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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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2025

FINANCIAL HIGHLIGHTS FOR THE 2025 RESULTS ANNOUNCEMENT

- The revenue of the Group for the year ended 31 December 2025 was RMB1,704.75 million, representing a decrease of 5.59% over the comparative figure of 2024.
- The profit before tax of the Group for the year ended 31 December 2025 was RMB114.97 million, representing a decrease of 16.88% over the comparative figure of 2024.
- The net profit attributable to equity holders of the Group for the year ended 31 December 2025 was RMB81.71 million, representing a decrease of 18.21% over the comparative figure of 2024.
- Earnings per Share for the year ended 31 December 2025 was RMB0.18, representing a decrease of RMB0.03 over the comparative figure of 2024.
- The Board proposed the distribution of a final dividend of RMB0.030 per Share (tax inclusive) for the year ended 31 December 2025 (subject to the approval by the Shareholders at the forthcoming AGM).

The Board is pleased to announce the consolidated results of the Group for the year ended 31 December 2025, together with the comparative figures for the year ended 31 December 2024. The results were prepared in accordance with the disclosure requirements under the ASBEs.

FINANCIAL INFORMATION*(ALL AMOUNTS IN RMB UNLESS OTHERWISE STATED)***COMBINED STATEMENT OF FINANCIAL POSITION**

Asset	<i>Notes</i>	31 December 2025	31 December 2024
CURRENT ASSETS:			
Monetary fund		1,043,630,142.74	1,455,774,167.52
Financial assets measured at fair value through profit or loss		—	—
Held-for-trading financial assets		—	—
Derivative financial assets		—	—
Bills receivable		—	—
Trade receivables	6	208,929,467.19	292,454,028.46
Trade receivables financing		—	—
Prepayment		532,773,639.69	696,052,863.29
Other receivables		148,686,365.96	143,150,344.45
Inventories		6,679,493.49	8,788,546.82
Contract assets	7	27,287,687.46	46,964,015.19
Assets held for sale		—	—
Non-current assets due within one year		—	—
Other current assets		49,315,500.20	33,620,803.95
TOTAL CURRENT ASSETS		<u>2,017,302,296.73</u>	<u>2,676,804,769.68</u>

Assets	<i>Notes</i>	31 December 2025	31 December 2024
NON-CURRENT ASSETS:			
Available-for-sale financial assets		—	—
Held-to-maturity investments		—	—
Debt investments		—	—
Other debt investments		—	—
Long-term receivables		—	—
Long-term equity investments		—	—
Other equity instrument investments		—	—
Other non-current financial assets		—	—
Investment properties		5,098,704.46	—
Fixed assets		937,849,726.79	850,266,318.15
Construction-in-progress		69,666,394.71	53,612,884.26
Biological assets		—	—
Oil and gas assets		—	—
Right-of-use assets		7,164,611.34	10,060,235.07
Intangible assets		16,087,129.92	17,259,945.80
Development costs		—	—
Goodwill		74,847,680.43	74,847,680.43
Long-term deferred expenditures		—	—
Deferred income tax assets		65,907,742.21	62,984,246.27
Other non-current assets		300,000,000.00	—
TOTAL NON-CURRENT ASSETS		<u>1,476,621,989.86</u>	<u>1,069,031,309.98</u>
TOTAL ASSETS		<u>3,493,924,286.59</u>	<u>3,745,836,079.66</u>

LIABILITIES AND EQUITY	<i>Notes</i>	31 December 2025	31 December 2024
CURRENT LIABILITIES:			
Short-term borrowings		155,692,589.71	616,185,080.42
Held-for-trading financial liabilities		—	—
Derivative financial liabilities		—	—
Bills payable		—	88,600,000.00
Trade payables	8	248,622,217.67	288,333,372.32
Advances		—	—
Contract liabilities	9	1,420,552,518.20	1,436,470,122.36
Salaries payable		107,565,659.09	107,132,207.59
Tax payable		14,966,418.17	19,188,754.70
Other payables		26,547,616.92	17,117,505.96
Liabilities held for sale		—	—
Non-current liabilities due within one year		19,504,999.80	5,912,595.53
Other current liabilities		289,629.93	34,420.48
		<u>1,993,741,649.49</u>	<u>2,578,974,059.36</u>
TOTAL CURRENT LIABILITIES			
NON-CURRENT LIABILITIES:			
Long-term borrowings		290,729,625.00	—
Bonds payable		—	—
Of which: Preference shares		—	—
Perpetual bonds		—	—
Lease liabilities		3,280,963.15	6,700,386.05
Long-term payables		—	2,584,506.04
Long-term salaries payable		33,568,188.24	34,548,188.24
Estimated liabilities		—	—
Deferred income		53,563,075.88	52,153,256.12
Deferred income tax liabilities		21,285,544.83	26,485,876.24
Other non-current liabilities		1,229,995.52	1,229,995.52
		<u>403,657,392.62</u>	<u>123,702,208.21</u>
TOTAL NON-CURRENT LIABILITIES			
		<u>2,397,399,042.11</u>	<u>2,702,676,267.57</u>
TOTAL LIABILITIES			

LIABILITIES AND EQUITY*Notes* **31 December 2025** 31 December 2024**EQUITY:**

Share capital	466,700,000.00	466,700,000.00
Other equity instruments	—	—
Of which: Preference shares	—	—
Perpetual bonds	—	—
Capital reserve	956,207.53	—
Less: Treasury stock	—	—
Other comprehensive income	(5,849,142.82)	(7,364,142.82)
Special reserves	25,153,134.39	25,630,609.10
Surplus reserve	49,604,607.55	45,131,170.29
Undistributed profits	<u>559,960,437.83</u>	<u>513,062,175.52</u>
Total owners' equity attributable to the parent company	<u>1,096,525,244.48</u>	<u>1,043,159,812.09</u>
Minority interests	<u>—</u>	<u>—</u>
TOTAL EQUITY	<u>1,096,525,244.48</u>	<u>1,043,159,812.09</u>
TOTAL LIABILITIES AND EQUITY	<u>3,493,924,286.59</u>	<u>3,745,836,079.66</u>

COMBINED INCOME STATEMENT

Item	Notes	2025	2024
I. TOTAL OPERATING INCOME	<i>10</i>	1,704,750,642.57	1,805,700,163.91
Less: Operating costs	<i>10</i>	1,479,759,822.61	1,548,545,151.47
Taxes and surcharges		3,720,415.98	4,746,912.72
Selling expenses		682,619.67	812,474.93
Administrative expenses		103,940,379.35	108,944,773.23
Research and development expenses		1,221,069.84	1,486,773.25
Finance costs		11,719,226.83	(3,919,416.47)
Of which: Interest expenses		17,935,704.02	9,255,842.25
Interest income		6,235,745.68	13,735,707.44
Add: Other income		7,356,594.64	5,987,107.70
Investment income		16,287,631.26	—
Of which: Investment income from associates and joint ventures		—	—
Gain on derecognition of financial assets measured at amortized cost		—	—
Net gain from hedging exposure		—	—
Gain on changes in fair value		—	—
Credit impairment loss		(36,190,324.37)	(20,918,284.53)
Impairment loss on assets		23,708,201.01	7,897,909.73
Gain on disposal of assets		—	86,422.03
II. OPERATING PROFIT		114,869,210.83	138,136,649.71
Add: Non-operating income		1,934,385.36	1,713,662.96
Less: Non-operating expenses		1,836,091.15	1,529,646.74
III. TOTAL PROFIT		114,967,505.04	138,320,665.93
Less: Income tax expenses	<i>11</i>	33,260,305.47	38,421,005.21

