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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

CLARIFICATION ANNOUNCEMENT

Reference is made to the announcement of Jilin Province Chuncheng Heating Company Limited (the “**Company**”) dated 11 October 2023, in relation to, among other things, certain continuing connected transactions entered into by the Company (the “**Announcement**”). Unless defined otherwise, terms used in this announcement shall have the same meanings as those defined in the Announcement.

As disclosed in the Announcement, according to the terms of the 2024–2026 Tenancy Framework Agreement, the total rent payable by the Group to Chuncheng Investment, its associates and related legal persons in respect of the Tenancy Arrangements shall not exceed RMB10,000,000, RMB10,000,000 and RMB10,000,000 for the year ending 31 December 2024, 2025 and 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.

As such, the proposed annual caps for the transactions contemplated under the 2024–2026 Tenancy Framework Agreement, which reflect the estimated total value of right-of-use assets relating to the transactions contemplated under the 2024–2026 Tenancy Framework Agreement, should be as follows:

FY2024 (Proposed annual cap) <i>RMB'000</i>	FY2025 (Proposed annual cap) <i>RMB'000</i>	FY2026 (Proposed annual cap) <i>RMB'000</i>
26,300	26,300	26,300

As one or more of the applicable percentage ratios as calculated under Rule 14.07 of the Listing Rules in respect of the aforementioned annual caps are, on an annual basis, over 0.1% but all of them are less than 5%, the transactions contemplated under the 2024–2026 Tenancy Framework Agreement 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.

Save as disclosed above, all other information in the Announcement remains accurate and unchanged.

By order of the Board
Jilin Province Chuncheng Heating Company Limited*
SUN Huiyong
Chairman

Jilin, the PRC, 13 October 2023

As at the date of this announcement, the non-executive Director of the Company is Mr. Sun Huiyong (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*