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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)

POSITIVE PROFIT ALERT

This announcement is made by Jilin Province Chuncheng Heating Company Limited* (the “**Company**”, together with its subsidiaries, “the **Group**”) pursuant to the Inside Information Provisions (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”)) of Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 13.09(2)(a) of the Listing Rules.

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders (the “**Shareholders**”) and potential investors of the Company that, based on the preliminary assessment of unaudited consolidated management accounts of the Group for the six months ended 30 June 2023 and the information currently available, it is expected that a net profit of approximately RMB115 million to RMB140 million will be recorded for the six months ended 30 June 2023 (“**2023 Interim Period**”), representing an increase of approximately 80–120% as compared with the net profit of approximately RMB63.76 million for the corresponding period in 2022.

The expected increase is mainly attributable to, including but not limited to, the following factors: (i) the purchase price of heat resources by the Group from its controlling shareholder, Changchun Chuncheng Investment Development Group Company Limited* (長春市春城投資發展集團有限公司) and its subsidiaries (other than the Group) decreased compared to the same period of 2022, and therefore causing a decrease of energy procurement cost for the Group; (ii) the Group has established a long-term management mechanism for energy saving and consumption reduction by tapping into its potential and decreasing the amount of energy consumption, resulting in a decrease in operation cost for the 2023 Interim Period; and (iii) improvement in production and operation efficiency by optimizing management and controlling of smart heating network and enhancing operating management.

The information contained in this announcement only represents a preliminary assessment by the Board based on the unaudited consolidated management accounts of the Group for the 2023 Interim Period and the information currently available to the Board, which have neither been reviewed or audited by the auditor of the Company nor reviewed by the audit committee of the Company, and therefore may be subject to change. The Company is still in the process of finalizing the Group's interim results for the 2023 Interim Period, which is expected to be released on or before 31 August 2023 in accordance with the requirement of the Listing Rules.

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

By order of the Board
Jilin Province Chuncheng Heating Company Limited*
Sun Huiyong
Chairman

Jilin, the PRC, 28 July 2023

As at the date of this announcement, the non-executive Director of the Company is Mr. Sun Huiyong (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*