Item	<i>Notes</i>	2025	2024
IV. NET PROFIT		<u>81,707,199.57</u>	<u>99,899,660.72</u>
Of which: Net profit realized by the acquire of the business combination under common control before the combination			
(I) Classified by continuity of operation			
Net profit from continuing operation		81,707,199.57	99,899,660.72
Net profit from discontinued operation		—	—
(II) Classified by ownership			
Net profit attributable to owners of the parent company		81,707,199.57	99,899,660.72
Minority interests		—	—
V. OTHER COMPREHENSIVE INCOME, NET OF TAX		<u>1,515,000.00</u>	<u>(4,577,500.00)</u>
Other comprehensive income attributable to owners of the parent company, net of tax		<u>1,515,000.00</u>	<u>(4,577,500.00)</u>
(I) Other comprehensive income that may not be reclassified to profit or loss		<u>1,515,000.00</u>	<u>(4,577,500.00)</u>
1. Net changes from re-measurement of defined benefit plans		1,515,000.00	(4,577,500.00)
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 company's own credit risk		—	—
5. Others		—	—

Item	<i>Notes</i>	2025	2024
(II) Other comprehensive income that may be reclassified to profit or loss		<u>—</u>	<u>—</u>
1. Other comprehensive income that may be transferred to profit or loss under the equity method		—	—
2. Changes in fair value of available-for-sale financial assets		—	—
Other comprehensive income attributable to minority shareholders, net of tax		<u>—</u>	<u>—</u>
VI. TOTAL COMPREHENSIVE INCOME		<u>83,222,199.57</u>	<u>95,322,160.72</u>
Total comprehensive income attributable to owners of the parent company		83,222,199.57	95,322,160.72
Total comprehensive income attributable minority shareholders		—	—
VII. EARNINGS PER SHARE:			
(I) Basic earnings per share	<i>12</i>	0.18	0.21
(II) Diluted earnings per share	<i>12</i>	0.18	0.21

NOTES OF FINANCIAL INFORMATION

1. CORPORATE AND GROUP INFORMATION

Jilin Province Chuncheng Heating Company Limited (the “Company”), formerly known as “Jilin Province Changre New Energy Co., Ltd.” or “Jilin Province Chuncheng Heating Limited Liability Company”, is a joint stock company with limited liability established in the People’s Republic of China (the “PRC”) on 23 October 2017. The registered office of the Company is located at No. 28, Block B (Hongcheng Xiyu), Nanhu Road Community, No. 998 Nanhu Road, Nangan District, Changchun City, Jilin Province.

The H Shares of the Company were listed on the Main Board of the Hong Kong Stock Exchange on 24 October 2019.

During the year, the Company and its subsidiaries (collectively, the “Group”) were involved in the following principal activities:

- (1) Heat supply, including the provision and distribution of heat, pipeline connection fee and heat transmission;
- (2) Construction, maintenance, design services and others.

The controlling shareholder of the Company is 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), a company established in the PRC and wholly-owned by the State-owned Assets Supervision and Administration Commission of Changchun (the “SASAC Changchun”) (長春市人民政府國有資產監督管理委員會).

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The Company carried out recognition and measurement based on actual transactions and events occurred and in accordance with the requirements of the Accounting Standards for Business Enterprises — Basic Standards (《企業會計準則—基本準則》) and specific accounting standards for business enterprises, the Application Guidance for Accounting Standards for Business Enterprises, the Interpretation of Accounting Standards for Business Enterprises and other relevant requirements (hereafter collectively referred as “ASBEs”) published by the Ministry of Finance of the PRC. In addition, these financial statements comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the applicable disclosure requirements of the Hong Kong Companies Ordinance.

3. GOING CONCERN

The Company has assessed its ability to continue as a going concern for the next 12 months from the end of the Reporting Period, and has not identified any matters or circumstances that cast significant doubt on the Company’s ability to continue as a going concern. Therefore, these financial statements have been prepared on a going concern assumption.

4. ACCOUNTING ERRORS IN PREVIOUS PERIOD

Nil.

5. OPERATING SEGMENT INFORMATION

For management purposes, the Group considers the business from the perspective of service activities, which mainly include the following two reportable segments:

- (1) Heat supply, including the provision and distribution of heat, pipeline connection fee and heat transmission;
- (2) Construction, maintenance, design services and others.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. The operating segments are each managed separately because they distribute distinct products/services with different production/distribution processes and due to their distinct operating and gross margin characteristics.

Segment performance is evaluated based on reportable segment profit/loss, which is measured consistently with the Group's profit/loss before tax. Intersegment sales and transfers are conducted with reference to the selling prices used for sales made to third parties at the contractual prices which are comparable to prevailing market prices.

Unit: RMB

For the year ended 31 December 2025	Heat supply	Construction, maintenance, design services and others	Total
Segment revenue	1,677,346,266.70	163,437,378.65	1,840,783,645.35
Sales to external customers	1,664,747,900.33	40,002,742.24	1,704,750,642.57
Intersegment sales	<u>12,598,366.37</u>	<u>123,434,636.41</u>	<u>136,033,002.78</u>

Reconciliation:

Elimination of intersegment sales			<u>(136,033,002.78)</u>
			<u>1,704,750,642.57</u>

For the year ended 31 December 2024	Heat supply	Construction, maintenance, design services and others	Total
Segment revenue	1,621,633,563.59	288,068,570.10	1,909,702,133.69
Sales to external customers	1,615,314,894.83	190,385,269.08	1,805,700,163.91
Intersegment sales	<u>6,318,668.76</u>	<u>97,683,301.02</u>	<u>104,001,969.78</u>
<i>Reconciliation:</i>			
Elimination of intersegment sales			<u>(104,001,969.78)</u>
			<u><u>1,805,700,163.91</u></u>

6. DISCLOSURE OF THE AGEING OF TRADE RECEIVABLES BASED ON BILLING DATE

Unit: RMB

Ageing	2025	2024
Within 1 year	92,870,385.71	240,784,530.94
1–2 years	105,227,246.57	50,660,189.88
2–3 years	29,120,695.51	16,463,637.23
3–4 years	14,746,541.62	18,091,660.10
4–5 years	16,251,286.93	8,163,363.23
Over 5 years	<u>45,388,048.68</u>	<u>17,834,792.54</u>
Sub-total	<u>303,604,205.02</u>	<u>351,998,173.92</u>
Less: Provision for bad debts	<u>94,674,737.83</u>	<u>59,544,145.46</u>
Total	<u>208,929,467.19</u>	<u>292,454,028.46</u>

7. CONTRACT ASSETS

Unit: RMB

Item	2025			2024		
	Balance of carrying amount	Impairment provision	Carrying amount	Balance of carrying amount	Impairment provision	Carrying amount
Work completed but not billed	34,265,059.42	9,492,277.18	24,772,782.24	72,582,153.28	34,642,465.38	37,939,687.90
Warranty	<u>3,070,303.06</u>	<u>555,397.84</u>	<u>2,514,905.22</u>	12,203,778.86	<u>3,179,451.57</u>	<u>9,024,327.29</u>
Total	<u>37,335,362.48</u>	<u>10,047,675.02</u>	<u>27,287,687.46</u>	<u>84,785,932.14</u>	<u>37,821,916.95</u>	<u>46,964,015.19</u>

