

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.



東北電氣發展股份有限公司

NORTHEAST ELECTRIC DEVELOPMENT CO.,LTD.

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

(Stock Code: 0042)

Third Quarterly Report of 2016

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

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

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

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

Yes No

1.2 Principal accounting data and financial indicators

	The end of the reporting period(30 September 2016)	The end of the prior year (31 December 2015)	Unit: RMB Increase/decrease as at the end of the reporting period compared to the end of the prior year
Total assets (RMB)	438,860,429.25	483,445,718.25	-9.22%
Net assets attributable to shareholders of listed company (RMB)	276,393,243.69	296,987,112.46	-6.93%

	The reporting period	Increase/Decrease comparing to the same period prior year	Jan.-Sept. 2016	Increase/Decrease comparing to the same period prior year
Total operating revenue (RMB)	14,460,783.86	-62.94%	48,962,813.97	-53.13%
Net profits attributable to shareholders of listed company (RMB)	-10,204,108.35	-1,669.10%	-23,364,082.28	-2,464.67%
Net profits attributable to shareholders of listed company (RMB) (Excluding non-recurring profit/loss items and amounts)	-9,758,941.84	-1,724.95%	-23,125,195.53	-2,197.40%
Net cash flows from operating activities (RMB)	--	--	-36,185,160.58	-10.40%
Basic earnings per share (RMB/share)	-0.0117	-1,771.43%	-0.0268	-2,727.27%
Diluted earnings per share (RMB/share)	-0.0117	-1,771.43%	-0.0268	-2,727.27%
Net assets ration(weighted average) (%)	-3.55%	Decreased by 3.78 percentage points	-8.13%	Decreased by 7.81 percentage points

1.3 Excluding non-recurring profit/loss items and amounts

Unit: RMB

Item	Amounts for the beginning of the year and the end of the reporting period	Reason
Profit and loss on disposal of non-current assets (including the part of provision for asset impairment being written off)	-605,357.27	Liquidation of fixed assets
Change in profit and loss generated from financial assets held for trading, change in fair value generated from financial liabilities held for trading, investment gains from disposal of financial assets and financial liabilities held for trading and available-for-sale financial assets, other than effective hedging activities associated with normal business operations of the Company	367,369.30	Investment of principal-guaranteed wealth management by banks
Other non-operating income and expense other than the above items	-898.78	Overdue Payment
Total	-238,886.75	--

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

Applicable Not applicable

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

Unit: Share

Total number of shareholders		84,789		Total number of preferred shareholders with voting rights restored at the end of the reporting period (if any)	0	
Shareholdings of top ten shareholders of ordinary shares						
Name of shareholders	Nature of shareholder	Percentage	Number of shares	Number of untradeable shares	Shares pledged or frozen	
					Status of shares	Number
HKSCC Nominees Limited	Overseas legal person	29.43%	256,999,999			
Suzhou Tsing Chuang Trading Group Co.,Ltd	Domestic non-state-owned legal person	9.33%	81,494,850		Pledged	62,021,200
Taida Hongli Funds-CMBC-TEDA Manulife Strategy Rating No. 31 Assets Management Plan	State-owned legal person	1.86%	16,247,661			
Shanghai Hongyao Information Technology Center (limited partnership)	Domestic non-state-owned legal person	1.15%	10,000,008			
Xu Kaidong	Domestic natural person	0.92%	8,000,000			
China International Capital Corporation	Domestic non-state-owned	0.59%	5,123,495			

