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)

FIRST QUARTERLY REPORT OF 2021

This announcement is made pursuant to rules 13.09 and 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"), Listing Rules of Shenzhen Stock Exchange and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The Board of Directors (the "**Board**") of Northeast Electric Development Company Limited (the "**Company**" or "**Northeast Electric**", "**NEE**") is pleased to announce the unaudited quarterly report (the "**Quarterly Report**" or the "**Report**") of the Company and its subsidiaries (collectively the "**Group**") for the three months ended 31 March 2021. The financial information set out in this announcement has been prepared in accordance with the Accounting Standards for Business Enterprises of the PRC (as defined under the Listing Rules) and has been reviewed and considered by the Board and the Audit Committee of the Board.

§ 1 Important Notice

1.1 The Board, Supervisory Committee, Directors, Supervisors and senior management of the Company undertake 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 report.

1.2 All Directors have attended the meeting of the Board of Directors held to consider this quarterly report.

1.3 Zhu Jie, Head of the Company, Wang Kai, Chief Financial Officer, and Wang Kai, Head of Accounting Department (Accounting Supervisor) declare that they guarantee the truthfulness, accuracy and completeness of the financial statements in this quarterly report.

1.4 Definitions

CSRC	China Securities Regulatory Commission*（中國證券監督管理委員會）
Beijing Haihongyuan	Beijing Haihongyuan Investment Management Co., Ltd.*（北京海鴻源投資管理有限公司）,a substantial shareholder of the Company
De facto controller of the Company	Hainan Liberation Commonweal Foundation*（海南省慈航公益基金會）
Fuxin Busbar	Fuxin Enclosed Busbar Co., Ltd.*（阜新封閉母線有限責任公司），a wholly-owned subsidiary of the Company
Garden Lane Hotel	Hainan Garden Lane Flight Hotel Management Co., Ltd.*（海南逸唐飛行酒店管理有限公司）, a subsidiary of the Company
Hainan First Intermediate People's Court	The First Intermediate People's Court of Hainan Province*(海南省第一中級人民法院)
Hainan Provincial Higher People's Court	Hainan Provincial Higher People's Court*（海南省高級人民法院）
HNA Group	HNA Group Co., Ltd.*(海航集團有限公司), a related party of the Company
HNA Finance Company, Finance Company	HNA Group Finance Co., Ltd.* (海航集團財務有限公司), a related party of the Company
NEE, the Company, Northeast Electric	Northeast Electric Development Company Limited*（東北電氣發展股份有限公司）

§2 Corporate Profile

2.1 Principal accounting data and financial indicators

Whether the Company is required to make any retrospective adjustment to or restatement of the accounting data of prior years?

□ Yes √ No

Unit: RMB

Item	The reporting period	The same period of last year	Increase/decrease during the reporting period compared with the same period of last year
Operating incomes (RMB)	14,828,244.46	13,500,704.16	9.83%
Net profits attributable to shareholders of the listed company (RMB)	-2,970,061.29	-3,802,341.31	N/A
Net profits attributable to shareholders of the listed company after extraordinary items (RMB)	-2,970,061.29	-3,802,341.31	N/A
Net cash flows arising from operating activities (RMB)	-7,430,407.71	-1,886,868.96	N/A
Basic earnings per share (RMB/Share)	-0.0034	-0.0043	N/A
Diluted earnings per share (RMB/Share)	-0.0034	-0.0043	N/A
Weighted average return on net assets (%)	N/A	N/A	N/A
Item	**As at the end of the reporting period**	**As at the end of last year**	**Increase/decrease at the end of the reporting period compared with the end of last year**
Total assets (RMB)	151,925,670.72	157,525,808.79	-3.56%
Net assets attributable to shareholders of the listed company (RMB)	-190,053,227.78	-187,420,368.40	N/A

Description of differences on figures by domestic and foreign accounting standards

□ Applicable √ Not applicable

No difference between net profits and net assets prepared under PRC GAAP and IFRS.

Extraordinary items and the related amount

□ Applicable √ Not applicable

The Company had no extraordinary items during the reporting period.