8. DISCLOSURE OF THE AGEING OF TRADE PAYABLES BASED ON BILLING DATE

Unit: RMB

Item	2025	2024
Within 1 year	191,862,218.38	228,146,149.72
1–2 years	17,098,862.92	14,745,559.16
2–3 years	1,455,939.74	39,714,923.61
Over 3 years	<u>38,205,196.63</u>	<u>5,726,739.83</u>
Total	<u>248,622,217.67</u>	<u>288,333,372.32</u>

9. CONTRACT LIABILITIES

Unit: RMB

Item	2025	2024
Advance heating fee	941,616,365.04	907,054,050.83
Pipeline connection fee	477,199,337.95	526,102,482.25
Custodian fee	—	2,617,869.47
Advance project payments	<u>1,736,815.21</u>	<u>695,719.81</u>
Total	<u>1,420,552,518.20</u>	<u>1,436,470,122.36</u>

10. OPERATING INCOME AND OPERATING COSTS

Unit: RMB

Item	2025		2024	
	Income	Cost	Income	Cost
Principal business	1,698,842,646.38	1,476,857,537.24	1,800,308,638.17	1,546,086,707.25
Other businesses	<u>5,907,996.19</u>	<u>2,902,285.37</u>	<u>5,391,525.74</u>	<u>2,458,444.22</u>
Total	<u>1,704,750,642.57</u>	<u>1,479,759,822.61</u>	<u>1,805,700,163.91</u>	<u>1,548,545,151.47</u>

11. INCOME TAX EXPENSES

Unit: RMB

1. Income tax expenses

Item	2025	2024
Current income tax expenses	41,636,999.65	54,136,575.96
Deferred income tax expenses	<u>(8,376,694.18)</u>	<u>(15,715,570.75)</u>
Total	<u>33,260,305.47</u>	<u>38,421,005.21</u>

2. Reconciliation between accounting profit and income tax expenses

Item	2025	2024
Total profit	114,967,505.04	138,320,665.93
Income tax expenses calculated at statutory/applicable tax rates	28,741,876.28	34,052,554.31
Effect of different tax rates applied by subsidiaries	(459,066.34)	439,395.10
Effect of adjustments to income tax on prior periods	3,715,083.01	(650,514.27)
Effect of non-taxable income	—	—
Effect of non-deductible costs, expenses and losses	91,560.09	109,200.04
Effect of deductible loss on utilisation of deferred income tax assets that were not recognised in the previous period	(1,302,728.94)	(8,764.62)
Effect of deductible temporary difference or deductible loss on deferred income tax assets that were not recognised in the current period	2,473,581.37	4,479,134.65
Others	<u>—</u>	<u>—</u>
Income tax expenses	<u>33,260,305.47</u>	<u>38,421,005.21</u>

12. RETURN ON NET ASSETS AND EARNINGS PER SHARE

Unit: RMB

Profit during the Reporting Period	Weighted average return rate on net assets (%)	EARNINGS PER SHARE	
		Basic earnings per share	Diluted earnings per share
Net profit attributable to ordinary shareholders of the Company	7.63	0.18	0.18
Net profit after deducting non-recurring profit or loss attributable to ordinary shareholders of the Company	<u>5.61</u>	<u>0.13</u>	<u>0.13</u>

13. DIVIDEND

Unit: RMB

Item	2025	2024
Final dividend proposed after the end of the Reporting Period of RMB0.030 (2024: RMB0.065) per share	<u>14,001,000.00</u>	<u>30,335,500.00</u>

MANAGEMENT DISCUSSION AND ANALYSIS

I. Industry Overview

In 2025, driven by the dual forces of the “dual carbon” strategy and new urbanization, the heating industry, a core part of the urban energy system and a fundamental industry for people’s livelihood, exhibited distinct characteristics of accelerated clean transformation, improved intelligence levels, and innovative service models. Centralized heating remains the main form of heating in northern cities of China owing to its unique advantages of intensive energy use, centralized pollution control, and efficient operation management, and is marching towards the direction of “multi-energy complementarity, intelligence and efficiency, low carbon, and safety (多能互補、智慧高效、低碳安全)”. The large-scale application of clean heating technologies such as air-source heat pumps and industrial waste heat recovery, as well as the deep integration of digital technologies with heating systems, promote the shift of the industry from traditional energy security to modern comprehensive services. Meanwhile, the renovation of obsolete pipeline networks and heat-metering reforms inject new momentum into the high-quality development of the heating industry.

Against the backdrop of the continuous deepening of new urbanization and the steady upgrading of residents’ heating demands, the heating industry in China experienced steady growth in both market size and infrastructure construction. According to statistics from the National Bureau of Statistics, by the end of 2024, the national total heating area increased from 9.882 billion square metres in 2020 to 12.094 billion square metres in 2024, representing a compound annual growth rate of 5.18%, and the length of centralized heating pipelines grew from 426,000 kilometres in 2020 to 546,200 kilometres in 2024, representing a compound annual growth rate of 6.41%.

In recent years, with the accelerated legalization of China’s heating sector and the simultaneous introduction of a series of supporting policies by the State, a solid foundation has been laid for the industry’s high-quality development through the coordination of legislation and policy. The State steadily promotes the implementation of the 2024–2025 Action Plan for Energy Conservation and Carbon Reduction (《2024-2025年節能降碳行動方案》) and the Opinions on Strengthening the Clean and Efficient Utilization of Coal (《關於加強煤炭清潔高效利用的意見》), and leverages the implementation of the Energy Law of the People’s Republic of China to further increase its support for clean energy heating, with a particular focus on clean winter heating in northern regions. Meanwhile, the State advances heating market reforms by encouraging social capital to participate in the construction and operation of the industry, and supports heating enterprises in technological innovation and equipment upgrades through policies such as tax incentives and financial subsidies, thereby comprehensively reinforcing the policy foundation for the sustainable development of the heating industry.

Moving forward, by taking green and low-carbon development as its core direction and leveraging intelligent upgrades as its engine for growth, the heating industry will enter a new stage of high-quality development. In this stage, the Internet of Things (IoT), big data, and artificial intelligence will be deeply integrated across the entire heating process, continuously expanding the application of smart heating scenarios and driving the integrated intelligent control upgrades for heat sources, pipeline networks, and end-users. Meanwhile, the large-scale implementation of clean heating technologies and the optimization of energy structures will be achieved, further enhancing the energy efficiency of the industry. With policy guidance and technological empowerment, the industry will transit from traditional energy security to intelligent, low-carbon, and refined services, consolidating the foundation of public welfare through efficient energy use and precise heat supply services, and achieving simultaneous improvements in development quality and benefits.

II. BUSINESS REVIEW

In 2025, the Group steadfastly adhered to its core philosophy of “fulfilling the responsibilities of a state-owned enterprise and sincerely serving society.” It continuously enhanced the quality of its heat supply services, improved operational efficiency, strengthened its core competitiveness and capacity for sustainable development, and successfully accomplished all its main annual goals and tasks. During the Reporting Period, the Group recorded a total operating revenue of RMB1,704.75 million and a total profit of RMB114.97 million. As of 31 December 2025, the Group’s total assets amounted to RMB3,493.92 million, and the owners’ equity attributable to shareholders of the listed company was RMB1,096.53 million.

(1) *Heat Supply Business*

For the year ended 31 December 2025, the Group’s heat supply area was 72.781 million sq.m., representing an increase of 3.019 million sq.m. or 4.33% from 69.762 million sq.m. in 2024, and the Group had 598,085 heat supply customers, representing an increase of 26,027 users or 4.55% from 572,058 in 2024. For the year ended 31 December 2025, the Group’s revenue from heat supply business was RMB1,664.75 million, representing an increase of RMB49.44 million or 3.06% from RMB1,615.31 million in 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 for the year ended 31 December 2025.