Limited	legal person					
Shenzhen Zhongda Software Development Ltd	Domestic non-state-owned legal person	0.41%	3,550,000	3,550,000		
Shi Yubo	Domestic natural person	0.37%	3,261,900			-
Hu Li	Domestic natural person	0.25%	2,166,760			
Central Huijin Asset Management Ltd.	State-owned legal person	0.24%	2,078,800			
Shareholdings of the top ten shareholders of ordinary shares of non-restricted shares						
Name of shareholders	Number of non-restricted shares held	Class of shares				
		Class of shares	Number			
HKSCC Nominees Limited	256,999,999	H shares	256,999,999			
Suzhou Tsing Chuang Trading Group Co.,Ltd	81,494,850	A shares	81,494,850			
Taida Hongli Funds-CMBC-TEDA Manulife Strategy Rating No. 31 Assets Management Plan	16,247,661	A shares	16,247,661			
Shanghai Hongyao Information Technology Center (limited partnership)	10,000,008	A shares	10,000,008			
Xu Kaidong	8,000,000	A shares	8,000,000			
China International Capital Corporation Limited	5,123,495	A shares	5,123,495			
Shi Yubo	3,261,900	A shares	3,261,900			
Hu Li	2,166,760	A shares	2,166,760			
Central Huijin Asset Management Ltd.	2,078,800		2,078,800			
Xiao Yumin	1,998,888	A shares	1,998,888			
Connections and concerted actions between the above shareholders:	So far as the company is aware, there is no connected relationship among the top ten shareholders or are parties acting in concert as required in “methods of information disclosure of shareholding changes of listed companies”.Based on the final practicable date before the Third Quarterly Report and the publicly available information of the Company, the Company confirms that the number of public shares is sufficient.					
Shareholders involved in the margin trading business(if any)	Xu Kaidong holds 8,000,000 shares through the guarantee securities account of customer credit transactions of Sinolink Securities Co., Ltd.. Shi Yubo holds 3,181,900 shares through the guarantee securities account of customer credit transactions of Everbright Securities Co., Ltd..					

Agreement repurchase type negotiable securities transaction in the report period

Yes No

§3 Conditions of large-margin changes of main items in the accounting statement and financial indicators and reasons therefore

Unit: RMB

Report item	Closing balance or Amount incurred during the period	Closing balance of previous year or Amount Incurred in the corresponding period of last year	Changes	Percentage of changes	Remarks
Cash and deposits	68,805,343.74	123,417,163.19	-54,611,819.45	-44.25%	Decrease in sales proceeds collection (cash)
Other Receivable	18,930,226.86	7,059,843.56	11,870,383.30	168.14%	Increase in Value Added Tax to be offset and personal loans
Other current assets	133,893.96	1,042,604.52	-908,710.56	-87.16%	Amortisation of lease prepayments
Taxes Payable	383,579.59	1,984,295.27	-1,600,715.68	-81.78%	Decrease in enterprise income tax and VAT payable
Operating Income	48,962,813.97	104,462,924.68	-55,500,110.71	-53.13%	Sluggish market, fierce price competition
Operating Cost	39,684,701.17	76,378,412.48	-36,693,711.31	-48.04%	Decrease in incomes
Administrative expenses	24,002,144.46	17,754,260.52	6,247,883.94	35.19%	Work suspension losses, increase in directors' remuneration
Return on investments (loss is posed as "—")	367,369.30	655,225.15	-287,855.85	-43.93%	Decrease in the investment of principal-guaranteed wealth management by banks
Non-operating expenses	606,778.24	35,200.00	571,578.24	1623.80%	Vehicle transfer losses
Cash received from sales of goods or rendering of services	45,072,634.84	105,969,250.62	-60,896,615.78	-57.47%	Decrease in sales volume, difficulty in funds recovery
Cash received from purchases of goods or accepting of services	38,300,606.06	93,402,935.50	-55,102,329.44	-58.99%	Decrease in purchases
Cash paid in purchase/construction of fixed assets, intangible assets and other long-term assets	172,327.08	2,410,761.42	-2,238,434.34	-92.85%	Decrease in purchase of fixed assets

§4 Significant Events

4.1 Material litigation and arbitration

During the reporting period, the Company had no any material pending or threatened litigations and claims.

