東北電氣發展股份有限公司

NORTHEAST ELECTRIC DEVELOPMENT CO., LTD.

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

(Stock Code: 0042)

ANNUAL RESULTS ANNOUNCEMENT FOR 2015

1. IMPORTANT NOTICE

1.1 The Board of Directors, 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 announcement, and they, severally and jointly, accept full responsibility for the truthfulness, accuracy and completeness of the contents of this announcement.

This summary has been extracted from the full text of the annual results announcement of the Company. Investors should carefully read the full text of the annual report which is published at Shenzhen Stock Exchange CNINFO (www.cninfo.com.cn).

1.2 Except the following directors, all the other directors of the Company attended the Board meeting in person to consider and approve this annual report

Name of absent director	Title of absent director	Reason of absence	Name of proxy
Liu Hongguang	Independent Directors	Abroad	Liang Jie

1.3 **The audit committee of the board of directors of the Company has reviewed and confirmed the Company's financial report for 2015.**

1.4 **The Company's annual financial report is prepared under the PRC GAAP and is audited by Ruihua CPAs (special general partner) and it issued a standard unqualified audit report.**

1.5 **The Company's Chairman, Su Weiguo, Chief Financial Officer, Wang Shouguan and Head of Financial Section, Bai Lihai represent: guaranteeing the truthfulness, accurate and integrity of the financial report of the Annual Results Announcement.**

1.6 **The Company proposes not to distribute cash dividend, issue bonus share, or capitalise from capital reserves, subject to discussion and approval of the 2015 Annual General Meeting.**

1.7 **The consolidated turnover is RMB 151,740,484.82, decreasing from 2014 by RMB 45,773,018.86.**

1.8 **Profit attributable to equity holders of the Company is RMB 4,933,337.50.**

1.9 **Earnings per share attributable to equity holders of the Company is RMB 0.01.**

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

1.11 **This announcement is published in both Chinese and English. If there are any inconsistencies in content, the Chinese version shall prevail in all aspects.**

1.12 **The announcement is made pursuant of Rule 13.10B, 13.49 (1), and the 45th paragraph of Appendix 16 in the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Ltd.**

2. Corporate Profile

2.1 Basic information

A-shares abbreviation	Northeast Electric	Stock code	000585
Place of listing	Shenzhen Stock Exchange		
H-shares abbreviation	Northeast Electric	Stock code	0042
Place of listing	Hong Kong Stock Exchange		
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	Su Weiguo		
Registered and office address	No. 1, Xintai Road, Bayuquan District, Yingkou City, Liaoning Province, the PRC		
Postal Code	115009		
Correspondence address	No. 1, Xintai Road, Bayuquan District, Yingkou City, Liaoning Province, the PRC		
Postal Code	115009		
Website	www.nee.com.cn		
E-mail address	nee@nee.com.cn		

2.2 Contact person and address

	Secretary to the Board of Directors	Representative for securities affairs
Name	Su Weiguo	Zhu Xinguang
Address	No. 1, Xintai Road, Bayuquan District, Yingkou City, Liaoning Province, PRC (Postcode: 115009)	No. 1, Xintai Road, Bayuquan District, Yingkou City, Liaoning Province, PRC (Postcode: 115009)
Telephone	0417-6897566	0417-6897567
Fax	0417-6897565	0417-6897565
Email	nee@nee.com.cn	nemm585@sina.com

3. Major Financial Data and Changes in Shareholders

(I) Principal accounting data and financial indicators in the past five years prepared under the PRC GAAP

1. Principal accounting data and financial indicators

Unit: RMB

	2015	2014	Increase/decrease of the year over last year (%)	2013	2012	2011
Operating revenues (RMB)	151,639,578.32	197,439,030.24	-23.20	195,974,125.82	217,220,841.81	248,679,812.93
Net profit attributable to shareholders of listed company (RMB)	4,933,337.50	6,169,105.14	-20.03	9,886,802.75	11,140,994.81	-32,197,171.37
Net profit attributable to shareholders of listed company after extraordinary items (RMB)	-775,922.03	4,390,358.73	-117.67	3,229,217.03	680,708.05	-42,042,803.20
Net cash flow arising from operating activities (RMB)	-18,237,185.20	26,805,591.07	-168.04	31,448,167.32	-3,353,695.97	-33,808,267.97
Basic earnings per share (RMB/Share)	0.01	0.01	0.00	0.01	0.01	-0.04
Diluted earnings per share (RMB/Share)	0.01	0.01	0.00	0.01	0.01	-0.04
Earnings/net assets ratio (%)	1.68%	2.18%	decrease 0.5 percentage	3.60%	4.18%	-12.35%
	As at the end of 2015	**As at the end of 2014**	**Increase/decrease at the end of 2015 over the end of 2014 (%)**	**As at the end of 2013**	**As at the end of 2012**	**As at the end of 2011**
Total assets (RMB)	483,445,718.25	482,595,791.02	0.18	462,731,004.91	498,205,496.54	557,054,235.74
Net assets attributable to shareholders of listed company (Shareholders' fund attributable to shareholders of listed company) (RMB)	296,987,112.46	286,188,311.72	3.77	279,693,302.29	271,782,480.71	260,663,611.50

2. Differences in figures by domestic and foreign accounting standards

(1) Differences in net profits and net assets prepared under international accounting standards and PRC GAAP

□ Applicable √ Not applicable

There are no differences in net profits and net assets prepared under international accounting standards and PRC GAAP in the reporting period of the Company.

(2) Difference in net profits and net assets prepared under foreign accounting standards and PRC GAAP

□ Applicable √ Not applicable

3. Major financial indexes by quarter

Unit: RMB

	The first quarter	The second quarter	The third quarter	The forth quarter
Operating revenues	28,813,616.47	36,634,210.85	39,015,097.36	47,176,653.64
Net profit attributable to shareholders of listed company	-2,657,816.28	1,096,503.62	650,316.80	5,844,333.36
Net profit attributable to shareholders of listed company after extraordinary items	-2,666,759.88	1,059,606.73	600,570.55	230,660.57
Net cash flow arising from operating activities	-22,130,564.06	-28,972,483.81	-32,776,510.59	-18,237,185.20

Great differences exist between the above financial indexes or their sums and the related financial indexes in the quarter reports and semi-annual reports disclosed by the Company

□ Yes √ No

4. Extraordinary items and the related amount

Unit: RMB

Item	2015	2014	2013	Remarks
Profit and loss on disposal of non-current assets (including the part of provision for assets impairment being written off)	15,994.18	139,391.69	191,898.47	Revenues in disposal of fixed assets
Government subsidy Included in the current profits and losses (closely related to business of the enterprise, excluding the government subsidy enjoyed fully or quantitatively according to uniform standards of the country)	106,670.00			Labor security subsidy received from the government
Profit and loss from debt restructuring			5,511,900.00	
Gains/losses from fair value changes of trading financial assets and trading financial liabilities, and investment income from disposal of trading financial assets, trading financial liabilities and available-for-sale financial assets, except effective hedging activities related to the Company's normal operations	867,706.84	574,069.12	237,991.33	Banking interest income
Reversal of account receivable provision by single devaluation test	6,310,527.55	1,226,648.28		Recovering accounts receivable reserved for bad debts in the previous period
Other non-operating income and expense other than the above items	21,347.38	-106,416.11	61,015.21	
Other profit and loss items falling within the definition of extraordinary profit and loss			687,351.18	
Less: Effect of income tax	1,612,986.42	54,946.57	32,570.47	
Effect of minority interests (after tax)				
Total	5,709,259.53	1,778,746.41	6,657,585.72	--

(II) Shareholdings of the shareholders

Total number of shareholders at the end of the reporting period was 94,922.

Shareholdings of the top ten shareholders

Name of shareholders	Nature of shareholder	Percentage	Number of shares	Number of untradeable shares	Shares pledged or frozen: Status of shares	Shares pledged or frozen: Number
HKSCC Nominees Limited	Domestic natural person	29.42%	256,973,999	0		
New Northeast Electric Investment Co., Ltd.	Domestic non-state-owned legal person	9.33%	81,513,872	19,022		
Xu Kaidong	Domestic natural person	0.92%	8,000,000	0		
Shi Yubo	Domestic natural person	0.42%	4,050,400	0		
Donghai Funds – ICBC - Donghai Funds – ICBC – Xinlong No.78 Asset Management Plan	Domestic non-state-owned legal person	0.42%	3,669,000	0		
Shenzhen Zhongda Software Development Ltd	Domestic non-state-owned legal person	0.41%	3,550,000	3,550,000		
Zeng Shaozhang	Domestic natural person	0.39%	3,383,200	0		
Liu Hui	Domestic natural person	0.31%	2,682,249	1,420,000		
Liang Liusheng	Domestic natural person	0.30%	2,615,500	0		-
Hu Li	Domestic natural person	0.25%	1,647,295	0		
Connections and concerted actions between the above shareholders:	So far as the company is aware, there is no connected relationship among the top ten shareholders or are parties acting in concert as required in "methods of information disclosure of shareholding changes of listed companies".					

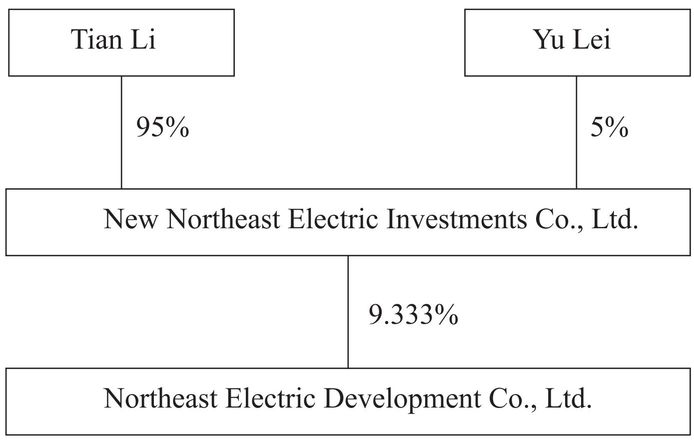
(III) Framework of asset rights and controlling relationship between the Company and the actual controller

Share transfer before the disclosing date of the annual report, description of changes to the first major shareholder and actual controller

