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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)

UPDATE ON DIRECTOR' INFORMATION

This announcement is made by Northeast Electric Development Co., Ltd. (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rules 13.51(2) and 13.51B(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), in relation to the change of particulars of Mr. Shang Duoxu (“Mr. Shang”), the chairman and an executive director of the Company respectively. The board of directors of the Company (the “**Board**”) has been informed that Hainan Airport Infrastructure Co., Ltd* (海南機場設施股份有限公司) (“**Hainan Airport**”), whose shares are currently listed on the Shanghai Stock Exchange, received an Administrative Penalty Decision (Chu Fa Zi [2022] No. 128) (《行政處罰決定書》([2022]51號)) from the CSRC on 22 September 2022 (the “**Hainan Airport Administrative Penalty Decision**”).

The main contents of the Hainan Airport Administrative Penalty Decision are as follow:

1. Failure to disclose Hainan Airport's non-operating related party transactions as required

In 2018 to 2020, the amounts of non-operating related party transactions of Hainan Airport were RMB3,676 million, RMB5,644 million and RMB16,536 million, representing 8.68%, 15.35% and 58.99% of its latest audited net asset value respectively. Hainan Airport did not make timely disclosure of the above non-operating related party transactions in accordance with the Securities Law, the Information Disclosure Administrative Measures and the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange (《上海證券交易所股票上市規則》) (the “**SSE Listing Rules**”). In addition, Hainan Airport did not disclose the following non-operating related party transactions and funds appropriated by related parties in the relevant semi-annual and annual reports in accordance with the Securities Law, the Annual Report Standard and the Semi-Annual Report Standard:

	Amount of non-operating related party transactions (proportion to the reported net assets value of the relevant period)	Amount of funds appropriated by related parties as at the reporting date
2018 semi-annual report	RMB741 million (1.69%)	RMB1,258 million
2018 annual report	RMB1,501 million (4.08%)	RMB2,012 million
2019 semi-annual report	RMB4,393 million (11.96%)	RMB2,110 million
2019 annual report	RMB2,054 million (7.33%)	RMB2,148 million
2020 semi-annual report	RMB11,575 million (39.66%)	RMB6,100 million

2. Failure to disclose provisions of guarantees by Hainan Airport for its related parties as required

In 2018 and 2019, Hainan Airport provided 31 and 8 guarantees of RMB14,814 million and RMB3,696 million for its related parties, representing 34.97% and 10.05% of its latest audited net assets value respectively. 13 and 2 guarantees provided in 2018 and 2019 respectively were first disclosed on 30 January 2021. In March 2020, Hainan Airport provided a guarantee of RMB106 million for its related party, representing 0.38% of its latest audited net assets value. To conclude, Hainan Airport did not disclose 40 guarantees with an aggregate amount of RMB18,616 million provided for its related parties in 2018 to 2020 in a timely manner, resulting in violation of the Securities Law, the SSE Listing Rules, the Information Disclosure Administrative Measures and the Circular on Regulating the External Guaranties Provided by Listed Companies (Announcement No.120 [2005] of the CSRC and China Banking Regulatory Commission) (《關於規範上市公司對外擔保行為的通知》(證監發[2005]120號)).

In addition, Hainan Airport did not disclose the following provisions of guarantees in the relevant semi-annual and annual reports in accordance with the Securities Law, the Annual Report Standard and the Semi-Annual Report Standard:

Number of guarantees provided by Hainan Airport for its related parties	Total amount of guarantees provided by Hainan Airport for its related parties (proportion to the reported net assets value of the relevant period)
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2018 semi-annual report	30	RMB19,040 million (43.43%)
2018 annual report	27	RMB14,342 million (39%)
2019 semi-annual report	32	RMB15,635 million (42.57%)
2019 annual report	28	RMB14,929 million (53.26%)
2020 semi-annual report	33	RMB15,261 million (52.28%)

Mr. Shang as the chief financial officer and director of Hainan Airport was directly instructed by the related parties to be responsible for the fund transfers of Hainan Airport and participated in the approval of more than 30 guarantees. He, nonetheless, approved the 2018 annual report and 2019 semi-annual report. The CSRC was of the view that Mr. Shang failed to exercise due diligence during his term of office, and was the person directly responsible for the above information disclosure violations. Based on the facts, nature, circumstance of the illegal acts of the parties and the degree of damage caused by them to the society and pursuant to the provisions of the Securities Law, the CSRC issued a warning and impose a fine of RMB200,000 against Mr. Shang.

For further details about the Hainan Airport Administrative Penalty Decision, please refer to the announcements dated 23 September 2022 made by Hainan Airport available on the website of the Shanghai Stock Exchange (<http://www.sse.com.cn>) respectively.

Save as disclosed above and to the best knowledge, information and belief of the Board, the administrative penalties proposed by the CSRC do not relate to any directors and the management of the Group.

Save as disclosed in this announcement, Mr. Shang has confirmed that, insofar as Rule 13.51(2) of the Listing Rules is concerned, there is no other matter which needs to be brought to the attention of the shareholders of the Company. If there are further updates, the Company will provide the information in accordance with the Listing Rules requirements.

By order of the Board

Shang Duoxu

Chairman

Haikou, Hainan Province, the PRC

23 September 2022

As at the date of this Announcement, the Board comprises of three executive Directors, namely Mr. Shang Duoxu, Mr. Su Weiguo and Mr. Mi Hongjie; and three independent non-executive Directors, namely Mr. Fang Guangrong, Mr. Wang Hongyu and Mr. Li Zhengning.