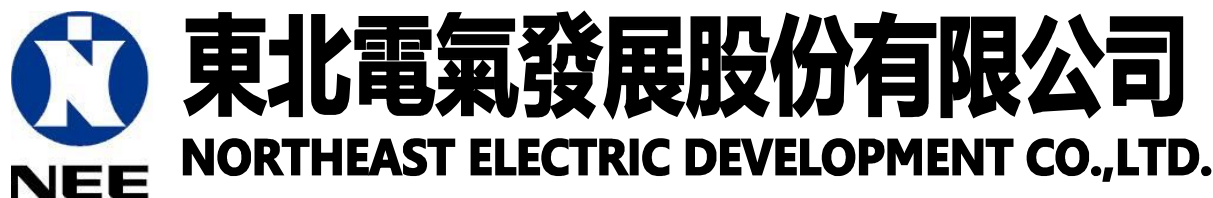


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(A joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 0042)

First Quarterly Report of 2017

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

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

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

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

Yes No

1.2 Principal accounting data and financial indicators

Unit: RMB

| | As at the end of the reporting period | As at the end Of same period last year | Increase/Decrease Comparing with the Same Period Last Year |
|---|---------------------------------------|--|--|
| Total operating revenues (RMB) | 5,699,227.63 | 17,984,374.39 | -68.31% |
| Net profits attributable to shareholders of listed company (RMB) | -15,563,758.44 | -4,664,568.84 | -233.66% |
| Net profits attributable to shareholders of listed company (RMB) (Excluding | -15,424,679.15 | -4,714,175.72 | -227.20% |

| | | | |
|---|--|--|---|
| non-recurring profit/loss items and amounts) | | | |
| Net cash flow from operating activities (RMB) | 35,078,254.69 | -20,743,776.04 | -269.10% |
| Basic earnings per share (RMB/share) | -0.0178 | -0.0053 | -235.85% |
| Diluted earnings per share (RMB/share) | -0.0178 | -0.0053 | -235.85% |
| Net assets ration(weighted average) (%) | -8.06% | -1.59% | Decrease 6.47 percentage |
| | The end of the reporting period(31 March 2017) | The end of the prior year (31 December 2016) | Increase/decrease as at the end of the reporting period compared to the end of the prior year |
| Total assets (RMB) | 378,900,733.92 | 401,830,329.21 | -5.71% |
| Net assets attributable to shareholders of listed company (RMB) | 185,406,694.94 | 202,789,879.48 | -8.57% |

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) | -139,079.29 | Loss of Liquidation of fixed assets |
| Total | -139,079.29 | |

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 | 76,603 | Total number of preferred shareholders | 0 |
| | | with voting rights restored at the end of the reporting period (if any) | |

| Shareholdings of top ten shareholders of ordinary shares | | | | | | |
|---|---------------------------------------|-----------------|------------------|------------------------------|--------------------------|--------|
| Name of shareholders | Nature of shareholder | Percent age | Number of shares | Number of untradeable shares | Shares pledged or frozen | |
| | | | | | Status of shares | Number |
| HKSCC Nominees Limited | Overseas legal person | 29.42% | 256,955,899 | | | |
| Beijing Haihongyuan Investment Management Co.,Ltd. | Domestic non-state-owned legal person | 9.33% | 81,494,850 | | | |
| Taida Hongli Funds-CMBC-TEDA Manulife Strategy Rating No. 31 Assets Management Plan | Fund | 2.55% | 22,314,561 | | | |
| Tian Ya | Domestic natural person | 1.44% | 12,600,000 | | | |
| Shen Suying | Domestic natural person | 1.03% | 9,000,000 | | | |
| Cheng Wei | Domestic natural person | 0.50% | 4,400,000 | | | |
| Xu Kaidong | Domestic natural person | 0.46% | 4,000,000 | | | |
| Shenzhen Zhongda Software Development Co.,Ltd. | Domestic non-state-owned legal person | 0.41% | 3,550,000 | 3,550,000 | | - |
| Shi Yubo | Domestic natural person | 0.38% | 3,352,300 | | | |
| Nanjing Fang Kai Enterprise Management Co., Ltd. | Domestic non-state-owned legal person | 0.32% | 2,785,800 | | | |
| 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 | 256,955,899 | H shares | 256,955,899 | | | |
| Beijing Haihongyuan Investment Management Co., Ltd. | 81,494,850 | A shares | 81,494,850 | | | |
| Taida Hongli Funds-CMBC-TEDA Manulife Strategy Rating No. 31 Assets Management Plan | 22,314,561 | A shares | 22,314,561 | | | |
| Tian Ya | 12,600,000 | A shares | 12,600,000 | | | |
| Shen Suying | 9,000,000 | A shares | 9,000,000 | | | |

