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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**）

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 RMB9,500,000 – RMB13,500,000, basic earnings per share of RMB-0.011 – RMB-0.015 in the first half of 2020 according to the primary calculation from the financial department of the Company, while the consolidated equity attributable to the equity owners of the Company in the range of RMB-71 million to RMB-67 million. The accurate financial data will be fully disclosed in the interim results announcement on 29 August 2020. The announcement is made in accordance with Rule 13.10B of the Listing Rules.

I. Period of Results Prediction

From 1 January 2020 to 30 June 2020

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 RMB9,500,000 – RMB13,500,000, basic earnings per share of RMB-0.011 – RMB-0.015 in the first half of 2020 according to the primary calculation from the financial department of the Company, while the consolidated equity attributable to the equity owners of the Company in the range of RMB-71 million to RMB-67 million.

The accurate financial data will be fully disclosed in the interim results announcement on 29 August 2020.

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, our operating income fell by approximately RMB7 million compared with the same period last year, and operating loss was increased by approximately RMB8.7 million as a result of the COVID-19 (“新型冠狀病毒”) outbreak. In addition, there were not non-operating profit or loss items that affect the net profit during the reporting period.

Due to the net asset of the Company was negative at the end of 2019 and the Company made loss during the reporting period, The net asset of the Company remained negative during the reporting period.

V. Results in the Same Period Last Year

(I) Consolidated net profit attributable to the shareholders of the Company: RMB-3,924,330.74.
(II) Earnings per share: RMB-0.0045.
(III) Consolidated equity attributable to the equity owners of the Company: RMB13,055,892.89.

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 on 29 August 2020. Investors are advised to pay attention to investment risks.

By order of the Board
Zhu Jie
Chairman

Haikou, Hainan Province, the PRC

14 July 2020

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 six executive Directors, namely Mr. Zhu Jie, Mr. Wang Yongfan, Mr. Bao Zongbao, Mr. Su Weiguo, Mr. Guo Qianli and Mr. Li Guoqing; and three independent non-executive Directors, namely Mr. Li Ming, Mr. Fang Guangrong and Mr. Wang Hongyu.