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# 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: 00042)**

## THIRD QUARTERLY REPORT OF 2022

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**”) 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 nine months ended 30 September 2022. 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 Shang Duoxu, Head of the Company, Mi Hongjie, Chief Financial Officer, and Jin Muhan, 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

Reporting period, present reporting period	From July 1 2022 to September 30 2022
End of reporting period	September 30 2022
NEE, the Company, Northeast Electric	Northeast Electric Development Company Limited
Fuxin Busbar	Fuxin Enclosed Busbar Co., Ltd., a wholly-owned subsidiary of the Company
Garden Lane Hotel	Hainan Garden Lane Flight Hotel Management Co., Ltd., a subsidiary of the Company

## §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	from beginning of the year to the end of the reporting period (JAN-SEP 2022)	Same period last year (JAN-SEP 2021)	Increase/decrease from beginning of the year to end of the reporting period compared with the same period of last year
Operating incomes (RMB)	68,446,990.84	61,699,919.28	10.94%
Net profits attributable to	-17,985,931.74	23,859,169.86	-175.38%

shareholders of the company (RMB)			
Net profits attributable to shareholders of the company after extraordinary items (RMB)	-21,325,071.40	-15,291,219.66	39.46%
Net cash flows arising from operating activities (RMB)	-10,374,058.52	-52,357.23	19713.99%
Basic earnings per share (RMB/Share)	-0.0207	0.0273	-175.38%
Weighted average return on net assets % (Basis on net profits attributable to shareholders of the company)	N/A	N/A	-
Weighted average return on net assets % (Basis on net profits attributable to shareholders of the company after extraordinary items)	N/A	N/A	-
<b>Item</b>	<b>As at the end of the reporting period</b>	<b>As at the end of last year</b>	<b>Increase/decrease at the end of the reporting period compared with the end of last year</b>
Total assets	186,588,622.97	194,427,879.43	-4.03%
Net assets attributable to shareholders of the company	-187,512,828.65	-169,697,083.93	10.50%
Asset-liability ratio (parent company)	65.67%	65.19%	-
Asset-liability ratio (consolidated statements)	199.38%	186.17%	-

Unit: RMB

<b>Item</b>	<b>The reporting period (July-September 2022)</b>	<b>Same period last year (July-September 2021)</b>	<b>Increase/decrease in the reporting period compared with the same period of last year</b>
Operating incomes (RMB)	32,048,195.98	33,253,582.08	-3.62%
Net profits attributable to	-214,234.12	35,678,874.89	-100.60%

shareholders of the company (RMB)			
Net profits attributable to shareholders of the company after extraordinary items (RMB)	-2,463,680.29	-2,572,086.61	-4.21%
Net cash flows arising from operating activities (RMB)	334,502.96	8,783,030.41	-96.19%
Basic earnings per share (RMB/Share)	-0.0002	0.0409	-100.60%
Weighted average return on net assets % (Basis on net profits attributable to shareholders of the company)	N/A	N/A	-
Weighted average return on net assets % (Basis on net profits attributable to shareholders of the company after extraordinary items)	N/A	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

Unit: RMB

Item	Amount from beginning of the year to the end of the reporting period	Remarks
Government subsidy included in the current profits and losses	2,435,707.83	Policy-related demolition, compensation for the construction of the subsidiary's new plant
Other non-operating income and expense other than the above items	904,653.18	

<b>Total</b>	3,340,361.01	
Tax impacts	0	
Impact on minority interests(after tax)	1,221.35	
<b>Non-recurring net profit and loss</b>	<b>3,339,139.66</b>	

## 2.2 Changes of main items in the financial statements and financial indicators and reasons thereof during the reporting period