2.2 Total number of shareholders and the particulars of shareholding of the top ten shareholders as at the end of the reporting period

Unit: Shares

Total number of ordinary shareholders as at the end of the reporting period		50,169	Total number of preferred shareholders with voting rights restored at the end of the reporting period (if any)		0
Particulars of shareholdings of top ten shareholders					
Name of	Nature of	Percentage	Number of	Number of	Shares pledged or frozen

shareholders	shareholder	of shareholding	shares	Shares held subject to trading moratorium	Status of shares	Number
HKSCC Nominees Limited	Overseas legal person	29.44%	257,097,899	0		
Beijing Haihongyuan Investment Management Co., Ltd.	Domestic non-state-owned legal person	9.33%	81,494,850	0	质押	81,494,850
Jin Lei	Domestic non-state-owned legal person	0.73%	6,390,010	0		
Zhao Rui	Domestic natural person	0.71%	6,195,810	0		
Huang Tao	Domestic natural person	0.58%	5,042,609	0		
Fu Lianjun	Domestic natural person	0.57%	4,974,489	0		
Miao Haonan	Domestic non-state-owned legal person	0.51%	4,428,812	0		
Zhang Ping	Domestic natural person	0.46%	4,059,671	0		
Xv Lirong	Domestic natural Person	0.46%	4,025,000	0		
Gao Yan	Domestic natural Person	0.44%	3,858,400	0		

Particulars of shareholdings of top ten shareholders of shares not subject to trading moratorium		
Name of shareholders	Number of shares not subject	Class of shares

	to trading moratorium	Class of shares	Number
HKSCC Nominees Limited	257,097,899	Overseas Listed foreign shares (H shares)	257,097,899
Beijing Haihongyuan Investment Management Co., Ltd.	81,494,850	Ordinary RMB-denominated shares (A shares)	81,494,850
Jin Lei	6,390,010	Ordinary RMB-denominated shares (A shares)	6,390,010
Zhao Rui	6,195,810	Ordinary RMB-denominated shares (A shares)	6,195,810
Huang Tao	5,042,609	Ordinary RMB-denominated shares (A shares)	5,042,609
Fu Lianjun	4,974,489	Ordinary RMB-denominated shares (A shares)	4,974,489
Miao Haonan	4,428,812	Ordinary RMB-denominated shares (A shares)	4,428,812
Zhang Ping	4,059,671	Ordinary RMB-denominated shares (A shares)	4,059,671
Xv Lirong	4,025,000	Ordinary RMB-denominated shares (A shares)	4,025,000
Gao Yan	3,858,400	Ordinary RMB-denominated shares (A shares)	3,858,400
Remarks on the connected relationship or action in concert of the aforementioned shareholders	So far as the Company is aware of, there is no connected relationship among the abovementioned shareholders or are parties acting in concert subject to "Measures for the Administration of the Takeover of Listed Companies(《上市公司收購管理辦法》)". Based on the publicly available data as at the latest practicable date prior to the publication of this report and which the Directors are aware of, the Company confirms that the public float is sufficient.		
Top ten ordinary shareholders involved in the margin trading business (if any)	No		

Did the top ten ordinary shareholders of the Company and the top ten ordinary shareholders of shares not subject to trading moratorium make agreement to repurchase securities during the reporting period?

□ Yes √ No

The top ten ordinary shareholders of the Company and the top ten ordinary shareholders of shares not subject to trading moratorium did not agree to repurchase securities during the reporting period.

The total number of the Company's preferred shareholders and the shareholdings of the top ten shareholders of preference shares

□ Applicable √ Not applicable

§ 3 Changes Of Main Items In The Financial Statements And Financial Indicators And Reasons Thereof During The Reporting Period

Unit: RMB

Changes in balance sheet and reasons thereof				
Items	**Closing balance of the period**	**Beginning balance of the period**	**Percentage of changes**	**Remarks**
Cash at bank and on hand	8,501,940.16	12,912,725.07	-34.16%	Due to slow business receive payment
Notes Receivable	1,076,000.01	-	100.00%	Due to the new Bank acceptance draft
Prepayment	564,262.04	997,454.96	-43.43%	Due to the carry-forward paid payments to cost
Other current asset	862,369.86	1,958,726.08	-55.97%	Due to the reclassification of VAT input tax
Changes in income statement and reasons thereof				
Items	**Jan-March 2021**	**Jan-March 2020**	**Percentage of changes**	**Remarks**
Operating cost	9,822,341.24	6,315,713.64	55.52%	Due to the increase in subsidiary Fuxin Busbar

				business
Selling expenses	4,082,759.79	7,609,760.83	-46.35%	Due to the decrease in the business of the subsidiary Yitang Hotel
Non-operating income	10,261.08	558,121.41	-98.16%	Subsidiary Yitang Hotel has no contract termination compensation income in the current period

