' equity	-206,349	-199,225



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

Items	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	3,587,825.33	-8,551,272.01	-207,484,515.09	-209,675,270.81
Items and amounts adjusted according to foreign accounting standards	-9,100,000.00	-	-905,345.47	8,456,817.60
Foreign accounting standards	-5,512,174.67	-8,551,272.01	-208,389,860.56	-201,218,453.21

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

1. During the reporting period, based on the need for integrating resources, replenishing working capital, and promoting continuous operations, the subsidiary Garden Lane Hotel signed a "**Share Transfer Agreement**" with the related party Taisheng Real Estate (Shanghai) Co., Ltd.\* (泰升房地產(上海)有限公司) on January 13 2024, transferring its 30% equity interest in Chongqing Hainan Hotel for RMB9.1 million in cash to Taisheng Real Estate (Shanghai) Co., Ltd. The equity transfer was completed with the change of registration at the administrative bureau for industry and commerce on March 8 2024. According to the PRC GAAP, this asset disposal resulted in a RMB9.1 million investment income. According to the International Financial Reporting Standards (IFRS), the equity interest was reclassified to assets held for sale in 2023, and the impairment was reversed to its fair value of RMB9.1 million, which was available for sale. This led to a RMB9.1 million difference in net profit and net assets between the financial reports disclosed at the end of the previous year under domestic and international accounting standards.

2. According to the PRC GAAP, enterprises are required to accrue and use safety production fees, which are included in special reserves. The amount of special reserves at the end of the previous year was RMB643,182.40, and at the end of the current period, it was RMB905,345.47. According to International Accounting Standards, these are adjusted and included in other payables, which results in a difference in net assets in the financial reports disclosed according to domestic and international accounting standards for both the end of the current period and the end of the previous year.

# 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		34,897	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	29.44%	257,089,919	20,000	0	257,089,919		
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	1.68%	14,630,200	1,290,100	0	14,630,200		
Wang Juan	Domestic natural person	1.16%	10,093,600	0	0	10,093,600		
Ding Yinhu	Domestic natural person	0.90%	7,900,032	6,567,700	0	7,900,032		
Zhao Rui	Domestic natural person	0.80%	6,960,310	0	0	6,960,310		
Yu Jun	Domestic natural person	0.79%	6,900,000	420,000	0	6,900,000		
Yang Baizhong	Domestic natural person	0.54%	4,690,579	-809,421	0	4,690,579		
Shi Yubo	Domestic natural person	0.54%	4,690,579	1,440,479	0	4,690,579		
Chen Yingzhu	Domestic natural person	0.51%	4,424,136	0	0	4,424,136		
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 2024, 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 2024, 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

<b>Name of Controlling Shareholders</b>	<b>Legal representative</b>	<b>Date of establishment</b>	<b>Organization code</b>	<b>Principal businesses</b>
Beijing Haihongyuan Investment Management Co., Ltd.	Wu Jiancheng	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 1988	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
Liu Kejia	Chief Financial Officer	Male	February 1977	12 January 2024	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
Dang Zhaozhao	Chief Financial Officer	Resigned	Nil	Work adjustment
Liu Kejia	None	Appointment	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 2024, 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 C3 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	211	201
Salesperson	24	26
Technical staff	23	21
Financial staff	22	23
Administrative staff	38	33
<b>Total</b>	<b>318</b>	<b>304</b>

## 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 RMB67.97 million, representing an increase of 71.75% as compared to RMB39.58 million for the corresponding period of the previous year; earnings attributable to shareholders after tax and minority interests amounted to RMB3.59 million, with earnings per share of RMB0.004.

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 2024.



## 6.2 Business review for the first half of 2024

In the first half of 2024, the external environment of complex and uncertain factors such as inflation, geopolitical conflicts, and trade frictions will significantly increase, and the global economic growth momentum will be weak. The United Nations has released its World Economic Outlook, which predicts that global economic growth will slow down from 2.7% in 2023 to 2.4% in 2024. From the perspective of the domestic situation, the continuous deepening of domestic structural adjustment has brought new challenges, and effective demand is still insufficient; At the same time, coupled with intensified price fluctuations in the bulk raw material market and weak social expectations, the prospects for economic recovery remain shrouded in fog.

2024 is the year when the "14th Five-Year Plan" economy climbs, and China's power industry continues to grow, especially in the rapid development of renewable energy. Macroeconomic policies highlight the firm determination to promote energy structure transformation and achieve green and low-carbon development goals. With the overall recovery and improvement of the domestic economy, Northeast Electric closely focuses on its annual business goals and tasks, actively seizes the development opportunities brought by the construction of new power systems in China through strict management, cost reduction and efficiency improvement, and strengthening innovation drive. It accelerates the adjustment of product structure, transformation and upgrading, steadily promotes the layout of new busbar products, and focuses on the market development of pumped storage projects and foreign customers, consolidating the market position of busbar products and making every effort to achieve growth in busbar business performance. The hotel business that operates simultaneously, accompanied by a stable and positive macroeconomic situation, continues to release demand for business travel and leisure tourism, and the confidence in the hotel catering and accommodation market is gradually recovering. Calculated on a comparable basis, the hotel business has also achieved recovery growth, stable operation, and can achieve the annual operating budget target.

### **Busbar business**

During this reporting period, Fuxin Busbar has enhanced its strategic vision and seized the opportunity of structural adjustment. Despite the surge in new orders in the previous year, it has maintained a high-speed growth momentum this year. At present, the cumulative increase in new orders is 17% year-on-year, providing a guarantee for the Company's future sustainable operation. The highlight of the sales structure adjustment is winning the bid for the procurement of two sets of 1000MW enclosed busbar equipment for a large domestic power company's power generation project, with a contract amount exceeding RMB20 million, adding new impetus to the market for million dollar unit power generation projects.

### **Hotel business**

According to the results of a domestic tourism sampling survey, in the first half of 2024, there were 2.725 billion domestic trips, a year-on-year increase of 14.3%; Domestic tourists spent a total of RMB2.73 trillion on travel, a year-on-year increase of 19.0%.

During the reporting period, with the continued recovery of the economy and the gradual effectiveness of policies, new vitality was brought to the hotel industry, continuing the positive trend of last year's recovery and growth. On the other hand, the market still faces challenges brought about by corporate budget cuts and consumption downgrades.

With the recovery of Dalian's cultural and tourism market and the entry policies of surrounding countries, as well as the gradual entry of the hotel industry into peak season, the reporting period has undertaken Dalian sports events and the Summer Davos. The weekly occupancy rate and revenue of hotels are gradually recovering, and hotel revenue has increased year-on-year.

### 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.

The wholly-owned subsidiary of the Company, Fuxin Busbar, continues to rely on technological innovation to promote enterprise development: it has established a provincial-level innovation studio in Liaoning, organized and carried out technological process research and innovation activities, and has obtained a total of 39 national utility model patents; We have completed the design, development, production, and sales of five new products, including fully insulated cast busbars, fully insulated tubular busbars, intelligent busbar dehumidification systems, wind turbine tower tubular busbars, and dense busbar trunking, and have fully launched them to the market. Relying on innovative achievements, Fuxin Bus has been awarded the titles of "**National High tech Enterprise**" and "**Innovative Small and Medium sized Enterprise**" in Liaoning Province. The income tax rate for this year is 15%.

