東北電氣發展股份有限公司

NEE NORTHEAST ELECTRIC DEVELOPMENT CO.,LTD.

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

(Stock Code: 00042)

UNAUDITED RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2026

The Board of Directors (the "**Board**") and the directors (the "**Directors**") of the Northeast Electric Development Company Limited (the "**Company**") hereby announce the unaudited interim results of the Company and its subsidiaries (the "**Group**") as of 30 June 2026.

Chapter 1 IMPORTANT NOTICE

1.1 The Board, Supervisory Committee, Directors, Supervisors and senior management of the Company hereby confirm that there are no false representations, misleading statements or material omissions contained in this report, and they, severally and jointly, accept full responsibility for the truthfulness, accuracy and completeness of the contents of this interim report.

1.2 the Company's Chairman, Zhu Xinguang, Chief Accounting Officer, Liu Kejia, and Chief Financial Officer, Chen Youren hereby represent：guaranteeing the truthfulness, accurateness and integrity of the financial statements in the interim report.

1.3 This announcement has been considered and approved by the 19th meeting of the 10th Board convened on 27 August 2026. All Directors attended the Board meeting in person to consider and approve this report.

1.4 The Group prepared the Unaudited Results Announcement for the Six Months Ended 30 June 2026 in accordance with the PRC GAAP and IFRS. The audit committee of the Board has reviewed and confirmed the Company's interim results announcement for 2026. The audit committee has approved the financial accounting principles, standards and methods adopted by the Company for the unaudited interim accounts for the six months ended 30 June 2026.

1.5 the Company proposes not to distribute cash dividend, issue bonus share, or capitalize from capital reserves.

1.6 The consolidated turnover is RMB110.76 million in accordance with the IFRS.

1.7 The Loss attributable to equity holders of the Company is RMB2.037 million.

1.8 Loss per share attributable to equity holders of the Company is RMB0.2 cents.

1.9 Unless otherwise stated, Renminbi is the only monetary unit in this announcement.

1.10 This announcement is made pursuant to Rule 13.49(6) of the Rules Governing the Listing of Securities ("**Listing Rules**") on The Stock Exchange of Hong Kong Limited ("**Hong Kong Stock Exchange**") and Paragraph 46 of Appendix D2 thereto.

1.11 Definitions

Beijing Haihongyuan	Beijing Haihongyuan Enterprise Management Consulting Co., Ltd.*(北京海鴻源企業管理諮詢有限公司), a substantial shareholder of the Company
De facto controller of the Company	N/A
Fuxin Busbar	Fuxin Enclosed Busbar Co., Ltd., a subsidiary of the Company
Garden Lane Hotel	Hainan Garden Lane Flight Hotel Management Co., Ltd., a subsidiary of the Company
HNA Trust Management	Hainan HNA No. 2 Trust Management Service Co., Ltd., a related party of the Company
Hainan First Intermediate People's Court	The First Intermediate People's Court of Hainan Province
Hainan Provincial Higher People's Court	Hainan Provincial Higher People's Court
NEE, the Company，Northeast Electric	Northeast Electric Development Company Limited
NEEQ	National Equities Exchange and Quotations
Stock Exchange	The Stock Exchange of Hong Kong Limited
Reporting Period	1 January 2026 to 30 June 2026
End of the Reporting Period	30 June 2026

Chapter 2 CORPORATE PROFILE

2.1 Basic information

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

2.2 Contact person and contact in formation

	Secretary to the Board	Authorised Representative
Name	Ding Jishi	Zhu Xinguang
Address	35th Internet Finance Building, No.3 Guoxing Avenue, Meilan District, Haikou City,Hainan Province	35th Internet Finance Building, No.3 Guoxing Avenue, Meilan District, Haikou City,Hainan Province
Telephone	0898-65315679	0898-65315679
Fax	0898-65315679	0898-65315679
Email	dbdqdshbgs@hnatrust.com	nemm585@sina.com

Website of the Company's designated information disclosure platform	www.hkexnews.hk www.neeq.com.cn
Place for inspection of interim report	Office of the Board

2.3 Additional information

Registered address	Room A1-1077, 5th Floor, Building A，Entrepreneurship Incubation Center, Haikou National High-tech Zone, No.266 Hanhai Avenue, Haikou City, Hainan Province
Postal code	571152
Office address	35th Internet Finance Building, No.3 Guoxing Avenue，Meilan District, Haikou City, Hainan Province
Postal code	570203
Website	www.nee.com.cn
E-mail address	dbdqdshbgs@hnatrust.com

2.4 Registration

Items	Contents	Changes during the reporting period
Unified social credit code	91210000243437397T	No
Registered address	Room A1-1077, 5th Floor, Building A，Entrepreneurship Incubation Center, Haikou National High-tech Zone, No.266 Hanhai Avenue, Haikou City, Hainan Province	No
Registered capital (RMB)	873,370,000	No

2.5 Agency

Sponsoring broker (reporting period)	Shanxi Securities Co., Ltd.
Office address of the sponsoring brokerage	East Tower, Shanxi International Trade Center, No. 69, Fuxi Street, Taiyuan City, Shanxi Province
Did the sponsoring broker change during the reporting period	No
Sponsoring Broker (Report Disclosure Date)	Shanxi Securities Co., Ltd.

Chapter 3 PRINCIPAL ACCOUNTING DATA AND FINANCIAL INDICATORS

(I)Principal financial data and indicators prepared under the PRC GAAP

(1) Profit Ability

Unit: RMB

Items	Amount for the reporting period	Amount for the same period of last year	Increase/decrease in the reporting period compared with the same period of last year
Operating incomes	110,760,592.15	77,290,682.83	43.30%
Gross margin%	27.67%	34.73%	Decreased by 7.06 percentage points
Net profits attributable to shareholders of the listed Company	-2,037,158.20	-5,155,857.75	60.49%
Net profits attributable to shareholders of the listed Company after extraordinary Items	-2,311,084.88	-5,140,123.01	-
Weighted average return on net assets%(Basis on net profits attributable to shareholders of the listed Company)	N/A	N/A	-
Weighted average return on net assets %(Basis on net profits attributable to shareholders of the listed Company after extraordinary Items)	N/A	N/A	-
Basic earnings per share (RMB/Share)	-0.002	-0.006	-

(2) Debt-paying ability

Unit: RMB

Items	As at the end of the reporting period	As at the end of last year	Increase/decrease in the reporting period compared with the end of last year
Total assets	208,262,318.57	196,549,832.20	5.96%
Total debt	479,987,251.63	470,564,025.96	2.00%
Net assets attributable to shareholders of the listed Company	-273,663,027.15	-275,988,969.34	0.84%
Net asset value per share of the listed	-0.31	-0.32	2.08%

Company			
Asset-liability ratio%(parent Company)	2325.29%	1945.93%	Increased by 379.36 percentage points
Asset-liability ratio%(consolidated statements)	230.47%	239.41%	Decreased by 8.94 percentage points
Liquidity ratio	0.40	0.38	-
Interest coverage ratio	-30.99	-369.09	-

(3) State of operation

Unit: RMB

Items	Amount for the reporting period	Amount for the same period of last year	Increase/decrease in the reporting period compared with the same period of last year
Net cash flows from operating activities	-3,327,656.54	-6,848,231.62	51.41%
Turnover of account receivable	2.06	1.93	-
Turnover of inventories	2.11	1.58	-

(4) State of growth

Items	Amount for the reporting period	Amount for the same period of last year	Increase/decrease in the reporting period compared with the same period of last year
Total assets growth rate%	5.96%	-4.27%	Increased by 10.23 percentage points
Operating incomes growth rate%	43.30%	13.71%	Increased by 29.59 percentage points
Net profits growth rate%	N/A	N/A	-

(5) Extraordinary Items and the related amount

Unit: RMB

Items	Amount
Gains and losses on disposal of non-current assets	
Non-operating income and expense other than the above Items	273,926.68
Total	273,926.68
Effect of income tax	
Impact on minority interests (after tax)	
Net extraordinary Items and the related amount	**273,926.68**

(II)Principal financial data and indicators prepared in accordance with the International Financial Reporting Standards (IFRS)

Condensed Consolidated Statement of Profit or Loss

Unit: RMB'000

Items	Reporting period (January-June)	The same period of previous year
Turnover	110,761	77,291
Profit before tax	-2,773	-6,065
Taxation	-699	-874
Profit after tax	-2,074	-5,191
Minority interests	-37	-35
Profits attributable to shareholders	-2,037	-5,156

Condensed Consolidated Statement of Financial Position

Unit: RMB'000

Items	At the end of this reporting period	At the end of previous year
Total assets	208,262	196,550
Total liabilities	482,642	472,811
Shareholders' equity	-274,380	-276,261

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

Items	Net profits attributable to shareholders of the listed Company		Net assets attributable to shareholders of the listed Company	
	Amount for the reporting period	Amount for the same period of last year	As at the end of the reporting period	As at the end of last year
Domestic accounting standards	-2,037,158.20	-5,155,857.75	-273,663,027.15	-275,988,969.34
Items and amounts adjusted according to foreign accounting standards	-	-	-2,654,977.59	-2,246,848.33
Foreign accounting standards	-2,037,158.20	-5,155,857.75	-276,318,004.74	-278,235,817.67

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

1. According to the PRC GAAP, enterprises are required to accrue and use safety production fees, which are included in special reserves. The amount of special reserves at the end of the previous year was RMB2,246,848.33, and at the end of the current period, it was RMB2,654,977.59. According to International Accounting Standards, these are adjusted and included in other payables, which results in a difference in net assets in the financial reports disclosed according to domestic and international accounting standards for both the end of the current period and the end of the previous year.

Chapter 4 CHANGES IN SHARES AND SHAREHOLDER INFORMATION

4.1 Changes in shares

Unit: Share

Nature of shares		At the beginning of the period		Changes in the period	At the end of the period	
		Number of shares	Percentage (%)		Number of shares	Percentage (%)
Shares not subject to trading moratorium	Total number of shares not subject to trading moratorium	867,370,978	99.31%	0	867,370,978	99.31%
	Including: Controlling Shareholders and de facto Controller	81,494,850	9.33%	0	81,494,850	9.33%
	Directors, supervisors and senior management	0	0%	0	0	0%
	Core employees	0	0%	0	0	0%
Shares subject to trading moratorium	Total number of Shares subject to trading moratorium	5,999,022	0.69%		5,999,022	0.69%
	Including: Controlling Shareholders and de facto Controller	0	0%	0	0	0%
	Directors, supervisors and senior management	0	0%	0	0	0%
	Core employees	0	0%	0	0	0%
Total number of shares		873,370,000	-	0	873,370,000	-
Number of ordinary shareholders						33317

4.2 Number of shareholders and shareholding

Unit: Share

Total number of ordinary shareholders at the end of the reporting period	33,317	Total number of preferred shareholders with voting rights restored at the end of the reporting period (if any)	0

Shareholdings of ordinary shareholders holding more than 5% of the total share capital or the top ten ordinary shareholders

Name of shareholder	Nature of shareholder	Percentage	Number of ordinary shares as at the end of the reporting period	Increase/ decrease in the reporting period	Number of ordinary shares held subject to trading moratorium	Number of ordinary shares held not subject to trading moratorium	Shares pledged or frozen	
							Status of shares	Number
HKSCC Nominees Limited	Overseas legal person	29.44%	29.44%	257,155,619	-10,000	0		
Beijing Haihongyuan Enterprise Management Consulting Co., Ltd.	Domestic non-state-owned legal person	9.33%	9.33%	81,494,850	0	0	Pledged	81,494,850
Qin Jianming	Domestic natural person	1.89%	1.89%	16,481,100	164,400	0		
Ding Yinhu	Domestic natural person	0.84%	0.84%	7,308,163	-1,711,616	0		
Zhao Rui	Domestic natural person	0.80%	0.80%	6,960,310	0	0		
Shi Yubo	Domestic natural person	0.54%	0.54%	4,747,336	0	0		
Yang Baizhong	Domestic natural person	0.54%	0.54%	4,690,579	0	0		
Geng Jing	Domestic natural person	0.51%	0.51%	4,424,705	20,200	0		
Shen Ling	Domestic natural person	0.45%	0.45%	3,936,915	0	0		
Shne Yang	Domestic natural person	0.45%	0.45%	3,899,900	0	0		

Explanation on the connected relationship or concerted action among the top ten holders of ordinary shares not subject to trading moratorium and that between them and the top ten ordinary shareholders	To the extent known to the Company, there is no related relationship between the aforementioned shareholders and they are not acting in concert .Based on the public information as at the latest practicable date prior to the publication of this report and to the knowledge of Directors, the Company confirmed that there was sufficient public float in its shares.

