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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)

CONTINUING CONNECTED TRANSACTIONS

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On 16 October 2026, the Company has entered into the following agreements with Changre Group or its associates:

(1) Non-exempt Continuing Connected Transactions

- (a) the 2027–2029 Heat Procurement Framework Agreement (Changre Group) between the Company (for itself and on behalf of its subsidiaries) and Changre Group (for itself and on behalf of its subsidiaries other than the Group) for a term from 1 January 2027 to 31 December 2029 in relation to the procurement of heat by the Group from the Controlling Shareholder Group;
- (b) the 2027–2029 Heat Procurement Framework Agreement (Datang JV) between the Company (for itself and on behalf of its subsidiaries) and Datang JV for a term from 1 January 2027 to 31 December 2029 in relation to the procurement of heat by the Group from Datang JV;
- (c) the 2027–2029 Pipes Supply Framework Agreement between the Company (for itself and on behalf of its subsidiaries) and New Model Pipes (for itself and on behalf of its subsidiaries) for a term from 1 January 2027 to 31 December 2029, whereby New Model Pipes Group agrees to supply pipes for heating supply to the Group; and

- (d) the 2027–2029 Construction Framework Agreement between the Company (for itself and on behalf of its subsidiaries) and Changre Group (for itself and on behalf of its subsidiaries other than the Group) for a term from 1 January 2027 to 31 December 2029, whereby the Group agrees to provide construction, maintenance and design services to the Controlling Shareholder Group.

(2) Partially-exempt Continuing Connected Transactions

- (a) the 2027–2029 Tenancy Framework Agreement between the Company (for itself and on behalf of its subsidiaries) and Changre Group (for itself and on behalf of its associates and related legal persons) for a term from 1 January 2027 to 31 December 2029 in relation to the Tenancy Arrangements.

LISTING RULES IMPLICATIONS

(1) Non-exempt Continuing Connected Transactions

Pursuant to Chapter 14A of the Listing Rules, the transactions as contemplated under the 2027–2029 Heat Procurement Framework Agreement (Changre Group) and the 2027–2029 Heat Procurement Framework Agreement (Datang JV) shall be aggregated because the counterparties for these two agreements are either Changre Group or its associate (i.e. Datang JV) and the nature of the transactions contemplated under these two agreements are the same. As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules for the transactions contemplated under each of the 2027–2029 Heat Procurement Framework Agreement (Changre Group) and the 2027–2029 Heat Procurement Framework Agreement (Datang JV), on a standalone basis, or when aggregated with each other are, on an annual basis, over 5%, the 2027–2029 Heat Procurement Framework Agreement (Changre Group) and the 2027–2029 Heat Procurement Framework Agreement (Datang JV) and the transactions contemplated thereunder are subject to the reporting, announcement, independent shareholders' approval and annual review requirements under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios as calculated under Rule 14.07 of the Listing Rules for the transactions contemplated under each of the 2027–2029 Pipes Supply Framework Agreement and the 2027–2029 Construction Framework Agreement are, on an annual basis, over 5%, each of the 2027–2029 Pipes Supply Framework Agreement and the 2027–2029 Construction Framework Agreement and the transactions contemplated thereunder are subject to the reporting, announcement, independent shareholders' approval and annual review requirements under Chapter 14A of the Listing Rules.

(2) Partially-exempt Continuing Connected Transactions

As one or more of the applicable percentage ratios as calculated under Rule 14.07 of the Listing Rules for the Partially-exempt Continuing Connected Transactions are, on an annual basis, over 0.1% but all of them are less than 5%, the Partially-exempt Continuing Connected Transactions are subject to the reporting, announcement and annual review requirements but exempt from the circular, independent financial advice and shareholders' approval requirements under Chapter 14A of the Listing Rules.

GENERAL

The Independent Board Committee has been established to advise the Independent Shareholders as to each of the Non-exempt CCT Agreements (together with the relevant proposed annual caps) and the transactions contemplated thereunder.

The Independent Financial Adviser, Giraffe Capital Limited, has been appointed to advise the Independent Board Committee and the Independent Shareholders in respect of each of the Non-exempt CCT Agreements (together with the relevant proposed annual caps) and the transactions contemplated thereunder.

A circular of the Company containing, among other things, (i) details of each of the Non-exempt CCT Agreements (together with the relevant proposed annual caps) and the transactions contemplated thereunder; (ii) the letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders on each of the Non-exempt CCT Agreements (together with the relevant proposed annual caps) and the transactions contemplated thereunder; and (iii) the recommendation of the Independent Board Committee regarding each of the Non-exempt CCT Agreements (together with the relevant proposed annual caps) and the transactions contemplated thereunder to the Independent Shareholders, is expected to be despatched to the Shareholders on or before 27 November 2026 to allow sufficient time to finalise the contents of the circular.

I. INTRODUCTION

References are made to the announcements of the Company dated 11 October 2023 and 13 October 2023 in relation to, among others, the 2024–2026 Heat Procurement Framework Agreement (Changre Group), the 2024–2026 Heat Procurement Framework Agreement (Datang JV), the 2024–2026 Construction Framework Agreement, the 2024–2026 Pipes Supply Framework Agreement and the 2024–2026 Tenancy Framework Agreement.

As the current terms of the 2024–2026 Heat Procurement Framework Agreement (Changre Group), the 2024–2026 Heat Procurement Framework Agreement (Datang JV), the 2024–2026 Construction Framework Agreement, the 2024–2026 Pipes Supply Framework Agreement and the 2024–2026 Tenancy Framework Agreement will expire on 31 December 2026, on 16 October 2026, the relevant parties entered into the 2027–2029 Heat Procurement Framework Agreement (Changre Group), the 2027–2029 Heat Procurement Framework Agreement (Datang JV), the 2027–2029 Construction Framework Agreement, the 2027–2029 Pipes Supply Framework Agreement and the 2027–2029 Tenancy Framework Agreement, to, among other things, extend the respective terms of the agreements to 31 December 2029.

II. THE NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

A. The 2027–2029 Heat Procurement Framework Agreement (Changre Group)

1. *Principal Terms*

Date:	16 October 2026
Parties:	(a) the Company (for itself and on behalf of its subsidiaries), as purchaser (b) Changre Group (for itself and on behalf of its subsidiaries other than the Group), as supplier
Subject matter:	The Controlling Shareholder Group shall supply heat to the Group in accordance with the requirements prescribed by the Group. The Controlling Shareholder Group will enter into separate contracts with the Group in respect of the Group's orders for heat.
Term:	From 1 January 2027 to 31 December 2029 (both days inclusive)

Pricing terms and pricing policy: The parties agree that the price at which the Group purchases heat from the Controlling Shareholder Group shall be determined by reference to the price charged by the Controlling Shareholder Group for the supply of heat to other Independent Third Party heat suppliers during the same period.

The price quoted by the Controlling Shareholder Group for the heat products supplied to the Group shall not exceed the state-prescribed price or state-recommended price for the relevant products stipulated by the PRC Government or the Jilin Provincial People's Government (where applicable). Where no state-prescribed price or state-recommended price applies to the relevant products, the quoted price shall not exceed the price charged by the Controlling Shareholder Group for the supply of heat to other Independent Third Party heat suppliers during the same period.

The transactions contemplated under the 2027–2029 Heat Procurement Framework Agreement (Changre Group) are conditional upon the Company obtaining the Independent Shareholders' approval of the 2027–2029 Heat Procurement Framework Agreement (Changre Group), the proposed annual caps and the transactions contemplated thereunder.