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

## **6.4 the Company's risks and countermeasures**

### **1. Market risks brought by macroeconomic environment**

The power transmission and transformation equipment manufacturing industry in which the Company operates has an important impact on the long-term development of the economy and society, and is closely related to macroeconomic policies, industrial policies and national power planning. Any of increasingly complex global economic environment, intensified macroeconomic risks, energy development strategy, industrial structure, market structure adjustment, industry resource integration, changes in market supply and demand and other factors may have an impact on the Company's operation and development.

The hotel industry is in the midst of a tourism recovery. Any of complex domestic and international situations, macroeconomic fluctuations, major natural disasters and other systemic risks; worse-than-expected economic recovery, and worse-than-expected demand for consumption upgrade will have a greater impact on the Company's performance.

Countermeasures: the Company will pay close attention to the macroeconomic situation at home and abroad, and always be market-oriented, establish an operation management and control model to meet market needs, and pay attention to improving its market position; keep increasing market development efforts, consolidate the market share of traditional busbar, make in-depth exploration of new product market space, strengthen the Company's ability to cope with risks; enhance the market response sensitivity, accurately grasp the market demands, expand the market space, and explore new business growth points.

### **2. Market competition risk**

Affected by the macro-economy, the busbar industry in which the Company operates is facing increasingly fierce competition, and the Company will face greater competitive pressure. The hotel industry is a fully competitive industry, and the industry competition is fierce and white-hot. Countermeasures: We will enhance the market response sensitivity, accurately grasp the market demand, expand the market space of new products, and explore new business growth points. In order to cope with the current fierce market competition, the Company has taken a variety of effective measures to enhance brand influence and professional operation capabilities.

### 3. Operating cost fluctuation risk

the Company's busbar products have typical characteristics of "**More emphasis on materials and light industry**", the main raw materials represented by copper and aluminum have high value, and their prices fluctuate significantly with the complex and changing international trade environment, supply and demand relations, macroeconomic situation and other factors, requiring a large amount of capital, and their price fluctuations will directly affect the Company's production cost, and then affect the product profitability. Such fluctuations may even adversely affect the stable operation of the Company.

Meanwhile, with the pressure of economic inflation, the operating costs of hotel rooms and catering of the Company continue to rise, and the costs of hotel materials, raw materials, equipment renewal, energy consumption and labor are increasing year by year. Correspondingly, if the room rate, occupancy rate, per capita consumption level and consumer number cannot be improved, the gross profit of the Company's rooms and catering will be squeezed, and we need to improve the profitability through market research and management efficiency enhancement.

Countermeasures: To this end, the Company will study and judge the changes in the relationship between supply and demand of raw material market in a timely manner, strengthen the strategic cooperation with customers and suppliers in depth, and reduce the impact of raw material price fluctuations on the Company, while strengthening scientific and technological innovation and product innovation, reinforcing the enterprise cost control management, and improving the product profitability.

### 4. Risk of account receivable

Due to the long payment cycle of busbar products, high concentration of users, weak bargaining power of manufacturers, long quality guarantee deposit period and other reasons, the amounts of accounts receivable and inventory at the end of the period are large, affecting the operating efficiency to a certain extent, increasing the Company's capital turnover pressure, operating costs and risks.

Countermeasures: On the one hand, the Company will focus on developing high-quality customers and strengthening customer credit ratings. And on the other hand, the Company will continuously monitor the age of accounts receivable, strengthen collection efforts, and reduce the impairment risk of accounts receivable, in order to effectively prevent financial risks.

## 5. Continuous operation capability risk

the Company's overseas auditor Wilson & Partners CPA Limited ("**Overseas Auditor**") issued an unmodified audit opinion with a Material Uncertainty Related to Going Concern for the year 2023: We draw attention to Note 3.1 to the consolidated financial statements, which indicates that the Group incurred a loss attributable to the owners of the Company of approximately RMB5,956,000 during the year ended 31 December 2023 and, as at 31 December 2023, the Group's current liabilities exceeded its current assets by approximately RMB207,569,000 and the Group's total liabilities exceeded its total assets by approximately RMB199,226,000, while the Group had cash and cash equivalents of approximately RMB6,444,000. These conditions, along with other matters as set forth in Note 3.1 to the consolidated financial statements, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Response measures: Please refer to the "**Notes made by the Board on the non-standard audit report issued by the accounting**" in the 2023 Annual Report for details.

There have been no significant changes in major risks during this reporting period.

### 6.5 Prospects for the second half of the year

Centered on the annual business objectives and work tasks for 2024, 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 2023. 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

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 %
	Amount	As a percentage of total assets %	Amount	As a percentage of total assets %	
Monetary funds	14,118,036.27	7.69%	12,158,690.85	7.05%	16.11%
Notes receivable	2,640,000.00	1.44%	2,190,953.98	1.27%	20.50%
Accounts receivable	37,597,909.83	20.49%	38,330,429.55	22.23%	-1.91%
Advances to suppliers	4,084,578.65	2.23%	4,324,824.87	2.51%	-5.56%
Other receivables	11,051,272.67	6.02%	13,549,959.28	7.86%	-18.44%
Inventories	31,970,439.90	17.42%	21,185,633.00	12.29%	50.91%
Contract assets	10,922,017.39	5.95%	4,516,811.38	2.62%	141.81%
Other current assets	1,452,618.23	0.79%	1,487,133.24	0.86%	-2.32%
Fixed assets	34,200,613.15	18.64%	35,678,380.20	20.69%	-4.14%
Right-of-use assets	3,454,785.95	1.88%	6,909,571.79	4.01%	-50.00%
Intangible assets	11,154,256.57	6.08%	11,286,259.63	6.55%	-1.17%
Other non-current assets	19,083,585.02	10.40%	19,083,585.02	11.07%	-
Deferred Tax Asset	1,769,851.71	0.96%	1,727,392.95	1.00%	2.46%

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 %
	Amount	As a percentage of total liabilities %	Amount	As a percentage of total liabilities %	

Accounts payable	48,893,223.56	12.57%	44,972,106.04	11.83%	8.7%
Contract liabilities	29,844,295.12	7.67%	13,582,689.39	3.57%	119.7%
Employment benefits payable	3,498,636.35	0.90%	5,087,814.8	1.34%	-31.2%
Taxes and fees payable	2,533,634.03	0.65%	2,815,002.87	0.74%	-10.0%
Other payables	228,303,607.94	58.70%	234,938,640.3	61.81%	-2.8%
Non-current liabilities due within one year	7,079,406.84	1.82%	6,909,571.79	1.82%	2.5%
Other current liabilities	2,350,949.91	0.60%	2,539,859.62	0.67%	-7.4%
estimated liabilities	34,354,500.00	8.83%	34,354,500.00	9.04%	-
Deferred income	31,222,080.84	8.03%	32,184,681.66	8.47%	-3.0%
Deferred income tax liabilities	863,696.49	0.22%	1,727,392.95	0.45%	-50.0%

### Reasons for major changes in the Items

Inventory: Mainly due to a significant increase in contracts for delivery of busbar products this year, resulting in a substantial increase in the Company's investment in raw and auxiliary materials.

Contract assets: Mainly due to the growth in revenue from busbar products over the past two years, as the progress of engineering projects has led to a significant increase in warranty deposits.

Right-of-use assets: Mainly due to the lease contract of the Dalian branch of Garden Lane Hotel, a major subsidiary, expiring on December 31 2024, and the reasonable accrual of depreciation for right-of-use assets during the lease term.

