
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This circular is for information purpose only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities of **NORTHEAST ELECTRIC DEVELOPMENT CO., LTD.**

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **NORTHEAST ELECTRIC DEVELOPMENT CO., LTD.**, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was affected for transmission to the purchaser or transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



東北電氣發展股份有限公司

NEE

NORTHEAST ELECTRIC DEVELOPMENT CO.,LTD.

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

(Stock Code: 0042)

(1) PLACING OF NEW H SHARES UNDER THE SPECIFIC MANDATE

(2) AMENDMENT OF ARTICLES

(3) NOTICE OF EGM

(4) NOTICE OF H SHAREHOLDERS CLASS MEETING

AND

(5) NOTICE OF A SHAREHOLDERS CLASS MEETING



Placing Agent

Notices convening an extraordinary general meeting (“**EGM**”) of the shareholders of the Northeast Electric Development Co., Ltd. (the “**Company**”) and separate class meetings (“**Class Meetings**”) of holders of H Shares and holders of A Shares of the Company to be held at the Conference Room, Floor 23, Building 4, No.9 East Taihu Road, Xinbei District, Changzhou City, Jiangsu Province, the PRC on 5 June 2017 (Monday) at 2:00 p.m., 2:30 p. m., and 3:00 p.m., respectively, are set out on pages 16 to 21 of this circular.

If you intend to attend the EGM and Class Meetings, please complete and return the reply slip in accordance with the instructions printed thereon as soon as possible and in any event no later than 4:30 p.m. on 5 May 2017 (Friday).

Whether or not you propose to attend the EGM and Class Meetings, you are requested to complete the enclosed proxy form in accordance with the instructions printed thereon and return the same to the Company (in case of any holders of A Shares) or Company's H Share registrar in Hong Kong, Boardroom Share Registrars (HK) Limited, at 31/F, 148 Electric Road, North Point, Hong Kong (in case of any holders of H Shares) as soon as possible and in any event not later than 24 hours before the time appointed for holding of the EGM and Class Meetings or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the EGM and Class Meetings or any adjournment thereof should you so wish.

21 April 2017

CONTENTS

DEFINITIONS.....	i
LETTER FROM THE BOARD.....	4
APPENDIX I GENERAL INFORMATION.....	12
NOTICE OF THE EXTRAORDINARY GENERAL MEETING.....	16
NOTICE OF THE CLASS MEETING OF THE HOLDERS OF H SHARES.....	18
NOTICE OF THE CLASS MEETING OF THE HOLDERS OF A SHARES.....	20
NOTICE TO THE NOTICES OF GENERAL MEETINGS.....	22

DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“1st EGM”	the extraordinary general meeting of the Company convened and held on 6 March 2017
“A Shares”	the domestic shares of nominal value of RMB1.00 each in the share capital of the Company, which are listed on the Shenzhen Stock Exchange and subscribed for and traded in RMB
“Articles”	the memorandum and articles of association of the Company
“Beijing Haihongyuan”	Beijing Haihongyuan Investment Management Co., Ltd., a limited liability company established in the PRC and a substantial shareholder of the Company
“Board”	the board of Directors
“Business Day”	a day (excluding Saturday, Sunday, public holiday and any day on which a tropical cyclone warning no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 5:00 p.m. and is not lowered at or before 5:00 p.m. or on which a “black” rainstorm warning is hoisted or remains in effect between 9:00 a.m. and 5:00 p.m. and is not discontinued at or before 5:00 p.m.) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“Class Meetings”	the respective class meetings of the holders of H Shares and holders of A Shares to be convened and held for the purposes of approving, among other things, the Subscription Agreement and the transactions contemplated thereunder including the Specific Mandate
“Company”	Northeast Electric Development Co., Ltd. (東北電氣發展股份有限公司), a joint stock limited company incorporated in the PRC with limited liability, whose A Shares and H Shares are listed on the Shenzhen Stock Exchange and main board of the Stock Exchange, respectively
“Completion”	the completion of the Subscription Agreement
“Conditions”	conditions precedent to the Subscription Agreement as set out in the paragraph headed “Conditions precedent” in this circular
“Connected person”	has the meaning ascribed to it under the Listing Rules
“CSRC”	中國證券監督管理委員會(China Securities Regulatory Commission)
“Director(s)”	director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held for the purposes of approving, among other things, the Subscription Agreement and the transactions contemplated thereunder including the Specific Mandate
“Group”	the Company and its subsidiaries and the expression “Member of the Group” means any one of them
“H Shares”	the overseas listed foreign invested shares of nominal value of RMB1.00 each in the share capital of the Company, which are listed on the Stock Exchange and subscribed for and traded in HK\$

DEFINITIONS

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	21 April 2017, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Committee”	the listing sub-committee of the board of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	31 December 2017 or such other later date as the Parties may agree
“Material Adverse Change”	any incident, situation, effect or the happening of any incident or any state of any of them which has or is likely to have a material adverse effect on the assets, liabilities, businesses or financial position of the Group as a whole
“Material Adverse Effect”	any Material Adverse Change on the businesses, operations, assets, liabilities or financial position or prospect of the Group or any Member of the Group
“Old Subscription”	the subscription for the Old Subscription Shares by the Subscriber pursuant to the Old Subscription Agreement
“Old Subscription Agreement”	the Subscription Agreement dated 2 January 2017 and entered into between the Company and the Subscriber in respect of the Old Subscription, which was not approved by the requisite majority in the 1 st EGM and the A Shares Shareholders’ class meeting held on 6 March 2017
“Old Subscription Price”	HK\$2.35 per Old Subscription Share
“Old Subscription Shares”	a total of 136,170,212 new H Shares to be issued by the Company pursuant to the Old Subscription Agreement
“Parties”	the Company and the Subscriber, being parties to the Subscription Agreement
“PRC”	the People’s Republic of China and for the sole purpose of this announcement shall exclude Hong Kong, Macau Special Administrative Region of the People’s Republic of China and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“SFC”	the Securities and Futures Commission of Hong Kong
“Share(s)”	A Share(s) and H Share(s)
“Shareholder(s)”	holder(s) of the Share(s)
“Shenzhen Stock Exchange”	Shenzhen Stock Exchange
“Specific Mandate”	the specific mandate proposed to be granted to the Directors by the Shareholders at the EGM and Class Meetings to issue the Subscription Shares to the Subscriber pursuant to the Subscription Agreement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	HNA Hotel Group (Hong Kong) Company Limited (海航酒店集團(香港)有限公司), a company incorporated in Hong Kong with limited liability
“Subscription”	the subscription for the Subscription Shares by the Subscriber pursuant to the Subscription Agreement