Notes:

1. Based on the information that is publicly available as at the latest practicable date prior to the publishing of this interim report and within the knowledge of the Directors, there was sufficient public float of the Company's shares.

2. Save as disclosed above, as at 30 June 2026, the Directors were not aware that any person (excluding Directors, Supervisors, or chief executives (if applicable) or senior management of the Company, the "**Senior Management**") had any interests or short positions in the shares or underlying shares (as the case may be) of the Company which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance ("**SFO**") in Chapter 571 of the Laws of Hong Kong, any interests which were required to be recorded in the register pursuant to Section 336 of the SFO, or was a substantial shareholder of the Company (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**")).

3. During the reporting period, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's shares.

4. There is no provision for pre-emptive rights under the laws of the PRC and the Articles of Association of the Company.

5. As of 30 June 2026, the Company did not issue any convertible securities, options, warrants or any other similar right.

4.3 Changes in controlling shareholders and de facto controller

Controlling Shareholders

Name of Controlling Shareholders	Legal representative	Date of establishment	Organization code	Principal businesses
Beijing Haihongyuan Enterprise Management Consulting Co., Ltd.	Wu Jiancheng	July 11 2012	9111011759 96346317	Enterprise management consulting; Enterprise management; Hotel management; Tourism development project planning and consulting; Information technology consulting services; Non-residential real estate leasing; Property management; Parking lot services; Catering management; Conference and exhibition services; Property service evaluation; Internet sales (excluding sales of commodities requiring permits).

De facto controller

The controlling shareholder of the Company did not change, and the Company had no de facto controller during the Reporting Period.

Chapter 5 PROFILES OF DIRECTORS, SUPERVISORS AND SENIOR

5.1 Changes in shareholdings of Directors, supervisors and senior management

There was no change in shareholdings during the reporting period.

5.2 Directors, supervisors and senior management situation

Name	Position	Gender	Date of birth	Term of office commencing on	Term of office ending on
Zhu Xinguang	Chairman	Male	September 1962	18 April 2025	30 December 2025
He Wei	Director	Female	August 1987	30 December 2022	30 December 2025
Ding Jishi	Director	Male	September 1985	30 December 2022	30 December 2025
Mi Hongjie	Director	Male	June 1993	29 December 2021	30 December2025
Liu Kejia	Director	Male	February 1977	26 June 2025	30 December 2025
Fang Guangrong	Independent Director	Male	September 1955	11 March 2019	14 May 2025
Wang Hongyu	Independent Director	Male	March 1972	29 June 2020	30 December 2025
Li Zhengning	Independent Director	Male	March 1980	2 June 2021	30 December 2025
Fan Siyao	Shareholder Representative Supervisor Chairman of Supervisory Board	Male	September 1992	30 December 2022	30 December 2025
Yang Qing	Shareholder Representative Supervisor	Male	August 1982	23 August 2021	30 December 2025
Xing Meixia	Employee Representative Supervisor	Female	June 1988	30 December 2022	30 December 2025
Liu Kejia	President and Chief Financial Officer	Male	February 1977	18 April 2025	30 December 2025
Ding Jishi	Secretary to the Board	Male	September 1985	29 August 2019	30 December 2025

5.3 Relationship between directors, supervisors, senior management and Shareholders

Directors of the Company, namely Mr. Zhu Xinguang, Mr. Liu Kejia, Mr. Ding Jishi and Mr. Mi Hongjie, have a related-party relationship with the controlling shareholder Beijing Haihongyuan and its related parties.

The following individuals have no related-party relationship with the controlling shareholder Beijing Haihongyuan and its related parties: Non-independent director Ms. He Wei; Independent directors Mr.Fang Guangrong, Mr. Wang Hongyu and Mr. Li Zhengning.

5.4 Changes in Directors, supervisors and senior management

None

5.5 Equity interest of Directors, supervisors and senior management

Save as disclosed above and to the knowledge of the Directors, senior management and supervisors of the Company, as at 30 June 2026, none of the Directors, senior managementand supervisors had any interests or short positions in the shares, underlying shares and/or debentures (as the case may be) of the Company and/or any of its associated corporations (within the meaning of Part XV of the SFO, Chapter 571 of the Laws of Hong Kong) which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which are taken to have by such Directors, senior management and supervisors under provisions of the SFO),or which were required to be recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the "**Model Code for Securities Transactions by Directors of Listed Issuers**" in Appendix C3 to the Listing Rules.

5.6 Basic information of on-the-job employees (Company and controlled subsidiaries)

Classification by nature of work	Number of people at the beginning of the period	Number of people at the end of the period
Production staff	183	190
Salesperson	23	22
Technical staff	27	29
Financial staff	22	21
Administrative staff	27	25
Total	282	287

Chapter 6 SUMMARY OF BUSINESS

6.1 Overview

Industry overview

Industry overview Power industry. In the first half of 2026, China’s macro-economy maintained steady improvement in quality. The transition between old and new growth drivers accelerated. High-tech manufacturing, the digital economy and the computing-power industry achieved rapid growth, driving a steady rise in the whole-society electricity demand. According to the January-June electricity operation data released by the National Energy Administration, cumulative electricity consumption of the whole society reached 5,099.9 billion kWh as at the end of June, representing a year-on-year increase of 5.3%. Specifically, electricity consumption of the tertiary industry hit 991.6 billion kWh, up 8.0% year-on-year. The power consumption of battery-swapping and charging services and internet data services stood at 81.0 billion kWh and 49.4 billion kWh respectively, with growth rates of 56.9% and 44.0%. Power consumption from data centres, charging-swapping businesses and computing-power-related loads has become a new core growth driver of electricity consumption. The new electricity demand has continuously optimised the consumption structure and provided sustained and rigid market support for the power equipment, power transmission and transformation industries.

In addition, the power supply side is characterised by “**rapid growth in installed capacity and transformative structural changes**”. National electricity statistics (January-June) published by the National Energy Administration show that China’s cumulative installed power generation capacity reached 4.04 billion kilowatts by the end of June, a year-on-year increase of 10.8%, hitting an all-time high. Photovoltaic and wind power installed capacities led the growth across all power-generation sources. The share of installed capacity and power generation from new-energy sources kept rising, marking that the industry has officially entered an in-depth development phase for building a new-type power system dominated by clean energy. With the large-scale, high-proportion grid-connection of new energy resources, grid infrastructure upgrading, construction of cross-regional UHV transmission corridors, intelligent transformation of distribution networks, supporting energy-storage facilities and integrated development of source-grid-load-storage systems have emerged as new economic growth points within the power sector.

At the policy level, 2026 is the inaugural year of the 15th Five-Year Plan. A raft of top-level industrial designs for the power sector, including the Implementation Opinions on Improving the National Unified Electricity Market System, the 15th Five-Year-Plan for the Development of a New-type Energy System and the 15th Five-Year-Plan for the Development of a New-type Power System, have been rolled out intensively with the institutional framework continuously improved. Key tasks such as optimising the power supply structure, upgrading main and distribution power grids, large-scale deployment of energy storage and market-oriented power sector reforms have been further detailed, delivering dedicated guidance for building a national unified electricity market system. Under the plans, fixed-asset investment by State Grid Corporation of China is projected to reach RMB 4 trillion during the 15th Five-Year-Plan period, representing a 40% increase compared with the 14th Five-Year-Plan period. Construction of UHV projects, flexible DC transmission, smart distribution networks, digital-and-intelligent grid retrofits and nuclear-power facilities will be accelerated in an all-round way, ushering in a sustained high-prosperity cycle for the power transmission and transformation equipment industry.

Overall, the power sector witnessed a brand-new landscape in the first half of 2026, featuring "**steady growth in demand, expanded installed capacity, ramped-up grid investment and deepened reforms**". The industry development paradigm has shifted from the previous "**scale-oriented expansion**" to "**system optimisation, secure power supply, enhanced renewable-energy absorption and improved market mechanisms**". Demand continues to be unlocked across segments including power-transmission-and-transformation equipment, smart grids, supporting energy-storage facilities and digital-and-intelligent transformation of the power sector. The industry's fundamentals remain sound and positive, creating a favourable policy environment and market opportunities for the Company's conventional power-equipment business in terms of sustained operation, order acquisition and technological innovation.

Hotel and tourism industry. In the first half of 2026, consumption in China's cultural-tourism industry continued its recovery. Chinese residents maintained a high willingness to travel, and the cultural-tourism market demonstrated a development trend of "**steady recovery in overall volume, continuous optimisation of structure and rapid growth in inbound tourism**". With the continuous expansion of China's visa-exemption policy and growing convenience for cross-border travel, the number of inbound tourists and inbound consumption scale maintained robust growth. Business trips, inbound tourism and exhibition events kept rebounding, driving a steady recovery in demand for mid-to-high-end hotel accommodation across the country.

In terms of regional markets, cultural-tourism support policies for Northeast China and Dalian were continuously implemented in the first half of 2026. Urban business activity and cultural-tourist passenger flow rose steadily, and the overall operating environment for the local high-end hotel market gradually recovered. Nevertheless, affected by the current geopolitical situation, the number of inbound visitors from Japan received by hotels has contracted sharply. Reduced cross-border exchanges have hindered the inflow of tourist flows, resulting in a markedly sluggish recovery pace, which has become a major external factor constraining the development of the hotel business.

Main business that the Company engaged in during the Reporting period

the Company has been primarily engaged in the R&D, design, production and sales businesses of products related to power transmission and transformation equipment. Our main products are enclosed busbars that are mainly applied to the power system field to enhance the transmission efficiency of power transmission lines and support the transmission of high power electric energy. Enclosed busbar plays an important role in the power system. Besides, Hainan Garden Lane Flight Hotel Management Co., Ltd., a holding Company of the Company, actively expanded its hotel catering and accommodation businesses during the reporting period. There was no material change in the principal business of the Company during the reporting period.

During the reporting period, the turnover calculated under the PRC GAAP was RMB110.76 million, representing a increase of 43.30% as compared to RMB33.47 million for the corresponding period of the previous year. Loss attributable to equity holders of the Company amounted to RMB2.037 million, with Loss per share of RMB0.002.

No dividend was paid during the period and the Directors do not recommend the payment of the interim dividend for the six months ended 30 June 2026.

6.2 Business review and Management Discussion and Analysis

In the first half of 2026, China's power industry will continue to maintain a strong development momentum. Against the industry backdrop of deep-going progress in developing the new-type power system, full roll-out of the national unified electricity market system and rigid enforcement of the green-power consumption assessment mechanism, demand in the electricity market continues to be released and the sector as a whole operates at a high-prosperity level.

