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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)

2025 INTERIM RESULTS ANNOUNCEMENT

FINANCIAL HIGHLIGHTS

- The revenue for the six months ended 30 June 2025 amounted to RMB935,134.3 thousand, representing an increase of 3.14% as compared to the same period in 2024.
- The profit before tax for the six months ended 30 June 2025 was RMB143,635.7 thousand, representing a decrease of 28.40% as compared to the same period in 2024.
- The net profit attributable to equity holders of the Company for the six months ended 30 June 2025 amounted to RMB106,903.4 thousand, representing a decrease of 27.84% as compared to the same period in 2024.
- Earnings per share for the six months ended 30 June 2025 amounted to RMB0.23, representing a decrease of RMB0.09 as compared to the same period in 2024.

The Board is pleased to announce the unaudited interim results of the Group for the six months ended 30 June 2025, which were prepared in accordance with the ASBEs. These unaudited interim results had been reviewed by the audit committee of the Company (the “**Audit Committee**”).

FINANCIAL INFORMATION

(presented in RMB unless otherwise stated)

COMBINED STATEMENT OF FINANCIAL POSITION

| | | 30 June 2025 (Unaudited) | 31 December 2024 (Audited) |
|--|----------|--------------------------------|----------------------------------|
| Assets | Note | | |
| CURRENT ASSETS: | | | |
| Monetary fund | | 466,963,585.84 | 1,455,774,167.52 |
| Held-for-trading financial assets | | — | — |
| Derivative financial assets | | — | — |
| Bills receivable | | — | — |
| Trade receivables | Remark 9 | 244,452,946.72 | 292,454,028.46 |
| Trade receivables financing | | — | — |
| Prepayments | | 181,596,601.93 | 696,052,863.29 |
| Other receivables | | 400,997,081.49 | 143,150,344.45 |
| Inventories | | 4,402,450.44 | 8,788,546.82 |
| Contract assets | | 31,333,995.08 | 46,964,015.19 |
| Assets held for sale | | — | — |
| Non-current assets due within one year | | — | — |
| Other current assets | | <u>47,608,229.71</u> | <u>33,620,803.95</u> |
| TOTAL CURRENT ASSETS | | <u>1,377,354,891.21</u> | <u>2,676,804,769.68</u> |

| Assets | <i>Note</i> | 30 June 2025 (Unaudited) | 31 December 2024 (Audited) |
|-------------------------------------|-------------|---|---|
| NON-CURRENT ASSETS: | | | |
| Debt investments | | — | — |
| Other debt investments | | — | — |
| Long-term receivables | | — | — |
| Long-term equity investments | | — | — |
| Other equity instrument investments | | — | — |
| Other non-current financial assets | | — | — |
| Investment properties | | — | — |
| Fixed assets | | 855,582,330.61 | 850,266,318.15 |
| Construction-in-progress | | 71,123,166.78 | 53,612,884.26 |
| Biological assets | | — | — |
| Fuel and gas assets | | — | — |
| Right-of-use assets | | 8,306,649.44 | 10,060,235.07 |
| Intangible assets | | 16,502,866.58 | 17,259,945.80 |
| Development costs | | — | — |
| Goodwill | | 74,847,680.43 | 74,847,680.43 |
| Long-term deferred expenditures | | — | — |
| Deferred income tax assets | | 64,397,527.06 | 62,984,246.27 |
| Other non-current assets | | — | — |
| TOTAL NON-CURRENT ASSETS | | <u>1,090,760,220.90</u> | <u>1,069,031,309.98</u> |
| TOTAL ASSETS | | <u>2,468,115,112.11</u> | <u>3,745,836,079.66</u> |

| | | 30 June 2025 (Unaudited) | 31 December 2024 (Audited) |
|---|------------------|--------------------------------|----------------------------------|
| Liabilities and shareholders' equity | <i>Note</i> | | |
| CURRENT LIABILITIES: | | | |
| Short-term borrowings | | 548,000,000.00 | 616,185,080.42 |
| Held-for-trading financial liabilities | | — | — |
| Derivative financial liabilities | | — | — |
| Bills payable | | — | 88,600,000.00 |
| Trade payables | <i>Remark 10</i> | 92,403,741.86 | 288,333,372.32 |
| Advances | | — | — |
| Contract liabilities | | 500,029,011.51 | 1,436,470,122.36 |
| Salaries payable | | 31,435,300.99 | 107,132,207.59 |
| Tax payable | | 7,462,600.21 | 19,188,754.70 |
| Other payables | | 14,878,386.90 | 17,117,505.96 |
| Liabilities held for sale | | — | — |
| Non-current liabilities due within one year | | 8,442,836.23 | 5,912,595.53 |
| Other current liabilities | | 283,665.69 | 34,420.48 |
| | | ----- | ----- |
| TOTAL CURRENT LIABILITIES | | 1,202,935,543.39 | 2,578,974,059.36 |

| | | 30 June 2025 (Unaudited) | 31 December 2024 (Audited) |
|--|-------------|--------------------------------|----------------------------------|
| Liabilities and shareholders' equity | <i>Note</i> | | |
| NON-CURRENT LIABILITIES: | | | |
| Long-term borrowings | | — | — |
| Bonds payable | | — | — |
| Of which: Preference shares | | — | — |
| Perpetual bonds | | — | — |
| Lease liabilities | | 3,473,212.45 | 6,700,386.05 |
| Long-term payables | | 2,383,380.35 | 2,584,506.04 |
| Long-term salaries payable | | 34,548,188.24 | 34,548,188.24 |
| Estimated liabilities | | — | — |
| Deferred income | | 49,505,791.00 | 52,153,256.12 |
| Deferred income tax liabilities | | 23,975,752.26 | 26,485,876.24 |
| Other non-current liabilities | | <u>1,229,995.52</u> | <u>1,229,995.52</u> |
| TOTAL NON-CURRENT LIABILITIES | | <u>115,116,319.82</u> | <u>123,702,208.21</u> |
| TOTAL LIABILITIES | | <u>1,318,051,863.21</u> | <u>2,702,676,267.57</u> |
| SHAREHOLDERS' EQUITY: | | | |
| Share capital | | 466,700,000.00 | 466,700,000.00 |
| Other equity instruments | | — | — |
| Of which: Preference shares | | — | — |
| Perpetual bonds | | — | — |
| Capital reserve | | — | — |
| Less: Treasury stock | | — | — |
| Other comprehensive income | | –7,364,142.82 | –7,364,142.82 |
| Special reserve | | 25,630,609.10 | 25,630,609.10 |
| Surplus reserve | | 45,131,170.29 | 45,131,170.29 |
| Undistributed profits | | <u>619,965,612.33</u> | <u>513,062,175.52</u> |
| Total shareholders' equity attributable to the parent company | | <u>1,150,063,248.90</u> | <u>1,043,159,812.09</u> |
| Minority interests | | — | — |
| TOTAL SHAREHOLDERS' EQUITY | | <u>1,150,063,248.90</u> | <u>1,043,159,812.09</u> |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | | <u>2,468,115,112.11</u> | <u>3,745,836,079.66</u> |

