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(Stock Code:0042)

NOTICE ON HOLDING AN EXTRAORDINARY GENERAL MEETING

The board of directors (the "Board") of Northeast Electric Development Co., Ltd. (the "Company") is pleased to announce that the Company will convene the first extraordinary general meeting (the "EGM") for the year of 2013 in the conference room of the Company, No. 2 XingShun Street, Tiexi District, Shenyang, the PRC, at 9:30 am, on Monday, 11 March 2013. The following resolutions will be considered and discussed at the meeting.

I. Amendments to the Articles of Association of the Company

According to the "Consultation Conclusions on Acceptance of Mainland Accounting and Auditing Standards and Mainland Audit Firms for Mainland Incorporated Companies Listed in Hong Kong" published by the Stock Exchange of Hong Kong Limited (the "Stock Exchange") in December 2010 and the related amendments to the Rules Governing the Listing of Securities on the Stock Exchange ("the Amended Listing Rules"), Mainland incorporated issuers listed in Hong Kong are allowed to prepare their financial statements in accordance with China Accounting Standards for the purpose of fulfillment of the periodic financial reporting requirements under the Amended Listing Rules. The Company is only required to prepare one set of financial statements for any financial period commencing on or after 1 January 2012 under China Accounting Standards.

The amendments to relevant articles of Articles of Association for preparing financial statements under China Accounting Standards:

The original “Article 252, The financial statements of the Company shall, in addition to complying with PRC accounting standards and regulations, be prepared in accordance with either international accounting standards or accounting standards of the place at which the Company is listed overseas. If there shall be material differences between the financial statements prepared in accordance with the aforesaid two accounting standard, then those financial statements shall specify such differences. When the Company distributes the profits after tax in respect of the relevant financial year, the profits after tax shall be deemed to be the lesser of the amount stated in the two sets of financial statements.

Article 253 If the relevant securities of the Company are permitted to be listed on the Exchange, during the period on which its securities remain listed, the financial statements placed before the shareholders shall, in addition to complying with PRC accounting standards and regulations, be prepared in accordance with either international accounting standards or Hong Kong accounting standards. If there shall be material differences between the financial statements prepared in accordance with the aforesaid two accounting standard, then those financial statements shall specify the financial effects of such differences.

Article 254 Any interim results or financial information published or disclosed by the Company shall be prepared in accordance with PRC accounting standards and regulations and also in accordance with either international accounting standards or accounting standards of the place where the Company is listed.”

The aforesaid Articles are to be amended as follows:

“Article 252 The financial statements of the Company shall be prepared in accordance with PRC accounting standards for Business Enterprises and the relevant guidelines and standards issued by the regulatory authorities.

Article 253 If the securities of the Company are listed on the Exchange, during the period on which its securities remain listed, the financial statements placed before the shareholders shall be prepared in accordance with PRC accounting standards and the relevant guidelines and standards issued by the regulatory authorities.

Article 254 Any interim results or financial information published or disclosed by the Company shall be prepared in accordance with PRC accounting standards and the relevant guidelines and standards issued by the regulatory authorities.”

II. Proposal on Changes in Auditors

To improve the efficiency of information disclosure and reduce information disclosure costs, the Company will remove Shenzhen Pengcheng Certified Public Accountants Co., Ltd. (“Pengcheng CPAs”) and Ting Ho Kwan & Chan (“THKC”) respectively as the domestic auditors and overseas auditors of the Company and appoint Crowe Horwath China Certified Public Accountants (LLP) (“CHCC”) as the auditors of the Company for the year 2012, to audit the financial statements of the Company in accordance with China Auditing Standards, and prepare financial statements in accordance with China Accounting Standards, and to shoulder the duties as overseas auditors under the Amended Listing Rules of the Stock Exchange (including but not limited to the annual financial report and annual audit of related items) in light of the acceptance by the Stock Exchange of matters in relation to the adoption of Mainland accounting and auditing standards and the appointment of Mainland audit firms, and the fact that the Company is allowed to prepare only one set of financial statements for any financial period commencing on and after 1 January 2012, and accounting firms approved by the Ministry of Finance of China and China Securities Regulatory Commission are allowed to audit these financial statements in accordance with China Accounting Standards on Auditing (內地審計準則, “China Auditing Standards”).