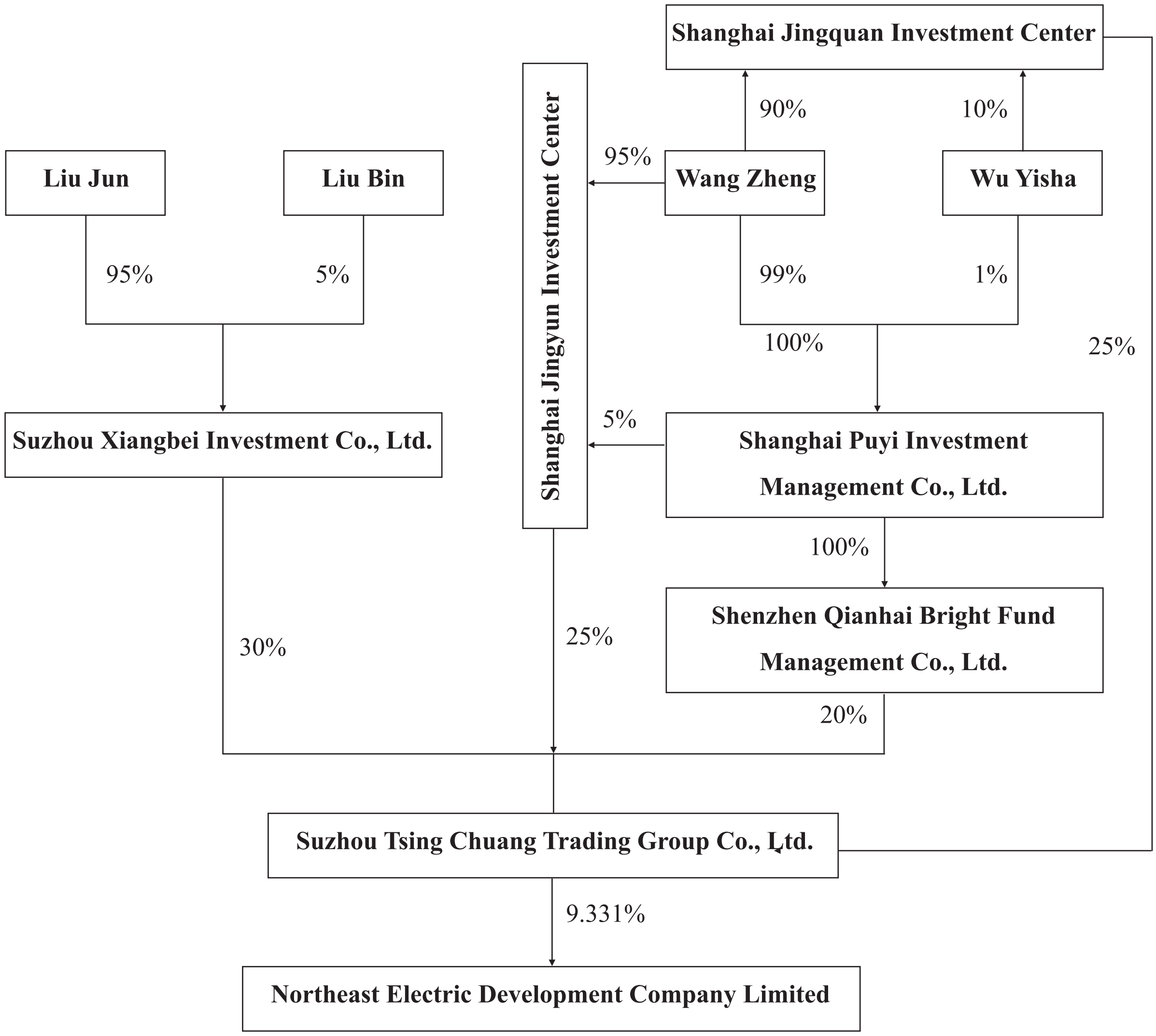
On 21 December 2015, New Northeast Electric Investments Co., Ltd. (hereinafter referred to as "NNEI"), the first major shareholder of the Company, and Suzhou Tsing Chuang Trading Group Co., Ltd. (hereinafter referred to as "Suzhou Tsing Chuang") signed the Agreement on Share Transfer of Northeast Electric Development Co., Ltd. (hereinafter referred to as the "Share Transfer Agreement"), and NNEI planned to transfer its held 81,494,850 non-restricted negotiable A-shares (accounting for 9.331% of the total equity of the Company) of the Company to Suzhou Tsing Chuang through agreement.

This share transfer was registered and confirmed through Shenzhen Branch of China Securities Depository and Clearing Corporation Limited on 22 January 2016, the first major shareholder of the Company changed to Suzhou Tsing Chuang, and the actual controller was changed to Liu Jun, who constitute concerted action persons together with Wang Zheng and Wu Yisha.

Block diagram of property right and control relationships between companies and the actual controller prior to the share transfer:



Block diagram of property right and control relationships between companies and the actual controller after the share transfer registration on 22 January 2016



4. Business overview of the Company

(I) Main businesses engaged in by the company in the reporting period

The Company has been dedicated to R&D, design, production and sales businesses of products related to power transmission and transformation equipment in recent years.

Main products offered by the Company include power capacitors, enclosed busbars, etc. Products of the Company apply to the power system field and are used to improve voltage quality of the power system, enhance transmission capacity of the power transmission line and support transmission of the high power electric energy. These devices play an important role in the power system.

There were no material changes in the principal business of the Company in the reporting period.

(II) Material changes in the primary assets

1. Material changes in the primary assets

Primary assets	Description of material changes
Equity assets	No material change
Fixed assets	No material change
Intangible assets	No material change
Construction in progress	The change amount RMB5,768,512.51 between the closing balance and opening balance of the year was caused by carryover of the equipment purchased by the subsidiary Fuxin Enclosed Company to construction work-in-process.

2. Analysis of core competitiveness

Thanks to long-term accumulation in many aspects such as product quality, brand culture, R&D capability, process technology, management service and marketing, the Company shows some advantages and industrial competitiveness, which can be seen in the close association between industry development of the Company and macroeconomic policies of the State, and large market capacity; diversified and full-range main products and strong supporting capacity; wide application scope and market coverage of the products; advanced production equipment and strong manufacturing capabilities; strong technological strength and leading professional technological level; sound internal control system and standardized corporate governance; good financing platform and better image in the capital market.

During the reporting period, there was no material change in the core competitiveness of the Company.

5. REPORT OF THE DIRECTORS

(I) MANAGEMENT DISCUSSION AND ANALYSIS

In the reporting period, China's economy entered the new normal state and still maintained relatively stable growth, but the growth slowed down and the downward pressure continued to increase. The industry of the Company sees overcapacity and very fierce price competitiveness. Facing the grim situation, the business management level of the Company actively recognized and adapted itself to the new normal state of economic development, and energetically and properly coped with various unfavorable situations to realize stable production and business operation of the Company. In 2015, the operating incomes of the Company amounted to RMB151.74 million, with a decrease of 23.17% compared with the same period last year; the net profits attributable to shareholders of the parent company delivered RMB4.93 million, with a year-on-year decrease of RMB1.24 million.

Main work in the reporting period:

1. Share transfer and changes to the first major shareholder and actual controller

On 21 December 2015, New Northeast Electric Investments Co., Ltd. (hereinafter referred to as "NNEI"), the first major shareholder of the Company, and Suzhou Tsing Chuang Trading Group Co., Ltd. (hereinafter referred to as "Suzhou Tsing Chuang") signed the Agreement on Share Transfer of Northeast Electric Development Co., Ltd. (hereinafter referred to as the "Share Transfer Agreement"), and NNEI planned to transfer its held 81,494,850 non-restricted negotiable A-shares (accounting for 9.331% of the total equity of the Company) of the Company to Suzhou Tsing Chuang through agreement. This share transfer was registered and confirmed through Shenzhen Branch of China Securities Depository and Clearing Corporation Limited on 22 January 2016, the first major shareholder of the Company changed to Suzhou Tsing Chuang, and the actual controller changed to Liu Jun, who constitute concerted action persons together with Wang Zheng and Wu Yisha.

2. Significant asset reorganization

This share transfer will be accompanied by significant asset reorganization. The Company is actively promoting implementation of the asset reorganization work, optimizing the Company's assets structure, and seeking investments in mergers and acquisitions or reorganizations that show good development prospects in intelligent software development, intelligent hardware R&D and production, mobile Internet business and other industries.

3. **Production and operation situation of the Company**

(1) Both the operating income and net profit decreased as compared with the same period last year, and the operating performance was lower than excepted.

The operating income dropped by 23.17% as compared with the same period last year, which was caused by factors such as great decrease of execution contracts of high voltage switch products in the current period, and deferred delivery of some contracts due to reasons on the part of customers.

The consolidated gross profit margin of products indicated a year-on-year increase of 2.22%, which was caused by product structure changes arising from increase in the gross profit margin of enclosed busbars and sharp decrease in contracts implemented in the current period for high voltage switch products.

The net profits attributable to shareholders of the parent company delivered RMB4.93 million, with a year-on-year decrease of RMB1.24 million, which was caused by the extraordinary profit and loss arising from bad debt provision reversal of other accounts receivable that was reserved for bad debts in the current period.

(2) Technical transformation was implemented to improve the equipment level.

To cope with the intense market competition in the reporting period, the Company updated and transformed the existing production equipment of enclosed busbars. Now, all the transformed equipment has arrived. Given that Fuxin Enclosed Busbar Co., Ltd., a wholly owned subsidiary, has always been conducting the demonstration work for the new plant construction project based on offsite relocation and investment, the Company planned to postpone this project and implement it together with the new plant construction project.

After the transformation, the existing equipment safety hazards will be eradicated to improve the quality and reputation of busbar products, enhance the production efficiency, expand the production capacity, boost the comprehensive competitiveness of products, and promote sustainable and stable development of the Company.

In the reporting period, the Company completed update and transformation of power capacitor winding equipment, solved the production "bottleneck" problem caused by the winding process, improved the product quality, electric performance and raw material utilization, reduced the production cost effectively, and boosted the product competitiveness.

(3) Research and development efforts were increased to enhance the product competitiveness.

In the reporting period, the Company completed development of new enclosed busbar products of large current nuclear power excitation common boxes, and fixed a series of problems such as heat dissipation, vibration, heat exchange, mechanical strength and support mode of all parts for enclosed busbars of high current common boxes under the self-cooling condition. At present, this new product has been put into actual application on the field to fill the domestic gap and reached the advanced level of similar products in the world.

In the reporting period, the Company carried out research and development of new compact assembling capacitors and completed the related demonstration and preparation work in the initial stage. Prototype production and type test can be performed when conditions are ready. Meanwhile, the Company completed optimization improvement for oil cups of impregnation process in the power capacitor manufacturing process, electric performance test and analysis of thin film, and probed into the relationship between the immersion time outside the tank and the external ambient temperature, and all the results have been applied to production and greatly improved the product quality and production efficiency.

(4) The Company further reinforced settlement of accounts receivable and other receivables and prevented financial risks.

The Company strengthened internal financial management and monitoring in the reporting period, put on an emphasis on key projects in the follow-up process, and prepared reasonable objectives and specific targeted measures, which played an active role in preventing financial risks and improving operating performance.

(II) Operation of the Company during the reporting period

1. Scope of principal operations and its operation

(1) The Company and its subsidiaries are the major bases of manufacturing, research and export of electrical transmission and transformation equipment in China and the major supplier of electrical transmission and transformation equipment in China. The Company's principal business is the manufacture and sale of system protection and transmission equipment including power capacitors and enclosed busbars.

(2) Operational results for the year

The Company recorded operating revenue of RMB151,740,484.82, total profit of RMB7,662,979.35 and the net profit of RMB4,857,487.18.