DEFINITIONS

“Subscription Agreement”	the subscription agreement dated 5 April 2017 and entered into between the Company and the Subscriber in respect of the Subscription
“Subscription Price”	HK\$ 2.40 per Subscription Share
“Subscription Shares”	a total of 155,830,000 H Shares to be issued by the Company pursuant to the Subscription Agreement
“Supervisory Authority”	any relevant governmental department, administrative department, regulator, court, tribunal or arbitration centre including but not limited to CSRC, SFC, the Stock Exchange and the Shenzhen Stock Exchange
“US\$”	United States Dollars, the lawful currency of the United States of America
“%”	per cent.

For the purpose of this circular, unless otherwise indicated, the exchange rate of RMB1.00=HK\$1.111 has been used for currency translation. Such exchange rate is for the purpose of illustration only and does not constitute a representation that any amount in HK\$ or RMB have been, could have been or may be converted at such or any other rate at all.



東北電氣發展股份有限公司

NEE **NORTHEAST ELECTRIC DEVELOPMENT CO.,LTD.**

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

(Stock Code: 0042)

Directors:

Mr. Su Jianghua
Mr. Su Weiguo
Mr. Wang Zheng
Mr. Liu Jun
Mr. Li Min
Mr. Feng Xiaoyu

Registered Office:

23/F, Building 4, No. 9 East Taihu Road, Xinbei
District, Changzhou City
Jiangsu Province
The People's Republic of China

Independent Non-executive Directors:

Mr. Zhang Luyang
Mr. Jin Wenhong
Mr. Qian Fengsheng

Head office and principal place of business in Hong Kong:

Rooms 801 and 803, 8/F, Beverly House,
93-107 Lockhart Road, Wanchai,
Hong Kong

To Shareholders

Dear Sirs or Madams,

**PLACING OF NEW H SHARES
UNDER THE SPECIFIC MANDATE**



Placing Agent

Introduction

Reference is made to (a) the announcements of the Company dated 2 January 2017, 3 January 2017 and 6 March 2017 and circular dated 19 January 2017 in relation to the Old Subscription, and (b) the announcement of the Company dated 5 April 2017, whereby it was announced that on 5 April 2017, the Company and the Subscriber entered into the Subscription Agreement, pursuant to which the Subscriber conditionally agreed to subscribe for, and the Company conditionally agreed to allot and issue, the Subscription Shares at the Subscription Price of HK\$2.40 per Subscription Share.

The Subscription Agreement was entered into between the Parties after negotiation subsequent to the resolutions relating to the Old Subscription not being passed by the A Shares Shareholders at the 1st EGM and A Shareholders' class meeting of the Company held on 6 March 2017.

The purpose of this circular is to give you further information regarding the Subscription which is reasonably necessary to enable you to make an informed decision as to whether to vote in favour of the resolution(s) proposed at the EGM and the Class Meetings.

LETTER FROM THE BOARD

THE SUBSCRIPTION AGREEMENT

Set out below are the salient terms of the Subscription Agreement:

Date: 5 April 2017

Parties: (1) The Company as issuer
(2) The Subscriber as subscriber

To the best of the Company's knowledge, information and belief, and having made all reasonable enquiries, the Subscriber and its beneficial owners are not connected persons (as defined in the Listing Rules) of the Company and are independent of the Company or any connected person of the Company.

Number of Subscription Shares

The Subscription Shares are 155,830,000 new H Shares to be allotted and issued by the Company. The Subscription Shares represent 60.41% and 17.84% of the total issued H Shares and the total issued Shares as at the date of the Subscription Agreement, respectively, and approximately 37.66% of the total issued H Shares and 15.14% of the total issued Shares as enlarged by the issue of the Subscription Shares. The aggregate nominal value of the Subscription Shares will be RMB155,830,000.

Subscription Price

The Subscription Price of HK\$2.40 per Subscription represents:

- (i) the closing price of HK\$2.40 per H Share as quoted on the Stock Exchange on 3 April 2017, being the last trading day prior to the date of the Subscription Agreement;
- (ii) a discount of approximately 1.56% to the average closing price of HK\$2.438 per H Share as quoted on the Stock Exchange for the last 5 trading days prior to the date of the Subscription Agreement;
- (iii) a discount of approximately 4.99% to the average closing price of HK\$2.526 per H Share as quoted on the Stock Exchange for the last 20 trading days prior to the date of the Subscription Agreement; and
- (iv) a premium of approximately 830.23% to the net asset value per Share of HK\$0.258 (RMB0.232) as at 31 December 2016.

The Subscription Price was determined after arm's length negotiation between the Company and the Subscriber which has taken into account recent market prices of the H Shares and the current market conditions.