COMBINED INCOME STATEMENT

| Item | Notes | 1 January to 30 June 2025 (Unaudited) | 1 January to 30 June 2024 (Unaudited) |
|---|-----------------|---|---|
| I. TOTAL OPERATING INCOME | <i>Remark 3</i> | 935,134,299.91 | 906,629,256.98 |
| Less: Operating costs | <i>Remark 3</i> | 745,469,319.23 | 686,590,830.07 |
| Taxes and surcharges | | 1,029,519.83 | 877,236.48 |
| Selling expenses | | 47,639.04 | — |
| Administrative expenses | <i>Remark 4</i> | 42,703,122.46 | 43,227,227.39 |
| Research and development expenses | | 439,496.06 | 804,993.79 |
| Financial costs | | -1,964,529.87 | -6,810,607.79 |
| Of which: Interest charges | | 9,397,905.71 | 1,720,984.50 |
| Interest income | | -11,383,806.88 | -8,763,445.66 |
| Add: Other income | | 4,127,832.07 | 2,804,174.07 |
| Investment income (presented by a “-” for loss) | | — | — |
| Of which: Investment income from associates and joint ventures | | — | — |
| Gain on derecognition of financial assets measured at amortized cost | | — | — |
| Net gain from hedging exposure (presented by a “-” for loss) | | — | — |
| Gain on changes in fair value (presented by a “-” for loss) | | — | — |
| Credit impairment loss (presented by a “-” for loss) | | -5,514,175.98 | -5,689,057.85 |
| Impairment loss on assets (presented by a “-” for loss) | | -2,382,244.28 | 21,627,705.85 |
| Gain on disposal of assets (presented by a “-” for loss) | | ----- | ----- |
| II. OPERATING PROFIT (PRESENTED BY A “-” FOR LOSS) | | 143,641,144.97 | 200,682,399.11 |
| Add: Non-operating income | | 26,266.07 | 28,051.37 |
| Less: Non-operating expenses | | 31,666.99 | 93,296.59 |
| III. TOTAL PROFIT (PRESENTED BY A “-” FOR TOTAL LOSS) | | 143,635,744.05 | 200,617,153.89 |
| Less: Income tax expense | <i>Remark 8</i> | 36,732,307.24 | 52,475,162.44 |

| Item | Note | 1 January to 30 June 2025 (Unaudited) | 1 January to 30 June 2024 (Unaudited) |
|--|------|---|---|
| IV. NET PROFIT (PRESENTED BY A “–” FOR NET LOSS) | | <u>106,903,436.81</u> | <u>148,141,991.45</u> |
| Of which: Net profit realized by the acquiree of the business combination under common control before the combination | | | |
| (I) Classified by continuity of operation | | | |
| Net profit from continuing operation (presented by a “–” for net loss) | | 106,903,436.81 | 148,141,991.45 |
| Net profit from discontinued operation (presented by a “–” for net loss) | | – | – |
| (II) Classified by ownership | | | |
| Net profit attributable to owners of the parent company (presented by a “–” for net loss) | | 106,903,436.81 | 148,141,991.45 |
| Minority interests (presented by a “–” for net loss) | | – | – |
| V. OTHER COMPREHENSIVE INCOME, NET OF TAX | | <u>–</u> | <u>–</u> |
| Other comprehensive income attributable to owners of the parent company, net of tax | | <u>–</u> | <u>–</u> |
| (I) Other comprehensive income that may not be reclassified to profit or loss | | <u>–</u> | <u>–</u> |
| 1. Changes from re-measurement of defined benefit plans, net | | – | – |
| 2. Other comprehensive income that may not be transferred to profit or loss under the equity method | | – | – |
| 3. Changes in fair value of other equity instrument investments | | – | – |
| 4. Changes in fair value of the enterprise’s own credit risk | | – | – |
| 5. Others | | <u>–</u> | <u>–</u> |

| Item | Note | 1 January to 30 June 2025 (Unaudited) | 1 January to 30 June 2024 (Unaudited) |
|---|----------|---|---|
| (II) Other comprehensive income that may be classified to profit or loss | | — | — |
| 1. Other comprehensive income that may be transferred to profit or loss under the equity method | | — | — |
| 2. Changes in fair value of other debt investments | | — | — |
| 3. Amounts of financial assets reclassified to other comprehensive income | | — | — |
| 4. Credit impairment provision for other debt investments | | — | — |
| 5. Reserves for cash flow hedges | | — | — |
| 6. Differences from translation of financial statement denominated in foreign currency | | — | — |
| 7. Investment income from a package disposal of subsidiaries before loss of control | | — | — |
| 8. Conversion of other assets to investment property measured by fair value model | | — | — |
| 9. Others | | — | — |
| Comprehensive income attributable to minority shareholders, net of tax | | — | — |
| VI. TOTAL COMPREHENSIVE INCOME | | 106,903,436.81 | 148,141,991.45 |
| Total comprehensive income attributable to owners of the parent company | | 106,903,436.81 | 148,141,991.45 |
| Total comprehensive income attributable to minority Shareholders | | — | — |
| VII. EARNINGS PER SHARE: | | | |
| (I) Basic earnings per Share | Remark 7 | 0.23 | 0.32 |
| (II) Diluted earnings per Share | Remark 7 | 0.23 | 0.32 |

NOTES TO FINANCIAL INFORMATION

1. GENERAL INFORMATION OF THE COMPANY

Jilin Province Chuncheng Heating Company Limited (the “Company”), formerly known as “Jilin Province Changre New Energy Co., Ltd.* (吉林省長熱新能源有限公司)” or “Jilin Province Chuncheng Heating Limited Liability Company* (吉林省春城熱力有限責任公司)”, is a joint stock company with limited liability incorporated in the People’s Republic of China (the “PRC”) on 23 October 2017. The registered office of the Company is located at No. 28 (Hongcheng Xiyu), Block B, Nanhu Road Community, 998 Nanhu Road, Nanguan District, Changchun, Jilin Province, the PRC.

The Company and its subsidiaries (collectively, the “Group”) engage in the following principal activities:

Heat supply, including the provision and distribution of heat, pipeline connection fee and heat transmission; and construction, maintenance, design and others.

The controlling Shareholder of the Company is Changre Group, a company established in the PRC and wholly owned by the State-owned Assets Supervision and Administration Commission of Changchun Municipal People’s Government (長春市人民政府國有資產監督管理委員會) (“SASAC Changchun”). The interim condensed consolidated financial information is presented in RMB, unless otherwise stated.

2. PRINCIPAL ACCOUNTING POLICIES

The combined financial statements are measured under the historical cost method, except for certain financial instruments which are measured at fair value.

The accounting policies and methods of computation used in preparation of the combined financial statements for the six months ended 30 June 2025 are consistent with those of the Company’s annual financial statements for the year ended 31 December 2024.

3. REVENUE AND SEGMENT INFORMATION

(1) Basis of identifying reportable segments and the accounting policies

The Company identified two operating segments, namely the heat supply segment and the construction, maintenance and design services segment, based on the internal organizational structure, management requirements and internal reporting system.

Each reportable segment of the Company offers different products or services. As each segment requires different technologies or market strategies, the Company’s management manages the operating activities of each reportable segment separately, and regularly evaluates the operating results of these reportable segments to determine the allocation of resources and to evaluate their performance.