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

None

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

To implement the Share Reform Scheme of the Company smoothly, Suzhou Tsing Chuang Trading Group Co.,Ltd , the largest shareholder of the Company made a special undertaking that it will not sell or transfer the shares of Northeast Electric Development Co., Ltd on Shenzhen Stock Exchange within 36 months from the date for implementation of the Share Reform Scheme. Following the expiry of the said 36 months, the original Non-circulating Shares which are publicly sold on Shenzhen Stock Exchange will not be less than RMB5 per share.

During the reporting period, Suzhou Tsing Chuang Trading Group Co.,Ltd has strictly fulfilled the above promises.

§6 Subsequent events

None

§7 FINANCIAL REPORT

7.1 CONSOLIDATED BALANCE SHEET

Date: Sept. 30, 2016

Prepared by: Northeast Electric Development Co., Ltd

Unit: RMB

Items	Closing Balance	Opening Balance
Current Assets:		
Cash and deposits	68,805,343.74	123,417,163.19
Financial asset designated to be measured by fair value and which change is recorded in current incomes		
Trading financial assets		
Notes Receivable	2,330,000.00	2,109,500.00
Accounts Receivable	146,715,137.52	134,014,154.00
Prepayment	123,705.46	385,450.80
Interest Receivable		
Dividend		
Other Receivable	10,270,951.45	7,059,843.56
Inventory	26,306,156.40	28,181,314.33
Assets held for sale		
Non-current asset due within 1 year		16,960.00
Other current asset	133,893.96	1,042,604.52
Total current assets	254,685,188.53	296,226,990.40
Non-current Assets:		
Financial assets available for sale	71,122,489.60	69,446,681.85
Held-to-maturity investments		
Long-term receivables		
Long-term equity investments	42,156,000.78	41,020,089.96
Investment in real estate		
Fixed Assets	53,019,574.15	58,783,415.15
Construction in progress	6,070,928.52	6,070,928.55
Material - construction		
Liquidation of fixed assets		
Productive biological assets		
Oil and gas assets		
Intangible Assets	3,963,081.65	4,064,699.21
Development expenditures		
Goodwill		
Long-term deferred expenses	500,898.16	490,645.27
Deferred tax assets	7,342,267.86	7,342,267.86
Other non-current assets		
Total non-current assets	184,175,240.72	187,218,727.85
Total Assets	438,860,429.25	483,445,718.25
Current Liabilities:		
Short-term Borrowings	9,000,000.00	9,000,000.00
Financial Liabilities designated to be measured by fair value and which change is		

recorded in current incomes		
Trading financial liabilities		
Notes Payable	2,248,600.00	20,508,400.00
Accounts Payable	34,155,743.24	37,336,706.17
Receipts in advance	8,091,841.52	7,738,572.04
Employee compensation	2,767,322.94	2,628,964.40
Taxes Payable	383,579.59	1,984,295.27
Interest Payable		
Dividends	40,017.86	40,017.86
Other Payables	44,221,811.45	45,647,350.73
Liabilities held for sale		
Non-current liabilities due within 1 year		
Other Liabilities		
Total current liabilities	100,908,916.60	124,884,306.47
Non-current liabilities:		
Long-term Borrowings		
Bonds Payable		
Incl: Premium		
Perpetual		
Long-term Payables		
Long-term Payable - Salaries&Benefits		
Special Payables	500,000.00	500,000.00
Estimated Liabilities	60,721,078.25	60,721,078.25
Deferred Revenue		
Deferred Liabilities - Income Tax		
Other Non-Current Liabilities		
Total Non-Current Liabilities	61,221,078.25	61,221,078.25
Total Liabilities	162,129,994.85	186,105,384.72
Shareholders' Equity:		
Share Capital	873,370,000.00	873,370,000.00
Other Equity Instruments		
Incl: Premium		
Perpetual		
Capital reserve	883,422,403.92	883,422,403.92
Less: Treasury Stock		
Other Comprehensive Income	-28,031,296.05	-30,801,509.57
Special Reserve		
Surplus Reserve	108,587,124.40	108,587,124.40
Provision for general risk		
Accumulated losses	-1,560,954,988.58	-1,537,590,906.29
Total equity attributable to the equity holders of the Company	276,393,243.69	296,987,112.46
Minority interests	337,190.71	353,221.07
Total shareholders' equity	276,730,434.40	297,340,333.53
Total liabilities and shareholders' equity	438,860,429.25	483,445,718.25