Conditions precedent

Completion will be conditional upon the following Conditions having been fulfilled or waived (if applicable):

- (1) the CSRC having granted approval for the issue and allotment of the Subscription Shares by the Company to the Subscriber;
- (2) the Shareholders having passed special resolution(s) to approve the Subscription Agreement and the transactions contemplated thereunder at the EGM and Class Meetings;
- (3) the Listing Committee having granted the listing of, and permission to deal in, the Subscription Shares;

LETTER FROM THE BOARD

- (4) all warranties given by the Company in the Subscription Agreement being true, accurate and not misleading in all material respects from the date of the Subscription Agreement up to Completion;
- (5) from the date of the Subscription Agreement to the date of Completion, A Shares continue to list and trade on the Shenzhen Stock Exchange and H Shares continue to list and trade on the Stock Exchange (save for the suspension of trading as a result of the Subscription Agreement and the transactions contemplated thereunder or other suspensions which last for not more than 10 trading days) and there is no notice prior to Completion from the Shenzhen Stock Exchange or the Stock Exchange indicating the Shares will or may be delisted from the Shenzhen Stock Exchange or the Stock Exchange;
- (6) at Completion, there is no order made by the Supervisory Authority to any Party which restrains it from proceeding with Completion;
- (7) from the date of the Subscription Agreement, there is no (i) Material Adverse Effect; or (ii) no change in the laws of those jurisdictions in which Members of the Group operate which has Material Adverse Change on the Group as a whole; and
- (8) the Company has fulfilled all of its obligations under the Subscription Agreement.

If any of such Conditions shall not have been fulfilled or waived by the Company and the Subscriber (save for Conditions (1), (2), (3) and (6) which cannot be waived) on or before the Long Stop Date, the obligations and liabilities of the Subscriber and the Company under the Subscription Agreement shall be null and void and neither the Company nor the Subscriber shall have any claim, whatsoever, against the other for costs, damages, compensation or otherwise.

Completion

Completion shall take place on the 5th Business Day after the day on which the last of the Conditions is fulfilled or waived (or such later date as the Parties may agree in writing).

TERMINATION

The Company and the Subscriber agreed to terminate the Old Subscription Agreement.

SPECIFIC MANDATE TO ISSUE THE SUBSCRIPTION SHARES

Subject to the Shareholders having passed special resolution(s) to approve the Subscription Agreement and the transactions contemplated thereunder at the EGM and Class Meetings and fulfillment of other conditions precedent, the Subscription Shares will be allotted and issued by the Company pursuant to the Specific Mandate. Pursuant to the Specific Mandate, the Board will be authorised to allot and issue up to 155,830,000 new H Shares.

REGULATORY AND CORPORATE APPROVALS

The Company will obtain the necessary PRC regulatory approval for the Subscription, being the approval from the CSRC, as well as the necessary corporate approvals, being the Specific Mandate and the relevant Board approval.

RANKING OF THE SUBSCRIPTION SHARES

The Subscription Shares will rank *pari passu* in all respects with the H Shares in issue on the date of allotment and issue of the Subscription Shares, including the right to receive all dividends and distributions declared, and issue of the Subscription Shares, including the right to receive all dividends and distributions declared, made or paid on or after the date of allotment and issue of the Subscription Shares.

LETTER FROM THE BOARD

REASONS FOR AND BENEFITS OF THE SUBSCRIPTION

The Directors consider that the Subscription represents an opportunity to raise capital for the Company while broadening capital base of the Company. The Subscription will replenish the capital of the Company timely and promote the rapid development of its business. The Directors consider that the terms of the Subscription Agreement are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

The Directors consider that the Subscription Price, which represents an increase of approximately 2.13% to the Old Subscription Price, could reflect the recent market prices of H Shares and the latest market condition after the 1st EGM and the A Shares Shareholders' class meeting of the Company held on 6 March 2017.

THE IMPACT OF THE H SHARES AND THE SHAREHOLDING STRUCTURE OF THE COMPANY AFTER ISSUING AND LISTING OF THE SUBSCRIPTION SHARES

Assuming that: (1) the issuing and the proposed Specific Mandate of H shares are granted by the shareholders at the General Meeting and Class Meetings; (2) the Board issues new H shares according to the maximum amount authorized; (3) all conditions for the issue and placing of new H Shares have been satisfied; and (4) the maximum of 155,830,000 new H Shares are issued, the possible changes in the share capital and shareholding structure of the Company will be as follows:

Class of Shares	The H shares and shareholding structure of the Company before issuing and listing of Subscription Shares		The H shares and shareholding structure of the Company after issuing and listing of Subscription Shares	
	Shareholding number	Shareholding percentage (%)	Shareholding number	Shareholding percentage (%)
A Shares	615,420,000	70.46	615,420,000	59.80
-Beijing Haihongyuan Investment Management Co., Ltd. <i>(Note 1)</i>	81,494,850	9.33	81,494,850	7.92
-Public holders of A Shares	533,925,150	61.13	533,925,150	51.88
H Shares	257,950,000	29.54	413,780,000	40.20
-H Shares in issue	257,950,000	29.54	257,950,000	25.06
-New H Shares	–	–	155,830,000	15.14
(HNA Hotel Group (Hong Kong) Co., Ltd.				
Total	873,370,000	100.00	1,029,200,000	100.00

LETTER FROM THE BOARD

Note 1:

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, such Shares are held by Beijing Haihongyuan, which is owned as to 100% by 海航旅遊集團有限公司 (HNA Tourism Group Limited), which in turn is owned as to 94.29% by HNA Group, which in turn is owned as to 70% by Hainan Traffic Administration Holding Company Limited (海南交管控股有限公司), which in turn is owned as to 50% owned by Tang Dynasty Development (Yangpu) Company Limited (盛唐發展(洋浦)有限公司), which in turn is owned as to 65% by Hainan Province Cihang Foundation (海南省慈航公益基金會). Upon completion, HNA Group will indirectly hold 7.92% of our issued Shares as A shares and 15.14% of our issued Shares as H Shares.