2. Implementation of the pricing policies by the Group

Currently, neither the PRC Government nor the Jilin Provincial People's Government has prescribed any state-prescribed price or state-recommended price for the heat supplied by the Controlling Shareholder Group to the Group. In determining the actual heat fee payable by the Group to the Controlling Shareholder Group, the Group will make reference to the expected heat fee as stated in the feasibility report for the Relocation (as defined below) and the heat fee charged by the Controlling Shareholder Group for supplying heat to two other heating companies to ensure that the actual heat fee per GJ charged by the Controlling Shareholder Group shall not exceed the price charged by the Controlling Shareholder Group for supplying heat to other Independent Third Party heat suppliers during the same period.

3. *Historical transaction amounts and the proposed annual caps*

The table below sets out (a) the historical transaction amounts for the transactions conducted pursuant to the 2024–2026 Heat Procurement Framework Agreement (Changre Group); and (b) the proposed annual caps for the transactions contemplated under the 2027–2029 Heat Procurement Framework Agreement (Changre Group) for the respective periods:

Actual amounts			Proposed annual caps		
FY2024	FY2025	FY2026 (up to 30 June 2026)	FY2027	FY2028	FY2029
RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
70,410	16,050	—	260,000	650,000	680,000

Note:

The heat procured by the Group from the Controlling Shareholder Group pursuant to the 2024–2026 Heat Procurement Framework Agreement (Changre Group) mainly comprises heat produced from the coal-fired boilers and the peak-shaving boilers owned by the Controlling Shareholder Group. Since the Group acquired certain heat production assets from the Controlling Shareholder Group in 2024 and 2025, the Group's demand for heat from the Controlling Shareholder Group reduced significantly since FY2025.

4. *Reasons for the transactions and proposed annual caps*

The Group sources heat from local cogeneration plants. No. 2 Cogeneration Plant, an Independent Third Party, has been the Group's supplier of heat for over 20 years.

No. 2 Cogeneration Plant is expected to relocate (the “**Relocation**”) to the suburb (the “**Relocated Plant**”) in the 2027/28 heat supply period which begins in mid October 2027. The distribution pipelines connecting the Relocated Plant with the Group's existing pipeline network (the “**Connecting Distribution Pipelines**”) are being constructed by the Controlling Shareholder Group and will be owned by the Controlling Shareholder Group upon completion. Upon completion of the Relocation, the heat procured by the Group from No. 2 Cogeneration Plant would first need to pass through the Connecting Distribution Pipelines before entering the Group's existing pipeline network. Hence, in practice, the Controlling Shareholder Group would first procure heat from No. 2 Cogeneration Plant and then re-sell the heat to the Group.

After the Relocation, No. 2 Cogeneration Plant is still the nearest cogeneration plant to the Group's operations. Having considered the stable supply of heat by No. 2 Cogeneration Plant throughout the years, the Company expects to continue procuring heat generated from No. 2 Cogeneration Plant going forward.

In arriving at the proposed annual caps, the Board considered the following factors:

- (a) the historical transaction amount of heat procured by the Group from No. 2 Cogeneration Plant;
- (b) the expected increase in amount of heat to be procured by the Group taking into account the "Jilin Province Urban Heating Continuous Quality Improvement and Efficiency Enhancement Action Plan (2026–2028)" which requires that the heating temperature be increased to 22 °C ;
- (c) the expected increase in the Group's heat supply area as a result of the continued expansion of the Group's business which leads to an increase in the Group's demand for heat; and
- (d) the expected heat fee of RMB57.3 per GJ as stated in the feasibility report for the Relocation after taking into consideration, coal costs, long-distance transmission costs, environmental compliance costs, pipeline network losses and reasonable operating costs. The expected heat fee fully covers all costs across the heat-supply chain, and is generally in line with prevailing market prices for comparable heat sources in nearby areas with similar transmission distances.

B. The 2027–2029 Heat Procurement Framework Agreement (Datang JV)

1. *Principal Terms*

Date: 16 October 2026

Parties: (a) the Company (for itself and on behalf of its subsidiaries), as purchaser

(b) Datang JV, as supplier

Subject matter: Datang JV shall supply heat to the Group in accordance with the requirements prescribed by the Group.

Datang JV will enter into separate contracts with the Group in respect of the Group's orders for heat.

Term: From 1 January 2027 to 31 December 2029 (both days inclusive)

Pricing terms and pricing policy: The parties agree that the actual heat fee payable by the Group to Datang JV shall be determined through fair negotiation between the parties as to be set out in the relevant separate contracts and on terms no less favourable than those offered to the Group by Independent Third Parties. Please refer to the paragraph headed "2. Implementation of the pricing policies by the Group" for further details.

The transactions contemplated under the 2027–2029 Heat Procurement Framework Agreement (Datang JV) are conditional upon the Company obtaining the Independent Shareholders' approval of the 2027–2029 Heat Procurement Framework Agreement (Datang JV), the proposed annual caps and the transactions contemplated thereunder.

2. *Implementation of the pricing policies by the Group*

The pricing terms and pricing policies adopted by the Group for the transactions contemplated under the 2027–2029 Heat Procurement Framework Agreement (Datang JV) will be the same as that under the 2024–2026 Heat Procurement Framework Agreement (Datang JV), details of which are set out below.

In determining the actual heat fee per GJ payable by the Group, the parties shall make references to the relevant historical prices for heat supply and collect industry information on market price and profitability from various sources, such as state-prescribed price, state-recommended price and other similar heat service providers, and determine the heat fee based on average market profit rate or on cost-plus basis in order to ensure the fairness and reasonableness of the rate. The costs of Datang JV mainly comprise price of raw materials and auxiliary materials such as coal, water, electricity, natural gas, wages and repairs and maintenance etc.

The parties further agree that the actual heat fee per GJ charged by Datang JV shall not be higher than the state-prescribed price or state-recommended price promulgated by the PRC Government or the Jilin Provincial People's Government (where applicable). If no state-prescribed price or state-recommended price is available, the actual heat fee per GJ charged by Datang JV shall not be higher than the fair market price.

At present, there is neither state-prescribed price nor state-recommended price governing the heat supplied by Datang JV to the Group. In determining the actual heat fee per GJ charged by Datang JV, the Group will make reference to such price offered by Independent Third Party supplier(s) as well as the Group's cost of heat production from coal-fired boilers to ensure that the price charged by Datang JV will be lower than the aforementioned comparable prices.

3. *Historical transaction amounts and the proposed annual caps*

The table below sets out (a) the historical transaction amounts for the transactions conducted pursuant to the 2024–2026 Heat Procurement Framework Agreement (Datang JV); and (b) the proposed annual caps for the transactions contemplated under the 2027–2029 Heat Procurement Framework Agreement (Datang JV) for the respective periods:

Actual amounts			Proposed annual caps		
		FY2026 (up to 30 June 2026)			
FY2024	FY2025		FY2027	FY2028	FY2029
<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
28,920	20,570	10,628	59,000	60,000	62,000

4. *Reasons for the transactions and proposed annual caps*

Datang JV is principally engaged in the provision of heat supply, construction, maintenance and distribution services to the automobile development zone in Changchun City and Xixing Energy, a wholly-owned subsidiary of the Company, has operations in Datang JV's heat service area. Given the convenient proximity of Datang JV, Xixing Energy has been purchasing heat from Datang JV since the 2019/20 heat supply period which commenced in October 2019.

In addition, the Group's heat supply area is expected to increase by approximately 1.00 million m² with effect from November 2026 (the "New Heat Supply Area"). The New Heat Supply Area is located in Datang JV's heat service area. In the event where the heat fee charged by Datang JV is lower than the Group's cost of heat production, it will be more beneficial and cost-efficient for the Group to procure heat from Datang JV instead.

