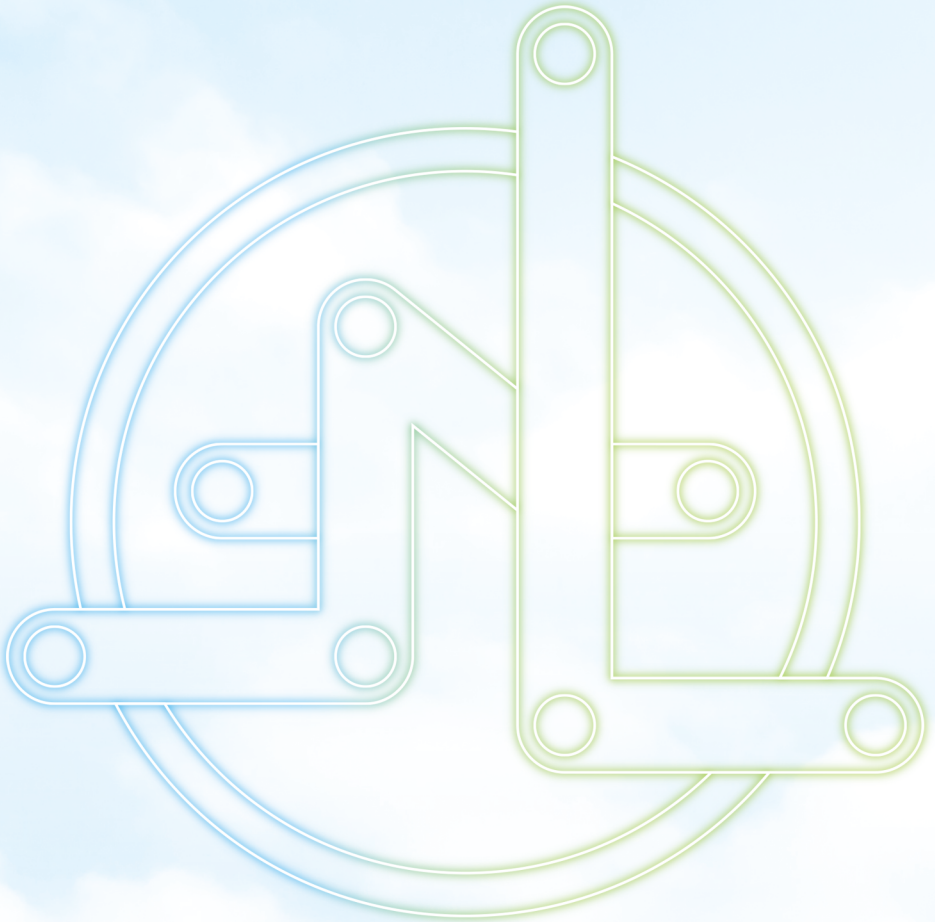




Northern New Energy Holdings Limited
北方新能源控股有限公司

(Incorporated in the Cayman Islands with limited liability)
08246.HK



2017 FIRST QUARTERLY REPORT
二零一七年第一季度報告

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

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Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the main board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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This report, for which the directors (the “Directors”) of Northern New Energy Holdings Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: the information contained in this report is accurate and complete in all material respects and not misleading; or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.

Corporate Information

Board of Directors

Executive Directors

Mr. Hu Yishi (*Executive Chairman*)
Mr. Chan Wing Yuen, Hubert (*Chief Executive Officer*)
Ms. Lin Min, Mindy
Ms. Kwong Wai Man, Karina

Independent non-executive Directors

Mr. Lui Tin Nang
Ms. Ma Lee
Mr. Wang Zhi Zhong

Company Secretary

Ms. Chan Wai Yee

Compliance Officer

Mr. Chan Wing Yuen, Hubert

Board Committees

Audit Committee

Mr. Lui Tin Nang (*Chairman*)
Ms. Ma Lee
Mr. Wang Zhi Zhong

Remuneration Committee

Mr. Lui Tin Nang (*Chairman*)
Ms. Lin Min, Mindy
Ms. Ma Lee
Mr. Wang Zhi Zhong

Nomination Committee

Mr. Lui Tin Nang (*Chairman*)
Ms. Lin Min, Mindy
Ms. Ma Lee
Mr. Wang Zhi Zhong

Authorised Representatives

Mr. Chan Wing Yuen, Hubert
Ms. Kwong Wai Man, Karina

Registered Office

Cricket Square,
Hutchins Drive,
P.O. Box 2681,
Grand Cayman KY1-1111,
Cayman Islands