Changes in cash flow statement and reasons thereof

Items	Jan-March 2021	Jan-March 2020	Percentage of changes	Remarks
Net increase in policyholder deposits and investment funds	-	225,643.84	-100.00%	No relevant cash expenditures for the current period
Cash paid for interest, handling charges and commissions	-	3,084.05	-100.00%	No relevant cash expenditures for the current period
Payment of various taxes	301,648.22	526,219.92	-42.68%	Subsidiary Yitang Hotel's revenue decreased due to decreased tax expenses
Cash paid for other operating activities	11,834,450.38	8,784,109.92	34.73%	Due to the increase in other operating expenses
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	2,000,000.00	-	100.00%	Subsidiary Fuxin Busbar receives the payment for the disposal of the South Plant

Cash received from other	-	6,936.16	-100.00%	No relevant cash expenditures for the current period
Cash paid for dividends, profit distributions or interest payment	-	139,703.88	-100.00%	No relevant cash expenditures for the current period

§4 Progress of significant events & analysis on relevant impacts and solutions

4.1 Risk warning on delisting for A shares of the Company

According to the Audit Report of Northeast Electric Development Co., Ltd. issued by Mazars Certified Public Accountants LLP on 29 March 2021 (Mazars Shen Zi [2021] No. 170014), the Company records a negative audited net profit for the year of 2020 (the net profit before and after deducting non-recurring gains and losses, whichever is less) with operating income lower than RMB100 million or negative net assets at the end of the period, Shenzhen Stock Exchange implemented a risk warning on delisting (*ST) for A shares of the Company upon the publishment of the Company's 2020 Annual Report.

4.2 Matters related to bankruptcy reorganization

The Company received the Letter of Notice from HNA Group Co., Ltd. (the "**HNA Group**") on 29 January 2021, The creditor, Bank of Hainan Co., Ltd, appealed to the Hainan Higher People's Court (hereinafter referred to as the "**Court**") for restructuring HNA Group on the ground that HNA Group could not pay off the debts due and obviously lacked solvency, but still had reorganization value.

On 10 February 2021, the Company received the Letter of Notice from HNA Group, HNA Group had received a Civil Ruling from the Hainan Higher People's Court, which ruled that the claim for reorganization of HNA Group by relevant creditor has been accepted.

On 15 March 2021, the Company received a Notice from Beijing Haihongyuan Investment Management Co., Ltd. (hereinafter referred to as "Beijing Haihongyuan"), the largest shareholder of the Company, that the Court ruling for acceptance of the reorganization of Beijing Haihongyuan.

For details, please refer to the Company's announcements dated 30 January 2021, 10 February 2021 and 15 March 2021.

4.3 The litigation on the application made by Fushun Electric Porcelain for adjudicating NEE as a person subject to enforcement

The case has come to trial on Hainan First Intermediate People's Court on 25 January 2021. On 2 February 2021, Hainan First Intermediate People's Court issued a civil written order [(2019) Qiong 96 Min Chu No.381]. The Hainan First Intermediate People's Court held that the application made by the plaintiff for adding Northeast Electric as a person subject to enforcement for the case of [(2015) Fu Zhong Zhi Zi No.00140] is unfounded and lacks legal evidence, and the court will not support it. The plaintiff Fushun Electric Porcelain Co., Ltd. has filed an appeal with Hainan Higher People's Court during the appeal period. Currently, the case is under trial.

4.4 Others

4.4.1 Implementation progress of share repurchase
□ Applicable √ Not applicable

4.4.2 Implementation progress of share buyback reduction through centralized bidding
□ Applicable √ Not applicable

4.4.3 Overdue undertakings of the company's de facto controller, shareholders, connected parties, acquirers and the company during the reporting period
□ Applicable √ Not applicable

There were no overdue undertakings of the Company's de facto controller, shareholders, connected parties, acquirers and the Company during the reporting period.

