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 expected to record the net loss attributable to the equity owners of the Company in the first quarter of 2020 in the range of RMB3.35 million to RMB5 million, the losses per share in the range of RMB0.0038 to RMB0.0057, while the consolidated equity attributable to the equity owners of the Company in the range of RMB-69.5 million to RMB-46.5 million. The announcement is made in accordance with Rule 13.10B of the Listing Rules.

## I. Period of Results Prediction

From 1 January 2020 to 31 March 2020

## II. Situation of Results Prediction: Loss

According to the primary calculation of the financial department of the Company, it is expected to record the net loss attributable to the equity owners of the Company in the range of RMB3.35 million to RMB5 million, the losses per share in the range of RMB0.0038 to RMB0.0057, while the consolidated equity attributable to the equity owners of the Company in the range of RMB-69.5 million to RMB-46.5 million in the first quarter of 2020.

The accurate financial data will be fully disclosed in the first quarterly report before 30 April 2020.

**III. Pre-auditing Results Prediction**

The figures of the estimated result contained in this announcement have not been pre-audited by the certified public accountants.

**IV. Reasons for Change in Results**

During the reporting period, our operating income fell by approximately RMB1 million compared with the same period last year, and operating loss was reduced by approximately RMB1 million as a result of the COVID-19 outbreak. In particular, the revenue of Enclosed Busbar（封闭母线） went up as compared with the same period last year, achieving a cut of approximately RMB1 million in losses. Garden Lane Flight （逸唐飞行酒店）was seriously hit by the epidemic with its overall revenue slashing by nearly RMB2 million, mainly relying on the accommodation business launched in September 2019. Its revenue from catering business plunged from the same period last year, and operating losses increased by approximately RMB1.7 million year on year. The headquarters made great efforts to respond to the epidemic, and achieved a decrease of RMB1.7 million in operating losses through strict control of costs and expenditures.

The net assets of the Company remained negative at the end of 2019 due to loss-making businesses during the reporting period.

**V. Results for the Corresponding Period of the Preceding Year**

(I) Consolidated net profit attributable to the shareholders of the Company: RMB4.97 million.
(II) Earnings per share: RMB-0.0057.
(III) Consolidated equity attributable to the equity owners of the Company: RMB7.6

million.

## VI. Other Explanatory Items

The predicted results are primarily calculated by the financial department of the Company. The Board is of the view that the accurate financial data will be fully disclosed in the first quarterly report before 30 April 2020. Investors are advised to exercise caution with investment risks.

By order of the Board
**Zhu Jie**
*Chairman*

Haikou, Hainan Province, the PRC
14 April 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, Ms. Ma Yun, Mr. Bao Zongbao, Mr. Su Weiguo and Ms. Liu Huafen; and three independent non-executive Directors, namely Mr. Li Ming, Mr. Qian Fengsheng and Mr. Fang Guangrong.*