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)

2026 INTERIM RESULTS ANNOUNCEMENT

FINANCIAL HIGHLIGHTS

- The revenue for the six months ended 30 June 2026 amounted to RMB957,700.8 thousand, representing an increase of 2.41% as compared to the same period in 2025.
- The profit before tax for the six months ended 30 June 2026 was RMB145,178.5 thousand, representing an increase of 1.07% as compared to the same period in 2025.
- The net profit attributable to equity holders of the Company for the six months ended 30 June 2026 amounted to RMB106,055.1 thousand, representing a decrease of 0.79% as compared to the same period in 2025.
- Earnings per share for the six months ended 30 June 2026 amounted to RMB0.23, remaining unchanged as compared with the corresponding period in 2025.

The Board is pleased to announce the unaudited interim results of the Group for the six months ended 30 June 2026, which were prepared in accordance with the ASBEs. These unaudited interim results had been reviewed by the Audit Committee.

FINANCIAL INFORMATION

(presented in RMB unless otherwise stated)

COMBINED STATEMENT OF FINANCIAL POSITION

Assets	*Note*	**30 June 2026 (Unaudited)**	31 December 2025 (Audited)
CURRENT ASSETS:			
Monetary fund		**552,263,651.68**	1,043,630,142.74
Held-for-trading financial assets		**—**	—
Derivative financial assets		**—**	—
Bills receivable		**—**	—
Trade receivables	*Remark 9*	**215,870,340.37**	208,929,467.19
Trade receivables financing		**—**	—
Prepayments		**24,308,803.74**	532,773,639.69
Other receivables		**156,228,461.30**	148,686,365.96
Financial assets held under resale agreements		**—**	—
Inventories		**11,681,211.97**	6,679,493.49
Contract assets		**21,589,075.98**	27,287,687.46
Assets held for sale		**—**	—
Non-current assets due within one year		**—**	—
Other current assets		**62,923,999.50**	49,315,500.20
TOTAL CURRENT ASSETS		**1,044,865,544.54**	2,017,302,296.73

Assets	Note	**30 June 2026 (Unaudited)**	31 December 2025 (Audited)
NON-CURRENT ASSETS:			
Debt investments		**—**	—
Long-term receivables		**—**	—
Long-term equity investments		**—**	—
Other equity instrument investments		**—**	—
Other non-current financial assets		**—**	—
Investment properties		**4,962,357.52**	5,098,704.46
Fixed assets		**940,321,765.88**	937,849,726.79
Construction-in-progress		**11,165,452.65**	69,666,394.71
Biological assets		**—**	—
Fuel and gas assets		**—**	—
Right-of-use assets		**5,260,524.29**	7,164,611.34
Intangible assets		**15,304,875.49**	16,087,129.92
Development costs		**—**	—
Goodwill		**74,847,680.43**	74,847,680.43
Long-term deferred expenditures		**—**	—
Deferred income tax assets		**72,708,647.77**	65,907,742.21
Other non-current assets		**300,000,000.00**	300,000,000.00
TOTAL NON-CURRENT ASSETS		**1,424,571,304.03**	1,476,621,989.86
TOTAL ASSETS		**2,469,436,848.57**	3,493,924,286.59

Liabilities and owners' equity	*Note*	**30 June 2026 (Unaudited)**	31 December 2025 (Audited)
CURRENT LIABILITIES:			
Short-term borrowings		**155,673,573.40**	155,692,589.71
Held-for-trading financial liabilities		**—**	—
Bills payable		**—**	—
Trade payables	*Remark 10*	**182,909,223.12**	248,622,217.67
Advances		**—**	—
Contract liabilities		**451,557,685.73**	1,420,552,518.20
Salaries payable		**23,640,914.06**	107,565,659.09
Tax payable		**6,930,071.12**	14,966,418.17
Other payables		**25,500,791.11**	26,547,616.92
Liabilities held for sale		**—**	—
Non-current liabilities due within one year		**21,121,745.93**	19,504,999.80
Other current liabilities		**267,074.10**	289,629.93
TOTAL CURRENT LIABILITIES		**867,601,078.57**	1,993,741,649.49