	As at/for the year ended 31 December			
	2025		2024	
	Number of customers	% of revenue from heat supply	Number of customers	% of revenue from heat supply
Residential users ⁽¹⁾	528,492	88.36%	505,589	88.38%
Non-residential users ⁽²⁾	<u>69,593</u>	<u>11.64%</u>	<u>66,469</u>	<u>11.62%</u>
Total	<u><u>598,085</u></u>	<u><u>100%</u></u>	<u><u>572,058</u></u>	<u><u>100%</u></u>

Notes:

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

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

2. *Heat procurement*

In 2025, and the Group has continued its model of providing heat supply from clean energy sources with cogeneration as the main source for the purpose of providing heating services to heat users within its jurisdiction in winter. During the Reporting Period, for the purpose of meeting the demand from the Group's additional heat service area, apart from purchasing cogeneration power from four thermal power plants, the Group also purchased heat from peak-shaving boilers of Changre Group, its controlling shareholder, for heating. In addition, Chuncheng Heating, Yatai Heating and Xixing Energy, and Chuncheng Biomass provided heat supply through coalfired boilers and biomass fuels, respectively.

For the year ended 31 December 2025, the total heat procurement by the Group from local cogeneration plants and its controlling shareholder, Changre Group, amounted to 20.64 million GJ and 0.2 million GJ respectively, with a total heat procurement of 20.84 million GJ, among which 19.35 million GJ of heat was used for the Group's heat supply and production purposes.

3. Heat transmission

For the year ended 31 December 2025, approximately 1.48 million GJ of heat procurement quota obtained from the cogeneration plants and Changre Group, the controlling shareholder, by the Group was transferred to three other heat service providers. The Group received a total heat transmission fee of RMB10.92 million from such three heat service providers.

The following table sets forth the breakdown of the usage of the Group's heat procurement for the year ended 31 December 2025:

	As at/for the year ended	
	31 December	
	2025	2024
Estimated heat procurement quota (GJ) ⁽¹⁾	22,900,000	22,900,000
Heat procurement quota transferred (GJ) ⁽²⁾	1,482,376	2,135,587
Actual consumption (GJ) ⁽³⁾	19,354,567	19,900,340
Total heat procured (GJ) ⁽⁴⁾	20,836,943	22,035,927
Utilization rate ⁽⁵⁾	84.52%	86.90%

Notes:

- (1) The heat procurement quota was 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 certain portion of procured heat to three other heat service providers. The Group charged heat transmission fees 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 reviewed and agreed by each of the four local cogeneration plants and the controlling shareholder, Changre Group, and the Group.
- (4) The total heat procured was 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, Design Services and Others

The Group's construction, maintenance, design services and others cover the peripheral services business of the heat supply industry chain. The Group mainly provides services including engineering construction, engineering maintenance, design services and so on for heat supply companies or end-users. These services mainly cover northeast China. For the year ended 31 December 2025, revenue generated from the Group's construction, maintenance, design services and others amounted to RMB40.00 million, representing a decrease of RMB150.39 million, or 78.99%, from RMB190.39 million in 2024.

The engineering construction business undertook a total of 244 projects, of which 233 were completed, including 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), and the Heat Exchange Station and Primary Network Works of the Erdao District Digital Economy Innovation and Entrepreneurship Industrial Park Infrastructure Construction Project (二道區數字經濟雙創產業園基礎設施建設項目換熱站及一次網工程). During the year, the Group continued to enhance on-site construction organization and safety management protocols, achieving greater construction efficiency while reinforcing workplace safety to ensure the delivery of high-quality engineering works.

The engineering maintenance business focused primarily on pipeline network operation and maintenance. The Group successfully completed the maintenance of nearly 750 chambers and 1,400 valves under its purview. Hazards identified during inspection and repair works were analysed in a timely manner, with rectification plans formulated and assigned to work teams for completion within a defined schedule. In parallel, pipeline network information was accurately verified, and road excavation permits were processed in compliance with regulatory requirements. Strengthened territorial supervision helped safeguard construction quality. During the year, pipeline network operational efficiency improved significantly, with the number of emergency repairs decreasing by approximately 50 times year-on-year, effectively mitigating safety risks in network operation during the winter season.

The design services business undertook a total of 32 engineering projects, all of which were completed. These included key projects such as the EPC Turnkey Contract for District-Wide Centralized Heating System Construction Project in Dehui City (德惠市成建集中供熱項目EPC工程總承包), and the Renovation and Upgrade of Primary Heating Pipelines and Aged Shared Heating Pipelines and Facilities in the Built-up Area of Baishan City (白山市建成區供熱一次管網及居民共有供熱老化管道和設施更新改造). During the year, the design services business maintained steady growth and achieved notable technological innovation milestones, securing 3 utility model patents.

(3) Safety Management

In 2025, the Group made comprehensive progress in establishing dual prevention mechanisms for work safety, advancing standardization, and formalizing team-level management protocols. Safety policies and assessment rules were refined, and approval procedures for hazardous operations were standardized, providing strong support for the Group's safety management. In-depth campaigns were carried out to address root causes, rectify "three violations", and identify potential hazards. Relevant entities were supervised in implementing rectification measures on a case-by-case basis, ensuring that all identified safety risks were fully eliminated. Through initiatives such as Safety Production Month, multi-disciplinary safety training was delivered to enhance safety awareness and emergency response capabilities across all employees. During the Reporting Period, the Group did not have any major safety accidents.

(4) Technology and R&D

In 2025, with the objective of achieving domestic leading standards in pollutant emissions, the Group continued to advance the upgrade of environmental protection facilities, undertaking SCR Ultra-Low emission retrofitting for 18 boilers across five boiler houses under its purview. Professional testing confirmed that all boiler flue gas emissions met Ultra-Low Emission Standards, achieving an annual reduction of 10.69 tonnes in particulate matter emissions, 22.83 tonnes in sulphur dioxide emissions, and 71 tonnes in nitrogen oxide emissions. Environmental governance effectiveness was thereby significantly enhanced.

In response to actual needs in equipment management, the Group independently developed the "Equipment Ledger Management System" (設備台賬管理系統). Since its official launch in 2025, the system has successfully established a digital management framework covering the entire lifecycle of equipment. Built around a centralized, dynamically updated electronic ledger, the system enables precise control over all assets. Its efficient mobile inventory function has substantially improved the efficiency of periodic stocktaking, ensuring consistency between physical assets and accounting records. For inspection and patrol operations, the system supports real-time data uploads, providing robust support for preventive maintenance and enabling early identification and elimination of potential risks. The in-depth application of this system marks a significant step forward in the Group's information-driven equipment management capability, laying a solid foundation for the safe and stable operation of equipment.

During the Reporting Period, the Group obtained a total of 3 utility model patents issued by the China National Intellectual Property Administration.

(5) Honors and Awards

In August 2025, the Group's Golden Heat Exchange Station was awarded the "2025 Comprehensive Energy Efficiency Benchmark Heating Station in the Heating Industry" by China Downtown Heating Association.

III. Financial Position and Operating Results

(1) Revenue

The Group's revenue decreased by 5.59% to RMB1,704.75 million in 2025 as compared with RMB1,805.70 million in 2024, which was mainly attributed to the significant decrease in revenue from the Group's engineering construction, engineering maintenance and design services, due to less projects undertaken during the year.