Contract liabilities: Mainly due to the significant increase in new sales contracts signed by the subsidiary Fuxin Busbar, resulting in an increase in advance receipts.

Employment benefits payable: Mainly due to the payment of some overdue salaries from previous years during the reporting period.

Deferred income tax liabilities: mainly due to the reduction of right-of-use assets.



## 7.2.2 Business situation and cash flow analysis

√ Applicable □ Not applicable

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 %
	Amount	As a percentage of operating incomes %	Amount	As a percentage of operating incomes %	
Operating incomes	67,972,751.65	-	39,575,875.51	-	71.75%
Cost for operation	41,144,798.54	60.53%	18,793,166.94	47.49%	118.93%
Gross margin%	39.47%	-	52.51%	-	-
Taxes and surcharges	366,556.50	0.54%	377,484.54	0.95%	-2.89%
Selling expenses	22,722,939.51	33.43%	19,561,261.94	49.43%	16.16%
Administrative expenses	10,396,547.11	15.30%	9,032,280.66	22.82%	15.10%
Research and development expenses	845,198.23	1.24%	1,165,078.69	2.94%	-27.46%
Financial costs	514,263.44	0.76%	273,585.19	0.69%	87.97%
Investment income	9,124,471.12	13.42%	-	-	100%
Gain on disposal of assets	3,628.15	0.01%	-53,416.45	-	106.8%
Other income	1,529,260.06	2.25%	1,072,488.94	2.71%	42.59%
Credit impairment loss	-10,111.68	-	-4,211.67	-	-140.1%
Non-operating income	105,441.41	-	26,755.87	-	294.09%
Non-operating expenses	5,655.02	-	598.84	-	844.33%
Income tax expenses	-906,155.22	-	-	-	-
Net cash flows from operating activities	-5,351,808.35	-	-3,886,138.80	-	-37.7%

Net cash flows from investing activities	8,997,590.00	-	-	-	100%
Net cash flows from financing activities	-	-	-	-	-

### Reasons for major changes in the Items

Operating incomes: Mainly due to the increase in contracts to be executed by the subsidiary Fuxin Busbar in the reporting period, coupled with a surge in delivery demands, leading to a significant increase in revenue for this period.

Cost for operation: Mainly due to the significant increase in operating income of Fuxin busbar, which led to a substantial increase in its operating costs, coupled with a significant increase in the proportion of operating costs.

Financial costs: Mainly due to the increase in guarantee fees for the issuance of guarantees by the subsidiary Fuxin Busbar.

Investment income : Mainly due to the completion of the industrial and commercial change registration for the 30% equity transaction of Chongqing HNA Hotel Investment Co., Ltd. (“**Chongqing Hotel**”), which resulted in an investment income of RMB9.1 million according to Chinese Accounting Standards.

Gain on disposal of assets: Mainly due to the profit and loss from the disposal of fixed assets in the same period last year.

Other income: Mainly due to the subsidiary Fuxin Busbar successfully implementing the preferential policy of a 5% additional deduction for value-added tax for advanced manufacturing industries, resulting in an increase in other income for this period.

Credit impairment loss : Due to the impairment loss of accounts receivable of Garden Lane Hotel Dalian Branch of the subsidiary company.

Non-operating income: Mainly due to the birth allowance received by Northeast Electric and its subsidiary Shenyang Kaiyi Electric Co., Ltd. (“**Shenyang Kaiyi**”) from the local social security bureau.

Non-operating expenses: Mainly due to the subsidiary Garden Lane Hotel Kunming Branch paying back taxes and late fees for previous years.

Income tax expenses: Mainly due to changes in deferred tax assets and deferred tax liabilities.

Net cash flows from operating activities: The number of pending contracts for Fuxin busbar has significantly increased during the reporting period.

Net cash flows from financing activities: Mainly due to the receipt of the equity transfer payment of RMB9.1 million from the Chongqing Hotel by Garden Lane Hotel. Mainly due to the purchase of fixed assets by the subsidiary Fuxin Busbar.

### 7.3 Assets and liabilities at fair value

None

### 7.4 Restricted assets as at the end of the reporting period

*Unit: RMB*

Items	Book value at the end of the year	Reasons for restriction
Monetary fund – other monetary funds	3,996,027.22	Performance guarantee
Monetary fund – other monetary funds	199.61	Suspend non-counter services
<b>Total</b>	3,996,226.83	

### 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	75, 165, 753. 07	59, 098, 507. 56	–	–10, 259. 60
Great Talent Technology Ltd.	Subsidiary	Investment	USD1	89, 829, 115. 67	6, 098, 977. 56	–	–13, 429. 46
Shenyang Kaiyi Electric Co.,Ltd.	Subsidiary	Manufacturing of Electrical	RMB1million	54, 116, 509. 5	–59, 295, 391. 88	–	–416, 826. 55
Fuxin Enclosed Busbar Co.,Ltd.	Subsidiary	Manufacturing of enclosed busbars	USD8.5million	129, 422, 409. 12	–38, 326, 759. 53	44, 063, 362. 78	–603, , 072. 89
Hainan Garden Lane Flight Hotel Management Co.,Ltd.	Subsidiary	Public space business	RMB50million	74, 258, 426. 26	–136, 457, 478. 12	23, 909, 388. 87	4, 781, 640. 09
Northeast Electric (Chengdu)Electric Engineering Design Co.,Ltd.	Subsidiary	Electric power engineering	RMB10million	13, 263, 688. 97	6, 876, 951. 90	–	–
NEE Business Travel (Hainan) Information Consulting Co., Ltd.	Subsidiary	Information Consulting Service	RMB1.5million	1, 921. 51	–1, 078. 49	–	–657. 64
HNA Tianjin Center Development Co.,Ltd.	Invested Company	Property leasing, hotel catering	RMB269,887,709	3, 095, 990, 732. 48	414, 561, 758. 37	44, 524, 236. 23	7, 432, 497. 97

**Analysis of Financial Status of the Company in Accordance with Appendix D2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited prepared in accordance with the International Financial Reporting Standards (IFRSs)**

**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 2024, according to the relevant regulations, the Company has no distributable reserve. Pursuant to the resolution approved at the Board meeting on 29 August 2024, 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 (2023: 1.00 million).

**Working capital and financial resources**

The net cash generated from the Group's operating activities for the half year ended 30 June 2024 was approximately deficit RMB5.35 million (2023: net cash generated from operating activities of approximately deficit RMB3.77 million).

As at 30 June 2024, the Group had bank deposits and cash (including pledged bank balances) of approximately RMB14.12 million (2023: RMB12.16 million) and had no bank loans (2023: nil). Borrowings bear fixed interest rates, and no hedging instruments are hedged.

As of 30 June 2024, the Group had current liabilities of RMB324.37 million, non-current liabilities of RMB65.48 million, and deficits attributable to owners of the Company of RMB208.39 million. 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 2024, the Group's short-term bank borrowings were nil, and the cash and cash equivalents were RMB10.12 million(2023:1.00 million).

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 2024, the Group's performance guarantees of RMB8.00 million (2023: RMB7.95 million) were secured by the Group's pledge of certain fixed deposits of RMB4.00 million (2023: RMB5.715 million).

### **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 2024, the Group's gearing ratio (calculated as total liabilities/total assets) was 212% (2023: 210%).

