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(Stock Code:0042)

Overseas Regulatory Announcement

The Board of Directors (the “Board”) of Northeast Electric Development Co., Ltd. (the “Company”) announce that it is predicted that the Company is in a deficit of accumulative net profit of approximately RMB -25,930,000—RMB -29,930,000 and earnings per share of RMB -0.0297—RMB -0.0343 in the past three quarters of this year according to the primary calculation from the financial department. The accurate financial data will be fully disclosed in the third quarterly report of 2017 on 31 October 2017. The announcement is made in accordance with Rule 13.10B of the Listing Rules.

I. Period of Results Prediction: from 1 January 2017 to 30 September 2017

II. Results Prediction: loss

It is predicted that the Company will be in a deficit of accumulative net profit of approximately RMB -25,930,000—RMB -29,930,000 and earnings per share of RMB -0.0297—RMB -0.0343 in the past three quarters of this year according to the primary calculation from the financial department.

The accurate financial data information will be fully disclosed in the third quarterly report of 2017 on 31 October 2017.

III. Reasons for Changes in the Predicted Results

In light of the actual completion of production and operation in the past three quarters of 2017 of the Company, due to reduced sales revenue, coupled with increased management costs compared with last year, it is predicted that the Company will be in a deficit of accumulative net profit of approximately RMB -25,930,000—RMB -29,930,000 in the past three quarters of this year.

IV. Did the certified public accountant audit the performance prediction? No

V. Results in the same period last year

Loss: RMB 23,360,000

Earnings per share: RMB -0.0267

VI. Other Related Explanation

The predicted results are primarily calculated by the financial department of the Company. The Board of Directors confirms that the accurate financial data will be fully disclosed in the third quarterly report of 2017 on 31 October 2017. Investors are advised to pay attention to investment risks.

By order of the Board
LiuDaoqi
Chairman

Changzhou, Jiangsu Province, the PRC

13 October 2017

The Directors of the Company, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (i) the information contained in this Announcement is accurate and complete in all material respects and not misleading; (ii) there are no other matters the omission of which would make any statement in this Announcement misleading; (iii) all opinions expressed in this Announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

As at the date of the Statement, the Board of Directors comprises of six directors, namely Mr. Liu Daoqi , Mr. Li Rui , Mr. Bai Haibo , Mr. Song Xiang , Mr. Bao Zongbao and Mr. Zhang Xiangsheng ; and three independent directors, namely Mr. Zhang Luyang , Mr. Jin Wenhong and Mr. Qian Fengsheng.