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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)**

### **CONNECTED TRANSACTION**

#### **TENANCY ARRANGEMENTS WITH CHUNCHENG INVESTMENT**

References are made to the announcements of Jilin Province Chuncheng Heating Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 28 August 2023, 9 October 2023, 11 October 2023 and 13 October 2023, in relation to, among other things, the tenancy arrangements entered into by the Group with Changchun Chuncheng Investment Development Group Company Limited\* (長春市春城投資發展集團有限公司) (“**Chuncheng Investment**”). Unless defined otherwise, terms used in this announcement shall have the same meanings as those defined in the Company’s announcement dated 11 October 2023 (the “**Announcement**”).

As disclosed in the Announcement, on 11 October 2023, the Company (as tenant) and Chuncheng Investment (as landlord) entered into the 2024–206 Tenancy Framework Agreement, pursuant to which Chuncheng Investment (and its associates and related legal persons), as landlord, shall lease the Premises to the Company (and/or its subsidiaries), as tenant. The term of the 2024–2026 Tenancy Framework Agreement shall run from 1 January 2024 to 31 December 2026 (both days inclusive).

Pursuant to the “China Accounting Standards for Business Enterprises No. 21 — Leases” issued by the Ministry of Finance of the People’s Republic of China, following the entering into of the 2024–2026 Tenancy Framework Agreement, the Company as lessee shall recognise the present value of the lease payments for the right to use Premises 2, Premises 3 and Premises 4, as right-of-use assets in the combined financial statements of the Company for FY2023. Accordingly, the transactions contemplated under the Tenancy Agreement 2, the Tenancy Agreement 3 and the Tenancy Agreement 4 (collectively, the “**Transactions**”) shall be regarded as acquisition of assets under the definition of transaction set out in Rule 14.04(1)(a) of the Listing Rules. The estimated total value of right-of-use assets relating to the Transactions is approximately RMB7,945,000 (the “**Value of the Right-of-use Asset**”).

As one or more of the applicable percentage ratios as calculated under Rule 14.07 of the Listing Rules in respect of the Value of the Right-of-use Asset are over 0.1% but all of them are less than 5%, the Transactions are subject to the reporting and announcement requirements but exempt from the circular, independent financial advice and shareholders' approval requirements under Chapter 14A of the Listing Rules.

Save as disclosed above, all other information in respect of the Tenancy Agreement 2, the Tenancy Agreement 3 and the Tenancy Agreement 4 as disclosed in the Company's announcements dated 28 August 2023 and 9 October 2023 remains unchanged.

As disclosed in the Announcement, the 2024–2026 Tenancy Framework Agreement cover the leasing arrangements between the Group and Chuncheng Investment (and its associates and related legal persons) over Premises 1, Premises 2, Premises 3, Premises 4 and Premises 5 and such other premises owned by Chuncheng Investment, its associates or related legal persons which are leased to the Group. Accordingly, the renewal of leasing arrangements over Premises 1, Premises 2, Premises 3, Premises 4 and Premises 5 in FY2024, FY2025 and FY2026 will fall within the ambit of the 2024–2026 Tenancy Framework Agreement and subject to the annual caps as disclosed in the Company's announcement dated 13 October 2023, which reflect the estimated total value of right-of-use assets, i.e. RMB26,300,000, RMB26,300,000 and RMB26,300,000 in FY2024, FY2025 and FY2026, respectively.

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

Jilin, the PRC, 18 October 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*