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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)

Announcement

It is predicted that Northeast Electric Development Co., Ltd (hereinafter referred to “the Company”) will suffer a loss of RMB 10,000,000 (the same below) in accumulative net profit in the first half of this year according to the primary calculation from the financial management department. The detailed financial data will be disclosed in the interim report of 2009 on 17 August 2009. Now, an announcement is made in accordance with the provision specified in Article 13.09 (1) of the Listing Rule.

I. Period of Performance Prediction: from 1 January 2009 to 30 June 2009

II. Results of Performance Prediction: Loss

It is predicted that the Company will suffer a loss of RMB 10,000,000 in accumulative net profit in the first half of this year according to the primary calculation from the financial management department. The detailed financial data will be disclosed in the interim report of 2009 on 17 August 2009.

III. Reasons for Performance Loss Prediction

According to the Company's current situation of production and operation, it is predicted that the Company will suffer a loss of RMB 10,000,000 in accumulative net profit in the first half of this year.

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

V. The performance in the same period last year

1. Net profit: RMB 520,651.63
2. Earnings per share: RMB 0.0006

VI. Other Related Explanation

The performance prediction has been considered and passed at the Company's board meeting. The detailed financial data will be disclosed in the interim report of 2009 on 17 August 2009. We wish to call mass investors' attention to investment risks.

By order of the Board
Su Weiguo
Chairman

Shenyang, the People's Republic of China
14 July 2009

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; and (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 executive directors, namely Mr. Su Weiguo, Mr. Wang Shouguan, Mr. Bi Jianzhong, Mr. Liu Qingmin, and Mr. Du Kai; and five independent non-executive directors, namely Mr. Wu Qicheng, Mr. Lin Wenbin, Mr. Xiang Yongchun, Ms. Liang Jie and Mr. Liu Hongguang.