Liabilities and owners' equity	*Note*	**30 June 2026 (Unaudited)**	31 December 2025 (Audited)
NON-CURRENT LIABILITIES:			
Long-term borrowings		**305,118,599.84**	290,729,625.00
Bonds payable		**—**	—
Of which: Preference shares		**—**	—
Perpetual bonds		**—**	—
Lease liabilities		**1,488,131.04**	3,280,963.15
Long-term payables		**—**	—
Long-term salaries payable		**33,568,188.24**	33,568,188.24
Estimated liabilities		**—**	—
Deferred income		**50,823,128.98**	53,563,075.88
Deferred income tax liabilities		**18,976,964.13**	21,285,544.83
Other non-current liabilities		**1,229,995.52**	1,229,995.52
TOTAL NON-CURRENT LIABILITIES		**411,205,007.75**	403,657,392.62
TOTAL LIABILITIES		**1,278,806,086.32**	2,397,399,042.11
OWNERS' EQUITY:			
Share capital		**466,700,000.00**	466,700,000.00
Other equity instruments		**—**	—
Of which: Preference shares		**—**	—
Perpetual bonds		**—**	—
Capital reserve		**3,016,773.51**	956,207.53
Less: Treasury stock		**—**	—
Other comprehensive income		**–5,849,142.82**	–5,849,142.82
Special reserve		**25,143,975.84**	25,153,134.39
Surplus reserve		**49,604,607.55**	49,604,607.55
Undistributed profits		**652,014,548.17**	559,960,437.83
Total owners' equity attributable to the parent company		**1,190,630,762.25**	1,096,525,244.48
Minority interests		**—**	—
TOTAL OWNERS' EQUITY		**1,190,630,762.25**	1,096,525,244.48
TOTAL LIABILITIES AND OWNERS' EQUITY		**2,469,436,848.57**	3,493,924,286.59

COMBINED INCOME STATEMENT

Item	Notes	**January to June 2026 (Unaudited)**	January to June 2025 (Unaudited)
I. TOTAL OPERATING INCOME	*Remark 3*	**957,700,808.15**	935,134,299.91
Less: Operating costs	*Remark 3*	**744,837,390.98**	745,469,319.23
Taxes and surcharges		**562,638.47**	1,029,519.83
Selling expenses		**154,570.50**	47,639.04
Administrative expenses	*Remark 4*	**43,707,263.28**	42,703,122.46
Research and development expenses		**484,782.78**	439,496.06
Financial costs		**–6,706,002.95**	–1,964,529.87
Of which: Interest expenses		**5,770,407.74**	9,397,905.71
Interest income		**–12,491,292.14**	–11,383,806.88
Add: Other income		**2,749,738.76**	4,127,832.07
Investment income ("–" denotes loss)			
Of which: Investment income from associates and joint ventures		**—**	—
Gain on derecognition of financial assets measured at amortized cost		**—**	—
Credit impairment loss ("–" denotes loss)		**–28,550,773.09**	–5,514,175.98
Impairment loss on assets ("–" denotes loss)		**–4,115,012.24**	–2,382,244.28
Gain on disposal of assets ("–" denotes loss)		**—**	—
II. OPERATING PROFIT ("–" denotes loss)		**144,744,118.52**	143,641,144.97
Add: Non-operating income		**461,759.63**	26,266.07
Less: Non-operating expenses		**27,391.58**	31,666.99
III. TOTAL PROFIT ("–" denotes total loss)		**145,178,486.57**	143,635,744.05
Less: Income tax expenses	*Remark 8*	**39,123,376.23**	36,732,307.24

Item	*Notes*	**January to June 2026 (Unaudited)**	January to June 2025 (Unaudited)
IV. NET PROFIT (“–” denotes net loss)		**106,055,110.34**	106,903,436.81
(I) Classified by continuity of operation			
1. Net profit from continuing operation (“–” denotes net loss)		**106,055,110.34**	106,903,436.81
2. Net profit from discontinued operation (“–” denotes net loss)		**—**	—
(II) Classified by ownership			
1. Net profit attributable to owners of the parent company (“–” denotes net loss)		**106,055,110.34**	106,903,436.81
2. Minority interests (“–” denotes net loss)		**—**	—
V. OTHER COMPREHENSIVE INCOME, NET OF TAX			
Other comprehensive income attributable to owners of the parent company, net of tax			
(I) Other comprehensive income that may not be reclassified to profit or loss			
1. Net changes from re-measurement of defined benefit plans		**—**	—
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		**—**	—

Item	*Notes*	**January to June 2026 (Unaudited)**	January to June 2025 (Unaudited)
(II) Other comprehensive income that may be reclassified 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 flows hedges		**—**	—
6. Differences on foreign currency translation		**—**	—
7. Others		**—**	—
Other comprehensive income attributable to minority shareholders, net of tax		**—**	—
VI. TOTAL COMPREHENSIVE INCOME		**106,055,110.34**	106,903,436.81
Total comprehensive income attributable to owners of the parent company		**106,055,110.34**	106,903,436.81
Total comprehensive income attributable to minority shareholders			
VII. EARNINGS PER SHARE:			
(I) Basic earnings per share (RMB per share)	*Remark 7*	**0.23**	0.23
(II) Diluted earnings per share (RMB per share)	*Remark 7*	**0.23**	0.23

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 2026 are consistent with those of the Company's annual financial statements for the year ended 31 December 2025.