7.2 BALANCE SHEET (PARENT COMPANY)

Date: Sept.30, 2016

Prepared by: Northeast Electric Development Co., Ltd

Unit: RMB

Item	Closing Balance	Opening Balance
Current Assets:		
Cash and deposits	77,016.79	2,658.47
Financial asset designated to be measured by fair value and which change is recorded in current incomes		
Trading financial assets		
Notes Receivable		
Accounts Receivable	1,065,111.79	1,244,511.79
Prepayment		
Interest Receivable		
Dividend		
Other Receivable	334,166,663.81	342,198,702.69
Inventory		
Assets held for sale		
Non-current asset due within 1 year		
Other current asset		
Total current assets	335,308,792.39	343,445,872.95
Non-current Assets:		
Financial assets available for sale		
Held-to-maturity investments		
Long-term receivables		
Long-term equity investments	90,413,551.10	90,413,551.10
Investment in real estate		
Fixed Assets	45,131.02	23,528.65
Construction in progress		
Material - construction		
Liquidation of fixed assets		
Productive biological assets		
Oil and gas assets		
Intangible Assets		
Development expenditures		
Goodwill		
Long-term deferred expenses		
Deferred tax assets		
Other non-current assets		
Total non-current assets	90,458,682.12	90,437,079.75
Total Assets	425,767,474.51	433,882,952.70
Current Liabilities:		

Short-term Borrowings		
Financial Liabilities designated to be measured by fair value and which change is recorded in current incomes		
Derivative financial liabilities		
Notes Payable		
Accounts Payable		
Receipts in advance	581,743.59	665,000.00
Employee Compensation	71,094.72	8,576.52
Taxes Payable	82,393.07	31,456.26
Interest Payable		
Dividends		
Other Payable	75,080,880.88	78,156,633.29
Liabilities held for sale		
Non-current liabilities due within 1 year		
Other Liabilities		
Total current liabilities	75,816,112.26	78,861,666.07
Non-current liabilities:		
Long-term Borrowings		
Bonds Payable		
Incl: Premium		
Perpetual		
Long-term Payables		
Long-term Payable - Salaries&Benefits		
Special Payable		
Estimated Liabilities	60,721,078.25	60,721,078.25
Deferred Revenue		
Deferred Liabilities - Income Tax		
Other Non-Current Liabilities		
Total Non-Current Liabilities	60,721,078.25	60,721,078.25
Total Liabilities	136,537,190.51	139,582,744.32
Shareholders' Equity:		
Share Capital	873,370,000.00	873,370,000.00
Other Equity Instruments		
Incl: Premium		
Perpetual		
Capital reserve	979,214,788.45	979,214,788.45
Less: Treasury Stock		
Other Comprehensive Income		
Surplus Reserve	108,587,124.40	108,587,124.40
Accumulated losses	-1,671,941,628.85	-1,666,871,704.47
Total shareholders' equity	289,230,284.00	294,300,208.38
Total liabilities and shareholders' equity	425,767,474.51	433,882,952.70