During the Reporting Period, the Company focused on its core main-business of power transmission and transformation equipment. It pursued innovation-driven growth, in-depth market cultivation and quality-and-efficiency improvement in parallel. The Company accurately captured emerging market opportunities brought by intelligent grid upgrading, supporting facilities for new-energy grid-connection and power-supply renovation for infrastructure projects. It kept optimising its product mix, upgrading production processes, tightening quality control and delivery guarantees, and steadily advanced the high-quality development of its principal business.

Fueled by expanding industry demand and fruitful market-development efforts, the Company secured new orders worth RMB 145 million from its busbar business in the first half of 2026. The scale of undertaken and delivered projects rose steadily, and the operational resilience of its core business was further strengthened.

Busbar business

During the Reporting Period, the Company's busbar business maintained a steady and favourable operating trend. Drawing on its standardised product system, large-scale production and performance-delivery capabilities accumulated over many years, as well as its solid brand reputation and customer trust within the industry, the Company, on the one hand, further cultivated existing cooperation channels with State Grid Corporation of China, China Southern Power Grid and local power utilities to consolidate the foundation for traditional grid-related projects; on the other hand, it proactively expanded its customer base in incremental fields such as new-energy power generation, industrial parks and overseas power engineering projects. The Company maintained a sufficient backlog of orders throughout the Reporting Period, and the revenue scale and business volume of its core business achieved steady growth.

Hotel business

In the first half of 2026, against the continued recovery of domestic macro-consumption and the overall rebound in cross-border business and travel activities, Dalian's local business, exhibition, cultural and tourism markets also warmed up steadily. However, affected by fluctuations in bilateral exchanges between China and Japan, the number of inbound visitors, in particular Japanese business and tourist guests, shrank markedly.

During the Reporting Period, Hotel Nikko Dalian under the Company was constrained by external circumstances stemming from its Japanese-affiliated brand identity. The recovery pace of the hotel's occupancy rate and average daily room rate lagged behind the industry average. Its overall operating performance came under pressure, and profit-improvement progress fell short of expectations.

In the first half of 2026, the Company's core power-equipment business delivered sound and orderly operations, benefiting from high-sector prosperity and policy dividends. Constrained by uncertainties in the external operating environment, the hotel business faced headwinds in its recovery and its operating performance lagged behind the overall industry level. The Company remained focused on the development of its core business and steadily advanced the optimisation of its business structure and resource allocation. Its overall operating fundamentals stayed stable, laying a solid foundation for the Company's high-quality development.

In the second half of 2026, the Company will continue to concentrate on its principal business of power transmission and transformation equipment manufacturing. Upholding the development objective of "**preserving and increasing the value of assets**", the Company will be market-oriented and innovation-driven to continuously enhance its core competitiveness. First, it will further cultivate competitive products such as enclosed busbars to consolidate its market position. Second, it will increase investment in technology research and development to promote product upgrading and iteration. Third, it will proactively expand marketing channels to grow its market share. Fourth, it will strengthen cost control for sustained improvement in profitability. Fifth, it will prudently resolve historical risks so as to achieve sustainable development of the Company.

6.3 Analysis of core competitiveness

Thanks to the long-term accumulation in many aspects such as product quality, brand culture, R&D capability, technology, management service and marketing over the years, the Company shows some advantages and industrial competitiveness, which can be seen in the close association between the development of the industry where the Company operates and macroeconomic policies of the State; a certain association between the market and macroeconomic development; advanced production equipment and strong manufacturing capabilities of power transmission and distribution products; accumulation of technological strength and high professional technological level; sound internal control system and standardized corporate governance; certain product development capabilities and investment and financing capabilities.

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

6.4 the Company's risks and countermeasures

1. Market risks brought by macroeconomic environment

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

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

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

2. Market competition risk

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

3. Operating cost fluctuation risk

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

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

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

4. Risk of account receivable

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

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

5. Continuous operation capability risk

the Company's overseas auditor Wilson & Partners CPA Limited ("**Overseas Auditor**") issued an Disclaimer of opinion with a Material Uncertainty Related to Going Concern on the 2025 annual financial statements：We do not express an opinion on the consolidated financial statements of the Group. Because of the potential interaction of the multiple uncertainties relating to going concern and their possible cumulative effect on the consolidated financial statements as described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements. In all other respects, in our opinion, the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Response measures: Please refer to the "**Notes made by the Board on the non-standard audit report issued by the accounting**" in the 2025 Annual Report for details.

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

6.5 Prospects for the second half of the year

In the second half of 2026, the Company will continue to concentrate on its principal business of power transmission and transformation equipment manufacturing. Upholding the development objective of "**preserving and increasing the value of assets**", the Company will be market-oriented and innovation-driven to continuously enhance its core competitiveness. First, it will further cultivate competitive products such as enclosed busbars to consolidate its market position. Second, it will increase investment in technology research and development to promote product upgrading and iteration. Third, it will proactively expand marketing channels to grow its market share. Fourth, it will strengthen cost control for sustained improvement in profitability. Fifth, it will prudently resolve historical risks so as to achieve sustainable development of the Company.

Centered on the annual business objectives and work tasks for 2026, the Company's management will adopt comprehensive measures to change the loss-making situation by enhancing the operation efficiency and core competitiveness. For details, please see "**Prospect of Future Development**" set out in the Annual Report 2025. By virtue of seizing opportunities and making full use of the capital market, the Company will fine tune its main business and operating strategy and actively increase the operating income and profits from relevant businesses in the upstream and downstream of hotel operation, in a bid to enhance the sustained profitability and comprehensive competitive strength of the listed Company, promote its development and offer maximum protection to the interests of all shareholders, the minority shareholders in particular.

Chapter7 DISCUSSION AND ANALYSIS OF BUSINESS CONDITION

Analysis of principal business prepared under the PRC GAAP

7.1 Overview

the Company has been primarily engaged in the R&D, design, production and sales businesses of products related to power transmission and transformation equipment in recent years. Our main products are enclosed busbars that are mainly applied to the power system field to enhance the transmission efficiency of power transmission lines and support the transmission of high-power electric energy. Enclosed busbar plays an important role in the power system. Besides, Garden Lane Hotel, a holding subsidiary of the Company, actively expanded its hotel catering and accommodation businesses during the reporting period.

There was no material change in the principal business of the Company during the reporting period.

7.2 Analysis of changes in major financial information

7.2.1 Analysis of Asset Liability Structure

√ Applicable □ Not applicable

Unit: RMB

Items	As at the end of the reporting period		As at the end of last year		Increase/decrease in the reporting period compared with the end of last year %
	Amount	As a percentage of total assets %	Amount	As a percentage of total assets %	
Monetary funds	7,136,432.37	3.43%	10,570,116.41	5.38%	-32.48%
Notes receivable	10,552.88	0.01%	2,438,757.34	1.24%	-99.57%
Accounts receivable	57,001,961.66	27.37%	50,324,918.33	25.60%	13.27%
Advances to suppliers	7,353,864.12	3.53%	3,268,765.14	1.66%	124.97%
Other receivables	16,031,391.93	7.70%	12,521,588.89	6.37%	28.03%
Inventories	36,773,066.20	17.66%	39,280,771.76	19.99%	-6.38%
Contract assets	14,608,299.38	7.01%	9,018,694.88	4.59%	61.98%
Other current assets	658,383.76	0.32%	874,264.98	0.44%	-24.69%
Fixed assets	28,734,568.16	13.80%	30,143,549.24	15.34%	-4.67%
Right-of-use assets	2,797,690.10	1.34%	5,595,380.16	2.85%	-50.00%
Intangible assets	10,626,244.33	5.10%	10,758,247.39	5.47%	-1.23%
Other non-current financial assets	19,060,261.28	9.15%	19,060,261.28	9.70%	-
Deferred Tax Asset	1,398,845.04	0.67%	1,398,845.04	0.71%	-
Other non-current assets	6,070,757.36	2.91%	1,295,671.36	0.66%	368.54%

Unit: RMB

Items	As at the end of the reporting period		As at the end of last year		Increase/decrease in the reporting period compared with the end of last year %
	Amount	As a percentage of total liabilities %	Amount	As a percentage of total liabilities %	

Accounts payable	54,173,710.49	11.29%	43,471,714.36	9.24%	24.62%
Contract liabilities	39,618,795.89	8.25%	38,911,677.83	8.27%	1.82%
Employment benefits payable	4,116,745.04	0.86%	4,656,238.42	0.99%	-11.59%
Taxes and fees payable	3,068,273.61	0.64%	2,971,843.46	0.63%	3.24%
Other payables	239,108,214.17	49.82%	237,027,421.18	50.37%	0.88%
Non-current liabilities due within one year	5,595,380.16	1.17%	5,595,380.16	1.19%	-
Other current liabilities	3,602,939.76	0.75%	5,148,163.03	1.09%	-30.02%
estimated liabilities	98,327,105.69	20.49%	98,327,105.69	20.90%	-
Deferred income	27,371,677.56	5.70%	28,334,278.38	6.02%	-3.40%
Deferred income tax liabilities	699,422.53	0.15%	1,398,845.04	0.30%	-50.00%
Other Non-Current Liabilities	4,304,986.73	0.90%	4,721,358.41	1.00%	-8.82%

Reasons for major changes in the Items

Monetary funds: The change is mainly due to expenditures arising from day-to-day production and operating activities.

Notes receivable: The change is mainly attributable to the acceptance and endorsement of notes receivable in respect of busbar business during the current period.

Advances to suppliers: The change is mainly attributable to the increase in prepayments for raw material purchases for the busbar business during the current period.

Contract assets: The change is mainly attributable to a substantial increase in new sales contracts signed for the busbar business during the current period.

Right-of-use assets: The change is mainly due to reasonable depreciation of right-of-use assets recognised over the lease term by Dalian Branch of Yitang Hotel, a subsidiary.

Other non-current assets: The change is mainly attributable to the increase in project retention monies with a term of more than one year for the busbar business during the current period.

Other current liabilities: The change is mainly due to the decrease in deductible output tax related to contract liabilities falling due within one year of Fuxin Busbar, a subsidiary.

Deferred income tax liabilities: The change is mainly attributable to the reduction in right-of-use assets during the current period.

7.2.2 Business situation and cash flow analysis

√ Applicable □ Not applicable

Unit: RMB

Items	Amount for the reporting period		Amount for the same period of last year		Increase/decrease in the reporting period compared with the same period of last year %
	Amount	As a percentage of operating incomes %	Amount	As a percentage of operating incomes %	
Operating incomes	110,760,592.15	-	77,290,682.83	-	43.30%
Cost for operation	80,108,662.70	72.33%	50,444,045.72	65.27%	58.81%
Gross margin%	27.67%	-	34.73%	-	Decreased by 7.06 percentage points
Taxes and surcharges	704,889.72	0.64%	650,030.42	0.84%	8.44%
Selling expenses	21,854,031.35	19.73%	20,731,944.56	26.82%	5.41%
Administrative expenses	10,566,573.12	9.54%	10,574,269.74	13.68%	-0.07%
Research and development expenses	1,063,934.74	0.96%	835,320.78	1.08%	27.37%
Financial costs	457,841.38	0.41%	1,631,084.93	2.11%	-71.93%
Other income	965,091.32	0.87%	1,219,518.31	1.58%	-20.86%
Credit impairment loss	-16,939.34	0.02%	307,479.03	0.40%	-105.51%
Non-operating income	273,926.68	0.25%	11,606.04	0.02%	2260.21%
Non-operating expenses	-	-	27,340.78	0.04%	-100.00%
Net profit	-2,073,839.69	-	-5,191,082.26	-	-
Net cash flows from operating activities	-3,327,656.54	-	-6,848,231.62	-	51.41%
Net cash flows from investing	-106,027.50	-	-50,442.48	-	-110.19%

activities					
Net cash flows from financing activities	-	-	-	-	-

Reasons for major changes in the Items

Operating incomes: The change is mainly attributable to a substantial increase in delivery and settlement of busbar business projects during the current period.