USE OF PROCEEDS

The gross proceeds from the Subscription will be approximately HK\$374 million and the net proceeds (after deducting all applicable costs and expenses, including commission and levies) will be approximately HK\$363 million. On such basis, the net price per Subscription Share will be approximately HK\$2.33. The net proceeds from the Subscription are intended to be used to replenish the capital of the Company, among which, (i) approximately HK\$34 million (9%) will be used for repaying the bank loans and other borrowings; (ii) approximately HK\$160 million (44%) will be used for purchasing real properties for uses by the Group as headquarters and/or regional offices; and (iii) approximately HK\$169 million (47%) shall be used to replenish the working capital of the Company.

As at 20 April 2017, the Group had bank borrowings of approximately RMB9 million (equivalent to approximately HK\$9.99 million). The interest rates of the Group's bank borrowings range from 5.66% per annum to 7% per annum. The Group may apply a portion of the net proceeds to repay part of the existing indebtedness of the Group in order to reduce the interest to be incurred by the Group.

The Directors believe that acquiring real properties for uses by the Group as headquarters and/or regional offices will allow the Group to underpin the Group's expansion in the PRC and to establish a physical presence at such location(s). The Group has been actively locating real properties location for uses by the Group in certain cities in the PRC such as Shanghai and Beijing. As at the Latest Practicable Date, the Group had yet to execute any legally-binding agreements with any parties in this regard. If any opportunity in acquisition of real properties materialises, the Company will issue an announcement in accordance with the Listing Rules as and when appropriate.

EQUITY FUND RAISING ACTIVITIES IN THE PAST 12 MONTHS

Save for the Old Subscription Agreement which has been terminated and not completed, the Company has not conducted any equity fund raising activity in the 12 months preceding the Latest Practicable Date.

APPLICATION FOR LISTING

Subject to the Shareholders having passed special resolution(s) to approve the Subscription Agreement and the transactions contemplated thereunder at the EGM and Class Meetings, application will be made to the Listing Committee for listing of, and permission to deal in, the Subscription Shares on the Stock Exchange.

INFORMATION OF THE SUBSCRIBER

The Subscriber was incorporated in Hong Kong as a company with limited liability and is an investment holding company to hold the Subscription Shares. It is deemed to be controlled by HNA Group Co., Ltd. ("HNA Group"). HNA Group is a PRC conglomerate encompassing core divisions of tourism, holding, capital, logistics and EcoTech. According to the Fortune Global 500 ranking released by the U.S. "Fortune" magazine in 2015, HNA Group ranked No. 464 among all companies in the world, with an annual revenue of over US\$25.6 billion. In July 2016, HNA Group was listed among Fortune Global 500 once again, ranking No. 353 with annual revenue of approximately US\$29.56 billion. The ranking rose by 111 positions compared with the previous year.

LETTER FROM THE BOARD

APPOINTMENT OF PLACING AGENT

The Company has appointed Haitong International Securities Company Limited, which is independent of the Company or any connected person of the Company, as placing agent to the Subscription. Pursuant to the placing agent agreement entered into between the Company and Haitong International Securities Company Limited on 28 December 2016 as supplemented by a supplemental agreement dated 5 April 2017, Haitong International Securities Company Limited shall be entitled to a placing fee of up to HK\$4.5 million.

PROPOSED AMENDMENTS TO THE ARTICLES

The Board proposes to amend the Articles to reflect, among others, the changes in the total number of issued Shares and H Shares after the Subscription. The Board also proposes to adopt a new set of amended and restated Articles containing the aforesaid proposed amendments to the Articles in substitution for and to the exclusion of the existing Articles.

The proposed amendments to the Articles are as follows:

(i) Existing article 18 of the Articles:

“Upon the approval of the company supervisory department authorised by the State Council, the total number of ordinary shares which may be issued by the Company is 873,370,000 shares, the nominal value of each share being RMB 1, of which:

(i) A shares total 615,420,000 shares, accounting for 70.46% of the total share capital of the Company;

(ii) H shares total 257,950,000 shares, accounting for 29.54% of the total share capital of the Company. ”

It is proposed that the existing article 18 be deleted in its entirety and replaced with the following:

“Upon the approval of the company supervisory department authorised by the State Council, the total number of ordinary shares which may be issued by the Company is 1,029,200,000 shares, the nominal value of each share being RMB 1, of which:

(i) A shares total 615,420,000 shares, accounting for 59.80% of the total share capital of the Company; and

(ii) H shares total 413,780,000 shares, accounting for 40.20% of the total share capital of the Company. ”

(ii) Existing article 21 of the Articles:

“The Company’s registered capital is RMB873,370,000”

It is proposed that the existing article 21 be deleted in its entirety and replaced with the following:

“The Company’s registered capital is RMB1,029,200,000”

LETTER FROM THE BOARD

Save for the proposed amendments to the Articles set out above, other provisions in the Articles remain unchanged.

The Company confirms that the amendments to the Articles will not affect the existing businesses and operations of the Group and the Directors confirm that the proposed amendments to the Articles are in compliance with the Listing Rules. Based on the confirmation made by the Company's PRC legal adviser, the proposed amendments of the Articles comply with the PRC laws.

The proposed amendments to the Articles and the proposed adoption of the new Articles are subject to the approval of Shareholders by way of special resolutions at the EGM and Class Meetings.

Shareholders are advised that the Articles are available in English and Chinese. The English translation of the Articles is for reference only. In case of any inconsistency, the Chinese version shall prevail.

GENERAL

Investors should be aware that the Specific Mandate may or may not be approved by the Shareholders at the EGM and the Class Meetings. Even if the proposed Specific Mandate is granted to the Board, the Subscription may or may not be proceeded with. If the Subscription is proceeded with, it is subject to the satisfaction of a number of conditions which are more particularly set out in the sections headed "Conditions precedent" above. There is no assurance that any of the conditions to the Subscription will be fulfilled. Therefore, the Subscription may or may not proceed. Investors should therefore exercise caution when dealing in the H Shares.

