



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)

NORTHEAST ELECTRIC DEVELOPMENT CO., LTD.

ANNOUNCEMENT

It is predicted that Northeast Electric Development Co., Ltd. (hereinafter referred to “the Company”) will get a recovery from performance of about RMB 5,000,000 in accumulative net profit in this year according to the primary calculation from the financial management department, and earnings per share will be about RMB 0.0057. The detailed financial data will be disclosed in the annual report of 2009 on 30 March 2010. 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 31 December 2009

II. Results of Performance Prediction: a recovery from performance

It is predicted that the Company will get a recovery from performance of about RMB 5,000,000 in accumulative net profit in this year according to the primary calculation from the financial management department of the Company, and earnings per share will be about RMB 0.0057.

The detailed financial data will be disclosed in the annual report of 2009 on 30 March 2010.

III. Reasons for Performance of Changes:

In consideration of a large order forms with higher gross profit ratio delivered intensively in the next half year and increase of enterprise's profit and according to the Company's current situation of production and operation, it is predicted that the Company will get a recovery from performance in accumulative net profit of this year.

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

V. The performance in the same period last year (monetary unit: RMB)

1. Net profit: -69,112,495.33
2. Earnings per share: -0.08

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 annual report of 2009 on 30 March 2010. 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

27 January 2010

The directors of the Company, having made all reasonable enquires, 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 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.