Unit: RMB

<b>Changes in balance sheet and reasons therefor</b>				
<b>Items</b>	<b>30 Sep. 2022</b>	<b>31 Dec. 2021</b>	<b>Percentage of changes</b>	<b>Remarks</b>
Right-of-use assets	2,730,238.91	19,763,670.18	-86.19%	Due to the Garden Lane Hotel to cancel part of the housing lease contract, the corresponding write-down of the residual balance of the right to use assets
Contract liability	20,701,463.73	14,134,307.20	46.46%	Mainly for the increase of subsidiary Fuxin Busbar new contract
Non-current liabilities due within one year	19,265,680.56	33,966,281.82	-43.28%	Mainly refers to the balance of lease liabilities due within one year, and the reason for the change is the same as the right of use assets
Other current liability	1,564,744.20	1,173,384.17	33.35%	Mainly for the tax-related part of the contract liabilities, increases accordingly due to the increase in contract liabilities
<b>Changes in income statement and reasons therefor</b>				
<b>Items</b>	<b>Jan-Sept 2022</b>	<b>Jan-Sept 2021</b>	<b>Percentage of changes</b>	<b>Remarks</b>
Operating costs	50,518,532.29	37,109,018.69	36.14%	Due to the increased hotel business compared to the same period last year
Research and development expenditure	2,495,333.09	1,434,508.79	73.95%	Subsidiary Fuxin Busbar increase research and development investment

Financial expense	233,604.36	949,929.81	-75.41%	Due to the early termination of part of the leasing business
Other income	2,435,707.83	1,371,092.55	77.65%	Subsidiary Fuxin Busbar deferred earnings amortization increased
Non-operating income	952,911.18	37,780,383.01	-97.48%	During the same period last year, large non-operating income was confirmed due to successful cases
Non-operating expenditure	48,258.00	833.43	5690.29%	Due to the fines, dealing with expired drinks and other reasons for the increase in non-operating expenses

In addition, the cash flow statement changes were mainly due to the increase in hotel business.

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

Unit: Share

Total number of ordinary shareholders as at the end of the reporting period	36,455	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 shareholders	Nature of shareholder	Percentage of shareholding	Number of shares	Number of Shares held subject to trading moratorium	Shares pledged or frozen	
					Status of shares	Number
HKSCC Nominees Limited	Overseas legal person	29.44%	257,099,899	0		
Beijing Haihongyuan Investment Management Co., Ltd.	Domestic non-state-owned legal person	9.33%	81,494,850	0	Pledged	81,494,850

Wang Juan	Domestic natural person	1.16%	10,093,200	0		
Yang Baizhong	Domestic natural person	0.96%	8,400,000	0		
Zhao Rui	Domestic natural person	0.79%	6,960,310	0		
Zhu Xinghu	Domestic natural person	0.66%	5,800,000	0		
Yu Jun	Domestic non-state-owned legal person	0.57%	5,010,000	0		
Yang Youhong	Domestic natural person	0.57%	5,000,000	0		
Shi Yubo	Domestic natural Person	0.51%	4,418,036	0		
Qin Jianming	Domestic natural Person	0.47%	4,101,900	0		
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. 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.					

### §3 Progress of significant events

#### 3.1 Placing of New H Shares Under the Specific Mandate

The Company held the 31th meeting of the ninth session of the board of directors on July 27 2022, at which it reviewed and approved the “Proposal on the Company’s Newly Issuance of H Shares”. The Company plans to pay RMB 1 per share to W.H.B.D (HK) Technology Limited issued RMB90 million H shares and raised a total of RMB90 million. For details, please refer to the “Announcement on Resolutions of the 31th Meeting of the Ninth Session of the Board of Directors”

and the “ Announcement on Issue of New H Shares Under the Specific Mandate” disclosed by the Company on July 27 2022.

