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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)

SUPPLEMENTARY NOTICE OF EXTRAORDINARY GENERAL MEETING

References are made to the Notice of Extraordinary General Meeting (the “**EGM Notice**”) of Northeast Electric Development Company Limited (the “**Company**”) dated 24 January 2019 which set out, among other things, details relating to the time, venue and agenda of the first Extraordinary General Meeting (the “**EGM**”) of the Company in 2019 to be convened at 10:00 a.m. on 11 March 2019 at the Conference Room, Floor 22, HNA Plaza, No.7 Guoxing Road, Meilan District, Haikou City, Hainan Province, the PRC. Unless the context otherwise requires, capitalised terms used in this supplementary notice shall have the same meanings as defined in the EGM Notice.

On 18 February 2019, the Board of Directors of the Company (the “**Board**”) received the “Proposal in relation to the Addition of Ex Tempore Motions at the first Extraordinary General Meeting in 2019 of Northeast Electric Development Co. Ltd.” from its first substantial shareholder, Beijing Haihongyuan Investment Management Co., Ltd. (“**Beijing Haihongyuan**”), which proposed the addition of ex tempore motions in relation to “the Proposal on the Appointment of Directors of the 9th Session of the Board of the Company”, “the Proposal on the Annual Remuneration of the Members of the 9th Session of the Board”, “the Proposal on the Annual Remuneration of the Members of the 9th Session of Supervisory Committee”, “the Proposal on the Appointment of Shareholder Representative Supervisors of the 9th Session of Supervisory Committee of the Company” at the EGM. According to the Articles of Association of the Company (the “**Articles of Association**”), the appointment of directors and supervisors shall be approved by shareholders at the general meeting. The relevant proposals shall be considered and approved by the shareholders at the EGM as an ordinary resolution. As of the date of this supplementary notice, Beijing Haihongyuan held 81,494,850 A Shares in the Company, representing 9.33% of the total number of shares of the Company.

Pursuant to Article 101 of the Articles of Association, “shareholders who individually or jointly hold no less than 3% of the shares of the Company shall have the right to give proposals to the Company and may give provisional proposals in writing to the convener 10 days prior to the date of such meeting. Within 2 days upon receipt thereof the convener shall issue a supplemental notice of the general meeting with announcement on the contents of such provisional proposals.”

Having examined the aforesaid ex tempore motions, the Board of Directors is of the view that it is in compliance with relevant provisions of the Company Law and the Articles of Association, with Beijing Haihongyuan being qualified to propose ex tempore motions and the aforesaid ex tempore motions carrying specific subjects and matters to be resolved that fall within the scope of authority of the general meeting. Accordingly, the Board of Directors has approved the tabling of the aforesaid ex tempore motions at the EGM in accordance with the provisions of the Company Law, the Rules of General Meetings of Listed Companies and other laws, regulations and regulatory documents as well as the Articles of Association.

SUPPLEMENTARY NOTICE IS HEREBY GIVEN: that the EGM will be held, as originally scheduled, at 10:00 a.m. on 11 March 2019 at the Conference Room, Floor 22, HNA Plaza, No.7 Guoxing Road, Meilan District, Haikou City, Hainan Province, the PRC, to consider and, if thought fit, pass the resolutions set out in the EGM Notice and the following supplementary ordinary resolutions:

AS ORDINARY RESOLUTION

“THAT:

4. The Proposal on the Appointment of Directors of the 9th Session of the Board of the Company * (《關於委任公司第九屆董事會董事的議案》) be and is hereby approved.”

The term of office of the 8th session of the Board is due to expire on 10 March 2019. The Board is pleased to announce that the Directors will be reappointed for a new term of three years commencing from the date of approval of the Shareholders at the EGM. Biographical details of the candidates being reappointed are set out below.

Candidates for Executive Directors

Mr. Li Tie

Mr. Li Tie, born in 1976, with Chinese nationality but without the right of permanent residence abroad, is a certified public accountant, insurance assessor, certified tax agent, and postgraduate,

and has successively majored in law at Anhui University, and taken courses of Executive Master of Business Administration (EMBA) at Tsinghua University, and obtained a bachelor's degree and a master's degree respectively. He once served as the president of Hainan Airlines Holding Co., Ltd., the chief executive officer of HNA Travel Group Co., Ltd., the chairman of China Civil Aviation Investment Group Ltd., the chief investment officer of HNA Tourism Group Co., Ltd., and the chairman and chief executive officer of tourism investment platform of HNA Tourism Group Co., Ltd.. He currently serves as a Director of the 8th session of the Board and the Chairman of the Company.