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>	Change in percentage
Heat supply, of which:			
Provision and distribution of heat	1,583,805	1,519,138	4.26%
Pipeline connection fee	69,981	84,157	(16.84)%
Heat transmission	<u>10,962</u>	<u>12,020</u>	<u>(8.80)%</u>
Sub-total	<u><u>1,664,748</u></u>	<u><u>1,615,315</u></u>	<u><u>3.06%</u></u>
Construction, maintenance, design services and others, of which:			
Engineering construction	27,041	50,981	(46.96)%
Engineering maintenance	232	40,257	(99.42)%
Design services	6,769	8,177	(17.22)%
Others	<u>5,961</u>	<u>90,970</u>	<u>(93.45)%</u>
Subtotal	<u><u>40,003</u></u>	<u><u>190,385</u></u>	<u><u>(78.99)%</u></u>
Total	<u><u>1,704,751</u></u>	<u><u>1,805,700</u></u>	<u><u>(5.59)%</u></u>

(2) Other Income and Other Net Gains

The Group's other income and other net gains decreased by 27.57% to RMB15.53 million in 2025 as compared with RMB21.44 million in the same period of 2024, mainly due to the significant decrease in interest income.

(3) Operating Costs

The Group's operating costs decreased by 4.44% to RMB1,479.76 million in 2025 as compared with RMB1,548.55 million in 2024.

The following table sets out the breakdown of the operating costs by business segment:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>	Change in percentage
Operating costs by business segment			
Heat supply	1,449,159	1,383,688	4.73%
Construction, maintenance, design services and others	<u>30,601</u>	<u>164,857</u>	<u>(81.44)%</u>
Total	<u>1,479,760</u>	<u>1,548,545</u>	<u>(4.44)%</u>

Heat supply costs

Operating costs for heat supply business primarily consist of heat procurement costs in connection with heat procurement from local cogeneration plants and the controlling shareholder, cost of purchase of coal for heat produced by coal-fired boilers, repair and labor cost (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 heat supply business segment is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>	Change in percentage
Operating costs for heat supply			
Heat procurement costs	738,702	757,278	(2.45)%
Coal	89,943	51,772	73.73%
Maintenance and repair	162,299	131,150	23.75%
Labor	154,239	154,119	0.08%
Depreciation and amortization	140,796	130,686	7.74%
Utility	75,950	76,444	(0.65)%
Input VAT transferred out	58,649	54,263	8.08%
Others	<u>28,582</u>	<u>27,976</u>	<u>2.17%</u>
Total	<u>1,449,159</u>	<u>1,383,688</u>	<u>4.73%</u>

In 2025, the Group's heat procurement costs decreased by 2.45% to RMB738.70 million as compared with RMB757.28 million in 2024, primarily due to the decrease in the heat resource consumption arising from the increase in the heat supply ratio of coal-fired boilers in 2025.

In 2025, the Group's coal cost increased by 73.73% to RMB89.94 million as compared with RMB51.77 million in 2024, primarily due to the increase in coal consumption arising from the procurement of heat supply assets such as a large amount of coal-fired boilers by the Group during the year.

In 2025, the Group's maintenance and repair costs increased by 23.75% to RMB162.30 million as compared with RMB131.15 million in 2024, primarily due to more maintenance projects during the current period.

In 2025, the Group's labor cost increased by 0.08% to RMB154.24 million as compared with RMB154.12 million in 2024, which remained largely stable as compared with 2024.

In 2025, the Group's depreciation and amortization increased by 7.74% to RMB140.80 million as compared with RMB130.69 million in 2024, primarily due to the increase in investment in fixed assets.

In 2025, the Group's utility cost amounted to RMB75.95 million as compared with RMB76.44 million in 2024, which remained largely stable as compared with 2024.

In 2025, the Group's input VAT transferred out increased by 8.08% to RMB58.65 million as compared with RMB54.26 million in 2024, primarily due to the general increase in input VAT arising from the increase in procurement cost of heat supply business during the period.

In 2025, the Group's other cost increased by 2.17% to RMB28.58 million as compared with RMB27.98 million in 2024, primarily due to the consumption of heating materials and the increase in office expenses.

Costs for construction, maintenance, design services and others

Operating costs for construction, maintenance, design services and others primarily consists of cost of materials, labor, machinery and other costs. In 2025, the operating costs for construction, maintenance, design services and others decreased by 81.44% to RMB30.60 million as compared with RMB164.86 million in 2024, primarily due to a decrease in the number of construction projects undertaken during the year, resulting in a significant reduction in the Group's operating costs for construction, maintenance, and design services.

(4) Gross Profit and Gross Profit Margin

In 2025, the Group's gross profit decreased by 12.51% to RMB224.99 million as compared with RMB257.16 million in 2024.

In 2025, the Group's gross profit margin decreased by 1.04% to 13.20% as compared with 14.24% in 2024. This was mainly due to the increase in maintenance and repair costs and the increase in the consumption of heating materials.

Gross profit and gross profit margin of the Group are set out as follows:

	2025	2024
	RMB'000	RMB'000
Operating income	1,704,751	1,805,700
Operating costs	1,479,760	1,548,545
Gross profit	224,991	257,155
Gross profit margin	13.20%	14.24%

(5) Administrative expenses

In 2025, the Group's administrative expenses decreased by 4.59% to RMB103.94 million as compared with RMB108.94 million in 2024, which was mainly due to the increase in labor costs during the current period and the recognition of listing firm service fee related to the A-share listing during the previous period.

(6) Finance costs

In 2025, the Group's finance costs increased by RMB15.64 million to RMB11.72 million as compared with RMB-3.92 million in 2024, which was mainly due to the decrease in interest income and increase in interest expenses during the current period.

(7) Income Tax Expenses

In 2025, the Group's income tax expenses decreased by 13.43% to RMB33.26 million as compared with RMB38.42 million in 2024, which was mainly due to the decrease in total profit for the current period, resulting in the decrease in taxable income accordingly.

(8) Profit for the Year

In 2025, the Group's profit for the year decreased by 18.21% to RMB81.71 million as compared with RMB99.90 million in 2024, which was mainly due to the increase in maintenance and repair costs, increase in the consumption of heating materials and increase in depreciation during the current period, resulting in the increase in costs and the decrease in profit.

(9) Profit Attributable to Owners of the Company

In 2025, profit attributable to owners of the Company decreased by 18.21% to RMB81.71 million as compared with RMB99.90 million in 2024. The reasons for the decrease in profit attributable to owners of the Company were in line with those for the decrease in profit for the year.

(10) Liquidity and Capital Resources

The Group's cash and cash equivalents decreased by 28.44% to RMB1,037.03 million as at 31 December 2025, as compared with the balance of RMB1,449.17 million as at 31 December 2024, which was primarily due to (i) the increase in cash outflow from investing activities in 2025 compared to the previous year, mainly due to a loan disbursement of RMB300.00 million to the controlling shareholder, Changre Group; and (ii) the increase in cash outflow from financing activities in 2025 compared to the previous year, mainly due to the repayment of RMB615.55 million in bank loans. The main sources of the Company's operating capital were from (i) unutilised bank financing facilities of RMB1,200.91 million as at 31 December 2025; and (ii) its own funds accumulated from operating activities, as at 31 December 2025, cash and cash equivalents amounted to approximately RMB1,037.03 million. As at 31 December 2025, the Group's bank borrowings amounted to RMB446.09 million.

(11) Capital Expenditure

In 2025, the Group's capital expenditure increased by 91.55% to RMB238.38 million as compared with RMB124.45 million in 2024. The increase in capital expenditure was mainly attributable to increase in the amount of fixed assets purchased.