### 3.2 Progress of material litigation

The litigation on the application made by Fushun Electric Porcelain Manufacturing Co., Ltd. (the “Fushun Electric Porcelain”) for adjudicating NEE as a person subject to enforcement

The plaintiff, Fushun Electric Porcelain, and the third party, New Northeast Electric (Shenyang) High-voltage Insulation Switches Co., Ltd. (the “Insulation Switches Company”), had a contract dispute, and the Fushun Intermediate People’s Court ruled that Insulation Switches Company should pay Fushun Electric Porcelain the processing fee of RMB 11,258,221.34 and interest. Because Insulation Switches Company failed to perform, the plaintiff Fushun Electric Porcelain applied to add its shareholders Shenyang High Voltage Switchgear Co., Ltd. (the “Shenyang High Voltage Switchgear”) and Northeast Electric as the persons subject to enforcement. Hainan First Intermediate People’s Court ruled to add Shenyang High Voltage Switchgear Co., Ltd. as the person subject to execution, and rejected its request to add Northeast Electric as the person subject to execution. Now, Fushun Electric Porcelain has filed another lawsuit in this case, claiming that “the shareholder damages the Company’s creditors’ interests and liability disputes”, requiring Northeast Electric to bear joint and several liability for Shenyang High Voltage Switchgear’s debts. Currently, the case is still under trial. For details, please refer to the Announcement Involving Litigation dated July 15 2022.

## §4 Quarterly Financial Statements (Unaudited)

### ( i ) Financial Statement

#### 1. Consolidated Balance Sheet

Prepared by: Northeast Electric Development Co., Ltd.

30 September 2022

Unit: RMB

Item	Closing balance	Opening balance
<b>Current assets:</b>		
Monetary funds	19,121,289.23	18,645,415.83
Deposit Reservation for Balance		
Lending funds		

Financial assets held for trading		
Derivative financial assets		
Notes receivable	281,450.00	
Accounts receivable	63,595,427.45	55,336,307.45
Receivables financing		
Advances to suppliers	2,818,810.15	2,563,355.39
Receivable premium		
Reinsurance accounts receivable		
Provision of cession receivable		
Other receivables	26,700,326.09	27,961,945.29
Including: Interests receivable		
Dividends receivable		
Redemptory monetary capital for sale		
Inventories	18,521,451.12	14,795,944.05
Contract assets		
Held-for-sale assets		
Non-current assets due within one year		
Other current assets	1,354,809.42	1,367,430.85
<b>Total current assets</b>	<b>132,393,563.46</b>	<b>120,670,398.86</b>
<b>Non-current assets:</b>		
Issuing loans and advances		
Debt investments		
Other debt investments		
Long-term receivables		
Long-term equity investments		
Other equity instrument investments		
Other non-current financial assets		
Investment properties		
Fixed assets	39,848,553.32	42,179,538.52
Construction in progress		
Biological assets held for production		
Oil and gas assets		
Right-of-use assets	2,730,238.91	19,763,670.18
Intangible assets	11,616,267.28	11,814,271.87
Development expenditure		
Goodwill		
Long-term deferred charges		
Deferred income tax assets		
Other non-current assets		
<b>Total non-current assets</b>	<b>54,195,059.51</b>	<b>73,757,480.57</b>
<b>Total asset</b>	<b>186,588,622.97</b>	<b>194,427,879.43</b>
<b>Current liabilities:</b>		
Short-term borrowings		
Borrowings from central bank		

