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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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN: that the Extraordinary General Meeting (the “EGM”) of Northeast Electric Development Company Limited (the “**Company**”) will be held at the Conference Room, Floor 22, HNA Plaza, No.7 Guoxing Road, Meilan District, Haikou City, Hainan Province, the PRC at 10:00 a.m. on 11 March 2019 for the purpose of considering and, if thought fit, passing the following resolutions:

AS ORDINARY RESOLUTION

“THAT:

1. The Proposal on the Acceptance of Finance Assistance from the Substantial Shareholder of the Company * (《關於接受公司大股東財務資助的議案》) be and is hereby approved.”

To meet the Company’s operational needs and enhance the sustained operation capacity, Beijing Haihongyuan Investment Management Co., Ltd. (the “**Beijing Haihongyuan**”, a substantial shareholder of the Company), intends to provide a loan whose outstanding balance (the principal amount) shall not exceed RMB 50 million to Shenyang Kaiyi Electric Limited, a wholly-owned subsidiary of the Company, in 2019. The loans will be continuously utilised within the limit by the Group for operation which includes but is not limited to organizing production, purchasing raw materials and machinery, and repaying debts, and shall not exceed RMB 80 million on a cumulative basis in 2019.

The Company is not required to provide any mortgage or security in respect of the loans above. The interest rate of the loans shall not exceed the PBOC’s benchmark lending rate of the same period, and the term of the loans commences from the date when the relevant matter is considered and approved by the General Meeting of the Company to 31 December 2019.

As Beijing Haihongyuan Investment Management Co., Ltd (北京海鴻源投資管理有限公司), which controls over the voting right in respect of its Shares in the Company, is an associate of the Company, it is required to abstain from voting at the EGM.

2. The Proposal on the Estimations of Continuing Connected Transactions in 2019 * (《關於2019年度日常關連交易預計的議案》) be and is hereby approved.”

For details of the Proposal on the Estimations of Continuing Connected Transactions in 2019, please refer to the announcement disclosed on the same date.

As Beijing Haihongyuan Investment Management Co., Ltd (北京海鴻源投資管理有限公司), which controls over the voting right in respect of its Shares in the Company, is an associate of the Company, it is required to abstain from voting at the EGM.

3. The Proposal on the Reappointment of RuiHua Certified Public Accountants (Special General Partnership) as the Auditor of the Company for the Year of 2018* (《關於續聘瑞華會計師事務所(特殊普通合伙)為公司2018年度會計審計機構的議案》) be and is hereby approved.”

The Company intends to reappoint RuiHua Certified Public Accountants (Special General Partnership) as the Auditor of the Company for the Year 2018 with the term of office of one year and authorizes the Board to determine its remuneration.

By order of the Board

Li Tie

Chairman

Haikou, Hainan Province, the PRC

24 January 2019

As at the date of the Notice, the Board of Directors comprises of six executive directors, namely Mr. Li Tie, Mr. Li Rui, Mr. Zhu Jie, Mr. Qin Jianmin, Mr. Bao Zongbao, and Mr. Su Weiguo; and three independent directors, namely Mr. Li Ming, Mr. Jin Wenhong and Mr. Qian Fengsheng.

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 1 March 2019 is entitled to attend the EGM.*

- (2) *In order to confirm the list of holders of H Shares of the Company who are entitled to attend the EGM, the register of shareholders of the Company will be closed from 9 February 2019 to 11 March 2019 (both days inclusive), during which period no transfer of shares will be registered. The shareholders whose names appear on the register of the Company by the close of business on 8 February 2019 are entitled to attend the EGM and vote at the EGM.*
- (3) *Holders of H Shares of the Company who intend to attend the EGM shall deposit the transfer documents and relevant share certificates at the Company's H Share registrar, Boardroom Share Registrars (HK) Limited, 2103B, 21th Floor, 148 Electric Road, North Point Hong Kong not later than 4:30 p.m. on 8 February 2019.*
- (4) *Shareholders of the Company who intend to attend the EGM shall mail or fax the written reply for attending the EGM to the Company before 19 February 2019.*
- (5) *Any shareholder of the Company entitled to attend and vote at the EGM is entitled to appoint one or more proxies (whether or not shareholder of the Company) to attend and vote at the EGM on his/her behalf.*
- (6) *In order to be valid, the proxy forms of shareholders and other documents (if any) should be deposited at the Company or the Company's H Share registrar no later than 24 hours before the time appointed for holding the EGM.*
- (7) *Shareholders of the Company or their proxies attending the EGM shall bear their own travel and accommodation expenses.*

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** For identification purposes only.*