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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）

Inside Information

Overseas Regulatory Announcement

This announcement is made by Northeast Electric Development Co., Ltd. (the "**Company**") pursuant to Rule 13.09 (2) and 13.10B of the Rules Governing the Listing of Securities (the "**Listing Rules**") on the Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"), and Inside Information Provisions (as defined in the Listing Rules) (the "**Inside Information Provisions**") under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

The Board of Directors (the "**Board**") of Northeast Electric Development Co., Ltd. (the "**Company**" and "**NEE**", together with its subsidiaries, the "**Group**") hereby announces that it is predicted that the Company is in a surplus of net profit attributable to shareholders of listed Company of approximately RMB20 million to RMB26 million, basic earnings per share of RMB0.0229 to RMB0.0298 in the past three quarters of 2021 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 2021 before 31 October 2021.

I. Period of Results Prediction

From 1 January 2021 to 30 September 2021

II. Situation of Results Prediction: Profit

It is predicted that the Company is in a surplus of net profit attributable to shareholders of listed Company of approximately RMB20 million to RMB26 million, basic earnings per share of RMB0.0229 to RMB0.0298 in the past three quarters of 2021 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 2021 before 31 October 2021.

III. Pre-auditing Results Prediction

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

IV. Results in the Same Period Last Year

(I) Consolidated net profit attributable to the shareholders of the Company: RMB163,647,821.31.
(II) Earnings per share: RMB0.1874.
(III) Consolidated equity attributable to the equity owners of the Company: RMB107,213,723.84.

V. Reasons for Change in Results

(I) Reasons for the estimated increases in net profits

In the past three quarters of 2021, the net profit attributable to shareholders of listed Company decreased by approximately RMB137.65 million to RMB143.65 million compared with the same period of the last year, decreased by about 84.11% to 87.78% over the same period of last year. The main reason was that the non-recurring gains and losses in the past three quarters of 2021 decreased by approximately RMB140.8 million compared with the same period of the last year, details as following:

In the past three quarters of 2020, in accordance with the Hainan Provincial Higher People's Court's effective judgments and relevant laws and regulations, the Company offset the maturity of Shenyang High-Voltage Switchgear Co., Ltd. * (瀋陽高壓開關有限責任公司) debts with the same amount of maturity debts, the offset of debts leads to the increase in net profit attributable to shareholders of the listed Company of RMB178,549,600 (Details referring to the "Announcement on Litigation Progress" disclosed by the Company on September 13 2020). However, there is no debt offset in the past three quarters of 2021.

In the past three quarters of 2021, in accordance with the Hainan Provincial High People's Court on the case of Shenyang Tiexi District State-owned Assets Supervision and Administration Bureau * (瀋陽市鐵西區國有資產監督管理局) in the case of the Company's payment of employee placement fees, the Company has not to bear the responsibility for repayment. The accounting treatment will offset in 2017 accrued estimates Liabilities are included in non-operating income, increasing net profit by RMB 37,745,200. Details referring to the "Announcement on Litigation Progress" disclosed by the Company on July 28 2021.

(II) Reasons for changes in net assets

At the beginning of 2021, the owner's equity attributable to the parent Company is RMB-187.42 million, and the net profit attributable to shareholders of the listed Company in the past three quarters of 2021 is approximately RMB20 million to RMB26 million. Therefore, it is expected that the owner's equity attributable to the parent Company as of the end of the reporting period will be approximately RMB-166 million to RMB-160 million.

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 2021 before 31 October 2021. Investors are advised to pay attention to investment risks.

By order of the Board
Shang Duoxu
Chairman

Haikou, Hainan Province, the PRC
14 October 2021

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. Shang Duoxu, Mr. Wang Yongfan, 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.