Principal Place of Business in Hong Kong

Rm 2202, 22/F,
Chinachem Century Tower,
178 Gloucester Road,
Wan Chai,
Hong Kong

Share Registrar and Transfer Office in Cayman Islands

Codan Trust Company (Cayman) Limited

Cricket Square,
Hutchins Drive,
P.O. Box 2681,
Grand Cayman KY1-111,
Cayman Islands

Hong Kong Share Registrar

Boardroom Share Registrars (HK) Limited

31/F, 148 Electric Road,
North Point,
Hong Kong

Legal Adviser to the Company

K&L Gates
Angela Ho & Associates
Conyers Dill & Pearman

Auditor

Deloitte Touche Tohmatsu

Principal Banker

The Hong Kong & Shanghai Banking Corporation Limited
Huaxia Bank
Shanghai Pudong Development Bank
Industrial and Commercial Bank of China
Bank of Communications Co., Ltd
Bank of China Limited

Company Website

<http://www.8246hk.com>

GEM Stock Code

8246

The board of Directors (the "Board") of the Company is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (collectively, the "Group") for the three months ended 31 March 2017 (the "Current Period"), together with the unaudited comparative figures for the three months ended 31 March 2016 (the "Previous Period") as follows:

Financial Highlights

	Three months ended		
	31.3.2017	31.3.2016	Increase/
	RMB'000	RMB'000	(decrease)
Revenue	21,982	24,330	(9.7%)
Gross profit ^(a)	10,177	10,010	1.7%
Profit and total comprehensive income for the period	666	2,816	(76.3%)
Profit and total comprehensive income attributable to the owners of the Company	213	2,345	(90.9%)
Dividend	Nil	Nil	
EBIT	2,503	4,325	(42.1%)
EBITDA	3,147	5,073	(38.0%)
Earnings per share			
Basic	RMB0.01 cents	RMB0.07 cents	(85.7%)
Diluted	RMB0.01 cents	RMB0.07 cents	(85.7%)

Key Financial Indicators

Gross profit margin ^(b)	46.3%	41.1%
Net profit margin ^(c)	3.0%	11.6%

Notes:

- The calculation of gross profit is based on revenue minus cost of sales.
- The calculation of gross profit margin is based on gross profit divided by revenue.
- The calculation of net profit margin is based on profit and total comprehensive income for the period divided by revenue.

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the three months ended 31 March 2017

	Notes	Three months ended	
		31.3.2017 RMB'000 (unaudited)	31.3.2016 RMB'000 (unaudited)
Revenue	3	21,982	24,330
Cost of sales		(11,805)	(14,320)
Gross profit		10,177	10,010
Other income	3	67	34
Other gains and losses		(333)	605
Selling and distribution expenses		(1,093)	(1,171)
Administrative expenses		(6,610)	(6,932)
Gain on disposal of subsidiaries	4	–	603
Reversal of impairment loss recognised on inventories		295	1,176
Profit before tax	5	2,503	4,325
Income tax expense	6	(1,837)	(1,509)
Profit and total comprehensive income for the period		666	2,816
Profit and total comprehensive income attributable to:			
– the owners of the Company		213	2,345
– non-controlling interests		453	471
		666	2,816
Earnings per share	7		
Basic		RMB0.01 cents	RMB0.07 cents
Diluted		RMB0.01 cents	RMB0.07 cents

Condensed Consolidated Statement of Changes in Equity

For the three months ended 31 March 2017

	Attributable to owners of the Company						Non-controlling interests RMB'000	Total RMB'000
	Share capital RMB'000	Share premium RMB'000	Share option reserve RMB'000	Retained profits RMB'000	Special reserve RMB'000	Total RMB'000		
At 1 January 2016 (audited)	3,470	-	4,551	105,438	528	113,987	3,690	117,677
Profit and total comprehensive income recognised for the period	-	-	-	2,345	-	2,345	471	2,816
At 31 March 2016 (unaudited)	3,470	-	4,551	107,783	528	116,332	4,161	120,493
At 1 January 2017 (audited)	3,470	-	4,551	200,488	528	209,037	16,794	225,831
Profit and total comprehensive income recognised for the period	-	-	-	213	-	213	453	666
At 31 March 2017 (unaudited)	3,470	-	4,551	200,701	528	209,250	17,247	226,497