2. Analysis of major controlling company and investee company

Unit: RMB

Name	Industry	Major products or services	Registered capital	Percentage of share (%)	Total assets (RMB)	Net assets (RMB)	Operating revenues (RMB)	Operating profit (RMB)	Net profit (RMB)
Northeast Electric (Hong Kong) Limited	Trading	Trading	USD20,000,000	100	190,302,156.70	87,454,721.24	0	-630,081.33	-630,081.33
Great Talent Technology Limited	Investments	Investments	USD1.00	100	87,967,165.17	-82,702.22	0	-5,861.59	-5,861.59
Northeast Electric (Beijing) Limited	Sales	High-voltage switches	RMB 2,000,00 0	100	59,283,177.38	1,073,533.12	1,701,880.29	3,237,657.40	3,237,657.40
Shenyang Kaiyi Electric Co., Ltd.	Manufacture and sales	Electronic equipment	RMB 1,000,00 0	100	163,652,657.87	-7,441,867.72	0	-1,046,985.17	-998,815.07
Fuxin Enclosed Busbars Co., Ltd.	Manufacture	Enclosed busbars	USD8,500,000	100	107,923,788.33	65,184,746.83	47,386,554.26	689,829.88	680,676.95
New Northeast Electric (Jinzhou) Power Capacitors Co., Ltd.	Manufacture	Power capacitor	USD15,450,000	100	218,587,265.69	163,199,831.94	102,028,706.72	7,096,654.93	6,311,481.89
Jinzhou Jinrong Electric Co., Ltd.	Manufacture	Dry-type capacitor	RMB 3,000,00 0	69.75	1,616,579.88	852,667.67	0	-250,744.86	-250,744.86

3 Acquiring and disposing subsidiaries are not happened during the reporting period

None

(III) Analysis of principal businesses

1. Summary

See "Main businesses engaged in by the company in the reporting period" in "4. Business overview of the Company".

2. Incomes and Costs

(1) Composition of operating incomes

Unit: RMB

	2015		2014		
	Amount	**As a percentage of operating costs (%)**	**Amount**	**As a percentage of operating costs (%)**	**Year-on-year increase/ decrease (%)**
Total cost of sales	151,639,578.32	100	197,439,030.24	100	-23.20
By industry					
	151,639,578.32	100.00	197,439,030.24	100.00	-23.20
By product					
Enclosed busbars	47,369,246.56	31.24	58,182,658.51	29.47	1.77
Power capacitor	102,568,451.47	67.64	116,187,995.71	58.85	8.79
High-voltage switches	1,701,880.29	1.12	23,068,376.02	11.68	-10.56
By regions					
Northeast	90,555,152.55	59.72	111,986,871.70	56.72	-19.14
Central north	2,452,145.25	1.62	28,783,324.66	14.58	-91.48
Central	9,136,254.41	6.02	31,780,867.55	16.10	-71.25
Central east	22,637,008.30	14.93	9,624,554.30	4.87	135.20
Central south	3,475,577.43	2.29	2,165,053.80	1.10	60.53
Southwest	11,307,975.75	7.46	8,674,730.78	4.39	30.36
Northwest	12,075,464.63	7.96	4,423,627.45	2.24	172.98

(2) Is the revenues from the physical goods of the Company more than the revenue from the provision of labor services?

√ Yes ☐ No

Unit: RMB

By industry	**Item**	**2015**	**2014**	**Year-on-year increase/ decrease (%)**
	Sales volume	102,568,451.47	113,828,241.04	-9.89
	Production volume	77,629,984.14	84,443,111.43	-8.07
Power capacitor	Stock volume	10,521,944.94	9,090,573.97	15.75
	Sales volume	47,369,246.56	58,182,658.51	-18.59
	Production volume	34,537,465.02	42,682,363.72	-19.08
Enclosed busbars	Stock volume	1,619,238.6	720,711.26	124.67
	Sales volume	1,701,880.29	23,068,376.02	-92.62
	Production volume	813,641.03	21,716,512.82	-96.25
High-voltage switches	Stock volume		512,820.51	

For change related data up more than 30% compared to the period

Enclosed busbars	Stock volume	1,619,238.60	720,711.26	124.67%	The increase of stock
	Sales volume	1,701,880.29	23,068,376.02	-92.62%	The decrease of sales
	Production volume	813,641.03	21,716,512.82	-96.25%	The decrease of sales
High-voltage switches	Stock volume		512,820.51		The sales of stock

(3) Fulfillment status of the Company's signed significant sales contracts as at the end of the reporting period

☐ Applicable √ Not applicable

(4) Cost of sales

By industry and product

Unit: RMB

		2015		2014		
By industry	**Item**	**Amount**	**As a percentage of operating costs (%)**	**Amount**	**As a percentage of operating costs (%)**	**Year-on-year increase/ decrease (%)**
Transformation equipment	operating costs	111,164,012.39	100.00	149,130,956.13	100.00	-25.46

Unit: RMB

		2015		2014		
By product	**Items**	**Amount**	**As a percentage of operating costs (%)**	**Amount**	**As a percentage of operating costs (%)**	**Year-on-year increase/ decrease (%)**
Enclosed busbars	operating costs	33,638,937.68	30.26	42,683,342.05	28.62	-21.19
Power capacitor	operating costs	76,198,613.17	68.55	84,731,101.26	56.82	-10.07
High-voltage switches	operating costs	1,326,461.54	1.19	21,716,512.82	14.56	-93.89
Total		111,164,012.39	100.00	149,130,956.13	100.00	-25.46

Remark:

			2015			2014
By product	Direct material	Direct labor	Manufacture expense	Direct material	Direct labor	Manufacture expense
Enclosed busbars	87.11%	6.59%	6.30%	92.48%	3.14%	4.38%
Power capacitor	79.39%	2.71%	17.90%	79.32%	2.70%	17.39%

(5) Change to the consolidation scope in the reporting period

☐ Yes √ No

(6) Information related to significant changes or adjustment of businesses, products or services of the Company in the reporting period

☐ Applicable √ Not applicable

Major customers

Total sales of the top five customers (RMB)	105,580,331.29
Proportion of total sales of the top five customers over total sales for the year (%)	69.58

The top five customers

No.	Name	Sales (RMB)	Percentage over the annual total amount of sales (%)
1	Yingkou Hongyue Machinery Co., Ltd.	44,203,537.51	29.13
2	Shenyang Kaidi Insulation Technology Co., Ltd.	23,022,495.30	15.17
3	Yingkou Chongzheng Electric Equipment Co., Ltd.	16,901,307.06	11.14
4	Shenhua Guohua Shouguang Power Generation Co. Ltd.	13,034,188.01	8.59
5	Material Equipment Branch (Naramizu Jiro), State Power Investment Corporation	8,418,803.41	5.55
Total	--	105,580,331.29	69.58

The note of other major customers

□ Applicable √ Not applicable

Major suppliers

Total purchases attributable to the top five suppliers (RMB)	33,893,375.95
Proportion of total purchases attributable to the top five suppliers over total purchases for the year (%)	39.64

The top five suppliers

No.	Name	Purchase (RMB)	Percentage over the annual total purchase (%)
1	Dandong Changxing Electric Appliance Co., Ltd.	10,334,136.15	12.09
2	Shenyang Taihua Copper Co., Ltd.	7,242,016.21	8.47
3	Tianjin Jinnanxin Yida Metal Mesh Factory	5,875,437.94	6.87
4	Sichuan Dongfang Insulation Materials Co., Ltd.	5,360,431.54	6.27
5	Shenyang Xinhuahao Aluminum Co. Ltd.	5,081,354.11	5.94
Total	--	33,893,375.95	39.64

The other notes of other major suppliers.

□ Applicable √ Not applicable

3. Expenses

Unit: RMB

	2015	2014	Changes(%)	Reasons for changes
Sales expenses	14,538,306.66	16,326,228.43	-10.95	Decrease in the consulting fee and transportation expense of Fuxin Enclosed Company
Administrative expenses	25,465,615.48	27,725,953.49	-8.15	Decrease in the management expenses of Xinjinrong
Financial expenses	160,020.04	195,284.85	-18.06	Increase in the handling fee for issuing acceptance bills by Xinjinrong

4. R&D expenditure

Research and development efforts were increased to enhance the product competitiveness.

In the reporting period, the Company completed development of new enclosed busbar products of large current nuclear power excitation common boxes, and fixed a series of problems such as heat dissipation, vibration, heat exchange, mechanical strength and support mode of all parts for enclosed busbars of high current common boxes under the self-cooling condition. At present, this new product has been put into actual application on the field to fill the domestic gap and reached the advanced level of similar products in the world.

In the reporting period, the Company carried out research and development of new compact assembling capacitors and completed the related demonstration and preparation work in the initial stage. Prototype production and type test can be performed when conditions are ready. Meanwhile, the Company completed optimization improvement for oil cups of impregnation process in the power capacitor manufacturing process, electric performance test and analysis of thin film, and probe into the relationship between the immersion time outside the tank and the external ambient temperature, and all the results have been applied to production and greatly improved the product quality and production efficiency.

The R&D expenditure of this year is RMB 210,000.00. The research project is the nonsegregated phase bus duct of nuclear power and aims to make a breakthrough in the nuclear power bus. It accounts for 0.14% of the audited income of the last period.

5. Cash flows

Unit: RMB

Item	2015	2014	Year-on-year increase/decrease (%)
Subtotal of cash inflows from operating activities	157,880,087.19	224,406,284.59	-29.65
Subtotal of cash outflows from operating activities	176,117,272.39	197,600,693.52	-10.87
Net cash flows from operating activities	-18,237,185.20	26,805,591.07	-168.04
Subtotal of cash inflows from investment activities	70,874,940.84	56,307,135.79	25.87
Subtotal of cash outflows from investment activities	72,777,385.33	63,790,467.27	14.09
Net cash flows from investment activities	-1,902,444.49	-7,483,331.48	-74.58
Subtotal of cash inflows from financing activities	9,000,000.00	9,000,000.00	0.00
Subtotal of cash outflows from financing activities	9,662,688.68	8,665,058.33	11.51
Net cash flows from financing activities	-662,688.68	334,941.67	-297.85
Net increase in cash and cash equivalents	-20,791,653.67	19,657,705.95	-205.77

Reasons for a year-on-year change for the relevant amounts:

Unit: RMB

Item	2015	2014	Change amount	Change (%)	Reasons for changes
I. Cash flow from operating activities					
Cash received from sales of goods or rendering of services	154,671,795.24	218,307,065.02	-63,635,269.78	-29.15	Caused by decrease in the accounts receivable of sales
Cash received from other operating activities	3,208,291.95	6,099,219.57	-2,890,927.62	47.40	Caused by decrease in the accounts receivable of transactions
Sub-total of cash inflows from operating activities	**157,880,087.19**	**224,406,284.59**	-66,526,197.40	-29.65	

Cash paid to goods purchased and labor service received	97,455,140.38	128,478,150.48	-31,023,010.10	-24.15	Caused by decrease in the payment of goods
Payments of taxes and surcharges	11,555,573.73	17,905,812.74	-6,350,239.01	-35.46	Caused by decrease in the corporate income tax and value added tax of Xinjinrong
Cash payments to other operating activities	38,959,817.11	22,348,283.95	16,611,533.16	74.33	Caused by paying the bank acceptance deposits
Sub-total of cash outflows for operating activities	**176,117,272.39**	**197,600,693.52**	-21,483,421.13	-10.87	
Net Cash Flow from operating activities	**-18,237,185.20**	**26,805,591.07**	-45,042,776.27	-168.04	
II. Cash flow from investing activities					
Cash from disinvestments	70,000,000.00	55,000,000.00	15,000,000.00	27.27	Caused by increase in the transactions of investing in bank products
Cash received from return of investments	867,706.84	607,135.79	260,571.05	42.92	Caused by increase in the product revenue
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	7,234.00	700,000.00	-692,766.00	-98.97	Caused by decrease in the cash received for disposal of fixed assets
Sub-total of cash inflows from investing activities	**70,874,940.84**	**56,307,135.79**	14,567,805.05	25.87	
Cash paid in purchase/ construction of fixed assets, intangible assets and other long-term assets	2,777,385.33	10,790,467.27	-8,013,081.94	-74.26	Caused by equipment payment made by Fuxin in the last period
Cash paid for investment	70,000,000.00	53,000,000.00	17,000,000.00	32.08	Caused by increase in the transactions of investing in bank products