EGM AND CLASS MEETINGS

The EGM will be held for the purpose of approving, among others, (i) the Subscription Agreement and the transactions contemplated thereunder including the Specific Mandate; and (ii) the authorisation of the Directors to make any necessary amendments to the Articles to reflect the consequential change in the share capital of the Company as a result of the increase in the number of Shares to be issued under the Subscription.

To the best of the Director's knowledge, information and belief, and having made all reasonable enquiries, each of Beijing Haihongyuan and the Subscriber is a subsidiary of HNA Group, a company established in the PRC with limited liability. As at the Latest Practicable Date, HNA Group is a substantial shareholder of the Company. As such, Beijing Haihongyuan shall abstain from voting at the EGM and class meeting of holders of A Shares.

Separate Class Meetings will be held for the purpose of approving, among others, (i) the Subscription Agreement and the transactions contemplated thereunder including the Specific Mandate; and (ii) the authorisation of the Directors to make any necessary amendments to the Articles to reflect the consequential change in the share capital of the Company as a result of the increase in the number of Shares to be issued under the Subscription.

The notice of the EGM to be held at 2:00 p.m. on 5 June 2017 (Monday) at the Conference Room, Floor 23, Building 4, No.9 East Taihu Road, Xinbei District, Changzhou City, Jiangsu Province, the PRC, is set out on pages 16 to 17 of this circular. At the EGM, special resolutions will be proposed for the holders of A Shares and H Shares to approve the Subscription, Specific Mandate and the proposed amendments to the Articles.

The notices of the separate Class Meetings of the holders of H Shares and A Shares to be held on 5 June 2017 (Monday) at 2:30 p.m. and 3:00 p.m. at the Conference Room, Floor 23, Building 4, No.9 East Taihu Road, Xinbei District, Changzhou City, Jiangsu Province, the PRC, respectively, are set out on pages 18 to 21 of this circular. At the separate Class Meetings, separate special resolutions will be proposed for the holders of H Shares and holders of A Shares, respectively, to approve the Subscription, Specific Mandate and the proposed amendments to the Articles.

LETTER FROM THE BOARD

The respective forms of proxy for use at each of the EGM and the separate Class Meetings are enclosed with this circular. Whether or not you are able to attend (if you are so entitled to) the meetings, you are requested to complete the forms of proxy in accordance with the instructions printed thereon and return the same as soon as possible to the Company's registered office at Floor 23, Building 4, No.9 East Taihu Road, Xinbei District, Changzhou City, Jiangsu Province, the PRC (for holders of A Shares), or the Company's H Share registrar, Hong Kong, Boardroom Share Registrars (HK) Limited, at 31/F, 148 Electric Road, North Point, Hong Kong (for holders of H Shares) as soon as possible and in any event not later than 24 hours before the time appointed for holding the relevant meeting. Completion and return of the relevant forms of proxy will not preclude you from attending and voting in person at the meetings or at any adjourned meetings should you so wish.

PROCEDURES BY WHICH A POLL MAY BE DEMANDED

Pursuant to article 85 of the Articles, at any general meeting a resolution shall be voted by show of hands unless specifically required under the Listing Rules or any other applicable laws, rules or regulations to be by poll or unless a poll is demanded by the following person(s) before or after any vote by show of hands:

- (1) the chairman of the meeting;
- (2) at least 2 shareholders entitled to vote present in person or by proxy; or
- (3) one or more shareholders present in person or by proxy representing in aggregate 10% or more of all shares carrying the right to vote at the meeting.

RECOMMENDATIONS

The Directors consider that the terms of the Subscription Agreement are fair and reasonable and the Subscription is in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the special resolutions to be proposed at the EGM and the Class Meetings to approve the Subscription, Specific Mandate and the proposed amendments to the Articles.

ADDITIONAL INFORMATION

Your attention is also drawn to the general information set out in the appendices to this circular.

By order of the Board
Northeast Electric Development Co., Ltd.
Su Jianghua
Chairman

Changzhou, Jiangsu Province, the People's Republic of China
21 April 2017

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS

As at the Latest Practicable Date, none of the Directors, supervisors or chief executive of the Company has an interest or short position in any shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which is required to be (i) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors or chief executive of the Company was taken or deemed to have under such provisions of the SFO); or (ii) entered in the register kept by the Company pursuant to section 352 of the SFO; or (iii) notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies.

3. SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS

As at the Latest Practicable Date, so far as is known to the Directors, supervisors and chief executives of the Company, the persons (other than Directors, supervisors or chief executives of the Company) who have interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or who are directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group were as follows:

Long positions in the shares, underlying shares and debentures of the Company:

Shareholder	Nature of Shareholder	Number of Shares held	Approximate percentage in the Company's share capital
Beijing Haihongyuan Investment Management Co., Ltd. (Note 1)	Domestic non-state-owned legal person	81,494,850	9.33%
HKSCC Nominees Limited	Foreign legal person	256,877,999	29.41%
HNA Hotel Group (Hong Kong) Company Limited (Note 2)	Foreign legal person	155,830,000	15.14%

Note 1:

To the best knowledge of the Directors' knowledge, information and belief, and having made all reasonable enquiries, each of Beijing Haihongyuan and the Subscriber is a subsidiary of HNA Group. As at the Latest Practicable Date, HNA Group is a substantial shareholder of the Company. As such, Beijing Haihongyuan shall abstain from voting at the EGM and class meeting of holders of A Shares.

