東北電氣發展股份有限公司

NEE

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 RMB3,920,000 ~ RMB5,820,000, basic earnings per share of RMB-0.0045 ~ RMB-0.0067 in the past three quarters of 2019 according to the primary calculation from the financial department of the Company. The accurate financial data will be fully disclosed in the third quarterly report of 2019 before 31 October 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 September 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 RMB3,920,000 ~ RMB5,820,000, basic earnings per share of RMB-0.0045 ~ RMB-0.0067 in the past three quarters of 2019 according to the primary calculation from the financial department of the Company.

The accurate financial data will be fully disclosed in the third quarterly report of 2019 before 31 October 2019.

III. Pre-auditing Results Prediction

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

IV. Reasons for Change in Results

The Company's net profit in the past three quarters of 2019 decreased by approximately RMB13.5846 ~ 15.4846 million compared with the same period of 2018, mainly attributable to the increase of net profit in the same period last year from the disposal of 100% equities in the wholly-owned subsidiary of the Company, New Northeast Electric (Jinzhou) Power Capacitors Co. Ltd., in 2018.

Deducting the effect of completing the disposal of subsidiaries in 2018 on loss and profit, the operating profit achieved a significant reduction in losses for the past three quarters of this year compared with the same period last year, mainly attributable to the profit from Hotel & catering services business, loss reduction of stock business and strict control over cost and expenses.

V. Results in the Same Period Last Year

Net profit attributable to shareholders of listed company: RMB9,664,632.67

Basic earnings per share: RMB0.0111

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 third quarterly report of 2019 before 31 October 2019. Investors are advised to pay attention to investment risks.

By order of the Board
Zhu Jie
Chairman

Haikou, Hainan Province, the PRC
14 October 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 this Announcement, the Board comprises of five executive Directors, namely Mr. Zhu Jie, Mr. Li Rui, 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.