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( Stock Code:0042)

## Overseas Regulatory Announcement

The Board of Directors (the “Board”) of Northeast Electric Development Co., Ltd. (the “Company”) announces that it is predicted that the Company is in a deficit of accumulative net profit of approximately RMB-5,000,000—-4,000,000 and earnings per share of RMB-0.0057—-0.0046 in the first quarter of this year according to the primary calculation from the financial department. The accurate financial data will be fully disclosed in the first quarterly report of 2018 before 30 April 2018. The announcement is made in accordance with Rule 13.10B of the Listing Rules.

### **I. Period of Results Prediction: from 1 January 2018 to 31 March 2018**

### **II. Results Prediction: loss**

It is predicted that the Company will be in a deficit of accumulative net profit of approximately RMB-5,000,000 — -4,000,000 and earnings per share of RMB-0.0057—-0.0046 in the first quarter of this year according to the primary calculation from the financial department.

The accurate financial data information will be fully disclosed in the first quarterly report of 2018 before 30 April 2018.

### **III. Reasons for Changes in the Predicted Results**

According to the Company's production and operation situation in the first quarter of 2018, the predicted cumulative net profit loss in the first quarter this year is

RMB-5,000,000 — -4,000,000 in consideration of carry out strict cost control and pay off debts to reduce estimated liabilities. The projected loss was decline of RMB 10.56-11.56 million compared with last year.

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

#### **V. Results in the same period last year**

Loss: RMB15,560,000

Earnings per share: RMB-0.0178

#### **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 first quarterly report of 2018 before 30 April 2018. Investors are advised to pay attention to investment risks.

By order of the Board  
Liu Daoqi  
Chairman

Changzhou, Jiangsu Province, the People's Republic of China

13 April 2018

*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 five directors, namely Mr. Liu Daoqi, Mr. Bai Haibo, Mr. Li Rui, Mr. Song Xiang and Mr. Bao Zongbao; and three independent directors, namely Mr. Zhang Luyang, Mr. Jin Wenhong and Mr. Qian Fengsheng.*