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)

ANNOUNCEMENT ON THE ESTIMATED RESULT FOR THE YEAR OF 2021

The Board of Directors (the "**Board**") of the Company hereby announces that this announcement is made by Northeast Electric Development Co., Ltd. (the "**Company**") pursuant to Rule 5.1.1 of the Shenzhen Stock Exchange Listing Rules, 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).

I. Period of Estimated Results

From 1 January 2021 to 31 December 2021

II. Estimated Results

Unit: RMB

Items	Amount for the	Amount for the

	reporting period	Same period of last year
Net profit attributable to shareholders of the listed Company (RMB’000)	approximately 20,000～30,000	63,980
Net profits attributable to shareholders of the listed Company after extraordinary items (RMB’000)	approximately -16,000～-10,700	-144,020
Basic earnings per share (RMB/Share)	approximately 0.0229～0.0343	0.0733
Total operating revenues (RMB’000)	approximately 80,000～100,000	79,990
Operating income after deductions (RMB’000)	approximately 79,000～99,000	79,800
Items	**As at the end of the reporting period**	**As at the end of last year**
Owner's equity attributable to the parent Company (RMB’000)	approximately -140,000～-100,000	-187,420

Remarks：The operating income after deductions refers to the operating income after deducting income from non-principal business and revenue that was not considered as commercial in nature.

III. Pre-Auditing Status

This performance forecast has not been pre-audited by certified public accountants. The Company has conducted pre-communication with Mazars Certified Public Accountants LLP* (中審眾環會計師事務所（特殊普通合夥）) firm on matters related to the performance forecast, and there is no disagreement between the Company and the accounting firm on the performance forecast.

IV. Reasons for Changes in Results

The net profit attributable to shareholders of the listed Company in 2021 is approximately RMB20 million to RMB30 million, an increase of approximately RMB33.98 million to RMB43.98 million over the same period of the previous year. It is estimated that at the end of 2021, the owner's equity attributable to the parent Company is approximately RMB-140 million to RMB-100 million, an increase of approximately RMB47.42 million from the beginning of the period to RMB87.42 million.

(I) Reasons for Changes in Net Profits

1. Recurring profit and loss items: at the beginning of 2021, affected by the restructuring of the Company's indirect controlling shareholder HNA Group Co., Ltd.*（海航集團有限公司） and its related parties, the Company fully accrued investment losses and deposit credit impairment of about RMB120 million in the previous year, which affected the recurring profits and losses of the previous year. In this year, the Company will appropriately offset back on the basis of revaluation of equity value and possible repayment amount of deposits according to the implementation results of reorganization plan of HNA Group and its related parties, and the specific value shall be subject to the subsequent audited value.

2. Non-recurring profit and loss items: the total amount of non-recurring profit and loss items in the previous year was RMB208 million, and the amount of non-operating profit and loss items in this year was greatly reduced. According to the second-instance final judgment made by the Hainan Higher People's Court on the dispute 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）suing the Company for paying staff resettlement fees, the Company offsets the accrued estimated liabilities in the previous years that do not need to bear the responsibility,

and is included in the Non-operating income increased net profit by RMB37.75 million.

(II) Reasons for Changes in Net Assets

It is expected that the owner's equity attributable to the parent Company in the range of RMB-140 million to RMB-100 million at the end of 2021, with a year-on-year inrease of RMB93 million to RMB123 million .

It is estimated that the net assets at the end of 2021 will be about RMB-140 million to RMB-100 million, an increase of about RMB47.42 million to RMB87.42 million compared with the beginning of the period. Main reasons: First, the net profit attributable to shareholders of the listed Company in the current period of about RMB20 million to RMB30 million; the second, the re-selling of the advanced guarantee funds of RMB22.9 million and included in the capital reserve; the third, according to HNA Group According to the execution results of the reorganization plan of its related parties, the equity value of HNA Tianjin Center Development Co., Ltd.*（海航天津中心發展有限公司）, which has been recognized as an asset loss in the previous year, is revalued and appropriately reversed.

V. Risk Warning and Other Explanatory Items

1. The estimated results are primarily calculated and reviewed by the financial department of the Company. The Board confirms that the accurate financial data will be fully disclosed in announcement on annual result for the year of 2021 by 31 March 2022.

2. Due to the violation of the relevant provisions of Articles 14.3.1, 13.3 and 13.2 of the "Shenzhen Stock Exchange Listing Rules" (revised in 2020), the Company's A shares disclosed on March 29 2021 after the annual report 2020, the delisting risk warning (*ST) will continue to be implemented. If the Company's "2021 audited net profit (the lower before and after deducting non-recurring profits and losses) is negative and the operating income is less than RMB100 million" or "the net assets at the end of the period in 2021 are negative", according to the relevant provisions of Article 9.3.11 of the "Shenzhen Stock Exchange Listing Rules" (revised in 2022), the Company's A shares will be terminated from listing.

Investors are advised to exercise caution with investment risks.

By order of the Board
Shang Duoxu
Chairman

Haikou, Hainan Province, the PRC
28 January 2022

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 Mi Hongjie; and three independent non-executive Directors, namely Mr. Fang Guangrong, Mr. Wang Hongyu and Mr. Li Zhengning.