Cost of operations: The change is mainly attributable to the increase in delivery volume of busbar products in the current period, with corresponding increases in direct material and processing costs of products.

Finance costs: The change is mainly attributable to the decrease in exchange gains and losses of the Hong-Kong incorporated company during the current period.

Credit impairment loss: The change is mainly attributable to the impairment provision made for receivables of Yitang Hotel Branch, a subsidiary, during the current period.

Non-operating income: The change is mainly attributable to proceeds from scrap sales by Fuxin Busbar, a subsidiary.

Non-operating expenses: No non-operating expense-incurring events occurred during the current period.

Net cash flows from operating activities: The change is mainly attributable to more cash inflows arising from increased contract settlements of Fuxin Busbar during the reporting period.

Net cash flows from investing activities: The change is mainly attributable to increased expenditures for the purchase of property, plant and equipment during the current period.

7.3 Assets and liabilities at fair value

None

7.4 Restricted assets as at the end of the reporting period

Unit: RMB

Items	Book value at the end of the year	Reasons for restriction
Monetary fund – other monetary funds	1,432,561.04	Performance guarantee
Monetary fund – other monetary funds	56,843.07	Judicial freeze
Total	1,489,404.11	

7.5 Disposal of major assets

During the reporting period, there is no disposal of major assets.

7.6 Analysis of major controlling Company and invested Company

Unit: RMB

Company name	Company type	Principal business	Registered capital	Total asset	Net as set	Operating income	Net pro fit
Great Talent Technology Ltd.	Subsidiary	Investment	USD1	83,411,607.22	5,654,156.37	0	0
Shenyang Kaiyi Electric Co.,Ltd.	Subsidiary	Manufacturing of Electrical equipment	RMB1million	42,659,278.06	-59,992,384.45	0	-13,335.37
Fuxin Enclosed Busbar Co.,Ltd.	Subsidiary	Manufacturing of enclosed busbars	USD8.5million	154,097,817.97	37,636,061.27	90,629,680.67	2,130,706.17
Hainan Garden Lane Flight Hotel Management Co.,Ltd.	Subsidiary	Public space business	RMB50million	58,946,340.74	-143,561,483.77	20,130,911.48	-3,644,388.65
Northeast Electric (Chengdu)Electric Engineering Design Co.,Ltd.	Subsidiary	Electric power engineering	RMB10million	7,032,202.88	6,887,052.33	0	-479.91
HNA Tianjin Center Development Co.,Ltd.	Invested Company	Property leasing, hotel catering	RMB269,887,709	83,411,607.22	5,654,156.37	0	0

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

Share capital

During the reporting period, there is no change in the share capital of the Company.

Reserve

Details of the annual changes in the reserves of the Company and the Group are set out in thefinancial statements and the statement of changes in shareholders' equity.

Distributable reserve

As at 30 June 2026, according to the relevant regulations, the Company has no distributable reserve. Pursuant to the resolution approved at the Board meeting on 27 August 2026, the Board proposes not to distribute cash dividend, issue bonus share, or capitalize from capital reserves during the year.

Analysis of loans and borrowings

The Group's short-term borrowings were nil (2025: nil).

Working capital and financial resources

The net cash generated from the Group's operating activities for the half year ended 30 June 2026was approximately RMB3.32 million(2025: net cash generated from operating activities of approximately RMB16.76 million).

As at 30 June 2026, the Group had bank deposits and cash (including pledged bank balances) of approximately RMB7.13 million (2025: RMB10.57 million) and had no bank loans (2025: nil).Borrowings bear fixed interestrates, and no hedging instruments are hedged.

As of 30 June 2026, the Group had current liabilities of RMB351.94 million, non-current liabilities of RMB130.70 million, and deficits attributable to owners of the Company of RMB276.32 million. Details of the capital structure of the Group are set out in the financial report of the Company's interim report.

the Company's funding needs have no obvious seasonal patterns.

Capital expenditure

The Group's funds can meet the capital requirements of the capital expenditure plan and daily operations.

Capital structure

the Company's sources of funds are mainly operating cash inflows and loans of substantial shareholders. As at 30 June 2026, the Group's short-term bank borrowings were nil, and the cash and cash equivalents were RMB7.14 million(2025:nil).

The Group's policy is to manage its capital to ensure that the Group's entities are able to continue tooperate while maximizing returns to shareholders by optimizing the ratio of liabilities and equity. Theoverall strategy of the Group has remained unchanged from previous years.

Prospects for new business

Details of the prospects for new business are set out in "**Prospects for the second half of the year**" of "**Summary of Business**".

Significant investments held and the performance of such investments

Details of significant investments held and the performance of these investments are set out in "**Analysis of Major Controlling Company and Invested Company**" of "**Discussion and Analysis ofBusiness Condition**".

Significant investments and sales

Details of significant investments and sales are set out in "**Disposal of major assets**" of "**Discussionand Analysis of Business Condition**".

Segmental information of results

Details of segmental information of results are set out in the "**Main Business Composition**" of "**Summary of Business**".

Assets pledge

On June 30 2026, the net value of fixed assets and land used as collateral by the Group was RMB 0 (as of December 31 2025, the Group had no pledged assets)

Plan for major investment or acquisition of capital assets in the future

As of the latest practicable date prior to the publication of this report, the Company has no relevantplans.

Gearing ratio

As of 30 June 2026, the Group's gearing ratio (calculated as total liabilities/total assets) was 232%(2025: 241%).

Risks of exchange rate fluctuation and any related hedges

The Group's assets and liabilities are denominated in Renminbi, so the risk of exchange rate changes has little impact on the Group. The Group has taken the following measures in reducing therisk of exchange rate fluctuations: (1) increase the export price of products to reduce the risk ofexchange rate fluctuations; (2) agree with the other party in advance in case of large export contracts that the risks of exchange rate fluctuations shall be borne by both parties when the exchange rate fluctuation exceeds the limit of agreed scope; (3) strive to sign forward agreementswith financial institutions to lock up exchange rates and avoid risks.

Contingent liabilities

As of 30 June 2026, the Company had no material contingent liabilities.

Chapter8 Significant Events

8.1 Personnel changes

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

8.2 Staff of the Company and remuneration policy

As at 30 June 2026, the number of employees on the payroll of the Group was 287. Thetotal salary of employees was RMB13.69 million in the first half of 2026 (the number of employees of the Group was 282 and the total salary of employees was RMB23.99 million in 2025).

The remuneration of the employees of the Company includes their salaries, bonuses and other fringe benefits. the Company has different rates of remuneration for different employees, which are determined based on their performance, experience, position and other factors incompliance with the relevant PRC laws and regulations.

8.3 Corporate governance structure

At present, the actual corporate governance structure basically complies with the related requirements of securities regulators.

8.4 Profit distribution plan and its implementation

the Company proposes not to distribute cash dividend, issue bonus share, or capitalise fromcapital reserves.

8.5 Commitments performed during the reporting period and not yet performed as of the end of the reporting period by the de facto controller, shareholders, connected parties, acquirers of the Company and the Company

the Company did not have any commitments performed during the reporting period and notyet performed as of the end of the reporting period by the de facto controller, shareholders,connected parties, acquirers of the Company and the Company during the reporting period.

8.6 Litigation

1. The litigation on the application made by China Development Bank for enforcement on Shenyang High-voltage Switches Co., Ltd. and Northeast Electric

Since there is no assets available for execution and the remaining assets are not eligible for disposal on 10 March 2023, the First Intermediate People's Court of Hainan Province issued the enforcement ruling No. 2 ((2021) Qiong 96 Zhi No. 120) that ruled the execution procedures are terminated and the execution can be resumed when there are assets available for execution.

2. Progress of the enforcement case of the liabilities arising from guarantee dispute involving Jinzhou Branch of Bank of China

On 19 May 2004, Jinzhou Power Capacitor Co., Ltd. (the "**Jinzhou Capacitor**"), the former subsidiary of the Company, entered into a RMB13 million loan contract with Bank of China Jinzhou branch (the "**BOC**"), with a maturity of 12 months in which the Company undertake the guarantee responsibility. BOC subsequently lodged a case with the district Court of Jinzhou City Liaoning Province (the "**Jinzhou's Intermediate Court**") on 16 February 2005 under the circumstances of non-expiry of the loan contract and demanded Jinzhou Capacitor to make an early repayment and the Company undertaking the guarantee liability. Jinzhou's Intermediate Court gave the civil judgment ((2005) Jin Min San He Chu Zi No. 21) on 20 May 2005 by which it was ruled that the Company shall undertake the joint repayment liability for the RMB13 million loan of Jinzhou Capacitor.

BOC applied to the Intermediate People's Court of Jinzhou City Liaoning Province, for filing a case and resuming compulsory enforcement on 5 September 2024. According to the enforcement ruling ((2024) Liao 07 Zhi Hui No. 69) given by the Intermediate People's Court of Jinzhou City Liaoning Province, on 12 December 2024, The Court ruled the execution procedures are terminated .(For details, please refer to the announcements dated 26 September 2024 and 24 December 2024.)

3. The litigation concerning Liaoning Trust and Investment Corporation's *(遼寧信託投資公司) application to invalidate the Agreement on Transfer of Creditor's Rights of NEE

The plaintiff, Liaoning Trust and Investment Corporation, applied to the Heping District People's Court of Shenyang City, Liaoning Province, for rescission of the "**Agreement on Transfer of Creditor's Rights**" entered into with the defendant NEE on 1 June 2005. The plaintiff requested the defendant to return the property benefits obtained under the contract, namely the debt repayment amount of RMB31.5233 million obtained through enforcement.

On 27 September 2025, the Heping District People's Court of Shenyang City, Liaoning Province, issuedthe Civil Judgment ((2024) Liao 0102 Min Chu No. 28009), ruling at first instance that the "**Agreement on ransfer of Creditor's Rights**" (Dong Liao Zhai Zhuan Zi No. 006) entered into on 1 June 2005 between the liquidation group of Liaoning Trust and Investment Corporation and the defendant NEE was invalid, and ordering the defendant NEE to pay the plaintiff discounted compensation of RMB31.5233 million together with capital occupation fees. To safeguard the Company's interests, the Company filed an appeal immediately upon receipt of the first-instance judgment. On 30 January 2026, the Liaoning Shenyang Municipal Intermediate People's Court issued the Civil Judgme nt ((2025) Liao 01 Min Zhong No. 18142), dismissing the Company' s appeal and upholding the original judgment. To further safeguard its interests, the Company filed an application for retrial with the High People's Court of Liaoning Province on 16 March 2026. No hearing has yet been held. Pursuant to the effective judgment handed down by the court in the second-instance proceedings, the Company recognised a provision of approximately RMB 63.97million in its audited financial statements for the year 2025. The case is presently under enforcement.For details, please refer to the Company's announcements dated 4 July 2025, 10 October 2025, 17 October 2025 and 3 February 2026.