Loans from other banks and other financial institutions		
Financial liabilities held for trading		
Derivative financial liabilities		
Notes payable		
Accounts payable	41,956,189.03	38,380,570.47
Advances from customers		
Contract liabilities	20,701,463.73	14,134,307.20
Sell to repurchase financial assets		
Deposits from customers and interbank		
Receivings from vicariously traded securities		
Receivings from vicariously sold securities		
Employment benefits payable	6,883,921.04	8,835,266.49
Taxes and fees payable	3,813,395.53	3,938,416.15
Other payables	208,888,204.86	191,146,104.42
Including: Interests payable		
Dividends payable		
Charges and commissions payable		
Dividend payable for reinsurance		
Held-for-sale liabilities		
Non-current liabilities due within one year	19,265,680.56	33,966,281.82
Other current liabilities	1,564,744.20	1,173,384.17
<b>Total current liabilities</b>	<b>303,073,598.95</b>	<b>291,574,330.72</b>
<b>Non-current liabilities:</b>		
Reserve fund for insurance contracts		
Long-term borrowings		
Debt instruments payable		
Including: Preferred shares		
Perpetual bonds		
Lease liabilities		
Long-term payables		
Long-term employee benefits payable		
Provisions	34,354,500.00	34,354,500.00
Deferred income	34,591,183.71	36,035,084.94
Deferred income tax liabilities		
Other non-current liabilities		
<b>Total non-current liabilities</b>	<b>68,945,683.71</b>	<b>70,389,584.94</b>
<b>Total liabilities</b>	<b>372,019,282.66</b>	<b>361,963,915.66</b>
<b>Shareholders' equity:</b>		
Share capital	873,370,000.00	873,370,000.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserves	1,083,997,337.88	1,083,997,337.88

Less: Treasury stock		
Other comprehensive income	-257,766,695.01	-257,936,882.03
Designated reserves		
Surplus reserves	108,587,124.40	108,587,124.40
General risk provision		
Retained earnings	-1,995,700,595.92	-1,977,714,664.18
Total equity attributable to shareholders of the Parent	-187,512,828.65	-169,697,083.93
Minority interests	2,082,168.96	2,161,047.70
<b>Total shareholders' equity</b>	-185,430,659.69	-167,536,036.23
<b>Total liabilities and shareholders' equity</b>	186,588,622.97	194,427,879.43

## 2. Consolidated Income Statement of the Reporting Period

Unit: RMB

Item	Closing balance	Opening balance
Current assets:		
Monetary funds	38,844.77	18,629.59
Financial assets held for trading		
Derivative financial assets		
Notes receivable		
Accounts receivable		
Receivables financing		
Advances to suppliers		
Other receivables	249,224,890.82	252,990,813.19
Including: Interests receivable		
Dividends receivable		
Redemptory monetary capital for sale		
Inventory		
Contract assets		
Redemptory monetary capital for sale		
Non-current assets due within one year		
Other current assets	609,433.66	609,433.66
Total current assets	249,873,169.25	253,618,876.44
Non-current assets:		
Debt investments		
Other debt investments		
Long-term receivables		
Long-term equity investments	56,436,473.03	56,436,473.03
Other equity instrument investments		
Other non-current financial assets		
Investment properties		
Fixed assets	17,329.75	19,647.16
Construction in progress		

Biological assets held for production		
Oil and gas assets		
Right-of-use assets		
Intangible assets		
Development expenditure		
Goodwill		
Long-term deferred charges		
Deferred income tax assets		
Other non-current assets		
Total non-current assets	56,453,802.78	56,456,120.19
Total asset	306,326,972.03	310,074,996.63
Current liabilities:		
Short-term borrowings		
Financial liabilities held for trading		
Derivative financial liabilities		
Notes payable		
Accounts payable		
Advances from customers		
Contract liabilities	581,743.59	581,743.59
Sell to repurchase financial assets		
Employment benefits payable	3,120,051.03	3,672,991.60
Taxes and fees payable	204,209.23	201,338.00
Other payables	162,902,639.28	163,325,829.29
Including: Interests payable		
Dividends payable		
Held-for-sale liabilities		
Non-current liabilities due within one year		
Other current liabilities		
Total current liabilities	166,808,643.13	167,781,902.48
Non-current liabilities:		
Long-term borrowings		
Debt instruments payable		
Including: Preferred shares		
Other payables		
Lease liabilities		
Long-term payables		
Long-term employee benefits payable		
Provisions	34,354,500.00	34,354,500.00
Deferred income		
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities	34,354,500.00	34,354,500.00
Total liabilities	201,163,143.13	202,136,402.48
Shareholders' equity:		

