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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: 0042)

DISCLOSEABLE AND CONNECTED TRANSACTIONS
DISPOSAL OF EQUITY INTEREST IN A MINORITY INVESTMENT

THE DISPOSAL

The Board is pleased to announce that on September 29 2025, the Transferor (a indirect non wholly-owned subsidiary of the Company) entered into the Equity Transfer Agreement with the Transferee and the Company, pursuant to which the Transferor agreed to sell, and the Transferee agreed to acquire, 10.5% of the equity interests in the Minority Investment Company (representing the entire equity interest in the Minority Investment Company held by the Group) at the consideration of up to RMB3.58 million (equivalent to approximately HK$3.915 million).

As at the date of this announcement, the Minority Investment Company is a joint venture of the Group and is owned as to 10.5% by the Transferor. Upon completion of the Disposal, the Group will no longer hold any equity interest in the Minority Investment Company, and its performance will no longer be reflected in the share of results of joint ventures of the Company.

LISTING RULES IMPLICATIONS

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, as at the date of this announcement, Beijing Haihongyuan Enterprise Management Consulting Co., Ltd.* (北京海鴻源企業管理諮詢有限公司) ("**Beijing Haihongyuan**"), which is indirect wholly-owned subsidiary by Hainan HNA No. 2 Trust Management Service Co., Ltd.* (海南海航二號信管服務有限公司) ("**HNA Trust Management**").

Beijing Haihongyuan holds 81,494,850 Domestic shares, representing 9.33% of the equity interest in the Company, which is indirect wholly-owned subsidiary by HNA Trust Management.

As at the date of this announcement, as the Company, the Transferor, and the Transferee are both enterprises under the control of HNA Trust Management, Therefore, Transferee Beijing Haihongyuan deemed to be a connected person of the Company under Chapter 14A of the Listing Rules.

According to the listing rules of the Hong Kong Stock Exchange, this transaction constitutes a connected transaction of the Group. As one or more of the applicable percentage rates defined in Rule 14A.76 of the listing rules do not exceed 25% and the total consideration is also less than HKD10 million, Rule 14A.76 of the listing rules applies, stating that "this connected transaction is exempt from compliance with relevant circulars (including independent financial opinions) and shareholder approvals", this exempts the issuance of shareholder notices and shareholder meeting reviews.

INTRODUCTION

The Board is pleased to announce that on September 29 2025, the Transferor (a indirect non wholly-owned subsidiary of the Company) entered into the Equity Transfer Agreement with the Transferee and the Company, pursuant to which the Transferor agreed to sell, and the Transferee agreed to acquire, 10.5% of the equity interests in the Minority Investment Company (representing the entire equity interest in the Minority Investment Company held by the Group) at the consideration of up to RMB3.58 million (equivalent to approximately HK$3.915 million).

DETAILS OF THE EQUITY TRANSFER AGREEMENT ARE SET OUT BELOW:

Date : September 29 2025

Parties : (a) Transferor (a indirect non wholly-owned subsidiary of the Company)

(b) Transferee

(c) the Company

As at the date of this announcement, as the Company, the Transferor, and the Transferee are both enterprises under the control of HNA Trust Management, Therefore, Transferee Beijing Haihongyuan deemed to be a connected person of the Company under Chapter 14A of the Listing Rules.

Subject matter

Pursuant to the Equity Transfer Agreement, the Transferor has agreed to sell, and the Transferee has agreed to acquire, 10.5% of the equity interests in the Minority Investment Company.

The Minority Investment Company is a company established under the laws of the PRC with limited liability which, as at the date of this announcement, is owned as to 10.5% by the Transferor. Shanghai Yizhou Investment Management Co., Ltd.*(上海驿舟投資管理有限公司) holds 67.27% of its equity, and SPA II Tianjin Center, Ltd. holds 22.23% of its equity. The total paid-up capital of the Minority Investment Company as at the date of this announcement is RMB269.887709 million, of which RMB28.338209 million was made by the Transferor and RMB241.5495 million was made by other shareholders. The Minority Investment Company is principally engaged in hotel-related businesses and property leasing.

Upon completion of the Disposal, the Group will no longer hold any equity interest in the Minority Investment Company, and its performance will no longer be reflected in the share of results of joint ventures of the Company.

Consideration

The consideration of the Disposal is RMB3.58 million (equivalent to approximately HK$3.915 million).