7.3 CONSOLIDATED INCOME STATEMENT

Date: Jul.-Sept. 2016

Prepared by: Northeast Electric Development Co., Ltd

Unit: RMB

Items	Amount for the current period	Amount for the previous period
I. Total Operating Income	14,460,783.86	39,015,097.36
Incl.: Sales	14,460,783.86	39,015,097.36
II. Total Operating Cost	24,226,194.27	38,627,489.61
Incl.: Cost of Sales	11,883,937.00	28,843,267.41
Taxes & Surcharges	75,650.19	259,685.35
Expenses of Sales	2,891,267.88	3,735,573.85
Administrative expenses	9,273,873.23	5,748,941.45
Finance expenses	101,465.97	40,021.55
Assets Impairment loss		
Plus: Income of fair value variance (loss is posed as "—")		
Return on investments (loss is posed as "—")	38,396.70	93,312.22
Including: return on investments to associates and related		
Return on exchanges (loss is posed as "—")		
III. Operational Profit (Loss is posed as "—")	-9,727,013.71	480,919.97
Plus: Non-operating income		49,746.25
Including: income of disposal of non-current assets		
Less: Non-operating expenses	483,563.21	
Including: loss of disposal of non-current assets	483,435.99	
IV. Total Profit (Total loss is posed as "—")	-10,210,576.92	530,666.22
Less: Income tax expenses	194.18	-113,937.80
V. Net Profit (Net loss is posed as "— ")	-10,210,771.10	644,604.02
Net profit attributable to equity holders of the Company	-10,204,108.35	650,316.81
Minority interests	-6,662.75	-5,712.79
VI. Net Other Comprehensive Income after tax	752,000.96	3,865,988.61

Total Comprehensive Income Attributable to the Equity Holders of the Company	752,000.96	3,865,988.61
(I) Other Comprehensive Income not to be re-categorized into Profit & Loss		
1.Remeasurement of Net Liabilities/Assets Variance of Defined Benefit Plans		
2.Shares of Other Comprehensive Income not to be re-categorized into Profit & Loss from invested Parties by Equity Methods		
(II) Other Comprehensive Income to be re-categorized into Profit & Loss	752,000.96	3,865,988.61
1. Shares of Other Comprehensive Income to be re-categorized into Profit & Loss from invested Parties by Equity Methods		
2. Profit/Loss in fair value of available-for-sale financial assets		
3.Profit/Loss of held-to-maturity investments in re-categorized available-for-sale financial assets		
4.Effective portion of Profit/Loss from Cash Flow Hedge		
5.Differences of Exchange for Foreign Currency Report	752,000.96	3,865,988.61
6.Others		
Net After-tax Comprehensive Income Attributable to Minority Interests		
VII. Total Comprehensive Income	-9,458,770.14	4,510,592.63
Total Comprehensive Income Attributable to the Equity Holders of the Company	-9,452,107.39	4,516,305.42
Total Comprehensive Income Attributable to the Minority Interests of the Company	-6,662.75	-5,712.79
VIII. Earnings per share		
(I) Basic earnings per share	-0.0117	0.0007
(II) Diluted earnings per share	-0.0117	0.0007

7.4 INCOME STATEMENT (PARENT COMPANY)

Date: Jul.-Sept. 2016

Prepared by: Northeast Electric Development Co., Ltd

Unit: RMB

Item	Amount for the current period	Amount for the previous period
I. Total Operating Income	0.00	5,004,000.00
Less: Cost of Sales	0.00	4,619,076.92
Taxes & Surcharges	0.00	6,404.97
Expenses of Sales		
Administrative expenses	1,817,994.98	507,939.40
Finance expenses	336.31	88.58
Assets Impairment loss		
Plus: Income of fair value variance (loss is posed as "—")		
Return on investments (loss is posed as "—")		
Including.: return on investments to associates and related parties		
II. Operational Profit (Loss is posed as "—")	-1,818,331.29	-129,509.87
Plus: Non-operating income		
Incl: income of disposal of non-current assets		
Less: Non-operating expenses		
Incl: loss of disposal of non-current assets		
III. Total Profit (Total loss is posed as "—")	-1,818,331.29	-129,509.87
Less: Income tax expenses		
IV. Net Profit (Net loss is posed as " —")	-1,818,331.29	-129,509.87
V. Net Other Comprehensive Income after tax		
(I) Other Comprehensive Income not to be re-categorized into Profit & Loss		
1.Remeasurement of Net Liabilities/Assets Variance of Defined Benefit Plans		
2.Shares of Other Comprehensive Income not to be re-categorized into Profit		