4.4.4 Investment of securities

□ Applicable √ Not applicable

The Company had no investment of securities during the reporting period.

4.4.5 Entrusted wealth management

□ Applicable √ Not applicable

The Company had no entrusted wealth management during the reporting period.

4.4.6 Investment in derivatives

□ Applicable √ Not applicable

The Company had no investment in derivatives during the reporting period.

4.4.7 Registration record of reception to the activities of field survey, communication and interview during the reporting period

□ Applicable √ Not applicable

The Company had no activities of field survey, communication and interview during the reporting period.

4.4.8 Illegal external guarantees

□ Applicable √ Not applicable

The Company had no illegal external guarantees during the reporting period.

4.4.9 Non-operating capital of the listed company attributable to the controlling shareholders and their connected parties

□ Applicable √ Not applicable

The Company had no capital which was non-operating attributed to the controlling shareholder and its connected parties during the reporting period.

§ 5 Financial Statement (Unaudited)

5.1 Consolidated Balance Sheet

Prepared by: Northeast Electric Development Co., Ltd.

Unit: RMB

Items	31March 2021	31 December 2020
Current Assets:		
Cash at bank and on hand	8,501,940.16	12,912,725.07
Balances with clearing companies		
Lending to Banks and Other Financial Institutions		
Trading financial assets		
Financial assets at fair value through current profit or loss		
Derivative financial assets		
Notes Receivable	1,076,000.01	
Accounts Receivable	37,683,802.27	32,293,932.13
Receivables Financing		
Prepayment	564,262.04	997,454.96
Premium Receivable		
Amounts receivable from reinsurers		
Provision for reinsure ancecontracts receivable		
Other Receivables	18,919,548.35	19,230,044.90
Incl: Interests Receivable		
Dividends Receivable		
Buying back the sale of financial assets		
Inventory	13,657,883.36	16,710,311.95
Contractual assets		
Assets held for sale		
Non-current asset due within 1 year		
Other current asset	862,369.86	1,958,726.08
Total current assets	**81,265,806.05**	**84,103,195.09**
Non-current Assets:		
Loans and advances		
Debt investment		
Available-for-sale financial assets		
Other debt investment		
Held-to-maturity investments		

Long-term receivables		
Long-term equity investments		
Other equity instruments investments		
Other non-current financial assets		
Investment properties		
Fixed Assets	44,131,925.08	44,911,967.97
Construction in progress		
Productive biological assets		
Oil and gas assets		
Right-of-use assets	14,515,663.13	16,432,367.74
Intangible Assets	12,012,276.46	12,078,277.99
Research & development expenses		
Goodwill		
Long-term deferred expenses		
Deferred tax assets		
Other non-current assets		
Total non-current assets	**70,659,864.67**	**73,422,613.70**
Total Assets	**151,925,670.72**	**157,525,808.79**
Current Liabilities:		
Short-term Borrowings		
Borrowing from the Central Bank		
Placements from banks and other financial institutions		
Trading financial liabilities		
Financial liabilities at fairvalue through current profit or loss		
Derivative financial liabilities		
Notes Payable		
Accounts Payable	18,875,802.74	21,344,941.14
Advances from customers		
Contractual liabilities	7,124,371.82	6,624,272.90
Financial assets sold under agreement to repurchase		
Customer deposits and deposits due to banks and other financial institutions		

Amounts of securities trading as agent		
Amounts of securities under writing as agent		
Employee remunerate on payable	4,260,908.72	4,753,756.28
Taxes Payable	4,775,451.99	4,744,439.95
Other Payables	174,013,390.06	181,225,923.07
Incl: Interests Payable		
Dividends Payable		
Handling charge and commission payable		
Amounts due to reinsurers		
Liabilities held for sale		
Non-current liabilities due within 1 year	10,177,709.12	10,953,560.25
Other current Liabilities		
Total current liabilities	**219,227,634.45**	**229,646,893.59**
Non-current liabilities:		
Provision for insurance contracts		
Long-term Borrowings		
Bonds Payable		
Incl: Preferred shares		
Perpetual bonds		
Lease liabilities	10,989,072.77	11,582,700.60
Long-term Payables		
Long-term employee remuneration payable		
Estimated Liabilities	72,099,690.00	72,099,690.00
Deferred income	37,478,986.17	29,425,846.58
Deferred tax liabilities		
Other Non-Current Liabilities		
Total Non-Current Liabilities	**120,567,748.94**	**113,108,237.18**
Total Liabilities	**339,795,383.39**	**342,755,130.77**
Shareholders' Equity:		
Share Capital	873,370,000.00	873,370,000.00
Other Equity Instruments		
Incl: Preferred shares		