Sub-total of cash outflows	**72,777,385.33**	**63,790,467.27**	8,986,918.06	14.09	
Net Cash Flow from investing activities	**-1,902,444.49**	**-7,483,331.48**	5,580,886.99	-74.58	
III. Cash flow from financing activities					
Cash received by absorbing investment	9,000,000.00	9,000,000.00		0.00	
Sub-total of cash inflows	**9,000,000.00**	**9,000,000.00**		0.00	
Cash paid for repayments of debts	9,000,000.00	8,000,000.00	1,000,000.00	12.50	Caused by increase in the bank loan
Cash paid for distribution of dividends, profits and interest	662,688.68	665,058.33	-2,369.65	-0.36	
Sub-total of cash outflows	**9,662,688.68**	**8,665,058.33**	997,630.35	11.51	
Net Cash Flow from financing activities	**-662,688.68**	**334,941.67**	-997,630.35	-297.85	Caused by increase in the bank loan
IV. Effect of change of foreign currency rates on cash and cash equivalents	10,664.70	504.69	10,160.01	2013.12	
V. Net increase of cash and equivalent	-20,791,653.67	19,657,705.95	-40,449,359.62	-205.77	Caused by paying the bank acceptance deposits
Plus: Balance of cash and equivalent at beginning of period	122,394,679.36	102,736,973.41	19,657,705.95	19.13	
VI. Balance of Cash and equivalent by end of period	101,603,025.69	122,394,679.39	-20,791,653.67	-16.99	

(III) Analysis of non-principal business

□ Applicable √ Not applicable

(IV) Analysis of Assets and Liability

1. Significant changes in assets

Unit: RMB

	End of 2014		End of 2013			
	Amount	**As a percentage of total assets (%)**	**Amount**	**As a percentage of total assets (%)**	**Increase/ decrease (%)**	**Explanation for significant change**
Monetary assets	123,417,163.19	25.53	124,218,516.86	25.74	-0.21	
Account receivables	134,014,154.00	27.72	123,555,550.88	25.60	2.12	Due to increase in the accounts receivable of customers
Inventories	28,181,314.33	5.83	33,991,443.14	7.04	-1.21	Due to decrease in WIP of Xinjinrong and Fuxin Enclosed Company
Long-term equity investments	41,020,089.96	8.48	38,633,931.35	8.01	0.47	Due to change in the exchange rate
Fixed assets	58,783,415.15	12.16	62,214,706.66	12.89	-0.73	Increase in depreciation
Construction in progress	6,070,928.55	1.26	302,416.04	0.06	1.20	Due to increase in the equipment purchased by Fuxin Enclosed Company for installation
Short-term borrowings	9,000,000.00	1.86	9,000,000.00	1.86	0.00	

2. Assets and liabilities accounted by fair value

□ Applicable √ Not applicable

(V) REASONS ON SIGNIFICANT CHANGE IN PROFIT CONSTITUENTS, PRINCIPAL BUSINESS AND ITS STRUCTURE AND PROFITABILITY OF THE PRINCIPAL BUSINESS COMPARED TO THE PREVIOUS REPORTING PERIOD:

There are no material changes in principal business and its structure and profitability of the principal Business.

(VI) INVESTMENTS DURING THE REPORTING PERIOD

During the reporting period, the Company had neither raised capital nor situation under which the usage of raised capital prior to the reporting period needed to extend to the reporting period.

During the reporting period, the Company had no main projects invested by non-raised capital.

(VII) PROSPECT OF THE COMPANY'S FUTURE DEVELOPMENT

1. Industry development trend and competition pattern

(1) Power transmission and distribution industry

As the power reform and power structure adjustment go deeper and deeper, the power demand has entered the "new normal state", and power grid construction focuses on ultra high voltage transmission lines. Meanwhile, the State has started construction of intelligent power grid. Due to influence by environmental factors, the power generation ratio of clean energy increases continuously, and thermal power units develop towards the direction of large capacity, high parameters and environmental protection type.

Owing to impact by the macro economic situation, increase and investment of the domestic electricity demand will also slow down along with expected slowdown in economic growth in China. It is predicted that the situation of overcapacity and fierce price competition in power transmission and transformation equipment manufacturing enterprises will not change in 2016, and the status of "high output, high cost and low benefit" will continue to remain as such.

(2) Intelligent hardware and mobile Internet industry

Along with rapid population of mobile Internet and intelligent terminals in the past two years, currently the global Internet has entered a new revolution in science and technology. Foreign capital giants in the Internet industry are expanding in the hardware field, setting layout frequently, and spending huge sums on the acquisition of intelligent hardware projects, yielding the fission effects of innovation and reform.

Under the great background that the domestic macro economy is in the "new normal state" and the government vigorously promotes transformation of the economic structure, home-made product substitution has become the general trend in the intelligent hardware and mobile Internet industry, especially the emerging industries of high growth that are powerfully supported by the State and can effectively promote the economic transformation, which will embrace a huge development space.

2. Company development strategy

The year of 2016 will see strategic transformation and restart of the Company. The Company will rely on its resource integration capability to implement strategic industrial layout, reinforce the business foundation, focus on accelerating business transformation, and create new values for the society and shareholders. The Company will enthusiastically promote significant asset reorganization and re-forge the Company's industrial structure.

3. Business plan of the new year

In 2016, the Company will fully use the capital market platform to adjust and change the main business and operating strategy, reinforce the sustained profitability and comprehensive competitive strength of the Listed Company, stimulate development of the Listed Company, and protect the interests of all the shareholders, especially small and medium shareholders as many as possible.

In view of uncertainty with significant asset reorganization of the Company and uncertainty with the specific implementation content and progress, the Company cannot accurately judge impact on the further operating performance of the Company.

The Company will put an emphasis on work in the following aspects in 2016:

(1) In accordance with related regulations of the Company Law and Articles of Association, the Company will convene the interim shareholders' general meeting to deliberate and elect the new session of the Board of Directors, and organize the new management team on 10 March 2016.

Suzhou Tsing Chuang Trading Group Co., Ltd., the new and first major shareholder, needs to make consideration based on business development of the Company and further improvement of the Company's governance structure. Members of the new management team will be younger, better educated and more professionally competent. With high flexibility, vitality and momentum, they are more willing to accept new things and help the Company to formulate a mechanism of constantly replenishing fresh blood as a public corporation, which will facilitate corporate development and innovation.

(2) The Company will actively promote implementation of the asset reorganization work, optimize the Company's assets structure, drive corporate development, and maximize shareholders' interests. The Company will rely on its resource integration capability to implement strategic industrial layout, reinforce the business foundation, focus on accelerating business transformation, and create new values for the society and shareholders.The Company will enthusiastically promote significant asset reorganization and re-forge the Company's industrial structure. After completion of the significant asset reorganization, the Company will be transformed to deal with intelligent software development, intelligent hardware R&D and production, and mobile Internet business.

(3) To guarantee smooth transition of production and business management, the Company will adjust and improve all basic management systems and personnel configuration after the reorganization. Meanwhile, it will strengthen management team construction and internal control construction, continuously enhance the enterprise operation management level, and lay a solid foundation for subsequent development of the Company.

(4) The Company's scale and strength will be further boosted, and financial situation will be improved. The Company will actively change the business development idea, gradually peel off the original business, invest in quality assets of intelligent software development, intelligent hardware R&D and production, and mobile Internet business, and expand the assets scale of the Listed Company to reinforce the business competitiveness and profitability of the Listed Company, further enhance the ability to withstand risks, and improve the core competitiveness of the Listed Company.

(5) The Company will actively promote implementation of the new plant construction project based on offsite relocation and investment for the wholly owned subsidiary Fuxin Enclosed Busbar Co., Ltd., strengthen fund and project management, and control the project quality and progress to ensure continuous production and operation activities of the Company. Moreover, it will combine this overall relocation project with technical transformation of the production equipment to improve the manufacturing process level, product quality, and production efficiency and capacity of busbar products, and boost the corporate image and comprehensive competitiveness.

The above-mentioned prospects for future development of the Company do not constitute the Company's substantive commitment to investors. Investors need to be aware of risks attached to investment.

4. Financial status

After completion of the significant asset reorganization matter in 2016, the Company will be transformed to focus on intelligent software development, intelligent hardware R&D and production, and mobile Internet business. The demand for funds will increase along with constant expansion of the Company's business scale. The Company will actively expand financing channels to ensure smooth sources of funding. In addition, it will further improve the financing structure to reduce the financial cost.

5. Risks in front of the Company and countermeasures

(1) Risk of strategic transformation

To ensure sustainable development of the Company in the medium and long terms, the Company is seeking strategic transformation, and deploying intelligent software development, intelligent hardware R&D and production, and mobile Internet business characterized by high speed growth, and other industries showing good prospects for development. If the Company fails to reach a consensus on cooperation with potential targets of investments in mergers and acquisitions or reorganizations or the related investments in mergers and acquisitions or reorganizations cannot be successfully implemented due to various reasons, the Company may be confronted whit the risk of slowdown in the strategic transformation process or even failure.

Countermeasures: The Company will spare no effort to promote the work related to this significant asset reorganization. Meanwhile, it will positively look for quality enterprises in the related fields, and complete merger and acquisition integration through multiple modes such as use of self-owned funds and financing to realize strategic transformation.

(2) Management risks

Along with deep promotion of the asset reorganization work, more and more affiliated companies that are newly established or acquired or take equity stakes will emerge. They show large differences in the aspects such as corporate culture, business mode and personnel management, and organization management and risk control become more difficult, so some management risk will exist.

Countermeasures: The Company will gradually set up and perfect the management system and risk control system according to characteristics of different enterprises, implant the relatively mature regulation system and standard operation of the Listed Company into each affiliated company, and reinforce enterprise management and risk control training to boost the management concepts and management levels of management teams at all levels.

(3) Risk of goodwill impairment

At present, the Company is planning the significant asset reorganization matter. After the transaction is completed, a large amount of goodwill will be formulated in the consolidated balance sheet, ad the Company needs to conduct an impairment test at the end of each year in the future. If the future operating conditions of the Company lag far behind the expected commitment performance due to overall depression of the industry or factors of placed assets, the Company will be confronted with the risk of goodwill impairment.

The Company will combine specific characteristics of Chinese market and general trend of global industry development, and work hard to be sufficiently forward-looking to do good jobs in market positioning, business expansion, product R&D, service import, etc. Meanwhile, it will reinforce financial and internal control management, discover risks timely and cope with them correctly, and minimize the possibility of generating the risk of goodwill impairment.

(VIII) Social responsibilities:

The Company attaches importance to social responsibilities and constantly improves corporate governance. In practice, it pursues harmonious development between the enterprise and the employees, society and nature, pays back the community through concrete actions, and creates a harmonious corporate development environment. The most fundamental social responsibility of the Company is to guarantee the interests of all the shareholders, especially minority stockholders.