Valuation

The subject of the transaction is the 10.5% equity interest in HNA Tianjin Center Development Co., Ltd.* (海航天津中心發展有限公司) ("**Tianjin Center**") held by Garden Lane Hotel.The financial information of the Minority Investment Company as extracted from the audited financial statements of the Minority Investment Company prepared in accordance with the Chinese Generally Accepted Accounting Principles, Chinese Accounting Standards for Business Enterprises, is summarised as follows:

Items	**For the year ended 31 December 2024 (audited) (RMB'000)**	**For the year ended 31 December 2023 (audited) (RMB'000)**
Income	83,040	92,340
Net profit after taxation	-10,589	-6,260

As shown in the audited consolidated financial statements of the Minority Investment Company:

as of June 30 2025, its unaudited net asset value was approximately RMB-33.72 million;

as of December 31 2024, its audited net asset value was approximately RMB-37.28 million;

as of December 31 2023, its audited net asset value was approximately RMB79.81 million.

Meanwhile, An independent valuation has been conducted against the Minority Investment Company by an independent valuer. The valuation report issued on September 30 2024 shows that the net asset value of the total shareholders' equity of Tianjin Center was RMB-872.83 million, and the net asset value of the equity corresponding to the 10.5% equity interest in Tianjin Center was RMB-91.65 million. Since the intermediary institution issued the valuation report, there have been no material changes in the asset base and market value of the subject matter of the transaction.

Using the asset based approach, as of the valuation date, the book value of the assets under assessment for Tianjin Center was RMB2.6689332 billion, the appraised value was RMB515.9956 million, the appraisal impairment was RMB2.1529376 billion, and the impairment rate was 80.67%. The main reason was that the appraisal impairment of investment properties is approximately RMB2.066 billion.

The book value of the liabilities under appraisal was RMB2.5891275 billion, and the appraised value was RMB1.3888276 billion. The appraisal impairment was RMB1.2002999 billion, with an impairment rate of 46.36%. The main reason was the impairment of other payables and deferred income tax liabilities.

The book value of the net assets was RMB79.8057 million, and the appraised value was RMB-872.8320 million. The appraisal impairment was RMB952.6377 million, with an impairment rate of 1,193.70%.

The evaluation method used for this evaluation is the asset based approach. The reasons for selecting evaluation methods are as follows:

Reason for failure to extract income method evaluation: According to the civil ruling (2021) Qiongpo No. 1-6 issued by the Hainan Provincial High People's Court, the evaluated unit has been included in the substantive merger and reorganization case of 321 companies of HNA Group, and the period and amount of enterprise income cannot be reasonably predicted. Therefore, the income method evaluation is not applicable in this case.

The reason for extracting the asset-based method for evaluation: Tianjin Center has identified all assets and liabilities in the balance sheet on the evaluation benchmark date and can be evaluated separately using appropriate methods. Therefore, the asset-based method has been selected for this evaluation.

The valuation was based on certain principal factors, including, (i) the financial and operating situation of the Minority Investment Company, (ii) the general economic outlook, the specific economic and competitive elements affecting the Minority Investment Company's businesses, its industry and market, (iii) the nature and prospects of the industry the Minority Investment Company is operating, (iv) the market-derived investment returns of entities engaged in a similar line of business and returns from other similar types of business, and (v) the stage of development, business risks, financial position and credit risk of the Minority Investment Company; and certain assumptions, including, among others, that there will be no material changes to the regulatory and economic environment governing the industry, no material changes to the financial performance of the Minority Investment Company and guideline companies.

Basis of consideration

The net asset value of the subject matter of the transaction in the Company's consolidated financial statements was zero. HNA Tianjin Center Development Co., Ltd. entered bankruptcy reorganization proceedings on February 10 2021, and was included in the substantive merger and reorganization of 321 companies of HNA Group. Considering that the relevant asset mortgages have not been released, the mortgagee has the priority right to repayment according to the reorganization plan, and the amount of mortgage debt is greater than the market value of the assets. Therefore, the equity investment has been fully depreciated during the 2020 audit. Please refer to the Annual Results Announcement for 2020 disclosed by the Company on March 29 2021 and the Announcement on Impairment and Recognition of Losses.

In view of the Loan Contract and Equity Pledge Contract signed by the relevant parties to this transaction on November 18 2022, Beijing Haihongyuan Investment Management Co., Ltd.* (北京海鴻源投資管理有限公司) (which was renamed as Beijing Haihongyuan Enterprise Management Consulting Co., Ltd.* (北京海鴻源企業管理諮詢有限公司) in August 2024) provided a loan (principal) of RMB2.4 million to Northeast Electric. Northeast Electric's subsidiary, Garden Lane Hotel, provided pledges for this loan with its 10.5% equity stake in Tianjin Center and 30% equity stake in Chongqing HNA Hotel Investment Company Limited* (重慶海航酒店投資有限公司) held by Garden Lane Hotel. For details, please refer to the Announcement of Connected Transaction on Accepting Financial Assistance disclosed by the company on November 18 2022.