Share capital	873,370,000.00	873,370,000.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserves	996,869,700.23	996,869,700.23
Less: Treasury stock		
Other comprehensive income		
Designated reserves		
Surplus reserves	108,587,124.40	108,587,124.40
General risk provision		
Retained earnings	-1,873,662,995.73	-1,870,888,230.48
Total shareholders' equity	105,163,828.90	107,938,594.15
Total liabilities and shareholders' equity	306,326,972.03	310,074,996.63

### 3. Consolidated Cash Flow Statement from Beginning of the Year to End of the Reporting Period

Unit: RMB

Item	From July to September 2022	From July to September 2021	From January to September 2022	From January to September 2021
<b>I. Total operating income</b>	<b>32,048,195.98</b>	<b>33,253,582.08</b>	<b>68,446,990.84</b>	<b>61,699,919.28</b>
Including: Revenue from operation	32,048,195.98	33,253,582.08	68,446,990.84	61,699,919.28
Interest income				
The premium has been made				
Fee and commission income				
<b>II. Total operating costs</b>	<b>34,028,442.91</b>	<b>35,797,006.42</b>	<b>89,860,122.82</b>	<b>76,996,328.17</b>
Including: Cost for operation	21,422,383.08	17,779,885.53	50,518,532.29	37,109,018.69
Interest expense				
Service charge and commission fee				
Surrender value				
Net payments for insurance claims				
Draw the net insurance liability reserve				
Bond insurance expense				
Reinsurance expenses				
Taxes and surcharges	96,794.74	247,077.57	488,896.27	570,314.13

Selling expenses	6,438,488.71	6,485,026.20	14,041,103.22	17,127,770.18
Administrative expenses	6,109,983.07	10,154,182.58	22,082,653.59	19,804,786.57
Research and development expenses	1,258,807.03	705,647.76	2,495,333.09	1,434,508.79
Financial costs	-1,298,013.72	425,186.78	233,604.36	949,929.81
Including: Interest expense	-390,646.47		1,099,733.56	897,073.50
Interest income	-26,431.73		-43,357.29	-40,495.28
Add: Other income	1,015,795.46	481,300.41	2,435,707.83	1,371,092.55
Investment income (loss presented with “-” prefix)				
Including: Investment income from associates and joint ventures				
Gain on derecognition of financial assets measured at amortized cost				
Exchange earning (loss presented with “-” prefix)				
Net open hedge income (loss presented with “-” prefix)				
Gain from changes in fair value (loss presented with “-” prefix)				
Credit impairment loss (loss presented with “-” prefix)				
Asset impairment loss (loss presented with “-” prefix)	-4,451.22	-12,459.78		-12,459.78
Gain on disposal of assets (loss presented by “-” prefix)				
<b>III. Profit from operation (loss presented with “-” prefix)</b>	<b>-968,902.69</b>	<b>-2,074,583.71</b>	<b>-18,977,424.15</b>	<b>-13,937,776.12</b>
Add: Non-operating income	824,269.89	37,770,120.98	952,911.18	37,780,383.01
Less: Non-operating expenses	47,679.43	210.58	48,258.00	833.43
<b>IV. Total profits (total loss presented with “-” prefix)</b>	<b>-192,312.23</b>	<b>35,695,326.69</b>	<b>-18,072,770.97</b>	<b>23,841,773.46</b>
Less: Income tax expenses	-	-	-7,960.49	-
<b>V. Net profit (net loss)</b>	<b>-192,312.23</b>	<b>35,695,326.69</b>	<b>-18,064,810.48</b>	<b>23,841,773.46</b>