Inter-segment transfer prices are determined on the basis of actual transaction prices, and expenses indirectly attributable to each segment are allocated between segments in proportion to its revenue. Assets are allocated based on the operations of the segment and the location of the assets. Segment liabilities include liabilities arising from the operating activities of a segment that are attributable to that segment. If expenses that are related to liabilities jointly assumed by multiple operating segments were allocated to those operating segments, the jointly assumed liabilities are also allocated to those operating segments.

(2) Financial information of the reportable segments

(1) Segment assets, liabilities and revenue

| Item | Heat supply | Construction, maintenance, design and others | Total |
|---|------------------|---|------------------|
| 30 June 2025 (Unaudited) | | | |
| Segment assets | 2,210,700,559.64 | 257,414,552.47 | 2,468,115,112.11 |
| Segment liabilities | 1,223,499,374.24 | 94,552,488.97 | 1,318,051,863.21 |
| January to June 2025 (Unaudited) | | | |
| Segment revenue | | | |
| Revenue from all customers | 933,428,767.84 | 16,367,792.59 | 949,796,560.43 |
| Intersegment revenue | 7,096,874.08 | 7,565,386.44 | 14,662,260.52 |
| Reportable segment revenue | 926,331,893.76 | 8,802,406.15 | 935,134,299.91 |
| Reportable segment gross profit | 191,116,646.50 | -1,451,665.82 | 189,664,980.68 |
| 30 June 2024 (Unaudited) | | | |
| Segment assets | 1,883,938,131.03 | 163,790,341.59 | 2,047,728,472.62 |
| Segment liabilities | 810,652,046.47 | 99,087,955.90 | 909,740,002.37 |
| January to June 2024 (Unaudited) | | | |
| Segment revenue | | | |
| Revenue from all customers | 903,853,284.33 | 11,223,057.67 | 915,076,342.00 |
| Intersegment revenue | 3,577,248.31 | 4,869,836.71 | 8,447,085.02 |
| Reportable segment revenue | 900,323,867.50 | 6,305,389.48 | 906,629,256.98 |
| Reportable segment gross profit | 219,994,005.81 | 44,421.10 | 220,038,426.91 |

(2) Revenue and other business income

| Item | January to June 2025 (Unaudited) | January to June 2024 (Unaudited) |
|---------------------------------------|--|--|
| Revenue from contracts with customers | | |
| Provision and distribution of heat | 884,923,601.99 | 859,996,290.50 |
| Pipeline connection fee | 35,108,205.62 | 33,624,881.16 |
| Heat transmission | 6,300,086.15 | 6,702,695.84 |
| Engineering construction | 5,710,502.31 | 1,895,403.15 |
| Engineering maintenance | 6,902.00 | 2,541,378.58 |
| Design services | 100,622.38 | 1,676,775.53 |
| Others | 2,984,379.46 | 191,832.22 |
| Total | 935,134,299.91 | 906,629,256.98 |

(3) *Costs and other business costs*

| Item | January to June 2025 (Unaudited) | January to June 2024 (Unaudited) |
|---|---|---|
| Heat supply | 735,215,247.26 | 680,329,861.69 |
| Of which: | | |
| Heat procurement cost | 436,959,705.93 | 419,778,228.40 |
| Coal | 46,132,249.19 | 20,771,100.97 |
| Maintenance and repair | 6,896,002.74 | 6,863,573.57 |
| Labor | 76,836,030.41 | 76,641,143.92 |
| Depreciation and amortization | 69,059,828.17 | 64,121,704.22 |
| Utility | 49,376,018.55 | 44,786,282.25 |
| Input VAT transferred out | 29,746,303.94 | 28,791,121.35 |
| Others | 20,209,108.33 | 18,576,707.01 |
| Construction, maintenance and design services | 10,254,071.97 | 6,260,968.38 |
| Total | 745,469,319.23 | 686,590,830.07 |

4. ADMINISTRATIVE EXPENSES

For the six months ended 30 June 2025, the administrative expenses incurred amounted to RMB42,703,122.46 (for the six months ended 30 June 2024, administrative expenses incurred amounted to RMB43,227,227.39), which mainly represent labor costs, depreciation and amortization expenses, etc.

5. PROFIT BEFORE INTEREST, TAX, DEPRECIATION AND AMORTIZATION

| Item | January to June 2025 (Unaudited) | January to June 2024 (Unaudited) |
|--|---|---|
| Net profit | 106,903,436.81 | 148,141,991.45 |
| Income tax expense | 36,732,307.24 | 52,475,162.44 |
| Depreciation of fixed assets provided for | 70,529,485.38 | 66,888,092.64 |
| Depreciation of intangible assets provided for | 757,872.55 | 668,972.13 |
| Amortization of long-term deferred expenditures provided for | – | 17,385.32 |
| Interest and investment income | 11,383,806.88 | 8,763,445.66 |
| Interest income from financial institution | – | – |
| Interest charges | 9,397,905.71 | 1,720,984.50 |
| Interest expenses to financial institution | – | – |
| Profit before interest, tax, depreciation and amortization | 212,937,200.81 | 261,149,142.82 |

6. DIVIDEND

(1) Interim dividend

The Board does not recommend the payment of any interim dividend to the Shareholders for the six months ended 30 June 2025 (for the six months ended 30 June 2024: Nil).

(2) Dividends payable to Shareholders for the previous financial year, approved during the interim period

A final dividend of RMB0.065 per Share (tax inclusive) for the financial year ended 31 December 2024 (totaling RMB30,335,500.00) was approved at the 2024 annual general meeting. As at 30 June 2025, the aforesaid final dividend has not yet been distributed to the Shareholders.

7. EARNINGS PER SHARE

| Item | January to June 2025 (Unaudited) | January to June 2024 (Unaudited) |
|---|---|---|
| Net profit attributable to the parent company | 106,903,436.81 | 148,141,991.45 |
| Weighted average number of ordinary Shares in issue during the period | 466,700,000.00 | 466,700,000.00 |
| Earnings per Share | 0.23 | 0.32 |

Note: Diluted earnings per Share were the same as basic earnings per Share as there were no dilutive potential ordinary Shares in issue for the six months ended 30 June 2025 and 2024.

8. INCOME TAX EXPENSE

(1) List of income tax expense

| Item | January to June 2025 (Unaudited) | January to June 2024 (Unaudited) |
|---|---|---|
| Income tax expense for the current period | 40,560,755.05 | 53,138,389.25 |
| Deferred income tax expense | -3,828,447.81 | -663,226.81 |
| Total | 36,732,307.24 | 52,475,162.44 |

(2) Reconciliation between accounting profit and income tax expense

| Item | January to June 2025 (Unaudited) |
|---|---|
| Total profit | 143,635,744.05 |
| Income tax expense calculated at statutory tax rates | 35,824,878.70 |
| Effect of different tax rates applicable to subsidiaries | 1,213,272.28 |
| Effect of adjustments to income tax on prior periods | -577,771.32 |
| Effect of non-taxable income | - |
| Effect of non-deductible costs, expenses and losses | - |
| Effect of deductible loss on utilization of deferred income tax assets that were not recognized in the previous period | - |
| Effect of deductible temporary difference or deductible loss on deferred income tax assets that were not recognized in the current period | 322,327.80 |
| Others | -50,400.22 |
| Income tax expense | 36,732,307.24 |

9. TRADE RECEIVABLES

Credit terms granted to customers vary and generally depend on the financial strength of individual customer. In order to effectively manage the credit risk associated with trade receivables, the Group assesses customers' credit on a regular basis.

