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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: 0042)

## **OVERSEAS REGULATORY ANNOUNCEMENT**

This announcement is published pursuant to Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The attachment hereto is the announcement of Northeast Electric Development Company Limited published on the Shenzhen Stock Exchange:

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

**SUGGESTIVE ANNOUNCEMENT ON CHANGE IN THE  
LARGEST SHAREHOLDER'S EQUITY AND CHANGE OF DE  
FACTO CONTROLLER**

By order of the Board  
**Su Jianghua**  
Chairman

*As at the date of this announcement, the Board of Directors comprises of six directors, namely Mr. Su Jianghua, Mr. Su Weiguo, Mr. Wang Zheng, Ms. Liu Jun, Mr. Li Min, and Mr. Feng Xiaoyu; and three independent non-executive directors, namely Mr. Zhang Luyang, Mr. Jin Wenhong, and Mr. Qian Fengsheng.*

**NORTHEAST ELECTRIC DEVELOPMENT CO., LTD.  
SUGGESTIVE ANNOUNCEMENT ON CHANGE IN THE LARGEST  
SHAREHOLDER'S EQUITY AND CHANGE OF DE FACTO CONTROLLER**

The Company and all Directors of the Board hereby guarantee that the content of information disclosure is real, accurate, complete and free of any false record, misleading representation or material omissions.

**Important notice:**

**This change in equity is non-transaction agreement transfer of securities and does not involve tender offer.**

**This change in equity leads to changes of the Company's largest shareholder and de facto controller.**

**I. Basic Information of the Changes in Equity**

On 23 January 2017, Northeast Electric Development Co., Ltd. (“Company” or “Listed Company”) received the Notice of Suzhou Tsing Chuang Trading Group Co., Ltd. on Signing of Share Transfer Agreement with Beijing Haihongyuan Investment Management Co., Ltd. from the largest shareholder, Suzhou Tsing Chuang Trading Group Co., Ltd. (“Suzhou Tsing Chuang” or “Transferor”), stating that Suzhou Tsing Chuang signed the Agreement on Share Transfer of Northeast Electric Development Co., Ltd. (“Share Transfer Agreement”) with Beijing Haihongyuan Investment Management Co., Ltd. (“Beijing Haihongyuan” or “Transferee”) on 23 January 2017, at the consideration of RMB1.3 billion to transfer the Listed Company's 81,494,850 A-shares not subject to trading moratorium held by it, accounting for 9.33% of the Listed Company's total issued share capital of 873,370,000 shares, at the transfer price of RMB15.95 per share.

Prior to the signing of this share transfer agreement and the transfer of control, Suzhou Tsing Chuang has communicated with Beijing Haihongyuan on a continuous basis, and performed thorough investigation and research on the transfer intention of Beijing Haihongyuan as well as its subject qualification and credit standing. Upon investigation and analysis, Suzhou Tsing Chuang is of the opinion that the Transferee has no abnormalities in terms of subject qualification, credit standing, and transfer intention, complies with the provisions under Article 32 of Content and Format Standards for the Information Disclosure by Companies Offering Securities to the Public No. 15 - Report on Equity Changes, and is capable of paying the transfer amount.

1. Information about change in shareholding

Name	of	Before this share transfer	After this share transfer
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shareholder	Qty (share)	Percentage of total issued shares of the Company (%)	Qty (share)	Percentage of total issued shares of the Company (%)
Suzhou Tsing Chuang	81,494,850	9.33	0	0
Beijing Haihongyuan	0	0	81,494,850	9.33

## 2. Basic information about two parties to the transaction

### (1) Information of the Transferor

Company name	Suzhou Tsing Chuang Trading Group Co., Ltd.
Registered address	No.58, Nantiancheng Road, Suzhou HSR New Town
Registered capital	RMB800 million
Legal representative	Su Jianghua
Unified social credit code	913205073138628836
Type of company	Limited company
Business scope	Sales of textiles, garments, daily necessities, stationery, sports goods, electronic products, building materials, non-hazardous chemical products, hardware & electrical equipments, mechanical equipments, and metal materials; business information consultation; conference and exhibition services; planning of cultural and artistic exchange activities; computer graphic design; translation service for domestic enterprises; enterprise management consultation; investment consultation; technology development, technical consultation, technology transfer, and technical service in the field of computer science and technology (for the above items subject to administrative approval according to law, an approval must be obtained from the related authorities prior to operating activities)
Term of operation	7 August 2014 to permanent
Names of substantial shareholders	RMB240 million invested by Suzhou Xiangbei Investment Co., Ltd., with a shareholding ratio of 30%; RMB 200 million invested by Shanghai Jingyun Investment Center (limited partnership), with a shareholding ratio of 25%; RMB 200 million invested by Shanghai Jingquan Investment Center (limited partnership), with a shareholding ratio of 25%; RMB160 million invested by Shenzhen Qianhai Bright Fund Management Co., Ltd., with a shareholding ratio of 20%.
Address	No.58, Nantiancheng Road, Suzhou HSR New Town

### (2) Information of the Transferee

Company name	Beijing Haihongyuan Investment Management Co., Ltd.
Registered address	Room 6012, 6/F, Joint Inspection Building, Mafang Logistics Base, Pinggu District, Beijing
Registered capital	RMB20 million
Legal representative	Li Qiang

Unified social credit code	911101175996346317
Type of company	Limited company (legal person sole proprietorship)
Business scope	Investment management; asset management; project investment. (Enterprises shall select operating items and operate autonomously according to law; items that shall be approved according to law can be operated upon approval of relevant departments; enterprises shall not engage in operations prohibited by industrial policies and restricted items in this city.)
Term of operation	11 July 2012 to 10 July 2032
Names of substantial shareholders	RMB20 million invested by HNA Tourism Group, with a shareholding ratio of 100%
Address	Room 6012, 6/F, Joint Inspection Building, Mafang Logistics Base, Pinggu District, Beijing

Hainan Province Cihang Foundation (hereinafter referred to as “Cihang Foundation”) is the De Facto controller of Beijing Haihongyuan Investment Management Co., Ltd.

