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Jilin Province Chuncheng Heating Company Limited*

吉林省春城熱力股份有限公司

(A joint stock limited liability company incorporated in the People's Republic of China)

(Stock code: 1853)

INSIDE INFORMATION

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This announcement is made by the Company pursuant to Rule 13.09(2) of the Listing Rules and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

(1) PROPOSED A SHARE LISTING

The Board hereby announces that in order to facilitate the sustainable and stable development of the Company, optimize the Company's capital structure and achieve sustainable growth in the Company's revenue and shareholders' returns, the Board has resolved and approved to commence relevant work related to the Proposed A Share Listing.

As at the date of this announcement, the Company has not formulated the offering plan and structure of the Proposed A Share Listing, and has not applied to any of the relevant regulatory authorities in the PRC for approval of the Proposed A Share Listing other than to Jilin Province CSRC for pre-listing tutoring.

Shareholders and potential investors of the Company should be aware that there is no assurance that the Proposed A Share Listing will proceed, and that the Proposed A Share Listing is subject to the approval of, among others, relevant regulatory authorities and the Shareholders. Shareholders and potential investors of the Company should exercise caution when dealing in the shares of the Company.

(2) PROPOSED CHANGE OF ACCOUNTING STANDARD

Since the H Shares became listed on the Stock Exchange, the Company has been preparing its financial statements under both CASBE and IFRS.

In view of the Proposed A Share Listing, the Board passed a resolution on 22 December 2020 to prepare only one set of financial statements of the Company under CASBE (the “**Proposed Change of Accounting Standard**”), subject to the Shareholders’ approval of the Proposed Change of Accounting Standard and the proposed amendments to the Articles of Association as described in the paragraph headed “(3) Proposed amendments to the Articles of Association” below (the “**Proposed Amendments to the Articles of Association**”).

Subject to the approval of the Shareholders for the Proposed Change of Accounting Standard and the Proposed Amendments to the Articles of Association, it is expected that the financial statements of the Company for the year ending 31 December 2020 and the financial periods thereafter will be prepared in accordance with CASBE. The Board is of the view that the Proposed Change of Accounting Standard will improve the efficiency and reduce the cost of disclosure, and is in the best interest of the Company and the Shareholders as a whole.

The Company is of the view that the preparation of its financial statements in accordance with CASBE will not have a material effect on the financial position, operating results and cash flows of the Company in 2020 and in the future.

(3) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

In light of, among others, the Proposed Change of Accounting Standard, the Board passed a resolution on 22 December 2020 in relation to the Proposed Amendments to the Articles of Association. The Proposed Amendments to the Articles of Association also encompasses, among others, the alignment with the relevant laws, rules and regulations of the notice period requirements for convening general meetings of the Company and the restriction on registration of transfer of Shares before general meetings of the Company imposed. Please refer to the Appendix to this announcement for the full text of the Proposed Amendments to the Articles of Association.

The Proposed Amendments to the Articles of Association are subject to the approval of the Shareholders by passing a special resolution at the EGM. The Proposed Amendments to the Articles of Association will become effective upon the approval by the Shareholders at the EGM.

(4) PROPOSED APPOINTMENT OF AUDITORS

Reference is made to the announcement of the Company dated 2 December 2020 regarding the retirement of Ernst & Young as the auditors of the Company.

The Board proposes to appoint Da Hua as the Company's auditors to fill the vacancy arising from Ernst & Young's retirement (the "**Proposed Appointment of Auditors**"), subject to the approval by the Shareholders at the EGM.

Da Hua is an eligible PRC audit firm approved by MOF and the CSRC to provide auditing services in accordance with the CASBE to PRC incorporated issuers. Upon approval of the Proposed Appointment of Auditors by the Shareholders at the EGM, Da Hua will undertake all such activities as required to be performed by the Company's auditors under the Listing Rules.

(5) GENERAL

A circular containing, amongst others, further details of (1) the Proposed Change of Accounting Standard; (2) the Proposed Amendments to the Articles of Association; and (3) the Proposed Appointment of Auditors, together with the notice of the EGM, will be despatched to the Shareholders in due course.