Having considered the stable supply of heat by Datang JV, the ongoing operations of the Group and the existing pipeline network connecting Datang JV and the Group's heat supply area (i.e. Xixing Energy and the New Heat Supply Area), the Company considers that transactions contemplated under the 2027–2029 Heat Procurement Framework Agreement (Datang JV) could enable the Group to procure heat at a cost-efficient manner as compared to other heat suppliers.

Taking into account the fluctuations in raw materials for heat production, such as coal prices, in arriving at the proposed annual caps for the three years ending 31 December 2029, the Board has made reference to the average unit price of RMB71 per GJ over the past three years as well as the expected increase in the Group's demand for heat supplied by Datang JV resulting from the Group's operations of the New Heat Supply Area with effect from November 2026.

C. The 2027–2029 Pipes Supply Framework Agreement

1. *Principal Terms*

Date: 16 October 2026

Parties: (a) the Company (for itself and on behalf of its subsidiaries), as purchaser
(b) New Model Pipes (for itself and on behalf of its subsidiaries), as supplier

Subject matter: New Model Pipes Group shall supply pipes for heating supply to the Group in accordance with the requirements prescribed by the Group.

The Group will enter into separate implementation contracts with New Model Pipes Group in respect of each order for pipes.

Term: From 1 January 2027 to 31 December 2029 (both days inclusive)

Pricing terms and pricing policy: The price charged by New Model Pipes Group in respect of pipes ordered will be determined with reference to the relevant state-prescribed price. Where there is no state-prescribed price, reference will be made to the relevant state-recommended price. Where there is neither state-prescribed price nor state-recommended price, reference will be made to the regional market price of the same or comparable types of products that are offered to the Group by independent suppliers under normal commercial terms in the ordinary course of business and such price shall be no less favourable to the Group than that offered by independent suppliers to the Group.

If there is any national and/or local laws and regulations or government policies which require the parties to go through a tender process before conclusion of a contract, the parties should comply with such laws, regulations or policies and conclude such contract after completion of the tender process.

The transactions contemplated under the 2027–2029 Pipes Supply Framework Agreement are conditional upon the Company obtaining the Independent Shareholders’ approval of the 2027–2029 Pipes Supply Framework Agreement, the proposed annual caps and the transactions contemplated thereunder.

2. *Implementation of the pricing policies by the Group*

The pricing terms and pricing policies adopted by the Group for the transactions contemplated under the 2027–2029 Pipes Supply Framework Agreement will largely be the same as that under the 2024–2026 Pipes Supply Framework Agreement, details of which are set out below.

Where there is neither state-prescribed price nor state-recommended price, and the Group is required to make reference to regional market price of same or comparable types of products, the Group has adopted the following management procedures to determine the fairness and reasonableness of the price and terms offered to the Group by New Model Pipes Group:

(a) *For contracts that require a tender process:*

The procurement cost will depend on the outcome of a competitive bidding process. The Group will first draft and review the relevant tender invitation documentation and ensure that the terms and conditions required for the bidders, which are set out according to the Group's requirements and the then market practice, comply with the relevant PRC laws on tenders and the internal compliance manuals of the Company. The Group's management will assess and ensure that all winning bidders comply with the terms and conditions as set out in relevant tender invitation documentation.

(b) *For contracts that do not require a tender process:*

The Group will obtain quotations from at least three independent suppliers for similar products in similar quantities to determine if the price offered by New Model Pipes Group is fair and reasonable.

At present, all of the Group's procurement of pipes contracts are required to be conducted via tender process. All tenders are to be conducted in compliance with the "Tendering and Bidding Law of the PRC*" (《中華人民共和國招標投標法》), the "Regulations for the Implementation of the Tendering and Bidding Law of the PRC*" (《中華人民共和國招標投標法實施條例》) and the "Notice of the General Office of the National Development and Reform Commission on further implementing the 'Regulations on Engineering Projects which must be conducted via Bidding' and 'Provisions on the Scope of Infrastructure and Public Utility Projects Subject to Mandatory Bidding'*" (《國家發展改革委辦公廳關於進一步做好〈必須招標的工程項目規定〉和〈必須招標的基礎設施和公用事業項目範圍規定〉實施工作的通知》). The Company will set out the terms and conditions in the tender invitation documentation and will include a price ceiling for each bid. The price ceiling is set by the Company after taking into account the Group's historical procurement costs for the past two years, market price and prices quoted by suppliers who are Independent Third Parties.

During the tender process, each of the bidders (including New Model Pipes Group if it participates in the bidding process) will submit its tender setting out its terms and conditions for supplying pipes to the Group and will include the price of pipes intended to be charged by such bidder.

Each of the tender documents will be evaluated and assessed to choose the winning bidder. As such, the final procurement cost will depend on the outcome of a competitive bidding process and the price submitted by the bidders (including New Model Pipes Group if it has participated in the bidding process), which shall not be higher than the price ceiling set by the Company in the tender invitation documentation.

3. *Historical transaction amounts and the proposed annual caps*

The table below sets out (a) the historical transaction amounts for the transactions conducted pursuant to the 2024–2026 Pipes Supply Framework Agreement; and (b) the proposed annual caps for the transactions contemplated under the 2027–2029 Pipes Supply Framework Agreement for the respective periods:

Actual amounts			Proposed annual caps		
		FY2026 (up to 30 June 2026)			
FY2024	FY2025		FY2027	FY2028	FY2029
RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
26,490	32,150	—	155,000	85,000	55,000

Note:

The Group's procurement of pipes contracts are conducted via tender process. During the six months ended 30 June 2026, the Group has not purchased any pipes from New Model Pipes Group because in the first half of 2026, the Group procured pipes from Independent Third Parties for certain projects, while certain other projects for which New Model Pipes Group is the designated supplier are expected to commence only in the second half of 2026.

4. *Reasons for the transactions and proposed annual caps*

Pipe is one of the Group's key raw materials for its construction, maintenance and design services. Having considered the price, product quality, timely delivery and after-sales services offered by New Model Pipes Group to the Group, the Group has been purchasing pipes from New Model Pipes Group since 2017. It is expected that New Model Pipes Group will continue to participate in the Group's tender process where applicable and the Group will continue to purchase pipes from New Model Pipes Group going forward.

In 2026, pursuant to the latest national policies on ultra-long-term special treasury bond funding, support will be provided for renovation and upgrading initiatives under the "Two Major Undertakings" and "Two Renewals" programs, including projects to renovate aging pipeline networks and upgrade gas pipelines. These projects aim to eliminate safety hazards, safeguard basic livelihoods and address infrastructure shortcomings. A substantial portion of the pipeline network serving the Group's heat supply area is aging. As its service life increases, the network continues to deteriorate, giving rise to potential leakage risks. As such, the Group intends to apply for fundings to commence the aging pipeline networks renovation projects (老舊管網改造國債項目) (the "**Pipeline Renovation Projects**"). To pursue the Pipeline Renovation Projects, the Group expects there will be an increase in demand for pipes.

In arriving at the annual caps, the Board considered factors including the historical transaction amounts as well as the Group's expected increase in construction requirements and demand for pipes (including pipes for the Group's construction, maintenance and design services and for the Pipeline Renovation Projects) for the three years ending 31 December 2029.

D. The 2027–2029 Construction Framework Agreement

1. *Principal Terms*

Date: 16 October 2026

Parties: (a) Changre Group (for itself and on behalf of its subsidiaries other than the Group), as customer

(b) the Company (for itself and on behalf of its subsidiaries), as service provider

Subject matter: The Group shall provide construction, maintenance and design services to the Controlling Shareholder Group in accordance with the requirements prescribed by the Controlling Shareholder Group and the Group's regulations.