Cihang Foundation is a local private foundation incorporated upon the approval of the Civil Affairs Department of Hainan province on October 8, 2010, with the address at Cihang Foundation Office, West Wing, 4/F, New HNA Building, NO. 7 Guoxing Avenue, Haikou City. The number of its “Certificate of Registration as a Legal Entity for Foundations” is “Qiongjizhengzi No.201003” (valid from September 18, 2015 to September 18, 2020), with the initial fund amount of RMB20 million. The legal representative is Sun Mingyu and the scope of business includes the acceptance of public donations; disaster and poverty relief; charity and public welfare aids; charitable activities in various forms carried out by volunteers who enthusiastically devote themselves to the philanthropic undertaking.

The Board of Directors, the decision-making body of Cihang Foundation, comprises of seven directors.

### 3. Relationship between Two Parties to the Share Transfer Agreement

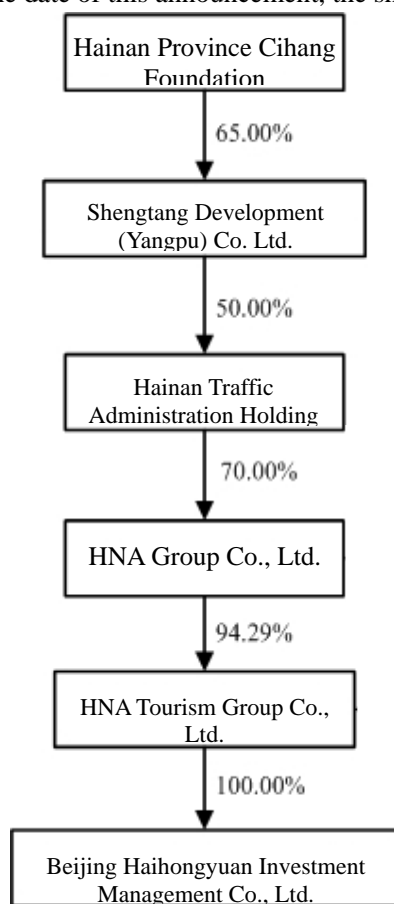
As at the date of this announcement, Mr. Liu Jun and Mr. Su Jianghua, Directors of the Company are the directors of Suzhou Tsing Chuang. Suzhou Tsing Chuang is not a connected person of Beijing Haihongyuan; the Listed Company is not a connected person of Beijing Haihongyuan. This share transfer does not constitute a connected transaction.

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, each of Beijing Haihongyuan and HNA Hotel Group (Hong Kong) Company Limited, the subscriber of the Company's new H Shares to be issued is a subsidiary of HNA Group Co., Ltd. (“HNA Group”), a company established in the PRC with limited liability. Subject to completion of the Disposal and the Subscription, HNA Group will become the largest shareholder of the Company. Subject to completion of the Disposal, Beijing Haihongyuan shall abstain from voting at the first EGM and Class Meeting of holders of A Shares for 2017 to be held on 6 March 2017.

## II. Subsequent Matters Involved: Change of the De Facto Controller

Before the completion of this change in equity, Suzhou Tsing Chuang held 9.33% of A Shares (not subject to trading moratorium) of the Listed Company and was the largest shareholder of the Listed Company. The de facto controller of the Listed Company was Mr. Liu Jun. Subject to the completion of this change in equity, Beijing Haihongyuan holds 9.33% of A-shares (not subject to trading moratorium) of the Listed Company, being the largest shareholder of the Listed Company. The de facto controller of the Listed Company is Cihang Foundation.

As of the date of this announcement, the shareholding structure of Beijing Haihongyuan is as follows:



### **III. Other Matters of Significance**

On 2 January 2017, HNA Hotel Group (Hong Kong) Company Limited and the Company entered into a subscription agreement pursuant to which HNA Hotel Group (Hong Kong) intended to subscribe for a total of 136,170,212 new H Shares to be issued by the Company.

The issue of new H Shares of the Company is subject to the approval of the extraordinary general meeting and the class meeting of the Company before it is implemented upon application to the onshore and offshore regulatory authorities for approval pursuant to the relevant procedures, as detailed in the “Announcement of Northeast Electric Development Company Limited in Relation to the Issue of New H Shares Pursuant to the Special Mandate” (announcement number: 2017-002).

In addition, Beijing Haihongyuan undertakes that it will not transfer the shares in Northeast Electric transferred due to the changes in the equity interest within twelve months from the date on which the changes in the equity interest are completed.

The above announcement is made by the Company to perform the relevant disclosure obligations in accordance with the relevant requirements of the Measures for the Administration of the Acquisition of Listed Companies (《上市公司收購管理辦法》) and the Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange (《深圳證券交易所股票上市規則》).

The Board of Northeast Electric Development Co., Ltd.  
25 January 2017