Notes to the Condensed Consolidated Financial Statements

For the three months ended 31 March 2017

1. GENERAL INFORMATION

The Company is an exempted company with limited liability incorporated in the Cayman Islands. The Company's shares are listed on the GEM of the Stock Exchange since 30 December 2011. The address of the Company's registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and the principle place of business in Hong Kong is Room 2202, 22/F, Chinachem Century Tower, 178 Gloucester Road, Wanchai, Hong Kong.

The Company is an investment holding Company. The Group is principally engaged in the new energy development business, research & development on its relevant technologies and construction engineering ("New energy business"); The Group also participated in the operation of restaurants, provision of management services, and sale of processed food and seafood ("Catering business"); and property investment business ("Property investment").

2. BASIS OF PREPARATION

The First Quarterly condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 (IAS 34) Interim Financial Reporting as well as with the applicable disclosure requirements of Chapter 18 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "GEM Listing Rules").

The unaudited condensed consolidated financial statements have been prepared under the historical cost basis. The principal accounting policies used in the preparation of these unaudited condensed consolidated financial statements are consistent with those used in the annual consolidated financial statements for the year ended 31 December 2016 except in relation to the new and revised standards, amendments and interpretations ("new and revised IFRSs") issued by the International Accounting Standards Board that are adopted for the first time for the Current Period's financial statements. The adoption of these new and revised IFRSs has had no material impact on the unaudited condensed consolidated financial statements.

The Group has not early adopted any new IFRSs that have been issued but are not yet effective.

The First Quarterly condensed consolidated financial statements are presented in Renminbi ("RMB"), which is also the functional currency of the Group.

3. REVENUE AND OTHER INCOME

	Three months ended	
	31.3.2017	31.3.2016
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Revenue		
Catering business	12,476	16,780
New energy business	9,434	7,510
Property investment	72	40
	21,982	24,330
Other income		
Interest income	42	34
Others	25	–
	67	34

4. GAIN ON DISPOSAL OF SUBSIDIARIES

During the Previous Period, the Group disposed its entire equity interest in Noblehouse Food Trading Company Limited and its subsidiary (“Noblehouse Food Trading Group”) to an independent third-party at a consideration RMB421,000 (equivalent to HKD500,000). Noblehouse Food Trading Group is principally engaged in the trading of processed foods. The disposal was completed on 31 March 2016, on which date the Group lost control of Noblehouse Food Trading Group.

The net liabilities of Noblehouse Food Trading Group at the date of disposal were as follows:

	Three months ended
	31.3.2016
	RMB'000
	(unaudited)
Net liabilities disposed of	183
Add: consideration received	421
Less: exchange loss associated during disposal	(1)
Gain on disposal of subsidiaries	603

5. PROFIT BEFORE TAX

	Three months ended	
	31.3.2017	31.3.2016
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Profit before tax has been arrived after charging the following:		
Directors' emoluments	1,835	1,074
Salaries and other allowances	4,342	4,942
Retirement benefit scheme contributions, excluding those of Directors	734	818
	6,911	6,834
Depreciation of property, plant and equipment	644	748

6. INCOME TAX EXPENSE

	Three months ended	
	31.3.2017	31.3.2016
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Enterprise income tax in the PRC:		
Current period income tax	1,837	1,509

Hong Kong

Hong Kong Profits Tax is calculated at 16.5% of the estimated profit. No provision for Hong Kong Profits Tax has been made as the Group's subsidiaries have no assessable profit arising in or derived from Hong Kong for both periods.

PRC

PRC subsidiaries were subject to PRC Enterprise Income Tax ("EIT") at a rate of 25% for the three months ended 31 March 2017 and 2016.

7. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

	Three months ended	
	31.3.2017	31.3.2016
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Profit and total comprehensive income for the period attributable to the owners of the Company for the purposes of basic and diluted earnings per share	213	2,345

The average number of ordinary shares for the purpose of calculation of diluted earnings per share reconciles to the weighted average number of ordinary shares used in the calculation of basic earnings per share as follows:

	31.3.2017	31.3.2016
	'000	'000*
	(unaudited)	(unaudited)
Weighted average number of shares used in the calculation of basic earnings per share	3,433,280	3,433,280
Shares deemed to be issued in respect of: – Share options	87,439	93,608
Weighted average number of shares used in the calculation of diluted earnings per share	3,520,719	3,526,888

* The weighted average number of shares for the purpose of calculating basic and diluted earnings per share for the Previous Period had been retrospectively adjusted in connection to the one-for-eight subdivision of shares which became effective on 20 May 2016.

8. DIVIDEND

No dividend has been paid for the three months ended 31 March 2017 and 2016.

9. RESERVES

Movement in the reserves of the Group during the three months ended 31 March 2017 and 2016 are set out in the condensed consolidated statement of changes in equity on page 5.

Management Discussion and Analysis

BUSINESS REVIEW

As mentioned in the 2016 annual results announcement, the Group has decided to spend more time on growing its New energy business. We are delighted to see the business maintaining growth momentum in the first quarter of 2017, continuing to make satisfactory progress, revenue of the segment increased by 25% comparing to the corresponding period of last year and become our major source of profit for the period.

In addition, we implemented stringent control measures on our Catering business and also started reviewing and restructuring the business step-by-step, targeting to not only boost operational efficiency of the business, but also allocate resources to development projects that promise to create the most value.

New Energy Business

Building on the strong momentum gathered in 2016, we continue to take New energy business as the Company's development focus, seeking to capture the tremendous business opportunities. At the same time, we have been exploring opportunities to cooperate with different parties with the aim of broadening our income source.

During the period under review, boasting our technological advantages and outstanding professional services, the Group completed several service contracts smoothly in Tianjin region, including contracts for technical services in relation to LNG-based energy conversion solution and low-carbon heating energy supply solution that complies with government environmental protection requirements, etc. These projects brought important revenue and profit to us in the first quarter and also bolstered the reputation of the Group. We look forward to serving more customers in other regions in the future.

Although the first half of the year is usually the low season for the industry, we used the period to enhance our teams by way of recruiting new staff, thus enabling us to seize greater opportunities ahead. In addition, we applied for tax concessions from relevant departments in Tianjin as we believe that the Group complies with applicable requirements. We trust that this will create a positive effect on the Group.

Catering Business

The Group is reviewing the operation of its Catering business and expects to restructure the business during the year. As at 31 March 2017, the Group owned and operated four "Noble House" restaurants in Shanghai, the PRC, including one outsourced to an independent contractor. Its supplemental food products trading business continued, with the products sold under the "Noble House" brand at its restaurants and other retail stores.

Legal proceeding is underway regarding the contractual dispute between Dong Hai Noble House Food and Beverage Co., Ltd. ("Ningbo Restaurant") and Shanghai Noble House Food Service Management Co., Ltd. After seeking advice from its legal counsel in the PRC, the Group is of the view that the claim would not have any significant adverse impact on its operations or financial status, so no provision has been made for such claim. The legal adviser in the PRC to follow up on the matter and will disclose more relevant information in due course.

Property Investment

Subsequent to the investment in a property on Beijing Road West, Jing An District, Shanghai, the Group signed an agreement to acquire another property in the same building. We expect to rent out the office spaces in the property so as to generate stable rental income in the long run. The associated property transaction has been completed on 28 April 2017.

FINANCIAL REVIEW

Revenue

For the Current Period, revenue of the Group amounted to RMB22.0 million, representing a decrease of 9.7% from RMB24.3 million for the Previous Period. The decrease was mainly attributable to a RMB4.3 million decline in revenue of Catering business during the Current Period.

New Energy Business

During the Current Period, the Group recognized revenue of RMB9.4 million (Previous Period: RMB7.5 million) from the New energy business segment, accounting for 42.9% (Previous Period: 30.9%) of the Group's total revenue. The revenue comprised mainly the income generated from the completion of several contracts for technical services in relation to coal-to-natural gas conversion heating consultancy solution projects in Tianjin during the Current Period.