(6) DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the meanings set out below:

“Articles” or “Articles of Association”	the articles of association adopted by the Company and as amended or supplemented from time to time
“Board” or “Board of Directors”	the board of Directors
“CASBE”	the China Accounting Standards for Business Enterprises (中國企業會計準則) issued by MOF
“China” or “PRC”	the People’s Republic of China, excluding, for the purpose of this announcement, Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Company”	Jilin Province Chuncheng Heating Company Limited* (吉林省春城熱力股份有限公司), presently a joint stock company with limited liability which was incorporated in the PRC on 23 October 2017 and the H Shares of which are listed on the Main Board of the Stock Exchange
“CSRC”	China Securities Regulatory Commission (中國證券監督管理委員會)
“Da Hua”	Da Hua Certified Public Accountants (Special General Partnership) (大華會計師事務所(特殊普通合夥))
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened to consider, and if thought fit, approve, among others: (1) the Proposed Change of Accounting Standard; (2) the Proposed Amendments to the Articles of Association; and (3) the Proposed Appointment of Auditors
“H Share(s)”	overseas listed foreign Share(s), which are subscribed for and traded in HK\$ and listed on the Main Board of the Stock Exchange

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“IFRS”	International Financial Reporting Standards issued by the International Accounting Standards Board
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“MOF”	Ministry of Finance of the PRC (中華人民共和國財政部)
“Proposed A Share Listing”	the Company’s plan of the listing of, and the trading in RMB in, Shares on a recognised stock exchange within the PRC
“RMB”	renminbi yuan, the lawful currency of the PRC
“Share(s)”	ordinary share(s) in the capital of the Company with nominal value of RMB1.00 each
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

By order of the Board
Jilin Province Chuncheng Heating Company Limited*
LIU Changchun
Chairman

Jilin, the PRC, 22 December 2020

As at the date of this announcement, the non-executive Director is Mr. Liu Changchun (Chairman); the executive Directors are Mr. Yang Zhongshi, Mr. Shi Mingjun, Mr. Xu Chungang and Mr. Li Yeji; and the independent non-executive Directors are Mr. Wang Yuguo, Mr. Fu Yachen and Mr. Poon Pok Man.

* For identification purpose only

APPENDIX – PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Original provisions	Amended provisions
<p>Article 49 No share transfer may be entered in the register of shareholders within 30 days prior to the date of a shareholders’ general meeting or within 5 days before the record date set by the Company for the purpose of distribution of dividends.</p>	<p>Article 49 Where the laws, administrative regulations, departmental rules and securities regulatory rules in the place where the Company’s shares are listed stipulate on the period of closure of the register of shareholders before the date of the general meeting or before the record date set by the Company for the purpose of distribution of dividends, such provisions shall prevail.</p>
<p>Article 67 To convene a shareholders’ general meeting, the Company shall notify all shareholders of the time, place and matters to be considered at the meeting 20 days before the date of meeting; an extraordinary general meeting shall be notified to all shareholders 15 days before the date of meeting.</p> <p>Shareholders individually or jointly holding 3% or more of the Company’s shares can make a provisional motion in writing to the Board of Directors 10 days before the date of shareholders’ general meeting; the Board of Directors shall notify other shareholders within 2 days after the receipt of such proposal and table the provisional motion to the general meeting for consideration. The contents of the provisional motion shall fall within the scope of duties of the general meeting, with clear topics and specific resolutions.</p> <p>A general meeting shall not transact matters not stated in the two above-mentioned notices of meeting.</p>	<p>Article 67 To convene a shareholders’ general meeting, the Company shall notify all shareholders of the time, place and matters to be considered at the meeting 20 days before the date of meeting; an extraordinary general meeting shall be notified to all shareholders 15 days before the date of meeting.</p> <p>Shareholders individually or jointly holding 3% or more of the Company’s shares can make a provisional motion in writing to the Board of Directors 10 days before the date of shareholders’ general meeting; the Board of Directors shall notify other shareholders within 2 days after the receipt of such proposal and table the provisional motion to the general meeting for consideration. The contents of the provisional motion shall fall within the scope of duties of the general meeting, with clear topics and specific resolutions.</p> <p>A general meeting shall not transact matters not stated in the two above-mentioned notices of meeting.</p>