| | | | |
|---|--|----------|-----------|
| Cheng Wei | 4,400,000 | A shares | 4,400,000 |
| Xu Kaidong | 4,000,000 | A shares | 4,000,000 |
| Shi Yubo | 3,352,300 | A shares | 3,352,300 |
| Nanjing Fang Kai Enterprise Management Co., Ltd. | 2,785,800 | A shares | 2,785,800 |
| Ren Xiangmin | 2,200,000 | A shares | 2,200,000 |
| 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) | Cheng Wei holds 4,400,000 shares through the guarantee securities account of customer credit transactions of Guotai Junan Securities Co., Ltd.; Xu Kaidong holds 4,000,000 shares through the guarantee securities account of customer credit transactions of Sinolink Securities Co., Ltd.; Shi Yubo holds 3,100,000 shares through the guarantee securities account of customer credit transactions of Everbright Securities Co., Ltd.; Nanjing Fang Kai Enterprise Management Co., Ltd. holds 2,785,800 shares through the guarantee securities account of customer credit transactions of Hua Tai 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

3.1 Changes to Balance Sheet Items and Reasons

Unit: RMB

| Item | Balance at the end of reporting period | Closing Balance | Increase/Decrease (%) | Reasons for changes |
|---------------------|--|-----------------|-----------------------|--|
| Cash and deposits | 62,116,555.39 | 27,600,371.44 | 125.06% | Recovery of the current account |
| Notes receivable | - | 2,618,650.00 | -100.00% | Collection and transfer disposal of current-period notes |
| Prepayment | 10,421,832.87 | 543,352.21 | 1818.06% | Prepayment increase of the subsidiaries |
| Other receivables | 16,075,957.28 | 71,024,930.24 | -77.37% | Recovery of the current account |
| Notes payable | 40,000.00 | 1,845,000.00 | -97.83% | Year-on-year decrease in the payment due and new issuing quota |
| Receipts in advance | 4,021,489.12 | 7,654,564.12 | -47.46% | Year-on-year decrease in new sales contracts |

| | | | | |
|------------------|---|-----------|----------|---------------|
| Interest payable | - | 42,777.77 | -100.00% | Interest paid |
|------------------|---|-----------|----------|---------------|

3.2 Changes to Income Statement Items and Reasons

Unit: RMB

| Item | The reporting period | The same period last year | Increase/Decrease (%) | Reasons for changes |
|--|----------------------|---------------------------|-----------------------|---|
| Operating incomes | 5,699,227.63 | 17,984,374.39 | -68.31% | Market sluggishness and price cutting |
| Operating costs | 4,100,248.02 | 14,394,109.58 | -71.51% | Decreased due to sales income decrease |
| Taxes and surcharges | 312,207.91 | 108,879.18 | 186.75% | Increase in the real estate tax and land tax |
| Sales expenses | 705,678.32 | 1,354,661.51 | -47.91% | Decreased due to sales income decrease |
| Administrative expenses | 15,753,158.14 | 6,897,749.55 | 128.38% | Decoration cost for relocation of the Company to the new site, factory shutdown losses of subsidiaries, and intermediary appointment costs for issuing new H shares |
| Financial expenses | 403,265.89 | -55,223.41 | -830.24% | Borrowings increased by RMB20 million |
| Return on investments (loss is posed as "-") | - | 49,602.74 | -100.00% | No interest income from bank financing in this period |
| Non-operating expenses | 139,079.29 | - | | Losses arising from liquidation of fixed assets |