Note 2:

To the best knowledge of the Directors and assuming the Specific Mandate is granted by the shareholders at the EGM and Class Meetings and the Subscription Shares are issued by the Company pursuant to the Subscription Agreement, such Shares will be held by HNA Hotel Group (Hong Kong) Company Limited, which is wholly owned by 海南國商酒店管理有限公司 (HNA Guoshang Hotel Management Company Limited), which in turn is owned as to 76.92% by 海航酒店控股集團有限公司 (HNA Hotels Holding Group Limited), which in turn is owned as to 86.73% by Beijing Haihongyuan, which in turn is owned as to 100% by 海航旅遊集團有限公司 (HNA Tourism Group Limited), which in turn is owned as to 94.29% by HNA Group, which in turn is owned as to 70% by Hainan Traffic Administration Holding Company Limited (海南交管控股有限公司), which in turn is owned as to 50% owned by Tang Dynasty Development (Yangpu) Company Limited (盛唐發展(洋浦)有限公司), which in turn is owned as to 65% by Hainan Province Cihang Foundation (海南省慈航公益基金會).

Save as disclosed above, as at the Latest Practicable Date, so far as is known to the Directors, supervisors or chief executive of the Company, no other person has an interest or short position in shares and underlying shares of the Company which would fall to be disclosed to the Company under provisions of Divisions 2 and 3 of Part XV of the SFO or who were directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of any other member of the Group.

Save as disclosed herein, the Directors are not director, proposed director or employee of Beijing Haihongyuan and/or HKSCC Nominees Limited and/or HNA Hotel Group (Hong Kong) Company Limited.

4. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors or any of their respective associates has engaged in any business that competes or may compete with the business of the Group or has any other conflict of interests with the Group.

5. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, there was no existing or proposed service agreement between any Director and any member of the Group (excluding agreements expiring or determinable by the employer within one year without payment of compensation other than statutory compensation).

6. DIRECTORS' INTERESTS CONTRACTS OF SIGNIFICANCE AND ASSETS

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which have been, since 31 December 2016, being the date to which the latest published audited accounts of the Company were made up, acquired or disposed of, by or leased to any member of the Group or are proposed to be acquired or disposed of, by or leased to any member of the Group.

No contracts of significance to which any member of the Group was a party and in which a Director had a material interest, either directly or indirectly, subsisted as at the Latest Practicable Date.

7. LITIGATION AND ARBITRATION MATTERS

As at the Latest Practicable Date, to the best knowledge of the directors, the Company had no other material pending or threatened litigations or claims.

8. MATERIAL CONTRACTS

The following contracts (not being contracts in the ordinary course of business) had been entered into by any member of the Group within two years preceding the date of this circular and are or may be material:

- (a) The equity transfer agreement dated 30 September 2016 entered into between Shenyang Kaiyi Electric Limited, a wholly owned subsidiary of the Company, and Beijing Yaow Hsin Tech Limited for the disposal of 100% equity interest in Northeast Electric (Beijing) Limited at a consideration of RMB1,000,000;
- (b) Share transfer and changes in substantial shareholders and de facto controller:
 - (i) On 21 December 2015, New Northeast Electric Investment Co., Ltd (“New Northeast Electric Investment”), the largest shareholder, entered into the Agreement on Share Transfer of Northeast Electric Development Co., Ltd (the “Agreement on Share Transfer”) with Suzhou Tsing Chuang Trading Group Co., Ltd. (“Suzhou Tsing Chuang”), pursuant to which New Northeast Electric Investment transferred 81,494,850 shares of outstanding A shares not subject to trading moratorium (representing 9.331% of the company’s share capital) to Suzhou Tsing Chuang. The register and transfer procedures were finished on 22 January 2016 with Shenzhen Branch of China Securities Depository and Clearing Corporation Limited. The largest shareholder of the company has been changed to Suzhou Tsing Chuang, and the de facto controller has been changed to Liu Jun;
 - (ii) On 23 January 2017, Suzhou Tsing Chuang (transferor), a substantial shareholder of the Company, entered into the Sale and Purchase Agreement with Beijing Haihongyuan (transferee) for the transfer of 81,494,850 A Shares held by Suzhou Tsing Chuang, at the consideration of RMB1.3 billion in total and RMB15.95 per share. Accordingly, immediately after completion of the said disposal, Suzhou Tsing Chuang ceased to be a substantial shareholder of the Company;
- (c) The Old Subscription Agreement which has been terminated and not completed; and
- (d) The Subscription Agreement.

9. GENERAL INFORMATION

- (a) The registered office of the Company is located at 23/F, Building 4, No. 9 East Taihu Road, Xinbei District, Changzhou City, Jiangsu Province, the PRC.
- (b) The principal place of business of the Company in Hong Kong is located at Rooms 801 & 803, 8/F Beverley House 93-107 Lockhart Road, Wanchai, Hong Kong.
- (c) The transfer office of the Company in Hong Kong is Boardroom Share Registrars (HK) Limited at 31/F., 148 Electric Road, North Point, Hong Kong.
- (d) The Board secretary of the Company is Mr. Su Weiguo, who is a Director and the vice chairman of the Company.

- (e) The company secretary and authorised representative of the Company is Mr. Chen Yipping, who is a member of The Society of Chinese Accountants & Auditors and the Certificate of Certified Public Accountant, and an associate member of The Association of Chartered Certified Accountants.
- (f) In the event of any inconsistency, the English text of this circular shall prevail over the Chinese text.

10. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection during normal office hours at Rooms 801 & 803, 8/F Beverley House 93-107 Lockhart Road, Wanchai, Hong Kong on the date of this circular and up to and including the date of the EGM and Class Meetings:

- (a) the Articles;
- (b) the material contracts referred to in the paragraph headed “Material Contracts” of this appendix;
- (c) the annual reports of the Company for two years ended 31 December 2016; and
- (d) this circular.

