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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)

Clarification Announcement

Reference is made to the announcement of Northeast Electric Development Co., Ltd. (the “**Company**”) at 18:55 p.m. on 12 October 2018 in relation to overseas regulatory announcement (the “**Announcement**”).

The Company would like to clarify that there are two typos on the English version of the Announcement on page one. It should be surplus instead of deficit. The correct wordings are as the followings:

“The Board of Directors (the “**Board**”) of Northeast Electric Development Co., Ltd. (the “**Company**”) announce that it is predicted that the Company is in a **surplus** of accumulative net profit of approximately RMB 30,000,000—RMB 35,000,000 and earnings per share of RMB 0.0343—RMB 0.0401 in the past three quarters of this year according to the primary calculation from the financial department.”

“It is predicted that the Company will be in a **surplus** of accumulative net profit of approximately RMB 30,000,000—RMB 35,000,000 and earnings per share of RMB 0.0343—RMB 0.0401 in the past three quarters of this year according to the primary calculation from the financial department.”

Except the above clarification, other wordings on the English and Chinese versions of the Announcement are reminded unchanged.

By order of the Board

Li Tie

Chairman

Haikou, Hainan Province, the PRC

15 October 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.