Catering Business

During the Current Period, the Group recorded revenue of RMB12.5 million from operations of the Catering business segment against RMB16.8 million in the Previous Period. The segmental revenue included RMB12.2 million from operating restaurants (Previous Period: RMB12.0 million), RMB0.2 million from sales of processed food and seafood products (Previous Period: RMB4.2 million), RMB0.1 million from external operation contracting (Previous Period: RMB0.4 million) and Nil from provision of management services (Previous Period: RMB0.2 million). The decrease in revenue was mainly due to the decreased revenue from sales of seafood and processed supplemental food products.

Property Investment

During the Current Period, the Property investment segment recorded turnover of RMB0.07 million (Previous Period: RMB0.04 million).

Cost of Sales

The cost of sales for Catering business in the Current Period was RMB9.5 million, down by 28.6% from RMB13.3 million for the Previous Period, mainly a result of effective cost reduction and control measures plus the segment's optimized business model. The cost of sales for New energy business amounted to RMB2.3 million (Previous Period: RMB1.0 million), mainly a result of increase in direct labor cost.

Gross profit margin

Gross profit represents revenue less cost of sales. The gross profit margin of Catering business remained stable at around 21%, credits go to effective cost control measures and the optimized business model of the segment stopping overall gross profit margin from trending down.

Gross profit margin of the New energy business segment decreased slightly from 86.6% for the Previous Period to 76.0%, due to increase in direct labor cost, and gross profit margin of the Property investment segment was 100% (Previous Period: 100%).

Other gains and losses

Other gains and losses recorded a loss of RMB0.3 million in the Current Period compared to a gain of RMB0.6 million in the Previous Period, mainly due to the absence of the one-off item in reversing the overprovision of rental expenses in the Current Period.

Administrative expenses

Administrative expenses decreased by 4.6% from RMB6.9 million for the Previous Period to RMB6.6 million for the Current Period. The decrease was owed to effective cost reduction and control measures and the optimized business model of Catering business.

Income tax expense

Income tax expense increased by 21.7% from RMB1.5 million for the Previous Period to RMB1.8 million for the Current Period, mainly due to the result of provision for EIT of a subsidiary in Tianjin.

Non-controlling interests

Non-controlling interests remained stable at around RMB0.5 million in the Current Period as in the Previous Period. This was mainly attributable to an operating profit recorded by the non-wholly owned subsidiary in Tianjin for both the Current Period and the Previous Period.

Profit and comprehensive income attributable to the owners of the Company

The net profit and comprehensive income attributable to the owners of the Company for the Current Period was RMB0.2 million, down by 90.9% from RMB2.3 million in the Previous Period. The basic and diluted earnings per share for the Current Period was both RMB0.01 cents, as compared to RMB0.07 cents for the Previous Period.

PROSPECTS

On the back of favorable national policies supporting the new energy industry, we will continue to step up efforts to tap the New energy business segment with immense potential and expand our business mode to surrounding regions of Tianjin our base. Leveraging the Group's solid foundation built in the past two years, we will continue to actively identify and cooperate with competent partners to enlarge our customer base, market share and thus our revenue. The management will also exert its best in seeking potential acquisition opportunities and has plans to increase investment in the New energy business so as to consolidate the Group's strengths. We are at full speed looking for acquisition targets among enterprises which own quality LNG pipelines, storage tanks and related systems. Such moves will enable us to fully realize the growth potential of our New energy business.

As for our Catering business, we will strive to restructure the business to improve its performance. Regarding property investment, the Group will continue to grab investment opportunities that promise to generate good returns, thereby secure for it a stable rental income source to aid its quest to create greater shareholder value.

CAPITAL STRUCTURE

As at 31 March 2017, the Company had an aggregate of 3,433,280,000 shares of HK\$0.00125 each in issue.

DIVIDENDS

The Board did not recommend the payment of any dividend for the Current Period (Previous Period: Nil).