(1) Disclosure of trade receivables based on ageing

| Ageing | 30 June 2025 (Unaudited) | 31 December 2024 (Audited) |
|-------------------------------|---|---|
| Within 1 year | 94,805,548.81 | 240,784,530.94 |
| 1 to 2 years | 120,088,965.53 | 50,660,189.88 |
| 2 to 3 years | 40,011,168.25 | 16,463,637.23 |
| 3 to 4 years | 14,507,308.95 | 18,091,660.10 |
| 4 to 5 years | 16,273,134.02 | 8,163,363.23 |
| Over 5 years | 24,521,871.23 | 17,834,792.54 |
| Sub-total | 310,207,996.79 | 351,998,173.92 |
| Less: Provision for bad debts | 65,755,050.07 | 59,544,145.46 |
| Total | 244,452,946.72 | 292,454,028.46 |

(2) Disclosure based on classification of provision method for bad debts

| Category | 30 June 2025 (Unaudited) | | | | Carrying amount |
|--|--------------------------|--------|-------------------------|-------|-----------------|
| | Carrying balance | | Provision for bad debts | | |
| | Proportion | | Proportion | | |
| | Amount | (%) | Amount | (%) | |
| Provision for bad debts on individual basis | | | | | |
| Provision for bad debts on credit risk characteristics basis | 310,207,996.79 | 100.00 | 65,755,050.07 | 21.20 | 244,452,946.72 |
| Of which: | | | | | |
| Ageing portfolio-Heat supply business | 98,191,505.71 | 31.65 | 11,046,958.40 | 11.25 | 87,144,547.31 |
| Ageing portfolio-Basic heating fee | 36,422,356.51 | 11.74 | 10,174,084.70 | 27.93 | 26,248,271.81 |
| Ageing portfolio-Engineering business | 60,256,061.91 | 19.42 | 28,149,415.16 | 46.72 | 32,106,646.75 |
| Related party portfolio | 115,338,072.66 | 37.19 | 16,384,591.81 | 14.21 | 98,953,480.85 |
| Total | 310,207,996.79 | 100.00 | 65,755,050.07 | 21.20 | 244,452,946.72 |

| Category | 31 December 2024 (Audited) | | | | Carrying amount |
|--|----------------------------|--------|-------------------------|-------|-----------------|
| | Carrying balance | | Provision for bad debts | | |
| | Proportion | | Proportion | | |
| | Amount | (%) | Amount | (%) | |
| Provision for bad debts on individual basis | | | | | |
| Provision for bad debts on credit risk characteristics basis | 351,998,173.92 | 100.00 | 59,544,145.46 | 16.92 | 292,454,028.46 |
| Of which: | | | | | |
| Ageing portfolio-Heat supply business | 142,618,498.78 | 40.52 | 12,424,919.86 | 8.71 | 130,193,578.92 |
| Ageing portfolio-Basic heating fee | 34,555,515.43 | 9.82 | 6,632,629.08 | 19.19 | 27,922,886.35 |
| Ageing portfolio-Engineering business | 74,762,607.84 | 21.24 | 30,490,120.33 | 40.78 | 44,272,487.51 |
| Related party portfolio | 100,061,551.87 | 28.42 | 9,996,476.19 | 9.99 | 90,065,075.68 |
| Total | 351,998,173.92 | 100.00 | 59,544,145.46 | 16.92 | 292,454,028.46 |

(3) Provision for bad debts on credit risk characteristics basis

(1) Ageing portfolio — Heat supply business

| Ageing | 30 June 2025 (Unaudited) | | |
|---------------|--------------------------|-------------------------|-----------------------------|
| | Trade receivables | Provision for bad debts | Proportion of provision (%) |
| Within 1 year | 74,326,350.23 | 3,716,317.51 | 5.00 |
| 1 to 2 years | 14,204,662.01 | 2,840,932.40 | 20.00 |
| 2 to 3 years | 4,477,606.68 | 1,343,282.00 | 30.00 |
| 3 to 4 years | 2,412,613.94 | 965,045.57 | 40.00 |
| 4 to 5 years | 1,177,783.87 | 588,891.94 | 50.00 |
| Over 5 years | 1,592,488.98 | 1,592,488.98 | 100.00 |
| Total | 98,191,505.71 | 11,046,958.40 | |

| Ageing | 31 December 2024 (Audited) | | |
|---------------|----------------------------|-------------------------|-----------------------------|
| | Trade receivables | Provision for bad debts | Proportion of provision (%) |
| Within 1 year | 124,381,098.61 | 5,024,996.38 | 4.04 |
| 1 to 2 years | 9,049,281.34 | 2,001,701.03 | 22.12 |
| 2 to 3 years | 2,099,220.95 | 680,987.27 | 32.44 |
| 3 to 4 years | 2,120,144.89 | 1,008,976.95 | 47.59 |
| 4 to 5 years | 2,948,525.79 | 1,688,031.03 | 57.25 |
| Over 5 years | 2,020,227.20 | 2,020,227.20 | 100.00 |
| Total | 142,618,498.78 | 12,424,919.86 | |

(2) *Ageing portfolio – Basic heating fee*

Ageing

30 June 2025 (Unaudited)

| | Trade receivables | Provision for bad debts | Proportion of provision (%) |
|---------------|------------------------------|------------------------------------|--|
| Within 1 year | 6,982,057.81 | 349,102.89 | 5.00 |
| 1 to 2 years | 9,213,120.62 | 921,312.07 | 10.00 |
| 2 to 3 years | 7,150,045.15 | 1,430,009.04 | 20.00 |
| 3 to 4 years | 5,392,914.40 | 1,617,874.32 | 30.00 |
| 4 to 5 years | 3,656,864.30 | 1,828,432.15 | 50.00 |
| Over 5 years | 4,027,354.23 | 4,027,354.23 | 100.00 |
| Total | 36,422,356.51 | 10,174,084.70 | |

Ageing

31 December 2024 (Audited)

| | Trade receivables | Provision for bad debts | Proportion of provision (%) |
|---------------|------------------------------|------------------------------------|--|
| Within 1 year | 10,052,477.76 | 603,148.67 | 6.00 |
| 1 to 2 years | 9,305,368.76 | 730,471.44 | 7.85 |
| 2 to 3 years | 6,123,339.27 | 663,769.97 | 10.84 |
| 3 to 4 years | 4,824,704.88 | 733,837.61 | 15.21 |
| 4 to 5 years | 464,359.74 | 116,136.37 | 25.01 |
| Over 5 years | 3,785,265.02 | 3,785,265.02 | 100.00 |
| Total | 34,555,515.43 | 6,632,629.08 | |