Original provisions	Amended provisions
<p>Unless otherwise provided in the Articles of Association, the notice of the shareholders' general meeting shall be delivered by personal delivery or prepaid mail to the shareholders (whether or not such shareholders have a voting right at the shareholders' general meeting). The address of the recipient shall be the address registered in the register of shareholders. For the holders of domestic shares, notice of the meeting may be issued by way of public announcement.</p> <p>The public announcement referred to in the preceding paragraph shall be published in one or more newspapers designated by the securities governing authority of the State Council during 20 days to 25 days prior to the date of the meeting. Upon the publication of the announcement, all holders of domestic shares shall be deemed to have received the notice of the relevant shareholders' general meeting.</p> <p>The notice of a shareholders' general meeting served on the holders of overseas-listed foreign shares may be published through the designated websites of the Hong Kong Stock Exchange and the Company. Upon the publication of the announcement, all holders of overseas-listed foreign shares shall be deemed to have received the notice of the relevant shareholders' general meeting.</p>	<p>Unless otherwise provided in the Articles of Association, the notice of the shareholders' general meeting shall be delivered by personal delivery or prepaid mail to the shareholders (whether or not such shareholders have a voting right at the shareholders' general meeting). The address of the recipient shall be the address registered in the register of shareholders. For the holders of domestic shares, notice of the meeting may be issued by way of public announcement.</p> <p>The public announcement referred to in the preceding paragraph shall be published in one or more newspapers designated by the securities governing authority of the State Council. Upon the publication of the announcement, all holders of domestic shares shall be deemed to have received the notice of the relevant shareholders' general meeting.</p> <p>The notice of a shareholders' general meeting served on the holders of overseas-listed foreign shares may be published through the designated websites of the Hong Kong Stock Exchange and the Company. Upon the publication of the announcement, all holders of overseas-listed foreign shares shall be deemed to have received the notice of the relevant shareholders' general meeting.</p>

Original provisions	Amended provisions
<p data-bbox="199 219 336 251">Article 95</p> <p data-bbox="199 259 786 963">In the event that the Company convenes a class meeting, a written notice shall be issued to shareholders whose names appear on the register of shareholders of such class 45 days prior to the date of the class meeting, specifying the matters proposed to be considered and the date and place of the meeting. The shareholders who intend to attend the meeting shall serve the written reply confirming his attendance at the class meeting to the Company 20 days prior to the date of the meeting. When calculating the time limit, the date of meeting shall not be included. The quorum for a class meeting (other than an adjourned meeting) to consider a variation of the rights of any class of shares shall be the shareholders of at least one-third of the issued shares of that class.</p> <p data-bbox="199 1027 786 1549">Where the number of shares carrying rights to vote at the meeting held by the shareholders intending to attend the meeting reaches half or more of the total number of shares of such class carrying rights to vote at the meeting, the Company may hold the class meeting based thereon. If it does not reach that percentage, the Company shall within 5 days notify the shareholders again, by way of public announcement, of the matters to be considered at, and the date and place for, the meeting. Once an announcement has been so made, the Company may convene the class meeting.</p> <p data-bbox="199 1613 786 1755">If the listing rules of the stock exchange(s) on which the Company's shares are listed have specific provisions, such provisions shall be complied with.</p>	<p data-bbox="809 219 946 251">Article 95</p> <p data-bbox="809 259 1396 629">In the event that the Company convenes a class meeting, a written notice shall be issued to shareholders whose names appear on the register of shareholders of such class with reference to the notice period of convening an extraordinary general meeting as required by Article 67, specifying the date and place of the meeting and the matters proposed to be considered at the meeting.</p> <p data-bbox="809 1613 1396 1755">If the listing rules of the stock exchange(s) on which the Company's shares are listed have specific provisions, such provisions shall be complied with.</p>