<b>presented with “-” prefix)</b>				
Include: the net profit realized by the merged party before the merger				
A. Classified by business continuity	-	-	-	-
1. Net profit from continued operations (net loss presented with “-” prefix)	-192,312.23	35,695,326.69	-18,064,810.48	23,841,773.46
2. Net profit from discontinued operations (net loss presented with “-” prefix)				
B. Classified by ownership	-	-	-	-
1. Net profit attributable to shareholders of the Parent (net loss presented with “-” prefix)	21,921.89	16,451.80	-78,878.74	-17,396.40
2. Profits and losses attributable to minority interests (net loss presented with “-” prefix)	-214,234.12	35,678,874.89	-17,985,931.74	23,859,169.86
<b>VI. Net after-tax other comprehensive income</b>	-1,113,212.37	-446,747.40	170,187.02	-165,283.77
A. Net after-tax other comprehensive income attributable to shareholders of the Parent	-1,113,212.37	-446,747.40	170,187.02	-165,283.77
1. Other comprehensive income not reclassification to profit or loss				
(1) Remeasurement of changes in defined benefit plans				
(2) Other comprehensive income of non-convertible profit and loss under the equity method				
(3) Changes in fair value of other equity instruments investment				
(4) Changes in fair value of the company’s own credit risk				
(5) Others				
2. Other comprehensive income reclassification to	-1,113,212.37	-446,747.40	170,187.02	-165,283.77

profit or loss				
(1) Other comprehensive income of convertible profit and loss under the equity method				
(2) Changes in fair value of other debt investments				
(3) The amount of financial assets reclassified into other comprehensive income				
(4) Other debt investment credit impairment provisions				
(5) Cash flow hedge reserve				
(6) Exchange difference on translation of foreign financial statements	-1,113,212.37	-446,747.40	170,187.02	-165,283.77
(7) Others				
B. Net after-tax other comprehensive income attributable to minority interests				
<b>VII. Total comprehensive income</b>	-1,113,212.37	-446,747.40	-17,894,623.46	23,676,489.69
A. Total comprehensive income attributable to shareholders of the Parent	-1,113,212.37	-446,747.40	-17,815,744.72	23,693,886.09
B. Total comprehensive income attributable to minority interests	-1,113,212.37	-446,747.40	-78,878.74	-17,396.40
<b>VIII. Earning per share:</b>				
A. Basic earning per share (RMB per share)	-0.0002	0.0409	-0.0207	0.0273
B. Diluted earning per share (RMB per share)	-0.0002	0.0409	-0.0207	0.0273

#### 4. Parent company income statement

Unit: RMB

Item	From July to September 2022	From July to September 2021	From January to September 2022	From January to September 2021
<b>I. Revenue from operation</b>				
Less: Cost for operation				
Taxes and surcharges				
Selling expenses				

Administrative expenses	988,450.95	1,550,851.72	2,816,864.56	4,954,299.05
Research and development expenses				
Financial costs	759.44	2,476.38	2,092.57	4,156.64
Including: Interest expense				
Interest income				
Add: Other income				
Investment income (loss presented with “-” prefix)				
Including: Investment income from associates and joint ventures				
Gain on derecognition of financial assets measured at amortized cost				
Exchange gains(loss presented with “-” prefix)				
Net open hedge income (loss presented with “-” prefix)				
Gain from changes in fair value (loss presented with “-” prefix)				
Credit impairment loss (loss presented with “-” prefix)				
Asset impairment loss (loss presented with “-” prefix)				
Gain on disposal of assets (loss presented by “-” prefix)				
<b>II. Profit from operation (loss presented with “-” prefix)</b>	<b>-989,210.39</b>	<b>-1,553,328.10</b>	<b>-2,818,957.13</b>	<b>-4,958,455.69</b>
Add: Non-operating income	16,624.33	37,745,190.00	44,191.88	37,745,190.00
Less: Non-operating expenses	-	5.12	-	118.65
<b>III. Total profits (total loss presented with “-” prefix)</b>	<b>-972,586.06</b>	<b>36,191,856.78</b>	<b>-2,774,765.25</b>	<b>32,786,615.66</b>
Less: Income tax expenses				
<b>IV. Net profit (net loss presented with “-” prefix)</b>	<b>-972,586.06</b>	<b>36,191,856.78</b>	<b>-2,774,765.25</b>	<b>32,786,615.66</b>
1. Net profit from continued operations (net loss presented with “-” prefix)	-972,586.06	36,191,856.78	-2,774,765.25	32,786,615.66
2. Net profit from discontinued operations (net loss presented with “-” prefix)				
<b>V. Net after-tax other comprehensive income</b>				