The consideration was determined after arm's length negotiations between the Transferor and the Transferee having considered: (i) as of the date of signing this Equity Transfer Agreement, the principal and interest of the loan from Beijing Haihongyuan totaled RMB2.58 million, and to fulfill the repayment obligations under the Loan Contract and the Agreement in the Equity Pledge Contract stating that "if the loan cannot be repaid upon maturity, the pledged equity shall be transferred in accordance with the law", and to settle the transactions between related parties while demonstrating the support of the major shareholder for the Company's continuous operation, after friendly consultations among all parties, it was decided that the pledgee, Beijing Haihongyuan, would acquire the 10.5% equity interest in Tianjin Center held by the pledgor, Garden Lane Hotel, at a price of RMB3.58 million, and the loan would be fully repaid; (ii) the financial position of the Minority Investment Company; and (iii) the factors contained in the section headed “REASONS AND BENEFITS OF THE DISPOSAL” below.

Based on the above, the Directors (including the independent non-executive Directors) are of the view that the consideration for the Disposal is fair and reasonable.

Prerequisite

The transferor, its parent company Northeast Electric Development Co., Ltd., and the transferee have obtained all necessary consent and approval for this agreement and its transactions.

Completion of sale matters

The equity transfer agreement shall be completed after the industrial and commercial registration of the equity transfer of the Minority Investment Company in accordance with the equity transfer agreement.

FINANCIAL EFFECT OF THE DISPOSAL AND INTENDED USE OF PROCEEDS

The sale of assets has no adverse impact on the Company's financial condition, operating results, business integrity, and independence.

This transaction is conducive to optimizing the company's capital structure and increasing its net assets. It is expected to increase the company's net assets by approximately RMB3.58 million. The net proceeds from the sale will be used as the general operating funds.

REASONS AND BENEFITS OF THE DISPOSAL

The sale of the minority equity interest in the Minority Investment Company is beneficial for the Group to activate its assets and integrate resources, supplement its liquidity needs, and enhance the Group's risk resistance and ability to continue operating.

We plan to sell our 10.5% equity and the Group will no longer have any equity in the business operated by the Minority Investment. After the completion of the sale, the net proceeds received also contribute to increasing the cash flow of the Group.

Having taken into account the above factors, the Directors (including the independent nonexecutive Directors) consider that the Disposal, the Equity Transfer Agreement and the transaction contemplated thereunder are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Equity Transfer Agreement and the proposed transactions under it have been approved and passed at the 16th meeting of the 10th Board of Directors held on September 29 2025. According to the listing rules, the related directors defined as Mr. Zhu Xinguang, Mr. Liu Kejia, Mr. Ding Jishi and Mr. Mi Hongjie have abstained from voting, and the resolution was passed by the non - connected directors.

INFORMATION ON THE PARTIES

Information on the Company, Garden Lane Hotel and the Group

The Company is a joint stock limited company incorporated in the PRC with limited liability. The Group is principally engaged in research and development, design, production and sales businesses of products related to power transmission and transformation equipment as well as hotel catering and accommodation services.

Hainan Garden Lane Flight Hotel Management Co., Ltd.* (海南逸唐飛行酒店管理有限公司), a company established under the laws of the PRC and an indirectnon-wholly-owned subsidiary

of the Company.

Information on Transferee Beijing Haihongyuan

Beijing Haihongyuan Enterprise Management Consulting Co., Ltd.* (北京海鴻源企業管理諮詢有限公司), which is indirect wholly-owned subsidiary by Hainan HNA No. 2 Trust Management Service Co., Ltd.* (海南海航二號信管服務有限公司), the principally business includes: enterprise management consulting, enterprise management, and hotel management.

Information on HNA Trust Management

The controlling shareholder of HNA Trust Management is, HNA Group Bankruptcy Reorganisation Specialised Service Trust* (海航集團破產重整專項服務信託) (the "**Trust**"), being a trust created for the implementation of the Restructuring Plan. The Trustees of the Trust are CITIC Trust Corporation Ltd.* (中信信託有限責任公司) ("**CITIC Trust**") and Everbright Xinglong Trust Co., Ltd.* (光大興隴信託有限責任公司) ("**Everbright Xinglong**", together with CITIC Trust, the "**Trustees**").

The Trust is formed for the benefit of all the creditors of the 321 companies (including HNA Group) under the Restructuring Plan.The number of beneficiaries of the Trust is approximately 20,000 (the "**Beneficiaries**"), and the units held by the Beneficiaries are highly dispersed, among which the highest Trust units held by a single beneficiary ranges from approximately 3% to 4%. Therefore, the Trust has no actual controller.