8.7 Daily related transactions of the Company during the reporting period

Unit: RMB

Type of Specific Matters	Estimated amount	Actual amount
1. Purchase raw materials, fuel, power, and accept labor services	–	–
2. Selling products, commodities, and providing services	6,718.40	6,718.40
3. Types of daily connected transactions applicable to the Company stipulated in the Company's articles of association	-	-
4. Acquisition or sale of assets or equity		
5. Venue rental (Note 1)	5,714,285.71	5,714,285.71
6. Others	–	–

Note 1: A supplementary agreement to the lease contract entered into On 22 January 2026, as required for the continued operation of the hotel, Garden Lane Hotel (the "**Lessee**"), a non-wholly-owned subsidiary of the Company, entered into a supplementary agreement to the lease contract (the "**Supplementary Agreement**") with Dalian Changjiang Plaza Co., Ltd. (the "**Lessor**"), a related party. According to the Supplementary Agreement, the relevant provisions of the original lease contract were adjusted to extend the lease period for one year, changing the lease period from the original "**1 September 2021 to 31 December 2025**" to "**1 September 2021 to 31 December 2026**", and the rent standard for 2026 was RMB6 million. Apart from the terms expressly adjusted in the Supplementary Agreement, the remainder of the original lease contract shall remain in effect (as detailed in the announcement dated 24 December 2025).

8.8 Controlling shareholders and their connected parties' use of capital of the listed Company for non-operating purposes

Controlling shareholders and their connected parties did not use any capital of the listed Company for non-operating purposes during the reporting period.

8.9 Significant contracts and their execution

During the reporting period, the Company did not enter into any material trust, contracting orlease arrangement.

8.10 Guarantees

As at the end of the reporting period, the outstanding principal amount of external guarantees provided by the Company is RMB 30 million, with Jinzhou Power Capacitors Co., Ltd. as the collateral (An independent third-party company).

8.11 Corporate governance

During the reporting period, the listed issuer strictly complied with the code provisions of Corporate Governance Code as set out in Appendix C1 and had no deviations from the code provisions.

For more details on the implementation, please refer to the Corporate Governance Report disclosed to be disclosed together with the Annual Report 2025. After the issuance of the Annual Report, the compliance and execution of the Code by the listed issuer remained unchanged.

8.12 Model Code for Securities Transactions by Directors

the Company takes the "**Model Code for Securities Transactions by Directors of Listed Issuers**" (the "**Model Code**") under the Appendix C3 to the Listing Rules as a code of conduct for directors' securities transactions; after accepting specific enquiries, all members of the Board of the Company confirmed that they had complied with the Model Code during their tenure as directors of the Company.

The Board has formulated guidelines on the trading of securities of listed companies by"**Directors and relevant employees**". The Office of the Board has given written notices in advance to insiders (including the Company's Directors, supervisors, senior management, controlling shareholders, de facto controllers and their connected parties, as defined in theListing Rules) stating that purchase and sales of shares of the Company shall comply withrelevant regulations and forbidding the insiders to purchase or sell the shares with insideinformation: no transactions of the Company's securities shall be carried out during theprice-sensitive timeframe within 30 days, a lock-up period from 28 July 2026 to 27 August 2026, prior to the results announcement.

All Directors confirmed that: During the reporting period, they had adhered to the guidelines,and neither they nor their connected parties conducted securities transactions of the Company.

the Company has complied with Rules 3.10(1), 3.10(2) and 3.10A of the Listing Rules relatingto the appointment of a sufficient number of independent non-executive Directors and at leastone independent non-executive Director with appropriate professional qualifications oraccounting or related financial management expertise. the Company has appointed three independent non-executive Directors including one with financial management expertise, of whom the biographical details are set out in the Annual Report 2025 of the Company.

the Company has been in place an audit committee under the Board in accordance with Rule 3.21 of the Listing Rules.

8.13 Others

Purchase, sale or redemption of shares

During the reporting period, the Company and its subsidiaries did not purchase, sell and redeem any shares of the Company.

Loans to an entity

At the end of the reporting period, neither the Company nor its subsidiaries have granted loansto any entity.

Pledge of shares by controlling shareholder

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

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

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

Breach of loan agreements

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

Provision of financial assistance and guarantee to affiliates

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

Share option scheme

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

Directors, supervisors and chief executive's interests in the shares, underlying shares and debentures of the Company

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

Audit of interim results

The unaudited results for the six months ended 30 June 2026 were prepared by the Group in accordance with the PRC GAAP and IFRS.

The audit committee under the Board of the Company has reviewed and confirmed the interim results announcement of the Company for 2026.

The audit committee has approved the financial accounting principles, standards and methods adopted by the Company for the unaudited interim accounts for the six months ended 30 June 2026.

8.14 Subsequent events

None

Chapter 9 FINANCIAL STATEMENTS (PREPARED UNDER THE IFRS)

The interim report of the Company has not been audited.

(1) Consolidated Balance Sheet

Unit: RMB

Items	Notes	June 30 2026	December 31 2025
Current assets:			
Monetary funds		7,136,432.37	10,570,116.41
Deposit Reservation for Balance			
Lending funds			
Financial assets held for trading			
Derivative financial assets			
Notes receivable		10,552.88	2,438,757.34
Accounts receivable		57,001,961.66	50,324,918.33
Receivables financing			
Advances to suppliers		7,353,864.12	3,268,765.14
Receivable premium			
Reinsurance accounts receivable			
Provision of cession receivable			
Other receivables		16,031,391.93	12,521,588.89
Including: Interests receivable			
Dividends receivable			
Redemptory monetary capital for sale			
Inventories		36,773,066.20	39,280,771.76
Among them: data resources			
Contract assets		14,608,299.38	9,018,694.88
Held-for-sale assets			
Non-current assets due within one year			
Other current assets		658,383.76	874,264.98
Total current assets		**139,573,952.30**	**128,297,877.73**
Non-current assets:			
Issuing loans and advances			
Debt investments			
Other debt investments			
Long-term receivables			
Long-term equity investments			
Other equity instrument investments			
Other non-current financial assets		19,060,261.28	19,060,261.28

Investment properties			
Fixed assets		28,734,568.16	30,143,549.24
Construction in progress			
Biological assets held for production			
Oil and gas assets			
Right-of-use assets		2,797,690.10	5,595,380.16
Intangible assets		10,626,244.33	10,758,247.39
Among them: data resources			
Development expenditure			
Among them: data resources			
Goodwill			
Long-term deferred charges			
Deferred income tax assets		1,398,845.04	1,398,845.04
Other non-current assets		6,070,757.36	1,295,671.36
Total non-current assets		**68,688,366.27**	**68,251,954.47**
Total asset		**208,262,318.57**	**196,549,832.20**
Current liabilities:			
Short-term borrowings			
Borrowings from central bank			
Loans from other banks and other financial institutions			
Financial liabilities held for trading			
Derivative financial liabilities			
Notes payable			
Accounts payable		54,173,710.49	43,471,714.36
Advances from customers			
Contract liabilities		39,618,795.89	38,911,677.83
Sell to repurchase financial assets			
Deposits from customers and interbank			
Receivings from vicariously traded securities			
Receivings from vicariously sold securities			
Employment benefits payable		4,116,745.04	4,656,238.42
Taxes and fees payable		3,068,273.61	2,971,843.46
Other payables		241,763,191.76	239,274,269.51
Including: Interests payable			
Dividends payable			
Charges and commissions payable			
Dividend payable for reinsurance			
Held-for-sale liabilities			
Non-current liabilities due within one year		5,595,380.16	5,595,380.16
Other current liabilities		3,602,939.76	5,148,163.03

Total current liabilities		**351,939,036.71**	**340,029,286.77**
Non-current liabilities:			
Reserve fund for insurance contracts			
Long-term borrowings			
Debt instruments payable			
Including: Preferred shares			
Perpetual bonds			
Lease liabilities			
Long-term payables			
Long-term employee benefits payable			
estimated liabilities		98,327,105.69	98,327,105.69
Deferred income		27,371,677.56	28,334,278.38
Deferred income tax liabilities		699,422.53	1,398,845.04
Other non-current liabilities		4,304,986.73	4,721,358.41
Total non-current liabilities		**130,703,192.51**	**132,781,587.52**
Total liabilities		**482,642,229.22**	**472,810,874.29**
Shareholders' equity:			
Share capital		873,370,000.00	873,370,000.00
Other equity instruments			
Including: Preferred shares			
Perpetual bonds			
Capital reserves		1,083,997,337.88	1,083,997,337.88
Less: Treasury stock			
Other comprehensive income		-6,673,484.60	-10,628,455.74
Designated reserves			
Surplus reserves		108,587,124.40	108,587,124.40
General risk provision			
Retained earnings		-2,335,598,982.42	-2,333,561,824.22
Total equity attributable to shareholders of the Parent		-276,318,004.74	-278,235,817.68
Minority interests		1,938,094.09	1,974,775.59
Total shareholders' equity		**-274,379,910.65**	**-276,261,042.09**
Total liabilities and shareholders' equity		**208,262,318.57**	**196,549,832.20**

the Company's Chairman: **Zhu Xinguang** *Chief Financial Officer:* **Liu Kejia** *Chief Accounting Officer:* **Chen Youren**

(2) Balance Sheet of parent company

Unit: RMB

Items	Notes	June 30 2026	December 31 2025
Current assets:			
Monetary funds		15,461.09	12,007.02

Deposit Reservation for Balance			
Lending funds			
Financial assets held for trading			
Derivative financial assets			
Notes receivable			
Accounts receivable			
Receivables financing		8,667,237.84	10,936,412.46
Advances to suppliers			
Receivable premium			
Reinsurance accounts receivable			
Provision of cession receivable			
Other receivables			
Including: Interests receivable			
Dividends receivable			
Redemptory monetary capital for sale			
Inventories			
Contract assets			
Held-for-sale assets			
Non-current assets due within one year			
Other current assets			
Total current assets		**8,682,698.93**	**10,948,419.48**
Non-current assets:			
Issuing loans and advances			
Debt investments			
Other debt investments			
Long-term receivables			
Long-term equity investments		2,679,471.94	2,679,471.94
Other equity instrument investments			
Other non-current financial assets			
Investment properties			
Fixed assets		5,495.60	7,040.14
Construction in progress			
Biological assets held for production			
Oil and gas assets			
Right-of-use assets			
Intangible assets			
Development expenditure			
Goodwill			
Long-term deferred charges			
Deferred income tax assets			
Other non-current assets			
Total non-current assets		**2,684,967.54**	**2,686,512.08**

Total asset		**11,367,666.47**	**13,634,931.56**
Current liabilities:			
Short-term borrowings			
Borrowings from central bank			
Loans from other banks and other financial institutions			
Financial liabilities held for trading			
Derivative financial liabilities			
Notes payable			
Accounts payable			
Advances from customers			
Contract liabilities			
Sell to repurchase financial assets			
Deposits from customers and interbank			
Receivings from vicariously traded securities			
Receivings from vicariously sold securities			
Employment benefits payable		2,502,747.98	2,478,226.67
Taxes and fees payable		27,680.00	37,459.24
Other payables		163,474,183.50	164,483,275.10
Including: Interests payable			
Dividends payable			
Charges and commissions payable			
Dividend payable for reinsurance			
Held-for-sale liabilities			
Non-current liabilities due within one year			
Other current liabilities			
Total current liabilities		**166,004,611.48**	**166,998,961.01**
Non-current liabilities:			
Reserve fund for insurance contracts			
Long-term borrowings			
Debt instruments payable			
Including: Preferred shares			
Perpetual bonds			
Lease liabilities			
Long-term payables			
Long-term employee benefits payable			
Provisions		98,327,105.69	98,327,105.69
Deferred income			
Deferred income tax liabilities			
Other non-current liabilities			
Total non-current liabilities		**98,327,105.69**	**98,327,105.69**

