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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）

Announcement on Litigation Progress

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).

Subsequent to the release of the "Announcement on Litigation" on July 4 2025, on October 9 2025, the Company received the civil judgment (2024) Liao 0102 Min Chu No. 28009 from the People's Court of Heping District, Shenyang City of Liaoning Province* (遼寧省沈陽市和平區人民法院, the "Court"), which was delivered by its agent attorney. The Court has rendered a first-instance judgment on the lawsuit filed by Liaoning Trust and Investment Company*(遼寧信託投資公司), which claims that the Debt Transfer Agreement between Liaoning Trust and Investment Company and Northeast Electric is invalid. The judgment outcome of this case is disclosed as follows:

I. General information about the case

Plaintiff: Liaoning Trust and Investment Company*(遼寧信託投資公司)

Defendant: Northeast Electric Development Co., Ltd.*(東北電氣發展股份有限公司)

This case involves a loan of RMB35 million (the same below) provided by Liaoning Trust and Investment Company (entrusted by Liaoning Provincial Department of Finance) to Huludao Jinhua Chemical (Group) Co., Ltd. *(葫蘆島錦化化工（集團）有限責任公司, hereinafter referred to as "Jinhua Chemical") on September 18 1997. After the loan matured, Jinhua Chemical only repaid RMB8 million, and the remaining RMB27 million has not been repaid.

On September 16 2001, the People's Bank of China issued Document Yin Fa [2001] No. 316, requiring the revocation of Liaoning Trust and Investment Company and establishing the Liquidation Team of Liaoning Trust and Investment Company *(遼寧信託投資公司清算組) to conduct liquidation.

On June 1 2005, the Liquidation Team of Liaoning Trust and Investment Company signed the "Debt Transfer Agreement" with Northeast Electric, transferring its creditor's rights against Huludao Jinhua Chemical (Group) Co., Ltd. and related accessory rights to Northeast Electric. Subsequently, Northeast Electric applied to the Shenyang Intermediate People's Court*(沈陽市中級人民法院) for compulsory enforcement of its creditor's rights against Jinhua Chemical.

On September 23 2005, Northeast Electric transferred the aforementioned creditor's rights to Fuxin Enclosed Busbar Co., Ltd.*(阜新封閉母線有限責任公司). On December 12 2005, the Shenyang Intermediate People's Court made an enforcement ruling, using the stocks held by Huludao Jinhua Chemical (Group) Co., Ltd. to offset the debt, with a total debt offset price of RMB31.5233 million.

The plaintiff believes that during the liquidation period, the plaintiff signed a creditor's rights transfer agreement with the defendant, disposing of the creditor's rights against Jinhua Chemical, which caused losses to the plaintiff's assets and harmed the interests of the plaintiff's other creditors. According to Article 186 of the "Company Law of the People's Republic of China", which stipulates that "during the period of claiming creditor's rights, the liquidation team shall not make repayments to creditors", and Article 187, which states that "during the liquidation period, the company shall continue to exist, but shall not carry out business activities unrelated to liquidation", the act of the liquidation team signing a creditor's rights transfer agreement with the defendant during the liquidation period has infringed upon the interests of other creditors and illegally engaged in business activities, violating the provisions of the aforesaid laws and regulations. Therefore, the Plaintiff requests the Court to confirm the invalidity of the Debt Transfer Agreement signed between the Liaoning Trust and Investment Company and the Defendant, and demands the Defendant to return the principal amount of RMB31.5233 million along with corresponding interest (temporarily calculated at approximately RMB33.8053 million as of August 5 2024). Additionally, the Plaintiff asserts that the Defendant should bear all litigation costs of this case.

II. Progress of the litigation

The Court convened a hearing for this case on August 5 2025. On September 27 2025, the Court issued the civil judgment (2024) Liao 0102 Min Chu No. 28009, ruling as follows:

1. Confirming the invalidity of the Debt Transfer Agreement (Dong Liao Zhuan Zi No. 006) signed on June 1 2005, between the Liquidation Team of Liaoning Trust and Investment Company and the Defendant Northeast Electric Development Co., Ltd.;

2. Ordering the Defendant Northeast Electric Development Co., Ltd. to pay the Plaintiff Liaoning Trust and Investment Company a discounted compensation of RMB31.5233 million within ten days from the effective date of this judgment; and

3. Ordering the Defendant Northeast Electric Development Co., Ltd. to pay the Plaintiff an occupation fee (calculated based on RMB31.5233 million: From June 2 2005, to August 19 2019, according to the loan interest rate of the People's Bank of China for the same period; From August 20 2019, to the actual settlement date, according to the Loan Prime Rate (LPR) published by the National Interbank Funding Center) within ten days from the effective date of this judgment.

If the Defendant fails to fulfill the monetary obligations within the specified period, it shall pay double interest for the delayed performance period pursuant to Article 264 of the Civil Procedure Law of the People's Republic of China.

Case acceptance fee: RMB368,443 shall be borne by the Defendant Northeast Electric Development Co., Ltd..

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

The impact of this case on the Company's current-period or future-period profits will be determined by the Court's enforcement ruling after the judgment takes effect. It is temporarily impossible to accurately assess the effect of this case on the Company's current profits. The specific and accurate accounting treatment results shall be subject to the Company's audited annual results announcement released on or before March 31 2026.

The Company will timely perform its announcement obligation in relation to the progress of this Case according to related regulations. **Please pay attention to the investment risk.**

V. Documents available for inspection

1. The civil judgment (2024) Liao 0102 Min Chu No. 28009 issued by The Heping District, Shenyang City of Liaoning Province.

By order of the Board
Zhu Xinguang
Chairman

Haikou, Hainan Province, the PRC
October 10 2025

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

* *for identification purpose only*