3.3 Changes to Cash Flow Statement Items and Reasons

Unit: RMB

| Item | The reporting period | The same period last year | Increase/Decrease (%) | Reasons for changes |
|--|----------------------|---------------------------|-----------------------|---|
| Cash received from other operating activities | 55,655,312.24 | 836,306.35 | 6554.90% | Recovery of the current account |
| Payments of taxes and surcharges | 818,448.04 | 3,944,103.89 | -79.25% | Year-on-year decrease in operating incomes |
| Cash from disinvestments | - | 10,000,000.00 | -100.00% | Bank financing products recovered in last period |
| Cash received from return of investments | - | 49,602.74 | -100.00% | No interest income from bank financing in this period |
| Net cash received from disposal of fixed assets, intangible assets and other | 1,065,152.91 | 28,429.25 | 3646.68% | Newly purchased fixed assets |

| | | | | |
|---|--------------|---------------|----------|--|
| long-term assets | | | | |
| Cash paid for investment | - | 20,000,000.00 | -100.00% | Investment in bank financing products in last period |
| Cash received from borrowings | 3,000,000.00 | 1,000,000.00 | 200.00% | Bank loan rollover of Fuxin Company |
| Cash paid for repayments of debts | 2,000,000.00 | 1,000,000.00 | 100.00% | Bank loan rollover of Fuxin Company |
| Cash paid for distribution of dividends, profits and interest | 490,591.07 | 137,655.77 | 256.39% | Borrowings increased by RMB20 million |

§ 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

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

(1) Share transfer of the first major shareholder and change to the actual controller

On 23 January 2017, Suzhou Tsing Chuang Trading Group Co.,Ltd. (which has been renamed to "Changzhou Tsing Chuang Industrial Investment Group Limited",hereinafter referred to as "Tsing Chuang Group") , the first major shareholder of the Company, and Beijing Haihongyuan Investment Management Co., Ltd. (hereinafter referred to as "Beijing Haihongyuan") signed the Agreement on Share Transfer of Northeast Electric Development Co., Ltd., and Tsing Chuang Group planned to transfer its held 81,494,850 nonrestricted negotiable A-shares (accounting for 9.33% of the total equity of the Company) of the Company to Beijing Haihongyuan through agreement. The two parties completed the share transfer registration formalities on 13February 2017. The first major shareholder of the Company changed to Beijing Haihongyuan,and the actual controller changed to Hainan Province Cihang Foundation. (For details, see the announcements issued by the Company on 23 January 2017 and 14 February 2017)

(2)The Board of Directors considered the issuance additional H shares and signed the Subscription Agreement

On 5 April 2017, Matters in relation to the issuance of additional H shares and Resolution on Authorising Chairman to Convene the Second EGM in 2017, the Second A-share Class Meeting, and the Second H-share Class Meeting in 2017 were considered and approved at the 12th Meeting of the 8th Session of the Board of Directors of Northeast Electric Development Co., Ltd.. the Target Subscriber of the H Share Issue is HNA Hotel Group (Hong Kong) Co., Ltd., a qualified strategic investor. on 5 April 2017, the Company and the Subscriber entered into the Subscription Agreement, pursuant to which the Subscriber conditionally agreed to subscribe for, and the Company conditionally agreed to allot and issue, the Subscription Shares are 155,830,000 new H Shares, the Subscription Shares at the Subscription Price of HK\$2.40 per H Share. The Subscription Agreement was entered into between the Parties after further negotiation subsequent to the resolutions relating to the Old Subscription not being passed by the A Shares Shareholders at the 1st EGM and A Shares Shareholders' class meeting of the Company held on 6 March 2017. The Subscriber does not constitute a connected party of the Company under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, but constitutes a connected party under Rules Governing the Listing of Stocks on Shenzhen Stock Exchange. As such, the largest shareholder of the Company Beijing Haihongyuan shall abstain from voting at the EGM and class meeting of holders of A Shares. In addition to approval of the shareholders' meeting and the class shareholders' meeting, the issuance of the H Shares shall be subject to the approval of the domestic and foreign supervisors and the regulatory authorities. (For details, see the announcements issued by the Company on 5 April 2017)