1. Other comprehensive income not reclassifiable to profit or loss				
(1) Remeasurement of changes in defined benefit plans				
(2) Other comprehensive income of non-convertible profit and loss under the equity method				
(3) Changes in fair value of other equity instruments investment				
(4) Changes in fair value of the company's own credit risk				
(5) Others				
2. Other comprehensive income reclassification to profit or loss				
(1) Other comprehensive income of convertible profit and loss under the equity method				
(2) Changes in fair value of other debt investments				
(3) The amount of financial assets reclassified into other comprehensive income				
(4) Other debt investment credit impairment provisions				
(5) Cash flow hedge reserve				
(6) Exchange difference on translation of foreign financial statements				
(7) Others				
<b>VI. Total comprehensive income</b>	-972,586.06	36,191,856.78	-2,774,765.25	32,786,615.66
<b>VII. Earning per share:</b>				
A. Basic earning per share (RMB per share)	-0.0011	0.0414	-0.0032	0.0375
B. Diluted earning per share (RMB per share)	-0.0011	0.0414	-0.0032	0.0375

5. Consolidated statement of cash flow

Unit: RMB

Item	Amount for current year	Amount for last year
<b>I. Cash flows from operating activities:</b>		
Cash received for sales of goods and rendering of services	139,436,756.35	50,433,384.24
Net increase in customer deposits and interbank		

deposits		
Net increase in borrowing from the central bank		
Net increase in funds borrowed from other financial institutions		
Cash received from the original insurance contract premium		
Net cash received from reinsurance operations		
Net increase in policyholders' savings and investment funds		
Cash for interest, fees and commissions		
Net increase in borrowed funds		
Net increase in repurchase business funds		
Net cash received from agents buying and selling securities		
Tax refund received	340,838.07	133,085.13
Other cash receipts relating to operating activities	9,349,693.94	11,861,710.19
<b>Cash inflows from operating activities (subtotal)</b>	<b>149,127,288.36</b>	<b>62,428,179.56</b>
Cash payments for purchase of goods and services	95,455,174.86	31,825,960.77
Net increase in loans and advances to customers		
Net increase in deposits with central banks and inter banks		
Cash to pay the original insurance contract compensation		
Net increase in financial assets held for trading purposes		
Net increase in borrowed funds		
Cash for interest, fees and commissions		
Cash to pay policy dividends		
Cash paid to or on behalf of employees	35,678,110.83	15,831,120.64
Taxes and fees paid	1,817,800.72	1,829,174.41
Other cash payments relating to operating activities	26,550,260.47	12,994,280.97
<b>Cash outflows for operating activities (subtotal)</b>	<b>159,501,346.88</b>	<b>62,480,536.79</b>
<b>Net cash flows from operating activities</b>	<b>-10,374,058.52</b>	<b>-52,357.23</b>
<b>II. Cash flows from investing activities:</b>		
Cash received from investment withdrawal		
Cash received from investment income		
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	7,540,000.00	5,500,000.00
Net cash received from disposal of subsidiaries and other business units		