The Company defines the shareholders' meeting convening, holding and voting procedures in strict accordance with provisions and requirements of the Articles of Association and the Rules of Procedure of Shareholders' Meeting, and adopts a legitimate and effective manner to enable more shareholders to attend the shareholders' meeting and to ensure shareholders' information, participation and voting rights regarding major issues of the Company. The Company seriously performs the obligation of information disclosure and treats all the investors in line with the principles of fairness, justice and openness.

The Company reinforces investor relations management in accordance with the Regulations on Investor Relations Management, specifying that the board secretary of the Company is the person responsible for investor relations management and shall organize and carry out routine management of investor relations. During the reporting period, the Company strengthens communications with investors by using the interaction platform of investor relations and receiving calls, and promotes sustainable and healthy development of the Company jointly.

Do the Listed Company and its subsidiaries fall into the badly polluted industry defined by the environmental protection authority of the state: No.

Any administrative penalty received by the Company during the reporting period: No.

(IX) Analysis of the Company's financial status under the Hong Kong Financial Reporting Standards

The Company's cash liquidity, financial resources, capital structure and assets pledged during the reporting period:

At the end of the year, the balance of monetary fund was RMB123,417,163.19.

There is no obvious seasonal principle in the Company's funding requirements.

The funds are mainly satisfied by: firstly, the cash flow from the Company's inflow of operating cash; secondly, the borrowings from financial institutions.

At the end of the year 2015, the Company had bank loans amounting to RMB9,000,000, representing 1.86% of the total assets. These bank loans bear floating interest rate.

The debt equity ratio of the Company was 1.03% (debt equity ratio= total bank loan/total share capital reserve * 100%).

At the end of the year 2015, the Company had fixed asset and land with net book value of RMB8,192,887.31 as security.

Please refer to Notes to the Consolidated Financial Statements for contingencies.

To improve its financial management, the Company and its subsidiaries (collectively as "the Group") has established a strict system for internal control on cash and fund management. Financial liquidity and debt paying ability of the Group are in good state.

Significant investment, acquisition or asset disposal during the reporting period are detailed in "Investment of the Company" of this section.

The classification of the Group's results was detailed in "Operation of the Company during the reporting period" of this section.

The prediction about the investment plan of the Group for the following year was detailed in "Subsequent Events".

The effects of exchange rate risk on the Group were less as it chose RMB as its functional currency in assets and liabilities.

The Group took the following measures to reduce the risk of currency fluctuation. First, it raised the prices of export products.Second, when signing export contracts involving more money, it agreed with its partners in advance to jointly bear the exchange risks that were beyond their established limit of currency fluctuation. Third, it made full efforts to sign forward settlement agreement with financial institutions so as to focus the exchange rate and avoid the risk.

6. Accounting statements prepared according to Accounting Standards for Business Enterprises

December 31, 2015

Northeast Electric Development Co., Ltd.

Unit: RMB

Items	**2015.12.31**	**2014.12.31**
Current Assets:		
Cash and deposits	123,417,163.19	124,218,516.86
Financial asset designated to be measured by fair value and which change is recorded in current incomes	-	-
Trading financial assets	-	-
Notes Receivable	2,109,500.00	2,300,000.00
Accounts Receivable	134,014,154.00	123,555,550.88
Prepayment	385,450.80	8,736,075.46
Interest Receivable	-	-
Dividend	-	-
Other Receivable	7,059,843.56	7,977,176.93
Inventory	28,181,314.33	33,991,443.14
Assets held for sale	-	-
Non-current asset due within 1 year	16,960.00	33,874.27
Other current asset	1,042,604.52	1,044,995.24
Total current assets	**296,226,990.40**	**301,857,632.78**
Non-current Assets:		
Financial assets available for sale	69,446,681.85	65,914,483.62
Held-to-maturity investments	-	-

December 31, 2015

Northeast Electric Development Co., Ltd.

Unit: RMB

Items	**2015.12.31**	**2014.12.31**
Long-term receivables	-	-
Long-term equity investments	41,020,089.96	38,633,931.35
Investment in real estate	-	-
Fixed Assets	58,783,415.15	62,214,706.66
Construction in progress	6,070,928.55	302,416.04
Material - construction	-	-
Liquidation of fixed assets	-	-
Productive biological assets	-	-
Oil and gas assets	-	-
Intangible Assets	4,064,699.21	4,200,189.29
Development expenditures	-	-
Goodwill	-	-
Long-term deferred expenses	490,645.27	215,200.00
Deferred tax assets	7,342,267.86	9,257,231.28
Other non-current assets	-	-
Total non-current assets	**187,218,727.85**	**180,738,158.24**
Total Assets	**483,445,718.25**	**482,595,791.02**
Current Liabilities:		
Short-term Borrowings	9,000,000.00	9,000,000.00
Financial Liabilities designated to be measured by fair value and which change is recorded in current incomes	-	-
Trading financial liabilities	-	-

December 31, 2015

Northeast Electric Development Co., Ltd.

Unit: RMB

Items	**2015.12.31**	**2014.12.31**
Notes Payable	20,508,400.00	-
Accounts Payable	37,336,706.17	64,400,948.54
Receipts in advance	7,738,572.04	8,342,234.23
Employee compensation	2,628,964.40	2,464,590.18
Taxes Payable	1,984,295.27	1,943,688.03
Interest Payable	-	-
Dividends	40,017.86	40,017.86
Other Payables	45,647,350.73	49,065,850.82
Liabilities held for sale	-	-
Non-current liabilities due within 1 year	-	-
Other Liabilities	-	-
Total current liabilities	**124,884,306.47**	**135,257,329.66**
Non-current liabilities:		
Long-term Borrowings	-	-
Bonds Payable	-	-
Incl: Premium	-	-
Perpetual	-	-
Long-term Payables	-	-
Long-term Payable - Salaries&Benefits	-	-
Special Payables	500,000.00	-
Estimated Liabilities	60,721,078.25	60,721,078.25

December 31, 2015

Northeast Electric Development Co., Ltd.

Unit: RMB

Items	**2015.12.31**	**2014.12.31**
Deferred Revenue	-	-
Deferred Liabilities - Income Tax	-	-
Other Non-Current Liabilities	-	-
Total Non-Current Liabilities	**61,221,078.25**	**60,721,078.25**
Total Liabilities	**186,105,384.72**	**195,978,407.91**
Shareholders' Equity:		
Share Capital	873,370,000.00	873,370,000.00
Other Equity Instruments	-	-
Incl: Premium	-	-
Perpetual	-	-
Capital reserve	883,422,403.92	883,422,403.92
Less: Treasury Stock	-	-
Other Comprehensive Income	-30,801,509.57	-36,666,972.81
Special Reserve	-	-
Surplus Reserve	108,587,124.40	108,587,124.40
Provision for general risk	-	-
Accumulated losses	-1,537,590,906.29	-1,542,524,243.79
Total equity attributable to the equity holders of the Company	296,987,112.46	286,188,311.72
Minority interests	353,221.07	429,071.39
Total shareholders' equity	**297,340,333.53**	**286,617,383.11**
Total liabilities and shareholders' equity	**483,445,718.25**	**482,595,791.02**

December 31, 2015

Northeast Electric Development Co., Ltd.

Unit: RMB

Items		Year 2015	Year 2014
I.	**Total Operating Income**	**151,740,484.82**	**197,513,503.68**
	Incl.: Sales	151,639,578.32	197,439,030.24
II.	**Total Operating Cost**	**145,080,656.61**	**188,818,916.68**
	Incl.: Cost of Sales	111,227,611.19	149,168,407.74
	Taxes & Surcharges	1,137,825.47	1,266,151.81
	Expenses of Sales	14,538,306.66	16,326,228.43
	Administrative expenses	25,465,615.48	27,725,953.49
	Finance expenses	160,020.04	195,284.85
	Assets Impairment loss	-7,448,722.23	-5,863,109.64
	Plus: Income of fair value variance (loss is posed as "-")	-	-
	Return on investments (loss is posed as "-")	859,139.58	566,830.89
	Including: return on investments to associates and related parties	-8,567.26	-7,238.23
III.	**Operational Profit (Loss is posed as "-")**	**7,518,967.79**	**9,261,417.89**
	Plus: Non-operating income	237,736.07	502,456.99
	Including: income of disposal of non-current assets	65,365.76	295,155.64
	Less: Non-operating expenses	93,724.51	469,481.41
	Including: loss of disposal of non-current assets	49,371.58	155,763.95
IV.	**Total Profit (Total loss is posed as "-")**	**7,662,979.35**	**9,294,393.47**
	Less: Income tax expenses	2,805,492.17	3,236,271.31

December 31, 2015

Northeast Electric Development Co., Ltd.

Unit: RMB

Items		Year 2015	Year 2014
V.	**Net Profit (Net loss is posed as "-")**	**4,857,487.18**	**6,058,122.16**
	Net profit attributable to equity holders of the Company	4,933,337.50	6,169,105.14
	Minority interests	-75,850.32	-110,982.98
VI.	**Net Other Comprehensive Income after tax**	**5,865,463.24**	**325,904.29**
	Total Comprehensive Income Attributable to the Equity Holders of the Company	5,865,463.24	325,904.29
	(I) Other Comprehensive Income not to be re-categorized into Profit & Loss	-	-
	1. Remeasurement of Net Liabilities/Assets Variance of Defined Benefit Plans	-	-
	2. Shares of Other Comprehensive Income not to be re-categorized into Profit & Loss from invested Parties by Equity Methods	-	-
	(II) Other Comprehensive Income to be re-categorized into Profit & Loss	5,865,463.24	325,904.29
	1. Shares of Other Comprehensive Income to be re-categorized into Profit & Loss from invested Parties by Equity Methods	-	-
	2. Profit/Loss in fair value of available-for-sale financial assets	-	-
	3. Profit/Loss of held-to-maturity investments in re-categorized available-for-sale financial assets	-	-

December 31, 2015

Northeast Electric Development Co., Ltd.

Unit: RMB

Items		Year 2015	Year 2014
	4. Effective portion of Profit/Loss from Cash Flow Hedge	-	-
	5. Differences of Exchange for Foreign Currency Report	5,865,463.24	325,904.29
	6. Other		
	Net After-tax Comprehensive Income Attributable to Minority Interests	-	-
VII.	**Total Comprehensive Income**	**10,722,950.42**	**6,384,026.45**
	Total Comprehensive Income Attributable to the Equity Holders of the Company	10,798,800.74	6,495,009.43
	Total Comprehensive Income Attributable to the Minority Interests of the Company	-75,850.32	-110,982.98
VIII.	**Earnings per share**		
	(I) Basic earnings per share	0.01	0.01
	(II) Diluted earnings per share	0.01	0.01

December 31, 2015

Northeast Electric Development Co., Ltd.