(3) *Ageing portfolio-Engineering business*

Ageing

30 June 2025 (Unaudited)

| | Trade receivables | Provision for bad debts | Proportion of provision (%) |
|---------------|------------------------------|------------------------------------|--|
| Within 1 year | 11,861,183.14 | 593,059.16 | 5.00 |
| 1 to 2 years | 10,154,588.39 | 2,030,917.67 | 20.00 |
| 2 to 3 years | 11,167,090.30 | 3,350,127.09 | 30.00 |
| 3 to 4 years | 4,132,686.21 | 2,066,343.12 | 50.00 |
| 4 to 5 years | 9,438,485.85 | 6,606,940.10 | 70.00 |
| Over 5 years | 13,502,028.02 | 13,502,028.02 | 100.00 |
| Total | 60,256,061.91 | 28,149,415.16 | |

Ageing

31 December 2024 (Audited)

| | Trade receivables | Provision for bad debts | Proportion of provision (%) |
|---------------|------------------------------|------------------------------------|--|
| Within 1 year | 20,553,535.23 | 1,609,341.80 | 7.83 |
| 1 to 2 years | 18,610,501.65 | 4,293,442.74 | 23.07 |
| 2 to 3 years | 7,671,982.61 | 2,904,612.62 | 37.86 |
| 3 to 4 years | 11,146,810.33 | 5,968,002.25 | 53.54 |
| 4 to 5 years | 4,750,477.70 | 3,685,420.60 | 77.58 |
| Over 5 years | 12,029,300.32 | 12,029,300.32 | 100.00 |
| Total | 74,762,607.84 | 30,490,120.33 | |

10. TRADE PAYABLES

Ageing

**30 June
2025**

**31 December
2024**

(Unaudited)

(Audited)

| | | |
|---------------|----------------------|----------------|
| Within 1 year | 17,652,359.36 | 228,146,149.72 |
| 1 to 2 years | 33,790,937.76 | 14,745,559.16 |
| 2 to 3 years | 4,350,737.23 | 39,714,923.61 |
| Over 3 years | 36,609,707.51 | 5,726,739.83 |
| Total | 92,403,741.86 | 288,333,372.32 |

MANAGEMENT DISCUSSION AND ANALYSIS

I. BUSINESS REVIEW

In the first half of 2025, the Group continued to uphold the philosophy of development through innovation and actively enhanced resources allocation. The Group also vigorously carried out energy conservation measures, coordinated development and safety with a focus on promoting the high-quality development of heat supply and production businesses, and successfully accomplished various tasks and missions during the first half of the year.

(1) Heat Supply Business

As at 30 June 2025, the Group had a heat service area of 69.826 million sq.m., representing an increase of 2.389 million sq.m. or 3.54% from 67.437 million sq.m. in the corresponding period of 2024. As for the number of heat supply users, as at 30 June 2025, the Group had 572,273 heat supply users, representing an increase of 19,825 users or 3.59% from 552,448 users in the corresponding period of 2024. For the six months ended 30 June 2025, the Group's revenue from heat supply business was RMB926.33 million, representing an increase of RMB26.01 million or 2.89% from RMB900.32 million in the corresponding period of 2024.

1. Customers

Customers of the Group's heat supply business are generally residential and non-residential users within the Group's heat service area. The table below sets out a breakdown of the number of, and revenue contribution by, residential and non-residential users of the Group as at 30 June 2025.

| | As at 30 June 2025 | | As at 30 June 2024 | |
|--------------------------------------|---------------------|--|---------------------|--|
| | Number of customers | % of revenue from provision and distribution of heat | Number of customers | % of revenue from provision and distribution of heat |
| | | | | |
| Residential users ⁽¹⁾ | 505,761 | 88.38% | 493,789 | 89.38% |
| Non-residential users ⁽²⁾ | 66,512 | 11.62% | 58,659 | 10.62% |
| Total | 572,273 | 100% | 552,448 | 100% |

Notes:

(1) The number of residential users is per household.

(2) Non-residential users refer to end-users other than residential users, such as industrial end-users, commercial end-users and other end-users.

2. *Heat procurement*

For the six months ended 30 June 2025, the total heat procurement by the Group from local cogeneration plants and its controlling Shareholder, Changre Group, amounted to 12.21 million GJ and 0.2 million GJ respectively, with a total heat procurement of 12.41 million GJ, among which 11.28 million GJ of heat was used for the Company's heat supply and production purposes.

3. *Heat resale*

For the six months ended 30 June 2025, approximately 1.13 million GJ of heat procurement quota obtained from cogeneration plants and Changre Group, the controlling Shareholder, by the Group was transferred to four other heat service providers. The Group received heat transmission fees aggregating RMB6.30 million from these four heat service providers.

The following table sets forth the breakdown of the usage data of heat procured by the Group between January to June 2025 and in the corresponding period of 2024:

| | January to June 2025 | January to June 2024 |
|--|---------------------------------|-------------------------|
| Estimated heat procurement quota (GJ) ⁽¹⁾ | 13,670,000 | 13,900,000 |
| Heat procurement quota transferred (GJ) ⁽²⁾ | 1,128,955 | 1,152,499 |
| Actual consumption (GJ) ⁽³⁾ | 11,282,780 | 11,557,948 |
| Total heat procured (GJ) ⁽⁴⁾ | 12,411,736 | 12,710,447 |
| Utilization rate ⁽⁵⁾ | 82.54% | 83.15% |

Notes:

- (1) The heat procurement quota is an estimate of the heat procurement prior to each heat supply period based on the historical heat procurement amount.
- (2) During the Reporting Period, the Group transferred a certain portion of its procured heat to four other heat service providers. Heat transmission fees were charged accordingly.
- (3) Actual consumption of heat procured by the Group represents the aggregate amount of actual heat supply and consumption data each month as recorded by measuring equipment, and the amount that is reviewed and agreed between the Group and four different local cogeneration plants and Changre Group, the controlling shareholder, respectively.
- (4) The total heat procured is the sum of heat procurement quota transferred and the actual consumption. Procurement of heat exceeding the estimated heat procurement quota is subject to the supplemental agreements between the cogeneration plants and the Group.
- (5) Utilization rate of heat procurement is calculated by dividing the actual consumption by the estimated heat procurement quota.

(2) Construction, Maintenance and Design Services and Others

The Group's business of construction, maintenance, design and others covers the peripheral services business of the heat supply industry chain, mainly providing services such as construction and building of heat supply facilities, engineering maintenance and project design for heat supply enterprises or end-users. These businesses are mainly concentrated in the northeast region of China. For the six months ended 30 June 2025, revenue generated from the Group's construction, maintenance, design services and other businesses amounted to RMB8.80 million, representing an increase of RMB2.49 million, or 39.60%, from RMB6.31 million for the corresponding period in 2024.

In the first half of the year, the engineering construction business undertook a total of 15 projects, including key projects such as the Pipeline Network Project in Changchun Aerospace Expo Park (長春航空博覽公園管網工程) and the Lot 8 of the Internal and External Network Section for the Second-Phase Renovation Project of Secondary Water Supply Facilities in Changchun City (長春市二次供水設施改造二期工程內外網部分八標段). In the first half of the year, the engineering maintenance business undertook a total of 2 projects, both being Primary Network Emergent Repair (一次網搶修項目). In the first half of the year, the design services business undertook 9 design projects, including key projects such as the Design of Primary Network Outside the Red Line for the Infrastructure Construction Project of the Digital Economy Innovation and Entrepreneurship Industrial Park in Erdao District (二道區數字經濟雙創產業園基礎設施建設項目紅綫外供熱一次網工程設計), EPC Turnkey Contract for District-Wide Centralized Heating System Construction Project in Dehui City (德惠市成片建設集中供熱專案EPC工程總承包).