(12) Capital Structure

As of 31 December 2025, the equity attributable to owners of the Group amounted to RMB1,096.53 million, which represents an increase of RMB53.37 million as compared to 31 December 2024, mainly due to the profit for the year.

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 31 December 2025, the Group's cash and cash equivalents exceeded the Group's total interest-bearing liabilities.

IV. Risk Factors and Risk Management

(1) *Strategic risks*

Policy requirements at both national and local levels relating to clean heating, energy conservation and emissions reduction, and the “dual-carbon” targets have become increasingly stringent and explicit. In optimizing its energy mix and upgrading heating systems with intelligent technologies, the Group faces multiple pressures, including substantial capital expenditures and long investment payback periods.

The Group will closely monitor and conduct in-depth analyses of relevant policies and formulate corresponding risk control strategies. It will proactively maintain regular communication with industry associations and major heat-source power plants, refine contingency plans such as emergency start-up procedures for peak-shaving boilers, and ensure that indoor temperatures remain stable and compliant with required standards.

(2) *Operational Risks*

Ageing heating pipelines and equipment have become increasingly prominent issues. Under extreme conditions, the probability of safety incidents may increase. Meanwhile, with the deepening application of smart heating platforms and big data analytics, the Group faces emerging security risks such as cyberattacks and data breaches.

The Group will intensify the renovation of ageing pipeline networks to enhance safety standards, establish a multi-layered protection system, and accelerate the renewal of knowledge structures and skill transformation within its workforce.

(3) *Market risk*

Users’ expectations of heating services continue to rise, with higher performance and responsiveness requirements. In the social media era, issues such as substandard indoor temperatures or delayed service responses may quickly attract public attention and trigger adverse public opinion, thereby damaging the Group’s brand image.

The tax incentives currently available to the heating industry are time-limited. Any material changes in future tax policies may directly increase the Group’s tax burden and adversely affect its operating results.

The Group will continue to enhance the precision and stability of heating system controls and improve its “one-stop” online service platform. It will proactively strengthen regular communication with mainstream media to foster a positive corporate image, and will closely monitor tax policy developments with a view to securing a favourable policy environment.

(4) *Legal risk*

Leakage incidents caused by ageing pipeline infrastructure or other factors may give rise to economic compensation disputes or even legal proceedings. In addition, as economic contracts become increasingly complex, incomplete execution, performance, or record-keeping may lead to contractual disputes, resulting in financial losses and reputational damage to the Group.

The Group will strengthen routine inspections and preventive maintenance to reduce leakage risks at source, intensify the review of contractual terms, and enhance evidence retention and documentation management to ensure that performance obligations are traceable.

V. Other Significant Events

(1) *Significant Investments*

The Group did not have any significant investments for the year ended 31 December 2025.

(2) *Material Acquisitions and Disposals*

1. On 1 November 2024, the Company and Changre Group, a controlling shareholder of the Company, entered into an assets transfer agreement (the “**2024 Assets Transfer Agreement**”), pursuant to which the Company has conditionally agreed to purchase, and Changre Group has conditionally agreed to sell, certain buildings, coal-fired boilers and ancillary equipment used by Changre Group for heat production purposes at a consideration of RMB82,886,461.00 in accordance with the terms and conditions of the 2024 Assets Transfer Agreement. The aforesaid assets transfer was completed on 15 January 2025. For further details in relation to the aforesaid assets transfer, please refer to the Company’s announcements dated 1 November 2024 and 15 January 2025 and circular dated 9 December 2024.
2. In 2025, 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) On 16 June 2025, the Company and Changre Group entered into an assets transfer agreement which was amended and supplemented by the supplemental assets transfer agreements dated 31 July 2025 and 15 August 2025 (collectively, the “**2025 Assets Transfer Agreement I**”), pursuant to which and subject to terms and conditions therein, the Company has conditionally agreed to purchase, and Changre Group has conditionally agreed to sell 2 land parcels (with 3 sets of landownership certificates) (the “**Target Land**”), 2 pipes and trenches, 385 machineries and equipment and electronic equipment, and 1 vehicle (collectively, the “**Target Assets I**”), which are currently located in Changre Group’s Dongsheng Boiler Room, Changre Group’s Jingyi Boiler Room and Jilin University Nanling Campus Boiler Room, at a consideration of RMB113,930,021.65. Subsequently, as informed by Changre Group, after consultation with the Erdao Branch of the Changchun Municipal Planning and Natural Resources Bureau (長春市規劃和自然資源局二道分局), the changing of the

property ownership registration of the Target Land from Changre Group to the Company (the “**Ownership Registration**”) could only be effected after the buildings situated on the Target Land have obtained the relevant real estate certificates. As at 21 October 2025, certain buildings situated on the Target Land did not possess the relevant real estate certificates. In light of the above, Changre Group failed to deliver to the Group the Target Land with proper property ownership which constituted a breach of the 2025 Assets Transfer Agreement I by Changre Group. Pursuant to the terms of the 2025 Assets Transfer Agreement I, in the event of a breach of the 2025 Assets Transfer Agreement I, the non-defaulting party has the right to require the defaulting party to continue to perform its contractual obligations thereunder, take remedial actions and/or indemnify the non-defaulting party for any losses so incurred. Accordingly, on 21 October 2025, the Company and Changre Group entered into a compensation agreement (the “**Compensation Agreement**”) to set forth the compensation arrangement in respect of Changre Group’s breach of the 2025 Assets Transfer Agreement I, which includes but is not limited to:

- (i) the parties shall continue to proceed with the acquisition of the Target Assets I (other than the Target Land) by the Company from Changre Group while the acquisition of the Target Land by the Company from Changre Group shall be terminated. For the avoidance of doubt, the Company shall only be liable to pay the consideration in the amount of RMB48,850,355.65 to the Changre Group for its acquisition of the Target Assets I (other than the Target Land) and shall not be liable for the payment of the consideration of RMB65,079,666 in relation to the Target Land;
- (ii) Changre Group shall grant a right of use of the Target Land to the Company for a period of three years commencing from the date when Changre Group grants the right of use of the Target Land to the Company after the Compensation Agreement becomes effective (the “**Relevant Period**”);
- (iii) during the Relevant Period, upon the Target Land meeting all the conditions to effect the Ownership Registration, Changre Group shall inform the Company of such fact within 5 business days and the parties shall then consider whether to proceed with the transfer of the Target Land by Changre Group to the Company. If the parties then decide not to proceed with the transfer, Changre Group shall not transfer, lease or mortgage the Target Land to any third party nor shall it impose any encumbrances that may affect the Company’s usage of the Target Land prior to the expiry of the Relevant Period; and
- (iv) in the event where Changre Group reclaims the right of use of the Target Land from the Company or the Company is prohibited to use the Target Land by the relevant authorities during the Relevant Period, Changre Group shall compensate the Company for the actual losses suffered by the Company therefrom.

- (b) On 16 June 2025, Yatai Heating (a wholly-owned subsidiary of the Company) and Changre Group entered into an assets transfer agreement which was amended and supplemented by a supplemental assets transfer agreement dated 15 August 2025 (collectively, the “**2025 Assets Transfer Agreement II**”), pursuant to which and subject to terms and conditions therein, Yatai Heating has conditionally agreed to purchase, and Changre Group has conditionally agreed to sell 326 machineries and equipment of Changre Group’s Lvyuan Business Division and Yongchun Business Division which are used by Changre Group for heat production purposes, at a consideration of RMB16,457,865.00.
- (c) On 16 June 2025, the Company and Jilin Province Heating Group Co., Ltd.* (吉林省熱力集團有限公司) (“**Jilin Heating**”), a wholly-owned subsidiary of Changre Group entered into an assets transfer agreement (“**2025 Assets Transfer Agreement III**”), pursuant to which and subject to terms and conditions therein, the Company has conditionally agreed to purchase, and Jilin Heating has conditionally agreed to sell 51 machineries and equipment used by Jilin Heating for heat production purposes, at a consideration of RMB475,980.76.

