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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:00042)

APPOINTMENT OF INTERNATIONAL AUDITOR

This announcement is made by the Board of Directors (the “**Board**”) of Northeast Electric Development Co., Ltd. (the “**Company**”) pursuant to Rule 13.51(4) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The Board of the Company announced that Ting Ho Kwan & Chan CPA (PRACTISING)* (丁何關陳會計師行) resigned as the international auditor of the Company with effect from 12 October 2023. Please refer to the Company’s announcement of 12 October 2023 (the “**Announcement**”).

The Board of Directors (the “**Board**”) of Northeast Electric Development Co., Ltd. (the “**Company**”) hereby announces that, at the meeting of the Board held on 13 November 2023, the Board considered and approved, among other things, the resolution in relation to appointment of international auditor of the Company. The Board, with the recommendation of the Audit Committee, has resolved to appoint

Wilson & Partners CPA Limited (國誠會計師事務所有限公司) (“**Wilson & Partners**”) as the new international auditor of the Company to fill the casual vacancy following the resignation of Ting Ho Kwan & Chan CPA (PRACTISING) * (丁何關陳會計師行) and until the conclusion of the next annual general meeting.

Such recommendation was made by the Audit Committee after due consideration of, inter alia, (i) the Stock Exchange’s Enforcement Bulletin (March 2023 edition), (ii) the open letter dated 27 October 2022 and the follow-up open letter dated 11 January 2023 issued by the Accounting and Financial Reporting Council (“AFRC”), and (iii) AFRC’s Guidelines for Effective Audit Committees – Selection, Appointment and Reappointment of Auditors; as well as careful assessment of Wilson & Partners’ eligibility and suitability to act as the auditors of the Company in accordance with the rules and requirements set forth therein.

The Audit Committee has thus considered various factors when selecting Wilson & Partners as the auditors of the Company, including, inter alia, (i) team members possess rich experiences and capabilities, including their industry knowledge and technical competence in providing audit work for companies listed on the Stock Exchange; (ii) their familiarity with the requirements under the Listing Rules and the Hong Kong Financial Reporting Standards; (iii) their independence from the Group and objectivity; (iv) their high standard of business integrity; (v) the audit plan of Wilson & Partners and their resources and capability of completing the audit work within stipulated schedule; and (vi) the guidelines issued by the AFRC. The Audit Committee also noted that Wilson & Partners the members of the Wilson & Partners team have extensive experience in auditing Hong Kong listed Companies. Wilson & Partners has extensive business network and industry experience, as well as extensive internal expert support. The Audit Committee has also assessed the engagement team for the audit of the Group and considered that Wilson & Partners has sufficient and

appropriate resources and manpower to achieve audit quality. Based on the above, the Audit Committee is satisfied that the integrity, expertise, independence, competence and capability of Wilson & Partners enables it to perform high-quality audit work for the Group.

Based on the above, the Audit Committee has assessed and considered that Wilson & Partners is eligible and suitable to act as the auditors for the year ending 31 December 2023. The Board and the Audit Committee also are of the view that the appointment of auditor is in the interest of the Company and its Shareholders as a whole.

By order of the Board
Su Weiguo
Chairman

Haikou, Hainan Province, the PRC
13 November 2023

As at the date of this Announcement, the Board comprises of six executive Directors, namely Mr. Su Weiguo, Ms. Liu Jiangmei, Ms. He Wei, Mr. Ding Jishi, Mr. Mi Hongjie and Mr. Zhu Xinguang; and three independent non-executive Directors, namely Mr. Fang Guangrong, Mr. Wang Hongyu and Mr. Li Zhengning.

** For identification purposes only.*