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 and design services	Total
30 June 2026 (Unaudited)			
Segment assets	**2,225,651,041.33**	**243,785,807.24**	**2,469,436,848.57**
Segment liabilities	**1,192,569,179.39**	**86,236,906.93**	**1,278,806,086.32**
January to June 2026 (Unaudited)			
Segment revenue			
Revenue from all customers	**955,020,563.75**	**14,514,639.77**	**969,535,203.52**
Intersegment revenue	**3,706,739.47**	**8,127,655.90**	**11,834,395.37**
Reportable segment revenue	**951,313,824.28**	**6,386,983.87**	**957,700,808.15**
Reportable segment gross profit	**211,885,688.42**	**977,728.75**	**212,863,417.17**
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

(2) *Revenue and other business income*

Item	**January to June 2026 (Unaudited)**	January to June 2025 (Unaudited)
Heat supply	**911,767,510.20**	884,923,601.99
Pipeline connection fee	**34,460,406.61**	35,108,205.62
Heat transmission	**5,085,907.47**	6,300,086.15
Engineering construction	**3,225,005.23**	5,710,502.31
Engineering maintenance	**137,317.00**	6,902.00
Design services	**2,605,963.15**	100,622.38
Others	**418,698.49**	2,984,379.46
Total	**957,700,808.15**	935,134,299.91

(3) *Costs and other business costs*

Item	January to June 2026 (Unaudited)	January to June 2025 (Unaudited)
Heat supply	**739,428,135.86**	735,215,247.26
Of which:		
Heat procurement cost	**389,330,791.35**	436,959,705.93
Coal	**76,725,376.22**	46,132,249.19
Maintenance and repair	**7,140,789.26**	6,896,002.74
Labor	**79,619,182.63**	76,836,030.41
Depreciation and amortization	**82,359,164.06**	69,059,828.17
Utility	**51,717,837.33**	49,376,018.55
Input Value Added Tax transferred out	**31,206,641.73**	29,746,303.94
Others	**21,328,353.28**	20,209,108.33
Construction, maintenance and design services	**5,409,255.12**	10,254,071.97
Total	**744,837,390.98**	745,469,319.23

4. ADMINISTRATIVE EXPENSES

For the six months ended 30 June 2026, the administrative expenses incurred amounted to RMB43,707,263.28 (for the six months ended 30 June 2025, administrative expenses incurred amounted to RMB42,703,122.46), which mainly represent labor costs, depreciation and amortization expenses, etc.

5. PROFIT BEFORE INTEREST, TAX, DEPRECIATION AND AMORTIZATION

Item	January to June 2026 (Unaudited)	January to June 2025 (Unaudited)
Net profit	**106,055,110.34**	106,903,436.81
Income tax expenses	**39,123,376.23**	36,732,307.24
Depreciation of fixed assets provided for	**86,335,208.06**	70,529,485.38
Depreciation of intangible assets provided for	**782,254.43**	757,872.55
Amortization of long-term deferred expenditures provided for		
Interest and investment income	**12,491,292.14**	11,383,806.88
Interest income from financial institution		
Interest charges	**5,770,407.74**	9,397,905.71
Interest expenses to financial institution		
Profit before interest, tax, depreciation and amortization	**225,575,064.66**	212,937,200.81

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 2026 (for the six months ended 30 June 2025: Nil).

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

A final dividend of RMB0.030 per Share (tax inclusive) for the financial year ended 31 December 2025 (totaling RMB14,001,000.00) was approved at the 2025 annual general meeting. As at 30 June 2026, the aforesaid final dividend has not yet been distributed to the Shareholders.

7. EARNINGS PER SHARE

Item	**January to June 2026 (Unaudited)**	January to June 2025 (Unaudited)
Net profit attributable to the parent company	**106,055,110.34**	106,903,436.81
Weighted average number of ordinary Shares in issue during the period	**466,700,000.00**	466,700,000.00
Earnings per Share	**0.23**	0.23

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 2026 and 2025.