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

Tsing Chuang Group made a special undertaking in the acquisition report or equity change report: it will avoid horizontal competition with the Listed Company; not buy or sell stocks of the Listed Company within 6 first months after signing of the Share Transfer Agreement; ensure independence of the Listed Company; strictly observe related regulations of CSRC on reduction of shares by major shareholders of listed companies.

During the reporting period, Tsing Chuang Group has strictly fulfilled the above commitments.

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

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

§ 6 Subsequent events

6.1 The Board of Directors considered the issuance additional H shares and signed the Subscription Agreement, refer to 4.3(2) for details.

6.2 Resignation of Director and General Manager

On 13 February 2017, the first major shareholder of the Company changed to Beijing Haihongyuan, and the actual controller changed to Hainan Province Cihang Foundation. Due to changes to the first major shareholder and the actual controller and the personal reasons, Mr. Liu Jun resigned as a Director, General Manager and Chief Member of Investment Management Committee on 21 April 2017 with effect from 21 April 2017, that Mr. Wang Zheng resigned as a Director and Chief Member of Strategic Development Committee with effect from 21 April 2017, that Mr. Li Min resigned as a Director with effect from 21 April 2017, and that Mr. Su Weiguo resigned as a Director, Vice Chairman and Chief Member of Strategic Development Committee with effect from 21 April 2017, and Mr. Su Weiguo would hold Board Secretary and Deputy General Manager positions in the Company and its subsidiaries after resignation. (For details, see the announcements issued by the Company on 24 April 2017)

§7 FINANCIAL REPORT

7.1 CONSOLIDATED BALANCE SHEET

Date: Mar. 31, 2017

Prepared by: Northeast Electric Development Co., Ltd

Unit: RMB

| Items | Closing Balance | Opening Balance |
|---|-----------------------|-----------------------|
| Current Assets: | | |
| Cash and deposits | 62,116,555.39 | 27,600,371.44 |
| Financial asset designated to be measured by fair value and which change is recorded in current incomes | | |
| Trading financial assets | | |
| Notes Receivable | 0.00 | 2,618,650.00 |
| Accounts Receivable | 127,646,739.37 | 136,074,792.34 |
| Prepayment | 10,421,832.87 | 543,352.21 |
| Interest Receivable | | |
| Dividend | | |
| Other Receivable | 16,075,957.28 | 71,024,930.24 |
| Inventory | 15,863,702.31 | 14,991,583.86 |
| Assets held for sale | | |
| Non-current asset due within 1 year | | |
| Other current asset | 1,977,328.09 | 2,410,131.45 |
| Total current assets | 234,102,115.31 | 255,263,811.54 |
| Non-current Assets: | | |
| Financial assets available for sale | 54,204,904.29 | 55,074,754.24 |
| Held-to-maturity investments | | |
| Long-term receivables | | |
| Long-term equity investments | 24,561,207.38 | 25,000,000.00 |
| Investment in real estate | | |
| Fixed Assets | 41,227,060.85 | 41,844,623.66 |
| Construction in progress | 6,707,909.51 | 6,415,346.77 |
| Material - construction | | |
| Liquidation of fixed assets | 629,668.46 | 629,668.46 |
| Productive biological assets | | |
| Oil and gas assets | | |
| Intangible Assets | 16,963,637.55 | 17,063,511.60 |
| Development expenditures | | |
| Goodwill | 72,097.15 | 72,097.15 |
| Long-term deferred expenses | 432,133.42 | 466,515.79 |
| Deferred tax assets | | |
| Other non-current assets | | |
| Total non-current assets | 144,798,618.61 | 146,566,517.67 |
| Total Assets | 378,900,733.92 | 401,830,329.21 |

