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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)

DISCLOSEABLE TRANSACTION PROVISION OF THE LOAN

THE LOAN AGREEMENT

The Board announces that on 11 December 2024, the Company and the Borrower entered into the Loan Agreement, pursuant to which the Company has agreed to provide the Loan in the amount of RMB138 million to the Borrower in accordance with the terms and conditions of the Loan Agreement.

LISTING RULES IMPLICATIONS

As more than one applicable percentage ratios as calculated under Rule 14.07 of the Listing Rules in respect of the provision of the Loan exceed 5% but all of them are less than 25%, the provision of the Loan constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements thereunder.

I. THE LOAN AGREEMENT

The key terms of the Loan Agreement are set out below:

Date: 11 December 2024

Parties: (a) The Company, as lender
(b) The Borrower, as borrower

Principal: RMB138 million

Purpose of the Loan: The Loan shall be used by the Borrower to finance its daily operations.

Term: 12 December 2024 to 12 December 2029 (the “**Maturity Date**”)

The Borrower shall provide a 60-day written notice to the Company if it intends to extend the Maturity Date. Subject to the Company’s compliance with applicable Listing Rules, the Company and the Borrower shall enter into a new agreement regarding the extension.

Interest: 4.5% per annum

The Borrower shall repay any accrued interests on a quarterly basis.

Repayment: During the term of the Loan, the Company has the right to require the Borrower to repay the Loan at any time before the Maturity Date and shall notify the Borrower 5 working days in advance.

Likewise, the Borrower may apply for early repayment of the Loan and notify the Company 5 working days in advance.

Unless the Loan is repaid by the Borrower prior to the Maturity Date, the Borrower shall repay the Loan together with any outstanding accrued interest in full on the Maturity Date.

Drawdown: The Company shall make available the Loan to the Borrower within 3 working days after the execution of the Loan Agreement.

II. INFORMATION ON THE COMPANY AND THE BORROWER

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

maintenance related services such as engineering construction, engineering maintenance, design, electrical appliances and instrument maintenance. The Company mainly conducts its business in the Chinese domestic market.

The Borrower is a wholly-owned subsidiary of Changchun Urban Development, a state-owned enterprise which is wholly-owned by the Changchun State-owned Assets Supervision and Administration Commission* (長春市國有資產監督管理委員會).

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Borrower and its ultimate beneficial owner(s) are third parties independent of, and not connected with, the Company and/or its connected persons.

III. REASONS FOR AND BENEFITS OF THE PROVISION OF THE LOAN

The Borrower is principally engaged in urban infrastructure investment and financing, development and construction as well as operation management and services. It aims to solve urban underground pipeline problems, improve the current status of underground pipeline networks, and promote the comprehensive development and utilization of underground space resources.

Based on the information provided by the Borrower, the Borrower has net assets of approximately RMB800 million as at 31 December 2023 and generated approximately RMB480 million operating cash flow in the financial year ended 31 December 2023. Since Changchun Urban Development undertakes the investment and management of major projects in Changchun city and the Borrower, being Changchun Urban Development's wholly-owned subsidiary, undertakes the urban construction and operation management of Changchun Urban Development's municipal engineering projects, it is expected that the Borrower will have a stable cash flow and considerable profit generating ability.

Having taking into consideration the creditworthiness of the Borrower, the available cash balances of the Group, the Group's working capital requirements, the deposit interest rate offered by other banks (i.e. approximately 1.05% to 1.15% per annum) and the possible interest income generated to the Company (i.e. 4.5% per annum), the Company considered it in the interests of the Company and the Shareholders as a whole to enter into the Loan Agreement.

The terms of the Loan Agreement (including the interest rate) are negotiated on an arm's length basis between the Company and the Borrower having taken into account the prevailing market interest rates and practices.

The Company will finance the Loan under the Loan Agreement with its existing internal resources.

Based on the above, the Directors consider that the terms of the Loan Agreement are fair and reasonable, and the provision of the Loan is in the interests of the Company and the Shareholders as a whole.

IV. LISTING RULES IMPLICATIONS

As more than one applicable percentage ratios as calculated under Rule 14.07 of the Listing Rules in respect of the provision of the Loan exceed 5% but all of them are less than 25%, the provision of the Loan constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements thereunder.

V. DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“Board”	the board of Directors
“Borrower”	Changchun Urban Pipeline Construction Investment (Group) Co., Ltd.* (長春城市管線建設投資(集團)有限公司), a company established in the PRC
“Changchun Urban Development”	Changchun Urban Development Investment Holding (Group) Co., Ltd.* (長春市城市發展投資控股(集團)有限公司)
“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 Stock Exchange
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“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\$ on the Main Board of the Stock Exchange

“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
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	the loan in the amount of RMB138 million to be provided by the Company to the Borrower
“Loan Agreement”	the loan agreement dated 11 December 2024 and entered into between the Company and the Borrower in respect of the Loan
“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
“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
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed thereto under the Listing Rules
“%”	per cent.

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

Jilin, the PRC, 11 December 2024

As at the date of this announcement, the non-executive Director is Mr. Song Chi (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. Fu Yachen, Mr. Poon Pok Man and Ms. Zhang Yan.

* For identification purpose only