8. INCOME TAX EXPENSES

(1) List of income tax expenses

Item	**January to June 2026 (Unaudited)**	January to June 2025 (Unaudited)
Income tax expenses for the current period	**48,232,862.49**	40,560,755.05
Deferred income tax expenses	**–9,109,486.26**	–3,828,447.81
Total	**39,123,376.23**	36,732,307.24

(2) Reconciliation between accounting profit and income tax expenses

Item	**January to June 2026 (Unaudited)**
Total profit	**145,178,486.57**
Income tax expense calculated at statutory tax rates	**36,016,673.05**
Effect of different tax rates applicable to subsidiaries	
Effect of adjustments to income tax on prior periods	
Effect of non-taxable income	
Effect of non-deductible costs, expenses and losses	**342,548.90**
Effect of deductible loss on utilization of deferred income tax assets that were not recognized in the previous period	**1,001,744.78**
Effect of deductible temporary difference or deductible loss on deferred income tax assets that were not recognized in the current period	**1,762,409.50**
Others	
Income tax expenses	**39,123,376.23**

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 2026 (Unaudited)**	31 December 2025 (Audited)
Within 1 year	**68,480,309.25**	92,870,385.71
1 to 2 years	**91,080,911.41**	105,227,246.57
2 to 3 years	**80,510,500.81**	29,120,695.51
3 to 4 years	**25,655,511.23**	14,746,541.62
4 to 5 years	**13,371,562.17**	16,251,286.93
Over 5 years	**59,732,957.09**	45,388,048.68
Sub-total	**338,831,751.96**	303,604,205.02
Less: Provision for bad debts	**122,961,411.59**	94,674,737.83
Total	**215,870,340.37**	208,929,467.19

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

Category	**30 June 2026 (Unaudited)**				
	Carrying balance		**Provision for bad debts**		**Carrying amount**
	Amount	**Proportion (%)**	**Amount**	**Proportion (%)**	
Provision for bad debts on individual basis					
Provision for bad debts on credit risk characteristics basis	**338,831,751.96**	**100.00**	**122,961,411.59**	**36.29**	**215,870,340.37**
Of which:					
Ageing portfolio-Heat supply business	**132,308,052.64**	**39.05**	**26,322,151.47**	**19.89**	**105,985,901.17**
Ageing portfolio-Basic heating fee	**35,298,042.48**	**10.42**	**14,196,810.59**	**40.22**	**21,101,231.89**
Ageing portfolio-Engineering business	**88,071,807.98**	**25.99**	**61,402,435.61**	**69.72**	**26,669,372.37**
Related party portfolio	**83,153,848.86**	**24.54**	**21,040,013.92**	**25.30**	**62,113,834.94**
Total	**338,831,751.96**	**100.00**	**122,961,411.59**	**36.29**	**215,870,340.37**

Category	31 December 2025 (Audited)				
	Carrying balance		Provision for bad debts		Carrying amount
	Amount	Proportion (%)	Amount	Proportion (%)	
Provision for bad debts on individual basis					
Provision for bad debts on credit risk characteristics basis	303,604,205.02	100.00	94,674,737.83	31.18	208,929,467.19
Of which:					
Ageing portfolio-Heat supply business	97,983,657.37	32.27	19,298,016.59	19.70	78,685,640.78
Ageing portfolio-Basic heating fee	32,902,506.51	10.84	9,802,816.11	29.79	23,099,690.40
Ageing portfolio-Engineering business	92,156,573.62	30.35	54,531,875.37	59.17	37,624,698.25
Related party portfolio	80,561,467.52	26.54	11,042,029.76	13.71	69,519,437.76
Total	303,604,205.02	100.00	94,674,737.83	31.18	208,929,467.19

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

(1) *Ageing portfolio — Heat supply business*

Ageing	**30 June 2026 (Unaudited)**		
	Trade receivables	**Provision for bad debts**	**Proportion of provision (%)**
Within 1 year	**61,128,127.95**	**3,056,406.41**	**5.00**
1 to 2 years	**31,941,430.73**	**6,388,286.15**	**20.00**
2 to 3 years	**26,486,867.28**	**7,946,060.19**	**30.00**
3 to 4 years	**4,753,493.26**	**1,901,397.30**	**40.00**
4 to 5 years	**1,936,264.03**	**968,132.03**	**50.00**
Over 5 years	**6,061,869.39**	**6,061,869.39**	**100.00**
Total	**132,308,052.64**	**26,322,151.47**	**19.89**

Ageing	31 December 2025 (Audited)		
	Trade receivables	Provision for bad debts	Proportion of provision (%)
Within 1 year	35,501,919.99	1,775,096.03	5.00
1 to 2 years	48,348,440.94	9,669,688.20	20.00
2 to 3 years	6,031,763.56	1,809,529.07	30.00
3 to 4 years	1,946,446.10	778,578.45	40.00
4 to 5 years	1,779,923.90	889,961.96	50.00
Over 5 years	4,375,162.88	4,375,162.88	100.00
Total	97,983,657.37	19,298,016.59	19.70