The aforesaid three acquisitions were completed on 31 October 2025. Please refer to the Company’s announcements dated 16 June 2025, 31 July 2025, 15 August 2025, 21 October 2025 and 31 October 2025 and circular dated 25 August 2025 for further details.

Save as disclosed above, the Group did not have any material acquisitions nor disposals for the year ended 31 December 2025.

Save as disclosed in this announcement, the Group has no significant events occurred after the Reporting Period.

(3) Future Plans for Material Investments

As of the date of this announcement, the Group does not have any concrete committed plans for material investments and capital assets for disclosure.

(4) Capital Commitment and Contingent Liabilities

The Group did not have any material capital commitment nor contingent liabilities for the year ended 31 December 2025.

(5) Charge on Assets

There was no material charge on the Group’s assets for the year ended 31 December 2025.

(6) Employees and Remuneration Policies

As at 31 December 2025, the Group had a total of 1,569 employees (2024: 1,595), and the total remuneration cost amounted to RMB238.86 million (2024: RMB225.78 million), all of whom are based in the PRC. In 2025, the Group maintained its existing employees’

remuneration package which comprises basic salary, position salary and monthly and yearly performance incentives in accordance with the Measures for Employees' Wage Management (《勞動工資管理辦法》). The determination of remuneration which is based on both position value and performance appraisals helps motivate employees' contribution and dedication to the Group.

During the Reporting Period, the Group continued to improve its training system and training mechanism around the construction of a talent pool and the growth needs of its staff, established access for staff development and orderly conducted staff mobility strategies such as rotation and position competition in their day-to-day work so as to promote the development of the Group and appreciation of human capital.

The relationship management of all employees of the Group strictly adheres to the requirements of national laws and regulations. The Group manages labor relations with its employees in compliance with the Labor Law of the People's Republic of China (《中華人民共和國勞動法》) and the Labor Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》). The Group strictly abides by the requirements of national and local competent authorities, completes registrations for social insurance contributions and provides its employees with statutory benefits such as the Five Insurances and One Fund. The staff teams enjoy an overall harmonious labor relationship.

VI. Prospects and Outlook

In the future, the Group will actively respond to the national call for energy saving and emission reduction, closely aligning itself with the development trends of intelligentization, greening and sustainable innovation to facilitate the construction of smart enterprises. By continuously strengthening its capabilities and enhancing its market competitiveness and brand influence, the Group aims to contribute to the well-being of the people with the achievements of high-quality development.

(1) *Development of operating objectives*

The Group will remain firmly focused on its core urban heat supply business. In active response to industry policies, the Group will continuously expand the scale of its core business and consolidate its market share through optimized operations and diversified market-oriented strategies. In the process of enhancing market concentration and operational standardization, the Group aims to achieve efficient resource allocation and synergistic effects, thereby laying a solid foundation for sustainable development.

(2) *Technology innovation and development*

The Group is committed to accelerating the digital transformation, fully leveraging cutting-edge technologies such as big data and artificial intelligence to comprehensively optimize management efficiency. Concurrently, the Group will deepen the construction and refinement of information systems to facilitate seamless integration of business processes and in-depth data sharing, thus actively advancing the establishment of a smart heat supply system. Through the smart heat supply system, the Group can accurately predict the demand for heat load, so as to achieve the goal of on-demand heat supply with dynamic adjustment, thereby significantly improving the energy efficiency.

(3) *Production and operation safety*

The Group will continue to consolidate the foundation of safety production management, deepen the standardization of safety production, improve the emergency management system and enhance emergency response capabilities. Routine safety education and training will be conducted to systematically heighten all employees' safety awareness and practical protective skills. At the same time, the closed-loop management mechanism for identification and rectification of potential safety hazards will be strictly implemented to ensure the fulfilment of the safety production responsibilities of the entire chain, strengthen the responsibility assessment and accountability. Such efforts aim to effectively guarantee the personal safety of employees and the safety and stability of heating production and operation, thus improving the quality and efficiency of enterprise safety production work.

(4) *Corporate governance*

The Group continuously promotes the in-depth development of the modern enterprise system with Chinese characteristics, improves the corporate governance system and governance mechanism. By fully leveraging the core role of the Board in setting strategies, making decisions and preventing risks, it will continuously optimize the internal control system, promote the organic integration of informatization technology and governance system, improve the standardized operation level and operational risk prevention and control capability of the Company, thereby providing a solid foundation for the healthy, stable and sustainable development of the Company.

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. The Company has adopted the code provisions of the Corporate Governance Code (the “**CG Code**”) as set out in Part 2 of Appendix C1 to the Listing Rules and regularly reviews its compliance with the CG Code. Save as disclosed below, the Company complies with all applicable code provisions as set out in the CG Code 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 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.

Compliance with the Model Code for Securities Transactions

The Company has adopted the Model Code as the code of conduct and rules governing the dealings in the Company's securities by all of its Directors. Having made specific enquiry with the Directors of the Company, all Directors have confirmed that they have strictly complied with the required standard set

out in the Model Code during the year ended 31 December 2025. The Company has also set up guidelines in respect of the dealings in the Company's securities by its relevant employees (as defined in the Listing Rules), which terms are no less exacting than those of the Model Code.

Directors' Responsibilities in relation to the Financial Statements

The Directors acknowledge their responsibility in relation to the preparation of the financial statements of the Company and to ensure that the financial statements of the Company are prepared in accordance with the relevant regulations and applicable accounting standards and that the financial statements of the Company are published in a timely manner.

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

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) for the year ended 31 December 2025. As at 31 December 2025, the Company did not hold any treasury shares.

Convertible Securities, Options, Warrants or Similar Rights

For the year ended 31 December 2025, neither the Company nor any of its subsidiaries had issued or granted any convertible securities, options, warrants or other similar rights nor exercised any conversion or subscription rights under any convertible securities, options, warrants or other similar rights issued or granted by the Company or any of its subsidiaries at any time.

Issue of Bonds

For the year ended 31 December 2025, neither the Company nor any of its subsidiaries had issued any bonds.

Review of Annual Results

The Company has established the Audit Committee 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 annual results of the Company for the year ended 31 December 2025 and agreed with the accounting method adopted by the Company.

Scope of Work of BDO China SHU LUN PAN Certified Public Accountants LLP

The figures in respect of the Group's combined statement of financial position and combined statement of profit or loss and other comprehensive income, and the related notes thereto for the year ended 31 December 2025 as set out in this preliminary announcement have been agreed by the Company's auditor, BDO China SHU LUN PAN Certified Public Accountants LLP, to the amounts set out in the Group's audited consolidated financial statements for the year.

Final Dividend

The Board resolved to propose to the Shareholders at the 2025 AGM to be held on 15 May 2026, for their consideration and approval of the payment of a final dividend of RMB0.030 per Share (tax inclusive) (2024: RMB0.065 per Share) for the year ended 31 December 2025 (the “**2025 Final Dividend**”) payable to the Shareholders, whose names appear on the register of members of the Company on 4 June 2026, in an aggregate amount of approximately RMB14.00 million (2024: approximately RMB30.34 million). The 2025 Final Dividend will be denominated and declared in RMB. Dividends on Domestic Shares will be paid in RMB and dividends on H Shares will be paid in Hong Kong dollars. Subject to the passing of the relevant resolution at the forthcoming AGM, the 2025 Final Dividend are expected to be paid on 24 July 2026.