| | | |
|---|-----------------------|-----------------------|
| Current Liabilities: | | |
| Short-term Borrowings | 28,000,000.00 | 29,000,000.00 |
| Financial Liabilities designated to be measured by fair value and which change is recorded in current incomes | | |
| Trading financial liabilities | | |
| Notes Payable | 40,000.00 | 1,845,000.00 |
| Accounts Payable | 31,608,139.99 | 34,672,564.45 |
| Receipts in advance | 4,021,489.12 | 7,654,564.12 |
| Employee compensation | 2,863,746.95 | 3,199,858.76 |
| Taxes Payable | 656,866.03 | 794,793.64 |
| Interest Payable | 0.00 | 42,777.77 |
| Dividends | 40,017.86 | 40,017.86 |
| Other Payables | 49,494,700.05 | 45,371,142.65 |
| Liabilities held for sale | | |
| Non-current liabilities due within 1 year | | |
| Other Liabilities | | |
| Total current liabilities | 116,724,960.00 | 122,620,719.25 |
| Non-current liabilities: | | |
| Long-term Borrowings | | |
| Bonds Payable | | |
| Incl: Premium | | |
| Perpetual | | |
| Long-term Payables | | |
| Long-term Payable - Salaries&Benefits | | |
| Special Payables | 11,109,500.00 | 10,609,500.00 |
| Estimated Liabilities | 60,721,078.25 | 60,721,078.25 |
| Deferred Revenue | | |
| Deferred Liabilities - Income Tax | | |
| Other Non-Current Liabilities | | |
| Total Non-Current Liabilities | 71,830,578.25 | 71,330,578.25 |
| Total Liabilities | 188,555,538.25 | 193,951,297.50 |
| 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 | -27,324,414.54 | -25,504,988.44 |
| Special Reserve | | |
| Surplus Reserve | 108,587,124.40 | 108,587,124.40 |
| Provision for general risk | | |

| | | |
|--|-----------------------|-----------------------|
| Accumulated losses | -1,652,648,418.84 | -1,637,084,660.40 |
| Total equity attributable to the equity holders of the Company | 185,406,694.94 | 202,789,879.48 |
| Minority interests | 4,938,500.73 | 5,089,152.23 |
| Total shareholders' equity | 190,345,195.67 | 207,879,031.71 |
| Total liabilities and shareholders' equity | 378,900,733.92 | 401,830,329.21 |

