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 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 and "Announcement on Litigation Progress"on October 10 2025 and "Supplemental Announcement Litigation Progress" on October 17 2025, the Company received the civil judgment (2025) Liao 01 Min Zhong No. 18142 from the Intermediate People's Court of Shenyang City, Liaoning Province* (遼寧省沈陽市中級人民法院, the "Court") on February 2 2026, which was delivered by its agent attorney. The Court has rendered a second-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 second-instance judgment outcome of this case is disclosed as follows:

I. General information about the case

Plaintiff: Liaoning Trust and Investment Company

Defendant: Northeast Electric Development Co., Ltd.

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 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. Preliminary court hearing

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, The first-instance judgment is 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..

For details, please refer to the announcements of the Company on the dated July 4 2025 and October 10 2025 and October 17 2025.

III. Progress of the litigation

In order to protect the Company’s interests, the Company filed an appeal immediately upon receiving the first-instance judgment. On January 30 2026, the Intermediate People's Court of Shenyang City, Liaoning Province issued the civil judgment (2025) Liao 01 Min Zhong No. 18142. The Court held that "the determination of contract validity is essentially the intervention of state public authority in civil acts, and an invalid contract is void ab initio". The appeal request of the defendant Northeast Electric Development Co., Ltd. is not tenable and shall be dismissed; the first-instance judgment found the facts clearly and applied the law correctly, and shall be upheld.

Pursuant to Article 1 of the Several Provisions of the Supreme People's Court on the Application of the Time Effect of the Civil Code of the People's Republic of China, Article 52 of the Contract Law of the People's Republic of China, Article 195 of the Company Law of the People's Republic of China (Revised on December 25 1999), and Item 1 of Paragraph 1 of Article 177 of the Civil Procedure Law of the People's Republic of China, the judgment is rendered as follows:

Dismiss the appeal and uphold the original judgment.
The second-instance case acceptance fee of RMB368,843 shall be borne by Northeast Electric Development Co., Ltd..
This judgment is final.

IV. 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.

V. Negative Impact of the Litigation in the Announcement on the Operating and Financial Aspects of the Company

Pursuant to the effective final judgment of the above-mentioned court's second-instance ruling, the Company needs to accrue the corresponding compensation principal of approximately RMB 31.52 million and interest of approximately RMB 32.45 million provisionally calculated as of the end of 2025, totaling approximately RMB 63.97 million, in its 2025 annual financial statements.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 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.

In order to protect the Company’s interests, the Company is filing a petition for retrial with the Higher People's Court of Liaoning Province* (遼寧省高級人民法院). The Company will protect its legitimate rights and interests in accordance with the law, and 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.**

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.

VI. Documents available for inspection

1. The civil judgment (2025) Liao 01 Min Zhong No. 18142 from the Intermediate People's Court of Shenyang City, Liaoning Province.

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

Haikou, Hainan Province, the PRC
February 3 2026

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*