NEE

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）

Overseas Regulatory Announcement

The Board of Directors (the "**Board**") of Northeast Electric Development Co., Ltd. (the "**Company**") hereby announces that it is predicted that the Company is in a deficit of net profit attributable to shareholders of listed Company of approximately RMB3,200,000 – RMB4,800,000, basic earnings per share of RMB-0.0037 – RMB-0.0055 in the first half of 2019 according to the primary calculation from the financial department of the Company. The accurate financial data will be fully disclosed in the interim results announcement before 30 August 2019. The announcement is made in accordance with Rule 13.10B of the Listing Rules.

I. Period of Results Prediction

From 1 January 2019 to 30 June 2019

II. Situation of Results Prediction: Loss

It is predicted that the Company is in a deficit of net profit attributable to shareholders of listed Company of approximately RMB3,200,000 – RMB4,800,000, basic earnings per share of RMB-0.0037 – RMB-0.0055 in the first half of 2019 according to the primary calculation from the financial department of the Company.

The accurate financial data will be fully disclosed in the interim results announcement before 30 August 2019.

III. Pre-auditing Results Prediction

The certified public accountant did not pre-audit the results prediction.

IV. Reasons for Change in Results

During the reporting period, Hainan Tangyuan Technology Co., Ltd. (海南唐苑科技有限公司), a majority-owned subsidiary of the Company, experienced a strong growth of revenue in the food & beverage business and recorded a profit of approximately RMB2,000,000 – RMB2,500,000; the deficit of the Fuxin Enclosed Busbars Co., Ltd. (阜新封閉母線有限責任公司), a wholly owned subsidiary of the Company, decreased approximately RMB 4,200,000 as compared to the same period of the previous year. Meanwhile, the loss of Company comprehensively narrowed through strictly controlling over operating expenses and strengthening management of costs and expenditures.

V. Results in the Same Period Last Year

Net profit attributable to shareholders of listed company: RMB-14,119,400

Basic earnings per share: RMB-0.0162

VI. Other Related Explanation

The predicted results are primarily calculated by the financial department of the Company. The Board confirms that the accurate financial data will be fully disclosed in the interim results announcement before 30 August 2019. Investors are advised to pay attention to investment risks.

By order of the Board
Li Tie
Chairman

Haikou, Hainan Province, the PRC
12 July 2019

The Directors of the Company, 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 Announcement, the Board of Directors comprises of six executive directors, namely Mr. Li Tie, Mr. Li Rui, Mr. Zhu Jie, Ms. Ma Yun, Mr. Bao Zongbao and Mr. Su Weiguo; and three independent non-executive directors, namely Mr. Li Ming, Mr. Qian Fengsheng and Mr. Fang Guangrong.