(2) *Ageing portfolio — Basic heating fee*

Ageing	**30 June 2026 (Unaudited)**		
	Trade receivables	**Provision for bad debts**	**Proportion of provision (%)**
Within 1 year	**5,061,088.48**	**253,054.42**	**5.00**
1 to 2 years	**3,493,039.25**	**349,303.93**	**10.00**
2 to 3 years	**7,406,264.89**	**1,481,252.99**	**20.00**
3 to 4 years	**6,600,579.80**	**1,980,173.94**	**30.00**
4 to 5 years	**5,208,089.52**	**2,604,044.77**	**50.00**
Over 5 years	**7,528,980.54**	**7,528,980.54**	**100.00**
Total	**35,298,042.48**	**14,196,810.59**	**40.22**

Ageing	31 December 2025 (Audited)		
	Trade receivables	Provision for bad debts	Proportion of provision (%)
Within 1 year	5,291,732.62	264,586.63	5.00
1 to 2 years	7,640,619.58	764,061.96	10.00
2 to 3 years	6,742,243.60	1,348,448.72	20.00
3 to 4 years	5,264,028.37	1,579,208.51	30.00
4 to 5 years	4,234,744.10	2,117,372.05	50.00
Over 5 years	3,729,138.24	3,729,138.24	100.00
Total	32,902,506.51	9,802,816.11	29.79

(3) *Ageing portfolio-Engineering business*

Ageing	**30 June 2026 (Unaudited)**		
	Trade receivables	**Provision for bad debts**	**Proportion of provision (%)**
Within 1 year	**1,752,982.82**	**87,649.15**	**5.00**
1 to 2 years	**14,192,009.84**	**2,838,401.96**	**20.00**
2 to 3 years	**7,948,497.92**	**2,384,549.38**	**30.00**
3 to 4 years	**12,778,096.02**	**6,389,048.01**	**50.00**
4 to 5 years	**5,658,114.22**	**3,960,679.95**	**70.00**
Over 5 years	**45,742,107.16**	**45,742,107.16**	**100.00**
Total	**88,071,807.98**	**61,402,435.61**	**69.72**

Ageing	31 December 2025 (Audited)		
	Trade receivables	Provision for bad debts	Proportion of provision (%)
Within 1 year	15,588,906.90	779,445.33	5.00
1 to 2 years	8,055,457.81	1,611,091.56	20.00
2 to 3 years	14,024,869.68	4,207,460.91	30.00
3 to 4 years	6,961,920.88	3,480,960.46	50.00
4 to 5 years	10,241,670.79	7,169,169.55	70.00
Over 5 years	37,283,747.56	37,283,747.56	100.00
Total	92,156,573.62	54,531,875.37	59.17

10. TRADE PAYABLES

Ageing	**30 June 2026 (Unaudited)**	31 December 2025 (Audited)
Within 1 year	**82,624,648.63**	191,862,218.38
1 to 2 years	**50,165,977.47**	17,098,862.92
2 to 3 years	**10,143,565.82**	1,455,939.74
Over 3 years	**39,975,031.20**	38,205,196.63
Total	**182,909,223.12**	248,622,217.67

MANAGEMENT DISCUSSION AND ANALYSIS

I. BUSINESS REVIEW

During the first half of 2026, driven by innovation, the Group advanced the heat supply and production businesses with high quality through optimizing resource allocation, tapping into energy-saving potential and balancing development and safety, and successfully accomplished various established tasks for the first half of the year.

(1) *Heat Supply Business*

As at 30 June 2026, the Group had a heat service area of 72.740 million sq.m., representing an increase of 2.914 million sq.m. or 4.17% from 69.826 million sq.m. in the corresponding period of 2025. As for the number of heat supply users, as at 30 June 2026, the Group had 597,589 heat supply users, representing an increase of 25,316 users or 4.42% from 572,273 users in the corresponding period of 2025. For the six months ended 30 June 2026, the Group's revenue from heat supply business was RMB951.31 million, representing an increase of RMB24.98 million or 2.70% from RMB926.33 million in the corresponding period of 2025.

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 2026.

	As at 30 June 2026		As at 30 June 2025	
	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]	**527,998**	**88.35%**	505,761	88.38%
Non-residential users[2]	**69,591**	**11.65%**	66,512	11.62%
Total	**597,589**	**100%**	572,273	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 2026, the total heat procurement by the Group from local cogeneration plants amounted to 12.90 million GJ, among which 11.87 million GJ of heat was used for the Group's heat supply and production purposes.

3. ***Heat resale***

For the six months ended 30 June 2026, approximately 1.03 million GJ of heat procurement quota obtained from cogeneration plants by the Group was transferred to three other heat service providers. The Group received heat transmission fees aggregating RMB5.09 million from these three heat service providers.