The services will include:

- (a) engineering construction services which include heating facility construction, pipeline installation, boiler installation, heat exchange station installation, heat facility management and construction management;
- (b) engineering maintenance services such as providing renovation, repair and replacement services for heat-supply facilities; and
- (c) design services such as designing and providing consultancy and technical services for construction projects of distribution networks, heat exchange stations, as well as boiler rooms.

The Group will enter into separate implementation contracts with the Controlling Shareholder Group in respect of each project.

Term: From 1 January 2027 to 31 December 2029 (both days inclusive)

Pricing terms and pricing policy: The price charged by the Group in respect of services provided by and materials supplied by the Group to the Controlling Shareholder Group will be determined with reference to the relevant state-prescribed price. Where there is no state-prescribed price, reference will be made to the relevant state-recommended price. Where there is neither state-prescribed price nor state-recommended price, reference will be made to the regional market price of the same or comparable types of services or materials that are offered by the Group to independent customers under normal commercial terms in the ordinary course of business and such price shall be no less favourable to the Group than that offered by the Group to independent customers.

If there is any national and/or local laws and regulations or government policies which require the parties to go through a tender process before conclusion of a contract, the parties should comply with such laws, regulations or policies and conclude such contract after completion of the tender process.

The transactions contemplated under the 2027–2029 Construction Framework Agreement are conditional upon the Company obtaining the Independent Shareholders’ approval of the 2027–2029 Construction Framework Agreement, the proposed annual caps and the transactions contemplated thereunder.

2. Implementation of the pricing policies by the Group

The pricing terms and pricing policies adopted by the Group for the transactions contemplated under the 2027–2029 Construction Framework Agreement will largely be the same as that under the 2024–2026 Construction Framework Agreement, details of which are set out below:

(a) Construction services and maintenance services

The Group provides its construction services and maintenance services on project basis and each project would require various types of services and raw materials.

Depending on the requirement of the individual project, the Group may be required to procure the necessary raw materials for the construction services and maintenance services as well. Hence, in addition to the service fees charged by the Group, the Group will also include the materials cost in its fee quote if the Group is required to procure the necessary raw materials.

In arriving at the final fee quote, the Group would need to aggregate the fees for each type of services and raw materials (where applicable) to be rendered under the project.

In general, the Group adopts the following pricing policies in determining the fees charged by the Group for each type of services and raw materials (where applicable):

- (i) where there is a state-prescribed price, the Group must follow the state-prescribed price as required by applicable laws and regulations;
- (ii) where there is no state-prescribed price but only the state-recommended price, while enterprises may choose to deviate from the state-recommended price, as part of the Group's internal policies, the Group will generally adopt the state-recommended price; and
- (iii) where there is neither state-prescribed price nor state-recommended price, the Group will make reference to the regional market price of the same or comparable types of services and/or materials that are offered to independent customers by the Group under normal commercial terms in the ordinary course of business.

Service fees

In determining the service fees, priority shall be given to tendering and competitive quotation procedures, and pricing may be determined with reference to the following regulations and policies, including the “Standard for Valuation of Construction Works Based on the Bill of Quantities*” (《建設工程工程量清單計價標準》) (GB/T50500-2024), the “Measures of Jilin Province for the Administration of Construction Project Costs (Provincial Government Decree No. 222)*” (《吉林省建設工程造價管理辦法(省政府令222號)》) and the

Jilin Provincial Construction Project Cost Information Website* (吉林省建設工程造價信息網) (www.jlszjw.com).

(b) *Raw materials price*

Currently, while there is no state-prescribed prices for raw materials, relevant government departments will provide state-recommended prices for certain types of raw materials from time to time. At present, the “Notice on Relevant Provisions for the Valuation of Construction Projects in Changchun City for 2022*” (《關於2022年長春市建設工程計價有關規定的通知》) published by the Changchun Urban and Rural Construction Committee* (長春市城鄉建設委員會), the Development and Reform Commission of Changchun City* (長春市發展和改革委員會) and the Finance Bureau of Changchun City* (長春市財務局) in April 2023 provides state-recommended prices for a variety of raw materials. As part of the Group’s internal policies, the Group will generally adopt these state-recommended prices for raw materials when formulating the fee quote.

For raw materials where there is neither state-prescribed price nor state-recommended price, the Group will make reference to the regional market price for that type of raw materials which could be found at the raw materials price website (廣材網) (www.gldjc.com) (the “**Raw Materials Price Website**”). The Raw Materials Price Website is recognised by market players within the construction industry as a reliable online pricing information platform which contains information as to the latest regional market prices and price trends for different types of construction materials in different cities.

(c) *Design services*

In determining the service fees charged by the Group for the design services to be rendered, the Group will adopt the following pricing policies:

- (i) where there is a state-prescribed price, the Group must follow the state-prescribed price as required by applicable laws and regulations;

- (ii) where there is no state-prescribed price but only the state-recommended price, while enterprises may choose to deviate from the state-recommended price, as part of the Group's internal policies, the Group will generally adopt the state-recommended price; and
- (iii) where there is neither state-prescribed price nor state-recommended price, the Group will make reference to the regional market price of the same or comparable types of services that are offered to independent customers by the Group under normal commercial terms in the ordinary course of business.

The China Engineering & Consulting Association* (中國勘察設計協會) (the “CECA”) formulates and updates the state-recommended prices for design services from time to time and in accordance with the “Announcement on the Statistical Analysis of the Information on the Cost Elements of Municipal Engineering Design Services*” (《關於市政工程設計服務成本要素信息統計分析情況的通報》) promulgated by the CECA and the “Administrative Regulations on Management of the Pricing of Engineering Survey and Design*” (《工程勘察設計收費管理規定》) promulgated by the State Planning Commission of the PRC* (中華人民共和國國家計劃委員會) and the Ministry of Construction of the PRC* (中華人民共和國建設部). These state-recommended prices could be found at the website of the CECA (www.chinaeda.org.cn). As part of the Group's internal policies, the Group will in general adopt these state-recommended prices when formulating the fee quote for its design services. Based on the information currently available to the Company (including the current applicable prevailing laws and regulations), while there is no state-prescribed price for design services, at present, there are state-recommended prices for all types of design services to be provided by the Group to the Controlling Shareholder Group.

3. *Historical transaction amounts and the proposed annual caps*

The table below sets out (a) the historical transaction amounts for the transactions conducted pursuant to the 2024–2026 Construction Framework Agreement; and (b) the proposed annual caps for the transactions contemplated under the 2027–2029 Construction Framework Agreement for the respective periods:

Actual amounts			Proposed annual caps		
		FY2026 (up to 30 June 2026)			
FY2024	FY2025		FY2027	FY2028	FY2029
RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
86,990	20,090	—	80,000	60,000	60,000

Note:

During the six months ended 30 June 2026, the Group has not provided services to the Controlling Shareholder Group pursuant to the 2024–2026 Construction Framework Agreement because the Group was not awarded with the relevant contracts via the tender process and certain other projects for which the Group is the designated service provider are expected to commence only in the second half of 2026.

4. *Reasons for the transactions and proposed annual caps*

The Controlling Shareholder Group requires certain construction, maintenance and design services during its course of business. Having considered the Group's competitive strengths in heat supply construction, maintenance and design services and the quality of the Group's services (including quality control and assurance services), the Controlling Shareholder Group has been procuring construction, maintenance and design services from the Group. It is expected that the Group will continue to participate in the Controlling Shareholder Group's tender process where applicable and the Group will continue to provide construction, maintenance and design services to the Controlling Shareholder Group going forward.