FOREIGN CURRENCY EXPOSURE

The business operations of the Group's subsidiaries were conducted mainly in the PRC with revenues and expenses of the Group's subsidiaries denominated mainly in RMB, with some denominated in Hong Kong dollars. The Group's cash and bank deposits were denominated some in Hong Kong dollars, with some denominated in RMB. Any significant exchange rate fluctuations of Hong Kong dollars against RMB as the functional currency may have a financial impact on the Group. As at 31 March 2017, the Directors considered the Group's foreign exchange risk currently remained minimal. During the Current Period, the Group did not use any financial instruments for hedging purposes (Previous Period: Nil).

EVENTS AFTER THE REPORTING PERIOD

On 28 April 2017, Shanghai Ying Kai Investment Management Limited, an indirectly wholly-owned subsidiary of the Company, completed an acquisition of another property located at Room 1604, No.1701 Beijing Road West, Jing An District, Shanghai. We expect to rent out the office spaces in the property so as to generate stable rental income in the long run. Please refer to the Company's announcement dated 18 November 2016 for further details.

SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES, AND PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save for the disclosure in note 4 of the condensed consolidated financial statements, there were no significant investments held, material acquisitions or disposal of subsidiaries and affiliated companies during the Current Period. There is no plan for material investments or capital assets as the date of this report.

SHARE OPTION SCHEME

The Company operates a share option scheme (the "Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. The Scheme is valid and effective for a period of 10 years commencing on 12 December 2011 and may continue to be exercisable in accordance with their terms of issue. The Board may grant options to Directors and eligible employees of the Company or its subsidiaries to subscribe for shares in the Company at a consideration equal to the higher of the closing price of the shares of the Company on the Stock Exchange at the date of offer of grant and the average closing prices of the shares of the Company on the Stock Exchange for the five trading days immediately preceding the date of grant of the options. Options granted must be taken up within 28 days from the date of grant, upon payment of HK\$1. Options may be exercised at any time from the date of grant of the share option up to the tenth anniversary of the date of grant as determined by the Directors at their discretion. The maximum number of shares of the Company in respect of which options may be granted, when aggregated with any other share option scheme of the Company, shall not exceed 30% of the issued share capital of the Company from time to time excluding any shares issued upon the exercise of options granted pursuant to the Scheme. Notwithstanding the foregoing, the shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Scheme shall not exceed 10% of the shares in issue from time to time. The total number of shares issued and to be issued upon exercise of the options granted to a participant under the Scheme (including both exercised and outstanding options) in any 12-month period must not exceed 1% of the shares in issue from time to time.

During the year 2014, the Company has granted 28,000,000 share options to the Company's Directors, consultants and employees at the exercise price of HK\$0.81 per option share (i.e. 224,000,000 shares with par value of HK\$0.00125 each after the Share Subdivision on 20 May 2016). As at 31 March 2017, the number of shares in respect of which options had been granted and remained outstanding under the Scheme was 118,720,000 (31 March 2016: 118,720,000), representing 3.5% (31 March 2016: 3.5%) of the shares of the Company in issue at that date. Details of the movements of share options granted, exercised or cancelled/lapsed during the review period and outstanding as at 31 March 2017 are as follows:

	Number of share options					Exercise period (both dates inclusive)	Exercise Price* HK\$	Closing price immediately before the date of grant HK\$
	At 1 January 2017*	Granted during the period	Exercised during the period	Cancelled/ lapsed during the period	Outstanding as at 31 March 2017			
Directors								
Mr. Chan Wing Yuen, Hubert	22,400,000	-	-	-	22,400,000	25 November 2014 to 24 November 2021	0.10125	0.12125
Ms. Lin Min, Mindy	22,400,000	-	-	-	22,400,000	25 November 2014 to 24 November 2021	0.10125	0.12125
Ms. Kwong Wai Man, Karina	22,400,000	-	-	-	22,400,000	25 November 2014 to 24 November 2021	0.10125	0.12125
Mr. Lui Tin Nang	2,240,000	-	-	-	2,240,000	25 November 2014 to 24 November 2021	0.10125	0.12125
Ms. Ma Lee	2,240,000	-	-	-	2,240,000	25 November 2014 to 24 November 2021	0.10125	0.12125
Mr. Wang Zhi Zhong	2,240,000	-	-	-	2,240,000	25 November 2014 to 24 November 2021	0.10125	0.12125
Total Directors	73,920,000	-	-	-	73,920,000			
Employees	44,800,000	-	-	-	44,800,000	25 November 2014 to 24 November 2021	0.10125	0.12125
Total Employees	44,800,000	-	-	-	44,800,000			
Total All Categories	118,720,000	-	-	-	118,720,000			

