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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 on Resignation of Vice Chairman

An announcement is made in accordance with the provision specified in Article 13.51(2) of the Listing Rule.

The Board of Directors (the “Board”) of Northeast Electric Development Co., Ltd. (the “Company”) has recently received the resignation application from Mr. Bai Haibo, Vice Chairman and director. Due to his work adjustment, Mr. Bai Haibo applied for resignation as Vice Chairman and director of the Company. After resignation, Mr. Bai Haibo will cease to hold any positions in the Company.

Mr. Bai Haibo has confirmed to the Company that he has no disagreement with the Board, and there is no matter relating to his resignation that needs to be brought to the attention of the holders of the securities of the Company.

According to the relevant provisions of the Company Law and the Listing Rules, Mr. Bai Haibo’s resignation take effect on the date of service to the Board of Directors of the Company. A proper handover has carried out for the work of Mr. Bai Haibo and thus his resignation would not affect the normal production and operation of the Company. In addition, the number of directors is not less than the minimum quorum due to resignation of Mr. Bai Haibo and there is no effect on normal operation of the Board.

As of the date of this announcement, Mr. Bai Haibo has not held any shares of the Company, and there are no commitments that should have been fulfilled.

The Company and the Board hereby extend sincere thanks to Mr. Bai Haibo for his valuable contributions to the Company during his term of office.

By order of the Board

Li Tie

Chairman

Haikou, Hainan Province, the PRC

17 August 2018

As at the date of the Statement, the Board of Directors comprises of five executive directors, namely Mr. Li Tie, 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.