7.2 BALANCE SHEET (PARENT COMPANY)

Date: Mar.31, 2017

Prepared by: Northeast Electric Development Co., Ltd

Unit: RMB

| Item | Closing Balance | Opening Balance |
|---|-----------------------|-----------------------|
| Current Assets: | | |
| Cash and deposits | 888,476.92 | 49,760.27 |
| Financial asset designated to be measured by fair value and which change is recorded in current incomes | | |
| Trading financial assets | | |
| Notes Receivable | | |
| Accounts Receivable | 746,707.07 | 746,707.07 |
| Prepayment | | |
| Interest Receivable | | |
| Dividend | | |
| Other Receivable | 305,332,589.20 | 307,399,040.24 |
| Inventory | | |
| Assets held for sale | | |
| Non-current asset due within 1 year | | |
| Other current asset | 64,524.16 | 94,711.67 |
| Total current assets | 307,032,297.35 | 308,290,219.25 |
| Non-current Assets: | | |
| Financial assets available for sale | | |
| Held-to-maturity investments | | |
| Long-term receivables | | |
| Long-term equity investments | 106,919,936.99 | 106,919,936.99 |
| Investment in real estate | | |
| Fixed Assets | 58,218.08 | 47,828.87 |
| 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 | 106,978,155.07 | 106,967,765.86 |
| Total Assets | 414,010,452.42 | 415,257,985.11 |
| Current Liabilities: | | |
| Short-term Borrowings | 20,000,000.00 | 20,000,000.00 |
| Financial Liabilities designated to be measured by fair value and which change is recorded in current incomes | | |
| Derivative financial liabilities | | |
| Notes Payable | | |
| Accounts Payable | | |
| Receipts in advance | 581,743.59 | 581,743.59 |
| Employee Compensation | 82,637.82 | 161,013.22 |
| Taxes Payable | 167,174.68 | 97,119.68 |
| Interest Payable | | 42,777.77 |
| Dividends | | |
| Other Payable | 37,843,527.54 | 31,978,918.05 |
| Liabilities held for sale | | |
| Non-current liabilities due within 1 year | | |
| Other Liabilities | | |
| Total current liabilities | 58,675,083.63 | 52,861,572.31 |
| 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 | 119,396,161.88 | 113,582,650.56 |
| Shareholders' Equity: | | |
| Share Capital | 873,370,000.00 | 873,370,000.00 |
| Other Equity Instruments | | |
| Incl: Premium | | |
| Perpetual | | |
| Capital reserve | 995,721,167.46 | 995,721,167.46 |
| Less: Treasury Stock | | |

| | | |
|---|-----------------------|-----------------------|
| Other Comprehensive Income | | |
| Surplus Reserve | 108,587,124.40 | 108,587,124.40 |
| Accumulated losses | -1,683,064,001.32 | -1,676,002,957.31 |
| Total shareholders' equity | 294,614,290.54 | 301,675,334.55 |
| Total liabilities and shareholders' equity | 414,010,452.42 | 415,257,985.11 |

7.3 CONSOLIDATED INCOME STATEMENT

Date: Jan.-Mar. 2017

Prepared by: Northeast Electric Development Co., Ltd

Unit: RMB

| Items | Amount for the current period | Amount for the previous period |
|--|-------------------------------|--------------------------------|
| I. Total Operating Income | 5,699,227.63 | 17,984,374.39 |
| Incl.: Sales | 5,699,227.63 | 17,984,374.39 |
| II. Total Operating Cost | 21,274,558.28 | 22,700,176.41 |
| Incl.: Cost of Sales | 4,100,248.02 | 14,394,109.58 |
| Taxes & Surcharges | 312,207.91 | 108,879.18 |
| Expenses of Sales | 705,678.32 | 1,354,661.51 |
| Administrative expenses | 15,753,158.14 | 6,897,749.55 |
| Finance expenses | 403,265.89 | -55,223.41 |
| Assets Impairment loss | | |
| Plus: Income of fair value variance (loss is posed as "—") | | |
| Return on investments (loss is posed as "—") | 0.00 | 49,602.74 |
| Including.: return on investments to associates and related | | |
| Return on exchanges (loss is posed as "—") | | |
| III. Operational Profit (Loss is posed as "—") | -15,575,330.65 | -4,666,199.28 |
| Plus: Non-operating income | 0.00 | 5.52 |
| Including: income of disposal of non-current assets | | |
| Less: Non-operating expenses | 139,079.29 | |
| Including: loss of disposal of non-current assets | 139,079.29 | |
| IV. Total Profit (Total loss is posed as "—") | -15,714,409.94 | -4,666,193.76 |
| Less: Income tax expenses | | |
| V. Net Profit (Net loss is posed as "— ") | -15,714,409.94 | -4,666,193.76 |
| Net profit attributable to equity holders | -15,563,758.44 | -4,664,568.84 |

| | | |
|--|----------------|---------------|
| of the Company | | |
| Minority interests | -150,651.50 | -1,624.92 |
| VI. Net Other Comprehensive Income after tax | -1,819,426.10 | -542,887.28 |
| Total Comprehensive Income Attributable to the Equity Holders of the Company | -1,819,426.10 | -542,887.28 |
| (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 | -1,819,426.10 | -542,887.28 |
| 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 | -1,819,426.10 | -542,887.28 |
| 6.Others | | |
| Net After-tax Comprehensive Income Attributable to Minority Interests | | |
| VII. Total Comprehensive Income | -17,533,836.04 | -5,209,081.04 |
| Total Comprehensive Income Attributable to the Equity Holders of the Company | -17,383,184.54 | -5,207,456.12 |
| Total Comprehensive Income Attributable to the Minority Interests of | -150,651.50 | -1,624.92 |