& Loss from invested Parties by Equity Methods		
(II) Other Comprehensive Income to be re-categorized into Profit & Loss		
1. Shares of Other Comprehensive Income to be re-categorized into Profit & Loss from invested Parties by Equity Methods		
2. Profit/Loss in fair value of available-for-sale financial assets		
3. Profit/Loss of held-to-maturity investments in re-categorized available-for-sale financial assets		
4. Effective portion of Profit/Loss from Cash Flow Hedge		
5. Differences of Exchange for Foreign Currency Report		
6. Others		
VI. Total Comprehensive Income	-1,818,331.29	-129,509.87
VII. Earnings per share		
(I) Basic earnings per share		
(II) Diluted earnings per share		

7.5 CONSOLIDATED INCOME STATEMENT

Date: Jan.-Sept. 2016

Prepared by: Northeast Electric Development Co., Ltd

Unit: RMB

Items	Amount for the current period	Amount for the previous period
I. Total Operating Income	48,962,813.97	104,462,924.68
Incl.: Sales	48,962,813.97	104,462,924.68
II. Total Operating Cost	72,103,845.68	105,939,488.91
Incl.: Cost of Sales	39,684,701.17	76,378,412.48
Taxes & Surcharges	254,207.40	501,054.82
Expenses of Sales	8,028,213.88	11,072,736.63
Administrative expenses	24,002,144.46	17,754,260.52
Finance expenses	75,968.58	233,024.46
Assets Impairment loss	58,610.19	
Plus: Income of fair value variance (loss is posed as "—")		
Return on investments (loss is posed as "—")	367,369.30	655,225.15
Including: return on investments to associates and related parties		
Return on exchanges (loss is posed as "—")		
III. Operational Profit (Loss is posed as "—")	-22,773,662.41	-821,339.08
Plus: Non-operating income	522.19	130,786.74
Including: income of disposal of non-current assets		
Less: Non-operating expenses	606,778.24	35,200.00
Including: loss of disposal of non-current assets	605,357.27	
IV. Total Profit (Total loss is posed as "—")	-23,379,918.46	-725,752.34
Less: Income tax expenses	194.18	193,420.28
V. Net Profit (Net loss is posed as "— ")	-23,380,112.64	-919,172.62
Net profit attributable to equity holders of the Company	-23,364,082.28	-910,995.86
Minority interests	-16,030.36	-8,176.76
VI. Net Other Comprehensive Income after tax	2,770,213.54	3,828,548.37

Total Comprehensive Income Attributable to the Equity Holders of the Company	2,770,213.54	3,828,548.37
(I) Other Comprehensive Income not to be re-categorized into Profit & Loss		
1.Remeasurement of Net Liabilities/Assets Variance of Defined Benefit Plans		
2.Shares of Other Comprehensive Income not to be re-categorized into Profit & Loss from invested Parties by Equity Methods		
(II) Other Comprehensive Income to be re-categorized into Profit & Loss	2,770,213.54	3,828,548.37
1. Shares of Other Comprehensive Income to be re-categorized into Profit & Loss from invested Parties by Equity Methods		
2. Profit/Loss in fair value of available-for-sale financial assets		
3.Profit/Loss of held-to-maturity investments in re-categorized available-for-sale financial assets		
4.Effective portion of Profit/Loss from Cash Flow Hedge		
5.Differences of Exchange for Foreign Currency Report	2,770,213.54	3,828,548.37
6.Others		
Net After-tax Comprehensive Income Attributable to Minority Interests		
VII. Total Comprehensive Income	-20,609,899.10	2,909,375.75
Total Comprehensive Income Attributable to the Equity Holders of the Company	-20,593,868.74	2,917,552.51
Total Comprehensive Income Attributable to the Minority Interests of the Company	-16,030.36	-8,176.76
VIII. Earnings per share		
(I) Basic earnings per share	-0.0268	-0.0010
(II) Diluted earnings per share	-0.0268	-0.0010

