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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)

Supplemental Announcement
Litigation Progress

Reference is made to the announcement of Northeast Electric Development Co., Ltd. (the "**Company**", **"Northeast Electric"**) dated October 10 2025 (the "**Announcement**") in relation to the first-instance ruling on the lawsuit filed by Liaoning Trust and Investment Company ***(遼寧信託投資公司)** for declaring the invalidity of the debt assignment agreement of Northeast Electric. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as defined in the Announcement. The Company would like to provide the following additional information:

The Company and its legal representative are of the view that the first-instance ruling contains problems in the application of law regarding the determination of the statute of limitations for litigation and liability for fault. In this case, the rules on the statute of limitations for litigation should be applied as a matter of priority, and the plaintiff's claims should be dismissed. The Company has therefore filed an appeal with the Shenyang Intermediate People's Court*(沈陽市中級人民法院) through its legal representative on October 11 2025. Therefore, the specific amount of compensation for this case shall be determined by the final judgment rendered by the appellate court. The first-instance ruling of this case shall take effect only after the appellate court issues its final judgment.

Based on the Company's interim report for the six months ended 30 June 2025, the compensation amount represents approximately 18% of the Company's total assets, while the Company held cash and cash equivalents of RMB10.8 million and recorded net current liabilities and net liabilities of RMB213.6 million and RMB213.3 million respectively. Notwithstanding the Company will rigorously defend and protect its legitimate interests in relation to this case, the outcome of the appeal and the final judgment of this case may have a material adverse impact on the financial position of the Company. Given that the current litigation judgment has not yet taken legal effect, the litigation matter disclosed in this Announcement has not had an impact on the Company's production and operation for the time being, the subsequent impact shall be determined by the Court's enforcement ruling after the judgment takes effect.

In accordance with the Inside Information Provisions of the Securities and Futures Ordinance (SFO), the Company currently has no further Inside Information that is required to be disclosed.

Saved as disclosed above, all other information as set out in the Announcement remains unchanged. This announcement is supplemental to and should be read in conjunction with the Announcement.

Shareholders and potential investors of the Company are advised to exercise caution when dealing with the securities of the Company.

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

Haikou, Hainan Province, the PRC
October 17 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*