Perpetual bonds		
Capital reserve	1,083,997,337.88	1,083,997,337.88
Less: Treasury Stocks		
Other Comprehensive Income	-257,846,506.82	-258,031,515.00
Special Reserve		
Surplus Reserve	108,587,124.40	108,587,124.40
Provision for general risk		
Retained profits	-1,998,161,183.24	-1,995,343,315.68
Total equity attributable to the owners of the Parent Company	-190,053,227.78	-187,420,368.40
Minority interests	2,183,515.11	2,191,046.42
Total shareholders' equity	**-187,869,712.67**	**-185,229,321.98**
Total liabilities and shareholders' equity	**151,925,670.72**	**157,525,808.79**

5.2 Balance Sheet of Parent Company

Unit: RMB

Items	31March 2021	31 December 2020
Current Assets:		
Cash at bank and on hand	6.24	1,683.02
Trading financial assets		
Financial assets at fair value through current profit or loss		
Derivative financial assets		
Notes Receivable		
Accounts Receivable		
Receivables Financing		
Prepayment		
Other Receivables	250,539,729.00	251,656,394.15
Incl: Interests Receivable		
Dividends Receivable		
Inventory		
Contractual assets		
Assets held for sale		
Non-current asset due within 1 year		
Other current asset	581,337.61	581,337.61

Total current assets	**251,121,072.85**	**252,239,414.78**
Non-current Assets:		
Debt investment		
Available-for-sale financial assets		
Other debt investment		
Held-to-maturity investments		
Long-term receivables		
Long-term equity investments	56,436,473.03	56,436,473.03
Other equity instruments investments		
Other non-current financial assets		
Investment properties		
Fixed Assets	21,964.57	22,737.04
Construction in progress		
Productive biological assets		
Oil and gas assets		
Right-of-use assets		
Intangible Assets		
Research & development expenses		
Goodwill		
Long-term deferred expenses		
Deferred tax assets		
Other non-current assets		
Total non-current assets	**56,458,437.60**	**56,459,210.07**
Total Assets	**307,579,510.45**	**308,698,624.85**
Current Liabilities:		
Short-term Borrowings		
Trading financial liabilities		
Financial liabilities at fair value through current profit or loss		
Derivative financial liabilities		
Notes Payable		
Accounts Payable		
Advances from customers		
Contractual liabilities	581,743.59	581,743.59
Employee remuneration payable	1,893,045.65	1,860,964.74

Taxes Payable	182,138.56	219,991.85
Other Payables	135,911,933.39	158,816,321.38
Incl: Interests Payable		
Dividends Payable		
Liabilities held for sale		
Non-current liabilities due within 1 year		
Other current Liabilities		
Total current liabilities	**138,568,861.19**	**161,479,021.56**
Non-current liabilities:		
Long-term Borrowings		
Bonds Payable		
Incl: Preferred shares		
Perpetual bonds		
Lease liabilities		
Long-term Payables		
Long-term employee remuneration payable		
Estimated Liabilities	72,099,690.00	72,099,690.00
Deferred income		
Deferred tax liabilities		
Other Non-Current Liabilities		
Total Non-Current Liabilities	**72,099,690.00**	**72,099,690.00**
Total Liabilities	**210,668,551.19**	**233,578,711.56**
Shareholders' Equity:		
Share Capital	873,370,000.00	873,370,000.00
Other Equity Instruments		
Incl: Preferred shares		
Perpetual bonds		
Capital reserve	1,019,769,700.23	996,869,700.23
Less: Treasury Stocks		
Other Comprehensive Income		
Special Reserve		
Surplus Reserve	108,587,124.40	108,587,124.40
Retained profits	-1,904,815,865.37	-1,903,706,911.34
Total shareholders' equity	**96,910,959.26**	**75,119,913.29**