7.6 INCOME STATEMENT (PARENT COMPANY)

Date: Jan.-Sept. 2016

Prepared by: Northeast Electric Development Co., Ltd

Unit: RMB

Item	Amount for the current period	Amount for the previous period
I. Total Operating Income	0.00	9,016,765.76
Less: Cost of Sales	0.00	8,193,422.21
Taxes & Surcharges	0.00	11,314.77
Expenses of Sales		
Administrative expenses	5,068,452.43	1,539,615.92
Finance expenses	1,471.95	959.11
Assets Impairment loss		
Plus: Income of fair value variance (loss is posed as "—")		
Return on investments (loss is posed as "—")		
Including.: return on investments to associates and related parties		
II. Operational Profit (Loss is posed as "—")	-5,069,924.38	-728,546.25
Plus: Non-operating income		
Incl: income of disposal of non-current assets		
Less: Non-operating expenses		
Incl: loss of disposal of non-current assets		
III. Total Profit (Total loss is posed as "—")	-5,069,924.38	-728,546.25
Less: Income tax expenses		
IV. Net Profit (Net loss is posed as " —")	-5,069,924.38	-728,546.25
V. Net Other Comprehensive Income after tax		
Total Comprehensive Income Attributable to the Equity Holders of the Company		
(I) Other Comprehensive Income not to be re-categorized into Profit & Loss		

1.Remeasurement of Net Liabilities/Assets Variance of Defined Benefit Plans		
2.Shares of Other Comprehensive Income not to be re-categorized into Profit & Loss from invested Parties by Equity Methods		
(II) Other Comprehensive Income to be re-categorized into Profit & Loss		
1. Shares of Other Comprehensive Income to be re-categorized into Profit & Loss from invested Parties by Equity Methods		
2. Profit/Loss in fair value of available-for-sale financial assets		
3.Profit/Loss of held-to-maturity investments in re-categorized available-for-sale financial assets		
4.Effective portion of Profit/Loss from Cash Flow Hedge		
5.Differences of Exchange for Foreign Currency Report		
VI. Total Comprehensive Income	-5,069,924.38	-728,546.25
VII. Earnings per share		
(I) Basic earnings per share		
(II) Diluted earnings per share		

7.7 CONSOLIDATED CASH FLOW STATEMENT

Date: Jan.-Sept. 2016

Prepared by: Northeast Electric Development Co., Ltd

Unit: RMB

Items	Amount for the current period	Amount for the previous period
I. Cash flow from operating activities		
Cash received from sales of goods or rendering of services	45,072,634.84	105,969,250.62
Tax refunds received		
Cash received from other operating activities	6,522,968.57	12,633,829.16
Sub-total of cash inflows from operating activities	51,595,603.41	118,603,079.78
Cash paid to goods purchased and labor service received	38,300,606.06	93,402,935.50
Cash paid to and for employees	16,161,312.55	18,021,610.26
Payments of taxes and surcharges	6,934,455.53	7,138,915.82
Cash payments to other operating activities	26,384,389.85	32,816,128.79
Sub-total of cash outflows for operating activities	87,780,763.99	151,379,590.37
Net Cash Flow from operating activities	-36,185,160.58	-32,776,510.59
II. Cash flow from investing activities		
Cash from disinvestments	40,000,000.00	48,000,000.00
Cash received from return of investments	367,369.30	595,225.15
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	47,838.42	
Net cash received in disposing subsidiaries and other operating units		
Cash received relating to other investing activities		
Sub-total of cash inflows from investing activities	40,415,207.72	48,595,225.15
Cash paid in purchase/construction of fixed assets, intangible assets and other long-term assets	172,327.08	2,410,761.42
Cash paid for investment	40,000,000.00	62,000,000.00
Net cash paid for subsidiaries and other operating units		
Cash paid relating to other investing activities		
Sub-total of cash outflows	40,172,327.08	64,410,761.42
Net Cash Flow from investing activities	242,880.64	-15,815,536.27
III. Cash flow from financing activities		
Cash received by absorbing investment		
Incl: cash received by subsidiaries from minority shareholders		
Cash received from borrowings	5,000,000.00	5,000,000.00
Cash received from bond issued		
Cash received relating to other financing activities		
Sub-total of cash inflows	5,000,000.00	5,000,000.00
Cash paid for repayments of debts	5,000,000.00	5,000,000.00