The following table sets forth the breakdown of the usage data of heat procured by the Group between January to June 2026 and in the corresponding period of 2025:

	January to June 2026	January to June 2025
Estimated heat procurement quota (GJ)[(1)]	**13,670,000**	13,670,000
Heat procurement quota transferred (GJ)[(2)]	**1,030,466**	1,128,955
Actual consumption (GJ)[(3)]	**11,872,984**	11,282,780
Total heat procured (GJ)[(4)]	**12,903,450**	12,411,736
Utilization rate[(5)]	**86.85%**	82.54%

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 three 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.

(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 2026, revenue generated from the Group's construction, maintenance, design services and other businesses amounted to RMB6.39 million, representing a decrease of RMB2.41 million, or 27.44%, from RMB8.80 million for the corresponding period in 2025.

In the first half of the year, the engineering construction business undertook a total of 33 projects, including key projects such as the Primary Network Renovation Project in Campus of Jilin University (吉林大學院內一次網改造工程) and the Branch Line Upgrade Project of Primary Network in Surrounding Area of Five-Ring Sports Stadium (五環體育場周邊一次網支線更新改造工程). In the first half of the year, the engineering maintenance business focused on the operation and maintenance of the pipeline network, repairing 1,527 valves, 747 well chambers, and 22 compensators, laying a solid foundation for the safe and stable heating season. In the first half of the year, the design services business undertook a total of 78 design projects, including key projects such as the Design Project for Safety Renovation Project of the Residential Heating Pipeline (Nanguan District) (居民供熱管網安全改造項目(南關區)設計項目) and the Renovation Project for Supporting Heating Equipment and Facility of Changchun Longtai Heating Property Co., Ltd.* (Secondary Network Project) (長春龍泰供熱物業有限責任公司供熱配套設備及設施改造工程(二次網工程)).

(3) ***Safety Management***

In the first half of 2026, the Group strictly implemented the deployment of governments at all levels and the requirements of "three controls and three musts", consolidated safety responsibilities at all levels, and steadily promoted annual safety goals. The Group has been deeply advancing the three-year campaign to tackle fundamental safety production issues, focusing on controlling risks at the source and promoting proactive safety management. Combining the Safety Production Month with summer equipment maintenance, the Group organized multi-dimensional safety training and emergency drills, steadily boosting everyone's safety awareness. During the Reporting Period, the Group did not record any major safety accidents.

(4) ***Technology and R&D***

In the first half of 2026, the Group continuously deepened its environmental facility upgrades by conducting environmental protection equipment (ultra-low emissions) on 20 boilers across five boiler plants (totaling 1,605 tons). The upgrade work has been fully completed, and the flue gas emissions from the renovated boilers all meet the national ultra-low emission standards. Specifically, the dust emission concentration will not exceed 10 mg/m^3, sulfur dioxide will not exceed 35 mg/m^3, and nitrogen oxides will not exceed 50 mg/m^3, truly achieving the expected goal of ultra-low emissions from heating boilers.

The Group has developed the "Equipment Management System" (設備管理系統) (formerly the "Equipment Ledger Management System" (設備台賬管理系統)) based on the actual needs of equipment management, which, after more than a year of trial operation, underwent in-depth optimization and iteration and was officially put into use in the first half of 2026. This system covers core functions like ledger management, inspection and maintenance, repair tracking, and inventory reconciliation, enabling digital control over the entire equipment lifecycle. It effectively boosts management efficiency and standardization, providing strong support for the safe and stable operation of equipment.

II. FINANCIAL POSITION AND OPERATING RESULTS

(1) *Revenue*

For the six months ended 30 June 2026, the Group's revenue was RMB957,700.8 thousand, compared to RMB935,134.3 thousand for the corresponding period of 2025, representing an increase of 2.41%, 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		
	2026	2025	
	RMB0'000	RMB0'000	Change in
	(Unaudited)	(Unaudited)	percentage
Heat supply, of which:			
— Heating fee income	**91,176.75**	88,492.36	3.03%
— Pipeline connection fee	**3,446.04**	3,510.82	–1.85%
— Pipeline transmission fee	**508.59**	630.01	–19.27%
Sub-total	**95,131.38**	92,633.19	2.70%
Construction, maintenance and design services, of which:			
— Engineering construction	**322.50**	571.05	–43.53%
— Engineering maintenance	**13.73**	0.69	1,889.86%
— Design services	**260.60**	10.06	2,490.46%
— Others	**41.87**	298.44	–85.97%
Sub-total	**638.70**	880.24	–27.44%
Total	**95,770.08**	93,513.43	2.41%

(2) ***Other Income and Other Net Gains***

For the six months ended 30 June 2026, the Group's other income and other net gains amounted to RMB15,702.8 thousand, as compared with RMB15,537.9 thousand for the corresponding period of 2025, representing an increase of 1.06%, which was basically the same as last year.