Unit: RMB

Items		Year 2015	Year 2014
I.	**Cash flow from operating activities**		
	Cash received from sales of goods or rendering of services	154,671,795.24	218,307,065.02
	Tax refunds received	-	-
	Cash received from other operating activities	3,208,291.95	6,099,219.57
	Sub-total of cash inflows from operating activities	157,880,087.19	224,406,284.59
	Cash paid to goods purchased and labor service received	97,455,140.38	128,478,150.48
	Cash paid to and for employees	28,146,741.17	28,868,446.35
	Payments of taxes and surcharges	11,555,573.73	17,905,812.74
	Cash payments to other operating activities	38,959,817.11	22,348,283.95
	Sub-total of cash outflows for operating activities	176,117,272.39	197,600,693.52
	Net Cash Flow from operating activities	-18,237,185.20	26,805,591.07
II.	**Cash flow from investing activities**		
	Cash from disinvestments	70,000,000.00	55,000,000.00
	Cash received from return of investments	867,706.84	607,135.79
	Net cash received from disposal of fixed assets, intangible assets and other long-term assets	7,234.00	700,000.00
	Net cash received in disposing subsidiaries and other operating units	-	-
	Cash received relating to other investing activities	-	-

December 31, 2015

Northeast Electric Development Co., Ltd.

Unit: RMB

Items		Year 2015	Year 2014
	Sub-total of cash inflows from investing activities	70,874,940.84	56,307,135.79
	Cash paid in purchase/construction of fixed assets, intangible assets and other long-term assets	2,777,385.33	10,790,467.27
	Cash paid for investment	70,000,000.00	53,000,000.00
	Net cash paid for subsidiaries and other operating units	-	-
	Cash paid relating to other investing activities	-	-
	Sub-total of cash outflows	72,777,385.33	63,790,467.27
	Net Cash Flow from investing activities	-1,902,444.49	-7,483,331.48
III.	**Cash flow from financing activities**		
	Cash received by absorbing investment	-	-
	Incl: cash received by subsidiaries from minority shareholders	-	-
	Cash received from borrowings	9,000,000.00	9,000,000.00
	Cash received from bond issued	-	-
	Cash received relating to other financing activities	-	-
	Sub-total of cash inflows	9,000,000.00	9,000,000.00
	Cash paid for repayments of debts	9,000,000.00	8,000,000.00
	Cash paid for distribution of dividends, profits and interest	662,688.68	665,058.33
	Incl: cash paid by subsidiaries to minority shareholders	-	-

December 31, 2015

Northeast Electric Development Co., Ltd.

Unit: RMB

Items		**Year 2015**	**Year 2014**
	Cash paid relating to other financing activities	-	-
	Sub-total of cash outflows	9,662,688.68	8,665,058.33
	Net Cash Flow from financing activities	-662,688.68	334,941.67
IV.	**Effect of change of foreign currency rates on cash and cash equivalents**	**10,664.70**	**504.69**
V.	**Net increase of cash and equivalent**	**-20,791,653.67**	**19,657,705.95**
	Plus: Balance of cash and equivalent at beginning of period	122,394,679.36	102,736,973.41
VI.	**Balance of Cash and equivalent by end of period**	**101,603,025.69**	**122,394,679.36**

Consolidated Statement of Changes in Equity (2015)

For the year ended 31 December 2015 (Prepared in accordance with P.R.C. Accounting Rules and Regulations)

December 31, 2015

Northeast Electric Development Co., Ltd.

Unit: RMB

	Year 2015													
	Shareholders' Equity attributable to shareholders of Parent Company													
		Other Equity Instruments												
Item	Share Capital	Premium	Perpetual	Others	Capital Reserve	Less: Treasury Stock	Other Comprehensive Income	Special Reserve	Surplus Reserve	Provision for general risk	Accumulated Losses	Others	Minority Interests	Total Shareholder' Equity
I. Balance from last year	**873,370,000.00**	**-**	**-**	**-**	**883,422,403.92**	**-**	**-36,666,972.81**	**-**	**108,587,124.40**	**-**	**-1,542,524,243.79**		**429,071.39**	**286,617,383.11**
Plus: Changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Corrections to previous errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-
business combinations under the same control	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-
II. Balance at beginning of year	**873,370,000.00**	**-**	**-**	**-**	**883,422,403.92**	**-**	**-36,666,972.81**	**-**	**108,587,124.40**	**-**	**-1,542,524,243.79**		**429,071.39**	**286,617,383.11**
III. Changes in the year (loss is "-")	**-**	**-**	**-**	**-**	**-**	**-**	**5,865,463.24**	**-**	**-**	**-**	**4,933,337.50**		**-75,850.32**	**10,722,950.42**
(I) Total Comprehensive Income	**-**	**-**	**-**	**-**	**-**	**-**	**5,865,463.24**	**-**	**-**	**-**	**4,933,337.50**		**-75,850.32**	**10,722,950.42**
(II) Increase/Decrease of Capital from Shareholders	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1. Common Shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Other Equity Instrument	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Shares paid taken into Shareholder's Equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4. Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(III) Distribution of profit	-	-	-	-	-	-	-	-	-	-	-	-	-	-

December 31, 2015

Northeast Electric Development Co., Ltd.

Unit: RMB

Item	Year 2015													
	Shareholders' Equity attributable to shareholders of Parent Company													
		Other Equity Instruments												
	Share Capital	Premium	Perpetual	Others	Capital Reserve	Less: Treasury Stock	Other Comprehensive Income	Special Reserve	Surplus Reserve	Provision for general risk	Accumulated Losses	Others	Minority Interests	Total Shareholder' Equity
1. Extraction of surplus reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Extraction provision for general risk	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Distribution to shareholders	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4. Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(IV) Transfer within equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1. Transfer-in from capital reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Transfer-in from surplus reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Loss covered by surplus reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4. Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(V) Special reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1. Extraction of the special reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Usage of the special reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(VI) Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IV. Balance at end of Period	**873,370,000.00**	-	-	-	**883,422,403.92**	-	**-30,801,509.57**	-	**108,587,124.40**	-	**-1,537,590,906.29**	-	**353,221.07**	**297,340,333.53**

December 31, 2015

Northeast Electric Development Co., Ltd.

Unit: RMB

	Year 2014													
	Shareholders' Equity attributable to shareholders of Parent Company													
		Other Equity Instruments												
Item	**Share Capital**	**Premium**	**Perpetual**	**Others**	**Capital Reserve**	**Less: Treasury Stock**	**Other Comprehensive Income**	**Special Reserve**	**Surplus Reserve**	**Provision for general risk**	**Accumulated Losses**	**Others**	**Minority Interests**	**Total Shareholder' Equity**
I. Balance from last year	**873,370,000.00**	**-**	**-**	**-**	**883,422,403.92**	**-**	**-36,992,877.10**	**-**	**108,587,124.40**	**-**	**-1,548,693,348.93**	**-**	**540,054.37**	**280,233,356.66**
Plus: Changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Corrections to previous errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-
business combinations under the same control	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-
II. Balance at beginning of year	**873,370,000.00**	**-**	**-**	**-**	**883,422,403.92**	**-**	**-36,992,877.10**	**-**	**108,587,124.40**	**-**	**-1,548,693,348.93**	**-**	**540,054.37**	**280,233,356.66**
III. Changes in the year (loss is "-")	-	-	-	-	-	-	**325,904.29**	-	-	-	**6,169,105.14**	-	**-110,982.98**	**6,384,026.45**
(I) Total Comprehensive Income	-	-	-	-	-	-	**325,904.29**	-	-	-	**6,169,105.14**	-	**-110,982.98**	**6,384,026.45**
(II) Increase/Decrease of Capital from Shareholders	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1. Common Shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Other Equity Instrument	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Shares paid taken into Shareholder's Equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4. Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(III) Distribution of profit	-	-	-	-	-	-	-	-	-	-	-	-	-	-

December 31, 2015

Northeast Electric Development Co., Ltd.

Unit: RMB

	Year 2014													
	Shareholders' Equity attributable to shareholders of Parent Company													
		Other Equity Instruments												
Item	**Share Capital**	**Premium**	**Perpetual**	**Others**	**Capital Reserve**	**Less: Treasury Stock**	**Other Comprehensive Income**	**Special Reserve**	**Surplus Reserve**	**Provision for general risk**	**Accumulated Losses**	**Others**	**Minority Interests**	**Total Shareholder' Equity**
1. Extraction of surplus reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Extraction provision for general risk	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Distribution to shareholders	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4. Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(IV) Transfer within equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1. Transfer-in from capital reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Transfer-in from surplus reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Loss covered by surplus reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4. Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(V) Special reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1. Extraction of the special reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Usage of the special reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(VI) Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IV. Balance at end of Period	**873,370,000.00**	-	-	-	**883,422,403.92**	-	**-36,666,972.81**	-	**108,587,124.40**	-	**-1,542,524,243.79**	-	**429,071.39**	**286,617,383.11**

December 31, 2015

Northeast Electric Development Co., Ltd.

Unit: RMB

Item	2015.12.31	2014.12.31
Current Assets:		
Cash and deposits	2,658.47	21,532.17
Financial asset designated to be measured by fair value and which change is recorded in current incomes	-	-
Trading financial assets	-	-
Notes Receivable	-	-
Accounts Receivable	1,244,511.79	10,443,950.96
Prepayment	-	-
Interest Receivable	-	-
Dividend	-	-
Other Receivable	342,198,702.69	353,177,765.95
Inventory	-	-
Assets held for sale	-	-
Non-current asset due within 1 year	-	-
Other current asset	-	-
Total current assets	**343,445,872.95**	**363,643,249.08**
Non-current Assets:		
Financial assets available for sale	-	-
Held-to-maturity investments	-	-
Long-term receivables	-	-
Long-term equity investments	90,413,551.10	90,413,551.10

December 31, 2015

Northeast Electric Development Co., Ltd.

Unit: RMB

Item	2015.12.31	2014.12.31
Investment in real estate	-	-
Fixed Assets	23,528.65	81,148.52
Construction in progress	-	-
Material - construction	-	-
Liquidation of fixed assets	-	-
Productive biological assets	-	-
Oil and gas assets	-	-
Intangible Assets	-	-
Development expenditures	-	-
Goodwill	-	-
Long-term deferred expenses	-	-
Deferred tax assets	-	-
Other non-current assets	-	-
Total non-current assets	**90,437,079.75**	**90,494,699.62**
Total Assets	**433,882,952.70**	**454,137,948.70**
Current Liabilities:		
Short-term Borrowings	-	-
Financial Liabilities designated to be measured by fair value and which change is recorded in current incomes	-	-
Trading financial liabilities	-	-
Notes Payable	-	-

December 31, 2015

Northeast Electric Development Co., Ltd.

Unit: RMB

Item	2015.12.31	2014.12.31
Accounts Payable	-	9,347,196.00
Receipts in advance	665,000.00	665,000.00
Employee Compensation	8,576.52	8,440.44
Taxes Payable	31,456.26	163,478.89
Interest Payable	-	-
Dividends	-	-
Other Payables	78,156,633.29	87,312,321.52
Liabilities held for sale	-	-
Non-current liabilities due within 1 year	-	-
Other Liabilities	-	-
Total current liabilities	**78,861,666.07**	**97,496,436.85**
Non-current liabilities:		
Long-term Borrowings	-	-
Bonds Payable	-	-
Incl: Premium	-	-
Perpetual	-	-
Long-term Payables	-	-
Long-term Payable - Salaries&Benefits	-	-
Special Payables	-	-
Estimated Liabilities	60,721,078.25	60,721,078.25
Deferred Revenue	-	-

December 31, 2015

Northeast Electric Development Co., Ltd.