| | | |
|---------------------------------|---------|---------|
| the Company | | |
| VIII. Earnings per share | | |
| (I) Basic earnings per share | -0.0178 | -0.0053 |
| (II) Diluted earnings per share | -0.0178 | -0.0053 |

7.4 INCOME STATEMENT (PARENT COMPANY)

Date: Jan.-Mar. 2017

Prepared by: Northeast Electric Development Co., Ltd

Unit: RMB

| Item | Amount for the current period | Amount for the previous period |
|---|-------------------------------|--------------------------------|
| I. Total Operating Income | 0.00 | 0.00 |
| Less: Cost of Sales | 0.00 | 0.00 |
| Taxes & Surcharges | 0.00 | 0.00 |
| Expenses of Sales | 0.00 | 0.00 |
| Administrative expenses | 6,793,431.39 | 1,069,701.15 |
| Finance expenses | 267,612.62 | 437.71 |
| 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 "—") | -7,061,044.01 | -1,070,138.86 |
| 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 "—") | -7,061,044.01 | -1,070,138.86 |
| Less: Income tax expenses | | |
| IV. Net Profit (Net loss is posed as " —") | -7,061,044.01 | -1,070,138.86 |
| 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 | -7,061,044.01 | -1,070,138.86 |
| VII. Earnings per share | | |
| (I) Basic earnings per share | | |
| (II) Diluted earnings per share | | |

7.5 CONSOLIDATED CASH FLOW STATEMENT

Date: Jan.-Mar. 2017

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 | 15,096,149.30 | 15,503,320.95 |
| Tax refunds received | | |
| Cash received from other operating activities | 55,655,312.24 | 836,306.35 |
| Sub-total of cash inflows from operating activities | 70,751,461.54 | 16,339,627.30 |
| Cash paid to goods purchased and labor service received | 16,817,427.60 | 17,068,225.22 |
| Cash paid to and for employees | 7,112,398.02 | 5,872,663.30 |
| Payments of taxes and surcharges | 818,448.04 | 3,944,103.89 |
| Cash payments to other operating activities | 10,924,933.19 | 10,198,410.93 |

| | | |
|--|---------------|----------------|
| Sub-total of cash outflows for operating activities | 35,673,206.85 | 37,083,403.34 |
| Net Cash Flow from operating activities | 35,078,254.69 | -20,743,776.04 |
| II. Cash flow from investing activities | | |
| Cash from disinvestments | 0.00 | 10,000,000.00 |
| Cash received from return of investments | 0.00 | 49,602.74 |
| 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 | | 10,049,602.74 |
| Cash paid in purchase/construction of fixed assets, intangible assets and other long-term assets | 1,065,152.91 | 28,429.25 |
| Cash paid for investment | 0.00 | 20,000,000.00 |
| Net cash paid for subsidiaries and other operating units | | |
| Cash paid relating to other investing activities | | |
| Sub-total of cash outflows | 1,065,152.91 | 20,028,429.25 |
| Net Cash Flow from investing activities | -1,065,152.91 | -9,978,826.51 |
| III. Cash flow from financing activities | | |
| Cash received by absorbing investment | | |
| Incl: cash received by subsidiaries from minority shareholders | | |
| Cash received from borrowings | 3,000,000.00 | 1,000,000.00 |
| Cash received from bond issued | | |
| Cash received relating to other financing activities | | |
| Sub-total of cash inflows | 3,000,000.00 | 1,000,000.00 |
| Cash paid for repayments of debts | 2,000,000.00 | 1,000,000.00 |
| Cash paid for distribution of dividends, profits and interest | 490,591.07 | 137,655.77 |
| Incl: cash paid by subsidiaries to minority shareholders | | |
| Cash paid relating to other financing activities | | |
| Sub-total of cash outflows | 2,490,591.07 | 1,137,655.77 |
| Net Cash Flow from financing activities | 509,408.93 | -137,655.77 |
| IV. Effect of change of foreign currency rates on cash and cash equivalents | -6,326.76 | -2,025.06 |
| V. Net increase of cash and equivalent | 34,516,183.95 | -30,862,283.38 |
| Plus: Balance of cash and equivalent at beginning of period | 27,600,371.44 | 101,603,025.69 |
| VI. Balance of Cash and equivalent by end of period | 62,116,555.39 | 70,740,742.31 |