Total liabilities and shareholders'equity	**307,579,510.45**	**308,698,624.85**

5.3 Consolidated Income Statementof the Reporting Period

Unit: RMB

Items	Amount for the current period	Amount for the previous period
I. Total Operating Revenue	**14,828,244.46**	**13,500,704.16**
Incl.: Operating income	14,828,244.46	13,500,704.16
Interest income		
Earned premium		
Handling charges and commission income		
II. Total Operating Cost	**18,224,544.27**	**18,367,052.48**
Incl.: Operating cost	9,822,341.24	6,315,713.64
Interest expenses		
Handling charges and commission expense		
Surrenders		
Net compensation payout		
Net provision for insurance contracts		
Expenditures for insurance policy dividend		
Reinsurance cost		
Taxes & Surcharges	159,063.41	198,388.57
Selling expenses	4,082,759.79	7,609,760.83
Administrative expenses	3,892,416.06	3,926,190.93
R&D expenses		
Finance expenses	267,963.77	316,998.51
Incl : Interest expenses		
Interest Income		
Plus: Other income	408,491.73	479,049.62
Investment income (loss is indicated by “-”)		
Incl: Investment income from associates and		

joint ventures		
Derecognition of Income from financial assets at amortised cost (loss is indicated by "-")		
Exchange gains (loss indicated by "-")		
Net gains from Hedging exposure (loss is indicated by "-")		
Gains from change in fair value (loss is indicated by "-")		
Credit impairment loss(loss is indicated by "-")		
Assets impairment loss(loss is indicated by "-")		
Gains from asset disposal (loss is indicated by "-")		
III.Operational Profit (Loss is indicated as "－")	-2,987,808.08	-4,387,298.70
Plus: Non-operating income	10,261.08	558,121.41
Less: Non-operating expenses	45.60	
IV.Total Profit（Total loss is indicated as "－")	-2,977,592.60	-3,829,177.29
Less: Income tax expenses		
V.Net Profit（Net loss is indicated as "—")	-2,977,592.60	-3,829,177.29
(I) Classification by operating continuity		
1.Net profit from continuing operations(net loss is indicated by "-")	-2,977,592.60	-3,829,177.29
2.Net profit from discontinued operations (net loss is indicated by "-")		
(II) Classification by ownership		
1.Net profit attribute able to owners of the Parent Company	-2,970,061.29	-3,802,341.31

2.Minority interests	-7,531.31	-26,835.98
VI.Net Other Comprehensive Income after tax	185,008.18	169,458.45
Other net comprehensive income after tax attribute able to owners of the Parent Company	185,008.18	169,458.45
(I) Other comprehensive income that cannot be reclassified into profit or loss		
1. Changes arising from re-measurement of the defined benefit plan		
2. Other comprehensive income that cannot be reclassified into profit or loss under the equity method		
3. Changes in fair Value of other equity instruments investment		
4. Change in fair Value of the Enterprise's own credit risk		
5. Others		
(II) Other comprehensive income that will be re-classified into profit or loss	185,008.18	169,458.45
1. Other comprehensive income that can be reclassified into profit or loss under the equity method		
2. Change in fair value of other debt investments		
3. Financial assets reclassified into other comprehensive income		
4. Credit impairment provision for other		

debt investments		
5. Reserve for cash Flow hedging		
6. Exchange rate differences of financial statements denominated in foreign currency	185,008.18	169,458.45
7. Others		
Other net comprehensive income after tax attributable tominority interests		
VII. Total Comprehensive Income	**-2,792,584.42**	**-3,659,718.84**
Total Comprehensive Income Attributable to the owners of the Parent Company	-2,792,584.42	-3,632,882.86
Total Comprehensive Income Attributable to the Minority Interests		
VIII. Earnings per share		
(I)Basic earnings per share	-0.0034	-0.0043
(II)Diluted earnings per share	-0.0034	-0.0043

5.4 Income Statement of Parent Company of the Reporting Period

Unit: RMB

Items	Amount for the current period	Amount for the previous period
I. Operating Income	**0.00**	**0.00**
Less: Operating cost	0.00	0.00
Taxes & Surcharges		
Selling expenses		
Administrative expenses	1,108,035.57	892,820.21
R&D expenses		
Finance expenses	880.60	1,451.65
Incl：Interest expenses		
Interest Income		
Plus:：Other income		
Investment income (loss is indicated by “-”)		

