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IMPORTANT NOTICE

This report is published in both Chinese and English Language. If there are any inconsistencies in content, the Chinese version shall prevail

COMPANY PROFILE

1. BASIC INFORMATION

- | | | | |
|-----|---|---|--|
| (1) | Registered Chinese name | : | 東北電氣發展股份有限公司 |
| | Registered English name | : | Northeast Electric Development Company Limited |
| | Chinese abbreviation | : | 東北電氣 |
| | English abbreviation | : | NEE |
| (2) | Stock exchange listings, stock abbreviations and stock code | | |
| | H Shares | : | The Stock Exchange of Hong Kong Limited
Stock abbreviation: NE Electric
Stock code: 0042 |
| | A Shares: | : | Shenzhen Stock Exchange
Stock abbreviation: ST Northeast Electric
Stock code: 000585 |
| (3) | Registered address | : | No. 78, Hunnan High and New Technology Development Zone, Shenyang, the PRC |
| | Office address | : | 14F, Kingdom Hotel, No. 189 Taiyuan South Street, Heping District, Shenyang, the PRC |
| | Postcode | : | 110001 |
| | Website | : | www.nee.com.cn |
| | E-mail | : | nee@nee.com.cn |
| (4) | Legal representative | : | Mr. Qu Lin |
| (5) | Board Secretary | : | Mr. Sun Zhen |
| | Representative for securities affairs | : | Mr. Zhu Xinguang |
| | Contact address | : | 14 F, Kingdom Hotel, No. 189 Taiyuan South Street, Heping District, Shenyang, the PRC |
| | Telephone | : | (86) 24-23501976 |
| | Fax | : | (86) 24-23527081 |
| | E-mail | : | nemm585@sina.com |
| (6) | PRC newspapers for information disclosure | : | “China Securities Daily” and “Securities Times” |
| | Hong Kong newspapers for information disclosure | : | “Sing Tao Daily” and “The Standard” |
| | Website publishing the interim report as designated by China Securities Regulatory Commission | : | www.cninfo.com.cn |
| | Website of the Stock Exchange publishing the interim report | : | www.hkex.com.hk |
| | Place of inspection | : | Office of the Board of Directors |
| (7) | Date of the Company’s first registration | : | 16 February 1993 |
| | Place of registration | : | No.18, Er Zhong Road, Tie Xi District, Shenyang, the PRC |
| | Date of the Company’s most recent change of registration | : | 15 November 2004 |
| | Place of registration | : | No. 78, Hunnan High and New Technology Development Zone, Shenyang, the PRC |
| | Registered number of the corporate legal person business licence | : | Qi Gu Liao Shen Zong Zi No. 111001448 |
| | Registered taxation number | : | 210102243437397 |

2. MAJOR FINANCIAL INDICATORS AND DATA

(1) Major financial data and indicators prepared in accordance with PRC Accounting Rules and Regulations

Financial data and indicators	Unit: RMB		
	At the end of the reporting period	At the end of last year	Change compared with the beginning of the year (%)
Current assets	644,338,331	714,440,113	(9.81)
Current liabilities	342,861,211	463,568,141	(26.04)
Total assets	1,233,571,278	1,356,156,532	(9.04)
Shareholders' funds (excluding minority interests)	779,452,133	770,613,573	1.15
Net assets per share	0.89	0.88	1.14
Adjusted net assets per share	0.88	0.88	—

Financial data and indicators	Unit: RMB		
	For the reporting period	For the same period last year	Change compared with the same period last year (%)
Net profit	8,731,049	7,298,583	19.63
Net profit after extraordinary items	6,115,455	4,473,968	36.69
Net cash flow from operating activities	(84,543,942)	(72,299,936)	(16.94)
Return on net assets (%)	1.12	1.28	decrease 0.16 percentage points
Earnings per share	0.01	0.008	25

Note: The amounts after deducting extraordinary profit and loss

Items	Unit: RMB Amount
Net non-operating income and expenses after provision for diminution in value made under the Accounting Rules and Regulations for Enterprises	60,342
Income from disposal of long-term equity investment	2,555,252
Total	2,615,594

(2) Condensed consolidated profit and loss account and consolidated balance sheet prepared in accordance with Hong Kong accounting standards

Consolidated profit and loss account

Unit: '000RMB

	For the reporting period (Jan-Jun)	For the same period last year
Turnover	245,752	146,563
Profit before taxation	15,300	10,390
Taxation	(1,241)	(2,901)
Profit after taxation	14,059	7,489
Minority interests	(4,750)	(256)
Profit attributable to shareholders	9,309	7,233

Consolidated balance sheet

Unit: '000RMB

	At the end of the reporting period	At the end of last year
Total assets	1,233,571	1,352,303
Total liabilities	342,307	475,315
Shareholders' funds	780,706	771,180

(3) Difference in net profit between PRC accounting standards and international accounting standards

Unit: RMB

Net profit calculated under Hong Kong accounting standards:	9,308,714
Net profit calculated under PRC accounting standards:	8,731,049

Reason for arising differences: welfare fee of RMB577,665

MOVEMENTS OF SHARE CAPITAL AND SHAREHOLDINGS OF SHAREHOLDERS

1. CHANGES IN SHARE CAPITAL OF THE COMPANY

Unit: 0'000 shares

Items	Pre-movement	Increase/(decrease) during the period (+/-)	Post-movement
A. Unlisted and non-circulating shares			
1. State-owned shares	26,652	—	26,652
2. Social legal person shares	20,530	—	20,530
B. Listed and circulating shares			
1. Renminbi ordinary shares	14,360	—	14,360
2. Overseas listed foreign shares	25,795	—	25,795
C. Total number of shares	87,337	—	87,337

There were no changes in the total number of share capital and share capital structure of the Company during the reporting period.