Total liabilities		**264,331,717.17**	**265,326,066.70**
Owner's equity			
Share capital		873,370,000.00	873,370,000.00
Other equity instruments			
Including: Preferred shares			
Perpetual bonds			
Capital reserves		996,869,700.23	996,869,700.23
Less: Treasury stock			
Other comprehensive income			
Designated reserves			
Surplus reserves		108,587,124.40	108,587,124.40
General risk provision			
Retained earnings		-2,231,790,875.33	-2,230,517,959.77
Total shareholders' equity		**-252,964,050.70**	**-251,691,135.14**
Total liabilities and shareholders' equity		**11,367,666.47**	**13,634,931.56**

(3) Consolidated income statement

Unit: RMB

Items	Notes	January to June 2026	January to June 2025
I. Total operating income		110,760,592.15	77,290,682.83
Including: Revenue from operation		110,760,592.15	77,290,682.83
Interest income			
The premium has been made			
Fee and commission income			
II. Total operating costs		114,755,933.01	84,866,696.15
Including: Cost for operation		80,108,662.70	50,444,045.72
Interest expense			
Service charge and commission fee			
Surrender value			
Net payments for insurance claims			
Draw the net insurance liability reserve			
Bond insurance expense			
Reinsurance expenses			
Taxes and surcharges		704,889.72	650,030.42
Selling expenses		21,854,031.35	20,731,944.56
Administrative expenses		10,566,573.12	10,574,269.74
Research and development expenses		1,063,934.74	835,320.78
Financial costs		457,841.38	1,631,084.93
Including: Interest expense		86,685.16	111,903.36

Interest income		-2,165.94	-3,159.27
Add: Other income		965,091.32	1,219,518.31
Investment income (loss presented with “-” prefix)			
Including: In vestment income from associates and joint ventures			
Gain on derecognition of financial assets measured at amortized cost			
Exchange earning(loss presented with “-” prefix)			
Net open hedge income (loss presented with “-” prefix)			
Gain from changes in fair value (loss presented with “-”prefix)			
Credit impairment loss (loss presented with “-” prefix)		-16,939.34	307,479.03
Asset impairment loss (loss presented with “-” prefix)			
Gain on disposal of assets (loss presented by “-” prefix)			
III. Profit from operation (loss presented with “-” prefix)		**-3,047,188.88**	**-6,049,015.98**
Add: Non-operating income		273,926.68	11,606.04
Less: Non-operating expenses		-	27,340.78
IV. Total profits (total loss presented with “-” prefix)		**-2,773,262.20**	**-6,064,750.72**
Less: Income tax expenses		-699,422.51	-873,668.46
V. Net profit (net loss presented with “-” prefix)		**-2,073,839.69**	**-5,191,082.26**
Include: the net profit realized by the merged party before the merger			
A. Classified by business continuity		–	–
1. Net profit from continued operations (net loss presented with “-” prefix)		-2,073,839.69	-5,191,082.26
2. Net profit from discontinued operations (net loss presented with “-” prefix)			
B. Classified by ownership		–	–
1. Net profit attributable to shareholders of the Parent (net loss presented with “-”prefix)		-2,037,158.20	-5,155,857.75

2. Profits and losses attributable to minority interests (net loss presented with "-"prefix)		-36,681.49	-35,224.51
VI. Net after-tax other comprehensive income		**3,954,971.14**	**-573,066.14**
A. Net after-tax other comprehensive income attributable to shareholders of the Parent		3,954,971.14	-573,066.14
1. Other comprehensive income not reclassification to profit or loss			
(1) Remeasurement of changes in defined benefit plans			
(2) Other comprehensive income of non-convertible profit and loss under the equity method			
(3) Changes in fair value of other equity instruments investment			
(4) Changes in fair value of the Company's own credit risk			
(5) Others			
2. Other comprehensive income reclassification to profit or loss		3,954,971.14	-573,066.14
(1) Other comprehensive income of convertible profit and loss under the equity method			
(2) Changes in fair value of other debt investments			
(3) The amount of financial assets reclassified into other comprehensive income			
(4) Other debt investment credit impairment provisions			
(5) Cash flow hedge reserve			
(6)Exchange difference on translation of foreign financial statements		3,954,971.14	-573,066.14
(7) Others			
B. Net after-tax other comprehensive income attributable to minority interests			
VII. Total comprehensive income		**1,881,131.45**	**-5,764,148.40**
A. Total comprehensive income attributable to shareholders of the Parent		1,917,812.95	-5,725,358.37
B. Total comprehensive income attributable to minority interests		-36,681.50	-38,790.03

VIII. Earning per share:			
A. Basic earning per share (RMB per share)		-0.002	-0.006
B. Diluted earning per share (RMB per share)		-0.002	-0.006

(4) Parent company income statement

Unit: RMB

Items	Notes	January to June 2026	January to June 2025
I Revenue from operation			
Less：Cost for operation			
Taxes and surcharges			
Selling expenses			
Administrative expenses		1,274,705.95	1,295,798.31
Research and development expenses			
Financial costs		718.45	298.06
Including: Interest expense		-	-
Interest income		-3.46	-1.94
Add: Other income			
Investment income (loss presented with “-” prefix)			
Including: In vestment income from associates and joint ventures			
Gain on derecognition of financial assets measured at amortized cost			
Exchange gains(loss presented with “-” prefix)			
Net open hedge income (loss presented with “-” prefix)			
Gain from changes in fair value (loss presented with “-prefix)			
Credit impairment loss (loss presented with “-” prefix)			
Asset impairment loss (loss presented with “-” prefix)			
Gain on disposal of assets (loss presented by “-” prefix)			
II. Profit from operation (loss presented with “-” prefix)		-1,275,424.40	-1,296,096.37

Add: Non-operating income		2,508.84	11,559.44
Less: Non-operating expenses			
III. Total profits (total loss presented with "-" prefix)		-1,272,915.56	-1,284,536.93
Less: Income tax expenses			
IV.Net profit (net loss presented with "-" prefix)		-1,272,915.56	-1,284,536.93
1.Net profit from continued operations (net loss presented with "-" prefix)		-1,272,915.56	-1,284,536.93
2. Net profit from discontinued operations (net loss presented with "-" prefix)			
V.Net after-tax other comprehensive income			
1. Other comprehensive income not reclassifiable to profit or loss			
(1) Remeasurement of changes in defined benefit plans			
(2) Other comprehensive income of non-convertible profit and loss under the equity method			
(3) Changes in fair value of other equity instruments investment			
(4) Changes in fair value of the Company's own credit risk			
(5) Others			
2. Other comprehensive income reclassification to profit or loss			
(1) Other comprehensive income of convertible profit and loss under the equity method			
(2) Changes in fair value of other debt investments			
(3) The amount of financial assets reclassified into other comprehensive income			
(4) Other debt investment credit impairment provisions			
(5) Cash flow hedge reserve			
(6) Exchange difference on translation of foreign financial statements			

(7) Others			
VI. Total comprehensive income		-1,272,915.56	-1,284,536.93
VII. Earning per share:			
A. Basic earning per share (RMB per share)			
B. Diluted earning per share (RMB per share)			

(5) Consolidated statement of cash flow

Unit: RMB

Items	Notes	January to June 2026	January to June 2025
I. Cash flows from operating activities:			
Cash received for sales of goods and rendering of services		107,630,070.46	72,254,345.23
Net increase in customer deposits and interbank deposits			
Net increase in borrowing from the central bank			
Net increase in funds borrowed from other financial institutions			
Cash received from the original insurance contract premium			
Net cash received from reinsurance operations			
Net increase in policyholders' savings and investment funds			
Cash for interest, fees and commissions		684.68	-
Net increase in borrowed funds			
Net increase in repurchase business funds			
Net cash received from agents buying and selling securities			
Tax refund received			
Other cash receipts relating to operating activities		5,299,967.11	4,616,710.16
Cash inflows from operating activities (subtotal)		**112,930,722.25**	**76,871,055.39**
Cash payments for purchase of goods and services		80,321,322.61	50,215,763.74
Net increase in loans and advances to customers			
Net increase in deposits with central banks			

and interbanks			
Cash to pay the original insurance contract compensation			
Net increase in financial assets held for trading purposes			
Net increase in borrowed funds			
Cash for interest, fees and commissions		4,919.00	-
Cash to pay policy dividends			
Cash paid to or on behalf of employees		17,734,388.35	18,365,073.20
Taxes and fees paid		3,624,526.29	3,176,578.66
Other cash payments relating to operating activities		14,573,222.54	11,961,871.41
Cash outflows for operating activities (subtotal)		**116,258,378.79**	**83,719,287.01**
Net cash flows from operating activities		**-3,327,656.54**	**-6,848,231.62**
II. Cash flows from investing activities:			
Cash received from investment withdrawal			
Cash received from investment income			
Net cash received from disposal of fixed assets, intangible assets and other long-term assets			
Net cash received from disposal of subsidiaries and other business units			
Other cash receipts relating to investing activities			
Cash inflows from investing activities (subtotal)			
Cash paid for purchase or construction of fixed assets, intangibles assets and other long-term assets		106,027.50	50,442.48
Cash paid for investment			
Net increase in mortgage loans			
Net cash paid for acquisition of subsidiaries and other business units			
Other cash payments relating to investing activities			
Cash outflows for investing activities (subtotal)		**106,027.50**	**50,442.48**
Net cash flows from investing activities		**-106,027.50**	**-50,442.48**
III. Cash flows from financing activities:			
Cash received from investors			

Including: Cash received by subsidiaries from investments of minority shareholders			
Cash received from loans raised			
Cash received from bond issuance			
Other cash receipts relating to financing activities			
Cash inflows from financing activities (subtotal)			
Cash paid for debt repayment			
Cash paid for dividends, profit distribution and interests			
Including: Dividends and profits paid by subsidiaries to minority shareholders			
Other cash payments relating to financing activities			
Cash outflows for financing activities (subtotal)			
Net cash flows from financing activities			
IV. Impact of change of foreign exchange rates on cash and cash equivalents		-	8,235.42
V. Net increase of cash and cash equivalents		**-3,433,684.04**	**-6,890,438.68**
Add: cash and cash equivalents opening balance		10,570,116.41	18,834,578.94
VI. Cash and cash equivalents closing balance		**7,136,432.37**	**11,944,140.26**

(6) Statement of cash flow of parent company

Unit: RMB

Items	Notes	January to June 2026	January to June 2025
I. Cash flows from operating activities:			
Cash received for sales of goods and rendering of services			
Tax refund received			
Other cash receipts relating to operating activities		540,512.30	11,561.38
Cash inflows from operating activities (subtotal)		540,512.30	11,561.38

Cash payments for purchase of goods and services			
Cash paid to or on behalf of employees			
Taxes and fees paid			
Other cash payments relating to operating activities		537,058.23	-
Cash outflows for operating activities (subtotal)		537,058.23	-
Net cash flows from operating activities		3,454.07	11,561.38
II. Cash flows from investing activities:			
Cash received from investment withdrawal			
Cash received from investment income			
Net cash received from disposal of fixed assets, intangible assets and other long-term assets			
Net cash received from disposal of subsidiaries and other business units			
Other cash receipts relating to investing activities			
Cash inflows from investing activities (subtotal)			
Cash paid for purchase or construction of fixed assets, intangibles assets and other long-term assets			
Cash paid for investment			
Net cash paid for acquisition of subsidiaries and other business units			
Other cash payments relating to investing activities			
Cash outflows for investing activities (subtotal)			
Net cash flows from investing activities			
Cash flows from financing activities:			
Cash received from investors			
Cash received from loans raised			
Cash received from bond issuance			
Other cash receipts relating to financing activities			
Cash inflows from financing activities (subtotal)			
Cash paid for debt repayment			
Cash paid for dividends, profit distribution			

and interests			
Other cash payments relating to financing activities			
Cash outflows for financing activities (subtotal)			
Net cash flows from financing activities			
IV. Impact of change of foreign exchange rates on cash and cash equivalents			
V. Net increase of cash and cash equivalents		3,454.07	11,561.38
Add: cash and cash equivalents opening balance		12,007.02	442.59
VI. Cash and cash equivalents closing balance		15,461.09	12,003.97

Chapter 10 FINANCIAL STATEMENTS (PREPARED UNDER THEPRCGAAP)

I. AUDITREPORT

The interim report of the Company has not been audited.