Incl: Investment income from associates and joint ventures		
Derecognition of Income from financial assets at amortised cost (loss is indicated by "-")		
Net gains from Hedging exposure (loss is indicated by "-")		
Gains from changes in fair value (loss is indicated by "-")		
Credit impairment loss(loss is indicated by "-")		
Assets impairment loss(loss is indicated by "-")		
Gains from asset disposal (loss is indicated by "-")		
II. Operational Profit (Loss is indicated as "－")	-1,108,916.17	-894,271.86
Plus: Non-operating income		
Less: Non-operating expenses	37.86	
III. Total Profit（Total loss is indicated as "－"）	-1,108,954.03	-894,271.86
Less: Income tax expenses		
IV. Net Profit（Net loss is indicated as "－"）	-1,108,954.03	-894,271.86
(I)Net profit from continuing operations(net loss is indicated by "-")	-1,108,954.03	-894,271.86
(II) Net profit from Discontinued operations (net loss is indicated by "-")		
V. Net Other Comprehensive Income after tax		
(I) Other comprehensive income that cannot be reclassified into		

profit or loss		
1. Changes arising from re-measurement of the defined benefit plan		
2. Other comprehensive income that cannot be reclassified into profit or loss under the equity method		
3. Changes in fair value of other equity instruments investment		
4. Change in fair value of the Enterprise's own credit risk		
5. Others		
(II) Other comprehensive income that will be re-classified into profit or loss		
1. Other comprehensive income that can be reclassified into profit or loss under the equity method		
2. Change in fair value of other debt investments		
3. Financial assets reclassified into other comprehensive income		
4. Credit impairment provision for other debt investments		
5. Reserve for cash flow hedging		
6. Exchange rate differences of financial statements denominated in foreign currency		
7. Others		
VI. Total Comprehensive Income	**-1,108,954.03**	**-894,271.86**

VII. Earnings per share:		
(I)Basic earnings per share		
(II)Diluted earnings per share		

5.5 Consolidated Cash Flow Statement from Beginning of the Year to End of the Reporting Period

Unit: RMB

Items	Amount for the current period	Amount for the previous period
I.Cash flow from operating activities		
Cash from sale of goods and rendering of services	15,008,278.61	15,613,257.43
Net increase in customer deposits and deposits from banks and other financial institutions		
Net increase in borrowings from central bank		
Net increase in placements from other financial institutions		
Cash received as premiums of original insurance contracts		
Net cash received from reinsurance business		
Net increase in policyholder deposits and investment funds		225,643.84
Cash received as interests, handling charges and commissions		
Net increase in placements from banks and other financial institutions		
Net increase in funds of repurchase business		
Net cash received from securities trading agency services		
Tax rebates received		
Cash received from other operating activities	3,037,530.88	3,264,262.57
Sub-total of cash inflows from operating activities	**18,045,809.49**	**19,103,163.84**

Cash paid to goods purchased and labor service received	8,332,109.29	7,425,135.01
Net increase in loans and advances to customers		
Net increase in deposits with central bank and other financial institutions		
Cash paid for original insurance contract claims		
Net increase in loans to banks and other financial institutions		
Cash paid for interest, handling charges and commissions		3,084.05
Cash paid for policyholder dividend		
Cash paid to and for employees	5,008,009.31	4,251,483.90
Payment of various taxes	301,648.22	526,219.92
Cash paid for other operating activities	11,834,450.38	8,784,109.92
Sub-total of cash outflows for operating activities	**25,476,217.20**	**20,990,032.80**
Net Cash Flow from operating activities	**-7,430,407.71**	**-1,886,868.96**
II. Cash flow from investing activities		
Cash received upon disposal of investments		
Cash received from return on investments		
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	2,000,000.00	
Net cash received upon disposal of subsidiaries and other business units		
Cash received from other investing activities		6,936.16
Sub-total of cash inflows from investing activities	**2,000,000.00**	**6,936.16**