NOTICE OF THE EXTRAORDINARY GENERAL MEETING

The Hong Kong Exchanges and Clearing Limited and the Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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

(Stock Code:0042)

NOTICE OF THE EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN: that the Extraordinary General Meeting (the “EGM”) of shareholders in 2017 of Northeast Electric Development Company Limited (the “Company”) will be held at the Conference Room, Floor 23, Building 4, No.9 East Taihu Road, Xinbei District, Changzhou City, Jiangsu Province, the People's Republic of China (“PRC”) at 2:00 p.m. on 5 June 2017 for the purpose of considering and, if thought fit, passing the following resolutions as special resolutions:

SPECIAL RESOLUTIONS

“THAT:

- (a) the terms and conditions of the Subscription Agreement dated 5 April 2017 (the “Subscription Agreement”) entered into between HNA Hotel Group (Hong Kong) Company Limited and the Company, a copy of the Subscription Agreement has been produced to the EGM marked “A” and signed by the chairman of the meeting for the purpose of identification and the transactions contemplated thereunder, be and are hereby approved;
- (b) the directors of the Company (the “Directors”) authorised for and on behalf of the Company, among other matters, to sign, execute, perfect, deliver or to authorise signing, executing, perfecting and delivering the Subscription Agreement be hereby approved, ratified and confirmed, and the Directors be and are hereby authorised to do or authorise doing all such acts, matters and things as they may in their discretion consider necessary, expedient or desirable to give effect to and implement the transactions pursuant to the Subscription Agreement and to waive compliance from or make and agree such variations of a non-material nature to any of the terms of the Subscription Agreement as they may in their discretion consider to be desirable and in the interest of the Company;
- (c) the Directors be and are hereby granted specific mandate (the “Specific Mandate”) to issue 155,830,000 new H Shares (the “Subscription Shares”) to HNA Hotel Group (Hong Kong) Company Limited at a price of HK\$2.40 per Subscription Share pursuant to the Subscription Agreement (information relating to the Specific Mandate is set out in a circular dated 21 April 2017 despatched to the shareholders of the Company (the “Circular”) subject to the following terms:
 - (i) subject to the fulfillment of the conditions in respect of the Subscription (as defined in the Circular) as set out in the Circular, the aggregate number of Subscription Shares to be issued and allotted by the Directors shall not be more than 155,830,000 H Shares;

NOTICE OF THE EXTRAORDINARY GENERAL MEETING

- (ii) the board of Directors will only exercise its power under the Specific Mandate in accordance with the PRC Company Law and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and only if the necessary approvals if required from the China Securities Regulatory Commission and/or other relevant governmental authorities in the PRC and Hong Kong Special Administrative Region have been obtained; and
- (d) the Directors be and are hereby authorised to make such necessary amendments to the articles of association of the Company to increase the registered share capital of the Company and to reflect changes in the share capital of the Company arising out of the issue of the Subscription Shares pursuant to the Specific Mandate.”

By order of the Board
Northeast Electric Development Co., Ltd.
Su Jianguo
Chairman

Changzhou, Jiangsu Province, the People's Republic of China
21 April 2017

NOTICE OF THE CLASS MEETING OF THE HOLDERS OF H SHARES

The Hong Kong Exchanges and Clearing Limited and the Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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

(Stock Code:0042)

NOTICE OF THE CLASS MEETING OF THE HOLDERS OF H SHARES

NOTICE IS HEREBY GIVEN: that the class meeting of the holders of H Shares (the “**H Shares Class Meeting**”) of Northeast Electric Development Company Limited (the “**Company**”) will be held at the Conference Room, Floor 23, Building 4, No.9 East Taihu Road, Xinbei District, Changzhou City, Jiangsu Province, the People's Republic of China (“**PRC**”) at 2:30 p.m. (or immediately after the conclusion or adjournment of the extraordinary general meeting of the holders of A Shares of the Company and holders of H shares of the Company which will be held at the same place and date) on 5 June 2017 for the purpose of considering and, if thought fit, passing the following resolutions as special resolutions:

SPECIAL RESOLUTIONS

“THAT:

- (a) the terms and conditions of the Subscription Agreement dated 5 April 2017 (the “Subscription Agreement”) entered into between HNA Hotel Group (Hong Kong) Company Limited and the Company, a copy of the Subscription Agreement has been produced to the H Shares Class Meeting marked “A” and signed by the chairman of the meeting for the purpose of identification and the transactions contemplated thereunder, be and are hereby approved;
- (b) the directors of the Company (the “Directors”) authorised for and on behalf of the Company, among other matters, to sign, execute, perfect, deliver or to authorise signing, executing, perfecting and delivering the Subscription Agreement be hereby approved, ratified and confirmed, and the Directors be and are hereby authorised to do or authorise doing all such acts, matters and things as they may in their discretion consider necessary, expedient or desirable to give effect to and implement the transactions pursuant to the Subscription Agreement and to waive compliance from or make and agree such variations of a non-material nature to any of the terms of the Subscription Agreement as they may in their discretion consider to be desirable and in the interest of the Company;
- (c) the Directors be and are hereby granted specific mandate (the “Specific Mandate”) to issue 155,830,000 new H Shares (the “Subscription Shares”) to HNA Hotel Group (Hong Kong) Company Limited at a price of HK\$2.40 per Subscription Share pursuant to the Subscription Agreement (information relating to the Specific Mandate is set out in a circular dated 21 April 2017 despatched to the shareholders of the Company (the “Circular”) subject to the following terms:
 - (i) subject to the fulfillment of the conditions in respect of the Subscription (as defined in the Circular) as set out in the Circular, the aggregate number of Subscription Shares to be issued and allotted by the Directors shall not be more than 155,830,000 H Shares;

NOTICE OF THE CLASS MEETING OF THE HOLDERS OF H SHARES

- (ii) the board of Directors will only exercise its power under the Specific Mandate in accordance with the PRC Company Law and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and only if the necessary approvals if required from the China Securities Regulatory Commission and/or other relevant governmental authorities in the PRC and Hong Kong Special Administrative Region have been obtained; and
- (d) the Directors be and are hereby authorised to make such necessary amendments to the articles of association of the Company to increase the registered share capital of the Company and to reflect changes in the share capital of the Company arising out of the issue of the Subscription Shares pursuant to the Specific Mandate.”