Unit: RMB

Item	2015.12.31	2014.12.31
Deferred Liabilities - Income Tax	-	-
Other Non-Current Liabilities	-	-
Total Non-Current Liabilities	**60,721,078.25**	**60,721,078.25**
Total Liabilities	**139,582,744.32**	**158,217,515.10**
Shareholders' Equity:		
Share Capital	873,370,000.00	873,370,000.00
Other Equity Instruments	-	-
Incl: Premium	-	-
Perpetual	-	-
Capital reserve	979,214,788.45	979,214,788.45
Less: Treasury Stock	-	-
Other Comprehensive Income	-	-
Special Reserve	-	-
Surplus Reserve	108,587,124.40	108,587,124.40
Provision for general risk	-	-
Accumulated losses	-1,666,871,704.47	-1,665,251,479.25
Total shareholders' equity	**294,300,208.38**	**295,920,433.60**
Total liabilities and shareholders' equity	**433,882,952.70**	**454,137,948.70**

December 31, 2015

Northeast Electric Development Co., Ltd.

Unit: RMB

Item		Year 2015	Year 2014
I.	**Total Operating Income**	**9,016,765.76**	**22,368,163.22**
	Less: Cost of Sales	8,193,422.21	20,008,408.55
	Taxes & Surcharges	11,314.76	39,780.00
	Expenses of Sales	-	-
	Administrative expenses	2,382,891.89	2,331,459.47
	Finance expenses	638.37	2,074.16
	Assets Impairment loss	-	-
	Plus: Income of fair value variance (loss is posed as "-")	-	-
	Return on investments (loss is posed as "-")	-	-
	Including: return on investments to associates and related parties	-	-
II.	**Operational Profit (Loss is posed as "-")**	**-1,571,501.47**	**-13,558.96**
	Plus: Non-operating income	-	-
	Incl: income of disposal of non-current assets	-	-
	Less: Non-operating expenses	48,723.75	141,048.87
	Incl: loss of disposal of non-current assets	48,723.75	141,048.87
III.	**Total Profit (Total loss is posed as "-")**	**-1,620,225.22**	**-154,607.83**
	Less: Income tax expenses	-	-
IV.	**Net Profit (Net loss is posed as "-")**	**-1,620,225.22**	**-154,607.83**

December 31, 2015

Northeast Electric Development Co., Ltd.

Unit: RMB

Item		Year 2015	Year 2014
V.	**Net Other Comprehensive Income after tax**		
	(I) Other Comprehensive Income not to be re-categorized into Profit & Loss	-	-
	1. Remeasurement of Net Liabilities/Assets Variance of Defined Benefit Plans	-	-
	2. Shares of Other Comprehensive Income not to be re-categorized into Profit & Loss from invested Parties by Equity Methods	-	-
	(II) Other Comprehensive Income to be re-categorized into Profit & Loss	-	-
	1. Shares of Other Comprehensive Income to be re-categorized into Profit & Loss from invested Parties by Equity Methods	-	-
	2. Profit/Loss in fair value of available-for-sale financial assets	-	-
	3. Profit/Loss of held-to-maturity investments in re-categorized available-for-sale financial assets	-	-
	4. Effective portion of Profit/Loss from Cash Flow Hedge	-	-
	5. Differences of Exchange for Foreign Currency Report	-	-
	6. Other	-	-
VI.	**Total Comprehensive Income**	**-1,620,225.22**	**-154,607.83**

December 31, 2015

Northeast Electric Development Co., Ltd.

Unit: RMB

Item	Year 2015	Year 2014
I. Cash flow from operating activities		
Cash received from sales of goods or rendering of services	7,630,000.00	15,726,800.00
Tax refunds received	-	-
Cash received from other operating activities	9,193,914.50	18,910,010.27
Sub-total of cash inflows from operating activities	**16,823,914.50**	**34,636,810.27**
Cash paid in purchase/construction of fixed assets, intangible assets and other long-term assets	6,890,368.91	14,066,000.25
Cash paid for investment	1,127,836.21	1,036,565.45
Net cash paid for subsidiaries and other operating units	287,114.78	310,374.26
Cash paid relating to other investing activities	8,530,668.30	19,209,679.60
Sub-total of cash outflows	**16,835,988.20**	**34,622,619.56**
Net Cash Flow from investing activities	**-12,073.70**	**14,190.71**
II. Cash flow from investing activities		
Cash from disinvestments	-	-
Cash received from return of investments	-	-
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	-	-
Cash received relating to other investing activities	-	-
Sub-total of cash inflows from investing activities	-	-

December 31, 2015

Northeast Electric Development Co., Ltd.

Unit: RMB

Item	**Year 2015**	**Year 2014**
Cash paid in purchase/construction of fixed assets, intangible assets and other long-term assets	6,800.00	11,902.11
Cash paid for investment	-	-
Cash paid relating to other investing activities	-	-
Sub-total of cash outflows	**6,800.00**	**11,902.11**
Net Cash Flow from investing activities	**-6,800.00**	**-11,902.11**
III. Cash flow from financing activities		
Cash received by absorbing investment	-	-
Cash received from borrowings	-	-
Cash received from bond issued	-	-
Cash received relating to other financing activities	-	-
Sub-total of cash inflows	-	-
Cash paid for repayments of debts	-	-
Cash paid for distribution of dividends, profits and interest	-	-
Cash paid relating to other financing activities	-	-
Sub-total of cash outflows	-	-
Net Cash Flow from financing activities	-	-

December 31, 2015

Northeast Electric Development Co., Ltd.

Unit: RMB

Item	Year 2015	Year 2014
IV. Effect of change of foreign currency rates on cash and cash equivalents		**53.95**
V. Net increase of cash and equivalent	**-18,873.70**	**2,342.55**
Plus: Balance of cash and equivalent at beginning of period	21,532.17	19,189.62
VI. Balance of Cash and equivalent by end of period	**2,658.47**	**21,532.17**

December 31, 2015

Northeast Electric Development Co., Ltd.

Unit: RMB

Item	Year 2015											
		Other Equity Instruments										
	Capital	Premium	Perpetual	Others	Capital Reserve	Less: Treasury Stock	Other Comprehensive Income	Special Reserve	Surplus Reserve	Provision for general risk	Accumulated Losses	Total Shareholders' Equity
I. Balance carried from last year	**873,370,000.00**	-	-	-	**979,214,788.45**	-	-	-	**108,587,124.40**	-	**-1,665,251,479.25**	**295,920,433.60**
Plus: Changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-
Corrections to previous errors	-	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-	-
II. Balance at beginning of year	-	-	-	-	-	-	-	-	-	-	-	-
III. Changes in the year (loss is "-")	**873,370,000.00**	-	-	-	**979,214,788.45**	-	-	-	**108,587,124.40**	-	**-1,665,251,479.25**	**295,920,433.60**
(I) Total Comprehensive Income	-	-	-	-		-	-	-		-	**-1,620,225.22**	**-1,620,225.22**
(II) Increase/Decrease of Capital from Shareholders	-	-	-	-		-	-	-		-	**-1,620,225.22**	**-1,620,225.22**
1. Common Shares	-	-	-	-	-	-	-	-	-	-	-	-
2. Other Equity Instrument	-	-	-	-	-	-	-	-	-	-	-	-
3. Shares paid taken into Shareholder's Equity	-	-	-	-	-	-	-	-	-	-	-	-
4. Others	-	-	-	-	-	-	-	-	-	-	-	-
(III) Distribution of profit	-	-	-	-	-	-	-	-	-	-	-	-
1. Extraction of surplus reserves	-	-	-	-	-	-	-	-	-	-	-	-
2. Extraction provision for general risk	-	-	-	-	-	-	-	-	-	-	-	-

December 31, 2015

Northeast Electric Development Co., Ltd.

Unit: RMB

	Year 2015											
		Other Equity Instruments										
Item	Capital	Premium	Perpetual	Others	Capital Reserve	Less: Treasury Stock	Other Comprehensive Income	Special Reserve	Surplus Reserve	Provision for general risk	Accumulated Losses	Total Shareholders' Equity
3. Distribution to shareholders	-	-	-	-	-	-	-	-	-	-	-	-
4. Others	-	-	-	-	-	-	-	-	-	-	-	-
(IV) Transfer within equity	-	-	-	-	-	-	-	-	-	-	-	-
1. Transfer-in from capital reserves	-	-	-	-	-	-	-	-	-	-	-	-
2. Transfer-in from surplus reserves	-	-	-	-	-	-	-	-	-	-	-	-
3. Loss covered by surplus reserves	-	-	-	-	-	-	-	-	-	-	-	-
4. Other	-	-	-	-	-	-	-	-	-	-	-	-
(V) Special reserves	-	-	-	-	-	-	-	-	-	-	-	-
1. Extraction of the special reserves	-	-	-	-	-	-	-	-	-	-	-	-
2. Usage of the special reserves	-	-	-	-	-	-	-	-	-	-	-	-
(VI) Others	-	-	-	-	-	-	-	-	-	-	-	-
IV. Balance at end of Period	**873,370,000.00**	-	-	-	**979,214,788.45**	-	-	-	**108,587,124.40**	-	**-1,666,871,704.47**	**294,300,208.38**

December 31, 2015

Northeast Electric Development Co., Ltd.

Unit: RMB

	Year 2014											
		Other Equity Instruments										
Item	Capital	Premium	Perpetual	Others	Capital Reserve	Less: Treasury Stock	Other Comprehensive Income	Special Reserve	Surplus Reserve	Provision for general risk	Accumulated Losses	Total Shareholders' Equity
I. Balance carried from last year	**873,370,000.00**	-	-	-	**979,214,788.45**	-	-	-	**108,587,124.40**	-	**-1,665,096,871.42**	**296,075,041.43**
Plus: Changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-
Corrections to previous errors	-	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-	-
II. Balance at beginning of year	**873,370,000.00**	-	-	-	**979,214,788.45**	-	-	-	**108,587,124.40**	-	**-1,665,096,871.42**	**296,075,041.43**
III. Changes in the year (loss is "-")	-	-	-	-	-	-	-	-	-	-	**-154,607.83**	**-154,607.83**
(I) Total Comprehensive Income	-	-	-	-	-	-	-	-	-	-	**-154,607.83**	**-154,607.83**
(II) Increase/Decrease of Capital from Shareholders	-	-	-	-	-	-	-	-	-	-	-	-
1. Common Shares	-	-	-	-	-	-	-	-	-	-	-	-
2. Other Equity Instrument	-	-	-	-	-	-	-	-	-	-	-	-
3. Shares paid taken into Shareholder's Equity	-	-	-	-	-	-	-	-	-	-	-	-
4. Others	-	-	-	-	-	-	-	-	-	-	-	-
(III) Distribution of profit	-	-	-	-	-	-	-	-	-	-	-	-
1. Extraction of surplus reserves	-	-	-	-	-	-	-	-	-	-	-	-
2. Extraction provision for general risk	-	-	-	-	-	-	-	-	-	-	-	-

December 31, 2015

Northeast Electric Development Co., Ltd.