Mr. Li Rui

Mr. Li Rui, born in 1977, with Chinese nationality but without the right of permanent residence abroad, graduated from School of Management, Huazhong University of Science. He joined HNA Group Co., Ltd. in 1999 and has successively held the posts of deputy general manager and standing deputy general manager of securities business department of HNA Group Co., Ltd. and the standing deputy general manager and the general manager of investment management department of HNA Group Co., Ltd. and the vice president and board secretary of Hainan Airlines Holding Co., Ltd. He currently serves as a Director of the 8th session of the Board, vice chairman and the general manager of the Company.

Mr. Zhu Jie

Mr. Zhu Jie, born in 1981, with Chinese nationality but without the right of permanent residence abroad, graduated from York University and obtained a master's degree in business administration. He once served as the chairman of HNA Tourism Innovative Investment Co., Ltd., and the chairman of HNA Tourism Travel Group (海航旅業旅遊投資集團), and the chairman of HNA Navigation Investment Group Co., Ltd. (海航通航投資集團有限公司), and the venture capital investment president of HNA-Caissa Travel Group Co., Ltd. He currently serves as a Director of the 8th session of the Board of the Company and the chairman of Hainan HNA International Hospitality Management Limited.

Ms. Ma Yun

Ms. Ma Yun, born in 1972, with Chinese nationality but without the right of permanent residence abroad, graduated from Toulouse Business School and a master's degree in travel and hotel management. She once served as the general manager of Guangzhou Construction Tianyu Real Estate Co., Ltd., the general manager of Beijing Kehang Investment Co., Ltd.(北京科航投資有限公司), the deputy general manager and employer's representative of Beijing Marriott Hotel Northeast, and the general manager of Hangzhou Huagang HNA Resort. She currently serves as the

president of HNA International Hotel Management Co., Ltd..

Mr. Bao Zongbao

Mr. Bao Zongbao, born in 1983, with Chinese nationality but without the right of permanent residence abroad, graduated from Civil Aviation University of China. He once served as the investment director of HNA Investment Holding Co., Ltd. and the chief financial officer of HNA Tourism Hospitality Investment Group Co., Ltd.. He currently serves as a Director of the 8th session of the Board and a supervisor of Beijing Haihongyuan Investment Management Co., Ltd..

Mr. Su Weiguo

Mr. Su Weiguo, born in 1962, with Chinese nationality but without the right of permanent residence abroad, is a senior economist and graduated from Harbin University of Science and Technology with a major in heat treatment and later from Dalian Maritime University with a major in international economics, and obtained a bachelor's degree in engineering and a master's degree in law. He served as the section chief of the business management department, deputy general manager, board secretary, general manager and chairman of the Company, and the section chief of business management department, assistant president and deputy general manager of Northeast Electric Power Transmission and Transformation Equipment Group, and the general manager of Tieling Copper Industry Co., Ltd., and the chairman of Shenyang Furukawa Cable Co., Ltd., which is a Sino-Japanese joint venture. He is currently a Director and Board secretary of the 8th session of the Board.

The above-mentioned candidates for Executive Directors do not have any equity interest in the Company and have never been punished by the China Securities Regulatory Commission and other authorities concerned or disciplined by any stock exchanges. They are not on the list of dishonest persons. Their qualification to exercise their functions and powers conforms with laws and regulations such as the Company Law and the Articles of Association. Save for Mr. Su Weiguo, other candidates for Executive Directors are connected parties of Beijing Haihongyuan, the Company's first substantial shareholder, and its de facto controller.

Candidates for Independent Non-Executive Directors

Mr. Li Ming

Mr. Li Ming, born in 1953, with Chinese nationality but without the right of permanent residence abroad, majored in law at Hainan Radio and TV University and has been long engaged in legal practice. He once served as secretary of the party committee of Hainan Technology and Business

College and is now retired. He currently serves as an Independent Non-Executive Director of the 8th session of the Board of the Company.