Pursuant to the Enterprise Income Tax Law of the People’s Republic of China (《中華人民共和國企業所得稅法》) and the Implementation Rules of the Enterprise Income Tax Law of People’s Republic of China (《中華人民共和國企業所得稅法實施條例》) implemented in 2008, the Company is required to withhold and pay enterprise income tax at the rate of 10% when distributing the 2025 Final Dividend to its non-resident enterprise Shareholders of overseas H Shares (including HKSCC Nominees Limited, other corporate nominees or trustees, or other entities and organizations) whose names appear on the H Shares register of members of the Company on 4 June 2026.

According to regulations by the State Administration of Taxation (Guo Shui Han [2011] No.348) (國家稅務總局國稅函[2011]348號) and relevant laws and regulations, if the individual H Share Shareholders are residents of Hong Kong or Macau or those countries which have entered into a tax treaty with the PRC stipulating a dividend tax rate of 10%, the Company will withhold and pay individual income tax at the rate of 10% on behalf of these Shareholders. If the individual H Share Shareholders are residents of those countries which have entered into a tax treaty with the PRC stipulating a dividend tax rate of less than 10%, the individual H Share Shareholders shall make self-assessment regarding whether they meet the conditions for enjoying the tax treaty benefits pursuant to the Announcement of the State Administration of Taxation ([2019] No.35) (國家稅務總局公告(2019年第35號)). If the Shareholders are entitled to such treaty benefits, they shall duly fill in the Information Reporting Form for Non-resident Taxpayers Claiming Treaty Benefits (《非居民納稅人享受協定待遇信息報告表》) and submit to the Company. After receiving and ensuring the completeness of information of the form, the Company will withhold the tax in accordance with the provisions of domestic tax laws and tax treaty, and duly submit the form as a schedule for withholding declaration to the competent tax authority. The Company will withhold the tax pursuant to the provisions of domestic tax laws for Shareholders whose Information Reporting Form for Non-resident Taxpayers Claiming Treaty Benefits has not been submitted or has missing information. If the individual H Share Shareholders are residents of those countries which have entered into a tax treaty with the PRC stipulating a dividend tax rate of more than 10% but less than 20%, the Company will withhold and pay individual income tax at the actual tax rate stipulated in the relevant tax treaty. If the individual H Share Shareholders are residents of those countries which have entered into a tax treaty with the PRC stipulating a dividend tax rate of 20%, or

those countries which have not entered into any tax treaties with the PRC, or under any other circumstances, the Company will withhold and pay individual income tax at the rate of 20% on behalf of these Shareholders.

The Company will determine the country of domicile of the individual H Share Shareholders based on the registered address as recorded in the H Share register of members of the Company on 4 June 2026 (the “**Registered Address**”). If the country of domicile of an individual H Share Shareholder is not the same as the Registered Address or if the individual H Share Shareholder would like to apply for a refund of the additional amount of tax finally withheld and paid, the individual H Share Shareholder shall notify and provide relevant supporting documents to the Company on or before Thursday, 28 May 2026. Upon examination of the supporting documents by the relevant tax authorities, the Company will follow the guidance given by the tax authorities to implement relevant tax withholding and payment provisions and arrangements. Individual H Share Shareholders may either personally or appoint a proxy to attend to the procedures in accordance with the requirements under the tax treaty notice if they fail to provide the relevant supporting documents to the Company within the time period stated above.

The Company assumes no responsibility and disclaims all liabilities whatsoever in relation to the tax status or tax treatment of the individual H Share Shareholders and for any claims arising from any delay in or inaccurate determination of the tax status or tax treatment of the individual H Share Shareholders or any disputes over the withholding mechanism or arrangements.

Shareholders are recommended to consult their taxation advisors for advice on the PRC, Hong Kong and other tax effects with respect to the holding and disposing of H Shares of the Company.

According to the Articles of Association, the Hong Kong dollars required for the payment of cash dividends and other amount by the Company to the individual H Share Shareholders shall be arranged in accordance with the PRC regulations in relation to foreign exchange administration.

The Company was not aware of any arrangement under which a Shareholder has waived or agreed to waive any dividend for the year ended 31 December 2025.

AGM

The AGM will be held on Friday, 15 May 2026. A notice of convening the AGM will be published and dispatched to the Shareholders (if requested) in the manner required by the Listing Rules in due course.

Closure of Register of Members

For the purpose of determining the Shareholders’ rights to attend and vote at the AGM and the entitlement to the proposed 2025 Final Dividend, the register of members of the Company will be closed from Tuesday, 12 May 2026 to Friday, 15 May 2026 (both days inclusive) and from Friday, 29 May 2026 to Thursday, 4 June 2026 (both days inclusive) respectively, during which period no transfer of H Shares will be registered.

The record date for determining the entitlement of the Shareholders to attend and vote at the AGM will be Friday, 15 May 2026. In order to be eligible to attend and vote at the forthcoming AGM, holders of H Shares of the Company shall lodge transfer documents with the Company's H Share Registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for registration not later than 4:30 p.m. on Monday, 11 May 2026.

The record date for determining the entitlement of the Shareholders to the proposed 2025 Final Dividend will be Thursday, 4 June 2026. In order to be entitled to the proposed 2025 Final Dividend (subject to the approval by the Shareholders at the forthcoming AGM), holders of H Shares of the Company shall lodge transfer documents with the Company's H Share Registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for registration not later than 4:30 p.m. on Thursday, 28 May 2026.

Publication of Annual Results and Annual Report

This announcement is published on the websites of the Hong Kong Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.cc-tp.com.cn>). The 2025 annual report of the Company containing all the information required by the applicable Listing Rules will be dispatched (if requested) to the Shareholders and available on the above websites in due course.

Definitions

“AGM”	the annual general meeting of the Company for the year 2025 to be held on Friday, 15 May 2026 or any adjournment thereof
“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 application guidance for the ASBEs, the interpretation of ASBEs and other relevant requirements
“Articles of Association”	the articles of association of the Company, as amended, modified or otherwise supplemented from time to time
“Board”	the board of Directors of the Company
“Changre Group”	Changchun Heating Power (Group) Company Limited* (長春市熱力(集團)有限責任公司) (formerly 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

“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
“Chuncheng Biomass”	Jilin Province Chuncheng Biomass Power Co., Ltd.* (吉林省春城生物質能源有限公司), a wholly-owned subsidiary 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
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Controlling Shareholder Group”	Changre Group and its subsidiaries (other than the Group)
“H Share(s)”	the issued ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which are listed on the Main Board of the Hong Kong Stock Exchange
“H Share Registrar”	Computershare Hong Kong Investor Services Limited
“heat service area”	gross floor areas covered by heat supply, including both the heat service area which the Group fully or partially charges for its heat fees
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	the lawful currency of Hong Kong
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange, as amended from time to time
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules
“Reporting Period”	the period from 1 January 2025 to 31 December 2025
“RMB”	the lawful currency of the PRC

“Share(s)”	the ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each
“Shareholder(s)”	the shareholder(s) of the Company
“Xixing Energy”	Jilin Province Xixing Energy Limited* (吉林省西興能源有限公司), previously known as Changchun FAW Sihuan Kinetic Company Limited* (長春一汽四環動能有限公司), a wholly-owned subsidiary 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, 27 March 2026

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

* *For identification purpose only*