### **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 2024, the Company had no material contingent liabilities.

# Chapter 8 Significant Events

## 8.1 Personnel changes

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

## 8.2 Staff of the Company and remuneration policy

As at 30 June 2024, the number of employees on the payroll of the Company was 304. The total salary of employees was RMB13.33 million in the first half of 2024 (the number of employees of the Group was 318 and the total salary of employees was RMB28.73 million in 2023).

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 had ruled to terminate this execution procedure on 10 March 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	–	–
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. Acquisition or sale of assets or equity (Note 1)	9,100,000.00	9,100,000.00
5. Venue rental (Note 2)	7,500,000.00	–
6. Others	–	–

Note 1: Connected transaction on transfer of investment in Chongqing HNA Hotel Investment Co., Ltd. for 30% equity therein. Based on the need to integrate resources, supplement working capital, and promote sustainable operations, after deliberation at the eighth Board meeting of the tenth session of NEE on 12 January 2024, the subsidiary Hainan Garden Lane Flight Hotel Management Co., Ltd. (“**Garden Lane Hotel**”) and the related party Taisheng Real Estate (Shanghai) Co., Ltd. (“**Taisheng (Shanghai)**”) were approved to sign the Agreement on Transfer of Equities in Chongqing HNA Hotel Investment Co., Ltd. (“**Chongqing Hotel**”). Garden Lane Hotel transferred its investment in Chongqing Hotel for 30% equities therein to Taisheng (Shanghai) at RMB9.1 million in cash (as detailed in the announcement dated 12 January 2024). On 8 March 2024, the equity transfer was registered with the administration for industry and commerce as a change.

Note 2: A supplementary agreement to the lease contract entered into On 22 January 2024, as required for the continued operation of the hotel, Garden Lane Hotel (the “**Lessee**”), a non-wholly-owned subsidiary of the Company, entered into a supplementary agreement to the lease contract (the “**Supplementary Agreement**”) with Dalian Changjiang Plaza Co., Ltd. (the “**Lessor**”), a related party. According to the Supplementary Agreement, the relevant provisions of the original lease contract were adjusted to extend the lease period for one year, changing the lease period from the original “**1 September 2021 to 31 December 2023**” to “**1 September 2021 to 31 December 2024**”, and the rent standard for 2024 was still RMB7.5 million. Apart from the terms expressly adjusted in the Supplementary Agreement, the remainder of the original lease contract shall remain in effect (as detailed in the announcement dated 22 January 2024).

## **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 (An independent third-party company).

## **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 C1 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 2023. 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 Appendix C3 to the Listing Rules as a code of conduct for directors’ securities transactions; after accepting specific enquiries, all members of the Board of the Company confirmed that they had complied with the Model Code during their tenure as directors of the Company.

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 29 July 2024 to 29 August 2024, 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 2023 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 loans to any entity.

### **Pledge of shares by controlling shareholder**

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

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

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

### **Breach of loan agreements**

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

### **Provision of financial assistance and guarantee to affiliates**

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

### **Share option scheme**

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

## **Directors, supervisors and chief executive’s interests in the shares, underlying shares and debentures of the Company**

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

### **Audit of interim results**

The unaudited results for the six months ended 30 June 2024 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 2024.

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 2024.

### **8.14 Subsequent events**

None

# Chapter 9 FINANCIAL STATEMENTS

## (PREPARED UNDER THE IFRS)

The interim report of the Company has not been audited.

### (1) Consolidated Balance Sheet

Unit: RMB

Items	Notes	June 30 2024	December 31 2023
<b>Current assets:</b>			
Monetary funds		14,118,036.27	12,158,690.85
Deposit Reservation for Balance			
Lending funds			
Financial assets held for trading			
Derivative financial assets			
Notes receivable		2,640,000.00	2,190,953.98
Accounts receivable		37,597,909.83	38,330,429.55
Receivables financing			
Advances to suppliers		4,084,578.65	4,324,824.87
Receivable premium			
Reinsurance accounts receivable			
Provision of cession receivable			
Other receivables		11,051,272.67	13,549,959.28
Including: Interests receivable			
Dividends receivable			
Redemptory monetary capital for sale			
Inventories		31,970,439.90	21,185,633.00
Contract assets		10,922,017.39	4,516,811.38
Held-for-sale assets			9,100,000.00
Non-current assets due within one year			
Other current assets		1,452,618.23	1,487,133.24
<b>Total current assets</b>		<b>113,836,872.94</b>	<b>106,844,436.15</b>
<b>Non-current assets:</b>			
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		34,200,613.15	35,678,380.20

Construction in progress			
Biological assets held for production			
Oil and gas assets			
Right-of-use assets		3,454,785.95	6,909,571.79
Intangible assets		11,154,256.57	11,286,259.63
Development expenditure			
Goodwill			
Long-term deferred charges			
Deferred income tax assets		1,769,851.71	1,727,392.95
Other non-current assets			
<b>Total non-current assets</b>		<b>69,663,092.40</b>	<b>74,685,189.59</b>
<b>Total asset</b>		<b>183,499,965.34</b>	<b>181,529,625.74</b>
<b>Current liabilities:</b>			
Short-term borrowings			1,000,000.00
Borrowings from central bank			
Loans from other banks and other financial institutions			
Financial liabilities held for trading			
Derivative financial liabilities			
Notes payable			
Accounts payable		48,893,223.56	44,972,106.04
Advances from customers			
Contract liabilities		29,262,551.53	13,000,945.80
Sell to repurchase financial assets			
Deposits from customers and interbank			
Receivings from vicariously traded securities			
Receivings from vicariously sold securities			
Employment benefits payable		3,498,636.35	5,087,814.80
Taxes and fees payable		2,332,049.81	2,332,049.81
Other payables		232,343,231.13	239,186,379.00
Including: Interests payable			
Dividends payable			
Charges and commissions payable			
Dividend payable for reinsurance			
Held-for-sale liabilities			
Non-current liabilities due within one year		7,079,406.84	6,909,571.79
Other current liabilities		962,600.82	1,925,201.61
<b>Total current liabilities</b>		<b>324,371,700.04</b>	<b>314,414,068.85</b>
<b>Non-current liabilities:</b>			
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			
estimated liabilities		34,354,500.00	34,354,500.00
Deferred income		30,259,480.02	30,259,480.05
Deferred income tax liabilities		863,696.49	1,727,392.95
Other non-current liabilities			
<b>Total non-current liabilities</b>		<b>65,477,676.51</b>	<b>66,341,373.00</b>
<b>Total liabilities</b>		<b>389,849,376.55</b>	<b>380,755,441.85</b>
<b>Shareholders' equity:</b>			
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		-260,018,769.81	-258,359,537.13
Designated reserves			
Surplus reserves		108,587,124.40	108,587,124.40
General risk provision			
Retained earnings		-2,014,325,553.03	-2,008,813,378.36
Total equity attributable to shareholders of the Parent		-208,389,860.56	-201,218,453.21
Minority interests		2,040,449.35	1,992,637.10
<b>Total shareholders' equity</b>		<b>-206,349,411.21</b>	<b>-199,225,816.11</b>
<b>Total liabilities and shareholders' equity</b>		<b>183,499,965.34</b>	<b>181,529,625.74</b>

*the Company's Chairman:*  
**Su Weiguo**

*Chief Financial Officer:*  
**Liu Kejia**

*Chief Accounting Officer:*  
**Lin Bin**

## (2) Balance Sheet of parent company

Unit: RMB

Items	Notes	June 30 2024	December 31 2023
<b>Current assets:</b>			
Monetary funds		542.63	2,051.94
Deposit Reservation for Balance			
Lending funds			
Financial assets held for trading			