II. FINANCIALSTATEMENTS

（1） Consolidated Balance Sheet

Unit: RMB

Items	Notes	June 30 2026	December 31 2025
Current assets:			
Monetary funds		7,136,432.37	10,570,116.41
Deposit Reservation for Balance			
Lending funds			
Financial assets held for trading			
Derivative financial assets			
Notes receivable		10,552.88	2,438,757.34
Accounts receivable		57,001,961.66	50,324,918.33
Receivables financing			
Advances to suppliers		7,353,864.12	3,268,765.14
Receivable premium			
Reinsurance accounts receivable			
Provision of cession receivable			
Other receivables		16,031,391.93	12,521,588.89
Including: Interests receivable			
Dividends receivable			
Redemptory monetary capital for sale			
Inventories		36,773,066.20	39,280,771.76
Contract assets		14,608,299.38	9,018,694.88
Held-for-sale assets			
Non-current assets due within one year			
Other current assets		658,383.76	874,264.98
Total current assets		**139,573,952.30**	**128,297,877.73**
Non-current assets:			
Issuing loans and advances			
Debt investments			

Other debt investments			
Long-term receivables			
Long-term equity investments			
Other equity instrument investments			
Other non-current financial assets		19,060,261.28	19,060,261.28
Investment properties			
Fixed assets		28,734,568.16	30,143,549.24
Construction in progress			
Biological assets held for production			
Oil and gas assets			
Right-of-use assets		2,797,690.10	5,595,380.16
Intangible assets		10,626,244.33	10,758,247.39
Development expenditure			
Goodwill			
Long-term deferred charges			
Deferred income tax assets		1,398,845.04	1,398,845.04
Other non-current assets		6,070,757.36	1,295,671.36
Total non-current assets		**68,688,366.27**	**68,251,954.47**
Total asset		**208,262,318.57**	**196,549,832.20**
Current liabilities:			
Short-term borrowings			
Borrowings from central bank			
Loans from other banks and other financial institutions			
Financial liabilities held for trading			
Derivative financial liabilities			
Notes payable			
Accounts payable		54,173,710.49	43,471,714.36
Advances from customers			
Contract liabilities		39,618,795.89	38,911,677.83
Sell to repurchase financial assets			
Deposits from customers and interbank			
Receivings from vicariously traded securities			
Receivings from vicariously sold securities			
Employment benefits payable		4,116,745.04	4,656,238.42
Taxes and fees payable		3,068,273.61	2,971,843.46
Other payables		239,108,214.17	237,027,421.18
Including: Interests payable			
Dividends payable			
Charges and commissions payable			
Dividend payable for reinsurance			

Held-for-sale liabilities			
Non-current liabilities due within one year		5,595,380.16	5,595,380.16
Other current liabilities		3,602,939.76	5,148,163.03
Total current liabilities		**349,284,059.12**	**337,782,438.44**
Non-current liabilities:			
Reserve fund for insurance contracts			
Long-term borrowings			
Debt instruments payable			
Including: Preferred shares			
Perpetual bonds			
Lease liabilities			
Long-term payables			
Long-term employee benefits payable			
estimated liabilities		98,327,105.69	98,327,105.69
Deferred income		27,371,677.56	28,334,278.38
Deferred income tax liabilities		699,422.53	1,398,845.04
Other non-current liabilities		4,304,986.73	4,721,358.41
Total non-current liabilities		**130,703,192.51**	**132,781,587.52**
Total liabilities		**479,987,251.63**	**470,564,025.96**
Shareholders' equity:			
Share capital		873,370,000.00	873,370,000.00
Other equity instruments			
Including: Preferred shares			
Perpetual bonds			
Capital reserves		1,083,997,337.88	1,083,997,337.88
Less: Treasury stock			
Other comprehensive income		-6,673,484.60	-10,628,455.73
Designated reserves		2,654,977.59	2,246,848.33
Surplus reserves		108,587,124.40	108,587,124.40
General risk provision			
Retained earnings		-2,335,598,982.42	-2,333,561,824.22
Total equity attributable to shareholders of the Parent		-273,663,027.15	-275,988,969.34
Minority interests		1,938,094.09	1,974,775.58
Total shareholders' equity		**-271,724,933.06**	**-274,014,193.76**
Total liabilities and shareholders' equity		**208,262,318.57**	**196,549,832.20**

the Company's Chairman: **Zhu Xinguang** *Chief Financial Officer:* **Liu Kejia** *Chief Accounting Officer:* **Chen Youren**

（2） Balance Sheet of parent company

Unit: RMB

Items	Notes	June 30 2026	December 31 2025
Current assets:			
Monetary funds		15,461.09	12,007.02
Deposit Reservation for Balance			
Lending funds			
Financial assets held for trading			
Derivative financial assets			
Notes receivable			
Accounts receivable			
Receivables financing		8,667,237.84	10,936,412.46
Advances to suppliers			
Receivable premium			
Reinsurance accounts receivable			
Provision of cession receivable			
Other receivables			
Including: Interests receivable			
Dividends receivable			
Redemptory monetary capital for sale			
Inventories			
Contract assets			
Held-for-sale assets			
Non-current assets due within one year			
Other current assets			
Total current assets		8,682,698.93	10,948,419.48
Non-current assets:			
Issuing loans and advances			
Debt investments			
Other debt investments			
Long-term receivables			
Long-term equity investments		2,679,471.94	2,679,471.94
Other equity instrument investments			
Other non-current financial assets			
Investment properties			
Fixed assets		5,495.60	7,040.14
Construction in progress			
Biological assets held for production			
Oil and gas assets			
Right-of-use assets			
Intangible assets			
Development expenditure			
Goodwill			

Long-term deferred charges			
Deferred income tax assets			
Other non-current assets			
Total non-current assets		2,684,967.54	2,686,512.08
Total asset		11,367,666.47	13,634,931.56
Current liabilities:			
Short-term borrowings			
Borrowings from central bank			
Loans from other banks and other financial institutions			
Financial liabilities held for trading			
Derivative financial liabilities			
Notes payable			
Accounts payable			
Advances from customers			
Contract liabilities			
Sell to repurchase financial assets			
Deposits from customers and interbank			
Receivings from vicariously traded securities			
Receivings from vicariously sold securities			
Employment benefits payable		2,502,747.98	2,478,226.67
Taxes and fees payable		27,680.00	37,459.24
Other payables		163,474,183.50	164,483,275.10
Including: Interests payable			
Dividends payable			
Charges and commissions payable			
Dividend payable for reinsurance			
Held-for-sale liabilities			
Non-current liabilities due within one year			
Other current liabilities			
Total current liabilities		166,004,611.48	166,998,961.01
Non-current liabilities:			
Reserve fund for insurance contracts			
Long-term borrowings			
Debt instruments payable			
Including: Preferred shares			
Perpetual bonds			
Lease liabilities			
Long-term payables			

Long-term employee benefits payable			
Provisions		98,327,105.69	98,327,105.69
Deferred income			
Deferred income tax liabilities			
Other non-current liabilities			
Total non-current liabilities		98,327,105.69	98,327,105.69
Total liabilities		264,331,717.17	265,326,066.70
Shareholders'equity:			
Share capital		873,370,000.00	873,370,000.00
Other equity instruments			
Including: Preferred shares			
Perpetual bonds			
Capital reserves		996,869,700.23	996,869,700.23
Less: Treasury stock			
Other comprehensive income			
Designated reserves			
Surplus reserves		108,587,124.40	108,587,124.40
General risk provision			
Retained earnings		-2,231,790,875.33	-2,230,517,959.77
Total shareholders'equity		-252,964,050.70	-251,691,135.14
Total liabilities and shareholders' equity		11,367,666.47	13,634,931.56

（3） Consolidated income statement

Unit: RMB

Items	Notes	January to June 2026	January to June 2025
I. Total operating income		**110,760,592.15**	**77,290,682.83**
Including: Revenue from operation		110,760,592.15	77,290,682.83
Interest income			
The premium has been made			
Fee and commission income			
II. Total operating costs		**114,755,933.01**	**84,866,696.15**
Including: Cost for operation		80,108,662.70	50,444,045.72
Interest expense			
Service charge and commission fee			
Surrender value			
Net payments for insurance claims			
Draw the net insurance liability reserve			
Bond insurance expense			
Reinsurance expenses			

Taxes and surcharges		704,889.72	650,030.42
Selling expenses		21,854,031.35	20,731,944.56
Administrative expenses		10,566,573.12	10,574,269.74
Research and development expenses		1,063,934.74	835,320.78
Financial costs		457,841.38	1,631,084.93
Including: Interest expense		86,685.16	111,903.36
Interest income		-2,165.94	-3,159.27
Add: Other income		965,091.32	1,219,518.31
Investment income (loss presented with “-” prefix)			
Including: In vestment income from associates and joint ventures			
Gain on derecognition of financial assets measured at amortized cost			
Exchange earning(loss presented with “-” prefix)			
Net open hedge income (loss presented with “-” prefix)			
Gain from changes in fair value (loss presented with “-”prefix)			
Credit impairment loss (loss presented with “-” prefix)		-16,939.34	307,479.03
Asset impairment loss (loss presented with “-” prefix)			
Gain on disposal of assets (loss presented by “-” prefix)			
III. Profit from operation (loss presented with “-” prefix)		**-3,047,188.88**	**-6,049,015.98**
Add: Non-operating income		273,926.68	11,606.04
Less: Non-operating expenses		-	27,340.78
IV. Total profits (total loss presented with “-” prefix)		**-2,773,262.20**	**-6,064,750.72**
Less: Income tax expenses		-699,422.51	-873,668.46
V. Net profit (net loss presented with “-” prefix)		**-2,073,839.69**	**-5,191,082.26**
Include: the net profit realized by the merged party before the merger			
A. Classified by business continuity		–	–
1. Net profit from continued operations (net loss presented with “-” prefix)		-2,073,839.69	-5,191,082.26

2. Net profit from discontinued operations (net loss presented with “-” prefix)			
B. Classified by ownership		—	—
1. Net profit attributable to shareholders of the Parent (net loss presented with “-”prefix)		-2,037,158.20	-5,155,857.75
2. Profits and losses attributable to minority interests (net loss presented with “-”prefix)		-36,681.49	-35,224.51
VI. Net after-tax other comprehensive income		**3,954,971.14**	**-573,066.14**
A. Net after-tax other comprehensive income attributable to shareholders of the Parent		3,954,971.14	-573,066.14
1. Other comprehensive income not reclassification to profit or loss			
(1) Remeasurement of changes in defined benefit plans			
(2) Other comprehensive income of non-convertible profit and loss under the equity method			
(3) Changes in fair value of other equity instruments investment			
(4) Changes in fair value of the Company’s own credit risk			
(5) Others			
2. Other comprehensive income reclassification to profit or loss		3,954,971.14	-573,066.14
(1) Other comprehensive income of convertible profit and loss under the equity method			
(2) Changes in fair value of other debt investments			
(3) The amount of financial assets reclassified into other comprehensive income			
(4) Other debt investment credit impairment provisions			
(5) Cash flow hedge reserve			
(6)Exchange difference on translation of foreign financial statements		3,954,971.14	-573,066.14
(7) Others			
B. Net after-tax other comprehensive income attributable to minority interests			

