

*The Hong Kong Exchanges and Clearing Limited and the Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



# 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 )

### Announcement on Litigation

This announcement is made by Northeast Electric Development Co., Ltd. (the “**Company**”, “**Northeast Electric**”) pursuant to Rule 13.09 (2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), 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. Basic information on the acceptance of this litigation

The Company recently received the Notice of Appearance [(2022) Qiong 96 Min Chu No.599], the bill of indictment, and other related litigation materials served by the First Intermediate People's Court of Hainan Province (the “**Court**”). The basic information about the litigation is as follows:

##### 1. Parties in the litigation

Plaintiff: Fushun Electric Porcelain Co., Ltd. (the “**Fushun Electric Porcelain**”); Domicile: No. 46, Shendong 1st Road, Shenfu Demonstration Zone, Liaoning Province; Legal representative: Wang Yadong; Title: Chairman.

Defendant: Northeast Electric Development Co., Ltd.; Domicile: Room A1-1077, 5/F, Block A, Business Incubation Center, Haikou City National High-tech Zone, No.266, Nanhai Avenue, Haikou City, Hainan Province; Legal representative: Zhu Jie; Title: Chairman.

Third person 1: Shenyang High Voltage Switchgear Co., Ltd. (An independent third party which has no connection with the Company) (the “**Shenyang High-volt**”, “**High-voltage Switch Company**”); Domicile: No.39, Shentie Road, Dadong District, Shenyang City; Legal representative: Liu Baozhu; Title: General Manager.

Third person 2: New Northeast Electric (Shenyang) High-voltage Insulation Switches Co., Ltd. (An independent third party which has no connection with the Company) (the “**New Northeast Insulation**”, “**Insulation Switches Company**” ); Domicile: No.39, Shiji Road, Hunnan High-tech Industry Development Zone, Shenyang City; Legal representative: Xu Yongchun; Title: Chairman.

## **2. Claims**

The plaintiff, Fushun Electric Porcelain, requested the Court to:

- (1) According to the law, the defendant Northeast Electric Development Co., Ltd. was ordered to assume joint and several liability for the debts of Shenyang High Voltage Switchgear Co., Ltd. determined in the (2021) Qiong Min Zhong No. 537 Civil Judgment and (2019) Qiong 96 Min Chu No. 381 Civil Judgment specific creditor's rights. (The amount is RMB11,258,221.34 for the contract processing and interest, and the interest will be calculated from March 1 2011 to the date of actual payment at the same loan interest rate of the People's Bank of China for the same period); and
- (2) Defendant shall bear the cost of the lawsuit.

## **3. Facts and reasons**

The litigation dispute over enforcement objection between the plaintiff Fushun Electric Porcelain Company and the defendant Northeast Electric Company, the third-party High-voltage Switch Company, and the third-party Insulation Switches Company was settled after the first intermediate people's Court of Hainan Province (2019) Qiong 96 Chu No.381 Civil Judgment, the judgment added a third party High-voltage Switch Company as the person to be executed in the Fushun City Intermediate People's Court of Liaoning Province (2015) Fu Zhong Zhi Zi No. 00140, and within the scope of non-investment, the Fushun City Intermediate People's Court of Liaoning Province (2015) Fu Zhong Min Chu Zi No. 00064 Civil Judgment determined that Insulation Switches Company was responsible for the debts of Fushun Electric Porcelain Company and assumed supplementary liability for compensation. (2021) Qiong Min Zhong No. 537 Civil Judgment dismissed the appeal and upheld the original judgment. The effective judgment of the Court has determined that the Insulation Switches Company and the High-voltage Switch Company are responsible for repayment of the processing fee of RMB11,258,221.34 and the interest undertaken by Fushun Electric Porcelain Company. Fushun Electric Porcelain Company has applied to Fushun Intermediate People's Court to add High Voltage Switchgear Company as the person subject to execution. But High Voltage Switchgear currently does not have any assets to execute.

The plaintiff believed that Northeast Electric Company, as a shareholder of the High-voltage Switch Company subject to execution, abused the independent status of the Company as a legal person and the limited liability of shareholders, and filed a lawsuit to the Court.

Regarding the specific judgments of the (2019) Qiong 96 Min Chu No. 381 Civil Judgment and (2021) Qiong Min Zhong No. 537 Civil Judgment, for details, please refer to the "Litigation Progress Announcement" disclosed by the Company on February 7 2021 and the "Litigation Progress Announcement" disclosed on October 20 2021.

## **II. Judgment or Verdict**

The Court hearing has not yet been held for the case. The Company will fulfill duty of information disclosure timely regarding the progress of the case according to the related regulations.

## **III. Other Undisclosed Litigations or Arbitrations**

As of the announcement date, the Company and its subsidiaries did not have any other litigations or arbitrations that should be disclosed but have not been disclosed.

## **IV. Negative Impact of the Litigation in the Announcement on the Operating and Financial Aspects of the Company**

At present, the Company is in normal production and operation. The Company will actively respond to the lawsuit and safeguard its rights and interests.

As the lawsuit has not yet been heard and the final judgment of the Court has not been reached, so the negative impact on the Company's current profits or subsequent profits and financial information such as assets cannot be determined for the time being. Investors are advised to be cautious of investment risks.

By order of the Board

**Shang Duoxu**

Chairman

Haikou, Hainan Province, the PRC

15 July 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.*