Derivative financial assets			
Notes receivable			
Accounts receivable			
Receivables financing		143,922.83	4,183,583.42
Advances to suppliers			
Receivable premium			
Reinsurance accounts receivable			
Provision of cession receivable			
Other receivables			
Including: Interests receivable			
Dividends receivable			
Redemptory monetary capital for sale			
Inventories			
Contract assets			
Held-for-sale assets			
Non-current assets due within one year			
Other current assets		620,824.01	620,824.01
<b>Total current assets</b>		<b>765,289.47</b>	<b>4,806,459.37</b>
<b>Non-current assets:</b>			
Issuing loans and advances			
Debt investments			
Other debt investments			
Long-term receivables			
Long-term equity investments		56,436,473.03	56,436,473.03
Other equity instrument investments			
Other non-current financial assets			
Investment properties			
Fixed assets		11,922.46	13,467.40
Construction in progress			
Biological assets held for production			
Oil and gas assets			
Right-of-use assets			
Intangible assets			
Development expenditure			
Goodwill			
Long-term deferred charges			
Deferred income tax assets			
Other non-current assets			
<b>Total non-current assets</b>		<b>56,448,395.49</b>	<b>56,449,940.43</b>
<b>Total asset</b>		<b>57,213,684.96</b>	<b>61,256,399.80</b>
<b>Current liabilities:</b>			
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			
Advances from customers			
Contract liabilities		581,743.59	581,743.59
Sell to repurchase financial assets			
Deposits from customers and interbank			
Receivings from vicariously traded securities			
Receivings from vicariously sold securities			
Employment benefits payable		2,276,644.40	3,616,321.99
Taxes and fees payable		-128,442.70	228,273.88
Other payables		163,509,380.95	164,771,339.24
Including: Interests payable			
Dividends payable			
Charges and commissions payable			
Dividend payable for reinsurance			
Held-for-sale liabilities			
Non-current liabilities due within one year			
Other current liabilities			
<b>Total current liabilities</b>		<b>166,239,326.24</b>	<b>169,197,678.70</b>
<b>Non-current liabilities:</b>			
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			
Deferred income		34,354,500.00	34,354,500.00
Deferred income tax liabilities			
Other non-current liabilities			
<b>Total non-current liabilities</b>		<b>34,354,500.00</b>	<b>34,354,500.00</b>
<b>Total liabilities</b>		<b>200,593,826.24</b>	<b>203,552,178.70</b>
Share capital		873,370,000.00	873,370,000.00

Other equity instruments			
Including: Preferred shares			
Perpetual bonds			
Capital reserves		996,869,700.23	996,869,700.23
Less: Treasury stock			
Other comprehensive income			
Designated reserves			
Surplus reserves		108,587,124.40	108,587,124.40
General risk provision			
Retained earnings		-2,122,206,965.91	-2,121,122,603.53
<b>Total shareholders' equity</b>		<b>-143,380,141.28</b>	<b>-142,295,778.90</b>
<b>Total liabilities and shareholders' equity</b>		<b>57,213,684.96</b>	<b>61,256,399.80</b>

### (3) Consolidated income statement

Unit: RMB

Items	Notes	January to June 2024	January to June 2023
<b>I. Total operating income</b>		<b>67,972,751.65</b>	<b>39,575,875.51</b>
Including: Revenue from operation		67,972,751.65	39,575,875.51
Interest income			
The premium has been made			
Fee and commission income			
<b>II. Total operating costs</b>		<b>76,013,873.09</b>	<b>49,202,857.96</b>
Including: Cost for operation		41,144,798.54	18,793,166.94
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		366,556.50	377,484.54
Selling expenses		22,722,939.51	19,561,261.94
Administrative expenses		10,764,545.32	9,032,280.66
Research and development expenses		845,198.23	1,165,078.69
Financial costs		169,834.99	273,585.19
Including: Interest expense		169,834.99	158,719.27
Interest income			-11,311.63
Add: Other income		1,552,829.82	1,072,488.94
Investment income (loss presented		24,471.12	

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)		-10,111.68	-4,211.67
Asset impairment loss (loss presented with “-” prefix)			
Gain on disposal of assets (loss presented by “-” prefix)		3,628.15	-53,416.45
<b>III. Profit from operation (loss presented with “-” prefix)</b>		<b>-6,470,304.03</b>	<b>-8,612,121.63</b>
Add: Non-operating income		105,441.41	26,755.87
Less: Non-operating expenses		5,655.02	598.84
<b>IV. Total profits (total loss presented with “-” prefix)</b>		<b>-6,370,517.64</b>	<b>-8,585,964.60</b>
Less: Income tax expenses		-906,155.22	
<b>V. Net profit (net loss presented with “-” prefix)</b>		<b>-5,464,362.42</b>	<b>-8,585,964.60</b>
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)		-5,464,362.42	-8,585,964.60
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)		-5,512,174.67	-8,551,272.01

2. Profits and losses attributable to minority interests (net loss presented with “-” prefix)		47,812.25	-34,692.59
<b>VI. Net after-tax other comprehensive income</b>		<b>-1,659,232.68</b>	<b>-352,134.01</b>
A. Net after-tax other comprehensive income attributable to shareholders of the Parent		-1,659,232.68	-352,134.01
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		-1,659,232.68	-352,134.01
(1) Other comprehensive income of convertible profit and loss under the equity method			
(2) Changes in fair value of other debt investments			
(3) The amount of financial assets reclassified into other comprehensive income			
(4) Other debt investment credit impairment provisions			
(5) Cash flow hedge reserve			
(6) Exchange difference on translation of foreign financial statements		-1,659,232.68	-352,134.01
(7) Others			
B. Net after-tax other comprehensive income attributable to minority interests			
<b>VII. Total comprehensive income</b>		<b>-7,123,595.10</b>	<b>-8,938,098.61</b>

A. Total comprehensive income attributable to shareholders of the Parent		-7,171,407.35	-8,893,239.93
B. Total comprehensive income attributable to minority interests		47,812.25	-44,858.68
<b>VIII. Earning per share:</b>			
A. Basic earning per share (RMB per share)		-0.006	-0.01
B. Diluted earning per share (RMB per share)		-0.006	-0.01

#### (4) Parent company income statement

Unit: RMB

Items	Notes	January to June 2024	January to June 2023
<b>I Revenue from operation</b>			
Less: Cost for operation			
Taxes and surcharges			
Selling expenses			
Administrative expenses		1,140,180.05	1,097,555.99
Research and development expenses			
Financial costs		344.94	-2.99
Including: Interest expense			
Interest income		-1.56	-2.99
Add: Other income			
Investment income (loss presented with “-” prefix)			
Including: Investment income from associates and joint ventures			
Gain on derecognition of financial assets measured at amortized cost			
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)			
<b>II. Profit from operation (loss presented with “-” prefix)</b>		<b>-1,140,524.99</b>	<b>-1,094,853.00</b>
Add: Non-operating income		56,162.61	
Less: Non-operating expenses			
<b>III. Total profits (total loss presented with “-” prefix)</b>		<b>-1,084,362.38</b>	<b>-1,094,853.00</b>
Less: Income tax expenses			
<b>IV. Net profit (net loss presented with “-” prefix)</b>		<b>-1,084,362.38</b>	<b>-1,094,853.00</b>
1. Net profit from continued operations (net loss presented with “-” prefix)		-1,084,362.38	-1,094,853.00
2. Net profit from discontinued operations (net loss presented with “-” prefix)			
<b>V. Net after-tax other comprehensive income</b>			
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			
<b>VI. Total comprehensive income</b>		-1,084,362.38	-1,094,853.00
<b>VII. Earning per share:</b>			
A. Basic earning per share (RMB per share)			
B. Diluted earning per share (RMB per share)			

