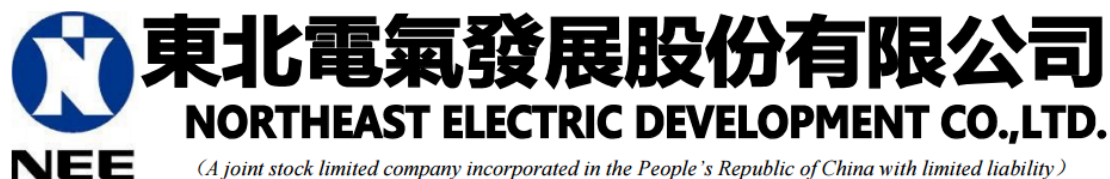


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(Stock Code:0042)

Clarification Announcement

Reference is made to the announcements of the board (the “Board”) of directors of Northeast Electric Development Co., Ltd. (the “Company”), including (a) the announcement dated 24 April 2017 in relation to the resignation of the director and general manager, (b) the announcement dated 12 May 2017 in relation to the resignation of the chairman, director and supervisor, (c) the supplementary announcement dated 24 April 2017 in relation to the annual general meeting of shareholders, (d) the announcement dated 11 May 2017 in relation to the voting results of the annual general meeting of shareholders, and (e) the announcement dated 18 May 2017 in relation to the resolutions passed by the Board (the “Announcements”).

According to the disclosure made in the Announcements, due to the personal reasons, the directors Mr. Liu Jun, Mr. Wang Zheng, Mr. Li Min, Mr. Su Weiguo, Mr. Su Jianghua and Mr. Feng Xiaoyu all resigned as a director. Ms. Wu Junyun resigned as a supervisor and chairman of the Supervisory Board due to her personal reasons.

Meanwhile, the Company has appointed Mr. Liu Daoqi, Mr. Li Rui, Mr. Bai Haibo and Mr. Song Xiang as directors with a term of office commencing from 11 May 2017 to 10 March 2019.

The Company would like to clarify and supplement the following information in respect of the expression of the relevant matters made in the Announcements:

1. To clarify the reasons for the resignation disclosed in the Announcements that the “personal reasons” should be changed into “based on the needs of the Company for business development”.
2. To clarify the disclosure in the announcement dated 24 April 2017 that “During the three years prior to the date of this Announcement, ... Mr. Liu Daoqi did not take any position in any other listed company”; and also to clarify the disclosure in the announcement dated 18 May 2017 that “At the same time, Mr. Liu Daoqi has been appointed as an executive director of JIA YAO HOLDINGS LIMITED (嘉耀控股有限公司)” as these statements are inaccurate and incomplete. To the best of the Company’s knowledge and belief, Mr. Liu Daoqi has been appointed as the executive director and chief executive officer of JIA YAO HOLDINGS LIMITED (嘉耀控股有限公司) on 24 February 2017 and 17 March 2017, respectively.
3. To supplement the personal information on newly appointed directors of the Company as follows:

Appointment of Directors

The Board further announces that Mr. Liu Daoqi, Mr. Li Rui, Mr. Bai Haibo and Mr. Song Xiang have been appointed as executive directors of the Company and the service contracts for executive directors provide for a term of office commencing from 11 May 2017 to 10 March 2019. The foregoing directors will not receive any form of directors’ remuneration for serving as directors of the Company.

Mr. Liu Daoqi ("Mr. Liu"), born in 1978, with Chinese nationality but without the right of permanent residence abroad, graduated from Nanjing University of Aeronautics and Astronautics with a degree in Computer Application. He joined HNA Group in 1999 and has served as the vice president of investment of Hainan Airlines Group Co., Ltd. Now, Mr. Liu is the investment president and director of HNA Tourism Group Co., Ltd. Mr. Liu serves as an executive director and the Chairman of the Company. At the same time, Mr. Liu Daoqi has been appointed as an executive director and chief executive officer of JIA YAO HOLDINGS LIMITED (嘉耀控股有限公司, incorporated in the Cayman Islands with limited liability, Stock Code: 01626.HK).

Mr. Li Rui ("Mr. Li"), born in 1977, with Chinese nationality but without the right of permanent residence abroad, graduated from School of Management, Huazhong University of Science and Technology with a degree in Management Information System. He joined HNA Group in 1999 and has successively held the posts of deputy general manager and standing vice manager of Securities Business Department of HNA Group and the standing vice manager of Investment Management Department of HNA Group. Mr. Li Rui is the vice president and board secretary of Hainan Airlines Group Co., Ltd. (SH600221). He serves as an executive director and the general manager of the Company.

Mr. Bai Haibo ("Mr. Bai"), born in 1976, with Chinese nationality but without the right of permanent residence abroad, received the Master's Degree in Hotel Management of Hong Kong Polytech University. He has worked as a director of Beijing Administrative Center of HNA Group Office. Mr. Bai Haibo is the CEO of HNA Hotel Management Company. He serves as an executive director of the Company.

Mr. Song Xiang ("Mr. Song"), born in 1979, with Chinese nationality but without the right of permanent residence abroad, received the Master's Degree in Hotel Management of Hong Kong Polytech University. He joined HNA Group in 2006 and has successively held the posts of vice president of HNA Tourism Holding (Group) Co., Ltd. and the chairman of HNA Tourism Development Co., Ltd. Mr. Song Xiang is the venture capital investment president of HNA Hospitality Investment Group. He serves as an executive director of the Company.

The former employers of the above four new directors and Beijing Haihongyuan Investment Management Co., Ltd., being the largest shareholder of the Company, and its controlling shareholder HNA Group are under common control of or partially owned by the same group, as the case may be.

Save as disclosed in the Announcements, there is no other information that needs to be disclosed pursuant to the requirement of Rule 13.51(2)(a) to (v) of the Listing Rules and there are no other matters that need to be brought to the attention of the shareholders of the Company.

By order of the Board
Liu Daoqi
Chairman

Changzhou, Jiangsu Province, the People's Republic of China
24 May 2017

As at the date of this announcement, the Board of Directors comprises of four Executive Directors, namely, Mr. Liu Daoqi, Mr. Li Rui, Mr. Bai Haibo and Mr. Song Xiang; and three independent non-executive Directors, namely, Mr. Zhang Luyang, Mr. Jin Wenhong and Mr. Qian Fengsheng.