(3) ***Operating Costs***

For the six months ended 30 June 2026, the Group's operating costs amounted to RMB744,837.4 thousand, as compared with RMB745,469.3 thousand for the corresponding period of 2025, representing a decrease of 0.08%. The following table sets out the breakdown of operating costs by business segment:

	For the six months ended 30 June		
	2026	2025	
	RMB0'000	RMB0'000	Change in
	(Unaudited)	(Unaudited)	percentage
Operating costs by business segment			
Heat supply	**73,942.81**	73,521.52	0.57%
Construction, maintenance and design services	**540.93**	1,025.41	–47.25%
Total	**74,483.74**	74,546.93	–0.08%

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		
	2026	2025	
	RMB0'000	RMB0'000	Change in
	(Unaudited)	(Unaudited)	percentage
Cost of sales for heat supply, of which:			
Heat procurement costs	**38,933.08**	43,695.97	–10.90%
Coal	**7,672.54**	4,613.22	66.32%
Maintenance and repair	**714.08**	689.60	3.55%
Labor	**7,961.92**	7,683.60	3.62%
Depreciation and amortization	**8,235.92**	6,905.98	19.26%
Utility	**5,171.78**	4,937.60	4.74%
Input VAT transferred out	**3,120.66**	2,974.63	4.91%
Others	**2,132.84**	2,020.91	5.54%
Total	**73,942.81**	73,521.52	0.57%

For the six months ended 30 June 2026, the Group's heat procurement cost was RMB389,330.8 thousand as compared to RMB436,959.7 thousand for the corresponding period of 2025, representing a decrease of 10.90%, which was mainly due to the reduction in heat procurement as a result of the Group's purchase of heat production assets and the increase in coal-fired boiler heating methods.

For the six months ended 30 June 2026, the Group's coal cost was RMB76,725.4 thousand, as compared to RMB46,132.2 thousand for the corresponding period of 2025, representing an increase of 66.32%, which was mainly due to the increase in coal consumption as a result of the Group's purchase of heat production assets and the increase in coal-fired boiler heating methods.

For the six months ended 30 June 2026, the Group's maintenance and repair costs amounted to RMB7,140.8 thousand, as compared to RMB6,896.0 thousand for the corresponding period of 2025, representing an increase of 3.55%, which remained largely stable as compared with the previous period.

For the six months ended 30 June 2026, the Group's depreciation and amortization costs amounted to RMB82,359.2 thousand, as compared to RMB69,059.8 thousand for the corresponding period of 2025, representing an increase of 19.26%, 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 2026, the Group's utility cost was RMB51,717.8 thousand as compared to RMB49,376.0 thousand for the corresponding period of 2025, representing an increase of 4.74%, 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 2026, the Group's cost of input VAT transferred out was RMB31,206.6 thousand as compared to RMB29,746.3 thousand for the corresponding period of 2025, representing an increase of 4.91%. 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 2026, the Group's other cost amounted to RMB21,328.4 thousand, as compared to RMB20,209.1 thousand for the corresponding period of 2025, representing an increase of 5.54%, which was mainly due to the increase in the office consumables of the Group.

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 2026, the Group's operating costs for construction, maintenance and design services amounted to RMB5,409.3 thousand, as compared with RMB10,254.1 thousand for the corresponding period of 2025, representing a decrease of 47.25%. The change in operating costs was generally in line with the decrease in revenue for construction, maintenance and design services.

(4) ***Gross Profit and Gross Profit Margin***

For the six months ended 30 June 2026, the Group's gross profit amounted to RMB212,863.4 thousand, as compared with RMB189,665.0 thousand for the corresponding period of 2025, representing an increase of 12.23%. This was mainly due to the increase in revenue from the heat supply business.

(5) ***Administrative Expenses***

For the six months ended 30 June 2026, the Group's administrative expenses amounted to RMB43,707.3 thousand, as compared with RMB42,703.1 thousand for the corresponding period of 2025, representing an increase of 2.35%, which remained largely stable as compared with the previous period.

(6) ***Finance Costs***

For the six months ended 30 June 2026, the Group's finance costs amounted to RMB5,770.4 thousand, as compared with RMB9,397.9 thousand for the corresponding period of 2025, representing a decrease of 38.60%. This was principally due to the decrease in bank loans compared to the previous period, which led to a decrease in interest expenses.