Cash paid for acquisition of fixed assets, intangible assets and other long-term assets		
Cash paid for investment		
Net increase in pledged Loans		
Net cash paid for Acquisition of subsidiaries and other business units		
Cash paid for other Investing activities		
Sub-total of cash outflows from investing activities		
Net Cash Flow from investing activities	**2,000,000.00**	**6,936.16**
III. Cash flow from financing activities		
Cash received from absorbing investment		
Incl: cash received by subsidiaries from minority shareholders		
Cash received from borrowings		
Cash received from other financing activities		
Sub-total of cash inflows from financing activities		
Cash paid for repayments of debts		
Cash paid for dividends, profit distributions or interest payment		139,703.88
Incl: dividend and profit paid to minority shareholders by subsidiaries		
Cash paid for other Financeing activities		
Sub-total of cash outflows from financing activities		**139,703.88**
Net Cash Flow from financing activities		**-139,703.88**

IV.Effect of foreign exchange rate changes on cash and cash equivalents	**4,232.45**	
V.Net increase of cash and cash equivalent	**-5,426,175.26**	**-2,019,636.68**
Plus: Balance of cash and cash equivalents at the beginning of the period	8,535,909.71	135,274,303.72
VI. Balance of cash and cash equivalents at the end of the period	**3,109,734.45**	**133,254,667.04**

5.6 Cash Flow Statement of Parent Company from Beginning of the Year to End of the Reporting Period

Unit: RMB

Items	Amount for the current period	Amount for the previous period
I.Cash flow from operating activities		
Cash from sale of goods and rendering of services		
Tax rebates received		
Cash received from other operating activities	1,508,503.08	1,016,518.76
Sub-total of cash inflows from operating activities	**1,508,503.08**	**1,016,518.76**
Cash paid to goods Purchased and labor service received		
Cash paid to and for employees	1,174,468.40	895,731.60
Payment of various taxes		
Cash paid for other operating activities	335,711.46	120,062.50
Sub-total of cash outflows for operating activities	**1,510,179.86**	**1,015,794.10**
Net Cash Flow from operating activities	**-1,676.78**	**724.66**
II. Cash flow from investing activities		
Cash received upon disposal of investments		
Cash received from return on investments		
Net cash received from disposal of fixed assets, intangible assets and other		

long-term assets		
Net cash received upon disposal of subsidiaries and other business units		
Cash received from other investing activities		
Sub-total of cash inflows from investing activities		
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets		
Cash paid for investment		
Net cash paid for acquisition of subsidiaries and other business units		
Cash paid for other investing activities		
Sub-total of cash outflows from investing activities		
Net Cash Flow from investing activities		
III. Cash flow from financing activities		
Cash received from absorbing investment		
Cash received from borrowings		
Cash received from other financing activities		
Sub-total of cash inflows from financing activities		
Cash paid for repayments of debts		
Cash paid for dividends, profit distributions or interest payment		
Cash paid for other Financeing activities		
Sub-total of cash outflows from financing activities		
Net Cash Flow from financing activities		
IV.Effect of foreign exchange rate		

changes on cash and cash equivalents		
V.Net increase of cash and cash equivalent	**-1,676.78**	**724.66**
Plus: Balance of cash and Cash equivalents at the beginning of the period	1,683.02	893.51
VI. Balance of cash and cash equivalents at the end of the period	**6.24**	**1,618.17**

Legal Representative: ZhuJie Chief Financial Officer: Wang Kai Head of Accounting Department: Wang Kai

5.7 Adjustment of the Financial Statements

The related conditions on the adjustment of the financial statements at the beginning of the year of initial implementation arising from initial implementation of new financial instrument standard, new income standard and new lease standard

□ Applicable √ Not applicable

Retrospective adjustment of the previous comparative data by initial adoption of new financial instrument standard and new lease standard

□ Applicable √ Not applicable

5.8 Audit Report

Whether the first quarterly report has been audited

□ Yes ✓ No

The Company's first quarterly report is unaudited.

By order of the Board

Zhu Jie

Chairman

Haikou, Hainan Province, the PRC

29 April 2021

As at the date of this Announcement, the Board comprises of six executive Directors, namely Mr. Zhu Jie, Mr. Wang Yongfan, Mr. Bao Zongbao, Mr. Su Weiguo, Mr. Guo Qianli and Mr. Li Guoqing; and three independent non-executive Directors, namely Mr. Li Ming, Mr. Fang Guangrong and Mr. Wang Hongyu.

** For identification purpose only*