#### (5) Consolidated statement of cash flow

Unit: RMB

Items	Notes	January to June 2024	January to June 2023
<b>I. Cash flows from operating activities:</b>			
Cash received for sales of goods and rendering of services		81,280,470.53	49,766,810.01
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		0.01	
Net increase in borrowed funds			
Net increase in repurchase business funds			
Net cash received from agents buying and selling securities			
Tax refund received		285,914.62	591.58



Other cash receipts relating to operating activities		5,228,473.21	5,176,795.52
<b>Cash inflows from operating activities (subtotal)</b>		<b>86,794,858.37</b>	<b>54,944,197.11</b>
Cash payments for purchase of goods and services		55,940,600.87	34,474,515.64
Net increase in loans and advances to customers			
Net increase in deposits with central banks and interbanks			
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		19,513,151.89	15,284,611.59
Taxes and fees paid		399,755.81	1,425,384.41
Other cash payments relating to operating activities		16,293,158.15	7,645,824.27
<b>Cash outflows for operating activities (subtotal)</b>		<b>92,146,666.72</b>	<b>58,830,335.91</b>
<b>Net cash flows from operating activities</b>		<b>-5,351,808.35</b>	<b>-3,886,138.80</b>
<b>II. Cash flows from investing activities:</b>			
Cash received from investment withdrawal		9,100,000.00	
Cash received from investment income			
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		3,700.00	
Net cash received from disposal of subsidiaries and other business units			
Other cash receipts relating to investing activities			
<b>Cash inflows from investing activities (subtotal)</b>		<b>9,103,700.00</b>	

Cash paid for purchase or construction of fixed assets, intangibles assets and other long-term assets		106,110.00	
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			
<b>Cash outflows for investing activities (subtotal)</b>		<b>106,110.00</b>	
<b>Net cash flows from investing activities</b>		<b>8,997,590.00</b>	
<b>III. Cash flows from financing activities:</b>			
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			
<b>Cash inflows from financing activities (subtotal)</b>			
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			
<b>Cash outflows for financing activities (subtotal)</b>			
<b>Net cash flows from financing activities</b>			
<b>IV. Impact of change of foreign exchange rates on cash and cash equivalents</b>		<b>33,314.14</b>	<b>25,854.90</b>
<b>V. Net increase of cash and cash equivalents</b>		<b>3,679,095.79</b>	<b>-3,860,283.90</b>

Add: cash and cash equivalents opening balance		6,442,713.65	8,582,760.25
<b>VI. Cash and cash equivalents closing balance</b>		<b>10,121,809.44</b>	<b>4,722,476.35</b>

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

Unit: RMB

Items	Notes	January to June 2024	January to June 2023
<b>I. Cash flows from operating activities:</b>			
Cash received for sales of goods and rendering of services			
Tax refund received			
Other cash receipts relating to operating activities		387,885.34	2.99
<b>Cash inflows from operating activities (subtotal)</b>		<b>387,885.34</b>	<b>2.99</b>
Cash payments for purchase of goods and services			
Cash paid to or on behalf of employees		21,681.87	
Taxes and fees paid			
Other cash payments relating to operating activities		367,712.78	
<b>Cash outflows for operating activities (subtotal)</b>		<b>389,394.65</b>	
<b>Net cash flows from operating activities</b>		<b>-1,509.31</b>	<b>2.99</b>
<b>II. Cash flows from investing activities:</b>			
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			
<b>Cash inflows from investing activities (subtotal)</b>			

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			
<b>Cash outflows for investing activities (subtotal)</b>			
<b>Net cash flows from investing activities</b>			
<b>Cash flows from financing activities:</b>			
Cash received from investors			
Cash received from loans raised			
Cash received from bond issuance			
Other cash receipts relating to financing activities			
<b>Cash inflows from financing activities (subtotal)</b>			
Cash paid for debt repayment			
Cash paid for dividends, profit distribution and interests			
Other cash payments relating to financing activities			
<b>Cash outflows for financing activities (subtotal)</b>			
<b>Net cash flows from financing activities</b>			
<b>IV. Impact of change of foreign exchange rates on cash and cash equivalents</b>			
<b>V. Net increase of cash and cash equivalents</b>		<b>-1, 509. 31</b>	<b>2. 99</b>
Add: cash and cash equivalents opening balance		<b>2, 051. 94</b>	<b>2, 406. 66</b>
<b>VI. Cash and cash equivalents closing balance</b>		<b>542. 63</b>	<b>2, 409. 65</b>

# 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

Items	Notes	June 30 2024	December 31 2023
<b>Current assets:</b>			
Monetary funds		14,118,036.27	12,158,690.85
Deposit Reservation for Balance			
Lending funds			
Financial assets held for trading			
Derivative financial assets			
Notes receivable		2,640,000.00	2,190,953.98
Accounts receivable		37,597,909.83	38,330,429.55
Receivables financing			
Advances to suppliers		4,084,578.65	4,324,824.87
Receivable premium			
Reinsurance accounts receivable			
Provision of cession receivable			
Other receivables		11,051,272.67	13,549,959.28
Including: Interests receivable			
Dividends receivable			
Redemptory monetary capital for sale			
Inventories		31,970,439.90	21,185,633.00
Contract assets		10,922,017.39	4,516,811.38
Held-for-sale assets			
Non-current assets due within one year			
Other current assets		1,452,618.23	1,487,133.24
<b>Total current assets</b>		<b>113,836,872.94</b>	<b>97,744,436.15</b>
<b>Non-current assets:</b>			
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		34,200,613.15	35,678,380.20
Construction in progress			
Biological assets held for production			
Oil and gas assets			
Right-of-use assets		3,454,785.95	6,909,571.79
Intangible assets		11,154,256.57	11,286,259.63
Development expenditure			
Goodwill			
Long-term deferred charges			
Deferred income tax assets		1,769,851.71	1,727,392.95
Other non-current assets			
<b>Total non-current assets</b>		<b>69,663,092.40</b>	<b>74,685,189.59</b>
<b>Total asset</b>		<b>183,499,965.34</b>	<b>172,429,625.74</b>
<b>Current liabilities:</b>			
Short-term borrowings			1,000,000.00
Borrowings from central bank			
Loans from other banks and other financial institutions			
Financial liabilities held for trading			
Derivative financial liabilities			
Notes payable			
Accounts payable		48,893,223.56	44,972,106.04
Advances from customers			
Contract liabilities		29,844,295.12	13,582,689.39
Sell to repurchase financial assets			
Deposits from customers and interbank			
Receivings from vicariously traded securities			
Receivings from vicariously sold securities			
Employment benefits payable		3,498,636.35	5,087,814.80
Taxes and fees payable		2,533,634.03	2,815,002.87
Other payables		228,303,607.94	234,938,640.33
Including: Interests payable			