* adjusted by share subdivision effective on 20 May 2016.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

At 31 March 2017, the interests and short positions of the Directors and chief executives of the Company in the ordinary shares (the "Shares"), underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, were as follows:

Long position in ordinary shares of HK\$0.00125 each of the Company

Name of Director	Notes	Nature of Interest	Number of shares	Percentage of the Company's issued share capital
Mr. Hu Yishi	1	Interest of controlled corporation	458,000,000	13.34%
Ms. Lin Min, Mindy	2	Interest of controlled corporation	466,688,000	13.59%

Notes:

- Mr. Hu Yishi is deemed to be interested in 448,000,000 shares held by Smart Lane Global Limited, a subsidiary of Yuan Rong Century Investment Holdings Limited ("Yuan Rong"), where the entire issued share capital of which is held by Mr. Hu Yishi. Mr. Hu Yishi is also deemed to be interested in 10,000,000 shares held by Front Riches Investments Limited, a company 100% controlled by Mr. Hu Yishi.
- Ms. Lin Min, Mindy is deemed to be interested in 448,000,000 shares held by Uprise Global Investments Limited and in 18,688,000 shares held by Gainup Limited respectively, both companies were 100% controlled by Ms. Lin Min, Mindy.

Long position in the underlying shares of equity derivatives of the Company

Name of Director	Nature of Interest	Number of underlying shares (note)
Mr. Chan Wing Yuen, Hubert	Beneficial owner	22,400,000
Ms. Lin Min, Mindy	Beneficial owner	22,400,000
Ms. Kwong Wai Man, Karina	Beneficial owner	22,400,000
Mr. Lui Tin Nang	Beneficial owner	2,240,000
Ms. Ma Lee	Beneficial owner	2,240,000
Mr. Wang Zhi Zhong	Beneficial owner	2,240,000

Note:

The share options were granted by the Company to Directors on 25 November 2014 at the exercise price of HK\$0.10125 per option share, which are outstanding as shown under the section "Share Option Scheme" of this report.

Saved as disclosed above, at 31 March 2017, none of the Directors or chief executives of the Company or their respective associates had registered any interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations that was required to be recorded pursuant to section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

For the Current Period, the Directors were not aware of any business or interest of the Directors, the management Shareholder and their respective associates (as defined under the GEM Listing Rules) that compete or may compete with the business of the Group and any other conflict of interest which any such person has or may have with the Group.

DEED OF NON-COMPETITION

The deed of non-competition was no longer applied for both of the Current Period and the Previous Period.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

As at 31 March 2017, so far as is known to the Directors, the following persons, not being Directors or chief executives of the Company had, or were deemed to have, interests or short position in the shares or underlying shares which would fall to be disclosed to the Company under the provision of Divisions 2 and 3 Part XV of the SFO; or who is directly or indirectly, to be interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group.

Long position – Ordinary shares and underlying shares

Name	Capacity and nature of interest	Number of shares	Percentage of the Company's issued share capital
Depot Up Limited ^(Note 1)	Beneficial owner	640,000,000	18.64%
Mr. Song Zhi Cheng ^(Note 2)	Interest of controlled corporation	640,000,000	18.64%
Smart Lane Global Limited ^(Note 3)	Beneficial owner	448,000,000	13.05%
Uprise Global Investments Limited ^(Note 4)	Beneficial owner	448,000,000	13.05%
Blossom Merit Limited ^(Note 5)	Beneficial owner	229,632,000	6.69%
Mr. Chan Tai Neng ^(Note 6)	Interest of controlled corporation	229,632,000	6.69%
Rosy Deal Group Limited ^(Note 7)	Beneficial owner	224,000,000	6.52%
Ms. Miao Kun Yu ^(Note 8)	Interest of controlled corporation	224,000,000	6.52%

Notes:

- Depot Up Limited, a company incorporated in the Republic of Seychelles on 23 February 2015 with limited liability is an investment holding company where the entire issued share capital of which is held by Mr. Song Zhi Cheng.
- Mr. Song Zhi Cheng is deemed to be interested in 640,000,000 shares through his interest in Depot Up Limited.
- Smart Lane Global Limited, a company incorporated in Samoa on 19 February 2014 with limited liability and is an investment holding company which is a subsidiary of Yuan Rong where the entire issued share capital of which is held by Mr. Hu Yishi, an executive Director and executive chairman.
- Uprise Global Investments Limited, a company incorporated in the British Virgin Islands on 19 December 2013 with limited liability is an investment holding company where the entire issued share capital of which is held by Ms. Lin Min, Mindy, an executive Director.
- Blossom Merit Limited, a company incorporated in British Virgin Islands on 6 July 2011 with limited liability is an investment holding company where the entire issued share capital of which is held by Mr. Chan Tai Neng and Mr. Cheung Chi Keung (both being former executive Directors) in the proportion of 90% and 10% respectively as at the 31 March 2017.
- Mr. Chan Tai Neng is deemed to be interested in 229,632,000 shares held by Blossom Merit Limited. The issued share capital of Blossom Merit Limited is owned 90% by Mr. Chan Tai Neng and 10% by Mr. Cheung Chi Keung, (both being former executive Directors).
- Rosy Deal Group Limited, a company incorporated in Samoa on 14 October 2014 with limited liability is an investment holding company where the entire issued share capital of which is held by Ms. Miao Kun Yu.
- Ms. Miao Kun Yu is deemed to be interested in 224,000,000 shares through her interests in Rosy Deal Group Limited.

During the Current Period, there were no debt securities issued by the Group and the Company at any time.

Save as disclosed above, as at 31 March 2017, the Directors are not aware of any other person other than the Directors and the chief executives of the Company who had, or was deemed to have interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO; or who is directly or indirectly, to be interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or options in respect of such share capital.

RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Other than as disclosed under the sections “Share Option Scheme” and “Directors’ and chief executives’ interests and short positions in shares, underlying shares and debentures of the Company” above, at no time during the three months ended 31 March 2017 was the Company or any of its subsidiaries, or any of its fellow subsidiaries, a party to any arrangement to enable the Directors or chief executives of the Company or their respective associates (as defined in the GEM Listing Rules) to have any right to subscribe for securities of the Company or any of its associated corporations as defined in the SFO or to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the shares during the Current Period.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

To the best knowledge of the Board, the Company had complied with the Corporate Governance Code as set out in Appendix 15 of the GEM Listing Rules throughout the Current Period.

AUDIT COMMITTEE

The Company established an audit committee (the "Audit Committee") pursuant to a resolution of the Directors passed on 12 December 2011 with written terms of reference in compliance with Rule 5.28 and Rule 5.29 of the GEM Listing Rules. The written terms of reference of the audit committee was adopted in compliance with paragraph C.3.3 of the Code on Corporate Governance Practices as set out in Appendix 15 to the GEM Listing Rules. The primary duties of the audit committee, among other things, are to make recommendation to the Board on the appointment, re-appointment and removal of external auditor; review the financial statements and material advice in respect of financial reporting; oversee internal control procedures and risk management matters of the Company. As at 31 March 2017, the Audit Committee has three members comprising all the independent non-executive Directors, namely Mr. Lui Tin Nang (chairman), Ms. Ma Lee and Mr. Wang Zhi Zhong.

The Audit Committee had reviewed the unaudited first quarterly financial statements for the Current Period and is of the opinion that the preparation of such statements complied with the applicable accounting standards and that adequate disclosures have been made.

By order of the Board

Northern New Energy Holdings Limited

Chan Wing Yuen, Hubert

Chief Executive Officer and Executive Director

Hong Kong, 11 May 2017

As at the date of this report, the executive Directors are Mr. Hu Yishi, Mr. Chan Wing Yuen, Hubert, Ms. Lin Min, Mindy and Ms. Kwong Wai Man, Karina; and the independent non-executive Directors are Mr. Lui Tin Nang, Ms. Ma Lee and Mr. Wang Zhi Zhong.