Mr. Qian Fengsheng

Mr. Qian Fengsheng, born in 1964, with Chinese nationality but without the right of permanent residence abroad, graduated from Shanghai University of Finance and Economics with a major in Accounting in 1986 and obtained Ph.D. in Management (Accounting) in 1999. He is a professional accountant and was the director of the MPACC Center in Shanghai University of Finance and Economics. He currently serves as an associate professor of the School of Accounting in Shanghai University of Finance and Economics, a consultant expert of the first session of Accounting Standards for Business Enterprises in the Ministry of Finance, the member of the Accounting Basic Theory Special Committee in the Ministry of Finance, and an Independent Non-Executive Director of the 8th session of the Board of the Company.

Mr. Fang Guangrong

Mr. Fang Guangrong, born in 1955, with Chinese nationality but without the right of permanent residence abroad, graduated from Ningxia University and obtained a bachelor's degree. He has been long engaged in accounting management and financial work. He once served as the deputy director of Department of Finance of Hainan Province and the director of Hainan Financial Supervision Agent Office. He currently serves as a director of the sixth session of The Chinese Institute of Certified Public Accountants and the president of Hainan Institute of Certified Public Accountants.

The above-mentioned candidates for Independent Non-Executive Directors do not have any equity interest in the Company and are not connected parties of Beijing Haihongyuan, the Company's first substantial shareholder, and its de facto controller. They have never been punished by the China Securities Regulatory Commission and other authorities concerned or disciplined by any stock exchanges. They are not on the list of dishonest persons. Their qualification to exercise their functions and powers conforms with laws and regulations such as the Company Law and the Articles of Association.

Save as disclosed above, as at the date hereof, none of the above persons (i) has held any other positions in the Company or other members of the Group or any directorship in any other listed companies in the past three years; (ii) has any relationship with any other Directors, Supervisors, senior management, substantial shareholders or controlling shareholders (as defined under the Listing Rules) of the Company; or (iii) has any interest in the shares of the Company within the meaning of Part XV of the SFO. All of the above persons have nothing to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules nor is there anything that needs to be brought to the

attention of the Shareholders.

5. The Proposal on the Annual Remuneration of the Members of the 9th Session of the Board * (《關於第九屆董事會董事成員年度薪酬的議案》) be and is hereby approved.”

As proposed by the Remuneration Committee, the total average annual remuneration of all members of the 9th session of Board of the Company during their term of office shall not exceed RMB 6,000,000 (after tax) for each financial year, which remains the same as the annual remuneration of members of the 8th session of Board.

6. The Proposal on the Annual Remuneration of the Members of the 9th Session of Supervisory Committee * (《關於第九屆監事會董事成員年度薪酬的議案》) be and is hereby approved.”

As proposed by the Remuneration Committee, the total average annual remuneration of all members of the 9th session of Supervisory Committee of the Company during their term of office shall not exceed RMB 800,000 (after tax), which remain the same as the annual remuneration of members of the 8th session of Supervisory Committee.

7. The Proposal on the Appointment of Shareholder Representative Supervisors of the 9th Session of Supervisory Committee of the Company * (《關於委任公司第九屆監事會股東代表監事的議案》) be and is hereby approved.”

The term of office of the 8th session of Supervisory Committee is due to expire on 10 March 2019. The Supervisory Committee is pleased to announce that the Shareholder Representative Supervisors will be reappointed for a new term of three years commencing from the date of approval of the Shareholders at the EGM. Biographical details of the candidates being reappointed are set out below.

Candidates for Shareholder Representative Supervisors

Ms. Zhou Jinyang

Ms. Zhou Jinyang, born in 1965, with Chinese nationality but without the right of permanent residence abroad, graduated from Guizhou University majoring in foreign language and literature with a bachelor's degree in arts. She once served as the manager of Shenzhen operation department of Hainan Airlines Holding Co., Ltd., the deputy general manager of Hainan Airlines Foods Co., Ltd., the general manager of Hainan Airlines Beverage Manufacture Co., Ltd. and the deputy general manager of comprehensive management department of Yishi Group Co., Ltd.. She currently serves as the chairman and Shareholder Representative Supervisor of the 8th session of Supervisory

Committee of the Company.

Ms. Lei Xiao

Ms. Lei Xiao, born in 1990, with Chinese nationality but without the right of permanent residence abroad, graduated from University of Bristol majoring in accounting and financial management with a master's degree of science. She once served as the business manager of planning finance department of HNA Tourism Investment Holdings Co., Ltd.. She currently serves as the business director of planning finance department and Shareholder Representative Supervisor of the 8th session of Supervisory Committee of the Company.

