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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)

Profit Warning

This announcement is made by Jilin Province Chuncheng Heating Company Limited* (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to the Inside Information Provisions (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”)) of Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 13.09(2)(a) of the Listing Rules.

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders (the “**Shareholders**”) and potential investors of the Company that, based on the preliminary assessment of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2022 (“**2022 Interim Period**”) and the information currently available, it is expected that a net profit of approximately RMB63 million will be recorded for the 2022 Interim Period, representing a decrease of approximately 50% as compared with the net profit for the corresponding period in 2021.

The expected decrease is mainly attributable to (among others) the following factors: (i) there was a sudden outbreak of novel coronavirus (“**COVID-19 Epidemic**”) in Changchun City from early March to early May 2022. During the prevention and control period of the COVID-19 Epidemic, the government required an extension of heat supply for seven days, the Company’s heat supply to customers increased accordingly, which resulted in a significant increase in the cost of heat supply in the first half of 2022; (ii) due to the rising coal prices, certain cogeneration plants reduced the output of heat transfer, and the duration for heat supply using coal-fired boilers by Jilin Province Xixing Energy Limited* (吉林省西興能源有限公司), a subsidiary of the Company, in the 2022 Interim Period increased as compared with the corresponding period in the last year, which resulted in an increase in the cost of heat supply; and (iii) an increase in the ageing of contract assets of Jilin Province Changre Maintenance Service Company Limited* (吉林省長熱維修實業有限公司) and Changchun Runfeng Construction Installation Engineering Company Limited* (長春市潤鋒建築安裝工程有限責任公司), subsidiaries of the Company, which resulted in an increase in impairment loss provided for contract assets.

The information contained in this announcement only represents a preliminary assessment by the Board based on the unaudited consolidated management accounts of the Group for the 2022 Interim Period and the information currently available to the Group, which have neither been reviewed or audited by the auditor of the Company nor reviewed by the audit committee of the Company, and therefore may be subject to change. The Company is still in the process of finalizing the Group's interim results for the 2022 Interim Period, which is expected to be released on or before 31 August 2022 in accordance with the requirement of the Listing Rules.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

By order of the Board
Jilin Province Chuncheng Heating Company Limited*
Liu Changchun
Chairman

Jilin, the PRC, 15 August 2022

As at the date of this announcement, the non-executive Director is Mr. Liu Changchun (Chairman); the executive Directors are Mr. Yang Zhongshi, Mr. Shi Mingjun, Mr. Xu Chungang and Mr. Li Yeji; and the independent non-executive Directors are Mr. Wang Yuguo, Mr. Fu Yachen and Mr. Poon Pok Man.

* *For identification purpose only*