(7) ***Income Tax Expense***

For the six months ended 30 June 2026, the Group's income tax expense was RMB39,123.4 thousand, as compared with RMB36,732.3 thousand for the corresponding period of 2025, representing an increase of 6.51%, which was primarily due to the increase in total profit in the current period.

(8) ***Profit for the Period***

For the six months ended 30 June 2026, the Group's profit for the period amounted to RMB106,055.1 thousand, as compared with RMB106,903.4 thousand for the corresponding period of 2025, representing a decrease of 0.79%. This was primarily due to the increase in income tax expense in the current period.

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

For the six months ended 30 June 2026, profit attributable to owners of the Company was RMB106,055.1 thousand as compared with RMB106,903.4 thousand for the corresponding period of 2025, representing a decrease of 0.79%. Profit attributable to owners of the Company was in line with profit for the period.

(10) ***Liquidity and Capital Resources***

As at 30 June 2026, the Group had cash and cash equivalents of RMB550,263.7 thousand, representing a decrease of 46.94% as compared with the balance of RMB1,037,030.1 thousand as at 31 December 2025. Such change was mainly due to the Group's cost expenditures on the procurement of heat and coal, as well as supplier material payments in the current period.

(11) ***Capital Expenditure***

For the six months ended 30 June 2026, the Group's capital expenditure amounted to RMB15,573.2 thousand, as compared with RMB124,029.9 thousand for the corresponding period of 2025, representing a decrease of 87.44%. This was mainly due to an increase in capital expenditure resulting from the purchase of heat production assets from the controlling Shareholder in the previous period.

(12) ***Capital Structure***

As at 30 June 2026, the equity attributable to owners of the Group amounted to RMB1,190,630.8 thousand, representing an increase of RMB94,105.6 thousand as compared with 31 December 2025. This was mainly due to the increase in profit during the period. As at 30 June 2026, the Group's total interest-bearing bank and other borrowings amounted to approximately RMB470,507.9 thousand at a fixed interest rate from 2.2% to 3.0% 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 2026, the Group's cash and cash equivalents exceeded the Group's total interest-bearing liabilities.

(13) ***Material Acquisitions and Disposals***

During the six months ended 30 June 2026, the Group did not have any material acquisitions and disposals.

(14) ***Charge on Assets***

As at 30 June 2026, the Group did not have any charge on assets.

(15) ***Contingencies***

As at 30 June 2026, the Group did not have any material contingencies.

III. PROSPECT FOR THE SECOND HALF OF 2026

(i) To focus on the core heating business and aim to ensure supply for people's livelihood. The Group will carry out full-cycle maintenance of equipment and pipeline repairs as a part of the "treat winter illnesses in summer" approach, while also implementing a quick-response system for user requests to provide genuinely caring service. The Group will strictly follow local standards for winter coal storage and build a complete and efficient emergency heating guarantee system to ensure stable and reliable heating throughout the entire heating season.

(ii) To consolidate the foundation of safety management and strengthen the main responsibility of the entire chain. The Group will deepen the dual prevention mechanism of classified risk control and hidden danger investigation, improve the regular inspection system, closely monitor key scenarios like confined spaces, extreme winter conditions, and pipeline emergency repairs, aiming to eliminate hidden dangers dynamically.

(iii) To steadily expand the heating coverage and solidify the foundation for our long-term development. The Group will leverage the advantages as a state-owned heating company in serving people's livelihoods, compliantly move forward with acquisitions of heat production assets, heat source upgrades, and network support construction, to gradually expand the heating coverage area, and solidify the core asset base for our long-term stable operation.

(iv) To step up investment in cutting-edge technologies and build core competitive advantages. The Group will focus on the real challenges in heating operations, increase investment in the development of clean and efficient heating technologies, and prioritize putting mature results like smart heating network dynamic control and energy-saving measures on the heat source side into practice. By using technology to improve the quality and efficiency of heating operations, we aim to build our core competitive advantages.

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 2026.

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 complies with all applicable 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.

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

For the six months ended 30 June 2026, 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 2026, 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 2026, and have agreed with the accounting treatment adopted by the Company.

Amendments to the Articles of Association

The Company's 2025 Annual General Meeting held on 15 May 2026 approved the amendments to the Articles of Association. Details of the amendments are set out in the Company's circular dated 17 April 2026. 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

"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
"Audit Committee"	the audit committee of the Board
"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
"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 the Group fully or partially charges for heat fees
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"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
"Reporting Period"	the period from 1 January 2026 to 30 June 2026
"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
"%"	percent

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

Jilin, the PRC, 28 August 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 Director is Mr. Zhang Liming; 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*