By order of the Board
Northeast Electric Development Co., Ltd.
Su Jianghua
Chairman

Changzhou, Jiangsu Province, the People's Republic of China
21 April 2017

NOTICE OF THE CLASS MEETING OF THE HOLDERS OF A SHARES

The Hong Kong Exchanges and Clearing Limited and the Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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

(Stock Code:0042)

NOTICE OF THE CLASS MEETING OF THE HOLDERS OF A SHARES

NOTICE IS HEREBY GIVEN: that the class meeting of the holders of A Shares (the "A Shares Class Meeting") of Northeast Electric Development Company Limited (the "Company") will be held at the Conference Room, Floor 23, Building 4, No.9 East Taihu Road, Xinbei District, Changzhou City, Jiangsu Province, the People's Republic of China ("PRC") at 3:00 p.m. (or immediately after the conclusion or adjournment of the extraordinary general meeting of the holders of A Shares of the Company and holders of H shares of the Company and the class meeting of the holders of H Shares which will be held at the same place and date) on 5 June 2017 for the purpose of considering and, if thought fit, passing the following resolutions as special resolutions:

SPECIAL RESOLUTIONS

"THAT:

- (a) the terms and conditions of the Subscription Agreement dated 5 April 2017 (the "Subscription Agreement") entered into between HNA Hotel Group (Hong Kong) Company Limited and the Company, a copy of the Subscription Agreement has been produced to the A Shares Class Meeting marked "A" and signed by the chairman of the meeting for the purpose of identification and the transactions contemplated thereunder, be and are hereby approved;
- (b) the directors of the Company (the "Directors") authorised for and on behalf of the Company, among other matters, to sign, execute, perfect, deliver or to authorise signing, executing, perfecting and delivering the Subscription Agreement be hereby approved, ratified and confirmed, and the Directors be and are hereby authorised to do or authorise doing all such acts, matters and things as they may in their discretion consider necessary, expedient or desirable to give effect to and implement the transactions pursuant to the Subscription Agreement and to waive compliance from or make and agree such variations of a non-material nature to any of the terms of the Subscription Agreement as they may in their discretion consider to be desirable and in the interest of the Company;

NOTICE OF THE CLASS MEETING OF THE HOLDERS OF A SHARES

- (c) the Directors be and are hereby granted specific mandate (the “Specific Mandate”) to issue 155,830,000 new H Shares (the “Subscription Shares”) to HNA Hotel Group (Hong Kong) Company Limited at a price of HK\$2.40 per Subscription Share pursuant to the Subscription Agreement (information relating to the Specific Mandate is set out in a circular dated 21 April 2017 despatched to the shareholders of the Company (the “Circular”) subject to the following terms:
- (i) subject to the fulfillment of the conditions in respect of the Subscription (as defined in the Circular) as set out in the Circular, the aggregate number of Subscription Shares to be issued and allotted by the Directors shall not be more than 155,830,000 H Shares;
- (ii) the board of Directors will only exercise its power under the Specific Mandate in accordance with the PRC Company Law and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and only if the necessary approvals if required from the China Securities Regulatory Commission and/or other relevant governmental authorities in the PRC and Hong Kong Special Administrative Region have been obtained; and
- (d) the Directors be and are hereby authorised to make such necessary amendments to the articles of association of the Company to increase the registered share capital of the Company and to reflect changes in the share capital of the Company arising out of the issue of the Subscription Shares pursuant to the Specific Mandate.”

By order of the Board
Northeast Electric Development Co., Ltd.
Su Jianghua
Chairman

Changzhou, Jiangsu Province, the People’s Republic of China
21 April 2017

NOTES TO THE NOTICES OF GENERAL MEETINGS

Notes:

- (1) Any holder of A shares who has registered on the register of the Company at China Securities Depository and Clearing Company Limited Shenzhen Branch by the close of business on 5 May 2017 is entitled to attend the meeting.
- (2) In order to confirm the list of holder of H shares who are entitled to attend the meeting, the register of shareholders of the Company will be closed from 6 May 2017 to 5 June 2017 (both days inclusive), during which period no transfer of shares will be registered. The shareholders whose names appear on the register by the close of business on 5 May 2017 are entitled to attend the EGM and Class Meetings and vote at the EGM and Class Meetings.
- (3) Holders of H shares who intend to attend the meeting shall deposit the transfer documents and relevant share certificates at the Company's H share registrar, Boardroom Share Registrars (HK) Limited, 31th Floor, 148 Electric Road, North Point Hong Kong not later than 4:30 p.m. on 5 May 2017.
- (4) Shareholders who intend to attend the EGM and the Class Meetings shall mail or fax the written reply for attending the meeting to the Company before 16 May 2017.
- (5) Any shareholder entitled to attend and vote at the EGM and Class Meetings is entitled to appoint one or more proxies (whether or not shareholder of the Company) to attend and vote at the meeting on his/her behalf.
- (6) In order to be valid, the certified proxy forms of shareholders and other documents (if any) should be deposited at the Company (in case of any holder of A Shares) or the Company's H share registrar in Hong Kong, Boardroom Share Registrars (HK) Limited, at 31/F, 148 Electric Road, North Point, Hong Kong (in case of any holder of H Shares) no later than 24 hours before the time appointed holding the EGM and the Class Meetings.
- (7) Shareholders or their proxies attending the EGM and the Class Meetings shall bear their own travel and accommodation expenses.

Office address: Floor 23, Building 4, No.9 East Taihu Road, Xinbei District, Changzhou City,

Jiangsu Province, the PRC (Postcode: 213022)

Telephone: (86) 0519-69818116

Fax: (86) 0519-69818115

Contacts: Gong Yi