Cash paid for distribution of dividends, profits and interest	420,419.42	500,613.18
Incl:cash paid by subsidiaries to minority shareholders		
Cash paid relating to other financing activities		
Sub-total of cash outflows	5,420,419.42	5,500,613.18
Net Cash Flow from financing activities	-420,419.42	-500,613.18
IV. Effect of change of foreign currency rates on cash and cash equivalents	10,679.91	
V. Net increase of cash and equivalent	-36,352,019.45	-49,092,660.04
Plus: Balance of cash and equivalent at beginning of period	101,603,025.69	124,218,516.86
VI. Balance of Cash and equivalent by end of period	65,251,006.24	75,125,856.82

7.8 CASH FLOW STATEMENT (PARENT COMPANY)

Date: Jan.-Sept., 2016

Prepared by: Northeast Electric Development Co., Ltd

Unit: RMB

Item	Amount for the current period	Amount for the previous period
I. Cash flow from operating activities		
Cash received from sales of goods or rendering of services	0.00	7,630,000.00
Tax refunds received		
Cash received from other operating activities	10,368,834.31	20,984,270.63
Sub-total of cash inflows from operating activities	10,368,834.31	28,614,270.63
Cash paid to goods purchased and labor service received		6,863,000.00
Cash paid to and for employees	321,168.42	113,634.65
Payments of taxes and surcharges	412,827.67	265,041.88
Cash payments to other operating activities	9,526,782.07	21,375,044.91
Sub-total of cash outflows	10,260,778.16	28,616,721.44
Net Cash Flow from investing activities	108,056.15	-2,450.81
II. Cash flow from investing activities		
Cash from disinvestments		
Cash received from return of investments		
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		
Net cash received in disposing subsidiaries and other operating units		
Cash received relating to other investing activities		
Sub-total of cash inflows from investing activities		
Cash paid in purchase/construction of fixed assets, intangible assets and other long-term assets	33,697.83	
Cash paid for investment		
Net cash paid for subsidiaries and other operating units		
Cash paid relating to other investing activities		
Sub-total of cash outflows	33,697.83	
Net Cash Flow from investing activities	-33,697.83	
III. Cash flow from financing activities		
Cash received by absorbing investment		
Cash received from borrowings		
Cash received from bond issued		
Cash received relating to other financing activities		
Sub-total of cash inflows		
Cash paid for repayments of debts		
Cash paid for distribution of dividends, profits and interest		

Cash paid relating to other financing activities		
Sub-total of cash outflows		
Net Cash Flow from financing activities		
IV. Effect of change of foreign currency rates on cash and cash equivalents		
V. Net increase of cash and equivalent	74,358.32	-2,450.81
Plus: Balance of cash and equivalent at beginning of period	2,658.47	21,532.17
VI. Balance of Cash and equivalent by end of period	77,016.79	19,081.36

Legal Representative: Su Jianghua

Chief Financial Officer: Feng Xiaoyu

Chief Accounting Officer: Qian Kouming

By order of the Board

Su Jianghua

Chairman

Yingkou City, Liaoning Province, the PRC

26 October, 2016

As at the date of this report, the Board of Directors comprises of six directors, namely Mr. Su Jianghua, Mr. Su Weiguo, Mr. Wang Zheng, Mr. Liu Jun, Mr. Li Min and Mr. Feng Xiaoyu; three independent non-executive directors, namely Mr. Zhang Luyang, Mr. Jin Wenhong and Mr. Qian Fengsheng.