(3) Safety Management

In the first half of 2025, the Group had been attaching great importance to safety production, fully implemented the decisions and deployments of the governments at all levels on production safety, rigorously enforced the “three controls and three musts” principle among all managerial and safety personnel. Through persistent efforts to strengthen safety oversight, the Group maintained a stable and improving safety performance, ensuring the successful completion of the annual safety targets. During the Reporting Period, the Group did not record any major safety accidents.

(4) Technology and R&D

In the first half of 2025, the Group continuously deepened its environmental facility upgrades by conducting SCR ultra-low emission retrofit trials on 15 boilers across three boiler plants. Test results confirmed that all boilers now meet China's Ultra-Low Emission Standards. These upgrades are projected to deliver a 60% reduction in particulate matter emissions and a 65% cut in sulfur dioxide and nitrogen oxides emissions during the 2025–2026 heat supply period, marking a substantial leap in environmental protection management standards.

The Group has developed the “Equipment Ledger Management System” (設備台賬管理系統) based on the actual needs of equipment management, which was fully optimized and officially put into use in the first half of 2025. At the same time, the Group implemented an equipment QR coding initiative, installing information tags with scannable QR codes on over 20,000 pieces of equipment. This allows instant access to technical documentation through code scanning, significantly enhancing both the precision and efficiency of equipment management.

During the Reporting Period, the Group obtained 2 utility model patents issued by the China National Intellectual Property Administration.

II. FINANCIAL POSITION AND OPERATING RESULTS

(1) Revenue

For the six months ended 30 June 2025, the Group’s revenue was RMB935,134.3 thousand, compared to RMB906,629.3 thousand for the corresponding period of 2024, representing an increase of 3.14%, primarily due to the increase in revenue from the heat supply business.

The respective segment revenue of the Group is set out as follows:

| | For the six months ended 30 June | | |
|---|----------------------------------|-------------|------------|
| | 2025 | 2024 | |
| | RMB0’000 | RMB0’000 | Change in |
| | (Unaudited) | (Unaudited) | percentage |
| Heat supply, of which: | | | |
| – Heating fee income | 88,492.36 | 85,999.63 | 2.90% |
| – Pipeline connection fee | 3,510.82 | 3,362.49 | 4.41% |
| – Pipeline transmission fee | 630.01 | 670.27 | –6.01% |
| Sub-total | 92,633.19 | 90,032.39 | 2.89% |
| Construction, maintenance and design services, of which: | | | |
| – Engineering construction | 571.05 | 189.54 | 201.28% |
| – Engineering maintenance | 0.69 | 254.14 | –99.73% |
| – Design services | 10.06 | 167.68 | –94.00% |
| – Others | 298.44 | 19.18 | 1,456.00% |
| Sub-total | 880.24 | 630.54 | 39.60% |
| Total | 93,513.43 | 90,662.93 | 3.14% |

(2) Other Income and Other Net Gains

For the six months ended 30 June 2025, the Group's other income and other net gains amounted to RMB15,537.9 thousand, as compared with RMB11,595.7 thousand for the corresponding period of 2024, representing an increase of 34.00%, which was principally attributable to (i) other income of RMB4,127.8 thousand for the six months ended 30 June 2025, as compared with RMB2,804.2 thousand for the corresponding period of 2024, representing an increase of 47.20%, which was attributable to an increase in other income as a result of the fact that the Company received more government grant, including heat supply subsidy for January to June in 2025, as compared to the corresponding period of 2024; (ii) interest income from bank deposits of RMB11,383.8 thousand for the six months ended 30 June 2025, as compared with RMB8,763.4 thousand for the corresponding period of 2024, representing an increase of 29.90%, which was attributable to the increase in interest income as a result of an increase in bank deposits of the Company during the period from January to June in 2025.

(3) Operating Costs

For the six months ended 30 June 2025, the Group's operating costs amounted to RMB745,469.3 thousand, as compared with RMB686,590.8 thousand for the corresponding period of 2024, representing an increase of 8.58%. The following table sets out the breakdown of operating costs by business segment:

| | For the six months ended 30 June | | Change in percentage |
|---|---|-------------------------|---------------------------------|
| | 2025 | 2024 | |
| | RMB0'000 | RMB0'000 | |
| | (Unaudited) | (Unaudited) | |
| Operating costs by business segment | | | |
| Heat supply | 73,521.52 | 68,032.99 | 8.07% |
| Construction, maintenance and design services | <u>1,025.41</u> | <u>626.10</u> | <u>63.78%</u> |
| Total | <u><u>74,546.93</u></u> | <u><u>68,659.08</u></u> | <u><u>8.58%</u></u> |

Heat supply costs

Operating costs for heat supply business primarily consists of heat procurement costs in connection with heat procurement from local cogeneration plants, repair and labor costs (primarily includes wages, salaries and benefits for the Group's employees involved in the provision and distribution of heat) and utility costs.

The breakdown of operating costs by component under the heat supply business is as follows:

| | For the six months ended 30 June | | |
|---|---|-------------------------|---------------------------------|
| | 2025 | 2024 | Change in percentage |
| | RMB0'000 | RMB0'000 | |
| | (Unaudited) | (Unaudited) | |
| Cost of sales for heat supply, of which: | | | |
| Heat procurement costs | 43,695.97 | 41,977.82 | 4.09% |
| Coal | 4,613.22 | 2,077.11 | 122.10% |
| Maintenance and repair | 689.60 | 686.36 | 0.47% |
| Labor | 7,683.60 | 7,664.11 | 0.25% |
| Depreciation and amortization | 6,905.98 | 6,412.17 | 7.70% |
| Utility | 4,937.60 | 4,478.63 | 10.25% |
| Input VAT transferred out | 2,974.63 | 2,879.11 | 3.32% |
| Others | <u>2,020.91</u> | <u>1,857.67</u> | <u>8.79%</u> |
| Total | <u><u>73,521.52</u></u> | <u><u>68,032.99</u></u> | <u><u>8.07%</u></u> |

For the six months ended 30 June 2025, the Group's heat procurement cost was RMB436,959.7 thousand as compared to RMB419,778.2 thousand for the corresponding period of 2024, representing an increase of 4.09%, which was mainly due to the increase in consumption of heat as a result of the increase in heat service area.

For the six months ended 30 June 2025, the Group's coal cost was RMB46,132.2 thousand, as compared to RMB20,771.1 thousand for the corresponding period of 2024, representing an increase of 122.10%, which was mainly due to the increase in coal consumption as a result of the addition of new coal-fired and the peak-shaving boilers by the Group in the current period.

For the six months ended 30 June 2025, the Group's maintenance and repair costs amounted to RMB6,896.0 thousand, as compared to RMB6,863.6 thousand for the corresponding period of 2024, representing an increase of 0.47%, which remained largely stable as compared with the previous period.

For the six months ended 30 June 2025, the Group's depreciation and amortization costs amounted to RMB69,059.8 thousand, as compared to RMB64,121.7 thousand for the corresponding period of 2024, representing an increase of 7.70%, which was mainly due to new fixed asset investments made by the Group in the previous and current periods, resulting in higher depreciation expenses.