Dividends payable			
Charges and commissions payable			
Dividend payable for reinsurance			
Held-for-sale liabilities			
Non-current liabilities due within one year		7,079,406.84	6,909,571.79
Other current liabilities		2,350,949.91	2,539,859.62
<b>Total current liabilities</b>		<b>322,503,753.75</b>	<b>311,845,684.84</b>
<b>Non-current liabilities:</b>			
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			
estimated liabilities		34,354,500.00	34,354,500.00
Deferred income		31,222,080.84	32,184,681.66
Deferred income tax liabilities		863,696.49	1,727,392.95
Other non-current liabilities			
<b>Total non-current liabilities</b>		<b>66,440,277.33</b>	<b>68,266,574.61</b>
<b>Total liabilities</b>		<b>388,944,031.08</b>	<b>380,112,259.45</b>
<b>Shareholders' equity:</b>			
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		-260,018,769.81	-258,359,537.13
Designated reserves		905,345.47	643,182.40
Surplus reserves		108,587,124.40	108,587,124.40
General risk provision			
Retained earnings		-2,014,325,553.03	-2,017,913,378.36
Total equity attributable to shareholders of the Parent		-207,484,515.09	-209,675,270.81
Minority interests		2,040,449.35	1,992,637.10
<b>Total shareholders' equity</b>		<b>-205,444,065.74</b>	<b>-207,682,633.71</b>
<b>Total liabilities and shareholders' equity</b>		<b>183,499,965.34</b>	<b>172,429,625.74</b>

*the Company's Chairman:*  
**Su Weiguo**

*Chief Financial Officer:*  
**Liu Kejia**

*Chief Accounting Officer:*  
**Lin Bin**

## (2) Balance Sheet of parent company

Unit: RMB

Items	Notes	June 30 2024	December 31 2023
<b>Current assets:</b>			
Monetary funds		542.63	2,051.94
Deposit Reservation for Balance			
Lending funds			
Financial assets held for trading			
Derivative financial assets			
Notes receivable			
Accounts receivable			
Receivables financing		143,922.83	4,183,583.42
Advances to suppliers			
Receivable premium			
Reinsurance accounts receivable			
Provision of cession receivable			
Other receivables			
Including: Interests receivable			
Dividends receivable			
Redemptory monetary capital for sale			
Inventories			
Contract assets			
Held-for-sale assets			
Non-current assets due within one year			
Other current assets		620,824.01	620,824.01
<b>Total current assets</b>		<b>765,289.47</b>	<b>4,806,459.37</b>
<b>Non-current assets:</b>			
Issuing loans and advances			
Debt investments			
Other debt investments			
Long-term receivables			
Long-term equity investments		56,436,473.03	56,436,473.03
Other equity instrument investments			
Other non-current financial assets			
Investment properties			
Fixed assets		11,922.46	13,467.40
Construction in progress			
Biological assets held for production			
Oil and gas assets			
Right-of-use assets			
Intangible assets			
Development expenditure			



Goodwill			
Long-term deferred charges			
Deferred income tax assets			
Other non-current assets			
<b>Total non-current assets</b>		<b>56,448,395.49</b>	<b>56,449,940.43</b>
<b>Total asset</b>		<b>57,213,684.96</b>	<b>61,256,399.80</b>
<b>Current liabilities:</b>			
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			
Advances from customers			
Contract liabilities		581,743.59	581,743.59
Sell to repurchase financial assets			
Deposits from customers and interbank			
Receivings from vicariously traded securities			
Receivings from vicariously sold securities			
Employment benefits payable		2,276,644.40	3,616,321.99
Taxes and fees payable		-128,442.70	228,273.88
Other payables		163,509,380.95	164,771,339.24
Including: Interests payable			
Dividends payable			
Charges and commissions payable			
Dividend payable for reinsurance			
Held-for-sale liabilities			
Non-current liabilities due within one year			
Other current liabilities			
<b>Total current liabilities</b>		<b>166,239,326.24</b>	<b>169,197,678.70</b>
<b>Non-current liabilities:</b>			
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			
Deferred income		34,354,500.00	34,354,500.00
Deferred income tax liabilities			
Other non-current liabilities			
<b>Total non-current liabilities</b>		<b>34,354,500.00</b>	<b>34,354,500.00</b>
<b>Total liabilities</b>		<b>200,593,826.24</b>	<b>203,552,178.70</b>
<b>Shareholders' equity:</b>			
Share capital		873,370,000.00	873,370,000
Other equity instruments			
Including: Preferred shares			
Perpetual bonds			
Capital reserves		996,869,700.23	996,869,700.23
Less: Treasury stock			
Other comprehensive income			
Designated reserves			
Surplus reserves		108,587,124.40	108,587,124.4
General risk provision			
Retained earnings		-2,122,206,965.91	-2,121,122,603.53
<b>Total shareholders' equity</b>		<b>-143,380,141.28</b>	<b>-142,295,778.90</b>
<b>Total liabilities and shareholders' equity</b>		<b>57,213,684.96</b>	<b>61,256,399.80</b>

### (3) Consolidated income statement

Unit: RMB

Items	Notes	January to June 2024	January to June 2023
<b>I. Total operating income</b>		<b>67,972,751.65</b>	<b>39,575,875.51</b>
Including: Revenue from operation		67,972,751.65	39,575,875.51
Interest income			
The premium has been made			
Fee and commission income			
<b>II. Total operating costs</b>		<b>75,990,303.33</b>	<b>49,202,857.96</b>
Including: Cost for operation		41,144,798.54	18,793,166.94
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		366,556.50	377,484.54
Selling expenses		22,722,939.51	19,561,261.94
Administrative expenses		10,396,547.11	9,032,280.66
Research and development expenses		845,198.23	1,165,078.69
Financial costs		514,263.44	273,585.19
Including: Interest expense		169,834.99	158,719.27
Interest income		-23,569.75	-11,311.63
Add: Other income		1,529,260.06	1,072,488.94
Investment income (loss presented with “-” prefix)		9,124,471.12	
Including: Investment income from associates and joint ventures			
Gain on derecognition of financial assets measured at amortized cost			
Exchange earning(loss presented with “-” prefix)			
Net open hedge income (loss presented with “-” prefix)			
Gain from changes in fair value (loss presented with “-” prefix)			
Credit impairment loss (loss presented with “-” prefix)		-10,111.68	-4,211.67
Asset impairment loss (loss presented with “-” prefix)			
Gain on disposal of assets (loss presented by “-” prefix)		3,628.15	-53,416.45
<b>III. Profit from operation (loss presented with “-” prefix)</b>		<b>2,629,695.97</b>	<b>-8,612,121.63</b>
Add: Non-operating income		105,441.41	26,755.87
Less: Non-operating expenses		5,655.02	598.84
<b>IV. Total profits (total loss presented with “-” prefix)</b>		<b>2,729,482.36</b>	<b>-8,585,964.60</b>
Less: Income tax expenses		-906,155.22	
<b>V. Net profit (net loss presented with “-” prefix)</b>		<b>3,635,637.58</b>	<b>-8,585,964.60</b>
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)		3,635,637.58	-8,585,964.60
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)		3,587,825.33	-8,551,272.01
2. Profits and losses attributable to minority interests (net loss presented with “-” prefix)		47,812.25	-34,692.59
<b>VI. Net after-tax other comprehensive income</b>		<b>-1,659,232.68</b>	<b>-352,134.01</b>
A. Net after-tax other comprehensive income attributable to shareholders of the Parent		-1,659,232.68	-352,134.01
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		-1,659,232.68	-352,134.01
(1) Other comprehensive income of convertible profit and loss under the equity method			
(2) Changes in fair value of other debt investments			
(3) The amount of financial assets reclassified into other comprehensive income			
(4) Other debt investment credit impairment provisions			
(5) Cash flow hedge reserve			