7.6 CASH FLOW STATEMENT (PARENT COMPANY)

Date: Jan.-Mar., 2017

Prepared by: Northeast Electric Development Co., Ltd

Unit: RMB

| Item | Amount for the current period | Amount for the previous period |
|---|----------------------------------|-----------------------------------|
| I. Cash flow from operating activities | | |
| Cash received from sales of goods or rendering of services | | |
| Tax refunds received | | |
| Cash received from other operating activities | 62,676,379.12 | 1,475,643.29 |
| Sub-total of cash inflows from operating activities | 62,676,379.12 | 1,475,643.29 |
| Cash paid to goods purchased and labor service received | | |
| Cash paid to and for employees | 1,798,202.35 | 167,109.50 |
| Payments of taxes and surcharges | | 92,036.00 |
| Cash payments to other operating activities | 59,675,421.74 | 1,216,751.02 |
| Sub-total of cash outflows | 61,473,624.09 | 1,475,896.52 |
| Net Cash Flow from investing activities | 1,202,755.03 | -253.23 |
| II. Cash flow from investing activities | | |
| Cash from disinvestments | | |
| Cash received from return of investments | | |
| Net cash received from disposal of fixed assets, intangible assets and other long-term assets | | |
| Net cash received in disposing subsidiaries and other operating units | | |
| Cash received relating to other investing activities | | |
| Sub-total of cash inflows from investing activities | | |
| Cash paid in purchase/construction of fixed assets, intangible assets and other long-term assets | 14,038.38 | |
| Cash paid for investment | | |
| Net cash paid for subsidiaries and other operating units | | |
| Cash paid relating to other investing activities | | |
| Sub-total of cash outflows | 14,038.38 | |
| Net Cash Flow from investing activities | -14,038.38 | |
| III. Cash flow from financing activities | | |
| Cash received by absorbing investment | | |
| Cash received from borrowings | | |
| Cash received from bond issued | | |
| Cash received relating to other financing activities | | |
| Sub-total of cash inflows | | |
| Cash paid for repayments of debts | | |
| Cash paid for distribution of dividends, profits and interest | 350,000.00 | |
| Cash paid relating to other financing activities | | |
| Sub-total of cash outflows | 350,000.00 | |
| Net Cash Flow from financing activities | -350,000.00 | |

| | | |
|--|------------|----------|
| IV. Effect of change of foreign currency rates on cash and cash equivalents | | |
| V. Net increase of cash and equivalent | 838,716.65 | -253.23 |
| Plus: Balance of cash and equivalent at beginning of period | 49,760.27 | 2,658.47 |
| VI. Balance of Cash and equivalent by end of period | 888,476.92 | 2,405.24 |

Legal Representative:Su Jianghua Chief Financial Officer:Feng Xiaoyu Chief Accounting Officer:Qian Kouming

By order of the Board

Su Jianghua

Chairman

Changzhou, Jiangsu Province, the PRC

24 April, 2017

As at the date of the Statement, the Board of Directors comprises of two directors, namely Mr. Su Jianghua and Mr. Feng Xiaoyu ; and three independent directors, namely Mr. Zhang Luyang , Mr. Jin Wenhong and Mr. Qian Fengsheng.