The above-mentioned candidates for Shareholder Representative Supervisors do not have any equity interest in the Company and are connected parties of Beijing Haihongyuan, the Company's first substantial shareholder, and its de facto controller. They have never been punished by the China Securities Regulatory Commission and other authorities concerned or disciplined by any stock exchanges. They are not on the list of dishonest persons. Their qualification to exercise their functions and powers conforms with laws and regulations such as the Company Law and the Articles of Association.

Save as disclosed above, as at the date hereof, none of the above persons (i) has held any other positions in the Company or other members of the Group or any directorship in any other listed companies in the past three years; (ii) has any relationship with any other Directors, Supervisors, senior management, substantial shareholders or controlling shareholders (as defined under the Listing Rules) of the Company; or (iii) has any interest in the shares of the Company within the meaning of Part XV of the SFO. All of the above persons have nothing to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules nor is there anything that needs to be brought to the attention of the Shareholders.

Save for the ex tempore motions added as aforesaid, other details, such as the time, venue and method of convening the EGM, as set out in the EGM Notice, shall remain unchanged. A revised form of proxy for use at the EGM has been published on the same date of this supplementary notice and dispatched to the shareholders.

By order of the Board

Li Tie

Chairman

Haikou, Hainan Province, the PRC

22 February 2019

As at the date of the Supplementary 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 non-executive directors, namely Mr. Li Ming, Mr. Jin Wenhong and Mr. Qian Fengsheng.

Notes:

- (1) Save for the inclusion of the newly submitted resolutions, there are no other changes to the resolutions set out in the EGM Notice. For the details and other matters in relation to other resolutions to be considered at the EGM, please refer to the EGM Notice dated 24 January 2019.*
- (2) Since the form of proxy sent together with the EGM Notice dated 24 January 2019 (the “First Form of Proxy”) does not contain the additionally proposed resolution as set out in this supplementary notice, a new form of proxy (the “Revised Form of Proxy”) has been prepared and is enclosed with this supplementary notice.*
- (3) The Revised Form of Proxy for use at the EGM is enclosed with this supplementary notice and is also published on the website of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Company’s website (www.nee.com.cn). Whether or not you intend to attend the EGM, you are requested to complete and return the enclosed Revised Form of Proxy in accordance with the instructions printed thereon not less than 24 hours before the time appointed to holding the EGM. Completion and return of the Revised Form of Proxy will not preclude you from attending the EGM and voting in person if you so wish.*
- (4) A Shareholder who has not yet lodged the First Form of Proxy in accordance with the instructions printed thereon is requested to lodge the Revised Form of Proxy if he or she wishes to appoint proxies to attend the EGM on his or her behalf. In this case, the First Form of Proxy should not be lodged.*
- (5) A Shareholder who has already lodged the First Form of Proxy in accordance with the instructions printed thereon should note that:*
 - (i) If no Revised Form of Proxy is lodged in accordance with the instructions printed thereon, the First Form of Proxy will be treated as a valid form of proxy lodged by the shareholder if duly completed. The proxy appointed under the First Form of Proxy will also be entitled to vote in accordance with the instructions previously given by the Shareholder or at his/her discretion (if no such instructions are given) on any resolutions properly submitted to the EGM, including the additional proposed resolutions as set out in this supplementary notice.*
 - (ii) If the Revised Form of Proxy is lodged in accordance with the instructions printed thereon not less than*

24 hours before the time appointed to hold the EGM, the First Form of Proxy previously lodged by you will be revoked and superseded by the Revised Form of Proxy. The Revised Form of Proxy will be treated as a valid form of proxy lodged by the Shareholder if duly completed.

(iii) If the Revised Form of Proxy is lodged after 24 hours before the time appointed to hold the EGM, the Revised Form of Proxy will be deemed invalid. The First Form of Proxy previously lodged by the Shareholder will not be revoked. The First Form of Proxy will be treated as a valid form of proxy if duly completed. The proxy appointed under the First Form of Proxy will also be entitled to vote in accordance with the instructions previously given by the Shareholder or at his/her discretion (if no such instructions are given) on any resolutions properly submitted to the EGM, including the additional proposed resolutions as set out in this supplementary notice.

(6) Any Shareholders are reminded that completion and return of the First Form of Proxy and/or the Revised Form of Proxy will not preclude them from attending and voting in person at the EGM.

(7) Shareholders are reminded to refer to other notes contained in the EGM Notice.