(6) Exchange difference on translation of foreign financial statements		-1,659,232.68	-352,134.01
(7) Others			
B. Net after-tax other comprehensive income attributable to minority interests			
<b>VII. Total comprehensive income</b>		<b>1,976,404.90</b>	<b>-8,938,098.61</b>
A. Total comprehensive income attributable to shareholders of the Parent		1,928,592.65	-8,893,239.93
B. Total comprehensive income attributable to minority interests		47,812.25	-44,858.68
<b>VIII. Earning per share:</b>			
A. Basic earning per share (RMB per share)		0.004	-0.01
B. Diluted earning per share (RMB per share)		0.004	-0.01

#### (4) Parent company income statement

Unit: RMB

Items	Notes	January to June 2024	January to June 2023
<b>I Revenue from operation</b>			
Less: Cost for operation			
Taxes and surcharges			
Selling expenses			
Administrative expenses		1,140,180.05	1,097,555.99
Research and development expenses			
Financial costs		344.94	-2.99
Including: Interest expense			
Interest income		-1.56	-2.99
Add: Other income			
Investment income (loss presented with “-” prefix)			
Including: Investment income from associates and joint ventures			
Gain on derecognition of financial assets measured at amortized cost			
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)			
<b>II. Profit from operation (loss presented with “-” prefix)</b>		<b>-1,140,524.99</b>	<b>-1,094,853.00</b>
Add: Non-operating income		56,162.61	
Less: Non-operating expenses			
<b>III. Total profits (total loss presented with “-” prefix)</b>		<b>-1,084,362.38</b>	<b>-1,094,853.00</b>
Less: Income tax expenses			
<b>IV. Net profit (net loss presented with “-” prefix)</b>		<b>-1,084,362.38</b>	<b>-1,094,853.00</b>
1. Net profit from continued operations (net loss presented with “-” prefix)		-1,084,362.38	-1,094,853.00
2. Net profit from discontinued operations (net loss presented with “-” prefix)			
<b>V. Net after-tax other comprehensive income</b>			
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			
<b>VI. Total comprehensive income</b>		<b>-1,084,362.38</b>	<b>-1,094,853.00</b>
<b>VII. Earning per share:</b>			
A. Basic earning per share (RMB per share)			
B. Diluted earning per share (RMB per share)			

#### (5) Consolidated statement of cash flow

Unit: RMB

Items	Notes	January to June 2024	January to June 2023
<b>I. Cash flows from operating activities:</b>			
Cash received for sales of goods and rendering of services		81,280,470.53	49,766,810.01
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		0.01	

Net increase in borrowed funds			
Net increase in repurchase business funds			
Net cash received from agents buying and selling securities			
Tax refund received		285,914.62	591.58
Other cash receipts relating to operating activities		5,228,473.21	5,176,795.52
<b>Cash inflows from operating activities (subtotal)</b>		<b>86,794,858.37</b>	<b>54,944,197.11</b>
Cash payments for purchase of goods and services		55,940,600.87	34,474,515.64
Net increase in loans and advances to customers			
Net increase in deposits with central banks and interbanks			
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		19,513,151.89	15,284,611.59
Taxes and fees paid		399,755.81	1,425,384.41
Other cash payments relating to operating activities		16,293,158.15	7,645,824.27
<b>Cash outflows for operating activities (subtotal)</b>		<b>92,146,666.72</b>	<b>58,830,335.91</b>
<b>Net cash flows from operating activities</b>		<b>-5,351,808.35</b>	<b>-3,886,138.80</b>
<b>II. Cash flows from investing activities:</b>			
Cash received from investment withdrawal		9,100,000.00	
Cash received from investment income			
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		3,700.00	
Net cash received from disposal of subsidiaries and other business units			



Other cash receipts relating to investing activities			
<b>Cash inflows from investing activities (subtotal)</b>		<b>9,103,700.00</b>	
Cash paid for purchase or construction of fixed assets, intangibles assets and other long-term assets		106,110.00	
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			
<b>Cash outflows for investing activities (subtotal)</b>		<b>106,110.00</b>	
<b>Net cash flows from investing activities</b>		<b>8,997,590.00</b>	
<b>III. Cash flows from financing activities:</b>			
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			
<b>Cash inflows from financing activities (subtotal)</b>			
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			
<b>Cash outflows for financing activities (subtotal)</b>			
<b>Net cash flows from financing activities</b>			

IV. Impact of change of foreign exchange rates on cash and cash equivalents		33,314.14	25,854.90
V. Net increase of cash and cash equivalents		3,679,095.79	-3,860,283.90
Add: cash and cash equivalents opening balance		6,442,713.65	8,582,760.25
VI. Cash and cash equivalents closing balance		10,121,809.44	4,722,476.35

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

Unit: RMB

Items	Notes	January to June 2024	January to June 2023
<b>I. Cash flows from operating activities:</b>			
Cash received for sales of goods and rendering of services			
Tax refund received			
Other cash receipts relating to operating activities		387,885.34	2.99
<b>Cash inflows from operating activities (subtotal)</b>		<b>387,885.34</b>	<b>2.99</b>
Cash payments for purchase of goods and services			
Cash paid to or on behalf of employees		21,681.87	
Taxes and fees paid			
Other cash payments relating to operating activities		367,712.78	
<b>Cash outflows for operating activities (subtotal)</b>		<b>389,394.65</b>	
<b>Net cash flows from operating activities</b>		<b>-1,509.31</b>	<b>2.99</b>
<b>II. Cash flows from investing activities:</b>			
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			
<b>Cash inflows from investing activities (subtotal)</b>			
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			
<b>Cash outflows for investing activities (subtotal)</b>			
<b>Net cash flows from investing activities</b>			
<b>Cash flows from financing activities:</b>			
Cash received from investors			
Cash received from loans raised			
Cash received from bond issuance			
Other cash receipts relating to financing activities			
<b>Cash inflows from financing activities (subtotal)</b>			
Cash paid for debt repayment			
Cash paid for dividends, profit distribution and interests			
Other cash payments relating to financing activities			
<b>Cash outflows for financing activities (subtotal)</b>			
<b>Net cash flows from financing activities</b>			
<b>IV. Impact of change of foreign exchange rates on cash and cash equivalents</b>			
<b>V. Net increase of cash and cash equivalents</b>		<b>-1, 509. 31</b>	<b>2. 99</b>
Add: cash and cash equivalents opening balance		<b>2, 051. 94</b>	<b>2, 406. 66</b>
<b>VI. Cash and cash equivalents closing balance</b>		<b>542. 63</b>	<b>2, 409. 65</b>

### **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 high-tech enterprises in National level, and pays corporate income tax at 15%.

#### 10.4.3 Net profit

Items	There porting period	The same period of last year
Net profit attributable to shareholders of the parent Company(RMB)	3,587,825.33	-8,551,272.01

#### 10.4.4 Earnings per share

Items	The reporting period	The same period of last year
Basic earnings per share (RMB/share)	0.004	-0.01
Diluted earnings per share (RMB/share)	0.004	-0.01

#### 10.4.5 Dividends

No dividends were paid or proposed for the six months ended 30 June 2024 (for the six months ended 30 June 2023: Nil), and no dividend was proposed from the end of the reporting period.

#### 10.4.6 Share capital

Items	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 D2 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*  
*29 August 2024*

*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.*