CHCC is a CPAs firm approved by the MOF and the CSRC and is qualified to provide auditing services to Mainland incorporated issuers under China Accounting Standards.

The Board of Directors of the Company has confirmed that, there is no information connected with auditors’ resignation which they considered should to be brought to the attention of the shareholders in respect of the Company. The Board would like to extend sincere gratitude to Pengcheng CPAs and THKC for its precious contribution and service in the term of office.

III. Resolution on Nominating Candidates for the Members of the Seventh Session of the Board of Directors

1. Nominating Mr. Su Weiguo for executive director;
2. Nominating Mr. Wang Shouguan for executive director;
3. Nominating Mr. Liu Tongyan for executive director;
4. Nominating Mr. Liu Qingmin for executive director;
5. Nominating Mr. Liu Bing for executive director;
6. Nominating Mr. Wang Yunxiao for independent non-executive director;
7. Nominating Ms. Liang Jie for independent non-executive director; and
8. Nominating Mr. Liu Hongguang for independent non-executive director.

IV. Resolution on Nominating Candidates for the Members of the Seventh Session of the Board of Supervisors

1. Nominating Mr. Dong Liansheng for superior on behalf of the shareholders; and
2. Nominating Ms. Jiao Liyuan for superior on behalf of the shareholders.

V. Proposal on the Annual Remuneration of the Members of the Seventh Session of the Board of Directors

VI. Proposal on the Annual Remuneration of the Members of the Seventh Session of the Board of Supervisors

Notes:

- (1) Any shareholder of A shares who has registered on the register of the Company at China Securities Depository and Clearing Company Limited Shenzhen Branch by the close of business on 6 March 2013 is entitled to attend the Meeting.
- (2) In order to confirm the list of shareholder of H shares who are entitled to attend the meeting, the register of shareholders of the Company will be closed from 11 February 2013 to 12 March 2013 (both days inclusive), during which period no transfer of shares will be registered. The shareholders whose names appear on the register by the close of business on 8 February 2013 are entitled to attend the meeting and vote at the meeting. Shareholders of H shares who intend to attend the meeting shall deposit the transfer documents and relevant share certificates at the Company's H shares registrar, Boardroom Share Registrars (HK) Limited, 12th Floor, The Lee Gardens 33 Hysan Avenue Causeway Bay Hong Kong not later than 16:30 pm on 8 February 2013.
- (3) Shareholders of H shares who intend to attend the extraordinary general meeting shall mail or fax the written reply for attending the meeting to the Company before 20 February 2013.
- (4) Any shareholder entitled to attend and vote at the meeting is entitled to appoint one or more proxies (whether or not shareholder of the Company) to attend and vote at the meeting on his/her behalf.
- (5) In order to be valid, the proxy forms of shareholders and other notarially certified documents (if any) should be deposited at the Company not less than 24 hours before the extraordinary general meeting.
- (6) The extraordinary general meeting is expected to last for half a day. Shareholders or their proxies attending the meeting shall bear their own travel and accommodation expenses.

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** for identification purpose only*

By order of the Board

Su Weiguo

Chairman

Yingkou, the People's Republic of China

14 January 2013

As at the date of the Statement, the Board of Directors comprises of five executive directors, namely Mr. Su Weiguo, Mr. Wang Shouguan, Mr. Liu Tongyan, Mr. Liu Qingmin and Mr. Liu Bing; and three independent non-executive directors, namely Mr. Wu Qicheng, Mr. Xiang Yongchun and Mr. Wang Yunxiao.