In arriving at the proposed annual caps, the Board considered the following factors:

- (a) the historical transaction amounts, the expected construction and installation costs, design costs and material costs with reference to the latest state-prescribed prices, state-recommended prices and market prices;
- (b) the schedule of potential projects which are available for the Company to participate in and to conclude contract with the Controlling Shareholder Group for each of the three years ending 31 December 2029. In particular, in addition to the regular projects such as engineering maintenance services, design services and pipe network transformation, it is expected that the Controlling Shareholder Group will apply for fundings from the ultra-long-term special treasury bonds to renovate its aging pipeline networks during the three years ending 31 December 2029, which in turn will increase the Controlling Shareholder Group's demand for construction, maintenance and design services; and
- (c) a buffer of approximately 5%–6% to cater for any possible unforeseeable circumstances such as fluctuation relating to the construction and installation costs, design costs and material costs.

III. THE PARTIALLY-EXEMPT CONTINUING CONNECTED TRANSACTIONS

A. The 2027–2029 Tenancy Framework Agreement

1. *Principal Terms*

Date: 16 October 2026

Parties: (a) Changre Group, as landlord
(b) the Company, as tenant

Subject matter: Changre Group (and its associates), as landlord, shall lease the Premises to the Company (and/or its subsidiaries), as tenant, subject to the terms and conditions of the 2027–2029 Tenancy Framework Agreement.

Separate tenancy agreement will be entered into between the relevant parties in respect of the tenancy arrangement for each Premises.

Term: From 1 January 2027 to 31 December 2029 (both days inclusive)

Pricing policy: The actual rent payable by the Group shall be arrived at after arm's length negotiations between the relevant parties and determined with reference to the prevailing market rent of premises of similar type and size in the proximity and the valuation of the premises conducted by an independent valuer on the market rental chargeable in respect of such Premises.

Right of First Refusal: During the term of the 2027–2029 Tenancy Framework Agreement, the Group shall be entitled to a first right of refusal to purchase the relevant Premises in the event Changre Group (and its associates) intends to transfer the ownership of such Premises. Should the Group decide to exercise the first right of refusal in the future, the Company shall comply with all applicable requirements under the Listing Rules.

2. *Historical transaction amounts and the proposed annual caps*

The total rent paid by the Group to Changre Group and its associates in respect of the Tenancy Arrangements under the 2024–2026 Tenancy Framework Agreement amounted to RMB3,220,000, RMB3,650,000 and RMB1,904,000 for FY2024, FY2025 and FY2026 (up to 30 June 2026), respectively.

Pursuant to the “China Accounting Standards for Business Enterprises No. 21–Leases” issued by the Ministry of Finance of the People's Republic of China, the Company as lessee shall recognise the present value of the lease payments for the right to use the Premises as right-of-use assets in the combined financial statements of the Company.

The table below sets out (a) the historical transaction amounts for the transactions conducted pursuant to the 2024–2026 Tenancy Framework Agreement; and (b) the proposed annual caps for the transactions contemplated under the 2027–2029 Tenancy Framework Agreement for the respective periods. These annual caps represent the aggregate value of the right-of-use assets relating to leases entered/to be entered into by the Group in each relevant year:

Actual amounts			Proposed annual caps		
		FY2026 (up to 30 June 2026)			
FY2024	FY2025		FY2027	FY2028	FY2029
RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
5,943	1,154	15,891	22,720	22,460	22,290

3. *Reasons for the transactions and proposed annual caps*

Premises 1, Premises 2, Premises 3, Premises 4, Premises 5, Premises 6, Premises 7 and Premises 8 are currently leased by the Group for office or warehouse use. These leases are due to expire in 2027, 2028 or 2029. Having considered the location of the Premises and the rent charged by Changre Group is fair, to ensure the continuous operations of the Group, the Company considers it necessary for the Group to continue with the Tenancy Arrangements going forward.

In arriving at the annual caps, the Board considered factors including the size of the Premises subject to the 2027–2029 Tenancy Framework Agreement, the historical rent paid by the Group to Changre Group and its associates in respect of the leasing of the Premises, the expected increase in market rent of premises of similar type and size in the proximity of the Premises, and the expected increase in the aggregate gross floor area of the premises to be leased by the Group from Changre Group and its associates in view of the continuous expansion of the Group's business operations.

IV. INTERNAL CONTROL MEASURES ADOPTED BY THE GROUP

The Group has adopted the following internal control measures over the Continuing Connected Transactions:

1. the Company has adopted the Connected Transactions Management Regulations (《關連交易管理規定》) which provides that all connected transactions (including the transactions contemplated under the CCT Agreements) shall comply with the relevant Listing Rules' requirements and the Connected Transactions Management Regulations, including but not limited to (a) the transactions must be conducted on normal commercial terms or better and the terms are no less favourable to the Group than terms available to independent customers by the Group; (b) the transactions are carried out in accordance with the Company's pricing policies and the terms of the relevant CCT Agreement;
2. in respect of the transactions contemplated under the 2027–2029 Heat Procurement Framework Agreement (Changre Group) and the 2027–2029 Heat Procurement Framework Agreement (Datang JV), the Group will closely monitor the actual unit price per GJ of heat supplied by the Controlling Shareholder Group or Datang JV (as appropriate) by adopting the procedures set out in this announcement. In addition, the Group will, take into account the current operating costs of the Group's self-owned boilers and compare such operating costs with that offered by the Controlling Shareholder Group or Datang JV (as appropriate). In the event where the price offered by Independent Third Parties to the Group are more favourable to the Group than that offered by the Controlling Shareholder Group or Datang JV (as appropriate), the Group will purchase heat from such Independent Third Parties instead given the Group's primary pipeline network is also connected with the network of certain Independent Third Parties. The Directors are of the view that the aforementioned methods and procedures would enable the Company to ensure that the transactions contemplated under the 2027–2029 Heat Procurement Framework Agreement (Changre Group) and the 2027–2029 Heat Procurement Framework Agreement (Datang JV) will be conducted on normal commercial terms and not prejudicial to the interests of the Company and its minority Shareholders;

3. in respect of the transactions contemplated under the 2027–2029 Construction Framework Agreement:

- (a) *for contracts that require a tender process* — prior to submitting the bidding documents to the Controlling Shareholder Group, the Company’s tender team will review the bidding documents to ensure that (i) the tender documents are prepared in accordance with applicable laws and regulations and the Controlling Shareholder Group’s requirements; (ii) the quoted prices comply with the Group’s pricing policies as stated above; (iii) the transactions are carried out in accordance with the 2027–2029 Construction Framework Agreement; and (iv) the transactions are conducted on normal commercial terms or better and the service fees and materials prices (where applicable) offered in the bidding documents is not lower than those offered or quoted to independent customers for similar services. Since every project is unique and not identical, the Group will compare the fee quote provided to the Controlling Shareholder Group with at least one recent fee quote provided to independent customers to ensure that the fee quoted in the bidding documents is not lower than those offered or quoted to independent customers for similar projects. The Company considers that comparison with only one fee quote is sufficient given most of the services and/or materials provided by the Group are subject to state-prescribed prices or state-recommended prices and that regional market price serves as a more up-to-date benchmark given the volatility in materials prices;
- (b) *for contracts that do not require a tender process* — prior to providing the fee quotations to the Controlling Shareholder Group, the accounting department (核算部) of the relevant subsidiary will review the fee quotations to ensure that (i) the quoted prices comply with the Group’s pricing policies as stated above; (ii) the transactions are carried out in accordance with the 2027–2029 Construction Framework Agreement; and (iii) the transactions are conducted on normal commercial terms or better and the service fees and materials prices (where applicable) offered to the Controlling Shareholder Group is not lower than those offered or quoted to independent customers for similar services. Since every project is unique and not identical, the Group will compare the fee quote provided to the Controlling Shareholder Group with at least one recent fee quote provided to independent customers to ensure that the fee quoted in the quotation documents is not lower than those offered or quoted to independent customers for similar projects. The Company considers that comparison with only one fee quote is sufficient given most of the services and/or materials provided by the Group are subject to state-

prescribed prices or state-recommended prices and that regional market price serves as a more up-to-date benchmark given the volatility in materials prices;