For the six months ended 30 June 2025, the Group's utility cost was RMB49,376.0 thousand as compared to RMB44,786.3 thousand for the corresponding period of 2024, representing an increase of 10.25%, which was mainly due to the continued increase in heat service area of the Group, resulting in a corresponding increase in water and electricity consumption.

For the six months ended 30 June 2025, the Group's cost of input VAT transferred out was RMB29,746.3 thousand as compared to RMB28,791.1 thousand for the corresponding period of 2024, representing an increase of 3.32%. This was mainly due to the continued increase in heat service area of the Group and the increase in heat procurement, which led to an increase in input VAT transferred out.

For the six months ended 30 June 2025, the Group's other cost amounted to RMB20,209.1 thousand, as compared to RMB18,576.7 thousand for the corresponding period of 2024, representing an increase of 8.79%, which was mainly due to the increase in recognition of costs related to digital intelligence integration projects for heat supply and office consumables in the current period.

Costs for construction, maintenance and design services

Operating costs for construction, maintenance and design services primarily consists of cost of materials, labor, machinery and other costs. For the six months ended 30 June 2025, the Group's operating costs for construction, maintenance and design services amounted to RMB10,254.1 thousand, as compared with RMB6,261.0 thousand for the corresponding period of 2024, representing an increase of 63.78%. The change in operating costs was generally in line with the increase in revenue for construction, maintenance and design services.

(4) Gross Profit and Gross Profit Margin

For the six months ended 30 June 2025, the Group's gross profit amounted to RMB189,665.0 thousand, as compared with RMB220,038.4 thousand for the corresponding period of 2024, representing a decrease of 13.80%. This was mainly due to the addition of new coal-fired and the peak-shaving boilers by the Group in the current period, which increased the proportion of coal heating supply and led to higher costs.

(5) *Administrative Expenses*

For the six months ended 30 June 2025, the Group's administrative expenses amounted to RMB42,703.1 thousand, as compared with RMB43,227.2 thousand for the corresponding period of 2024, representing a decrease of 1.21%, which remained largely stable as compared with the previous period.

(6) *Finance Costs*

For the six months ended 30 June 2025, the Group's finance costs amounted to RMB9,397.9 thousand, as compared with RMB1,721.0 thousand for the corresponding period of 2024, representing an increase of 446.07%. This was principally due to the increase in bank loans compared to the previous period, which led to an increase in interest expenses.

(7) *Income Tax Expense*

For the six months ended 30 June 2025, the Group's income tax expense was RMB36,732.3 thousand, as compared with RMB52,475.2 thousand for the corresponding period of 2024, representing a decrease of 30.00%, which was primarily due to the decrease in total profit in the current period.

(8) *Profit for the Period*

For the six months ended 30 June 2025, the Group's profit for the period amounted to RMB106,903.4 thousand, as compared with RMB148,142.0 thousand for the corresponding period of 2024, representing a decrease of 27.84%. This was primarily due to the fact that (i) gross profit in the current period decreased by RMB30,073.4 thousand compared with the same period last year; and (ii) an additional bad debt provision of RMB23,835.1 thousand was made in the current period as compared to the same period last year.

(9) *Profit Attributable to Owners of the Company*

For the six months ended 30 June 2025, profit attributable to owners of the Company was RMB106,903.4 thousand as compared with RMB148,142.0 thousand for the corresponding period of 2024, representing a decrease of 27.84%. Profit attributable to owners of the Company was in line with profit for the period.

(10) *Liquidity and Capital Resources*

As at 30 June 2025, the Group had cash and cash equivalents of RMB460,363.6 thousand, representing a decrease of 16.88% as compared with the balance of RMB553,826.0 thousand as at 31 December 2024. Such change was mainly due to the addition of new coal-fired and the peak-shaving boilers by the Group in the current period, which increased the proportion of coal heating supply and led to an increase in costs.

(11) Capital Expenditure

For the six months ended 30 June 2025, the Group's capital expenditure amounted to RMB124,029.9 thousand, as compared with RMB60,160.0 thousand for the corresponding period of 2024, representing an increase of 106.17%. This was mainly due to an increase in capital expenditure resulting from the purchase of coal-fired boilers from the controlling Shareholder in the current period.

(12) Capital Structure

As at 30 June 2025, the equity attributable to owners of the Group amounted to RMB1,150,063.2 thousand, representing an increase of RMB106,903.4 thousand as compared with 31 December 2024. This was mainly due to the increase in profit during the period. As at 30 June 2025, the Group's total interest-bearing bank and other borrowings amounted to approximately RMB548,000.0 thousand at a fixed interest rate from 3.2% to 3.9% per annum.

Gearing ratio is the percentage of total interest-bearing liabilities (including interest-bearing bank and other borrowings and lease liabilities), net of cash and cash equivalents, to total equity at the end of each financial period. As at 30 June 2025, the Group's cash and cash equivalents exceeded the Group's total interest-bearing liabilities.

(13) Material Acquisitions and Disposals

On 15 January 2025, the Company completed an acquisition of certain buildings, coal-fired boiler and ancillary equipment used for heat production purposes from Changre Group, at a consideration of RMB82,886,461.00 (the **"Previous Acquisition"**). Please refer to the Company's circular dated 9 December 2024 and the Company's announcement dated 15 January 2025 for further details.

The following agreements have been entered into by the Group for the purpose of acquiring certain heat production assets from the Controlling Shareholder Group:

(a) Acquisition of assets by the Company from Changre Group (the **"Proposed Acquisition I")**

On 16 June 2025, the Company and Changre Group entered into an assets transfer agreement which was supplemented by the first supplemental agreement dated 31 July 2025 and the second supplemental agreement dated 15 August 2025 (collectively, the **"Assets Transfer Agreement I"**), pursuant to which the Company has conditionally agreed to purchase, and Changre Group has conditionally agreed to sell (i) 2 land parcels (with 3 sets of land ownership certificates); (ii) 2 pipes and trenches; (iii) 385 machineries and equipment and electronic equipment; and (iv) 1 vehicle at a consideration of RMB113,930,021.65.

(b) *Acquisition of assets by Yatai Heating from Changre Group (the “**Proposed Acquisition II**”)*

On 16 June 2025, Yatai Heating and Changre Group entered into an assets transfer agreement which was supplemented by a supplemental agreement dated 15 August 2025, pursuant to which Yatai Heating has conditionally agreed to purchase, and Changre Group has conditionally agreed to sell 326 machineries and equipment at a consideration of RMB16,457,865.00.

(c) *Acquisition of assets by the Company from Jilin Heating (the “**Proposed Acquisition III**”)*

On 16 June 2025, the Company and Jilin Heating entered into an assets transfer agreement, pursuant to which the Company has conditionally agreed to purchase, and Jilin Heating has conditionally agreed to sell 51 machineries and equipment at a consideration of RMB475,980.76.

Each of the Proposed Acquisition I, the Proposed Acquisition II and the Proposed Acquisition III constitutes a connected transaction of the Company pursuant to Chapter 14A of the Listing Rules. In addition, the Proposed Acquisition I, the Proposed Acquisition II and the Proposed Acquisition III when aggregated with the Previous Acquisition constitute a major transaction of the Company pursuant to Chapter 14 of the Listing Rules.

