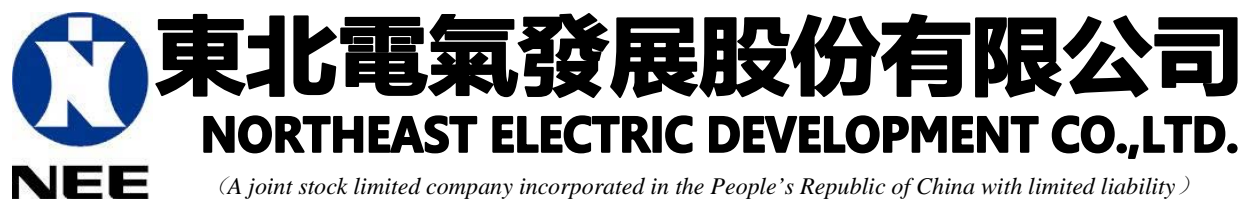


Hong Kong Exchanges and Clearing Limited and the Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



(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 surplus of accumulative net profit of approximately RMB 3,000,000 - RMB 4,000,000 and earnings per share of RMB 0.0034 - RMB 0.0046 in the first half of this year according to the preliminary estimation from the financial department. The accurate financial data will be fully disclosed in the Interim Report of 2018 by 31 August 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 30 June 2018

II. Results Prediction: Turn losses to gains

It is predicted that the Company will be in a surplus of accumulative net profit of approximately RMB 3,000,000 - RMB 4,000,000 and earnings per share of RMB 0.0034 - RMB 0.0046 in the first half of this year according to the preliminary estimation from the financial department.

The accurate financial data will be fully disclosed in the Interim Report of 2018 by 31 August 2018.

III. Reasons for Changes in the Predicted Results

According to the production and operation situation of the Company in the first half of 2018, the operating profit is basically the same as that of the same period of the previous year. Due to the recovery of the guarantee payment, it is predicted that the Company will be in a surplus of accumulative net profit of approximately RMB 3,000,000 - RMB 4,000,000 in the first half of this year.

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

V. Results in the same period last year

Loss: RMB 19,929,800

Earnings per share: RMB -0.0228

VI. Other Related Explanation

The predicted results are preliminary estimation by the financial department of the Company. The Board of Directors confirms that the accurate financial data will be fully disclosed in the Interim Report of 2018 by 31 August 2018. Investors are advised to pay attention to investment risks.

By order of the Board

Li Tie
Chairman

Haikou, Hainan Province, the PRC

12 July 2018

The Directors of the Company who collectively and individually accept full responsibility for this announcement, 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 six executive directors, namely Mr. Li Tie, Mr. Bai Haibo, Mr. Qin Jianmin, Mr. Li Rui, Mr. Song Xiang and Mr. Bao Zongbao; and three independent directors, namely Mr. Li Ming, Mr. Jin Wenhong and Mr. Qian Fengsheng.