4. the Company's planning and management department will closely monitor the total transaction amount to ensure that the respective proposed annual caps in respect of the each of the Continuing Connected Transactions will not be exceeded;
5. the Company's planning and management department shall prepare reports containing total transaction amount under each of the CCT Agreements on a monthly basis and submit such reports to the Company's internal control audit department on a quarterly basis;
6. based on the reports prepared by the Company's planning and management department, the Company's internal control audit department shall conduct quarterly reviews on the Company's subsidiaries to ensure that (a) the subsidiaries have complied with the Company's Connected Transactions Management Regulations; (b) the transactions contemplated under each of the CCT Agreements are conducted on normal commercial terms or better and the terms are no less favourable to the Group than terms available to independent customers by the Group; and (c) the transactions are carried out in accordance with the Company's pricing policies and the terms of the relevant CCT Agreement. The Company's internal control audit department shall report on its findings relating to the Continuing Connected Transactions to the Company's management on a quarterly basis;
7. the Company's external auditors will review the Continuing Connected Transactions annually to check and confirm (among others) whether the pricing terms have been adhered to and whether the relevant caps have been exceeded; and
8. the independent non-executive Directors will review the Continuing Connected Transactions annually to check and confirm whether such Continuing Connected Transactions are conducted in the ordinary and usual course of business of the Group, on normal commercial terms or better, in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole, and whether the internal control procedures put in place by the Company are adequate and effective to ensure that such Continuing Connected Transactions were conducted in accordance with the pricing policies set out in such relevant agreements.

V. INFORMATION OF THE PARTIES INVOLVED

A. The Company

The Company is a China-based company mainly engaged in heating service business. The Company operates its business through two segments, namely heat supply segment and construction, maintenance and design services segment. Heat supply segment mainly provides heat supply services within Jilin Province. Construction, maintenance and design services segment mainly provides engineering construction, engineering maintenance, design and related services. The Company mainly conducts its business in the Chinese domestic market.

B. Changre Group

Changre Group is a state-owned company established on 28 April 1998 in Changchun City, the PRC, and is wholly-owned by the State-owned Assets Supervision and Administration Commission of Changchun (長春市人民政府國有資產監督管理委員會). Changre Group and its subsidiaries are mainly engaged in property management, water supply, pipeline manufacturing, heat production and supply, sale of industrial steam and financial investments.

C. Datang JV

Datang JV is a company established in the PRC and is owned by Changre Group and Datang Jilin Power Generation Co., Ltd.* (大唐吉林發電有限公司) as to 35% and 65%, respectively. Datang Jilin Power Generation Co., Ltd.* (大唐吉林發電有限公司) is a wholly-owned subsidiary of China Datang Corporation Ltd.* (中國大唐集團有限公司), a state-owned enterprise.

Datang JV is an associate of Changre Group and is principally engaged in the provision of heat supply, construction, maintenance and distribution services to the automobile development zone in Changchun City.

D. New Model Pipes

New Model Pipes is a company established in the PRC and is owned by Changre Group as to 35%, Changchun Yude Pipes Co., Ltd.* (長春禹德管業有限公司) as to 33%, Jilin Province Xinda Investment Co., Ltd.* (吉林省新達投資有限公司) as to 24.5% and Langfang Huayu Tianchuang Energy Equipment Co., Ltd.* (廊坊華宇天創能源設備有限公司) as to 7.5%. Changchun Yude Pipes Co., Ltd.* (長春禹德管業有限公司) is a company owned by Liu Lizhi (劉立志), an Independent Third Party, as to approximately 90.9%. Jilin Province Xinda Investment Co., Ltd.* (吉林省新達投資有限公司) is a company owned as to approximately 47.7% by Jilin

Ruiwen Investment Consulting Partnership (Limited Partnership) (吉林睿文投資諮詢合夥企業)(有限合夥), 29.1% by Changre Group and 23.2% by Shiwei Investment Holding Co., Ltd.* (世為投資控股有限公司). Langfang Huayu Tianchuang Energy Equipment Co., Ltd.* (廊坊華宇天創能源設備有限公司) is owned by four Independent Third Parties, namely Duan Wenyu (段文宇), Li Yunhui (李雲輝), Duan Wenhui (段文暉) and Duan Shufeng (段書峰) as to approximately 59.9%, 24.1%, 15.5% and 0.5%, respectively.

New Model Pipes is an associate of Changre Group and is principally engaged in pipeline manufacturing.

VI. LISTING RULES IMPLICATIONS

Changre Group is a controlling shareholder of the Company holding approximately 69.75% of the total share capital of the Company and thus a connected person of the Company. Each of New Model Pipes and Datang JV is an associate of Changre Group and hence is a connected person of the Company. As such, each of the Continuing Connected Transactions constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

A. The Non-exempt Continuing Connected Transactions

Pursuant to Chapter 14A of the Listing Rules, the transactions as contemplated under the 2027–2029 Heat Procurement Framework Agreement (Changre Group) and the 2027–2029 Heat Procurement Framework Agreement (Datang JV) shall be aggregated because the counterparties for these two agreements are either Changre Group or its associate (i.e. Datang JV) and the nature of the transactions contemplated under these two agreements are the same. As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules for the transactions contemplated under each of the 2027–2029 Heat Procurement Framework Agreement (Changre Group) and the 2027–2029 Heat Procurement Framework Agreement (Datang JV), on a standalone basis, or when aggregated with each other are, on an annual basis, over 5%, the 2027–2029 Heat Procurement Framework Agreement (Changre Group) and the 2027–2029 Heat Procurement Framework Agreement (Datang JV) and the transactions contemplated thereunder are subject to the reporting, announcement, independent shareholders' approval and annual review requirements under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios as calculated under Rule 14.07 of the Listing Rules for the transactions contemplated under each of the 2027–2029 Pipes Supply Framework Agreement and the 2027–2029 Construction Framework Agreement are, on an annual basis, over 5%, each of the 2027–2029 Pipes Supply Framework Agreement and the 2027–2029 Construction Framework Agreement and the transactions contemplated thereunder are subject to the reporting, announcement, independent shareholders' approval and annual review requirements under Chapter 14A of the Listing Rules.

B. The Partially-exempt Continuing Connected Transactions

As one or more of the applicable percentage ratios as calculated under Rule 14.07 of the Listing Rules for the Partially-exempt Continuing Connected Transactions are, on an annual basis, over 0.1% but all of them are less than 5%, the Partially-exempt Continuing Connected Transactions are subject to the reporting, announcement and annual review requirements but exempt from the circular, independent financial advice and shareholders' approval requirements under Chapter 14A of the Listing Rules.

Pursuant to the Listing Rules and the Articles of Association, Mr. Song Chi is considered having direct or indirect material interests in each of the CCT Agreements by virtue of Mr. Song Chi being the chairman of the board of Changre Group. Accordingly, Mr. Song Chi has abstained from voting at the relevant Board meeting to approve each of the CCT Agreements (including the relevant proposed annual caps) and the transactions contemplated thereunder.