LISTING RULES IMPLICATIONS

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, as at the date of this announcement, Beijing Haihongyuan Enterprise Management Consulting Co., Ltd.* (北京海鴻源企業管理諮詢有限公司) , which is indirect wholly-owned subsidiary by Hainan HNA No. 2 Trust Management Service Co., Ltd.* (海南海航二號信管服務有限公司).

Beijing Haihongyuan holds 81,494,850 Domestic shares, representing 9.33% of the equity interest in the Company, which is indirect wholly-owned subsidiary by HNA Trust Management.

As at the date of this announcement, as the Company, the Transferor, and the Transferee are both enterprises under the control of HNA Trust Management, Therefore, Transferee Beijing Haihongyuan deemed to be a connected person of the Company under Chapter 14A of the Listing Rules.

According to the listing rules of the Hong Kong Stock Exchange, this transaction constitutes a connected transaction of the Group. As one or more of the applicable percentage rates defined in Rule 14A.76 of the listing rules do not exceed 25% and the total consideration is also less than HKD10 million, Rule 14A.76 of the listing rules applies, stating that "this connected transaction

is exempt from compliance with relevant circulars (including independent financial opinions) and shareholder approvals.", This exempts the issuance of shareholder notices and shareholder meeting reviews.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following expressions have the following meanings:

"associate(s)"	has the meaning ascribed to it in the Listing Rules;
"Board"	the board of Directors;
"Company"	Northeast Electric Development Co., Ltd.* (東北電氣發展股份有限公司), a joint stock limited company incorporated in the PRC with limited liability, whose H Shares are listed on the Main Board of the Stock Exchange;
"connected person(s)"	has the meaning ascribed to it in the Listing Rules;
"controlling shareholder"	has the meaning ascribed to it in the Listing Rules;
"Directors"	the directors of the Company;
"Disposal"	the disposal of 10.5% of the equity interests in the Minority Investment Company by the Transferor to Transferee pursuant to the Equity Transfer Agreement;
"Domestic Share(s)"	the domestic shares of nominal value of RMB1.00 each in the share capital of the Company, which are subscribed for and traded in RMB;
"Equity Transfer Agreement"	the equity transfer agreement to the said equity transfer agreement, both dated September 29 2025 and entered into between the Transferor and the Transferee in relation to the Disposal;
"Group"	the Company and its subsidiaries;
"HK$"	Hong Kong dollars, the lawful currency of the Hong Kong;
HNA Group	HNA Group Co., Ltd.* (海航集團有限公司), a company established in the PRC, connected person of the Company;

HNA Trust Management	Hainan HNA No. 2 Trust Management Service Co., Ltd.* (海南海航二號信管服務有限公司), a company established in the PRC, connected person of the Company;
"H Share(s)"	the overseas-listed foreign share(s) of nominal value of RMB1.00 each in the share capital of the Company, which are listed on the Stock Exchange and subscribed for and traded in HK$;
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China;
"Independent property valuer"	Hainan Zhongrui Hengxin Asset Real Estate Land Appraisal Co., Ltd., an independent valuer and member of the China Institute of Real Estate Appraisers and Agents (CIREA);
"Minority Investment Company" "Tianjin Center"	HNA Tianjin Center Development Co., Ltd.* (海航天津中心發展有限公司), and a Minority Investment Company directly owned by Garden Lane Hotel with 10.5% equity;
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange;
"PRC"	the People's Republic of China;
"RMB"	Renminbi, the lawful currency of the PRC;
"Shares"	A Shares and H Shares;
"Shareholder(s)"	the holder(s) of the Shares;
"Stock Exchange"	The Stock Exchange of Hong Kong Limited;
"Transferee" (Beijing Haihongyuan)	Beijing Haihongyuan Enterprise Management Consulting Co., Ltd.* (北京海鴻源企業管理諮詢有限公司) , a company established in the PRC with limited liability and holder of approximately 9.33% of the shares of the Company as at the date of this announcement, which is indirect wholly-owned subsidiary by Hainan HNA No. 2 Trust Management Service Co., Ltd.; connected person of the Company;
"Transferor" (Garden Lane Hotel)	Hainan Garden Lane Flight Hotel Management Co., Ltd.* (海南逸唐飛行酒店管理有限公司), a company established under the laws of the PRC and

	an indirectnon-wholly-owned subsidiary of the Company;
"%"	per cent.

In this announcement, translation of RMB into HKD was based on the exchange rate of RMB0.9143 to HK$1. Such exchange rate is for the purpose of illustration only and does not constitute a representation that any amounts in Hong Kong dollars or Renminbi have been, could have been or may be converted at such or any other rate or at all.

By order of the Board
Northeast Electric Development Co., Ltd.
Zhu Xinguang
Chairman

Haikou, Hainan Province, the PRC
September 29 2025

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

* *for identification purpose only*