Unit: RMB

Item	Year 2014											
		Other Equity Instruments										
	Capital	Premium	Perpetual	Others	Capital Reserve	Less: Treasury Stock	Other Comprehensive Income	Special Reserve	Surplus Reserve	Provision for general risk	Accumulated Losses	Total Shareholders' Equity
3. Distribution to shareholders	-	-	-	-	-	-	-	-	-	-	-	-
4. Others	-	-	-	-	-	-	-	-	-	-	-	-
(IV) Transfer within equity	-	-	-	-	-	-	-	-	-	-	-	-
1. Transfer-in from capital reserves	-	-	-	-	-	-	-	-	-	-	-	-
2. Transfer-in from surplus reserves	-	-	-	-	-	-	-	-	-	-	-	-
3. Loss covered by surplus reserves	-	-	-	-	-	-	-	-	-	-	-	-
4.Other	-	-	-	-	-	-	-	-	-	-	-	-
(V) Special reserves	-	-	-	-	-	-	-	-	-	-	-	-
1. Extraction of the special reserves	-	-	-	-	-	-	-	-	-	-	-	-
2. Usage of the special reserves	-	-	-	-	-	-	-	-	-	-	-	-
(VI) Others	-	-	-	-	-	-	-	-	-	-	-	-
IV. Balance at end of Period	**873,370,000.00**	-	-	-	**979,214,788.45**	-	-	-	**108,587,124.40**	-	**-1,665,251,479.25**	**295,920,433.60**

(II) Events regarding the financial report

1. Description of changes in accounting policies, accounting estimates and accounting methods as compared to the financial report for the previous year: None.

2. Description of retrospective restatement of major accounting errors in the reporting period: None.

3. Description of changes in the consolidated statements as compared to the financial report for the previous year: None.

4. The board of directors and supervisory committee's explanation to "Non-Standard 'Auditors' Report" issued by CPAs for the reporting period: None.

5. A preplan for distributing profits and transferring capital reserve into share capital during this reporting period: None.

(III) Notes to Financial Statements

1. TURNOVER

Turnover represents the sales value of goods sold less returns, discounts, rebates, value added taxes and other sales taxes, which may be analyzed as follows:

	2015	**2014**
	RMB'000	RMB'000
Sales of transmission machinery	151,747	197,514

The Company recorded operating revenue of RMB151,740,484.82, including principal operations by business of RMB151,639,578.32.

2. INCOME TAX

The Company is subject to income tax at the applicable rate of 25%. It had no assessable profits in Hong Kong during the reporting period.

3. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the net profit for attributable to equity holders of the Company of RMB0.01 (2015: a profit of RMB4,933,337.50) and 873,370,000 (2015: 873,370,000) shares in issue during the year.

No diluted earnings per share are calculated as there are no dilutive potential shares for the two years ended 31 December 2014 and 31 December 2015.

4. DIVIDENDS

No dividends was paid or proposed for the year ended 31 December 2015, or reserve funds converted into capital (2014: None).

5. Material litigation and arbitration

To the best of the knowledge of the directors, the Company had no any material pending or threatened litigations and claims.

6. Questioning by the media

The Company is not involved in any matter commonly questioned by the media during this reporting period.

7. Use of capital of controlling shareholders and their subsidiaries

Controlling shareholders of the Company and its subsidiaries did not use any capital during the reporting period.

8. Matters relating to bankruptcy and reorganization

No matter relating to bankruptcy and reorganization occurs during this reporting period.

9. No matter relating to bankruptcy and reorganization occurs during this reporting period.

During the reporting period, there is no acquisition or disposal of assets in the Company.

10. Merger

Merger does not occur during this reporting period.

11. Implementation status and influence of the Company's equity incentive

The Company does not have any equity incentive plan or its implementation information during this reporting period.

12. Connected transactions

Pursuant to the Listing Rules of Shenzhen Stock Exchange and the Listing Rules of The Stock Exchange of Hong Kong Limited in relation to the relationship of connected parties, there were no connected transactions nor claims and debts between the Company and the connected parties during the reporting period.

(1) Connected transaction relating to day-to-day operation.

Connected transaction relating to day-to-day operation of the Company does not occur during this reporting period.

(2) Connected transaction relating to asset acquisition or sales

Connected transaction relating to asset acquisition or sales of the Company does not occur during this reporting period.

(3) Connected transaction relating to joint investment

Connected transaction relating to joint investment of the Company does not occur during this reporting period.

(4) Current associated rights of credit and liabilities

The Company has non-operating current associated rights of credit and liabilities during this reporting period.

Connected Party	Association Relationship	Type of Credit/ Liabilities	Forming Reason	Non-operating Fund Occupation	Opening Balance (Unit: RMB 10 K)	Total Amt Accounted for Current Period (Unit: RMB 10k)	Closing Balance (Unit: RMB 10 K)
Weida High-Voltage Electric Co., Ltd.	Affiliated company	Connected party liabilities payable	Borrowing	None	29.62	1.84	31.46
Influence on the Company's operating performance and financial situation by current associated rights of credit and liabilities	None						

(5) Other connected transactions

The Company does not have any other connected transaction during this reporting period.

13. Guarantees for the controlling shareholders and their subsidiaries of the Company

The Company and its subsidiaries did not offer any guarantee for the Company's controlling shareholders and their subsidiaries during the reporting period.

14. Significant contracts and their executions

(I) During the reporting period, the Company did not enter into any trust, contractual or lease arrangement in respect of the assets of other companies nor did other companies enter into any trust, contractual or lease arrangement in respect of the assets of the Company nor have any fund management on trust or designated loan.

(II) Guarantees

During the reporting period, the Company had no new guarantees.

As at the end of the reporting period, the actual bank loan of external guarantee provided by the Company totaled RMB53,050,000, accounting for 17.86% of the audited net assets of the Company for 2015.

(1) External guarantees of the Company

As at the end of the reporting period, the Company has provided guarantee of RMB52,900,000.00 for loans granted to Jinzhou Power Capacitor Co., Ltd, RMB 150,000 for loans granted to Shenyang Kingdom Hotel.

(2) Guarantees for the holding subsidiaries of the Company Nil.

(3) Guarantee of the Company for the guaranteed company with debt to assets ratio over 70%

As at the end of the reporting period, the guarantee of the Company for Jinzhou Power Capacitors Co., Ltd with debt to assets ratio over 70% was RMB52,900,000, accounting for 17.82% of the audited net assets of the Company for 2015, which was translated into liabilities in total in 2007.

(4) The Company hasn't any other guarantees for its shareholder, actual controller and other parties concerned.

15. PURCHASE, SALE OR REDEMPTION OF SHARES

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

16. Report of corporate governance

(I) Code of Corporate Governance Practice

The Company's directors confirm that the Company has fully complied with the provisions of Code of Corporation Governance Practices within twelve months as at the end of 31 December 2015, and disclosed result report in accordance with these provisions. The Code of Corporation Governance Practices includes the clauses set out in Appendix 14 to the Listing Rules of the Stock Exchange of Hong Kong Limited (the "Listing Rules").

(II) Audit Committee

The Company has established the audit committee in accordance with the Rule 3.21 of Listing Rules.

The Audit Committee, together with the management, has reviewed the accounting principles, accounting standards and methods adopted by the Company, and studied matters relating to auditing, internal controls and financial reporting, including reviewed the audited annual accounts for the period of twelve months ended 31 December 2015.

The Audit Committee has given its consent to the financial accounting principles, standards and methods adopted by the Company for the audited annual records for the period of twelve months as at the end of 31 December 2015.

At the meeting held on 19 February 2016, the audit committee review and approve the 2015 annual financial records and results announcement.

(III) Independent non-executive directors

The Company has complied with Rules 3.10(1) and 3.10(2) of the Listing Rules relating to appointment of a sufficient number of independent non-executive directors and at least an independent non-executive director with appropriate professional qualifications, or accounting or related financial management expertise. During the reporting period, the Company has appointed three independent non-executive directors including one with financial management expertise.

(IV) Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code")

During the reporting period, the Company has adopted a code of behavior on terms no less exacting than the required standard set out in the "Model Code" in connection with rules governing securities transactions of directors and supervisors. It was confirmed, upon specific enquires, that no director or superior of the Company has breached the standards as required by the "Model Code" as stated in Appendix 10 to the Listing Rules in relation to securities transactions by directors. The Board of Directors has formulated a written guideline for transactions of securities of listed companies by "directors and related employees". The Board of Directors has given written notices in advance to insiders (including the Company's directors, supervisors, senior management and controlling shareholders, actual controllers as well as connected parties, as defined in the Listing Rules) stating that purchase and sales of shares of the Company shall comply with relevant regulations and forbidding the insider purchase or sales of shares with inside information: no transactions of the company securities shall be carried out during the price-sensitive time within sixty days prior to results announcement (the lock-up period is from 19 December 2015 to 19 February 2016).

All directors have confirmed that they and the connected person did not carry out transactions of company securities during reporting period and have complied with the guidelines.

(V) Directors' liability insurance

The requirement of "the issuer shall cover appropriate director liability insurance for directors" in Rule A.1.8 of Corporate Governance Code is changed from "the recommended best practice" to "Articles of the Code". The Company is keeping a close eye on markets and assess feasible operation plans.

17. Remunerations of Auditors

Considered and approved through the Annual General Meeting of shareholders of 2014 convened on 4 May, 2015 appoint Ruihua CPAs (special general partner) as the auditors of the Company, with total remuneration of RMB800,000.

18. PUBLICATION OF ANNUAL REPORT ON THE INTERNET WEBSITE OF THE STOCK EXCHANGE OF HONG KONG LIMITED AND THE COMPANY

All information about the annual report as required by Appendix 16 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.

19 Subsequent events:

(I) Share transfer and changes to the first major shareholder and actual controller

On 21 December 2015, New Northeast Electric Investments Co., Ltd. (hereinafter referred to as "NNEI"), the first major shareholder of the Company, and Suzhou Tsing Chuang Trading Group Co., Ltd. (hereinafter referred to as "Suzhou Tsing Chuang") signed the Agreement on Share Transfer of Northeast Electric Development Co., Ltd. (hereinafter referred to as the "Share Transfer Agreement"), and NNEI planned to transfer its held 81,494,850 non-restricted negotiable A-shares (accounting for 9.331% of the total equity of the Company) of the Company to Suzhou Tsing Chuang through agreement. This share transfer was registered and confirmed through Shenzhen Branch of China Securities Depository and Clearing Corporation Limited on 22 January 2016, the first major shareholder of the Company changed to Suzhou Tsing Chuang, and the actual controller was changed to Liu Jun, who constitute concerted action persons together with Wang Zheng and Wu Yisha.

(II) Significant asset reorganization

This share transfer will be accompanied by significant asset reorganization. The Company is actively promoting implementation of the asset reorganization work, optimizing the Company's assets structure, and seeking investments in mergers and acquisitions or reorganizations that show good development prospects in intelligent software development, intelligent hardware R&D and production, mobile Internet business and other industries.

By order of the Board
Su Weiguo
Chairman

Yingkou, Liaoning Province, the People's Republic of China
19 February 2016

As at the date of the Statement, the Board of Directors comprises of four executive directors, namely Mr. Su Weiguo, Mr. Wang Shouguan, Mr. Liu Qingmin and Mrs. Jiao Liyuan; and three independent non-executive directors, namely Mr. Wang Yunxiao, Ms. Liang Jie and Mr. Liu Hongguang.