Save as disclosed above, none of the Directors attending the Board meeting has a material interest in or is required to abstain from voting on the board resolutions in relation to the CCT Agreements (including the relevant proposed annual caps) and the transactions contemplated thereunder.

The terms of each of the CCT Agreements were agreed by the relevant parties after arm's length negotiations.

Based on the reasons for and benefits of each of the Continuing Connected Transactions as set out in this announcement:

1. the Directors (excluding (a) Mr. Song Chi who abstained from voting at the relevant Board meeting to approve each of the Non-exempt CCT Agreements (including the relevant proposed annual caps) and the transactions contemplated thereunder as required by the Listing Rules and the Articles of Association; and (b) the independent non-executive Directors whose view will be set out in the circular to be issued by the Company after taking into

consideration the advice of the Independent Financial Adviser) consider (i) each of the Non-exempt CCT Agreements and the transactions contemplated thereunder to be in the interests of the Group and the Shareholders as a whole, on normal commercial terms or better and in the ordinary and usual course of business of the Group; and (ii) the terms of each of the Non-exempt CCT Agreements (including the relevant proposed annual caps) to be fair and reasonable; and

2. the Directors (excluding Mr. Song Chi who abstained from voting at the relevant Board meeting to approve the Partially-exempt Continuing Connected Transactions as required by the Listing Rules and the Articles of Association) consider (i) the Partially-exempt Continuing Connected Transactions to be in the interests of the Group and the Shareholders as a whole, on normal commercial terms or better and in the ordinary and usual course of business of the Group; and (ii) the terms of the 2027–2029 Tenancy Framework Agreement (including the relevant proposed annual caps) to be fair and reasonable.

VII. GENERAL

The Independent Board Committee has been established to advise the Independent Shareholders as to each of the Non-exempt CCT Agreements (together with the relevant proposed annual caps) and the transactions contemplated thereunder.

The Independent Financial Adviser, Giraffe Capital Limited, has been appointed to advise the Independent Board Committee and the Independent Shareholders in respect of each of the Non-exempt CCT Agreements (together with the relevant proposed annual caps) and the transactions contemplated thereunder.

At the EGM, ordinary resolutions, among other things, will be put forward for the Independent Shareholders to consider and, if appropriate, to approve each of the Non-exempt CCT Agreements (together with the relevant proposed annual caps) and the transactions contemplated thereunder.

Shareholders who have a material interest are required to abstain from voting in respect of the resolutions in respect of each of the Non-exempt CCT Agreements (together with the relevant proposed annual caps) and the transactions contemplated thereunder at the EGM.

As at the date of this announcement, Changre Group held 325,500,000 Domestic Shares, representing approximately 69.75% of the total share capital of the Company and shall abstain from voting on the resolutions to be proposed at the EGM in respect of each of the Non-exempt CCT Agreements (together with the relevant proposed annual caps) and the transactions contemplated thereunder.

Save as disclosed above, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholders will be required to abstain from voting on the relevant resolution approving each of the Non-exempt CCT Agreements (together with the relevant proposed annual caps) and the transactions contemplated thereunder at the EGM.

A circular of the Company containing, among other things, (i) details of each of the Non-exempt CCT Agreements (together with the relevant proposed annual caps) and the transactions contemplated thereunder; (ii) the letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders on each of the Non-exempt CCT Agreements (together with the relevant proposed annual caps) and the transactions contemplated thereunder; and (iii) the recommendation of the Independent Board Committee regarding each of the Non-exempt CCT Agreements (together with the relevant proposed annual caps) and the transactions contemplated thereunder to the Independent Shareholders, is expected to be despatched to the Shareholders on or before 27 November 2026 to allow sufficient time to finalise the contents of the circular.

VIII. DEFINITIONS

In this announcement, unless otherwise defined, terms used herein shall have the following meanings:

“2024–2026 Construction Framework Agreement”	the construction framework agreement dated 11 October 2023 and entered into between the Company (for itself and on behalf of its subsidiaries) and Changre Group (for itself and on behalf of its subsidiaries other than the Group), whereby the Group agrees to provide construction, maintenance and design services to the Controlling Shareholder Group
“2024–2026 Heat Procurement Framework Agreement (Changre Group)”	the heat procurement framework agreement dated 11 October 2023 and entered into between the Company (for itself and on behalf of its subsidiaries) and Changre Group (for itself and on behalf of its subsidiaries other than the Group) in relation to the procurement of heat by the Group from the Controlling Shareholder Group

“2024–2026 Heat Procurement Framework Agreement (Datang JV)”	the heat procurement framework agreement 11 October 2023 and entered into between the Company (for itself and on behalf of its subsidiaries) and Datang JV, in relation to the procurement of heat by the Group from Datang JV
“2024–2026 Pipes Supply Framework Agreement”	the pipes supply framework agreement dated 11 October 2023 and entered into between the Company (for itself and on behalf of its subsidiaries) and New Model Pipes (for itself and on behalf of its subsidiaries), whereby New Model Pipes Group agrees to supply pipes for heating supply to the Group
“2024–2026 Tenancy Framework Agreement”	the tenancy framework agreement dated 11 October 2023 and entered into between the Company and Changre Group in relation to the Tenancy Arrangements
“2027–2029 Construction Framework Agreement”	the construction framework agreement dated 16 October 2026 and entered into between the Company (for itself and on behalf of its subsidiaries) and Changre Group (for itself and on behalf of its subsidiaries other than the Group), whereby the Group agrees to provide construction, maintenance and design services to the Controlling Shareholder Group
“2027–2029 Heat Procurement Framework Agreement (Changre Group)”	the heat procurement framework agreement dated 16 October 2026 and entered into between the Company (for itself and on behalf of its subsidiaries) and Changre Group (for itself and on behalf of its subsidiaries other than the Group) in relation to the procurement of heat by the Group from the Controlling Shareholder Group
“2027–2029 Heat Procurement Framework Agreement (Datang JV)”	the heat procurement framework agreement 16 October 2026 and entered into between the Company (for itself and on behalf of its subsidiaries) and Datang JV, in relation to the procurement of heat by the Group from Datang JV

“2027–2029 Pipes Supply Framework Agreement”	the pipes supply framework agreement dated 16 October 2026 and entered into between the Company (for itself and on behalf of its subsidiaries) and New Model Pipes (for itself and on behalf of its subsidiaries), whereby New Model Pipes Group agrees to supply pipes for heating supply to the Group
“2027–2029 Tenancy Framework Agreement”	the tenancy framework agreement dated 16 October 2026 and entered into between the Company and Changre Group in relation to the Tenancy Arrangements
“Articles of Association”	the articles of association of the Company
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“CCT Agreements”	collectively, the 2027–2029 Heat Procurement Framework Agreement (Changre Group), the 2027–2029 Heat Procurement Framework Agreement (Datang JV), the 2027–2029 Construction Framework Agreement, the 2027–2029 Pipes Supply Framework Agreement and the 2027–2029 Tenancy Framework Agreement
“Changre Group”	Changchun Heating Power (Group) Company Limited* (長春市熱力(集團)有限責任公司), 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), presently a joint stock company with limited liability which was incorporated in the PRC on 23 October 2017 and the H Shares of which are listed on the Main Board of the Hong Kong Stock Exchange
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules

“Continuing Connected Transactions”	collectively, the Partially-exempt Continuing Connected Transactions and the Non-exempt Continuing Connected Transactions
“Controlling Shareholder Group”	Changre Group and its subsidiaries (other than the Group)
“controlling shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Datang JV”	Datang Changre Jilin Heating Company Limited* (大唐長熱吉林熱力有限公司), a joint venture company established in the PRC on 23 March 2017 and is owned by Changre Group and Datang Jilin Power Generation Co., Ltd.* (大唐吉林發電有限公司) as to 35% and 65%, respectively. It is an associate of Changre Group and a connected person of the Company
“Director(s)”	the director(s) of the Company
“Domestic Share(s)”	domestic Share(s), which are subscribed for in RMB and held by PRC nationals or PRC incorporated entities, and are not listed or traded on any stock exchange
“EGM”	the first extraordinary general meeting of 2026 or any adjournment thereof of the Company to be convened to consider and if appropriate, to approve, among other things, each of the Non-exempt CCT Agreements (together with the relevant proposed annual caps) and the transactions contemplated thereunder
“FY2024”	the financial year ended 31 December 2024
“FY2025”	the financial year ended 31 December 2025
“FY2026”	the financial year ending 31 December 2026
“FY2027”	the financial year ending 31 December 2027
“FY2028”	the financial year ending 31 December 2028
“FY2029”	the financial year ending 31 December 2029

“GJ”	gigajoule, a unit of energy
“Group”	the Company and its subsidiaries from time to time
“H Share(s)”	overseas listed foreign Share(s), which are subscribed for and traded in HK\$ and listed on the Main Board of the Hong Kong Stock Exchange
“H Shareholder(s)”	holder(s) of H Share(s)
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“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
“Independent Board Committee”	an independent committee of the Board, comprising all the independent non-executive Directors, namely Ms. Zhang Yan, Ms. Du Jie and Mr. Chan Sing Fai, and formed to advise the Independent Shareholders in relation to each of the Non-exempt CCT Agreements (together with the relevant proposed annual caps) and the transactions contemplated thereunder
“Independent Financial Adviser”	Giraffe Capital Limited, a licensed corporation to carry on Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong), which has been appointed to advise the Independent Board Committee and the Independent Shareholders in respect of each of the Non-exempt CCT Agreements (together with the relevant proposed annual caps) and the transactions contemplated thereunder

“Independent Shareholder(s)”	Shareholder(s) who are not required under the Listing Rules to abstain from voting on the resolutions for approving each of the Non-exempt CCT Agreements (together with the relevant proposed annual caps) and the transactions contemplated thereunder at the EGM
“Independent Third Party(ies)”	third party(ies) independent of the Company and its connected persons
“Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange, as amended from time to time
“New Model Pipes”	Jilin Province New Model Pipes Co., Ltd* (吉林省新型管業有限責任公司), a company established in the PRC on 27 July 2017 and is owned by Changre Group as to 35%, Changchun Yude Pipes Co., Ltd.* (長春禹德管業有限公司) as to 33%, Jilin Province Xinda Investment Co., Ltd.* (吉林省新達投資有限公司) as to 24.5% and Langfang Huayu Tianchuang Energy Equipment Co., Ltd.* (廊坊華宇天創能源設備有限公司) as to 7.5%. It is an associate of Changre Group and a connected person of the Company
“New Model Pipes Group”	New Model Pipes and its subsidiaries
“No. 2 Cogeneration Plant”	Datang Changchun No. 2 Thermoelectricity Limited* (大唐長春第二熱電有限責任公司), Changchun Thermoelectricity Development Company* (長春熱電發展有限公司) (deregistered), Datang Jilin Power Generation Co., Ltd. Heating Branch* (大唐吉林發電有限公司熱力分公司), subsidiaries and branch of their holding company Datang Jilin Power Generation Co., Ltd.* (大唐吉林發電有限公司), which are Independent Third Parties and primarily engaged in power generation and heating generation businesses, and where the context requires, the cogeneration plant operated, individually or collectively by the above

“Non-exempt CCT Agreements”	collectively, the 2027–2029 Heat Procurement Framework Agreement (Changre Group), the 2027–2029 Heat Procurement Framework Agreement (Datang JV), the 2027–2029 Construction Framework Agreement and the 2027–2029 Pipes Supply Framework Agreement
“Non-exempt Continuing Connected Transactions”	collectively, the transactions contemplated under the 2027–2029 Heat Procurement Framework Agreement (Changre Group), the 2027–2029 Heat Procurement Framework Agreement (Datang JV), the 2027–2029 Construction Framework Agreement and the 2027–2029 Pipes Supply Framework Agreement
“Partially-exempt Continuing Connected Transactions”	the transactions contemplated under the 2027–2029 Tenancy Framework Agreement
“PRC”	the People’s Republic of China, excluding, for the purpose of this announcement, Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Premises”	collectively, (a) Premises 1, Premises 2, Premises 3, Premises 4, Premises 5, Premises 6, Premises 7 and Premises 8 with an aggregate gross floor area of 22,467.59 m ² which are owned by Changre Group or its associates and currently leased to the Group for office or warehouse use; and (b) such other premises owned by Changre Group or its associates which are leased to the Group pursuant to the 2027–2029 Tenancy Framework Agreement
“Premises 1”	the premises situated at No. 5 Heping Street, Luyuan District, Changchun City (長春市綠園區和平大街5號)
“Premises 2”	the premises situated at 500 meters south of the intersection of Liuying West Road and Qingtianshu Street, Nanguan District, Changchun City (長春市南關區柳鶯西路與擎天樹街交匯南行500米)
“Premises 3”	the premises situated at Xichang Community, Chaoyang District (朝陽區西昌小區)

“Premises 4”	the premises situated at B1/F, 1/F, hall at 2/F, 3/F, 6/F, 8/F and 9/F, No. 998 Nanhu Road, Nanguan District, Changchun City (長春市南關區南湖大路998號負一層、一層、二層禮堂、三層、六層、八層、九層)
“Premises 5”	the house situated inside the Water Culture Park on Dongling South Street, Nanguan District, Changchun City (長春市南關區東嶺南街水文化園院內房屋)
“Premises 6”	the three-storey building situated in the Anda Residential Area in Chaoyang District, Changchun City (長春市朝陽區安達社區共三層房屋)
“Premises 7”	the premises situated at certain areas on 4/F and 7/F, No. 998 Nanhu Road, Nanguan District, Changchun City (長春市南關區南湖大路998號四層部分區域、七層)
“Premises 8”	the premises situated at 2/F, (rooms other than the auditorium), the southern section on 4/F and 5/F, No. 998 Nanhu Road, Nanguan District, Changchun City (長春市南關區南湖大路998號二層(除禮堂以外房間)、四層南側、五層)
“RMB”	Renminbi yuan, the lawful currency of the PRC
“Share(s)”	ordinary share(s) in the capital of the Company with nominal value of RMB1.00 each
“Shareholder(s)”	holder(s) of the Share(s)
“state-prescribed price”	the price set by the PRC Government or the Jilin Provincial People’s Government for a particular service, product or material
“state-recommended price”	the price recommended by the PRC Government or the Jilin Provincial People’s Government for a particular service, product or material
“subsidiary(ies)”	has the meaning ascribed thereto under the Listing Rules

“Tenancy Arrangements”	the tenancy arrangements between the Company and its subsidiaries (as tenant) and Changre Group and its associates (as landlord)
“Xixing Energy”	Jilin Province Xixing Energy Limited* (吉林省西興能源有限公司), a wholly-owned subsidiary of the Company
“m ² ”	square metres
“%”	per cent.

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

Jilin, the PRC, 16 October 2026

As at the date of this announcement, the non-executive Directors 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*