VII. Total comprehensive income		**1,881,131.45**	**-5,764,148.40**
A. Total comprehensive income attributable to shareholders of the Parent		1,917,812.95	-5,725,358.37
B. Total comprehensive income attributable to minority interests		-36,681.50	-38,790.03
VIII. Earning per share:			
A. Basic earning per share (RMB per share)		-0.002	-0.006
B. Diluted earning per share (RMB per share)		-0.002	-0.006

（4） Parent company income statement

Unit: RMB

Items	**Notes**	January to June 2026	January to June 2025
I Revenue from operation			
Less：Cost for operation			
Taxes and surcharges			
Selling expenses			
Administrative expenses		1,274,705.95	1,295,798.31
Research and development expenses			
Financial costs		718.45	298.06
Including: Interest expense			
Interest income		-3.46	-1.94
Add: Other income			
Investment income (loss presented with “-” prefix)			
Including: In vestment income from associates and joint ventures			
Gain on derecognition of financial assets measured at amortized cost			
Exchange gains(loss presented with “-” prefix)			
Net open hedge income (loss presented with “-” prefix)			
Gain from changes in fair value (loss presented with “-prefix)			
Credit impairment loss (loss presented with “-” prefix)			2, 700
Asset impairment loss (loss presented			

with "-" prefix)			
Gain on disposal of assets (loss presented by "-" prefix)			
II. Profit from operation (loss presented with "-" prefix)		-1,275,424.40	-1,296,096.37
Add: Non-operating income		2,508.84	11,559.44
Less: Non-operating expenses			
III. Total profits (total loss presented with "-" prefix)		-1,272,915.56	-1,284,536.93
Less: Income tax expenses			
IV.Net profit (net loss presented with "-" prefix)		-1,272,915.56	-1,284,536.93
1.Net profit from continued operations (net loss presented with "-" prefix)		-1,272,915.56	-1,284,536.93
2. Net profit from discontinued operations (net loss presented with "-" prefix)			
V.Net after-tax other comprehensive income			
1. Other comprehensive income not reclassifiable to profit or loss			
(1) Remeasurement of changes in defined benefit plans			
(2) Other comprehensive income of non-convertible profit and loss under the equity method			
(3) Changes in fair value of other equity instruments investment			
(4) Changes in fair value of the Company's own credit risk			
(5) Others			
2. Other comprehensive income reclassification to profit or loss			
(1) Other comprehensive income of convertible profit and loss under the equity method			
(2) Changes in fair value of other debt investments			
(3) The amount of financial assets reclassified into other comprehensive income			
(4) Other debt investment credit			

impairment provisions			
(5) Cash flow hedge reserve			
(6) Exchange difference on translation of foreign financial statements			
(7) Others			
VI. Total comprehensive income		-1,272,915.56	-1,284,536.93
VII. Earning per share:			
A. Basic earning per share (RMB per share)			
B. Diluted earning per share (RMB per share)			

（5） Consolidated statement of cash flow

Unit: RMB

Items	**Notes**	January to June 2026	January to June 2025
I. Cash flows from operating activities:			
Cash received for sales of goods and rendering of services		107,630,070.46	72,254,345.23
Net increase in customer deposits and interbank deposits			
Net increase in borrowing from the central bank			
Net increase in funds borrowed from other financial institutions			
Cash received from the original insurance contract premium			
Net cash received from reinsurance operations			
Net increase in policyholders' savings and investment funds			
Cash for interest, fees and commissions		684.68	-
Net increase in borrowed funds			
Net increase in repurchase business funds			
Net cash received from agents buying and selling securities			
Tax refund received			
Other cash receipts relating to operating activities		5,299,967.11	4,616,710.16
Cash inflows from operating activities (subtotal)		**112,930,722.25**	**76,871,055.39**
Cash payments for purchase of goods and		80,321,322.61	50,215,763.74

services			
Net increase in loans and advances to customers			
Net increase in deposits with central banks and interbanks			
Cash to pay the original insurance contract compensation			
Net increase in financial assets held for trading purposes			
Net increase in borrowed funds			
Cash for interest, fees and commissions		4,919.00	-
Cash to pay policy dividends			
Cash paid to or on behalf of employees		17,734,388.35	18,365,073.20
Taxes and fees paid		3,624,526.29	3,176,578.66
Other cash payments relating to operating activities		14,573,222.54	11,961,871.41
Cash outflows for operating activities (subtotal)		**116,258,378.79**	**83,719,287.01**
Net cash flows from operating activities		**-3,327,656.54**	**-6,848,231.62**
II. Cash flows from investing activities:			
Cash received from investment withdrawal			
Cash received from investment income			
Net cash received from disposal of fixed assets, intangible assets and other long-term assets			
Net cash received from disposal of subsidiaries and other business units			
Other cash receipts relating to investing activities			
Cash inflows from investing activities (subtotal)			
Cash paid for purchase or construction of fixed assets, intangibles assets and other long-term assets		106,027.50	50,442.48
Cash paid for investment			
Net increase in mortgage loans			
Net cash paid for acquisition of subsidiaries and other business units			
Other cash payments relating to investing activities			
Cash outflows for investing activities (subtotal)		**106,027.50**	**50,442.48**

Net cash flows from investing activities		**-106,027.50**	**-50,442.48**
III. Cash flows from financing activities:			
Cash received from investors			
Including: Cash received by subsidiaries from investments of minority shareholders			
Cash received from loans raised			
Cash received from bond issuance			
Other cash receipts relating to financing activities			
Cash inflows from financing activities (subtotal)			
Cash paid for debt repayment			
Cash paid for dividends, profit distribution and interests			
Including: Dividends and profits paid by subsidiaries to minority shareholders			
Other cash payments relating to financing activities			
Cash outflows for financing activities (subtotal)			
Net cash flows from financing activities			
IV. Impact of change of foreign exchange rates on cash and cash equivalents		-	8,235.42
V. Net increase of cash and cash equivalents		**-3,433,684.04**	**-6,890,438.68**
Add: cash and cash equivalents opening balance		10,570,116.41	18,834,578.94
VI. Cash and cash equivalents closing balance		**7,136,432.37**	**11,944,140.26**

（6） Statement of cash flow of parent company

Unit: RMB

Items	**Notes**	January to June 2026	January to June 2025
I. Cash flows from operating activities:			
Cash received for sales of goods and rendering of services			
Tax refund received			
Other cash receipts relating to operating activities		540,512.30	11,561.38

Cash inflows from operating activities (subtotal)		**540,512.30**	**11,561.38**
Cash payments for purchase of goods and services			
Cash paid to or on behalf of employees			
Taxes and fees paid			
Other cash payments relating to operating activities		537,058.23	-
Cash outflows for operating activities (subtotal)		**537,058.23**	**-**
Net cash flows from operating activities		**3,454.07**	**11,561.38**
II. Cash flows from investing activities:			
Cash received from investment withdrawal			
Cash received from investment income			
Net cash received from disposal of fixed assets, intangible assets and other long-term assets			
Net cash received from disposal of subsidiaries and other business units			
Other cash receipts relating to investing activities			
Cash inflows from investing activities (subtotal)			
Cash paid for purchase or construction of fixed assets, intangibles assets and other long-term assets			
Cash paid for investment			
Net cash paid for acquisition of subsidiaries and other business units			
Other cash payments relating to investing activities			
Cash outflows for investing activities (subtotal)			
Net cash flows from investing activities			
Cash flows from financing activities:			
Cash received from investors			
Cash received from loans raised			
Cash received from bond issuance			
Other cash receipts relating to financing activities			
Cash inflows from financing activities (subtotal)			

Cash paid for debt repayment			
Cash paid for dividends, profit distribution and interests			
Other cash payments relating to financing activities			
Cash outflows for financing activities (subtotal)			
Net cash flows from financing activities			
IV. Impact of change of foreign exchange rates on cash and cash equivalents			
V. Net increase of cash and cash equivalents		**3,454.07**	**11,561.38**
Add: cash and cash equivalents opening balance		12,007.02	442.59
VI. Cash and cash equivalents closing balance		**15,461.09**	**12,003.97**

10.1 Explanation of changes in accounting policy, accounting estimates and accounting methods in comparison with the financial report of the previous year

There is no change in accounting policy, accounting estimates and accounting methods in comparison with the financial report of the previous year.

10.2 Description of retrospective restatement of major accounting errors in the reporting period

There was no retrospective restatement of major accounting errors in the reporting period.

10.3 Description of changes in the coverage of the consolidated statements as compared to the financial report for the previous year

As of June 30 2026, the Company has included a total of 5 subsidiaries in the consolidation scope. Compared with the previous year's financial report, there has been no change in the scope of consolidation of the Group for the current year.

10.4 Others

10.4.1 Business distribution

All of the Group’s incomes and profits were from the domestic market, so the Group’smanagement considers there is no need to prepare the divisional statement.

10.4.2 Taxation

Main taxation category and tax rate of the Company

Category	Tax Base	Tax Rate
VAT	The taxable income is calculated at the tax rates of 16%, 13%, 6%, and the VAT payable is determined by the output VAT net of deductible input VAT of the period.	16%, 13%, 6%
Urban construction & maintenance tax	At 7% of the turnover tax actually paid.	7%
Corporate income tax	At 25% of the taxable income payable.	25%, 16.5%,15%
Educational surcharge	At 5% of the turnover tax actually paid.	5%

Notes:

(1) Great Talent Technology Co., Ltd. is a wholly-owned subsidiary, registered in the British Virgin Islands. No corporate income tax is imposed on it.

(2) The corporate income tax of Shenyang Kaiyi Electric Co., Ltd., a subsidiary of the Company, is collected in a way of verification.

(3) Fuxin Busbar, a subsidiary of the Company, was rated as high-tech enterprises in National level, and pays corporate income tax at 15%.

10.4.3 Net profit

Items	There porting period	The same period of last year
Net profit attributable to shareholders of the parent Company(RMB)	-2,037,158.20	-5,155,857.75

10.4.4 Earnings per share

Items	The reporting period	The same period of last year
Basic earnings per share (RMB/share)	-0.002	-0.006
Diluted earnings per share (RMB/share)	-0.002	-0.006

10.4.5 Dividends

No dividends were paid or proposed for the six months ended 30 June 2026 (for the six months ended 30 June 2025: Nil), and no dividend was proposed from the end of the reporting period.

10.4.6 Share capital

Items	The reporting period	The same period of last year
Total share capital (RMB)	873,370,000.00	873,370,000.00

10.5 Publication of the interim report on the internet websites of The Stock Exchange of Hong Kong Limited and the Company

All information about the interim report as required by Appendix D2 to the Listing Rules will be published on the Hong Kong Stock Exchange's website (**http://www.hkex.com.hk**) and the Company's website (**http://www.nee.com.cn**) in due course.

By order of the Board
Northeast Electric Development Co., Ltd.
Zhu Xinguang
Chairman

Haikou, Hainan Province, the PRC
27 August 2026

As at the date of this Announcement, the Board comprises of five executive Directors, namely Mr. Zhu Xinguang, Ms. He Wei, Mr. Ding Jishi, Mr. Mi Hongjie and Mr. Liu Kejia; and three independent non-executive Directors, namely Mr. Li Zhengning, Mr. Wang Hongyu and Mr. Fang Guangrong.

* *for identification purpose only*