Completion of the Proposed Acquisition I, the Proposed Acquisition II and the Proposed Acquisition III are subject to the fulfilment of certain conditions.

As at the date of this announcement, none of the Proposed Acquisition I, the Proposed Acquisition II and the Proposed Acquisition III has been completed.

Please refer to the Company’s announcements dated 16 June 2025, 31 July 2025 and 15 August 2025 and circular dated 25 August 2025 for further details.

Save as disclosed above, during the six months ended 30 June 2025, the Group did not have any material acquisitions and disposals.

(14) Charge on Assets

As at 30 June 2025, the Group did not have any charge on assets.

(15) Contingencies

As at 30 June 2025, the Group did not have any material contingencies.

III. PROSPECT FOR THE SECOND HALF OF 2025

In the second half of the year, the Group will steadfastly implement its annual production and operation policies with a focus on the target of improving the quality of heat supply and reasonably reducing energy consumption. Through conducting meticulous planning and advancing all tasks with rigorous execution, we will focus on the following three priority areas:

(i) To focus on the core heat supply business and to solidify the foundation of service

Continue to delve deeply into the core heat supply business, ensuring comprehensive stability in production operations and optimizing user service process and quality based on customer's demand to delivering premium, efficient and caring heat supply services. Simultaneously, proactively plan and scientifically deploy winter peak-shaving coal reserves to ensure adequate and stable coal supply. Further improve the heating emergency response system to enhance the ability to address sudden heating failures, ensuring the safe and reliable operation of the heat supply system.

(ii) To strengthen energy management and to explore potential for cost reduction

Put energy management as a key link to enhance corporate efficiency and effectively reduce the energy consumption through measures such as refined management and technological innovation. Meanwhile, strengthen real-time analysis and dynamic control of key indicators such as water, electricity, heat, and coal. Make a further effort on increasing equipment maintenance and technical upgrades to enhance boiler efficiency, thereby optimizing production and operations and achieving the targets of cost reduction and fee reduction.

(iii) To accelerate project progress and to strictly observe the bottom line of safety

Increase efforts to advance key projects and optimize construction organization to ensure that all projects are implemented smoothly according to plan. Strictly enforce the safety production responsibility system and fully finalize the principle of “one post, two responsibilities”. Strengthen risk classification control and hidden hazard identification and rectification, establish a routine and institutionalized safety inspection mechanism, promptly identify and eliminate safety hazards, resolutely prevent all types of safety accidents to ensure the achievement of the zero-accident target.

IV. EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in this announcement, there is no material event after the Reporting Period.

OTHER INFORMATION

Interim Dividend

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2025.

Compliance with Corporate Governance Code

As a company listed on the Hong Kong Stock Exchange, the Company always strives to maintain a high level of corporate governance. Save as disclosed below, the Company complies with code provisions as set out in the Corporate Governance Code (the “**CG Code**”) as set out in Part 2 of Appendix C1 to the Listing Rules throughout the Reporting Period.

Prior to Mr. Yang Zhongshi’s resignation on 28 March 2025, he served as the Company’s executive Director, vice chairman of the Board and general manager. Following Mr. Yang Zhongshi’s resignation as general manager, the role of the general manager of the Board of the Company has become vacant, which deviates from Code Provision C.2.1 of the CG Code. Mr. ZHANG Liming has been appointed as the Company’s general manager with effect from 16 April 2025, and the Company has re-complied with Code Provision C.2.1 of the CG Code.

Purchase, Sale or Redemption of Listed Securities or Redeemable Securities of the Company

For the six months ended 30 June 2025, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s listed securities or redeemable securities (including sale of treasury Shares). As of 30 June 2025, the Company did not hold any treasury Shares.

Review of Interim Results

The Company has established the Audit Committee of the Company with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the CG Code. The Audit Committee consists of three members, namely Mr. Chan Sing Fai, Mr. Yang Zhongshi and Ms. Zhang Yan. Mr. Chan Sing Fai, an independent non-executive Director, is the chairman of the Audit Committee. The Audit Committee of the Company and the independent auditor of the Company have reviewed the interim results of the Group for the six months ended 30 June 2025, and have agreed with the accounting treatment adopted by the Company.

Amendments to the Articles

The Company's 2024 Annual General Meeting held on 16 May 2025 approved the amendments to the Articles of Association. Details of the amendment are set out in the Company's circular dated 23 April 2025. The latest version of the Articles of Association is also available on the Company's website and the Hong Kong Stock Exchange's website.

DEFINITIONS

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| “Articles of Association” | the Company's articles of association |
| “ASBEs” | the Accounting Standards for Business Enterprises – Basic Standards (《企業會計準則 – 基本準則》) issued by the Ministry of Finance and the specific accounting standards for business enterprises, the practice note for the ASBEs, the interpretation of ASBEs and other relevant requirements |
| “Board” | the board of Directors of the Company |
| “China” or “PRC” | the People's Republic of China which, for the purposes of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the People's Republic of China and Taiwan |
| “Changre Group” | Changchun Heating Power (Group) Company Limited* (長春市熱力(集團)有限責任公司), previously known as Changchun Chuncheng Investment Development Group Company Limited* (長春市春城投資發展集團有限公司), the controlling Shareholder of the Company |
| “Company” | Jilin Province Chuncheng Heating Company Limited* (吉林省春城熱力股份有限公司) (stock code: 1853), a company incorporated in the PRC on 23 October 2017 and is a joint stock limited liability company |
| “Controlling Shareholder Group” | Changre Group and its subsidiaries (other than the Group) |
| “Director(s)” | the director(s) of the Company |
| “Group” | the Company and its subsidiaries |
| “heat service area” | gross floor areas covered by our heat supply, including both the heat service area which we fully or partially charge for heat fees |
| “Hong Kong Stock Exchange” | The Stock Exchange of Hong Kong Limited |

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|--------------------|---|
| “Jilin Heating” | Jilin Province Heating Group Co., Ltd.* (吉林省熱力集團有限公司), a wholly-owned subsidiary of Changre Group |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange, as amended from time to time |
| “Reporting Period” | the period from 1 January 2025 to 30 June 2025 |
| “RMB” | Renminbi yuan, the lawful currency of the PRC |
| “Share(s)” | ordinary share(s) in the capital of the Company with a nominal value of RMB1.00 per share |
| “Shareholder(s)” | the shareholder(s) of the Company |
| “Yatai Heating” | Changchun Yatai Heating Company Limited* (長春亞泰熱力有限責任公司), a wholly-owned subsidiary of the Company |
| “%” | percent |

By order of the Board
Jilin Province Chuncheng Heating Company Limited*
Song Chi
Chairman

Jilin, the PRC, 28 August 2025

As at the date of this announcement, the non-executive Director of the Company is Mr. Song Chi (Chairman), Mr. Yang Zhongshi and Mr. Shi Mingjun; the executive Directors are Zhang Liming and Mr. Xu Chungang; the independent non-executive Directors are Ms. Zhang Yan, Ms. Du Jie, Mr. Chan Sing Fai; and the employee Director is Mr. Qiu Jianhua.

* For identification purpose only