Original provisions	Amended provisions
<p data-bbox="199 223 359 255">Article 164</p> <p data-bbox="199 266 782 414">The Company shall adopt the Gregorian calendar year for its accounting year, i.e. the accounting year shall be from 1 January to 31 December.</p> <p data-bbox="199 478 782 627">At the end of each accounting year, the Company shall prepare a financial report which shall be audited and verified according to law.</p> <p data-bbox="199 702 782 1212">The financial statements of the Company shall, in addition to being prepared in accordance with the PRC accounting standards and regulations, be prepared in accordance with either international accounting standards, or that of the place overseas where the Company's shares are listed. If there is any material difference between the financial statements prepared respectively in accordance with the two accounting standards, such difference shall be specifically stated in the financial statements.</p> <p data-bbox="199 1447 782 1638">In distributing its after-tax profits of the relevant accounting year, the lower of the after-tax profits as shown in the different sets of financial statements shall be adopted.</p>	<p data-bbox="810 223 970 255">Article 164</p> <p data-bbox="810 266 1393 414">The Company shall adopt the Gregorian calendar year for its accounting year, i.e. the accounting year shall be from 1 January to 31 December.</p> <p data-bbox="810 478 1393 627">At the end of each accounting year, the Company shall prepare a financial report which shall be audited and verified according to law.</p> <p data-bbox="810 702 1393 1372">The financial statements of the Company shall be prepared in accordance with the PRC accounting standards and regulations, unless the laws, administrative regulations, departmental rules and securities regulatory rules in the place where the Company's shares are listed require that the financial statements of the Company shall also be prepared in accordance with either international accounting standards, or that of the place overseas where the Company's shares are listed. If there is any material difference between the financial statements prepared respectively in accordance with the two accounting standards, such difference shall be specifically stated in the financial statements.</p> <p data-bbox="810 1447 1393 1638">In distributing its after-tax profits of the relevant accounting year, the lower of the after-tax profits as shown in the different sets of financial statements shall be adopted.</p>

Original provisions	Amended provisions
<p>Article 168</p> <p>The Company shall publish its financial reports twice every financial year, that is, the interim financial report shall be published within 60 days after the end of the first six months of each accounting year and the annual financial report shall be published within 120 days after the end of each accounting year.</p> <p>The interim results or financial information published or disclosed by the Company shall be prepared in accordance with the PRC accounting standards and regulations as well as in accordance with either the international accounting standards or that of the place overseas where the Company's shares are listed.</p>	<p>Article 168</p> <p>The Company shall publish its financial reports twice every financial year, that is, the interim financial report shall be published within 60 days after the end of the first six months of each accounting year and the annual financial report shall be published within 120 days after the end of each accounting year.</p> <p>The interim results or financial information published or disclosed by the Company shall be prepared in accordance with the PRC accounting standards and regulations, unless the laws, administrative regulations, departmental rules and securities regulatory rules in the place where the Company's shares are listed require that the financial statements of the Company shall also be prepared in accordance with either international accounting standards, or that of the place overseas where the Company's shares are listed.</p>
<p>Article 176</p> <p>Unless otherwise provided in the relevant or administrative regulations, if the cash dividends and other payments are to be paid in Hong Kong dollars, the Company shall adopt the average offer price of the relevant foreign exchange quoted by the People's Bank of China prevailing a calendar week before the date on which the dividends and other payments are declared as the exchange rate therefor.</p>	<p>Article 176</p> <p>Unless otherwise provided in the relevant or administrative regulations, if the cash dividends and other payments are to be paid in Hong Kong dollars, the Company shall adopt the average mid-price of the relevant foreign exchange quoted by the People's Bank of China prevailing a calendar week before the date on which the dividends and other payments are declared as the exchange rate therefor.</p>