Other cash receipts relating to investing activities		
<b>Cash inflows from investing activities (subtotal)</b>	7,540,000.00	5,500,000.00
Cash paid for purchase or construction of fixed assets, intangibles assets and other long-term assets	107,555.00	
Cash paid for investment		
Net increase in mortgage loans		
Net cash paid for acquisition of subsidiaries and other business units		
Other cash payments relating to investing activities		
<b>Cash outflows for investing activities (subtotal)</b>	107,555.00	-
<b>Net cash flows from investing activities</b>	7,432,445.00	5,500,000.00
<b>III. Cash flows from financing activities:</b>		
Cash received from investors		
Including: Cash received by subsidiaries from investments of minority shareholders		
Cash received from loans raised		
Cash received from bond issuance		
Other cash receipts relating to financing activities		
<b>Cash inflows from financing activities (subtotal)</b>		
Cash paid for debt repayment		
Cash paid for dividends, profit distribution and interests		
Including: Dividends and profits paid by subsidiaries to minority shareholders		
Other cash payments relating to financing activities		
<b>Cash outflows for financing activities (subtotal)</b>		
<b>Net cash flows from financing activities</b>		
<b>IV. Impact of change of foreign exchange rates on cash and cash equivalents</b>	92,049.77	41,827.81
<b>V. Net increase of cash and cash equivalents</b>	-2,849,563.75	5,489,470.58
Add: cash and cash equivalents opening balance	18,645,415.83	8,535,909.71
<b>VI. Cash and cash equivalents closing balance</b>	15,795,852.08	14,025,380.29

6. Statement of cash flow of parent company

Unit: RMB

Item	Amount for	Amount for
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	current year	last year
<b>I. Cash flows from operating activities:</b>		
Cash received for sales of goods and rendering of services		
Tax refund received		
Other cash receipts relating to operating activities	3,815,954.37	4,437,286.21
<b>Cash inflows from operating activities (subtotal)</b>	3,815,954.37	4,437,286.21
Cash payments for purchase of goods and services		
Cash paid to or on behalf of employees	3,388,798.27	2,856,219.09
Taxes and fees paid	-	-
Other cash payments relating to operating activities	406,940.92	1,515,926.26
<b>Cash outflows for operating activities (subtotal)</b>	3,795,739.19	4,372,145.35
<b>Net cash flows from operating activities</b>	20,215.18	65,140.86
<b>II. Cash flows from investing activities:</b>		
Cash received from investment withdrawal		
Cash received from investment income		
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		
Net cash received from disposal of subsidiaries and other business units		
Other cash receipts relating to investing activities		
<b>Cash inflows from investing activities (subtotal)</b>		
Cash paid for purchase or construction of fixed assets, intangibles assets and other long-term assets		
Cash paid for investment		
Net cash paid for acquisition of subsidiaries and other business units		
Other cash payments relating to investing activities		
<b>Cash outflows for investing activities (subtotal)</b>		
<b>Net cash flows from investing activities</b>		
<b>Cash flows from financing activities:</b>		
Cash received from investors		
Cash received from loans raised		
Cash received from bond issuance		

Other cash receipts relating to financing activities		
<b>Cash inflows from financing activities (subtotal)</b>		
Cash paid for debt repayment		
Cash paid for dividends, profit distribution and interests		
Other cash payments relating to financing activities		
<b>Cash outflows for financing activities (subtotal)</b>		
<b>Net cash flows from financing activities</b>		
<b>IV. Impact of change of foreign exchange rates on cash and cash equivalents</b>		
<b>V. Net increase of cash and cash equivalents</b>	20,215.18	65,140.86
Add: cash and cash equivalents opening balance	18,629.59	1,683.02
<b>VI. Cash and cash equivalents closing balance</b>	38,844.77	66,823.88

The Company's Chairman:  
Shang Duoxu

Chief Financial Officer:  
Mi Hongjie

Head of Accounting Department:  
JinMuhan

**( ii ) Audit Report**

Whether the third quarterly report has been audited

Yes  No

The Company's third quarterly report is unaudited.

By order of the Board

**Shang Duoxu**

Chairman

Haikou, Hainan Province, the PRC

28 October 2022

*As at the date of this Announcement, the Board comprises of three executive Directors, namely Mr. Shang Duoxu, Mr. Su Weiguo and Mr. Mi Hongjie; and three independent non-executive Directors, namely Mr. Fang Guangrong, Mr. Wang Hongyu and Mr. Li Zhengning.*

*\* For identification purpose only*